INTEGRATED ANNUAL REPORT

HCI

Hosken Consolidated Investments Limited

2026

CONTENTS

SCOPE OF INTEGRATED ANNUAL REPORT

Hosken Consolidated Investments Limited (HCI, the Group or the Company) is pleased to present its Integrated Annual Report for the period 1 April 2025 to 31 March 2026. This report is intended to give shareholders and other stakeholders a clear and balanced overview of HCI's underlying investments, how we manage the Group from a corporate governance perspective, our social and environmental impact, and our financial performance for the year under review. HCI strives to be a responsible corporate citizen and remains committed to high standards of corporate governance.

The Group operates principally in South Africa and generates most of its revenue in South Africa. The Group's geographical footprint is set out on pages 6 and 7 of this report.

The FY2026 Integrated Annual Report and annual financial statements have been prepared in accordance with IFRS® Accounting Standards, South African Financial Reporting Requirements, the Companies Act, 71 of 2008, as amended (the Companies Act), and the Listings Requirements of the JSE.

Additional administrative information is included on the inside back cover for ease of reference.

The consolidated and separate financial statements, together with the notice of annual general meeting, are available as separate documents on HCI's website.

ABOUT THE INTEGRATED ANNUAL REPORT

BASIS OF CONTENT

The Integrated Annual Report shares information on the Group's financial and non-financial performance. It reflects HCI's ongoing commitment to creating value for shareholders, while taking into account the social, environmental and economic context in which the Group operates. The report focuses on material issues across our subsidiaries, but it does not cover every matter relating to subsidiaries and associates. This does not affect the completeness of HCI's report, as separate integrated annual reports are published for the listed entities and are available on the following websites:

- www.tsogosun.com;
- www.southernsun.com;
- www.emediaholdings.co.za;
- www.frontiertransport.co.za;
- www.deneb.co.za;
- www.platinumgroupmetals.net; and
- www.africaenergycorp.com.

Consistent with the objectives of integrated reporting, this report focuses on the matters that have a material impact on the Group's ability to create and sustain value. It should be read together with the following supporting reports, which are available on our website at www.hci.co.za:

- King V™ (King V) Governance Report; and
- Annual financial statements.

The Integrated Annual Report includes information that the board and management believe is useful and relevant to stakeholders. In preparing the report, we have been guided by:

- the company's memorandum of incorporation (MOI);
- the Companies Act, 71 of 2008, as amended;
- the JSE Listings Requirements; and
- the King Report on Corporate Governance for South Africa.

EXTERNAL ASSURANCE ON CONTENT

This Integrated Annual Report has been prepared with input from HCI and its business entities on their activities and achievements during the year. The Group continues to improve its combined assurance model, and assurance over elements of this report has been provided through a combination of external and internal sources.

APPROVAL OF THE INTEGRATED ANNUAL REPORT

The board of directors is responsible for the integrity of this report. The directors confirm that the report fairly represents the integrated performance of the Group. The board approved the report for release on 28 July 2026.

We believe this Integrated Annual Report provides stakeholders with the information they need to make considered evaluations about HCI's business activities, performance and business viability.

ADDITIONAL INFORMATION

All 2026 financial year reporting documents, including the Integrated Annual Report, annual financial statements and notice of annual general meeting, are available on HCI's website at www.hci.co.za. Shareholders who would like a printed copy of the notice of annual general meeting may request one from the company secretary at cshapiro@hci.co.za.

FORWARD-LOOKING STATEMENTS

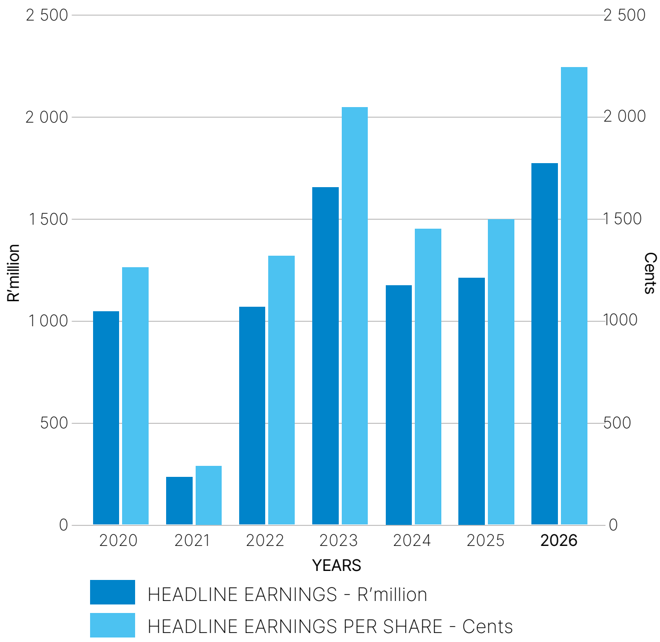
This Integrated Annual Report contains certain forward-looking statements relating to the financial position and operating results of the Group. These statements involve risk and uncertainty because they relate to events and circumstances that may occur in the future. The Group's external auditor has not reviewed or reported on these forward-looking statements.

FINANCIAL HIGHLIGHTS

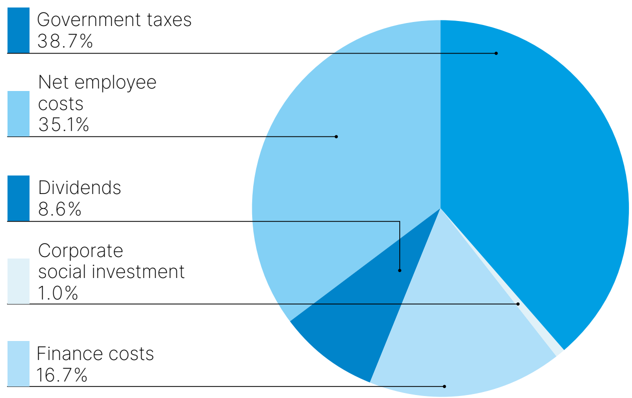
TEN YEAR REVIEW

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Shares in issue (net of treasury) - at year-end	- million	95 336	85 882	84 875	80 870	80 870	80 870	80 870	80 870	80 546	75 342
Share price - high	- cents	15 000	16 299	15 650	10 000	7 250	12 767	20 600	24 342	20 215	17 590
- low	- cents	10 450	11 691	10 206	1 999	1 600	4 731	11 167	16 502	12 890	11 554
- at year-end	- cents	14 185	14 400	11 179	2 200	6 352	11 800	20 089	17 200	13 496	16 504
Dividend per share	- cents	215	240	265	55	0	0	50	100	170	200
Net asset carrying value per share	- cents	17 897	17 785	19 043	15 269	14 917	17 708	22 466	23 504	30 318	33 597
Headline earnings	- million	1 306	1 164	1 029	1 047	233	1 069	1 658	1 176	1 213	1 776
Headline earnings per share	- cents	1 385	1 316	1 200	1 263	288	1 321	2 051	1 454	1 500	2 248
Revenue (Including net gaming win)	- million	23 116	23 802	25 125	21 159	14 087	19 060	22 899	23 733	22 673	24 172
EBITDA	- million	6 535	6 286	6 589	5 590	3 094	5 010	5 639	6 047	5 242	5 429
Profit/(Loss) after tax	- million	3 274	1 976	1 664	(7 325)	(982)	3 202	5 079	746	7 022	3 487
Value added statement	- billion	11.1	11.6	12.7	13.2	6	8.3	9.6	8.5	7.8	9.0
B-BBEE certification	- level	2	2	2	2	3	2	2	2	2	1

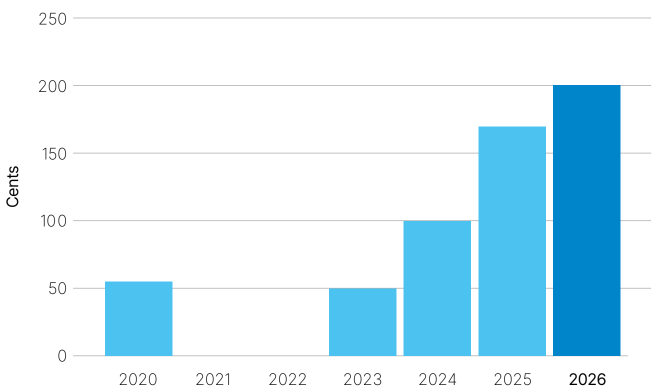
HEADLINE EARNINGS



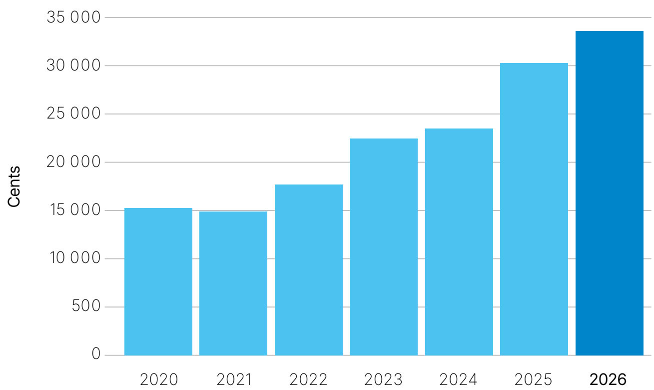
VALUE ADDED STATEMENT
2026 : R9.0bn (2025 : R7.8bn)



DIVIDEND PER SHARE



NET ASSET CARRYING VALUE PER SHARE



OPERATING STRUCTURE

AS AT 31 MARCH 2026

LISTED COMPANIES

Frontier Transport Holdings
80.6%

Southern Sun
42.1%

e Media Holdings
54.1%

Tsogo Sun Casinos . Hotels
53.1%

Deneb Investments Limited
84.2%

Platinum Group Metals
21.9%

Africa Energy
47.9%

UNLISTED COMPANIES

HCI Properties
(Division)
100%

HCI RESOURCES
100%

Impact Oil & Gas
51.6%

alphawave
44.1%

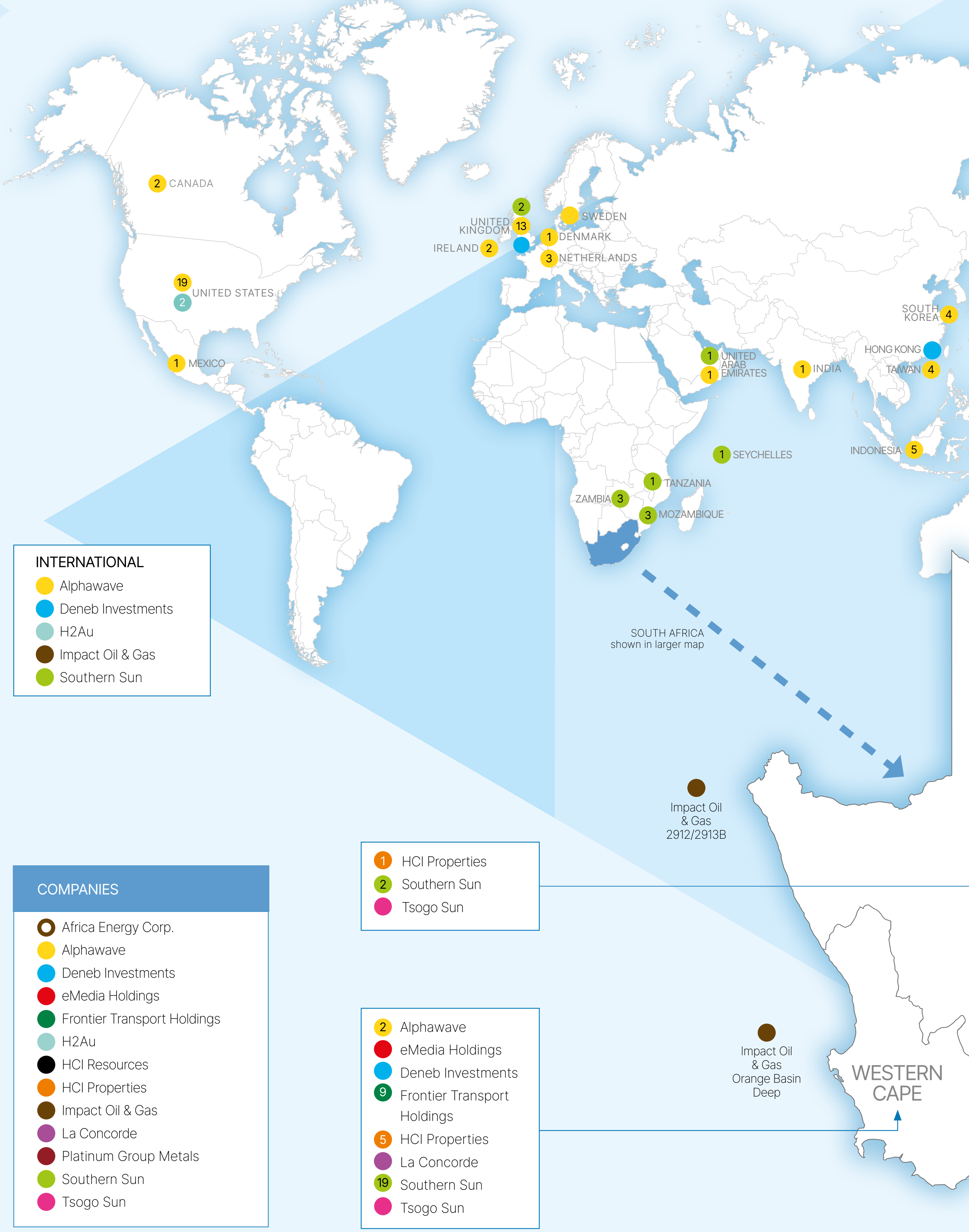
LA CONCORDE
90.4%

H2Au
50.0%

TRUST

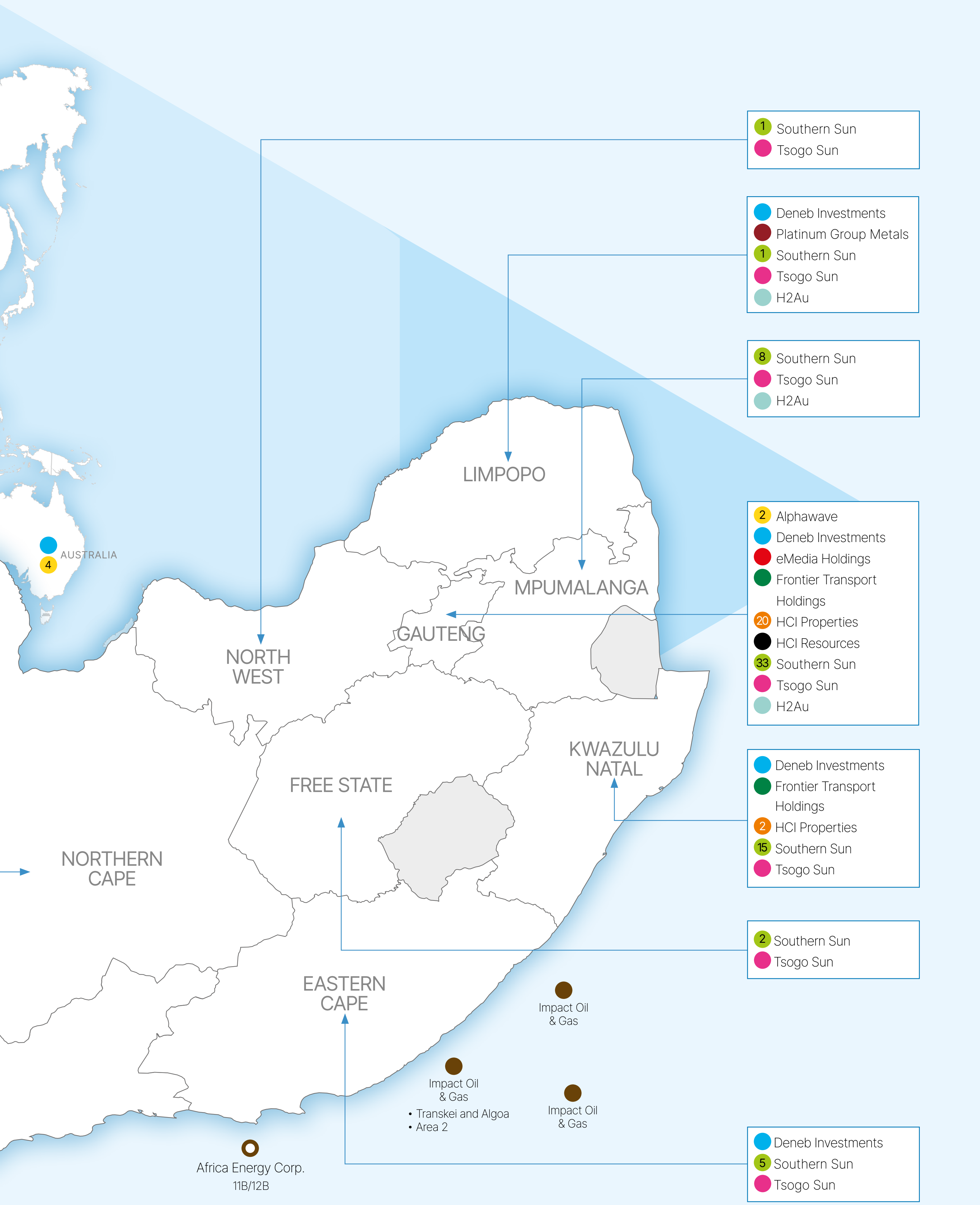
HCI foundation

GEOGRAPHICAL FOOTPRINT
AS AT 31 MARCH 2026



COMPANIES

- Africa Energy Corp.
- Alphawave
- Deneb Investments
- eMedia Holdings
- Frontier Transport Holdings
- H2Au
- HCI Resources
- HCI Properties
- Impact Oil & Gas
- La Concorde
- Platinum Group Metals
- Southern Sun
- Tsogo Sun


Southern Sun
Tsogo Sun
Deneb Investments
Platinum Group Metals
Southern Sun
Tsogo Sun
H2Au
Southern Sun
Tsogo Sun
H2Au
AUSTRALIA
LIMPOPO
MPUMALANGA
GAUTENG
NORTH WEST
Alphawave
Deneb Investments
eMedia Holdings
Frontier Transport Holdings
HCI Properties
HCI Resources
Southern Sun
Tsogo Sun
H2Au
KWAZULU NATAL
FREE STATE
NORTHERN CAPE
Deneb Investments
Frontier Transport Holdings
HCI Properties
Southern Sun
Tsogo Sun
Southern Sun
Tsogo Sun
EASTERN CAPE
Impact Oil & Gas
Impact Oil & Gas
• Transkei and Algoa
• Area 2
Impact Oil & Gas
Africa Energy Corp.
11B/12B
Deneb Investments
Southern Sun
Tsogo Sun

LETTER TO SHAREHOLDERS

JA Copelyn
Chief Executive Officer

The Central Issues in HCI's Year

General Performance of Mature Assets:

Over the last few years weather forecasts have introduced a subjective factor. It may be 15°C but may "feel like" 12°C. I was always a little sceptical about this concept, but this year I have finally come to accept it as a useful insight that applies to many things beyond the weather.

FY2026 was by any standards a good year for HCI.

- Its headline earnings rose 46.5% on the previous year to reach R1.776 billion.
- Headline earnings of our coal business were up 180% on last year following the conclusion of a new life of mine contract with Eskom.
- eMedia Holdings Limited (eMedia) completed the construction of four new virtual studios and has rented out one for some years to the National Lottery through a contract that will stabilise the costs of building them all. The Cape Town Film Studios, of which eMedia owns half, concluded a sale of land agreement over land adjoining the studios to Amazon.com for R265 million. eVod continued to grow its audiences by over 70% during the year and more than doubled its eVod revenue. Remgro unbundled its stake in the business to its shareholders and exited via eMedia, which now owns 100% of eMedia Investments. The overhang in the share price resulting from this unbundling has allowed the company to buy back its own shares at greatly reduced rates.
- Frontier received the outstanding 70 electric buses to complete its order of 120 electric buses just in time to put them all to work before the price of diesel shot through the roof in consequence of the war in the Middle East. Frontier has been advised that, subject to the right of appeal of the losing party, its bid for the multi-year renewal of MyCiTi Phase 1A was successful and that it will receive a significantly larger share of that operation.
- Tsogo brought in an experienced team to manage its online business. In a long-awaited turnaround, its online business contributed R50 million to the Tsogo EBITDA. Tsogo reduced its debt by R700 million and is well on its way to meeting the medium-term goal of 1.8x EBITDA by the end of FY2027.
- Southern Sun is now essentially debt free with its adjusted headline earnings exceeding R1.2 billion.
- Deneb had its most profitable year ever with a rise of 55% over last year's headline earnings and halved its debt to around R304 million.
- Likewise, our property division headline earnings were up 44%. We have sold the bulk of these properties at prices north of their updated valuations, releasing over a billion rand to HCI after liquidating the property debt and paying out minorities.
- Nevertheless, it certainly didn't feel like a great year!

Fall of our Share Price:

In November 2024 the share price of our largest established asset, Tsogo Gaming, commenced a significant decline from R12 a share to less than R7 over the next seven months. HCI's share price followed quickly, descending from R195 to R135 over the same period.

Simultaneously with this fall, a hail of criticism was unleashed from Aktiv Management calling for the unbundling of all HCI assets and the closing of the company. In short, its view was the growth projects of the company were complicated, dim and distant while the discount to its known asset value was enormous. Its advice effectively was to abandon the vague upside promised in future years and grab the short-term gains of eliminating the discount. After publishing some eight Substack attacks on the company alleging all manner of accusations, many of them poorly informed, manipulatively designed or simply defamatory, the share price of HCI finally reached a low of R116 a share in September 2025.

We took the opportunity to buy back as many shares as we could afford to buy at the depressed prices on offer. We succeeded in repurchasing over 4.9 million HCI shares through the market at an average price of R133 a share as well as concluding a somewhat complicated transaction with SACTWU, our founding BEE shareholder, the effect of which has been to repurchase an additional 1.1 million shares for cash and effectively swap four properties valued at R549 million for a further 4.2 million shares. In all, these transactions are equivalent to having repurchased 9.8 million HCI shares out of 81.0 million non-treasury shares in issue at a deeply discounted price.

While this was stressful to HCI from a cash point of view it was certainly well worth the pain. The subsequent sale of five shopping centres from our property portfolio at good prices will shortly replace access to the cash needed in our business. Our expectation is that this cash will allow us to reduce the outstanding central debt of the company to around R2 billion which we feel is a more realistic figure to carry in the medium term.

HCI and its need to protect its ongoing BEE status

HCI has invariably been rated at the top end of level two as a B-BBEE company for the entirety of its existence post its reverse takeover by union investment companies in 1997. This year our rating has improved to the lower end of level 1. For the last 29 years SACTWU has been its largest and most prominent shareholder. Most of HCI's board and executive directors have significant historical associations with that union and played key leadership roles therein before joining HCI. Not unfairly, HCI has long been regarded as the union's investment company albeit that it is a listed entity.

Whereas many companies have accommodated the entry of BEE shareholders at the cost of other shareholders, this certainly did not happen in HCI where the cost to others of having a strong and committed B-BBEE shareholder has been nil.

Its presence in our shareholding has allowed HCI to successfully bid for and hold many valuable assets which certainly would not have been available without such support. While Aktiv Management glibly asserted that SACTWU leaving the shareholding of HCI would make no difference to the future of HCI, this is only true if one accepts the vision for the future of HCI that it suggested, namely, to unbundle its assets and close it down.

There are many ways of making money and I don't assert the road taken by HCI is a superior one, but our path to date has been to focus on licensed start-ups. Our success has been the creation of thousands of new jobs and the building of significant new businesses from very little. Our experience is that with such an approach it invariably takes five years and more before investments break even, and longer before they return the capital invested in them. It is not a programme designed for those committed to trading their way into wealth quickly. Nevertheless, for groups that start with virtually nothing in life, like SACTWU, and who are committed to building a future not only for themselves and their members but for the broader communities from which their members are drawn, patience and commitment to building sizable new enterprises is the way to go.

It requires humility to enter new industries where one has little knowledge or skills. It requires a capacity to identify suitable independently minded but loyal people to lead such enterprises and an intense persistence in managing obstacles that somehow always rear up unexpectedly as one treads on virgin ground that has not been previously ploughed. Unquestionably, it involves a heavy reliance on debt to fund development if one is committed to maintaining control of one's start-ups but doesn't have wads of cash in one's back pocket. Unfortunately, it also often requires the resolve to fight off efforts by established businesses and others to smother the new start-up before it can establish its place in the sun, and occasionally it requires the patience to accept that not every such pressure can be avoided or confronted.

We have done fairly well with this approach and have, over three decades, built up controlling stakes in several lucrative businesses deeply rooted in different industries across the South African economy.

Our board was unwilling to abruptly abandon the approach of slowly building start-up opportunities proposed by Aktiv Management particularly as doing so would have meant abandoning recently developing start-ups that depend on HCI for funding.

The SACTWU Transaction

Aktiv Management did, however, hit on an obvious weakness in HCI's shareholding, namely that SACTWU had sold down a significant number of HCI shares. Essentially its difficulties were that it needed more cash than HCI dividends offered, particularly as we passed through the COVID-19 pandemic and its aftermath. Aktiv Management quickly identified this as an opportunity for an unidentified consortium to buy SACTWU out for R135 a share with the hope of cheaply becoming HCI's largest shareholder. Unfortunately for our would-be raiders, SACTWU had absolutely no desire to abandon its holding in HCI.

Together we resolved the problem by offering SACTWU four mature properties which have strong cash flows. Since SACTWU's tax status is largely like a charity, pretax cash flows available through the arrangement are particularly valuable in its hands. These properties will provide the union with sufficient cash to meet its needs while allowing it to retain the balance of its HCI shareholding through a joint vehicle with HCI. This vehicle, Squirewood Investments 64 Proprietary Limited (Squirewood), formerly held HCI treasury shares. The effect of the restructuring of SACTWU's shareholding provided it with an opportunity to pay for the properties it purchased with HCI paper and to keep control of Squirewood. The arrangement can be ended by HCI giving SACTWU six months' notice to unbundle all HCI shares held by Squirewood, in which event HCI would have 9.8 million treasury shares returned to it to cancel.

Effectively the restructure has allowed HCI to retain its B-BBEE partner in control of more than 25% of its shareholding without cost to remaining shareholders while releasing sufficient cash flow to SACTWU to meet its own social agenda.

Growth Plans of HCI

Each subsidiary of HCI has its own growth plans. In general, subsidiaries that fund their own plans are separately listed and provide their own reports directly to shareholders. Accordingly, this letter focuses on those start-up opportunities in our Group that are more dependent on direct HCI funding.

- *Impact Oil & Gas:*
  - *Blocks 2912 and 2913B Namibia:*

    Development in the above block has reached a critical moment. The operator, TotalEnergies, has refined its plans for the first area to be developed in the blocks, namely the Venus prospect in Block 2913B. It has put out tenders for the construction of an FPSO and designed the layout of the drilling of the many production wells to extract the hydrocarbons from the prospect and to reinject the gas for the initial phase. It is currently negotiating with the Namibian government on the final rules applicable to the development, including the taxes and royalties government seeks to impose, the duration of the production right and the extent of any area of the exploration right which is to be given up to proceed with a production right. Obviously these terms are critical, not only to Total and other participants in the block, but to the Namibian Government as well. Provided these negotiations are successful, we are confident Total will proceed immediately with the development. We trust the parties will shortly reach an accommodation that will allow the programme to finally go ahead.

  - *Orange River Deep, Transkei and Area 2 Blocks:*

    In September 2025 the Constitutional Court heard disputes around the right to do the seismic study in the Transkei and arguments that the exploration right there should be set aside. We have been waiting for judgement in the matter for the last nine months.

    Our partners in Impact Oil and Gas, Meren Oil, decided they no longer want to pursue oil and gas exploration, and we have been trying for a considerable period to separate our respective interests in these blocks. Happily we have now succeeded in this. HCI will buy IOG's interest in the three blocks for a contingent payment of $10 million in the event of a commercial discovery in any one of them within the next four years. We will offer all minorities other than Meren the opportunity to take up a proportional interest in the new company. Effectively HCI will thereby acquire between 85 and 100% of the IOG interests in these blocks.

- *Africa Energy:*

  As a result of a court ruling in relation to a matter in which we were not involved, it became clear that our courts require applicants to afford the Minister of Environment with a bird's-eye view of the full range of all prospective environmental damage that could result from all possible developments of a resource even if the detail of how this is actually going to be developed has not yet been defined by an operator. The effect of this approach is to require the front loading of all information relating to possible environmental damage that may result from any possible development that may eventuate. While this is burdensome it has the upside that any production right granted would be quite flexible in its implementation.

  While we had started preparing an EIA that was limited to the actual work we were committed to doing in the event of the grant of a production right, it became clear from this judgement that layered applications would fail in the circumstances. As a result we have accepted that we need to submit a far more thorough and wide-ranging application albeit this is significantly more time consuming.

  Over the course of the last year our AEC team have accordingly been hard at work analysing data in relation to the extent of the discovery and assessing a range of ways to extract the resource discovered. This work will culminate with the submission of our revised production right application and associated EIA towards the end of this calendar year.

  Essentially it will cover both the environmental risks of a pipeline to shore and an FLNG solution which would allow the gas to be converted to LNG offshore and then sold in the same manner as the condensate.

- *Gas-fired Power Station at Mossel Bay:*

  One of the possible ways to develop the AEC gas resource is to bring the gas to shore at Mossel Bay. In this event a large, combined cycle gas-fired electric power station would be virtually the only feasible off-taker. We have identified a suitable place for such an electric plant and hope shortly to submit an EIA application for such usage. The land is owned by the Garden Route District which has been very supportive of the project but as always in dealing with institutions of the state, complying with protocol is a slow process. As soon as the necessary steps for the approval of a long lease in this regard have been satisfactorily complied with and the lease has been entered into, we will lodge the EIA application.

- *Platinum Group Metals Ltd:*

  During the course of the year the commodity prices of gold, platinum and palladium escalated temporarily. The share price of PTM followed this trend. The company took the opportunity to raise $45 million through its ATM at relatively high share prices. HCI allowed itself to be diluted to 21.9% rather than follow its rights. The company now has sufficient cash to proceed unilaterally with the next steps in the development of the mine if need be. This will, at a minimum, allow a preparatory work programme to tick along while further efforts are made to break the impasse on smelting.

  Unfortunately, no real progress was made with the option of refining the concentrate to a matte level in South Africa and doing the final refining of PGMs in Saudi Arabia.

  The company is currently considering a smaller development of just the T-zone. The basket of precious metals in the T-zone carries 19% gold and has far smaller sulphide concentrate tonnes. There are possibilities of smaller smelters being able to process this concentrate and the funds needed to capitalise the mine would decrease substantially. The objective would be to start mining and accumulate capital in the process up to a point where one could open the F-zone as well. A full feasibility on this proposal is currently being prepared and should be available in the second half of our financial year.

- *Inrange Golf:*

  Inrange Golf has maintained its growth trajectory and has rolled out 25 new sites this year, bringing the total to 87 sites in operation. It improved its EBITDA from R17.1 million in FY2025 to R25 million in FY2026.

- *H2Au:*

  The company has succeeded in attracting support from another party which has agreed to put up the $3 million needed for drilling two wells in the company's Kansas drilling area. If the well is successful, the party may convert its investment to equity. We expect the company to drill two exploratory wells in the second half of this calendar year.

HCI Board and the management of HCI

Laurelle McDonald has indicated she is not available for re-election and will stand down from the board at the coming AGM. While Jabu Ngcobo is not up for re-election at the AGM he has likewise given notice that he will stand down from the board at the end of this calendar year.

To my long-time colleague Jabu: it has been a great privilege to have travelled the same road together for close on 45 years and I hope everything you have planned for yourself goes well.

To Laurelle: thanks for stepping in to hold the fort for the years you did. You were a great addition to our team and we are sorry to see you leave.

The board recommends Susan Khumalo be brought on to the board as a non-executive director as a replacement for Laurelle McDonald. Her detailed bio is available elsewhere in this Integrated Annual Report.

Lastly, I have advised the board that it is my intention to retire as the CEO of the company during the course of FY2028. To ensure an orderly succession, the board has appointed Kevin Govender as joint CEO together with me with effect from the coming AGM.

Kevin has already been with the company for a long time, and I have every confidence he will quickly grow into a steady hand with many new ideas in this role and take HCI into the next phase of its development.

It has been a great honour to have held the post of CEO of HCI for the past twenty-nine years and I wish Kevin and the incoming board members only the best in their new roles.

Finally I want to thank my co-executives Yunis, Rob, Cisco and Kevin as well as the CEO's of each of our subsidiaries for the support they all so generously give me. I always feel surrounded by a driven but caring team of hard-working people who are determined to build something special both in our subsidiaries and in our holding company. It really is a pleasure to have the job of coordinating that effort and I trust that giving a fairly early notice of my intentions next year will allow us all an opportunity for our team to adjust itself and seamlessly move on with HCI's work.

John Copelyn
Chief Executive Officer

TSOGO SUN CASINOS . HOTELS

TSOGO SUN LIMITED (Tsogo Sun)
www.tsogosun.com

TSOGO SUN CASINOS . HOTELS

CASINOS

- **Gauteng**: Montecasino, Gold Reef City, Silverstar, Emerald
- **KwaZulu-Natal**: Suncoast, Golden Horse, Blackrock
- **Western Cape**: Garden Route, Mykonos, The Caledon
- **Mpumalanga**: The Ridge, Emnotweni
- **Eastern Cape**: Hemingways
- Free State Goldfields

HOTELS

- **Gauteng**: Palazzo Hotel, Pivot Hotel, Piazza Hotel, Hotel Perte, Gold Reef City Hotel, Gold Reef City Theme Park Hotel, Silverstar Hotel, Emerald Hotel, Emerald River Resort, Emerald Bush Lodge
- **KwaZulu-Natal**: Suncoast Hotel and Towers, Golden Horse Hotel, Blackrock Hotel
- **Western Cape**: Garden Route Hotel, The Caledon Hotel
- **Mpumalanga**: The Ridge Hotel, The RidgePoint Hotel
- **Eastern Cape**: Hemingways Hotel

ENTERTAINMENT

- Gold Reef City Theme Park
- Emerald Aquadome
- Emerald Animal World
- Montecasino Bird Gardens
- The Caledon Mineral Springs
- Restaurants
- Family Entertainment Centres

ONLINE BETTING

playTSOGO ONLINE BETTING
betco.za

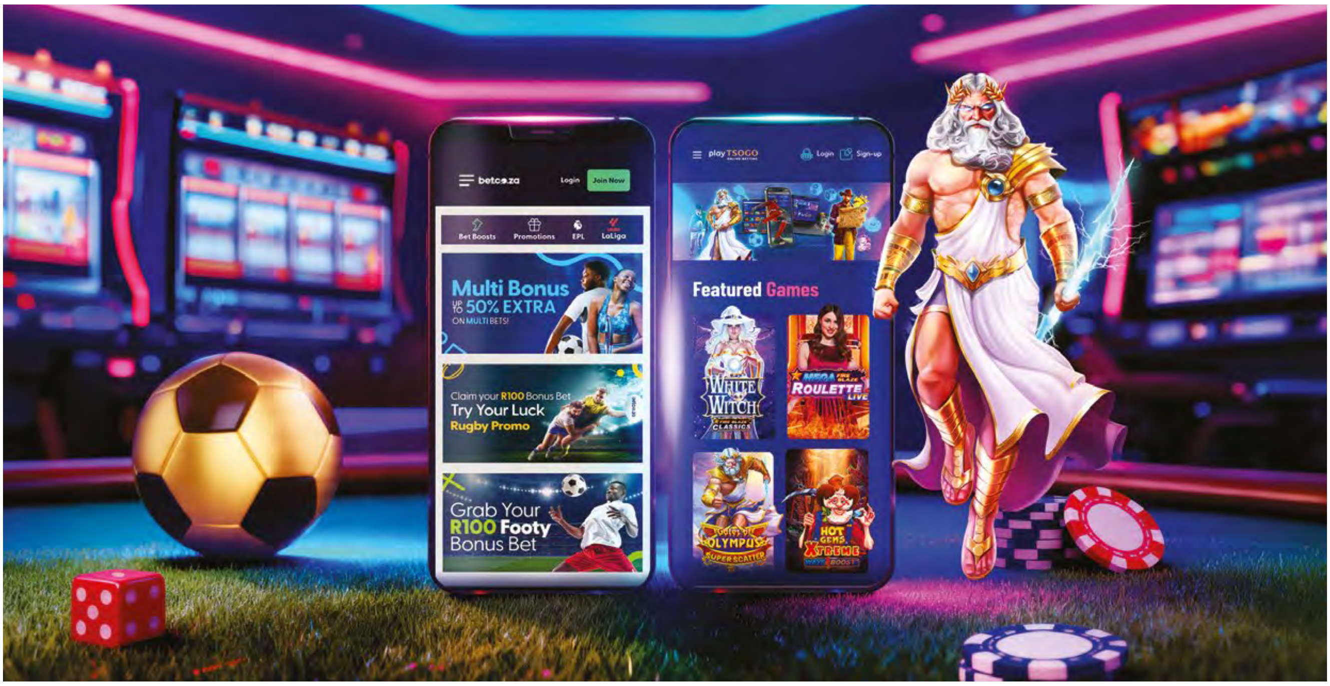
LPM's

VSLOTS

OTHER GAMING

GALAXY BINGO BET • SLOTS

	FY2026 Rm	FY2025 Rm	% Change
Income	11 134	11 155	-
Adjusted EBITDA	3 464	3 474	-
Net finance cost (excl. Leases)	(550)	(687)	20
Headline earnings	1 568	1 471	7
Headline earnings per share (cents)	153	142	8
NIBD and guarantees	(6 486)	(7 187)	10



Financial performance

Tsogo Sun delivered a strong performance for the year ended 31 March 2026, with headline earnings up 7% to R1.57 billion and headline earnings per share up 8% to 153 cents. Income was steady at R11.13 billion and adjusted EBITDA was maintained at R3.47 billion, reflecting the strength of the core business.

Tsogo Sun also strengthened its balance sheet, with net debt and guarantees reducing to R6.49 billion from R7.19 billion and net finance costs down 20% to R550 million. This supported healthy cash generation and enabled Tsogo Sun to return value to shareholders through dividends and share buy-backs.

Operations

Operationally, casino and hotel precincts continued to generate healthy cash flows, while the hotel portfolio delivered encouraging rooms revenue growth. The online betting business showed a meaningful turnaround during the second half of the year, supported by management appointments and ongoing investment in systems, products and customer experience.

Growth initiatives

Tsogo Sun also made progress on initiatives that support longer-term growth, including technology upgrades across its operations, further development in online betting, and continued investment in its casino and hotel portfolio. The limited payout machines business remained a steady contributor.

Looking ahead

Looking ahead, Tsogo Sun remains focused on disciplined capital allocation, reducing debt, and investing in projects to support future growth.

Tsogo Sun Limited is separately listed on the JSE Securities Exchange. More information on Tsogo Sun Limited can be found at www.tsogosun.com

Southern Sun

Southern Sun

100% Southern Sun SOUTH AFRICA
Owned, managed and leased hotels

100% Southern Sun OFFSHORE
Owned, managed and leased hotels
UK Investments 26.0%

SOUTHERN SUN (Southern Sun or Hotels)
www.southernsun.com


Southern Sun Mbombela

Highlights

- Income up 9.0% to R7.2 billion
- Ebitdar up 12.0% to R2.4 billion
- Adjusted HEPS up 19.0% to 90.1 cents
- Net debt reduced to a net cash position of R86 million
- Dividend increased 20.0% to 30.0 cents per share

Southern Sun delivered another year of strong financial performance, with income increasing by 9.0% to R7.2 billion for the year ended 31 March 2026. The result was driven by robust domestic trading, particularly in Gauteng and the Western Cape, together with continued recovery in corporate, conferencing and leisure demand. Occupancy increased by 2.1 percentage points to 62.9%, while average room rates increased by 4.0% to R1 525, resulting in an 8.0% increase in rooms revenue to R4.8 billion. The strong trading performance, combined with disciplined cost management and lower finance costs, resulted in adjusted headline earnings increasing by 19.0% to R1.2 billion (2025: R1.0 billion). Adjusted headline earnings per share (AHEPS) increased by 19.0% to 90.1 cents (2025: 75.6 cents).


Paradise Sun

Trading momentum strengthened during the second half of the financial year, supported by major international conferences and events, including the G20 and B20 conferences, together with improved corporate, leisure and foreign inbound travel demand. The successful refurbishment and relaunch of Paradise Sun in the Seychelles contributed positively to offshore performance, while strong growth was achieved across most South African regions, particularly KwaZulu-Natal and the Sandton Consortium properties. Offshore trading remained affected by the temporary closure of Paradise Sun during the first half of the year, challenging conditions in Mozambique and Tanzania, and latterly the impact of the Middle East conflict on travel into the Seychelles.


Mount Grace Hotel and Spa

Paradise Sun

Strong cash generation and disciplined capital allocation further strengthened the balance sheet. The Hotels Group generated free cash flow of R909 million during the year after capital expenditure of R600 million and invested significantly in key refurbishment projects across the portfolio. Dividend payments and share buybacks totalling R703 million were funded from operating cash flows, while dividends received from UK associates and proceeds from the disposal of a minority interest in Birchwood supported liquidity. As a result, Southern Sun ended the financial year in a net cash position of R86 million compared to net debt of R266 million at 31 March 2025.

The business continues to invest in its portfolio through targeted refurbishments and selected expansion opportunities, including developments in Cape Town, Umhlanga and the redevelopment of Beverly Hills. While global geopolitical uncertainty and elevated fuel prices may present near-term challenges, Southern Sun remains well positioned to benefit from continued recovery in tourism, conferencing and business travel. Supported by a strong balance sheet, substantial funding capacity and a portfolio of leading hotel assets, the hotel group retains significant flexibility to fund future growth opportunities while continuing to return value to shareholders through dividends and share buybacks.

Southern Sun is separately listed on the JSE Limited. More information on the hotel group can be found at www.southernsun.com

Paradise Sun

Southern Sun

LUXURY

54 on Bath

Beverly Hills

Sandton Sun & Towers

Mount Grace Hotel & Spa

Arabella Hotel, Golf & Spa

InterContinental Johannesburg O.R. Tambo Airport

Paradise Sun Praslin Seychelles

FULL SERVICE

Garden Court

Sun Square

Southern Sun Resorts

Southern Sun Hotels

ECONOMY

StayEasy

SUN1

CONVENTION CENTRE

Sandton Convention Centre

eMEDIA HOLDINGS LIMITED (eMedia and EMH)
www.emediaholdings.co.za

The eMedia Group is happy to once again present a set of profitable results, very similar to the previous financial year. This more than satisfactory achievement was reached despite numerous and ever-changing micro and macro-economic challenges. The current benchmark used to measure how eMedia is performing against these challenges is the television advertising sales market. It is a pleasure to report that eMedia outperformed the television advertising sales market on a yearly basis. The television advertising market went back 8.7% but eMedia's profit for the year decreased by only 2.0%. Profit for the year was R299.5 million, compared to the prior year profit of R303.0 million, a decrease of 1.1%. Maintaining steady performance in a declining advertising market was only possible through careful cost management as well as savings around the high-beam transponder costs, legal expenditure, content savings and the management of foreign exchange cover for the foreign content commitments.

For eMedia, an important measure of good performance is its ability to consistently declare a dividend to its shareholders. eMedia is pleased to report that, once again, there was a payment of a dividend similar to last year, being 15 cents (2025: 15 cents) per share at the close of the financial year.

Revenue and market share

The television advertising market has seen a decline year-on-year, which is a product of a tough economic climate as well as an out-of-date television audience rating panel, declining around 8.7% year-on-year; eMedia's decline was 7.4%. The market has seen consecutive monthly decreases since September 2024, partly due to a decline in TV audiences. eMedia managed to remain the biggest broadcaster for the year under review during prime-time with a share of 32.2% compared to its competitors, one being at 29.3% and the other being at 28.8%.

e.tv

e.tv remained one of the most watched TV channels in the country in prime-time for the year. The prime-time market share has been driven by strategic scheduling, which now includes five daily soaps. The daily shows are performing well in their respective time slots. The channel has lost some audience share, however, the decrease is related to the dropping of the vernacular soap at 18:30, which received a good share but was not profitable, and keeping Kelders van Geheime, which is profitable but with a very poor share.

A few exciting changes are coming in the new financial year, with eMedia replacing three of its daily shows.

Full analogue switch-off, which was planned for 31 March 2025, was interdicted by e.tv's successful urgent application to court. The court found against the Minister and the Department of Communications, with the result being that the process should revert to the consulting phase before a new date can be established. A few meetings have been held with the Department to see if an agreement can be reached on a suitable switch off plan.

eVOD

eVOD, the streaming service developed by eMedia, continues to show satisfactory growth in keeping with the strategic direction that is encapsulated by the term "steady and sure". Investment in the service continues as eVOD now has over 9 000 hours of content to cater to all viewers. The viewed minutes per month and the unique users for eVOD show consistent growth on a month-on-month basis, ensuring that the business returns a profit annually. eVOD is also available on certain connected TVs. eMedia is consistently looking at improving the user interaction with the app.

Openview and Multichannel

eMedia's Multichannel business, made up of its Openview channels other than e.tv, has been maintaining its share of the market. The share is primarily supported by eExtra and two movie channels (eMovies and eMovies Extra). These channels are continuously in the Top 20 satellite channels in the country, six belonging to eMedia, and emphasise the strength of content curation within eMedia. As a competitive offering, and one that is becoming known for great content, eMedia sheds channels that do not perform adequately on a regular basis. The performance criteria for channels are strict and ensure that Openview maintains channels that are top performers. During this year, eMedia launched Star Khanya, a Zulu-dubbed Indian channel, in partnership with StarLife. The channel's average minute rating is ever improving and ended in March as one of the Top 10 satellite channels. Openview reached 3 828 286 activations at the end of the year, up from the prior year's 3 627 740.

eNCA

eNCA continues to be a leading and discerning voice in the ever-competitive local news landscape, despite only being on the premier bouquets on DStv. Management continues to look at new and innovative ways to create and add relevant content, as well as identify operational efficiencies within the business.

Other subsidiaries and businesses

Y, Sasani and Cape Town Film Studios have all done well during the period under review. Y managed to grow its revenue by 8.0% while the market only grew by 4.0%. The only asset that struggled during this period is Media Film Service due to the uncertainty around rebates and incentives offered to international television and film productions, very few international productions were done in South Africa. Management has continued to invest in targeted marketing initiatives, with early indicators reflecting improving performance trends.

Corporate actions and acquisitions

On 12 September 2025, eMedia finalised the subscription and share exchange agreement for the shares in eMedia Investments Proprietary Limited (EMI) held by Venfin Media Beleggings Proprietary Limited (Venfin). Venfin held a 32.31% stake in EMI, and eMedia held the balance of 67.69%. The agreement was that Venfin shall subscribe for shares in eMedia to the value of R59.5 million. Thereafter, Venfin has unbundled its shareholding in EMI for additional shares in eMedia to the value of R715 million. Subsequently, eMedia now owns 100% of the issued share capital of EMI. As at 31 March 2026, eMedia repurchased 23.1 million EMH ordinary shares to the value of R43.1 million.

eMedia is also pleased to announce that on 1 October 2025, eMedia Investments Proprietary Limited, a wholly owned subsidiary of eMedia, acquired a 30% strategic equity interest in Pristine World Holdings Limited (Pristine World) as part of its growth strategy to diversify revenue streams and expand into ancillary content creation markets.

This investment forms part of eMedia's strategy to diversify and strengthen its revenue streams within its existing ecosystem. By acquiring a stake in Pristine World, eMedia gains access to technology and innovation and aims to incorporate high-quality visual effects capabilities into its content production pipeline, thus enhancing the quality of its offerings and positioning the eMedia Group for international project collaboration.

eMedia's significant investment in VFX (visual effects) Studios in Hyde Park is complete and will utilise the expertise of this technology to provide clients with the opportunity to create virtual advertising, enhancing current productions as well as any other production that would utilise real-time visual effects in its productions.

Runn Media Private Labs Limited is an associate based in India and is an independent, free ad-supported streaming television (FAST) platform. It is gaining traction as an aggregated platform and, now, has 50 FAST channels in the Indian market and continues to grow its content offering.

Conclusion

In conclusion, the eMedia Group continues to be the leading free-to-air broadcaster in South Africa, which puts eMedia in good standing once the advertising spend returns as the economy rectifies itself. Despite the challenging operating conditions, eMedia managed to sustain its dividend, and there was a final dividend of 15 cents per share (2025: 15 cents).

Management would like to thank all its stakeholders, especially its board, for their continued encouragement and support that enabled eMedia to end the year on a successful note.

eMedia Holdings is separately listed on the JSE Securities Exchange. More information on the group can be found at www.emediaholdings.co.za

FRONTIER
Transport Holdings

FRONTIER TRANSPORT HOLDINGS LIMITED (Frontier)
www.frontiertransport.co.za

		2026	2025	% change
Revenue	(R'bn)	2 841	3 037	(6.5)
Headline Earnings per share	(cents)	128.22	127.79	0.3
Earnings per share	(cents)	129.86	130.19	(0.3)
Net asset value	(R'bn)	1 815	1 626	11.6
Dividends	(cents)	67.50	63.10	7.0

Frontier Transport Holdings

Anchored by the robust performance of Golden Arrow Bus Services (GABS), Frontier's strategic objective of diversifying revenue streams remained on track with solid results from the luxury coach and bus rapid transit (BRT) subsidiaries and the consolidation of its Greenfields startups in truck sales and commercial tyre solutions.

For the forthcoming financial year Frontier will focus on arresting the decline in passenger numbers of the commuter bus entities with the introduction of innovative digital applications aimed at improving convenience and the travel experience of passengers. The tyre sales and manufacturing entity has stabilised its production platform and along with the truck and spares subsidiary, concerted executive attention will be accorded to meeting budgeted sales targets.

Golden Arrow Bus Services

Amidst an increasingly contested urban mobility market segment punctuated by the gradual return of the rail service and the entry of a range of e-hailing operators in the high density residential metropolitan suburbs, the principal subsidiary GABS delivered a resilient performance that buttressed the Frontier Group's results over the reporting period.

In tandem with the expanded commuter transport supply channels, the proliferation of online gambling and the prevailing constrained economic environment placed significant pressure on the disposable income and conventional spending patterns of passengers. These impacted negatively on passenger volumes during the period of review, which was strategically offset by a reconfiguration of bus schedules to cut loss-making trips and optimising routes on which there is high demand.

To further reinforce the focus on passenger retention and growth, several initiatives aimed at improving the mobility experience have been kickstarted during the review period. These include the development of a Mobile Application, Online Product Purchases and On Bus Wi-Fi availability. All these projects are anticipated to substantially enhance the convenience of using the bus as a preferred travel option.

The performance of the 120 electric buses over the financial period has justified the projections that underpinned the decision to introduce EVs to the GABS operational schedule. Since full-scale deployment, the energy cost of operating the EV bus has yielded a substantial threefold reduction relative to a Diesel Bus.

Complemented by the ongoing installation of solar power units across plant and premises, together with vigilant charging regimes, the expansion of the electric bus fleet is poised to be an effective hedge against volatile diesel fuel prices and a sound instrument to realise Frontier's sustainability objectives.

GA	100%	Frontier Tyres	100%
Sibanye together as one	100%	Shuttle Up	100%
ElJoSa Travel & Tours	92.7%	Alpine Truck & Bus Sales Parts Service	51.0%
TBRT Table Bay Rapid Transit	100%	N2 Express	33.3%

On the labour front, the decision eight years ago to challenge the imposition of across the board increases in the bargaining council was justified by the Labour Appeal Court judgement handed down in favour of GABS and Sibanye Bus Services during the review period.

The court affirmed the position that GABS' application to be exempted from applying across the board increases in job categories for which the company had been paying substantially more than the prescribed minimum rates through an untenable notch system, was in line with the objectives of harmonising wage rates through sectoral collective bargaining as advocated in the Labour Relations Act.

Importantly, the court was swayed by the prospective change in the future contracting of commuter bus services through tender processes which, by granting the exemptions, would enable GABS to compete for contracts on an equitable basis.

GABS' accredited Training Centre recorded a remarkable 37 204 Training Man-days over the review period. Notable amongst these is an intervention for Drivers aimed at strengthening employee well-being while equipping leaders with the skills to create a more engaged and productive working environment.

These programmes, developed and facilitated by Free to Grow form part of a structured journey designed to improve employee wellness and to ensure that employees remain connected to Golden Arrow's mission.

Table Bay Rapid Transit (TBRT)

The 12-year Phase 1A negotiated contract ended in October 2025, after which the City put interim operating arrangements in place with the existing operators. The tender process for the new seven-year contract, with an option to extend for a further five years, has been completed, although an unsuccessful bidder has lodged an appeal. TBRT has been advised that it is the preferred bidder for one of the contracts, which is expected to increase its share of the operations significantly.

Sibanye Bus Services

Sibanye Bus Services, which ply routes along the western seaboard corridor of the metropole, maintained operational stability during the reporting period despite a decline in passenger numbers and isolated security incidents. A loyal passenger base remains the backbone of the service and a renewed focus on schedule adherence and service consistency has been given priority.

Alpine Truck and Bus

Alpine's acquisition of two international Key Account clients have been complemented by the extension into the retail and used truck market through the establishment of a branch in Johannesburg. A presence in the country's economic heartland is set to provide a springboard for the entity to expand its product offering and consolidate its after sales and spares business units.

Frontier Tyres

Unprecedented price wars amongst competitors in the aftermath of several exits of companies from the local tyre market, placed pressure on the operating margins of the Frontier Tyres subsidiary over the review period. The entity has, however, continued to maintain a steady performance with the delivery of positive year-on-year revenue growth.

ElJoSa

ElJoSa continued its excellent performance in the schools and private hire markets and with the boom evident in the travel and tourism sector, the luxury coach subsidiary is poised to capitalise on opportunities forthcoming from the boom. Upgrading of the fleet with key additions augurs well for servicing the niche market served.

Shuttle Up

The boutique shuttle service faced ongoing challenges to find a niche in a competitive market segment. An online booking app has been developed and the broadening of the service offering will provide a platform for improved performance going forward.

Frontier Transport Holdings Limited is separately listed on the JSE Securities Exchange. More information on the Group can be found at www.frontiertransport.co.za

DENEB INVESTMENTS LIMITED

DENEB INVESTMENTS LIMITED (Deneb)
www.deneb.co.za

		2026	2025	% change
Revenue	(R'000)	**4 339 292**	3 749 230	15.7
Earnings per share	(cents)	**46.58**	26.86	73.4
Headline Earnings per share	(cents)	**39.26**	24.98	57.2
Net asset value per share	(cents)	**471**	435	8.3
Distribution per share	(cents)	**11**	11	9.1

All of Deneb's segments, except property, delivered improved performances, demonstrating that the improvement was broad-based. Even in the case of properties, if property revaluations are considered part of the portfolio's performance, the property segment also had a strong year.

A breakdown of the performance, shows that revenue was up R590 million (15.7%). The main driver of revenue growth was the sale of digital codes, a product that one of the businesses in the Branded Product segment has been developing. This product delivered revenue growth of over R500 million for the year under review. One of the features of this product, however, is that it carries low margins. Although the revenue generated by this product is significant, its effect on profitability is far less material because of the low margins.

The sale of digital codes is also the primary reason why gross margins were 100 basis points below the prior year. Most businesses in Deneb improved their individual margins, but the shift in sales mix toward lower-margin revenue reduced the overall gross margin.

Fixed costs increased by 4.8%, although this includes a R29 million credit within the manufacturing segment, specifically the automotive segment. This credit relates to the renegotiation of certain leases. The important point to note

Prima Interactive - Gaming hardware, software and accessories

though, is that although the R29 million credit was brought to book, there were also once-off costs and costs relating to new businesses that largely offset this, so the 4.8% total cost growth is a fair reflection.

The result of the above is that core operating profit increased by 27.8% which is a fair reflection of the improvement in operating performance. Below the operating profit line, profit was further supported by a R25 million increase in fair value gains on the investment property portfolio and a R20 million reduction in finance costs due to lower debt levels and lower interest rates. As a result, profit increased by more than 75%.

Cash flow and debt

The improved results were backed up by strong cash generation. Deneb generated R343 million from operating activities, assisted by a R75 million release from working capital. In addition, properties were sold for R279 million, but this was offset somewhat by capital expenditure of R112 million and an acquisition of R63 million. The result of all this is that total interest-bearing debt reduced by R359 million to R304 million. At year-end, debt was below 1x EBITDA and equated to 25.6% of the total property value. Deneb ended the period in a strong financial position.

Summary

With Deneb being a diverse group it usually means that there will be some businesses in a down cycle while others are growing. The strategy of driving iterative improvements across the businesses has delivered a solid set of results.

Deneb Investments Limited is separately listed on the JSE Securities Exchange. More information on the group can be found at www.deneb.co.za

Prima Toys - Intex products including inflatable kayaks and accessories

Prima Toys - Intex products including pools and automatic pool cleaners

Butterfly Products - A wide range of stationery including the pocket file

Butterfly

PRIMA INTERACTIVE

Prima TOY AND LEISURE TRADING

htic

ROMATEX PTY LIMITED

Puretech Limited Water Purification Sales and Service

formex

SIRIUS SALES (PTY) LTD

SEARTEC

picko

VEGA PROPERTIES

Premier Rainwatergoods (Pty) Ltd

INTEGRATED POLYPROPYLENE PRODUCTS

brits nonwoven

GoldReef Specialty Chemicals (Pty) Ltd Creating Value

blue reef

Explorius

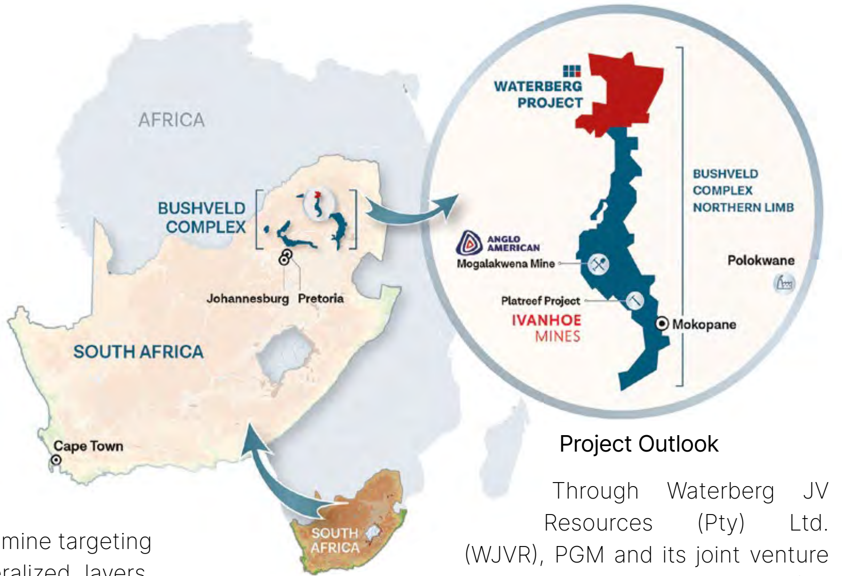
DAWNING MANUFACTURING

EPIC

Integrated Polypropylene Products - Circular weaving department

Formex - Manufacturers of automotive parts

PLATINUM GROUP METALS (PGM)
www.platinumgroupmetals.net



Business Overview

Platinum Group Metals Ltd. (PTM:TSX; PLG:NYSE American) is advancing the Waterberg Project in South Africa, a large-scale, low-cost, bulk mechanized underground mine targeting the shallow, thick F-Zone and T-Zone mineralized layers. A September 2024 Definitive Feasibility Study update (DFS Update) estimates 23.41 million proven and probable ounces of platinum group elements (PGEs), including platinum, palladium, rhodium, and gold, along with 429 million pounds of copper and 933 million pounds of nickel. The project received its mining right from the South African Department of Mineral and Petroleum Resources in January 2021, positioning it to become a new source of PGEs in the region.

Financial Overview

The DFS Update estimated peak funding for Waterberg Mine development at US$776 million, which could be financed through a combination of metal streaming, equity, and senior debt. To date, approximately US$93 million has already been invested in exploration and engineering. During the 12 months ending March 2026, PGM reported a net loss of US$6.1 million (March 2025 – US$4.4 million) and issued 21.3 million shares at an average price of US$2.26 per share.

PGM remains debt-free and holds around US$44.7 million in cash, providing a strong financial foundation to support ongoing project development and future growth initiatives.

Platinum Group Elements Markets

Mined supply of PGEs from South Africa has continued to fall in recent years, mostly caused by a lack of investment due to weaker PGE prices in the ten-year period before 2025. Since mid 2025 PGE prices have been stronger.

The platinum market is in deficit due to strong industrial, investment, and jewellery demand, supported by growth in the hydrogen economy, while palladium remains volatile with prices bolstered by current supply deficits and geopolitical risks from Russia. The transition to electric vehicles poses long-term challenges for auto catalyst demand, though hybrid vehicle production provides near-term support. Rhodium prices are high and volatile in a small-volume market, gold remains near historic highs driven by central bank purchases, geopolitical uncertainty, and inflation, and demand for copper and nickel is expected to stay strong.

Project Outlook

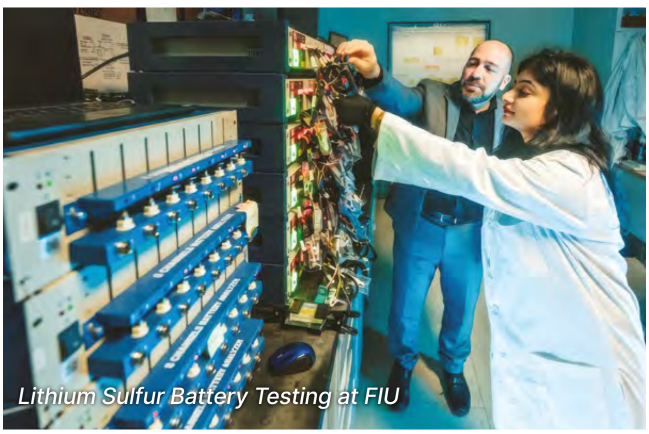
Through Waterberg JV Resources (Pty) Ltd. (WJVR), PGM and its joint venture partners are advancing approx. US$10 million in an approved pre-construction work programme.

Work during 2026 and 2027 is to include early project infrastructure, including power, water, roads, site facilities, accommodations, and elements of a Social and Labour Plan (SLP).

Given current gold prices and market conditions, WJVR is exploring a staged development approach for the Waterberg Project. This would begin with decline development into the gold-rich T-Zone, followed by small-scale T-Zone mining, and eventually progress to larger-scale mining at the F-Central deposit, consistent with the DFS Update.

PGM is also investigating smelting and base metal refining options, engaging South African integrated producers for formal concentrate offtake agreements, though no terms have been finalised. Alternative strategies include establishing smelter and refinery facilities in Saudi Arabia or South Africa, as well as partnering with smaller furnace operators in South Africa to modify and expand their operations for processing Waterberg concentrate. Efforts in these areas are ongoing.

Technology and Innovation (Battery Initiative)


Lithium Sulfur Battery Testing at FIU

PGM is advancing a battery initiative through Lion Battery Technologies Inc. (Lion), in collaboration with Valterra Platinum

Limited and Florida International University (FIU), leveraging the catalytic properties of platinum and palladium for new lithium sulfur battery technologies. The investment in Lion supports a broader industrial market strategy and potential vertical integration, aiming to bring innovative catalytic-based technologies to market.

Lithium Sulfur Pouch Cell

As of March 31, 2026, PGM and Valterra have jointly funded Lion with a total of US$4.79 million.

In October 2025, an independent commercial battery specialist was engaged to assess Lion's technology and advise on commercialization pathways. Based on this study, PGM and Valterra are planning further investment to advance research and development, establish pilot battery production, and promote commercialization of Lion's patented technology.

Community Engagement

WJVR actively collaborates with host communities to maximize stakeholder benefits. WJVR has recently funded infrastructure improvements such as water supply and community facilities. Future programmes and employment will be guided by skills and needs assessments completed in 2023. Between 2023 and 2025, forty-nine learners completed portable skills training, and fifteen tertiary education bursaries were awarded.

WJVR's second SLP (2026–2030) is under review by the Department of Mineral Resources (DMR) and the Local Municipality. The company has also covered costs for community-appointed consultants and attorneys and has commenced negotiations for Surface Lease Agreements with two host communities.

Key Takeaways

- Large, high-quality resource with 23 million+ ounces of PGEs, plus copper and nickel;
- Financially strong, debt-free with cash reserves to support development;
- Favourable market conditions for PGEs, copper, and nickel;
- Commitment to sustainability, with active community engagement and SLP initiatives;
- Innovation-focused, advancing platinum and palladium applications in lithium batteries; and
- Flexible development strategy, including staged mining and local/international processing options.

Platinum Group is listed as PLG on the NYSE.A and PTM on the TSX (Toronto Stock Exchange).


Water Infrastructure Improvement Work at Early Dawn

HCI RESOURCES PROPRIETARY LIMITED (HCI Resources)
www.hciresources.co.za

Business Overview

The 2026 financial year was a year of operational stabilisation and improved financial performance for HCI Resources following the implementation of the new life-of-mine coal supply agreement with Eskom. The agreement provided long-term volume certainty and introduced more achievable coal quality specifications aligned with the Palesa resource base.

Operational performance during the first three quarters of the year was strong, supported by improved yields, optimisation initiatives and disciplined cost management. However, the fourth quarter was impacted by reduced Eskom offtake volumes, excessive rainfall and wet coal conditions, which affected mining activities and product deliveries.

Despite these challenges, HCI Resources delivered a strong financial performance and continued to focus on operational resilience, cost optimisation and diversification opportunities beyond coal.

Financial Performance

HCI Resources delivered a materially stronger financial performance for the year ended 31 March 2026 compared with FY2025, reflecting improved trading conditions and more consistent operational execution. Revenue increased by 16% to R1.686 billion (FY2025: R1.45 billion), EBITDA almost doubled, rising by 99% to R252.7 million (FY2025: R127 million), and cash generated from operations increased by 41% to R265.7 million (FY2025: R188 million).

These results were driven by strong plant yields, stable Eskom sales volumes for most of the year and continued cost discipline.

Health, Safety and Environment

Health and safety remained a key priority throughout FY2026. The operation achieved 404 Lost Time Injury-free days and 3 277 fatality-free days.

No occupational diseases were reported during the year. The business continued implementing Level 9 Collision Avoidance Systems on trackless mobile machinery to further enhance vehicle and pedestrian safety.

The operation also maintained its focus on environmental compliance and responsible water management, including the installation of an additional water treatment plant to improve water quality management and support sustainable mining operations.

Run-of-mine coal stockpiles at Palesa Colliery

Coal processing facilities

Coal reserves (expressed in tons) as at 31 March 2026

	PALESA COLLIERY		
	Palesa Colliery (Loopspruit)	Palesa Extension (Rooipoort)	TOTAL
Proven	11 342 464	22 250 660	
Probable		8 502 887	
Total	**11 342 464**	**30 753 547**	**42 096 011**

Open-pit mining operations at Palesa Colliery

Social and Economic Development

HCI Resources continued investing in initiatives focused on enterprise development, supplier development, education, housing and community upliftment.

Key achievements during the year included:

- Investment of more than R2.3 million in supplier and enterprise development programmes, including the development of a local contractor from the mine's host community to undertake a ring-fenced backfilling project. The contractor received ongoing mentorship, operational support and skills transfer from the principal mining contractor to promote long-term sustainability and growth. Eleven local entrepreneurs participated in an Enterprise Development Programme designed to equip emerging business owners with the skills, knowledge and support required to establish and grow sustainable businesses within their communities.
- Continued implementation of housing projects in Thembisile Hani Local Municipality and Tshwane Region 7, including remedial works and the construction of housing units aimed at improving living conditions for vulnerable families
- Ongoing implementation of community water infrastructure projects aimed at improving long-term access to reliable water sources within host communities.
- Support for schools within the mine's host communities through the donation of school uniforms, laptops, sanitary products and food parcels, as well as educational, youth development and women empowerment programmes

These initiatives reflect HCI Resources' commitment to creating sustainable value and supporting the long-term development of its host communities.

Outlook

The long-term coal supply agreement with Eskom provides a stable platform for future planning. While Eskom has indicated a potential reduction in offtake volumes during the next calendar year, volumes during the early months of FY2027 have been slightly ahead of expectations.

The management of HCI Resources has undertaken a comprehensive review of the cost base and implemented optimisation initiatives to ensure the operation remains competitive and profitable under varying production scenarios.

HCI Resources also continues to evaluate diversification opportunities beyond coal to support long-term sustainability and value creation for stakeholders.

H2Au

H2Au www.h2au.co

H2Au is a British based exploration company focused on the exploration, development and production of naturally occurring environmentally sustainable gases such as hydrogen and helium.

Since its inception in 2022, H2Au has developed unique geological workflows, models, and tools, leveraging the extensive expertise of its founders from the oil, gas, and mining industries.

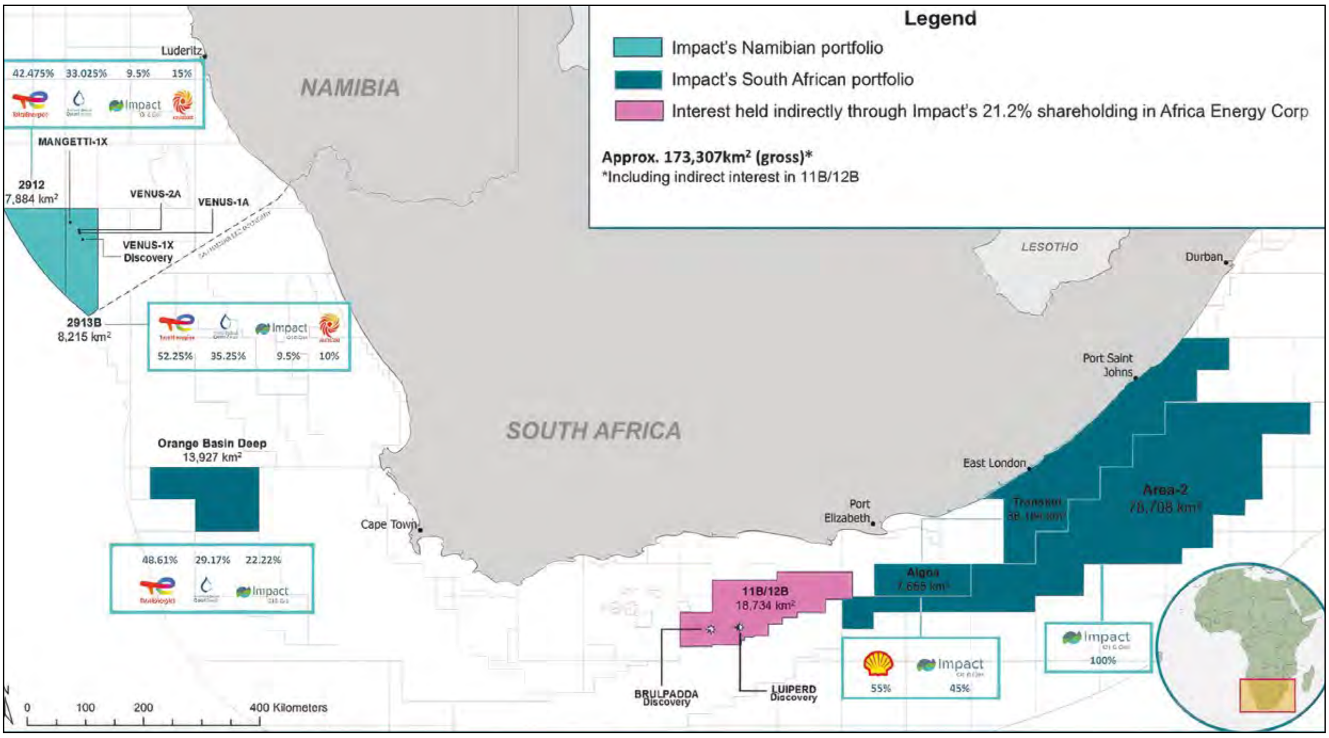
Currently, H2Au holds exclusive applications for two Exploration Rights in South Africa, covering approximately 3 million acres, all of which are 100% owned by the company. Additionally, H2Au operates in partnership with 45-8Energy in Kansas and Iowa, where it holds an additional 13 000 acres of mineral rights where it plans to undertake exploration drilling within the next six months.

H2Au Limited became a subsidiary on 28 May 2026 following a loan to equity conversion (50.0% to 60.8%). A further investment in June 2026 increased the Group's interest to 70.0%. Details are set out in note 42.6 of the annual financial statements.

Impact
Oil & Gas

IMPACT OIL & GAS LIMITED (Impact)
www.impactoilandgas.com

Impact Oil & Gas Limited (Impact) is a private UK-based independent oil and gas company with extensive experience in frontier exploration in deep water plays offshore Western and Southern Africa. Impact's current portfolio covers more than 170 000 km^2 and includes a 9.5% participating interest in the giant Venus oil field, offshore Namibia. The Venus field is a "home grown" success story in that, the opportunity was identified and matured by Impact, before bringing in TotalEnergies as a partner and Operator. The Venus Field sits within Block 2913B, approximately 300km offshore Namibia and is expected to reach final investment decision on a ~750mmbbl field development plan in 2026.

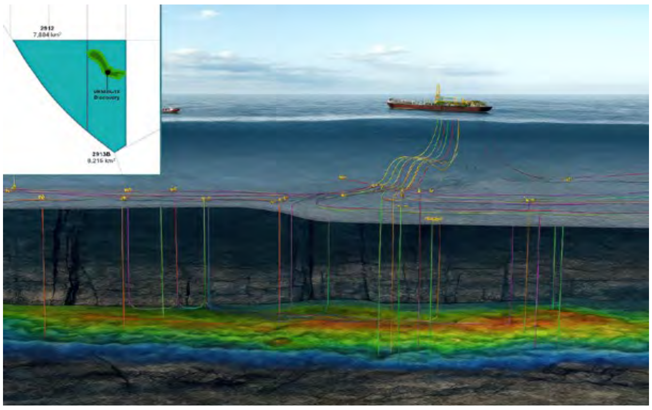


Map of exploration Impact's portfolio

Since completion of Impact's partial divestment of its interest in Block 2912 and Block 2913B, offshore Namibia (Namibian Blocks), to TotalEnergies, in November 2024, the Board has been considering the future direction of the business. Impact's portfolio comprises: (a) a significant position in Namibia, anchored by the development of the Venus field, but with access to significant exploration upside across the ~16 000 km^2 making up the Namibian Blocks; and (b) in South Africa, a vast frontier exploration position offshore the East Coast (~122 000 km^2) and a licence in the deepwater orange basin, offshore the west coast (~14 000 km^2) (South African Blocks). In addition, Impact continues to hold a shareholding of approximately 21% in Africa Energy Corp (AEC) a TSX listed oil and gas company, with a significant interest in the Brulpadda-1X and Luiperd-1X gas condensate discoveries on Block 11B/12B offshore South Africa. AEC is managed by an independent team.

On 26 May 2026, Impact entered into a share purchase agreement with a wholly owned subsidiary of Hosken Consolidated Investments (HCI) for the sale of the entire issued share capital of Impact Africa Limited (IAL), effectively increasing HCI's indirect interest on Impact's South African portfolio from 51.5% to 100%.

Location map of the South African Blocks



Using long, horizontal wells, deep beneath the seabed, up to 20 oil producers and 20 gas re-injectors will keep the FPSO at full capacity for a number of years, with a gradual decline thereafter

This separation of Impact's Namibian exploration and development business from its South African exploration portfolio, ensures shareholder alignment through the critical next phase of the Namibian Blocks – the Venus Field development – and focuses the capital and human resources of Impact on getting the Venus development to first oil and positive cash flow, whilst creating a structure to attract investment into the South African Blocks.

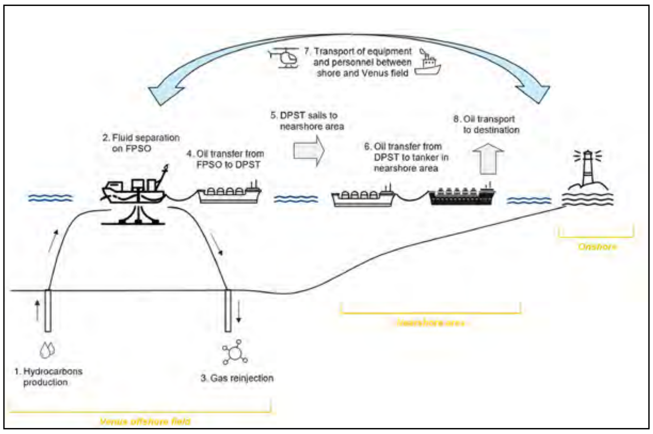
Completion of the transaction is subject to customary approvals from the relevant South African authorities and applicable joint venture partners and is expected around 3Q2026.

NAMIBIA

Following completion of the transaction, Impact's primary assets will be its interests in the Namibian Blocks. The Company intends to continue to hold and fund these assets, with a clear strategic focus on progressing towards FID and achieving first oil. Impact will continue to prioritise value creation by maximising the resource potential of the Namibian Blocks and working closely with joint venture partners, host governments and other stakeholders.

Venus is a fully appraised discovery with a defined development concept designed to recover approximately 750 million barrels of oil equivalent. The project is expected to be developed as a large-scale deepwater subsea system tied back to a floating production, storage and offloading vessel (FPSO), with a production capacity of around 160 000 barrels per day.

As the Namibian Orange Basin continues to attract a high level of attention within the industry, the development of the Venus Field remains the most prominent and advanced



The Venus Development concept: from oil production through gas drive via an FPSO, to near-shore sales using Dynamic Positioning Shuttle Tankers for transport

project in-country to date. Since the conclusion of the appraisal campaign, the Venus development has continued at pace. All available well and seismic data has been analysed and integrated into the development concept, which is being progressed through the Front-End Engineering and Design (FEED) phase, prior to the FID. The Field Development Plan (FDP) has been submitted by the joint venture and is under review by the Namibian authorities. FID is targeted for the 2026 calendar year, but is subject to ongoing negotiations between the joint venture and the Government of Namibia on the fiscal terms to support the investment. If FID is declared in 2026, first oil could potentially be achieved in 2030.

Under Impact's carried-interest arrangement with TotalEnergies, exposure to all development and exploration costs on Blocks 2912 and 2913B remains fully funded through to first commercial production, without any financial cap. The carry loan is repayable from a share of Impact's after-tax cash flows, and net of all joint venture costs, including capital expenditures, from production on the Namibian Blocks.

Mossel Bay Gas Condensate Discoveries (held indirectly through AEC)

Impact continues to own a major shareholding in Africa Energy Corp (AEC), a TSX listed company which holds a 49.0% interest in Main Street (51.0% held by Arostyle Investments (RF) Proprietary Limited), which in turn owns a 100.0% interest (subject to regulatory approvals) in two major gas-condensate discoveries, the Brulpadda and Luiperd fields, lying off the southern coast of South Africa, in Block 11B/12B. AEC has simplified and increased its holding in the asset after reaching agreement with Arostyle that will see AEC hold a 75.0% direct participating interest, and Operatorship, in the licence (the transaction remains subject to relevant regulatory approvals).

Impact's shareholding was, however, diluted to 21.2% following a 2025 private placement of common shares and a shares-for-debt transaction, which saw Deepkloof, a wholly owned subsidiary of HCI, take a 36.9% direct interest in AEC.

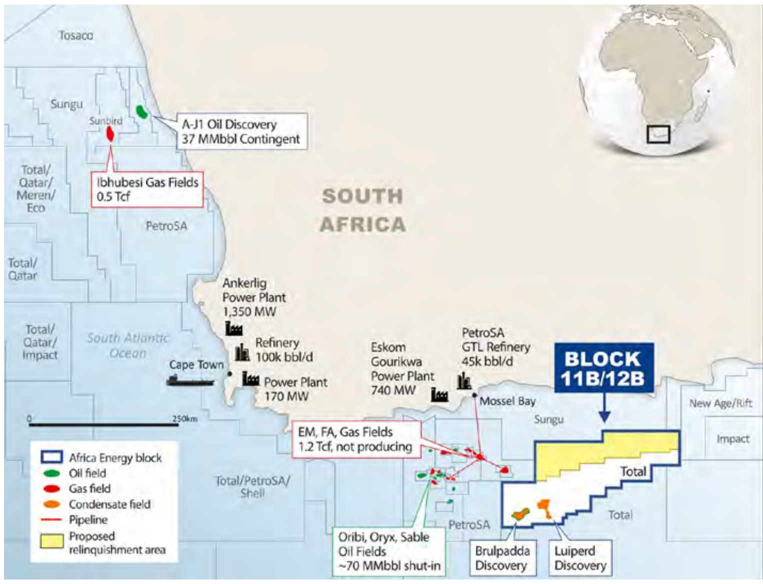
The application for a Production Right is being progressed with the applicable authorities.

The Brulpadda and Luiperd discoveries are a significant indigenous resource, which could provide crucial relief to South Africa's energy crisis enhancing energy security by providing access to a long-term, reliable, baseload energy source. Importantly, it would also reduce its dependency on coal, diesel and foreign imports, through the addition of an indigenous energy source, to its energy mix (>80.0% of South Africa's electricity supply is generated from coal).

AFRICA ENERGY CORP (AEC)
www.africaenergycorp.com

Africa Energy is a Canadian oil and gas company focused on the Republic of South Africa (South Africa).

In the fourth quarter of 2020, AEC announced a significant gas condensate discovery and successful open flow test on the Luiperd Prospect on Block 11B/12B. The discovery reconfirmed the world-class exploration play with substantial follow-on potential and follows the adjacent play-opening Brulpadda discovery in 2019 that proved a significant new petroleum province in the region. The Luiperd and Brulpadda discoveries are located on Block 11B/12B in the Outeniqua Basin approximately 175 kilometers off the southern coast of South Africa. The block covers an area of approximately 19 000 square kilometres with water depths ranging from approximately 200 to 1 800 meters. The success at both the Luiperd-1X well and the Brulpadda-1AX well significantly de-risks the remaining Paddavissie Fairway prospects on Block 11B/12B.



The use of indigenous gas, potentially including the discovered resources from Block 11B/12B as identified in IRP 2023 and the draft GMP, is expected to be part of the solution to South Africa's energy crisis and will have positive implications for the South African economy. In addition, the government of South Africa has committed to the unbundling of the government-owned electricity supplier into separate entities; Transmission, Generation and Distribution, creating an entity focused on expansion of the electricity grid, which is critical to allow future tie-in of potential gas-to-power projects.

Deepkloof (a wholly-owned subsidiary of HCI) owning 36.9% of the Company. Impact Oil and Gas Limited holds 36.9% of the Company and Deepkloof owns 51% of Impact Oil and Gas Limited. In July 2024, TotalEnergies provided a notification that it was resigning as operator of Block 11B/12B. In addition, TotalEnergies, Qatar Energy and CNR have provided notice to the joint venture partners that they will withdraw from their 45.0%, 25.0% and 20.0% interest, respectively, in accordance with the joint operating agreement in respect of Block 11B/12B (JOA). Under the JOA, the withdrawing parties assign their interest free of charge to each of the non-withdrawing partners in proportion to the interest of non-withdrawing partners. The withdrawal of the joint venture partners from Block 11B/12B is subject to all relevant regulatory approvals by South African authorities. Main Street 1549 took over as operator of Block 11B/12B on 25 November 2024 and is currently finalising the handover of all important information from previous operator, TotalEnergies.

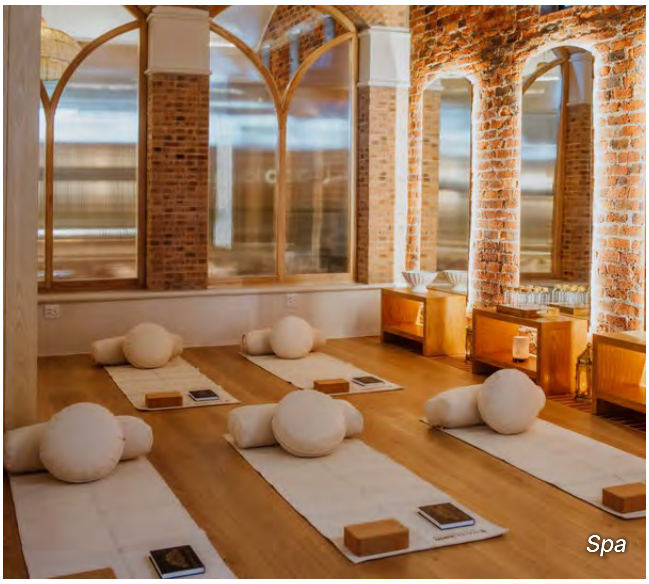
On 29 May 2025, AEC entered into a binding agreement with Arostyle to restructure their joint investment in Main Street 1549 Pty. Ltd. (Main Street 1549), which holds the participating interest in Block 11B/12B. The Parties plan to restructure Main Street 1549 resulting in the Company holding a direct 75% participating interest and Arostyle holding a direct 25% interest in Block 11B/12B. The restructuring of the investment will be subject to regulatory approvals.

Main Street 1549, was appointed as the operator of Block 11B/12B in November 2024. It has submitted a new Environmental Authorisation (EA) application with a revised project scope on 28 February 2025. The EA application was paused following the decision of The Western Cape High Court to set aside an environmental authorisation for offshore exploration blocks in Block 5/6/7 (held by an unrelated party). This allowed Main Street 1549 to fully assess the regulatory landscape and to ensure EA and development plans were optimally aligned. Authorities have granted an extension for the EA application to 4 November 2026 in the meantime.

The approval of the Production Right application will not occur until after the Block 11B/12B joint venture receives EA approval in respect of the revised ESIA.

Africa Energy Corp is separately listed in Toronto on TSX Venture Exchange (ticker AFE) and in Stockholm on Nasdaq First North Growth Market (ticker AEC). More information on the group can be found at www.africaenergycorp.com

LA CONCORDE HOLDINGS LIMITED (La Concorde)
www.laconcordeholdings.co.za


Spa

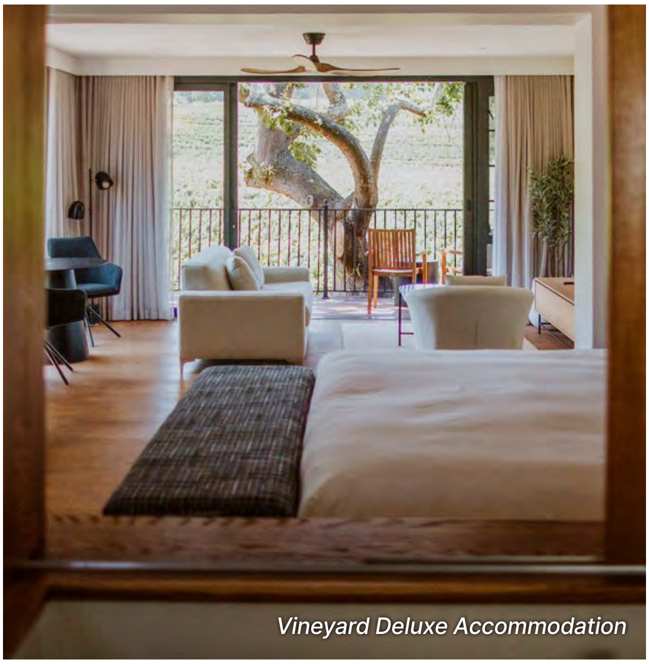
La Concorde has three operational assets, being Laborie Heritage Wine Estate (Laborie), a retail property precinct in Paarl and a controlling interest in Paarl Vallei Bottling Company (PVB).

Laborie has now been redeveloped into a hospitality and recreational destination, offering accommodation, restaurants, wine tasting, wedding and conferencing facilities and mountain bike and running trails. The health centre opened subsequent to the reporting date. The property was unfortunately damaged by fire in December 2025, with one restaurant and eight guest rooms destroyed. The reconstruction of these are currently in progress.

The retail property precinct offers local residents retail access to Builders Express, Food Lovers Market, Seattle Coffee, Diamond Liquors, Sportsman's Warehouse and Outdoor Warehouse, Cycle Lab and Pro Shop.

PVB had a good year, considering the difficult start. It bottled 2.2 million cases and earned net profit after tax of R7 million for its financial year ended 31 January 2026. The installation of a canning line is currently under consideration. During the year La Concorde purchased an additional 7.7% interest in PVB, increasing its shareholding to 52.7%.


Paarl Vallei Bottling Company


Vineyard Deluxe Accommodation


Laborie Heritage Wine Estate

HCI Properties

HCI PROPERTIES DIVISION (HCIP)

Portfolio repositioning and disposals

Early in the financial year, HCI took the strategic decision to realise value from selected properties within the HCIP portfolio where attractive market opportunities were available. The disposal programme was undertaken in a disciplined manner and provided an opportunity to unlock value, recycle capital and support HCI's broader capital allocation priorities, including the repurchase of its own shares.

HCI was approached by SACTWU, which was seeking a long-term real estate investment capable of providing stable cash flows. Following engagement on the broader portfolio, SACTWU elected to acquire the Gallagher Group, Solly Sachs House and Rand Daily Mail properties. In addition, sale agreements were concluded for The Point, HCIP's undivided share in Whale Coast Village Mall, Kalahari Village Mall, Blue Hills Shopping Centre and the vacant land known as Blue Hills Phase 2.

Total gross sale proceeds from these disposals are expected to amount to R2 638 million before tax and debt settlement. Although these transactions represent a meaningful reshaping of HCIP's asset base, real estate remains a sector of interest for the group and HCI may consider future investment opportunities where favourable conditions arise.

Developments

The redevelopment of Lynnridge Walk, formerly Lynnridge Mall, was completed in August 2025. The upgrades, together with a significantly improved tenant mix, have been warmly received by the local community. The asset's performance reflects its success in attracting new patrons while providing an enhanced shopping experience for loyal customers. Average trading densities and achieved rentals are both materially higher than pre-redevelopment levels.

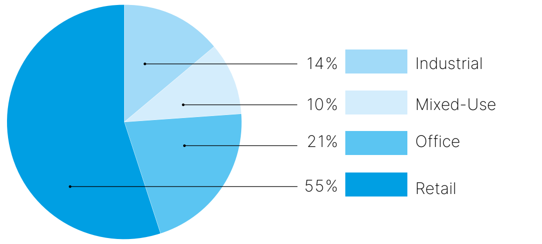
Property Management

Following the changes to the properties under management, the decision was taken to wind down Prop-Active, with closure expected during 2026.

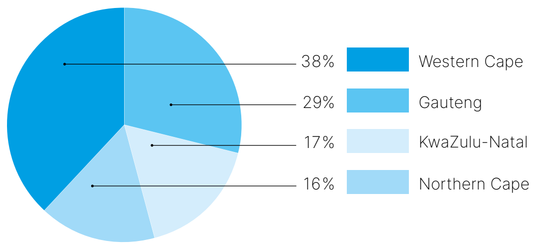
Valuations

Following the sale transactions concluded during the financial year, the fair value of the properties subject to these agreements was determined with reference to the agreed sale prices. The balance of the portfolio was valued during the year by a registered, independent external valuer. The revaluation increased the gross value of the portfolio by R343.4 million,

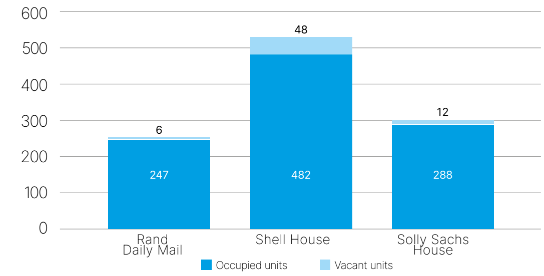
HCI Properties : GLA (by Property Type)



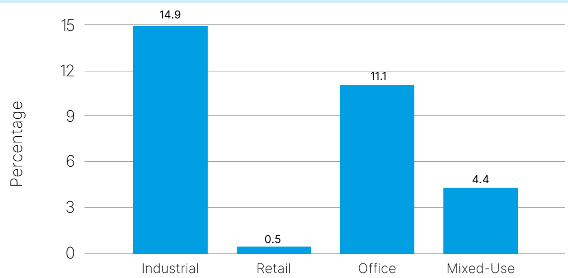
HCI Properties : GLA (by Region)



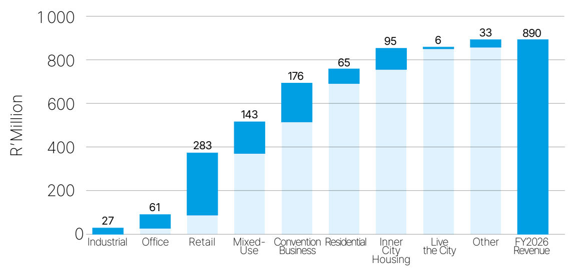
ICH Occupancies



Total Vacancies %



Revenue Stack (by Property Type)



with R315.9 million of this increase relating to the properties being sold. This uplift, together with the continued servicing of portfolio debt, reduced gearing from the FY2025 loan-to-value ratio of 45.4% to the current level of 41.0%.

Retail

The retail portfolio performed strongly during the year, with a vacancy rate of only 0.51% at financial year-end. This reflects the continued appeal of the assets, supported by active tenant engagement and disciplined property management. The successful redevelopment of Lynnridge Walk contributed meaningfully to this performance. For the first time, all retail properties achieved average monthly trading densities above R3 000/m², while average tenant turnover across the portfolio delivered above-inflation year-on-year growth. These results point to the strength of the tenant mix, the quality of the retail offering and the positive response from customers across the portfolio. Operating costs remained well managed and within budget, supporting stable asset performance despite broader cost pressures in the sector. Tenant arrears across the retail assets remain negligible. Historical balances relating to former tenants continue to be pursued through available channels, while current tenant accounts are closely managed and remain under control.

Offices

The office portfolio experienced an increase in vacancies during the year, mainly as a result of a long-standing tenant at Gallagher House consolidating its operations and vacating approximately 1 300 m² of space. Within the HCI office portfolio, Gauteng continued to underperform relative to the Western Cape and KwaZulu-Natal, with an average vacancy rate of 15%. By contrast, The Point continued to perform strongly, in line with the broader Western Cape market, while the La Lucia building in KwaZulu-Natal remained fully let.

Industrial

Occupancy at Sydney Road decreased to 85% following the exit of a tenant during the financial year. Although regional demand for warehousing space remains robust, the vacant premises is located on the upper floor of the precinct and is subject to strict floor-loading limits. This narrows the prospective tenant pool and requires careful consideration of future tenants' operational requirements. The second and final phase of the roof replacement project was successfully completed during the year.

Mixed-Use

The mixed-use portfolio continued to benefit from strong demand in Cape Town's retail and commercial property markets. The Point Mall in Sea Point remains well positioned, with sustained interest in its retail, commercial and parking offerings. The retail component remained fully let during the year, while tenant changes in the commercial suites were supported by a waiting list of prospective occupiers. The Palms in Woodstock also performed well, recording its lowest vacancy levels in many years and continuing to attract a steady stream of enquiries. Overall, demand for well-located retail and commercial space in Cape Town remains strong and continues to exceed available supply.

Inner City Housing

Live The City, located in the Johannesburg CBD, continued to perform well during the year, supported by proactive tenant management, disciplined property operations and a strong community focus. The portfolio has remained resilient in a challenging urban environment, while maintaining good living standards for its residents. The properties offer a mix of studio, bachelor, one-bedroom and two-bedroom units, catering to a broad urban tenant base. Amenities such as underground parking, children's play areas, homework and study facilities, fitness areas, Wi-Fi connectivity and on-site laundry services support tenant retention and enhance the appeal of the portfolio.

Despite macroeconomic pressures and ongoing infrastructure constraints, the portfolio achieved a 95.0% occupancy rate and a 93.0% rental collection rate. Tenant inflows remained strong, with 30 to 60 new leases signed each month. The portfolio continues to attract a diverse tenant base, including families, students, healthcare professionals and entrepreneurs, supporting income stability and reinforcing


Gallagher Convention Centre

its broad market appeal. Overall, Live The City continues to deliver consistent occupancy, reliable cash flows and long-term value, reinforcing its role as a resilient inner-city housing platform.

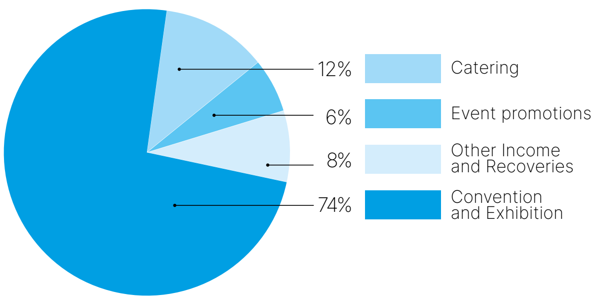
Gallagher Convention Centre

FY2026 was another strong year for Gallagher Convention Centre and its subsidiaries, with continued growth in both revenue and profitability across the group. This performance built on the momentum achieved in the prior year and reflects the strength of the business platform. A key milestone was the commissioning of the new solar installation, which went live in December 2025. In the months since commissioning, the system has already delivered savings of more than 315 megawatt-hours, supporting Gallagher's net zero ambitions and reinforcing its commitment to more sustainable and responsible operations. Gallagher Convention Centre Catering also performed well, particularly in its offsite catering operations, expanding its client base and continuing to build its market presence. The event promotion company delivered strong growth off a low base, including through the successful securing and hosting of a major event, providing a stronger platform for the division to scale alongside the Convention Centre over time.

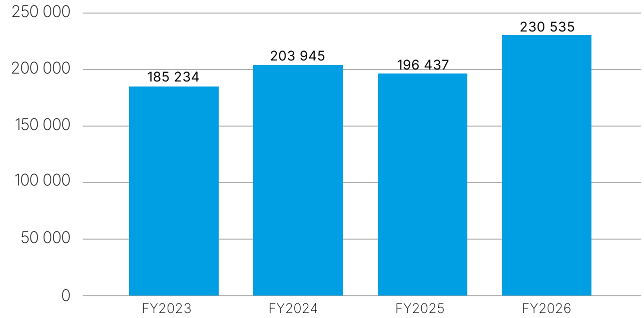
Steenberg Green

The final property sale at Steenberg Green has been concluded, marking HCIP's successful exit from this unique residential estate.

Gallagher Convention Centre Revenue Mix - FY2026



Delegates Hosted by Fiscal Year



ALPHAWAVE GOLF PROPRIETARY LIMITED
(Alphawave)
www.inrangegolf.com

Overview

FY2026 was a year of disciplined execution and a marked step up in profitability for Inrange Golf. The business traded on budget for a third consecutive year, delivered its third consecutive year of positive EBITDA, and reached a defining milestone of one billion golf balls tracked across its global network. While revenue growth was more measured than in the prior year, the quality of earnings improved substantially, leaving the business in a stronger and more resilient position as it enters FY2027.

Key Focus Areas

FY2026 prioritised converting Inrange's growing footprint into durable, high-quality earnings. The business installed 25 new sites across seven countries, anchored by continued momentum in the United States, and added a number of flagship reference venues that materially strengthen the brand. Emphasis was placed on operational maturity: standardising installations, improving asset longevity, and driving structural cost efficiency across the platform. A clear trend also emerged of operators replacing existing range technology in favour of Inrange, with four FY2026 installations being direct conversions from a competing system.

Milestones

Inrange passed one billion balls tracked in April 2026, a landmark reflecting both the scale of the installed base and the depth of player engagement. The portfolio grew to 87 live sites across approximately 17 countries, with the 100th site on track within the 2026 calendar year. New additions included Bethpage State Park in New York, a multiple US Open host and one of the most recognised public golf venues in the world, and TPC Scottsdale in Arizona, home of the WM Phoenix Open. The TPC Scottsdale agreement also grants Inrange perpetual worldwide rights to a digitised version of the Stadium Course for its virtual course library. Dedicated regulatory work opened the French market, securing Barena as the first site in that territory. Established flagship sites continued to perform strongly, with Chelsea Piers in Manhattan remaining the portfolio's top site by revenue per bay.

Financial Performance

Revenue for FY2026 was R103.6 million, within 1% of budget and absorbing a currency headwind of approximately R5.2 million from a stronger rand. EBITDA rose 46.0% year on year to R25.0 million, lifting the EBITDA margin to 24.0%. Gross profit margin expanded to 83.5%, up from 75.0% in the prior year and ahead of the 80.7% budget. This improvement was structural rather than one-off: a maturing portfolio carrying lower maintenance costs than early estimates, support and cloud costs that scale more slowly than the installed base, and the elimination of certain third-party software fees. Capital expenditure came in R9.8 million below budget, supported by improved hardware longevity and disciplined cost management, and the business reached positive monthly cash operating profitability during the year.

Strategic Focus for the Year Ahead

In FY2027, Inrange will maintain its focus on the markets offering the strongest unit economics, led by North America, while pursuing selective international expansion and deepening its presence in established territories. The flagship venue strategy, exemplified by Bethpage and TPC Scottsdale, remains central to building brand credibility and unlocking enterprise-scale partnerships. The structural shift of operators away from competitor systems continues to expand the addressable opportunity.

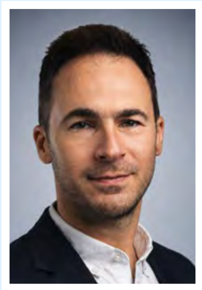
The management of Inrange is mindful of a more cautious near-term market, in which capital decisions across the industry are being deferred rather than abandoned, and in which the principal constraint on near-term growth is the timing of installations rather than the strength of the pipeline or the capacity to deliver. The signed but not-yet-installed pipeline remains healthy, customer retention stands at 100% to date, and the operational teams have matured to the point where execution is no longer the limiting factor. These foundations support continued growth in revenue, margin, and long-term value.

Conclusion

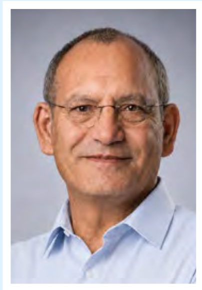
Inrange Golf's FY2026 performance reflects a business that is scaling responsibly and improving in quality as it grows. With a landmark operational milestone reached, marquee customers secured, and a structurally higher margin base established, the company enters FY2027 with a strong platform for sustainable, profitable growth and long-term value creation.

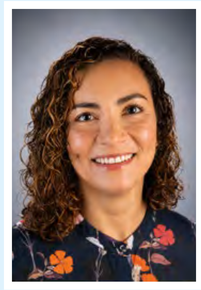
BOARD OF DIRECTORS


John Copelyn


Cisco Pereira


Kevin Govender


Yunis Shaik


Laurelle Mc Donald


Adhika Singh

EXECUTIVE DIRECTORS

JOHNNY COPELYN (75)

B.A. (Hons) B.Proc
Chief Executive Officer
Date appointed: January 1997

Major external positions, directorships or associations
Non-executive director of La Concorde and HCI Resources. Non-executive chairperson of Deneb, eMedia, Montauk Renewables Inc. (Montauk), Southern Sun and Tsogo Sun
Key skills and experience
Prior to Johnny's appointment as chief executive officer of HCI, he qualified as an attorney, served as a member of parliament and as the general secretary of the Southern African Clothing and Textile Workers' Union (SACTWU).

CISCO PEREIRA (43)

B.Acc (Hons), CA(SA)
Financial Director
Date appointed: May 2025

Major external positions, directorships or associations
Chief executive officer of La Concorde, non-executive director of HCI Resources and Paarl-Vallei Botteleringsmaatskappy Proprietary Limited
Key skills and experience
Cisco joined HCI as Group financial manager in 2010. He has served on a number of executive committees and boards of HCI's subsidiary companies. Cisco qualified as a chartered accountant at PKF (Cpt) Inc and worked at PSG Asset Management prior to joining HCI.

KEVIN GOVENDER (55)

B.Com (Hons), B.Compt (Hons)
Executive Director
Date appointed: June 2009

Major external positions, directorships or associations
Non-executive director of Deneb, eMedia, Frontier, Southern Sun and Montauk. Kevin is a trustee and chairperson of the finance committee of the HCI Foundation.
Key skills and experience
Kevin joined the HCI Group in 1997 and has held various roles within the Group. Kevin was the financial director from 2001 to 2018 and acting chief executive officer of eMedia from 2014 to 2017.

YUNIS SHAIK (69)

B.Proc
Executive Director
Date appointed: August 2005

Major external positions, directorships or associations
Chairperson of Frontier; non-executive director of Deneb, eMedia, Tsogo and La Concorde.
Key skills and experience
Prior to his appointment at HCI, Yunis was an attorney of the High Court and served as an acting judge in the Labour Court. He is a former deputy general secretary of SACTWU and served as a senior commissioner to the CCMA in KwaZulu-Natal.

NON-EXECUTIVE DIRECTORS

LAURELLE McDONALD (44)

CA (SA)
Non-Executive Director
Date appointed: March 2020

Major external positions, directorships or associations
Financial director of Southern Sun Limited.
Key skills and experience
Laurelle completed her articles at Grant Thornton in 2006. Laurelle was employed within the Tsogo Sun Group from 2007 as corporate finance and treasury manager. Since its unbundling from Tsogo, she has served as the chief financial director of Southern Sun Limited.

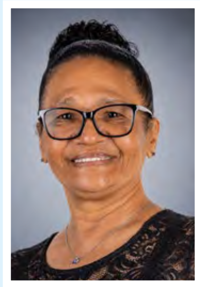
ADHIKA SINGH (50)

CA(SA), CIA
Non-Executive Director
Date appointed: May 2025

Major external positions, directorships or associations
Non-executive director of the Institute of Internal Auditors SA.
Key skills and experience
Adhika served her articles at KPMG, gaining a strong foundation in audit and assurance before advancing into leadership roles across the corporate and advisory landscape. Currently she serves as co-founder and chief operating officer of GRiPP Advisory, where she leads strategic operations and drives the delivery of bespoke GRC solutions to clients across sectors.


Mohamed Ahmed


Freddie Magugu


Rachel Watson


Elias Mphande


Jabu Ngcobo

INDEPENDENT NON-EXECUTIVE DIRECTORS

MOHAMED AHMED (61)

B.Compt
Chairperson: *Audit and risk committee*
Date appointed: *September 2020*

Major external positions, directorships or associations
Non-executive director and chairperson of the audit and risk committee of Deneb, Montauk and Southern Sun.
Key skills and experience
Mohamed was the financial director of HCI from 1997 – 2001. He has previously held directorships in Seardel Investment Corporation Limited, MTN Limited and Real Africa Holdings Limited.

FREDDIE MAGUGU (67)

Chairperson: *Remuneration committee*
Date appointed: *April 1998*

Major external positions, directorships or associations
Non-executive director of Frontier.
Key skills and experience
Freddie has been serving the community in East London, Mitchell's Plain and Khayelitsha as a pastor since 2006. Prior to this appointment he reached the position of national organising secretary of SACTWU.

RACHEL WATSON (67)

Member: *Audit and risk committee;*
Remuneration committee;
Social and ethics committee
Date appointed: *March 2014*

Major external positions, directorships or associations
Non-executive director of eMedia, Frontier, Tsogo and a trustee of the HCI Foundation.
Key skills and experience
Rachel was employed at SACTWU as the national media officer and in a managerial position at a regional broadcaster.

ELIAS MPHANDE (67)

Chairperson
Date appointed: *September 2010*

Major external positions, directorships or associations
Non-executive director of Tsogo; eMedia, HCI Resources and the South African Apartheid Museum at Freedom Park NPC (Apartheid Museum).
Key skills and experience
Elias was employed at SACTWU as regional secretary; marketing director of Viamax Fleet Solutions, a subsidiary of Transnet; chief executive officer of Vukani Gaming Corporation and currently a consultant for various companies in the gambling industry. Elias was appointed as the independent chairperson of HCI in 2014.

JABU NGCOBO (75)

Chairperson: *Social and ethics committee*
Member: *Audit and risk committee*
Remuneration committee
Date appointed: *October 2004*

Major external positions, directorships or associations
Non-executive director of Southern Sun, HCI Resources, the Apartheid Museum and a trustee of the HCI Foundation.
Key skills and experience
Jabu held the position of general secretary of SACTWU and served as regional secretary for Africa of the International Textile Garment and Leather Workers Federation.

REPORT OF THE AUDIT AND RISK COMMITTEE

Chairperson: *Mr MH Ahmed*
Members: *Mr JG Ngcobo and Ms RD Watson*

INTRODUCTION

The audit and risk committee (ARC or the committee) is pleased to present this report for the 2026 financial year of the Group, as required by section 94 of the Companies Act 71 of 2008, as amended (the Act). The responsibilities and functions carried out by the committee during the year under review are set out in this report.

The committee is a statutory committee constituted in terms of section 94(7) of the Act to provide oversight of the financial reporting process, the audit process, the Company's system of internal controls and compliance with laws and regulations.

The committee serves as the audit and risk committee for Hosken Consolidated Investments Limited (HCI or the Company), HCI Resources Proprietary Limited, HCI Managerial Services Proprietary Limited, HCI's property division and La Concorde Holdings Limited.

The committee's mandate is set out in its terms of reference and includes the following responsibilities:

- monitoring the accuracy and integrity of the Group's financial and other reporting;
- monitoring the effectiveness of risk management processes and internal controls;
- reviewing and approving the internal audit plan and scope of work, including the expertise of the internal auditors;
- reviewing the independence of the external auditor;
- recommending the appointment of the external auditor to shareholders on an annual basis;
- reviewing the scope, results and cost-effectiveness of independent accounting and valuation services; and
- reviewing the expertise and experience of the financial director.

COMPOSITION

In terms of the Act, shareholders are required to approve ARC members at the annual general meeting (AGM) of the Company. Three independent non-executive directors of the Company were approved by shareholders at the 2025 AGM to serve until the next AGM scheduled for 1 September 2026.

Mr MH Ahmed, JG Ngcobo and Ms RD Watson have been nominated to the ARC, subject to shareholder approval at the AGM. The election of members of the committee will take place by way of separate resolutions to be considered by shareholders. The content of these ordinary resolutions is set out in the notice of the AGM.

At least two independent non-executive directors are required to form a quorum.

Collectively, the committee members possess the qualifications, skills and experience required to ensure that the committee is appropriately equipped to fulfil its responsibilities in terms of its terms of reference. The chairperson of the Board is not a member of the committee. The committee met four times during the year under review.

The attendances of the committee members are presented below:

Committee member	Number of meetings	Attendance of members
MH Ahmed	4	4
JG Ngcobo	4	4
RD Watson	4	4

The financial director, the group risk officer, the company secretary, and the external and internal auditors attend meetings as permanent invitees. Other directors and members of management attend as required.

ROLE, PURPOSE AND FUNCTION

Combined assurance

With the assistance of management, internal audit, external audit, the financial director and the Group risk officer, the committee oversees a combined assurance approach that supports a coordinated view of risk management, internal controls, compliance and financial reporting across the Group. This approach assists the committee in providing assurance to the Board that these processes are integrated into the daily business activities of the relevant entities and are responsive to the Company's risk profile.

External auditors

The external auditor for the period under review was Forvis Mazars and Ms Yolandie Ferreira was the designated auditor.

The committee has:

- confirmed the independence of the external auditor as per section 92 of the Act, reviewed the performance of the external auditor and confirmed that the external auditor, the partner and the firm, have complied with the suitability requirements of the JSE Listings Requirements;
- approved the fees to be paid to the external auditor and their terms of engagement;
- determined the nature and extent of any non-audit services that the external auditor may provide to the Company and its wholly-owned subsidiaries;
- pre-approved any proposed agreement with the external auditor for the provision of non-audit services to the Company and its wholly-owned subsidiaries;
- reviewed the key audit matters identified by the external auditor;
- provided for regular confidential meetings between the committee members and the external and internal auditors; and
- considered all entities included in the consolidated financial statements in respect of financial reporting procedures.

Risk management

The Board acknowledges that it is accountable for the Group's risk management process and system of internal control. As HCI is an investment holding company, and under the oversight of the Group risk officer, the risk management process considers the risks and opportunities within the Company as well as those inherent in its investment portfolio.

The committee is an integral part of the risk management process and, through engagement with management and the external and internal auditors, seeks to ensure that all material corporate risks have been identified, assessed, monitored and effectively managed.

The committee supports the principle that risk management involves identifying opportunities, not only guarding against downside risk. Internal control structures are in place to ensure that significant business and financial risks are identified and appropriately managed:

- it is management's responsibility to design, implement and monitor the risk management policies;
- risk assessments are performed on a continual basis;
- frameworks and methodologies are implemented to increase probability of anticipating unpredictable risks;
- risk responses by management are considered and implemented;
- risks are monitored continuously; and
- the Board should receive assurance regarding effectiveness of risk management.

A disciplined and timely reporting structure keeps the committee informed of Group company activities, risks and opportunities. Subsidiary companies report their key risks and responses to the committee twice a year, with additional exception reporting where necessary.

The focus is on those risks which may negatively impact the long-term sustainability of the business or have a material impact on short-term performance.

This continued focus on risk management helps the Board foster a culture across the HCI Group that supports a risk-based approach to internal control and management.

Effective risk management is seen as fundamental to the sustainability of the Group's interests.

Material risks

A high-level description of all immediately identifiable material risks which are specific to the Group and the industries in which it operates are listed below:

Economic environment in South Africa:

- Policy uncertainty:

  The evolving policy and fiscal environment, including uncertainty around trade relations, sector regulation and broader economic reform, may affect investment confidence, trading conditions and growth prospects across the Group's portfolio;

- Utilities and infrastructure constraints:

  Although load shedding has eased, ongoing pressure on electricity, water and municipal infrastructure remains a risk to operating continuity, cost management and service delivery in parts of the Group;

- Macroeconomic conditions:

  Slower economic growth, high unemployment, consumer pressure and elevated funding costs may constrain demand, earnings growth and capital allocation decisions across a number of portfolio businesses; and

- Geopolitical and trade tensions:

  International trade uncertainty, including tensions between South Africa and key trading partners, may adversely affect business confidence, export markets, currency volatility and broader economic growth.

Policy uncertainty / regulatory changes:

- Broad-based black economic empowerment (B-BBEE) and employment equity:

  Compliance with evolving B-BBEE and employment equity requirements, including sector-specific targets and related implementation expectations, remains an ongoing governance and operational focus;

- Beneficial ownership and related regulatory disclosure:

  Ongoing compliance with evolving disclosure and transparency requirements remains important in the context of anti-financial crime regulation and market expectations;

- Digital terrestrial television migration:

  Continued delays, legal challenges and implementation uncertainty around analogue switch-off and digital migration remain relevant to the Group's media interests;

- Gaming and tobacco-related regulation:

  Regulatory developments affecting gaming operations, online gambling taxation, licensing and tobacco-related restrictions may influence compliance requirements, profitability and expansion opportunities in the gaming portfolio; and

- Oil and gas exploration rights and project timing:

  Legislative developments, environmental approvals, fiscal negotiations and delays in project sanctioning may affect exploration timelines, development priorities and value realisation in the Group's oil and gas interests.

Societal and business risks:

- Political and social unrest:

  Political instability, civil unrest and security-related disruption remain risks in certain sectors and operating areas, with the potential to affect business continuity, mobility and customer demand;

- Utilities and municipal service delivery:

  Service delivery failures, unreliable utilities and deteriorating infrastructure may increase operating costs, disrupt service standards and require greater investment in resilience measures;

- Commodity price and demand risk:

  Fluctuations in commodity prices, offtake demand and related market conditions remain relevant to the Group's exposure to coal, oil and gas and other resource-linked activities.

- Cyber and information-related risks:

  Growing dependence on digital platforms, outsourced technology environments and data-intensive systems increases exposure to cyberthreats, service interruption and information security risks; and

- Climate change and environmental transition:

  Climate-related risks and opportunities, including physical impacts, regulatory developments and transition-related pressures, continue to affect parts of the Group's portfolio in different ways.

Internal audit

The Group's internal audit function was outsourced to GRiPP Advisory Proprietary Limited (GRiPP) on an arm's length basis during the year under review. Prior to year-end, a management buy-out of GRiPP took place and GRiPP is therefore no longer part of the HCI Group. Internal audit procedures are performed in line with approved audit plans tailored for each entity using a combined assurance approach. The internal audit function reports to the chairperson of the committee, thereby supporting its independence, and, where appropriate for listed entities, reports to each listed entity's audit and risk committee separately.

The committee is satisfied that the internal audit function operated effectively during the year under review and that its work was predominantly adequate and fit for purpose.

Information technology (IT) governance

The status of the information technology environment of subsidiary companies is reported to the committee on a regular basis. In light of HCI's decentralised operating model, core technology services at head office are substantially outsourced under a service level agreement, while oversight remains with management and the committee. The committee monitors material technology risks, cybersecurity resilience and the adequacy of controls relevant to financial reporting and the broader control environment.

During the period, the committee received updates on vulnerability management, phishing risk, penetration testing, data protection measures and disaster recovery arrangements. Periodic assessments were performed to support continuous improvement in cybersecurity and to limit exposure to cyberthreats, and no critical or high-risk vulnerabilities requiring immediate attention were identified.

The committee also noted management's continued review of IT policies to keep pace with changes in the technology environment, including the increased use of cloud-based services, data governance tools and emerging workplace technologies.

Compliance

The committee has oversight responsibility in respect of compliance by HCI with applicable laws, regulations and governance requirements. Compliance is considered as part of the broader governance and risk management framework, with material compliance matters reported to the committee through regular submissions and exception reporting where required.

The social and ethics committee has oversight of the Group's health and safety compliance.

Fraud and whistleblowing

The committee has oversight of the Company's whistleblowing programme. No instances of fraud requiring action at a Group level were raised or identified during the year under review. The committee is satisfied that the Company has made adequate and appropriate provision for whistleblowing.

Corporate governance

The committee considered the Company's governance framework insofar as it relates to the committee's responsibilities for financial reporting, risk management, internal control, compliance and combined assurance. In doing so, the committee had regard to the Company's broader governance framework and the application of King V Report on Corporate Governance™ (King V) for South Africa, which is effective for financial years beginning on or after 1 January 2026 and is applied on an apply-and-explain basis.

The committee is responsible for reviewing the Company's application of King V within its area of oversight. The King V Disclosure Framework forms part of this report, while the detailed King V report is available on the Company's website.

As part of the transition to King V, the committee noted that the updating of certain Board and committee charters to reflect King V terminology and recommended practices remains in progress and will be finalised after the reporting date. This transitional matter has been included as an exception in the Company's governance reporting.

Financial director and finance function

The Company employs a full-time financial director who is also an executive director of the Company. Mr JR Nicolella resigned as financial director and executive director of the HCI Board on 29 May 2025 and was succeeded by Mr AF Pereira. The committee considered the expertise and experience of Mr AF Pereira, who holds a CA(SA) qualification and has extensive executive experience, and is satisfied that, in terms of paragraph 5.7(h)(i) of the JSE Listings Requirements, he had the appropriate skills, expertise and experience to fulfil the responsibilities of the position during his tenure. In addition, the committee considered the expertise, resources and experience of the finance function and is satisfied that the finance function has appropriate skills and capacity to support the Company's financial reporting responsibilities.

Financial statements and going concern

The committee has:

- reviewed the separate and consolidated financial statements of the Company for the year ended 31 March 2026 and is satisfied that they comply with IFRS® Accounting Standards and the requirements of the Act, that the accounting policies used are appropriate and that all procedures operated effectively in terms of the JSE Listings Requirements;
- reviewed the legal matters that could have a significant impact on the Group's financial statements;
- reviewed a documented assessment by management of the going concern premise of the Company and has concluded that the HCI Group is a going concern and that the annual financial statements have been prepared in accordance with the going concern assumption. The Board has accepted the recommendation of the committee that the Company is operating as a going concern and has reported that status in the 2026 annual financial statements;
- 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 with regards to the annual financial statements for the year ended 31 March 2026;
- reviewed the establishment of appropriate financial reporting procedures;
- reviewed the areas of focus in the financial statements. The committee is of the view that where significant judgements are involved in the preparation of the financial statements that could have a material impact on those financial statements, the financial director, management and the committee have exercised appropriate care and skill in making those judgements;

- reviewed the key audit matters identified by the external auditor and is satisfied that they have been appropriately considered for the current reporting period.

The following Group key audit matters have been detailed in the audit opinion:

- Impact Oil and Gas Limited intangible assets and goodwill impairment assessment;
- Gaming casino licences and goodwill impairment assessment; and
- Fair value of investment property.
- confidence that the internal control system and governance structures that have been put in place, have operated effectively during the year.

Sustainability reporting

The committee considered the Company's sustainability information and assessed whether it was consistent with the operational and other information known to committee members. The committee is satisfied that the sustainability information included in the report is reliable, appropriately presented and consistent with the financial results and its understanding of the Group's activities.

Other matters

- the committee receives and deals with complaints and concerns from within and outside the Company relating to all matters within its terms of reference. No complaints were received during the current or prior year;
- the committee has the right to obtain independent external professional advice to assist with the execution of its duties, at the Company's expense;
- the committee has decision-making authority regarding its statutory duties and is accountable in this regard to both the Board and the shareholders. On all responsibilities delegated to it by the Board, other than its statutory duties, the committee makes recommendations for approval by the Board; and
- the chairperson of the committee attends AGMs and is available to answer any questions in relation to matters pertaining to the responsibilities of the committee.

RECOMMENDATION OF THE ANNUAL FINANCIAL STATEMENTS

The committee has reviewed the Group annual financial statements and Company annual financial statements of Hosken Consolidated Investments Limited for the year ended 31 March 2026 and, based on the information provided to the committee, the committee recommends the adoption of the annual financial statements by the Board.

MH Ahmed
Chairperson: Audit and Risk Committee
28 July 2026

KING V™ DISCLOSURE FRAMEWORK

Purpose, approach and governance outcomes

King V applies to financial years beginning on or after 1 January 2026, with early adoption encouraged.

HCI has early adopted King V for the 2026 reporting period. Although King V applies to financial years beginning on or after 1 January 2026, with early adoption encouraged, the Board considered it appropriate to apply the King V principles and recommended practices in this Integrated Annual Report. HCI has assessed the 13 King V principles in the context of its business, its role as an investment holding company and its Group governance arrangements. For HCI, governance is not a once-off compliance exercise or a claim of perfection. It is an ongoing process of applying judgement, testing whether arrangements remain appropriate and improving where necessary. The Board therefore applies King V in a practical and proportionate way, taking account of HCI's role as an investment holding company, the responsibilities of subsidiary boards and the interests of shareholders and other stakeholders.

For the reporting period, the Board is satisfied that the Group's governance arrangements supported the King V governance outcomes of ethical culture, good performance, effective control and legitimacy, while recognising that certain areas will continue to develop as part of HCI's governance journey. The Board has also satisfied itself that the recommended practices under Principles 1 to 13 of the King V Code have been implemented, and that no material exceptions require disclosure other than those, if any, specifically noted under the relevant practices.

PRINCIPLE 1: The governing body leads ethically and effectively as the focal point of corporate governance in the organisation.

The Board is accountable for providing ethical and effective leadership, which is reflected in the direction and decisions taken on matters before it. Conflicts of interest are declared and managed, and the Code of Ethics and related governance policies continue to guide conduct in a practical way.

PRINCIPLE 2: The governing body governs the ethics of the organisation in a way that enables an ethical culture and responsible corporate citizenship.

In practice, ethics is supported through a mix of policy, oversight, and day-to-day accountability. The Social and Ethics Committee (SEC) receives reports on whistleblowing, ethics-related concerns, and remedial action, while management is responsible for giving effect to the Code of Ethics across the business. Annual declarations, statutory confirmations, and the work of the Company Secretary help reinforce the standards expected across the Company. The Board also supports an ethical culture through induction and ongoing development, so that directors remain properly equipped to fulfil their responsibilities with care and integrity.

PRINCIPLE 3: The governing body ensures that the organisation's purpose, strategy and business model support performance that creates sustainable value within the organisation's economic, social and environmental context.

The Board sets the strategic direction of the Company and works to ensure that strategy stays aligned with HCI's purpose, available resources, and long-term sustainability. In doing so, the Board considers financial performance, operational capability, stakeholder expectations, and the broader economic, social and environmental context. Material investment decisions, including acquisitions and disposals, are therefore assessed with their contribution to sustainable long-term value creation in mind.

The Board puts this into practice through its annual strategy review process, regular Board and committee reporting and close oversight of material investment activity. Strategy is considered together with risk, capital allocation, liquidity, stakeholder impact and the resilience of the Group's business model, rather than as a separate exercise. The Board also engages with management on the people, systems and financial capacity needed to execute strategy, and tests whether decisions remain consistent with HCI's purpose and long-term sustainability objectives. In this way, value creation is treated as an ongoing governance discipline rather than a once-off planning event.

PRINCIPLE 4: The governing body ensures that external reports issued by the Company enable stakeholders to make informed assessments of how it creates, preserves and grows value within its economic, social and environmental context over the short, medium and long term.

The Board is responsible for making sure that reporting is accurate, balanced, and useful to stakeholders. This includes financial reporting, governance reporting, and the broader integrated reporting narrative. The Audit and Risk Committee (ARC) supports the Board by overseeing financial reporting, internal financial controls and the overall integrity of the information published by the Company. The SEC supports the Board by overseeing environmental and societal reporting, ethical and compliance reporting. The Remuneration Committee (Remco) supports the Board by overseeing the remuneration report. Detailed reports of the ARC, Remco, SEC and the Directors' Report are included in the IAR.

The Board puts this into practice through a disciplined reporting and review process. Reports are prepared internally, considered by management and the relevant committees, and approved only once the Board is satisfied that proper care has been taken and that the disclosures are balanced, dependable and useful. This helps to support reporting that is timely, consistent, and useful to stakeholders, while also allowing the Board to stand behind the integrity of the information released by the Company.

PRINCIPLE 5: The governing body ensures that its composition is balanced with respect to the mix of competencies, diversity and independence that enables it to discharge its obligations objectively and effectively.

The Board does not regard tenure, in isolation, as determinative of independence. Independence is assessed holistically, and the Board is satisfied that appropriate safeguards support objective and effective governance, notwithstanding the long tenure of certain directors. Tenure-related risks are mitigated through regular oversight of directors' shareholding exposure, formal declarations of interest and recusal processes, independent non-executive leadership of committees, and active Board deliberation and challenge. Accordingly, independence is preserved through governance structures and conduct rather than tenure limits.

Appointment and re-election decisions are considered by the Board as a whole, with reference to the needs of the Company, the requirements of good governance and the diversity target the Board has adopted. Independence is considered in substance and not only in form, and the Board continues to use shareholder engagement and its own evaluation processes to guide decisions on composition and renewal.

The Board noted that one independent director has indicated that he will retire from the HCI Board at the end of the 2026 calendar year. He will be succeeded by a suitably qualified candidate, presenting an opportunity for renewal while maintaining continuity.

PRINCIPLE 6: The governing body ensures that arrangements for delegation to committees and individuals within its own structures promote the objective and effective discharge of its obligations.

The Board delegates specific responsibilities to its committees so that key governance areas, including audit and risk, remuneration, and social and ethics matters, receive focused attention. These committees operate under approved charters and report regularly to the Board. This delegation model is intended to promote efficiency and depth of oversight while keeping the Board fully accountable for decisions and outcomes.

The Board is supported by three committees:

- Audit and Risk Committee (ARC) – finance, audit, risk, technology, information and governance oversight – cross-referenced to the Audit and Risk Committee report in this IAR.
- Remuneration Committee (Remco) – remuneration oversight – cross-referenced to the Remuneration Committee report in this IAR; and
- Social and Ethics Committee (SEC) – environment, societal, ethics and compliance oversight – cross-referenced to the Social and Ethics Committee report in this IAR.

HCI does not currently have a separate nominations committee, as appointments and nominations are considered by the Board as a whole. The Board has also concluded that a formal Lead Independent Director is not presently required, having regard to the Board's composition, conflict management processes and the arrangements followed where the Chair may be conflicted. The Board considers these to be deliberate governance choices that suit its current operating model.

PRINCIPLE 7: The governing body ensures that the appointment and delegation to management promote operational effectiveness and that the respective roles and decision-making powers of the governing body and management are clearly defined.

The Board puts this into practice through a clear framework of delegated authority, regular reporting and ongoing engagement between directors and management. Day-to-day management is entrusted to the executive team, but material matters remain subject to Board oversight, including leadership appointments, succession planning, policy approval, and strategic execution. Management is expected to work within defined authority limits, escalate significant matters when needed and provide the Board with timely and dependable information. In this way, delegation supports operational effectiveness while preserving clarity of role and accountability.

PRINCIPLE 8: The governing body governs risk in a way that enables the organisation to sustain and enhance its strategy and objectives.

Subsidiary companies manage their operational risks within their own governance frameworks and in a way that suits their individual businesses. HCI's ARC reviews risk reports from subsidiaries to support visibility of material portfolio-level matters, including capital allocation, liquidity, concentration, valuation and emerging risk, while risk appetite and tolerance levels remain the responsibility of the relevant subsidiary governance structures.

At HCI company level, fixed risk tolerance levels and a formal risk appetite have not been set, as investment opportunities are considered on their own merits and risk tolerance decisions are made at subsidiary level. This reflects a flexible governance approach that suits HCI's operating model rather than a highly centralised risk framework.

PRINCIPLE 9: The governing body governs compliance with applicable laws and adopted non-binding rules, codes and standards in a way that promotes ethics and responsible corporate citizenship.

The Board is responsible for setting the tone for compliance at Company level. This includes maintaining policies, standards and reporting processes that support an understanding of legal and regulatory obligations and help monitor adherence to them. The ARC and the SEC support the Board by overseeing compliance within their respective areas of focus.

The Board puts this into practice through a coordinated but proportionate compliance model. Subsidiary companies operate in their own regulated environments and therefore maintain compliance frameworks suited to their specific businesses, while remaining aligned with the Company's broader governance approach. Each listed subsidiary company in the HCI Group maintains its own governance framework, and regular reporting together with annual confirmations supports visibility across the portfolio. In this way, the compliance model is not centralised, but remains coordinated, visible and fit for purpose across the Group.

PRINCIPLE 10: The governing body governs data, information and technology in a way that enables the organisation to sustain and optimise its strategy and objectives.

The Board regards technology and information as important enablers of effective operations, value protection and sound decision-making. Oversight of this area is exercised by the Board and the ARC, while day-to-day management is carried out by management and specialist service providers. This approach is aligned with HCI's small head office and includes controls relating to security, data governance, privacy and cyber risk.

The Board puts this into practice through ongoing oversight of outsourced technology services, cybersecurity controls, business continuity arrangements and the broader information governance environment. Although parts of the wider governance policy framework, including the monitoring of emerging technologies such as artificial intelligence, are still being settled, the core governance elements are already in place and operating effectively.

Exception declaration: The Board has satisfied itself that the recommended practices under Principle 10 of the King V Code have been implemented, subject to the specific disclosure above regarding the continued development of parts of the wider governance policy framework, including the monitoring of emerging technologies such as artificial intelligence.

PRINCIPLE 11: The governing body ensures that the organisation remunerates fairly, responsibly and transparently to promote sustainable value creation by the organisation within its economic, social and environmental context.

The Board seeks to ensure that remuneration is fair, responsible, and aligned with performance. Oversight of this area is delegated to the Remco, and the remuneration structure is intended to balance fixed pay and incentives without encouraging excessive risk-taking. HCI also continues to engage with shareholders on remuneration matters and has responded to concerns raised through shareholder engagement.

PRINCIPLE 12: The governing body ensures that assurance functions and services promote an effective internal control environment and safeguard the integrity of external reports issued by the organisation.

The Board, through the ARC, oversees a combined assurance approach intended to support confidence in the Group's controls, reporting, and risk management. This includes assurance provided by management, internal audit, external audit, and other specialist assurance providers. The purpose of this model is to reduce gaps, limit unnecessary duplication and ensure that material matters are brought to the attention of the Board.

HCI already has a practical assurance model in place, but the broader King V-aligned sustainability and disclosure framework is still being developed and is expected to mature further in FY2027. The Board is satisfied that the current assurance approach is functioning, while accepting fuller integration of sustainability-related assurance remains part of the next stage of development.

Exception declaration: The Board has satisfied itself that the recommended practices under Principle 12 of the King V Code have been implemented, subject to the specific disclosure above regarding the ongoing development and fuller integration of sustainability-related assurance.

PRINCIPLE 13: The governing body adopts a stakeholder-inclusive approach in the execution of its duties in the long-term best interests of the organisation within its economic, social and environmental context.

The Board recognises that constructive stakeholder relationships are important to sustainable value creation. HCI's approach is based on openness, fairness and respect, with engagement taking place through formal channels such as the AGM, market announcements and other shareholder communications. The Board also recognises the importance of relationships across the wider Group while respecting the governance responsibilities of subsidiary Boards.

The Board puts this into practice through regular engagement channels, transparent communication and a governance approach that acknowledges both shareholder rights and the broader stakeholder context in which the Group operates. Stakeholder relationship quality is not measured through a formal scorecard, but the openness of engagement, particularly at the AGM, remains an important practical indicator. The Board also relies on structured reporting, market disclosures and ongoing interaction across the Group to maintain visibility of stakeholder matters and to support balanced, inclusive decision-making over time.

This report should be read in conjunction with HCI's King V Report, which is available on the HCI website www.hci.co.za.

REPORT OF THE REMUNERATION COMMITTEE

Chairperson: Mr MF Magugu
Members: Mr JG Ngcobo and Ms RD Watson

The Remuneration Committee (committee) is pleased to present its remuneration report for the year ended 31 March 2026:

COMPOSITION

The committee comprises the following independent non-executive directors, who collectively bring the experience and judgement needed to fulfil its responsibilities:

- Mr FM Magugu (chairperson)
- Mr JG Ngcobo
- Ms RD Watson

The chairperson of the board is not a member of the committee. In line with King V, the chief executive officer may attend committee meetings by invitation, but recuses himself before any decisions are taken on his remuneration.

The committee meets as often as needed, but at least twice a year, in accordance with the Company's memorandum of incorporation.

Committee meeting attendances for 2026 are as follows:

Committee member	No of meetings	Attendance of members
MF Magugu	2	2
JG Ngcobo	2	2
RD Watson	2	2

ROLE, PURPOSE AND FUNCTION

The committee oversees the remuneration of executive directors and executive management and makes recommendations to the board on related remuneration matters.

Its key responsibilities include:

- reviewing HCI's remuneration philosophy to ensure it remains aligned with the Company's strategic objectives and long-term needs;
- reviewing annually the remuneration of non-executive directors and the total remuneration packages of executive directors, including annual increases, short-term incentives and long-term incentives;
- considering whether the mix of fixed and variable remuneration remains appropriate when benchmarking remuneration levels;
- reviewing proposed share-based incentives and other short- and long-term incentive arrangements;
- overseeing the preparation of the remuneration report and related disclosures for inclusion in HCI's integrated annual report;
- making recommendations to the board on directors' fees and the remuneration and service conditions of executive management; and
- reviewing the committee's terms of reference and supporting clear engagement between the board and management on remuneration matters.

CONCLUSION

In fulfilling these responsibilities, the remuneration committee seeks to support remuneration outcomes that are fair, responsible and transparent, while remaining aligned with HCI's long-term strategy, shareholder interests and the need to attract and retain appropriately skilled leadership. The committee will continue to review the remuneration framework and related disclosures to ensure they remain appropriate, clear and responsive to stakeholder feedback.

MF Magugu
Chairperson: Remuneration Committee
28 July 2026

PROVISIONS OF THE REMUNERATION POLICY

EXECUTIVE MANAGEMENT

The Company's remuneration philosophy is intended to support fair, responsible and transparent outcomes that are aligned with long-term value creation and the Company's role as a strategic holding company.

The Company is a holding company and as such its executives are not executives of the operating businesses held by it. Their role is limited to non-executive board roles, providing strategic suggestions and oversight, legal advice and, if required, funding of growth and development plans of such subsidiaries and associates. These responsibilities are shared by its management, acting as a team with overlapping roles and regular discussion between them on choices that HCI executives believe are available to such holdings. As a result, the remuneration policy of HCI is designed to take account of this structure. The performance of subsidiaries and associates may vary substantially from year to year. Exploration companies may make a significant discovery one year after making losses for many years; a TV service may perform well during a lockdown of the population during a pandemic while other businesses, such as a hotel company, may be forced to shut down their business entirely during the same event etc. Such variance is not a sensible basis to differentiate between the remuneration payable to any particular HCI executive in any year and performance is judged for the executive management as a whole.

GUARANTEED REMUNERATION PACKAGE

This is set on the basis of fair competitive rates for the roles each executive has in our holding company on the assumption such remuneration includes all fees earned from boards of subsidiary and associated companies. Accordingly, such fees are payable to HCI or deducted from salaries actually paid to executives. Members of the executive team are also required to get permission for any "outside work" they might seek to do during office hours. This is not readily given but if so, is done on the same basis in relation to any associated remuneration.

- Guaranteed pay is positioned at market-related levels and provides executive management and staff with a stable foundation of remuneration, regardless of short-term Group performance. This helps the company attract and retain talented, high-performing people.
- Executive management are granted 25 leave days a year.
- No further benefits are offered to executive management and salaries are paid on a cost-to-company basis. Accordingly, executives are required to make their own provisions for medical aid, pensions and life insurance.

SHORT-TERM DISCRETIONARY CASH-BASED INCENTIVE BONUSES

- The company pays its management annual short-term bonuses based on a maximum percentage of each member's guaranteed annual package depending on the seniority of their role in the management team.

The maximum short term incentives payable in any year for good achievements by the company are set out in the table below. There are no provisions for meeting "stretch targets" in any year and the committee accordingly applies itself to determining the percentage of the amounts listed in the table below that it intends to award in any year.

Position	% of annual salary
Chief executive officer	75
Financial director	65
Other senior management	40-65

- The above are the maximum percentages paid out to members of the management team if the remuneration committee determines that a "100% bonus" is to be paid to the team in any year. To the extent a lesser percentage is awarded then each person in the management team would only receive the awarded percentage of their maximum entitlement for that year.
- In determining annual bonuses for executive directors, the Board does not apply a fixed formula or scorecard. Instead, it considers performance holistically, taking into account the overall performance of the Group and its major subsidiaries, shareholder value creation, including share price performance and capital management initiatives such as share buy-backs, and each executive director's contribution during the year. This includes their strategic oversight of subsidiary companies and their broader contribution across the Group. The Board therefore exercises judgement in determining an appropriate bonus outcome, having regard to both business performance and individual contribution.
- HCI has also included a malus and clawback policy in its remuneration framework for executive management since FY2020 which applies to any bonus paid to executives.

PARTICIPATION IN THE HCI EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE (LTI)

The company's long-term incentive for executive directors is a shareholder-approved share-option scheme designed to align executives with shareholder value over time. The scheme was further amended with shareholder approval at the 2025 annual general meeting, including amendments to the net equity settlement mechanism, the extension of the exercise period from six months to twelve months from maturity, and provisions dealing with certain corporate action events.

Awards are granted and become exercisable in accordance with the predetermined rules of the scheme, and the Remuneration Committee does not exercise discretion over vesting or settlement. Any such discretion permitted in the scheme is a matter considered directly by the Board.

Key features of the scheme include the following:

- Options vest over periods of three to five years;
- Options are granted at a 10.0% discount to the 20-day volume weighted average market price at the date of grant;
- The number of options granted is determined by reference to a multiple of the participant's basic salary, divided by the discounted market price;

Position	Multiple of basic salary
Chief executive officer	6
Financial director	5
Senior management	4-5
Other management	2-3

- Any gain realised on exercise is settled on a net equity basis;
- The fair value of options granted is measured using the Black-Scholes model and the expense recognised over the vesting period;
- If a participant resigns or is dismissed for cause, all unexercised share options are forfeited;
- Where a participant leaves due to death, disability, retrenchment, retirement or early retirement, unvested share options may, at the Board's discretion, become exercisable before the original option vesting date; and
- If there is a change of control of the Company, unvested share options may, at the Board's discretion, become exercisable immediately or be replaced with equivalent rights in another entity.

At 31 March 2026, HCI held sufficient treasury shares to meet its obligations to participants under the HCI Employee Share Scheme.

MINIMUM SHAREHOLDING IN THE COMPANY

In many markets, executive shareholding requirements are used to strengthen alignment between executives and shareholders and to encourage a long-term focus on sustainable company performance.

At HCI, executives hold a meaningful interest in the Company. In these circumstances, the committee does not consider it necessary to impose a formal minimum shareholding requirement at this stage. The position will be kept under review.

OTHER PAYMENTS

HCI does not provide for retention payments, sign-on payments, termination payments or restraint of trade payments.

NON-EXECUTIVE DIRECTORS

The remuneration committee reviews the NED fee structure each year and makes recommendations to the Board for submission to shareholders at the AGM.

- All non-executive directors receive a fixed annual fee for their services as directors, quoted exclusive of VAT, where applicable. In determining the appropriate fee level, the Company considers a range of factors, including the complexity of the business, the expected time commitment, Board responsibilities, prevailing market practice, benchmarking against comparable companies, and the need to attract and retain suitably skilled and experienced directors. The fee is intended to compensate directors fairly for the full scope of their responsibilities, time commitment and accountability throughout the year, rather than only for formal meetings attended. This supports continuous oversight, independence and effective governance.
- No additional fees are paid for roles such as Chairperson of the Board, Lead Independent Director or for chairing committees of the Board;
- NEDs may earn annual committee fees for service on the Company's Board committees (Audit and Risk Committee, Social and Ethics Committee, and Remuneration Committee). Committee fees differ per committee; however, the total committee fees payable to a director are subject to a maximum of half the Board fee;
- NEDs do not participate in any share option scheme or other share-based incentive arrangements and do not receive short-term incentives, long-term incentives, pension contributions or other employment-type benefits; and
- NEDs are entitled to reimbursement of reasonable, pre-approved out-of-pocket expenses incurred in the performance of duties, in accordance with the Company's policies.

Directors' emoluments and other relevant remuneration information are disclosed in the notice of AGM and in this integrated annual report.

HCI EMPLOYEE SHARE OPTION SCHEME:

The Group operates a share option scheme, The HCI Employee Share Scheme (the Scheme), in terms of which shares in the Group are offered on a share option basis to participants, provided they remain in the Group's employ until the options vest. Any gain realised on the exercise of these options is settled on a net equity basis, whereby the participant receives that number of shares that equates in value to the gain made on exercise date.

Options must be exercised within one year of the vesting date, whereafter the options lapse. Options vest over periods of three to five years. These vesting periods may be varied by the board of directors.

Share options granted to eligible participants that have not yet become unconditional:	2026		2025	
	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
Balance at 1 April	3 162 535	89.43	2 985 819	70.98
Options granted	748 643	122.53	608 174	159.34
Options vested and exercised	(1 390 496)	56.92	(402 687)	56.17
Options vested and expired	-	-	(16 270)	87.71
Options forfeited	-	-	(12 501)	158.39
Balance at 31 March	2 520 682	117.19	3 162 535	89.43

The fair value of options granted is measured using the Black-Scholes model. 748 643 share options were granted during the current year (2025: 608 174) and were fair valued using a volatility indicator of 33% and an annual discount rate of 6.75%. The cost relating to options is recognised by allocating the fair value over the vesting period on a straight-line basis. The Group recognised an expense of R33 million (2025: R31 million) relating to the Scheme in its profit or loss for the year.

The volume weighted average share price during the current year was R136.58 (2025: R173.83). The volume weighted average share price during the period that options were exercised was R137.01.

There were 413 760 (2025: Nil) vested but unexercised options at the reporting date. The vesting date and exercise period of options issued in terms of the Scheme and outstanding at 31 March 2026 are as follows:

	Exercise price R	Number of share options 2026	2025
13 December 2024 and 13 June 2025	69.44	-	263 773
18 December 2024 and 18 June 2025	49.30	-	435 049
1 December 2025 and 1 December 2026	158.39	3 940	3 940
13 December 2025 and 13 December 2026	69.44	138 468	401 059
18 December 2025 and 18 December 2026	49.30	271 352	700 435
1 December 2026 and 1 December 2027	158.39	345 117	345 117
13 December 2026 and 13 December 2027	69.44	401 049	401 049
1 December 2027 and 1 December 2028	158.39	3 939	3 939
20 December 2027 and 20 December 2028	159.34	574 853	574 853
19 December 2028 and 19 December 2029	122.53	748 643	-
20 December 2028 and 20 December 2029	159.34	16 661	16 661
20 December 2029 and 20 December 2030	159.34	16 660	16 660
		2 520 682	3 162 535

A maximum number of 2 520 682 (2025: 2 209 196) shares may be issued in respect of 2 520 682 (2025: 3 162 535) options issued in terms of the Scheme. The maximum exercise date price per the Scheme Document was removed during the current year, following shareholder approval at the Company's annual general meeting.

The maximum number of shares that may be utilised for the purposes of the Scheme is 10 500 000 shares. In addition to the options in issue at the reporting date and shares already delivered to participants, a further 6 199 890 (2025: 7 401 916) shares may be utilised by the Scheme. 890 569 shares were delivered to participants during the current year (2025: 274 841).

REMUNERATION IMPLEMENTATION REPORT

SHAREHOLDER ENGAGEMENTS

As certain non-binding advisory resolutions relating to remuneration did not pass at the annual general meeting held on 28 August 2025, executive management met with dissenting shareholders to better understand their concerns. These were centred around the following areas:

- There was a general concern expressed around the lengthy periods in which certain NEDs had served on the Board. The Board affirms its policy of assessing the independence of independent non-executive board members holistically, rather than simplistically assuming that the length of past service is necessarily a factor undermining their independence. Nevertheless, one long-standing member of our Board has indicated his desire to stand down from the Board at the end of 2027.
- There was a concern expressed at the opaqueness of the process of determining the discretionary percentage for short-term bonuses and a preference for individual targets to be set at the beginning of the year which would be disclosed, making it easier for shareholders to satisfy themselves about any discretionary determination. Upon consideration of this concern the board remains of the view that the solution is not workable in a holding company such as HCI and that alignment between executives and shareholders is better achieved by the current team bonus with discretion applied retrospectively. It did agree, however, that greater effort should be made to articulate in our annual report the issues that were central in the committee arriving at its determination of the discretionary amount recommended.
- Concerns in respect of the LTI included the formulaic manner of determining the number of options being awarded, the 10% discount in the weighted average price at which options were priced and the period over which they vest. Some of these concerns appear to ignore the terms of the existing approved share scheme of the company, which regulates the manner in which the Remuneration Committee is obliged to make awards. The board did consider the concerns but, for similar reasons to its view of the most effective way of determining short-term incentives feels that the formula for LTI awards is a far fairer and more reliable incentive given that the value anyone might derive from such awards is entirely dependent on the difference between the strike price and the vesting price and there is little way to determine the likely gain from such awards at the time of their grant.

It is worth noting two points. The first is that while generally the gain in HCI's share price over a three to five year period is not calculable in advance, this was less true during the COVID-19 pandemic when HCI's share price dropped to an extraordinary low point of R10 a share (compared to R140 before Covid). It was perfectly obvious that, other than the company going bankrupt, its share would recover. HCI did not make LTI awards during this period. Instead, we waited for the share to substantially recover.

The second point which is not unrelated to the first, is we are careful to ensure that shareholders are not inequitably diluted through the implementation of the share scheme. We will continue to work on this aspect and try to make recommendations as to how that intent can be included in the rules of the scheme rather than rely only on the sensitivity of the Remco members and the Board.

GUARANTEED SALARY

The average salary increase recommended by the remuneration committee for FY2026 was 5%.

Section 30B Employee Metrics

The remuneration analysis reflects the diverse nature of the HCI Group, including differences in sector, role, seniority, responsibility and employment type. The average remuneration is higher than the median because of the greater difference between remuneration outcomes of senior employees and the median, as compared to the smaller difference between the lower remuneration outcomes of junior or lower skilled employees and the median. The median provides a more representative midpoint of employee remuneration. The ratio between the highest-paid and lowest-paid 5% reflects the breadth of roles across the Group and will continue to be monitored in the context of fairness, market competitiveness and sustainable value creation.

These employee remuneration metrics are prepared in accordance with Section 30B(3)(c) of the Companies Act 71 of 2008 (as amended) and follow SARA guidelines using the policy-based disclosure approach.

Total remuneration of employees[1]	2026 R'000
Highest-paid employee remuneration	37 375
Lowest-paid employee remuneration	60
Average total remuneration	293
Median total remuneration	178
The ratio of the highest 5% to the lowest 5%	26

[1] Data includes all permanent, fixed-term and part-time employees of South African subsidiaries at 31 March 2026, excluding learners and interns. Part-time and partial-year remuneration has been annualised to FTE basis. Share-based payments reflect actual gains realised, excluding IFRS 2 expenses.

SHORT-TERM INCENTIVE CASH BONUS

For the year under review, the board considered the Group's overall performance and the contribution made by the executive directors across the portfolio. It was a very strong year for the Group, with good progress and positive outcomes across a number of important areas.

- The board took into account strong earnings growth across the Group's operational subsidiaries, including increases in headline earnings at Southern Sun, Deneb, HCI Resources and Properties, and HCI itself. It also noted the meaningful reduction in debt at key subsidiaries, the successful execution of share buy-backs across the listed entities, the increase in HCI's share price during the year, and profitable property disposals at HCI and Deneb. The board further considered the successful implementation of the transaction approved by shareholders to strengthen SACTWU's position as a B-BBEE shareholder, the continued creation of long-term shareholder value through projects pursued by AEC and IOG, the positive work of the HCI Foundation in education, food sustainability, bursaries and water initiatives, the contribution made to environmental projects, and the executive directors' active strategic oversight and support provided to subsidiary companies.
- The board also considered areas where performance was more subdued or where progress was slower than anticipated.
- These included flat returns at eMedia as a result of pressure on advertising spend in South Africa, as well as more subdued performance at Frontier, notwithstanding that it still delivered its best year at group level. The board also took into account the unsuccessful national lottery bid, disappointing drilling results at Marula (47km South of the Venus 1X well) in Namibia, the continued wait for a final investment decision for Venus, and the fact that there was no material update on PGM during the year.

Taking all of these factors into account, the board was satisfied that the Group delivered a very strong overall performance for the year and that the executive directors made a meaningful contribution to that outcome through their strategic oversight of the portfolio and their broader support across the Group. Against this background, the board concluded that annual bonuses at 100% of target were appropriate.

LONG-TERM INCENTIVE SCHEME

Long-term incentive grants for the year were determined in accordance with the predetermined rules of the company's shareholder-approved share option scheme and were therefore not subject to separate Remuneration Committee discretion.

The scheme operated during the year in accordance with the policy and approved rules described above, including the amendments approved by shareholders in 2025.

This section should therefore be read as describing the operation of the scheme for the year, rather than a separate discretionary performance assessment of the kind applied to the short-term bonus.

NON-EXECUTIVE FEES

The committee approved the proposed non-executive director fee structure for the period set out below, having regard to market conditions and consumer price inflation.

Proposed increase of fees for members of the social and ethics committee:

The proposed alignment of the Social and Ethics Committee fee with the Remuneration Committee fee reflects the increasing breadth, complexity and accountability associated with the Social and Ethics Committee's statutory and governance responsibilities. The committee is required to monitor the Company's activities, having regard to relevant legislation, legal requirements and prevailing codes of best practice, across a wide range of matters including social and economic development, good corporate citizenship, ethical conduct, anti-corruption, employment equity, broad-based black economic empowerment, labour and employment practices, environmental matters, health and public safety, consumer relationships and stakeholder-related matters.

These responsibilities require members to consider a broad range of non-financial risks and impacts that are important to the Company's long-term sustainability, reputation and stakeholder confidence. In practice, the role requires ongoing oversight, review of management reporting, consideration of regulatory and governance developments, and the exercise of informed judgement on matters that may affect the Company's standing as a responsible corporate citizen. This is comparable in governance importance and expected diligence to the work performed by the Remuneration Committee, which also deals with matters requiring careful judgement, transparency and accountability to shareholders.

The board therefore considers it appropriate that the annual fee payable to members of the Social and Ethics Committee be brought into line with the fee payable to members of the Remuneration Committee. This supports fair recognition of the responsibilities, preparation time, regulatory focus and accountability attaching to service on the Social and Ethics Committee, while maintaining a simple and transparent fee structure for non-executive directors.

Proposed fee structure:

The proposed fee structure payable to non-executive directors from 1 September 2026 until the next annual general meeting is set out in the following table.

Shareholders are referred to Special Resolution Number 1 in the notice of AGM for approval of these fees.

Position	Actual fee 2026	Proposed fee 2027
	Excluding VAT	R'000
Non-executive director	435.7	457.5
Member of audit and risk committee	217.8	228.7
Member of remuneration committee	114.7	120.4
Member of social and ethics committee	54.3	120.4

	2026 Number of share options	2026 Weighted average exercise price R	2025 Number of share options	2025 Weighted average exercise price R
OPTIONS GRANTED TO EXECUTIVE DIRECTORS *				
JA Copelyn				
Balance at 1 April	896 830	83.60	750 998	68.89
Options granted	155 209	122.53	145 832	159.34
Options vested and exercised	(286 475)	56.10	-	-
Balance at 31 March	765 564	101.78	896 830	83.60
Unconditional between the following dates:				
13 December 2024 and 13 June 2025	-	-	96 793	69.44
18 December 2024 and 18 June 2025	-	-	189 682	49.30
13 December 2025 and 13 December 2026	96 793	69.44	96 793	69.44
18 December 2025 and 18 December 2026	189 682	49.30	189 682	49.30
1 December 2026 and 1 December 2027	81 255	158.39	81 255	158.39
13 December 2026 and 13 December 2027	96 793	69.44	96 793	69.44
20 December 2027 and 20 December 2028	145 832	159.34	145 832	159.34
19 December 2028 and 19 December 2029	155 209	122.53	-	-
JR Nicolella				
Balance at 1 April	426 025	76.47	390 334	68.89
Options granted	83 218	122.53	35 691	159.34
Options vested and exercised	(297 793)	56.10	-	-
Balance at 31 March	211 450	123.27	426 025	76.47
Unconditional between the following dates:				
13 December 2024 and 13 June 2025	-	-	50 309	69.44
18 December 2024 and 18 June 2025	-	-	98 588	49.30
13 December 2025 and 13 December 2026	-	-	50 308	69.44
18 December 2025 and 18 December 2026	-	-	98 588	49.30
1 December 2026 and 1 December 2027	42 233	158.39	42 233	158.39
13 December 2026 and 13 December 2027	50 308	69.44	50 308	69.44
20 December 2027 and 20 December 2028	35 691	159.34	35 691	159.34
19 December 2028 and 19 December 2029	83 218	122.53	-	-
AF Pereira				
Balance at 1 April	152 561	104.88	166 185	70.80
Options granted	69 213	122.53	48 416	159.34
Options vested and exercised	(62 040)	56.10	(62 040)	56.10
Balance at 31 March	159 734	131.47	152 561	104.88
Unconditional between the following dates:				
13 December 2025 and 13 December 2026	-	-	20 962	69.44
18 December 2025 and 18 December 2026	-	-	41 078	49.30
1 December 2026 and 1 December 2027	21 144	158.39	21 144	158.39
13 December 2026 and 13 December 2027	20 961	69.44	20 961	69.44
20 December 2027 and 20 December 2028	48 416	159.34	48 416	159.34
19 December 2028 and 19 December 2029	69 213	122.53	-	-

	2026 Number of share options	2026 Weighted average exercise price R	2025 Number of share options	2025 Weighted average exercise price R
T Govender				
Balance at 1 April	389 058	83.60	325 794	68.89
Options granted	108 137	122.53	63 264	159.34
Options vested and exercised	(248 554)	56.10	-	-
Balance at 31 March	248 641	128.01	389 058	83.60
Unconditional between the following dates:				
13 December 2024 and 13 June 2025	-	-	41 990	69.44
18 December 2024 and 18 June 2025	-	-	82 287	49.30
13 December 2025 and 13 December 2026	-	-	41 990	69.44
18 December 2025 and 18 December 2026	-	-	82 287	49.30
1 December 2026 and 1 December 2027	35 250	158.39	35 250	158.39
13 December 2026 and 13 December 2027	41 990	69.44	41 990	69.44
20 December 2027 and 20 December 2028	63 264	159.34	63 264	159.34
19 December 2028 and 19 December 2029	108 137	122.53	-	-
Y Shaik				
Balance at 1 April	304 471	92.80	323 351	68.89
Options granted	107 634	122.53	62 790	159.34
Options vested and exercised	(41 676)	69.44	(81 670)	49.30
Balance at 31 March	370 429	104.07	304 471	92.80
Unconditional between the following dates:				
13 December 2024 and 13 June 2025	-	-	41 676	69.44
13 December 2025 and 13 December 2026	41 675	69.44	41 675	69.44
18 December 2025 and 18 December 2026	81 670	49.30	81 670	49.30
1 December 2026 and 1 December 2027	34 985	158.39	34 985	158.39
13 December 2026 and 13 December 2027	41 675	69.44	41 675	69.44
20 December 2027 and 20 December 2028	62 790	159.34	62 790	159.34
19 December 2028 and 19 December 2029	107 634	122.53	-	-

* During the current year, the exercise period for share options was extended from six months to one year from the vesting date. The exercise dates disclosed above have been updated to reflect this change in the Scheme rules.

DIRECTORS' SHAREHOLDINGS

	Direct beneficial		Indirect beneficial		Associates	
	Number	% holding	Number	% holding	Number	% holding
2026						
Executive directors						
JA Copelyn	-	-	6 917 175	8.2	9 540 763	11.3
JR Nicolella *	152 097	0.2	43 520	0.1	6 060	-
AF Pereira **	38 000	-	-	-	-	-
TG Govender	103 173	0.1	-	-	915 534	1.1
Y Shaik	66 755	0.1	-	-	-	-
Non-executive directors						
L McDonald	1 100	-	-	-	-	-
JG Ngcobo	1 750	-	-	-	-	-
	362 875	0.4	6 960 695	8.3	10 462 357	12.4
2025						
Executive directors						
JA Copelyn	-	-	6 694 953	7.7	8 496 901	9.8
JR Nicolella*	152 097	0.2	-	-	6 060	-
TG Govender	-	-	-	-	915 534	1.1
Y Shaik	66 755	0.1	-	-	-	-
Non-executive directors						
L McDonald	1 100	-	-	-	-	-
JG Ngcobo	1 750	-	-	-	-	-
	221 702	0.3	6 694 953	7.7	9 418 495	10.9

* Resigned 29 May 2025.

** Appointed 29 May 2025.

There were no changes in directors' shareholdings between 31 March 2026 and the date of issue of this report.

		Board fees R'000	Salary R'000	Other benefits R'000	Share-based payment expense R'000	Bonus R'000	Total R'000
DIRECTORS' EMOLUMENTS							
Year ended 31 March 2026							
Executive directors*							
JA Copelyn		-	10 308	-	7 764	3 681	21 753
AF Pereira **		-	4 200	-	2 232	1 200	7 632
TG Govender		-	6 199	-	3 531	1 661	11 391
JR Nicolella***		-	1 071	25	545	1 990	3 631
Y Shaik		-	6 076	-	3 506	1 648	11 230
Non-executive directors							
MH Ahmed	(1)	963	-	-	-	-	963
MF Magugu	(2)	756	-	-	-	-	756
L McDonald		426	-	-	-	-	426
SNN Mkhwanazi****	(3)	30	-	-	-	-	30
VE Mphande	(4)	1 571	-	-	-	-	1 571
JG Ngcobo	(5)	767	-	-	-	-	767
A Singh **		361	-	-	-	-	361
R Watson	(6)	1 715	-	-	-	-	1 715
		6 589	27 854	25	17 578	10 180	62 226

* All executive directors have normal employment contracts and notice periods of three months. Details on the remuneration packages and other benefits of these directors are presented in the report of the remuneration committee in the integrated annual report.

** Appointed 29 May 2025

*** Resigned 29 May 2025

**** Resigned 14 April 2025

(1) Includes R213 120 audit and risk committee fees and R324 000 board fees paid by subsidiary companies

(2) Includes R112 200 remuneration committee fees and R218 000 board fees paid by subsidiary companies

(3) Includes R9 000 board fees paid by subsidiary companies

(4) Includes R1 145 000 board fees paid by subsidiary companies

(5) Includes R79 760 audit and risk committee fees, R79 760 remuneration committee fees, R53 600 social and ethics committee fees and R128 000 board fees paid by subsidiary companies

(6) Includes R79 760 audit and risk committee fees, R79 760 remuneration committee fees, R53 600 social and ethics committee fees and R1 076 000 board fees paid by subsidiary companies

		Board fees R'000	Salary R'000	Other benefits R'000	Share-based payment expense R’000	Bonus R’000	Total R'000
DIRECTORS’ EMOLUMENTS							
Year ended 31 March 2025							
Executive directors							
JA Copelyn		-	9 817	-	7 581	6 222	23 620
JR Nicolella*		-	5 973	150	3 747	3 363	13 233
TG Govender		-	4 897	-	3 289	1 404	9 590
Y Shaik		-	5 072	-	3 264	2 743	11 079
Non-executive directors							
MH Ahmed	(1)	912	-	-	-	-	912
MF Magugu	(2)	714	-	-	-	-	714
L McDonald		402	-	-	-	-	402
SNN Mkhwanazi **	(3)	587	-	-	-	-	587
VE Mphande	(4)	1 566	-	-	-	-	1 566
JG Ngcobo	(5)	731	-	-	-	-	731
R Watson	(6)	1 683	-	-	-	-	1 683
		6 595	25 759	150	17 881	13 732	64 117

* Resigned 29 May 2025

** Resigned 14 April 2025

(1) Includes R201 083 audit and risk committee fees and R309 000 board fees paid by subsidiary companies

(2) Includes R105 867 remuneration committee fees and R206 000 board fees paid by subsidiary companies

(3) Includes R185 000 board fees paid by subsidiary companies

(4) Includes R1 164 000 board fees paid by subsidiary companies

(5) Includes R75 542 audit and risk committee fees, R75 542 remuneration committee fees, R50 000 social and ethics committee fees and R128 000 board fees paid by subsidiary companies

(6) Includes R75 542 audit and risk committee fees, R75 542 remuneration committee fees, R50 000 social and ethics committee fees and R1 080 000 board fees paid by subsidiary companies

MF Magugu
Chairperson: Remuneration Committee
28 July 2026

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Chairperson: *Mr JG Ngcobo*
Members: *Mr JA Copelyn and Ms RD Watson*

The HCI Social and Ethics Committee is pleased to present its report for the financial year ended 31 March 2026. The committee supported the board in overseeing the Group's social, ethics, corporate citizenship and sustainability matters in a practical and accountable way.

The committee is a statutory committee established in terms of section 72 of the Companies Act 71 of 2008, as amended, and regulation 43 of the Companies Regulations. This report has been prepared with reference to sections 72(4) to 72(10) and regulation 43, and takes account of the Companies Amendment Act, 2024, including the requirement for public companies to place the appointment of social and ethics committee members before shareholders at each annual general meeting and for the committee's report to be presented to shareholders. The report is tabled for information and does not require shareholder approval.

COMPOSITION AND APPOINTMENT OF THE COMMITTEE

During the year, the committee comprised two independent non-executive directors, Mr JG Ngcobo, who serves as chairperson, and Ms RD Watson, together with the chief executive officer, Mr JA Copelyn. The board is satisfied that the committee was appropriately constituted, with at least three members and a majority of non-executive directors who had not been involved in the company's day-to-day management during the previous three financial years. All members attended both meetings held during the year.

ROLES AND FUNCTIONS

The committee's mandate was unchanged during the year. Revised terms of reference, aligned with the Companies Act amendments and King V, are currently under review. The committee continues to review and report to the board on the Group's sustainable development and responsible corporate citizenship, with particular focus on:

- social and economic development, including broad-based black economic empowerment and related transformation matters;
- good corporate citizenship, including ethics, stakeholder relationships, community development and social investment through the HCI Foundation, particularly in education, Early Childhood Development, food security, access to clean water and community upliftment in under-resourced communities;
- environmental matters, including climate-related risks and opportunities, greenhouse gas emissions, renewable energy and energy efficiency, water security and resilience, waste management and diversion from landfill, CDP reporting and evolving sustainability disclosure standards;
- labour and employment matters, including decent work, health and safety and employee-related regulatory compliance; and
- compliance with applicable legal and regulatory requirements.

The committee receives reports and input from management and relevant Group functions to support its oversight of matters that may be material or could give rise to reputational risk. Where matters fall within the mandates of other board committees, the committee works in a coordinated way to avoid duplication and support clear reporting to the board and stakeholders. The committee also remains mindful of the continuing evolution of South African corporate governance, including King V. The relevant King V disclosures, including the Disclosure Framework, are addressed elsewhere in this integrated annual report.

The social and ethics report of the company and of the Group is set out on pages 56 to 75.

CONCLUSION

The HCI Social and Ethics Committee is satisfied that it fulfilled its responsibilities during the reporting period in accordance with its terms of reference, the Companies Act and the Companies Regulations. The committee is not aware of any instances of material non-compliance with applicable legal or regulatory requirements during the year under review.

Mr JG Ngcobo
Chairperson - Social and Ethics Committee
28 July 2026

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

OUR APPROACH TO TRANSFORMATION

HCI has a longstanding commitment to broad-based black empowerment, rooted in its history and values. The company's origins in the trade union movement continue to shape this approach. The Southern African Clothing and Textile Workers' Union (SACTWU) remains a significant shareholder in HCI, benefitting approximately 80 000 clothing and textile workers and supporting a range of social programmes for its members. This continues to reflect our belief that broad-based ownership is a meaningful part of economic empowerment in South Africa.

The Group's B-BBEE scorecard consolidates the transformation performance of HCI and our companies. Our activities are co-ordinated through the HCI Group B-BBEE Forum, which includes representatives from our companies and convenes biannually. The Forum meetings provide a platform for our organised approach towards B-BBEE and for sharing best practices in managing our performance.

COMPLIANCE

The Group operates in a highly regulated environment and places a strong focus on compliance across its businesses. Where appropriate, compliance officers have been appointed at key operating subsidiaries and associated companies to support adherence to applicable laws and regulations.

Oversight of the Group's compliance, transformation and B-BBEE performance rests with the Social and Ethics Committee, with the HCI Board holding ultimate responsibility for these matters.

The committee reviews any major breaches of relevant legal and regulatory requirements. Based on the matters considered during the year under review, it is satisfied that there were no instances of material non-compliance and that it fulfilled its legal, regulatory and related responsibilities.

DIVERSITY POLICY

In line with HCI's diversity policy, the Board aims to maintain at least 25.0% female representation and, at all times, a majority of directors who are classified as black people as defined in the B-BBEE Act, 2003, as amended. At 31 March 2026, 82.0% of the HCI Board was made up of black people and 27.0% of black women. Across the Group, approximately 94.0% of our 18 000 employees are black people.

EMPLOYMENT PRACTICES

The company seeks to provide employment opportunities in a manner that is fair, responsible and aligned with the laws and codes that regulate employment. As an investment holding company, HCI has a relatively small staff complement of fewer than 50 employees. Most employees are long-serving, and staff turnover remains low. The company aims to remunerate employees fairly and competitively, taking into account their capabilities, skills, responsibilities and performance.

HCI believes that all employees should have equal opportunities to grow and progress in their careers. The company does not tolerate discrimination in relation to these opportunities on the basis of gender, race, religion or any other unfair ground.

B-BBEE SCORECARD PERFORMANCE

For the financial year ended 31 March 2026, HCI received a Level 1 B-BBEE contributor status with 135.0% procurement recognition and an overall score of 100.8 points (2025: 99.8 points) under the generic Department of Trade, Industry and Competition (DTIC) B-BBEE Codes of Good Practice. Our consolidated results reflect consistently good year-on-year performance across the five pillars of the B-BBEE framework.

2026 B-BBEE Scorecard

Element	Weighting (Points)	2026	2025
Ownership	25.0	**25.0**	25.0
Management control	19.0	**14.3**	14.3
Skills development	20.0	**15.4**	14.8
Enterprise and supplier development	42.0	**41.1**	40.7
Socio-economic development	5.0	**5.0**	5.0
Overall score	111.0	100.8	99.8

The Group's latest B-BBEE Verification Certificate and "Annexure A" are available on our website in accordance with the JSE Listings Requirements.

OPERATIONAL BREAKDOWN BY ELEMENT

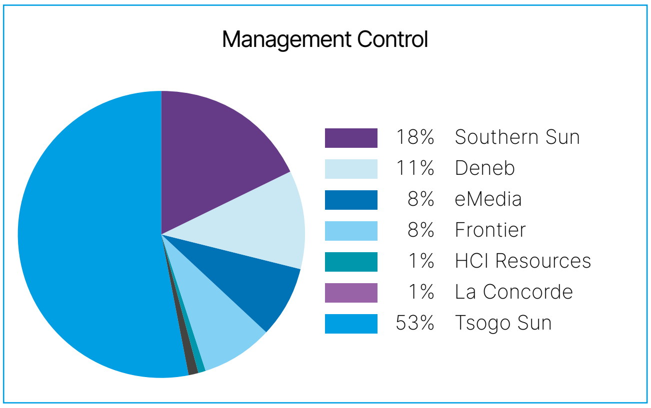
Ownership

HCI is one of the most empowered entities on the Johannesburg Stock Exchange (JSE) and consistently meets the requirements for the maximum 25 points on the generic B-BBEE ownership scorecard. In the latest verification, HCI's Effective Black Ownership comprised of 83.4% (2025: 75.0%), and Effective Black Women Ownership comprised of 48.6% (2025: 42.0%).

Management Control

Our score for Management Control remained stable at 14.3 points. In addition to meeting overall diversity requirements set out by the Department of Labour, our companies continue to focus on advancing Black and Black Women representation at the executive and senior management levels.

Management Equity Contribution by Company



46.1% of Southern Sun is consolidated in line with the rules of the B-BBEE Codes, HCI's shareholding being less than the 50.0% threshold.

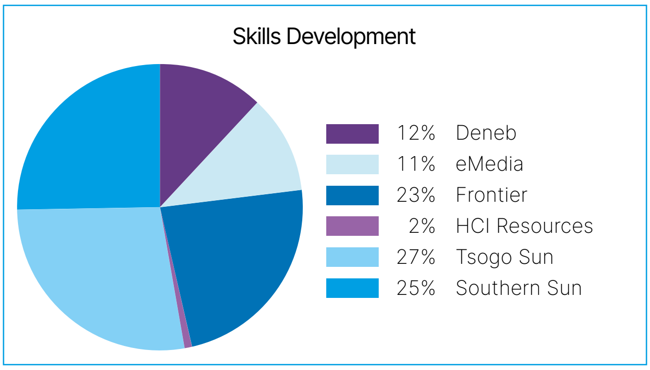
Companies with large workforces make the greatest contribution to the consolidation, with Tsogo Sun (53.0%), Southern Sun (18.0%) and Deneb (11.0%) comprising 82.0% of the Group's total workforce.

SKILLS DEVELOPMENT

The Group's consolidated result for skills development amounted to 15.4 points (FY2025: 14.8). This was driven by investment in internal training programmes as our companies prioritise the upskilling of employees, focussing on Black employees and Black women employees, as well as the development of unemployed learners and disabled people. Our companies provide learnerships, internships, and apprenticeships to build a sustainable pipeline of technical and managerial talent within our diverse operational sectors in line with their different Sector Education and Training Authorities (SETAs) standards, overseen by the Department of Higher Education and Training (DHET).

Additionally, the HCI Foundation Bursary Programme is dedicated to supporting academically talented and financially deserving students pursuing Honours or Postgraduate Diploma studies at a South African public university or university of technology, with the aim of empowering the next generation of leaders and fostering a brighter future for all.

Skills Development Contribution by Company



Tsogo Sun (27.0%), Southern Sun (25.0%) and Frontier (23.0%) comprise of 75.0% of the total consolidated Skills Development spend, having the largest workforces in the Group.

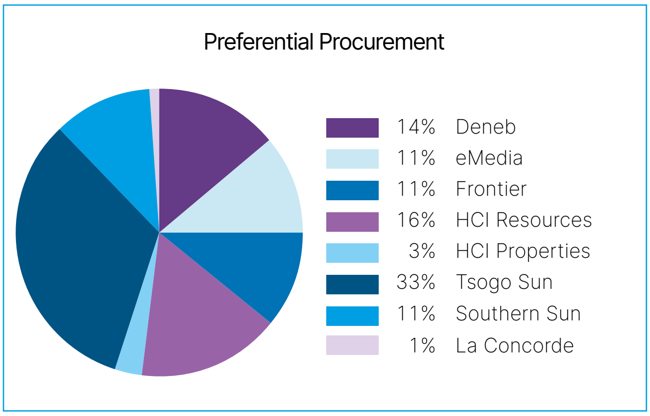
ENTERPRISE AND SUPPLIER DEVELOPMENT (ESD)

ESD remains a focus across the Group, scoring 41.1 points (FY2025: 40.8) through deliberate preferential procurement, targeted supplier development and focused enterprise development.

- Preferential Procurement

  Over 90.0% of our total measured procurement is from Black economically empowered suppliers as our companies concentrate on buying from suppliers who are over 51.0% Black-owned and over 30.0% Black Women-owned businesses, as well as those who are Qualifying Small Enterprises (QSEs) and Exempt Micro Enterprises (EMEs). Procurement policies across the Group ensure that our supply chains are aligned with diversity targets and guide supplier diversity practices in line with applicable legislation, including the B-BBEE Act 53 of 2003, Companies Act 71 of 2008 and Protection of Personal Information Act (POPIA) 4 of 2013.

Preferential Procurement Contribution by Company



46.1% of Southern Sun is consolidated in line with the rules of the B-BBEE Codes, HCI's shareholding being less than the 50.0% threshold.

Tsogo Sun (33.0%), HCI Resources (16.0%) and Deneb (14.0%) comprise of 63.0% of the total measured preferential procurement spend with Black empowered suppliers.

- Enterprise Development and Supplier Development (ED & SD)

  Through the HCI Enterprise Club and our companies' various own ESD initiatives, the Group provides targeted financial and operational support to qualifying Black-owned Small, Medium and Micro Enterprises (SMMEs), assisting them with development to make their operations sustainable, and integrating them into supply chains wherever possible.

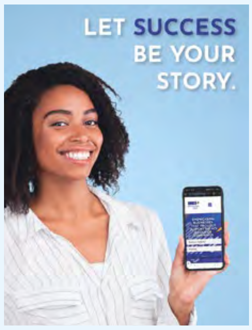
Spotlight on: The HCI Enterprise Club

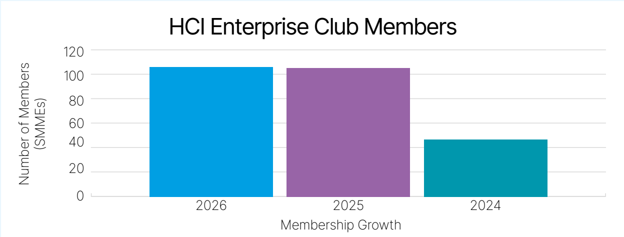
Since 2015, the HCI Enterprise Club has provided commercial and developmental support to SMMEs in South Africa, helping them address incapacitating growth hurdles such as high overheads, limited market access, and commercial skills gaps.

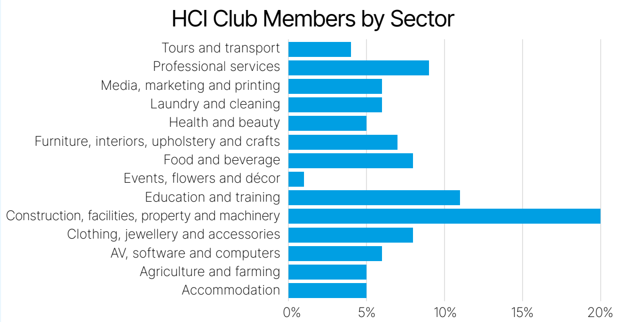
The Club supports members through three core benefits. Firstly, it facilitates capacity building through the LearnHUB digital platform and monthly webinars, which offer certificated business courses. Secondly, it provides market visibility via the TradeHUB online web pages and the Legacy Series, which secures national television exposure for selected members. Finally, it offers operational relief by providing discounts from the HCI companies, Club partners and Club Members themselves.

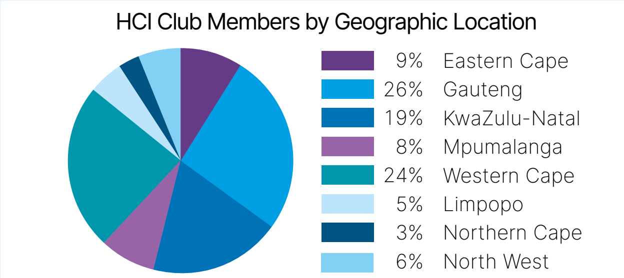
The Club membership remained stable with 106 SMMEs supported throughout the year. Members received access to the Southern Sun-funded LearnHUB, which had an active monthly learner rate of 82.0% of membership. Of the total 62 lessons comprising 10 courses, completed lessons more than doubled year-on-year, and there was an average monthly live webinar attendance rate of 70%. Furthermore, 48 SMMEs received funded web pages on the TradeHUB which had 27.0% more traffic and registered 22 new SMME web pages in 2026. Additionally, eight businesses featured in the Legacy Series "Success in Motion" season commercials broadcast on e.tv and eNCA, sponsored by Tsogo Sun, Southern Sun, and eMedia.

The Club's membership is distributed across South African economic hubs, located predominantly in Gauteng (26.0%), the Western Cape (24.0%), KwaZulu-Natal (19.0%), and the Eastern Cape (9.0%). These enterprises operate across market sectors, led by construction, facilities, and landscaping (20.0%), followed by education and training (11.0%), professional services (9.0%), food and beverage (8.0%), and clothing, jewellery and accessories (8.0%).









Socio-Economic Development (SED)

With a long-standing commitment to community investment, HCI has always received the maximum score for SED. The HCI Foundation remains the primary vehicle for our corporate social investment. During FY2026, the Foundation continued to deploy capital efficiently into post graduate bursaries and student support, excellence in Early Childhood Development (ECD), sustainable food security, access to clean water, teacher development and numerous community upliftment programmes, specifically targeting under-resourced communities across South Africa through a community-focused approach, building strong relationships with partner organisations to identify and invest in local strengths.

LOOKING AHEAD

Looking ahead, we aim to maintain our performance while driving qualitative, sustainable improvements to ensure the continued diversity of our human capital and supply chains. Together with our companies, we will work towards increasing the absorption rate of learners and interns into employment in line with operational requirements. The Group will continue to broaden our Enterprise Development initiatives to support the sustainable operations of SMMEs and convert them into Supplier Development candidates to expand the supplier pipeline. Careful monitoring of the regulatory landscape will continue to ensure the Group's policies remain compliant and aligned with any amendments to the DTIC Codes and sector-specific charters, and other relevant legislation.

REPORT OF THE SOCIAL AND ETHICS COMMITTEE
(Continued)

ENVIRONMENTAL PERFORMANCE OVERVIEW

HCI attempts to limit the environmental footprint of its businesses wherever possible. We concentrate on reducing greenhouse gas (GHG) emissions, increasing water resilience, and reducing waste generated throughout our various businesses. To this end, the Group has continued to invest in renewable energy generation and alternative water sources and to expand our waste recycling throughout the financial year.

FY2026 Environmental Performance Indicators

The Group reduced its total greenhouse gas (GHG) emissions by 4.0% to 504 318 tCO_2e (FY2025: 525 906 tCO_2e), comprising a 3.0% drop in Scope 1 and 2 emissions and a 6.0% drop in Scope 3 emissions. These improvements were primarily driven by better demand-side energy management and a 50.0% increase in renewable energy generation, which reached 29 764 MWh. As a result, the renewable energy we consumed grew to account for 9.0% of the Group's total 302 744 MWh energy consumption, up from 6.0% in the prior year.

The Group's total water withdrawals increased by 727 ML to 4 690 ML primarily due to increased trading and heightened business activity at most companies, particularly at our hotel and casino companies who withdrew the most water due to the nature of their businesses. However, this increased demand was partially mitigated by our water recycling efforts; recycled water increased by 123 ML to a total of 393 ML (2025 revised: 270 ML). Additionally, water discharged decreased by 15 ML to 31 ML (2025 revised: 46 ML).

Our continued shift to alternative water sources resulted in a 10 percentage point increase in alternative water withdrawals, which now comprise 50% of total water withdrawals (2025 revised: 40.0%). Correspondingly, municipal water withdrawals decreased by 10 percentage points over the same period.

The Group's total waste generated decreased by 5.0% to 19 521 tonnes (2025 revised: 20 499 tonnes) and the waste diversion rate increased to 67.0% (FY2025 revised: 66.0%), underpinned by continued recycling and upcycling efforts together with new private partnerships at several of our companies.

Looking ahead, the Group remains focused on building operational resilience and aligning with evolving ESG frameworks, including IFRS® S2. We are expanding our environmental reporting boundary to incorporate Impact Oil & Gas and Africa Energy Corp ahead of them entering a development phase, alongside broadening our Scope 3 inventory and formalising energy intensity metrics to measure efficiencies across our diverse operations.

Energy	Carbon	Water	Waste
Renewable energy	Gross GHG emissions	Municipal water reliance	Total waste generated
+3pp	-4%	-10pp	-5%
9% of the Group's total 302 744 MWh energy consumption	Decrease in absolute gross GHG emissions across Scope 1, 2 and 3	Decrease in municipal reliance with increased water resilience despite volume growth	Reduction in total waste generated, with diversion from landfill increasing to 67%

ENVIRONMENTAL REPORTING SCOPE AND STANDARDS

The Group's environmental reporting is aligned with globally recognised standards:

- GHG Protocol

  HCI's carbon footprint calculations adhere to the Greenhouse Gas Emissions Protocol Corporate Accounting and Reporting Standard (GHG Protocol) to ensure that our consolidated carbon footprint meets the GHG Protocol's non-negotiable requirements of the five accounting principles (relevance, completeness, consistency, transparency, and accuracy); drawing organisational and operational boundaries; classifying the scope of carbon emissions; and accounting for GHG emissions inventories.

  Scope and organisational boundaries

  In accordance with the GHG Protocol, the Group applies the Operational Control approach to define its environmental reporting boundary. We account for 100% of the emissions and resource consumption from subsidiaries where HCI holds the authority to influence environmental policies. This year, our core Scope 1 and 2 boundary encompasses Tsogo Sun, Southern Sun (although an associate), Frontier, Deneb, eMedia, HCI Resources, and HCI Properties and Gallagher. Furthermore, we are integrating the operational footprints of Impact Oil & Gas and Africa Energy Corp into this primary boundary as they enter a development phase. Entities with negligible environmental footprints (such as La Concorde) remain excluded to maintain reporting relevance. Whereas minority equity-accounted investments where HCI does not exercise operational control fall outside our Scope 1 and 2 boundary and will be progressively accounted for within our Scope 3 (Category 15: Investments) inventory over time.

- IFRS® Sustainability Disclosure Standards

  Through co-ordinated action across our companies, HCI aligns its sustainability-related financial information and climate-related disclosures with the Sustainability Disclosure Standards (IFRS S1) and Climate-Related Disclosure Standards (IFRS S2), developed by the International Sustainability Standards Board (ISSB).

Climate-related risks and opportunities

Annually, our companies formally identify and assess sustainability and climate-related risks and opportunities. During this process, each entity evaluates the likelihood, timeline, and magnitude of these factors, including their size, scope, and financial impact. HCI then aggregates these assessments at the Group level, where the magnitude and financial impact are assessed within its context. This allows HCI to effectively evaluate all risks and opportunities, including those related to climate and water.

Internal Carbon Pricing

Our companies integrate climate realities into core financial planning and capital allocation processes. To navigate evolving regulations and stress-test our investments, the Group employs an internal shadow carbon price. Aligned with the South African Carbon Tax, this evolutionary price is currently evaluated at R236 per tonne of CO_2e, scaling to R462 by 2030. While the price for 2050 has not been finalised, we are mindful that it may be as high as R1 848 at that date. We apply this pricing mechanism to our Scope 1 stationary combustion emissions to accurately assess the cost-benefit ratio of related capital expenditures.

Scope 3 emissions inventory

As the Group moves towards alignment with the IFRS® S2 Standard, we will gradually expand our existing consolidated Scope 3 emissions inventory to cover all relevant categories outlined in the GHG Protocol Corporate Value Chain (Scope 3) Standard. We intend to account for the proportional emissions attributed to minority equity-accounted investments where HCI does not exercise operational control, alongside the broader upstream and downstream emissions of our companies' value chains. Consequently, we anticipate our reported Scope 3 emissions will increase over time as our measurement boundary expands.

- Carbon Disclosure Project (CDP)

  HCI has disclosed our consolidated climate-related impacts, water, and waste accounting annually to the CDP since 2010. The CDP assesses corporate environmental transparency and performance on a scale from D– to A. The progression represents the maturity of a company's environmental journey. In the latest disclosures, HCI retained a "B Management" evaluation, indicating "co-ordinated climate action" by the Group, as we continue to outperform the global sector average of "C Awareness".

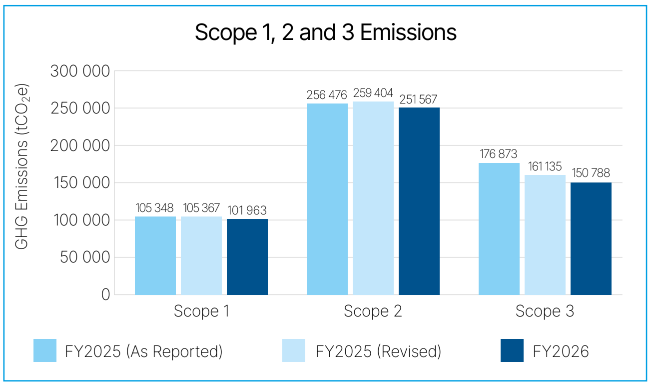
The Group's environmental sustainability activities are co-ordinated through the HCI Group Environmental Sustainability Forum, which includes representatives from our companies and convenes biannually. The forum meetings provide a platform for our organised approach towards environmental activities and for sharing best practices in managing our energy, carbon, water, and waste performance. We also invite subject-matter experts to present on relevant sustainability topics.

Oversight of the Group's environmental performance rests with the Social and Ethics Committee, with the HCI Board holding ultimate responsibility for these matters

CARBON FOOTPRINT

The Group's overall carbon emissions decreased by 4.0% during the current financial year. This was driven by a 3.0% decrease in total Scope 1 and 2 emissions, largely due to a 50.0% increase in renewable energy generation, alongside a 6.0% decrease in Scope 3 value chain emissions—as a result of a decrease in tenant electricity usage at several of our companies, particularly at HCI Properties, and a decrease in the transportation distance of third-party distribution of coal for HCI Resources.

Scope 1 emissions are direct emissions produced by the reporting entity and are generally associated with the combustion of fossil fuels. For the Group, this primarily includes mobile diesel consumed by Frontier's bus fleet and stationary diesel used in backup generators across our operations.

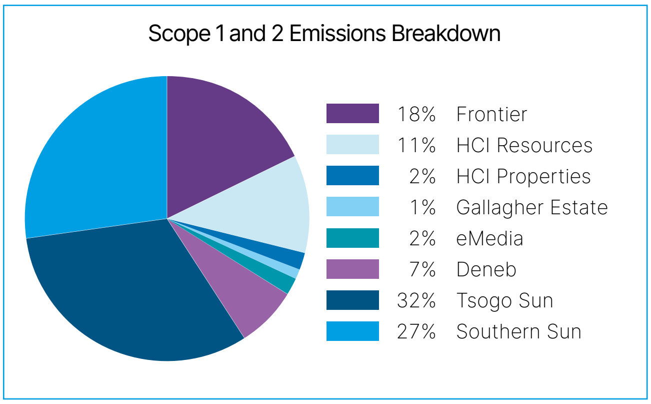


Scope 2 emissions are indirectly derived from energy supplied by third parties and comprise emissions associated with the consumption of purchased grid electricity across all our operations, driven predominantly by our hotels, casinos, and manufacturing facilities.

Scope 3 emissions consist of carbon emitted within our broader value chain but not directly produced by the Company. In our current inventory, this includes downstream impacts such as tenant electricity usage at HCI Properties and the third-party transportation of coal for HCI Resources. We recalculate our prior year emissions, which also serve as our base year emissions, for any acquisitions and divestments of companies. We also recalculate if there are changes to data, making our emissions calculation more accurate, and in line with the GHG protocol.

Scope 1 and 2 Emissions Contribution by Company

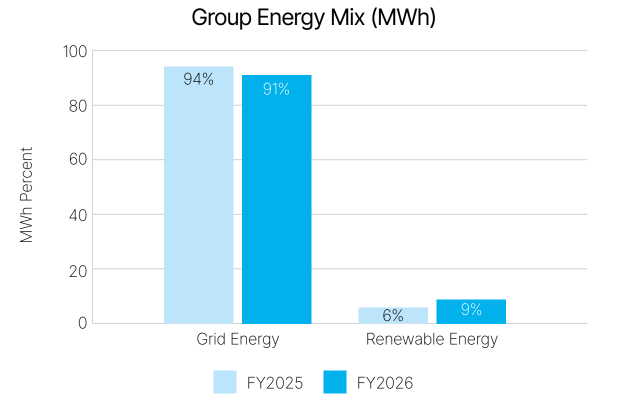
The 3.0% decrease in Scope 1 and 2 emissions was driven by Frontier's continued rollout of e-buses, contributing to a decrease in mobile diesel and a continued reduction in stationary diesel generator reliance across all our companies. This was accompanied by fluctuations in business activity and a decrease in grid electricity usage at Tsogo Sun due to an increase in solar power following the multi-year completion of the casino solar PV installations.



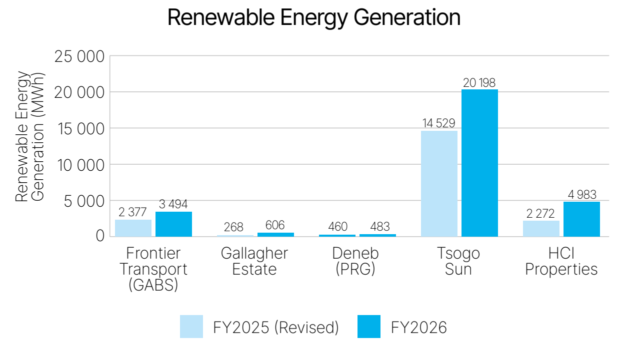
The proportion of emissions contributed by our companies did not change materially compared to last year. Tsogo Sun (32.0%), Southern Sun (27.0%), and Frontier (18.0%) made up 77.0% of the Group's total Scope 1 and 2 emissions.

Renewable Energy Generation

The Group continues to diversify its power supply to increasingly include power from renewable energy sources to counter grid interruptions, achieve operational capacity, reduce carbon emissions, and maximise efficiencies. Renewable energy now accounts for 9.0% of the Group's total energy consumption (302 744 MWh), reflecting a 3 percentage point increase from the prior year.



Year-On-Year Renewable Energy Generation by Company



The Group's renewable energy is currently generated entirely through solar photovoltaic (PV) power. In the year ahead, this will be supplemented by the rollout of Power Purchase Agreements (PPAs) scheduled for implementation at seven Southern Sun hotels.

Contributions to the Group's total renewable energy generation by quantity were as follows:

Company	% Contribution to total	FY2026 (MWh)	FY2025 (MWh)
Tsogo Sun	68.0	**20 198**	14 529
HCI Properties	17.0	**4 983**	2 272
Frontier Transport	12.0	**3 494**	2 377
Gallagher	2.0	**606**	268
Deneb	1.0	**483**	460

Spotlight on: Powering Green Transport

Following a rigorous trial period, Frontier's Golden Arrow Bus Services (GABS) has successfully scaled its electric vehicle (EV) fleet to 120 BYD B12 buses, operating daily across Cape Town. This transition mitigates exposure to volatile diesel prices, lowers maintenance costs, and directly supports the Group's decarbonisation objectives, admittedly at the cost of increased capital required for the purchase of each bus.

To ensure energy resilience and maximise emission reductions, GABS has integrated its EV rollout with substantial solar infrastructure. During FY2026, solar generation increased by 47.0% to 3 494 MWh, bolstered by an additional 3.03 MWp of installed capacity across key depots. Notably, 943 MWh of this solar yield was used to directly charge the EV fleet, whilst 1 242 MWh was exported to the City of Cape Town grid.

The efficiency returns are significant. In FY2026, the EV fleet covered 3.5 million kilometres, displacing 1.3 million litres of diesel and reducing Scope 1 and 2 emissions by approximately 2 700 tCO_2e. Consequently, GABS achieved a 1.6% reduction in overall emissions intensity per kilometre and a 4.8% improvement in energy efficiency intensity across its total fleet. Crucially, this transition was engineered internally, allowing GABS to develop a robust, localised skills base spanning solar generation, charging infrastructure, and EV fleet management.

The Group is exploring opportunities to share the excess generated solar PV energy with our other companies to effectively wheel renewable energy to them as well.

- Large-Scale Property and Hospitality Solar

  Tsogo Sun generated 20 198 MWh from increased solar generation as it completed its multi-year solar PV installation project at the final casino sites, being Gold Reef City Theme Park, Emnotweni, The Ridge, and Blackrock Casinos. HCI Properties generated 4 983 MWh across the Kalahari Village Mall, Whale Coast Mall and the newly installed solar PV systems at The Point and Lynnridge Mall. Gallagher Estate generated 291 MWh from its existing kilowatt-peak system, while a newly installed system contributed an additional 315 MWh. Further expansions are planned, including solar PV carport canopies over parking areas where feasible.

Gold Reef City Theme Park solar installation

Blackrock Casino solar installation

Energy Efficiency Initiatives

Beyond generation, the Group actively implements demand-side energy reductions through several primary initiatives:

- Lighting, HVAC, and Equipment Upgrades

  Across the Group, companies continue investing in hardware and infrastructure upgrades. This includes comprehensive LED lighting retrofits and the installation of energy-saving floodlights at Gallagher Estate, Tsogo Sun, and Southern Sun. Furthermore, Tsogo Sun and Southern Sun are optimising their heating and cooling systems through the frequent replacement and refurbishment of chiller plants. These upgrades are actively managed and tracked using CO_2 monitoring and electrical meters.

- Operational Protocols and Behavioural Change

  Technical upgrades are paired with strict operational management and training. Gallagher Estate continues to drive energy savings via a venue lockdown procedure that completely powers down unused venues. Meanwhile, Southern Sun drives staff accountability through its "SOS (Switch Off Something)" behavioural change campaign and standard operating procedures.

- Alternative Energy Sourcing

  To enhance operational resilience and reduce Scope 2 emissions, Southern Sun signed a 10-year PPA to source renewable energy wheeled through the national grid. This agreement will supply 90.0% of the electricity consumption across seven of Southern Sun's hotels using power generated by utility-scale wind and solar farms. There are plans to roll this out at more Southern Sun hotels, and Deneb (Formex) is also investigating the implementation of energy wheeling.

- Carbon Offsetting

  Deneb planted 500 Spekboom trees over 5 000 m^2 of land at its Formex Tubing plant. While the immediate impact on Scope 1 and 2 emissions reporting is modest, this initiative leverages the species' carbon offset capabilities and represents a greater commitment to offsetting emissions.

Spekboom planted at the Formex Tubing plant grounds

Supply Chain Engagement

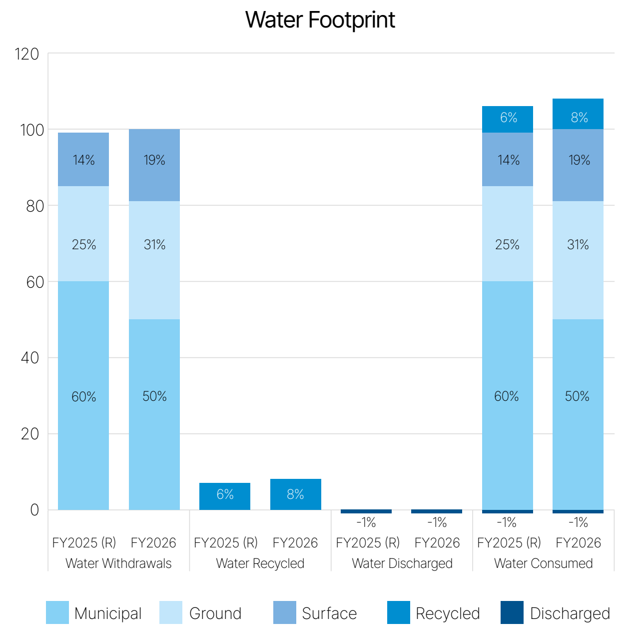
Many of our companies are actively engaged with stakeholders on climate-related issues. For example, they have Procurement Policies and Supplier Codes of Conduct in place with which their suppliers must comply. These typically include, among other factors, climate-related requirements. Some of our companies also evaluate a supplier's climate performance during the selection process and engage directly with suppliers to assist them where required. Compliance is then monitored through first-party verifications and supplier scorecards.

Looking ahead to the coming year, our companies intend to expand their Scope 3 greenhouse gas inventory as part of our evolving ESG commitments. This process will commence with the supply chains, enabling us to establish a more comprehensive baseline of our indirect emissions and identify further opportunities for improvement within our supplier networks.

WATER ACCOUNTING

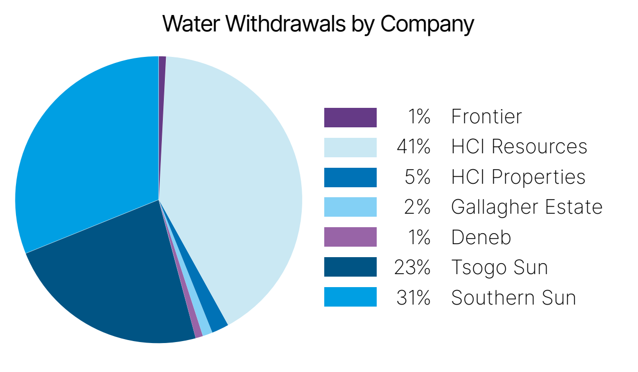
The Group's total water withdrawals increased by 727 ML to 4 690 ML due to increased trading at most companies. However, this increased demand was partially mitigated by our water recycling efforts; recycled water increased by 123 ML to a total of 393 ML (2025 revised: 270 ML). Additionally, water discharged decreased by 15 ML to 31 ML (2025: 46 ML).

In line with our efforts to diversify our water supply, our companies continued to shift to alternative sources, such as borehole, rainwater, and dam water. This resulted in a 10 percentage point increase in alternative water withdrawals, which now account for 50.0% of our total water withdrawals (2025: 40.0%). Correspondingly, municipal water withdrawals decreased by 10 percentage points over the same period.

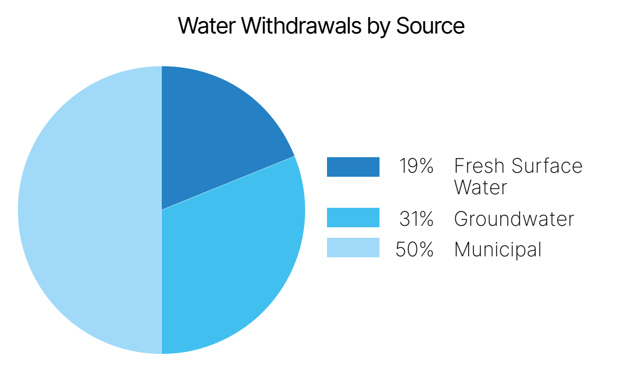


The Group calculates total water consumption as total withdrawals plus water recycled or reused, minus total discharges.

HCI's 2026 Water Accounting amounts to:
Water withdrawals 4 690 ML + recycled 393 ML - discharged 31 ML = consumed 5 052 ML.



Collectively, three companies constituted 95.0% of the Group's water usage. Our hospitality businesses, Southern Sun (31.0%) and Tsogo Sun (23.0%), accounted for a combined 54.0% of the Group's water withdrawals. This water is essential for their daily operations, including food preparation, drinking, garden irrigation, pools, fountains, and use in bathrooms and kitchens. HCI Resources was responsible for 41.0%, with its water being extracted from pits, boreholes, rainwater, and on-site treatment dams for its coal mining operations.



Water Withdrawals by Source

As our companies progressed their efforts to recycle, conserve, and seek alternative water supplies, our municipal withdrawals decreased by 10 percentage points compared to the prior year. Water withdrawals are now split equally between municipal (50.0%) and alternative sources (50.0%).

Municipal water is predominantly utilised by Southern Sun and Tsogo Sun, which together account for 90.0% of withdrawals from this source.

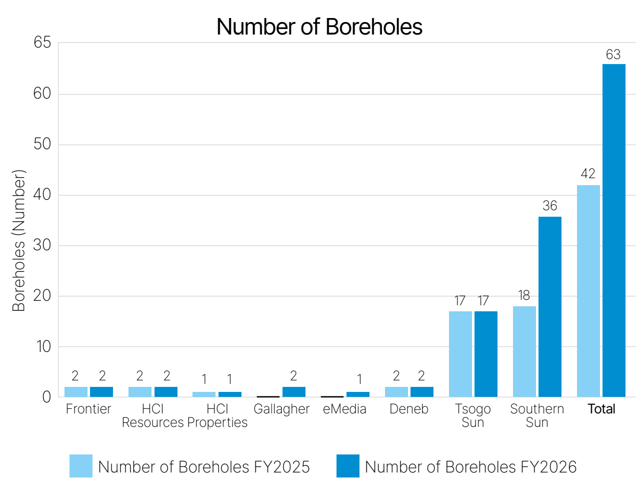
The 50.0% alternative water mix consists of groundwater (31.0%), which is drawn by HCI Resources through the dewatering of pits and by several companies with boreholes, and fresh surface water (19.0%), which is mostly from rainwater and treatment dam water at HCI Resources, as well as water utilised by Tsogo Sun and Southern Sun for garden irrigation, fountains, HVAC cooling towers and housekeeping services.

Alternative Water Sources and Conservation

- **Groundwater (mine pits, boreholes) (31.0%)**

  Groundwater makes up 31.0% of the Group's alternative water withdrawals, with HCI Resources accounting for 71.0% of the Group's groundwater withdrawals through mine pit dewatering. The number of boreholes installed across the Group increased by 21 to 63, as our companies have invested in this alternative water source where locations allow.

Number of Boreholes Installed



With an additional 18 boreholes operational in the year, Southern Sun contributed 21.0% to the groundwater total, successfully increasing its borehole consumption by 39.0% in the past year. eMedia and Gallagher Estate installed new boreholes during the year, and Deneb utilises historical and pending-licence boreholes to provide up to two days of emergency backup supply at its New Germany Industrial Park.

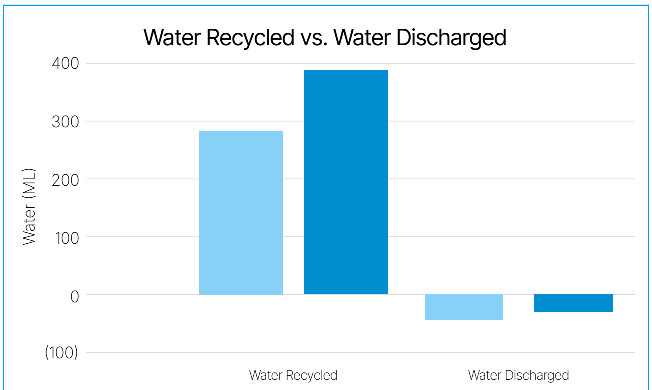
- Surface water (rainwater and dams) (19.0%)

Tsogo Sun uses mine dam water for rides and irrigation at the Gold Reef Theme Park, while Emerald Resort & Casino and several Southern Sun properties make use of river and dam water for irrigation. Deneb has implemented rainwater harvesting systems dedicated to non-potable sanitation needs across several properties (Deneb House, Romatex, and Formex).

Water Recycling versus Water Discharged

Internal water recycling increased by 123 ML to 393 ML, and discharges decreased by 15 ML to 31 ML as efforts to improve water efficiencies continued in earnest during the year.

- Water Recycling



	Water Recycled	Water Discharged
FY2025 (R)	270	(46)
FY2026	393	(31)

HCI Resources operates a closed-loop water system at the Palesa Mine. A high-efficiency filter press mechanically separates clean water from coal slurry, transforming waste into a dry, manageable "filter cake". The recovered water is routed to a clarifier dam for plant reuse. In the past year 384 ML of recycled water was recovered through the closed-loop filter press system, sent to the Clarifier Dam, and reused at the plant for coal washing.

Across the Group, operational recycling takes many forms: Frontier captures, treats, and recycles water through its bus washing system; Tsogo Sun reclaims air-conditioning water for irrigation and bathrooms at Suncoast Casino; and Deneb prioritises conservation through the operation of a trade effluent treatment plant for the bag washing areas at Custom Bulk Bags.

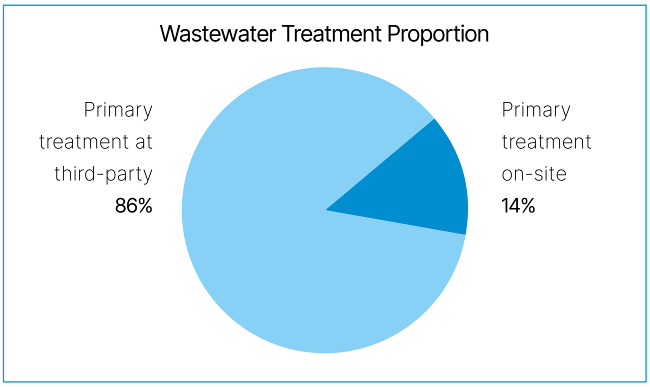
- Water Discharges

Water is discharged in accordance with regulations. In FY2026, Deneb comprised 46.0% of Group discharges, mainly due to Formex and Romatex production processes, while Frontier (GABS and Alpine) contributed 54.0% of discharges, generated from vehicle and workshop cleaning.

- Water Treatment

All water discharged from our operations is directed to municipal wastewater treatment facilities—either by our operations or by third party treatment providers. Some of Deneb's manufacturing companies have their own treatment plants to treat the water prior to discharge. Similarly, Frontier subsidiaries, GABS and Alpine facilities, collect wastewater generated from vehicle and workshop cleaning. This water is then processed through on-site treatment systems to remove contaminants like detergents, oils, and solids. Certain wastewater from Frontier (GABS) and Deneb (Formex) is collected by third-party service providers who treat the water before safely discharging it in accordance with regulatory permits, ensuring that all discharges are compliant.

Wastewater Treatment Proportion



It is important to note that HCI Resources' mine operations do not discharge water and therefore are not reflected in the Group's water discharges, as it aims to operate as a closed-loop water system. Here, water is intended to be retained, treated, and reused on-site, primarily for coal washing, to align with the National Environmental Management Act (NEMA) and associated water use regulations.

Additionally, beyond our own operational boundaries, Deneb (Blue Reef Water Solutions) provides integrated sustainability services, treating an average of 130 ML per day (47 450 ML annually) for external clients using patented chemical solutions for wastewater treatment.

This brings the overall wastewater treated by the Group to 47 471 ML for the year.

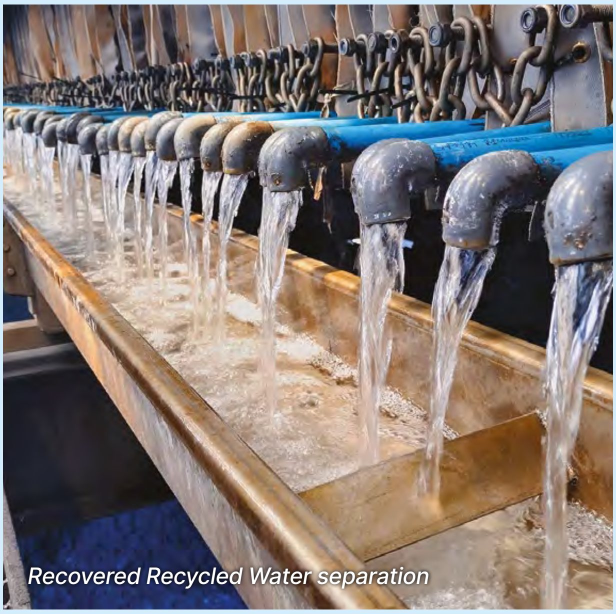
Spotlight on: The Closed-Loop Water System

HCI Resources' Palesa Coal Mine operates a closed-loop water system to minimise environmental impact and drive operational efficiency. During this financial year, this closed-loop system successfully recovered and recycled 384 ML of water. Central to its water management strategy is an automated filter press and water recovery system. Operating in pressurised batch cycles, this system separates water from fine coal slurry following the washing process. Slurry is pumped through filter cloths; clean water is extracted as filtrate, whilst the retained solids form a compact, dry filter cake.

This approach yields substantial operational and environmental benefits. It stabilises upstream processes, such as Dense Medium Separation (DMS), and significantly reduces waste handling costs, as the dry cake is safer and more efficient to transport and backfill than wet tailings. Crucially, the recovered water is routed to the Clarifier Dam and returned directly to the plant's closed-loop system for reuse in coal washing operations, safely recycling the water and significantly curtailing the mine's freshwater dependency.

Membrane Filter Press

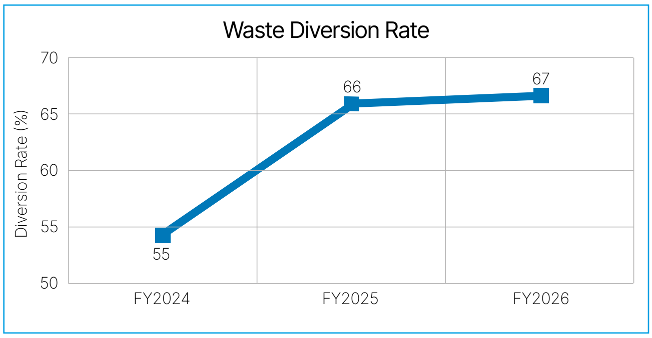
Dry Filter Cake

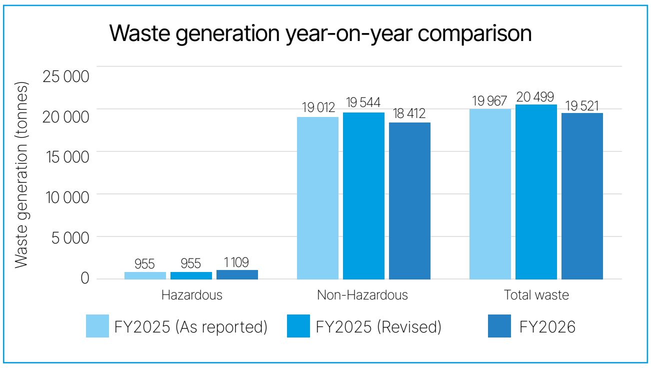


Recovered Recycled Water separation

WASTE ACCOUNTING

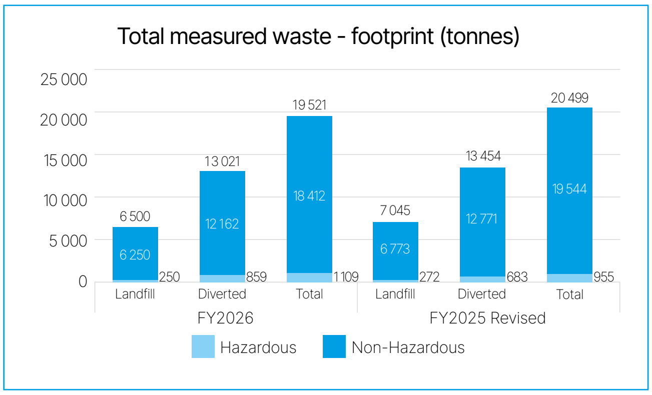
Total measured waste generated for the financial year amounted to 19 521 tonnes, representing a 5% reduction on the prior year (2025 revised: 20 499 tonnes). As companies across the Group have continued to implement recycling, upcycling and composting initiatives, as well as partnering with private waste providers to effectively measure and manage our overall waste generation and disposal, the quantity of waste diverted from landfill has steadily increased from 54% in 2024 to 67% this year.





Non-Hazardous Waste

The Group's non-hazardous waste decreased by 1 132 tonnes (6%), driven predominantly by a 29% reduction across Deneb's manufacturing businesses. At Seartec, waste volumes were lowered through improved housekeeping, recycling, and reusing machine parts. Formex Tubing cut metal waste by 57% through better process control and more efficient material utilisation. Furthermore, Formex Industries reduced general waste by 84% and substantially cut metal scrap via stricter waste segregation, expanded recycling, enhanced quality control, and lower production volumes.

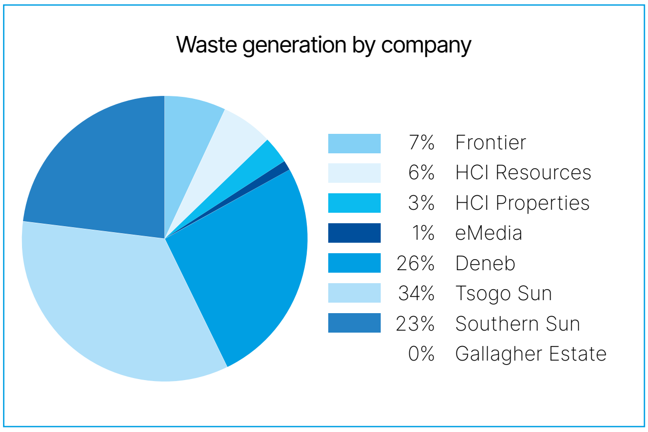


Hazardous Waste

During the reporting period, the Group recorded a 154-tonne increase in hazardous waste, driven by one-off operational activities and expanded reporting parameters. At Frontier, an emergency clean-out of containment pit sludge caused a temporary spike in hazardous disposal, though these volumes are expected to decrease substantially in the year ahead as standard municipal effluent processes resume. Concurrently, Southern Sun's transition to private waste suppliers enabled more thorough reporting and additional hotels to be included in its waste accounting. This resulted in the first-time reporting of specific waste streams—including e-waste, fat trap sludge, and used lighting—originating from refurbishments and machinery upgrades across several hotels.

Within the context of these operations, hazardous waste typically encompasses cooking oils, fat trap residue, cleaning chemicals, electronic waste, batteries, fluorescent tubes, and maintenance materials. Across all operations, the Group ensures strict compliance with national environmental legislation. All hazardous materials are treated and disposed of in full accordance with the provisions of the National Environmental Management: Waste Act (NEM:WA) (Act 59 of 2008) and the Waste Classification and Management Regulations of 2013.

Waste Generation by Quantity by Company



Contributions by company to the total measured Group waste this year were similar in proportion to that of the prior year, with Tsogo Sun (34%), Southern Sun (23%), and Deneb (26%) comprising 83% of total waste. Many of the initiatives introduced across our companies over the last two years have seen progress as they have matured over time and proven to be sustainable. For example, Gallagher Estate's partnership with Don't Waste now recycles 100% of on-site waste, and Tsogo Sun and Southern Sun's rollout of their organic waste diversion initiatives have continued to reduce waste sent to landfill.

Waste Innovation

Several HCI companies go beyond operational waste management by actively integrating recycling and upcycling principles into their manufacturing, products, services, and supply chains:

- Sourcing Recycled Raw Materials

  Our manufacturing companies actively substitute virgin materials with recycled inputs. Deneb (Romatex) consumes 180 million rPET plastic bottles annually to manufacture its 100% polyester stitch-bonded fabric, producing 450 tonnes of product in the past year. Similarly, Deneb's subsidiary, Brits Nonwoven, sourced 70.0% of its raw materials from recycled inputs during the year, successfully converting approximately 1 629 tonnes of discarded textile waste into shoddy flock and an estimated 385 million PET plastic bottles used to manufacture its 100% polyester Isotherm Insulation and wadding products.

- Product Lifecycle Extension and Reuse

  Deneb (Custom Bulk Bags) offers a return, wash, and reuse programme for its woven polypropylene bags, directly displacing the production of virgin bags. In the past year, 206 792 bags (0.38 tonnes) were refurbished and returned to circulation—diverting the original bags from landfills.

- Internal Waste Recovery and Reprocessing

  To minimise waste generation at the source, our facilities are investing in advanced recovery technology. Deneb (Integrated Polypropylene Products) utilises a recovery extruder and an Erema Recycling Machine to transform production scrap into high-grade pellets for re-extrusion. In the past year, this closed-loop process successfully diverted 51 470 kg of internal waste and reprocessed 210 345 kg of materials sent from Custom Bulk Bags back into the manufacturing cycle.


Romatex rPET plastic bottles

Romatex 100% polyester stitch-bonded fabric

Spotlight on: Effective Organic Waste Diversion

Southern Sun has made significant strides in sustainable waste management during FY2026, expanding its reporting framework to encompass 52 hotels, all of which have successfully integrated organic and food waste processing methodologies. A cornerstone of this initiative is the Bokashi Bran® system—a Gauteng-manufactured, EM-based fermentation technology that diverts food waste from landfills to create nutrient-rich compost.

Servicing Southern Sun Hotels for over nine years, and currently deployed across 20 hotels, Bokashi remains the group's preferred methodology due to its proven effectiveness in reducing organic waste close to the statutory zero percent target. The 20 hotels successfully diverted 763 tonnes of food waste from landfills, avoiding approximately 527 tonnes of CO_2e emissions, returning 229 tonnes of compost to soils, and achieving a standout milestone with Sandton Sun becoming the first property to exceed 100 000 kg (100 tonnes) of diverted waste in a single fiscal year.

Additionally, 4 hotels have adopted Black Soldier Fly larvae (BSFL), an innovative biological treatment where larvae rapidly consume organic waste, reducing its overall volume while producing valuable protein-rich biomass and nutrient-rich frass.

Looking ahead to FY2027, the group aims to further scale its environmental impact by adding 12 more hotels to its organic waste reporting structure. This expansion will continue to leverage both Bokashi and localised composting systems across the new hotels, building upon the momentum of Southern Sun's waste management.

Food waste treated with Bokashi; food waste composting (Don't Waste).

CORPORATE SOCIAL INVESTMENT

HCI foundation

WORKING AT THE MARGINS OF SOCIETY

The HCI Foundation continues to pursue its mission of sparking human potential and capacitating individuals, communities, and organisations towards sustainable and ethical growth and development. Through strategic investments and partnerships with our grant beneficiaries across our core focus areas - Education, Youth and Skills Development, and Environmental Sustainability - we aim to help build a South Africa where all can thrive.

Our investment is intentionally directed towards those who are most vulnerable, particularly individuals and communities pushed to the edges of society. Based on assessed need, we address systemic barriers to opportunity by strengthening local capacity and assets to empower communities, households and individuals so that they can contribute actively to their future with resilience and dignity.

This year's report reflects on the progress we are making alongside our partner organisations as we work on the margins of society across all our focus areas. It highlights our collective efforts to drive meaningful, lasting change that educates and empowers all beneficiaries.

35,7	**204 975**	**1 702**	**165**	**2 485**	**99**
MILLION RAND PROGRAMME INVESTMENT	DIRECT BENEFICIARIES	PROGRAMME SITES SUPPORTED	NPO IMPLEMENTING PARTNERS (72 GRANTEES AND 93 COMMUNITY TRANSPORT ORGANISATIONS)	PEOPLE ARE EMPLOYED ACROSS THE PROGRAMMES WE SUPPORT THROUGH OUR PARTNERS	TERTIARY LEVEL BURSARIES IN 12 UNIVERSITIES

EXPANDING ACCESS TO QUALITY EARLY LEARNING PROGRAMMES TO MARGINALISED COMMUNITIES

Access to Early Childhood Development (ECD) is a fundamental human right in South Africa. Yet an estimated 1.1 million children between the ages of 3 and 5 still lack access to ECD programmes. In marginalised communities, many children are missing the opportunity for early learning and stimulation because of economic, geographic and spatial inequalities and systemic exclusion linked to compliance requirements.

Through our Excellence in Early Childhood Development Programme, we provide grant funding and strategic support to 13 Resource and Training Organisations working to expand access to quality ECD services. Our focus is particularly on children living in under-resourced communities to ensure that they too can benefit from a strong foundation for their educational and developmental journey.

REACH AND IMPACT OF OUR EXCELLENCE IN EARLY CHILDHOOD DEVELOPMENT PROGRAMME

28 511 CHILDREN REACHED

Through quality early learning programmes across South Africa

19 945 CAREGIVERS TRAINED	**4 430** PRACTITIONERS SUPPORTED	**680** EARLY LEARNING SITES SUPPORTED	**387** COMMUNITIES REACHED

PROGRAMME INFRAJTRUCTURE

- **13** ECD RESOURCE AND TRAINING ORGANISATIONS
- **225** EMPLOYEES INVOLVED IN PROGRAMME DELIVERY
- **9** PROVINCES IMPLEMENTING THE PROGRAMME

ACCESS TO QUALITY ECD

- **555** DEPARTMENT OF BASIC EDUCATION: REGISTERED EARLY LEARNING SITES.
- **458** GOVERNMENT-SUBSIDISED SITES
- **289** PRIMARY SCHOOLS LINKED TO EARLY LEARNING PROGRAMMES

CAPACITY BUILDING

- **LEVEL 4** AVERAGE PRACTITIONER QUALIFICATION

300 000+ MEALS PROVIDED across 104 early learning programmes through the Lunchbox Fund nutritional support programme

1 740 QUALITY AGE-APPROPRIATE STORYBOOKS DISTRIBUTED across 87 rural early learning programmes through Biblionef

CHILDREN'S ACCESS TO BIRTH CERTIFICATES

Possession of a birth certificate enables a child to be legally recognised by the state and unlocks access to essential rights and services. Without a birth certificate, many children are excluded from opportunities and protections that are fundamental to their development and wellbeing, such as social grants, healthcare and schooling.

At least 791 children in the early learning programmes we support do not have birth certificates and only 25 birth registration cases were resolved in this reporting period, under difficult and time-consuming circumstances. This has devastating implications for the children, lasting well into their future. Obtaining birth certificates for children is one of the most significant contributions made by our ECD programme partners.

CORPORATE SOCIAL INVESTMENT
(Continued)

GRACE VISION: RESTORING SIGHT, HOPE, AND DIGNITY IN RURAL EASTERN CAPE

Through its free cataract surgery programme, Grace Vision is helping to counteract the exclusion that afflicts both the elderly and those children who are forced to become caregivers of their visually impaired grandparents. In many under-resourced communities, preventable blindness can result in the loss of mobility, dignity, independence and social connection (whether old or young), and interrupted education for school children who often miss school entirely or underperform academically under the heavy burden of being young caregivers.

In the King Sabata Dalindyebo Local Municipality district and surrounding rural communities in the Eastern Cape, where the organisation operates, Grace Vision provides free quality eye care and cataract surgery to children and adults who would otherwise have to wait years for access to public healthcare services. For school-going children living with undiagnosed visual impairments, poor eyesight often results in academic underperformance, diminished self-esteem, and exclusion from the simple joy of play and full participation with peers. Grace Vision's work addresses physiological barriers that entrench poverty and exclusion by restoring the miracle of sight and thereby access to the world around for both young and old.

618 dense cataract surgeries performed through the generosity of ophthalmologists who volunteer their time

43 390 children screened and provided with eye care

8 118 adults screened and provided with eye care

286 spectacles provided free to children

1 812 spectacles provided free to adults

NATIONAL CHILDREN'S THEATRE – A PLACE WHERE STORIES AND HOPE COME ALIVE

In Parktown, Johannesburg, the National Children's Theatre, established in 1989, plays a vital role by making theatre accessible to children and communities who would otherwise have limited or no exposure to cultural and creative experiences. Through its workshops, public school programmes, camps, and original theatre productions, the organisation brings performance arts directly into the lives of young people in the inner city of Johannesburg as well as rural areas around Gauteng.

The Musicals in Schools Education Programme is central to this effort, extending theatre into under-resourced schools and creating meaningful opportunities for learners to participate in, and develop a lasting appreciation for the performing arts. The programme uncovers and nurtures young talent, builds confidence and leadership, and fosters creativity. It also equips teachers with the skills and confidence to deliver the Creative Arts curriculum more effectively, while embedding sustainable after-school theatre clubs within schools and strengthening creative learning environments. The NCT reaches an audience of almost 100 000 each year, making it one of the busiest children's theatres in South Africa.

Luca's parent:

"My son Luca loves storytelling, drama, music, and dance, and he thrives on these workshops. These skills are particularly useful for Luca because, despite his dyslexia, he quickly learns all his lines—and often the full script (!)—and fully engages with every performance. Just today, he delivered a presentation at school where many praised his calm confidence and clarity."

20 YOUNG ARTISTS employed as facilitators

10 SCHOOLS in the inner city and Soweto participate

358 LEARNERS

25 EDUCATORS

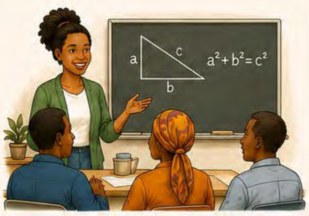
RUMEP: IMPROVING MATHEMATICS FOR TEACHERS AND LEARNERS IN RURAL SCHOOLS IN THE EASTERN CAPE

Now in its 34th year, the Rhodes University Mathematics Education Project (RUMEP) continues to help educators to improve both their Mathematics content knowledge and their classroom practice. The programme offers a three-year part-time Bachelor of Education in Mathematics for teachers who wish to specialise in the subject, alongside teacher-led cluster learning communities and in-classroom mentoring and support. In many cases, RUMEP works with teachers who are not formally trained in Mathematics Education but are nonetheless required to teach the subject in under-resourced schools.

Against the backdrop of South African learners performing significantly below international benchmarks, and with 464 public schools reportedly phasing out Mathematics, RUMEP plays a vital role in strengthening teaching capacity where it is most needed. By offering specialised training, sustained mentorship, and collaborative learning opportunities, the programme helps restore confidence in Mathematics teaching and opens up learning opportunities for learners to advance in this critical subject area.

Miss Babalwa Gqoli, an intermediate mathematics teacher at Qunu Primary School:

"My goal as a teacher is to make Mathematics real, fun, and meaningful so that every learner believes that they can succeed. RUMEP empowered me to develop confidence in facilitating the teachers' workshops and taught me effective teaching methodologies for my lessons."



Three-year part-time Bachelor of Education in Mathematics for teachers

Teacher-led cluster learning communities

In-classroom mentoring and support

Supporting teachers in under-resourced schools

THE IMPACT OF THE PROGRAMME IN 2025/2026

171
teachers
participated in the programme

1 280
learners
participated in the flagship grade 7 Mathematics Olympiad

Increased uptake of Mathematics in grades 10 to 12

RUMEP Cluster programme teachers recognised and promoted

Department of Education officials support the programme and attend workshops

HLUHLUWE, KZN IN THE EMDLETSHENI TRIBAL AUTHORITY: A HUB OF IMPACT

In Hluhluwe, within the Big Five Hlabisa Local Municipality, the eMdletsheni tribal authority reflects challenges common to many remote rural communities, such as limited access to clean water, unemployment, poor infrastructure, and inadequate education and healthcare services. Through its community-centred development approach, the HCI Foundation works with local stakeholders and partners to implement integrated interventions, including solar-powered clean drinking water, sustainable food security, and quality Early Childhood Development programmes. These interventions serve as enablers of inclusive rural socio-economic development, catalysing new opportunities, strengthening local capacity, and supporting more resilient and self-sustaining communities.

CLEAN DRINKING WATER

Sustainable solutions for healthy communities

QUALITY EARLY CHILDHOOD DEVELOPMENT

Nurturing young minds for a brighter future

SUSTAINABLE FOOD SECURITY

Improving nutrition and building resilient livelihoods

LOCAL STAKEHOLDERS AND PARTNERS

Collaborating for integrated and lasting impact

- Access to Clean Water – Innovation: Africa

  Since 2021, the HCI Foundation, in partnership with Innovation: Africa, has expanded access to clean drinking water for more than 47 000 people in rural Hluhluwe, reaching communities located far from essential infrastructure. Six solar-powered boreholes, 166 communal taps, and taps in nine schools and one clinic have reduced daily barriers linked to distance and limited services, positively impacting health and development outcomes. In 2025, a 10th village was added to the network. The initiative has improved school attendance, increased productivity, reduced water costs, strengthened hygiene and food production, and enhanced the safety and dignity of women and girls.

Bukimvelo High School Principal: "Having a tap with running water is a luxury."

Gabadela Primary School Principal: "We have access to clean, fresh water for drinking, cleaning and cooking."

- Sustainable Food Security Initiative: Kuhle Kuyeza NPC

  Before the HCI Foundation interventions in the eMdletsheni tribal authority, local agricultural co-operatives such as Donsintuthuko Primary Co-operative and Sinqoba Ngothando Primary Co-operative did not exist. The introduction of solar-powered borehole infrastructure enabled the activation of community farming for food security and improved livelihoods.

  Working with Kuhle Kuyeza NPC, a local partner focused on rural economic empowerment and sustainable co-operative development, the Foundation supported the establishment of these two farms through training, mentorship, infrastructure investment, storage facilities, inputs, drip irrigation systems, and improved access to markets.

Impact in 2025/2026:

- 32 farmers supported (26 in Donsintuthuko and 6 in Sinqoba Ngothando)
- 99% of beneficiaries are women, advancing rural women's economic empowerment and participation in local value chains
- 3.4 hectares under vegetable production, with plans for expansion
- Established access to formal and reliable markets, including Spar, Boxer, Flawless Agents, and Hanley Durban
- Generates an average monthly income of R1 000 per farmer, supplementing social grants
- Collective savings scheme has built up R69 000, strengthening financial resilience and local economic participation

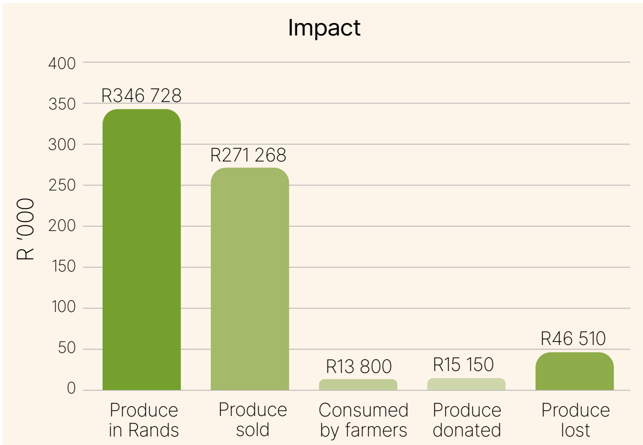
This initiative demonstrates that rural communities have the capacity to become self-sufficient, and that households can move beyond sole reliance on social grants towards creating sustainable rural enterprises. Women and families actively participate in building their futures through productive, community-led agriculture and inclusive local economies.


Where it all begins


Results

Gogo Mahlinza Mashuqu:
"Our lives have changed so much. We've become healthier from the exercises we get while cultivating our garden. We no longer feel stressed sitting idle, waiting for our grandchildren to come back from school. Now, we have our own businesses that we attend to and truly enjoy doing."

Bavelile Mthembu Kuhle Kuyeza mentor:
"Never in their lives did they imagine that their garden would become a money-making machine, fully in production. Seeing their produce on retail shelves like Spar and Boxer feels like a dream come true."



CONCLUSION

The HCI Foundation is committed to working with marginalised communities by providing tools and resources for their own development and upliftment. To this end, we attempt to strengthen local systems and capabilities and to work in partnership with both these communities and other interested stakeholders.

In all of our work we hold to the principles of respect, collaboration, accountability and transparency. This helps ensure that, as the HCI Foundation, we remain evidence-based and needs-driven in pursuing our goal of enabling independent, growing and thriving communities.

1. Nature of business

Hosken Consolidated Investments Limited (HCI) is an investment holding company, incorporated in South Africa and listed on the JSE Limited.

2. Operations and business

HCI's business operations focus on identifying and investing in opportunities approved by the board of directors, and on adding value to those investments over time. In line with this approach, HCI has established and pursued an investment policy aimed at maintaining significant equity and capital participation in entrepreneurially run companies with meaningful growth potential. The Group continually reviews its existing investments and seeks new opportunities that complement its portfolio.

Refer to pages 12 to 33 of this report for an overview of operations for the year under review.

3. Changes to the Group's shareholding in subsidiaries

Details of changes to the Group's shareholding in subsidiaries are set out in note 8 of the annual financial statements (AFS).

4. Disposal Group assets and liabilities held for sale

Details of disposal group assets and liabilities held for sale are set out in note 13 of the AFS.

5. Share capital

Details of the authorised and issued share capital are set out in note 14 of the AFS.

6. Directorate

Details of the directors of the Company appear in the corporate administration section of this report.

There were no further changes to the composition of the board during FY2026, following the appointments and resignations that took effect on 14 April 2025 and 29 May 2025.

7. Composition of the board

In line with its charter, the board remains responsible for ensuring that its composition supports effective leadership and sound governance. This includes maintaining an appropriate balance of skills, experience, independence, diversity and capacity so that the board can discharge its duties with confidence and good judgement.

At 31 March 2026, the board comprised eleven members: four executive directors, two non-executive directors and five independent non-executive directors. The board is satisfied that this composition provides an appropriate balance of power and authority.

Board member	Number of board meetings	Attendance of members
MH Ahmed	4	4
JA Copelyn	4	4
TG Govender	4	4
MF Magugu	4	4
L McDonald	4	3
VE Mphande (chair)	4	4
JG Ngcobo	4	4
JR Nicolella	1	1
AF Pereira	4	4
Y Shaik	4	4
A Singh	4	4
RD Watson	4	4

The board is chaired by Mr VE Mphande, an independent non-executive director who is not a former chief executive officer of the Company. The roles of chairperson and chief executive officer remain separate, supporting a clear division of responsibilities and balanced leadership. The board does not consider it necessary to appoint a lead independent director at this stage.

8. Dividends

Ordinary dividend number 65 in the amount of 60 cents per share was declared on 27 November 2025 and paid out to shareholders on 22 December 2025. Ordinary dividend number 66 in the amount of 140 cents per share, was declared on 26 May 2026 and was paid to shareholders on 22 June 2026.

9. Diversity

The board has adopted a diversity policy and set voluntary targets for its composition. As at 31 March 2026, women represented 27% of the board and 82% of directors were classified as black persons. The board therefore met its voluntary diversity targets during the year under review.

10. Company secretary

HCI Managerial Services Proprietary Limited held office as company secretary for the year ended 31 March 2026. The secretarial department is supervised by Cheryl Philip (FCG), who is authorised to provide corporate governance services to the board and management. During the year, the board assessed the competence, qualifications, experience and independence of the company secretary and was satisfied that the Company is appropriately supported in meeting its statutory, regulatory and governance responsibilities. The company secretary maintains an arm's length relationship with the board.

The name, business and postal address of the company secretary are set out in the corporate administration section of this report.

11. Financial director

Mr JR Nicolella served as financial director until 29 May 2025. Mr AF Pereira was appointed as full-time executive financial director with effect from this date.

12. Auditor

Subject to shareholder approval, Forvis Mazars will continue in office as the Company's external auditor for the 2027 financial year in accordance with section 90 of the Companies Act 71 of 2008, with Yolandie Ferreira as the designated auditor.

13. Auditor's report

The consolidated and separate financial statements have been audited by Forvis Mazars, who expressed an unmodified audit opinion thereon. The independent auditor's report on the consolidated and separate financial statements is included from page 11 to 17 of the AFS.

14. Significant shareholders

The Company's shareholders holding 5% or more of the issued shares are the Southern African Clothing and Textile Workers Union, Chearsley Investments Proprietary Limited, Squirewood Investments 64 Proprietary Limited, Rivetprops 47 Proprietary Limited and Peregrine Equities Proprietary Limited, with holdings of 21.3%, 8.2%, 6.7%, 6.3% and 5.3%, respectively. No single shareholder has a controlling interest in the Company.

15. Special resolutions

The following special resolutions were passed by the Company's shareholders at the annual general meeting (AGM) of shareholders held on 28 August 2025:

- granting the directors the authority, subject to the provisions of the Companies Act, Act 71 of 2008, as amended (the Act) and the JSE Listings Requirements, to allot and issue ordinary shares of the Company (or to issue options or securities convertible into ordinary shares) for cash to such person or persons, on such terms and conditions as they may deem fit. The aggregate number of ordinary shares to be allotted and issued for cash is limited as set out in the resolution;
- 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 financial period 1 September 2025 until the next AGM of the Company;
- granting the Company and the subsidiaries of the Company a general authority contemplated in terms of paragraph 5.72 (now paragraphs 7.84 to 7.89 of the JSE Listings Requirements) of the JSE Listings Requirements, for the acquisition by the Company, or a subsidiary of the Company, of ordinary shares issued by the Company;
- amendment to the Memorandum of Incorporation of the Company; and
- general authorisation of financial assistance to the extent required by sections 44 and 45 of the Act, the board of directors of the Company may, subject to compliance with the requirements of the Company's memorandum of incorporation (MOI) and the Act, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, subject to the provisions as set out in the resolution.

The following special resolution was passed by the Company's shareholders at the general meeting held on 29 January 2026:

- that the Company's wholly-owned Subsidiary, Squirewood Investments 64 Proprietary Limited (Squirewood) be and is hereby authorised, by way of a specific authority, in accordance with the applicable provisions of the Companies Act, the Listings Requirements and its memorandum of incorporation, to acquire 1 100 000 HCI Shares beneficially owned by The Southern African Clothing Textile Workers Union (SACTWU), for a consideration of R131.00 per HCI Share and an aggregate consideration of R144 100 000.

16. Shareholding of directors

The shareholding of directors of the Company and their participation in the Company's share incentive scheme as at 31 March 2026 are set out in the remuneration implementation report and in the relevant notes to the AFS.

17. Directors' emoluments

Directors' emoluments incurred by the Company and its subsidiaries for the year ended 31 March 2026 are set out in the remuneration implementation report and in the relevant notes to the AFS.

18. Subsidiaries

Details of the Company's subsidiaries are set out in annexure A to the AFS.

19. Borrowing powers

There are no limits placed on borrowing in terms of the MOI. Certain companies in the Group have entered into various loan agreements with providers of loan finance. These loan agreements include various covenants and undertakings by companies in the Group which may restrict the Group's borrowing powers. Details of these covenants and undertakings are set out in note 16 of the AFS.

20. Litigation statement

The directors are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have a material effect on the financial position of the Group for the 12 months following 31 March 2026.

21. Material changes

There has been no material change in the financial or trading position of the HCI Group since the publication of its condensed AFS on 26 May 2026.

22. Events subsequent to reporting date

Events that occurred after the reporting date are set out in note 44 of the AFS.

23. Going concern

The directors have considered the Group's cash flow forecasts and borrowing profile and are satisfied that the Group has sufficient liquidity to meet its obligations for the foreseeable future. Details of the going concern assessment are set out in accounting policy 2(i).

VE Mphande
Chairperson
28 July 2026

JA Copelyn
Chief Executive Officer

SHAREHOLDERS' SNAPSHOT

ANALYSIS OF SHAREHOLDERS

Listed below is an analysis of shareholdings extracted from the register of ordinary shareholders at 31 March 2026:

Type of shareholder

Share Range	Number of shareholders	% of current shareholders	Number of shares	% of issued capital
Banks and Custodians	57	1.4	3 402 176	4.0
Individual	3 459	83.1	31 379 022	37.3
Other Corporation	133	3.2	11 301 648	13.4
Pension, Provident, Retirement and Other Funds	95	2.3	15 710 465	18.6
Private Company	126	3.0	19 893 489	23.6
Public Company	84	2.0	996 435	1.2
Trust	210	5.0	1 565 466	1.9
	4 164	100.0	84 248 701	100.0

Range of holdings

	Number of shareholders	% of current shareholders	Number of shares	% of issued capital
1 – 1000 shares	3 322	79.7	559 289	0.7
1 001 – 10 000 shares	602	14.5	1 895 473	2.2
10 001 – 50 000 shares	147	3.5	3 426 104	4.1
50 001 – 100 000 shares	28	0.7	2 036 584	2.4
100 001 – 500 000 shares	41	1.0	8 878 816	10.5
500 001 – 1 000 000 shares	8	0.2	5 907 233	7.0
1 000 001 shares and over	16	0.4	61 545 202	73.1
	4 164	100.0	84 248 701	100.0

Shareholdings greater than 5%

	2026	2025
Southern African Clothing and Textile Workers Union	21.3	22.5
Chearsley Investments Proprietary Limited	8.2	7.7
Squirewood Investments 64 Proprietary Limited*	6.7	5.2
Rivetprops 47 Proprietary Limited	6.3	5.0
Peregrine Equities Proprietary Limited	5.3	-
	47.8	40.4

** Treasury shares*

Shareholder spread

	Percentage held		Number of shareholders	
	2026	2025	2026	2025
Public	47.1	51.8	4 147	3 560
Non-public	52.9	48.2	17	17
Directors	8.7	8.0	7	6
Associates of directors	12.4	10.9	5	5
Significant shareholder	21.3	22.5	1	1
Share trust	0.2	0.2	1	1
Foundation	0.3	0.3	1	1
Treasury shares	10.1	6.3	2	3
	100.0	100.0	4 164	3 577

Stock exchange performance

Total number of shares traded ('000)	25 546
Total value of shares traded (R'000)	3 489 110
Market price (cents per share)	
- High	17 590
- Low	11 554
- Closing	16 504
Market capitalisation (R'000)	12 434 397

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 31 March 2026 R'000	Audited 31 March 2025 R'000
ASSETS		
Non-current assets	53 484 058	56 253 022
Property, plant and equipment	16 742 745	16 444 465
Right-of-use assets	240 062	220 510
Investment properties	2 741 007	5 559 873
Goodwill	5 636 509	5 738 002
Investments in associates and joint ventures	6 932 880	5 707 820
Other financial assets	1 688 355	2 087 793
Intangible assets - minerals	11 919 709	12 710 558
Intangible assets - other	7 337 510	7 505 941
Deferred taxation	198 238	224 866
Other	47 043	53 194
Current assets	7 012 984	7 889 715
Inventories	851 509	956 353
Programme rights	1 350 626	1 395 131
Other financial assets	156 557	179 233
Trade and other receivables	2 044 082	2 149 584
Taxation	44 174	40 105
Bank balances and deposits	2 566 036	3 169 309
Non-current assets and disposal group assets held for sale	3 684 950	126 800
Total assets	64 181 992	64 269 537
EQUITY AND LIABILITIES		
Equity	39 549 868	38 765 667
Equity attributable to equity holders of the parent	25 312 736	24 419 685
Non-controlling interest	14 237 132	14 345 982
Non-current liabilities	18 353 160	19 843 416
Deferred taxation	7 751 480	7 971 110
Borrowings	10 016 485	11 275 150
Lease liabilities	228 732	263 981
Provisions	85 076	84 505
Other*	271 387	248 670
Current liabilities	5 978 696	5 660 454
Trade and other payables	2 666 253	2 792 201
Borrowings	2 819 740	2 390 781
Taxation	44 824	29 346
Provisions	209 774	242 904
Bank overdrafts	151 723	94 076
Other *	86 382	111 146
Disposal Group liabilities held for sale	300 268	–
Total equity and liabilities	64 181 992	64 269 537

* Other liabilities include post-retirement benefit liabilities, long-term incentive plans, financial liability for put option with non-controlling interest, and deferred revenue and income.

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	% change	Audited 31 March 2026 R'000	Audited 31 March 2025 R'000
Revenue		14 232 201	13 427 268
Net gaming win		9 132 106	9 245 388
Property rental income		808 186	764 124
Income	3.1%	24 172 493	23 436 780
Other operating expenses and income		(18 743 547)	(18 195 260)
EBITDA	3.6%	5 428 946	5 241 520
Depreciation and amortisation		(1 143 204)	(1 133 606)
Investment income		245 803	288 099
Finance costs		(1 187 745)	(1 397 258)
Equity-accounted earnings of associates and joint ventures		523 687	77 439
Gain on bargain purchase		2 378	–
Fair value adjustment on associate on gaining control		23 406	4 547 307
Investment (deficit)/surplus		(61 494)	789 280
Fair value adjustments on investment properties		388 489	310 641
Impairment reversals		793 716	706 362
Asset impairments		(458 596)	(1 839 315)
Fair value adjustments on financial instruments		(14 997)	(25 012)
Impairment of investments		–	(5 951)
Profit before taxation	(39.9%)	4 540 389	7 559 506
Taxation		(1 053 258)	(537 345)
Profit for the year		3 487 131	7 022 161
Attributable to:			
Equity holders of the parent		2 538 489	6 724 053
Non-controlling interest		948 642	298 108
		3 487 131	7 022 161
Earnings per share (cents)			
Basic	(61.4%)	3 212.50	8 313.82
Diluted	(60.9%)	3 195.44	8 171.86

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Audited 31 March 2026 R'000	Audited 31 March 2025 R'000
Profit for the year	3 487 131	7 022 161
Other comprehensive income net of tax:		
Items that will subsequently be reclassified to profit or loss		
Foreign currency translation differences	(932 022)	(192 493)
Foreign currency translation differences reclassified to profit or loss on deemed disposal of equity-accounted investments	-	(842 254)
Cash flow hedge reserves	-	(11 028)
Share of other comprehensive losses of equity-accounted investments	(13 356)	(8 986)
Reclassification of equity-accounted foreign currency translation reserves on dilution of interests in equity-accounted investments	7 236	-
Items that will not subsequently be reclassified to profit or loss		
Revaluation of owner-occupied land and buildings on transfer to investment properties	-	5 405
Actuarial losses on post-employment benefit liabilities	(13 457)	(2 369)
Fair value adjustments on equity instruments designated at fair value through other comprehensive income	(43 352)	(184 444)
Share of other comprehensive income of equity-accounted investments	841	-
Total comprehensive income	2 493 021	5 785 992
Attributable to:	1 918 603	5 585 334
Equity holders of the parent	574 418	200 658
Non-controlling interest	2 493 021	5 785 992

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited 31 March 2026 R'000	Audited 31 March 2025 R'000
Balance at the beginning of the year	38 765 667	28 193 640
Shares repurchased	(801 691)	(46 538)
Total comprehensive income	2 493 021	5 785 992
Equity-settled share-based payments	33 344	31 442
Share of direct equity movements of equity-accounted investments	1 988	(23 961)
Non-controlling interest recognised on acquisition of subsidiaries	75 805	6 166 550
Disposal of subsidiaries	54 828	6 625
Effects of changes in holding *	(538 721)	(2 627)
Financial liability arising from put option over non-controlling interest	(10 276)	-
Extinguishment of borrowings from non-controlling interests	31 749	-
Dividends	(555 846)	(1 345 456)
Balance at the end of the year	39 549 868	38 765 667

* Includes R509 million in respect of a change in the Group's effective holding in Tsogo Sun Limited, primarily attributable to shares repurchased by the subsidiary during the year.

RECONCILIATION OF HEADLINE EARNINGS

	% change	Audited 31 March 2026 Gross R'000	Audited 31 March 2026 Net R'000	Audited 31 March 2025 Gross R'000	Audited 31 March 2025 Net R'000
Earnings attributable to equity holders of the parent	(62.2%)		2 538 489		6 724 053
Gains on disposal of plant and equipment		(6 138)	(4 266)	(9 680)	(4 548)
Impairment of property, plant and equipment		306 968	113 477	231 050	70 896
Write-off of non-current assets held for sale		-	-	1 410	767
Gain on bargain purchase		(2 378)	(2 146)	-	-
Losses on disposal of subsidiaries		58 763	58 763	3 430	1 717
Foreign currency translation reserve recycled on deemed disposal of equity-accounted investments		-	-	(842 254)	(842 254)
Fair value adjustment on associate on gaining control		(23 406)	(21 119)	(4 547 307)	(4 547 307)
Losses/(gains) on changes in holdings of equity-accounted investments		2 020	(4 419)	53 517	56 177
Foreign currency translation reserves recycled on dilution of interests in equity-accounted investments		7 236	7 236	-	-
Net impairment reversals on interests in equity-accounted investments		(793 716)	(729 497)	(700 411)	(643 426)
Impairment of intangible assets		151 628	56 729	1 608 265	585 997
Write-off of intangible assets		2 751	1 083	-	-
Write-off of equity-accounted investments		-	-	1 074	945
Gains on disposal of investment properties		(6 525)	(4 300)	(3 973)	(2 441)
Fair value adjustments on investment properties		(388 489)	(215 232)	(310 641)	(171 501)
Insurance claims for capital assets		(16 160)	(7 059)	(15 077)	(7 381)
Remeasurements included in equity-accounted earnings of associates and joint ventures		(12 448)	(11 445)	(9 682)	(8 901)
Losses/ (gains) on disposal of plant and equipment		1 287	1 183	(340)	(313)
Impairment of property, plant and equipment		39 260	36 092	81 984	75 370
Impairment reversal of interests in equity-accounted investments		-	-	(14 352)	(13 194)
Fair value adjustments on investment properties		(27 974)	(25 718)	(52 880)	(48 614)
Reversal of impairment of assets		(25 021)	(23 002)	(24 094)	(22 150)
Headline earnings	46.5%		1 776 294		1 212 793
Net asset carrying value per share (cents)			33 597		30 318
Headline earnings per share (cents)					
Basic	49.9%		2 247.93		1 499.53
Diluted	51.7%		2 235.99		1 473.93
Weighted average number of shares in issue ('000)					
Basic			79 019		80 878
Diluted			79 441		82 283
Actual number of shares in issue at the end of the year (net of treasury shares) ('000)			75 342		80 546

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited 31 March 2026 R'000	Audited 31 March 2025 R'000
Cash flows from operating activities	3 053 280	1 358 551
Cash generated by operations	5 470 105	5 274 972
Interest income	154 212	162 220
Finance costs	(1 175 311)	(1 375 134)
Changes in working capital	157 772	(438 362)
Taxation paid	(1 004 611)	(924 488)
Dividends paid	(548 887)	(1 340 657)
Cash flows from investing activities	(921 740)	1 132 573
Business combinations and disposals	(44 737)	327 756
Net investments disposed/(acquired)	110 533	(6 385)
Dividends received	206 996	156 435
Loans and receivables repaid	5 848	39
Proceeds from insurance claims for capital assets	16 160	15 077
Government grants received	5 991	23 653
Intangible assets		
- Additions	(117 558)	(87 566)
- Disposals	-	1 748 083
Investment properties		
- Additions	(215 592)	(96 547)
- Disposals	279 325	69 319
Property, plant and equipment		
- Additions	(1 189 728)	(1 092 791)
- Disposals	21 022	75 500
Cash flows from financing activities	(2 567 855)	(1 085 952)
Ordinary shares repurchased	(801 691)	(38 500)
Transactions with non-controlling shareholders	(538 710)	9 004
Principal paid on lease liabilities	(95 242)	(92 370)
Net funding repaid	(1 132 212)	(964 086)
(Decrease)/Increase in cash and cash equivalents	(436 315)	1 405 172
Cash and cash equivalents		
At the beginning of the year	3 075 233	1 605 451
Foreign exchange differences	(99 420)	64 610
At the end of the year	2 539 498	3 075 233
Bank balances and deposits	2 566 036	3 169 309
Bank overdrafts	(151 723)	(94 076)
Cash in disposal groups held for sale	125 185	-
Cash and cash equivalents	2 539 498	3 075 233

SEGMENTAL ANALYSIS

	Revenue 31 March		Net gaming win 31 March	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Media and broadcasting	2 990 723	3 155 470	-	-
Gaming	1 801 540	1 714 675	9 132 106	9 245 388
Transport	2 838 961	3 035 042	-	-
Properties	442 602	327 206	-	-
Coal mining	1 686 105	1 469 603	-	-
Branded products and manufacturing	4 195 230	3 612 488	-	-
Other	277 040	112 784	-	-
Total	14 232 201	13 427 268	9 132 106	9 245 388

	Property rental income 31 March		EBITDA 31 March	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Media and broadcasting	21 135	18 893	539 559	576 161
Gaming	214 714	187 988	3 428 347	3 426 427
Transport	2 014	1 961	673 775	652 530
Properties	418 813	400 692	363 435	328 393
Coal mining	-	-	264 679	115 886
Branded products and manufacturing	132 324	136 742	451 407	365 420
Oil and gas prospecting	-	-	(116 426)	(91 541)
Other	19 186	17 848	(175 830)	(131 756)
Total	808 186	764 124	5 428 946	5 241 520

	Depreciation and amortisation 31 March		Interest income 31 March	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Media and broadcasting	(107 970)	(112 165)	18 171	19 625
Gaming	(712 158)	(710 485)	34 651	52 417
Transport	(121 506)	(119 291)	32 055	33 723
Properties	(12 053)	(10 717)	25 717	21 116
Coal mining	(57 809)	(71 415)	4 182	7 537
Branded products and manufacturing	(115 285)	(103 432)	5 735	3 842
Oil and gas prospecting	(3 191)	(2 371)	28 079	35 878
Other	(13 232)	(3 730)	42 381	39 611
Total	(1 143 204)	(1 133 606)	190 971	213 749

SEGMENTAL ANALYSIS (Continued)

	Finance costs		Equity-accounted earnings/(losses)	
	31 March		31 March	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Media and broadcasting	(36 245)	(53 153)	14 185	10 540
Gaming	(602 659)	(760 633)	6 458	1 745
Hotels	-	-	555 683	461 341
Transport	(63 652)	(34 616)	1 487	4 089
Properties	(175 267)	(197 923)	-	(76)
Coal mining	(3 384)	(4 904)	-	-
Branded products and manufacturing	(92 263)	(112 663)	-	-
Oil and gas prospecting	(225)	(362)	(26 137)	(363 078)
Palladium prospecting	-	-	(25 340)	(21 394)
Other	(214 050)	(233 004)	(2 649)	(15 728)
Total	(1 187 745)	(1 397 258)	523 687	77 439

	Impairment of assets and investments		Profit/(loss) before tax	
	31 March		31 March	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Media and broadcasting	-	-	427 700	441 008
Gaming	(454 320)	(1 836 977)	1 759 520	282 324
Hotels	-	-	1 338 413	1 167 703
Transport	(4 276)	(2 338)	517 883	534 097
Properties	-	-	545 280	404 558
Coal mining	-	-	239 965	80 146
Branded products and manufacturing	-	-	289 785	165 173
Oil and gas prospecting	-	-	(134 225)	4 968 087
Palladium prospecting	-	-	(25 340)	(21 394)
Other	-	(5 951)	(418 592)	(462 196)
Total	(458 596)	(1 845 266)	4 540 389	7 559 506

	Taxation		Headline earnings/(loss)	
	31 March		31 March	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Media and broadcasting	(101 691)	(113 200)	185 840	187 219
Gaming	(516 024)	(123 004)	794 651	747 448
Hotels	-	-	499 409	415 222
Transport	(127 375)	(134 544)	318 575	315 277
Properties	(125 052)	(93 442)	119 926	83 333
Coal mining	(61 036)	(16 199)	178 639	63 756
Branded products and manufacturing	(75 034)	(40 691)	154 114	99 233
Oil and gas prospecting	-	-	(66 375)	(296 532)
Palladium prospecting	-	-	(25 340)	(21 394)
Other	(47 046)	(16 265)	(383 145)	(380 769)
Total	(1 053 258)	(537 345)	1 776 294	1 212 793

	Borrowings (non-current)		Borrowings (current)	
	31 March		31 March	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Media and broadcasting	512 274	485 319	54 496	62 923
Gaming	4 715 986	6 362 757	2 019 256	1 066 326
Transport	580 681	327 968	183 127	95 665
Properties	1 114 286	1 325 700	512 615	480 883
Branded products and manufacturing	349 706	71 373	45 721	630 028
Other	2 743 552	2 702 033	4 525	54 956
Total	10 016 485	11 275 150	2 819 740	2 390 781

	Bank balances and deposits		Bank overdrafts	
	31 March		31 March	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Media and broadcasting	165 831	210 633	-	-
Gaming	470 405	479 294	13 609	28 693
Transport	724 977	537 675	-	-
Properties	175 703	153 152	-	-
Coal mining	46 149	120 575	-	-
Branded products and manufacturing	100 416	103 971	8 976	65 285
Oil and gas prospecting	666 301	891 201	-	-
Other	216 254	672 808	129 138	98
Total	2 566 036	3 169 309	151 723	94 076

SEGMENTAL ANALYSIS (Continued)

The Group's revenue streams per segment are as follows:

	2026		2025	
	Sale of goods R'000	Provision of services R'000	Sale of goods R'000	Provision of services R'000
Revenue recognised at a point in time				
Media and broadcasting				
Revenue from the sale of Openview boxes	167 310	-	164 596	-
Gaming				
Food and beverage revenue	-	684 929	-	675 252
Transport				
Revenue from the sale of vehicles, spares, tyres and retreads	323 974	-	503 757	-
Single-journey bus ticket revenue	-	328 747	-	355 663
Revenue from charter hire services	-	127 185	-	122 739
Revenue from automotive repair services	-	12 107	-	11 915
Revenue from operational contracts with the Department of Transport and the City of Cape Town for the provision of bus services	-	20 509	-	-
Other revenue	-	4 154	-	2 464
Properties				
Convention and exhibition revenue	-	187 226	-	132 154
Development revenue	63 739	-	20 000	-
Coal mining				
Revenue from the sale of coal	1 686 105	-	1 469 603	-
Branded products and manufacturing				
Revenue from the sale of:				
- Toys, electronic games and sports goods	1 548 483	-	994 899	-
- Woven, knitted and non-woven products	900 910	-	928 458	-
- Pressed, roll-formed steel products	1 029 787	-	1 086 314	-
- Stationery, publishing and office supplies	434 328	-	393 472	-
- Speciality chemicals	237 948	-	198 598	-
- Filtration products	28 893	-	-	-
Other				
Food and beverage revenue	-	58 471	-	40 025
Donations	-	2 593	-	42 408
Bottling revenue	108 202	79 169	-	-

The Group’s revenue streams per segment are as follows (continued):

	2026		2025	
	Sale of goods R'000	Provision of services R'000	Sale of goods R'000	Provision of services R'000
Revenue recognised over time				
Media and broadcasting				
Advertising revenue	-	2 267 555	-	2 415 874
Licence fees	-	410 984	-	389 559
Facility income from broadcasting and production services	-	129 158	-	177 580
Content sales	-	15 716	-	7 861
Gaming				
Hotel room revenue	-	602 256	-	535 661
Entrance fees	-	222 231	-	218 026
Tenant recoveries	-	91 857	-	83 820
Cinema revenue	-	40 730	-	46 279
Venue hire revenue	-	31 271	-	29 232
Parking fees	-	28 918	-	29 440
Other revenue*	-	99 348	-	96 965
Transport				
Revenue from operational contracts with the Department of Transport and the City of Cape Town for the provision of bus services	-	1 457 849	-	1 401 941
Multi-journey bus ticket revenue	-	564 436	-	636 563
Properties				
Tenant recoveries	-	180 880	-	165 917
Other revenue	-	10 757	-	9 135
Branded products and manufacturing				
Revenue from the sale of pressed, roll-formed steel products	14 881	-	10 747	-
Other				
Internal audit fees	-	20 743	-	21 685
Tenant recoveries	-	7 085	-	7 778
Other revenue	-	777	-	888
	6 544 560	7 687 641	5 770 444	7 656 824

* *Other gaming revenue recognised over time most significantly includes other hotel and sundry revenue*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the year ended 31 March 2026 have been prepared in accordance with the framework concepts, the recognition and measurement requirements of IFRS® Accounting Standards, the disclosure requirements of IAS 34 Interim Financial Reporting, the SA Financial Reporting Requirements, the requirements of the South African Companies Act, 2008 and the Listings Requirements of the JSE Limited.

As required by the JSE Limited Listings Requirements, the Company reports headline earnings in accordance with Circular 1/2023: Headline Earnings as issued by the South African Institute of Chartered Accountants.

These consolidated financial statements were prepared under the supervision of the financial director, Mr AF Pereira CA(SA).

These summarised annual financial statements are extracted from audited information but are not themselves audited. Forvis Mazars, the group's independent auditor, has audited the underlying annual financial statements (AFS) for the year ended 31 March 2026 and has expressed an unqualified audit opinion thereon, which is available on the website at www.hci.co.za. The auditor's report does not necessarily report on all of the information contained in this summarised report, shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information. The directors take full responsibility for the preparation of the summarised annual financial statements and related notes and that the financial information has been accurately extracted from the underlying audited AFS.

The accounting policies and methods of computation applied by the Group in the preparation of these summarised consolidated financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 31 March 2025.

GOING CONCERN

The Company's central borrowings are subject to the following covenants:

- combined Tsogo Sun Limited (TSG) and Southern Sun Limited (SSU) investment cover ratio of no less than 2.25;
- total investment cover ratio of no less than 3; and
- debt service cover ratio in respect of holding company income of no less than 2.

The Company is currently in compliance with these debt covenants in respect of central borrowings.

Gaming and Hotel operations, as well as all other major subsidiaries and associates of the Group, were in compliance with their debt covenants as at the reporting date.

The Company has assessed its cash flow forecasts and borrowings profiles and is of the view that the Group has sufficient liquidity to meet its obligations as currently foreseen for the foreseeable future.

FAIR VALUE MEASUREMENT

Investment properties

Gaming

Fair value gains in respect of investment properties relating to gaming operations amounted to R5 million in the current year (2025: R40 million). The fair values were determined by an independent valuer using the income capitalisation method and comparable sales for vacant land. The significant unobservable inputs used in the current year were as follows:

- projected average rental income of R153/sqm over a lettable area of 51 249 sqm;
- capitalisation rate of 9.25% – 10.7%; and
- vacancy rate of 0% – 10%.

Properties

Fair value gains in respect of investment properties of property operations amounted to R343 million in the current year (2025: R264 million). R316 million of the fair value gains represent the adjustment of the carrying value to the selling price less cost to sell and the remaining R27 million were determined by independent valuers by applying the discounted cash flow method. The significant unobservable inputs were as follows:

- net income growth rate of 4.5% – 9.2%;
- terminal capitalisation rate of 8.5% – 11.3%; and
- risk-adjusted pre-tax discount rate of 13.0% – 15.5%.

Branded products and manufacturing

Fair value gains on investment properties relating to branded products and manufacturing amounted to R33 million in the current year (2025: R8 million). The fair values are determined by independent valuers using the income capitalisation method. The significant unobservable inputs were as follows:

- capitalisation rate of 9% – 10.5%; and
- vacancy rate of 0% – 12%.

Rental income and operating expenses were determined based on contractual and budgeted amounts for individual properties.

Financial assets at fair value through other comprehensive income

Gaming

The Group has a 20% equity interest in each of SunWest International Proprietary Limited (SunWest) and Worcester Casino Proprietary Limited (Worcester). The Group has pre-emptive rights but no representation on the board of directors of either company and has no operational responsibilities or access to any information regarding the companies except for that to which it has statutory rights as a shareholder. These investments are classified as level 3 fair value measurements and have been accounted for as financial assets at fair value through other comprehensive income.

The asset has been remeasured to R511 million at 31 March 2026, a R42 million decrease (2025: R171 million decrease). A discounted cash flow valuation was used to estimate the fair value. Subdued forecast growth in gaming win is the main driver of the decrease in fair value.

The significant unobservable inputs used in the fair value measurement of the investment in SunWest and Worcester at 31 March 2025 are shown below (these entities have a 31 December year-end):

- income increases by 2% in the 2026 financial year and between 3% and 4% thereafter (2025: 4.1% in 2025 and 4% thereafter);
- operating expenditure increases by 4.0% in the 2026 financial year and thereafter (2025: 4.5% in 2025 and thereafter);
- risk-adjusted discount rate of 13.5% post-tax (2025: 14.5%); and
- long-term growth rate of 4.0% (2025: 4.5%).

An increase or decrease of 1% in long-term growth rate would have resulted in an increase of R49 million or decrease of R40 million, respectively, in the valuation. An increase or decrease of 1% in discount rate would have resulted in a decrease of R53 million or increase of R65 million, respectively, in the valuation.

Changes to the carrying value of Sunwest and Worcester consisted only of fair value adjustments in the current and prior year.

Listed equity instruments valued at R66 million at year-end are classified as level 1 financial instruments and comprise the Group's investment in City Lodge Hotels Limited (CLH), a company listed on the Johannesburg Stock Exchange (JSE). The fair value of these shares was determined with reference to its quoted price at 31 March 2025, resulting in a fair value gain totalling R8 million being recognised in other comprehensive income. This investment was classified as held for sale at the reporting date.

Branded products and manufacturing

Branded products and manufacturing operations carry financial assets at fair value through other comprehensive income in the amount of R42 million, R24 million of which have been designated as level 1 fair value measurements. The fair value of these is determined with reference to the quoted price on the JSE, resulting in a gain of R5 million being recognised in the current year. Investments in the amount of R18 million have been designated as level 3 fair value measurements, the fair value of which has been determined with reference to the most recent subscription prices paid by third-party investors, which are considered to represent the best available evidence of fair value at the reporting date. A fair value loss of R9 million was recognised on these investments in the current year.

Financial assets at fair value through profit or loss

Oil and gas prospecting

At the reporting date the Group accounted for its investment in Main Street 1549 by way of R647 million as a financial asset and R0.1 million as an investment in associate. In accordance with an agreement entered into during August 2020, Africa Energy Corp. (AEC) fund 100% of Main Street 1549's funding requirements related to the Block 11B/12B gas prospect, offshore Mossel Bay, by way of Class B share subscriptions, which provide a risk-adjusted return linked to the proceeds on any future sale of Main Street 1549 or its interest in Block 11B/12B.

The Main Street 1549 shareholders' agreement provides priority dividend distribution entitlement by class of share. Shares that have priority distribution entitlements do not meet the definition of a financial instrument held at amortised cost, and therefore the majority of the investment in Main Street 1549 was recorded as a financial instrument at fair value through profit or loss. In order to value the financial asset, the Group estimated the priority dividend distributions to be received as this represents fair value of future cash flows to be received by AEC. The total proceeds estimated to be received by Main Street 1549, to be distributed to its shareholders, were based on a discounted future cash flow model of the Company's Block 11B/12B interest. A loss on revaluation of the financial asset of R16 million was recognised during the year. The following significant unobservable inputs were applied in assessing the fair value of the financial asset at 31 March 2026:

- pre-tax discount rate of 22.9% (2025: 22.9%);
- base gas price of $8.45/mmbtu ($8.45/mmbtu); and
- base Brent oil price of $70.30/bbl (2025: $70.00/bbl).

Mining and other

Certain subsidiaries held a total of R386 million surplus cash in yield-enhancing unit trust funds, classified as level 2 financial instruments, as at year-end. Fair value gains of R34 million were recognised on these investments in profit and loss during the current year. The underlying investments of these unit trust funds consist significantly of interestbearing instruments which are measured at fair value by independent investment managers.

Other

The Group held shares in Montauk Renewables Inc. (MKR) to the value of R34 million as at the reporting date. This investment is classified as a level 1 financial instrument. Fair value losses of R33 million were recognised on these investments in profit and loss during the current year. These shares are valued with reference to their quoted price on Nasdaq and the JSE.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IMPAIRMENTS AND IMPAIRMENT REVERSALS

Gaming

Goodwill and casino licences

Casino licences are allocated and monitored on a casino precinct basis as these are the cash-generating units (CGUs) to which they relate. Goodwill relating to the Group's gaming operations has been allocated to the TSG Group as a whole as the CGU to which it relates.

The recoverable amount of a CGU is determined based on the higher of the fair value less cost of disposal and value in use. These calculations use management-approved cash flow projections based on five-year forecasts.

Impairments of R138 million were recognised in respect of casino licences. Discounted cash flow valuations were utilised for this purpose.

Slow economic growth and high unemployment, coupled with the increased popularity of online gaming, have resulted in pressure on land-based casinos' share of consumer spend. Slower forecast growth has therefore impacted valuations of the casino licences and, whilst the effect of that was partially off-set by lower discount rates, the Group consequently recognised the following impairments, per casino precinct:

	R'million
The Ridge	107
Emnotweni	3
Blackrock	28
Total	138

In addition to the above, property, plant and equipment in respect of The Ridge (R64 million), Emnotweni (R90 million), Goldfields (R1 million), Blackrock (R61 million) and Caledon Precincts (R42 million) were impaired following the impairment assessment.

The significant unobservable inputs used in the testing of the Group's casino licences for impairment at 31 March 2026 are shown below:

- expected gaming win and other income fluctuates between an increase of 1.1% and 5.4% in the 2027 financial year, thereafter increases by an average of 2.7% to 3.8% over the following years (2025: between 1.8% and 10.6% in 2026, average of 4.3% thereafter);
- operating expenditure fluctuates between an increase of 2.3% and 5.8% in the 2027 financial year, thereafter increases on average by between 3.7% and 4.2% over the following years (2025: between 0.2% and 8.7% in 2026, 4.5% thereafter);
- risk-adjusted pre-tax discount rate of 16.9% to 18.9% (2025: 18.1% to 20.3%); and
- long-term growth rate of 4.0% (2025: 4.5%).

Hotels

Investments in associates and joint ventures

Due to improved trading the Group assessed the carrying value of its interest in SSU for a possible impairment reversal.

A discounted cash flow calculation, utilising the most recent forecasts produced by management, was performed to determine value in use. An impairment reversal of R783 million was consequently recognised, reversing all prior-year impairments recognised.

The significant unobservable inputs used in the discounted cash flow calculation were as follows:

- expected revenue increases by between 5.2% and 6.0% between 2027 and 2031 (2025: between 1.7% and 6.8% from 2026 to 2030);
- operating expenditure increases on average by 4.8% between 2027 and 2031 (2025: average of 5.4% between 2026 and 2030);
- risk-adjusted discount rate of 15.2% pre-tax (2025: 18.0%); and
- long-term growth rate of 4.5% (2025: 4.5%).

DISPOSAL GROUPS HELD FOR SALE

Branded products and manufacturing

During the current year properties of R296 million have been transferred to assets held for sale and properties in an amount of R273 million were disposed of. Investment properties of R117 million remain classified as disposal group assets held for sale at the reporting date.

Properties

As announced on the JSE Stock Exchange News Service (SENS) on 4 July 2025, the Group entered into agreements to sell its wholly-owned subsidiaries which own Gallagher Estate, Solly Sachs House, Rand Daily Mail House and an office building in Umhlanga to the Southern African Textile and Workers Union (SACTWU). As at the reporting date certain conditions precedent to this transaction remained outstanding. The assets of R779 million and liabilities of R296 million of these entities are consequently classified as disposal groups held for sale. This transaction remained subject to certain conditions precedent at the reporting date.

Following agreements entered into for the disposal of the Group's interests therein, The Point Centre, Whalecoast Village Mall, Kalahari Village Mall and the Blue Hills Centre investment properties, totalling a carrying value of R2 638 million, have been classified as held for sale at the reporting date. These transactions remained subject to a number of conditions precedent at the reporting date.

Gaming

The gaming operations' board of directors authorised the disposal of all the CLH shares owned by the Group by way of sale on the JSE. The Group's intention is to sell its remaining holding in CLH of R66 million within the next 12 months and therefore the asset has been reclassified from non-current other financial assets to assets classified as held for sale. This investment has been valued at fair value less costs to sell. Fair value is its market price as listed on the JSE at the reporting date. During the year the Group sold 53 million CLH shares on the JSE for a total consideration of R215 million.

During the year the gaming operations' board of directors also committed to a plan to dispose of the Group's interest in Goldfields Casino and Entertainment Centre Proprietary Limited. As at 31 March 2026 the disposal met the criteria for classification as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The disposal group, consisting of assets of R86 million and liabilities of R4 million, was measured at fair value less cost to sell. The sale transaction was still in progress at year-end pending certain conditions precedent.

BUSINESS COMBINATIONS AND DISPOSALS

Acquisitions

Branded products and manufacturing

On 1 January 2026 the Group acquired an 80% shareholding in Dawning Manufacturing KZN Proprietary Limited. The business operates as Dawning Filters, a group of industrial and process filtration companies specialising in filtration hardware and consumables for liquid, dust and air filtration applications.

As part of the acquisition the vendors hold an option to sell their remaining 20% shareholding to the Group during a six-month period commencing 48 months after the transaction closing date, with the exercise price calculated at six times the average profit after tax for the preceding three financial years. The option constitutes a financial liability and is recognised at the present value of the estimated redemption amount. The option was valued at R10 million on acquisition date.

The acquired business contributed revenue of R29 million and profit after tax of R2 million to the Group from the date of acquisition to 31 March 2026. Had the acquisition been effective on 1 April 2025, the contribution to revenue would have been R131 million and profit after tax R17 million.

The net assets acquired, for which the purchase price allocation has been finalised, were as follows:

	R'million
Non-current assets	
Intangible assets	(31)
Other non-current assets	(8)
Current assets	(68)
Non-current liabilities	11
Current liabilities	23
Net assets acquired	(73)
Non-controlling interests	15
Goodwill on acquisition	(24)
Cash and cash equivalents acquired	19
Net cash outflow	(63)

Other

The Company, through its subsidiary, La Concorde South Africa Proprietary Limited, acquired additional shares in its associate investment, Paarl-Vallei Botteleringsmaatskappy Proprietary Limited (PBM), for R5.9 million, resulting in a shareholding of 52.7%. The effective date of acquisition was 23 June 2025 and a gain on bargain purchase of R2 million was recognised. The acquired business contributed revenue of R187 million and profit after tax of R7 million to the Group from the date of acquisition to 31 March 2026. Had the acquisition been effective on 1 April 2025, the contribution to revenue would have been R237 million and profit after tax R7 million. Note that PBM had been carried as an investment in associate prior to acquisition and that the Group's share of profit after tax has effectively been included in the current year's results.

The net assets acquired, for which the purchase price allocation has been finalised, were as follows:

	R'million
Non-current assets	
Property, plant and equipment	(151)
Current assets	(85)
Non-current liabilities	
Borrowings	32
Deferred taxation	28
Current liabilities	47
Net assets acquired	(129)
Non-controlling interests	61
Fair value of investment in associate on date of gaining control	60
Gain on bargain purchase	2
Cash and cash equivalents acquired	28
Net cash inflow	22

Disposal

Other

The Group's 75% interest in Gripp Advisory, its internal audit division, was sold to its management for a nominal consideration on 31 March 2026. A loss on disposal of R59 million was recognised in this regard.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

RESULTS

GROUP CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND SEGMENTAL ANALYSIS

Income increased by 3% to R24 172 million

EBITDA increased by 4% to R5 429 million

Profit before tax R4 540 million

Headline earnings R1 776 million

Headline earnings per share 2 248 cents

Media and broadcasting

The impact of load shedding on the television and radio advertising markets in recent years subsided in the current year, but has been replaced by that of political instability locally in the early part of the year and generally abroad. In addition, it appears that an outdated, and therefore inaccurate, television audience rating panel has contributed to the persistent decline in the television advertising market, recorded at 9% during the current year. The Group's television and radio advertising revenue decreased by 7%, while its leading prime time television market share ended on 32% as at the reporting date. The etv channel maintained its position at above 20% of prime time market share. The Group's licence fee revenue increased by 6%, while property and facility revenue decreased by 27%, with Media Film Services particularly badly hit by uncertainty relating to filming rebates and incentives offered to international productions. Active set top boxes have increased to 3 828 000 during the year. Programming costs were well controlled in light of reduced advertising revenue, while increased legal costs and a once-off transmitter cancellation fee in the prior year have not recurred, resulting in EBITDA decreasing by only 6% in the current year. Profit before tax and headline earnings reductions were positively impacted by lower depreciation and amortisation and finance costs.

Gaming

Casino revenue and net gaming win, together with rental income, remained stable. The shift from land-based gambling to online products continue; however, trading during the current year has been encouraging during certain months and suggests this trend may be slowing down. While still modest, net gaming revenue of online betting operations increased by 24% to R313 million. Limited payout machine income increased by 3%; however, Bingo operations' trading remains disappointing. EBITDA remained static at R3 428 million, with a normalised EBITDA margin of 31% also stable compared to the prior year. Costs remained stagnant and were managed well to limit the impact of stagnant overall revenue throughout the gaming operations. Casino EBITDA decreased by 3% and that of Vukani increased by 3%. Galaxy Bingo and online betting operations combined increased EBITDA by 117%. Profit before tax of R1 760 million includes impairments of R454 million (2025: R1 837 million). Headline earnings of R795 million is 6% higher than the prior year, assisted by a R158 million reduction in finance costs.

Hotels

Hotel operations as a whole traded well compared to the prior year. The performance was driven mainly by domestic operations in Gauteng and the Western Cape, marginally off-set by the temporary closure of the Paradise Sun in Seychelles and subdued trading in Mozambique and Tanzania. Revenue, including rental income, increased by 9% to R7 190 million, following increases in rooms (8%) and food and beverage (9%) revenue and rental income (8%). Internally managed rooms sold increased by 4%, with average occupancy levels for these 62.9% in the current year, compared to 60.8%. The average room rate achieved increased by 4%. Operating expenses, particularly for information technology, utilities and channel facilities increased ahead of revenue growth, but were off-set by well-contained employee costs. Headline profit of R499 million was recognised by the Group in relation to hotel operations during the current year, representing an increase of 20%.

Net borrowings have decreased by R352 million from net debt of R266 million at 31 March 2025 to a net cash position of R86 million at the reporting date.

Transport

Total transport revenue decreased by 7%. Passenger transport revenue decreased by 1% as a result of the recommissioning of Metrorail lines in Cape Town, as well as roadworks and associated congestion on important routes. Vehicle and spares sales decreased by 35% to R335 million following the delay of certain key fleet contracts in the Alpine Truck division. EBITDA increased by 3% following savings on fuel and spares and consumables costs and the containment of staff costs. Additional finance costs were incurred upon the acquisition of 100 new electric buses during the year, resulting in a moderate decrease of 3% in profit before tax and 1% increase in headline earnings.

Properties

The increase in revenue of 35% included R64 million in development revenue recognised in the current year on the sale of residential property in Steenberg (2025: R20 million). Convention and exhibition revenue increased by R30 million.

Remaining revenue consisted significantly of tenant recoveries. Rental income increased by 5%, despite rental income lost due to the sale of the Monte Precinct properties in the prior year and the refurbishment of Lynnridge shopping centre during the current year. EBITDA increased by 11% following the increases in revenue and rental income. Profit before tax in the current year includes R343 million in positive fair value adjustments on investment properties (2025: R264 million). Finance costs savings of R23 million further led to a 44% increase in headline earnings.

Coal mining

Revenue increased by 15% at the Palesa Colliery. Following the finalisation of a new eight-year off-take agreement with Eskom in April, sales volumes increased steadily, with satisfactory results during the second and third quarters. This progress was halted in the last quarter due to a transporter-related fatality at the Kusile power plant and reduced off-take requirements from Eskom as a result of electricity oversupply. Sales volumes increased by 11% to 2 401 000 tons. Assisted by improved processing yield, EBITDA increased by 128% and EBITDA margins (excluding transport revenue) increased from 8% to 19% in the current year. Reduced depreciation of the Rooipoort box cut and proportionately lower royalty tax resulted in further increases in profit before tax and headline earnings.

Branded products and manufacturing

Revenue in respect of branded products and manufacturing increased by 16% with property rental income similar to the prior year following the ongoing sale of investment properties in the current and prior year. 27% of the portfolio GLA was sold during the latter part of the current year. Automotive parts manufacturing revenue declined by 8% due significantly to a vehicle model switch-over by a client. Following a period of negligible load shedding and favourable exchange rate movements, industrial products performed well with a 5% increase in revenue and the branded products division had an exceptional year with a 43% increase in toys and electronics sales following the launch of new digital code products. EBITDA increased by 24% to R451 million as a result. The additional EBITDA was enhanced by savings to finance costs of R20 million and the recognition of R33 million in upward fair value adjustments on investment properties, resulting in profit before tax growth of 75%. Headline earnings growth of 55% excludes the fair value adjustment on investment properties.

Oil and gas prospecting

EBITDA losses of R116 million consist of general and administrative costs of IOG and AEC (acquired 31 March 2025), whereas the prior-year losses of R92 million consisted of those of IOG only. Profit before tax of R4 968 million in the prior year included R5 389 million in non-recurring items recognised on the acquisitions of IOG and AEC. Current-year headline losses of R66 million include the Group's share of a R16 million downward adjustment on AEC's investment in Main Street 1549.

Palladium prospecting

Equity losses of R25 million were recognised in respect of Platinum Group Metals (PGM) in the current year, were in line with prior-year losses and contained no significant headline earnings adjusting items. Losses consisted significantly of general and administrative costs and share-based payment expenses, with only interest-related income recognised.

Other

Revenue and EBITDA losses include revenue of R187 million and EBITDA of R16 million of PBM from July 2025. Donation revenue of R38 million of the HCI Foundation recognised in the prior year did not recur in the current year. Further losses increased mainly as a result of inflationary cost pressures. Included in losses before tax is a downward R33 million fair value adjustment on the Group's interest in MKR, loss on disposal of Gripp Advisory of R59 million, losses on changes in holdings of equity-accounted investments of R9 million and head office finance costs of R203 million. Included in the current year's headline loss is R203 million head office finance costs, the effective downward R16 million fair value adjustment on the MKR interest and the remainder being head office and other overheads of the Company, the Group's internal audit function and La Concorde Holdings, including the result of PBM.

Notable items on the consolidated statement of profit or loss include:

Refer to the segmental analysis for commentary on variances in income.

R47 million in dividends was received from the Group's interest in Sunwest and Worcester in the current year (2025: R65 million) and R18 million less interest by Tsogo Sun than in the prior year.

Finance costs reduced by 15% following lower borrowings levels at Tsogo Sun, Deneb Investments (Deneb) and the properties division and lower interest rates. Frontier Transport Holdings (Frontier) incurred increased finance costs following the purchase of its electric bus fleet.

Earnings from associates and joint ventures include profits of R556 million in respect of SSU. Equity losses include R26 million recognised in respect of AEC's equity-accounted interest in Main Street 1549 and R25 million in respect of PGM.

Investment deficits of R61 million include net losses on changes in holdings of equity-accounted investments of R9 million and the abovementioned loss on disposal of Gripp Advisory of R59 million.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The fair value adjustment on associate on the gaining of control of R23 million relates to the acquisition of PBM.

R5 million in fair value gains on investment properties were recognised by the Group's gaming operations, R33 million by branded products and manufacturing and R343 million by the Group's properties division.

Impairment reversals of R794 million relate significantly to the Group's investment in associate in SSU.

Impairments totalling R138 million were recognised in respect of gaming operations' casino licences and R258 million in respect of related property, plant and equipment following the impairment assessment detailed above. A further R55 million in property, plant and equipment and minor intangible assets were impaired in respect of various gaming sites.

A fair value loss of R33 million was recognised on the Group's interest in MKR, of which R17 million relates to the HCI Foundation and which is not included in headline earnings. A further loss of R16 million was recognised in respect of the interest in Main Street 1549. Gains of R34 million were recognised in respect of income yield unit trust funds.

Headline earnings as reported increased by 47% compared to the prior year and by 22% excluding the impact of fair value adjustments on financial instruments recognised by AEC in the current and prior years.

GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Investment properties of R3 159 million were reclassified as held for sale at the reporting date following the agreements concluded by the properties division, as detailed above.

Goodwill and mineral intangible assets decreased in the current year predominantly due to foreign exchange fluctuations affecting balances relating to IOG and AEC.

Investments in associates and joint ventures increased by R783 million as a result of the reversal of impairment of investment in SSU with the remainder of the increase a result of equity-accounted earnings of SSU.

Mineral intangible assets consist significantly of oil and gas exploration and evaluation assets, of which R11 410 million relates to Blocks 2912 and 2913B offshore Namibia. The development of the Venus discovery in Block 2913B remains subject to the operator's final investment decision, which had not yet been announced as at the reporting date. Based on available information, the final investment decision is expected in the second half of 2026.

Group non-current borrowings at the reporting date comprise significantly central head office borrowings of R2 606 million (March 2025: R2 606 million), central investment property-related borrowings of R1 114 million (March 2025: R1 326 million), borrowings in TSG of R4 716 million (March 2025: R6 363 million), R350 million (March 2025: R71 million) in Deneb, R581 million (2025: R328 million) in Frontier and R512 million in eMedia Holdings (eMedia) (March 2025: R485 million). Rnil (March 2025: R55 million) in current borrowings relates to central head office borrowings, R2 019 million (March 2025: R1 066 million) to TSG, R513 million (March 2025: R481 million) to central investment properties, R46 million (2025: R630 million) to Deneb and R183 million (March 2025: R96 million) to Frontier. R129 million of overdraft facilities were drawn at head office at the reporting date.

Cash flows from investing activities include R215 million realised by TSG upon the sale of CLH shares and a further R88 million withdrawn from unit trust funds by subsidiaries. This was partially off-set by eMedia's investment of R119 million for a 30% interest in a VFX technology service provider. R207 million in dividends were received from SSU, Sunwest and Worcester. R1 190 million was invested in property, plant and equipment, of which R689 million by TSG, R76 million by HCI Resources, R77 million by Frontier, R226 million by eMedia and R81 million by Deneb. Net funding of R662 million was repaid by TSG, R134 million by Frontier and R310 million by Deneb.

TSG repurchased 62 million shares to the value R438 million during the current year.

The Group repurchased 6 008 871 ordinary shares during the year at a total cost of R802 million.

Shareholders are referred to the individually published results of eMedia Holdings Limited, Tsogo Sun Limited, Southern Sun Limited, Deneb Investments Limited, Frontier Transport Holdings Limited, Platinum Group Metals Limited and Africa Energy Corp. for further commentary on the media and broadcasting, gaming, hotels, branded products and manufacturing, transport, palladium prospecting, and oil and gas prospecting operations.

For and on behalf of the board of directors

JA Copelyn
Chief Executive Officer

AF Pereira
Financial Director

SHAREHOLDERS' DIARY

Financial year-end	31 March 2026
Annual general meeting	1 September 2026
Reports	
- Condensed annual report	May 2026
- Annual financial statements	July 2026
- Interim report	November 2026

CORPORATE ADMINISTRATION

COMPANY REGISTRATION NUMBER	1973/007111/06
SHARE CODE:	HCI ISIN: ZAE000003257
REGISTERED OFFICE:	Suite 801, 76 Regent Road, Sea Point, Cape Town 8005 PO Box 5251, Cape Town, 8000 Telephone: 021 481 7560
WEBSITE ADDRESS:	www.hci.co.za
COMPANY SECRETARY:	HCI Managerial Services Proprietary Limited
DIRECTORS:	*Executive Directors* John Anthony Copelyn (Chief Executive Officer) Theventheran Govindsamy Govender (Kevin) Antonio Francisco Pereira (Financial Director) (Cisco) Yunis Shaik *Independent Non-Executive Directors* Mohamed Haroun Ahmed Mimi Freddie Magugu Velaphi Elias Mphande (Chairperson) Jabulani Geffrey Ngcobo Rachel Doreen Watson *Non-Executive Directors* Laurelle McDonald Adhika Singh
AUDITOR:	Forvis Mazars, Grand Moorings Precinct, Century City, 7441 PO Box 134, Century City, 7446
BANKERS:	First National Bank of Southern Africa Limited
TRANSFER SECRETARIES:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 South Africa Private Bag X9000, Saxonwold, 2132
SPONSOR:	Investec Bank Limited 100 Grayston Drive, Sandton, Sandown, 2196

Hosken Consolidated Investments Limited

INTEGRATED ANNUAL REPORT

2026