NICTUS LIMITED

Integrated annual report for the year ended 31 March 2025

ENTER

ABOUT THIS REPORT

The 2025 integrated annual report builds on the disclosures contained in last year's integrated annual report and has been prepared in line with best practice based on the principles of the King IV Report on Corporate Governance for South Africa, 2016™ (King IV®), the provisions of the Companies Act of South Africa, 71 of 2008 (Companies Act of South Africa) and the JSE Limited (JSE) Listings Requirements. Audited financial statements are published as part of the integrated annual report. The audited financial statements are also available to shareholders on the group website at **www.nictuslimited.co.za** and on request from the company secretary at **groupsec@nictus.co.za.**

Scope and boundary of the report

This report covers the activities and performance of the Nictus Group (the group) which includes Nictus Limited (Nictus or the company), the holding company of the group, and all its subsidiaries, for the year ended 31 March 2025. The companies operate in South Africa.

There have been no changes in the scope and boundary of the report from last year. The reporting complies with IFRS® Accounting Standards (IFRS), the Companies Act of South Africa and the JSE Listings Requirements. While management has also considered the reporting guidelines of the Integrated Reporting Committee of South Africa, not all of these guidelines have been incorporated in this report.

Approval of the integrated annual report

The audit and risk committee oversees the preparation of the integrated annual report. The committee recommended the report for approval to the group's board of directors (the board).

Forward-looking statements

The integrated annual report includes forward-looking statements relating to the financial position and results of the group's operations. These statements, by their nature, involve uncertainty as they relate to events, and depend on circumstances, that may or may not occur in the future.

Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global and national economic conditions, the cyclical nature of the retail sector, changes in interest rates, credit and the associated risk of lending, collections, inventory levels, gross and operating margins, capital management, the execution of the business model and competitive and regulatory factors. The group undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or otherwise. The forward-looking statements have not been reviewed or reported on by the group's auditor.

Independent assurance

The audit of the annual financial statements has been provided by the external auditor, PricewaterhouseCoopers Inc.

Feedback

The group aims to establish and maintain constructive and informed relationships with all of its stakeholders.

Stakeholders are encouraged to provide feedback on the integrated annual report at groupsec@nictus.co.za which will enable the group to gauge the adequacy and standard of its integrated reporting.

We have removed all signatures from this document to protect the security and privacy of all our signatories.

CONTENTS

GROUP PROFIT FOR THE YEAR

increased by

85,12% to R20,3 million

(2024: R10,9 million)

DIVIDENDS DECLARED

increased by

100,00% to 12,00 cents per share

(2024: 6,00 cents per share)

GROUP TOTAL ASSETS

increased by

34,28% to R834,8 million

(2024: R621,7 million)

ABOUT NICTUS

Nictus is an investment holding company, which owns a non-life insurer through the Corporate Guarantee brand as well as retailer of household furniture, electrical appliances and home electronics sold through the Nictus brand. Nictus' ideal future is to become a sought-after wealth creator for all stakeholders involved and has set its strategies and action plans accordingly.

Vision

Nictus is an independent, diversified investment group that creates above-average value for shareholders and other stakeholders, through sustainable growth.

Philosophy

Nictus has been successful in change initiatives. The challenge remains to reach a top level of EXCELLENCE throughout the organisation. The philosophy and core focus will be to drive EXCELLENCE in every aspect of the organisation and, through this, establish Nictus as a leading entity wherever we are present.

Core values

- Individual and collective ownership
- Teamwork
- Respect
- Adaptability
- Integrity
- Transparency
- Fanatical discipline
- Eagerness to learn

Mission

With a culture of EXCELLENCE and through visionary and dynamic leadership, we will achieve our vision through:

- Protecting our independence
- Expanding our business base in Southern Africa
- Growing a satisfied customer base
- Optimising all resources
- Being innovative and technology-driven
- Being the preferred employer

"We are what we repeatedly do. Excellence then, is not an act but a habit."

Aristotle (384 BC – 322 BC)

Code of conduct

I will:

Treat others as I want to be treated by them, the golden rule.

Always **strive** to do what is **best for my group**, my country and my planet.

Abide by the values, policies and procedures of the group, the laws of my country and the universal human principles of all that is good and just.

Be honest, reliable, fair and open in everything I say, write and do and accept responsibility for the consequences.

Protect the group's assets, information and reputation.

Value and respect the diversity of beliefs, cultures, convictions and habits of the people of our group and the country in which we operate.

Disclose to the group any real or perceived situations where my private interests or the interests of the members of my immediate or extended family or other persons close to me may interfere with the interests of the group.

Not give or receive gifts or benefits in contravention of the policies of the group and no gift, irrespective of the value, should influence me to change my business decision to the detriment of the group.

Seek new, better and more innovative ways to do my work and perform to the utmost of my abilities.

Not remain silent in the face of dishonesty, malice, disrespect, intolerance or injustice.

Milestones

1945
Nictus was founded

1955
The selling of new furniture under the Nictus brand name first commenced in Namibia

1969
Primary listed on the JSE in 1969, under general retailers, JSE code: NCS

1983
The first South African furniture outlet was established in Randburg

2002
Corporate Guarantee (South Africa) (RF) Limited was founded. The company has built up a client base throughout South Africa

2012
Since the 2012 unbundling of the Namibian operation, the South African group is making steady progress towards sustainable profit and growth with effective management being established in South Africa

2019
Primary listing on the JSE for 50 years

2020
Nictus is 75 years old

2025
R20 million profit achieved

Insurance segment **100%**

Corporate Guarantee (South Africa) (RF) Limited
www.corporateguarantee.co.za

The insurance segment of the group is run through Corporate Guarantee (South Africa) (RF) Limited, which brings a unique approach to non-life insurance through the alternative risk transfer model.

The head office is currently situated in Bryanston and utilises group administration staff.

Furniture retail segment **100%**

Nictus Meubels Proprietary Limited
www.nictusfurnishers.co.za

The group has two furniture retail stores in South Africa. Nictus Meubels Proprietary Limited places the customer first by continually striving towards EXCELLENCE. Helpful personnel provide service with dedication and motivation, while maintaining integrity, focus and sound values. Products are of the HIGHEST QUALITY and provide excellent value for money. Stores are situated in Louis Trichardt and Polokwane as at year end.

The furniture retail segment is primarily focused on the expanding middle to higher income market in the Living Standards Measure (LSM) 7 category and above. The group has a recurring customer base in the areas that we operate in.

Total number of employees **43**

REVENUE
R31,9 million
(2024: R14,8 million)

ASSETS
R780,4 million
(2024: R558,2 million)

REVENUE
R27,1 million
(2024: R35,2 million)

ASSETS
R22,4 million
(2024: R28,4 million)

Please refer to the website for more information at www.nictuslimited.co.za.

FOUR-YEAR REVIEW OF THE GROUP

Figures in R'000	2025	2024	2023	2022
Statements of financial position				
Assets				
Non-current assets	**40 006**	51 775	57 801	58 463
Current assets	**794 817**	569 918	428 582	300 637
Total assets	**834 823**	621 693	486 383	359 100
Equity and liabilities				
Total shareholders' equity	**134 695**	117 652	109 385	104 398
Non-current liabilities	**6 948**	7 666	9 038	11 630
Current liabilities	**693 180**	496 375	367 960	243 072
Total equity and liabilities	**834 823**	621 693	486 383	359 100
Statements of profit or loss and other comprehensive income				
Total revenue	**27 055**	35 156	37 046	37 731
Insurance revenue	**31 847**	14 728	6 547	4 939
Profit before finance expenses and taxation	**29 086**	14 952	9 047	6 025
Finance expenses	**(206)**	(474)	(730)	(869)
Profit before taxation	**28 880**	14 478	8 317	5 156
Taxation (expense)/credit	**(8 630)**	(3 539)	(1 727)	(337)
Profit after taxation	**20 250**	10 939	6 590	4 819
Attributable to:				
Owners	**20 250**	10 939	6 590	4 819
Profit after taxation	**20 250**	10 939	6 590	4 819
Other comprehensive income for the period, net of tax	**–**	–	–	–
Total comprehensive income for the year	**20 250**	10 939	6 590	4 819
Attributable to:				
Owners	**20 250**	10 939	6 590	4 819
Ordinary dividends paid	**3 207**	2 672	1 603	2 672
Number of ordinary shares issued (number of shares)	**53 443 500**	53 443 500	53 443 500	53 443 500
Weighted average number of shares	**53 443 500**	53 443 500	53 443 500	53 443 500

Figures in R'000	2025	2024	2023	2022
Key ratios				
Performance per ordinary share				
Basic earnings (cents)	**37,89**	20,47	12,33	9,02
Headline earnings (cents)	**37,66**	20,46	12,22	8,80
Dividends paid (cents)	**6,00**	5,00	3,00	5,00
Net worth (cents)	**252,03**	220,14	204,67	195,34
Profitability and asset management				
Net operating income# to turnover (%)	**107,51**	42,53	24,42	15,97
Return on assets managed (%)	**21,79**	12,27	7,72	5,22
Net asset turn (times)	**0,20**	0,29	0,32	0,33
Return on shareholders' equity (%)	**15,03**	9,30	6,02	4,62
Liquidity				
Dividend cover (times)	**6,31**	4,09	4,11	1,80
Liability ratio	**4,94**	4,06	3,29	2,28
Current ratio	**1,15**	1,15	1,16	1,24
JSE performance				
Market price (cents) High	**200**	98	83	100
Market price (cents) Low	**50**	39	43	60
Market price at year end (cents)	**151**	65	79	83
Price earnings ratio	**3,98**	3,18	6,41	9,20
Earnings yield (%)	**25,09**	31,49	15,61	10,86
Volume of shares traded to weighted number of issued shares (%)	**1,17**	1,19	2,68	1,66
Market capitalisation (R'000)	**80 700**	34 738	42 220	44 358

Amounts stated before taking finance expenses into account.

HIGH-LEVEL RISKS OF THE GROUP

Group | Insurance segment | Furniture retail segment

Economic and political outlook risk

Uncertain economic and political conditions may impact consumer confidence	
Impact Weak economic conditions resulting in decreased profitability or losses suffered by customers and clients, which could negatively affect our ability to achieve our profit targets.	**Mitigation** Changes in the current economic and political environments are consistently monitored at group level. In instances where changes in the economic environment are identified that could negatively impact the group, these are discussed, assessed and, if required, countermeasures are implemented immediately to mitigate potential losses.

Brand and reputational risk

Reputational risk	
Impact Should customers and stakeholders no longer trust the brands within the group, sales could deteriorate and shareholder value would be impaired.	**Mitigation** Managing executives and the board are responsible for good corporate governance, sound business practices and compliance with laws and regulations. Client and stakeholder relationships further play a vital role in mitigating the risk.

Market risk

Exposure of investments to market risk	
Impact Fluctuations and movements of investment balances could negatively impact profitability.	**Mitigation** Senior management, together with the group's executive committee, evaluate and manage market risk as well as the mitigating factors with regard to these risks. Sound relationships exist with investment institutions and regular updates on market risk are received and evaluated. The size of the investment portfolio exposed to market risk is actively discussed and adjusted according to the risk appetite of the company as well as current and anticipated market conditions. Exposure limits are carefully considered to minimise the effect of sudden fluctuations in the market when investments are made. Furthermore, investments are made with the intention to obtain maximum return with minimal to no loss in the initial capital invested.

Concentration risk

The risk of losses arising from concentrated exposure to a particular group of customers (e.g. geographical location)	
Impact The occurrence of an isolated or specific event could result in a disproportionate, negative impact on profitability.	**Mitigation** Customer relationships are managed on an ongoing basis to enable the company to proactively manage identified risk areas and to avert losses. Appropriate thresholds, actuarial modelling and risk appetite are defined and monitored at board level to address concentration risk. Our marketing strategy is aimed at increasing exposure in other geographical areas.
Weakness in or failure of our internal control systems	
Impact Any weakness in or failure of internal control systems will negatively affect our ability to effectively manage our business, control inventory and contain costs. This would result in losses for the group.	**Mitigation** A strong focus is placed on the maintenance of internal control systems throughout the group. A strict credit granting policy is in place for all customers before credit sales are approved. Highly skilled employees with a high level of integrity are employed in key positions. Internal audit further provides feedback on internal controls of the group.
Inadequate control of group assets	
Impact Inadequate control of group assets could result in financial losses to the business.	**Mitigation** The group's executive committee oversees investments within the group structure. The focus of this committee is to optimise returns within the parameters of the various laws and regulations applicable to the group and its subsidiaries.
Supplier relationships	
Impact Deterioration of supplier relationships could result in a decrease in profits due to non-availability of inventory and assistance to enhance customer service.	**Mitigation** Open communication channels exist with all suppliers to ensure that good relationships are maintained at all times. Agreed trade terms are in place and these terms are respected at all times.
Client relationships	
Impact Deterioration of client relationships could result in failure to meet sales and insurance premium targets.	**Mitigation** Clients are treated with respect at all times. Furniture customers can contact the various branch managers to discuss problems that may arise. Credit agreements with clients further ensure compliance with our terms and conditions of sales. Such terms and conditions are explained to the client in detail prior to the conclusion of the sale. Relationships with insurance clients, once established, are managed on an ongoing basis.

HIGH-LEVEL RISKS OF THE GROUP continued

Group | Insurance segment | Furniture retail segment

Concentration risk continued

Compliance with various laws and regulations	
Impact Non-compliance with various laws and regulations could result in penalties being incurred as well as reputational damage.	**Mitigation** Qualified people are employed within the group to monitor changes in laws and regulations as well as compliance therewith. The possible impact that changing laws and regulations may have on the group is discussed at group and subsidiary level. Compliance with the various laws and regulations is non-negotiable.

Information technology (IT) failure and data security	
Impact Business interruption, data losses and breaches of client confidentiality could result in reputational damage, financial losses and non-compliance with laws and regulations.	**Mitigation** Senior management has always adopted a proactive approach to managing the IT environment by outsourcing key functions to reputable third parties and maintaining sound business relationships with key software licensors.

Credit risk

Credit risk on counterparties	
Impact Default from a counterparty being an investment house or bank could result in financial losses to the group.	**Mitigation** Senior management, together with the executive committee, evaluate the credit risk of all counterparties and monitor exposure to institutions and industries.

Bad debts	
Impact Losses incurred through non-performance of debtors due to economic conditions.	**Mitigation** Strict controls are in place for the credit granting process and the follow-up and collection of debt is a continuous process with additional focus by branch personnel and management. Authorisation levels are in place as well as repossession procedures.

LEADERSHIP

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND COMPANY SECRETARY

Professor Johan Willemse (70)
Independent non-executive chairperson

Professor Barend J Willemse (Johan) obtained his MCom (Economics) from the University of the Free State (UFS) and his PhD (Agricultural Economics) from the University of Pretoria, for which he received the Protein Research Trust award for the best PhD. A Cochrane bursary to study at the Illinois University (USA) was awarded to him in 2003.

He has received various awards for his work, which included two awards as the agricultural writer of the year, the Absa/Sake economist of the year, the Animal Feed Manufacturers Association person of the year, the agriculturalist of the year by the central region of the Agricultural Writers Association and was nominated as Bloemfonteiner of the year in 2009.

His experience includes: member of the National Agricultural Marketing Council, trustee of the Oilseeds and Protein Research Trust, chief economist of Agri SA and member of the SA Maize Board's management team as well as entrepreneur, together with his wife Marlene and two daughters, in various businesses, including agri-business consulting, feed manufacturing and tourism. He was a full professor at the Department of Agricultural Economics and chairperson for five years at the UFS. He served on the Absa Group and Absa Bank boards for more than five years as an independent non-executive director and for three years as a board member of Absa Financial Services Limited (serving on various committees).

Committees: Remuneration and nomination, audit and risk, executive committee *(chairperson)*

Gerard Tromp (44)
Executive group managing director and executive management

Gerard R de V Tromp has a BCom Marketing degree, is a chartered accountant (South Africa and Namibia) and completed his accounting articles in 2008. After the completion of his articles, he joined the group in 2009 as the group company secretary, which role he fulfilled until 2012. During 2012, he was appointed as the managing director of the furniture retail segment. During 2014, he was appointed as deputy managing director of the group. On 18 April 2016, he was appointed as managing director of the group.

Committees: Social and ethics, executive committee

Eckhart Prozesky (39)
Executive group financial director and executive management

Eckhart H Prozesky is a chartered accountant (South Africa) and completed his accounting articles in 2011. After the completion of his articles, he joined the group in 2012 as the financial manager of the furniture retail segment. On 1 March 2015, he was appointed as the financial director of the group.

Committee: Executive committee

Philippus Tromp (49)
Non-executive director

Philippus J de W Tromp has a BEcon, EDP and SMP and was appointed as a non-executive director of Nictus Limited in 2012. He is currently the group managing director of Nictus Holdings Limited and has served the group for the past 18 years.

Committee: Social and ethics *(chairperson)*

Ronnie de Vrye (71)
Independent non-executive director

Cornelius J de Vrye (Ronnie) is a qualified chartered accountant (South Africa) and has more than 30 years' experience in corporate banking and financial services, 16 of which were at executive level and 15 at non-executive board level. He has also served as an independent non-executive director in the insurance and investment industry from 2009 to date.

Committees: Remuneration and nomination, audit and risk *(chairperson)*

Sarita Martin (53)
Independent non-executive director

Sarita Martin has been an independent non-executive director of various entities since 2013. She is currently the chairperson of UsPlus Limited and The Integrated Exchange (previously known as the Equities Express Securities Exchange) and is a member of the board of Reunert Limited, which is listed on the JSE. She serves as a director of JSE-listed entities, unlisted entities and previously, non-profit companies. She was previously a member of the Financial Services Board's litigation committee as well as the Institute of Directors' certification committee and has been declared a fit and proper person by the Financial Services Conduct Authority. She has chaired and been a member of remuneration committees as well as audit, risk, nominations and social and ethics committees.

Sarita is an admitted attorney who holds various qualifications including a BProc LLB and MBA (GIBS) and is an accredited mediator for South Africa and the Centre for Dispute Resolution in the United Kingdom. She holds international designations in Environmental, Social and Governance and Climate as well as coaching. She is a Fellow of the Institute of Directors South Africa as well as a certified director and an alumna of Competent Boards in Canada.

She has a strong passion for enhancing board effectiveness having worked with boards for more than 20 years. She is currently on the core faculty of the Institute of Directors South Africa NPC as a governance specialist conducting training, facilitation, board evaluations, coaching and governance advisory services. She has a broad range of skills and experience including *inter alia* directorship, company secretarial, risk, governance, legal, corporate affairs, strategy, sustainability, corporate social investment, communication, human resources, mediation and facilitation.

Sarita was a public defender and prosecutor specialising in criminal law prior to joining the corporate world. She spent much of her corporate career in financial services from 1999 to 2012.

Committees: Remuneration and nomination, audit and risk *(chairperson)*

Willem Boshoff (39)
Company secretary

Willem H Boshoff is a qualified chartered accountant (Namibia) and completed his accounting articles in 2012. He fulfils the role of nominee group secretary of Veritas Eksekuteurskamer Proprietary Limited.

CHAIRPERSON'S REPORT

Nictus Limited had an exceptional year, mainly from its insurance company, which experienced robust growth. This is a result of years of careful planning and strategy, with a strong management team in place. Unfortunately, the furniture retail segment is not doing well, with consumer disposable income continuing to deteriorate, weakening economic growth in South Africa and increasing unemployment. The collapse of infrastructure in rural towns and cities in Limpopo, where we do business, adds to a challenging retail environment.

During 2024, real interest rates increased to a decade record level, eroding consumer disposable income. Economic growth hovered above the zero-growth rate during 2024, continuing the decade of declining growth, while the official unemployment rate continues creeping higher to 32%; the unofficial rate is closer to 45%. Government social grants are now in the order of R400 billion a year for approximately 27 million recipients.

Government debt continues to increase towards 75% of gross domestic product (GDP). The International Monetary Fund (IMF) guideline for an economy with our characteristics is 45% debt to GDP. Debt servicing costs are now estimated at R1,2 billion for every day of the week. South Africa's economic policy, as managed by the African National Congress, is on an unsustainable trajectory, and even the IMF voiced its concern early in 2025. Unfortunately, the Minister of Finance publicly stated that he does not understand why he is asked to cut government spending. He opted for an increase in government spending at the end of February 2025 with the budget proposal, funded by an increase in value added tax over two years. The result was considerable political instability in the Government of National Unity, ending in a court case and presentation of the new budget on 21 May 2025 (the third attempt).

This instability overlapped with the Trump administration's tariff shocks early this year and the uncertainty surrounding the non-renewal of the African Growth and Opportunity Act. We do not foresee that this will impact our client base as it is limited to industries/regions that we do not have direct risk exposure to.

Unfortunately, the financial markets reacted severely worldwide with losses and instability, but regained some stability. This affected the insurance company with funds in prescribed assets. Fortunately, the funds are managed prudently with a low risk profile.

Given the flexibility that our insurance product offers, we recorded another record year. We believe that the foundation is strong, with good client relationships and involvement in the farming community. Concentration risk has improved significantly, with a good spread over provinces and economic sectors. Given the nature of the alternative risk transfer product and our risk assessments of clients, we do not foresee losses due to unstable weather patterns, however, traditional short-term insurance has become relatively expensive. The innovative solutions we offer reduce costs to clients, providing them with an opportunity to manage their own risk and build up funds for insurance losses that may occur, and the liquidity that the product offers against insurable losses.

We believe that a strong foundation for continuous growth is in place, with new product offerings in the financial and insurance sectors. Investment in up-to-date IT systems was also undertaken, improving efficiency and security.

The group remains well capitalised to finance growth in the insurance segment and add new products as opportunities present themselves. We continue to focus on adapting the business model and reducing costs. New opportunities and innovative services are continuously evaluated, while we continue to grow the business, especially in the insurance segment. We are confident in meeting our clients' needs and improving our service offering, while managing our risk conservatively.

We maintain good relationships with the regulators and are satisfied that we remain well within the legal and regulatory requirements, with suitable skills at management and board level. Unfortunately, regulatory requirements require much attention as we take compliance seriously and transparently.

The board and management remain focused on growing the business further, while doing business ethically, within the laws of the country, and fulfilling our fiduciary duties to our shareholders.

We are well aware of the risks of doing business in a deteriorating macro environment and prefer to grow the business sustainably, serve our customers' needs exceptionally, on an individual basis, and maintain trust.

I would like to take this opportunity to thank the board for their dedication and support in safeguarding our shareholders' interests and encouraging robust discussions on strategy. My sincere thanks to the managing director, financial director, company secretary and the team for their dedication and enthusiasm in implementing the company strategy and ensuring that the business keeps growing sustainably.

Professor Barend J Willemse
Chairperson

19 June 2025

GROUP MANAGING DIRECTOR'S REPORT

The Nictus Group has been blessed over the past five years with exceptional growth year on year. One of the biggest contributors to our success is the continuity and development of excellent employees who are highly skilled, committed, talented and act with the highest level of integrity. Experiencing and promoting the learning curve and giving our employees ownership and responsibility are key to how they excel and live each day to their fullest potential.

Global and local economic activity, as well as radical policy implementation, is becoming the norm rather than the exception. Although we have no control or influence over these situations, we are learning and adapting to them at ground level. We South Africans are building resilience day by day.

The insurance segment experienced a superb year with longer-term strategies bearing fruit and successfully starting to produce the desired outcome. Geographical diversification is expanding satisfactorily, and a lot of hard work, time and effort have been put into gaining client confidence and building relationships with current and prospective clients. Global, economic, political and climate risks are real, and mitigating these risks in the current times is not only a challenge but is also becoming an opportunity to utilise our product to its full potential. I am thankful for the sound and loyal client base we are building and growing for greater independence and sustainability.

Investments within the insurance segment and the group performed excellently, especially in the first half of the financial year. Both investment values and managing these investments are becoming a significant agenda point, and much thought, discussion, time, effort and consultation with professionals are spent in achieving desired outcomes within the appropriate risk appetite.

The furniture retail segment remains under pressure. Among the factors that influence sales are a lack of municipal infrastructure and the deterioration thereof, and consumer spending is increasingly under pressure due to the general cost of living. As a result, profit margins are decreasing, and effective stock and debtors' management is crucial. Supplier relationships are well managed and maintained, which remains a key success factor in times like these.

My sincere gratitude to all our stakeholders, regulators and advisors for the combined effort in doing business transparently and with integrity, not only to enhance the Nictus Group, but also to benefit greater South Africa in building a unified and sound environment to conduct business in.

Thank you to my fellow board members, management and our employees for buying into our dream, strategies and future and for their leadership, guidance, support and commitment.

All of this would not be possible without the grace and guidance of our God Almighty, to whom I give all glory and thanks for protecting our group and all its people.

Gerard R de V Tromp
Executive group managing director

19 June 2025

OPERATIONAL REVIEW

Nictus puts the customer first by continuously striving towards service excellence with dedicated, helpful, focused and motivated staff and by maintaining our high-value system, integrity and discipline. Quality and value products are sold at the best yield possible in the South African furniture retail industry using advanced technologies.

Corporate Guarantee (South Africa) (RF) Limited

Corporate Guarantee (South Africa) (RF) Limited is an insurance company which specialises in converting risk into sustainable wealth. We offer innovative risk management products as an alternative to conventional insurance products. Given our understanding of the financial needs of our clients and given that the role of risk for each of our clients is different, we focus on structuring unique solutions to the needs of each of our clients.

We have a philosophy of building strong and lasting relationships and that is why we view our customers and stakeholders as valuable partners in creating alternative insurance solutions.

Our product

Our product is based on the principle of alternative risk transfer. We enable our clients to acquire a contingency policy as a method of protection against risks. This policy enables policyholders to manage their own risks sustainably and encourages them to operate with financial independence.

The aim of the product is to build up a contingency policy to such a level that the owner becomes less dependent on costly conventional insurance in relation to risk.

Advantages of the product

- The contingency policy enables the policyholder to retain more risk for his or her own account and can be used in combination with conventional insurance as part of a total insurance programme;
- Risks that are normally excluded under conventional insurance can be covered under the policy;
- The insured is rewarded for good risk management;
- The product reduces the need for the purchase of conventional insurance to catastrophe-type cover; and
- The product encourages better risk management which will directly result in a reduction of conventional insurance cost. It also enhances cash flow and financial stability.

Future strategy

Increasing investment return automatically increases profit within the segment as well as the group. The executive committee assists with the management of investments within the group, especially the insurance segment. An investment mandate is in place within the segment providing management with specific guidelines for investing in financial assets. Service to our clients and focusing on relationships are the cornerstones of our success.

Nictus Meubels Proprietary Limited

Nictus Meubels Proprietary Limited is a furniture retail company operating in South Africa. We set the boundaries for destination home furnishing within a selected footprint, delighting customers through quality, value, variety and service.

Nictus has established itself as a household name for more than seven decades and is widely acknowledged for its quality, value, variety and service. The most important benefit for our customers is the fact that they can purchase quality products at affordable prices, thereby receiving excellent value for their money. Management views credit granting solely as a marketing tool.

Product mix, variety and exclusivity play a significant role in the success of the business. Branch managers are involved in merchandising to maintain the optimal mix within the areas in which we operate.

Products

Nictus stocks a wide variety of well-known local and international brands in the furniture trade.

Future strategy

Product innovation, exclusivity and throughput through current branches will be increased for all branches to operate at optimum levels. Nictus Emporium, our specialist bedding and lounge suite shop, is selling high-quality brands which are exceptionally well presented to deliver an excellent shopping experience.

GOVERNANCE

CORPORATE GOVERNANCE REPORT

The group endorses King IV® and strives towards compliance therewith as further set out herein.

Approach to governance

Governance philosophy

Nictus is committed to sound corporate governance, guided by the principles of King IV®. These principles are applied in conjunction with IFRS Accounting Standards and within the broader context of integrated thinking and reporting.

The company recognises that effective governance is essential to sustainable value creation and conducts its affairs in a manner that upholds the letter and spirit of applicable laws, including the Companies Act of South Africa and the JSE Listings Requirements. The group's application of the King IV® principles is outlined in the table that follows.

Responsibility and ethical conduct

The board accepts its fiduciary duties and strives to discharge them with care, skill and diligence. Transparency, fairness, prudence, accountability and integrity form the cornerstone of the group's governance culture and decision-making approach.

Legal compliance

Nictus complies with all applicable legislation governing its operations, including the Companies Act of South Africa and the provisions of its Memorandum of Incorporation. Compliance is regarded as a baseline for governance, with ethical leadership and stakeholder inclusivity enhancing its effectiveness.

Governance outcome one: Ethical culture

Principle 1	Nictus application
Leadership "The governing body should lead ethically and effectively"	**Application of ethical leadership** The board embraces Nictus' ideal future, mission and core values, and leads by example through adherence to its established code of conduct. Ethical leadership is foundational to the group's governance approach, guiding actions and decisions toward sustainable economic, social and environmental performance. **Promoting ethical conduct** Our commitment to ethical conduct is reinforced by the composition of the board, which reflects a balanced mix of independent non-executive directors. This diversity of perspective enables a holistic approach to governance and supports the responsible achievement of the group's strategic objectives. During the year under review, no material breaches of the code of conduct were reported to the board. **Accountability and evaluation** The board diligently fulfils its fiduciary responsibilities, with roles and duties clearly set out in the board charter. Accountability is maintained through periodic peer evaluations, where each member is assessed on their contribution to ethical and effective leadership.

Governance outcome one: Ethical culture continued

Principle 2	Nictus application
Organisational ethics "The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture"	**Promoting organisational ethics** The board, in collaboration with management and the social and ethics committee, mandates that all employees endorse the board-approved code of conduct, which serves as the cornerstone of ethical practice within the group. This initiative fosters awareness of the group's ethical standards and compliance expectations. **Leading by example** The board demonstrates its commitment to ethical behaviour by adhering to the code of conduct in its own practices. The Nictus code of conduct is disclosed in this integrated annual report and is also publicly available on the group's website to promote transparency and accountability. **Engagement and stakeholder interaction** The social and ethics committee engages with stakeholders, either directly or through delegated management channels, to assess and uphold the organisation's ethical standards. This engagement helps the board remain attuned to the ethical climate across the group. **Nurturing an ethical culture** The board believes that fostering a strong ethical culture is essential to building enduring stakeholder relationships and cultivating an internal talent pipeline. This supports long-term growth, sustainability and effective succession planning within the group.

Principle 3	Nictus application
Responsible corporate citizenship "The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen"	**Promoting responsible corporate citizenship** The board acknowledges the Constitution of South Africa as the supreme law, along with other applicable legislation, regulations and the group's internal policies and procedures. In its decision-making, the board actively considers how these frameworks apply to the group's operations, with the objective of ensuring that Nictus acts, and is perceived to act, as a responsible corporate citizen. **Collaborative governance oversight** The board, with support from its committees, executive management, the company secretary (outsourced to Veritas Eksekuteurskamer Proprietary Limited), regulators and professional advisors, exercises comprehensive oversight over the group's corporate governance. This collaborative approach enables the board to draw on diverse insights across the governance landscape and to take informed responsibility for ensuring good corporate citizenship.

CORPORATE GOVERNANCE REPORT continued

Governance outcome two: Performance and value creation

Principle 4	Nictus application
Strategy and performance "The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process"	**Integrating strategy and performance for value creation** The group's integrated business plan, developed by the managing director and approved by the board, is underpinned by ethical leadership and embeds strategy, risk, opportunities, performance and sustainability as interdependent drivers of long-term value creation. **Holistic examination and monitoring** Throughout the year, the board and management undertake comprehensive reviews of strategy, risks, opportunities, performance and sustainability. These include ongoing assessments of viability, capital adequacy, solvency, liquidity and the group's going concern status. This integrated monitoring enables responsive strategic adjustments, designed to seize opportunities, mitigate risks and deliver sustainable value to both shareholders and broader stakeholders.

Principle 5	Nictus application
Reporting "The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments regarding the organisation's performance and its short-, medium- and long-term prospects"	**Enhancing reporting for informed assessments** The board, through its oversight of the audit and risk committee and in collaboration with executive management, has implemented robust controls and processes to support credible and balanced reporting. These include consultation with external professional service providers to ensure the independent collection, review and presentation of financial and sustainability-related information. The board ensures that the integrity of the integrated annual report is upheld and that disclosures meet the expectations of King IV® and the JSE Listings Requirements. **Approval and communication protocols** The board retains responsibility for approving interim reporting and other public disclosures, with all Stock Exchange News Services (SENS) announcements subject to final approval by the chairperson of the board. **Commitment to stakeholder communication** Nictus remains committed to transparent, accessible and effective communication with all stakeholder groups. This is achieved through a combination of formal and informal channels, including the group's website, enabling informed engagement and long-term stakeholder alignment.

Governance outcome three: Adequate and effective control

Principle 6	Nictus application
Primary roles and responsibilities of the governing body "The governing body should serve as the focal point and custodian of corporate governance in the organisation"	**Fulfilling governance responsibilities** The board recognises its pivotal role in steering the organisation and remains committed to guiding and approving its strategic direction in alignment with sound corporate governance principles. **Committee oversight** To assist in fulfilling its responsibilities effectively, the board has established several committees, each operating under formalised terms of reference. These charters are reviewed regularly and amended as needed, subject to board approval. The board ensures that each committee is appropriately constituted with the necessary knowledge, skills, experience and capacity to discharge its mandate. **Transparent governance structure** The board charter sets out the composition, responsibilities and attendance requirements of both the board and its committees, thereby supporting transparency and accountability. This information is summarised in the table presented on page 27 of this integrated annual report. **Balanced decision-making** The board believes it has fulfilled its obligations as outlined in the board charter. A clear separation of responsibilities ensures that no single director exercises unfettered decision-making power. Decisions are taken collectively and by consensus, reflecting a balanced and collaborative governance approach.

Governance outcome three: Adequate and effective control continued

Principle 7	Nictus application
Composition of the governing body "The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively and effectively"	**Ensuring board composition for effective governance** The appointment of directors is rigorously overseen by the remuneration and nomination committee to ensure transparency and accountability in the process. **Commitment to diversity and competence** Nictus is committed to appointing directors with the appropriate qualifications, expertise and experience to discharge their governance duties effectively. The board recognises the importance of attracting members with a diverse range of skills, field of knowledge, experience, age and independence, and gives due consideration to gender, cultural and racial diversity. This commitment is formalised in the board diversity policy, which underpins the group's broader transformation and inclusion objectives. No voluntary targets have been set for appointments to the board in respect of these diversity indicators. **Independence and representation** The board and its committees are appropriately represented by independent non-executive directors and are chaired independently, except for the social and ethics committee, which is chaired by a non-executive director. The board acknowledges that while tenure is an important consideration, it is not the sole determinant of independence. Continued tenure is seen as contributing to board stability and deep institutional knowledge of the group and its operating environment. **Current board composition and independence assessment** As at year end, the board comprised two executive directors, three independent non-executive directors and one non-executive director. During the financial year under review, one independent non-executive director—Professor Barend J Willemse—had served on the board for longer than nine years (since 2010). His status as independent was reassessed and confirmed. The board evaluates independence from the perspective of a reasonable and informed third party, having regard to the Companies Act of South Africa and King IV® guidance, which affirms that tenure alone does not negate independence. **Continuous independence evaluation** Annual evaluations are conducted for directors who have served beyond nine years, to ensure they continue to demonstrate independence of character and judgement. These assessments consider prevailing circumstances, potential conflicts of interest and all relevant factors to preserve objectivity and promote effective challenge at board level.

CORPORATE GOVERNANCE REPORT continued

Governance outcome three: Adequate and effective control continued

Principle 8	Nictus application
Committees of the governing body "The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties"	**Promoting effective delegation and independent judgement** Well-structured board committees play a vital role in supporting the board's governance oversight. These committees are appropriately constituted with members of the board, facilitating independent judgement and helping to maintain a balance of power and authority. **Governance oversight** Each board committee operates in terms of formally approved terms of reference, which are reviewed annually to ensure alignment with evolving governance best practices. These documents clearly define the committees' authority, responsibilities and deliverables, promoting transparency and accountability. **Committee composition and selection** The board has established various committees, including the audit and risk committee, the remuneration and nomination committee, the social and ethics committee and the executive committee. Committee members are appointed based on their qualifications, experience and the prescribed requirements for each committee. The board chairperson also serves as a member of the audit and risk committee. While King IV® generally recommends that the chair not serve on this committee, the board believes that this arrangement is appropriate given the size and composition of the board and that it does not compromise independence, concentration of power or effective governance. **Transparent governance framework** A comprehensive overview of the composition and roles of each board committee is provided on page 27 of this integrated annual report, enabling stakeholders to understand the structure, accountability and effectiveness of the board's delegated governance arrangements.

Principle 9	Nictus application
Evaluation of the performance of the governing body "The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members supports continued improvement in its performance and effectiveness"	**Facilitating continuous improvement in governance** The board is committed to enhancing its performance and effectiveness through regular evaluations of the board as a whole, its committees, the chairperson and individual directors. These assessments are conducted annually through an internal self-evaluation process. The board remains open to the possibility of appointing external facilitators to conduct these evaluations when deemed appropriate. **Methodology and focus areas** A methodology developed by Ram Charan is applied to identify trends and patterns that may point to areas for improvement, thereby supporting the board's ongoing development and relevance. Focus areas include board dynamics, the effectiveness of information flows and prioritisation of material matters. **Outcome of evaluations** While areas for improvement were noted, the board concluded during its most recent annual assessment that it remains sufficiently progressive and effective in providing strategic guidance to management and fulfilling its oversight responsibilities.

Governance outcome three: Adequate and effective control continued

Principle 10	Nictus application
Appointment and delegation to management "The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities"	**Ensuring clarity in the appointment and delegation to management** The board is responsible for the appointment of a competent and experienced managing director, who is entrusted with the implementation and execution of approved strategies, policies and operational plans. The managing director is accountable to the board and provides regular reporting on performance and execution. Succession planning for this key executive role is an ongoing consideration, facilitated through the remuneration and nomination committee. **Effective delegation framework** The board is satisfied that its delegation of authority framework contributes meaningfully to role clarity, accountability and the effective exercise of authority across all levels of the organisation. **Appointment of the company secretary** The board has considered and satisfied itself as to the competence, qualifications and experience of Veritas Eksekuteurskamer Proprietary Limited, which serves as the company secretary to the group. The board approves the service contract and remuneration of the company secretary and evaluates its performance annually against agreed deliverables. The relationship is governed by a written agreement to ensure transparency and accountability. The company secretary has unfettered access to the board and reports directly to the chairperson on all statutory matters. Administrative and operational reporting flows through executive management, supporting efficient coordination and communication between governance and operations.

Principle 11	Nictus application
Risk governance "The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives"	**Governance of risk to support strategic objectives** Nictus applies a robust risk methodology that integrates risk identification, assessment and response into the group's strategic objectives. This approach ensures that appropriate risk mitigation strategies are implemented and aligned with long-term value creation. **Monitoring and oversight** Risk monitoring is performed through both daily operational activities and periodic assessments across all levels of the organisation. Executive management and the audit and risk committee play key roles in overseeing the risk management process and ensuring that risk responses remain aligned with strategic priorities. **Determining risk tolerance** The board periodically reviews the group's risk profile and formally evaluates its risk tolerance and appetite. These assessments guide management in pursuing risk-informed opportunities within defined parameters and support disciplined decision-making in pursuit of the group's objectives. **Oversight and reporting** The audit and risk committee provides formal oversight of the group's risk management practices and submits its findings and recommendations to the board at least annually. A summary of material risks facing the group, together with mitigation efforts, is included in this integrated annual report to provide stakeholders with visibility into the group's risk landscape and governance response.

CORPORATE GOVERNANCE REPORT continued

Governance outcome three: Adequate and effective control continued

Principle 12	Nictus application
Technology and information governance "The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives"	**Promoting effective technology and information governance** Nictus fosters a culture of ethical IT governance and promotes a shared understanding of technology and information management across the organisation. Technology and information initiatives are strategically aligned with the group's performance and sustainability objectives, with a focus on safeguarding information assets, enhancing operational efficiency and supporting long-term value creation. **Delegation and oversight** The board has delegated responsibility for implementing and maintaining an appropriate IT governance framework to management. The audit and risk committee receives and reviews independent assurance on the effectiveness of the group's technology and information governance annually, including the adequacy of outsourcing arrangements and associated risk controls. **Expert consultation and strategic alignment** The group makes use of outsourced IT consultants to provide expert advice on appropriate technology solutions. Recommendations from executive management are submitted to the board for review and approval, ensuring strategic alignment and prudent oversight. **Continuous improvement and compliance** Nictus maintains a continuous focus on improving the functionality and resilience of its systems. Key objectives include enhancing reporting capabilities, streamlining operational processes, supporting informed decision-making and ensuring compliance with relevant legal and regulatory requirements.

Principle 13	Nictus application
Compliance governance "The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen"	**Promoting compliance governance** Nictus promotes a strong culture of compliance through a structured legal compliance programme. This programme is designed to identify, monitor and facilitate adherence to applicable laws, regulations and relevant codes, and supports the group's ethical culture and citizenship responsibilities. **Integration with ethical standards** Compliance is embedded within Nictus' board-approved code of conduct, reinforcing alignment with the group's values and commitment to responsible and ethical business practices. **Board oversight and legal briefings** The board and the audit and risk committee receive regular briefings from the company secretary, external professional advisors and the company's JSE sponsor regarding new and emerging laws, regulations and best practice developments. This ensures that the group's governance and compliance processes remain responsive and current. **Compliance functions and external support** The company secretary acts as the legal compliance officer, overseeing compliance implementation and reporting within the group. In certain areas, such as the insurance segment, specialist compliance responsibilities are outsourced to qualified third-party service providers to enhance coverage and expertise. **Focus on regulatory systems and data management** During the reporting period, the group prioritised improvements to its data management and customer relationship systems to meet both regulatory expectations and internal management requirements. Nictus remains vigilant in adapting to changes in the legal and regulatory environment and is committed to timely compliance with all applicable obligations.

Governance outcome three: Adequate and effective control continued

Principle 14	Nictus application
Remuneration governance "The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term"	**Promoting fair and transparent remuneration governance** Nictus is committed to fair, responsible and transparent remuneration practices that support the achievement of its strategic objectives and promote sustainable value creation across the short, medium and long term. **Responsibility and oversight** The remuneration and nomination committee is responsible for developing and recommending fair and equitable remuneration policies to the board. These policies are designed to align individual performance and behaviour with the group's broader strategic direction. **Alignment with King IV® and evolving regulatory requirements** Nictus' remuneration policy is informed by the recommended practices of King IV® and complies with applicable statutory requirements, including the Companies Act of South Africa. In accordance with recent legislative changes, the implementation report is presented annually and the remuneration policy at least every three years, each for approval by a binding vote of shareholders. **Core principles of the remuneration policy** The group's remuneration policy is underpinned by the following principles: • Attracting and retaining motivated, loyal and high-performing employees; • Aligning employee rewards with the vision and strategic objectives of the group; • Benchmarking and annual review to ensure competitiveness and relevance; and • Encouraging performance-based outcomes that drive long-term success. **Transparency and stakeholder engagement** Full disclosure of the remuneration policy and implementation outcomes is provided on pages 28 to 31 of this integrated annual report. These disclosures are intended to provide stakeholders with meaningful insight into the group's approach to remuneration governance and how it supports execution of the group's strategy.

Principle 15	Nictus application
Assurance "The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports"	**Ensuring an effective control environment and information integrity** Nictus has adopted a combined assurance model that promotes coordination among assurance providers across the organisation. This model is designed to address key risks facing the group and to enhance the reliability of information used for internal decision-making and external reporting. Oversight of the model is provided by the audit and risk committee to ensure alignment with the group's strategic objectives and operational requirements. **Comprehensive assurance framework** The combined assurance model integrates the efforts of internal audit, risk management, compliance and external audit, promoting a systematic and collaborative approach to assurance. This framework ensures adequate and appropriate coverage of material risks and governance areas and contributes to maintaining a sound control environment. **Risk-based internal audit function** The internal audit function operates independently and in accordance with a board- and committee-approved internal audit charter. The function follows a risk-based audit plan focused on evaluating governance structures, risk management processes and the effectiveness of internal controls. **Focus areas and assurance contribution** Internal audit plays a key role in identifying and reporting on control deficiencies, fraud, corruption, unethical conduct and other irregularities. Through its risk-based approach, the internal audit function acts as an early warning mechanism and contributes meaningfully to preserving the integrity of the organisation's reporting and control environment.

CORPORATE GOVERNANCE REPORT continued

Governance outcome four: Trust, good reputation and legitimacy

Principle 16	Nictus application
Stakeholder engagement "In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time"	**Fostering meaningful stakeholder engagement** Nictus views stakeholder engagement as a vital component of its governance framework and long-term sustainability. Management is tasked with identifying material stakeholder groups and implementing strategies to understand, manage and respond to their legitimate needs, interests and expectations. **Engagement mechanisms and practices** The group facilitates engagement through a combination of formal and informal mechanisms. These include general meetings, direct communication channels, the company's website and *ad hoc* engagements with specific stakeholder groups. Shareholders are actively encouraged to participate in the annual general meeting, which provides an open forum for dialogue and accountability. **Balanced, inclusive decision-making** The board is committed to a stakeholder-inclusive approach that considers the interests of all relevant parties while acting in the best interests of the organisation and its shareholders over the long term. This approach supports sound, ethical and balanced decision-making. **Transparency and board accessibility** To reinforce transparent governance, both the board and the group's external auditor are available to address shareholder queries at the annual general meeting. This contributes to a culture of openness, responsiveness and accountability in the group's engagement practices.

Principle 17	Nictus application
Responsible investing "The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote good governance and the creation of value by the companies in which it invests"	**Promoting responsible investment principles** While Nictus is not an institutional investor as defined by King IV®, the group nonetheless recognises the importance of responsible investment as part of its broader governance and value creation framework. The board supports an investment approach that considers governance, sustainability and long-term value in investment decisions made by the group and its subsidiaries. **Strategic investment oversight** Executive management, led by the group managing director and supported by the group financial director, is responsible for formulating and implementing investment principles and practices aimed at achieving sound returns while aligning with responsible investment standards. This includes attention to governance quality, risk management and sustainability factors in potential investee companies. **Supporting governance and long-term value** Through its oversight of investment strategy and adherence to established investment protocols, the board ensures that investment decisions contribute to Nictus' overall commitment to sound governance and long-term sustainable value creation within its investment portfolio.

The composition of the board, its committees and attendance of meetings is summarised in the following table:

Name	Status	Board	Audit and risk committee	Remuneration and nomination committee	Social and ethics committee	Executive committee
Professor Barend J Willemse	Independent non-executive chairperson	4/4	√ 2/2	√ 2/2		√ C 0/0
Eckhart H Prozesky	Executive *(Financial director)*	4/4				√ 0/0
Gerard R de V Tromp	Executive *(Managing director)*	4/4			√ 2/2	√ 0/0
Philippus J de W Tromp	Non-executive	4/4			√ C 2/2	
Cornelius J de Vrye	Independent non-executive	4/4	√ C 2/2	√ 2/2		
Sarita Martin	Independent non-executive	4/4	√ 2/2	√ C 2/2	√ 2/2	

√ *Indicates board committee membership and "C" indicates board committee chairperson. The figures in each column indicate the number of meetings attended out of the maximum possible number of meetings for the respective director.*

Governance framework

Governance framework overview

Nictus has established a sound governance framework supported by several board committees, each mandated to assist the board in discharging its responsibilities effectively. These committees operate under formal terms of reference approved by the board and reviewed annually to ensure ongoing relevance and alignment with regulatory requirements and governance best practices.

Audit and risk committee

The audit and risk committee comprises three independent non-executive directors. It discharges its responsibilities in accordance with its board-approved terms of reference, the JSE Listings Requirements and the Companies Act of South Africa.

The committee oversees the risk management function across the group. A structured risk identification process is undertaken, with input from all subsidiaries, to assess risks that could impact the business. The committee meets at least twice per year.

Internal and external auditors attend meetings by invitation and enjoy unrestricted access to the committee and its chairperson.

Remuneration and nomination committee

This committee is composed of three independent non-executive directors. It is responsible for developing and recommending fair, responsible and transparent remuneration policies to the board.

In its nomination role, the committee oversees succession planning, evaluates board composition and performance, and recommends the appointment of new directors. It meets at least twice annually.

Social and ethics committee

The social and ethics committee consists of three members: one non-executive director (chairperson), one independent non-executive director and one executive director. It is responsible for monitoring the group's performance in relation to social and economic development, good corporate citizenship, ethics management and sustainability initiatives, including policies relating to employee well-being and transformation. The committee meets at least twice annually.

Executive committee

The executive committee operates under delegated authority from the board. It is chaired by the board chairperson and includes the group managing director and the group financial director.

Its primary responsibilities include evaluating investment opportunities and returns, as well as executing any other mandates delegated by the board. The committee meets as required and engages regularly through informal discussions as part of the group's day-to-day operations.

REMUNERATION REPORT

Remuneration packages are reviewed and benchmarked against independent comparable market data in order to recognise differentiation between high, average and underperformers. Evaluations of remuneration packages are undertaken annually.

Background statement

The composition and operation of the remuneration and nomination committee are detailed in the corporate governance report.

The remuneration and nomination committee conducts thorough analyses of various reports on remuneration trends and practices within relevant industries. This process establishes appropriate benchmarks for determining directors' remuneration, considering the group's size, nature, scale and complexity in relation to available market data. The approach remained consistent with the previous financial year, and the board believes it continues to be appropriate.

No remuneration consultants were engaged by the remuneration and nomination committee or the board during the past financial year.

At the 2024 annual general meeting, shareholders approved both the remuneration policy and the remuneration implementation report unanimously, with 100% in favour.

The remuneration and nomination committee is satisfied that the objectives of the group remuneration policy were achieved during the year under review.

The remuneration policy and related benchmarks are reviewed and reconsidered annually by the board, with assistance from the remuneration and nomination committee.

Areas of focus for the reporting period and immediate future include managing the group through ongoing challenges presented by South Africa's infrastructure issues, such as persistent energy crises, water supply disruptions and deteriorating municipal service delivery. These structural challenges continue to impact economic growth and business operations, requiring proactive management and contingency planning.

On a global scale, geopolitical tensions remain high, with strained United States of America (USA)-China relations, shifting USA foreign policy priorities, economic volatility in emerging markets and multiple regional conflicts, including ongoing instability in the Middle East and Africa. These factors, along with the continued impact of the Ukraine-Russia war, exert pressure on both domestic and global economies, necessitating vigilant management, strategic adaptability and a proactive approach to risk mitigation.

Employee retention and well-being remain paramount, with a continued focus on creating a supportive work environment and ensuring workforce health and efficiency. As part of its forward-looking strategy, Nictus continues to place significant emphasis on succession planning, identifying and developing future leaders to ensure continuity and long-term success. Nictus also continues to refine its incentive programmes, aligning them with longer-term strategic objectives to drive sustainable growth and value creation.

Overview of the remuneration policy

The group's remuneration policy incorporates the recommendations of King IV®. It aims to appeal to and retain those individuals who will support and contribute towards achieving the group's desired results and strategy.

To achieve the group's policy, philosophy and strategy, remuneration should:

- Contribute towards appealing to and retaining motivated and loyal employees;
- Reflect a direct correlation between the vision and results of the group;
- Be reviewed and benchmarked annually;
- Support the strategy of the group; and
- Reward performance and motivate employees.

Structure of executive directors' and senior management remuneration

Total cost-to-company forms the basis of the remuneration package for executive directors and senior management. Packages consist of a basic salary and a fixed bonus component. Remuneration is linked to challenging long- and short-term financial and non-financial performance targets and sustainable profits attributable to shareholders.

Short-term incentive remuneration is awarded based on performance guidelines set by the board, with incentives applicable when performance exceeds predefined expectations.

These remuneration arrangements aim to ensure that executive directors and senior management are compensated fairly and responsibly within the broader context of overall employee remuneration across the group.

Fixed bonus plan

Executive directors and senior management participate in a fixed bonus plan linked to the achievement of predetermined and agreed-upon performance targets. These targets are tailored to each director and senior management member within their respective segments, ensuring alignment with the group's overall strategic and financial objectives.

Retirement benefits

The group follows a total cost-to-company approach to remuneration and, as such, does not provide retirement benefits. Employees are encouraged to make independent provisions for their retirement, and the group offers guidance and assistance where necessary to support financial planning for the future.

Executive service contracts

Executive directors have service agreements with a 30-day notice period. The retirement age is set at 60 years, although directors may negotiate individual terms for continued service beyond this age. There are no contractual entitlements upon termination of employment, however, the group ensures full compliance with applicable labour laws and regulations.

Succession planning

The board continuously reviews succession plans across the group and remains informed of senior-level requirements. The objective is to ensure leadership continuity, foster the development of high-potential individuals and support future talent placement.

The ongoing restructuring of top management reflects the group's commitment to building a strong leadership pipeline and achieving its long-term strategic vision.

Executive management remuneration for the 2024/25 year*:

	Paid by the company			
Figures in R'000	**Basic salary**	**Bonuses**	**Leave pay upon resignation**	**Total**
2025				
Gerard R de V Tromp#	**510**	**–**	**–**	**510**
Eckhart H Prozesky	**2 200**	**810**	**–**	**3 010**
Hendrik J Pretorius$	**1 200**	**590**	**–**	**1 790**
	3 910	**1 400**	**–**	**5 310**
2024				
Gerard R de V Tromp#	480	–	–	480
Eckhart H Prozesky	2 040	620	–	2 660
Hendrik J Pretorius$	760	261	–	1 021
	3 280	881	–	4 161

** Classified as short-term employee benefits. No long-term employee benefits are payable.*

 # As disclosed in note 28 to the financial statements, a management fee of R5,5 million (2024: R4,3 million) was paid to a related party, Veritas Eksekuteurskamer Proprietary Limited, for services rendered by Gerard R de V Tromp as an executive director.

$ Hendrik J Pretorius was promoted to chief executive officer of Corporate Guarantee (South Africa) (RF) Limited, effective 1 April 2024, and is classified as a prescribed officer of the relevant company from that date. The prior year information has been added for comparative purposes.

Board evaluation process

An annual internal evaluation of the board's performance and governance structure is conducted through a participative review process. The board is deemed to be well balanced and effective, with continuous progress being made. However, the board remains committed to ongoing improvements to enhance governance and effectiveness.

Non-executive directors

Non-executive directors receive market-related fees based on their fiduciary responsibilities and participation in board and committee meetings.

There are no contractual arrangements for compensation in the event of loss of office, nor do non-executive directors receive any incentives or participate in any of the group's incentive schemes.

The annual fees payable to non-executive directors for the period between the annual general meetings to be held on 29 August 2025 and August 2026 will be subject to shareholder approval at the annual general meeting on 29 August 2025. These fees were reviewed and recommended by the remuneration and nomination committee before being approved by the board for submission to shareholders.

Remuneration implementation report

The remuneration and nomination committee recommended remuneration changes to the general staff complement, executive management and the non-executive directors. The changes were approved by the shareholders, and the implementation applied for the 2025 financial year was as follows:

General staff:	7,01%
Executive management:	13,50%*
Non-executive directors:	6,50%

** Includes the effect of the remuneration adjustment associated with the promotion of Hendrik J Pretorius from general manager to chief executive officer of Corporate Guarantee (South Africa) (RF) Limited, effective 1 April 2024.*

REMUNERATION REPORT continued

No contractual entitlements on termination of employment exist, but compliance with the relevant labour laws and regulations is ensured.

Merit bonuses were awarded within the ambit of the relevant boards' discretion, based on predetermined financial and non-financial targets achieved.

Shareholders are given an opportunity to vote on separate non-binding advisory resolutions pertaining to the remuneration policy and remuneration implementation report. In the event that 25% or more of shareholders vote against one or both non-binding advisory resolutions, Nictus commits to engaging with such shareholders to determine the reasons for their dissenting vote(s) and to possibly reassess the group's remuneration policy and/or its implementation to the satisfaction of the shareholders.

Regulatory update: The Companies Amendment Act, 16 of 2024, signed into law on 26 July 2024, introduces changes to the shareholder voting process on remuneration matters, requiring a binding vote on the remuneration policy and a two-strike rule for the remuneration implementation report. However, as of the date of this report, the relevant sections of the Act are not yet in effect, pending final regulatory implementation.

Accordingly, the remuneration policy and remuneration implementation report will remain subject to non-binding advisory votes at the upcoming annual general meeting. If the new provisions become effective before the annual general meeting, an updated notice of the annual general meeting will be issued to reflect the requirement for a binding shareholder vote on the remuneration policy and the implementation of the two-strike rule for the remuneration implementation report.

Any shareholders who wish to engage with us regarding the remuneration policy or the remuneration implementation report are invited to do so *via* the nominee company secretary, Willem Boshoff, at groupsec@nictus.co.za.

Non-executive directors' fees 2025/26

Non-executive directors' fees are presented to and approved at the annual general meeting by means of a special resolution.

Recommended fees are first reviewed by the remuneration and nomination committee, based on market research, before being submitted to the board for consideration. Once approved by the board, the proposed fees are then presented to shareholders at the annual general meeting for final approval.

In determining the fees for non-executive directors for the 2025/26 financial year, as set out as follows, consideration was given to the responsibilities of directors and market benchmarks for comparable companies. These fees have been recommended for shareholder approval.

From 29 August 2025

Board-related	
Board membership	R220 000 per year
Board chairperson	R431 900 per year
Committee-related	
Audit and risk committee membership	R55 000 per year
Audit and risk committee chairperson	R154 000 per year
Remuneration and nomination committee membership	R55 000 per year
Remuneration and nomination committee chairperson	R71 500 per year
Social and ethics committee membership	R27 600 per year
Social and ethics committee chairperson	R35 900 per year

Non-executive directors will be paid an amount of R54 929 per day per meeting in respect of board or special meetings should the number of these additional meetings exceed five per annum. They will also be paid a *pro rata* amount per hour for additional time spent.

Statement by the chairperson of the remuneration and nomination committee

The remuneration and nomination committee operates in accordance with its charter, which is reviewed annually and approved by the board. The chairperson of the committee provides regular reports to the board on remuneration-related matters.

The remuneration and nomination committee has carefully considered and provided guidance to ensure that all employees are remunerated in line with the approved remuneration policy, which promotes fair, responsible and transparent remuneration practices. Within the group, remuneration is determined based on a combination of factors, including individual and company performance, levels of decision-making, potential consequences of error and market research (such as cost-of-living adjustments and annual salary benchmarking). Additionally, incentives are structured to support long-term value creation for both employees and the group.

The remuneration and nomination committee is satisfied that it has complied with the remuneration policy for the financial year ended 31 March 2025. The group remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and drive positive outcomes across economic, social and environmental contexts in the short, medium and long term.

Sarita Martin
Chairperson: remuneration and nomination committee

19 June 2025

REMUNERATION POLICY

The group remuneration policy aims to appeal to and retain those individuals who will support and contribute towards achieving the group's strategic objectives and performance.

Objective

The policy, philosophy and strategy are encapsulated in the following:

Remuneration should:

- Contribute towards appealing to, motivating, rewarding and retaining motivated and loyal employees;
- Reflect a direct correlation between the vision and results of the group;
- Be reviewed and benchmarked annually;
- Promote positive outcomes;
- Promote an ethical culture and responsible corporate citizenship;
- Support the strategy of the group within the organisation's risk appetite; and
- Reward performance and motivate employees.

Remuneration structure

The group remuneration strategy makes provision for:

- A total cost-to-company approach consisting of a total guaranteed package;
- A linkage to challenging long- and short-term financial and non-financial performance and sustainable profits; and
- Short-term incentives based on meeting agreed performance levels.

Composition of the total remuneration package

The factors considered in structuring the total remuneration package are:

- Review of packages on an annual basis, internally and externally, to ensure their integrity;
- Recognised market research is applied in structuring and evaluating packages;
- Organisational profiles are considered for use in the evaluation process;
- Performance evaluation and development requirements are considered during the process;
- The scarcity of appropriately qualified staff influences package structure; and
- The total remuneration package consists of a total guaranteed package.

Remuneration incentives

Short-term incentives

The incentive scheme is aimed at achieving group performance, which is set out in the rules. To qualify, staff must:

- Meet predetermined and agreed annual targets; and
- Perform exceptionally well.

Employees who have transgressed the group code of conduct are ineligible to participate in the incentive scheme and extraneous factors do not influence the incentive evaluation.

Governance

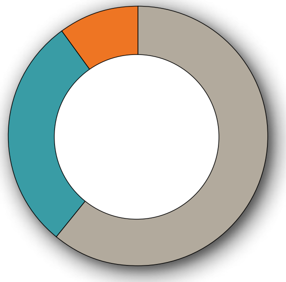
The remuneration and nomination committee stands at the forefront of developing remuneration policies and reviewing the philosophy, strategy and practice to meet best practice and achieve the group's overall objectives.

The remuneration and nomination committee operates under the delegation of authority as contained in the approved charter and will apply discretion as appropriate.

SOCIAL AND ETHICS REPORT

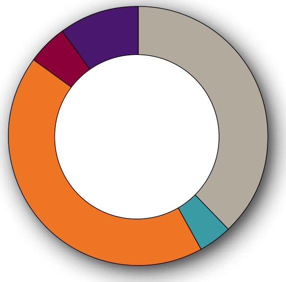
Our contributions for the financial year were as follows:

Community involvement development



- Community relations (61%)
- Sport development (29%)
- Social development (10%)

Overall



- Free State (38%)
- Mpumalanga (4%)
- Western Cape (43%)
- North West (5%)
- Limpopo (10%)

Training and development

Nictus remains committed to continuous employee development. In-house training has been consistently provided across both the insurance and furniture retail segments, covering essential regulatory requirements such as the Financial Intelligence Centre Act, 38 of 2001, the Protection of Personal Information Act, 4 of 2013, and industry best practices. Employees attended external training sessions, including compliance seminars by the Financial Intelligence Centre, the Prudential Authority and the Financial Sector Conduct Authority. Specialised product knowledge training was provided to sales staff through factory visits and supplier-led sessions, enhancing expertise in product manufacturing and customer service. The company ensures that all relevant employees receive the necessary training on IT, cybersecurity and IFRS Accounting Standards compliance.

Employee relations and equal opportunities

All employment documents are regularly reviewed, ensuring compliance with labour laws. Nictus upholds a merit-based approach in hiring, emphasising equal opportunity irrespective of race or gender. A formal transformation plan has been approved by the board, and employment equity reports were submitted as per regulatory requirements. A comprehensive employee survey will be conducted in June 2025 to assess workplace satisfaction and inform future policies.

Health and safety

Nictus prioritises workplace safety, adhering to the Occupational Health and Safety Act, 85 of 1993 (OHS Act). Offices and branches maintain emergency protocols, serviced fire extinguishers and risk-free environments. The health and well-being of employees, including COVID-19 recovery and vaccination, remain a priority. A comprehensive review of OHS Act compliance is scheduled for 2025.

Community relations and stakeholder engagement

The company actively contributes to community development through sponsorships and charitable donations. Recent initiatives include sponsoring local sports teams, supporting non-profit organisations and participating in community engagement activities. Notable contributions include donations to the SPCA, sponsorship of youth events and educational support initiatives. Continuous support and new engagement strategies are planned for 2025/26 to strengthen community relationships. Stakeholder relations across the group remain strong, with positive client retention and ongoing corporate engagements.

Ethics, governance and compliance

Nictus adheres to several governance standards, including IFRS Accounting Standards, King IV®, the Companies Act of South Africa and JSE regulations. The board comprises a majority of independent non-executive directors and has established dedicated committees for remuneration, audit, risk, investment, social and ethics. A robust code of conduct is in place, reinforcing zero tolerance for discrimination, bribery and conflicts of interest. Employees sign the code upon appointment, ensuring alignment with ethical standards.

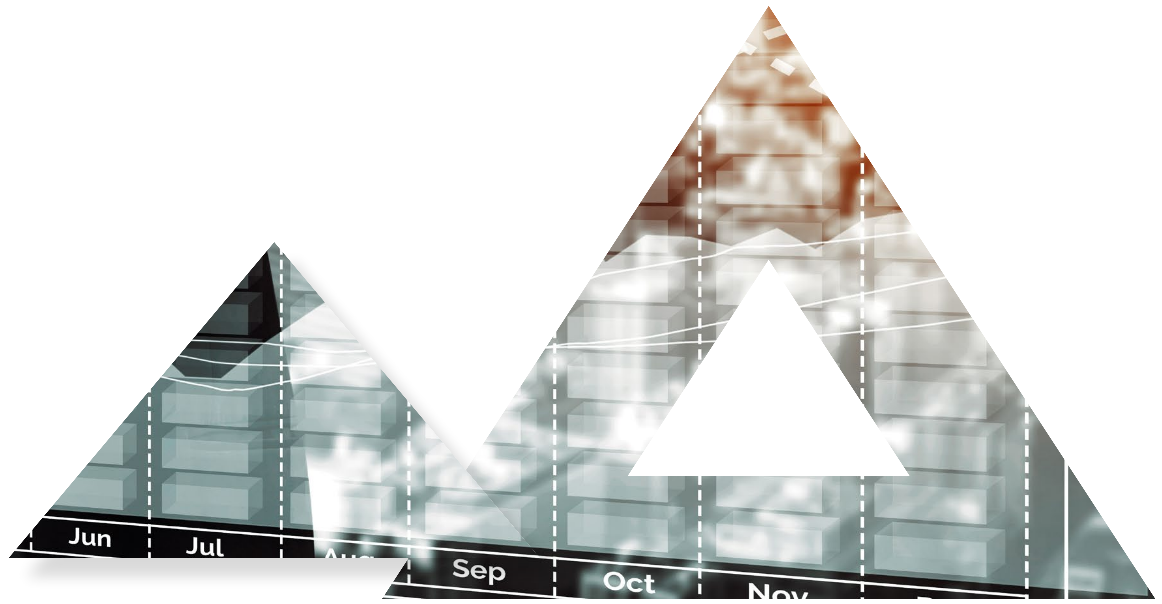
Business sustainability and risk management

Aligned with Organisation for Economic Co-operation and Development principles, Nictus focuses on long-term sustainability through prudent growth and operational efficiency. Risk management is conducted at board level, with oversight from the group audit and risk committee. The company prioritises financial stability over rapid expansion, ensuring sustainable profitability.

Nictus remains dedicated to corporate responsibility, ethical business practices and fostering inclusive growth while complying with local and international regulatory frameworks.

Philippus J de W Tromp
Chairperson: social and ethics committee

19 June 2025



ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITIES AND APPROVAL

Directors' responsibility statement

The directors are required by the Companies Act of South Africa, 71 of 2008 (Companies Act of South Africa) to maintain adequate accounting records and are responsible for the content and integrity of the group annual financial statements and company annual financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the financial position, state of affairs of the group and company as at 31 March 2025 and the results of their operations and changes in equity and cash flows for the year then ended, in conformity with IFRS® Accounting Standards (IFRS) and the requirements of the Companies Act of South Africa. The directors are also responsible for the preparation of the directors' report. The external auditor is engaged to express an independent opinion on the group annual financial statements and company annual financial statements.

The group annual financial statements and company annual financial statements are prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa 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 group and company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets 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 policies and procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring that the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group.

While operating risk cannot be fully eliminated, the group 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 financial statements. Any system of internal financial control can, however, provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's and company's budgets for the year ending 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the group and company have access to adequate resources to continue in operational existence for the foreseeable future. The directors have made an assessment of the group's and company's ability to continue as going concerns and there is no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group annual financial statements and company annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the group annual financial statements and company annual financial statements

The group annual financial statements and company annual financial statements of Nictus Limited, which have been prepared on the going concern basis, were approved by the board on 19 June 2025 and were signed by:

Gerard R de V Tromp	**Professor Barend J Willemse**
Authorised director	*Authorised director*
Group managing director	*Chairperson*

MANAGING DIRECTOR'S AND FINANCIAL DIRECTOR'S RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 46 to 108, fairly present, in all material respects, the financial position, financial performance and cash flows of Nictus in terms of IFRS Accounting Standards;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to Nictus and its consolidated subsidiaries has been provided to effectively prepare the financial statements of Nictus;
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- We are not aware of any fraud involving directors.

Gerard R de V Tromp	**Eckhart H Prozesky**
Group managing director	*Group financial director*

19 June 2025

CERTIFICATE OF THE COMPANY SECRETARY

In our opinion, as company secretary, we hereby confirm, in terms of the Companies Act of South Africa that, for the year ended 31 March 2025, the company has lodged with the Commissioner of the Companies and Intellectual Property Commission all such returns and notices as are required of a public company and that all such returns and notices are true, correct and up to date.

Willem H Boshoff
Veritas Eksekuteurskamer Proprietary Limited
Company secretary

19 June 2025

AUDIT AND RISK COMMITTEE REPORT

I am pleased to present the group audit and risk committee report for the financial year ended 31 March 2025.

The chairperson and members of the committee were individually re-elected at the 2024 annual general meeting of Nictus Limited, in compliance with the requirements of the Companies Act of South Africa. The committee continues to fulfil the function of the audit and risk committee requirement in terms of the Insurance Act, 18 of 2017 (Insurance Act), in respect of Corporate Guarantee (South Africa) (RF) Limited, a wholly-owned subsidiary of Nictus Limited.

The committee operates in terms of a board-approved charter, and its three elected members, one of whom is the chairperson of the board, are all independent non-executive directors.

The committee's work includes oversight of risk management; all of its members are financially literate and bring business and financial acumen to the committee.

The group managing director, the group financial director and representatives of the external and internal auditors are invited to attend the committee meetings.

The committee met twice during the year and engaged, among other work, in considering the reappointment of PricewaterhouseCoopers Inc. as auditor to the Nictus group of companies. PricewaterhouseCoopers Inc. was recommended for reappointment as the group and company external auditor based on recent performance and regulatory reviews of the firm, with Francois J Kruger acting as the newly appointed designated audit partner for the current financial year ended 31 March 2025.

Following guidance from the Independent Regulatory Board for Auditors (IRBA), enhanced auditor reporting was introduced for the first time. It involves additional disclosures to be included in the audit report that require: final materiality, key audit matters, going concern and audit fee-related matters. The external audit plan from PricewaterhouseCoopers Inc. covered the following significant matters, namely major system development, operating losses sustained by Nictus Meubels Proprietary Limited resulting in accounting derecognition of deferred tax and the sale of the Randburg property. There were also engagements with the Prudential Authority team during the year, which included some focus on the own risk solvency assessment (ORSA) of Corporate Guarantee (South Africa) (RF) Limited. The ORSA report expresses confidence that capital is sufficient over the business planning period to meet liabilities with an appropriate margin. Corporate Guarantee (South Africa) (RF) Limited is expected to remain solvent under normal operating circumstances.

The governance register was reviewed during the year for completeness by a third party and was approved by the committee. Internal audit reports are provided to the committee at each meeting. Internal audit's activity is governed by an internal audit charter, which is approved by the group audit and risk committee and reviewed annually. The charter defines the purpose, authority and responsibilities of the function. The committee reviewed the charter and measured its effectiveness during the year under review.

The committee's key objectives and responsibilities, which were met during the period, are as follows:

- Determine whether management has created and maintains an effective control environment and that they demonstrate and stimulate the necessary respect for the internal control structure among all parties, and also ensure that the internal control framework on financial reporting is effective to support the group managing director and group financial director annual attestation;
- Ensure that the company has established appropriate financial reporting procedures and that these procedures are operating effectively. This includes consideration of all entities included in the group annual financial statements to ensure that it has access to all the financial information of the company to allow the company to effectively prepare and report on its financial statements;
- Review solvency and liquidity and going concern assessments to support the integrity of the financial results;
- Assessment of the external auditor and designated external audit partner's suitability for appointment in accordance with the JSE Limited (JSE) Listings Requirements and the information detailed in paragraph 3.84(g)(iii) read with paragraphs 3.86 and 3.87 in making the assessment;
- Manage the relationship with the external auditor (PricewaterhouseCoopers Inc.), including monitoring their independence and effectiveness in relation to their audit quality and expertise;
- Review the scope and outcome of external and internal audits. The review is to include an assessment of the efficiency of the audit function, ensuring that emphasis is placed on areas where the committee, management and the auditor believe special attention is necessary;
- Ensure that the appointment of the auditor is presented and included as a resolution at the annual general meeting of Nictus, pursuant to section 61(8) of the Companies Act of South Africa;
- Review the JSE's report on the proactive monitoring of financial statements and the significant areas relevant to the group;
- Ensure that the board makes informed decisions and is aware of the implications of such decisions regarding accounting policies, practices and disclosures;
- Provide a safeguard of directors' responsibilities by informing the board on issues of importance to the business and the status of the financial reporting;
- Review and recommend, for approval, to the board, the group's integrated annual and interim reports to present a fair and balanced view of the group;
- Assist the board in its evaluation of the adequacy and effectiveness of the risk management system;
- Assist the board in the identification of the build-up and concentration of the various risks to which the insurer is exposed;
- Assist the board in identifying and regularly monitoring all material risks to ensure that its decision-making capability and accuracy of its reporting are adequately maintained;
- Facilitate and promote communication, through reporting structures, regarding the adequacy and effectiveness of the risk management system or any other related matter, between the board and managing executives;
- Introduce such measures as may serve to enhance the adequacy and effectiveness of the risk management system; and
- Coordinate the monitoring of risk management on an enterprise-wide and individual business unit basis.

The committee does not rely only on the internal control processes but receives and regularly reviews the findings of both the internal and external auditors covering:

- A system of internal control;
- Compliance with relevant laws and regulations; and
- The credibility, independence and objectivity of the external and internal auditors.

The committee also reviews changes in legislation to ensure compliance by companies in the group. The committee reports its findings to the board, which thereafter has the responsibility of ensuring compliance with legislation.

The committee has adopted a policy of limiting the non-audit work undertaken by the external auditor. Prior approval of any consulting work in excess of R250 000 is required. No material non-audit work was undertaken by the external auditor during the reporting period.

The external and internal auditors have unrestricted access to committee members.

The committee is satisfied that:

- It has complied with the responsibilities set out in its charter, as well as the relevant legal and regulatory responsibilities based on the information and explanations given by management and discussions with the external auditor regarding the results of their audit;
- The financial director has the necessary training, expertise and experience to discharge his duties and responsibilities;
- The board is aware of the implications and actions required to apply and explain the principles of the King IV Report on Corporate Governance for South Africa, 2016™;
- There was no material breakdown in the internal financial controls that was noted or reported during the financial year under review; and
- The external auditor is considered to be independent of the company and the group and is thereby able to conduct its audit functions without any undue influence from the company and the group.

The committee accepted responsibility for its role relating to the subsidiary company, Corporate Guarantee (South Africa) (RF) Limited.

Cornelius J de Vrye
Chairperson: audit and risk committee

19 June 2025

DIRECTORS' REPORT

to the shareholders of Nictus Limited

The directors have pleasure in reporting on the activities and financial results of the group for the year ended 31 March 2025.

Review of subsidiaries

Details of subsidiaries are dealt with in note 6 to the group annual financial statements.

Figures in R'000	2025	2024
The interest of the company in the aggregate net profit after tax of subsidiaries is:		
Profit/(loss) after taxation	15 841	6 011

The subsidiaries of the company are mainly involved in furniture retail and non-life insurance in South Africa.

Financial results

For the year under review, the group's profit before taxation amounted to R28,9 million compared to a profit of R14,5 million in the previous year. The company's profit before taxation for the year was R2,6 million compared to a profit of R6,1 million in the previous year.

Segmental analysis

A detailed segmental analysis is included in note 36 to the group annual financial statements.

Directors

	Date of initial appointment	Date of re-election
Executives		
Gerard R de V Tromp *(Group managing director)*	18 November 2014	22 August 2018
Eckhart H Prozesky *(Group financial director)*	1 March 2015	22 August 2018
Non-executive		
Philippus J de W Tromp	1 April 2012	29 August 2024
Independent non-executives		
Professor Barend J Willemse *(Chairperson)*	15 June 2010	29 August 2024
Cornelius J de Vrye	1 November 2018	31 August 2023
Sarita Martin	1 February 2021	29 August 2024

Shareholding

Composition of shareholders	Number of shareholders	%	Number of shares	%
Ordinary shares				
Non-public shareholders	10	0,67	42 876 089	80,23
Directors and associates	10	0,67	42 876 089	80,23
Public shareholders	1 329	99,33	10 567 411	19,77
	1 339	100,00	53 443 500	100,00

Distribution of shareholders	Number of shareholders	%	Number of shares	%
Ordinary shares				
Banks/brokers	18	1,82	87 913	0,16
Close corporations	1	0,10	2	–
Individuals	398	38,31	1 154 942	2,16
Insurance companies	1	0,10	9 375	0,02
Nominees and trusts	894	57,09	9 885 660	18,50
Other corporations	4	0,38	43 172	0,08
Private companies	21	2,01	42 255 871	79,07
Public companies	2	0,19	6 565	0,01
	1 339	100,00	53 443 500	100,00

	Number of shares	%
Shareholders, other than directors, with an interest above 5% in stated capital		
Landswyd Beleggings Proprietary Limited	25 340 209	47,41
Namprop Proprietary Limited	6 284 622	11,76
Trocor Proprietary Limited	5 969 864	11,17
PC Investment Holdings Proprietary Limited	4 174 955	7,81

As at 31 March, the directors, prescribed officers and their associates (as defined in terms of the JSE Listings Requirements) had the following direct, indirect and aggregate beneficial interest in the stated capital of the company:

	Number of shares		
	Direct interests	Indirect interests	Total aggregate interest
2025			
Gerard R de V Tromp and Philippus J de W Tromp	–	42 180 924	42 180 924
Eckhart H Prozesky	500 000	–	500 000
Professor Barend J Willemse	50 000	45 165	95 165
Hendrik J Pretorius	100 000	–	100 000
	650 000	42 226 089	42 876 089
2024			
Gerard R de V Tromp and Philippus J de W Tromp	–	42 068 424	42 068 424
Eckhart H Prozesky	425 000	–	425 000
Professor Barend J Willemse	50 000	45 165	95 165
	475 000	42 113 589	42 588 589

There have been no changes in directors' interests between the financial year end and the date of approval of the annual financial statements.

DIRECTORS' REPORT continued

Analysis of executive directors' share options as at 31 March 2025

There were no outstanding share options at year end held by the directors in the current or prior financial year.

Stated capital

There were no changes in the stated capital during the current and prior financial year, as further detailed in note 14 to the annual financial statements.

16 033 050 (2024: 16 033 050) unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders passed at the last annual general meeting and in terms of the Memorandum of Incorporation (MOI), but subject to compliance with the relevant regulations, i.e. the Companies Act of South Africa and the JSE Listings Requirements.

Dividends

Final dividend

The board, within its discretion, has declared a final dividend of 12,00 cents per Nictus ordinary share (ordinary share) (2024: 6,00 cents per ordinary share) for the year ended 31 March 2025, to all ordinary shareholders recorded in the share register of Nictus at the close of business on Friday, 18 July 2025 which will be paid on Monday, 21 July 2025.

The cash dividend timetable is structured as follows:

- The declaration date is Monday, 30 June 2025;
- The last day to trade *cum* dividend in order to participate in the dividend is Tuesday, 15 July 2025;
- The shares commence trading *ex*-dividend from the commencement of business on Wednesday, 16 July 2025;
- The record date is Friday, 18 July 2025; and
- The dividend is to be paid on Monday, 21 July 2025.

Shares will not be rematerialised or dematerialised between Wednesday, 16 July 2025 and Friday, 18 July 2025, both days inclusive.

Events after the reporting date

The directors are not aware of any matter or circumstances since the end of the financial year and up to the date of this report which require adjustments to or disclosure in the financial statements.

Secretary

Veritas Eksekuteurskamer Proprietary Limited
Block C, 1st Floor
The Main Straight Office Park, 392 Main Road
Bryanston, Gauteng 2191
PO Box 2878, Randburg 2125

Registered office

Republic of South Africa

Nictus Limited
Block C, 1st Floor
The Main Straight Office Park, 392 Main Road
Bryanston, Gauteng 2191
PO Box 2878, Randburg 2125

19 June 2025

INDEPENDENT AUDITOR'S REPORT

to the shareholders of Nictus Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Nictus Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2025, and its consolidated and separate financial performance and consolidated and separate 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

Nictus Limited's consolidated and separate financial statements set out on pages 46 to 108 comprise:

- the consolidated and separate statements of financial position as at 31 March 2025;
- the consolidated and separate statements of profit or loss and comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements 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 consolidated and separate financial statements* section of our report.

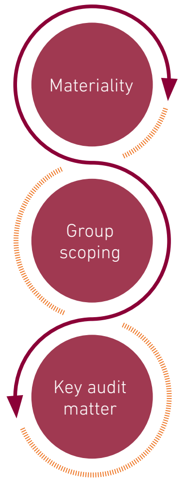
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) 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

- Consolidated financial statements: R1 687 220 which represents 1% of a revenue equivalent benchmark which comprises the sum of revenue, effective interest revenue, insurance revenue, finance income earned from secured advances and investment income.
- Separate financial statements: R1 163 350 which represents 1% of total assets.

Group audit scope

- Full scope audits were performed on all components due to their significance to the Group.

Key audit matter

- Recognition and measurement of insurance contract liabilities

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate 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 and group audit scope below.

INDEPENDENT AUDITOR'S REPORT continued

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate 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 consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate 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 consolidated and separate financial statements as a whole.

	Consolidated financial statements	Separate financial statements
Final materiality	1 687 220	1 163 350
How we determined it	1% of a revenue equivalent benchmark which comprises the sum of revenue, effective interest revenue, insurance revenue, finance income earned from secured advances and investment income.	1% of total assets
Rationale for the materiality benchmark applied	We selected a revenue equivalent which comprises the sum of revenue, effective interest revenue, insurance revenue, finance income earned from secured advances and investment income as our materiality benchmark because, in our view, it reflects the operations of the Group, and it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatile year-on-year earnings. This benchmark has remained a key driver of the Group's business. We chose 1% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue to compute materiality.	We selected total assets as our materiality benchmark because, in our view, it reflects the nature of the Company, which is to hold investments in its subsidiaries. We chose 1% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using total assets to compute materiality.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We considered the Group's organisational, legal, consolidation structures and its financial reporting processes when identifying components for purposes of planning and performing audit procedures. The Group consists of the Company and its two subsidiaries (each considered to be a 'component' for purposes of our group audit scope).

In establishing the group audit scope, based on our group risk assessment, we determined the type of work to be undertaken on the financial information of these components. In determining which components will be subject to audit procedures, we considered whether these components are significant (due to risk or size), non-significant or inconsequential to the Group. We have determined all three components to be significant and were scoped in for full scope audits.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the group engagement team for both the group and the components. All testing was performed centrally by the group audit team. By performing the procedure outlined above, we obtained sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

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
Recognition and measurement of insurance contract liabilities Refer to following disclosures in the financial statements as it relates to this key audit matter: • Significant accounting policy note 1.17 (Insurance contracts); and • Note 17 to the annual financial statements (Insurance contract liabilities). We considered the recognition and measurement of insurance contract liabilities to be a key audit matter in our audit of the financial statements due to the following: • The magnitude of the insurance contract liabilities and related insurance revenue recognised in relation to the consolidated financial statements; and • The judgements applied by the Group in applying the guidance in IFRS 17: Insurance Contracts ("IFRS 17") as it relates to considering whether the insurance contracts entered into by the Group contain components that should be separated. As at 31 March 2025, the Group held insurance contract liabilities amounting to R655 million and recognised insurance revenue of R32 million for the year then ended. The Group applied IFRS 17 to recognise and measure its insurance contract liabilities at year end. Based on the guidance in IFRS 17 the Group performed an analysis of whether the contract contain components that should be separated, which include distinct investment components. When a policyholder elects to contractually apply to receive a secured advance from the Group, the contingency policy is pledged and ceded to the Group as security. Where a secured advance is provided to a policyholder, the agreements between the Group and the policyholder is considered to be a single insurance contract due to the interdependency between the agreements. Secured advances form part of the total insurance contract liabilities, disclosed on an aggregate basis, but do not constitute a non-distinct investment component. The finance income earned from secured advances is disclosed as part of the net insurance finance expenses in the statement of profit or loss and other comprehensive income. The Group also offers insurance contracts that provide both insurance cover and the payment of a specified amount in the form of an experience bonus. These specified amounts meet the definition of an investment component in IFRS 17 as they will be paid to policyholders in all circumstances, regardless of whether an insured event occurs. The Group considers the investment component to be a non-distinct investment component as the insurance and investment components are highly inter-related and is accounted for and measured as part of the insurance liability as a single unit of account in terms of IFRS 17.	Our audit addressed the key audit matter as follows: • Tested on a sample basis new premiums and renewal premiums received to insurance contracts issued to policyholders and traced cash flows to bank statements. • Tested the cancelation and expired premiums settlements to the insurance contracts and where applicable to the underlying cash flows. Based on the above procedures performed, there were no material exceptions requiring further considerations. • On a sample basis, we assessed the classification of experience accounts as non-distinct investment components and considered whether: – the insurance contracts require the Group to repay the experience account balance to the policyholder in all circumstances irrespective of whether the insured event occurs. – the investment component of the contract (i.e. the experience account) and the insurance component are highly interrelated by evaluating whether cashflows such as claims, lapses or maturity varies according to the value of the other. – insurance revenue is allocated based on expected premium receipts and recognised based on the passage of time as insurance contract services are provided by the Group Based on the above procedures performed, the classification was deemed appropriate. • Inspected a sample of contingency policy contracts, secured advance agreements and account statements, and assessed whether experience accounts are held as security for secured advances issued. We also assessed whether the date of the secured advance coincides with the dates of the policy term to determine that the secured advance and insurance policy are interrelated. • Independently tested on a sample basis the finance income earned from secured advances. • Reperformed management's calculation of the experience bonus on a sample basis. • Evaluated the appropriateness and tested the component amounts recognised within the liability for remaining coverage (LRC) build-up against the requirements of IFRS 17. Based on the procedures performed we did not note any material exceptions with respect to our audit of the measurement and recognition of insurance contract liabilities.

INDEPENDENT AUDITOR'S REPORT continued

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Nictus Limited Integrated annual report for the year ended 31 March 2025", which include(s) the Directors' Report, the Audit and Risk Committee Report and the Certificate of the Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated and separate 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 Nictus Limited for 6 years.

PricewaterhouseCoopers Inc.
Director: Francois J Kruger
Registered Auditor

Johannesburg, South Africa
19 June 2025

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2025

		GROUP		COMPANY	
Figures in R'000	**Note(s)**	**2025**	**2024**	**2025**	**2024**
Assets					
Non-current assets					
Property, plant and equipment	3	**3 268**	1 918	**326**	132
Investment property	4	**–**	13 250	**–**	–
Intangible assets	5	**22**	22	**22**	22
Investments in subsidiaries	6	**–**	–	**61 796**	64 958
Right-of-use asset	7	**1 567**	4 091	**140**	704
Investments	8	**32 642**	27 569	**26 013**	24 301
Deferred tax assets	9	**1 360**	1 068	**–**	–
Trade and other receivables	12	**1 147**	3 857	**–**	–
		40 006	51 775	**88 297**	90 117
Current assets					
Inventories	10	**7 151**	9 544	**–**	–
Trade and other receivables	12	**10 890**	13 390	**22 928**	19 687
Investments	8	**615 075**	488 037	**–**	–
Cash and cash equivalents	13	**161 642**	58 936	**5 110**	9 690
Current tax receivable	25	**59**	11	**–**	–
		794 817	569 918	**28 038**	29 377
Total assets		**834 823**	621 693	**116 335**	119 494
Equity and liabilities					
Equity					
Stated capital	14	**25 969**	25 969	**25 969**	25 969
Revaluation reserve	15	**–**	1 152	**–**	–
Retained earnings		**108 726**	90 531	**72 467**	74 429
		134 695	117 652	**98 436**	100 398
Liabilities					
Non-current liabilities					
Deferred tax liabilities	9	**6 948**	5 642	**6 948**	5 642
Lease liabilities	7	**–**	2 024	**–**	196
		6 948	7 666	**6 948**	5 838
Current liabilities					
Loans from group companies	11	**–**	–	**6 325**	9 892
Trade and other payables	16	**35 412**	18 441	**4 430**	2 677
Insurance contract liabilities	17	**655 744**	474 997	**–**	–
Lease liabilities	7	**2 024**	2 937	**196**	689
		693 180	496 375	**10 951**	13 258
Total liabilities		**700 128**	504 041	**17 899**	19 096
Total equity and liabilities		**834 823**	621 693	**116 335**	119 494

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2025

		GROUP		COMPANY	
Figures in R'000	**Note(s)**	**2025**	**2024**	**2025**	**2024**
Revenue	18	**25 266**	33 316	**19 250**	18 100
Effective interest revenue		**1 789**	1 840	**–**	–
Total revenue		**27 055**	35 156	**19 250**	18 100
Cost of sales		**(17 174)**	(21 712)	**–**	–
Gross profit		**9 881**	13 444	**19 250**	18 100
Insurance service result		**13 107**	7 031	**–**	–
Insurance revenue	17	**31 847**	14 728	**–**	–
Insurance service expenses	17	**(18 740)**	(7 697)	**–**	–
Net insurance finance expenses	17	**(15 720)**	(17 785)	**–**	–
Notional interest charge to profit or loss		**(61 346)**	(47 636)	**–**	–
Finance income earned from secured advances		**45 626**	29 851	**–**	–
Other income	19	**2 893**	1 953	**3 272**	2 835
Investment income	21	**64 194**	49 907	**4 910**	4 054
Impairment losses – net movement in impairment allowance for trade receivables	12	**(329)**	(258)	**–**	–
Operating expenses	20	**(26 440)**	(23 798)	**(13 856)**	(9 230)
Administrative expenses	20	**(18 500)**	(15 542)	**(10 230)**	(8 843)
Profit before finance expenses and taxation		**29 086**	14 952	**3 346**	6 916
Finance expenses	22	**(206)**	(474)	**(795)**	(804)
Profit before taxation		**28 880**	14 478	**2 551**	6 112
Taxation expense	23	**(8 630)**	(3 539)	**(1 306)**	(1 565)
Profit for the year		**20 250**	10 939	**1 245**	4 547
Other comprehensive income for the year, net of tax		**–**	–	**–**	–
Total comprehensive income for the year		**20 250**	10 939	**1 245**	4 547
Profit attributable to:					
Owners		**20 250**	10 939	**1 245**	4 547
Total comprehensive income attributable to:					
Owners		**20 250**	10 939	**1 245**	4 547
Basic earnings per share (cents)	35	**37,89**	20,47		
Diluted basic earnings per share (cents)	35	**37,89**	20,47		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2025

Figures in R'000	GROUP Stated capital	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 April 2023	25 969	1 152	82 264	109 385
Total comprehensive income for the year				
Profit for the year	–	–	10 939	10 939
Total comprehensive income for the year	–	–	10 939	10 939
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	–	–	(2 672)	(2 672)
Total transactions with the owners of the company	–	–	(2 672)	(2 672)
Balance as at 31 March 2024	25 969	1 152	90 531	117 652
Total comprehensive income for the year				
Profit for the year	**–**	**–**	**20 250**	**20 250**
Transfer of surplus on disposal of investment property previously measured at fair value through other comprehensive income to retained earnings	**–**	**(1 152)**	**1 152**	**–**
Total comprehensive income for the year	**–**	**(1 152)**	**21 402**	**20 250**
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	**–**	**–**	**(3 207)**	**(3 207)**
Total transactions with the owners of the company	**–**	**–**	**(3 207)**	**(3 207)**
Balance as at 31 March 2025	**25 969**	**–**	**108 726**	**134 695**
Note(s)	14	15		

Figures in R'000	COMPANY Stated capital	Retained earnings	Total equity
Balance as at 1 April 2023	25 969	72 554	98 523
Total comprehensive income for the year			
Profit for the year	–	4 547	4 547
Total comprehensive income for the year	–	4 547	4 547
Transactions with the owners of the company			
Distributions to the owners of the company			
Dividends paid	–	(2 672)	(2 672)
Total transactions with the owners of the company	–	(2 672)	(2 672)
Balance as at 31 March 2024	25 969	74 429	100 398
Total comprehensive income for the year			
Profit for the year	**–**	**1 245**	**1 245**
Total comprehensive income for the year	**–**	**1 245**	**1 245**
Transactions with the owners of the company			
Distributions to the owners of the company			
Dividends paid	**–**	**(3 207)**	**(3 207)**
Total transactions with the owners of the company	**–**	**(3 207)**	**(3 207)**
Balance as at 31 March 2025	**25 969**	**72 467**	**98 436**
Note	14		

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2025

		GROUP		COMPANY	
Figures in R'000	**Note(s)**	**2025**	**2024**	**2025**	**2024**
Cash flows from operating activities					
Cash generated from operations	24	**127 636**	66 797	**767**	1 437
Interest received		**97 485**	74 820	**757**	799
Acquisition of investments		**(88 825)**	(126 520)	**–**	–
Short-term investments at amortised cost invested		**(32 972)**	(21 466)	**–**	–
Dividends received		**110**	228	**–**	40
Dividends paid	26	**(3 207)**	(2 672)	**(3 207)**	(2 672)
Finance expenses paid		**(206)**	(474)	**(795)**	(804)
Tax paid	25	**(7 664)**	(1 602)	**–**	–
Net cash generated from/(utilised in) operating activities		**92 357**	(10 889)	**(2 478)**	(1 200)
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	**(2 162)**	(842)	**(287)**	(69)
Proceeds on sale of property, plant and equipment		**287**	46	**–**	46
Disposal of investment property		**12 720**	–	**–**	–
Disposal of investments		**2 441**	–	**2 441**	–
Net cash generated by/(utilised in) investing activities		**13 286**	(796)	**2 154**	(23)
Cash flows from financing activities					
Payment of lease liabilities		**(2 937)**	(3 915)	**(689)**	(597)
Loans repaid by subsidiary companies		**–**	–	**–**	1 252
Secured advances (repaid to)/received from subsidiary companies		**–**	–	**(3 567)**	7 365
Net cash (utilised by)/generated by financing activities		**(2 937)**	(3 915)	**(4 256)**	8 020
Total cash movement for the year		**102 706**	(15 600)	**(4 580)**	6 797
Cash and cash equivalents at the beginning of the year		**58 936**	74 536	**9 690**	2 893
Total cash and cash equivalents at the end of the year	13	**161 642**	58 936	**5 110**	9 690

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1. Presentation of the financial statements

Nictus Limited (Nictus or the company) is a company incorporated and domiciled in the Republic of South Africa. The group annual financial statements as at and for the year ended 31 March 2025 comprise the company and its subsidiaries. Where reference is made to group it should be interpreted as group or company as the context requires.

Nictus is a retailer of household furniture, electrical appliances and home electronics sold through the Nictus Meubels Proprietary Limited brand as well as a non-life insurer through the Corporate Guarantee (South Africa) (RF) Limited brand.

The group and company annual financial statements have been prepared in accordance with and in compliance with IFRS Accounting Standards and the interpretations adopted by the International Accounting Standards Board, the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. These group and company annual financial statements were authorised for issue by the company's board of directors on 19 June 2025.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Investment property;
- Insurance contract liabilities; and
- Financial instruments classified at fair value through profit or loss are measured at fair value.

These accounting policies are consistent with those applied in the previous year, except as indicated otherwise in the case of new accounting standards implemented effective 1 April 2024.

Adoption of new and revised accounting policies

The group was not materially affected by any new and revised accounting standards, amendments to standards or new interpretations during the year.

1.1 Significant judgements and estimates

In preparing the financial statements in conformity with IFRS Accounting Standards, management is required to make estimates and assumptions that affect the application of accounting policies and the amounts represented in the financial statements and related disclosures. Use of available information, historical experience and various other factors that are believed to be reasonable in 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 financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 1.17 – Insurance contracts;
- Note 9 – Utilisation of tax losses; and
- Note 13 – Classification of cash and cash equivalents.

Insurance contracts

Areas of significant judgement that the group considers include:

- Unit of account;
- Significant insurance risk;
- Component of the insurance contract; and
- Portfolios – given that a multi-peril policy is issued by the group.

For more detail regarding the above, refer to accounting policy 1.17.

Utilisation of tax losses

Judgement is required in determining the recognition of income taxes due to the complexity of legislation.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws.

SIGNIFICANT ACCOUNTING POLICIES continued

for the year ended 31 March 2025

Classification of cash and cash equivalents

Judgement is required in determining the appropriate classification of unit trust investments held by the group based on the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For a unit trust investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. The group considers factors including but not limited to the unit trust fund objective, the liquidity provided by the unit trust, day-to-day unit price fluctuations, the group's investment purpose, frequency of transactions (investments/withdrawals) and the underlying maturity profile of instruments that constitute the unit trust investment, when determining the appropriate classification.

1.2 Investments in subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the group annual financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the group annual financial statements.

Investments in subsidiaries are stated at cost less accumulated impairment losses in the company annual financial statements.

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

1.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost/revalued amounts less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the group; and
- The cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially that are directly attributable to the acquisition of an item of property, plant and equipment.

Subsequent costs

The group recognises, in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such item when that cost is incurred and if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

Depreciation

Depreciation is recognised in profit or loss and is calculated on the depreciable amount on a straight-line basis over the estimated useful life of each major component of an item of property, plant and equipment. Items of property, plant and equipment are depreciated from the date they are installed and are ready for use.

The depreciable amount is the difference between the cost of an item of property, plant and equipment and its residual value.

Residual value is the estimated amount that the group would currently obtain from disposal of the item of property, plant and equipment, after deducting the estimated costs of disposal, if the item of property, plant and equipment was already of age and in the condition expected at the end of its useful life.

The estimated useful lives for current and comparative years are as follows:

Item	Average useful life
Motor vehicles	5 years
Leasehold improvements	Over the lease term
Furniture and fittings	3 to 10 years
Shop fittings	3 years
Office equipment	3 to 5 years

The depreciation method, residual value and the useful life of each item of property, plant and equipment are reviewed at each reporting date and adjusted if appropriate.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Earnings and diluted earnings per share

The group presents earnings per share and diluted earnings per share data for its ordinary shares. Earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the company, after the adjustment for the effects of all dilutive potential ordinary shares, by the weighted average number of ordinary shares outstanding during the period.

1.5 Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the intangible asset will flow to the entity; and
- The cost of the intangible asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Acquired computer software is capitalised as an intangible asset at cost where the recognition criteria are met. External costs that are directly associated with the development and production of identifiable computer software products controlled by the company, and that will probably generate economic benefits exceeding one year, are recognised as intangible assets.

Recognition of costs in the carrying amount of computer software ceases when the computer software is in a condition necessary for it to be capable of operating in the manner intended by management.

Costs associated with maintaining computer software programs are capitalised as intangible assets only if they qualify for recognition. In all other cases these costs are recognised as an expense as incurred.

Amortisation is provided on a straight-line basis in profit or loss over their estimated useful lives to their residual values from the date they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Item	Useful life
Computer software	3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The gain or loss arising from the derecognition of an intangible asset is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Financial instruments

Financial instruments

Financial instruments are recognised when, and only when, the company becomes party to the contractual provisions of the particular instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company enters into transactions whereby it transfers assets recognised in the statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Non-derivative financial instruments

Recognition and initial measurement

Non-derivative financial assets comprise investments, trade and other receivables and cash and cash equivalents. The company initially recognises trade receivables on the date that these are originated. All other financial assets are recognised on the trade date, which is the date that the company becomes party to the contractual provisions of the instrument.

A trade receivable and loans and receivables without a significant financing component are initially measured at the transaction price. Other financial assets are initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

SIGNIFICANT ACCOUNTING POLICIES continued

for the year ended 31 March 2025

Classification and subsequent measurement
On initial recognition, a financial asset is classified as measured at amortised cost, debt investments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, or at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The objective of the company's business model in relation to all financial assets is to hold assets to collect contractual cash flows. In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument.

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss:
- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:
- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features; and
- Terms that limit the company's claim to cash flows from specified assets (e.g. non-recourse features).

For purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by the loss allowances for expected credit losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at amortised cost comprise trade and other receivables, loans to group companies, short-term investments and cash and cash equivalents.

Trade and other receivables
Trade and other receivables are measured at amortised cost less impairment losses.

Short-term investments
Short-term investments consist of short-term deposits with an original maturity date of more than three months. Short-term investments are measured at amortised cost.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances, call deposits and deposits with an original maturity date of less than three months. Unit trusts, where the majority of the underlying instruments have original maturities of less than three months, and the investment is made to meet short-term operational obligations as they fall due, will be classified as cash and cash equivalents. Cash and cash equivalents are measured at amortised cost.

Financial liabilities at amortised cost
Trade and other payables are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

Trade and other payables are subsequently measured at amortised cost using 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 basis points 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.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance expenses.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 29 for details of risk exposure and the management thereof.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Loans from group companies are classified as financial liabilities at amortised cost.

Trade and other payables
Trade and other payables are carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss
All financial assets not classified as measured at amortised cost or at fair value through other comprehensive income as described previously are measured at fair value through profit or loss. On initial recognition, the company may irrevocably designate a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Listed investments held by the group are classified at fair value through profit or loss. The fair values are calculated by reference to stock exchange market prices and/or the market value of debt securities, the latter being quoted on the JSE Debt Market, at the close of business on the reporting date.

The underlying instruments of the unit trust investments consist of investments in money market instruments, listed debt securities and listed equities. These investments are fair valued based on the quoted or published closing market price per unit at the close of business on the reporting date.

Fair value estimation
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the group is the current closing price as reflected on the recognised exchange.

The group measures fair values using the following fair value hierarchy that reflects the significance of the inputs in making the measurements.

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

1.7 Income tax and deferred tax
Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for:
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences relating to investments in subsidiaries to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

SIGNIFICANT ACCOUNTING POLICIES continued

for the year ended 31 March 2025

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The company withholds dividends tax on behalf of its shareholders at a rate of 20% on dividends declared unless shareholders are exempt. Amounts withheld are not recognised as part of the company's tax charge, but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised as the gross amount with the related withholding tax recognised as part of the tax expense unless it is otherwise reimbursable, in which case it is recognised as an asset.

1.8 Leases

The company assesses whether a contract is or contains a lease at the inception of the contract.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group/company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low-value assets. For these leases, the company recognises the lease payments as an operating expense (note 7) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the company is a lessee are presented in note 7 Leases (group as lessee).

Lease liability

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives; and
- Lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option.

The lease liability is presented as a separate line item on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance expenses (note 22).

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Lease payments included in the measurement of the right-of-use assets comprise the following:

- The initial amount of the corresponding lease liability;
- Any lease payments made at or before the commencement date; and
- Any initial direct costs incurred.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

The right-of-use asset is presented as a separate line item on the statement of financial position.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value. The technique for the measurement of the cost of inventories is the standard cost method. The cost formula applied is the weighted average cost.

The cost of retail inventory – inventory held by the furniture retail segment – comprises all costs incurred to procure and deliver the inventories to the retail stores.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs.

When inventories are sold, the carrying amounts of those inventories are derecognised as an expense – cost of sales – in profit or loss in the period in which the related revenue is recognised. The amount of any write-down of inventories to their net realisable value and all losses of inventories are recognised as an expense in profit or loss in the period the write-down or loss occurs.

Obsolete, damaged and slow-moving retail inventory is identified on a continuous basis and written down to its net realisable value.

1.10 Impairment of assets

Impairment of assets

Non-derivative financial assets

The company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

Loss allowances for trade receivables without a significant financing component are measured at an amount equal to lifetime expected credit losses. The company has elected to measure loss allowances for trade receivables which have a significant financing component at an amount equal to lifetime expected credit losses. Loss allowances for other financial assets measured at amortised cost are measured at an amount equal to 12-month expected credit losses, unless there has been a significant increase in credit risk since initial recognition in which case the loss allowance is measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and includes forward-looking information. The company assumes that the credit risk on trade and other receivables has increased significantly if it is more than 30 days past due. The company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the company in full, or the financial asset is more than 90 days past due.

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the group on terms that the company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- The disappearance of an active market for a security because of financial difficulties.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the group is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

1.11 Stated capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

SIGNIFICANT ACCOUNTING POLICIES continued

for the year ended 31 March 2025

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those employee benefits other than termination benefits) that are expected to be settled wholly before 12 months after the reporting date are recognised in profit or loss in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement.

The expected cost of profit sharing and incentive payments is recognised as an expense in profit or loss when there is a legal or constructive obligation to make such payments as a result of past performance.

1.13 Revenue

The group's revenue comprises the following:

- Revenue from contracts with customers:
  - Sale of goods;
  - Rendering of services; and
  - Finance income on instalment sales.
- The company's revenue comprises the following:
  - Management fees from wholly-owned subsidiaries; and
  - Dividends received from wholly-owned subsidiaries.

Group

Sale of goods, rendering of services and finance income on instalment sales

A subsidiary is in the business of furniture retail. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the subsidiary company expects to be entitled in exchange for those goods or services.

Revenue from sales of furniture is recognised at the point in time when control of the furniture is transferred to the customer, generally upon the conclusion of the sale transaction inside the furniture store. The group allocates a transaction price to each inventory item – the performance obligation – which depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods to the customer.

Revenue in respect of services rendered is recognised at a point in time or over time as the services are rendered. The services predominantly include administration fees, service fees and transport recoveries earned.

Variable consideration

The retail contracts for the sale of furniture provide customers with a right of return. The group undertakes at its election, either to enforce at the request of the customer any warranty given by any manufacturer or supplier of the goods, or to cede the benefit of such warranty to the customer on such conditions for recession of the warranty as the group may reasonably impose.

If it is probable that trade discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue when the sales are recognised.

Significant financing component

Using the practical expedient in IFRS 15, the group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or service to the customer and the payment by the customer for the goods or service will be less than 12 months.

The group enters into payment arrangements with some of its customers who elect to enter into an instalment sale agreement, for a period up to 24 months, and accordingly charges finance costs on the amount outstanding. Finance income comprises interest on instalment debtors arising from credit sales. The earned portion of interest received is recognised as revenue. Interest is earned from the date that the sales contract is concluded, over the period of the contract, based on the terms and conditions of the instalment sale agreement.

Company

Management fees from wholly-owned subsidiaries

The company provides specific management and/or business-related services to its subsidiaries with regard to certain processes and functions. Management fees are recognised as revenue by the company when services are rendered to subsidiaries, predominantly on a month-to-month basis.

Dividend income from wholly-owned subsidiaries

Dividend income from subsidiaries is recognised as revenue in the company annual financial statements. Dividend income is recognised on the date that the company's right to receive payment is established – the dividend declaration date.

Group and company

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company can transfer goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the company performs under the contract.

1.14 Other income

Transactions not recognised as revenue or finance and investment income are classified as other income and include external insurance claims, profit on disposal of property, plant and equipment, diverse recoveries and *ad hoc* rebates received.

Other income is recognised in profit or loss when the right to receive payment is established at the amount receivable.

1.15 Investment income and finance expenses

Investment income comprises interest income, fair value adjustments on funds invested and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Investment income on the assets of the insurance segment and the investments of the company are recognised as investment income from operations as investments are part of their day-to-day operations. Dividend income is recognised in profit or loss on the date that the group's right to receive payment is established, which, in the case of quoted securities, is the *ex*-dividend date. Interest and dividend income are presented separately and not as part of the fair value changes of the financial assets measured at fair value through profit or loss.

Financing expenses comprise interest paid on borrowings calculated using the effective interest method.

1.16 Functional and presentation currency

Functional and presentation currency and foreign currency transactions

The company's functional currency is the South African Rand. The financial statements have been presented in South African Rands, rounded to the nearest thousand unless stated otherwise.

Transactions in foreign currencies are translated to the functional currency of the group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

1.17 Insurance contracts

Classification of insurance policies

Unit of account

Corporate Guarantee (South Africa) (RF) Limited (Corporate Guarantee) is a wholly-owned subsidiary of the company and a registered South African non-life insurer.

A significant judgement area for the group is whether a contingency policy and a loan/cession agreement with a policyholder form a single unit of account. This impacts the assessment on whether significant insurance risk is transferred to the group as well as the accounting standard that is relevant to the arrangement.

Significant insurance risk is present if an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance. Consequently, the insurance risk can be significant even if there is minimal probability of significant losses for a portfolio or group of contracts. Refer to note 29 for more disclosure pertaining to insurance risk.

In return for the payment of an insurance premium, Corporate Guarantee undertakes to indemnify the policyholder for loss suffered by reason of the occurrence of any of the event(s) defined in the multi-peril contingency policy (policy or policies), occurring during the period of insurance, in accordance with the terms and conditions of the policy. The policyholder may be indemnified by virtue of a payment up to the policy indemnity limit or, at the insurer's sole discretion, by replacement, reinstatement or repair.

Policies under which the group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or a nominated beneficiary, if a specified uncertain future event (the insured event) adversely affects the policyholder, are classified as insurance contracts as defined by IFRS 17. Once a contract has been classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

Insurance contract component considerations

Before the group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately, which include distinct investment components.

SIGNIFICANT ACCOUNTING POLICIES continued

for the year ended 31 March 2025

The contingency policies that the group sells are insurance contracts as defined and within the scope of IFRS 17. A policyholder may also elect to contractually apply to receive a secured advance from the group. The contingency policy is pledged and ceded to the group as security. Currently, these advances are predominantly secured by policy benefits being ceded to the group. In terms of the guidance in IFRS 17, where a secured advance is provided to a policyholder, the agreements between the group and the policyholder are considered to be a single insurance contract due to the interdependency between the agreements. Various repayment terms, none of which exceed 12 months, and interest rates apply. Cash flows with regard to secured advances are solely payments of principal and interest on the principal amount outstanding. The secured advances form part of the total insurance contract liabilities, disclosed on an aggregate basis, but do not constitute a non-distinct investment component. The finance income earned from secured advances is disclosed as part of the net insurance finance expenses in the statement of profit or loss and other comprehensive income.

The group offers insurance contracts that provide both insurance cover and the payment of a specified amount in the form of an experience bonus. The experience bonus is an amount to be determined by the group at its discretion, from time to time, by deducting the allowable deductions from the experience account, in its sole and absolute discretion, together with interest (if any) calculated on such amount from time to time, in the sole and absolute discretion of the group. These specified amounts meet the definition of an investment component as they will be paid to policyholders in all circumstances, regardless of whether an insured event occurs. The group considers the investment component to be a non-distinct investment component as the insurance and investment components are highly inter-related (the lapse or maturity of one component in a contract causes the lapse or maturity of the other and the value of one component varies according to the value of the other). The entire contingency policy, including the non-distinct investment component, issued by the group is accounted for and measured as part of the insurance liability as a single unit of account in terms of IFRS 17.

Level of aggregation

IFRS 17 requires that the group identifies portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. The group currently has one product portfolio consisting of multiple multi-peril contingency policies in issue, inclusive of a risk transfer represented within the annual aggregate policy indemnity limit. With the risks being limited to the risk transfer represented within the annual aggregate policy indemnity limit, irrespective of the class of business underwritten, one portfolio of insurance contracts is identifiable and allocated in terms of IFRS 17.

The group shall divide a portfolio of insurance contracts issued into a minimum of:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

An insurance contract is expected to be onerous if the fulfilment cash flows allocated to the contract at initial recognition in total are a net outflow. For insurance contracts measured under the premium allocation approach (PAA), the group may assume that these contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The group's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a portfolio of similar risks spread over a large geographical area. The underwriting strategy is continuously monitored and updated and determines the classes of business to be written, the territories in which business is to be written and the industry sectors to which the group is prepared to accept exposure. The strategy is cascaded down by the respective segment board to management that sets the limits for management by client size, class of business, region and industry in order to enforce appropriate risk selection within the portfolio. The group's focus is to grow a sustainable and profitable business and does not anticipate the recognition of onerous contracts.

Contracts issued more than one year apart cannot be included in the same group. As a result, each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts). The groups of contracts are determined on initial recognition and are not subsequently reassessed.

Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of either the beginning of the coverage period or the date when the first payment from the policyholder is due or actually received, if there is no due date, or when the group determines that a group of contracts becomes onerous.

The group will derecognise an insurance contract when an insurance contract is extinguished, i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled or when the contract is modified to the extent that the additional criteria set out in IFRS 17 are met.

Measurement

Contract boundary

The coverage period is the period during which the entity provides insurance contract services. This period includes the insurance contract services that relate to all premiums within the boundary of the insurance contract. This period also includes the coverage that relates to all premiums within the boundary of the insurance contract. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the policyholder is obliged to pay the premiums or in which the group has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when:

- The entity has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
  - The entity has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date. The earned portion of premiums received constitutes and is recognised as revenue. Premiums are earned from the date of attachment of risk.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

The insurance policies issued by the group have an explicit policy start – and expiry date – thus indicating the period during which the group provides coverage for insured events, and in effect the boundary of the insurance contract. Insurance premiums are for the period of insurance as set out in the policy schedule. At the policy anniversary, either the group or policyholder can review the terms associated with the insurance contract. The group considers the legal rights and commercial substance of the contracts in the assessment. This supports a specific boundary of the insurance contract as the group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks as required.

From an insurer's perspective, all insurance contracts issued have a contract boundary of one year or less. Cash flows outside the boundary of the insurance contract relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

The policyholder can renew their insurance cover should they choose, resulting in a new insurance contract being entered into on the day following the expiration of the previous insurance contract. This process will be repeated at every policy anniversary. No renewal fee will be levied upon renewal on the expiry of the policy, all circumstances remaining constant. Upon renewal, for practical consideration, no physical cash flow is applicable. The latter will not influence the full recognition of the liability for remaining coverage (LRC) associated with the newly issued insurance policy on day one of the coverage period with initial recognition.

The appropriate measurement model applicable to the insurance contracts is the PAA.

Insurance acquisition costs

Insurance acquisition costs are defined as those costs related to selling, underwriting and starting a group of insurance contracts. The group has made an accounting policy choice to expense any insurance acquisition cash flows as and when they are incurred.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk as the insurer fulfils its insurance contracts. The risk adjustment for non-financial risk shall reflect the insurer's current estimates of how the actual behaviour of the policyholders may differ from the expected behaviour.

Corporate Guarantee manages its non-financial risk through underwriting limits, approval procedures for new clients, pricing guidelines, centralised management of risk and monitoring of emerging issues. These factors and the past claims experience, combined with the nature of the policies issued, are such that the technical reserves held are more than the 95th percentile of the net ultimate fulfilment cash flows. Corporate Guarantee considers the level of reserves sufficient and deems it unnecessary to increase same to account for specific risks linked to non-financial risks.

Measurement approach

IFRS 17 introduces three new measurement models:

- Premium allocation approach (PAA): Simplification available to contracts which are of short duration or where certain eligibility criteria are met;
- General measurement model (GMM): Applicable to all insurance contracts issued and reinsurance contracts held; and
- Variable fee approach: Applicable to insurance contracts with a discretionary participation feature.

SIGNIFICANT ACCOUNTING POLICIES continued

for the year ended 31 March 2025

The LRC portion of insurance liabilities and assets is measured using the PAA, which is the simplified measurement model applicable to contracts with a coverage period of 12 months or less, or where the measurement of the insurance liability is not significantly different between the PAA or GMM. This criterion is satisfied from a Corporate Guarantee perspective as all insurance contracts issued have a contract boundary of one year or less.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- The LRC; and
- The liability for incurred claims (LIC) comprising the fulfilment cash flows related to past service allocated to the group at the reporting date.

Initial measurement

Using the PAA, on initial measurement, the balance of the LRC for the group will consist, in essence, of the following element:

- Premiums, if any, received at initial recognition.

Subsequent measurement

Using the PAA, on subsequent measurement, the balance of the LRC for the group will consist, in essence, of the following elements:

- The carrying amount following the initial recognition or at the beginning of the reporting period;
- Plus, the premiums received in the subsequent reporting period;
- Minus, the amount recognised as insurance revenue for coverage provided in that period;
- Minus, any investment component paid or transferred to the LIC; and
- Minus, any incurred claims paid or transferred to the LIC.

The group is not required to adjust the carrying amount of the LRC to reflect the time value of money and the effect of financial risk, at initial recognition, as it expects that the time between providing each part of the coverage and the related premium due date is no more than a year. This criterion is satisfied from Corporate Guarantee's perspective as all insurance contracts issued have a coverage period of one year or less.

Monthly notional interest is allocated to the experience account of the policyholder based on the terms and conditions set out within the insurance contract. Notional interest is calculated on the positive balance of the experience account, at a rate determined by the group, according to market conditions. The notional interest will not be forfeited, even if claims were made against the experience account – it is always calculated on the remaining balance in this account. The notional interest accrues and is due to the policyholder on expiry or cancellation of the policy. The existence of the notional interest component would increase the LRC subsequent to initial recognition. The increase of the LRC will not coincide with cash flow receipts. The allocation of notional interest is expensed and disclosed as part of the net insurance finance expenses in the statement of profit or loss and other comprehensive income.

The LIC comprises claim events that have occurred before or at the reporting date, whether reported or not. The group shall measure the LIC for the group of insurance contracts at the probability-weighted fulfilment cash flows relating to incurred claims by applying the principles of the GMM. In terms of the PAA, the group will not be required to adjust future cash flows for the time value of money and the effect of financial risk as those cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

Fulfilment cash flows

The fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows within the contract boundary. The fulfilment cash flows consider all reasonable and supportable information available at the reporting date without undue cost or effort.

Fulfilment cash flows are determined separately for insurance contracts issued. Fulfilment cash flows are allocated to groups of insurance contracts for measurement purposes.

Amounts recognised in the statement of profit or loss and other comprehensive income

Insurance revenue, insurance service expenses, showing in aggregate incurred claims (excluding investment components) and other incurred insurance service expenses, and insurance acquisition costs are recognised in the statement of profit or loss and other comprehensive income based on the concept of services provided during the period.

Expected premium receipts are allocated to insurance revenue based on the passage of time as and when the insurance contract services under the group of insurance contracts are provided.

Insurance service expenses comprise incurred claims, incurred directly attributable expenses, changes in the fulfilment cash flows relating to past services or that result in onerous contract losses or reversals of those losses.

1.18 Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the group's managing director, who is the chief operating decision maker, to make decisions pertaining to resources to be allocated to the segment and to assess its performance.

Segment results

Segment results consist of segment revenue less segment expenses.

Segment revenue

Segment revenue consists of revenue reported in the group's profit or loss that is directly attributable to a segment and the relevant portion of group revenue that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments of the group, but excluding non-specific revenue interest or dividend income and also excluding gains on sales of investments or gains on extinguishments of debt (unless the segment's operations are primarily of a financial nature).

Segment expense

Segment expense consists of expenses resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion of expenses that can be allocated on a reasonable basis to the segment, including expenses relating to sales to external customers and expenses relating to transactions with other segments within the group, excluding non-operating interest incurred, losses on sales of investments or losses on extinguishments of debt (unless the segment's operations are primarily of a financial nature) and income tax.

General administrative expenses, such as head office expenses, and other expenses that arise at group level and relate to the group as a whole, are also excluded from segment expense. Costs incurred at group level on behalf of a segment, however, are included in segment expense if they relate to the segment's operating activities and they can be directly attributed or allocated to the segment on a reasonable basis.

Segment assets

Segment assets consist of those assets that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated on a reasonable basis.

Segment liabilities

Segment liabilities consist of those operating liabilities that result from the operating activities of a segment that are either directly attributable to the segment or can be allocated on a reasonable basis to the segment.

1.19 Determination of fair values

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment property

The fair value of investment property is determined using available information on a case-by-case basis. The group will use alternative valuation methods where deemed more appropriate at the financial position reporting date. Details are disclosed in note 4 regarding the determination of fair value in the current financial year.

Investments in equity, debt securities and unit trusts

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted closing market price at the reporting date.

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted closing market prices;
- The fair values of debt securities are based on the quoted closing market prices as reflected on the JSE Debt Market. The securities are regularly traded on the active market; and
- The fair values of the unit trust investments are based on the quoted put (exit) price provided or published by the fund manager.

SIGNIFICANT ACCOUNTING POLICIES continued

for the year ended 31 March 2025

2. New standards and interpretations not yet effective

At the date of authorisation of the group annual financial statements and company annual financial statements for the year ended 31 March 2025, the following standards and interpretations were in issue, but not yet effective:

	Standard/interpretation	Effective date: years beginning on or after
IAS 21	*Lack of exchangeability (Amendments to IAS 21)*	Annual periods beginning on or after 1 April 2025*
IFRS 9 and IFRS 7	*Amendments to IFRS 9* Financial Instruments *and IFRS 7* Financial Instruments: Disclosures – *Classification and Measurement of Financial Instruments*	Annual periods beginning on or after 1 April 2026*
IFRS 18	*IFRS 18* Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 April 2027*
IFRS 19	*IFRS 19* Subsidiaries without Public Accountability	Annual periods beginning on or after 1 April 2027*

* *All standards and interpretations will be adopted at their effective date despite early application being permitted under IFRS Accounting Standards (except for those standards and interpretations that are not applicable to the entity).*

The directors are of the opinion that the impact of the application of the remaining standards and interpretations will be as follows:

Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* – Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The impact on the financial statements of the group is not expected to be significant and the application of this standard will be done on a case-by-case basis.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* – 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 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 environmental, social and governance (ESG) targets); and
- Make updates to the disclosures for equity instruments designated at fair value through other comprehensive income.

The impact on the financial statements of the group is not expected to be significant and the application of this standard will be done on a case-by-case basis.

Implementation of IFRS 18 *Presentation and Disclosure in Financial Statements*

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general-purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and focuses on updates to the statement of profit or loss with a focus on 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.

Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its "operating profit or loss".

The impact on the financial statements of the group is not expected to be significant at this point in time but further analysis and consultations will follow closer to the effective date to determine an accurate impact of IFRS 18, at that time. The application of this standard will be done on a case-by-case basis. More detailed disclosure, if appropriate, on the impact of the new standard will be provided in future financial statements.

IFRS 19 *Subsidiaries without Public Accountability*

The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the accounting standards in its consolidated financial statements. IFRS 19 is a voluntary accounting standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.

The impact on the financial statements of the group is not expected to be significant and the application of this standard will be done on a case-by-case basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

3. Property, plant and equipment

Figures in R'000	2025 Cost	2025 Accumulated depreciation and impairments	2025 Carrying value	2024 Cost	2024 Accumulated depreciation and impairments	2024 Carrying value
GROUP						
At cost						
Leasehold improvements	969	(767)	202	1 140	(703)	437
Office equipment	1 602	(1 101)	501	1 433	(1 081)	352
Furniture and fittings	449	(308)	141	449	(224)	225
Motor vehicles	2 662	(238)	2 424	1 333	(429)	904
Total	5 682	(2 414)	3 268	4 355	(2 437)	1 918
COMPANY						
At cost						
Leasehold improvements	61	(57)	4	61	(38)	23
Office equipment	909	(587)	322	671	(562)	109
Motor vehicles	–	–	–	–	–	–
Total	970	(644)	326	732	(600)	132

Reconciliation of movement in the carrying value of property, plant and equipment

Figures in R'000	GROUP Opening carrying value	Additions	Disposals	Depreciation and impairment	Closing carrying value
2025					
At cost					
Leasehold improvements	437	–	–	(235)	202
Office equipment	352	361	–	(212)	501
Furniture and fittings	225	–	–	(84)	141
Motor vehicles	904	1 801	(120)	(161)	2 424
Total	1 918	2 162	(120)	(692)	3 268
2024					
At cost					
Leasehold improvements	681	–	–	(244)	437
Office equipment	430	126	(6)	(198)	352
Furniture and fittings	160	149	–	(84)	225
Motor vehicles	418	567	(30)	(51)	904
Total	1 689	842	(36)	(577)	1 918

3. Property, plant and equipment continued

Figures in R'000	COMPANY Opening carrying value	Additions	Disposals	Depreciation and impairment	Closing carrying value
2025					
At cost					
Leasehold improvements	23	–	–	(19)	4
Office equipment	109	287	–	(74)	322
Motor vehicles	–	–	–	–	–
Total	132	287	–	(93)	326
2024					
At cost					
Leasehold improvements	42	–	–	(19)	23
Office equipment	95	69	(6)	(49)	109
Motor vehicles	33	–	(30)	(3)	–
Total	170	69	(36)	(71)	132

Pledged as security

None of the group's or company's property, plant and equipment are mortgaged or encumbered.

4. Investment property

Figures in R'000	2025 Valuation	2025 Accumulated depreciation and impairments	2025 Carrying value	2024 Valuation	2024 Accumulated depreciation and impairments	2024 Carrying value
GROUP						
At valuation						
Land and buildings	–	–	–	13 250	–	13 250
Total	–	–	–	13 250	–	13 250

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

4. Investment property continued

Reconciliation of movement in the carrying value of investment property

Figures in R'000	GROUP					
	Opening carrying value	Transfer upon reclas-sification	Disposals	Revaluation	Depreciation and impairment	Closing carrying value
2025						
At valuation						
Land and buildings	**13 250**	–	(13 250)	–	–	–
Total	**13 250**	–	(13 250)	–	–	–
2024						
At valuation						
Land and buildings	13 250	–	–	–	–	13 250
Total	13 250	–	–	–	–	13 250

Pledged as security

None of the group's investment property is mortgaged or encumbered.

Investment property details

The property was disposed of during the financial year ended 31 March 2025. Land and buildings consisted of business premises situated on Erf 2134, Ferndale, Johannesburg (property), measuring 8 030m^2. The fair value as at 31 March 2024 was based on initial terms agreed between the insurance segment and an unrelated third party to sell the property subsequent to year end. The key input under this approach is the consideration offered for the purchase of the property. Irrespective of the progress made towards concluding the sale of the property (the sale), the sale remains subject to suspensive conditions that the group was working to resolve. Based on the latter, the sale within the next 12 months was not assessed as highly probable as at 31 March 2024. The directors determined that the property's value was within a range of reasonable fair value estimates.

Measuring investment property

Investment property, principally land and buildings as described previously, is currently held for capital appreciation and is not occupied by the group. On initial recognition, the property at the end of owner-occupation, for a transfer from owner-occupied property to investment property, was transferred at the value determined in terms of IAS 16 up to the date of change in use. There was no difference between the IAS 16 valuation and the fair value of the property on 1 April 2021. Subsequent to initial measurement, investment property is measured at fair value. Changes in fair values are presented in profit or loss as part of investment income.

Due to the prevailing circumstances in the prior year, the fair value of the property has not been based on the valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

4. Investment property continued

Fair value hierarchy

Figures in R'000	Level 1	Level 2	Level 3	Total
Land and buildings – 2025	–	–	–	–
Land and buildings – 2024	–	–	13 250	13 250

Figures in R'000	Land and buildings
Reconciliation of fair value assets in Level 3:	
Balance as at 1 April 2023	13 250
Fair value loss recognised in investment income (note 21)	–
Balance as at 31 March 2024	13 250
Fair value loss recognised in investment income (note 21)	–
Disposal of investment property	(13 250)
Balance as at 31 March 2025	–

Figures in R'000	GROUP	
	2025	2024
Direct expenses from property that did not generate rental income		
Assessment rates and municipal charges	**120**	625
Short-term insurance charges	–	5
Repairs and maintenance expenses	**69**	205
	189	835

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

5. Intangible assets

Figures in R'000	2025 Cost	2025 Accumulated amortisation and impairment losses	2025 Carrying value	2024 Cost	2024 Accumulated amortisation and impairment losses	2024 Carrying value
GROUP						
Computer software	1 972	(1 972)	–	1 972	(1 972)	–
Trademark	22	–	22	22	–	22
	1 994	(1 972)	22	1 994	(1 972)	22
COMPANY						
Computer software	–	–	–	–	–	–
Trademark	22	–	22	22	–	22
	22	–	22	22	–	22

Reconciliation of movement in the carrying value of intangible assets

GROUP

Figures in R'000	Opening carrying value 2025	Amortisation 2025	Closing carrying value 2025	Opening carrying value 2024	Amortisation 2024	Closing carrying value 2024
Computer software	–	–	–	–	–	–
Trademark	22	–	22	22	–	22
	22	–	22	22	–	22

COMPANY

Figures in R'000	Opening carrying value 2025	Amortisation 2025	Closing carrying value 2025	Opening carrying value 2024	Amortisation 2024	Closing carrying value 2024
Trademark	22	–	22	22	–	22
	22	–	22	22	–	22

Pledged as security

There is no restricted title on computer software and no computer software has been pledged as security for liabilities of the group or the company. As at 31 March 2025, there were no contractual commitments relating to intangible assets.

6. Investments in subsidiaries

Name of company	Held by	Voting power 2025 %	Voting power 2024 %	Shares at cost 2025 R'000	Shares at cost 2024 R'000
Corporate Guarantee (South Africa) (RF) Limited	Nictus Limited	100,00	100,00	42 900	42 900
Nictus Meubels Proprietary Limited	Nictus Limited	100,00	100,00	33 020	33 020
				75 920	75 920
Impairment of investment in subsidiaries				(14 124)	(10 962)
Carrying value at the end of the year				61 796	64 958
Accumulated impairment allowances					
Opening balance				10 962	10 573
Current year: impairment losses recognised				3 162	389
				14 124	10 962

As a result of prior period trading losses, the investment in Nictus Meubels Proprietary Limited has been impaired in prior years. The current and prior year's impairment, based on trading losses incurred by Nictus Meubels Proprietary Limited, has been accounted for in profit or loss as part of administrative and operating expenses (refer to note 20). The aggregate impairment is based on the recoverable amount, constituting the fair value less costs to sell, of the subsidiary as at 31 March 2025. The fair value less costs to sell is deemed to approximate the net asset value of Nictus Meubels Proprietary Limited as at the reporting date.

The company has no sponsored entities.

All subsidiaries' principal place of business and country of incorporation is in South Africa.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

7. Leases

The group entered into three new lease agreements during the 2021 financial year for retail space and a storeroom with regard to the furniture retail segment and office space from a Nictus perspective, which constitute multi-year lease agreements. These leases generally do not exceed an initial period of 60 months. Periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option, are also taken into account. The latter is unlikely in a furniture retail environment given the amount of external factors to be considered before extending a lease agreement.

The lease payments for the above-mentioned lease agreements are discounted using the lessee's incremental borrowing rate as the interest rate implicit in the lease could not be readily determined.

Amounts recognised in the statement of financial position

Right-of-use assets

The statement of financial position shows the following amounts relating to leases:

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Opening balance	**4 091**	7 830	**704**	1 268
Depreciation recognised	**(2 524)**	(3 739)	**(564)**	(564)
Net carrying amounts of right-of-use assets	**1 567**	4 091	**140**	704

Lease liabilities

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Opening balance	**4 961**	8 876	**885**	1 482
Finance charges incurred (note 22)	**206**	473	**36**	81
Finance charges paid	**(206)**	(473)	**(36)**	(81)
Lease liability repayment	**(2 937)**	(3 915)	**(689)**	(597)
Net carrying amounts of lease liabilities	**2 024**	4 961	**196**	885

The maturity analysis of lease liabilities is as follows:

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Within one year	**2 065**	3 143	**197**	725
Between one and two years	**–**	2 059	**–**	191
Between two and five years	**–**	–	**–**	–
	2 065	5 202	**197**	916
Less: Finance charges component	**(41)**	(241)	**(1)**	(31)
	2 024	4 961	**196**	885
Non-current component	**–**	2 024	**–**	196
Current component	**2 024**	2 937	**196**	689

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Depreciation charge of right-of-use assets	**2 524**	3 739	**564**	564
Interest expense (included in finance expense (note 22))	**206**	473	**36**	81

8. Investments

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
At fair value through profit or loss				
Unit trusts	**470 700**	371 561	**26 013**	24 301
A register containing particulars of companies in which shares and unit trusts are held is available for inspection at the registered office and head office of the group.				
Amortised cost				
Short-term investments	**177 017**	144 045	**–**	–
Short-term investments consist of short-term deposits with an original maturity date of more than three months.				
Due to the short-term nature of these deposits and the market-related interest rate attached to them, the carrying value approximates the fair value.				
Total investments	**647 717**	515 606	**26 013**	24 301
Disclosure				
Non-current assets	**32 642**	27 569	**26 013**	24 301
At fair value through profit or loss*	**32 642**	27 569	**26 013**	24 301
Current assets	**615 075**	488 037	**–**	–
At fair value through profit or loss*	**438 058**	343 992	**–**	–
Amortised cost	**177 017**	144 045	**–**	–
	647 717	515 606	**26 013**	24 301

* *These financial assets are mandatorily measured at fair value through profit or loss.*

Refer to note 1.19 on determining the fair value of financial assets.

Refer to note 29 on financial risk management for the sensitivity analysis.

Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. Unit trusts consist of investments in collective investment schemes and the valuation technique is based on a quoted put (exit) price provided by the relevant fund managers. The only observable inputs with regard to unit trusts are the closing units and closing price. There were no transfers between the levels for the reporting period.

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Level 1				
Unit trusts	**3 765**	5 534	**–**	2 266
	3 765	5 534	**–**	2 266
Level 2				
Unit trusts	**466 935**	366 027	**26 013**	22 035

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

8. Investments continued

Interests in unconsolidated structured entities

Unit trust – Investment 1

The fund aims primarily to provide a high level of income. The secondary aim is to maximise total return (the combination of income and capital growth). The fund invests primarily in high-income-bearing bonds, cash and other interest-bearing securities. The fund is actively managed. As at year end, the group's interest in the unit trust totalled R264,01 million (2024: R187,66 million), compared to a total unit trust size of R25,80 billion (2024: R24,40 billion).

Unit trust – Investment 2

The fund aims to produce compound total returns in excess of the MSCI World Index over the medium to long term. The fund invests up to 100% in equity. The overarching investment approach employed is one of high-conviction stock selection for constructing an actively managed portfolio of global equities with a high-quality overlay, within a risk-controlled framework. As at year end, the group's and company's interest in the unit trust totalled R0,67 million (2024: R0,60 million) and R0,70 million (2024: R0,60 million), respectively, compared to the total unit trust size of R11,92 billion (2024: R11,33 billion).

Unit trust – Investment 3

The fund is a largely domestic, high-yield, fixed-income portfolio, which aims to return the STeFI call deposit rate plus 2% per annum after fees through the interest rate cycle. The fund's objective is to seek opportunities to deliver a high level of income and long-term stability on capital invested. As at year end, the company's interest in the fund totalled R16,57 million (2024: R15,03 million), compared to the total fund size of R17,21 billion (2024: R4,40 billion).

Unit trust – Investment 4

The fund seeks to provide a return on investment that tracks, as consistently as possible, international equity markets, as measured by the MSCI World ESG Screened Select Index (with reinvestment of net dividends). As at year end, the group's and company's interest in the fund totalled R0,52 million (2024: R0,50 million) and R0,52 million (2024: R0,50 million), respectively, compared to the total fund size of R6,70 billion (2024: R6,30 billion).

Unit trust – Investment 5

These unit trusts constitute smaller investments in equity-based funds. The underlying unit trusts will invest in equities on a global basis, for some of which the objective is to achieve long-term capital growth. The underlying unit trusts invest up to 100% in equity. As at year end, the group's and company's interest in these funds totalled R1,02 million (2024: R1,07 million) and R1,02 million (2024: R1,07 million), respectively, compared to the combined total unit trust(s) size in excess of R480 billion (2024: R600 billion and more).

Unit trust (Exchange traded fund) – Investment 6

The investment objective of the fund is to provide income to investors and capital growth over the long term by tracking the price and yield performance of the South African Yield Selected Nominal Bond Index which consists of a fixed number of South African nominal bonds. The fund offers low-cost exposure to the highest-yielding bonds issued by the Republic of South Africa. The investment constitutes an exchange traded fund. As at year end, the group's and company's interest in the fund totalled Rnil (2024: R4,41 million) and Rnil (2024: R2,27 million), respectively, compared to the total fund size of R0,63 billion (2024: R0,31 billion).

Unit trust (Exchange traded fund) – Investment 7

This exchange traded fund is one of the simplest and cost-efficient methods to invest directly in actual gold. It continuously tracks the gold spot price. As at year end, the group's interest in the fund totalled R3,77 million (2024: R1,12 million), compared to the total fund size of R33,93 billion (2024: R18,67 billion).

Unit trust (Exchange traded fund) – Investment 8

This exchange traded fund is one of the simplest and cost-efficient methods to gain efficient access to a basket of companies involved in the mining of copper. As at year end, the group's interest in the fund totalled R2,86 million (2024: Rnil), compared to the total fund size of R47,44 billion.

8. Investments continued

Unit trust – Investment 9

The portfolio invests in several strategies over various instruments, asset classes and portfolios. It combines a strategic risk allocation which provides the optimal diversification benefit across the various strategies, with tactical risk allocation to the most attractive opportunity sets as identified on a bottom-up basis. As at year end, the group's and company's interest in the fund totalled R23,81 million (2024: R19,87 million), compared to the total fund size of R2,30 billion (2024: R1,69 billion).

Unit trust – Investment 10

This strategy largely invests in funds within the ASISA South African Multi Asset Income category that display higher volatility than money market and enhanced yield solutions. The fund-of-funds is an income-generating portfolio that aims to achieve a high level of sustainable income and stability of capital invested. As at year end, the group's interest in the fund totalled R157,48 million (2024: R141,30 million), compared to the total underlying fund(s) size of R125,19 billion (2024: R114,04 billion).

9. Deferred tax assets/(liabilities)

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Reconciliation of movement for the year				
Balance at the beginning of the year	**(4 574)**	(2 603)	**(5 642)**	(4 077)
Current period movements:				
– Recognised in profit or loss	**(1 014)**	(1 971)	**(1 306)**	(1 565)
	(5 588)	(4 574)	**(6 948)**	(5 642)
The net deferred tax assets/(liabilities) comprise:				
Deferred tax assets	**1 360**	1 068	**–**	–
Deferred tax liabilities	**(6 948)**	(5 642)	**(6 948)**	(5 642)
	(5 588)	(4 574)	**(6 948)**	(5 642)
The net deferred tax assets/(liabilities) comprise the following temporary differences:				
Available tax losses	**107**	410	**107**	66
Accruals	**5 031**	2 442	**1 072**	629
IFRS 16-related assets and liabilities	**15**	234	**15**	48
Revaluation of land and buildings	**–**	(230)	**–**	–
Fair value gains on investments	**(4 764)**	(2 433)	**(2 167)**	(1 368)
Loss – impairment and sale of investments	**126**	221	**126**	221
Other receivable – contingency policy (note 12)	**(6 101)**	(5 238)	**(6 101)**	(5 238)
Capital allowances	**(2)**	20	**–**	–
	(5 588)	(4 574)	**(6 948)**	(5 642)

Deferred tax assets in respect of available tax losses and deductible temporary differences have been recognised to the extent that the directors are of the opinion that sufficient future taxable profits will be available in the foreseeable future to enable the group and its subsidiary companies to utilise the available tax losses and deductible temporary differences.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

9. Deferred tax assets/(liabilities) continued

Tax rates

The deferred tax rate applied to the fair value adjustments of financial assets or revaluations of owner-occupied property is determined by the expected manner of recovery. Where the expected recovery is through a sale, the capital gains tax rate of 21,6% (2024: 21,6%) has been used. If the expected manner of recovery is through indefinite use, the corporate tax rate of 27% (2024: 27%) has been applied.

If the manner of recovery is partly through use and partly through sale, a combination of the capital gains tax rate and corporate tax rate has been used.

The following deferred tax assets have not been recognised by the group and company in respect of available tax losses and deductible temporary differences due to the fact that there is not sufficient certainty at the reporting date whether the subsidiary or company would be able to generate sufficient taxable income in the immediate future to utilise the available tax losses and deductible temporary differences.

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Estimated available tax losses	**4 791**	1 518	**396**	243
Tax losses recognised in determining deferred tax assets	**(396)**	(1 518)	**(396)**	(243)
Unrecognised tax losses	**4 395**	–	**–**	–
Unrecognised deferred tax assets pertaining to unutilised tax losses	**1 187**	–	**–**	–

The estimated tax losses will be available to the company and the respective subsidiaries indefinitely per the Income Tax Act as long as the entities are trading. There is currently no intention for the company or the subsidiaries to cease trading activities.

10. Inventories

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Merchandise	**7 147**	9 510	**–**	–
Consumables	**4**	34	**–**	–
	7 151	9 544	**–**	–
Provision for inventory write-downs	**–**	–	**–**	–
	7 151	9 544	**–**	–

No inventories have been written down to net realisable value.

Inventory pledged as security

No inventory has been encumbered or pledged as security.

11. Loans to/(from) group companies

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Current loans to Nictus Meubels Proprietary Limited	**–**	–	**–**	–
Secured advances from Corporate Guarantee (South Africa) (RF) Limited	**–**	–	**(6 325)**	(9 892)
	–	–	**(6 325)**	(9 892)
Reconciliation – Loans to/(from) subsidiary companies				
Opening balance as at 1 April	**–**	–	**(9 892)**	(1 275)
Secured advances repaid to/(received from) subsidiary companies	**–**	–	**3 567**	(7 365)
Loans repaid by subsidiary companies	**–**	–	**–**	(1 252)
Finance income accrued	**–**	–	**37**	88
Finance income received	**–**	–	**(37)**	(88)
Finance expenses accrued	**–**	–	**(759)**	(723)
Finance expenses paid	**–**	–	**759**	723
	–	–	**(6 325)**	(9 892)

Loans to/(from) subsidiary companies

Loans due from subsidiaries bear interest at the South African prime lending rate, are unsecured and repayable on demand.

Loans due to subsidiaries bear interest at the South African prime lending rate minus 1%, are unsecured and repayable on demand.

The carrying values of loans from group companies approximate their fair value due to the market-related interest rates applicable to the loans.

Secured advances from subsidiary companies

Secured advances due to subsidiaries bear interest at the South African prime lending rate of between minus 2% to 3,55%, are secured and repayable within 12 months. The contingency policy receivable was pledged as security. Refer to note 12.

The carrying values of secured advances from group companies approximate their fair value due to the market-related interest rates applicable to the loans.

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Disclosure				
Current assets	**–**	–	**–**	–
Current liabilities	**–**	–	**(6 325)**	(9 892)
	–	–	**(6 325)**	(9 892)

The carrying amounts of loans from group companies are denominated in South African Rands.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

12. Trade and other receivables

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Trade receivables: furniture	**6 935**	12 460	**–**	–
Prepayments	**4 191**	4 532	**329**	288
Other receivable – contingency policy	**–**	–	**22 599**	19 399
Deposits	**26**	26	**–**	–
Sundry debtors	**885**	229	**–**	–
	12 037	17 247	**22 928**	19 687
Split between non-current and current portions				
Non-current	**1 147**	3 857	**–**	–
Current	**10 890**	13 390	**22 928**	19 687
	12 037	17 247	**22 928**	19 687

General

The carrying amounts of short-term trade receivables are deemed to approximate their fair values.

The maximum exposure to credit risk at the reporting date is as disclosed in note 29.

Trade receivables include instalment sale agreements relating to furniture and household appliances that are sold to customers using instalment sale agreements, which are non-cancellable and which are on average for a period of two years. Goods sold by the furniture retail segment are sold subject to retention of title clauses, so that in the event of non-payment, the group has a secured claim.

As at 31 March 2025, the future minimum instalment sale agreement payments receivable within one year amounting to R7,2 million (2024: R11,2 million) and R1,1 million (2024: R3,9 million), respectively, are receivable between one and two years, and are included in trade receivables.

Other receivable – contingency policy (company)

"Other receivable – contingency policy" relates to the contingency policy (policy) entered into by the company (insured) and Corporate Guarantee (South Africa) (RF) Limited (insurer), a subsidiary of the company (i.e. a related party). The policy provides that the insurer, in return for the payment of a premium, undertakes to indemnify the insured for any loss suffered resulting from the occurrence of certain insured events.

The insurer maintains an "experience account" throughout the period of insurance in respect of the policy. The balance of this experience account will be calculated as the total of all premiums received plus premiums receivable (including premiums receivable for the unexpired portion of the insurance period), less commission and claims paid, less fees as indicated in the policy schedule, plus a notional interest allocation calculated on the positive cash balance at a notional interest rate determined within the discretion of the insurer. The balance of the experience account on expiry date, if positive, will be paid to the insured as an experience bonus by the insurer.

The experience bonus will only be paid on written acknowledgement by the insured that it accepts the payment as full and final settlement of its rights under the policy and that the insured will have no further claim against the insurer. In addition, the experience bonus will only become payable after receipt of payment by the insurer of any outstanding premiums payable for the full period of insurance (including the unexpired portion of the period of insurance), or alternatively written confirmation by the insured that the insurer may set off the amount of such outstanding premiums against the balance on the experience account in order to pay the experience bonus net of outstanding premiums. The existence of the experience account provides the insured with a contractual right to receive cash in the form of either a claim settlement or experience bonus at expiry or cancellation of the policy.

Consequently, the experience bonus meets the definition of a financial asset, being a contractual right to receive cash or another financial asset from another entity, which is measured at amortised cost.

12. Trade and other receivables continued

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
The ageing of trade and other receivables at the reporting date was:				
Gross				
Not past due	**12 124**	17 503	**22 928**	19 687
Past due 0 – 30 days	**24**	23	**–**	–
Past due 31 – 90 days	**59**	58	**–**	–
Past due 91+ days	**155**	120	**–**	–
	12 362	17 704	**22 928**	19 687
Impairment allowance				
Not past due	**(95)**	(302)	**–**	–
Past due 0 – 30 days	**(14)**	(8)	**–**	–
Past due 31 – 90 days	**(20)**	(43)	**–**	–
Past due 91+ days	**(196)**	(104)	**–**	–
	(325)	(457)	**–**	–
Net carrying value	**12 037**	17 247	**22 928**	19 687

As at 31 March 2025, group trade and other receivables of R0,01 million (2024: Rnil) were past due but no impairment allowance was raised. From a company perspective, Rnil (2024: Rnil) was past due but no impairment allowance was raised. The directors are of the opinion that the impairment allowance raised is adequate and past experience indicates that trade and other receivables past due but not impaired are recoverable.

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Reconciliation of movement in impairment allowance				
Opening balance	**457**	547	**–**	–
Trade receivables written off during the year as uncollectable	**(461)**	(348)	**–**	–
Net movement in impairment allowance for trade receivables recognised in profit or loss	**329**	258	**–**	–
Impairment allowance recognised for trade receivables	**329**	665	**–**	–
Unused allowance amount reversed	**–**	(407)	**–**	–
	325	457	**–**	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

13. Cash and cash equivalents

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Cash and cash equivalents consist of:				
Cash on hand	**40**	40	**7**	7
Bank balances	**2 473**	992	**158**	238
Short-term deposits*	**159 129**	57 904	**4 945**	9 445
	161 642	58 936	**5 110**	9 690

* *Short-term deposits included a call deposit amounting to R4,5 million (2024: R9,2 million). The rights, title and interest in and to the aforementioned deposit are subject to a cession/pledge in favour of an independent third party. The group's exposure has been fully mitigated due to collateral provided in favour of the group by a Corporate Guarantee (South Africa) (RF) Limited policyholder.*

Included in cash and cash equivalents are investments made in terms of the various South African insurance regulations to comply with necessary liquidity requirements.

Short-term deposits include a unit trust investment of R121,55 million (2024: R28,99 million). The money market fund invests in call accounts and short-term money market instruments, the majority with original maturities less than three months. The investment has been made to meet short-term operational obligations as they fall due and form an integral part of the group's cash management. The remainder of the balance includes term deposits that have a maturity of three months or less from the date of acquisition and are repayable with immediate to 72 hours' notice, with no loss of interest.

The carrying amount of cash and cash equivalents is deemed to approximate its fair value.

The borrowing capacity, as determined by the MOI, is unrestricted and at the discretion of the directors.

14. Stated capital

Figures in '000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Authorised – no par value shares				
250 million ordinary shares of no par value	**250 000**	250 000	**250 000**	250 000
10 million redeemable cumulative preference shares of no par value	**10 000**	10 000	**10 000**	10 000
	260 000	260 000	**260 000**	260 000

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Issued – no par value shares				
Opening balance – ordinary shares (53 443 500 (2024: 53 443 500))	**25 969**	25 969	**25 969**	25 969
Movement	**–**	–	**–**	–
Closing balance – ordinary shares (53 443 500 (2024: 53 443 500))	**25 969**	25 969	**25 969**	25 969

All ordinary shares rank equally with regard to the company's residual assets. No treasury shares were held by the group or company for the financial year ended 31 March 2025 nor for the comparative prior year.

16 033 050 (2024: 16 033 050) unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders passed at the last annual general meeting and in terms of the MOI, but subject to compliance with the relevant regulations, i.e. the Companies Act of South Africa and the JSE Listings Requirements. This authority remains in force until the next annual general meeting.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of shareholders of the company. All issued share capital is fully paid up.

15. Revaluation reserve

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
The revaluation reserve relates to property that was carried at its revalued amount, but is now classified as investment property.				
As at 1 April	**1 152**	1 152	**–**	–
Movements during the current financial year	**(1 152)**	–	**–**	–
As at 31 March	**–**	1 152	**–**	–

16. Trade and other payables

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Accruals	**24 737**	10 957	**4 040**	2 395
Personnel/management fee-related	**8 179**	4 199	**3 974**	2 329
Effective interest revenue refundable	**155**	585	**–**	–
Commission and fee expenses – third parties	**5 400**	2 026	**–**	–
Insurance campaign – reward provision	**10 734**	3 954	**–**	–
Other	**269**	193	**66**	66
Trade payables	**5 350**	4 953	**103**	42
Sundry creditors	**247**	201	**128**	116
Value added tax	**5 078**	2 330	**159**	124
	35 412	18 441	**4 430**	2 677

The group's and company's exposure to liquidity risk related to trade and other payables is disclosed in note 29. For fair value disclosure, refer to note 31.

17. Insurance contract liabilities

17.1 Insurance contracts issued overview

Figures in R'000	Note	Secured advances	Legal insurance contract liabilities	Total liabilities
Contingency policies – premium allocation approach				
Insurance contract (assets)/liabilities as at 31 March 2025	17.2	**(580 076)**	**1 235 820**	**655 744**
Insurance contract (assets)/liabilities as at 31 March 2024	17.2	(329 194)	804 191	474 997

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

17. Insurance contract liabilities continued

17.2 Movements in carrying amounts of insurance liabilities and assets

Contingency policies – insurance contracts issued – premium allocation approach

Figures in R'000	Year ended 31 March 2025: Liability for remaining coverage – Present value of expected future cash flows	Liability for incurred claims – Present value of expected future cash flows	Total
Insurance contract liabilities opening balance	474 997	–	474 997
Opening secured advances	(329 194)	–	(329 194)
Opening legal insurance contract liabilities	804 191	–	804 191
Amounts recognised in the statement of comprehensive income			
Insurance service result	(32 099)	402	(31 697)
Insurance revenue	(31 847)	–	(31 847)
Incurred claims and other insurance service expenses	(252)	402	150
Net insurance finance expenses	15 720	–	15 720
Notional interest charge to profit or loss	61 346	–	61 346
Finance income earned from secured advances	(45 626)	–	(45 626)
Total movements recognised in the statement of comprehensive income	(16 379)	402	(15 977)
Investment component	(1 357 696)	1 357 696	–
Cancellation and expired premiums	(1 304 255)	1 304 255	–
Notional interest incurred	(53 441)	53 441	–
Cash flows			
Premiums received	1 760 078	–	1 760 078
New premiums received	657 038	–	657 038
Renewal premiums received	1 103 040	–	1 103 040
Claims and other insurance service expenses paid	–	(402)	(402)
Cancellation and expired premiums settlement	–	(1 357 696)	(1 357 696)
Secured advance finance income received	45 626	–	45 626
Secured advances advanced to policyholders	(250 882)	–	(250 882)
Total cash flows	1 554 822	(1 358 098)	196 724
Closing secured advances	(580 076)	–	(580 076)
Closing legal insurance contract liabilities	1 235 820	–	1 235 820
Insurance contract liabilities closing balance	655 744	–	655 744

17. Insurance contract liabilities continued

17.2 Movements in carrying amounts of insurance liabilities and assets continued

Contingency policies – insurance contracts issued – premium allocation approach continued

Figures in R'000	Year ended 31 March 2024: Liability for remaining coverage – Present value of expected future cash flows	Liability for incurred claims – Present value of expected future cash flows	Total
Insurance contract liabilities opening balance	355 458	–	355 458
Opening secured advances	(300 899)	–	(300 899)
Opening legal insurance contract liabilities	656 357	–	656 357
Amounts recognised in the statement of comprehensive income			
Insurance service result	(14 838)	516	(14 322)
Insurance revenue	(14 728)	–	(14 728)
Incurred claims and other insurance service expenses	(110)	516	406
Net insurance finance expenses	17 785	–	17 785
Notional interest charge to profit or loss	47 636	–	47 636
Finance income earned from secured advances	(29 851)	–	(29 851)
Total movements recognised in the statement of comprehensive income	2 947	516	3 463
Investment component	(928 107)	928 107	–
Cancellation and expired premiums	(889 135)	889 135	–
Notional interest incurred	(38 972)	38 972	–
Cash flows			
Premiums received	1 043 143	–	1 043 143
New premiums received	340 388	–	340 388
Renewal premiums received	702 755	–	702 755
Claims and other insurance service expenses paid	–	(516)	(516)
Cancellation and expired premiums settlement	–	(928 107)	(928 107)
Secured advance finance income received	29 851	–	29 851
Secured advances advanced to policyholders	(28 295)	–	(28 295)
Total cash flows	1 044 699	(928 623)	116 076
Closing secured advances	(329 194)	–	(329 194)
Closing legal insurance contract liabilities	804 191	–	804 191
Insurance contract liabilities closing balance	474 997	–	474 997

17.3 Insurance service expenses

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Insurance acquisition costs	**18 590**	7 291	**–**	–
Incurred claims	**402**	516	**–**	–
Other incurred insurance service expenses	**(252)**	(110)	**–**	–
Total insurance service expenses	**18 740**	7 697	**–**	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

18. Revenue

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Revenue from contracts with customers	**25 266**	33 316	**–**	–
Sale of goods[1]	**24 319**	32 071	**–**	–
Rendering of services[2]	**947**	1 245	**–**	–
Management fees from subsidiaries	**–**	–	**19 250**	18 100
	25 266	33 316	**19 250**	18 100

[1] The sale of goods consists of revenue from goods transferred to customers at a point in time.

[2] Rendering of services consists of revenue from services provided to customers over time amounting to R0,3 million (2024: R0,4 million). The remainder is provided at a point in time, including, but not limited to, the delivery of goods and initial administration services rendered associated with instalment sale agreements.

19. Other income

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Profit on sale of property, plant and equipment	**167**	10	**–**	10
Guarantee fees received	**129**	201	**–**	–
Broker fees earned	**878**	837	**–**	–
Cost recoveries – sale of investment property	**599**	–	**–**	–
Other services rendered	**(9)**	(18)	**23**	–
Insurance claims	**64**	44	**–**	–
Advertising recoveries	**274**	207	**–**	–
Bad debts recovered	**157**	85	**–**	–
Portfolio management fee – rebate	**585**	557	**–**	–
Prescribed dividends	**49**	30	**49**	30
Movement – contingency policy balance	**–**	–	**3 200**	2 795
	2 893	1 953	**3 272**	2 835

20. Administrative and operating expenses

Results from operating activities for the year are stated after accounting for the following:

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Administrative expenses	**18 500**	15 542	**10 230**	8 843
Advertising expenses	**2 379**	2 438	**–**	–
Auditors' remuneration	**2 324**	2 063	**1 350**	1 258
– External audit service fees	**2 282**	2 021	**1 335**	1 243
– Non-audit service fees	**42**	42	**15**	15
Assessment rates and municipal charges	**1 147**	1 409	**266**	208
Consulting fees	**656**	551	**641**	538
Lease payments – short-term leases	**1 330**	–	**–**	–
Management fees paid to related party	**5 490**	4 320	**5 490**	4 320
Other administrative expenses/(income)	**846**	1 174	**(342)**	127
Secretarial fees	**466**	574	**289**	418
Telephone and information technology-related expenses	**2 849**	2 175	**2 178**	1 637
Travel expenses	**1 013**	838	**358**	337
Operating expenses	**26 440**	23 798	**13 856**	9 230
Depreciation of property, plant and equipment	**692**	577	**93**	71
Depreciation on right-of-use asset	**2 524**	3 739	**564**	564
Employee costs and directors' emoluments	**20 786**	16 951	**7 835**	6 353
– Salaries	**15 221**	11 844	**2 793**	1 783
– Medical aid contributions	**230**	259	**82**	74
– Fees for services as directors' expenses	**5 335**	4 848	**4 960**	4 496
Insurance premium expenses	**247**	182	**2 088**	1 791
Professional fees	**1 611**	1 640	**–**	–
Other operating expenses	**580**	709	**114**	62
Recognition of impairment against investments in subsidiaries	**–**	–	**3 162**	389

21. Net investment income

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Investment income from operations				
Dividends received	**110**	228	**–**	40
Financial assets at fair value through profit or loss[1]	**12 225**	4 710	**4 153**	3 215
Profit on disposal of investments	**2 328**	156	**439**	–
Loss on disposal of investment property	**(530)**	–	**–**	–
Fair value adjustments	**10 427**	4 554	**3 714**	3 215
Unit trusts	**10 427**	4 607	**3 714**	3 215
Listed shares	**–**	(53)	**–**	–
Interest received[2]	**51 859**	44 969	**757**	799
	64 194	49 907	**4 910**	4 054

[1] Represents income on financial assets measured mandatorily at fair value through profit or loss.

[2] Represents income on financial assets measured at amortised cost.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

22. Finance expense

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Loans from subsidiaries	–	–	–	(33)
Secured advances from subsidiaries	–	–	(759)	(690)
Lease liability (IFRS 16)	(206)	(473)	(36)	(81)
South African Revenue Service	–	(1)	–	–
	(206)	(474)	(795)	(804)

23. Taxation expense

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Major components of the tax expense				
Current taxation				
Recognised in profit or loss – current year charge	(7 618)	(1 621)	–	–
Recognised in profit or loss – adjustment for current tax of prior periods	2	73	–	–
	(7 616)	(1 548)	–	–
Deferred taxation				
Recognised in profit or loss – current year charge	(1 014)	(1 971)	(1 306)	(1 565)
Securities transfer tax taxation				
Recognised in profit or loss – current year charge	–	(20)	–	–
	(8 630)	(3 539)	(1 306)	(1 565)
Reconciliation of the effective tax expense				
Reconciliation between tax at the statutory tax rate and the effective tax rate:				
Profit before taxation	28 880	14 478	2 551	6 112
Tax at the applicable tax rate of 27% (2024: 27%)	(7 798)	(3 909)	(689)	(1 650)
Securities transfer tax taxation	–	(20)	–	–
Tax rate adjusted for:				
Profit on sale of investments	126	8	24	–
Ordinary dividends received	30	62	–	11
Fair value adjustment on listed shares, listed debt securities and unit trusts	564	246	201	174
Non-taxable income – prescribed dividends	13	8	13	8
Expenses of a capital nature	–	(3)	(1)	(3)
Impairment provision recognised	–	–	(854)	(105)
(Under)/over provision previous years	(43)	73	–	–
South African Revenue Service – interest and penalties	–	(1)	–	–
Administration fees – buying and selling of listed shares	(3)	–	–	–
IFRS 17 adjustments on consolidation	–	(3)	–	–
Increase of unrecognised deferred tax asset – assessed loss-related	(1 187)	–	–	–
Increase of unrecognised deferred tax asset – deductible temporary differences	(332)	–	–	–
Effective taxation	(8 630)	(3 539)	(1 306)	(1 565)

24. Cash generated from operations

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Profit before taxation	28 880	14 478	2 551	6 112
Adjustments for:				
Depreciation of property, plant and equipment	692	577	93	71
Depreciation of right-of-use asset	2 524	3 739	564	564
Profit on disposal of property, plant and equipment	(167)	(10)	–	(10)
Amortisation of intangible asset	–	–	–	–
Net impairments and movements in credit loss allowances	329	258	–	–
Dividend income	(110)	(228)	–	(40)
Finance expenses	206	474	795	804
Interest received	(97 485)	(74 820)	(757)	(799)
Impairment recognised on investments in subsidiaries	–	–	3 162	389
Profit on disposal of investments	(2 328)	(156)	(439)	–
Loss on disposal of investment property	530	–	–	–
Inventories lost or written off	129	64	–	–
Fair value adjustments on investments	(10 427)	(4 554)	(3 714)	(3 215)
Prescribed dividends recognised in profit before taxation	(49)	(30)	(49)	(30)
Changes in working capital:				
Decrease/(increase) in inventories	2 264	(545)	–	–
Decrease/(increase) in trade and other receivables	4 881	(1 896)	(3 241)	(2 697)
Increase in insurance contract liabilities	180 747	119 539	–	–
Increase in trade and other payables	17 020	9 907	1 802	288
	127 636	66 797	767	1 437

25. Tax paid

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Balance receivable/(payable) at the beginning of the year	11	(23)	–	–
Current tax refund accrual during the current financial year	–	36	–	–
Current tax for the year recognised in profit or loss	(7 616)	(1 584)	–	–
Securities transfer tax for the year recognised in profit or loss	–	(20)	–	–
Balance receivable at the end of the year	(59)	(11)	–	–
Tax paid during the current financial year	(7 664)	(1 602)	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

26. Dividends

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Ordinary dividend paid				
– on 22 July 2024[1]	**3 207**	–	**3 207**	–
– on 24 July 2023[2]	**–**	2 672	**–**	2 672
	3 207	2 672	**3 207**	2 672

[1] The board, within its discretion, declared a final dividend of 6,00 cents per Nictus ordinary share for the year ended 31 March 2024, to all ordinary shareholders recorded in the share register of Nictus at the close of business on Friday, 19 July 2024. The dividend was paid on Monday, 22 July 2024.

[2] The board, within its discretion, declared a final dividend of 5,00 cents per Nictus ordinary share for the year ended 31 March 2023, to all ordinary shareholders recorded in the share register of Nictus at the close of business on Friday, 21 July 2023. The dividend was paid on Monday, 24 July 2023.

27. Related parties

Relationships

Subsidiaries	Refer to note 6
Other related parties transacted with	Nictus Holdings Limited Veritas Eksekuteurskamer Proprietary Limited Auas Motors Proprietary Limited
Members of key management	Gerard R de V Tromp *(Managing director and key management of the group)* Eckhart H Prozesky *(Financial director and key management of the group)* Philippus J de W Tromp *(Non-executive director)*
Independent non-executive directors	Professor Barend J Willemse Cornelius J de Vrye Sarita Martin

A person or a close member of that person's family is related to a reporting entity if that person has control or joint control of the reporting entity, has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Key management personnel have been identified as the executive directors, non-executive directors and the managing executives of segments within the group.

Close members of the family related to key management would also be defined as related parties. Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the group and include that person's children and spouse or domestic partner, the children of that person's spouse or domestic partner and dependants of that person or that person's spouse or domestic partner.

Commonly, an entity would be related to the reporting entity if a member of key management is also a member of the key management personnel of that entity (other related parties), or the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

Other related parties are related to the group based on the fact that these entities are either controlled or jointly controlled by some members of key management, or a person who has control or joint control of the group has significant influence over the entity or is a member of the key management personnel of the entity.

27. Related parties continued

Transactions with key management personnel

Directors and prescribed officers of the company and their immediate relatives beneficially control 80,23% (2024: 79,69%) of the voting shares of the company. Details pertaining to directors' and key management's compensation are set out in note 28.

Similar policies are applied to key personnel at subsidiary level who are not defined as key management personnel at group level.

Certain directors of the group are also non-executive directors of other public companies which may transact with the group. The relevant directors do not believe that they have significant influence over the financial and operational policies of those companies. Those companies are therefore not regarded as related parties.

The following transactions were entered into between subsidiaries of the group and key management (as defined) and/or organisations in which key management personnel have significant influence:

Figures in R'000	GROUP 2025	GROUP 2024
Related party balances		
Amounts included in legal insurance contract liabilities – refer to note 17		
Veritas Eksekuteurskamer Proprietary Limited	**(500)**	(469)

Figures in R'000	COMPANY 2025	COMPANY 2024
Related party balances		
Loan accounts – refer to note 11		
Loan from subsidiary (Corporate Guarantee (South Africa) (RF) Limited)	**(6 325)**	(9 892)
Loan to subsidiary (Nictus Meubels Proprietary Limited)	**–**	–
Amounts included in trade and other receivables – refer to note 12		
Corporate Guarantee (South Africa) (RF) Limited	**22 599**	19 399

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

27. Related parties continued

Transactions with key management personnel continued

Figures in R'000	GROUP 2025	GROUP 2024
Related party transactions		
Management fees expensed to related party (Veritas Eksekuteurskamer Proprietary Limited)	**5 490**	4 320
Secretarial fees paid to related party (Veritas Eksekuteurskamer Proprietary Limited)	**466**	574
Notional interest charge to profit or loss (Veritas Eksekuteurskamer Proprietary Limited)	**28**	28
Motor vehicles purchased from related party (Auas Motors Proprietary Limited)	**(598)**	(1 112)
Motor vehicle sold to related party (Philippus J de W Tromp)	**–**	45
Director fees received from related party (Nictus Holdings Limited)	**(757)**	(703)

Figures in R'000	COMPANY 2025	COMPANY 2024
Related party transactions		
Interest paid to subsidiaries	**759**	723
Interest received from subsidiaries	**(37)**	(88)
Management fees received from subsidiaries	**(19 250)**	(18 100)
Management fees expensed to related party (Veritas Eksekuteurskamer Proprietary Limited)	**5 490**	4 320
Secretarial fees paid to related party (Veritas Eksekuteurskamer Proprietary Limited)	**289**	418
Insurance premium expense paid to related party (Corporate Guarantee (South Africa) (RF) Limited)	**2 000**	1 750
Movement – contingency policy balance (Corporate Guarantee (South Africa) (RF) Limited)	**(3 200)**	(2 795)
Motor vehicle sold to related party (Philippus J de W Tromp)	**–**	45
Director fees received from related party (Nictus Holdings Limited)	**(757)**	(703)

Inter-company trade receivables and payables are subject to the same terms and conditions applied to the general public. Interest is charged at market-related rates and settlement is expected to be made in cash.

No guarantees or doubtful debts were provided for relating to related party balances.

28. Directors', key management's and prescribed officers' remuneration

Figures in R'000	Paid by the company: Basic salary*	Paid by the company: Bonuses*	Paid by the subsidiaries: Directors' fees*	Total
Executive directors				
2025				
Gerard R de V Tromp[1]	**510**	**–**	**–**	**510**
Eckhart H Prozesky	**2 200**	**810**	**–**	**3 010**
	2 710	**810**	**–**	**3 520**
2024				
Gerard R de V Tromp[1]	480	–	–	480
Eckhart H Prozesky	2 040	620	–	2 660
	2 520	620	–	3 140

* *Classified as short-term employee benefits. No long-term employee benefits are payable.*

[1] *A management fee of R5,5 million (2024: R4,3 million) was paid to a related party, Veritas Eksekuteurskamer Proprietary Limited, for services rendered by Gerard R de V Tromp as an executive director.*

Figures in R'000	Directors' fees – company	Directors' fees – subsidiaries	Basic salary – company*	Total
Non-executive directors				
2025				
Professor Barend J Willemse	**486**	**94**	**–**	**580**
Philippus J de W Tromp	**229**	**–**	**–**	**229**
Cornelius J de Vrye	**387**	**–**	**–**	**387**
Sarita Martin	**338**	**–**	**–**	**338**
	1 440	**94**	**–**	**1 534**
2024				
Professor Barend J Willemse	458	88	–	546
Philippus J de W Tromp	216	–	–	216
Cornelius J de Vrye	364	–	–	364
Sarita Martin	318	–	–	318
	1 356	88	–	1 444

* *Classified as short-term employee benefits. No long-term employee benefits are payable.*

Figures in R'000	Paid by the subsidiaries: Basic salary*	Paid by the subsidiaries: Bonuses*	Directors' fees*	Total
Prescribed officers other than directors				
2025				
Hendrik J Pretorius[1]	**1 200**	**590**	**–**	**1 790**
	1 200	**590**	**–**	**1 790**

* *Classified as short-term employee benefits. No long-term employee benefits are payable.*

[1] *Promoted to chief executive officer of Corporate Guarantee (South Africa) (RF) Limited, effective 1 April 2024.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

29. Risk management

The group's activities expose it to a variety of financial risks from the use of financial instruments: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk and the group's management of capital. Further quantitative disclosures are included throughout these group annual financial statements.

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board has an audit and risk committee which is responsible for developing and monitoring the group's risk management policies.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group audit and risk committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group monitors its cash flow requirements on a daily basis against monthly projections and focuses on optimising its cash return on investments. Typically, the group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. With regard to the group, the contractual maturities of secured advances, R580,1 million (2024: R329,2 million), disclosed as part of insurance contract liabilities, would mirror that of the legal insurance contract liabilities due to the interdependent nature that exists. At the end of the reporting period, and for purposes of managing liquidity risk, the group held cash and cash equivalents, together with a portion of investments amounting to R587,0 million (2024: R390,5 million), that are available to meet cash flow obligations within a period of 30 days.

29. Risk management continued

Liquidity risk continued

The following are the contractual maturities of non-derivative financial liabilities and insurance liabilities, including interest payments and excluding the impact of netting agreements. The amounts disclosed in the table are the contractual undiscounted cash flows.

Figures in R'000	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	Between 1 and 2 years	Between 2 and 5 years
As at 31 March 2025						
GROUP						
Trade payables	**5 350**	**5 350**	**5 350**	**–**	**–**	**–**
Other payables	**24 984**	**24 984**	**24 984**	**–**	**–**	**–**
Legal insurance contract liabilities*	**1 235 820**	**1 499 870**	**1 062 629**	**437 241**	**–**	**–**
Lease liabilities	**2 024**	**2 065**	**1 214**	**851**	**–**	**–**
COMPANY						
Loans from group companies	**6 325**	**6 325**	**6 325**	**–**	**–**	**–**
Trade payables	**103**	**103**	**103**	**–**	**–**	**–**
Other payables	**4 168**	**4 168**	**4 168**	**–**	**–**	**–**
Lease liabilities	**196**	**197**	**197**	**–**	**–**	**–**
As at 31 March 2024						
GROUP						
Trade payables	4 953	4 953	4 953	–	–	–
Other payables	11 158	11 158	11 158	–	–	–
Legal insurance contract liabilities*	804 191	919 959	687 749	232 210	–	–
Lease liabilities	4 961	5 202	1 794	1 349	2 059	–
COMPANY						
Loans from group companies	9 892	9 892	9 892	–	–	–
Trade payables	42	42	42	–	–	–
Other payables	2 511	2 511	2 511	–	–	–
Lease liabilities	885	916	356	369	191	–

* *As at 31 March 2025 and 31 March 2024, the contractual cash flows associated with insurance contract liabilities exclude the gross provision for notional interest as no current contractual obligation exists relating to same. However, the contractual cash flows include the effect of expected premium debtor receipts from the policyholders that are most likely payable as the gross investment component of the insurance policy. The carrying amount reflects the balance associated with the legal insurance contract liabilities as at the reporting date as measured in terms of IFRS 17. Refer to note 17.1.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

29. Risk management continued

Market risk

Market risk is the risk associated with changes in market prices, such as interest rates and equity prices that will affect the group's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The group incurs financial liabilities and acquires assets in order to manage market risks. All such transactions are carried out within the guidelines set by the group executive committee.

Interest rate risk

The group adopts a policy of ensuring that its exposure to changes in interest rates and borrowings is limited by setting the terms and conditions of loans to adjust with changes in market conditions. The group also aims to ensure that the profit margin is sufficient to cover any rate change.

Other market price risk

The group executive committee monitors the mix of listed debt and equity securities and unit trusts in its investment portfolio based on market expectations. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the directors of the relevant segment.

The primary goal of the group's investment strategy is to maximise profitability through well-managed investments. Management is assisted by external advisors in this regard.

Interest rate risk

The group is exposed to interest rate risk as the majority of its interest-bearing financial assets are on a variable rate basis.

Exposure to interest rate risks

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Variable rate instruments				
Financial assets at amortised cost	**205 905**	100 491	**4 945**	9 445
Financial assets at fair value through profit or loss	**438 059**	343 992	**–**	–
Secured advances	**580 076**	329 194	**–**	–
Financial liabilities	**–**	–	**(6 325)**	(9 892)
	1 224 040	773 677	**(1 380)**	(447)

Sensitivity analysis

An increase of 100 basis points in interest rates at the reporting date would have increased profit/(loss) and increased/(decreased) equity by the amounts shown below. A decrease of 100 basis points would have an equal but opposite effect on profit. This analysis assumes that all other variables remain constant. This analysis was performed on the same basis for 2024.

	GROUP		COMPANY	
Figures in R'000	**2025**	**2024**	**2025**	**2024**
Variable rate instruments	**8 935**	5 648	**(10)**	(3)

29. Risk management continued

Price risk

The group is exposed to equity securities price risk because of investments held by the company and the group's insurance subsidiary and classified on the statement of financial position at fair value through profit or loss. To manage its price risk arising from investments in listed equity securities, debt securities and unit trusts, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

At the reporting date, the price risk impact of the group's financial instruments was:

Figures in R'000	10% increase in market prices 2025	10% decrease in market prices 2025	10% increase in market prices 2024	10% decrease in market prices 2024
GROUP				
Unit trusts	**47 070**	**(47 070)**	37 156	(37 156)
COMPANY				
Unit trusts	**2 601**	**(2 601)**	2 430	(2 430)

Foreign exchange risk

The group and company operate locally and are exposed to limited foreign exchange risk, primarily the US Dollar. Foreign exchange risk arises from investments denominated in a currency that is not the functional currency of the group and company. The investments are reviewed regularly in conjunction with external investment professionals. As at year end, the group's and company's interest in investments that are exposed to foreign exchange fluctuations amounted to R5,1 million (2024: R5,8 million) and R2,2 million (2024: R2,2 million), respectively.

As at 31 March 2025, if the underlying currencies in which investments are denominated, being predominantly the US Dollar and Pound Sterling, had strengthened by 10% against the South African Rand with all other variables held constant, profit before taxation would have been R0,5 million (2024: R0,6 million) and R0,2 million (2024: R0,2 million) higher, for the group and company, respectively, mainly as a result of foreign exchange gains on translation of investments in foreign currency-related instruments.

The group reviews its foreign currency exposure, including commitments, on an ongoing basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

29. Risk management continued

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the group's receivables from customers and investments in short-term deposits.

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk.

Geographically, the concentration of credit risk is predominantly in South Africa.

The board has established a credit policy for each segment under which each new customer is analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes external ratings obtained from an external credit bureau, reviews of claims history for insurance contracts, where available, and in some cases bank references.

Purchase limits are established for each customer, which represent the maximum opening amount without requiring approval from the subsidiary's executive management. These limits are reviewed when required per customer. Customers who fail to meet the group's benchmark creditworthiness may transact with the group only on a cash basis.

The majority of the group's customers have been transacting with the group for a number of years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographical location, industry, ageing profile, maturity and existence of previous financial difficulties or insurance claims.

Trade and other receivables relate only to the group's end-user customers. Customers that are graded as high risk are restricted by tighter credit limits and their trading activity is monitored monthly by management.

Goods and services are sold subject to retention of title clauses, so that in the event of non-payment, the group has a secured claim.

From a group perspective, the impairment allowance relates to the credit risk associated with the trade receivables of the furniture retail segment, which have been grouped based on location, shared credit risk characteristics and the days past due. The trade receivables are unrated from an independent credit ratings perspective. These trade receivables are collected over a period of six to 24 months, based on the terms of the contract, from numerous customers. There are no significant concentrations of credit risk, considering exposure to individual customers.

Trade receivables overdue are generally recovered in less than 12 months. Therefore, the company measures the loss allowance at an amount equal to lifetime expected credit losses for these trade receivables.

Estimated credit losses are determined based on an analysis of the ageing of trade receivables and past write-off history for a period of 24 months (2024: 24 months). Based on this analysis and the expected credit loss model, the group does not expect current and future economic trends to have a significantly different impact on the recoverability of trade receivables. No loss allowance has been raised on deposits and prepayments as determined by an assessment of their recoverability.

29. Risk management continued

Credit risk continued

Trade and other receivables continued

Details of the impairment allowance raised, based on the expected credit loss model, in so far as it relates to the furniture retail segment trade debtors, are as follows:

	Gross trade debtors excluding unearned finance charges and service fees R'000	Expected credit loss model percentage applied %	Impairment allowance value R'000
2025			
Louis Trichardt branch			
Not past due	**2 459**	**2**	**33**
Past due 0 – 30 days	**272**	**6**	**14**
Past due 31 – 90 days	**72**	**14**	**9**
Past due 91 – 365 days	**156**	**99**	**134**
Past due 365+ days	**–**	**98**	**–**
Polokwane branch			
Not past due	**3 440**	**2**	**62**
Past due 0 – 30 days	**78**	**–**	**–**
Past due 31 – 90 days	**244**	**5**	**11**
Past due 91 – 365 days	**113**	**63**	**62**
Past due 365+ days	**–**	**79**	**–**
	6 834		**325**
2024			
Louis Trichardt branch			
Not past due	5 092	2	68
Past due 0 – 30 days	145	6	8
Past due 31 – 90 days	339	14	42
Past due 91 – 365 days	192	99	165
Past due 365+ days	–	98	–
Polokwane branch			
Not past due	6 525	2	118
Past due 0 – 30 days	224	–	–
Past due 31 – 90 days	21	5	1
Past due 91 – 365 days	100	63	55
Past due 365+ days	–	79	–
	12 638		457

Secured advances include advances made to companies, property companies and other entities in the normal course of business of the insurance segment. These advances are secured by assets, rights to claims in the company, mortgage bonds, pledges and suretyships to the amount of R881,1 million (2024: R656,6 million). Various repayment terms and interest rates apply. There is therefore no credit risk associated with these advances.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

29. Risk management continued

Credit risk continued

Investments

The group limits its exposure to credit risk by only investing in short-term investments or reputable institutions. These investments in the insurance segment are based on the requirements as set out in the Insurance Act (Short-term Insurance Act of South Africa prior to 1 July 2018).

The investment portfolios are evaluated monthly by the group executive committee with sufficient financial and investment background. This committee reviews the valuation and returns on investments monthly for listed investments and non-listed investments to determine whether the investment portfolio requires change.

Given this, management does not expect any counterparty to fail to meet its obligations other than specifically provided for at year end.

The following tables provide information regarding the aggregated credit risk exposure for financial instruments and other assets of the company with and without an external credit rating as at 31 March (credit ratings assigned are the international-scale credit ratings issued by S&P Global ratings agency):

Figures in R'000	AA/A	BB/B*	Unrated	Total
2025				
GROUP				
Other – financial assets at fair value through profit or loss				
Investments – unit trusts	–	470 700	–	470 700
Solely payments of principal and interest – financial assets (amortised cost)				
Investments – short-term deposits	–	177 017	–	177 017
Trade and other receivables	–	–	6 935	6 935
Cash and cash equivalents – bank balances	–	2 473	–	2 473
Cash and cash equivalents – cash on hand	–	–	40	40
Cash and cash equivalents – short-term deposits	–	159 129	–	159 129
	–	809 319	6 975	816 294
COMPANY				
Other – financial assets at fair value through profit or loss				
Investments – unit trusts	–	26 013	–	26 013
Solely payments of principal and interest – financial assets (amortised cost)				
Trade and other receivables#	–	–	22 599	22 599
Cash and cash equivalents – bank balances	–	158	–	158
Cash and cash equivalents – cash on hand	–	–	7	7
Cash and cash equivalents – short-term deposits	–	4 945	–	4 945
	–	31 116	22 606	53 722

* *As at 31 March 2025, at group level, approximately 73% of aggregated credit risk exposure relating to these categories of credit ratings represented exposure to the major South African banks and Republic of South Africa government bonds.*

\# *The company assessed the underlying financial asset(s) that constitute trade and other receivables as at year end to quantify expected credit losses or identify indicators of impairment loss at that date. Based on the assessment, the potential effect of expected credit losses is considered immaterial and no evidence was found to support any undue credit risk associated with the financial asset(s). The risk associated with these unrated instrument(s) is managed based on a deep understanding of the counterparties' financial position and regular reporting regarding same; this includes quarterly regulatory reporting to the Prudential Authority.*

29. Risk management continued

Credit risk continued

Investments continued

Figures in R'000	AA/A	BB/B*	Unrated	Total
2024				
GROUP				
Other – financial assets at fair value through profit or loss				
Investments – unit trusts	–	371 561	–	371 561
Solely payments of principal and interest – financial assets (amortised cost)				
Investments – short-term deposits	–	144 045	–	144 045
Trade, insurance and other receivables	–	–	12 460	12 460
Cash and cash equivalents – bank balances	–	992	–	992
Cash and cash equivalents – cash on hand	–	–	40	40
Cash and cash equivalents – short-term deposits	–	57 904	–	57 904
	–	574 502	12 500	587 002
COMPANY				
Other – financial assets at fair value through profit or loss				
Investments – unit trusts	–	24 301	–	24 301
Solely payments of principal and interest – financial assets (amortised cost)				
Trade and other receivables#	–	–	19 399	19 399
Cash and cash equivalents – bank balances	–	238	–	238
Cash and cash equivalents – cash on hand	–	–	7	7
Cash and cash equivalents – short-term deposits	–	9 445	–	9 445
	–	33 984	19 406	53 390

* *As at 31 March 2024, at group level, approximately 65% of aggregated credit risk exposure relating to these categories of credit ratings represented exposure to the major South African banks and Republic of South Africa government bonds.*

\# *The company assessed the underlying financial asset(s) that constitute trade and other receivables as at year end to quantify expected credit losses or identify indicators of impairment loss at that date. Based on the assessment, the potential effect of expected credit losses is considered immaterial and no evidence was found to support any undue credit risk associated with the financial asset(s). The risk associated with these unrated instrument(s) is managed based on a deep understanding of the counterparties' financial position and regular reporting regarding same; this includes quarterly regulatory reporting to the Prudential Authority.*

Insurance risk

Terms and conditions of insurance contracts

Corporate Guarantee (South Africa) (RF) Limited (Corporate Guarantee) is licensed as a non-life insurer, in terms of section 23 of the Insurance Act, to conduct insurance business and operations, subject to the classes and subclasses of insurance business defined as part of the insurer's licensing conditions.

Corporate Guarantee underwrites finite risk policies to a defined target market which concentrates primarily on small and medium enterprises in the commercial market and secondarily on the lower end of the corporate commercial market as well as the higher end of the personal market. In the personal segment, the group does not cater for the insurance needs of the general public. Commercial and personal clients are carefully selected according to a strategy of prudent risk selection.

Corporate Guarantee aims to deliver innovative and tailored insurance risk solutions to its clients allowing them to retain some insurance risk and effectively operate as autonomous insurance entities. The finite risk policies expose Corporate Guarantee to specific risks and include profit participation measures to promote good risk management among the insured. The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out in the notes. Currently, Corporate Guarantee offers one type of insurance contract, being a contingency policy to cover insurance risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

29. Risk management continued

Insurance risk continued

Insurance risk and policies for mitigating insurance risk

The primary activity of Corporate Guarantee relates to the assumption of the risk of loss from events involving persons or organisations. Such risks relate to the following classes of business; property, agriculture, transportation, motor, accident and health, guarantee, liability and miscellaneous from an insured event within South Africa. As such, the group is exposed to uncertainty surrounding the timing, severity and frequency of claims under insurance contracts.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims are greater than expected and that Corporate Guarantee does not charge premiums appropriate for the risk accepted. Insurance events are, by nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

Corporate Guarantee manages its insurance risk through underwriting limits, approval procedures for new clients, pricing guidelines, centralised management of risk and monitoring of emerging issues. These actions are described below.

Underwriting strategy

Corporate Guarantee's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a portfolio of similar risks spread over a large geographical area. The underwriting strategy is continuously monitored, updated and determines the classes of business to be written, the territories in which business is to be written and the industry sectors to which Corporate Guarantee is prepared to accept exposure. The strategy is cascaded down by the respective segment board to management that set the limits for management by client size, class of business, region and industry in order to enforce appropriate risk selection within the portfolio. In addition, management meets monthly to review underwriting information including premium income and loss ratios by class, region and industry.

Concentrations of insurance risk and policies mitigating the concentrations

Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon Corporate Guarantee's resources. The group monitors the concentration risk by geographical area and class of business. Corporate Guarantee is broadly represented across South Africa, with the majority of clients being concentrated in the Free State, Gauteng and the North West. Corporate Guarantee has exposure to specific classes of insurance business, with approximately 96% (2024: 93%) of all exposure being represented by the classes of business; property, agriculture and liability as at the reporting date.

Exposure relating to catastrophic events

Corporate Guarantee sets out the total aggregate exposure that it is prepared to accept in certain regions to a range of events such as natural catastrophes. The aggregate position is reviewed annually.

Corporate Guarantee considers that its most significant exposure would arise in the event of a major environmental disaster. This analysis has been performed through identifying key concentration of risks based on different classes of business exposed in the event of such an incident.

Other risks and policies for mitigating these risks

Insurance companies are exposed to the risk of false, invalid and exaggerated claims. Measures are in place to improve Corporate Guarantee's ability to proactively detect fraudulent claims.

29. Risk management continued

Insurance risk continued

Claims development

Corporate Guarantee is liable for all insured events that occur during the term of a contract, even if the loss is discovered after the end of the contract term, subject to predetermined time scales dependent on the nature of the insurance contract. Corporate Guarantee is therefore exposed to the risk that claim reserves will not be adequate to fund historical claims (run-off risk). To manage run-off risk, Corporate Guarantee takes all reasonable steps to ensure that it has appropriate information regarding its claim exposures and adopts sound reserving practices. Consequently, Corporate Guarantee's history has proven the reserves to be sufficient to fund the actual claims paid.

Corporate Guarantee takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. Given the uncertainty in establishing claims provisions, however, it is possible that the final outcome may prove to be different from the original liability established. The uncertainty about the amount and timing of claims payments is, however, typically resolved within a year.

The majority of Corporate Guarantee's insurance contracts are classified as "short tail", meaning that any claim is settled within a year after the loss date.

In terms of IFRS 17, an insurer need only disclose claim run-off information where uncertainty exists about the amount and timing of claim payments not resolved within one year. Corporate Guarantee does not underwrite business that is "long tail" in nature.

Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors both the demographic spread of shareholders as well as the return on capital, which the group defines as total shareholders' equity and the level of dividends to ordinary shareholders. Capital primarily consists of contributed share capital and retained earnings.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The group's target is to achieve a return on shareholders' equity based on an accepted sovereign bond and risk factor. The group does not have external debt. Cash resources within the group are utilised for any capital commitments.

There were no changes in the group's approach to capital management during the year.

The solvency capital requirement specifically covers the following key areas of risk to Corporate Guarantee:

- Interest rate risk;
- Equity, currency and property risk;
- Counterparty spread and default risk;
- Concentration risk;
- Non-life underwriting risk; and
- Operational risk.

Corporate Guarantee has complied with all solvency capital requirements during the current and prior financial years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

30. Financial assets by category

The accounting policies for financial assets have been applied to the line items below.

	GROUP					
	2025			2024		
Figures in R'000	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
Investments	–	470 700	470 700	–	371 561	371 561
Trade receivables	6 935	–	6 935	12 460	–	12 460
Short-term deposits	177 017	–	177 017	144 045	–	144 045
Cash and cash equivalents	161 642	–	161 642	58 936	–	58 936
	345 594	470 700	816 294	215 441	371 561	587 002

	COMPANY					
	2025			2024		
Figures in R'000	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
Investments	–	26 013	26 013	–	24 301	24 301
Trade and other receivables	22 599	–	22 599	19 399	–	19 399
Cash and cash equivalents	5 110	–	5 110	9 690	–	9 690
	27 709	26 013	53 722	29 089	24 301	53 390

Refer to note 1.19 for the determination of fair values for financial assets.

The carrying amounts of the financial assets at amortised cost approximate their fair values.

31. Financial liabilities by category

The accounting policies for financial liabilities have been applied to the line items below.

	GROUP			
	2025		2024	
Figures in R'000	Financial liabilities at amortised cost	Total	Financial liabilities at amortised cost	Total
Lease liabilities	2 024	2 024	4 961	4 961
Trade and other payables	30 334	30 334	16 111	16 111
	32 358	32 358	21 072	21 072

	COMPANY			
	2025		2024	
Figures in R'000	Financial liabilities at amortised cost	Total	Financial liabilities at amortised cost	Total
Lease liabilities	196	196	885	885
Loans from group companies	6 325	6 325	9 892	9 892
Trade and other payables	4 271	4 271	2 553	2 553
	10 792	10 792	13 330	13 330

Refer to note 1.19 for the determination of fair values for financial liabilities.

The carrying amounts of the financial liabilities at amortised cost approximate their fair values.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

32. Commitments

Authorised capital expenditure

The group has not entered into any contracts to purchase property, plant and equipment.

33. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Management is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the group's and company's ability to continue as a going concern.

34. Events after the reporting date

There were no material events after the reporting date and up to the date of approval of these financial statements that required adjustment or disclosure in the group and company annual financial statements for the year ended 31 March 2025, other than that a dividend of 12,00 cents per share was declared by the directors subsequent to year end, payable to shareholders registered on 18 July 2025.

35. Earnings per share

Basic earnings per share

The basic earnings per ordinary share from operations for the year is 37,89 cents (2024: 20,47 cents). The calculation of basic earnings per share from operations is based on profit of R20,25 million (2024: profit of R10,94 million) and a weighted average number of shares in issue of 53 443 500 (2024: 53 443 500).

Diluted earnings per share

The diluted earnings per ordinary share from operations for the year is 37,89 cents (2024: 20,47 cents). There are no dilutive instruments outstanding.

Headline earnings per share

The headline earnings per share from operations for the year is 37,66 cents (2024: 20,46 cents). The calculation of headline earnings per share from operations is based on profit of R20,13 million (2024: profit of R10,93 million) and a weighted average number of shares in issue of 53 443 500 (2024: 53 443 500).

Diluted headline earnings per share

The diluted headline earnings per share from operations for the year is 37,66 cents (2024: 20,46 cents). There are no dilutive instruments outstanding.

Figures in R'000	Profit on ordinary activities	Taxation	Non-controlling interest	Net profit
Reconciliation between earnings and headline earnings:				
2025				
Profit before taxation	**28 880**	**(8 630)**	**–**	**20 250**
Adjustments for:				
Profit on disposal of property, plant and equipment	**(167)**	**45**	**–**	**(122)**
Headline earnings	**28 713**	**(8 585)**	**–**	**20 128**
2024				
Profit before taxation	14 478	(3 539)	–	10 939
Adjustments for:				
Profit on disposal of property, plant and equipment	(10)	3	–	(7)
Headline earnings	14 468	(3 536)	–	10 932

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

36. Group segmental analysis

	Furniture retail[1]		Insurance[2]		Head office		Eliminations		Consolidated	
Figures in R'000	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Segment revenue										
Revenue from contracts with customers	**27 055**	35 156	**–**	–	**–**	–	**–**	–	**27 055**	35 156
Sale of goods[3]	**24 319**	32 071	**–**	–	**–**	–	**–**	–	**24 319**	32 071
Rendering of services[4]	**947**	1 245	**–**	–	**–**	–	**–**	–	**947**	1 245
Effective interest revenue	**1 789**	1 840	**–**	–	**–**	–	**–**	–	**1 789**	1 840
Management fees	**–**	–	**–**	–	**19 250**	18 100	**(19 250)**	(18 100)	**–**	–
Insurance revenue	**–**	–	**31 903**	14 789	**–**	–	**(56)**	(61)	**31 847**	14 728
Total revenue from external customers	**27 055**	35 156	**31 903**	14 789	**19 250**	18 100	**(19 306)**	(18 161)	**58 902**	49 884
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Total segment revenue	**27 055**	35 156	**31 903**	14 789	**19 250**	18 100	**(19 306)**	(18 161)	**58 902**	49 884
Segment result										
Profit/(loss) before financing expenses, depreciation, amortisation and taxation	**331**	3 605	**25 598**	8 567	**4 003**	7 551	**2 370**	(455)	**32 302**	19 268
Depreciation and amortisation	**(2 377)**	(3 602)	**(182)**	(79)	**(657)**	(635)	**–**	–	**(3 216)**	(4 316)
Financing costs	**(207)**	(506)	**–**	–	**(795)**	(804)	**796**	836	**(206)**	(474)
Profit/(loss) before taxation	**(2 253)**	(503)	**25 416**	8 488	**2 551**	6 112	**3 166**	381	**28 880**	14 478
Taxation credit/(expense)	**(909)**	114	**(6 415)**	(2 088)	**(1 306)**	(1 565)	**–**	–	**(8 630)**	(3 539)
Profit/(loss) for the year	**(3 162)**	(389)	**19 001**	6 400	**1 245**	4 547	**3 166**	381	**20 250**	10 939
Segment assets[5]	**22 441**	28 364	**780 441**	558 187	**116 335**	119 494	**(84 394)**	(84 352)	**834 823**	621 693
Segment liabilities[5]	**3 545**	6 305	**701 249**	497 997	**17 899**	19 096	**(22 565)**	(19 357)	**700 128**	504 041
Cash flows from operating activities	**7 335**	5 210	**91 071**	(21 732)	**(2 478)**	(1 200)	**(3 571)**	6 833	**92 357**	(10 889)
Cash flows from investing activities	**(372)**	(149)	**11 504**	(625)	**2 154**	(23)	**–**	1	**13 286**	(796)
Cash flows from financing activities	**(2 248)**	(5 106)	**–**	–	**(4 256)**	8 020	**3 567**	(6 829)	**(2 937)**	(3 915)
Capital expenditure	**(659)**	(149)	**(1 216)**	(625)	**(287)**	(69)	**–**	–	**(2 162)**	(843)

1 The segment has two furniture retail stores in South Africa. Nictus places the customer first by continually striving towards excellence. Helpful personnel provide service with dedication and motivation, while maintaining integrity, focus and sound values. Products are of the highest quality and provide excellent value for money. Stores are situated in Louis Trichardt and Polokwane as at year end.

2 The insurance segment of the group is run through Corporate Guarantee (South Africa) (RF) Limited, which brings a unique approach to non-life insurance through the alternative risk transfer model. The head office is currently situated in Bryanston and utilises group administration staff.

3 The sale of goods consists of revenue from goods transferred to customers at a point in time.

4 Rendering of services consists of revenue from services provided to customers over time amounting to R0,31 million (2024: R0,40 million). The remainder is provided at a point in time.

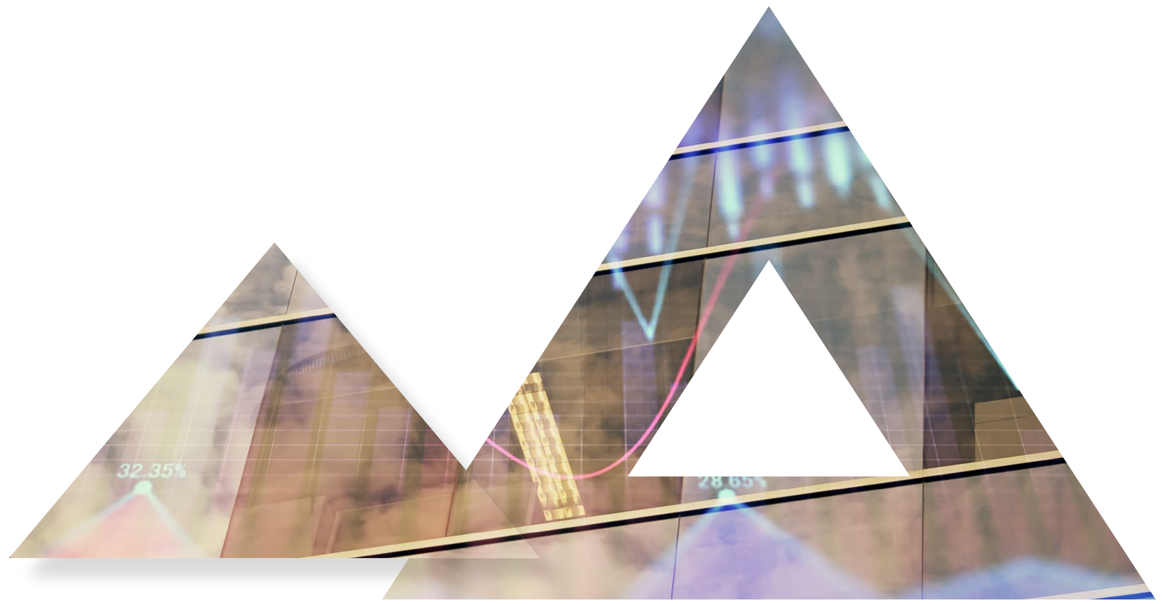
5 The segment assets and liabilities include tax assets and liabilities and have been included in the elimination column to agree to the amounts per the financial statements. On the next page, a reconciliation is performed to reflect the amount for segment assets and liabilities as defined in the accounting policies.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2025

36. Group segmental analysis continued

Figures in R'000	2025	2024
Reconciliation between consolidated segment assets and liabilities and total consolidated assets and liabilities		
Assets		
Segment assets	833 404	620 614
Deferred tax	1 360	1 068
Current tax receivable	59	11
Consolidated assets	834 823	621 693
Liabilities		
Segment liabilities	693 180	498 399
Deferred tax	6 948	5 642
Current tax payable	–	–
Consolidated liabilities	700 128	504 041
Segment assets		
Furniture retail	22 441	28 364
Insurance	780 441	558 187
	802 882	586 551
Head office and eliminations	31 941	35 142
	834 823	621 693
Segment revenue		
Furniture retail	27 055	35 156
Insurance	31 903	14 789
	58 958	49 945
Head office and eliminations	(56)	(61)
	58 902	49 884
(Loss)/profit for the year		
Furniture retail	(3 162)	(389)
Insurance	19 001	6 400
	15 839	6 011
Head office and eliminations	4 411	4 928
	20 250	10 939



SHAREHOLDER INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

Nictus Limited

Incorporated in the Republic of South Africa
Registration number RSA: 1981/011858/06
Registration number NAM: F81/11858
JSE share code: NCS
ISIN: NA0009123481
(Nictus or the company or together with its subsidiaries, the group)

Notice is hereby given that the annual general meeting of the shareholders of Nictus (shareholders), in respect of the financial year ended 31 March 2025 (annual general meeting), will be held at 12:00 (South African time) on Friday, 29 August 2025, subject to any cancellation, postponement or adjournment, to deal with the business as set out below and, if deemed appropriate, to pass, with or without modification, the ordinary and special resolutions contained in this notice.

The annual general meeting will be held by way of electronic participation only, and not by way of a physical meeting. The annual general meeting will accordingly only be accessible *via* electronic communication, as permitted by the JSE Limited (JSE) and in accordance with the provisions of the Companies Act of South Africa, 71 of 2008 (Companies Act of South Africa) and the company's Memorandum of Incorporation (MOI).

The company has retained the services of The Meeting Specialist Proprietary Limited (TMS) to remotely host the annual general meeting on an interactive electronic platform, thereby facilitating remote participation and voting by shareholders. TMS will also act as an independent scrutineer for purposes of the meeting.

Shareholders are referred to point 9 of this notice of annual general meeting for further details regarding, *inter alia*, electronic participation and voting at, and relevant procedural requirements for, the annual general meeting.

1. Record date

The board of directors of the company (the board) has determined that the record date, as contemplated in section 59(1) of the Companies Act of South Africa and the JSE Listings Requirements, for the purpose of determining which shareholders are entitled to:

1.1 Receive notice of the annual general meeting is Friday, 20 June 2025; and

1.2 Participate in and vote at the annual general meeting is Friday, 22 August 2025. Accordingly, only shareholders who are registered in the register of shareholders of the company, or their proxies, on Friday, 22 August 2025, will be entitled to participate in and vote at the annual general meeting. The last day to trade in order to be entitled to participate in and vote at the annual general meeting is therefore Tuesday, 19 August 2025.

2. General purpose of the annual general meeting

The general purpose of the annual general meeting is to:

2.1 Consider and, if deemed appropriate, pass with or without modification the resolutions set out hereunder; and

2.2 Deal with any business that may lawfully be dealt with at the annual general meeting.

3. Presentation of the group and company audited annual financial statements

The group and company audited annual financial statements for the financial year ended 31 March 2025, together with the reports of the auditor, the audit and risk committee, the board, the social and ethics committee and the remuneration and nomination committee, will be presented to shareholders, as required in terms of section 30(3)(d), read with section 61(8)(a) of the Companies Act of South Africa, and regulation 43(5)(c) of the Companies Regulations, 2011 of South Africa.

4. Resolutions for consideration and approval

4.1 Ordinary resolution 1: Re-election of Professor Barend J Willemse as a director

"Resolved that Professor Barend J Willemse, in terms of clause 16.3.2 of the MOI, be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 1 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 10 of the integrated annual report of which this notice forms part.

4.2 Ordinary resolution 2: Re-election of Cornelius J de Vrye as a director

"Resolved that Cornelius J de Vrye, in terms of clause 16.3.2 of the MOI, be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 2 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 11 of the integrated annual report of which this notice forms part.

4.3 Ordinary resolution 3: Re-election of Sarita Martin as a director

"Resolved that Sarita Martin, in terms of clause 16.3.2 of the MOI, be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 3 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 11 of the integrated annual report of which this notice forms part.

4.4 Ordinary resolution 4: Non-binding advisory approval of the remuneration policy

"Resolved to approve, by way of a non-binding advisory vote, the remuneration policy of the group as set out on page 31 of the integrated annual report."

Ordinary resolution number 4 is of a non-binding advisory nature.

4.5 Ordinary resolution 5: Non-binding advisory approval of the remuneration implementation report

"Resolved to approve, by way of a non-binding advisory vote, the remuneration implementation report of the group as set out on pages 29 and 30 of the integrated annual report."

Ordinary resolution number 5 is of a non-binding advisory nature.

The remuneration report of the remuneration and nomination committee (which includes the remuneration policy and remuneration implementation report) is set out on pages 28 to 30 of the integrated annual report of which this notice forms part.

The JSE Listings Requirements require, and the King IV Report on Corporate Governance for South Africa, 2016™ (King IV®) recommends, that a company's remuneration policy and remuneration implementation report be tabled for separate non-binding advisory votes by shareholders at each annual general meeting. This enables shareholders to express their views on the company's remuneration policy and the remuneration implementation report. Ordinary resolutions numbers 4 and 5 are of a non-binding advisory nature.

Shareholders are reminded that in terms of the JSE Listings Requirements and King IV®, should 25% or more of the votes cast be against one or both of these non-binding ordinary resolutions, Nictus undertakes to engage with dissenting shareholders as to the reasons therefor and undertakes to appropriately address legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes.

4.6 Ordinary resolution 6: Election of Cornelius J de Vrye as a member and chairperson of the audit and risk committee

"Resolved that Cornelius J de Vrye, an independent non-executive director of the company who fulfils the requirements of section 94(4) of the Companies Act of South Africa, be and is hereby elected as a member and chairperson of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company, subject to his re-election as a director of the company pursuant to ordinary resolution number 2."

In order for this ordinary resolution number 6 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 11 of the integrated annual report of which this notice forms part.

4.7 Ordinary resolution 7: Election of Professor Barend J Willemse as a member of the audit and risk committee

"Resolved that Professor Barend J Willemse, an independent non-executive director and chairperson of the board who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby elected as

NOTICE OF ANNUAL GENERAL MEETING continued

a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company, subject to his re-election as a director of the company pursuant to ordinary resolution number 1."

In order for this ordinary resolution number 7 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required. Shareholders' attention is specifically drawn to the dual role of Professor Barend J Willemse, being the independent non-executive chairperson of the board and also a member of the audit and risk committee of the company.

A brief *curriculum vitae* is set out on page 10 of the integrated annual report of which this notice forms part.

4.8 Ordinary resolution 8: Election of Sarita Martin as a member of the audit and risk committee

"Resolved that Sarita Martin, an independent non-executive director of the company who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company, subject to her re-election as a director of the company pursuant to ordinary resolution number 3."

In order for this ordinary resolution number 8 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 11 of the integrated annual report of which this notice forms part.

4.9 Ordinary resolution 9: Election of Philippus J de Witt Tromp as a member and chairperson of the social and ethics committee

"Resolved that Philippus J de Witt Tromp, a non-executive director of the company, be and is hereby elected as a member and chairperson of the social and ethics committee of the company in accordance with section 61(8)(c)(iii) read with section 72(9A) of the Companies Act of South Africa, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 9 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 10 of the integrated annual report of which this notice forms part.

4.10 Ordinary resolution 10: Election of Sarita Martin as a member of the social and ethics committee

"Resolved that Sarita Martin, an independent non-executive director of the company, be and is hereby elected as a member of the social and ethics committee of the company in accordance with section 61(8)(c)(iii) read with section 72(9A) of the Companies Act of South Africa, to hold office until the conclusion of the next annual general meeting of the company, subject to her re-election as a director of the company pursuant to ordinary resolution number 3."

In order for this ordinary resolution number 10 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 11 of the integrated annual report of which this notice forms part.

4.11 Ordinary resolution 11: Election of Gerard R de Villiers Tromp as a member of the social and ethics committee

"Resolved that Gerard R de Villiers Tromp, an executive director of the company, be and is hereby elected as a member of the social and ethics committee of the company in accordance with section 61(8)(c)(iii) read with section 72(9A) of the Companies Act of South Africa, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 11 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 10 of the integrated annual report of which this notice forms part.

Notes to ordinary resolutions numbers 9 to 11

On Friday, 26 July 2024, both the Companies Amendment Bill and the Companies Second Amendment Bill were signed into law. Following the proclamation issued by the President of the Republic of South Africa and published in Government Gazette Vol. 714 No. 51837 on Friday, 27 December 2024, certain sections of the Companies Amendment Act, 16 of 2024, and the entirety of the Companies Second Amendment Act, 17 of 2024 (Companies Act Amendments), are now in force.

Pursuant to the Companies Act Amendments, section 61(8(c)(iii) read with section 72(9A) of the Companies Act of South Africa requires that shareholders elect the members of the company's social and ethics committee at each annual general meeting.

The social and ethics committee is currently constituted as above, with a majority of the members being non-executive directors as required by the Companies Act of South Africa. The remuneration and nomination committee assessed the suitability of each member, taking into consideration independence, performance, skills and expertise requirements in social, ethical and compliance matters, and the board accepted the results of the assessment. Accordingly, the board recommends their election as members of the social and ethics committee to shareholders.

4.12 Ordinary resolution 12: Reappointment of PricewaterhouseCoopers Inc. as the independent external auditor

"Resolved that PricewaterhouseCoopers Inc. (with the designated external audit partner being Francois J Kruger) be and is hereby reappointed as the independent external auditor of the company, in terms of the MOI and the Companies Act of South Africa, to hold office until the conclusion of the next annual general meeting of the company."

The audit and risk committee of the company recommended the reappointment of PricewaterhouseCoopers Inc. and Francois J Kruger, following its assessment of the performance and independence of PricewaterhouseCoopers Inc. and Francois J Kruger and being satisfied that no governance guidelines have been breached and that they have complied with the provisions of the JSE Listings Requirements and the Companies Act of South Africa.

In order for this ordinary resolution number 12 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

4.13 Ordinary resolution 13: Authority to issue ordinary shares

"Resolved that the board be and is hereby authorised, by way of a general authority, to issue ordinary shares (including the grant of options or securities convertible into ordinary shares) for cash, less than 30% (thirty percent), being 16 033 050 ordinary shares of the company's issued share capital (excluding treasury shares) as at the date of this notice of annual general meeting, for such purposes and on such terms and conditions as the board may, in its discretion, determine, provided that such issue(s) shall be subject to the JSE Listings Requirements, the Companies Act of South Africa and the following conditions:

4.13.1 This authority shall only be valid until the next annual general meeting of the company, but shall not extend beyond 15 (fifteen) months from the date of passing of this resolution;

4.13.2 The issue must be to persons qualifying as public shareholders as defined in the JSE Listings Requirements and not to related parties, save where the issue is undertaken *via* a bookbuild process and in compliance with the JSE Listings Requirements;

4.13.3 The shares which are the subject of the issue must be of a class already in issue or, where this is not the case, must be limited to shares or rights that are convertible into a class already in issue;

4.13.4 After any cumulative issue representing 5% (five percent) or more of the shares in issue (prior to such issue) within one financial year, a Stock Exchange News Services announcement must be published containing full details of the issue;

4.13.5 In determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of the company's ordinary shares on the JSE over the 30 (thirty) business days prior to the date the issue price is agreed between the company and the subscriber;

4.13.6 In the event of a subdivision or consolidation of shares during the period referred to in paragraph 4.13.1, this authority shall be adjusted accordingly to reflect the same percentage of the issued share capital; and

4.13.7 Any equity securities issued under this authority during the period referred to in paragraph 4.13.1 must be deducted from the number referred to above (i.e. 16 033 050 shares)."

In order for ordinary resolution number 13 to be adopted, it must be supported by at least 75% (seventy-five percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting.

4.14 Ordinary resolution 14: Signing authority

"Resolved that each director, or the secretary of the company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to, the implementation of the resolutions passed at the annual general meeting of the company and set out in this notice."

In order for this ordinary resolution number 14 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

NOTICE OF ANNUAL GENERAL MEETING continued

4.15 Special resolution 1: Approval of non-executive directors' remuneration

"Resolved that the company be and is hereby authorised to pay remuneration to its non-executive directors for their services as directors, as contemplated in sections 66(8) and 66(9) of the Companies Act of South Africa, and that the remuneration structure and amounts as set out as follows, be and are hereby approved until such time as rescinded or amended by the shareholders by way of a special resolution."

	Proposed fees (exclusive of value added tax)*				
Name of director	Board R	Audit and risk committee R	Remuneration and nomination committee R	Social and ethics committee R	Annual fee R
Professor Barend J Willemse	431 900	55 000	55 000	–	541 900
Sarita Martin	220 000	55 000	71 500	27 600	374 100
Cornelius J de Vrye	220 000	154 000	55 000	–	429 000
Philippus J de W Tromp	220 000	–	–	35 900	255 900

* *Non-executive directors will be paid an amount of R55 000 per meeting in respect of board or special meetings, should the number of these additional meetings exceed five per annum. They will also be paid a* pro rata *amount per hour for additional time spent.*

Special resolution number 1 is proposed in accordance with section 66(9) of the Companies Act of South Africa, which provides that remuneration payable to non-executive directors for their services as directors may be paid only in accordance with a special resolution approved by shareholders within the preceding two years.

In order for special resolution number 1 to be adopted, the support of at least 75% (seventy-five percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy, at the annual general meeting, is required.

The reason for this resolution is to obtain shareholder approval for the remuneration of non-executive directors, as required by the Companies Act of South Africa. The effect of the resolution, if adopted, will be to authorise the company to pay such directors in accordance with the approved remuneration structure.

4.16 Special resolution 2: General authority to repurchase shares

"Resolved that the company, in terms of its MOI, or any of its wholly-owned subsidiaries (subject, in the case of a subsidiary, to it passing the necessary special resolution), in terms of such wholly-owned subsidiary's MOI, as the case may be, be and is hereby authorised, by way of a general authority, to acquire the company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time determine, subject to compliance with the JSE Listings Requirements, the Companies Act of South Africa and the following conditions:

4.16.1 This general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this resolution;

4.16.2 The repurchase being effected through the order book operated by the JSE trading system, and without any prior understanding or arrangement between the company and the counterparty;

4.16.3 Repurchases may not be made at a price greater than 10% (ten percent) above the weighted average market value of the company's ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction is effected;

4.16.4 An announcement being published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares in issue as at the time this authority is granted, and for each further 3% (three percent) in aggregate repurchased thereafter, in accordance with the JSE Listings Requirements;

4.16.5 The aggregate number of shares which may be acquired in terms of this authority in any one financial year may not exceed 20% (twenty percent) of the company's issued share capital as at the date of passing of this resolution;

4.16.6 In the event of an acquisition by a subsidiary, the number of shares held by all subsidiaries collectively may not exceed 10% (ten percent) of the company's total issued share capital;

4.16.7 No repurchases may be made by the company and/or its subsidiaries during a prohibited period as defined in the JSE Listings Requirements, unless a repurchase programme is in place where the dates and quantities of securities to be traded are fixed (not subject to variation), and full details of the programme have been submitted to the JSE in writing, prior to the commencement of the prohibited period, with such repurchase programme containing the details required in terms of paragraph 5.72(h) of the JSE Listings Requirements;

4.16.8 At any point in time, the company may appoint only one agent to effect repurchases on its behalf;

4.16.9 The board must pass a resolution that it has authorised the repurchase and that the company and its subsidiaries have satisfied the solvency and liquidity test as set out in section 4 of the Companies Act of South Africa, and that since the test was performed, there have been no material changes to the financial position of the group; and

4.16.10 The directors, having considered the effect of the maximum permissible repurchase, confirm that for a period of 12 (twelve) months following the date of this notice:

4.16.10.1 The company and the group will be able, in the ordinary course of business, to pay their debts;

4.16.10.2 The working capital of the company and the group will be adequate for ordinary business purposes;

4.16.10.3 The assets of the company and the group, fairly valued in accordance with IFRS Accounting Standards, will exceed their liabilities, also fairly valued in accordance with IFRS Accounting Standards; and

4.16.10.4 The ordinary share capital and reserves of the company and the group will be adequate for ordinary business purposes."

In terms of section 48 of the Companies Act of South Africa, the board of directors may authorise the acquisition by the company of its own shares, subject to the provisions of sections 46 and 48 being met. In addition, the Companies Act of South Africa and the JSE Listings Requirements require that this resolution be approved by not less than 75% (seventy-five percent) of the voting rights exercised by shareholders present or represented by proxy at the annual general meeting.

5. Additional information

The following additional information, which may appear elsewhere in the integrated annual report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the company's shares set out in special resolution number 2:

5.1 Major shareholders – pages 38 and 39 of the integrated annual report of which this notice forms part; and

5.2 Stated capital of the company – page 80 of the integrated annual report of which this notice forms part.

6. Directors' responsibility statement

The directors in office, whose names appear on pages 10 and 11 of the integrated annual report, of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of annual general meeting contains all information required by law and the JSE Listings Requirements.

7. Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial or trading position of the company and its subsidiaries since the company's financial year end and the date of signature of the integrated annual report (incorporating the audited annual financial statements).

8. Directors' intention regarding the general authority to repurchase the company's shares

The directors have no specific intention, at present, for the company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and shareholders.

NOTICE OF ANNUAL GENERAL MEETING continued

9. Participation, voting and proxies

9.1 In terms of section 62(3)(e) of the Companies Act of South Africa:

9.1.1 A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in place of that shareholder; and

9.1.2 A proxy need not also be a shareholder of the company.

9.2 Shareholders who wish to participate electronically in and/or vote at the annual general meeting are required to complete the electronic participation form available on pages 117 and 118 and email it to TMS at **proxy@tmsmeetings.co.za** or contact TMS at 084 433 4836/081 711 4255/061 440 0654 as soon as possible, but no later than 12:00 (South African time) on Wednesday, 27 August 2025. TMS will assist shareholders with the requirements for electronic participation and/or voting at the annual general meeting.

9.3 Shareholders are responsible for their own network charges associated with electronic participation and/or voting. Such charges will not be borne by the company, the JSE and/or TMS. The company, the JSE and/or TMS shall not be held liable for loss of connectivity or network failure (including, *inter alia*, due to insufficient airtime, internet bandwidth or power outages) that may prevent any shareholder from participating or voting electronically.

9.4 Shareholders are advised – and strongly encouraged – to participate electronically in the annual general meeting and, for administrative efficiency, to make use of proxy voting as outlined in this notice.

9.5 In terms of section 63(1) of the Companies Act of South Africa, any person (including a proxy) attending, participating in or voting at the annual general meeting must present reasonably satisfactory identification. TMS is obliged to validate, in consultation with the company, the company's transfer secretaries (Computershare Investor Services Proprietary Limited) and the relevant Central Securities Depository Participant (CSDP), each shareholder's entitlement to participate and/or vote before access to the meeting and the voting platform is granted. Accepted forms of identification include a valid identity document, driver's licence or passport.

9.6 All beneficial owners of dematerialised shares held through a CSDP, broker or nominee (other than with "own name" registration) must provide their CSDP, broker or nominee with voting instructions in terms of their custody agreement if they wish to vote. Alternatively, they may request a letter of representation should they wish to participate electronically.

9.7 Unless advised otherwise by the shareholder within the time frame stipulated in the custody agreement, the CSDP, broker or nominee will assume that the shareholder does not wish to attend or be represented at the annual general meeting.

9.8 Completed forms of proxy (available on pages 119 and 120 must be dated and signed, and emailed to TMS at **proxy@tmsmeetings.co.za** to be received no later than 12:00 on Wednesday, 27 August 2025. Any proxy form submitted thereafter must be delivered electronically to the chairperson of the annual general meeting prior to the appointed proxy exercising any rights on behalf of the shareholder. Additional proxy forms may be obtained from the company's registered office, its transfer secretaries or TMS (refer to the inside back cover for contact details).

9.9 Attention is drawn to the "Notes" to the form of proxy.

9.10 The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

By order of the board

Nictus Limited
Veritas Eksekuteurskamer Proprietary Limited
Company secretary

Bryanston
19 June 2025

ELECTRONIC PARTICIPATION

in the Nictus Limited virtual annual general meeting to be held at 12:00 on Friday, 29 August 2025

Participation procedure

Shareholders or their duly appointed proxies who wish to participate in the annual general meeting *via* electronic communication (participants) must submit a completed electronic participation application form (set out below) to the company's meeting scrutineers, The Meeting Specialist Proprietary Limited (TMS), by no later than 12:00 (South African time) on Wednesday, 27 August 2025. Applications must be submitted by email to: **proxy@tmsmeetings.co.za.**

Important for dematerialised shareholders (excluding "own name" registration)

Shareholders who have dematerialised their shares (other than those with "own name" registration) must contact their CSDP or broker in accordance with their custody agreement, and within the time frame stipulated therein:

- To provide their voting instructions to the CSDP or broker; and
- If they wish to participate electronically, to obtain the necessary authority (i.e. a letter of representation) from their CSDP or broker.

Voting during the virtual meeting

Participants will be able to vote electronically during the meeting *via* the virtual participation platform. To ensure that their vote(s) are counted, participants must provide TMS with the requested information on the application form below.

Each shareholder who has complied with the above requirements will be contacted by TMS between Wednesday, 27 August 2025 and Friday, 29 August 2025, *via* email or mobile, with a unique access link to participate in the virtual annual general meeting.

Please note that the cost of data usage or phone connectivity will be at the participant's own expense and billed separately by their service provider.

Access credentials and joining instructions will be sent to the email address or mobile number provided in the application form.

Application form

Name and surname of shareholder ____________________

Name and surname of shareholder representative ____________________
(if applicable)

ID number of shareholder or representative ____________________

Email address ____________________

Cell number ____________________

Telephone number ____________________

Name of CSDP or broker ____________________
(if shares are held in dematerialised format)

SCA number/broker account number, or ____________________

Own name account number ____________________

Number of shares ____________________

Signature ____________________ Date ____________________

By signing this form, I agree and consent to the processing of my personal information above for the purpose of participation in the annual general meeting.

ELECTRONIC PARTICIPATION continued

Terms and conditions for participation at the Nictus Limited annual general meeting to be held at 12:00 on Friday, 29 August 2025 *via* electronic communication

1. The cost of dialling in or connecting *via* any telecommunication line, webcast or web-streaming facility in order to participate in the annual general meeting will be for the account of the participant and will be billed separately by the participant's own service provider.
2. The participant acknowledges that the telecommunication lines, webcast or web-streaming facilities are provided by third-party service providers and hereby indemnifies Nictus Limited (the company), the JSE, TMS and/or their third-party service providers against any loss, injury, damage, penalty or claim of any nature arising in any way from the use of such facilities, whether caused by the act or omission of the participant or any other person.
3. Without limiting the generality of the above, the participant acknowledges that they shall have no claim against the company, the JSE, TMS and/or any of their service providers – whether for consequential damages or otherwise – in respect of any defect, failure (in whole or in part) or interruption in the telecommunication lines, webcast or streaming platforms, or in the connections linking such facilities to the annual general meeting.
4. Participants will be able to vote during the annual general meeting through an electronic participation platform. Any such participant who wishes their vote(s) to be counted must comply with the procedural requirements outlined in this notice and the accompanying electronic participation section.
5. Once the participant has received their unique access link, the responsibility to safeguard the link and any related access credentials lies solely with the participant.
6. This application for electronic participation will only be considered valid and successful if:
   - All required fields in the application form have been completed in full and signed by the participant; and
   - The completed and signed form has been submitted to TMS at **proxy@tmsmeetings.co.za**, within the required time frame and in accordance with the procedure set out above.

Shareholder name ____

Signature ______________________ Date ______________________

Important: You are required to attach a copy of your identity document/driver's licence/passport when submitting the application.

FORM OF PROXY

Nictus Limited

Incorporated in the Republic of South Africa
Registration number RSA: 1981/011858/06
Registration number NAM: F81/11858
JSE share code: NCS
ISIN: NA0009123481
(Nictus or the company)

To be completed by certificated shareholders and dematerialised shareholders with "own name" registration only

This form of proxy is for use by shareholders of the company holding certificated shares and/or dematerialised shares registered in their own name, nominee companies of Central Securities Depository Participants (CSDPs) and brokers' nominee companies, who are registered as such at the close of business on Friday, 22 August 2025 (the voting record date), in respect of the annual general meeting of the company to be held on Friday, 29 August 2025, at 12:00 (South African time), or at any postponement or adjournment thereof.

Dematerialised shareholders (other than those with "own name" registration) must not complete this form. Such shareholders must provide their voting instructions to their appointed CSDP or broker in the manner and form prescribed in the custody agreement entered into between them and the CSDP or broker.

I/We, the undersigned ____

of ____ (address)

being the holder/s of ______________________ shares in the company, do hereby appoint:

1. ____ or, failing him/her
2. ____ or, failing him/her
3. the chairperson of the annual general meeting,

as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the above-mentioned annual general meeting of members or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

FORM OF PROXY continued

	For	Against	Abstain	Precluded from voting in terms of the Companies Act of South Africa or the JSE Listings Requirements
Ordinary resolution 1: Re-election of Professor Barend J Willemse as a director				
Ordinary resolution 2: Re-election of Cornelius J de Vrye as a director				
Ordinary resolution 3: Re-election of Sarita Martin as a director				
Ordinary resolution 4: Non-binding advisory approval of the remuneration policy				
Ordinary resolution 5: Non-binding advisory approval of the remuneration implementation report				
Ordinary resolution 6: Election of Cornelius J de Vrye as a member and chairperson of the audit and risk committee				
Ordinary resolution 7: Election of Professor Barend J Willemse as a member of the audit and risk committee				
Ordinary resolution 8: Election of Sarita Martin as a member of the audit and risk committee				
Ordinary resolution 9: Election of Philippus J de Witt Tromp as a member and chairperson of the social and ethics committee				
Ordinary resolution 10: Election of Sarita Martin as a member of the social and ethics committee				
Ordinary resolution 11: Election of Gerard R de Villiers Tromp as a member of the social and ethics committee				
Ordinary resolution 12: Reappointment of PricewaterhouseCoopers Inc. (with the designated external audit partner being Francois J Kruger) as the independent external auditor				
Ordinary resolution 13: Authority to issue ordinary shares				
Ordinary resolution 14: Signing authority				
Special resolution 1: Approval of non-executive directors' remuneration				
Special resolution 2: General authority to repurchase shares				

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast.

If you wish not to cast your votes in respect of less than all of the ordinary shares that you own in the company, however, insert the number of ordinary shares held in respect of which you desire to vote.

Signed at ______________________________ on ______________________________ 2025

Signature ______________________________

Assisted by me, where applicable (name and signature) ______________________________

NOTES TO THE FORM OF PROXY

1. Each shareholder is entitled to appoint one or more proxies (who need not be shareholders of the company) to attend, participate in and vote at the annual general meeting in place of that shareholder.

2. A shareholder may insert the name of a proxy or the names of two alternative proxies of their choice in the space provided, with or without deleting "the chairperson of the annual general meeting." The person whose name appears first on the form and who is present at the meeting will be entitled to act as proxy to the exclusion of the others listed.

3. A shareholder's voting instructions must be clearly indicated by inserting an "X" or the number of votes in the appropriate box provided. Failure to do so will be deemed to authorise the chairperson (if appointed as proxy) to vote in favour of the resolutions, or any other proxy to vote or abstain from voting as they deem fit in respect of all the shareholder's voting rights.

4. A shareholder or proxy is not required to exercise all voting rights attached to the shares held or represented, but the total number of votes cast for or against each resolution, and any abstentions, may not exceed the total number of voting rights held or represented.

5. Documentary evidence establishing the authority of a person signing the proxy in a representative capacity (e.g. on behalf of a company or trust) must be attached to the proxy form, unless previously recorded by the company's transfer secretaries or waived by the chairperson of the meeting.

6. The chairperson of the meeting may reject or accept any proxy form that is completed and/or received other than in accordance with these instructions and notes.

7. Any alterations or corrections to the form of proxy must be initialled by the signatory(ies).

8. Completion and submission of this form of proxy will not preclude the relevant shareholder from attending and participating in the annual general meeting in person, to the exclusion of any appointed proxy.

9. Beneficial owners who have dematerialised their shares through a CSDP or broker (other than those with "own name" registration), and shareholders holding certificated shares through a nominee, must provide voting instructions to their CSDP, broker or nominee in sufficient time for such instructions to be relayed to TMS no later than 48 hours before the meeting. Should a beneficial owner wish to attend the meeting electronically, they must request a letter of representation from their CSDP, broker or nominee, which must be submitted to TMS no later than 48 hours before the meeting. Shareholders with certificated shares and those who have dematerialised with "own name" registration must submit completed proxy forms to TMS *via* email at **proxy@tmsmeetings.co.za** by 12:00 on Wednesday, 27 August 2025.

10. Forms of proxy must be submitted *via* email to **proxy@tmsmeetings.co.za**. Forms received after 12:00 on Wednesday, 27 August 2025 must be submitted electronically to the chairperson of the annual general meeting or TMS before the appointed proxy may exercise any voting rights at the annual general meeting.

NOTES TO THE FORM OF PROXY continued

Summary of shareholder rights in terms of section 58 of the Companies Act of South Africa

1. A shareholder may at any time appoint any individual (including a non-shareholder) as a proxy to attend, speak and vote at a shareholders' meeting (section 58(1)(a)), or to give or withhold written consent on behalf of the shareholder in terms of section 60 (written shareholder resolutions) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder. It remains valid for one year from the date of signing, or such shorter or longer period as specified, unless revoked or it expires earlier (section 58(2)).
3. A shareholder may appoint two or more persons as proxies and may allocate different voting rights to different proxies (section 58(3)(a)).
4. A proxy may delegate authority to another person unless restricted by the proxy instrument (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the company or its representative before the proxy may exercise any rights at the meeting, and in terms of the company's MOI, at least 48 hours before the meeting (section 58(3)(c)).
6. Irrespective of the form of instrument used to appoint a proxy:
   - 6.1 The appointment is suspended to the extent that the shareholder chooses to act personally (section 58(4)(a));
   - 6.2 The appointment is revocable unless expressly stated otherwise (section 58(4)(b)); and
   - 6.3 If revocable, the shareholder may cancel it in writing or by making a later, inconsistent appointment, and must deliver a copy of the revocation to the proxy and the company (section 58(4)(c)).
7. The revocation becomes effective on the later of the date stated in the revocation or the date it is delivered (section 58(5)).
8. While a proxy appointment is in effect, any notice required by the Companies Act of South Africa or the MOI to be sent to the shareholder must also be sent to the proxy, if so directed and upon payment of reasonable fees (section 58(6)).
9. A proxy may exercise, or abstain from exercising, voting rights without direction, unless restricted by the MOI or the proxy instrument (section 58(7)).
10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
    - 10.1 It must be sent to all shareholders entitled to receive the meeting notice (section 58(8)(a));
    - 10.2 It must:
      - 10.2.1 Include a clear summary of the shareholder rights under section 58 (section 58(8)(b)(i));
      - 10.2.2 Provide space before any pre-completed names for shareholders to write in their own proxy (section 58(8)(b)(ii)); and
      - 10.2.3 Allow shareholders to instruct their proxy to vote for, against or abstain on each resolution (section 58(8)(b)(iii));
    - 10.3 The company may not require that a proxy be irrevocable (section 58(8)(c)); and
    - 10.4 A proxy appointment is valid only until the end of the meeting for which it was intended (section 58(8)(d)).

DEFINITIONS, RATIOS AND TERMS

ASISA	Association for Savings and Investment South Africa
Companies Act Amendments	Companies Amendment Act, 16 of 2024, and the entirety of the Companies Second Amendment Act, 17 of 2024
Companies Act of South Africa	Companies Act of South Africa, 71 of 2008
Corporate Guarantee	Corporate Guarantee (South Africa) (RF) Limited
COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
CSDP	Central Securities Depository Participant
EAR Rule	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
ESG	Environmental, social and governance
GDP	Gross domestic product
GMM	General measurement model
IAS	International Accounting Standards
IFRS® or IFRS	IFRS® Accounting Standards
IMF	International Monetary Fund
Insurance Act	Insurance Act, 18 of 2017
IRBA	Independent Regulatory Board for Auditors
IRBA Code	Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors
ISAs	International Standards on Auditing
IT	Information technology
JSE	JSE Limited
King IV®	King IV Report on Corporate Governance for South Africa, 2016™
LIC	Liability for incurred claims
LRC	Liability for remaining coverage
m^2	Square metre
MOI	Memorandum of Incorporation
MSCI World *ex* UNGC and CW Index	The index is based on the MSCI World Index, its parent index, which captures large and mid-cap representation across 23 Developed Markets countries. The index constituents are weighted according to their free float-adjusted market capitalisations applicable to foreign investors. The index represents the performance of the broad market while excluding companies that are associated with controversial weapons or fail to comply with United Nations Global Compact principles.
MSCI World Index	The MSCI World Index captures large and mid-cap representation across 23 Developed Markets countries. With 1 506 constituents, the index covers approximately 85% of the free float-adjusted market capitalisation in each country.
NPC	Non-profit company
OHS Act	Occupational Health and Safety Act, 85 of 1993
ORSA	Own risk solvency assessment
PAA	Premium allocation approach
SAICA	South African Institute of Chartered Accountants
SPCA	Society for the Prevention of Cruelty to Animals
STeFI Index	Alexander Forbes Short-Term Fixed Interest Composite Index
The company	Nictus Limited
The group	Nictus Limited, the holding company of the group, and all its subsidiaries
TMS	The Meeting Specialist Proprietary Limited
USA	United States of America

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DEFINITIONS, RATIOS AND TERMS continued

Financial definitions

Average net assets	The sum of net assets at the end of the current year and the previous year, divided by two.
Current ratio	Current assets to current liabilities.
Dividend cover	Basic earnings divided by ordinary dividends paid in the current year.
Dividends per share	Dividends for the year divided by the number of shares in issue at the date of each dividend declaration.
Basic earnings per share	Profit or loss for the year after adjusting for non-controlling interest, divided by the weighted average number of shares in issue during the year.
Earnings yield (%)	Headline earnings per share to market price at year end.
Headline earnings per share	Headline earnings divided by the weighted average number of shares in issue during the year.
Liability ratio	The sum of non-current interest-bearing borrowings and current liabilities to total equity adjusted for deferred taxation.
Net asset turn	Revenue divided by average net assets.
Net assets	Total assets less non-interest-bearing debt and insurance contract liabilities.
Net worth per share	Equity attributable to equity holders of the company divided by the number of ordinary shares in issue at year end.
Operating income to turnover	Profit before finance expenses and taxation divided by revenue.
Price earnings ratio	Market price at year end to headline earnings per share.
Return on assets managed	Profit before finance expenses and taxation expressed as a percentage of average net assets.
Return on shareholders' equity	Profit or loss attributable to the owners for the year expressed as a percentage of equity attributable to the owners.
Weighted average number of shares in issue during the year	The number of shares determined by relating the number of days within the year that a particular number of shares have been entitled to share in earnings to the total number of days in the year.

CONTACT INFORMATION

Nictus Limited

(Nictus or the company or together with its subsidiaries, the group)
Incorporated in the Republic of South Africa
Registration number RSA: 1981/011858/06
Registration number NAM: F81/11858
JSE share code: NCS
ISIN: NA0009123481
www.nictuslimited.co.za

Registered office of the company

Head office

Nictus Limited
Block C, 1st Floor
The Main Straight Office Park
392 Main Road, Bryanston 2191
South Africa

PO Box 2878
Randburg 2125
South Africa

Windhoek office

Nictus Building, 1st Floor
140 Mandume Ndemufayo Avenue
Windhoek, Namibia

Private Bag 13231
Windhoek, Namibia

Company secretary

Veritas Eksekuteurskamer Proprietary Limited

Registration number: 1984/007487/07
Block C, 1st Floor
The Main Straight Office Park
392 Main Road, Bryanston 2191
South Africa

PO Box 2878
Randburg 2125
South Africa

Auditor and reporting accountant

PricewaterhouseCoopers Inc.

4 Lisbon Lane, Waterfall City
Jukskei View 2090

Private Bag X36
Sunninghill 2157
South Africa

JSE sponsor

One Capital Sponsor Services Proprietary Limited

17 Fricker Road
Illovo 2196
South Africa

Transfer secretaries

Computershare Investor Services Proprietary Limited

15 Biermann Avenue
Rosebank 2196
South Africa

PO Box 61051
Marshalltown 2107
South Africa

Annual general meeting scrutineers

The Meeting Specialist Proprietary Limited

JSE Building
One Exchange Square
2 Gwen Lane
Sandown 2196
South Africa

PO Box 62043
Marshalltown 2196
South Africa

www.nictuslimited.co.za