Deneb Investments Limited

Registration number: 2013/091290/06

Separate Annual Financial Statements
for the year ended 31 March 2025

Deneb Investments Limited

Annual financial statements
for the year ended 31 March 2025

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Directors’ responsibility statement

The directors are responsible for the preparation and fair presentation of the annual financial statements of Deneb Investments Limited, comprising the statement of financial position at 31 March 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS ® Accounting Standard and the requirements of the Companies Act of South Africa, and the directors’ report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

The examination of controls over the maintenance and integrity of the Company's website is beyond the scope of the audit of the financial statements.

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

Approval of the annual financial statements

The annual financial statements of Deneb Investments Limited, as identified in the first paragraph, were approved by the board of directors and signed by

S Queen
(Authorised Director)

30 June 2025

G Wege
(Authorised Director)

30 June 2025

Directors' report

The directors' have pleasure in presenting their report for the year ended 31 March 2025:

Business activities
The company is an investment holding company.

General review of operations
The results of the company and the state of its affairs are set out in the financial statements of which this report forms part.

Share capital
During the period 5 520 116 (2024: 1 736 379) shares were issued in terms of the Deneb share incentive scheme. 1 843 501 (2024: 1 859 107) shares were acquired and cancelled.

Holding company
The company's ultimate holding company is Hosken Consolidated Investments Limited ("HCI").

Distribution
The directors paid a 10-cent distribution to shareholders during the year ended 31 March 2025.
(2024: 10-cent).

Directorate
The directors in office during the year and up to the date of this report are:

J Copelyn (Chairman)
M Ahmed
K Govender
Y Shaik
N Jappie
D Duncan
S Queen
G Wege
K Mahloma

Directors' emoluments
Directors' emoluments for the year ended 31 March 2025 are set out in note 13.

Going Concern
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year head.

Events after the reporting period
Events after the reporting period is disclosed in note 19.

Company Secretary
The company secretary at the date of this report is:

Ms C Philip
Suite 801
76 Regent Road
Sea Point
8005

Business address	Postal address	Registered address
5th Floor Deneb House	PO Box 1585	5th Floor Deneb House
Cnr Browning and Main Rds	Cape Town	Cnr Browning and Main Rds
Observatory	8000	Observatory
7925		7925

Special resolutions

The following special resolutions were passed by the company's shareholders at the annual general meeting of shareholders held on 7 August 2024:

- approval of the fees payable to non-executive directors for their services as directors or as members of the board sub-committees in respect of the period 1 September 2024 until the next annual general meeting of the company;
- granting the company general authority to issue shares, options and convertible securities for cash, subject to such issue, in the aggregate, not exceeding 5% of the company's relevant number of ordinary shares at the date of the notice;
- granting the company and the subsidiaries of the company a general authority contemplated in terms of the JSE Listings Requirement paragraph 5.72, for the acquisition by the company, or a subsidiary of the company, of ordinary issued shares issued by the company; and
- granting the company authorisation to provide financial assistance to subsidiaries in accordance with sections 44 and 45 of the Companies Act.

Declaration by the company secretary

I certify that Deneb Investments Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2025, all such returns as are required by a public company in terms of the Companies Act No 71 of 2008 of South Africa and that such returns are true, correct and up to date.

Cheryl Philip
Company secretary

30 June 2025

Audit Committee Report

The Deneb audit committee is a formal committee of the board and functions within its documented terms of reference. This report is presented to shareholders and constitutes the report of the audit committee in respect of the past financial year as required by section 94 of the Companies Act, No. 71 of 2008, as amended ("the Companies Act").

PRIMARY ROLE AND RESPONSIBILITY OF THE COMMITTEE
The audit committee fulfils an independent oversight role regarding the company's financial statements and the reporting process, including the system of internal financial control, with accountability to both the board and to shareholders. The committee's responsibilities include the statutory duties prescribed by the Companies Act, recommendations by King IV and additional responsibilities assigned by the board.

COMPOSITION AND MEETINGS OF THE AUDIT COMMITTEE
The committee comprises three independent, non- executive directors: Mr M H Ahmed (chairperson), Ms K F Mahloma and Ms N B Jappie. The committee members are appointed by the shareholders at the annual general meeting of the company. By invitation, the chief executive officer, the financial director, the external auditors and the head of internal audit have attended the committee meetings. Deneb appointed GRIPP Advisory Proprietary Limited ("GRIPP") to perform internal audit services to the company. GRIPP has dedicated a representative to perform the functions associated with the role of chief internal audit officer. Each committee meeting includes a confidential discussion between members, internal auditors and the external auditors, without members of executive management being present. The committee meets twice annually, with special meetings called as required. The committee held two meetings during the financial year under review and attendance was as follows:

	21 May 2024	**21 Nov 2024**
M H Ahmed	√	√
K F Mahloma	√	√
N B Jappie	√	√

√ *In attendance*

AUDIT COMMITTEE FEES
Fees paid to the committee members are disclosed in note 13.

EVALUATION OF THE AUDIT COMMITTEE
The effectiveness of the committee is assessed as part of the annual board and committee self-evaluation processes and the chairperson of the committee attends all statutory shareholder meetings to answer any questions on the committee's activities.

FUNCTIONS AND RESPONSIBILITIES OF THE AUDIT COMMITTEE
The audit committee has discharged the functions in terms of its charter and ascribed to it in terms of the Companies Act as follows:

Reporting function
- Reviewed the interim results announcement, annual financial statements and Integrated Annual Report, culminating in a recommendation to the board to adopt them.
- Reviewed and approved the appropriateness of the accounting policies and practices.
- Ensured compliance IFRS ® Accounting Standard, including consistent application to all periods as presented in the consolidated financial statements.
- Evaluated and determined the effectiveness of the company's internal control systems.
- Reviewed legal matters that could have a significant impact on the company's financial statements.
- Reviewed the requirements of King IV and instances where the King IV requirements have not been applied, have been explained in the Corporate Governance Report.
- Considered the JSE's most recent report on the proactive monitoring of financial statements and, where necessary, those of previous periods. The committee has taken appropriate action to respond to the findings as highlighted in the JSE's report when preparing the annual financial statements for the year under review.

Audit Committee Report

- In accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the committee further confirms that the company has established appropriate financial reporting procedures and that those procedures are operating effectively.

External audit function

- Reviewed the external audit reports on the consolidated financial statements.
- Nominated the external auditor for appointment by the shareholders.
- Monitored and reported on the independence of the external auditor.
- Approved the budgeted audit fees, audit plan and engagement terms of the external auditor.
- Determined the nature and extent of allowable non- audit services and approved the contract terms for the provision of non-audit services by the external auditor.
- Reviewed any key audit matters identified by the external auditor and is satisfied that it has been adequately addressed.

Finance function

- Considered the expertise and resources of the finance function, as well as the experience of the senior members of management responsible for the financial function.
- Considered the expertise and experience of the financial director.

Internal audit function

- Oversaw the functioning of the internal audit department and performance assessment of the head of internal audit, including the representative of the outsourced internal audit function.
- Approved the annual internal audit plan and monitored the progress thereof.

INDEPENDENT EXTERNAL AUDIT

The audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the expertise and objectivity of BDO as the external auditor and noted Mr Stephan Cillie as the designated auditor for the year under review. The external auditor has unrestricted access to the company's records and management and furnishes a written report to the committee on significant findings arising from the annual audit. The committee is satisfied that the external auditor is independent of Deneb as set out in section 94(8) of the Companies Act and suitable for reappointment at the annual general meeting by considering, inter alia, the information stated in paragraph 3.84(g)(i) of the JSE Limited Listings Requirements.

INTERNAL AUDIT AND INTERNAL CONTROL

The outsourced internal audit function is an independent and objective assurance and consulting function that adds value and improves the operations of the company. It assists to accomplish objectives by evaluating and improving the adequacy and effectiveness of risk management, internal control and governance processes. The internal audit function reports functionally to the chairperson of the audit committee, but administratively to the financial director.

A risk-based approach has been applied to develop the annual internal audit plan. The internal audit plan:

- is formally approved by the audit committee;
- is formulated by considering key risk factors as identified through ongoing risk assessments, but also incorporating any additional matters identified by management and the audit committee;
- considers the evaluation of governance processes, operational and financial processes and associated controls in accordance with the combined assurance model;
- assesses the internal financial controls; and
- is reviewed to consider new risk areas as the business evolves.

Any material or significant control weaknesses are brought to the attention of management and the audit committee.

Audit Committee Report

EXPERTISE AND FINANCIAL EXPERIENCE OF FINANCIAL DIRECTOR AND FINANCE FUNCTION

The audit committee is satisfied that in terms of paragraph 3.84(g)(i) of the JSE Limited Listings Requirements the expertise and experience of the financial director is appropriate to meet the responsibilities of the position. This is based on the qualifications, continuing professional education and the committee's assessment of the financial knowledge and levels of experience of the financial director.

The committee has reviewed the resources of the finance function, the experience of the senior members of management responsible for the financial function and has concluded that the function is performing adequately in terms of the requirements of the audit committee.

APPROVAL OF THE AUDIT COMMITTEE REPORT

The committee confirms that it has functioned in accordance with its terms of reference for the 2025 financial year and complied with all statutory and regulatory responsibilities.

Mohamed Ahmed
Chairperson

30 June 2025

BDO

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Independent Auditor's Report
To the Shareholders of
Deneb Investments Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Deneb Investments Limited ("the company") set out on pages 14 to 35, which comprise the separate statements of financial position as at 31 March 2025, and the separate statements of profit or loss and other comprehensive income, separate statements of changes in equity and the separate statements of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Deneb Investments Limited as at 31 March 2025, and its separate financial performance and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

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 Separate Financial Statements* section of our report. We are independent of the company 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).* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

Materiality represents the magnitude of misstatement in the financial statements that, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of those financial statements. We apply materiality in planning and performing the audit, as well as in evaluating the effect of identified misstatements on the audit and of any uncorrected misstatements on the financial statements.

Based on our professional judgement, we determined the final materiality for the audit of the separate financial statements as follows:

Final Materiality	R20.8 million
How was it determined (Benchmark)	1.4% of total assets
Rationale For Benchmark Selection	Deneb Investments Limited, as an investment holding company, derives its income primarily from dividends received from its investments. Total assets, representing the value of these investments, is the most appropriate benchmark.
Rationale For Percentage Applied to Chosen Benchmark	We applied 1.4% to the selected benchmark after considering the nature of the company, its shareholder profile, and the role of total assets as

	the key business driver. This is within the acceptable range for asset-based materiality determinations.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period.

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

Other Information
The directors are responsible for the other information. The other information comprises the information included in the document titled "Deneb Investments Limited Separate Annual Financial Statements for the year ended 31 March 2025" and the document titled "Deneb Investments Limited Integrated Annual Report 2025", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate 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 reports thereon.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Separate Financial Statements
The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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 BDO South Africa Incorporated has been the auditor of Deneb Investments Limited for one year.

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors
Stephan Cillié
Partner
Registered Auditor
30 June 2025

119-123 Hertzog Boulevard
Foreshore
Cape Town, 8001

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 R000's	2024 R000's
Revenue	3	**138 201**	30 136
Administrative and other expenses		**(2 956)**	(2 843)
Operating profit before impairment	3	**135 245**	27 293
Impairment	4	**-**	(16 356)
Operating profit before finance costs		**135 245**	10 937
Finance Income		**-**	-
Profit before taxation		**135 245**	10 937
Taxation	5	**-**	-
Profit for the year		**135 245**	10 937
Other comprehensive income for the year, net of related tax		**-**	-
Total comprehensive income for the year		**135 245**	10 937
Earnings per share from operations - cents	18	**30.70**	2,49
Diluted earnings per share from operations - cents	18	**30.33**	2,43

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 R000's	2024 R000's
Assets			
Non-current assets		**1 562 087**	1 478 174
Investment in subsidiary companies	**6, 17**	**1 234 037**	1 186 547
Loans to subsidiary companies	**7**	**315 166**	265 916
Financial asset at fair value through other comprehensive income	**8**	**-**	4 561
Share incentive receivable	**9, 16**	**12 884**	21 150
Current assets		**43 390**	43 583
Trade and other receivables	**10**	**300**	287
Loans to subsidiary companies	**7**	**43 000**	43 000
Cash and cash equivalents		**90**	296
Total assets		**1 605 477**	1 521 757
Equity and liabilities			
Total equity		**1 604 909**	1 521 236
Stated capital	**11**	**1 384 270**	1 420 218
Retained Income		**220 639**	101 018
Current liabilities		**568**	521
Trade and other payables	**12**	**568**	521
Total equity and liabilities		**1 605 477**	1 521 757

STATEMENT OF CHANGES IN EQUITY

AT 31 MARCH 2025

Rand thousands	Notes	Stated Capital	Retained Income	Total
Balance 31 March 2023		**1 465 205**	**89 152**	**1 554 357**
Total comprehensive profit		**-**	**10 937**	**10 937**
Profit for the year		**-**	**10 937**	**10 937**
Other comprehensive income for the year		**-**	**-**	**-**
Transactions recognised directly in equity				
Revaluation of financial asset	**8**	**-**	**604**	**604**
Shares bought back and cancelled	**11**	**(4 767)**	**-**	**(4 767)**
Share scheme - increase in investment in underlying subsidiaries	**16**	**-**	**3 937**	**3 937**
- options exercised	**11**	**3 612**	**(3 612)**	**-**
Distribution to shareholders		**(43 832)**	**-**	**(43 832)**
Balance 31 March 2024		**1 420 218**	**101 018**	**1 521 236**
Total comprehensive loss			**135 245**	**135 245**
Profit for the year		**-**	**135 245**	**135 245**
Other comprehensive income for the year		**-**	**-**	**-**
Transactions with owners recognised directly in equity				
Revaluation of financial asset	**8**	**-**	**(325)**	**(325)**
Shares bought back and cancelled	**11**	**(3 538)**	**-**	**(3 538)**
Share scheme - decrease in investment in underlying subsidiaries	**16**	**-**	**(3 915)**	**(3 915)**
- options exercised	**11**	**11 384**	**(11 384)**	**-**
Distribution to shareholders		**(43 794)**	**-**	**(43 794)**
Balance 31 March 2025		**1 384 270**	**220 639**	**1 604 909**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 R000's	2024 R000's
Net cash flow from operating activities		**18 733**	**26 953**
Profit before taxation		**135 245**	**10 937**
Adjusted for:			
Dividend received		**(138 200)**	**(30 136)**
Expenses in related party loan		**2 038**	**-**
Dividend received		**19 650**	**30 136**
- Impairments	4	**-**	**16 356**
Changes in:			
- Trade and other receivables		**-**	**(13)**
- Trade and other payables		**-**	**(327)**
Net cash flow from investing activities		**(15 401)**	**21 366**
Proceeds on disposal of financial asset	8	**4 236**	**-**
Repayment of subsidiary loan	7	**570**	**67 867**
Loan advance to subsidiary		**(20 207)**	**(46 501)**
Net cash flow from financing activities		**(3 538)**	**(48 599)**
Share buy back	11	**(3 538)**	**(4 767)**
Distribution paid		**-**	**(43 832)**
Net change in cash and cash equivalents		**(206)**	**(280)**
Cash and cash equivalents at beginning of the year		**296**	**576**
Cash and cash equivalents at end of the year		**90**	**296**

1. Accounting policies

Deneb Investments Limited (the company) is a company domiciled in South Africa. The Company's registered office is on 5th floor, Deneb House, 368 Main Road, Observatory, 7925, Cape Town.

1.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("the Accounting Standards") and the South African Financial Reporting Requirements, the JSE Listings Requirements and the requirements of the South African Companies Act.

1.2 Basis of preparation

The financial statements are presented in South African Rand, which is the company's functional currency, rounded to the nearest thousand. They have been prepared on the going concern and historical cost bases under IFRS ® Accounting Standard, adjusted for those assets and liabilities measured at fair value, where applicable.

The financial statements of Deneb Investments Limited have been audited in terms of section 30 of the Companies Act and were prepared under the supervision of the Financial Director, Mr G Wege CA (SA).

1.3 Financial instruments

Initial recognition and measurement
The classification of the company's financial instruments at initial recognition depends on the financial instrument's contractual cashflow characteristics and the company's business model for managing them. The company classifies its financial instruments into the following categories: financial assets at amortised cost, financial assets at fair value through profit or loss, financial instruments at fair value through other comprehensive income.

Financial Assets at fair value through other comprehensive income

Investments
Listed investments classified as financial asset at fair value through OCI, which is calculated by reference to stock exchange quoted selling prices at the close of business at the reporting date. Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses. Gains and losses are recognised in OCI except for impairment losses, which are expensed in profit or loss.

Financial assets at amortised cost
The Company measures financial assets at amortised cost if both the following conditions are met:
• the financial asset is held with the objective to collect contractual cash flows; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost include trade and other receivables, cash and cash equivalents and long-term receivables.

Financial instruments at fair value through profit or loss
Financial instruments are classified at fair value through profit or loss if they are held for trading.
The Company's financial assets and liabilities at fair value through profit or loss comprise derivative assets and liabilities shown on the statement of financial position as part of trade and other receivables and trade and other payables, respectively.

Trade, long-term and other receivables
Trade and other receivables are classified as financial assets in accordance with the provisions of IFRS 9 and continued to be stated at amortised cost. The share receivable is carried at fair value through profit and loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits and are measured at amortised cost.

Financial liabilities, trade and other payables
Non-derivative financial liabilities are recognised at amortised cost using the effective interest method, comprising original debt less principal payments and amortisations.

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial asset/liability, any difference between carrying amount extinguished and the consideration paid is recognised in profit or loss.

1.4 Investments in subsidiaries

Investment in subsidiaries are accounted for at cost less any identified impairment loss

1.5 Financial Guarantee Contracts

The fair value of the financial guarantee contracts can be estimated as the present value of the expected future credit losses on the guaranteed calculated based on the expected future credit loss, the probability of default, the loss given default and the exposure on default. The value of each guarantee is determined as the total of the present value of the future expenditure covered by the guarantee.

1.6 Impairments

The Company has trade and other receivables that are subject to IFRS 9's new expected credit loss model and was required to revise its impairment methodology under IFRS 9.

Trade, long-term and other receivables
Trade and other receivables classified as financial assets in accordance with the provisions of IFRS9 and continued to be stated at amortised cost less impairment losses. For receivables that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout its life at an amount equal to lifetime expected credit losses (ECL).
Loans to group companies are classified as financial assets subsequently measured at amortised cost. Amortised cost is the amount recognised on the loan initially, minus principal repayments, adjusted for any loss allowance. The company applies the general impairment approach to measure ECL for loans receivable. The company assesses at the end of each reporting period whether the credit risk on a financial instrument has increased significantly since initial recognition. In the event of a significant increase in credit risk since initial recognition, the company recognises an allowance (or provision) for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default, or otherwise credit-impaired, are in 'stage 3'. The measurement of ECL under the general impairment approach reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the company. The probability-weighted outcome incorporates the probability of default, exposure at default, timing of when default is likely to occur and loss given default.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

,An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Investments in subsidiaries
If an investment in a subsidiary is impaired, the difference between its carrying value and recoverable amount is recognised in profit and loss.
An impairment loss in respect of investment in subsidiary companies is calculated as the difference between the acquisition cost and the recoverable amount of the instrument. The recoverable amount for non-operating companies is calculated as the fair value of the underlying assets and for operating companies, the value in use.

The Company considers a financial asset in default when payment terms are exceeded. However, in certain cases, the Company may also consider outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the

1.7 Revenue

Dividend Income
Dividend income from investments is recognised when the right to receive payment is established.

1.8 Employee benefits

Equity settled
Share-based transactions where the Company grants rights to its equity instruments directly to the employees of its subsidiaries are classified as equity-settled.
The fair value of the share options are measured using an Actuarial Binomial Model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The fair value adjustment is an increase to the Company's investment in subsidiary at the time it recognises the equity settled share based payment with a corresponding increase in retained income. The share based payment transaction is recognised over the period in which the employee renders the related service to its subsidiary company.

Recharge-arrangement
A recharge arrangement exists whereby the subsidiary is required to fund the difference between the exercise price on the share right and the market price of the share at the time of exercising the right. The recharge arrangement is accounted for separately from the underlying equity-settled share based payment. The fair value of the recharge asset at the reporting dates is based on a cash-settled based payment (by analogy).

On initial recognition the Company recognises a corresponding share scheme settlement asset at fair value and a corresponding adjustment to the carrying amount of the investment in subsidiary.

Subsequent to initial recognition, the recharge arrangement is measured at fair value at each subsequent reporting date until settlement date to the extent vested. Where the settlement provision recognised is greater than the investment in subsidiary, the excess is recognised as a dividend received.

1.9 Dividends to shareholders

Dividends are accounted for in the period in which the dividends are declared.

1.10 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or 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 in respect of previous years.

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared. The Company withholds dividends tax on behalf of its shareholders at an appropriate rate on dividends declared. 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 at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

2. Use of judgements and estimates

Judgements and estimates
The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or a liability might be categorised in the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

The Company tests when an impairment indicator exists in accordance with the accounting policy stated in note 1.5. The recoverable amounts of these investments are determined based on value-in-use calculations. These calculations require the use of estimates. Refer to note 4,6 and 17 for further details.

Note 8 - Financial assets at fair value through other comprehensive income

Note 16 - Share-base payment arrangements

3. Operating profit before impairments

	2025	2024
	R000's	R000's
The following items have been taken into account in determining operating profit		
Revenue		
Dividends received	**138 201**	30 136
• Butterfly Products Pty Ltd	**118 551**	30 000
• Formex Industries Pty Ltd	**19 500**	-
• Business Partners Ltd	**150**	136
Administrative and other expenses		
Audit fees	**540**	495

4. Impairment of assets

	2025 R000's	2024 R000's
No impairments were recognised during the year.		
During the prior year, the following impairments were recognised:		
Category of asset		
• Impairment of investment in subsidiary companies	-	(16 356)

4.1 Determining CGU's for impairment testing

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The company has performed impairment testing on all cash-generating units ("CGU's") where there is an indication that they may be impaired or impairment should be reversed.

For the purposes of determining the CGU's of the Group, the guidelines as per IAS 36 were followed and the below considerations were given:

- how the company reports its financial management accounts;
- how management make day-day operational decisions; and
- how management makes decisions about continuing with or disposing of the entity's assets.

4.2 CGU's where there is an indication that they may be impaired or impairment reversal

For impairment testing in line with IAS 36, the recoverable amount of a CGU was determined based on the higher of fair value less costs to sell, or value-in-use calculation, as appropriate.

Value-in-use

Value-in-use calculation uses cash flow projections approved by management. These cash flow forecasts cover five years, and the cash flows after the forecast period are extrapolated into the future over the useful life of the CGU, using steady-growth rate, which is consistent with that of the industry and country.

In determining value-in-use, projected cash flows are discounted using the entity-specific pre-tax discount rate. The pre-tax discount rate was calculated as 17,4% for the current period with a terminal value growth rate of 4.5%.

Key assumptions	How determined
Gross profit margins	Based on most recent performance and adjusted for:
	• Future business plans • Margins are expected to grow in line with the long-term growth rate
Long-term growth rate	The long-term growth rate into perpetuity has been determined as the long-term annual inflation rate.
Pre-tax risk-adjusted discount rate	The discount rate applied to the cash flows of each of the Group's operations is based on the weighted average cost of capital of the Group, which comprises of debt and equity. The risk-free rate used is the yield on R186 government bonds. These rates are adjusted for a risk premium to reflect both the increased risk of the specific company.

Expected future cash flows are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, economic factors such as commodity prices, discount rates, currency exchange rates and estimates of costs to produce.

Fair value less costs of disposal

In determining the fair value less costs of disposal, the net asset value is considered due to the nature of the assets.

Impairments recognised during the prior year were attributed to the following subsidiaries:

	Carrying value	Less: Impairment	Recoverable amount R000's	Valuation method	Description of CGU
Prima Toy and Leisure Group ("PTLG")	**72 913**	**(16 356)**	**56 557**	Fair value less costs of disposal	Business operation comprising assets and liabilities

PTLG is an investment holding company and its underlying investments were valued at higher of value-in-use or fair value less costs of disposal. The net asset value of this entity consists of material assets including inventory, trade debtors and cash on hand and their assets carrying values as at reporting date approximate fair value. The underlying businesses incurred trading losses underpinned by tough economic trading conditions.

5. Taxation

	2025 R000's	2024 R000's
South African Normal Taxation		
Current	-	-
Reconciliation between actual and normal taxation		
Profit for the year	**135 245**	10 937
Non-deductible expenses – impairment	-	16 356
Non-taxable income - non taxable dividend	**(138 201)**	(30 136)
Non-deductible expenses - other	**2 956**	2 843
Taxable profit	-	-

6. Investment in subsidiaries

	2025 R000's	2024 R000's
Investments at cost, less impairment	**1 234 037**	1 186 547
Investments cost opening balance	**1 357 930**	1 358 086
- Acquisition during the year		
o Agglowaste Holdings	**9 596**	-
- Shares issued by Deneb UK	**35 938**	
- Effect of share scheme	**1 956**	(156)
Investments cost closing balance	**1 405 420**	1 357 930
Less:		
Impairment opening balance	**(171 383)**	(155 027)
- Impairments during the year	-	(16 356)
Impairment closing balance	**(171 383)**	(171 383)

	2025	2024
	R'000	R'000

7. Loans to subsidiary companies

	2025 R'000	2024 R'000
Loan to Sargas Pty Ltd	**358 166**	292 415
Loan to Deneb Investments UK Pty Ltd	**-**	16 501
Total loans to subsidiary companies	**358 166**	**308 916**
Opening Balance	**308 916**	330 364
Advance to Sargas Pty Ltd	**66 321**	30 000
Loan advance to Deneb Investments UK	**-**	16 501
Loan repayment from Deneb Investments UK	**(16 501)**	-
Non-cash repayment of loan	**-**	(82)
Cash repayment of loan	**(570)**	(67 867
Total loans to subsidiary companies	**358 166**	**308 916**
Less: Short term portion	**(43 000)**	(43 000)
Long term portion	**315 166**	265 916

The loans are interest-free and payable on demand. An assessment was performed on the ECL considerations of the loan and the risk/outcome was immaterial. This is due to the fact that subsidiary companies have sufficient liquid credit facilities available and cash on hand to settle the loan in the normal course of business. The facilities are unrestricted and provided by external parties.

8. Financial asset at fair value through other comprehensive income

	2025	2024
	R'000	R'000
Business Partners Limited (unlisted)	**-**	3 957
	Number of shares	Number of shares
Business Partners Limited (unlisted)	**-**	605 220

	R'000	R'000
Investments are classified as financial asset at fair value through other comprehensive income and are reconciled as follows:		
Opening balance	**4 561**	3 957
Revaluation	**(325)**	604
Disposal	**(4 236)**	-
Closing balance	**-**	4 561

The shares were valued using the last available over-the-counter price per share.

9. Long-term receivables

	2025	2024
Share incentive scheme receivable.	**12 884**	21 150
	12 884	21 150

The beneficiary's employer is obliged to refund the purchase price of these shares when shares are issued in terms of the share scheme. Refer to note 16 for further details. An assessment was performed on the ECL considerations of the loan and the risk/outcome was immaterial.

10. Trade and other receivables

	2025	2024
Prepaid Expenditure	**300**	287

11. Stated capital

	2025 R'000	2024 R'000
(a) Authorised		
10 000 000 000 (2024: 10 000 000 000) ordinary shares at no par value	-	-
Each ordinary share has the right to 1 vote at general meetings		
(b) Issued stated capital		
441 877 560 (2024: 438 200 495) ordinary shares of no par value	**1 384 270**	1 420 218
Balance at beginning of year: 438 200 945 (20254: 438 323 673)	**1 420 218**	1 465 205
Shares cancelled:1 843 501 (2024:1 859 107)	**(3 538)**	(4 767)
Issued during the year: 5 520 116 (2024:1 736 379)	**11 384**	3 612
Distribution	**(43 794)**	(43 832)

All shares are fully paid.

Current period
During the period 5 520 116 (2024: 1 736 379) shares were issued in terms of the share incentive scheme.

Share buy back

During the year, the company repurchased and cancelled shares from the open market on the JSE. The shares were acquired at an average price of R2.23 (2024: R2.23) with prices ranging from R2.20 – R2.30 (2024: R1.95 to R2.25). The total cost, including related after-tax transaction costs, were deducted from Stated Capital.

Reserved under options – see note 16

42 862 171 ordinary shares of no par value each have been placed under the control of the directors, who are authorised to allot and issue all or any or such shares in accordance with the terms and conditions of the Deneb Share Incentive Scheme.
The remainder of the unissued shares are under the control of the directors until the next annual general meeting.

12. Financial instruments

Financial risk management

Overview
Effective risk management is integral to the company's objective of consistently adding value to the business. The focus of risk management is on identifying, assessing, managing and monitoring risk. Exposure to credit risk, liquidity risk and market risk is in the normal course of the company's business.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

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 capital base of the business is viewed as being the total equity R1 487 million (2024: R1 521 million).

Credit risk on loans to subsidiary companies: The Company is exposed to credit risk to subsidiary companies totalling R358m (2024: R309m). The risk is managed by reviewing the solvency and liquidity of the subsidiaries on a bi-annual basis. The company is also exposed to credit risk on financial guarantee contracts. (Refer note 21 for further details.)

	2025 R'000	**2024 R'000**
Financial guarantee contracts	1 604 909	1 521 236

Categories of financial assets The carrying amount of financial assets, which also represent the maximum credit exposure and reasonably approximate their fair values, are as follows:		
Financial asset at fair value through other comprehensive income	**-**	4 561
Financial assets at fair value through profit or loss	**12 884**	21 150
Financial assets at amortised cost	**358 256**	309 212
	371 140	334 923

Reconciliation with line items presented in the statement of financial position:

	Notes	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial asset at fair value through other comprehensive income	Non financial assets	Total
		R000's	R000's	R000's	R000's	R000's
2025						
Financial asset at fair value through other comprehensive income	8	**-**	**-**	**-**	**-**	**-**
Share scheme receivable	9	**-**	**12 884**	**-**	**-**	**12 884**
Trade and other receivables	**10**	**-**	**-**	**-**	**300**	**300**
Loans receivable from subsidiaries	**7**	**358 166**	**-**	**-**	**-**	**358 166**
Cash and cash equivalents		**90**	**-**	**-**	**-**	**90**
		358 256	**12 884**	**-**	**300**	**371 440**
2024						
Financial asset at fair value through other comprehensive income	8	-	-	4 561	-	4 561
Share scheme receivable	9	-	21 150	-	-	21 150
Trade and other receivables	10	-	-	-	287	287
Loans receivable from subsidiaries	7	308 916	-	-	-	308 916
Cash and cash equivalents		296	-	-	-	296
		309 212	21 150	4 561	287	335 210

	2025 R'000	2024 R'000
Categories of financial liabilities		
The carrying amount of financial liabilities, which also reasonably approximate their fair values are as follows:		
Measured at amortised cost	**568**	521
	568	521

Reconciliation with line items presented in the statement of financial position:

	Measured at amortised cost R'000	Non financial liability R'000	Total R'000
2025			
Trade and other payables	**568**	**-**	**568**
	568	**-**	**568**
2024			
Trade and other payables	521	-	521
	521	-	521

Maturity profile of financial instruments
Maturity profile of financial assets and liabilities is reflected at contractual undiscounted amounts and summarised as follows:

R000's	**0 – 12 months**	**1 – 2 years**	**3 – 5 Years**	**Over 5 years**	**Total**
2025					
Assets					
Share scheme receivable	**-**	**12 884**	**-**	**-**	**12 884**
Loans receivable from subsidiaries	**43 000**	**315 166**	**-**	**-**	**358 166**
Cash and cash equivalents	**90**	**-**	**-**	**-**	**90**
Total financial assets	**43 090**	**328 050**	**-**	**-**	**371 140**
Liabilities					
Financial guarantee contracts	**(1 604 909)**	**-**	**-**	**-**	**(1 604 909)**
Trade and other payables	**(568)**	**-**	**-**	**-**	**(568)**
Total financial liabilities	**(1 605 477)**	**-**	**-**	**-**	**(1 605 477)**
Net financial liabilities	**(1 562 387)**	**328 050**	**-**	**-**	**(1 234 337)**

R000's	0 – 12 months	1 – 2 years	3 – 5 Years	Over 5 years	Total
2024					
Assets					
Share scheme receivable	-	21 150	-	-	21 150
Loans receivable from subsidiaries	43 000	265 916	-	-	308 916
Cash and cash equivalents	296	-	-	-	296
Total financial assets	43 296	287 066	-	-	330 362
Liabilities					
Financial guarantee contract	(1 521 236)	-	-	-	(1 521 236)
Trade and other payables	(521)	-	-	-	(521)
Total financial liabilities	(1 521 757)	-	-	-	(1 521 757)
Net financial (liabilities)/assets	(1 478 461)	287 066	-	-	(1 191 395)

Fair value of financial instruments
The fair value of short-term financial assets and liabilities approximate their carrying values as disclosed in the statement of financial position.

Fair value hierarchy
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measure at fair value if the carrying amount is a reasonable approximation of fair value

		Carrying value					Fair value			
	Notes	**Financial assets at amortised costs R000's**	**Financial assets at fair value through profit or loss R000's**	**Financial asset at fair value through other compre-hensive income R000's**	**Financial liabilities at amortised costs R000's**	**Total R000's**	**Level 1 R000's**	**Level 2 R000's**	**Level 3 R000's**	**Total**
2025										
Financial assets measured at fair value										
Equity securities	8	-	-	-	-	-	-	-	-	-
Share scheme receivable	9	-	12 884	-	-	12 884	-	12 884	-	12 884
Financial assets not measured at fair value										
Loans receivable from subsidiaries	7	358 166	-	-	-	358 166	-	-	358 166	358 166
Financial liabilities not measured at fair										
Trade and other payables		-	-	-	(568)	(568)	-	(568)	-	(568)
		358 166	12 884	-	(568)	370 482	-	12 316	358 166	370 482
2024										
Financial assets measured at fair value										
Equity securities	8	-	-	4 561	-	4 561	-	4 561	-	4 561
Share scheme receivable	9	-	21 150	-	-	21 150	-	21 150	-	21 150
Financial assets not measured at fair value										
Loans receivable from subsidiaries	7	308 916	-	-	-	308 916	-	-	308 916	308 916
Financial liabilities not measured at fair										
Trade and other payables		-	-	-	(521)	(521)	-	(521)	-	(521)
		308 916	21 150	4 561	(521)	334 106	-	25 190	308 916	334 106

Reclassification of financial assets

No financial assets were reclassified from fair value to at cost or amortised cost or vice-versa during the year.

Pledges of financial assets

No financial assets pledged as collateral for liabilities or contingent liabilities.

Determination of fair value for financial assets and liabilities

Market risk is the risk that changes in the market prices such as foreign exchange rates and equity prices will affect the Company’s income.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Adequate liquidity is managed through the use of cash flow forecasts and by the maintenance of adequate borrowing facilities.

13. Directors' emoluments

Name	Salary R'000	Bonus R'000	Retirement and medical contributions R'000	Share option expense R'000	Directors' fees R'000	Other benefits R'000	Total R'000
2025							
Executive Directors **							
S. A. Queen - (Chief Executive Officer)	5 813	1 669	-	3079	-	-	10 561
G. D. T. Wege	3 050	948	209	495	-	-	4 702
Non-executive Directors							
J.A. Copelyn (Chairman)*	-	-	-	-	239	-	**239**
M. H. Ahmed	-	-	-	-	309	-	**309**
D. Duncan	-	-	-	-	169	-	**169**
T. G. Govender*	-	-	-	-	169	-	**169**
N. B. Jappie	-	-	-	-	309	-	**309**
K. F. Mahloma	-	-	-	-	239	-	**239**
Y. Shaik*	-	-	-	-	169	-	**169**
2024							
Executive Directors **							
S. A. Queen - (Chief Executive Officer)	5 481	6 436	-	3 084	-	-	15 001
G. D. T. Wege	2 900	2 975	199	495	-	-	6 569
Non-executive Directors							
J.A. Copelyn (Chairman)*	-	-	-	-	226	-	**226**
M. H. Ahmed	-	-	-	-	292	-	**292**
D. Duncan	-	-	-	-	160	-	**160**
T. G. Govender*	-	-	-	-	160	-	**160**
N. B. Jappie	-	-	-	-	292	-	**292**
K. F. Mahloma	-	-	-	-	226	-	**226**
Y. Shaik*	-	-	-	-	160	-	**160**

* Ceded to HCI

** There is no distinction made in the remuneration packages of executive directors for services as directors and services for carrying on the business of the Company and/or subsidiary companies.

Directors' interest in contracts is disclosed in note 14 (Related parties).

Additional disclosure in terms of the share options granted during the year:

2025

Deneb Investments Limited options	Opening balance of share options 000's	Number of share options awarded during the year 000's	Number of shares exercised /forfeited 000's	Closing balance of share options 000's	Strike price of share options awarded during the year R	Exercised price of shares exercised R
Executive Directors						
S. A. Queen	13 208	2 041	(4 635)	10 614	2.05	1.96
G. D. T. Wege	6 425	945	(2 499)	4 871	2.05	1,69
Non-executive Directors						
J. Copelyn (Chairman)	-	-	-	-	-	-
M. H. Ahmed	-	-	-	-	-	-
T. G. Govender	-	-	-	-	-	-
N. B. Jappie	-	-	-	-	-	-
K. F. Mahloma	-	-	-	-	-	-
Y. Shaik	-	-	-	-	-	-
D. Duncan	-	-	-	-	-	-

2024

Executive Directors						
S. A. Queen	12 530	2 168	(1490)	13 208	2.00	1.78
G. D. T. Wege	5 411	1 014	-	6 425	2.00	-
Non-executive Directors						
J. Copelyn (Chairman)	-	-	-	-	-	-
M. H. Ahmed	-	-	-	-	-	-
T. G. Govender	-	-	-	-	-	-
N. B. Jappie	-	-	-	-	-	-
K. F. Mahloma	-	-	-	-	-	-
Y. Shaik	-	-	-	-	-	-
D. Duncan	-	-	-	-	-	-

The following table reflects the remuneration received by directors who also serve on the board of HCI and its subsidiaries for the year ended 31 March 2025:

Director	Board fees R000's	Salary R000's	Other benefits R000's	Share option expense R000's	Bonus R000's	Total 31 March 2024 R000's	Total 31 March 2023 R000's
J Copelyn	-	9 817	-	7 581	6 222	23 620	23 668
T Govender	-	4 897	-	3 289	1 404	9 590	7 229
Y Shaik	-	5 072	-	3 264	2 743	11 079	11 104
MH Ahmed	912	-	-	-	-	912	857

14. Related parties

Transaction with Directors

Remuneration of directors

A share incentive scheme has been implemented for key management personnel. See note 16 for further details.

Remuneration of directors are disclosed in note 13.

At the year end the directors (including their family interests) were directly or indirectly interested in the company's issued shares as follows:

	2025		2024	
Direct	**11 346 143**	**2,6%**	9 478 497	2,2%
Indirect	**75 781 599**	**17,1%**	74 510 686	17,0%

There have been no material changes to the date of this report.

Details of directors' beneficial direct and indirect interest in the ordinary shares are as follows:

	2025		2024	
	Direct	**Indirect**	Direct	Indirect
S Queen	**7 554 476**	**292 771**	6 355 654	289 888
G Wege	**2 580 605**	**-**	1 911 781	-
D Duncan	**1 211 062**	**-**	1 211 062	-
Y Shaik	**-**	**366 219**	-	361 717
T Govender	**-**	**5 022 641**	-	4 960 890
J Copelyn	**-**	**70 099 968**	-	68 898 136
	11 346 143	**75 781 599**	9 478 497	74 510 631

Transactions with subsidiary companies

- Share Receivable, disclosed in note 9 12 884 21 150
- Loan to a subsidiary company, Sargas Proprietary Limited, disclosed in note 7.
- Loan advanced and repaid by Deneb Investments UK Proprietary Limited, disclosed in note 7.
- Dividends Received

o Formex Industries	19 500	-
o Butterfly Products Pty Ltd	-	30 000
o Butterfly Products Pty Lt	118 551	-

15. Contingencies

There are no material contingencies at the date of signing this report

16. Share incentive scheme

Basis of accounting

The 2017 Deneb Share Incentive Scheme was established on 1 November 2017. In addition, the 2023 Deneb Share Incentive Scheme was approved by shareholders and adopted by the Company and its subsidiaries on 23 June 2023. The terms and conditions of the 2023 Share Scheme are in all material aspects the same as the 2017 Share Scheme.

The Incentive Schemes provide selected employees with the opportunity to acquire ordinary shares in Deneb Investments Limited, thereby ensuring that such employees are encouraged and motivated to pursue continued growth and profitability of Group companies.

In terms of the 2017 Share Scheme, 42 862 171 ordinary shares of no par value each have been placed under the control of the directors, and 43 500 000 ordinary shares of no par value for the 2023 Share Scheme. The directors are authorised to allot and issue all or any of such shares in accordance with the terms of conditions of the Share Incentive Scheme. Options are accounted for as equity-settled.

Equity-settled

During the financial year, ordinary options 9 790 948 (2024: 10 903 328) were allotted.

The exercise of the options by the employees is subject to meeting performance targets relating to profitability, as well as the continued employment of the employee as at the date on which the option is exercised, in which case the employee may exercise:

2017 Deneb Share Incentive Scheme

13 158 970 options issued on 30 June 2020 of which 4 958 332 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

9 559 945 options issued on 28 June 2021 of which 7 049 973 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

12 184 116 options issued on 29 June 2022 of which 9 600 854 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

10 903 328 options issued on 28 June 2023 of which 9 586 849 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

2023 Deneb Share Incentive Scheme

9 790 948 options issued on 27 June 2024 of which 9 790 948 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

(i) Options in issue are as follows:

Option holder	Grant date	Unexercised Options	Strike price Cents	Vesting conditions	Remaining life of option
S.A. Queen					
	30 June 2020	2 443 035	99	Continued employment	1 years
	28 June 2021	1 846 187	134	Continued employment	2 years
	29 June 2022	2 116 260	191	Continued employment	3 years
	28 June 2023	2 168 364	190	Continued employment	4 years
	27 June 2024	2 040 781	205	Continued employment	4 years
Total for SA Queen		10 614 627			

Option holder	Grant date	Unexercised Options	Strike price Cents	Vesting conditions	Remaining life of option
G.D.T. Wege					
	30 June 2020	953 353	99	Continued employment	1 years
	28 June 2021	991 868	134	Continued employment	2 years
	29 June 2022	966 126	191	Continued employment	3 years
	28 June 2023	1 013 905	190	Continued employment	4 years
	27 Jue 2024	945 303	205	Continued employment	4 years
Total for GDT Wege		4 870 555			
Other, not being directors					
	30 June 2020	1 561 944	99	Continued employment	1 years
	28 June 2021	4 211 918	134	Continued employment	2 years
	29 June 2022	6 518 468	191	Continued employment	3 years
	28 June 2023	6 404 580	190	Continued employment	4 years
	27 June 2024	6 804 864	205	Continued employment	4 years
Total other		25 501 774			
Total options in issue		**40 986 956**			

Reconciliation of movements in options:

Number of options	2025	2024
Opening balance	50 969 555	52 514 367
Awarded during the period	9 790 948	10 903 328
Exercised during the period	(7 624 548)	(1 736 376)
Options used for strike price	(12 148 999)	(4 483 705)
Lapsed/forfeited during the period	-	(6 228 055)
Closing balance	40 986 956	50 969 555

	2025	2024
Number of options exercisable at year end	13 027 257	22 733 426
Expense/ (income) during the year (included in employment costs)	(3 915 898)	3 937 033
Value of shares issued during the year	12 441 734	3 611 732
Weighted average share price of share options exercised during the year	2,24	2,22

Valuation methodology

The fair value of the options granted was determined using The Hull-White Model and Binomial Model.

Valuation assumptions

The table below summarises the principal assumptions used in the valuation of the 27 June 2024 grants:

Description	Input
Award grant date	**27 June 2024**
Spot price	**R2,30**
Strike price	**R2,05**
Dividend yield	**4,4%**
Risk-free rates	**8,141% – 8,830%**
Volatility	**16% – 23%**
Early exercise multiple	**1,9**
Withdrawal/Forfeiture rates	**5% per annum**

The main assumptions together with a detailed description of the derivation of each of these assumptions have been set out below.

Share price

The closing share price of R2,30 as available on 27 June 2024.

Dividend yield
An expected dividend yield of 4.4%, which is in line with historical levels.

Risk-free interest rate

The interest rates used in the valuation are commensurate with the term equal to the expected lifetime of the option. These rates and the yield curve were obtained from the Johannesburg Stock Exchange (JSE) as at 27 June 2024.

Volatility of share price

Under IFRS 2, it is stated that to determine volatility "the historical volatility of the share price over the most recent period that is generally commensurate with the expected term of the option" can be used. Since the expected terms of the options vary by award, we used different volatilities depending on the option life.

The volatilities range between 16% and 23%. Our valuers have analysed the historical volatility of the share price, which has shown several years of significant volatility, partially impacted by the relatively low levels of liquidity in the shares and COVID-19.

Considering the above, the underlying businesses owned by the Group and the contributions made by each of these businesses, our valuers have used the JSE Industrial Index as a proxy to apply an appropriate level of volatility.

Early exercise multiple
To model expected exercise behaviour, we have used an assumption based on internal research and data from other schemes in South Africa and internationally. Our valuers have assumed that the options will be exercised when they are 90% in the money, leading to an exercise multiple of 1,90 being applied across all awards.

Further to this, participants leaving during exercise period will be assumed to exercise their vested awards immediately, as long as the awards are "in the money".

Withdrawal/Forfeiture Rates
Our valuers have assumed withdrawal/forfeiture rates of 5%. Forfeiture rates typically refer to the percentage of eligible participants leaving before vesting of the awards, and withdrawal rates refer to withdrawal from service after vesting of the awards.

Under IFRS 2, employee turnover is a non-market condition and hence this is adjusted during the period over which the expense is recognised. Whilst an assumption is made for forfeiting awards before vesting, the actual number of leavers need to be updated to ensure that the fair values are updated for the actual number of awards. No adjustments are made for forfeitures resulting from non-market conditions after the vesting period has ended.

Share based receivable

Deneb granted rights (equity instruments) to the employees of its subsidiaries. Deneb requires the subsidiaries to make payment for the granting of these rights as the obligation falls due. This type of intragroup payment arrangement is commonly referred to as a "recharge arrangement".

Deneb adopted an accounting policy for the recharge arrangement by making use of the guidance in IFRS 2 relating to cash-settled share- based payments (by analogy). This meant the company determined the fair value of the recharge asset at the date that the recharge arrangement is entered into and will recognise the value over the vesting period. At each reporting date the recharge liability is remeasured.

The liability of this recharge arrangement is in the financial statements of the subsidiary companies and the corresponding receivable with the holding company, the liability and receivable will be eliminated on consolidation.

The same valuation methodology is followed as described for the options but applied specifically for cash-settled share-based payments as required by IFRS 2.

	2025 **R'000**	2024 R'000
Share-based receivable	**12 884**	**21 150**

Reconciliation of share-based receivable

Opening balance	**21 150**	16 975
Options Exercised	**(11 663)**	(1 960)
Recharge	**3 397**	6 135
Closing balance	**12 884**	21 150

17. Investment in subsidiary companies

Name of subsidiary companies
(Incorporated in the Republic of South Africa unless otherwise stated)

	Issued capital		% interest		Shares at carrying value	
	2025	2024	**2025**	2024	**2025**	2024
Direct holdings			**%**	%	**R**	R
Agglowaste Holdings Proprietary Limited	252	-	75	-	9 596 302	-
Brits Nonwoven Proprietary Limited	196	196	100	100	-	-
Prima Interactive Proprietary Limited	-	-	100	100	-	-
Brand ID International Proprietary Limited*	-	-	-	100	-	-
HTIC Limited – Hong Kong	5 700 100	5 700 100	100	100	29 252 309	29 252 309
Nyenye Clothing Manufacturers Proprietary Limited – Lesotho*	-	1 000	-	100	-	-
Prima Toy and Leisure Group Proprietary Limited	823 290	823 290	100	100	56 557 707	56 557 707
Sargas Proprietary Limited	2 500 050	2 500 050	100	100	596 461 962	596 461 962
Seartec Proprietary Limited	669 106	669 106	100	100	193 289 069	193 289 069
Seartec Trading Proprietary Limited	1 000	1 000	100	100	-	-
African Tooling Innovations Proprietary Limited**	-	-	60	60	-	-
Blue Reef Water Solutions Proprietary Limited	-	-	100	100	-	-
Frame Knitting Manufacturers Proprietary Limited**	-	-	100	100	-	-
Integrated Polypropylene Products Proprietary Limited	-	-	100	100	-	-
Romatex Proprietary Limited	-	-	100	100	-	-
Custom Extrusion Proprietary Limited	100	100	100	100	26 108 372	26 108 372
Sirius Sales Proprietary Limited	120	120	100	100	120	120
Premier Rainwatergoods Proprietary Limited	-	-	100	100	40 134 440	40 134 440
New Just Fun Group Proprietary Limited*	-	98	-	100	-	-
Formex Industries Proprietary Limited	100 001	100 001	100	100	105 058 000	105 058 000
Oops Global SA (Switzerland)*	-	-	100	100	-	-
Butterfly Products Proprietary Limited	1000	1000	100	100	118 550 720	118 550 720
Gold Reef Speciality Chemicals Proprietary Limited	100	100	100	100	12 400 141	12 400 141
Explorius 2022 Proprietary Limited	-	199	-	50.25	-	-
Be Listed Proprietary Limited	100	-	100	-	-	-
Ferrostruct Proprietary Limited	100	-	100	-	-	-
PWD Logistics Proprietary Limited	-	-	100	100	-	-
The Polymer Group Proprietary Limited**	-	-	100	100	-	-
Epic Vendor Services Proprietary Limited	-	-	100	100	-	-
Deneb Investments UK Limited*	-	-	100	100	35 954 229	16 357
Adjust for share incentive scheme					10 673 571	8 718 626
Ordinary shares at carrying value					**1 234 036 942**	**1 186 547 823**

Indirect holdings	% Interest **2025**	2024	**Holding Company**
Prima Toy and Leisure Trading Proprietary Limited	**100**	100	Prima Toy and Leisure Group Proprietary Limited
Seartec Industries Proprietary Limited**	**100**	100	Seartec Proprietary Limited
Explorius 2022 Proprietary Limited	**100**	-	Agglowaste Holdgins Proprietary Limited
Picko Consulting Proprietary Limited	**100**	100	Agglowaste Holdgins Proprietary Limited
Picko Global Proprietary Limited (Australia)	**100**	100	Agglowaste Holdgins Proprietary Limited
Formex Tubing Proprietary Limited	**100**	100	Formex Industries Proprietary Limited
Autotube Manufacturing Proprietary Limited**	**100**	100	Formex Industries Proprietary Limited
Philmec Proprietary Limited**	**100**	100	Autotube Manufacturing Proprietary Limited
Tubeworx Proprietary Limited**	**100**	100	Formex Industries Proprietary Limited
Butterfly Products UK Limited**	**100**	100	Deneb Investments UK Limited

* In the process of deregistration / liquidation

** Dormant

18. Profit per share

		2025	2024
Number of shares			
Number of shares in issue at year end	000's	441 878	438 201
Weighted number of shares in issue	000's	440 486	438 536
Diluted average number of shares in issue	000's	445 908	450 559
Earnings			
Profit for the year	R'000's	135 245	10 938
Earnings per share			
Basic earnings per share from operations	cents	30,70	2,49
Diluted earnings per share from operations	cents	30,33	2,43

19. Events after the reporting period

A distribution of 11 cents per share was declared subsequent to the financial year-end.

The directors are not aware of any other material fact or circumstances arising between the end of the financial year and the date of this report that would require adjustments to the financial statements.

20. Consolidated annual financial statements

The Company prepared consolidated annual financial statements in a separate set of financial statements. The consolidated set together with the separate set form the annual financial statements of Deneb Investments Limited. Both these sets are available at the Company's registered office and on www.deneb.co.za.

21. Financial Guarantee Contracts

Deneb issued the following guarantees in favour of third parties:

- guaranteed the payment and discharge of the Group's indebtedness to Standard Bank in terms of an Interlinking Demand Guarantee for working capital and property backed facilities from Standard Bank, amounting to R1,2 billion,
- guaranteed the obligations of a subsidiary in favour of Investec Bank Limited in relation to an R128 million loan,
- guaranteed loan facilities owing by subsidiaries to the Industrial Development Corporation of South Africa Limited totalling R65 million, and
- guaranteed the payment of trade debt owing by Prima Interactive to Microsoft Ireland, amounting to USD9 million.

The total amount of the Debtors' Indebtedness which Standard Bank may recover from the Guarantors under the Interlinking Demand Guarantee is limited to the net asset value ("NAV") of each Guarantor (subsidiary) as at the signature date of this guarantee and indemnity or the NAV of each Guarantor as at the time of enforcement, whichever is greater in value. For Deneb Investments, the maximum exposure is R1,604 million (2024: R1,521 million) as at the reporting date. The risk of probability that the guarantees will be called upon is low given the external debt is recognised underpinned by a property portfolio in excess of R1,2 billion, which generates significant operating profits and has access to unrestricted liquid credit facilities and thus in a strong financial position to settle its debt as they become due. An assessment was performed on the ECL considerations of the financial guarantee contracts and the risk/outcome was immaterial.

22. Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year head.