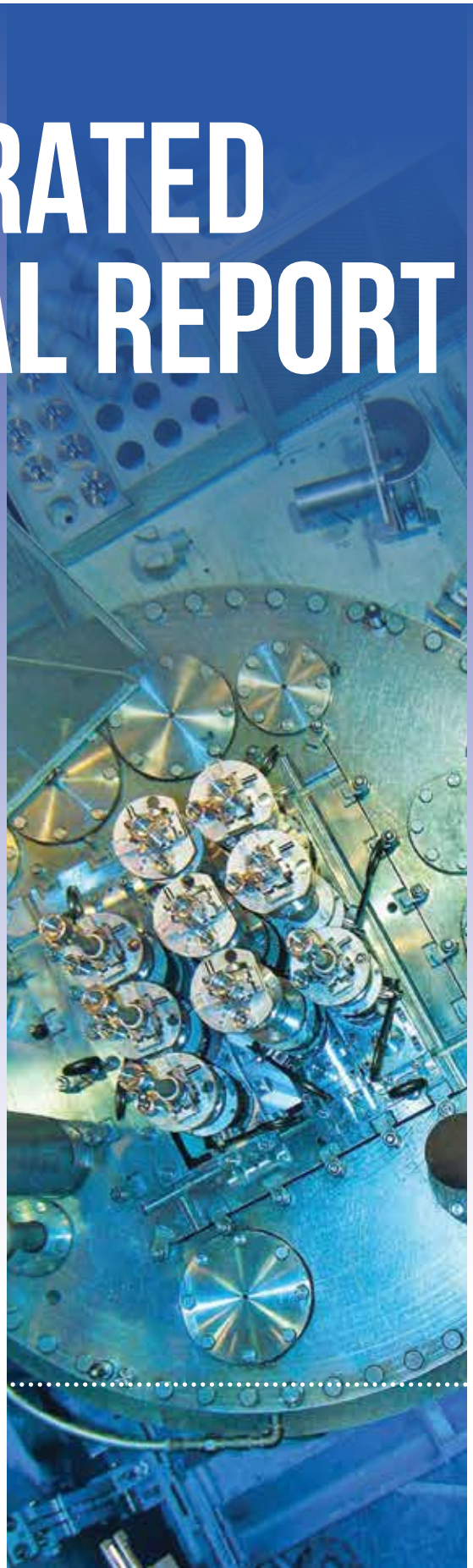
2024/25

necsa
We're in your world

INTEGRATED ANNUAL REPORT



South African
Nuclear Energy Corporation Ltd

necsa
We're in your world

South African Nuclear Energy Corporation SOC Limited

South African Nuclear Energy Corporation (Necsa)

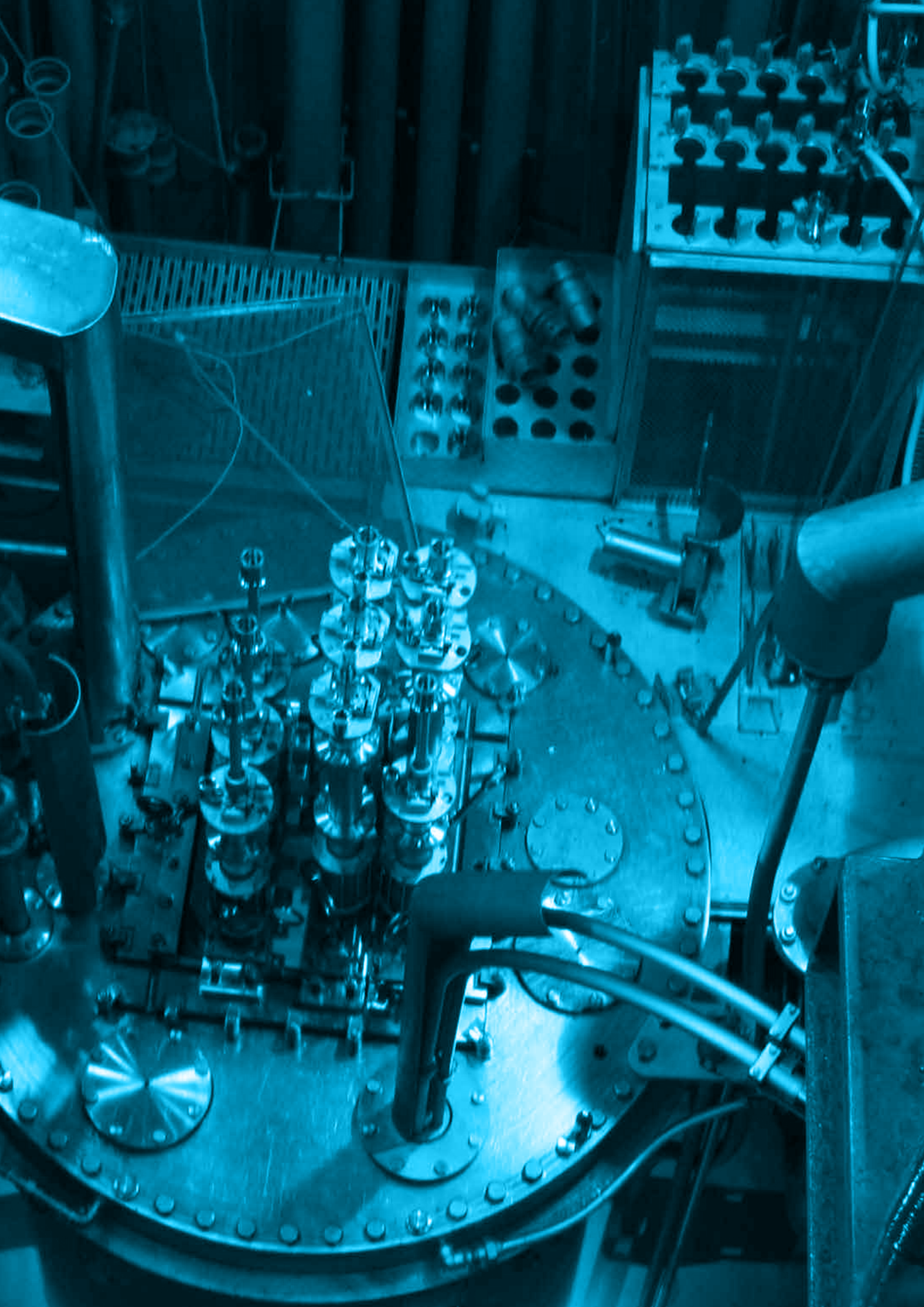
INTEGRATED ANNUAL REPORT

2024/25

TABLE OF CONTENTS

PART C: PERFORMANCE 37

PART D: FINANCIAL INFORMATION 98



PART A: GENERAL INFORMATION

About this Report

This Integrated Annual Report outlines the financial performance and key information of the South African Nuclear Energy Corporation (Necsa) for the 2024/25 financial year (FY). It serves as a legislative accounting and governance tool, transparently showcasing achievements against predetermined objectives and compliance with financial and governance regulations, in alignment with Necsa's founding mandate.

This report reflects the transition to Integrated Reporting, as guided by the National Treasury Guidelines, the Public Finance Management Act (PFMA), the Integrated Reporting <IR> Framework (IRF), the Global Reporting Initiative (GRI) 2021 in terms of its stakeholder universe, the King IV Report on Corporate Governance for South Africa, 2016 (King IV™), the International Financial Reporting Standards (IFRS), and the founding Nuclear Energy Act 46 of 1999, Section 23(2)(c).

The Group CEO of Necsa presents the Integrated Annual Report for the financial year 2024/25 in compliance with the Nuclear Energy Act that requires the chief executive officer to "compile a report on the activities of the corporation for each financial year and submit to the Board for approval".

The Necsa Board has a fiduciary duty to ensure that the Integrated Annual Report provides an accurate, complete, and holistic representation of the organisation, including its financial performance, corporate governance, risk management, and sustainability. It oversees an entity that is ethically driven, with integrity and a commitment to competence, conducted in a transparent and fair manner. This duty is fulfilled through the governing body (the Board) reporting to the Shareholder and all stakeholders in an honest and transparent manner, sharing a holistic narrative of the business.

PROCESS DISCLOSURES

Integrated Annual Report (IAR) Committee role

The committee provides a strategic oversight, ensuring the content included in the report is a true reflection of what Necsa is about. They are involved in the coordination of the information and defining objectives and key messages of the Integrated Annual Report. They are responsible for reviewing draft versions. The committee ensures consistency in tone, data and presentation throughout the report. They also maintain balance between transparency and protecting sensitive information. In overall the IAR committee ensures that the final report is credible, investor friendly, and aligned with stakeholder expectations.

The content of the report is gathered from different internal streams, discussed and refined by the IAR committee then packaged accordingly to be presented to the Executive Committee (EXCO). After the EXCO has reviewed the content and made inputs, the report goes to the Audit and Risk Board Committee for recommendation for Board Approval and ultimately gets approved by the Board.

1. Organisational Overview

Necsa was established as a public company under the Republic of South Africa Nuclear Energy Act 46 of 1999 and is wholly owned by the State.

Necsa is responsible for research and development in the field of nuclear energy and radiation sciences, processing source material, including uranium enrichment, and cooperating with other institutions, both locally and internationally, on nuclear and related matters to promote socio-economic development in South Africa. The organisation also executes institutional responsibilities on behalf of the government.

The Necsa Group holds two primary, 100%-owned subsidiaries: NTP Radioisotopes SOC Ltd and Pelchem SOC Ltd.

Vision:

To be a global nuclear and related technology leader, positively touching people's lives socio-economically.

Mission:

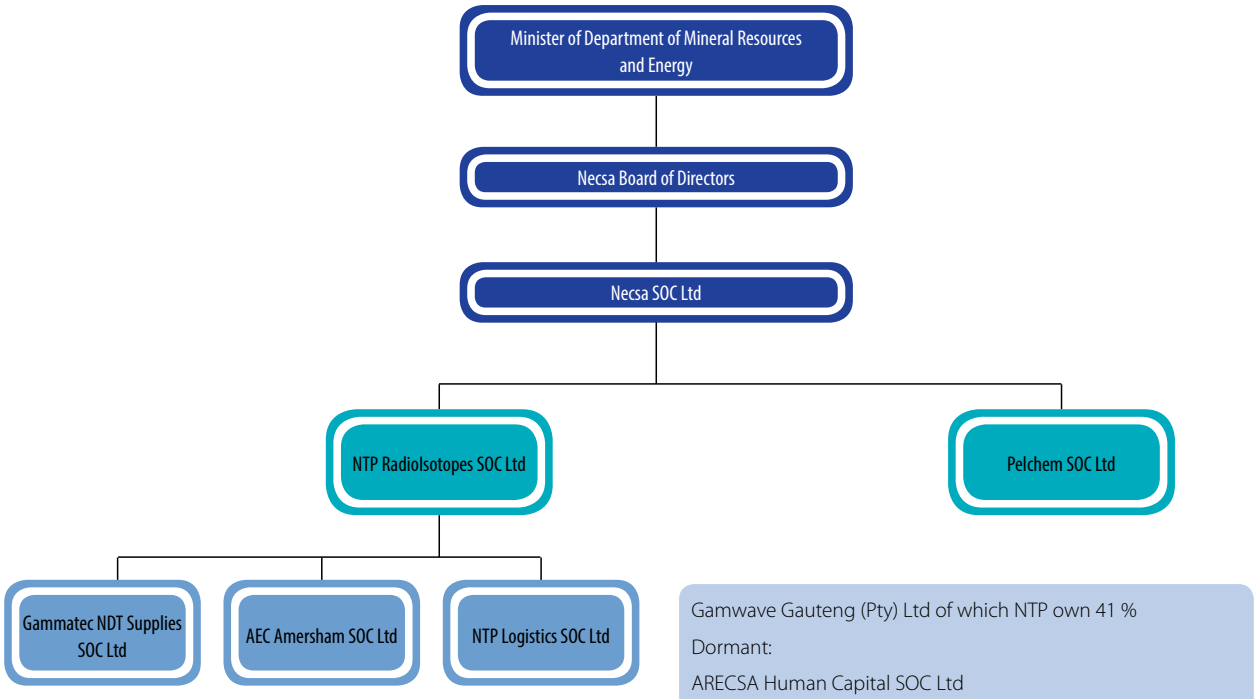
To develop and safely utilise nuclear, radiation and related technologies to make a socio-economic impact in diverse global markets through commercial and non-commercial technologies, in an environmentally responsible manner.

Values:

(EASII)

- **Excellence**
- **Accountability**
- **Safety First**
- **Integrity**
- **Innovation**

1.1 Governance Structure



Gamwave Gauteng (Pty) Ltd of which NTP own 41 %

Dormant:

ARECSA Human Capital SOC Ltd

Cyclofil SOC Ltd was deregistered during the year under review

Fluoro Pack SOC Ltd

Fluorochem SOC Ltd

Limited Electronics South Africa SOC Ltd

Ketlaphela Pharmaceutical SOC Ltd

1.2 Mandate

Necsa is listed as a major public entity in the Public Finance Management Act (PFMA), Act 1 of 1999, Schedule 2. The company's legislative mandate, in terms of Section 13 of the Nuclear Energy Act (Act 46 of 1999), is to:

Nuclear Energy Act (NEA, Act No. 46 of 1999)

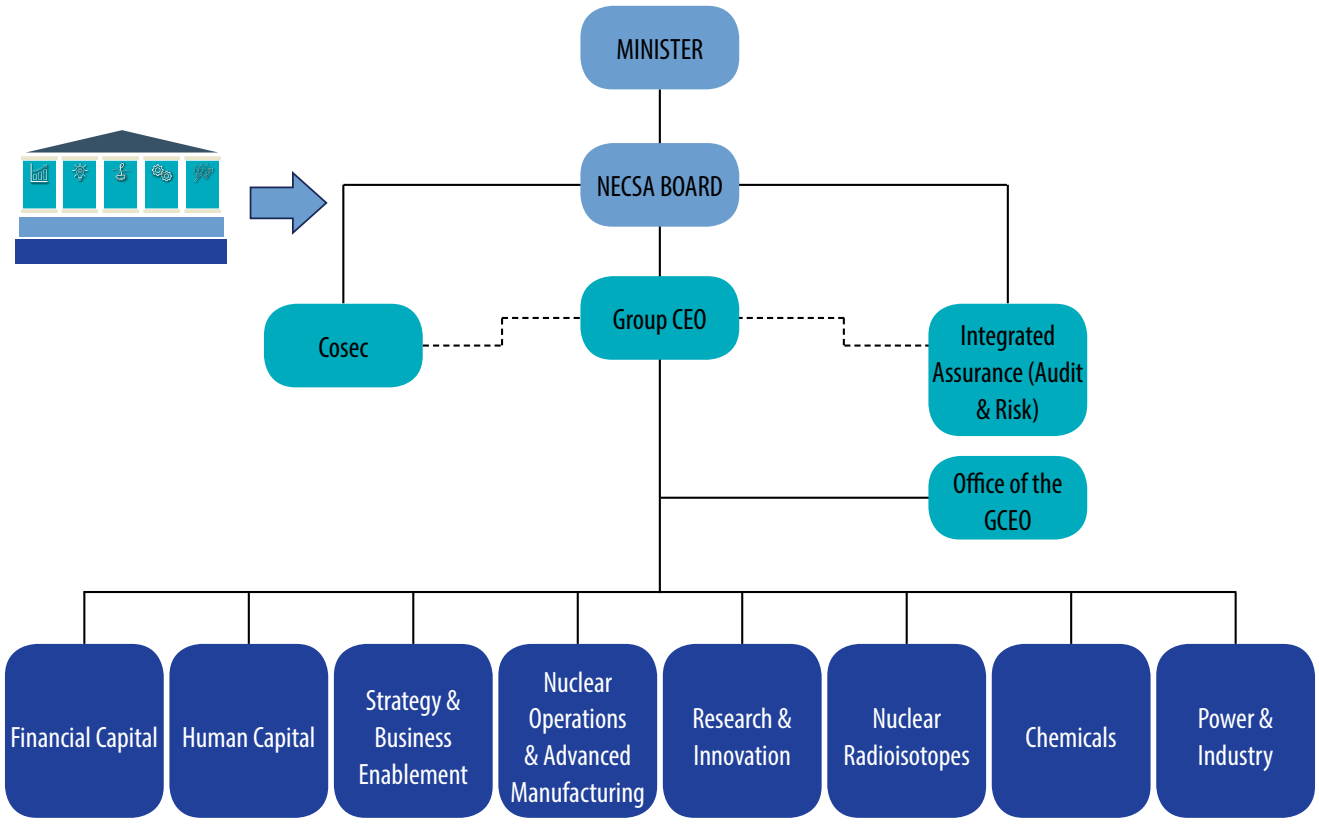
- Undertake and promote research and development in the fields of nuclear energy and radiation sciences and technology, and make these generally available.
- Process source material, special nuclear material and restricted material, and reprocess and enrich source material and nuclear material.
- Execute institutional responsibilities on behalf of the government, e.g., operation and utilisation of SAFARI-1, decommissioning and waste management, and international obligations.
- To cooperate with any person or institution in matters falling within these functions.

Nuclear Energy Policy of 2008

Anchor for nuclear research, development, and innovation in South Africa:

- Participation in the uranium value chain
- Development of uranium conversion capabilities
- Explore viable means to establish uranium enrichment capabilities
- A strategy to develop nuclear fuel fabrication capabilities

1.3 Necsa Group Structure

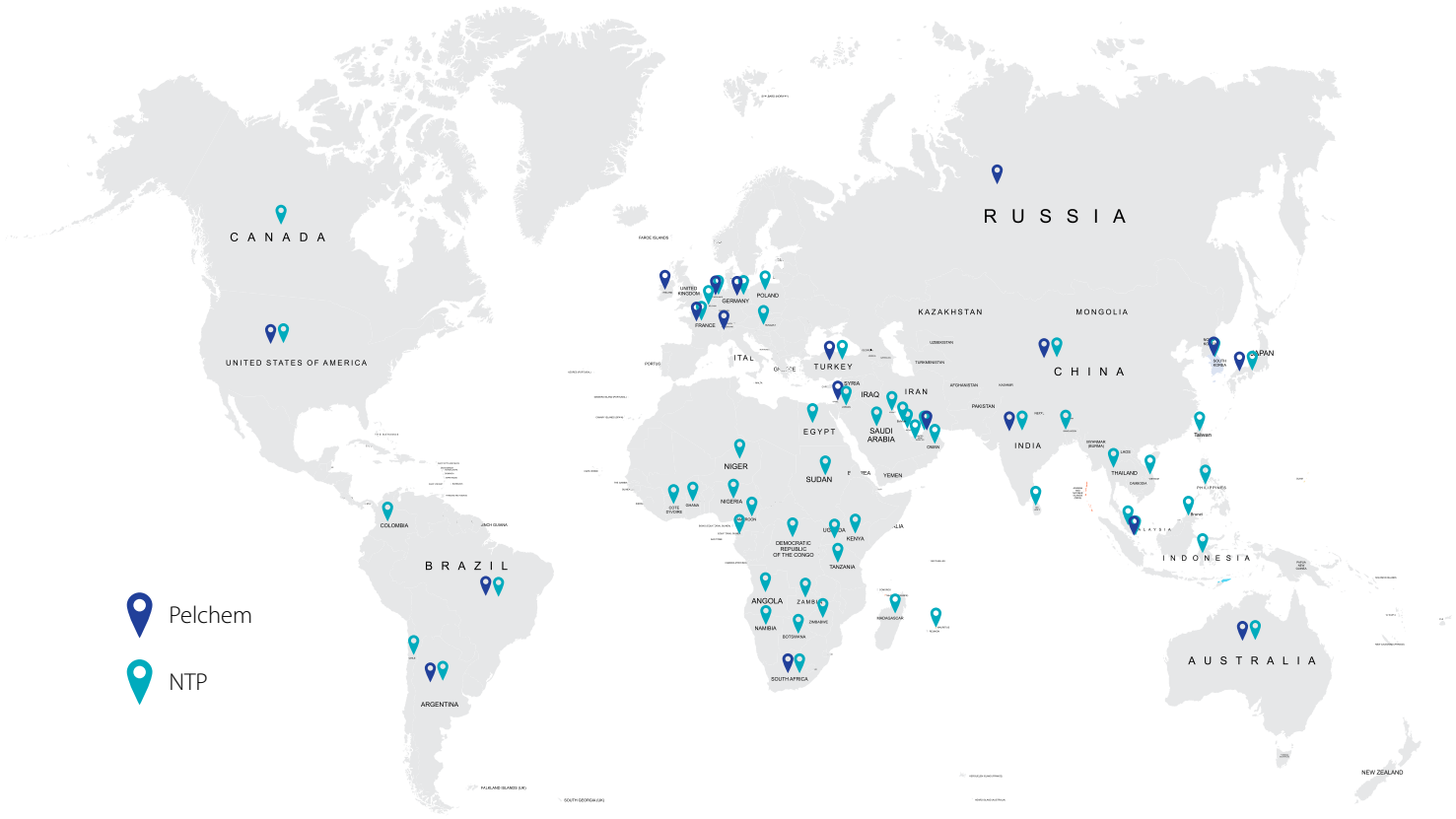


1.4 Global Footprint

The Necsa Group has a global presence through its market-facing entities, offering a range of nuclear and non-nuclear products and services. SAFARI-1 anchors Necsa's nuclear research and supports a wide range of activities for organisations around the world, including training for the nuclear and other industries through its learning academy.

The ASME-III-accredited Advanced Manufacturing facilities supply local and international companies with nuclear-grade components. Through its radioisotopes subsidiary, NTP, Necsa ranks among the top four global producers of medical isotopes, based on research and innovation, and services over 50 countries. Pelchem is the sole producer and supplier of fluorochemicals in the southern hemisphere. It manufactures 14 products, which are distributed to more than 25 countries globally.

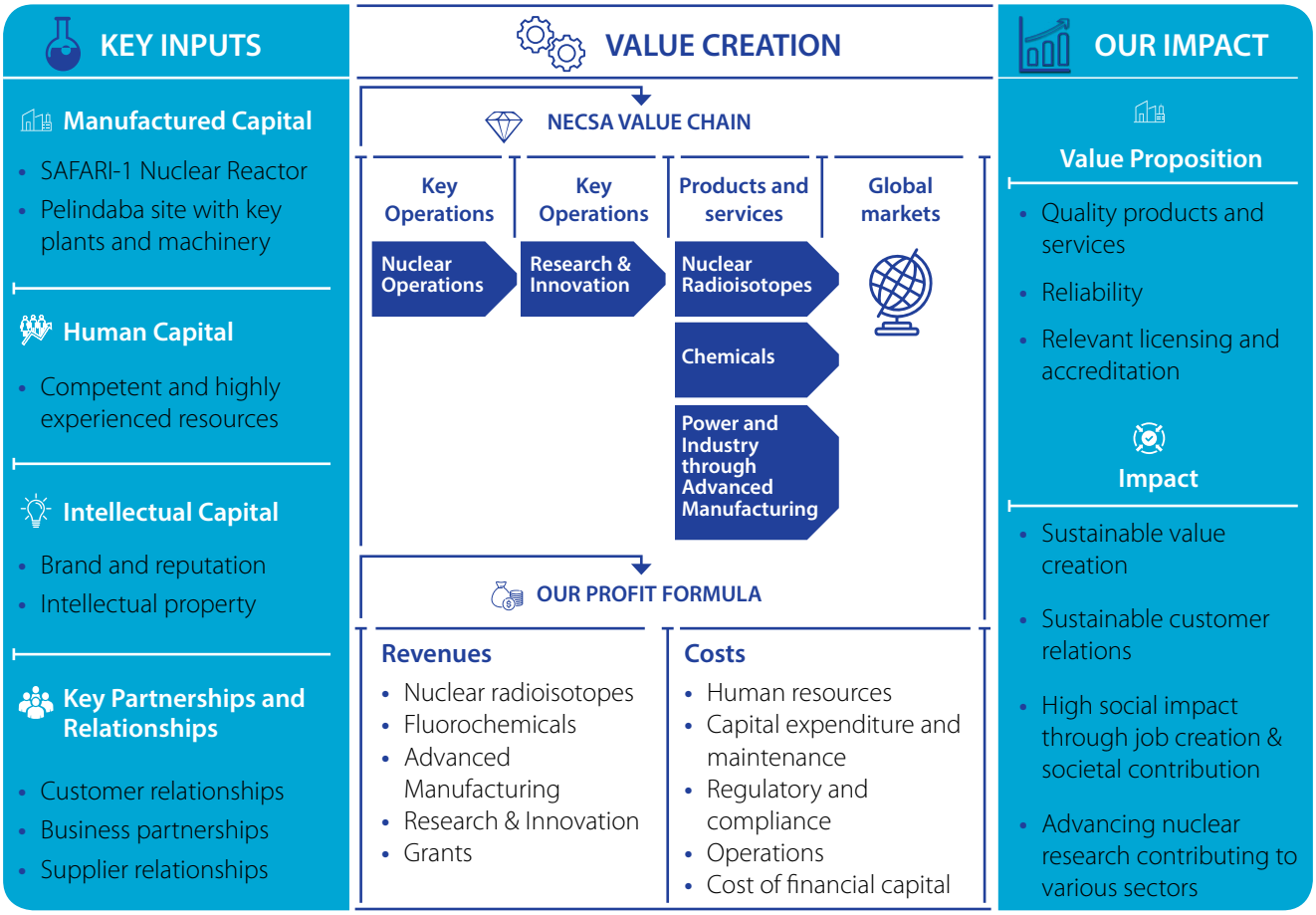
Necsa's global footprint is illustrated in the following map:



1.5 Business Model

The business model leverages the Group's knowledge base, legacy infrastructure investment, and ongoing research and innovation to fulfil the state's nuclear obligations and pursue commercial ventures. Necsa is significantly repurposing its strategic legacy investments for the benefit of both South Africa and the global market. This includes the use of its core facilities, such as the SAFARI-1 research reactor, for research and nuclear technology innovations, including radioisotope production. Necsa receives financial resources through a government grant and commercial revenue to sustain its operations. These activities aim to meet the country's nuclear obligations in areas such as safeguards, non-proliferation, waste management, and education and training.

Necsa also generates income through dividends and by recovering the costs of services rendered to its subsidiaries, NTP Radioisotopes SOC Ltd and Pelchem SOC Ltd. These subsidiaries respectively produce a range of radiation-based products and services for healthcare, life sciences and industry, and supply fluorine-based products to various sectors. In addition, Necsa's Advanced Manufacturing division provides commercial nuclear engineering and manufacturing services.



1.6 Necsa's inputs to the six capitals of integrated reporting

Financial Capital Necsa is a state-owned enterprise funded primarily through a government grant, with additional income from business operations to ensure sustainability. Necsa moved from an unqualified audit to an unqualified audit with no material findings (clean audit) in the year under review.	Additional revenue sources include: • NTP operations • Facility rentals • Advanced Manufacturing • Laboratory services
Intellectual Capital As a knowledge-driven organisation in a highly specialised field, Necsa values employee expertise, training, and proprietary knowledge.	• The intellectual property (IP) portfolio includes 14 patent families, 2 designs, 24 trademarks, and 2 domain names—maintained in over 104 countries. • All innovations and registered IP are reported annually to NIPMO, which also supports Necsa through its IP Fund. • Necsa scientists appointed as professors, lecturers and Masters and PhD supervisors at various South African higher learning institutions. • SAFARI-1 serves as the academic and scientific research hub under Necsa scientists. • Produced 23 peer-reviewed scientific articles.
Human Capital The Necsa Group values its workforce as a vital asset for the realisation of its vision. The organisational culture is underpinned by the values of Excellence, Accountability, Safety-first, Integrity and Innovation (EASII).	• 1,687 permanent employees • NLA trained 552 youth in technical skills • R9,874,830 spent on training and skills development of workforce • People-orientated organisation with regular interaction between leadership and employees.
Manufactured Capital Necsa maintains critical infrastructure including property, the SAFARI-1 reactor, laboratories, and IT systems to ensure efficient service delivery.	• The SAFARI-1 research reactor remains central to Necsa's operations, operating reliable under a strict maintenance plan to ensure timely global delivery of its services. • Funding enabled the refurbishment of some of the equipment such as vital air compressors • An AI and Robotics Policy was implemented to guide ethical use of AI. • Ongoing infrastructure upgrades and IT skills development have strengthened operational resilience. • Manufacturing facility that is ASME III certified.
Social and relationship capital Engagement with stakeholders has significantly improved. The Group has built strong local and international business partnerships. Necsa increased media engagement to enhance brand visibility.	• Necsa hosts quarterly environmental forums with communities within a 5 km radius. • MOUs signed with key international nuclear players. • Necsa maintains regular and active engagement with the National Nuclear Regulator.
Natural Capital Necsa operates with care for the natural environment, ensuring that activities do not pollute nearby rivers or harm biodiversity.	• The 2024 public radiation dose was only 1.22% of the allowable limit, with no nuclear environmental incidents reported. • At Vaalputs, all environmental monitoring was compliant. • Pelchem reported a reduction in fluoride emissions to 1,799 kg, well within licensed limits and down from 2,237 kg in 2023. • Pelindaba is a sanctuary for animals such as elands; monkeys; baboons; zebras; warthogs and different species of birds. The fauna covers 2362 hectares.

2. Leadership

2.1 Board Composition

Board composition reflects the wide range of skills and knowledge necessary to meet Necsa's strategic objectives.

Mr DR Nicholls

Board Chairperson

09/01/2023 - 08/01/2026

Re-appointment

Research, Development & Technology

Business Development Committee

Necsa Board **11 meetings**

of which 5 were special meetings

Total number of board and board committee meetings

39

number of meetings | Audit and Risk | Human Resources, Social & Ethics | Investment and Funding | Research, Development & Technology | Nuclear Oversight and Regulatory Compliance | Pelchem Board of Directors | NTP Radioisotopes | Board member

Board Committees' Chairpersons and other committees they sit in with the number of meetings reflected per Board Committee.

Mr L Tyabashe — 5

Group CEO

01/01/2023 - To date

Ex-officio member on Board Committees

	5
	5
	5
	5
	10
pelchem	5
NTP	5

Mr LJ Shayi — 5

Chairperson of Nuclear Oversight and Regulatory Compliance Committee

09/01/2023 - 08/01/2026

Re-appointment

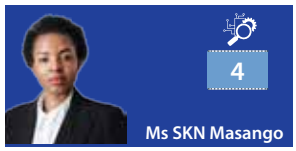
	5
	5
	11
pelchem	5

Mr L Mavuso — 5

Chairperson of Human Resources, Social and Ethics Committee

09/01/2023 - 08/01/2026

	5
	5
	5
	11



Ms SKN Masango — 4

Chairperson of Research, Development & Technology Committee

09/01/2023 - 08/01/2026

Re-appointment

	3
	4
	4
	6

Mr H Lazarus — 5

Chairperson of Investments and Finance Committe

09/01/2023 - 08/01/2026

	7
	10

Mr S Maharaj — 8

Chairperson of Audit and Risk Committee

8 meetings of which 4 were special meetings

09/01/2023 - 08/01/2026

	5
	5
	11
NTP	6

Amb X Mabhongo — 1

DIRCO Representative

09/11/2023 - 16/01/2026

	1

Dr M Makgae — 5

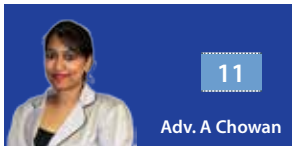
Board Member

09/01/2023 - 08/01/2026

	8
	5
	5
	11
NTP	6

Access detailed profiles of our board members here

number of meetings | Audit and Risk | Human Resources, Social & Ethics | Investment and Funding | Research, Development & Technology | Nuclear Oversight and Regulatory Compliance | Pelchem Board of Directors | NTP Radioisotopes | Board member



Board Member

24/07/2023 - 16/01/2026

Re-appointment

Audit and Risk	8
Investment and Funding	2
Research, Development & Technology	4
Human Resources, Social & Ethics	5
Board member	11
Pelchem Board of Directors	5

DMRE Representative

07/09/2023 - 15/01/2026

Board member	7

DMRE Alternative representative

09/01/2023 - 15/01/2026

Research, Development & Technology	5
Board member	5

DIRCO alternative representative

09/11/2023 - 16/01/2026

Board member	8

Department of International Relations and Cooperation (DIRCO) alternative representative

02/02/2025 - 15/01/2026

Board member	2

Gender: 5 | 9 **Diversity:** 2 (W) | 1 (C) | 2 (I) | 9 (A)

Group Company Secretary

01/06/2021 to date

Group Chief Integrated Assurance Officer

01/02/2024 to date

2.2 Chairperson's Foreword

The Necsa Group has once again delivered a positive result for the financial year ended 31 March 2025, showing profitability for a third year in a row, with a net profit after tax (NPAT) of R125 million. Necsa SOC improved its audit opinion from an unqualified to a clean audit, while Pelchem and NTP maintained unqualified and clean audit opinions, respectively. These results bring a sense of pride in the achievements the Board has witnessed in the Necsa Group from 2021 to date. This is testament to the strategic leadership and oversight of the Board, as well as strong alignment with the executive team, which remains focused on achieving performance objectives.

One can therefore state with confidence that, as we begin the final year of the five-year strategy approved by the Board approved in 2021, Necsa has stabilised its financial position, operational performance, and governance. As the Board, we are confident that the organisation is ready to move into the next phase of growth.

Our role in overseeing performance and governance has been supported by clear direction from the Shareholder Ministry under the leadership of the Minister of Electricity and Energy, Dr Kgosientsho Ramokgopa. The Ministry has provided strong oversight while enabling the Board to lead effectively, which has resulted in higher standards of accountability. Necsa now has a clear strategy and annual action plans in place, and it continues to uphold transparency through statutory reporting on performance and compliance—enabling informed decision-making by all key stakeholders.

This has culminated in an excellent achievement of operational performance targets set in the Corporate Plan for the financial year under review, with a 93% success rate, missing one key performance indicator out of 15.

Mr David Nicholls
Necsa Board Chairperson

The achievements of the Necsa Group we see today can only be fully appreciated when reflecting on the situation the organisation was navigating five years ago—amid a global pandemic and deep financial losses. At the time, government was in the process of rationalising state-owned companies to realise efficiencies. Necsa needed to streamline its operations and turn the business around to ensure short-term survival and long-term sustainability.

The newly-appointed Board in 2020 moved swiftly to appoint the Group Chief Executive Officer, Mr Loyiso Tyabashe, and tasked him with rationalising the organisation and developing a strategy to achieve financial stability, restore operational performance, and improve governance.

As the Necsa Board prepares for a strategic discussion in the third quarter of the 2025/26 financial year to chart a plan of action for the next five years, we are pleased to note that the three key objectives of the turnaround strategy have been met.

Necsa is positioning itself to continue fulfilling its fundamental role in nuclear research, revitalise its capabilities in the nuclear fuel cycle, and contribute to the deployment of small modular reactors as part of South Africa's energy mix. The new strategy will outline the path Necsa will follow within South Africa's energy framework to 2030 and beyond.

The delivery of strong results over time puts the organisation in a strong position to define an ambitious vision that ensures its long-term sustainability and positive impact for South Africa. Central to the new strategy are six high-impact programmes focused on growing Necsa's revenue, partnerships, and positive contributions through both existing and new products, services and markets.

Significant progress has been made in the transfer of the Pebble Bed Modular Reactor (PBMR) Company from Eskom to Necsa, as part of aligning nuclear capabilities and placing them within the appropriate organisation.

The new strategy may require adjustments to the organisational structure of the Necsa Group to support its growth ambitions. While the current structure served the organisation well during the stabilisation phase, a new structure is needed to support the new phase of strategic growth.

Both the new strategy and the proposed structure will go through an inclusive development process and be submitted to the appropriate governance structures at the right time for approval and to ensure compliance.

The performance of the Necsa Group is a true tribute to the SAFARI-1 nuclear research reactor, which Necsa has been operating safely since 1965. This "grand dame" celebrated 60 years since going critical in March 2025, with an illustrious record of supplying global markets with medical and industrial isotopes, while contributing to impactful research across various spheres of life and to the broader body of knowledge.

Necsa's stewardship of South Africa's first research reactor over the past six decades gives stakeholders' confidence in its ability to successfully manage the future neutron source generator: the multi-purpose reactor (MPR). The Shareholder has demonstrated commitment to the project through an initial investment of R1.2 billion.

The nuclear industry is poised for a powerful comeback in what has been termed a "Return to Realism". Globally, there is growing recognition of the need to include all energy sources to ensure security of supply, support economic growth, and mitigate the impacts of climate change. Nuclear energy is a clean source and offers diverse applications in both power and non-power sectors.

South Africa would do well to expand the role of nuclear energy in achieving a just, fair, and inclusive energy transition. We look forward to the Minister of Electricity and Energy releasing South Africa's updated Integrated Resources Plan (IRP), as well as announcing an international panel of experts to advise on the country's nuclear strategy. This will unlock the next phase in the procurement of 2.5 GW of nuclear power.

The government's commitment to revitalising the nuclear industry and reclaiming South Africa's leadership in nuclear technology has given renewed impetus to Necsa's growth ambitions—anchored in its core mandate as set out in the Nuclear Energy Act and other relevant energy legislation.

In February 2025, our fellow Board member, Ms Senamile Masango, passed away. She was the Chairperson of the Research, Development and Technology Committee, which she led with enthusiasm and dedication. Ms Masango also served on several other subcommittees, including the Audit and Risk Committee, Investment and Funding Committee, Human Resources, Social and Ethics Committee, and the Nuclear Oversight and Regulatory Compliance Committee. Her passion and advocacy for the nuclear industry were exemplary, particularly for the many young people who aspired to follow in her footsteps. She is greatly missed.

The Necsa Group has continued to enjoy the undivided attention and support of the Shareholder, with an expressed recognition of the role of nuclear technology in South Africa's developmental agenda. Necsa's positive trajectory plays a key role in enabling the Minister of Electricity and Energy to strengthen collaboration across South Africa's energy sector in pursuit of the country's energy and developmental goals. We thank Dr Kgosientsho Ramokgopa for his visionary leadership and Deputy Minister Ms Samantha Graham-Maré for her continued support.

Working with a skilled and dedicated executive team under the leadership of Mr Loyiso Tyabashe has enabled the organisation to reach its current position. Credit also goes to the entire workforce for their hard work, passion, and day-to-day contributions toward delivering on Necsa's goals. As the Board, we want to extend our sincere appreciation to all Necsa employees who have made these achievements possible.

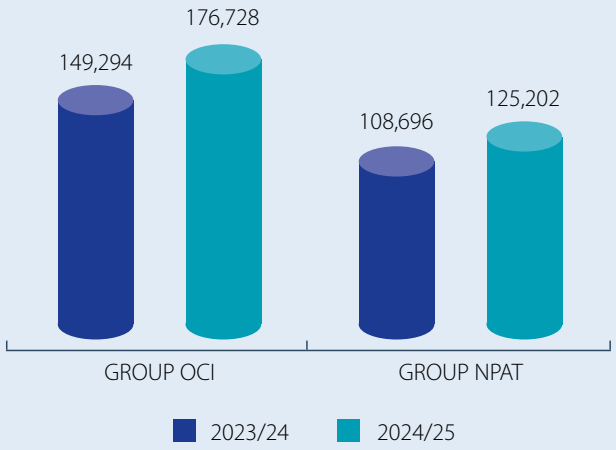
To all our stakeholders who have supported Necsa throughout its turnaround journey, we thank you for your positive collaboration and contribution to the Necsa Group's vision.

The Board is confident that Necsa will remain on a positive trajectory and will not only meet, but exceed, its strategic objectives thus reinforcing its vital role in South Africa's energy security and scientific advancement. Together, we will ensure that Necsa remains a resilient and future-fit organisation, dedicated to creating lasting value for all its stakeholders.

2.3 Group Chief Executive Officer's Overview

It is a privilege to report on integrated results of the Necsa Group's performance in the financial year 2024/25. Our strategy has enabled the Group to employ all the capitals at its disposal efficiently and effectively to deliver a sterling set of results with a net profit after tax (NPAT) at R125.2 million up from R108.7 million in the previous year. Total comprehensive income improved year on year at R176.7 million versus R149.3 million in the previous year. Governance outcomes are also positive. Necsa SOC improved its audit opinion from an unqualified to a clean audit, while Pelchem and NTP maintained unqualified and clean audit opinions, respectively. Overall operational performance on the Shareholder Compact remained steady at 93%.

Group Comprehensive Income and NPAT Rm



The Necsa Group subsidiaries showed resilience in a challenging operating environment with the NTP Group ending the year at R118.3 million on NPAT, which is R12.8 million higher than its target but down from R136.1 million in the previous financial year. Pelchem ended at –R29.73 million cutting losses by 42% compared to –R42.2 million in the previous financial year. Governance remained strong at both subsidiaries with NTP maintaining a clean audit and Pelchem an unqualified audit opinion. The focus for the year ahead is to ensure that our marketing strategies for products and services remain adaptive to the movements we see in the markets today. In addition, it becomes important to move to the next step of rationalising the structures of the subsidiaries within the Necsa Group while staying strong in the face of volatility in global markets by diversifying markets and products and requisite investment.

These results show stability achieved by the strategy that we began implementing in 2021 supported by a dedicated team of employees who have executed on key performance indicators in our Shareholder Compact, driven by a strong commitment to improving compliance to legislation with the necessary oversight by the Board. It is pleasing to see that the Necsa Group has achieved the strategic intent set in 2021 of being "a financially sustainable organisation with efficient operations and good governance". Now, with the Necsa Group strategy cemented and positive shoots of financial and operational recovery showing, the business moved to add optimisation activities as a lever to strengthen business operations

Mr Loyiso Tyabashe
Group CEO

and achieve positive results within the agreed principles of rationalisation. The results of the year ended March 2025 come from an integrated Necsa Group strategy where all entities are driven by the same vision, mission and objectives – "One Company Mind-set".

The role of Necsa that is embedded in its mandate conferred by the Nuclear Energy Act can only get stronger with a forward-looking strategy that will lead to growth. Six High Impact Programmes have been identified as key into taking the organisation well into the future and developing and implementing these will be a focus for the next five years. The projects under the programmes are at different stages of development and maturity and shall be further refined to form the basis for the five-year strategy for the financial years 2026/27 to 2030/31.

- Front-End Fuel Supply
- Small Modular Reactors (SMRs)
- SAFARI-1 & Multipurpose Reactor (MPR)
- Radioisotopes Production and Services
- Fluorochemical Operations/Business
- Skills Development

Our nuclear research reactor SAFARI-1 turned 60 on 18 March 2025. The Necsa Group celebrated this milestone with all key stakeholders who have been part of this monumental scientific achievement by South Africa. The Necsa Group celebrated the birthday on 18 March with employees only, and held a big celebration led by the Minister of Electricity and Energy Dr Kgosientsho Ramokgopa for all key stakeholders on 25 March 2025. This milestone highlights contributions and successes of SAFARI-1, Necsa and South Africa in nuclear technology over the past 60 years and positions the new Multipurpose Reactor (MPR) well as a project to strengthen neutron source generation and keeping South Africa at the top of isotope production and nuclear science globally.

SAFARI-1 continues to operate at peak performance, achieving close to 300 days of availability annually—placing it among the top-performing research reactors globally. Its outstanding performance has strengthened Necsa's case to initiate discussions with the National Nuclear Regulator (NNR) to extend the reactor's licence beyond the current expiry date in 2030. We believe that the reactor's consistent utilisation and robust ageing management provide a sound basis for life extension.

The MPR programme—one of Necsa's six strategic growth programmes—will soon move into its next milestone: issuing a call for proposals to secure the right partner for

the reactor's installation. This critical nuclear infrastructure project will help ensure that South Africa maintains its position as one of the world's top four suppliers of medical radioisotopes. It will also expand the user community to include researchers and academia across the entire nuclear value chain.

In addition, the MPR will address growing regional and global demand for neutron beamlines that support innovation in materials science and life sciences. The benefits to the broader scientific community extend the impact of the project well beyond Necsa's bottom line, offering a return on investment for both South Africa and the world.

SAFARI-1 60th Celebration

During the year under review, the Necsa Group entrenched its five values – Excellence, Accountability, Safety First, Integrity and Innovation (EASII) – as part of Wellness Day. The aim of this exercise was to revisit the values that guide us as the Necsa Group. No matter how robust a strategy may be, its realisation is nearly impossible without a culture that supports it. We are thus embedding Necsa values and their attributes as the foundation of a high-performance culture that will move us closer to our vision. There is now a noticeable increase in accountability for performance and safety, which shows that employees are increasingly feeling empowered to make value-aligned decisions rather than deferring responsibility to management. We continue to build an organisational culture that supports our business objectives and instils pride in our brand and our work and we remain committed to serving all our stakeholders maximising value and reducing risks for all.

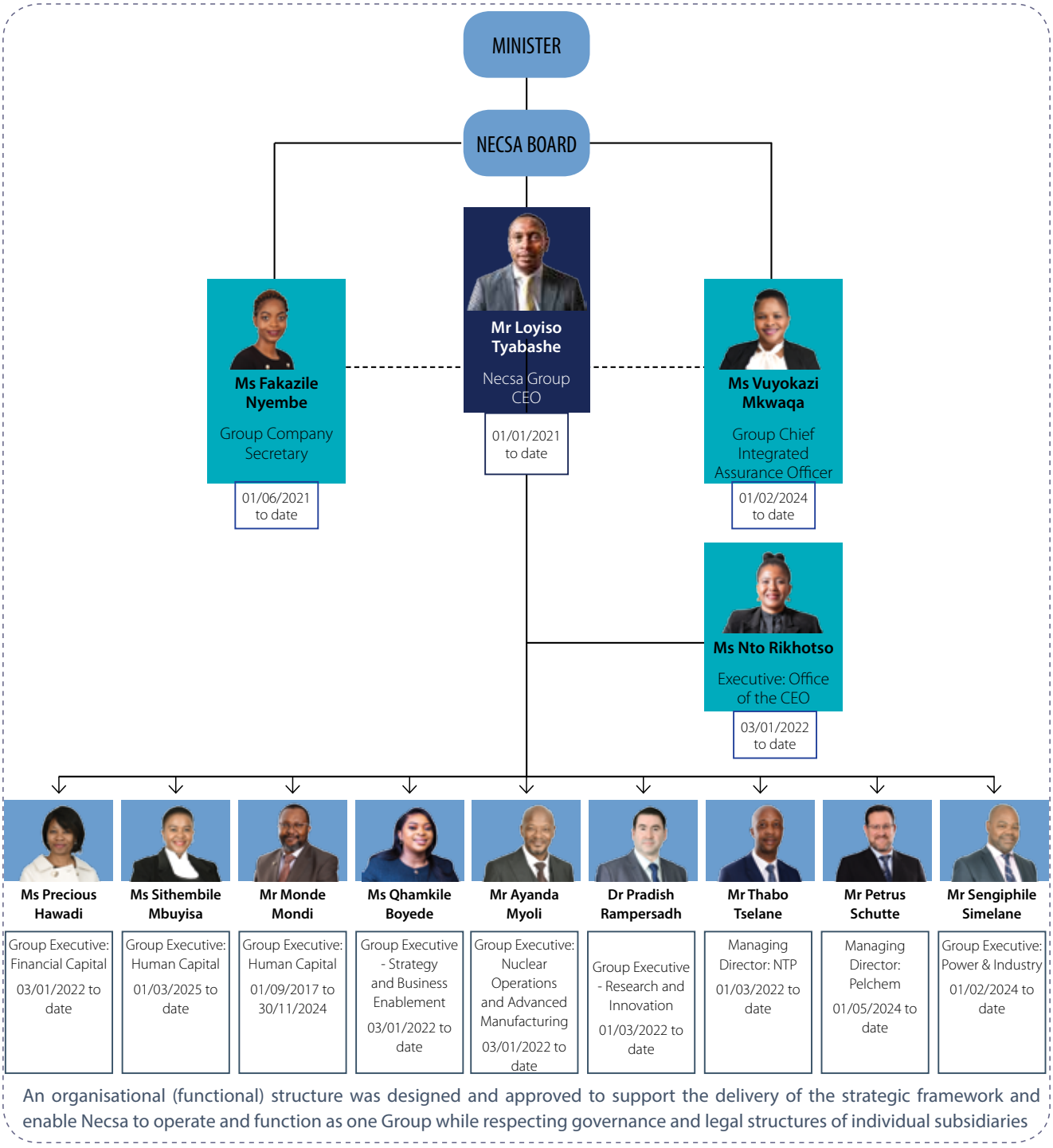
Sustainability of the Necsa Group is important for the South African economy as it injects value at different levels of the socio-economic cycle and for different stakeholders. As a science and technology institution, Necsa contributes to fundamental and applied nuclear research with an added benefit of high-end and unique skills development. The scientific community within Necsa, South Africa and the globe, utilises Necsa and its facilities including SAFARI-1 for collaboration on impactful projects that improve various elements of life and also add to the body of knowledge. Educational activities are therefore inclusive as they accommodate learners who take STEM subjects from high school right up to tertiary and post-doctoral levels. The assets under the stewardship of the Necsa Group add value for the Shareholder, the South African government and this underscores the importance of a state-owned company on a positive trajectory. These interdependencies and relationships that we have built with all our stakeholders have contributed positively to building a Necsa Group and positive results that we see.

My sincere gratitude goes to the Board, Executive Committee and all employees who have given much of their skills and time to implement our strategy. As we look forward to the financial year 2025/26, the operating environment remains uncertain with geopolitics impacting economic stability but there are also many opportunities that lay ahead for the nuclear industry requiring resilience and strategic agility. I believe a stable Necsa is well positioned to weather the storms and take on opportunities to build for growth.

2.4 Executive Management Composition

The GCEO, in exercising the powers outlined above, is supported by the Executive Management Committee and serves as Chairperson of the Group Executive Committee. The committee's main functions include aligning Necsa's operations with the Group's mission, vision, strategies, targets and policies, as well as considering material business, strategic, financial and functional matters.

The Group structure is designed to ensure that all subsidiaries are effectively supported and governed, enabling the successful execution of the Group's strategy. The GCEO is supported by the following executives:



An organisational (functional) structure was designed and approved to support the delivery of the strategic framework and enable Necsa to operate and function as one Group while respecting governance and legal structures of individual subsidiaries

Gender: 6 6

Diversity: 1 (W) 1 (I) 11 (A)

Access detailed profiles of our Executive Management members here

PART B: GOVERNANCE

3. Governance

Necsa is governed and controlled, in accordance with the Nuclear Energy Act of 1999, by a Board of Directors to ensure that the objectives of the Act are carried out and to exercise general control over the performance of Necsa's functions. The Group's strategy and sound corporate governance practices are designed to support the delivery of Necsa's mandate by ensuring that all business functions are executed ethically, with integrity and professionalism as required by the King IV report.

The Board of Directors comprises eight (8) non-executive directors one who is Chairperson, two (2) shareholder representatives from the Department of Mineral Resources and Energy and International Relations and Cooperation with two (2) alternate members and the Group Chief Executive Officer as the executive director. The Group Chief Financial Officer is an invited attendee.

The Board embraces the principles of good corporate governance and considers these as the underlying philosophy in creating organisational excellence at all levels within Necsa. The Board is committed to efficient governance and to keeping abreast of international trends in sound governance standards to attain best practice. A King IV compliance register, which sets out the application of the King IV principles in the organisation, has been developed and approved by the Board. The register is reviewed annually to ensure continuous improvement of sound governance practices within the organisation.

3.1 Governance Structures

The Board has ultimate responsibility for the long-term success of the organisation and for delivering sustainable shareholder value while also contributing to wider society. The Board is responsible for setting the company's purpose, values, and strategy and ensuring alignment with its culture. This includes ensuring workforce policies and practices are consistent with the company's values and support its long-term, sustainable vision. This is achieved by approving the corporate strategy, monitoring performance against strategic objectives, overseeing its implementation by the executive leadership team, and deciding on matters reserved for the Board in the Articles of Association.

Specific tasks are delegated by the Board to its committees. The Board is accountable for the overall formulation, monitoring, and review of Necsa's corporate strategy and related affairs while delegating to management the responsibility for business performance and achievement of the organisation's objectives. The Necsa Board has 06 Board Committees comprised of a Chairperson and members as well as executive managers as attendees.

3.2 Board Committees

In terms of Section 19 of the Nuclear Energy Act, the Board is advised and assisted by advisory committees mandated to support the Board in discharging its responsibilities. These committees play an important role in enhancing governance standards and improving effectiveness within the Necsa Group. External advisors are invited to attend Board and/or committee meetings on an ad hoc basis, as and when the need arises.

For the financial year ended 31 March 2025, the Board was advised and assisted by five Board committees, namely: the Audit and Risk Committee; the Human Resources, Social and Ethics Committee; the Research, Development and Technology Committee; the Investment and Funding Committee; and the Nuclear Oversight and Regulatory Committee. The Board committees met at least once per quarter. All the committees have adopted formal terms of reference and provide the required feedback to the Board through committee reports. The terms of reference are reviewed annually to ensure continued relevance.

3.2.1 Focus areas of the Board and its Committees

The Board Charter is founded on the Nuclear Energy Act and the Board Protocol. The Board Charter and the terms of reference for Board committees are reviewed as and when required, but at least once a year, to ensure they remain relevant and aligned with the Companies Act, other applicable regulatory requirements, King IV and governance best practices.

The Board uses its meetings to discharge its governance and regulatory responsibilities. Its work plan, along with those of its committees, outlines the matters to be addressed and is aligned with the responsibilities and requirements set out in the Board Charter and the committees' terms of reference.

Matters considered include operational and financial performance, strategy, risk and opportunity, compliance, and issues reserved for Board decision-making. Four Board meetings are scheduled annually. The Board also holds an annual meeting to discuss strategy. For the reporting period, the Board held nine meetings for the financial year.

3.3 Ethical and Effective Leadership

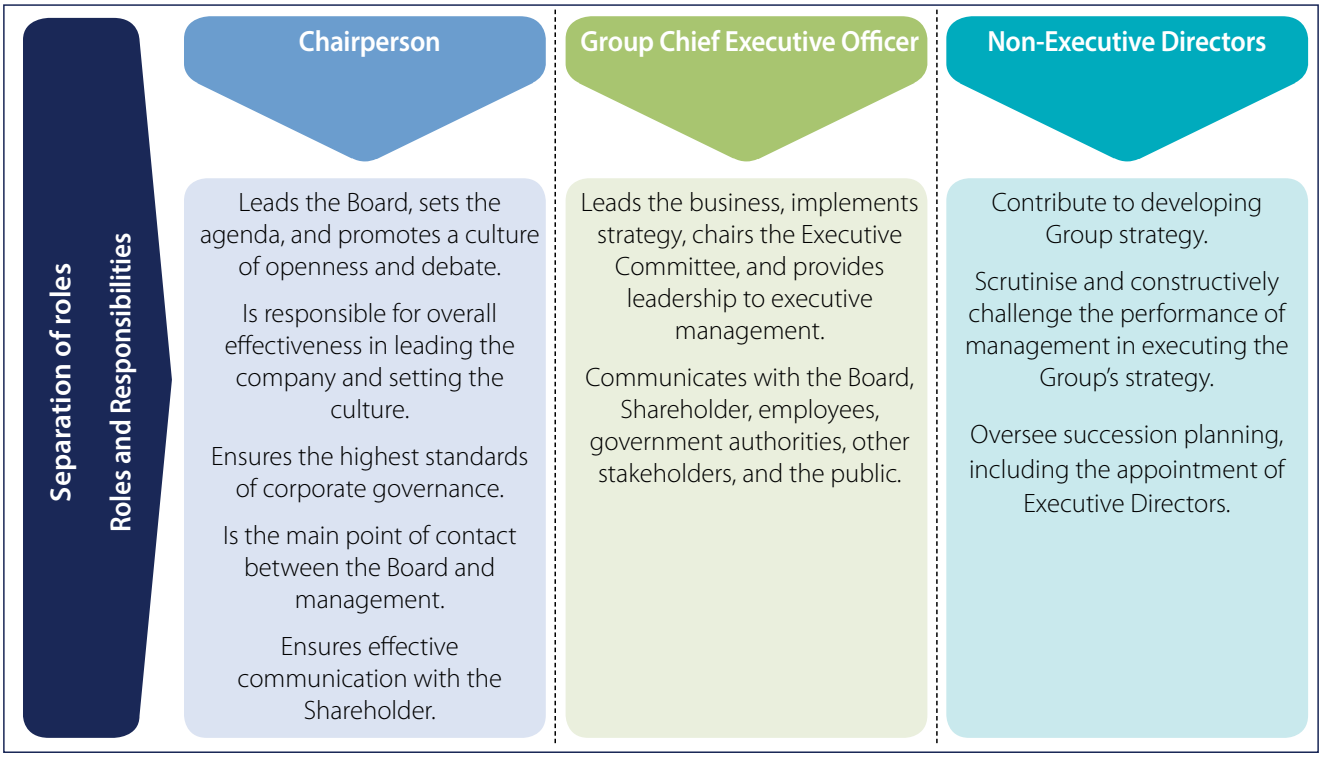
Ethical leadership remains at the heart of Necsa's business, guiding the Board's decisions and shaping a culture of integrity across the organisation. Guided by the organisation's Code of Ethics and supporting policies, Necsa remains steadfast in its commitment to promoting fairness, transparency, and responsible leadership. The Board continues to prioritise equitable and fair treatment for all employees, fostering a workplace built on respect, integrity, and accountability at every level.

3.3.1 Board effectiveness

Newly appointed Directors are apprised of Necsa's business, their duties and responsibilities as Directors, and are given the opportunity to visit Necsa's plants and operations. The development of industry and Group knowledge is a continuous process, and Directors are briefed on risks and the general business environment on an ongoing basis.

The Board, its committees and Directors are entitled to seek independent professional advice concerning Necsa's affairs and to access any information they may require in discharging their duties as Directors.

The Board formally evaluates its performance and effectiveness, along with that of its committees, individual Directors, and the Chairperson, on an annual basis. A formal evaluation was conducted by Acorim in 2024.



3.4 Group Company Secretary

The effective functioning of the Board is facilitated and supported by the Company Secretary, Ms Fakazile Nyembe. The Company Secretary provides a central source of guidance and support to the Board on matters of good governance and changes in legislation, while maintaining an arm's-length relationship with the Board and its directors.

3.5 Integrated Assurance

Integrated Assurance oversees Necsa's risk and internal audit functions, providing independent assurance and consulting services in areas like internal control systems, risk management, ethics, corporate governance, performance, and IT-related matters.

3.5.1 Internal Audit

Necsa's Internal Audit function is an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. The Necsa Internal Audit function reports to the Audit and Risk Committee to preserve its independence. The role, authority and status of the function are documented in its Charter and approved by the Audit and Risk Committee.

As prescribed by National Treasury Regulations 27.2.5, the organisation's Internal Audit function is governed by the Institute of Internal Auditors' Global Standards. In line with the Global Internal Audit Standards and the requirements of the PFMA and National Treasury Regulations, Internal Audit follows a risk-based annual plan approved by the Audit and Risk Committee. The function forms part of the broader Combined Assurance model, which seeks to optimise assurance coverage across all assurance providers, including risk management, compliance, and external audit.

The role of the Internal Audit function is to review and report on the adequacy and effectiveness of the system of internal controls as designed and implemented to ensure that:

a) There is compliance with policies and applicable laws and regulations.

b) Strategic objectives of the organisation are achieved.

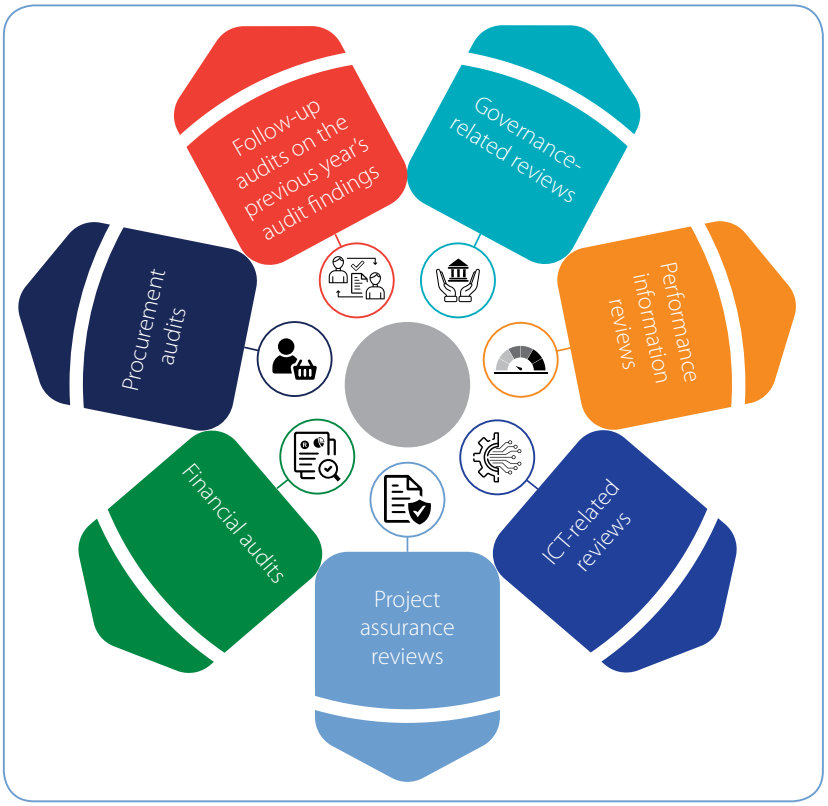
c) Financial and non-financial reports are accurate and reliable.

d) Business operates efficiently and effectively.

e) Assets of the organisation are safeguarded.

During the financial year, the risk-based Internal Audit plan focused on inherently high-risk areas identified in the organisation's risk universe. Internal Audit achieved 100% completion of its annual plan and conducted follow-ups on the implementation of audit recommendations.

The following assurance activities were conducted as per the approved one-year Internal Audit Plan:



Based on the audits performed during the year, the system of internal controls in the organisation has been assessed as adequate and effective with room for improvement in some areas.

3.5.2 Risk Management

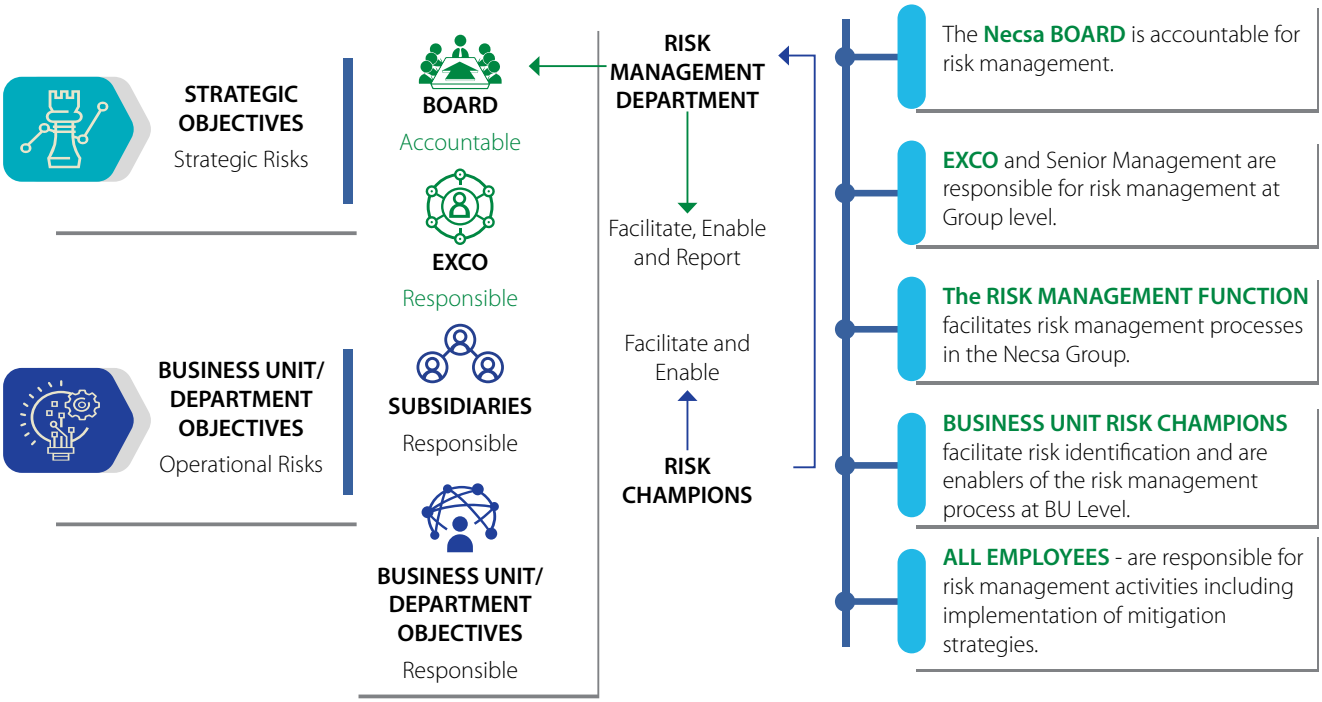
Risk management is an integral part of good corporate governance. It forms part of Necsa's business strategy to ensure that the organisation can identify and manage risks that impact business performance and the achievement of objectives. Risks are viewed and assessed holistically, rather than in isolation, since a single transaction or event may significantly impact other risks or be triggered by them.

Necsa manages risks in accordance with the PFMA, Act 1 of 1999 (as amended) and is informed by the King IV Report on Corporate Governance, through a Board-approved Enterprise Risk Management (ERM) framework. The framework is reviewed regularly to ensure that it remains aligned with evolving business needs and governance responsibilities. The Board of Directors oversees the company's risk management activities, supported by dedicated risk committees responsible for specific risk domains.

The Board reviews strategic risks annually and monitors the effectiveness of risk mitigation strategies quarterly through the Audit and Risk Committee. The residual risk rating considers the efficacy of risk mitigation and control efforts.

The Necsa Board has promoted a 'risk-matured' or 'risk-intelligent' culture.

A high-level view of risk management governance at Necsa is shown in the figure below:



3.5.3 Fraud Prevention

A dedicated and independently managed fraud hotline, operated by an external service provider, is available to all employees, suppliers, and stakeholders. This channel ensures anonymity and protects whistleblowers, thereby encouraging the early detection and reporting of unethical behaviour. All allegations received are promptly investigated in line with the organisation's zero-tolerance policy on fraud. Corrective and disciplinary actions are implemented where necessary.

To promote a culture of integrity and risk awareness, fraud awareness sessions were conducted across the organisation during the year, reaching employees at all levels. These sessions highlighted employees' responsibilities in detecting and reporting fraudulent activities, as well as reinforcing ethical behaviour in line with the organisation's values and the nuclear safety culture.

The organisation remains committed to strengthening its fraud risk management capabilities through continuous improvement, transparency, and vigilance—essential principles in maintaining the trust of our stakeholders and ensuring the integrity of South Africa's nuclear mandate.

4. Key Moments

Did you know?

SAFARI-1 is available for an average of **287 days** per year, and it has consistently maintained this availability for over 20 years!

The SAFARI-1 research reactor was initially operated at **6.75 MW** due to limitations imposed by the capacity of the secondary cooling circuit. It was later upgraded to **20 MW.**

Planning of SAFARI-1 began in 1960, and construction took place between 1961 and 1965. Remarkably, it took less than four years to build!

SAFARI-1 turns 60 In numbers:

Days in operation (excluding maintenance): approximately **12,308** days

Days/hours since it went critical: 21,988 days

SAFARI-1 personnel: 92 dedicated staff members

Research outputs from 2014–2024:

Number of publications: 56

Postgraduate students linked to the publications: 38

Research and Innovation (R&I) has developed Ga-68 PSMA (prostate-specific membrane antigen), which is now ready for commercialisation.

The volume of Lu-177 sold in 2024/25 is approximately 2.6 times higher than in 2023/24. This increase underscores the growing demand for this key product in the market. NTP also experienced significant revenue growth in Europe and South America compared to the previous fiscal year, further expanding its international presence.

The Group's Disabling Injury Incident Rate (DIIR) remained steady at 0.46 well below the target of 1.8. NTP achieved one million man-hours without a disabling injury. The public dose impact remains significantly lower than the regulatory dose constraint.

Necsa scientists are actively involved in academic development in the nuclear field. Staff members also serve as lecturers, external examiners, and extraordinary professors at both domestic and international universities.

Nuclear Medicine Research Infrastructure (NuMeRI), a project that was incubated by Necsa, was officially launched by Department Science and Technology, established under the South African Research Infrastructure Roadmap, which is dedicated to medical imaging for drug development and clinical research.

In the 2024/25 financial year, Necsa as the National Key Point (NKP) achieved a security evaluation score of 99%, up from the 98% in the previous year.

NTP Radioisotopes SOC received prestigious awards from the AGSA in December 2024, recognising its financial and operational transparency.

5. Strategic Overview

A refined business model and Group organisational structure have ensured consistent strategic alignment across the organisation, supporting ongoing value creation.

5.1 Strategic Framework

The strategic framework, comprising five strategic pillars and corresponding strategic objectives, has been in place since FY2021. The overall strategic objectives and goals aligned with these pillars have shaped the key performance areas (KPAs) for strategy execution.

In breaking down the strategic pillars, the following key performance indicators (KPIs) have been identified, as shown in the table below.

Mapping of KPIs to Strategic Pillars

STRATEGIC PILLAR	KEY PERFORMANCE INDICATOR
Financial Recovery and Sustainability	Necsa Group Net Profit After Tax Audit opinion
Research and Innovation	Contract R&D income generation Number of peer-reviewed publications Number of innovation disclosures
Profitable Commercial Enterprises	NTP Group Net Profit After Tax Pelchem Net Profit After Tax
Business Continuity and Efficiency	Disabling Injury Incidence Rate Public dose impact limit Number of days available per year* Neutron source generation* Percentage execution of Annual Plan of Action, as approved by the Necsa Board and submitted to the DMRE*
Talent Excellence and High-Performance Culture	Workforce plan with identified critical and core roles for the Necsa Group 80% of all critical positions to have knowledge retention plans Transformation Index of 1

***Number of days available per year refers to SAFARI-1 operational availability, Neutron source generation refers to Multipurpose Research Development and Percentage execution of Annual Plan of Action is for D&D Programme execution (Stage 1)**

There is alignment between the performance indicators in the Shareholder's Compact with the Department of Mineral Resources and Energy (DMRE), the Corporate Plan, and the Performance Reports. Performance information is collated and reported monthly to the Group Executive Committee and quarterly to the Board, Department of Electricity and Energy (DEE), and National Treasury. This is in accordance with the requirements for public institutions to publish performance information to account to Parliament in terms of Section 92 of the Constitution and to ensure transparency to the public in terms of Section 195.

Prior to the publication of actual achievements against targets, performance information is internally assured by Integrated Assurance and externally assured by the Auditor-General South Africa (AGSA) on an annual basis.

Strategic Pillars that were audited by AGSA are as follows:

Strategic pillar	Purpose
Research and Innovation	To increasingly deliver new technologies that will enable growth in existing commercial areas while creating new technologies that lead to future commercial enterprises.
Business continuity and efficiency	To cultivate a strong safety culture with adherence to compliance requirements, and a focus on operational efficiency and sustainability.

5.2 Statement of Responsibility for Performance Information

The Board, as the Accounting Authority, is responsible for implementing a system of internal controls to provide reasonable assurance regarding the integrity of the performance information, human resources information, and the annual financial statements. The Group Chief Executive Officer (Accounting Officer) is responsible for the preparation and accuracy of Necsa's performance information.

The AGSA has examined the company's Annual Financial Statements (AFS) and performance targets for the year ended 31 March 2025. Their report is presented on page 116. All information disclosed in this Integrated Annual Report is consistent with the AFS as audited by the Auditor-General.

In our opinion, the Integrated Annual Report fairly reflects the operations, performance information, human resources information, and the financial affairs of Necsa for the financial year ended 31 March 2025.

David Nicholls
BOARD CHAIRPERSON

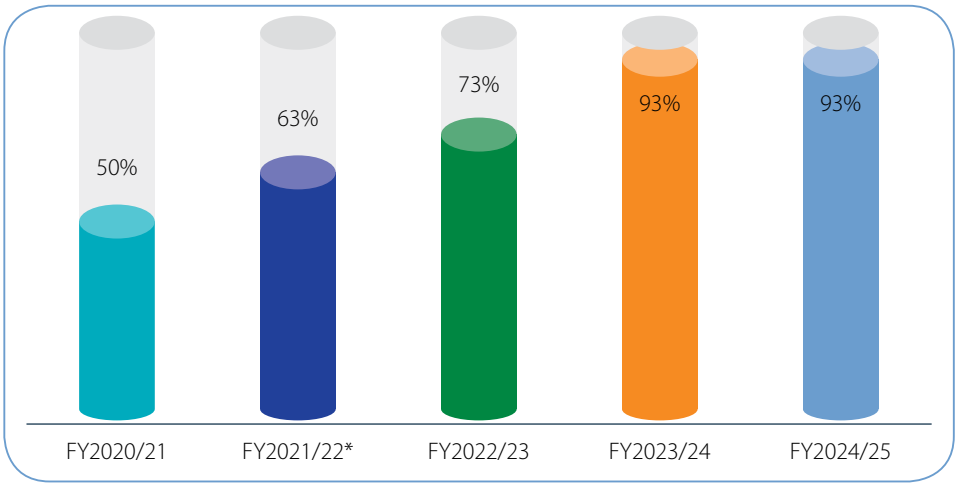
Loyiso Tyabashe
GROUP CHIEF EXECUTIVE OFFICER

5.3 Auditor-General's Report: Key Performance Indicators

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit opinion. The audit opinion on the performance against the KPIs, as contained in the Predetermined Objectives (PDOs), is included in the management report. Any material findings are reported under the "Predetermined Objectives" heading in this report. Refer to page 116 of this report for the Independent Auditor's Report on PDOs.

5.4 Performance Information

Performance against the planned indicators and targets, as set out in the Shareholder's Compact (2024/25) between Necsa and the Minister of Mineral Resources and Energy, is presented in the prescribed tabular format below. This is followed by a graph comparing performance over the past five financial years.



The graph clearly indicates a positive trend in the achievement of performance targets since the implementation of the turnaround strategy approved in 2021.

FINANCIAL RECOVERY AND SUSTAINABILITY PILLAR

This strategic pillar focuses on the Necsa Group's financial recovery, specifically achieving breakeven in the short term and resolving cash flow challenges, while positioning the organisation for medium- to long-term growth. The main contributors to this objective are the Nuclear Operations and Advanced Manufacturing division, as well as the NTP and Pelchem subsidiaries.

Key Performance Indicator	Actual achievement 2023/24	Target 2024/25	Actual 2024/25	Deviation 2024/25	Comment on deviation
Necsa Group NPAT (R'm)	108,7	46.122	125.2	Target exceeded by R79.1million	-
Audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified with no material findings (clean audit)	Target exceeded	-

RESEARCH & INNOVATION PILLAR

This pillar mandates the Research and Innovation Division to develop new technologies that support growth in existing commercial areas, while also driving innovations that enable future commercial enterprises.

Key Performance Indicator	Actual achievement 2023/24	Target 2024/25	Actual 2024/25	Deviation 2024/25	Comment on deviation
Contract R&D income generation (R'm)	48	42	52.1	Target exceeded by R10.1 million	-
Number of peer-reviewed publications	28	20	28	Target exceeded by 8	-
Number of innovation disclosures	7	6	7	Target exceeded by 1	-

Neutron Beam Line instruments that provide extremely powerful research techniques in pure and applied research areas

COMMERCIAL ENTERPRISES PILLAR

The Nuclear Energy Act (1999), in sections 14(1)(a) and 14(2), provides for Necsa's commercial mandate through the exploitation of technology and the utilisation of business opportunities. This pillar combines Necsa's two commercial subsidiaries: NTP SOC Ltd, which produces nuclear medicine and industrial isotopes, and Pelchem SOC Ltd, a provider of fluorochemicals.

Key Performance Indicator	Actual achievement 2023/24	Target 2024/25	Actual 2024/25	Deviation 2024/25	Comment on negative deviation
NTP Group NPAT (R'm)	136.1	105.5	118.3	Target exceeded by R12.8 million	-
Pelchem NPAT (R'm)	-42.2	0.63	-29,73*	Target missed by R30.36 million	Fluorine cell failed (six months short of life expectancy) in January 2025 resulting in the stoppage of the fluorine plant for 36 days. Slow activity in the xenon difluoride (XeF_2) market with loss in revenue of R8.5 million in the fourth quarter.

BUSINESS CONTINUITY AND EFFICIENCY PILLAR

Central to this pillar is the cultivation of a strong safety culture, adherence to compliance requirements, and a focus on operational efficiency and sustainability. This is driven by the Strategy and Business Enablement, and Nuclear Operations and Advanced Manufacturing divisions.

Key Performance Indicator	Actual achievement 2023/24	Target 2024/25	Actual 2024/25	Deviation 2024/25	Comment on deviation
DIIR*	0.73	< 1.8	0.46	Target exceeded	-
Public dose impact limit (mSv per annum)**	0.00365	< 0.05	0.0036	Target exceeded	-
Number of days available per year****	***289	287	295	Target exceeded by 8 days	-
Neutron source generation	Gateway Review of feasibility study submitted for Cabinet approval	Prepare the MPR main contractor RFP	RFP has been completed	Target achieved	-
Percentage execution of Annual Plan of Action as approved by the Necsa Board and submitted to DMRE	97%	95%	97%	Target exceeded	-

**Reported over rolling preceding 12-month period.

**Reported on calendar year basis (Jan–Dec 2024).

****Number of days available per year refers to SAFARI-1 operational availability, Neutron source generation refers to Multipurpose Research Development and Percentage execution of Annual Plan of Action is for D&D Programme execution (Stage 1)

TALENT EXCELLENCE AND HIGH-PERFORMANCE CULTURE PILLAR

Talent pipeline development, knowledge management, and transformation are the key themes of this pillar. Human Capital with the support of management, is responsible for the implementation of these targets with the focus on business sustainability through the retention of institutional knowledge and the development of skills for succession. A new performance indicator for Transformation has also been adopted, with an emphasis on professionals, senior management, and top management.

Key Performance Indicator	Actual achievement 2023/24	Target 2024/25	Actual 2024/25	Deviation 2024/25	Comment on deviation
Workforce plan with identified critical and core roles for the Necsa Group	New KPI	Workforce plan with identified critical and core roles for the Necsa Group	Workforce plan with identified critical and core roles for the Necsa Group	Target achieved	-
Improvement of performance culture and maintaining core skills	New KPI	80% of all critical positions to have knowledge retention plans	85% of all critical positions to have knowledge retention plans	Target exceeded	-
Achieve a Transformation Index of 1	New KPI	Transformation Index of 1	Transformation Index of 1.157	Target exceeded	-

5.5 Enterprise Risk Management

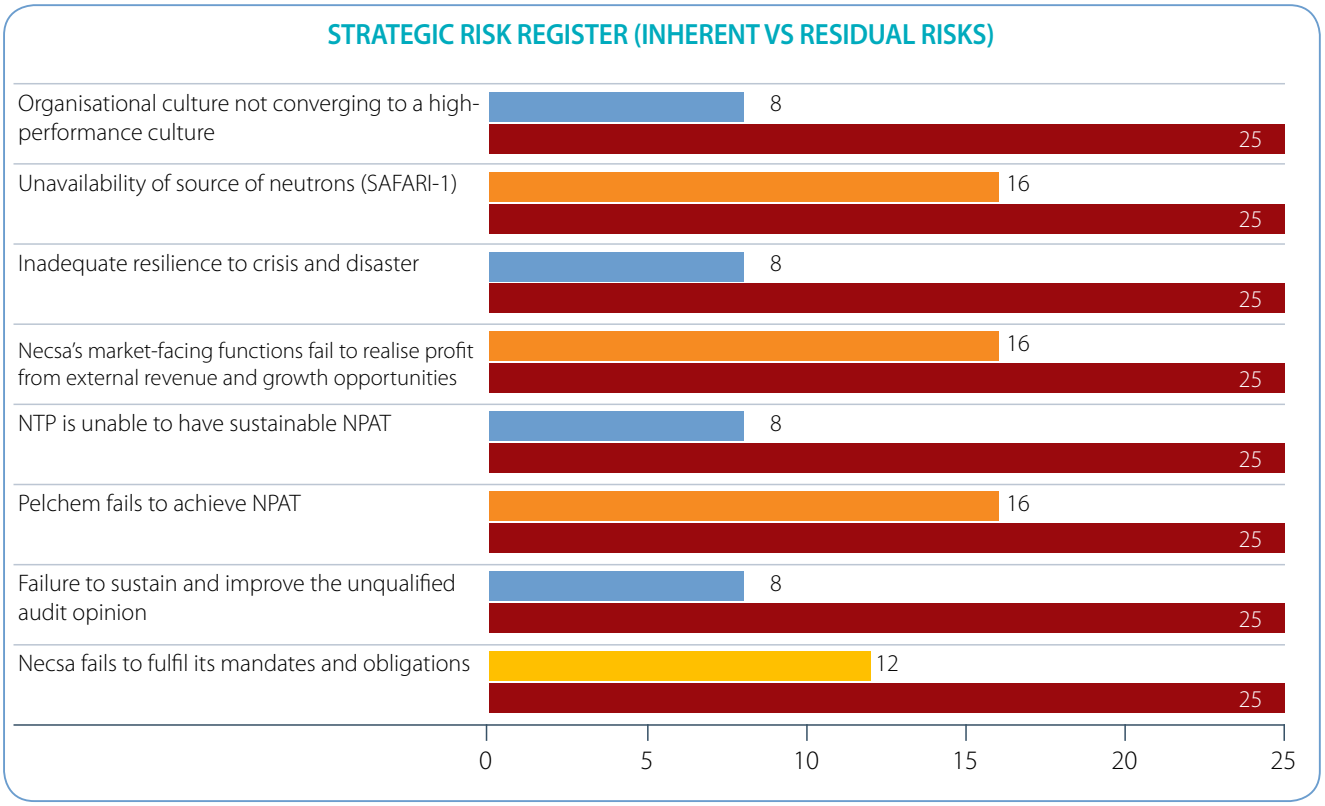
The GCEO and the Executive Committee continuously monitor the risks faced by the organisation to ensure that they mitigate them in time as part of derisking the corporate plan. In the year under review, the Necsa Group had identified eight risks and these were measured quarterly to see if they are increasing or reducing. Risk workshops were held to review these risks in line with the operating environment for Necsa and reframed accordingly.

STRATEGIC RISKS AND EXPOSURE

The table below depicts the risk rating and definitions:

Risk Rating	Assessment	Rating Definition
20 - 25	**Critical**	Catastrophic levels of risk exposure. Despite controls implemented, the remaining risk could still have a devastating impact on the organisation's strategic goals.
≥ 15 to < 20	**High**	Significant levels of risk exposure. Although mitigation measures are in place, the remaining risk could seriously affect the organisation's strategic goals.
≥ 10 to < 15	**Moderate**	Cautionary levels of risk exposure. A manageable level of risk that could still have noticeable consequences but is less likely to severely disrupt business operations.
≥ 5 to < 10	**Low**	Risk within tolerance levels. These risks have minor consequences that can be easily managed or absorbed by the organisation.
< 5	**Insignificant**	Negligible risk within tolerance levels. These risks have minimal to no practical impact on the organisation's operations or objectives.

The graph below shows the status of strategic risks in the organisation:



5.6 Stakeholder Landscape

Necsa actively engages with stakeholders on issues critical to both the organisation's sustainability and stakeholder interests. This is guided by the stakeholder management map shown in the figure below. Both internal and external stakeholders, local and international, form an integral part of Necsa's value chain and enable the organisation to deliver on its mandate. Necsa strives to build trust and maintain a positive reputation by nurturing these relationships through various engagement platforms, including meetings, workshops, and written and oral communications.

Stakeholder Engagement Wheel

5.7 Overview of Public Entity's Performance

SERVICE DELIVERY ENVIRONMENT

Given Necsa's mandates related to research and development and national nuclear obligations, the company is not directly involved in service delivery to the public. Salient issues affecting performance include:

- The budget cut introduced by the National Treasury and the DMRE for the 2024/25 financial year placed strain on cash flows.
- Various scheduled and unscheduled extended reactor shutdowns in Europe led to increased revenue due to a higher demand for NTP products.
- The inability to attract investment funding for critical infrastructure support for Pelchem fluorine and hydrogen fluoride plants.

ORGANISATIONAL ENVIRONMENT

Several internal factors are notable in relation to Necsa's performance in the past financial year:

- The Necsa Group successfully complied with Section 21 of the Employment Equity Act by submitting the annual Employment Equity report for the 2024 reporting cycle.
- The Board and Group Executive Management Committee (EXCO) is operating at full capacity.
- The Business Optimisation process embarked upon by the Necsa Group following rationalisation of structure, processes, and financial sustainability has been completed. A consolidated report was submitted, and a Decision Making & Driving Decisions presentation was delivered. Recommendations and prioritisation for all work streams were highlighted.

PART C: PERFORMANCE

6. Financial Capital

Ms Precious Hawadi

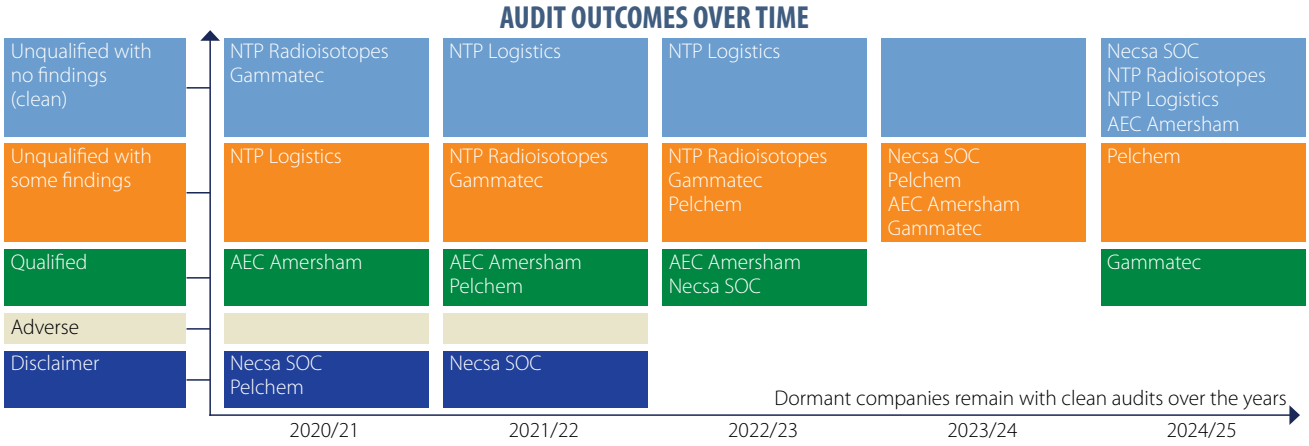
Group Executive: Financial Capital

Financial recovery and sustainability spearhead one of the critical strategic pillars of the organisation. This pillar has been pivotal for Necsa's implementation of a turnaround strategy aimed at redirecting the organisation towards long-term financial sustainability.

The Necsa Group receives most of its funding from the government, given its role as a principal research organisation. The remainder of its revenue is by its market-facing divisions and subsidiaries. In the 2024/25 financial year, the Group reported a profit for the third time in six years, a positive trend that is expected to continue into the 2025/26 financial year. Additionally, the Group's audit outcomes have shown ongoing improvement.

The long-, medium-, and short-term goals are aligned with the company's financial projections, developed by the financial division in collaboration with the broader organisation. This division is responsible for the stewardship and control of financial resources and the management of physical assets, ensuring they are optimally utilised to create value within the Necsa Group.

The objective is to strike a balance across four key priorities: cost reduction, compliance, operational efficiency, and growth. Finance plays a central role in supporting decision-making, shaping the vision, mission, and strategy of the Necsa Group, and upholding the guiding principles required for sound corporate financial governance.



- The improvement of audit outcomes is commendable as a change in the Necsa Group culture on compliance matters
- The focus is now on addressing items raised i the management report as part of the Audit Recovery Plan
- The Group (Necsa SOC) achieved an unqualified audit with no findings (clean audit) in addition to NTP Radioisotopes, NTP Logistics and AEC Amersham, with Pelchem receiving anunqualified opinion with findings and Gammatec being the only entity with a qualified audit opinion.

The positive year-on-year improved audit outcome trajectory is commendable and can mainly be attributable to the change in the Necsa Group culture on compliance matters, debtor recovery and most importantly, the good quality of the financial statements supplied for auditing.

Focus throughout the financial year was on addressing all items raised during previous financial years, which were captured in an audit sustainability action plan. This ensured that all issues were addressed before the commencement of the audit. The result of this approach is also evident in the sterling performance of the Necsa Group in the improved number of entities within the Necsa Group which received unqualified audits with no material findings (clean audit outcomes). The number of entities with clean audit opinions increased from two (2) entities in the prior 2023/24 financial year to four (4) entities including Necsa which received a clean audit opinion for the first time in the 2024/25 financial year.

6.1 Supply Chain Management

The Necsa Group's strategic plan clearly articulates the critical role of supply chain management in achieving

operational efficiency, realising cost savings, and ensuring the organisation is well-positioned to respond to ongoing changes in the supply market. The Group has effectively managed its procurement budget, aligned business needs with available suppliers, and maintained full compliance with relevant legislation. During the year under review, 84.13% of the procurement budget was spent on local suppliers. As the Necsa Group's financial position improves, there is an opportunity to increase expenditure on black-owned businesses, thereby enhancing its broad-based black economic empowerment (B-BBEE) rating.

Purchases for the Necsa Group in the 2024/25 FY amounted to R2, 162bn, reflecting a 20.60% improved increase compared to the previous reporting periods. This resulted from statutory price increases for products, materials, and equipment, as well as non-routine purchases. The R2, 162bn comprised R1, 819bn (84.13%), which was spent with local suppliers, and R342, 978m (15.87%), spent with foreign suppliers.

The top ten suppliers are tabled below, with the amounts spent on purchases expressed as a percentage of the Necsa Group's total purchases for the reporting period.

Top 10 suppliers for the Necsa Group

Top 10 Suppliers	Value	%
ESKOM	153 584 887,99	7,10%
FRAMATOME SAS	123 995 084,73	5,73%
NATIONAL NUCLEAR REGULATOR	67, 477 261,00	3,12%
COMECER	62 787 424,83	2,90%
MOMENTUM WITH PROFIT	35 210 052,47	1,62%
REAKGONA PETROLEUM	21 870 274,88	1,01%
RAND WATER	21 393 763,69	0,98%
ITM PHARMA SOLUTIONS GMBH	19 696 743,48	0,91%
GETINGE LA CALHENE SAS	19 359 458,69	0,89%
OSERIX SA LTD	16 603 253,11	0,76%
Total	**541 978 204,87**	**25,02%**

During the 2024/25 financial year, the Supply Chain management division held a successful supplier day on the 14 December 2024 which was a resounding success. The next supplier day was scheduled for the 2025/26 financial year on the 30 May 2025.

These supplier days are part of the B-BBEE strategy which was a product of the B-BBEE Task Team that was established to improve the rating within the Group. The main objective of the supplier days is to i) equip suppliers with knowledge of the available opportunities within the Group, ii) ensure that they have information that will assist in enabling them to make improvements in adherence to full compliance on their side as a result of these engagements, in addition to sharing information with them on iii) where they need to go when in need of business funding. This is an act which we hope will assist them in fulfilling their business visions, which is the ultimate purpose for why we have these type of engagements.

6.2 Financial Control

The Necsa Group receives a portion of its funding through a government grant that supports various elements of the business. The flow of these funds into the financial capital units—such as cost and profit centres—enables the Necsa Group to maintain an effective and efficient financial accounting system. This is achieved through the development and implementation of internal control policies, procedures, and financial control mechanisms, all in compliance with legislative, regulatory and business requirements.

6.3 Broad-Based Black Economic Empowerment

The Necsa Group recognises that implementing a B-BBEE strategy is essential to achieving the objectives of the B-BBEE Act—namely, sustainable and inclusive economic development, social stability and labour-absorbing economic growth. This remains a key area of focus in the years ahead as the business continues its turnaround.

A plan of action has been developed to improve the Group's current B-BBEE level, with attention to skills development, enterprise and supplier development, and socio-economic development.

During the reporting period, 22% of the Necsa Group's total procurement spend was with B-BBEE suppliers, while spending on small, medium, and micro enterprises and black women-owned businesses accounted for 12% and 17%, respectively.

With the Necsa Group, Pelchem SOC Ltd performed notably well, spending 41% of its total procurement budget on black-owned businesses and 33% of its total procurement budget on black women-owned businesses.

Necsa SOC improved its audit opinion from an unqualified to a clean audit, while Pelchem and NTP maintained unqualified and clean audit opinions, respectively.

Breakdown of procurement with enterprises that are at least

51% black-owned

Necsa Group	**22%** R303,023 million
necsa	**32%** R186,198 million
NTP	**11%** R82,207 million
pelchem	**41%** R34,616 million

Total procurement values with

small, medium, and micro enterprises

Necsa Group	**12%** R168,085 million
necsa	**22%** R124,561 million
NTP	**4%** R31,300 million
pelchem	**14%** R12,223 million

Procurement with enterprises that are at least

30% black women-owned

Necsa Group	**17%** R230,580 million
necsa	**24%** R135,016 million
NTP	**09%** R67,767 million
pelchem	**33%** R27,796 million

6.4 Group Treasury

The Group Treasury department manages and ensures efficient and effective treasury services to the Necsa Group in line with its finance and funding strategies. It does so by implementing and monitoring internal controls in the treasury environment to ensure the achievement of the organisation's operational and strategic objectives. The department's role was effectively executed in the past year as the Necsa Group complied fully with PFMA regulations, King IV and all of the relevant National Treasury regulations and prescripts.

6.5 Strategic Corporate Financing

The objective of the Strategic Corporate Financing department is to manage and ensure the provision of effective and efficient corporate financial accounting services to the group. It achieves this by developing, implementing and maintaining corporate financial processes, procedures and mechanisms for effective corporate financial control of Necsa business operations, while ensuring compliance with statutory and regulatory requirements. This department also supports business when there are bankable business cases that are ready and where interaction is required to assist in sourcing investment from potential funders.

6.6 Strategic Project Financing

This department works on the specialised strategic project financing leg of the business, which is a specialised area of financial capital that deals with strategic project financing requiring special attention. It includes stakeholder engagements that support strategic projects in the division. The strategic projects include the Multi-purpose reactor (MPR), National Radioactive Waste Disposal Institute (NRWDI) and Decontamination and Decommissioning (D&D) support to business. Likewise, the MPR requires focused attention to its criticality in ensuring the continued and ongoing sustainability of Necsa.

Necsa Learning Academy

7. Human Capital

Ms Sithembile Mbuyisa

Group Executive: Human Capital

The Human Capital Division is a strategic enabling function, combining both centre-led and centralised operations. It consists of three key departments: Human Resources, Organisational Excellence and the Necsa Learning Academy (NLA). Its core mandate is to ensure that the Necsa Group possesses the necessary human resources capacity, capabilities and competencies to fulfil its objectives and capitalise on external opportunities.

The Necsa Group values its workforce as its vital asset for the realisation of its vision. The organisational culture is underpinned by the group values of excellence, accountability, safety first, integrity and innovation.

Necsa Staff Engagement session with Department of Electricity and Energy Minister, Dr Kgosientsho Ramokgopa

7.1 Necsa Workforce Profile

Drives organisational human capital recruitment, training, and development.

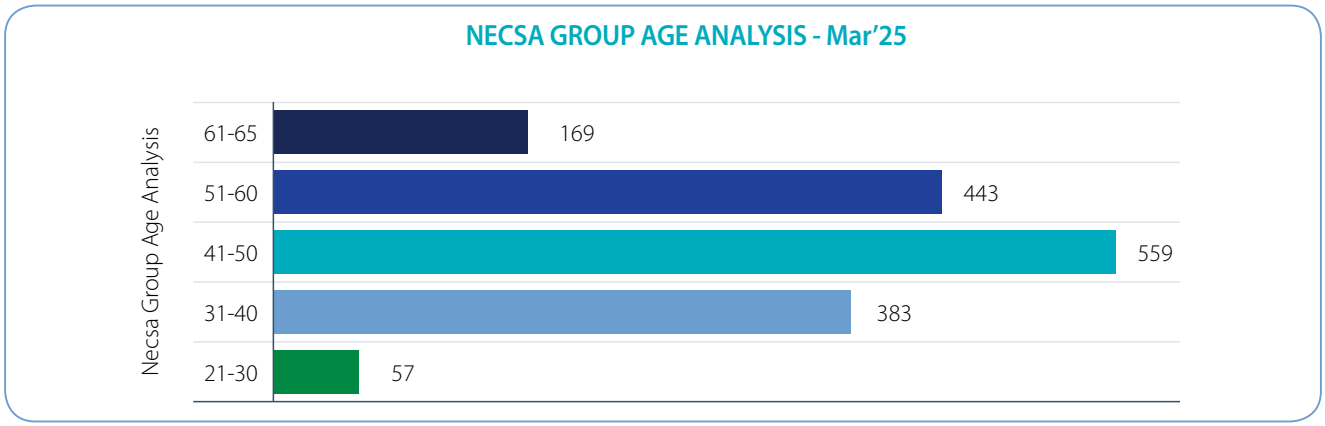
The Necsa Group consists of three subsidiaries: Necsa SOC Ltd, NTP, and Pelchem. Over the past few years, the overall staff composition has steadily declined as part of efforts to rationalise the organisation and improve efficiencies. Below is an overview of the total staff complement as at end of March 2025, presented by discipline, demographic profile and gender.

Staff Complement per Discipline

	♂				♀				Grand Total
	A	C	I	W	A	C	I	W	
Artisans	96	4		46	24				**170**
Business Management & Administration	85	1	10	14	177	9	8	49	**353**
Engineers	38	2	5	6	8	1		1	**61**
Pharmacists	6			1	5		1	1	**14**
Plant/Production	174	14	2	29	33	1		5	**258**
Scientists	32		1	14	16	1	3	10	**77**
Services and Sales	201	8	1	17	140	1		10	**378**
Technicians	114	4	1	48	97	1	1	22	**288**
Technologist	6			3	2			1	**12**
Grand Total	**751**	**33**	**20**	**178**	**502**	**14**	**13**	**99**	**1,611**

Workforce Age Profile

The average employee age is 47 years, with the age distribution reflected below. Given this age profile and the need to sustain nuclear skills, the division runs several talent management programmes to ensure a strong talent pipeline and the retention of knowledge, as well as critical and scarce skills. The workforce age profile as at end March 2025 is shown in the figure below:



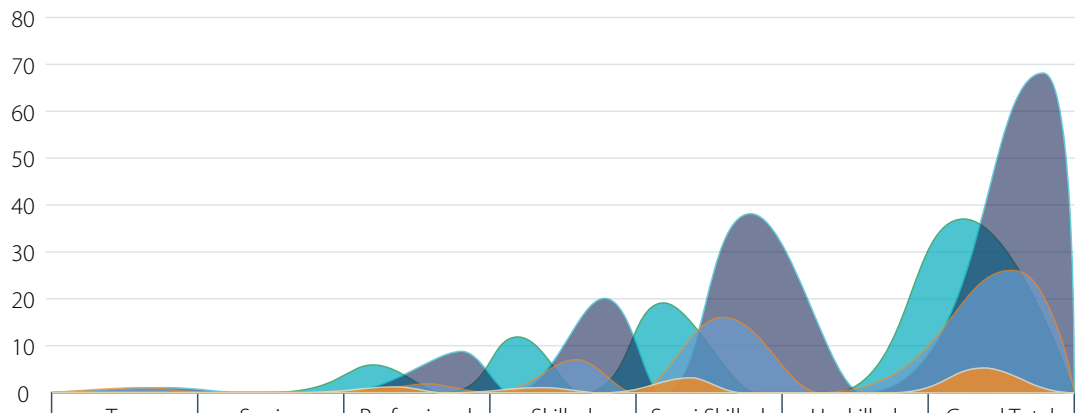
7.2 Transformation

The Necsa Group maintained a strong focus on its transformation agenda to ensure alignment of its workforce profile with the national Employment Active Population (EAP). As at 31 March 2025, 82% of the workforce comprised designated groups, with females making up 60.8% of the total workforce. Progress made against the approved Employment Equity Plan (2023–2026) is reflected in the workforce transformation profile table below:

Count of Employee Code	♀ A	♀ C	♀ I	♀ W	♂ A	♂ C	♂ I	♂ W	Grand Total
1 - Top Management	3				4		1	1	**9**
2 - Senior Management	12			3	14		3	7	**39**
3 - Professional	65	2	9	29	122	4	10	50	**291**
4 - Skilled	222	7	4	49	270	12	4	97	**665**
5 - Semi-Skilled	124	5		16	284	17	2	23	**471**
6 - Unskilled	78			2	56				**136**
Grand Total	**504**	**14**	**13**	**99**	**750**	**33**	**20**	**178**	**1611**

Appointments

The figure below reflects the number of appointments made during the reporting period by race and gender per occupational level. A total of 68 appointments were made.

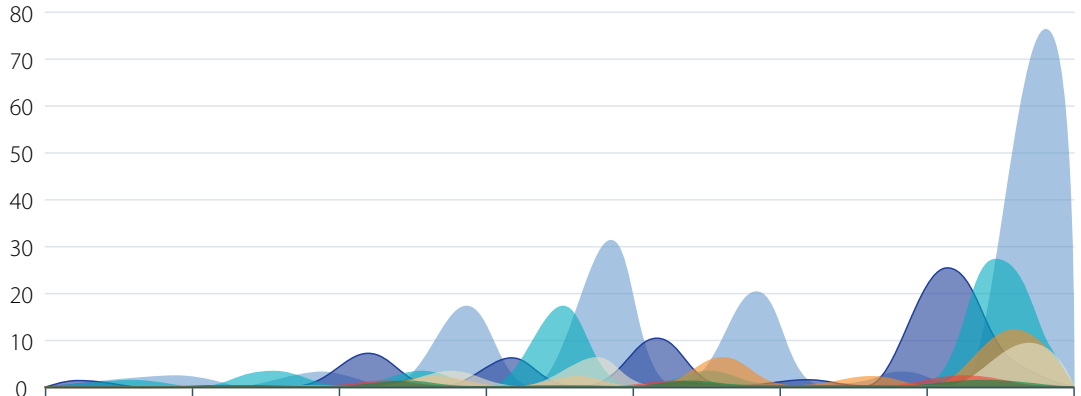


	Top Management	Senior Management	Professional	Skilled	Semi Skilled	Unskilled	Grand Total
A-African M-Male	0	0	6	12	19	0	37
C-Coloured M-Male	0	0	1	1	3	0	5
A-African F-Female	1	0	2	7	16	0	26
Grand Total	1	0	9	20	38	0	38

Terminations

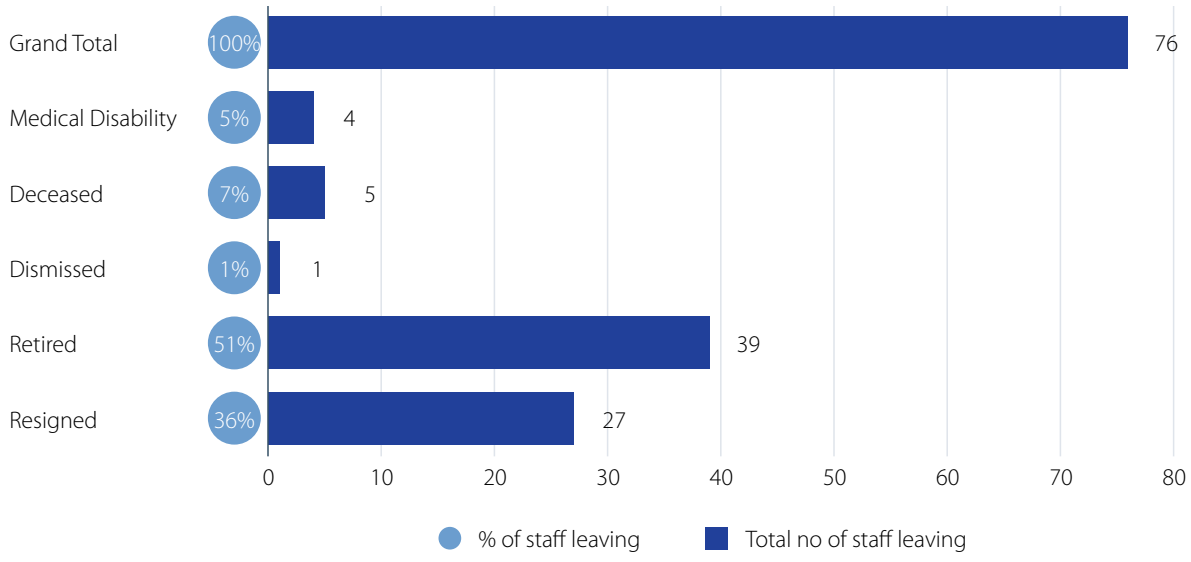
The Necsa Group experienced 76 voluntary and involuntary employee terminations during the reporting period, resulting in a staff turnover rate of 4.6%, which aligns with trends observed over the past decade. The figures below reflect terminations by occupational level and reason:

Terminations by Occupational Level



	Top Management	Senior Management	Professional	Skilled	Semi Skilled	Unskilled	Grand Total
A-African M-Male	0	0	6	12	19	0	37
C-Coloured M-Male	0	0	1	1	3	0	5
I-Indian M-Male	1	0	2	7	16	0	26
W-White M-Male	1	0	9	20	38	0	38
A-African F-Female	1	0	9	20	38	0	38
W-White F-Female	1	0	9	20	38	0	38
Grand Total	1	0	9	20	38	0	38

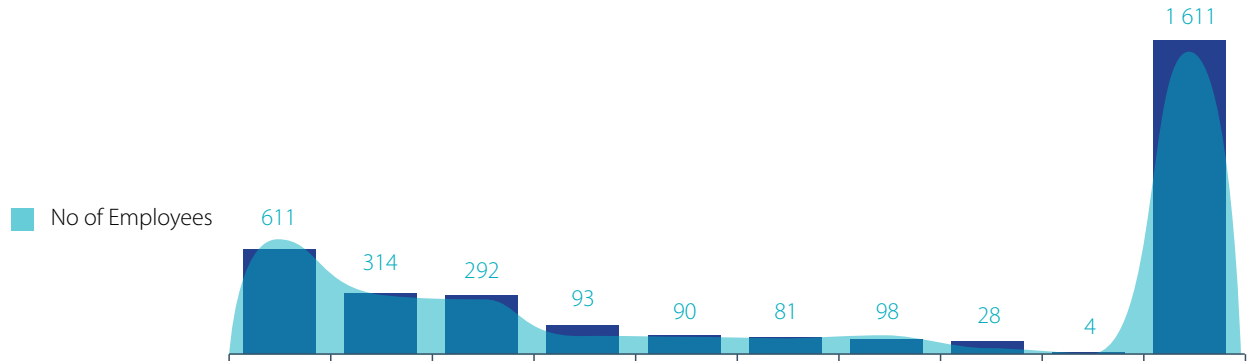
Termination by Reason



7.3 Rewards and Remuneration

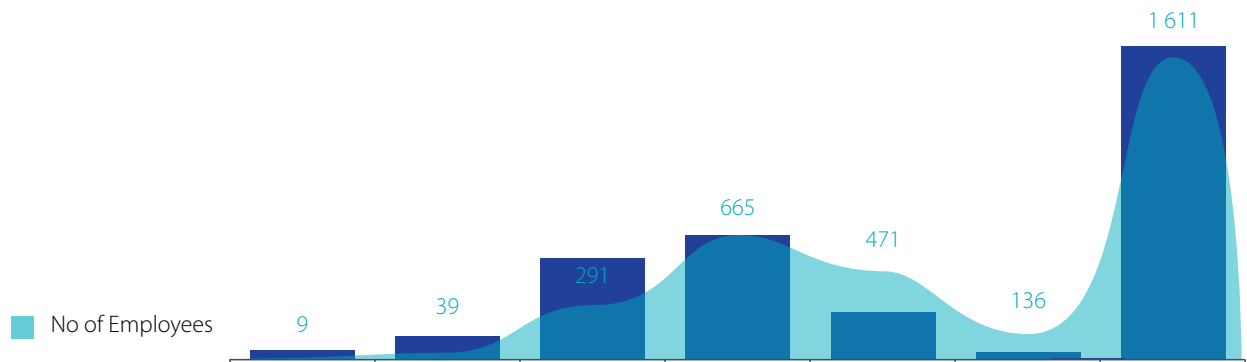
Salary costs per division and employee costs per occupation level are shown in the figures below:

Salary Cost per Division



	Noam	SBE	NTP	R&I	HC	FC	Pelchem	OGCEO	P&I	Grand Total
Salary Cost	333 461	192 636	185 425	91 184	58 902	53 529	44 958	39 145	4 029	1 003 000

Employee Cost per Occupational level



	Top Management	Senior Management	Professional	Skilled	Semi Skilled	Unskilled	Grand Total
Salary Cost	30 009 088	74 659 120	325 766 657	398 074 150	151 209 839	23 555 785	1 003 274 640

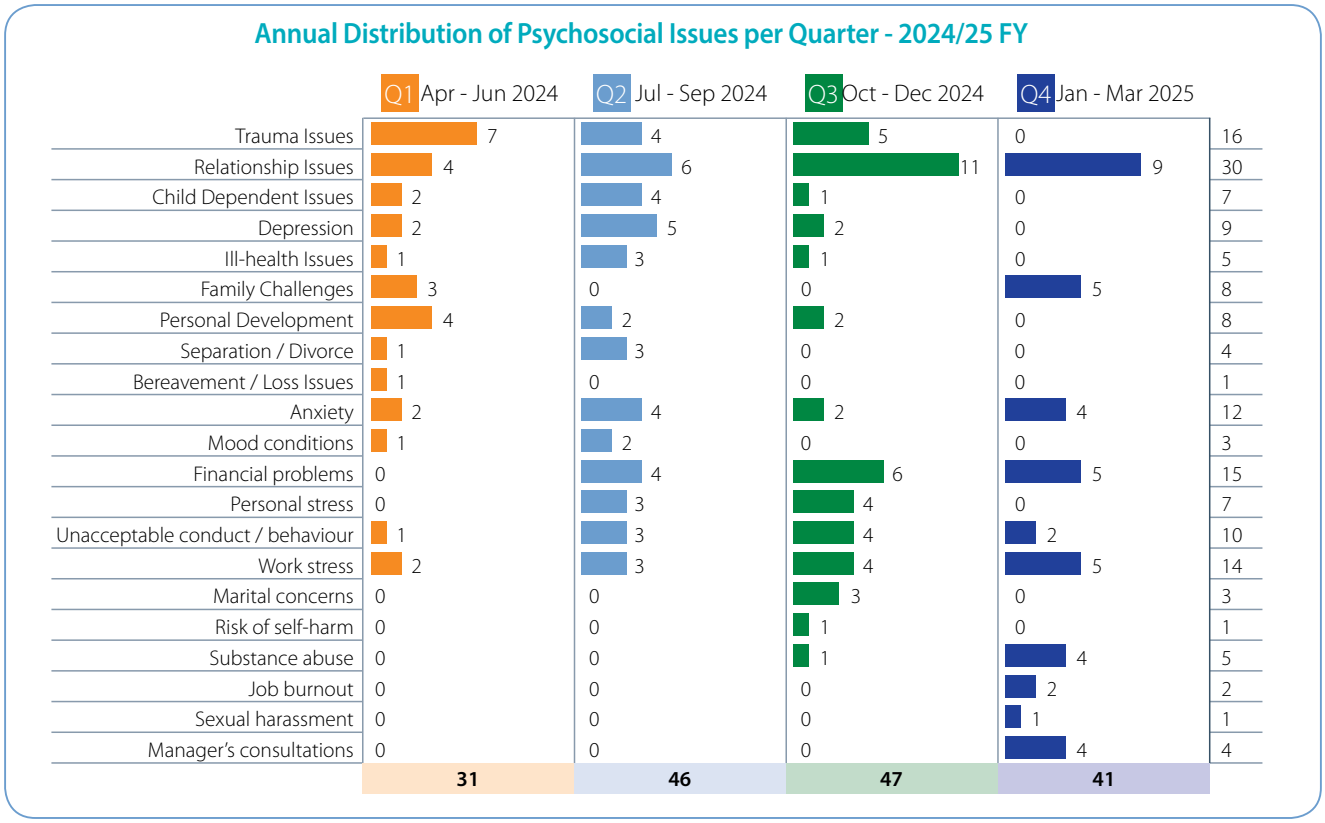
7.4 Employee Wellness Programme

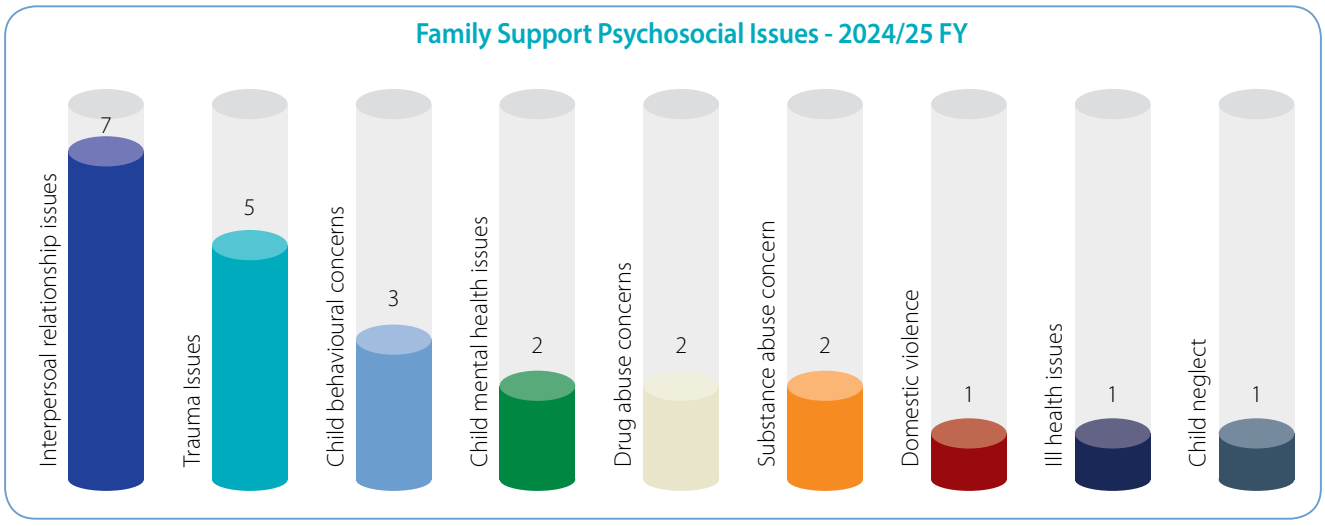
The Necsa Group Employee Wellness Programme was a crucial support system for employees throughout the 2024/25 financial year. By embracing a holistic approach to wellbeing, the programme effectively addressed employees' mental, social, emotional, and physical health needs. Through a combination of proactive and reactive initiatives, it fostered a healthier workplace culture aligned with Necsa's core values.

EAP Engagement Overview

During the year, the Employee Assistance Programme (EAP) serviced a total of 165 employees by providing over 280 counselling sessions and implementing numerous health interventions. The combined approach of the EAP alongside themed health and wellness initiatives has proven to be an effective and engaging toolkit.

The EAP interventions by category, including support provided to employee family members for the 2024/25 financial year, are illustrated in the figures below:





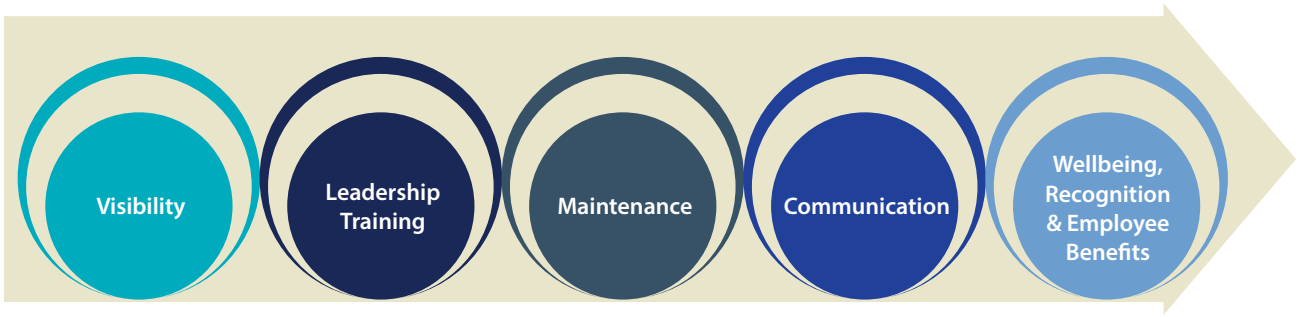
Proactive Wellness Initiatives and Interventions

The Necsa Group Employee Wellness Programme, as reflected in the flow chart below, undertook a range of key proactive initiatives throughout the 2024/25 financial year. These activities aimed to support and enhance the wellbeing of employees across the organisation, empowering them to lead healthier, more productive lives. Below is an outline and explanation of the proactive wellness initiatives and interventions undertaken during the year:

7.5 Organisational Safety Culture and SHEQ

Safety and Security Culture Survey

The Necsa Group completed its 2024 internal Safety and Security Culture Survey in the third quarter, achieving an overall score of 4.0—a significant improvement from the previous score of 3.6. While this result is encouraging, several areas of improvement were identified, with action plans outlined below:



Workshops

A workshop titled The Human Factor - Improving Nuclear Security and Safety Culture, hosted by the U.S. Department of Energy's National Nuclear Security Administration Office of International Nuclear Security Partnership for Nuclear Threat Reduction, was held at the Necsa Visitor Centre from 5 to 8 August 2024. The personnel who attended the session responded positively and recognised the value of such engagements.

Awareness Sessions

The following topics were discussed in the monthly awareness sessions:

SAFETY

- Distracted dridving
- Road safety at necsa
- New year, new safety protocols
- Eyes on path: prevent trips, slips and falls
- Fire protection and emergency planning

HEALTH

- Winter Illness and building the Immune System
- Littering on site
- Stress management in the workplace
- Disabilities in the workplace
- Healthy Living: Portion control with dietician Ms H Pohl

CULTURE

- Workplace ethics
- Safety culture survey feedback

QUALITY

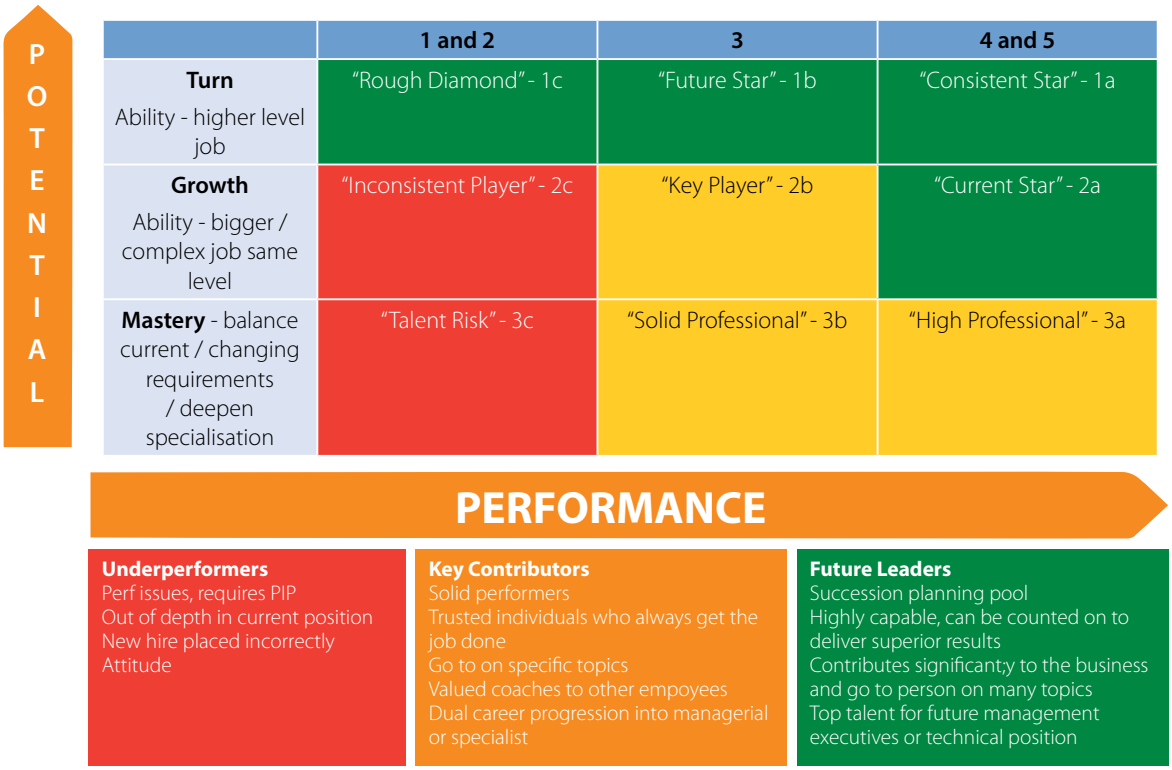
- Control of documents
- Necsa and quality requirements
- Necsa hr benefits / policies: leave procedure

SECURITY

- Necsa security arrangements
- Access control management

7.6 Talent Management and Succession Planning

Succession plans were developed using the 9-box matrix methodology. Divisional talent boards were established across the business to confirm the identified successors and the development plans which were developed based on the current performance of the identified employees against their determinable potential to ensure that the development initiatives result in a better match between potential and desired performance as depicted in the figure below.



Organisational Design and Review

In response to the Necsa turnaround strategy that was approved in 2021, Human Capital undertook a review of the organisational design to align the Necsa Group structure to best support the organisational objectives. The work has progressed since then taking into account the emerging needs of the organisation.

The organisation enlisted the services of Letsema Consulting to assist with the development of the Group's strategy, business model, and organisational structures. Appropriate recommendations for improvement were presented and approved by the Executive Committee and the Board following consultation and buy-in by labour partners. In 2021, the project focused on implementation of the recommendations within the respective divisions. Engagements with labour representatives were held to discuss the process, and staff members were consulted regarding structural and possible job changes through an effective change management intervention. Relevant stakeholders were also kept informed of the enhancements made by the divisions. The implementation process was underpinned by the organisational design principles that were developed by Letsema Consulting to ensure consistency and fairness.

To support the business optimisation project that was initiated in 2024, a task team was established to review the effective functioning of the structures. Although organisational design is a continuous process, this project is expected to conclude in the financial year 2025/26 as Necsa crafts a new strategy for growth.

Job Profiling and Evaluation

As an outcome of the new operating model and organisational structure, it was important to review jobs for their relevance to the organisational strategy and subsequently evaluate them to determine the appropriate job sizes or grades. Necsa embarked on a project to address this requirement which will be completed in the first quarter of 2025/26 financial year.

Change Management

- Change management interventions were implemented to support the rationalisation and turnaround project and continue to be used on an ongoing basis.
- Change agent forums were established to relay important messages and provide a feedback loop from staff members.
- The Group Bargaining Forum, a consultative platform between the employer and labour representatives, meets regularly to discuss employee matters.
- Necsa Connect, an internal newsletter, is used to communicate developments within the organisation.

Succession Planning and Knowledge Management

The Necsa Group recognises that the competence and quality of its talent are fundamental to achieving its strategy of growth, profitability, and sustainability. It is therefore imperative to maintain the right level of human capital, equipped with appropriate skills, knowledge, and competencies to drive performance.

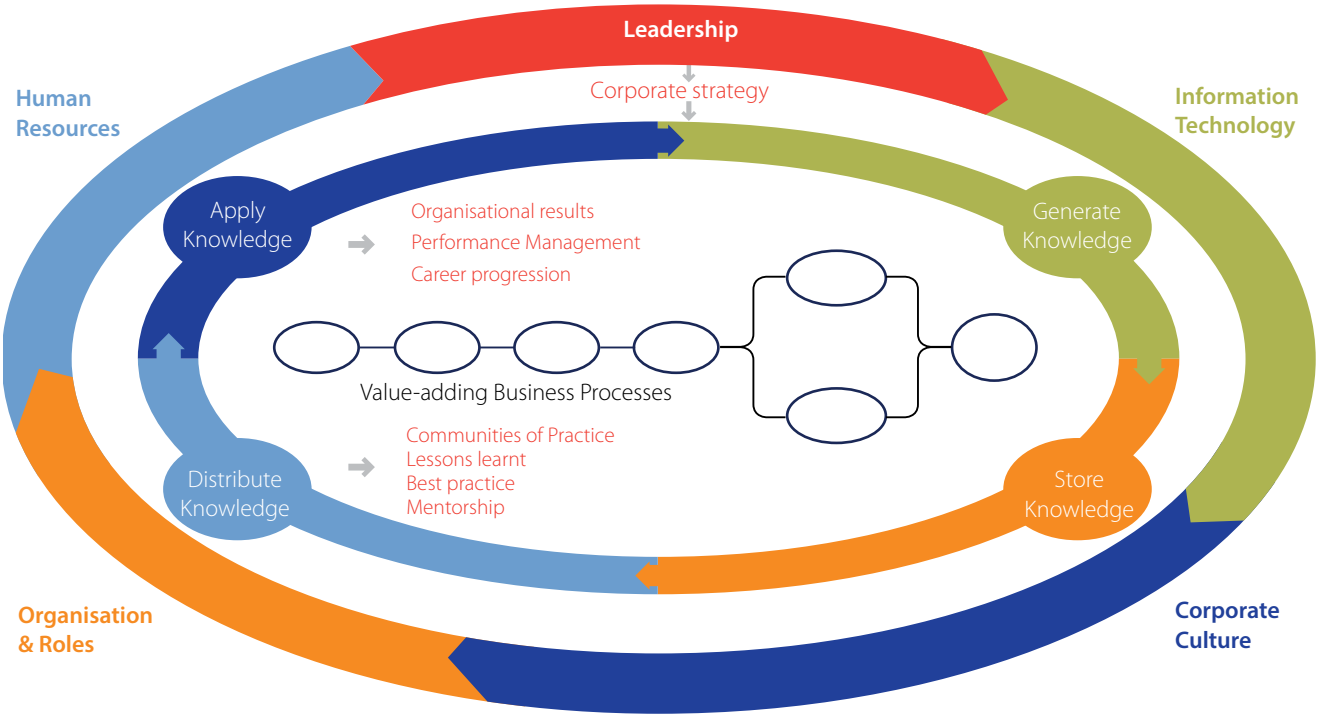
Succession plans for leadership and knowledge retention plans for critical positions have been developed. The behavioural competencies and capabilities required to lead the Necsa Group into the future form part of the development interventions for identified successors.

7.7 Knowledge Management

The Necsa Group knowledge management (KM) approach places significant emphasis on people. It supports the organisational strategy by ensuring that Necsa's knowledge base is preserved and not eroded through the loss of critical technical knowledge and skills.

People are at the centre of the KM process—they create, possess, and apply knowledge for human benefit, and they enable its transfer across generations through human interaction and technology. The Necsa KM model places strong emphasis on the human factor.

The foundation of Necsa's KM process is reflected in the model below, adapted from the IAEA's KM model in TEC-DOC-1510, which in turn is based on the Fraunhofer Reference Model for KM. The model has been customised for Necsa's specific needs.



Necsa has been driving the development of knowledge retention plans to facilitate the retention of critical knowledge in the organisation.

7.8 Skills Development

Necsa contributes to skills development for both its employees and the country through the Necsa Nuclear Academy and its Research and Innovation initiatives. The latter plays a role through Necsa scientists serving as professors, dissertation and thesis supervisors, and lecturers. Postgraduate students utilise the SAFARI-1 research reactor under the supervision of Necsa scientists, thereby creating a STEM academic and career pipeline for the country.

Necsa Learning Academy workshop

Technical Skills Training

The Necsa Learning Academy trained 552 youth in technical skills workshops, including an apprenticeship programme that trained 95 candidates, and a modular-based programme offered to 22 youth. During the reporting year, the National Skills Fund (NSF) awarded the academy a skills development contract to train 1,368 individuals over a period of five years.

Trade Test Centre

The Trade Test Centre continued to provide trade testing and associated services. Pre-assessments for Artisan Recognition of Prior Learning (ARPL) were conducted for 35 candidates; Gap Training was provided to 34 candidates; Trade Test Preparation to 167 candidates; and Trade Testing for 156 candidates. In addition, short courses were offered to 60 candidates.

Human Capital Development

The Necsa Group collaborates with a number of stakeholders in the education and skills development sectors to ensure that its own human capital as well as external beneficiaries are appropriately capacitated. These initiatives aim to arm our people with skills that open up career movement for those who are employed and new job opportunities for those who are unemployed. The Necsa Group also accommodates skills development that is geared towards building entrepreneurial muscle across various trades.

Leadership Management Development Programme for Senior Managers

This programme aims to enhance leadership excellence and align with the organisation's strategic imperatives of the organisation and Human Resources systems. It was implemented during the reporting period at a cost of R357,500.

Black		Coloured		Asian		White	
M	F	M	F	M	F	M	F
7	1	0	0	1	0	1	0
8		0		1		1	

CHIETA-funded Work Integrated Learning (WIL) and Internships: This programme has been finalised, and the students have been placed on-site across various divisions, as outlined in the table below:

	M	F	B	C	I	W	Total	Total Amount
Diploma in Chemical Engineering	2	5	7	0	0	0	7	**R35,000**
Diploma in HR	2	2	4	0	0	0	4	**R20,000**
Bachelor Library Services	0	2	2	0	0	0	2	**R10,000**
Bachelor in HR	2	3	5	0	0	0	5	**R25,000**
Diploma in Analytical Chemistry	3	5	8	0	0	0	8	**R40,000**
Diploma in Electrical Engineering	3	2	5	0	0	0	5	**R25,000**
Diploma in Mechanical Engineering	2	2	4	0	0	0	4	**R20,000**
Diploma in Industrial Physics	5	4	9	0	0	0	9	**R45,000**
Diploma in Financial Management	1	4	5	0	0	0	5	**R25,000**
Diploma in Supply Chain Management	2	5	7	0	0	0	7	**R35,000**
Diploma in Hospitality	0	4	4	0	0	0	4	**R20,000**
Metallurgy	1	0	1	0	0	0	1	**R5,000**
Total	**23**	**38**	**61**	**0**	**0**	**0**	**61**	**R305,000**

National Skills Fund: The fund supported the placement of graduate interns, who are currently on-site across various divisions. Details are provided in the table below.

	M	F	B	C	I	W	Total	Total Amount
Diploma in Human Resource Management	2	4	6	0	0	0	6	**R36,000**
Diploma in IT	2	3	5	0	0	0	5	**R30,000**
BCom in IT	3	0	3	0	0	0	3	**R18,000**
BCom in Marketing	0	1	1	0	0	0	1	**R6,000**
Diploma in Marketing	1	0	1	0	0	0	1	**R6,000**
BCom in Financial Accountancy	1	5	6	0	0	0	6	**R36,000**
Bachelor of Administration	1	2	3	0	0	0	3	**R18,000**
Diploma in Public Admin/Management	1	2	3	0	0	0	3	**R18,000**
Bachelor of Public Admin/Management	0	4	4	0	0	0	4	**R24,000**
National Diploma in Accounting Sciences	3	4	7	0	0	0	7	**R42,000**
Bachelor of Commerce	1	0	1	0	0	0	1	**R6,000**
Total	**15**	**25**	**40**	**0**	**0**	**0**	**40**	**R240,000**

Recognition of Prior Learning (RPL) in Chemical Operations NQF Level 3: A total of 12 Necsa Group employees attended RPL training, as detailed in the table below:

Recognition of Prior Learning, July to September 2024

	M	F	B	C	I	W	Total	Total Amount
Recognition of Prior Learning Training	7	3	10	0	0	2	12	**R169,000**
Total	**7**	**3**	**10**	**0**	**0**	**2**	**12**	**R169,000**

Learnerships Programmes

Learnerships for Necsa Group employees were implemented for the National Diploma in Public Administration (NQF Level 6). The Learnership Programme for the National Certificate in Generic Management (NQF Level 5) was also extended to unemployed youth. The table below details the number of beneficiaries.

Learnership Programmes for Generic Management and ND Public Administration

		M	F	B	C	I	W	Total	Total Amount
NC Generic Management Learnership (NQF Level 5)	Employed	20	34	49	0	1	4	54	**R1,017,000**
Generic Management Learnership (NQF Level 5)	Unemployed	0	20	20	0	0	0	20	**R340,000**
ND Public Administration (NQF Level 6)	Employed	7	12	19	0	0	0	19	**R366,000**
Total		**27**	**66**	**88**	**0**	**1**	**4**	**93**	**R1,723,000**

Study Assistance Scheme

A total of R3,697,538.99 was spent on the Study Assistance Scheme during for the reporting period to support 85 Necsa employees in obtaining qualifications at various institutions of higher learning across South Africa, as detailed in the table below.

STUDY ASSISTANCE SCHEME

	B		C		I		W		Amount
BA	2	1	0	0	0	0	0	0	**R102,318.67**
BCom	5	3	0	1	0	0	0	0	**R235,361.62**
BSc	1	1	0	0	0	0	0	0	**R29,880.00**
Diploma	20	19	1	0	0	0	1	1	**R1,364,735.55**
Honours	1	7	0	0	0	0	0	0	**R222,777.63**
LLB	0	1	0	0	0	0	0	0	**R9,315.00**
Master's	2	4	0	0	0	0	0	0	**R398,639.31**
MBA	3	2	0	1	0	0	0	0	**R1,081,204.00**
PhD	4	3	0	0	0	0	0	1	**R253,307.21**
Total	**38**	**41**	**1**	**2**	**0**	**0**	**1**	**2**	**R3,697,538.99**

Training Interventions

For the period April 2024 to March 2025, a total of R548,814.35 was spent on training interventions. The number of training interventions per race group are detailed in the table below:

Black		Coloured		Asian		White	
M	F	M	F	M	F	M	F
38	35	1	0	1	1	0	0
73		1		2		0	

Skills Programmes Training

Credit-bearing, occupational-based programmes aligned with the National Qualifications Framework were offered to Necsa Group employees toward various qualifications. A total of 166 employees attended these skills programmes, as detailed in the table below:

	M	F	B	C	I	W	Total	Total Amount
Mentoring	16	3	0	0	0	0	19	**R90,000**
Disciplinary Hearing	22	9	16	2	0	4	28	**R159,999**
Dispute Resolution	22	9	16	2	0	4	28	**R159,999**
Collective Bargaining	22	9	16	2	0	4	28	**R165,000**
Practical Law	22	9	16	2	0	4	28	**R165,000**
Women in Leadership	0	35	32	0	0	3	35	**R575,000**
Total	**104**	**74**	**96**	**8**	**0**	**19**	**166**	**R1,314,998**

Technical Skills Training (April 2024–March 2025)

	M	F	B	C	I	W	Total	Total Amount
Electrical	19	17	36	0	0	0	36	**R296,700.12**
Instrumentation	2	10	12	0	0	0	12	**R98,900.04**
Millwright	20	11	25	0	0	7	31	**R340 262.76**
Welder	13	11	24	0	0	0	24	**R197,800.08**
Boilermaker	14	10	22	2	0	0	24	**R197,800.08**
Mechanical Fitter	15	11	26	0	0	0	26	**R233,391.29**
Metal Machinist	11	5	15	1	0	0	16	**R131,866.72**
Fitter and Turner	17	7	20	3	0	1	24	**R198,128.45**
TOTAL	**111**	**82**	**180**	**6**	**0**	**8**	**193**	**R1,694,849.54**

Radiation Protection Officer Training

A total of 21 unemployed Radiation Protection Officer Level 2 (RPO2) learners (under the 18.2 category) completed training in the programme, and a further 30 unemployed RPO2 learners are currently enrolled. In addition, the Radiation Protection Training Centre (RPTC) trained 24 delegates from various companies through short courses, as outlined in the table below:

Radiation Protection Training Centre, March 2025

	M	F	B	C	I	W	Total	Amount
Radiation Protection Officer 2 (Vaal Puts)	1	2	0	3	0	0	3	**R163,246.44**
Radiation Protection Officer 2 (BBEEE)	0	18	18	0	0	0	18	**R600,000.00**
Radiation Protection Officer 2 (NSF)	12	18	30	0	0	0	30	**R135,000.00**
Radiation Protection in Industry (Companies)	19	5	7	0	0	17	24	**R411,117.76**
Total	**32**	**43**	**55**	**3**	**0**	**17**	**75**	**R1,309,364.20**

Statutory Training

Statutory training was offered to employees during the reporting period, as illustrated in the table below:

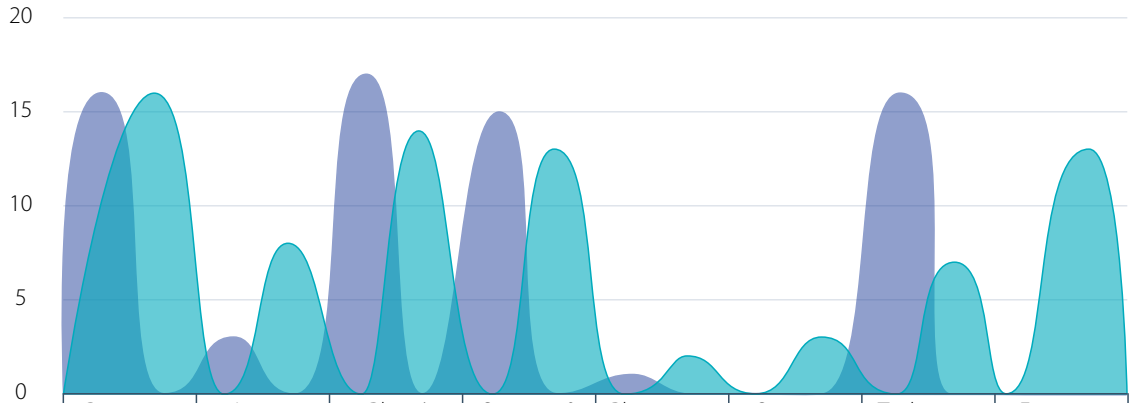
Course	I		B		C		W		Amount
Chemical Worker Full Course	1	1	115	96	6	3	0	2	R227,063.36
Chemical Worker Exam	1	1	144	76	2	1	47	13	R140,650.35
Confined Spaces Full Course	0	0	10	1	0	0	1	0	R10,120.20
Confined Spaces Exam	0	0	12	0	0	0	1	0	R6,415.63
Decontamination Worker Full Course	0	0	2	5	0	0	0	0	R5,903.45
Decontamination Worker Exam	0	0	7	3	1	0	1	0	R5,922.12
Laser Worker Full Course	0	0	1	1	0	0	2	0	R3,373.40
Laser Worker Exam	0	0	1	0	0	0	0	0	R493.51
Lock out Tag out Exam	0	0	2	0	0	0	0	0	R987.02
Noise Worker Full Course	0	0	89	81	6	3	0	1	R151,803.00
Noise Worker Exam	1	0	234	69	18	5	73	7	R200,858.57
Orientation	5	1	358	231	16	6	68	13	R588,658.30
Radiation Worker Full Course	1	0	112	98	10	3	1	1	R280,774.03
Radiation Worker Exam	1	1	127	78	14	2	49	12	R140,156.84
Work Permit Full Course	0	0	17	8	0	0	5	1	R26,143.85
Work Permit Exam	0	0	17	9	0	0	11	1	R18,753.38
TOTAL	**10**	**4**	**1248**	**756**	**73**	**23**	**259**	**52**	**R1,858,077.01**

Necsa wishes to thank the National Skills Fund (NSF) for entrusting it with the responsibility of furthering the country's skills development plans through the artisan development programme, enabling Necsa to fulfil its mandate as a state owned entity. Furthermore Necsa acknowledges the support of the Chemical Industries Education & Training Sector Authority (CHIETA) for enabling it to address a number of critical training and development initiatives aligned to Necsa's skills development priorities.

7.9 Employee Relations

The figure below reflects the number of terminations and appointments made during the reporting period, broken down by discipline. In total, 68 appointments and 76 terminations were recorded.

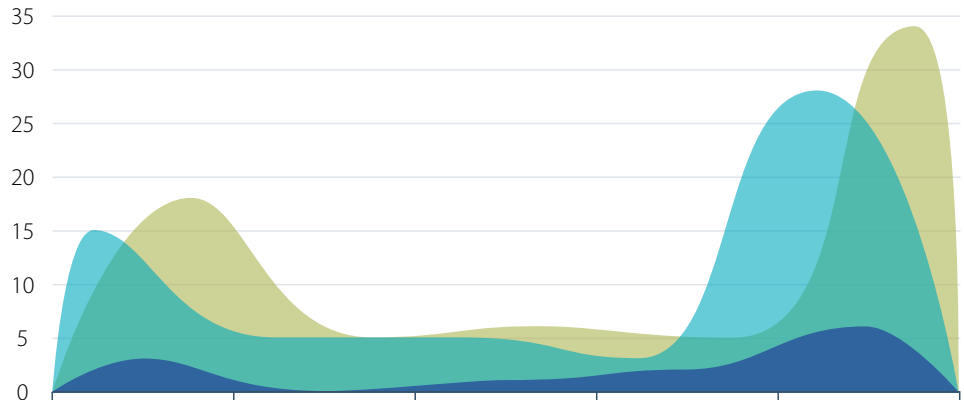
Terminations and Appointments (end March 2025)



	Bussiness Man	Artisan	Plant/ Production	Services & Sales	Pharmacist	Scientist	Technician	Engineer
Appointments	16	3	17	15	1	0	16	0
Terminations	16	8	14	13	2	3	7	13

One of the Necsa Group's key priorities is to maintain a harmonious and stable working environment that promotes labour peace. This is monitored through various indicators, including the number of employee grievances, disciplinary actions, and disputes involving external bodies such as the CCMA and the Labour Court. The graphs below illustrate the reported incidents across these categories:

Grievances



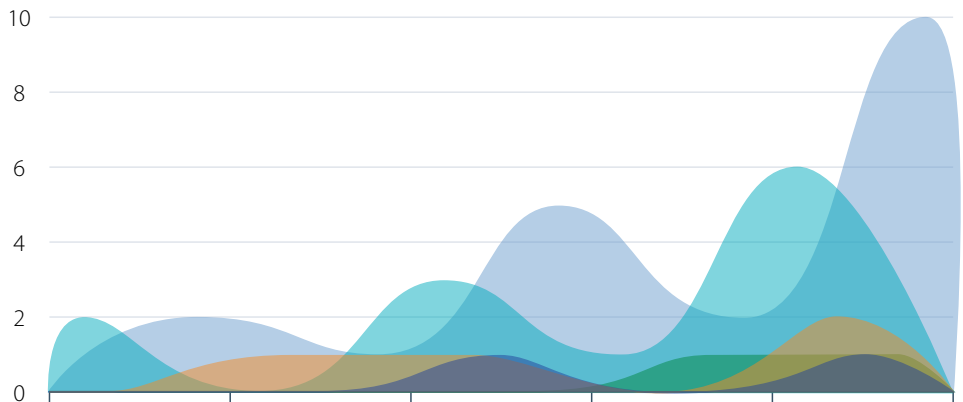
	Q1	Q2	Q3	Q4	Grand Total
Unfair Labour Practice	15	5	5	3	28
Unfair Discrimination	3	0	1	2	6
Grand Total	18	5	6	5	34

The Necsa Group reported 34 grievances in the reviewed year, a low rate of just under 2% compared to the total staff complement of over 1,600.

Transgressions	Q1	Q2	Q3	Q4
Failure to declare business interests and disclosure of confidential information	1	0	0	0
Alleged act to tender corruption	1	0	0	0
Embezzlement	1	0	0	0
Insubordination and absent without permission	0	1	0	0
Negligence of performance of duties	0	0	0	1
Driving under the influence of alcohol	0	0	0	1
Refusal to display access card and dishonesty	0	0	0	1
Total	**4**	**1**	**0**	**3**

The Group's disciplinary system, supported by internal controls and a harmonious working environment, resulted in only eight reported cases for the year—down from 13 in the previous year.

Grievances



	Q1	Q2	Q3	Q4	Grand Total
Unfair Labour Practice	2	0	3	1	6
Unfair Dismissal	0	1	1	0	2
Designation of Necsa as an Essential Service	0	0	1	0	1
Interpretation or application of collective Agreement	0	0	0	1	1
Total	2	1	5	2	10

A high number of cases referred to external dispute resolution structures may indicate mistrust in the internal processes of an organisation, while a low number reflects trust. During the review period, only ten cases were referred to the CCMA, demonstrating confidence in internal processes.

8. Research and Innovation

Dr Pradish Rampersadh

Group Executive: Research & Innovation

The core mandate of Necsa is to advance research and innovation. This area contributes primarily to Necsa's intellectual capital through key research outputs such as innovation disclosures, peer-reviewed publications, and technical and contract research reports.

The Necsa Group places a high value on intellectual capital, defined as the value derived from employee knowledge, skills, business training, and proprietary information that can provide a competitive advantage. The concentration of globally renowned scientists, highly rated researchers, and academics who train South African scientists through affiliations with institutions of higher learning and participate in research peer reviews are critical components of the Research and Innovation (R&I) Division, giving Necsa a competitive edge. Research has shown a positive and significant relationship between intellectual capital and organisational performance.

Research and Innovation emanates directly from Necsa's legislative mandate and forms the essence of its existence.

It serves as the cornerstone for expressing organisational, national, and global intellectual capital.

It is a cradle for groundbreaking research, innovation, patents, and academic publications by highly rated scientists

In relation to research and innovation, Necsa has focused on fundamental research as well as commercial products and services with income-generating potential to grow its financial position. Necsa has established a steadily growing client base, served through contract research. Its subsidiaries receive targeted research support to maintain a competitive advantage and expand their product offerings. Product development is carried out using a systems engineering methodology based on technology readiness levels (TRLs). Core science and technology activities are supported by project and programme management. To benchmark and strengthen its competencies, Necsa actively collaborates with national and international partners.

The Necsa intellectual property (IP) portfolio consists of 14 patent families, two designs, 24 trademarks, and two domain names, which were maintained in more than 104 countries worldwide during the past financial year. Progress on all innovation disclosures, as well as registered IP, is reported annually to the National Intellectual Property Management Office (NIPMO). Necsa acknowledges the support received from NIPMO's Intellectual Property Fund in maintaining its IP portfolio.

Contribution to the Shareholder's Compact

Necsa achieved its external revenue target and exceeded its targets for peer-reviewed publications and innovation disclosures for the financial year. (See Annexure A)

Type of output	Number
Innovation disclosures	7
Peer-reviewed publications	28

In addition to the mandated Shareholder's Compact targets, additional operational performance indicators, such as significant research reports, conference contributions, and new collaboration agreements, have also all exceeded the defined targets.

Type of output	Number
Significant research reports	48
Conference contributions	19
New collaboration agreements	12

8.1 Applied Chemistry

In the area of innovation, Necsa also develops processes up to TRL 4, which implies a laboratory-scale, integrated proof-of-concept stage. As in previous years, most of the effort was focused on contract research for internal and external clients.

Over the past two years, the focus in this area has been on improving and expanding the xenon difluoride (XeF2) production process.

PROJECTS

Lithium Hexafluorophosphate

Lithium hexafluorophosphate (LiPF6) is a salt used for the formulation of electrolytes for lithium-ion batteries. The market for lithium-ion batteries is growing rapidly, driven by increasing demand in sectors such as mobile computing, electric cars and stationary energy storage for solar and wind power plants. Necsa is developing a novel processing route for lithium hexafluorophosphate. Two patents have already been granted, and a third patent application is being prepared. This project previously received significant financial support from the Department of Science and Innovation (DSI).

Lithium-ion Battery Cathode Material Fluorination

NuMeRI

A project to fluorinate precursor materials for the manufacture of lithium-ion batteries is underway. This research aims to improve the performance of cathode materials, especially manganese-rich formulations, which are important for South Africa as a major manganese producer. This research is being undertaken by Necsa as a participant in the National Energy Storage Consortium, in a project funded by the South African National Energy Development Institute (SANEDI) on behalf of the DSI Energy Storage RDI Flagship Programme. A laboratory fluorination system has been designed and constructed, and samples have been fluorinated for consortium partners—the University of Limpopo and the CSIR. These samples are undergoing electrochemical performance testing to demonstrate the benefits of cathode material fluorination.

Supporting the Decommissioning and Decontamination Programme

A significant amount of effort from the department was devoted to supporting the Decommissioning and Decontamination (D&D) programme. This included the development of five different plasma-based volume reduction systems and three different chemical process-based systems. The plasma systems are used to incinerate waste materials at very high temperatures, mixing in reagent gases, such as oxygen and/or hydrocarbons, to form relatively harmless compounds like carbon dioxide and water.

In addition, chemical processes are being developed to render waste streams safe for disposal. These processes involve the extraction of harmful radioactive materials from the bulk of the waste. The goal is to have the solid radioactive material separate from the remaining solids so that the latter can be disposed of in an environmentally responsible manner. All these developments are still in the laboratory phase.

Advanced Metals Initiative

The Advanced Metals Initiative (AMI) is a programme funded by the DSI that focuses on modernising the manufacturing sector through the development of advanced materials. By localising these high-value technologies, increased economic activity can be generated. Spheroidisation of metallic oxides is a key component of the programme's research activities, and the acquisition of a 3D metal printer enables the testing and evaluation of spheroidised metal powders using laser-manufactured test specimens. The programme also promotes collaborative research and aims to expand the country's technical capacity through human resource development. The Nuclear Materials Development Network, based at Necsa, is a part of this programme in collaboration with the CSIR and Mintek.

8.2 Applied Radiation

The development of radiopharmaceuticals for oncology and infection imaging contributes to fundamental research with a focus on commercial outcomes. Over the past year, product development teams continued pipeline research to maintain and enhance Necsa's status as an internationally competitive producer of radiochemical isotopes. This work ultimately contributes to advancing unique radiation-based solutions for industry, aimed at expanding the off-take of NTP's industrial isotope portfolio.

Several product developments have matured to the point of commercial viability. At earlier technology readiness levels, these developments are supported by funded technology platforms and clusters that enable collaboration within the required National System of Innovation (NSI) and with industry partnerships. This support runs alongside commercially orientated research.

PROJECTS

GMP Formulation

In the radiopharmaceutical space, Necsa's Good Manufacturing Practice (GMP) Formulation Group has developed a single-vial lyophilised PSMA-11 (prostate-specific membrane antigen, selective for primary and secondary prostate cancer) kit formulation that can be radiolabelled with Gallium-68, an exciting short-lived PET imaging radioisotope. The kit has passed the GMP phase and is ready for commercialisation.

Radiolabelling

Necsa hosts and manages the Nuclear Technologies in Medicine & Biosciences Initiative (NTeMBI), a DSI programme that was transferred to the Technology Innovation Agency (TIA) in 2019. NTeMBI is currently transitioning to a new cluster model and is envisaged as an overarching umbrella for all nuclear medicine research in the country, with TIA as the funding vehicle. The Necsa-TIA agreement for the interim phase covering the facilitation and administration of three projects by Necsa remains in place.

The project at Universitas Hospital in Bloemfontein, which focuses on cervical cancer patients, is nearing completion, while a master's degree in medical physics is being supported at NuMeRI (Nuclear Medicine Research Infrastructure). NTP's funding of research at academic hospitals has been channelled through NTeMBI, demonstrating industry support.

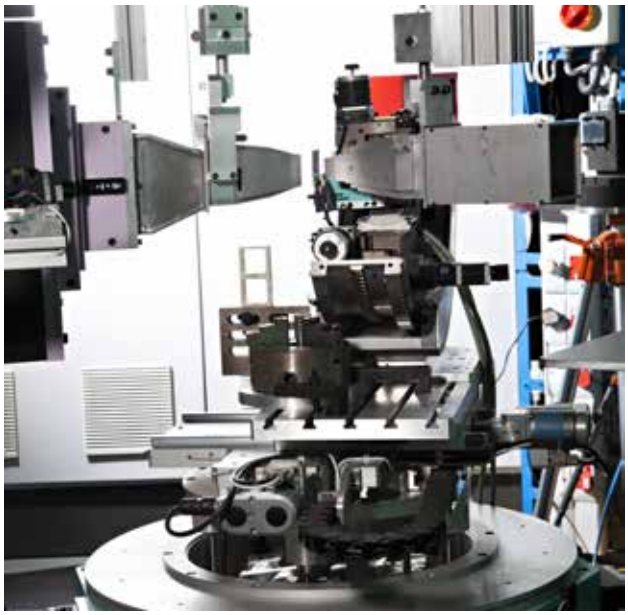
The Re/Tc project at Necsa involves the development and construction of a new Multi-Purpose Research Reactor (MPR), designed to succeed the SAFARI-1 research reactor at Pelindaba. This project a collaboration between Necsa and the University of KwaZulu-Natal under the NTeMBI banner has made significant progress. Results indicate that Re-186 may serve as a potential theranostic metal in future applications.

Smart Radio Sensors

Necsa also utilises radiation-based science, including accelerator-based particle beams, to provide non-destructive solutions for industrial and mining challenges. During the year, full funding and signed funding agreements were secured from TIA, NTP and Necsa for the Mining Shroud project. This project involves developing a gantry system capable of detecting dislodged shrouds tagged with a man-made gamma-emitting source.

Beamlines

The Beamline Centre will be a core component of the future MPR. Research arising from the utilisation of neutron beamlines at international research reactors as micro-probes of matter to investigate fundamental microstructural properties which enhance innovation by leveraging research infrastructure that supports knowledge generation, skills development and dissemination. This contributes to addressing societal challenges in a knowledge-based economy and boosts global competitiveness. The pipeline return on investment for beamline facilities exceeds 200%, with a benefit-cost-ratio of 2.67, based on long-term international studies.

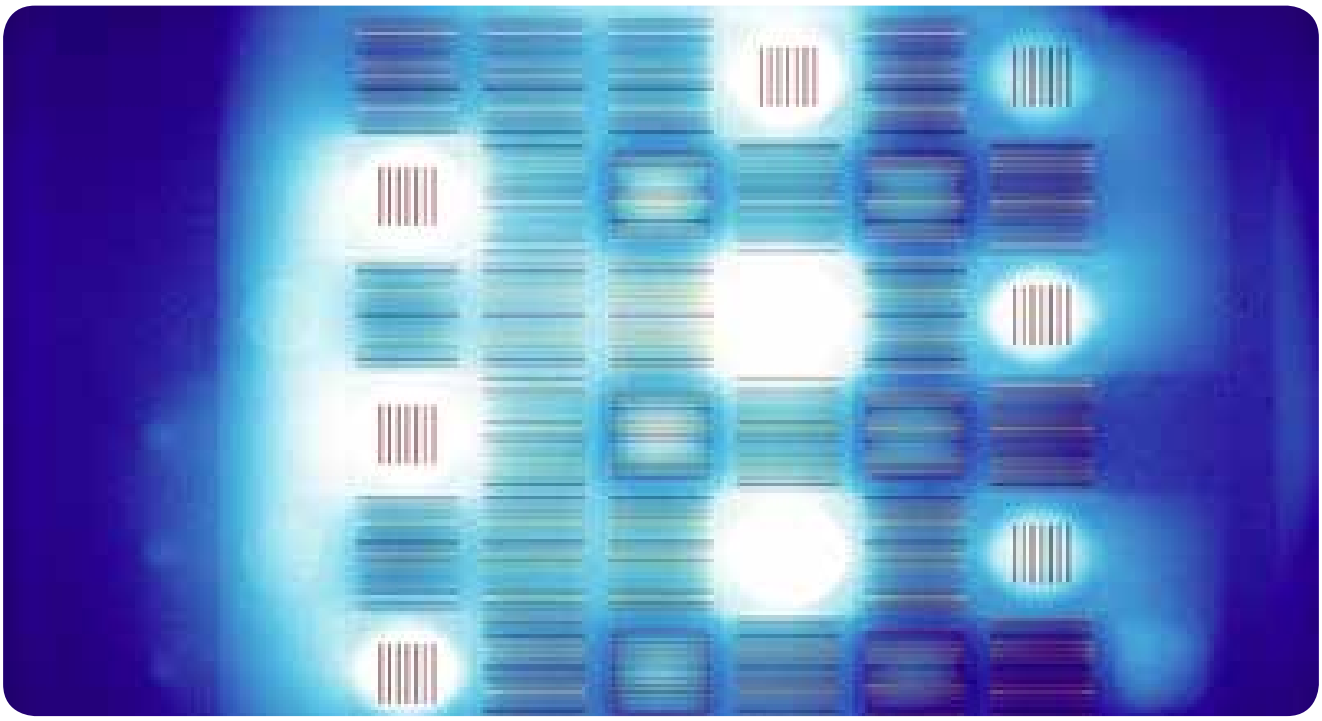


Neutron Beam Line

In preparation of the MPR Beamline Centre, the Neutron Radiography (NRAD) Re-establishment at the SAFARI-1 project serves as an ideal training ground. The concept design of the replacement collimator has been assessed against Radiation and Reactor Theory (RRT) modelling results to confirm the input beam distribution and size used in McStas simulations, while the concept design considerations for the pinholes, filter positions, and shutters components of the collimator are currently in progress. The licensing strategy for this project has also been submitted to the National Nuclear Regulator.

8.3 Radiation and Reactor Theory

Necsa's RRT focus area specialises in providing advanced calculation and analysis services in reactor neutronics, thermal-hydraulics, criticality, shielding, activation, and isotope production, both to Necsa and to external clients. RRT develops, hosts, and manages the OSCAR (Overall System for the Calculation of Reactors) platform, which is used in-house and by various nuclear institutions around the world to model their respective reactors. Both activities leverage a strong technology platform in radiation transport, as well as reactor modelling and simulation, maintained through an active research programme.



Calculational results showing the thermal neutron flux in SAFARI-1 reactor core.

Necsa performs computational modelling and simulation to support nuclear operations on-site, as well as for external clients. A major focus is modelling the SAFARI-1 research reactor to ensure all safety parameters are met before the start of a cycle and to support the facility's optimal use. Detailed modelling of isotope production in the reactor assists NTP in planning and designing irradiations to meet client expectations. Several projects were also undertaken in material activation, radiation shielding, and the heating of samples.

Necsa's OSCAR calculational software system for modelling nuclear reactors is licenced and used for operational support at the SAFARI-1 reactor, the MNR reactor in Canada, and the HFR and HOR reactors in the Netherlands. New licence agreements have been signed with the PALLAS reactor (currently under construction in the Netherlands) and STL Nuclear, a company involved in front-end fuel development. During the reporting period, development focused on supporting existing client needs, such as improved computational methods for better modelling accuracy, and adding functionality to the OSCAR system to support coupled neutronics and thermal-hydraulic analysis.

9. Nuclear Operations and Advanced Manufacturing

Mr Ayanda Myoli

Group Executive: Nuclear Operations and Advanced Manufacturing

The Necsa Nuclear Operations and Advanced Manufacturing (NOAM) division operates nuclear facilities on the Necsa site related to irradiation services, waste management, laboratory services, and advanced nuclear manufacturing. It also provides engineering, maintenance, facilities management, and project management services in a financially sustainable manner. These services are provided externally to drive external revenue generation and growth of the Necsa Group. The division also manages manufactured capital, defined as fixed assets and goods that contribute towards the production process but do not form part of the outputs.

- SAFARI-1 turned 60 years old, making it one of the oldest reactors in the world—yet it remains highly productive, operating an average of 295 days per year.
- Diligent and rigorous age management is key to the SAFARI-1 reactor's continued performance.
- Fixed assets and properties date back more than six decades and are maintained to serve the organisation at an optimal level.

One of the key facilities under NOAM is the SAFARI-1 reactor, a precursor to the MPR, which is expected to be commissioned in 2032. Two key areas that continued to receive strategic attention for financial turnaround during the year under review were Advanced Manufacturing and the Laboratory Services.

9.1 Reactor Operations

The SAFARI-1 research reactor is one of Necsa's key nuclear facilities. Its main application is the commercial production of radioisotopes and the provision of irradiation services. SAFARI-1 provides the basis for Necsa's radioisotope business through its subsidiary, NTP Radioisotopes SOC Ltd, and supports other commercial products, including the neutron transmutation doping of silicon.

The Research and Innovation division also uses neutron beamlines and other irradiation positions for research and training purposes. Specialised services are additionally provided through neutron diffraction, neutron radiography, and neutron activation analysis facilities.

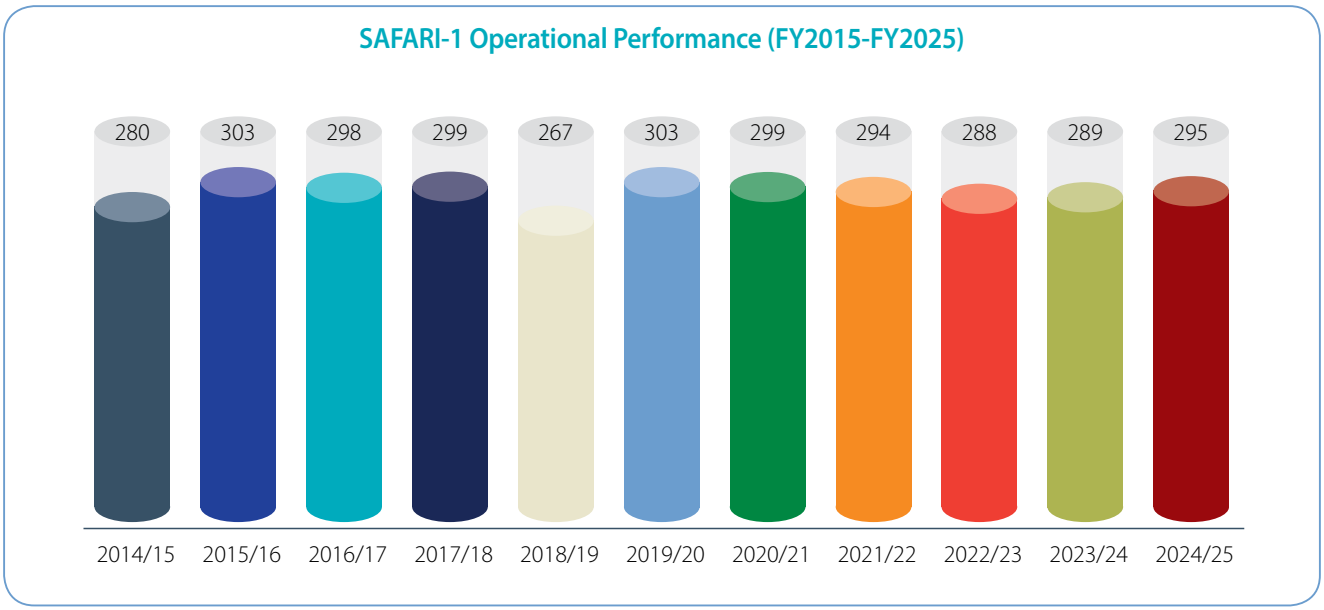
SAFARI -1 met its stated objectives during the reporting period. The facility continues to support its stakeholders, particularly the radioisotope production facilities, and maintains its long-standing record of safe and efficient operational service to users and the public since first criticality on 18 March 1965.

This year marked the 60th anniversary of SAFARI-1, which was celebrated with a vibrant event on 25 March 2025. SAFARI-1 has been a cornerstone of South Africa's nuclear research and innovation, contributing significantly to medical science. Its impact lies in the production of life-saving isotopes for cancer diagnostics and treatment, which have had a profound effect both locally and globally.

Minister of Electricity and Energy Dr Kgosientsho Ramokgopa and Deputy Minister Samantha Graham-Maré unveiling the plaque at SAFARI-1 building as part of the SAFARI-1 60th celebration.

Operational Schedule

The operational availability of SAFARI-1 for the 2024/25 financial year was 294.65 days, exceeding the target of 287 days. This translates to 102.67% availability against the target at an average reactor power of 20.12 MW. The accumulated operational energy output of SAFARI-1 up to end March 2025 is 4,926,613 MWh since operation first began in 1965.



Reactor Maintenance, Ageing Management and Continued Safe Operation

All maintenance programme requirements were completed with 100% execution, contributing to the excellent performance and safe continued operation of SAFARI-1 over the last 25 years. The Ageing Management Programme (AMP) continues to progress well in identified critical high-priority project areas. However, progress in other areas remains slow due to a lack of sufficient resources. The AMP will continue to support the Continued Safe Operation of SAFARI-1.

SAFARI-1 has initiated a formal process with the National Nuclear Regulator regarding the Continued Safe Operation (Long-Term Operations) of SAFARI-1 beyond 2030. The revised Nuclear Installation Licence extension will require a detailed safety justification for operation beyond this date.

SAFARI-1 Fuel, Control Rods and Target Plates

SAFARI-1 requires fuel and control rod assemblies to meet its operational targets each year. Necsa's Fuel Fabrication Facility manufactures the necessary components to assemble and supply the required fuel and target plates for SAFARI-1. Security of Supply activities are conducted to ensure that adequate buffer stock of fuel, control rods, and target plates is maintained to support the reactor's daily operations.

Reactor Technical Collaboration

SAFARI-1 maintains robust technical collaborations with key international partners, including HFR and PALLAS (NRG-Petten, The Netherlands), as well as the OPAL reactor (ANSTO, Australia). These collaborations are hosted on a rotational basis at the participating facilities to share technical information and operational experience. These technical collaborations continue to serve as a valuable source of good operational insights and technical solutions.

SAFARI-1 continues to benefit from the technical assistance and shared knowledge base among the reactor groups, particularly in areas related to operational safety and ageing management.

Multi-Purpose Reactor

Necsa continues to carefully manage the 60-year-old SAFARI-1 reactor to ensure its continued productivity and relevance, even as the MPR project begins to take shape. This dual-reactor strategy ensures continuity of operations and positions Necsa to remain a key player in the nuclear sector for the next century. As the core of Necsa's operations, from research to the production of medical radioisotopes, nuclear reactors remain central to its mission.

The MPR is a strategic investment aimed at maintaining South Africa's position as one of the top four global suppliers of medical radioisotopes. In addition, the MPR will support the growth of a diversified radioisotope business and the enhancement of advanced research capabilities, including the development of state-of-the-art beamline facilities and other cutting-edge infrastructure.

PROJECT HIGHLIGHTS

- **Mar 2024** – The MPR Project Team completed the Feasibility Study and successfully passed the mandatory Stage Gate 2, in line with the Framework for Infrastructure Delivery and Procurement Management.
- **Apr 2024** – The project progressed to the Design Development phase (Stage 3). A Bid Specification Committee (BSC) was appointed to develop the Request for Proposal (RFP) for vendor appointment.
- **Jul 2024** – The BSC participated in a National Treasury Strategic Procurement Framework workshop to align with best practices for large infrastructure procurement.
- **Dec 2024** – An independent Transactional Advisory Services team was appointed to review the RFP documents for compliance with National Treasury processes and the PFMA.
- **Feb 2025** – A New Engineering Contract (NEC) advisory team was engaged to develop the NEC draft contract and provide contract advisory services to the project.
- **Mar 2025** – The BSC finalised the development of the RFP, including the pre-qualification documentation.
- **2025** – The MPR's main contractor RFP is now complete and undergoing the required approvals in accordance with the established governance framework, prior to its official release.

9.2 Necsa Laboratory Services

Necsa Laboratory Services (NLS) primarily provide third-party quality assurance with respect for products and services intended for key markets as well as verification of compliance with regulatory requirements on behalf of its customers. NLS operates the Radio-Analytical and Calibration (RAC) laboratory, as well as the Chemical, Biological and Forensic (CBF) laboratory. All laboratories operate according to international standards and compliance as mandated by the International Atomic Energy Agency (IAEA).

The laboratories service the following industries: mining and mineral processing, manufacturing, government, health care, agriculture, consulting, other laboratories, energy sector, transport, and educational institutions.

Quality Accreditation

During the reporting period, annual internal and external assessment audits were conducted across the three areas of specialisation within the three laboratories, namely: i) Chemical Services, ii) Radio-Analytical Services, and iii) Calibration/Metrology Services. The primary purpose of these assessment audits was to verify compliance with applicable standards (i.e. ISO/IEC 17025: 2017, ISO/IEC 9001, CTBTO requirements, and relevant legislation) to retain individual accreditation certificates for the operation of these laboratories. The outcome of the assessment audits confirmed that all the laboratories are well-managed and conform to international standards.

Proficiency Tests

The laboratories also participated in various annual international and national proficiency testing schemes, as required to maintain South African National Accreditation System (SANAS) accreditation and Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) certification (see the tables below).

Chemical, Biological and Forensic Services

Proficiency Scheme	Description	FY2024/25	FY2023/24
SABS Group 1	Analysis of heavy metals in water (including Uranium)	25%	94%
SABS Group 2	Analysis of nutrients in water	82%	100%
SABS Group 3	Analysis of major constituents in water	61%	95%
LGC	Analysis of free chlorine in water	0	67%
AVERAGE		**56%**	**89%**

Chemical, Biological and Forensic Services

Radio-Analytical and Calibration Services

Proficiency Scheme	Description	FY2024/25	FY2023/24
CTBTO Proficiency Test	Air particulate sample analysis	80%	80%
IAEA-ALMERA Proficiency Test	Determination of radionuclides	87%	92%
IARMA	International Atomic Reference Material Agency	70%	91%
PROCORAD	Radio-toxicological inter-comparison	100%	100%
MAPEP	US Department of Energy	100%	97%
Ad-hoc Proficiency Test	Intra-laboratory studies e.g. analysis of reference material and spike samples	67%	97%
Calibration Proficiency	Ambient Dose Equivalent (Protection level survey meter) & Personal Dose Equivalent (Personal dosimeter). Surface contamination monitors (2 π Efficiency and Surface Activity Response (SAR) or (PAR) Percentage Activity Response).	100%	100%
AVERAGE		**99%**	**89%**

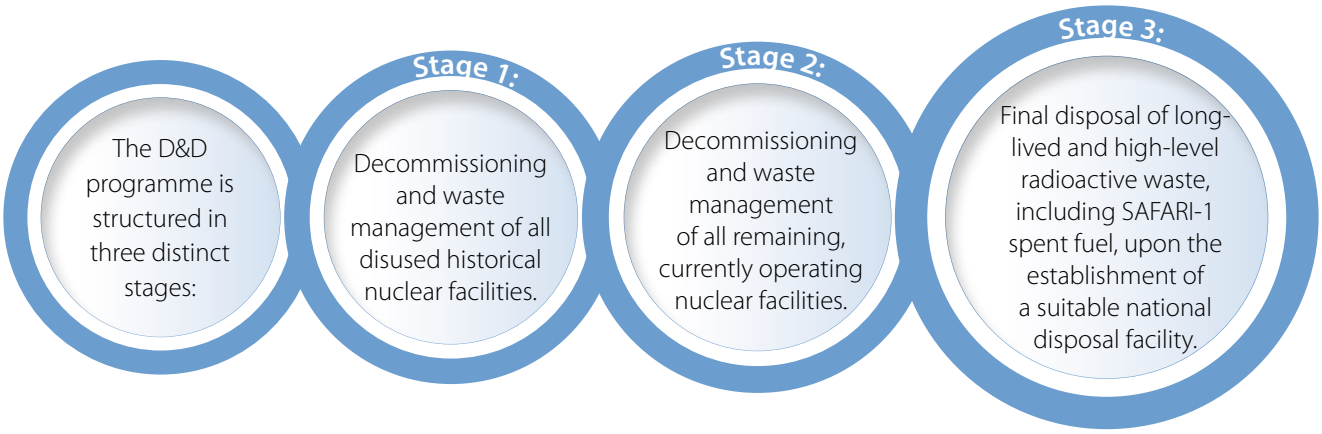
9.3 Nuclear Waste Management

Decommissioning and Decontamination (D&D)

The Nuclear Liabilities Management (NLM) programme was established to manage and discharge the nuclear liabilities associated with past strategic nuclear facilities. The Decommissioning and Decontamination (D&D) programme specifically entails the systematic dismantling, decontamination, and eventual decommissioning of these facilities. It also includes the responsible management of historical nuclear waste, as well as the waste generated during the decommissioning process.

Since 2000, D&D activities carried out by Necsa have been funded through Necsa's operational budget and supplemented by a dedicated, ring-fenced Ministerial allocation. This funding framework was instituted in accordance with the 2004 Nuclear Liabilities Management Plan, approved by Cabinet, which segmented South Africa's nuclear liabilities into three key stages. The funding is specifically earmarked for the decommissioning of disused strategic nuclear facilities and is allocated directly to Necsa.

In alignment with the 2021 Policy Procedure on the Management of Nuclear Liabilities Arising from Past Strategic Nuclear Facilities, Necsa is mandated to submit an Annual Plan of Action for each financial year.



Decommissioning Services

Decommissioning activities are structured in three distinct phases, each requiring detailed planning, regulatory oversight, and specialised execution:

- Phase 1: Initial Material Removal and Partial Dismantling: Involves the removal of source materials and the partial dismantling of process systems.
- Phase 2: System Dismantling and Facility Decontamination: Encompasses the full dismantling of process systems and initial decontamination of the facility.
- Phase 3: Final Decontamination and Clearance: Includes further decontamination and cleaning to meet the decommissioning end-state, ensuring the facility is released from regulatory control.

The duration of each phase may extend over several years to decades, depending on factors such as:

- The complexity, size, and radiological hazards of the facility
- Availability of qualified personnel and historical records
- Suitability of existing infrastructure
- Required equipment and technological capabilities.

Decommissioning Milestones

1. Phase 2 Decommissioning of the Conversion Facility	During the reporting period, Phase 2 decommissioning efforts continued for the conversion facility.

- Feedback received from the NNR on the Hazard Assessment Report (NIL10B0027) and Decommissioning Strategy (NIL10B0028) necessitated revisions to the project schedule and a reassessment of the ventilation strategy.
- A decision was made to either refurbish the existing facility ventilation system or implement localised extraction.
- Ventilation experts assessed the extraction system, and supply air infrastructure was maintained.
- Required installation modifications were scoped, and procurement processes were initiated through preferred vendors.

2. P-1600 Actinide Laboratory: Decontamination of Plutonium Gloveboxes

- Phase 1 decommissioning was successfully completed.
- Eight plutonium-contaminated gloveboxes were safely cleaned and decontaminated without any reported exposure risks.
- Phase 2 of the project is scheduled to commence in the 2025/26 financial year.

3. Phase 3 Decommissioning: XB Building, P-2800, P-1500 Lab 176, and J-Building	Safety case documentation and radiological characterisation reports have been submitted to the NNR for approval for the following facilities:

- XB Building: NNR feedback requires Necsa to expand the project scope to include external contaminated areas.
- P-1500 Lab 176: Awaiting NNR approval for proposed radiological characterisation and decommissioning activities.
- P-2800: All safety documentation has been approved except for the Hazard Assessment Report. Necsa's Licensing and Regulatory Management (LRM) unit is addressing the NNR's comments for re-submission.
- J-Building: Safety case documentation is completed and undergoing internal review. The scope is being reassessed based on the NNR's "scope creep" comments received during the XB Building review. Contaminated areas external to the building are also under consideration for inclusion.

Decontamination Services

Decontamination refers to the partial or complete removal of radioactive contamination through deliberate physical or chemical processes. The processes aim to reduce radiation exposure, minimise waste, and enable safe disposal of materials.

The Decontamination Facility is structured into two primary operational sections:

- Wet Decontamination

  Utilises chemical processes to remove surface contamination and recover nuclear materials.
- Dry Decontamination

  Employs mechanical and physical methods to remove and recover radioactive residues from solid components.

In line with ongoing efforts to enhance decontamination capabilities, the team is currently constructing a smelter facility at the A-26 site. This facility will enable the decontamination of radiologically contaminated components using advanced metallurgical techniques.

Management of Nuclear Waste

Nuclear waste from various points of origin was collected and safely stored at Necsa during the review period, as follows:

Origin | Facilities on Necsa site and external clients **Storage Facility** | Pelstore and Area 21

A total of

5,107 drums

were scanned using the IQ3 Scanner and the BNFL Segmented Drum Scanner to assess waste content and classification.

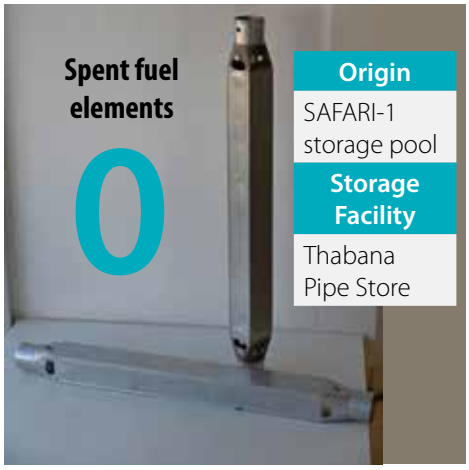
79,690 received in storage facilities

15 shipments
sent to Vaalputs

412
steel drums (MA)

90
concrete drums

The physical verification and registration of **3,874 drums were completed and logged into the Waste Tracking System,** ensuring traceability and regulatory compliance.



33,237
Smoke detectors

Origin Clients throughout South Africa

Storage Facility Area 24 Source Store

As of 31 March 2025, a total of

15 shipments,

including steel containers, were successfully transported to and disposed of at the Vaalputs National Waste Disposal Facility. This brings the cumulative total of waste packages disposed of at Vaalputs to

8,305.

The Area 24 Source Storage Facility continues to serve as the national repository for disused radioactive sources collected from across the country. These sources are rigorously characterised, conditioned, and safely stored in accordance with regulatory requirements.

During the reporting period, the following key activities were undertaken:

- No disused sealed radioactive sources (DSRS) were repatriated to supplier countries during the financial year.
- Waste characterisation continued on an ongoing basis to support safeguards compliance and final disposal planning.

Liability Re-Assessment in Line with National Policy

In accordance with the 2021 Policy Procedure on the Management of Nuclear Liabilities, Necsa is required to conduct a comprehensive re-assessment of nuclear decommissioning liabilities every five years, or as directed by the Minister of Mineral Resources and Energy.

Over the past two financial years, Necsa has placed strategic emphasis on accelerating the execution of its D&D Programme, in alignment with the approved D&D management structure. This deliberate shift aims to enhance performance oversight, enabling monthly tracking of key deliverables, and building a technically competent and dedicated project team to proactively address operational challenges and ensure consistent delivery of the Annual Plan of Action.

In response to findings from a comprehensive gap analysis, one of the critical barriers identified was the inadequate ramp-up and execution of D&D projects, compounded by insufficient technical and operational resources. To address this, Necsa introduced a resource mobilisation and deployment strategy during the 2023/24 financial year. This included the targeted appointment of skilled personnel, enhanced coordination mechanisms, and the refinement of internal reporting structures to promote agility, accountability, and responsiveness across all work streams.

Furthermore, a robust monitoring and evaluation (M&E) framework was developed and implemented to support transparent and systematic tracking of programme performance. Regular reviews of project status, financial reports, prior Auditor-General findings, and audit recommendations are now standard practice, ensuring that issues are identified and addressed promptly through coordinated internal audits and oversight processes.

Growth Initiatives Programme

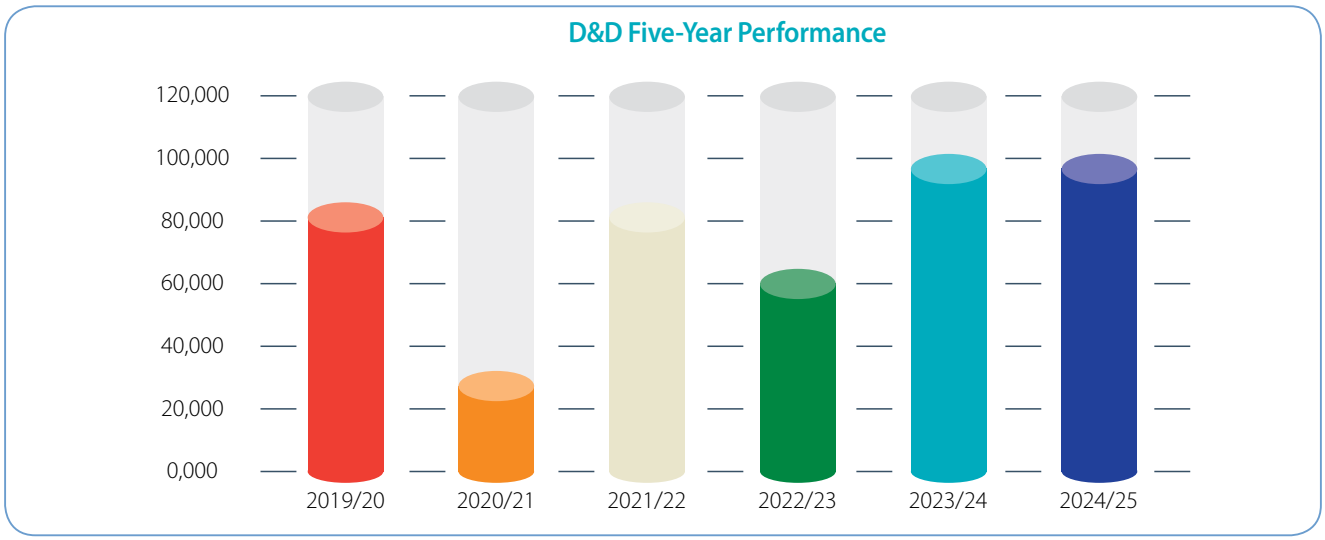
Key performance area	Key performance indicator	Actual achievement 2024/2025	Planned target 2024/2025
Stage 1 D&D Programme execution	Execution of Annual Plan of Action as approved by DMRE.	97.0% (Target exceeded)	95%

A structured and performance-driven approach has yielded notable success in the 2024/25 financial year:

- The D&D programme achieved 97% of its Annual Performance of Action target, exceeding the planned 95%. This represents the second consecutive year of exceeding performance benchmarks, reinforcing the maturity, efficiency, and operational stability of the programme.
- Financial execution reached 114% of the allocated budget, demonstrating strong fiscal management, strategic fund utilisation, and accelerated progress in high-impact decommissioning activities.

These achievements reflect Necsa's unwavering commitment to the effective, safe, and timely discharge of nuclear liabilities associated with past strategic facilities, as outlined in the national Nuclear Liabilities Management Plan (Stage 1). They also reinforce the organisation's ability to meet statutory and regulatory obligations, uphold international best practices, and maintain stakeholder confidence in its long-term decommissioning roadmap.

Necsa continues to advance this mandate in a manner that is technically sound, environmentally responsible, socially acceptable, and economically sustainable, ensuring that future generations are not unduly burdened by historical nuclear activities.



Thabani Pipestore and Strategic Expansion Initiative

Necsa continues to advance its national role in the safe management and interim storage of radioactive materials through the operation and planned expansion of the Thabana Pipestore, a key dry storage facility at the Pelindaba site.

As part of its dual approach to used nuclear fuel management, Necsa operates both wet and dry storage systems for SAFARI-1 reactor fuel. Initial cooling occurs in the reactor's pool-based wet storage facility, while long-term interim storage is provided by the Thabana Pipestore, authorised under Nuclear Installation Licence NIL-04 (Variation 0).

Commissioned with 60 storage pipes, the facility currently accommodates up to 1,200 used fuel elements. Its modular design allowed for expansion in 2007 to meet growing storage needs.

To address increasing volumes of radioactive material, Necsa launched the Thabana Pipestore Extension Project. In March 2018, a formal request was submitted to the NNR to amend the existing licence. The expansion aligns with Necsa's long-term infrastructure strategy and national responsibilities for nuclear safety and waste management.

The extension will:

- Increase dry storage capacity to include cropped used fuel elements and control rods from SAFARI-1 operations.
- Enable interim storage of uranium residue from the Molybdenum-99 production at the NTP Radioisotopes Radiochemical Complex.

This expanded capacity supports current and future operational needs while ensuring compliance with national and international regulatory frameworks.

In October 2022, the project received approval from the Minister of Mineral Resources and Energy, marking a major milestone. Necsa is now in advanced regulatory engagement with the NNR to secure construction authorisation. Comprehensive safety and siting assessments have been completed and submitted, reflecting Necsa's commitment to nuclear safety, environmental protection, and regulatory transparency.

The Thabana Pipestore Extension is a strategic enabler of continued reactor operations, medical isotope production, and long-term radioactive waste stewardship. It reinforces Necsa's role as a responsible custodian of South Africa's nuclear legacy.

Liquid Effluent Management

The Liquid Effluent Management Services (LEMS) facility is primarily responsible for the receipt, treatment, and safe disposal of industrial, low-, and medium-level radioactive effluent generated across the Pelindaba site. In addition to effluent management, LEMS offers a comprehensive laundry service for work wear and personal protective equipment, serving a range of internal facilities as well as the NNR.

Operating under strict regulatory oversight and within the framework of approved authorisations, LEMS prioritises full compliance with environmental and nuclear safety standards as mandated by relevant authorities.

During the reporting period, LEMS continued to deliver uninterrupted, essential services to all effluent generators and associated clients. All liquid effluent discharges were strictly managed and authorised by the LRM Radiation Protection Services and Environmental Management Group, in accordance with applicable regulatory limits.

Importantly, there were no unauthorised effluent releases to the Crocodile River during this period, demonstrating LEMS' ongoing commitment to environmental protection, operational excellence, and regulatory compliance.

The key performance indicators for liquid effluent treatment at LEMS for the period 2024/25 are tabled as follows:

KEY PERFORMANCE AREA	TARGET	ACTUAL
Limit environmental impact	Annual dose ≤ 150 µSv	1.902 µSv (1.27%)
All releases to Crocodile River authorised and within regulatory requirements	100% Authorised releases	100%
Limit effluent releases to the Crocodile River	Total annual releases ≤ 250,000 m^3	64,104 m^3 (25.64%)
Zero downtime to customers	100% plant availability	100% (365 days)

9.4 Advanced Manufacturing

Advanced Manufacturing (AM) specialises in industrial manufacturing, with a primary focus on the nuclear industry. It is the only ASME III-accredited facility in South Africa authorised to manufacture nuclear-grade components. Advanced Manufacturing is well-positioned to play a pivotal role in establishing a nuclear manufacturing value chain and supporting nuclear localisation efforts.

Key value proposition

Advanced Manufacturing plays a key role in supporting SAFARI-1, Pelchem, NTP, and other Necsa business units. The department has expanded its services to external entities across a wide range of industries, including mining, chemicals, industrial plants, and transportation. Below are examples of components manufactured by Advanced Manufacturing:

Piping for power generation industry

NTP nuclear waste containers

Filters manufactured for a state-owned entity

Advanced Manufacturing has Machining and Welding, and QC inspection workshops, which provide the department with capability to fabricate and machine components of various shapes and sizes, as well as to perform quality control and assurance focused on structural performance and safety.

CNC machine

X-ray bay

Accreditations and Certifications

ASME III Certificates:

- NS – Fabrication of Class 1, 2, 3, and MC components without design responsibility, and with design responsibility for supports; limited to the shop address only.
- NPT – Fabrication of Class 1, 2, 3, CS and MC components without design responsibility, and fabrication with design responsibility for Class 1, 2, 3, CS and MC appurtenances; furnishing metallic material only at the stated location. Services under this certificate—described in the Quality Assurance Manual—are limited to machining, inspection, and testing at the stated location, and the provision of non-destructive examination at various locations.
- NA – Shop assembly of Class 1, 2, and 3 components at the shop address only.
- N – Construction of Class 1, 2, 3 and MC vessels; Class 1, 2, and 3 valves and piping systems; Class 2 and 3 storage tanks; and Class CS core support structures, limited to the shop address only.
- ASME VIII – U Stamp – Manufacture of pressure vessels.

Other Certifications

- ISO 9001:2015 – Quality Management Systems
- ISO 3834 - Welding Processes

Roller machine

Plate cutting machine

During the year under review, Advanced Manufacturing engaged with various companies with the objective of establishing relationships that support sustainable growth and mutual benefit. Some of these collaborations have contributed to solving challenges related to material testing, system design, and the potential manufacture of additional equipment or components.

Advanced Manufacturing (Report - 2025/03/30) / Projects > R1 million

Project no	Sales Value	Project Description	Duration	Current Status
COM-NMC-8618373	R2,823,400	NTP-VARIOUS TYPES LEAD POTS-A50B(x100) / A70A(x400)	2023/02/13 - 2024/09/26	330 delivered to client to date. Outstanding items as listed: • A50B Pot-10/100 (100%) received from supplier and delivered to client • A60B Pot-100/100 (100%) received from supplier and delivered to client • A70A Pot-400/400 (100%) received from supplier. 130 pots (32.5%) delivered to client.
SER-NMC-8618033	R12,905,736.13	Thabana Pipe Stores Safari - Material Procurement (x48) / NTP (x36)	2023/10/04 - 2025/01/31	• Tenders reviewed and tender to be awarded to successful supplier/s • Safari Units - Material procurement to be actioned prior to the NTP items • Safari Units - Borehole casing and shutter material ordered and received. • Safari Units - 40 borehole casings completed. • Safari Units - Shutter manufacturing in progress/ galvanising supplier to be identified.
COM-=NMC-8618412	R3,651,076	Unique Hydra • TDC 1100 12 MAN Transport Chamber Pressure Boundary (x2) • TUP 1100 Pressure Boundary (x2) • TDC 1100 Stanag Flange Assembly (x2)	2024/02/23 - 2024/10/26	• High welding failure rate contributing to further delays of the project
COM-NMC-8618478 3 500 728	R3,500,728	NTP-Column Bodies (x1500)	2024/04/26 - 2024/11/21	• 200/1500 completed and delivered (13.33% delivered) and invoiced • 1500/1500 component machining completed • Batch 300/1500 in progress

COM-NMC-8618516	R2,604,000	NTP-VARIOUS TYPES LEAD POTS –A60B (350)	2024/07/02 - 2024/11/11	330 Delivered to client to date. Outstanding items as listed:
				• A50B Pot-169/350 (48.28%) received from supplier
				  • A50-105/350 (30%) delivered to NTP
				• A60B Pot-160/350 (45.71%) received from supplier
				  • A60-81/350 (23.14%) delivered to NTP

9.5 Engineering Services

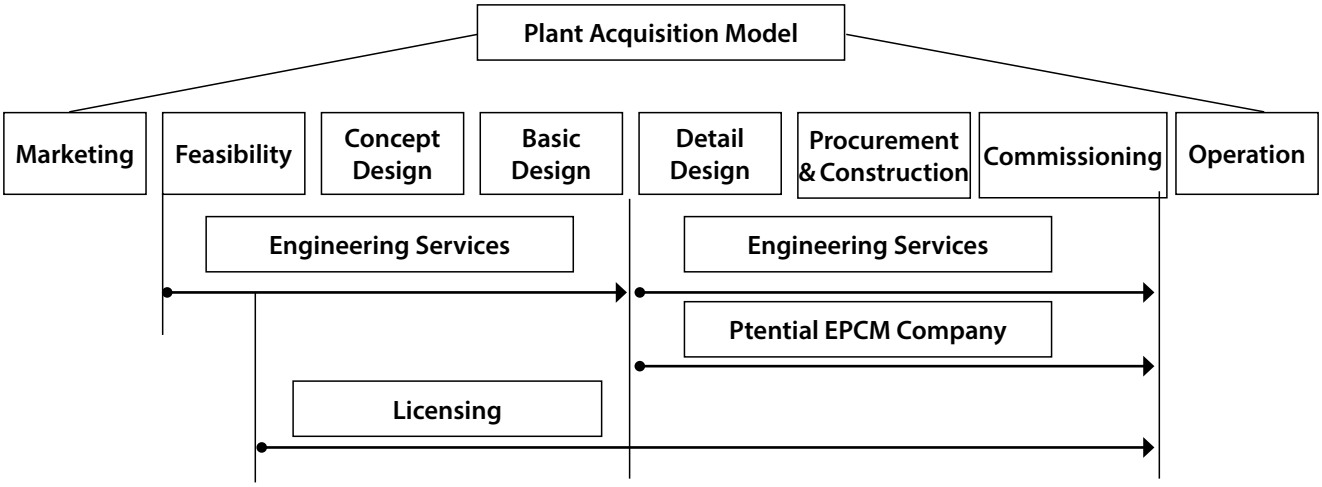
Engineering Services (ES) operates in a highly competitive environment, alongside established local and international engineering consulting firms. The department provides services to both internal and external customers. Necsa accounts for over 95% of all income for Engineering Services, while the remaining 5% comes mainly from Eskom and various mines.

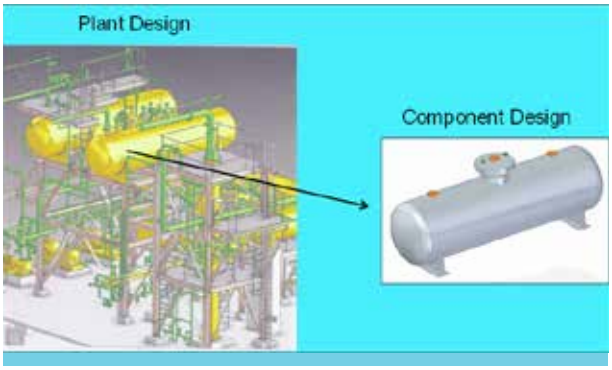
The mandate of Engineering Services is as follows:

- Provide engineering services to Necsa's existing and new facilities.
- Ensure that Necsa complies with the Occupational Health and Safety Act, the NNR requirements, and other regulatory requirements as incorporated into Necsa's SHEQ system.
- Act as the Design Authority for all engineering work within Necsa and its subsidiaries.
- Provide architectural engineering capability to Necsa and the wider industry.
- Serve as the owner's engineer for Necsa.
- Manage the engineering function to conform with ISO 9001:2015.

Design is Engineering Services' primary function. The design of components, along with the establishment of maintenance and operational baselines, forms the foundation against which assets are constructed, maintained, and operated. As an asset-intensive business, Necsa depends on engineering as a vital component of its business management to sustain the technical integrity of its assets throughout their entire lifecycle. This is achieved by clearly defining the Technical Authority for engineering work during research direction, technology standardisation, and the creation and management of design bases throughout the lifecycle of an asset or facility.

The engineering services provided by Necsa are illustrated in the images below:





- Design of plants, facilities and infrastructure applying the plant acquisition model, thus Architect Engineer for Necsa's new facilities
- Design authority for Necsa's existing facilities regarding approval of design changes to these facilities
- Central configuration office maintaining Necsa's technical records
- Design of systems, structures and components of:
- Chemical process
- Civil structures
- Mechanical systems

- Electrical reticulation
- Control systems
- Verification systems
- Waste systems

Projects

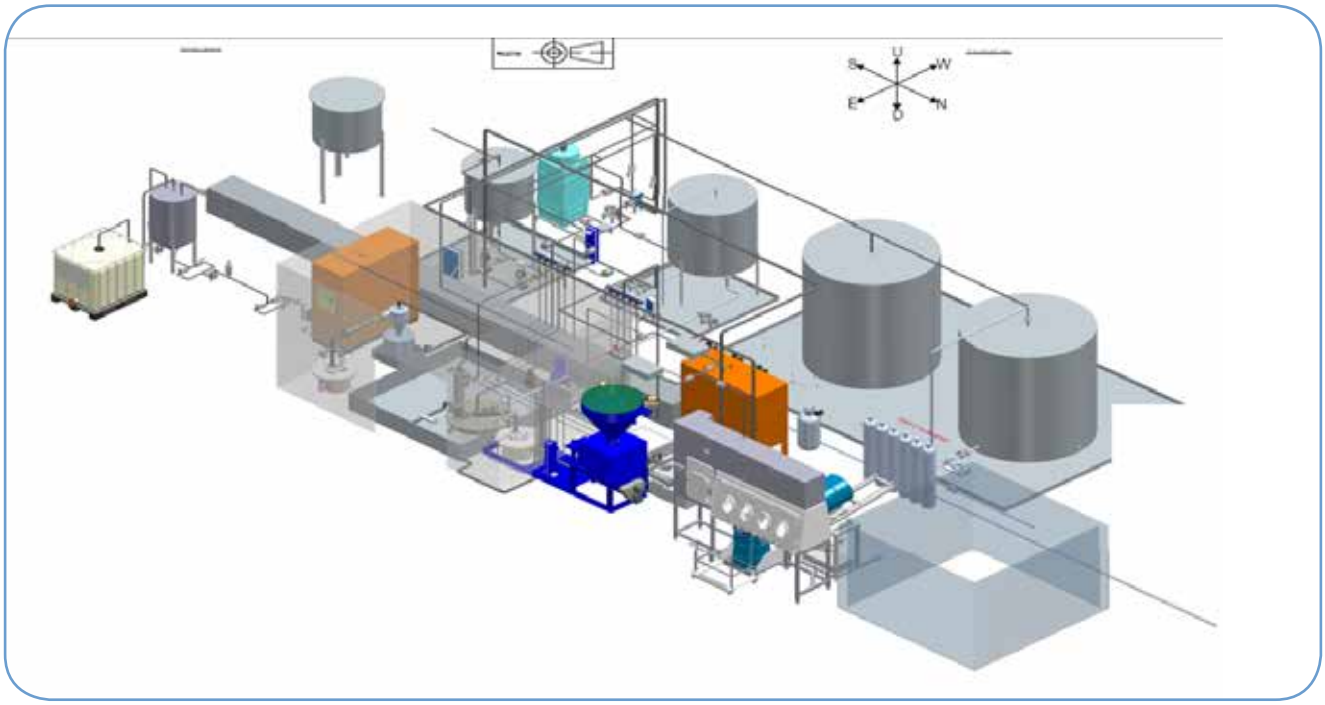
ASME VIII

Nuclear Manufacturing underwent ASME's periodic audit in March 2025 to maintain its ASME VIII certification. The Design Section presented the xenon difluoride (XeF2) reactor vessel during the ASME VIII Division 1 recertification audit for Advanced Manufacturing.

The design presented by Engineering Services was found to be code-compliant by the auditor, and no deficiencies were raised regarding the XeF2 reactor vessel design.

Nuclear Waste Plasma Gas and Oil Demo Test Facility

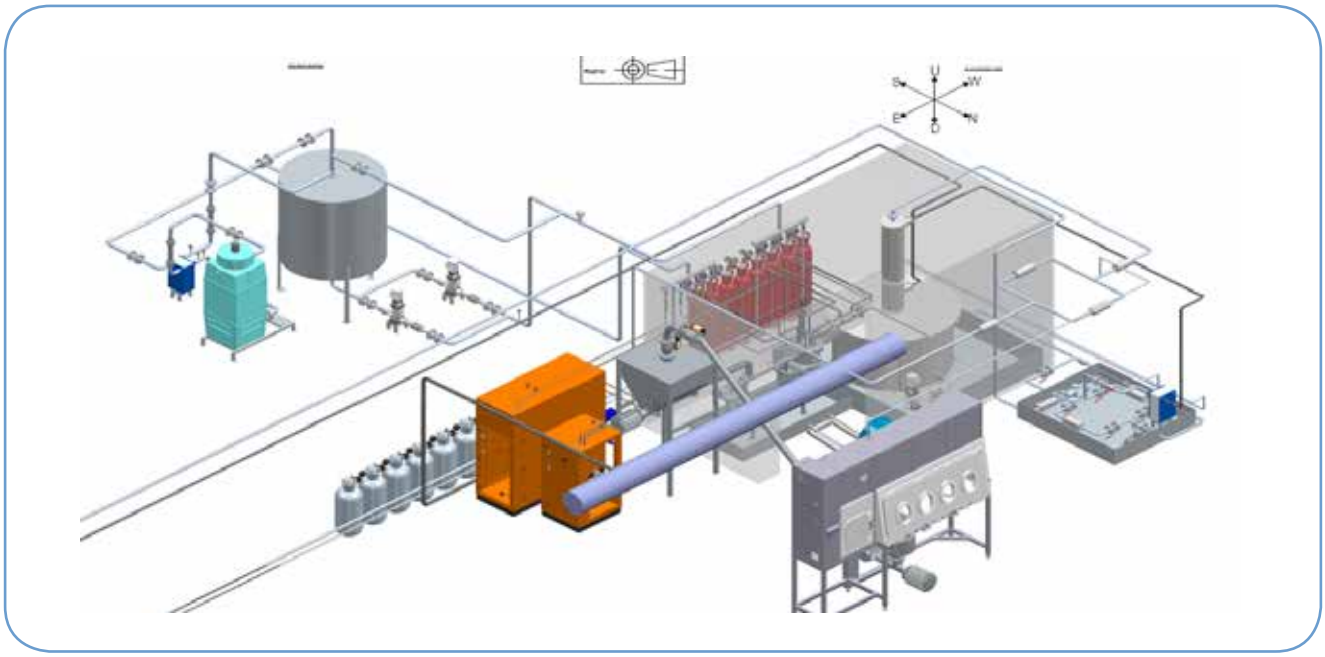
Necsa manages both solid and oil-based nuclear waste materials. This project aims to establish a demonstration system to reduce the volume of compressible low-level nuclear waste (solid) and oil through plasma gasification. Engineering Services has completed both the basic and detailed designs for the facility. The project is scheduled to proceed to the construction phase in the 2025/26 financial year.



Nuclear Waste Plasma Gas Plant (Solid Waste & Oil)

PTFE Plasma Gas Demonstration Test Facility

This project aims to demonstrate the volume reduction of nuclear waste contained in PTFE (polytetrafluoroethylene) candle filters, previously used in Necsa's pilot and semi-commercial uranium enrichment plants. Uranium recovery for re-use is not within the scope of the current project. However, waste material from the process will be collected and stored for a separate investigation into uranium recovery. The detailed design was completed in the 2024/25 financial year, and the facility is scheduled for construction and commissioning in the 2025/26 financial year.



PTFE Plasma Gas Demonstration Plant

XeF2 plant

To return to profitability, Pelchem identified increased production of xenon difluoride (XeF2) as one of its key projects. The project aims to double the current production capacity. Engineering Services has completed most of the detailed design activities, and the project is currently in the procurement stage. Construction and commissioning are scheduled for the 2025/26 financial year.

Smelter

Approximately 14,000 tonnes of ferrous and non-ferrous uranium-contaminated and potentially contaminated metals are stored on the Pelindaba site. These metals cannot be effectively decontaminated by conventional means, nor can it be reliably proven that their contamination levels meet the clearance criteria. This project therefore aims to construct and operate a smelting facility in Area 26 to decontaminate these metals and reduce their volume by clearing them for reuse and recycling purposes.

The following activities were completed in the 2024/25 financial year:

- The LPG infrastructure is 50% complete. The contractor has issued approved design drawings to Necsa.
- Support for bottom block manufacturing is 60% complete.
- The URS for the emergency cooling water system has been completed.
- The design package for the emergency cooling water system is 75% complete.
- A quotation for the M&E balances for non-ferrous materials has been received from Mintek.
- Cold commissioning of the test smelter was successfully completed.
- The designer has updated and submitted the approved design drawings to Necsa.

Mo-99 and I-131 Increase in Production

NTP requires at least two dissolver cells to be operational to ensure the security of supply of both Mo-99 and I-131. A third operational cell (Cell 11 replacement project) is required to mitigate the risk of a production stoppage affecting one of the two essential dissolver cells. The completed Cell 11 replacement project will also allow for rotational maintenance among the dissolver cells.

The following activities were completed in the 2024/25 financial year:

- Removal of the Sr-90 sources from Cell 7 of the P-1701 facility and their transfer to Area 24.
- Removal of the Cell 7 containment box and its subsequent interim storage in the over pack within the P-1701 facility, to create space for the Cell 11 containment box.
- Removal of the Cell 11 containment box and its interim storage in the Cell 7 cavity.

- Completion of the detailed design.

Radiopharm

The Radiopharmaceutical Production Plant Project was established to provide a new manufacturing facility for producing NTP radiopharmaceutical products currently manufactured at the NTP P3000 facility. The plant must be designed to comply with current Good Manufacturing Practices (GMP).

Activation Iodine (I-131)

The Activation Iodine Project aims to establish additional I-131 API production capacity at NTP. Unlike the current fission-based iodine process, the activation process will use irradiated TeO2 target canisters, with I-131 extracted via a dry-distillation hot-cell production line. The process is expected to increase NTP's weekly I-131 production capacity by 200 Ci (7-day calibration).

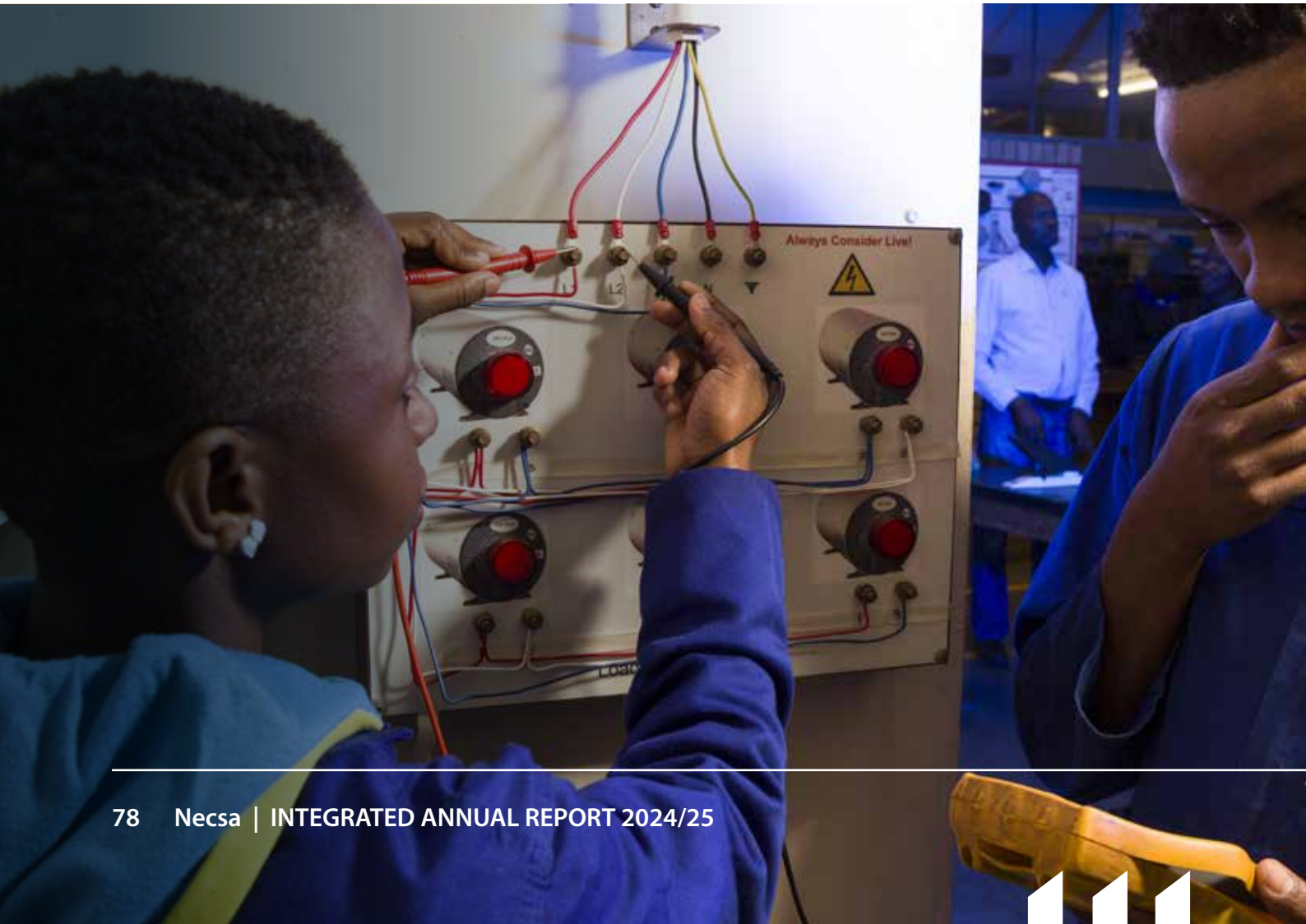
9.6 Facilities Management

Property Management and Development

Necsa's portfolio includes immovable assets such as office buildings, laboratories, workshops or warehouses, residential properties, and land, as well as movable assets including sedans, passenger vehicles, trucks, and trailers. These are located throughout South Africa, including at key sites such as Pelindaba, Vaalputs, and Springbok. The Property Management and Development (PMD) unit's mandate focuses on improving the condition of properties to provide safe, high-quality support facilities to the Necsa Group, while growing the portfolio's value through commercialisation.

Although most of the Necsa Group's infrastructure was built during the 1960s and the 1970s, it remains central to the organisation's operations and continues to require active management.

At the core of PMD's strategy is a focus on improving and maintaining infrastructure to support business operations, while also generating income through asset utilisation and increasing revenue from immovable assets. This strategy aligns with, supports, and forms part of the Necsa Group's broader operational growth strategy.



10. Strategy and Business Enablement

Ms Qhamkile Boyede

Group Executive: Strategy & Business Enablement

The Strategy and Business Enablement Division formulates and implements the Group's strategy, with a focus on business development, legal services, security, IT, compliance, corporate communication, branding, and stakeholder relations. The division drives the strategic pillar of Business Continuity and Efficiency, aiming to achieve operational excellence, effectiveness, and efficiency.

As a key enabler of the Necsa Group's strategy formulation, Strategy and Business Enablement considers macro-environmental trends, shifts in the nuclear industry, and activities adjacent to Necsa's core business to ensure a sustainable medium-to long-term strategy. The Necsa strategy is reviewed against the Shareholder's Compact and the Corporate Plan, and performance against targets is reported to the Necsa Board, National Treasury, and Parliament in accordance with Section 92 of the Constitution.

A sound organisational strategy is the cornerstone of business growth and financial sustainability.

Information used in formulating the strategy is collated and reported monthly to the EXCO, quarterly to the Board, and periodically to external stakeholders. These reports are internally assured through Integrated Assurance and by the AGSA. As part of a continuous improvement process during the year under review, the division enhanced its methodology for measuring key performance indicators.

10.1 Business Development and Technology Commercialisation

Some of the technologies at advanced stages of development towards commercialisation include mining shroud detection technology, neodymium difluoride (NdF3) production, and the gallium-68 PSMA-11 diagnostic kit for prostate cancer. In support of Necsa's growth and sustainability, the Business Development and Technology Commercialisation unit is actively involved in high-impact growth programmes, exploring and evaluating strategic funding opportunities and commercial partnerships with various entities.

10.2 Legal Services

Necsa continues to reduce the number of open litigation cases while actively implementing measures to prevent new litigations. A legal register is maintained to monitor regulatory changes and best practices, ensuring operational compliance and excellence.

10.3 Security Services

As a declared National Key Point facility, Necsa is subject to annual security evaluations by the South African Police Service (SAPS) National Key Point Secretariat or the Government Security Regulator.

10.4 Information Technology

Necsa's Information Technology (IT) function continues to provide critical oversight of IT strategy and operations, enabling seamless technological integration across the Necsa Group. Over the past year, the consolidation of IT services into a centralised Group structure has delivered significant efficiencies, including cost savings, reduced duplication, and enhanced operational coordination. Despite the challenges of transitioning to a hybrid work environment and executing multiple integration projects, the IT function maintained operational stability and integrity throughout the migration process. Any teething issues were promptly addressed, ensuring no disruption to business operations.

An AI and Robotics Policy has been implemented to govern the responsible adoption of artificial intelligence across the organisation. The policy ensures proper oversight, safeguards sensitive information, and maximises the potential of AI to drive innovation, efficiency, and competitive advantage. Ongoing investments in infrastructure modernisation and IT workforce upskilling have strengthened Necsa's technological resilience, positioning the organisation for future growth. Moving forward, the IT function remains committed to advancing digital transformation while maintaining operational excellence and security.

10.5 Integrated Management System

Necsa continues with the process of developing and implementing an Integrated Management System (IMS), aligning with legislation, the governance framework, and operational plans, thereby strengthening efficiencies. Harmonisation of policies began after the Necsa Group's strategy approval in 2021, aiming to eliminate duplication, improve process quality, and foster a compliance culture. A hierarchical approach has enabled great strides in meeting set goals while cascading changes from statutory requirements to the policy level and down to operating procedures. A special focus has been on process optimisation, with a multifunctional team of leaders pioneering the work. This ensures sustainability and continuity in the company while ensuring continuous improvement of its processes.

10.6 Emergency Preparedness

With nuclear installations and major hazard installations on the Necsa Pelindaba site, a comprehensive emergency preparedness and response process is implemented, including emergency preparedness activities for potential emergencies that could impact the site and beyond the Necsa perimeter. Engagements with key stakeholders, who form part of the response organisations, were maintained, including the review of processes and procedures for continuous improvement to ensure readiness.

10.7 Environmental Conservation and Management

Necsa strives to prevent pollution of soil, water and air by eliminating or minimising waste, effluent and emissions. Conservation of fauna and flora includes ensuring that provision is made for their sustenance. Necsa commits to and adheres to nature conservation through the control of invasive and indigenous plants.

Indigenous Flora and Fauna

Monkeys Tail (Xerophyta retinervis)

Fever tree (Acacia xanthophloea)

Grazing zebra (Equus quagga burchellii)

Crowned Lapwing (Vanellus coronatus)

Environmental capital is expressed through conservation efforts and the monitoring of impacts on natural resources in and around Pelindaba.

Necsa has established a comprehensive system to monitor the workplace and extended environmental impact of radiological, chemical and other aspects of operations, to ensure that set objectives and targets are met and reported. Radiological dose impact is determined to ensure that it remains as low as reasonably achievable (ALARA) and within limits.

Streams, river water (both upstream and downstream), soil, air contamination, fish, invertebrates, etc. are monitored to obtain a comprehensive footprint of Necsa's impact on the environment. Results are reported to the relevant authorities in accordance with agreed schedules. Necsa reports and manages any non-compliance in accordance with the compliance assurance process.

Monitoring the water of the Hartbeespoort Dam and Crocodile River.

Tacky sack deployment to monitor air particulate fallout. Monitoring streams leaving the Pelindaba site.

Sampling boreholes and standpipes at Vaalputs.

Radiological Emissions and Discharges

Necsa continually strives to improve the SHE Management System and performance by keeping exposure to radiation ALARA. The public dose for the 2024 calendar year was 1.22% (0.0030 mSv) of the annual public dose constraint (0.250 mSv), which was consistent with previous years. The dose data shows that there is no significant dose impact on the environment due to Necsa's activities.

The Environmental Monitoring Programme was in full compliance with sample reporting levels and no environmental nuclear occurrences were registered.

Pelindaba Modelled Dose to the Public (mSv/a)

	2022 Calendar Year	2023 Calendar Year	2024 Calendar Year
Liquid to Crocodile River	0.0025	0.0017	0.0017
Gaseous Releases	0.0015	0.0019	0.0013
Total	**0.0040**	**0.0037**	**0.0030**
% of the annual public dose constraint (0.250 mSv)	1.60 %	1.50 %	1.22 %

Chemical Emissions

Pelchem operates under the Atmospheric Emission License number: BPDM/AEL/OCTOBER2020. Quarterly and annual air emissions are reported to the Bojanala Platinum District Municipality. The total fluoride emissions for the January 2024 to December 2024 period (calendar year) amounted to 1,799 kg, which was 438 kg lower compared to the previous year's (2023) total of 2,237 kg. The monthly site limit was not exceeded during the year. Total fluoride emissions for the reporting period were 10.16% of the annual air emission licence constraint of 17,696 kg/year.

Compliance with Water Permit Requirements

Compliance is measured against the current water permit (Permit No. 1874B), and Necsa complied with the permit (Permit No. 1874B) during the 2023/24 water year.

Total water consumption was 62% of the permitted value, a slight increase from 58.9% in the previous reporting period. Necsa did not use river water during the 2023/24 water year due to the non-operational status of the purification plant, which was caused by pump damage from river sludge and the degraded water quality of the Crocodile River. Borehole water was also not used due to the high cost of maintenance.

All water leaks were addressed within reasonable periods, depending on their severity.

Water Consumption (October 2023 to September 2024)

Resource	Amount used (m^3)	Permitted amount (m^3)	% permitted amount	% change on year on year
Rand Water	774,419	400,000	193.6	5.2
River Water	0	840,000	0.0	0.0
Borehole	0	9,490	0.0	0.0
Total	**774,419**	**1,249,490**	**62.0**	**5.2**

Liquid Effluent Disposed (October 2023 to September 2024)

Effluent Destination	Volume (m^3)	Water Permit Limit (m^3)	Permitted Percentage (%)
Crocodile River	63,862	250,000	26
PE Pans 1-5	0	19,000	0.00
PE Pan 6	0	8,500	0.00
PE Pan 9	2,664	15,000	17.76
PE Pan 7	0	4,500	0.00
PE Pan 8	0	4,500	0.00
CaF_2	0	941	0.00
Total	**66,526**	**302,441**	**22.00**

The liquid effluent generated for the period October 2023 to September 2024 (water year) was 63,862 m3, representing 25.5% of the permitted amount. This reflects a year-on-year decrease of -24.61%. The effluent released into the Crocodile River remained well below the limits set in the water permit.

Industrial Effluent and Low Active Effluent Discharged to the Crocodile River (October 2023 to September 2024)

	Q4 (2023) Oct- Dec LE-REP-0805	Q1 (2024) Jan-March LE-REP-0814	Q2 (2024) Apr-Jun LE-REP-0823	Q3 (2024) Jul-Sept LE-REP-0833	YTD Oct 2023 - Sept 2024
Industrial Effluent(m^3)	16,651	17,866	15,634	10,536	60,687
Low Active Effluent (m^3)	1,255	647	671	602	3,175
Total Effluent Discharged to Crocodile River (m^3)	17,906	18,513	16,305	11,138	63,862
Dose Impact (mSV)*	0.000456	0.000263	0.000597	0.000375	0.00169

*Dose impact is for the water year October 2023 to September 2024.

10.8 Nuclear Safeguards and Non-Proliferation

Necsa performs safeguards and nuclear non-proliferation activities on behalf of the South African Government, as delegated by the DMRE in terms of the Nuclear Energy Act. This is required by the Non-Proliferation Treaty (NPT), as detailed in the Comprehensive Safeguards Agreement (CSA), both signed with the IAEA in 1991. Safeguards implementation was further strengthened by the Additional Protocol to the CSA, signed in 2002.

IAEA and South Africa Bilateral Meeting

Participants in the bilateral meeting on safeguards implementation, 2024

Alignment with the values of Safety First, Business Continuity, and Efficiency.

The annual bilateral meeting on safeguards implementation in South Africa between the State and the IAEA was held on 17 July 2024 in Pretoria. The meeting was attended by the IAEA Deputy Director General, Mr Massimo Aparo, and was hosted and chaired by the DMRE.

The IAEA commended South Africa on its performance in meeting its obligations for the timely submission of State declarations, such as nuclear material accounting and Additional Protocol declarations.

South Africa, through the DMRE, highlighted that it accepts and supports the IAEA's developments on the practical arrangements for the new State-Level Approach (SLA), and will continue to maintain good cooperation with the Agency. It was also agreed that the new SLA will be implemented with effect from January 2025, commencing with a one-year trial period and the finalisation of practical arrangements.

10.9 Corporate Communication, Branding and Stakeholder Relations

The Necsa Group's Corporate Communication, Branding and Stakeholder Relations (CCB&SR) unit is responsible for managing and facilitating effective internal and external communication to build and maintain a positive reputation, engage stakeholders, ensure brand consistency, and support the Necsa Group's strategic objectives. This includes managing public interaction, internal communications, media relations, digital presence, crisis communication, and corporate publications.

During the year under review, Corporate Communication increased its stakeholder engagements, including 10,037 outreach activities. Notably, the quarterly Public Safety Information Forum in the Vaalputs was revived, with strong community attendance. Participating in various conferences and exhibitions, both within and beyond the nuclear and research industry sectors, also contributed to broader stakeholder engagements.

In its efforts to publicise, educate and create awareness about Necsa's work, the unit undertook a number of media engagement activities. It also led the revamp of Necsa's website to ensure alignment with the rationalisation process. Although Necsa serves a niche market, its social media footprint has steadily grown, enabling the organisation to educate the public on the diverse applications of nuclear technology through this platform.

Stakeholder Engagement Activities

Stakeholder engagement and relationships are crucial to executing the Necsa Group's mandate and business strategy. These engagements help build and maintain mutually beneficial relationships with both internal and external stakeholders, while also identifying opportunities for business growth and expansion. The EXCO reports to the DMRE on achievements that deliver high-quality, impactful outcomes for the organisation.

Stakeholder Engagement in Numbers

Number of people reached 2024/25 FY

OUTREACH	1,774	922	2,335	1,090	3,507	1,305	8,534	555	700	2,000	2,000	754	25,467
DATE	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	TOTAL
INREACH	1,111	693	446	1,690	1,203	1,155	114	12	26	0	38	1,491	33,455

Corporate Social Investment

Non-governmental organisations (NGOs) work independently to promote change in areas like health, education, human rights, and wildlife. Necsa supports NGOs near nuclear facilities, including Soulbent in Saulsville, which has become a key environmental partner in Gauteng. The project transforms illegal dumping sites into vegetable gardens, providing basic food to volunteers and selling excess vegetables to surrounding communities.

Necsa collaborates with stakeholders to inspire individuals to act on environmental issues, ensuring long-term benefits and empowerment. Necsa conducts outreach programmes at schools across the country, educating and encouraging learners to pursue STEM (Science, Technology, Engineering and Maths) subjects in order to enter into maths- and science-related careers.

Media Engagement and Publicity

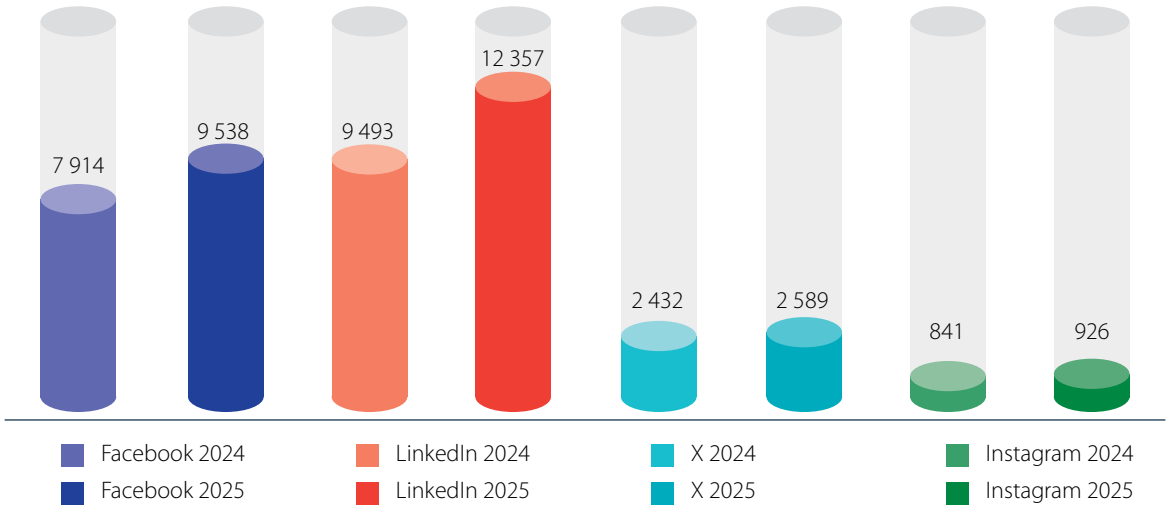
During the 2024/25 financial year, the Necsa Group received notable positive publicity. The two major events that drove this coverage were the media roundtable and the SAFARI-1 60th anniversary celebration. Necsa proactively organised the roundtable to profile the organisation and raise awareness about nuclear technology. Media coverage focused on unpacking Necsa's six high-impact programmes, with special attention on the funding allocated for the MPR, which will succeed the ageing SAFARI-1—still expected to operate beyond 2030. This was linked to the expansion of NTP's radioisotope production programme.

Other topics covered included Necsa's exploration of SMRs, which may be deployed at Eskom's decommissioned coal-fired power stations, the revival of the Pebble Bed Modular Reactor and related intellectual property issues, as well as nuclear fuel fabrication.

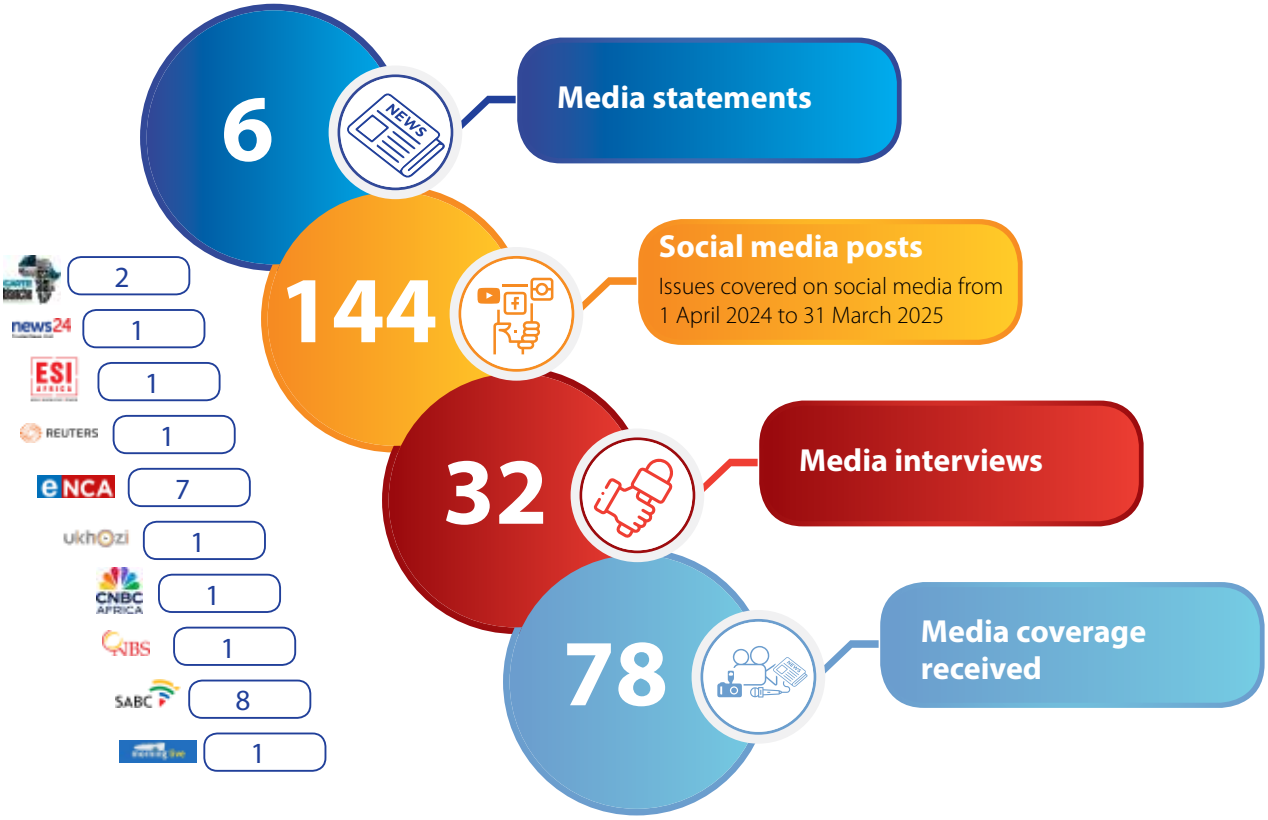
Extensive publicity on the SAFARI-1 60th anniversary highlighted the reactor's legacy and its continued contribution to the global community.

Necsa continues to identify platforms to generate publicity, including media opportunities at conferences and exhibitions. The Necsa Group uses various communication platforms, including traditional and social media. The graph below shows growth in social media followers and some of the issues covered. Also depicted are media statements and interviews conducted during the 2024/25 financial year.

Social Media Statistics (followers) March 2024 and March 2025



Necsa is a research and innovation organisation that does not offer direct services to the public. It provides services to a niche market and, therefore, is unlikely to attract a large social media following, especially locally. The current follower growth rate is thus considered acceptable.


6
Media statements
144
Social media posts
Issues covered on social media from 1 April 2024 to 31 March 2025
2
1
1
1
7
1
1
1
8
1
32
Media interviews
78
Media coverage received

11. Power and Industry

Mr Sengiphile Simelane

Group Executive: Power & Industry

The Power and Industry (P&I) Division continues to play a critical role in advancing Necsa's strategic objectives through a dual approach of organic and structural growth. P&I serves as the Group's market-facing arm, focused on expanding Necsa's footprint in both the domestic and international energy sectors and growing its revenue streams.

During the 2024/25 financial year, P&I finalised a new business model, the Catalogue Business Model, positioning the division as the central conduit for marketing and selling Necsa's full suite of products and services. The model was approved by EXCO in May 2024, with full implementation scheduled for 1 April 2025. It establishes P&I as the primary link between customers and internal service units, including Advanced Manufacturing, Engineering Services, and Laboratories.

Power and Industry packages Necsa's products and goods for domestic and global markets.

In preparation for this transformation, the Group EXCO is in the process of restructuring P&I's internal organisation, including the integration of the Project Management Office (PMO) into the Power and Industry Division. This puts P&I at the forefront of delivery of projects that emanate from the Necsa Group's High Impact Programmes. A corresponding budget for the 2025/26 financial year has been developed to support this strategic shift.

11.1 Industry

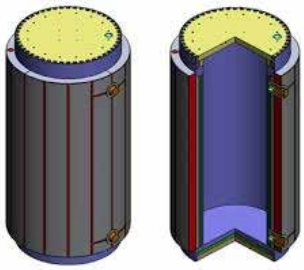
During the past year, P&I forged important partnerships in its quest to deliver products and services to industry players locally and abroad. This is a key part in Necsa Group's strategy to grow the business and revenue streams.

International Collaboration

- UF6 Cylinder Project with Tenex (Russia): Necsa achieved full technical qualification as a supplier of Type 30B UF6 cylinders. A commercialisation roadmap was signed with Tenex in September 2024, targeting an annual output of 100 cylinders by Advanced Manufacturing.
- Dry Storage Cask Project (Eskom/Koeberg & Holtec USA): In partnership with Eskom and the Department of Trade, Industry and Competition (DTIC), Necsa secured an enquiry from Holtec for the supply of components for dry spent fuel casks destined for Koeberg.

Local Opportunities

P&I played a pivotal role in securing and executing the following local opportunities:

#	Opportunity Description	Picture
1	**Eskom – Disposal of RPVHs and CRDMs to Vaalputs (R69.6 million project; Phase 1 underway)**	
2	**Transnet – Supply of Flosep filters**	
3	**Holtec – Supply of nuclear components for dry storage casks (R5.2 million)**	
4	**Koeberg – Fabrication and installation of hardened water external connection points (R27.9 million).**	
5	**Unique Hydra – Manufacture of pressure boundary vessels (R4.2 million).**	
6	**Tenex – Contract negotiations for the supply of 72 Type 30B cylinders**	

Necsa's nuclear energy technology ambitions are strategically advanced through this division.

11.2 High Impact Programmes

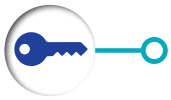
The Power and Industry Division is the main driver of the six high-impact programmes in Necsa's five-year strategy. These programmes are long-term and aim to generate revenue and ensure Necsa's financial stability. The projects under the programmes are at different stages of maturity. P&I has moved to shape the programmes within the Necsa value chain since their adoption in FY2023/24 as part of Necsa's growth path.

Small Modular Reactor

Necsa finalised its SMR strategy, aligning it with the organisation's ambition to lead nuclear power innovation. Key milestones included the approval of the SMR strategy, the drafting of RFP criteria, and the completion of a pre-feasibility study, which was shared with internal stakeholders for review.

Nuclear Fuel Cycle Strategy

The development of the front-end nuclear fuel cycle strategy, started with a review of previous strategies and documentation. A working group was established, comprising representatives from Project Management, Research & Innovation, NOAM, Business Development, and Power & Industry. During the reporting period, the strategy was approved and presented to Group EXCO. The next step is to conduct a pre-feasibility study to explore the feasibility and viability of each project under the programme.



The nuclear fuel cycle presents future growth opportunities for the organisation.

Solidify Neutron Source Generation

SAFARI-1 allows NTP to provide nuclear medicine products to all the major global regions. Sales to more than 60 countries in the world allow over 40 million people worldwide to receive life-saving medical diagnosis or treatment using nuclear medicine. Necsa aims to increase revenue through a projected growth in the production of Lu-177, Ti-201, Ga-67, f-18, Rb-82, Ra-223 at SAFARI-1. These isotopes are used in the treatment of hyperthyroid disorders, thyroid cancer, neuroblastomas, and cancers of the adrenal glands.

Radioisotopes Production and Services Diversification

This programme includes expanding Necsa's international market footprint and increasing local share. It also involves diversification of irradiation services through collaboration with other reactor operators.

Capacitating and Strengthening Skills Development

This involves strengthening the Necsa Learning Academy by identifying industry requirements and responding to the national call for the development of a youthful, skilled workforce in South Africa and across the continent.

Stabilising the Fluorochemical Operations/Business and Repositioning the Beneficiation

Curve with Low Volume and High Value

This aligns with stabilising Necsa's fluorochemical business, Pelchem. An example is the expansion of xenon difluoride (XeF2) production, which is primarily used as an etchant in the semiconductor fabrication industry.

Conclusion

The Power & Industry Division has made substantial progress toward its mandate of market-led growth and positioning Necsa as a leader in nuclear innovation. With strong partnerships, a new business model, and key strategic projects underway, P&I is well-positioned to drive Necsa's corporate growth agenda in the years ahead.

Stakeholder Engagement Activities

Stakeholder engagement and relationships are crucial to executing the Necsa Group's mandate and business strategy. These engagements help build and maintain mutually beneficial relationships with both internal and external stakeholders, while also identifying opportunities for business growth and expansion. The EXCO reports to the DMRE on achievements that deliver high-quality, impactful outcomes for the organisation.

12. Necsa Key Subsidiaries

Mr Petrus Schutte

Managing Director: Pelchem

12.1 Pelchem

Managing Director's Overview

The 2024/25 financial year marked the continuation implementation of Pelchem's turnaround strategy aimed at improving the company's financial performance. The strategy focuses on cost containment, plant refurbishment and product diversification, with an emphasis on "high value, low volume" products.

Pelchem is the sole producer and supplier of fluorochemicals in the Southern Hemisphere.

As part of this strategy, Pelchem identified several high-impact programmes with medium- and long-term profitability potential. During the reporting period, 40% of the programmes were completed, while a further 40% were either in the process of being implemented, securing funding or being presented to various Board committees for approval. Medium-term programmes include expanding the filling capability of the fluorine plant, while long-term plans involve exploring the establishment of a new anhydrous hydrogen fluoride (AHF) facility.

Business Summary

Pelchem SOC Ltd, a wholly owned subsidiary of Necsa SOC Ltd, was established in 1984 and remains the only producer and supplier of fluorochemicals in the Southern Hemisphere. With over 40 years of fluorochemical expertise, Pelchem serves as a key fluorochemical hub, adding value to South Africa's fluorspar reserves—the largest in the world. The company exports a portfolio of over 14 products to more than 25 countries globally and operates across four production facilities:

- The hydrogen fluoride (HF) plant was decommissioned due to age and safety concerns. Pelchem successfully implemented an AHF import model and continues to operate its dilution plant to supply various grades to the local market.

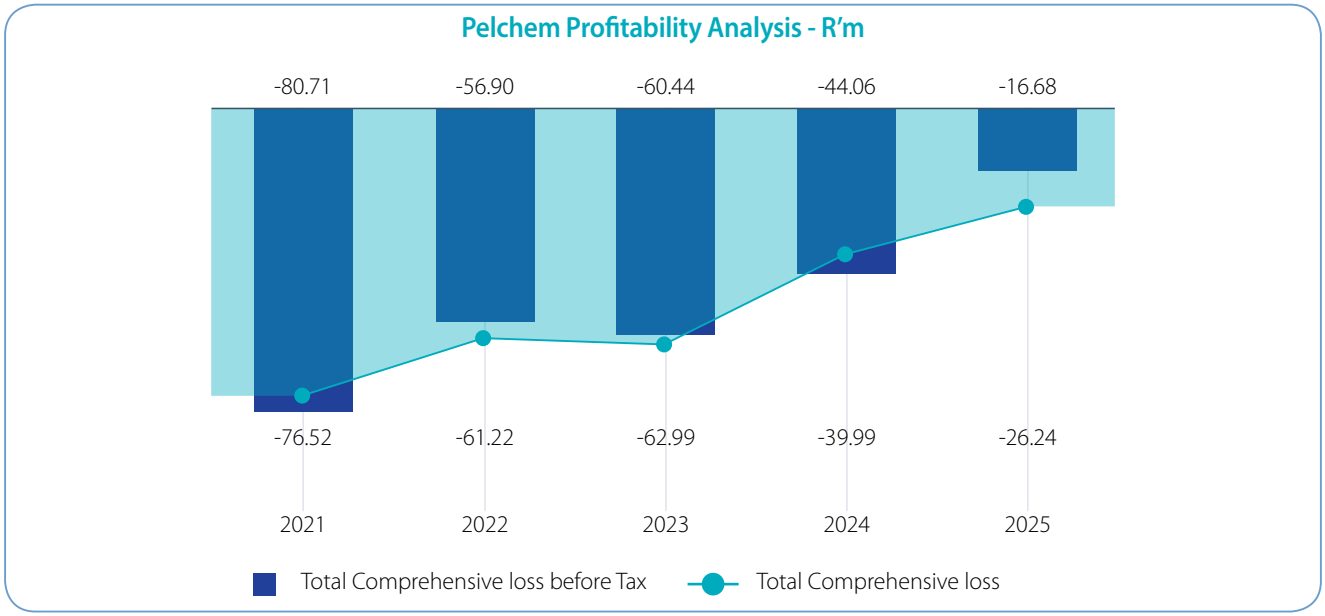
Key organisational turnaround driven by plant refurbishment and product diversification.

- The fluorine plant produces relatively pure fluorine gas and a limited range of fluorine-nitrogen gas mixtures.
- The xenon difluoride (XeF2) plant produces a high-purity XeF2, with an annual capacity exceeding of 400 kg.
- The surface fluorination plant offers surface fluorination services to plastic manufacturers across South Africa.

Highlights

- Pelchem reduced its financial losses by 58% compared to the previous year and maintained an unqualified audit opinion.

Losses were reduced by 58% compared to the previous financial year. Profitability was hampered by poor plant performance and unavailability.



- Xenon difluoride production increased by 40%, from 225 kg to 314 kg per annum, following the completion of several short-term, high-impact programmes.
- Pelchem began importing AHF to supply the local market, following the shutdown of the HF plant at the end of the previous financial year.
- Completed the construction and commissioning of a new fluorine cell to enable continuous fluorine production.
- Successfully commissioned three fluorine cylinder filling cabinets to increase fluorine output capacity.
- Maintained Occupational Health and Safety compliance, with performance indicators well below Group thresholds for the year under review.
- Retained all statutory licences, permits, and legal compliance requirements.

12.2 NTP Radioisotopes

Mr Thabo Tselane

Managing Director: NTP

The NTP Group (NTP), a wholly owned subsidiary of the South African Nuclear Energy Corporation (Necsa), comprises NTP Radioisotopes SOC Ltd, NTP Logistics SOC Ltd, AEC-Amersham SOC Ltd, and GammaTec SOC Ltd. Together, these entities continue to demonstrate an unwavering commitment to improving health outcomes and saving lives through the production, distribution, and support of high-quality nuclear medicine and related technologies. In 2024/25, the Group not only delivered strong financial performance but also reinforced its reputation as a trusted global partner in healthcare innovation, safety, and logistics excellence.

Enabling Better Health Outcomes Globally

At its core, NTP exists to serve a higher purpose—enhancing lives through timely access to life-saving diagnostic and therapeutic radiopharmaceuticals. Each dose of Molybdenum-99 (Mo-99), Iodine-131 (I-131), and Lutetium-177 (Lu-177nca) produced at our facilities plays a critical role in helping doctors diagnose and treat cancer, cardiac disease, and other serious illnesses. In collaboration with hospitals and nuclear medicine departments across South Africa and our partners in nearly 60 countries worldwide, NTP has enabled millions of patients to receive precise, timely diagnoses and life-changing treatments.

One shining example of NTP's impact is its partnership with major hospitals across South Africa, such as Steve Biko Academic hospital where locally produced Technetium-99m (Tc-99m) generators are used daily for critical imaging procedures, including early cancer detection and cardiac function testing. Through collaborative initiatives such as Ray of Hope and the Nuclear Medicine Research Infrastructure (NuMeRI), NTP is helping to expand access to nuclear medicine, enhance diagnostic accuracy, and improve treatment outcomes. These local efforts, combined with NTP's international reach, underscore the life-saving potential of its products and the organisation's commitment to transforming healthcare through innovation and collaboration.

A Human Mission Powered by Science

Behind every vial of radiopharmaceutical shipped, there is a story of a patient, a family, and a hope for recovery. Whether enabling early cancer detection in a Johannesburg clinic or delivering targeted therapy to a hospital in Brazil, NTP's work resonates beyond numbers, it changes lives.

With its dedicated team, global partnerships, and relentless pursuit of excellence, NTP is well-positioned to shape the future of nuclear medicine, lead innovation, and bring healing to more people across the globe.

Operational Excellence and Strategic Progress

In 2024/25, NTP achieved its second-highest annual revenue of R1.57 billion, with strong contributions from its flagship operations at Pelindaba. Although revenue fell slightly short of the R1.65 billion target, the Group's net profit after tax (NPAT) of R118.3 million surpassed expectations by R12.8 million, reflecting tight operational discipline and strategic alignment.

Our world-class production facilities delivered exceptional output, including a 2.6x increase in Lu-177 sales volumes, underscoring the growing demand for targeted cancer therapies. Strong revenue growth in Europe and South America further highlighted the company's expanding international footprint and growing relevance in global healthcare.

Safety, Trust, and Reliability

NTP's continued success is grounded in an unshakable commitment to safety and compliance. In February 2025, NTP celebrated a key milestone: one million disabling injury-free hours worked, reflecting the company's culture of care, precision, and responsibility. The improvement in the Safety Culture Survey score from 3.55 to 4.00 further demonstrates increased employee engagement and an embedded safety mind-set across the organisation.

A global leader in nuclear medicine for cancer detection, imaging and treatment.

Our customers trust us not just for our products, but for the reliability and quality we deliver. This was reflected in our Customer Satisfaction Survey score of 89%, exceeding the 80% target and reinforcing NTP's status as a supplier of choice in nuclear medicine.

Innovative Leadership for Sustainable Growth

Through its Sustainable Return to Service Programme and High-Impact Strategic Initiatives, NTP has maintained operational resilience and improved plant performance. The company's leadership continues to steer its future towards long-term sustainability and international competitiveness.

An organisational model driven by scientific innovation using the SAFARI-1 research reactor.

In 2024/25, NTP also celebrated the 60th anniversary of the SAFARI-1 research reactor, a cornerstone of South Africa's nuclear medicine legacy. This historic achievement reflects decades of innovation, partnerships, and purpose-driven work that continue to bear fruit for patients today.

Group Subsidiaries and Associate Companies

NTP Logistics SOC Ltd - ensures the safe and compliant delivery of radioactive materials across six continents, operating with precision in one of the world's most regulated sectors. It provides bespoke, end-to-end supply chain logistics services, specialising in the global distribution of all classes of hazardous goods, as well as time-sensitive, temperature-sensitive, and high-value items. It offers a full spectrum of land, air and sea solutions. The company is a market leader with extensive experience in both national and international regulatory requirements. NTP Logistics holds permits and licences from the NNR, DMRE, SAHPRA: Radiation Control, the Department of Health and the Department of Transport. The company maintains its ISO 9001 certification.

AEC Amersham SOC Ltd - supports the distribution of radiopharmaceuticals across Sub-Saharan Africa and the Indian Ocean Islands. It is the distributor for NTP radiopharmaceutical products and a range of other imported life science products and services in the Sub-Saharan African and Indian Ocean Islands region. The company is ISO 9001 certified and complies with all the regulatory requirements necessary for the import and export of its products.

GammaTec SOC Ltd - continues to deliver cutting-edge non-destructive testing (NDT) technologies, supporting industrial safety across Africa and beyond. It is a supplier, distributor, manufacturer and turnkey solution provider of non-destructive testing (NDT) equipment, accessories, and consumables. Its technologies include acoustic emission, ultrasonic, phased array, visual inspection, dye penetrant, eddy current, magnetic particle testing, radiography, and process automation. It also supplies isotopic sources such as Iridium-192, Cobalt-60, Cesium-137, and Selenium-75. The company is ISO 9001 accredited.

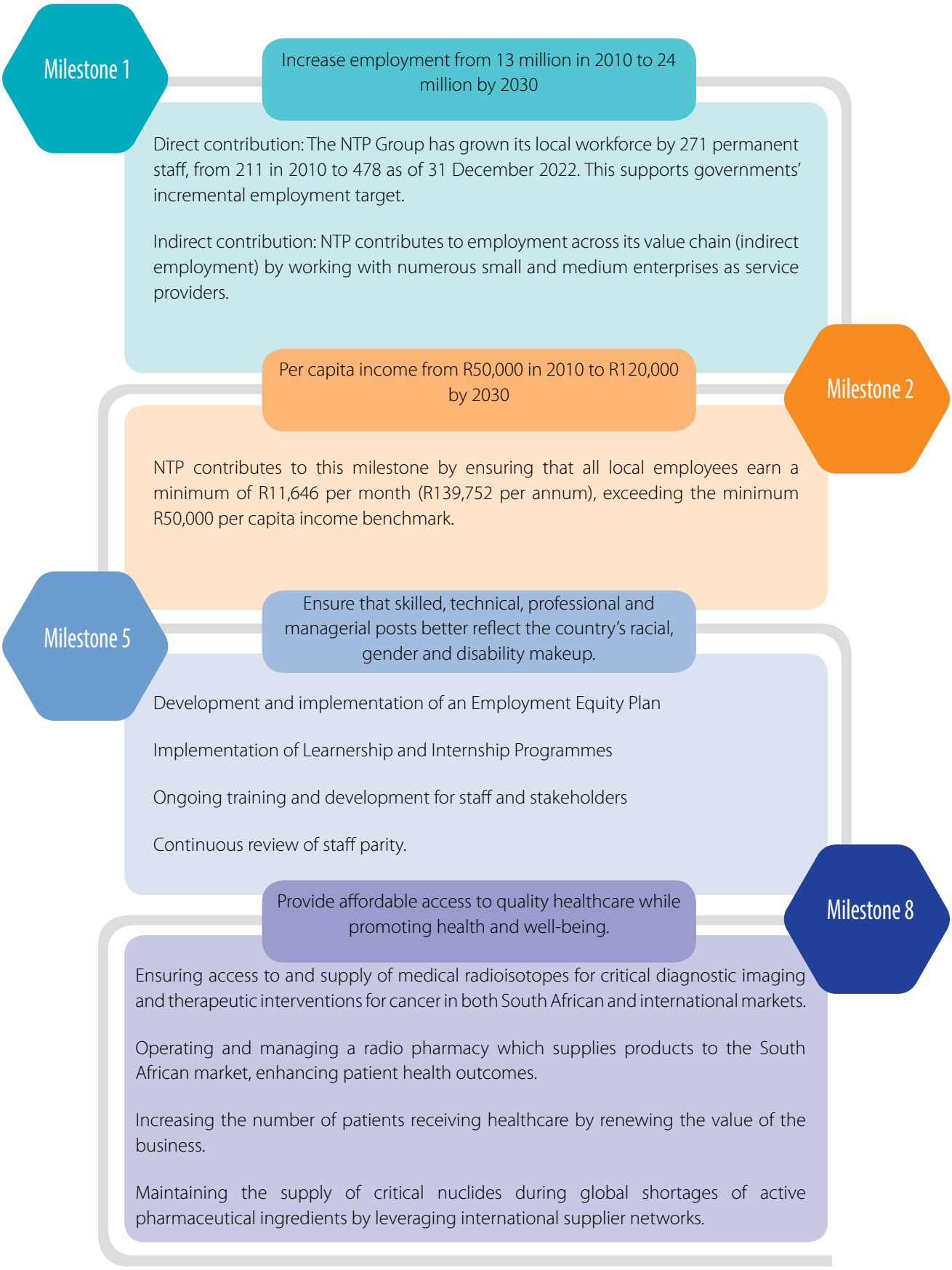
GammaTec exports to over 70 countries, with a focus on Africa, the Middle East, Southeast Asia, and Australasia. Its equity associate, Oserix SA, based in Belgium, services the gamma radiation isotope market in Europe, North Africa, and the Americas.

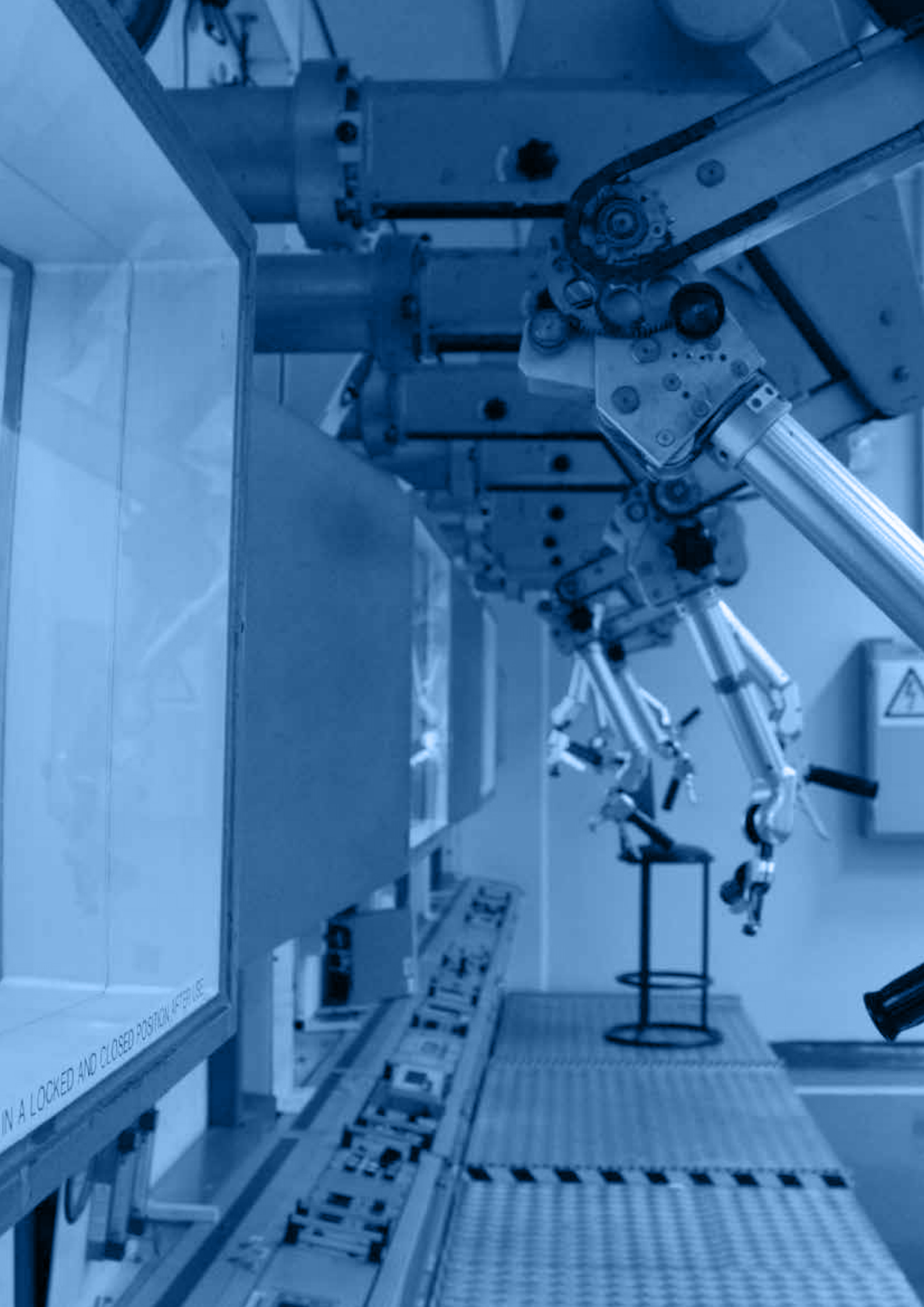
These companies operate in synergy, extending NTP's value chain and ensuring seamless service from production to patient.

A leading manufacturer and supplier of radiation-based healthcare products.

Contribution to the National Development Plan

Although NTP contributes indirectly to most of the enabling milestones of the NDP, it contributes specifically to the following:




IN A LOCKED AND CLOSED POSITION, AFTER USE.

PART D: FINANCIAL INFORMATION

Fruitless and Wasteful

Description	Group		Company	
	2025	2024	2025	2024
Reconciliation of fruitless and wasteful expenditure				
Opening balance	6 851	7 661	65	661
Add: Fruitless and wasteful expenditure confirmed	53	-	14	-
Less: Fruitless and wasteful expenditure condoned		-803		-589
Less: Fruitless and wasteful expenditure recoverable		-		-
Less: Fruitless and wasteful expenditure written off	-65	-7	-65	-7
Closing balance	**6 839**	**6 851**	**14**	**65**
Reconciling notes to the annual financial statements disclosure				
Fruitless and wasteful expenditure for the current year	53	214	14	
Total	**53**	**214**	**14**	**-**
Details of current and previous year fruitless and wasteful expenditure condoned				
Fruitless and wasteful expenditure condoned		-803	-	-589
Total	**-**	**-803**	**-**	**-589**
Details of current and previous year fruitless and wasteful expenditure recovered				
Fruitless and wasteful expenditure recovered		-		-
Total	**-**	**-**	**-**	**-**
Details of current and previous year fruitless and wasteful expenditure written off				
Fruitless and wasteful expenditure written off	-65	-7	-65	-7
Total	**-65**	**-7**	**-65**	**-7**

Group: R27,899 relates to penalties and interest paid to SARS and R12,016 relates to an overpayment made to an employee who resigned.

Necsa Company: Current year fruitless and wasteful expenditure of R11 940 relates to the overpayment of salary for a terminated student and R1,626 which relates to incorrectly calculated acting allowance

Irregular Expenditure

Description	Group		Company	
	2025	2024	2025	2024
Reconciliation of irregular expenditure				
Opening balance	171 662	168 394	18 910	17 389
Add: Irregular expenditure confirmed	105	3 629	105	1 521
Less: Irregular expenditure condoned	-7 475	-	-7 475	-
Less: Irregular expenditure not condoned and removed (2)	-1 236	-	-1 236	-
Less: Irregular expenditure recoverable		-		-
Less: Irregular expenditure written off		-361		
Closing balance	**163 056**	**171 662**	**10 304**	**18 910**
Reconciling notes to the annual financial statements disclosure				
Irregular expenditure for the current year (1)	105	3 629	105	1 521
Total	**105**	**3 629**	**105**	**1 521**
Details of current and previous year irregular expenditure condoned				
Irregular expenditure condoned	-7 475	-	-7 475	-
Total	**-7 475**	**-**	**-7 475**	**-**
Details of current and previous year irregular expenditure not condoned and removed				
Irregular expenditure NOT condoned and removed	-1 236	-	-1 236	-
Total	**-1 236**	**-**	**-1 236**	**-**
Details of current and previous year irregular expenditure written off				
Irregular expenditure written off	-	-	-	-
Total	**-**	**-**	**-**	**-**

(1) Necsa Company: Irregular expenditure of R105,000 relates to non-adherence to procurement processes.

(2) Necsa Company: Irregular expenditure not condoned and removed of -R1 236,000 was removed after assessment as it was found not to be irregular.

Irregular expenditure NOT condoned and removed after assessment

South African Nuclear Energy Corporation SOC Limited

The South African Nuclear Energy Corporation SOC Limited and its Group Companies

(Registration number 2000/003735/06)

Trading as Necsa

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

Issued 31 July 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The South African Nuclear Energy Corporation SOC Limited is responsible for managing certain institutional obligations defined in the Nuclear Energy Act, No. 46 of1999
Directors	Mr DR Nicholls (Necsa Chairperson) Adv A Chowan Mr LJ Shayi Ms BM Makgopa Mr L Mavuso Dr ME Makgae Mr S Maharaj Mr HD Lazarus Dr PP Magampa Amb X Mabhongo Mr MJ Combrink Mr L Tyabashe
Registered office	Elias Motswaledi Street Extension (Church Street West) R104 Pelindaba Brits Magisterial District, Madibeng Municipality North West Province 0240
Business address	Elias Motswaledi Street Extension (Church Street West) R104 Pelindaba Brits Magisterial District, Madibeng Municipality North West Province 0240
Postal address	PO Box 582 Pretoria 0001
Holding company	Department of Electricity and Energy
Auditors	Auditor-General of South Africa
Secretary	Ms Fakazile Nyembe
Company registration number	2000/003735/06
Preparer	The consolidated and separate annual financial statements were compiled under the supervision of: Ms Precious Hawadi CA(SA) Group Executive; Financial Capital (GFCO)

The South African Nuclear Energy Corporation SOC Limited and its Group Companies

(Registration number 2000/003735/06)

Trading as Necsa

Consolidated and Separate **Annual Financial Statements** for the year ended 31 March 2025

Index

The reports and statements set out below comprise the consolidated and separate annual financial statements presented to the shareholder:

Published

31 July 2025

Audit and Risk Committee Report

We herewith present our report for the financial year ended 31 March 2025.

1. Audit and Risk Committee Report

The Necsa Audit and Risk Committee (ARC) is a formal statutory committee in terms of Section 51(1)(a)(ii), Section 77 of the Public Finance and Management Act read together with Treasury Regulations 27.1, the Companies Act and functions as a governance structure of the entity. The committee functions within documented terms of reference and complies with relevant legislation, regulation and governance codes. This report of ARC is presented to the stakeholders in compliance with the requirements of the Companies Act 71, of 2008 and the King Code of Governance.

2. Composition of the Audit and Risk Committee

The committee is comprised of five independent non-executive directors. The committee is elected by the Necsa Board subsequent to the Board appointment by the Minister. The committee remains fully capacitated since the appointment of the new Board in January 2023, except for the passing of Ms Masango in February 2025.

3. Audit and Risk Committee terms of reference

The ARC has adopted a formal terms of reference that have been approved by the Board of Directors. The Committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. The terms of reference are available on request.

4. Audit and Risk Committee Members, Meeting Attendance and Qualifications

Meeting attendance	Mr S Maharaj	Dr ME Makgae	Ms SKN Masango	Mr HD Lazarus	Adv A Chowan
26 April 2024	Yes	Yes	Yes	Yes	Yes
24 May 2024	Yes	Yes	No	No	Yes
29 May 2024	Yes	Yes	No	Yes	Yes
25 July 2024	Yes	Yes	Yes	Yes	Yes
28 October 2024	Yes	Yes	Yes	Yes	Yes
11 December 2024	Yes	Yes	Yes	Yes	Yes
29 January 2025	Yes	Yes	No	N/a	Yes

Name	Qualification	Appointment date
Mr S Maharaj	Master's in Business Administration, Chartered Government Finance Officer, Municipal Executive Financial Management, CA(SA), Honours BCompt Degree, BCom Degree.	17 January 2023

Audit and Risk Committee Report

Ms SKN Masango	Master's in Nuclear Physics, Hons in Nuclear Physics, BSc Physics & Electronics (major in electronics), Project Management Diploma, Certificate in Detector and Instrumentation Technology, Postgraduate Diploma in Energy Leadership.	24 February 2020
Dr ME Makgae	PhD Environmental Chemistry, Hons in Nuclear Physics, MSc Chemistry in Membrane Technology, BSc Honours, Certificate in Management Advancement, Programme Technology Leadership Program, Certificate in Environmental Management, Certificate in Project Management (PMBOK).	17 January 2023
Adv A Chowan	CA(SA), Registered Auditor, Bachelor of Accountancy, Postgraduate Diploma in Accounting, LLB Degree.	24 July 2023
Mr HD Lazarus	Masters in Business Administration, Global Executive Development Programme, Management Development Programme, Masters in Development Finance, Bachelor of Engineering (Civil).	17 January 2023

The Committee meets at least four times per year as per its terms of reference. Attendance of meetings, dates of appointments as well as qualifications of the members are included in the governance report.

5. Roles and responsibilities

5.1 Statutory Duties

The Committee's roles and responsibilities include statutory duties as per the Companies Act No. 71 of 2008, Public Finance Management Act No.1 of 1999, Treasury Regulations and further responsibilities as assigned to it by the Board of Directors.

5.2 External auditor appointments and independence

The Committee has satisfied itself that the external auditor was independent of the Group, as set out in the Companies Act, which includes consideration of conflicts of interest as prescribed by the Public Audit Act (PAA).

Requisite assurance was sought and provided by the external auditor that internal governance processes within the audit firm, support and demonstrate its claims to independence. The committee, in consultation with executive management, agreed to the engagement letter, audit plan and budgeted fee for the 2025 year.

Audit and Risk Committee Report

5.3 Financial statements and accounting practices

The Committee has evaluated the Annual Financial Statements of the company and the Group for the year ended 31 March 2025 and based on the information provided to the Committee, considers that they comply in all material respects with the requirements for the preparation of the Annual Financial Statements, with the requirements of the Companies Act No. 71 of 2008 and the Public Finance Management Act No.1 of 1999, and International Financial Reporting Standards. The Committee concurs that the adoption of the going concern premise in the preparation of the Annual Financial Statements is appropriate. The Committee has recommended the approval and adoption of the Annual Financial Statements and the Integrated Annual Report by the Board of Directors. The Audit and Risk Committee has:

- Reviewed and approved the appropriateness of accounting policies, disclosure policies and the effectiveness of internal financial controls;
- Reviewed and discussed with the Auditor-General and Accounting Authority the Annual Financial Statements;
- Reviewed the Auditor-General's management letter and management responses;
- Reviewed changes in accounting policies and practices; and
- Reviewed and discussed with the Accounting Authority, Performance Information submitted to the Auditor-General.

5.4 Internal financial controls

While the Board is responsible for the internal control systems and for reviewing their effectiveness, responsibility for their actual implementation and maintenance rests with executive management. The systems of internal control are based on established organisational structures, together with written policies and procedures, and provide for suitably qualified employees, segregation of duties, clearly defined lines of authority and accountability.

As a result of the improved external audit opinions for the two previous years, there is noted improvement in the internal financial function and various recommendations have been made to management towards further improving the control environment. The Committee has overseen a process by which Internal Audit has performed audits according to a risk-based audit plan where the effectiveness of the risk management and internal controls were evaluated.

5.5 Combined assurance

Ensure that the combined assurance model addresses all significant risks facing the group, and by monitor the relationship between external and internal assurance providers and the group.

5.6 Going concern

Notwithstanding the liquidity issues at Necsa and its subsidiary Pelchem SOC Ltd, the Committee has reviewed management's assessment of the going concern status of the Group and has recommended to the Board of Directors that the Group is a going concern.

Necsa has made a positive trajectory with profits recorded in the current and the previous financial year, and the company has a track record of continuing in operation, wherein this resilience will continue into the foreseeable future. Section 12 of the Nuclear Energy Act supports the mandate of the company in support of going concern. Furthermore, Necsa has the ability to pay its short-term obligations, which it will do through the initiatives documented including through working capital management, austerity measures implemented, increasing revenue streams and prioritisation of cash generating projects to name a few. Refer to note 44 for additional details.

Audit and Risk Committee Report

5.7 Internal audit

The Committee is responsible for ensuring that the Group's Internal Audit is independent and has the necessary resources, standing and authority within the Group to enable it to discharge its duties. Furthermore, the Committee oversees cooperation between the internal and external auditors and serves as a link between the Board of Directors and these functions. The Committee considered and approved the Internal Audit Charter. The Internal Audit function's annual audit plan and three-year strategic plan were approved by the Committee.

The Internal Audit function reports administratively to the Chief Executive Officer and functionally to this Committee and is responsible for reviewing and providing assurance on the adequacy of the internal control environment across all of the Group's operations.

The Chief Audit Executive has direct access to the Committee, primarily through its chairperson. From the various reports of the internal auditors, the findings were noted and recommendation made to management to implement the corrective actions.

5.8 Governance of risk

The committee oversees the implementation of the policy and plan for risk management taking place by means of risk management systems and processes. The committee is satisfied that appropriate and effective systems are in place for risk management.

5.9 Auditor's report

To confirm the independence of the external auditors, the Committee is satisfied that the audit was conducted without influence from Management. To this end, the Committee remains open to discussing any other issues that the auditors may have, without the presence of Management.

The Committee accepts the audit opinion of the Auditor-General on the Annual Financial Statements and recommends that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

The Committee expresses its appreciation to the accounting authority, the senior management team, internal audit and the Auditor-General for their continued support and dedication during the year under review.

On behalf of the Audit and Risk Committee:

Mr S Maharaj CA(SA)

Chairman - Audit and Risk Committee

31 July 2025

Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act of South Africa (Act No. 71 of 2008) and the Public Finance Management Act No.1 of 1999 (PFMA) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards (IFRS). The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board as well as the PFMA and the requirements of the companies' Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group, and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Directors' Responsibilities and Approval

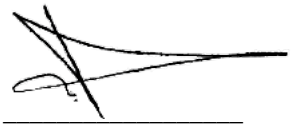
The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any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

The Directors have reviewed the Group's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the Group and Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's and company's annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors, and their report is presented on page 116.

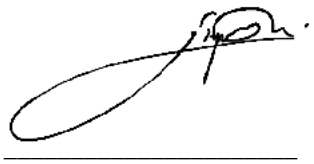
The consolidated and separate annual financial statements set out on pages 122 to 252, which have been prepared on the going concern basis, were approved by the Board of Directors on 31 July 2025 and were signed on their behalf by:

Approval of financial statements



Mr DR Nicholls

(Necsa Chairperson)



Mr L Tyabashe

(Group Chief Executive Officer)

Pelindaba

31 July 2025

Group Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa (Act No 71 of 2008), as amended, I certify that the group has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

In my opinion as Company Secretary, I hereby confirm, in terms of the Companies Act of South Africa (Act No 71 of 2008), for the year ended 31 March 2025, that the group has lodged with the Commissioner of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

Ms Fakazile Nyembe

Company Secretary

31 July 2025

Director's Report

The Directors have pleasure in submitting their report on the consolidated and separate annual financial statements of The South African Nuclear Energy Corporation SOC Limited and its Group Companies for the year ended 31 March 2025.

1. Nature of business

Incorporated in the year 2000 in terms of the Companies Act, the South African Nuclear Energy Corporation SOC Limited (Necsa) is mandated to undertake and promote research and development (R&D) in the field of nuclear energy and radiation sciences and technology. The company is also responsible for processing source material, special nuclear material and restricted material and to reprocess and enrich these. Apart from its main activities at Pelindaba, which include operation and utilisation of the SAFARI-1 research reactor, Necsa also manages and operates the Vaalputs National Radioactive Waste Disposal Facility in the Northern Cape on behalf of the National Radioactive Waste Disposal Institute (NRWDI).

Necsa engages in commercial business mainly through its wholly-owned commercial subsidiaries NTP Radioisotopes SOC Ltd (NTP), which is responsible for a range of radiation-based products and services for healthcare, life sciences and industry, and Pelchem SOC Ltd (Pelchem), which supplies fluorine and fluorine-based products. Both subsidiaries, together with their subsidiaries, supply local and foreign markets, earning valuable foreign exchange for South Africa.

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

2. Review of financial results and activities

Necsa derives its mandate from the Nuclear Energy Act, No. 46 of 1999 and the Minister of Electricity and Energy (the Minister) to manage and operate certain of the Republic's nuclear related functions and facilities.

Necsa has been assigned the responsibility for managing certain institutional obligations of the Republic as defined in the Act. The main functions of the Company are:

- To undertake and promote research and development in the field of nuclear energy and radiation sciences and technology and subject to the safeguards agreement, to make these generally available;
- To process source material, special nuclear material and restricted material and to process and enrich source material and nuclear material; and
- To co-operate with any person or institution in matters falling within these functions subject to the approval of the Minister

Ancillary powers and functions may be granted to the Group in connection with its main functions;

- In order to create and utilise viable business opportunities in commerce and industry; and
- In order to undertake the development and/or exploitation of nuclear technology or nuclear related technology. With regard to its nuclear related activities Necsa is governed by Nuclear Installations Licences (NIL's) issued by the National Nuclear Regulator (NNR) in terms of the Nuclear Regulator Act 47 of 1999.

The subsidiary companies in turn, have a mandate from Necsa to operate in a self-sustainable manner and to remain competitive in the industries within which they operate.

The Group made a profit after tax of R125.202 million (2024:R108.696 million). The company made a profit after tax of R21.686 million (2024:R39.874 million). The Group total comprehensive income was R176.728 million (2024:R149.294 million) and the company total comprehensive income was R69.829 million (2024:R77.042 million)

Director's Report

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

Refer to the Statement of Changes in Equity for dividends declared and paid to shareholders during the year.

5. Directorate

The Directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
Mr DR Nicholls (Necsa Chairperson)	Chairperson	Non-executive	
Ms SKN Masango		Non-executive	(*)
Adv A Chowan		Non-executive	
Mr LJ Shayi		Non-executive	
Ms BM Makgopa		Non-executive	
Mr L Mavuso		Non-executive	
Dr ME Makgae		Non-executive	
Mr S Maharaj		Non-executive	
Mr HD Lazarus		Non-executive	
Dr PP Magampa		Non-executive	
Amb X Mabhongo		Non-executive	
Mr MJ Combrink		Non-executive	
Mr L Tyabashe	Group Chief Executive Officer	Executive	

(*) Member passed away on Saturday 08 February 2025

6. Directors' interests in contracts

During the financial year, no contracts were entered into which Directors or officers of the company had an interest and which significantly affected the business of the company.

7. Investments in subsidiaries

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the consolidated and separate annual financial statements in notes 8 and 9. The interest of the group in the profits and losses of its subsidiaries, associates and joint arrangements for the year ended 31 March 2025 are as follows:

Director's Report

Name of Company	Nature of Business	Place of Incorporation	Issued Share Capital		Effective percentage		Number of Shares		Profit/(Loss) after taxation	
			2025	2024	2025	2024	2025	2024	2025	2024
			R	R	%	%			R'000	R'000
ARECSA Human Capital SOC Ltd (5)	Dormant	South Africa	1000	1000	51	51	51	51	181	173
Cyclofil SOC Ltd	Deregistered	South Africa	0	1	0	100	0	1	-	-
NTP Radioisotopes SOC Ltd (4)	Marketing and distribution of radiopharmaceuticals	South Africa	220	220	100	100	220	220	116,936	113,801
NTP Logistics SOC Ltd (1)	Logistics	South Africa	100	100	51	51	51	51	9,719	10,734
NTP Radioisotopes Europe SA (1)	Control lost in 2018	Belgium	726,137	726,137	0	0	4,734	4,734	-	-
AEC Amersham SOC Ltd (1)	Marketing of radiopharmaceutical products	South Africa	4,000	4,000	100	100	4,000	4,000	10,525	8,142
Pharmatopes SOC Ltd (3)	Deregistered	South Africa	0	1,000	0	100	0	1,000	-	-
Gammatec NDT Supplies SOC Ltd (1)	Non-destructive testing equipment and accessories	South Africa	300	300	55	55	165	165	6,628	18,813
Pelchem SOC Ltd (4)	Fluorochemical products	South Africa	770,310	770,310	100	100	770,310	770,310	(28,822)	(41,289)
Ketlaphela Pharmaceutical SOC Ltd (2)	Dormant	South Africa	4,000	4,000	100	100	4,000	4,000	-	-
Fluoro Pack SOC Ltd (2)	Dormant	South Africa	100	100	100	100	100	100	-	-

Director's Report

Name of Company	Nature of Business	Place of Incorporation	Issued Share Capital		Effective percentage		Number of Shares		Profit/(Loss) after taxation	
			2025	2024	2025	2024	2025	2024	2025	2024
			R	R	%	%			R'000	R'000
Fluorochem SOC Ltd (2)	Dormant	South Africa	100	100	100	100	100	100	-	-
Limited Electronics South Africa SOC Ltd (5)	Dormant	South Africa	1,000	1,000	100	100	1,000	1,000	4	3

1 Subsidiary of NTP Radioisotopes SOC Ltd

2 Subsidiary of Pelchem SOC Ltd

3 Subsidiary of AEC Amersham SOC Ltd

4 Subsidiary of Necsa SOC Ltd

5 The profit/(loss) after tax relates to interest earned on bank account.

Details of the company investment in subsidiaries are set out in note 8.

There were no significant acquisitions or divestitures during the year ended 31 March 2025.

Director's Report

8. Investments in Associates

Name of Company	Nature of Business	Place of Incorporation	Issued Share Capital		Effective percentage		Number of Shares	
			2025	2024	2025	2024	2025	2024
			R	R	%	%		
Gamwave (Pty) Ltd (formerly Cyclotope)(2)	Radiation of food sources	South Africa	100	100	40	40	40	40
Oserix(1)	Supply of isotopes and accessories for the radiographic non-destructive testing market	South Africa	582	582	13,75	13,75	80	80
Element 42 (2)	Deregistered	South Africa	-	-	0	50	-	-

1. Associate of Gammatec NDT Supplies SOC Ltd. Gammatec NDT Supplies SOC Ltd holds 25% of Oserix's issued share capital.

   NTP Radioisotopes SOC Ltd holds 55% of Gammatec NDT Supplies SOC Ltd therefore resulting in the group having significant influence over the associate.

2. Associate of NTP Radioisotopes SOC Ltd

9. Holding Shareholder Entity Department

The Group's Shareholder entity department is the Department of Electricity and Energy which holds 100% (2024: 100%) of the Group's equity. The Department of Electricity and Energy is incorporated in South Africa.

10. Shareholder

The Group's ultimate shareholding company is the State, represented by the Minister of Electricity and Energy.

11. Events after the reporting period

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. Going concern

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

Director's Report

We draw attention to the fact that at 31 March 2025, the Group had a profit of R125.202 million (2024: R108.696 million) and that the Group's assets exceed its total liabilities by R955.863 million (2024: R783.511 million).'

Necsa made a profit in the prior year and continued to reflect profits and a positive trajectory going forward. The company has a track record of continuing in operation, wherein this resilience will continue into the foreseeable future. Section 12 of the Nuclear Energy Act supports the mandate of the company in support of going concern. Furthermore, Necsa has the ability to pay its short-term obligations, which it will do through the initiatives documented including through working capital management, austerity measure implementation, increasing revenue streams and prioritisation of cash generating projects to name a few.

Refer to Note 44 for additional details around the going concern consideration of the company.

13. Auditors

Auditor-General of South Africa continued in office as auditors for the company and its subsidiaries for 2025.

14. Conmpany Secretary

The company secretary is Ms Fakazile Nyembe.

Postal address:	PO Box 582
	Pretoria
	0001
Business address:	Elias Motsoaledi Street Extension (Church Street West) R104 Pelindaba
	Brits Magisterial District, Madibeng Municipality North West Province
	0240

15. Compliance with legislation

The Directors believe that the Group has complied, in all material respects, with the provisions of the Companies Act No.71 of 2008, Public Finance Management Act No.1 of 1999 and the Nuclear Act No.46 of 1999 and other applicable legislation during the year under review.

Report of the auditor-general to Parliament on the South African Nuclear Energy Corporation SOC Limited

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the South African Nuclear Energy Corporation SOC Limited (Necsa) and its subsidiaries (the group) set out on pages 122 to 252, which comprise the consolidated and separate statement of financial position as at 31 March 2025, consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, as well as notes to the consolidated and separate financial statements, including material accounting policy information.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 31 March 2025, their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the IFRS accounting standards as issued by the International Accounting Standards Board, the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the consolidated and separate financial statements section of my report.
4. I am independent of the group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 41 to the consolidated and separate financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the consolidated and separate financial statements of the public entity at, and for the year ended, 31 March 2025.

Responsibilities of the board of directors for the consolidated and separate financial statements

8. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the IFRS, the requirements of the PFMA and Companies Act, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Report of the auditor-general to Parliament on the South African Nuclear Energy Corporation SOC Limited

9. In preparing the consolidated and separate financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the consolidated and separate financial statements

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

11. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located at page 120, forms part of my auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic pillars presented in the annual performance report. The board of directors is responsible for the preparation of the annual performance report.

13. I selected the following strategic pillars presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected strategic pillars that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Strategic pillar	Page numbers	Purpose
Research and Innovation	31	To increasingly deliver new technologies that will enable growth in existing commercial areas while creating new technologies that lead to future commercial enterprises.
Business continuity and efficiency	32	To cultivate a strong safety culture with adherence to compliance requirements, and a focus on operational efficiency and sustainability.

14. I evaluated the reported performance information for the selected strategic pillars against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

Report of the auditor-general to Parliament on the South African Nuclear Energy Corporation SOC Limited

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected strategic pillars.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The board of directors is responsible for the public entity's compliance with legislation.

19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The board of directors is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected strategic pillars

Report of the auditor-general to Parliament on the South African Nuclear Energy Corporation SOC Limited

presented in the annual performance report that have been specifically reported in this auditor's report.

23. My opinion on the consolidated and separate financial statements and my reports on the audit of the annual performance report and compliance with legislation does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected strategic pillars presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

25. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

26. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

27. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

30 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected strategic pillars and on the public entity's compliance with selected requirements in key legislation.

Consolidated and separate financial statements

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

Annexure to the auditor's report

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 50(3); 50(3)(a); 50(3)(b); 51(1)(a)(ii); 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); 52(b); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 57(d); 66(3)(a)
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 31.2.5; 31.2.7(a); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 30(3)(b)(i); 33(1)(a); 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 72(4)(a); 75(6); 86(1); 86(4); 88(2)(d); 112(2)(a); 129(7)
Companies Act Regulations, 2011	Regulation 30(2); 43(2)(a)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.2
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Consolidated and Separate Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Note(s)	Group			Company		
		2025	2024 Restated	1 April 2023 Restated	2025	2024 Restated	1 April 2023 Restated
Assets							
Non-Current Assets							
Property, plant and equipment	4	1 662 375	1 532 300	1 449 443	1 308 565	1 204 691	1 130 040
Right-of-use assets	5	15 538	16 147	8 250	11 688	15 733	7 307
Goodwill	6	16 585	16 585	16 585	-	-	-
Intangible assets	7	13 915	12 958	14 525	2 126	968	-
Investments in subsidiaries	8	-	-	-	220 701	220 701	220 701
Investments in associates	9	14 312	10 384	7 594	-	-	2
Financial assets at fair value	11	559 911	414 676	354 084	559 871	414 642	354 057
Retirement benefit asset	13	38 822	29 666	21 810	38 822	29 666	21 810
Deferred tax	14	55 533	69 447	70 672	-	-	-
Decommissioning and decontamination of Stage 1 and 2	15	2 670 245	2 771 982	2 265 970	2 670 245	2 771 982	2 265 970
Decommissioning and decontamination of Stage 2	15	300 503	287 913	243 931	300 503	287 913	243 931
		5 347 739	**5 162 058**	**4 452 864**	**5 112 521**	**4 946 296**	**4 243 818**
Current Assets							
Inventories	17	378 700	424 269	368 684	59 440	61 478	48 739
Trade and other receivables	10	254 212	379 239	352 429	119 975	129 940	116 661
Derivatives	12	112	-	3 372	112	-	3 372
Prepayments		146 958	29 608	131 261	81 635	21 954	66 444
Current tax receivable		8 278	23 256	20 655	-	-	-
Decommissioning and decontamination of Stage 1	15	304 265	273 817	230 149	304 265	273 817	230 149
Cash and cash equivalents	18	1 106 390	1 126 906	981 450	640 060	668 565	662 219
		2 198 915	**2 257 095**	**2 088 000**	**1 205 487**	**1 155 754**	**1 127 584**
Total Assets		**7 546 654**	**7 419 153**	**6 540 864**	**6 318 008**	**6 102 050**	**5 371 402**

Consolidated and Separate Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Note(s)	Group			Company		
		2025	2024 Restated	1 April 2023 Restated	2025	2024 Restated	1 April 2023 Restated
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent							
Share capital	19	2 205	2 205	2 205	2 205	2 205	2 205
Reserves		855 887	811 760	787 361	824 903	784 159	764 899
Accumulated profit (loss)		10 119	(114 589)	(225 674)	(830 154)	(859 239)	(917 022)
		868 211	699 376	563 892	(3 046)	(72 875)	(149 918)
Non-controlling interest		87 652	84 135	75 526	-	-	-
		955 863	**783 511**	**639 418**	**(3 046)**	**(72 875)**	**(149 918)**
Liabilities							
Non-Current Liabilities							
Vaalputs aftercare	16	64 666	59 836	56 178	64 666	59 836	56 178
Lease liabilities	5	6 862	7 523	3 557	3 987	7 378	3 232
Retirement benefit obligation	13	255 214	264 045	282 786	230 093	237 625	255 074
Deferred income	22	1 043 916	905 759	674 526	1 043 916	905 759	674 526
Deferred tax	14	1 666	1 032	756	-	-	-
Provisions	23	970 193	904 814	818 681	829 352	753 870	671 354
Investments contributions for future liabilities	24	98 587	93 747	67 212	98 587	93 747	67 212
Decontamination and decommissioning of Stage 1	15	2 670 245	2 771 982	2 265 970	2 670 245	2 771 982	2 265 970
Decontamination and decommissioning of Stage 2	15	300 503	287 913	243 931	300 503	287 913	243 931
		5 411 852	**5 296 651**	**4 413 597**	**5 241 349**	**5 118 110**	**4 237 477**

Consolidated and Separate Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Note(s)	Group			Company		
		2025	2024 Restated	1 April 2023 Restated	2025	2024 Restated	1 April 2023 Restated
Current Liabilities							
Trade and other payables	25	200 938	369 289	301 699	93 079	142 336	171 060
Loans from group companies		-	-	-	-	-	16 354
Derivatives	12	1 669	1 280	1 997	-	523	-
Lease liabilities	5	4 564	4 432	2 094	3 482	4 251	1 642
Retirement benefit obligation	13	27 591	27 480	27 889	25 768	25 635	26 095
Deferred income	22	233 499	366 098	497 438	233 499	366 098	497 438
Provisions	23	131 905	129 685	133 636	74 916	66 993	69 522
Decommissioning and decontamination of Stage 1	15	304 265	273 817	230 149	304 265	273 817	230 149
Payment received in advance		267 151	156 262	271 506	344 696	176 872	271 506
Bank overdraft	18	7 357	10 648	21 190	-	290	77
		1 178 939	**1 338 991**	**1 487 849**	**1 079 705**	**1 056 815**	**1 283 843**
Total Liabilities		**6 590 791**	**6 635 642**	**5 901 446**	**6 321 054**	**6 174 925**	**5 521 320**
Total Equity and Liabilities		**7 546 654**	**7 419 153**	**6 540 864**	**6 318 008**	**6 102 050**	**5 371 402**

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand thousand	Note(s)	Group		Company	
		2025	2024	2025	2024
Revenue	26	1 772 770	1 832 832	254 495	96 744
Grants	26	878 394	828 933	878 394	828 933
Cost of sales	27	(1 027 981)	(1 215 323)	(166 488)	(131 641)
Gross profit		**1 623 183**	**1 446 442**	**966 401**	**794 036**
Fair value adjustments	33	8 983	15 492	8 983	14 644
Other operating income	28	73 907	143 913	350 816	431 861
Other operating (losses) gains	29	(6 991)	14 241	(543)	(131)
Expected credit reversals/ (losses)	10	24 813	5 885	(28 077)	(48 703)
Other operating expenses		(1 354 601)	(1 271 342)	(1 207 814)	(1 138 528)
Government Grant expense (Decommissioning & Decontamination Stage 1)	15	(362 851)	(560 731)	(362 851)	(560 731)
Acceptance of Decommission and Decontamination Stage 1	15	362 851	560 731	362 851	560 731
Administration and fees		(247 084)	(259 563)	(128 373)	(113 238)
Operating profit (loss)	30	**122 210**	**95 068**	**(38 607)**	**(60 059)**
Investment income	31	377 258	109 145	366 143	134 954
Finance costs	32	(321 164)	(49 277)	(305 850)	(35 021)
Income from equity accounted investments		5 100	3 002	-	-
Profit (loss) before taxation		**183 404**	**157 938**	**21 686**	**39 874**
Taxation	34	(58 202)	(49 242)	-	-
Profit (loss) for the year		**125 202**	**108 696**	**21 686**	**39 874**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability/asset		7 399	17 909	7 399	17 909
Gains on property revaluation		41 403	20 201	40 619	19 180
Gains on valuation of financial liabilities (credit risk component)		2 939	2 744	-	-
Income tax relating to items that will not be reclassified		(356)	(335)	-	-
Total items that will not be reclassified to profit or loss		**51 385**	**40 519**	**48 018**	**37 089**

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand thousand	Note(s)	Group 2025	Group 2024	Company 2025	Company 2024
Items that may be reclassified to profit or loss:					
Fair value through other comprehensive income adjustments		143	79	125	79
Income tax relating to items that may be reclassified		(2)	-	-	-
Total items that may be reclassified to profit or loss		**141**	**79**	**125**	**79**
Other comprehensive income for the year net of taxation	35	**51 526**	**40 598**	**48 143**	**37 168**
Total comprehensive income (loss) for the year		**176 728**	**149 294**	**69 829**	**77 042**
Profit (loss) attributable to:					
Owners of the parent		117 309	99 661	21 686	39 874
Non-controlling interest		7 893	9 035	-	-
		125 202	**108 696**	**21 686**	**39 874**
Total comprehensive income (loss) attributable to:					
Owners of the parent		168 835	135 484	69 829	77 042
Non-controlling interest		7 893	13 810	-	-
		176 728	**149 294**	**69 829**	**77 042**

Consolidated and Separate Statement of Changes in Equity

Figures in Rand thousand	Share capital	Foreign currency translation reserve	Revaluation reserve	Reserve for valuation of investments	Reserve for valuation of liabilities	Total reserves	Accumulated profit (loss)	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Group										
Balance at 01 April 2023	**2 205**	**(1 710)**	**779 170**	**301**	**9 600**	**787 361**	**(225 674)**	**563 892**	**75 526**	**639 418**
Profit for the year	-	-	-	-	-	-	94 886	94 886	13 809	108 695
Other comprehensive income	-	-	20 201	79	2 409	22 689	17 909	40 598	-	40 598
Total comprehensive income for the year	**-**	**-**	**20 201**	**79**	**2 409**	**22 689**	**112 795**	**135 484**	**13 809**	**149 293**
Transfer between reserves	-	1 710	-	-	-	1 710	(1 710)	-	-	-
Dividends	-	-	-	-	-	-	-	-	(5 200)	(5 200)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**1 710**	**-**	**-**	**-**	**1 710**	**(1 710)**	**-**	**(5 200)**	**(5 200)**
Balance at 01 April 2024	**2 205**	**-**	**799 371**	**380**	**12 009**	**811 760**	**(114 589)**	**699 376**	**84 135**	**783 511**
Profit for the year	-	-	-	-	-	-	117 309	117 309	7 893	125 202
Other comprehensive income	-	-	41 403	141	2 583	44 127	7 399	51 526	-	51 526
Total comprehensive income for the year	**-**	**-**	**41 403**	**141**	**2 583**	**44 127**	**124 708**	**168 835**	**7 893**	**176 728**
Dividends	-	-	-	-	-	-	-	-	(4 376)	(4 376)
Balance at 31 March 2025	**2 205**	**-**	**840 774**	**521**	**14 592**	**855 887**	**10 119**	**868 211**	**87 652**	**955 863**
Note(s)	19		20	21						

Consolidated and Separate Statement of Changes in Equity

Figures in Rand thousand	Share capital	Foreign currency translation reserve	Revaluation reserve	Reserve for valuation of investments	Reserve for valuation of liabilities	Total reserves	Accumulated profit (loss)	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Company										
Balance at 01 April 2023	**2 205**	**-**	**764 598**	**301**	**-**	**764 899**	**(917 022)**	**(149 918)**	**-**	**(149 918)**
Profit for the year	-	-	-	-	-	-	39 874	39 874	-	39 874
Other comprehensive income	-	-	19 181	79	-	19 260	17 909	37 169	-	37 169
Total comprehensive income for the year	**-**	**-**	**19 181**	**79**	**-**	**19 260**	**57 783**	**77 043**	**-**	**77 043**
Balance at 01 April 2024	**2 205**	**-**	**783 779**	**380**	**-**	**784 159**	**(859 239)**	**(72 875)**	**-**	**(72 875)**
Profit for the year	-	-	-	-	-	-	21 686	21 686	-	21 686
Other comprehensive income	-	-	40 619	125	-	40 744	7 399	48 143	-	48 143
Total comprehensive income for the year	**-**	**-**	**40 619**	**125**	**-**	**40 744**	**29 085**	**69 829**	**-**	**69 829**
Balance at 31 March 2025	**2 205**	**-**	**824 398**	**505**	**-**	**824 903**	**(830 154)**	**(3 046)**	**-**	**(3 046)**
Note(s)	19		20	21						

The accounting policies on page 31 to 61 and the notes on page 62 to 139 form an integral part of the consolidated and separate annual financial statements.

Consolidated and Separate Statement of Cash Flows

Figures in Rand thousand	Note(s)	Group		Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Cash receipts from customers		2 993 176	2 753 911	1 635 534	1 295 578
Cash paid to suppliers and employees		(2 731 151)	(2 451 928)	(1 450 677)	(1 209 591)
Cash generated from operations	36	262 025	301 983	184 857	85 987
Interest income	31	72 126	74 386	33 157	37 290
Dividends received	31	979	1 828	28 833	51 100
Finance costs	32	(15 303)	(14 539)	(345)	(335)
Net cash from operating activities		**319 827**	**363 658**	**246 502**	**174 042**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(187 233)	(150 538)	(131 926)	(113 856)
Purchases of intangible assets	7	(2 672)	(1 458)	(1 158)	(529)
Purchases of investments at fair value	11	(136 111)	(45 021)	(136 121)	(45 862)
Net cash from investing activities		**(326 016)**	**(197 017)**	**(269 205)**	**(160 247)**
Cash flows from financing activities					
Repayments of loans from group companies		-	-	-	(2 721)
Cash repayments on lease liabilities - Capital	5	(4 952)	(3 636)	(4 160)	(3 186)
Other cash flows on lease liabilities - Interest	5	(1 708)	(1 807)	(1 352)	(1 755)
Dividends paid to non-controlling interest		(4 376)	(5 200)	-	-
Net cash from financing activities		**(11 036)**	**(10 643)**	**(5 512)**	**(7 662)**
Total cash movement for the year		**(17 225)**	**155 998**	**(28 215)**	**6 133**
Cash and cash equivalents at the beginning of the year		1 116 258	960 260	668 275	662 142
Cash and cash equivalents at the end of the year	18	**1 099 033**	**1 116 258**	**640 060**	**668 275**

Accouting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated and separate financial statements.

1.1 Basis of preparation

The consolidated and separate consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Accounting Standards (IFRS) as issued by the International Accounting Standards Board, the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA), International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements and the Companies Act of South Africa (Act No 71 of 2008) of South Africa, as amended.

These consolidated and separate annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the accounting practices committee and the financial reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated and separate annual financial statements have been prepared on the historic cost basis, except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. They are presented in Rands, which is the group and company's functional currency.

Unless otherwise stated all financial figures are rounded off to the nearest one thousand Rands (R'000). These accounting policies are consistent with the previous period.

Accordingly, the Group has prepared Annual Financial Statements, which comply with IFRS applicable for periods ending on or after 31 March 2025, together with the comparative period data as at and for the year ended 31 March 2024, as described in the accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS2, leasing transactions that are within the scope of IFRS16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair values measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Accouting Policies

1.1 Basis of preparation (continued)

- Level 2 Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are observable inputs for the asset or liability.

The principal accounting policies are set out below.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated and separate annual financial statements of Necsa and its subsidiaries. Subsidiaries are entities which are controlled by the Group.

Control is achieved when Necsa or its subsidiaries:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When Necsa or its Subsidiaries has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. Necsa considers all relevant facts and circumstances in assessing whether or not Necsa or its Subsidiaries' voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when Necsa or its Subsidiaries obtains control over the subsidiary and ceases when Necsa or its Subsidiaries loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date Necsa or its subsidiaries gains control until the date when Necsa or its Subsidiaries ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of Necsa and to the non- controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Necsa and to the non- controlling interests.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The accounting policies of all subsidiaries are the same as those of the parent.

1.3 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Accouting Policies

1.3 Investments in associates (continued)

The requirements of IFRS 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. The results of assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Noncurrent Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are classified as liabilities when recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the group is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Assets under construction include expenditure capitalised for work in progress in respect of activities to develop, expand or enhance items of property plant and equipment.

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

Accouting Policies

1.4 Property, plant and equipment (continued)

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item every three to five years.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Property, plant and equipment is depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	10-50 years
Land	Indefinite
Plant	2-80 years
Furniture and fixtures	2-26 years
Motor vehicles and transport containers	2-30 years
Office equipment	2-22 years
IT equipment	2-22 years
Research facilities	2-50 years
Leasehold improvements	2-15 years
Machinery and equipment	2-30 years
Components	2-10 years
Small capital items (less than R7000)	Not applicable-Depreciated immediately

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use.

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

Accouting Policies

1.5 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

Internally generated intangible assets relate to development expenditure.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when all of the following have been demonstrated:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- the intention to complete the intangible asset and use or sell it.
- the ability to use or sell the intangible asset.
- it will generate probable future economic benefits.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting period.

Re-assessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Average useful life
Patents, trademarks and other rights	20 years
Computer software	3 years

Accouting Policies

1.6 Investments in subsidiaries

Company financial statements

In the Company's separate Annual Financial Statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.7 Goodwill

Goodwill relates to the acquisition of AEC Amersham's cash generating unit, a business division from Pharmatopes.

- Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value at acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination the company elects whether the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.
- When the company acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.
- Goodwill is initially measured at cost, being the excess of the consideration transferred over the group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. After initial recognition goodwill is measured at cost less any accumulated impairment losses.
- Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

1.8 Investments in associates

Investments in associates are carried at cost less any accumulated impairment losses.

1.9 Financial instruments

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading, or which are contingent consideration in a business combination).

Accouting Policies

1.9 Financial instruments (continued)

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise,on specified dates, to cashflows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 42 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Debt instruments at fair value through other comprehensive income

Classification

The group holds certain investments in bonds and debentures which are classified as subsequently measured at fair value through other comprehensive income (note 35).

They have been classified in this manner because the contractual terms of these debt instruments give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the objectives of the group's business model is achieved by both collecting the contractual cash flows on these instruments and by selling them.

Accouting Policies

1.9 Financial instruments (continued)

Recognition and measurement

These debt instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at fair value.

Even though they are measured at fair value, the group determines the amortised cost of each instrument as if they were measured at amortised cost. The difference, at reporting date, between the amortised cost and the fair value of the debt instruments, is recognised in other comprehensive income and accumulated in equity in the reserve for valuation of investments.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method and is included in profit or loss in investment income (note 31).

The application of the effective interest method to calculate interest income on debt instruments at fair value through other comprehensive income is dependent on the credit risk of the instrument as follows:

- The effective interest rate is applied to the gross carrying amount of the instrument, provided the instrument is not credit-impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a debt instrument was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the instrument in the determination of interest. If, in subsequent periods, the instrument is no longer credit-impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Debt instruments denominated in foreign currencies

When a debt instrument measured at fair value through other comprehensive income is denominated in a foreign currency, the amortised cost and the fair value (carrying amount) of the investment is determined in the foreign currency. The amortised cost and fair value is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any foreign exchange gains or losses arising on the amortised cost of the instrument are recognised in profit or loss in the other operating (losses) gains. The remaining foreign exchange gains or losses relate to the valuation adjustment and are included in other comprehensive income and are accumulated in equity in the reserve for valuation of investments.

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management note (note 42).

Impairment

The group recognises a loss allowance for expected credit losses on all debt instruments measured at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments.

Accouting Policies

1.9 Financial instruments (continued)

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a debt instrument has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12 month expected credit losses (12-month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12-month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a debt instrument being credit impaired at the reporting date or of an actual default occurring.

Credit risk

Details of credit risk related to debt instruments at fair value through other comprehensive income are included in the specific notes and the financial instruments and risk management (note 42).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

On derecognition of a debt instrument at fair value through other comprehensive income, the cumulative gain or loss on that instrument which was previously accumulated in equity in the reserve for valuation of investments is reclassified to profit or loss.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method and is included in profit or loss in investment income (note 31).

Accouting Policies

1.9 Financial instruments (continued)

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit-impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit-impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating (losses) gains.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 42).

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 10) and the financial instruments and risk management note (note 42).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 11. They are classified as at fair value through profit or loss. As an exception to this classification, the group may make an irrevocable election, on an instrument-by-instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Accouting Policies

1.9 Financial instruments (continued)

Recognition and measurement

Investments in equity instruments are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments) depending on their classification. Details of the valuation policies and processes are presented in note 43.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses).

Dividends received on equity investments are recognised in profit or loss when the group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 31).

Investments denominated in foreign currencies

When an investment in an equity instrument is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss as part of the fair value adjustment for investments which are classified as at fair value through profit or loss. Foreign exchange gains or losses arising on investments at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of investments.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 42).

Impairment

Investments in equity instruments are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The gains or losses which are accumulated in equity in the reserve for valuation of investments for equity investments at fair value through other comprehensive income are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Investments in debt instruments at fair value through profit or loss

Classification

Certain investments in debt instruments are classified as mandatorily at fair value through profit or loss. These investments do not qualify for classification at amortised cost or at fair value through other comprehensive income because either the contractual terms of these instruments do not give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding or the objectives of the group business model are met by selling the instruments rather than holding them to collect the contractual cash flows.

The group holds investments in debentures and corporate bonds (note 11) which are subsequently carried at fair value through profit or loss.

Accouting Policies

1.9 Financial instruments (continued)

The group has designated certain investments in debt instruments at fair value through profit or loss. The reason for the designation is to reduce or eliminate an accounting misalignment which would occur if the instruments were not classified as such. Refer to note 11 for details.

Recognition and measurement

Investments in debt instruments at fair value through profit or loss are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses are included in other operating gains (losses). Details of the valuation policies and processes are presented in note 43.

Interest received on debt instruments at fair value through profit or loss are included in investment income (note 31).

Investments denominated in foreign currencies

When an investment in a debt instrument at fair value through profit or loss is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 42).

Impairment

Investments in debt instruments at fair value through profit or loss are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Non-hedging derivatives

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The group enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and cash flow interest rate risk. Derivatives held by the group which are not in designated hedging relationships, include forward exchange contracts and interests rate swaps. (Note 12)

Recognition and measurement

Derivatives are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses are included in other operating gains (losses). Details of the valuation policies and processes are presented in note 43.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade payables are classified as current liabilities if payments fall within one year or less. If not, they are presented as non-current liabilities

Accouting Policies

1.9 Financial instruments (continued)

Trade and other payables (note 25), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Trade and other payables are classified as current liabilities if payments fall within one year or less, if not, they are presented as non-current liabilities.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 32).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 42 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) gains.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 42).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities at fair value through profit or loss.

When a financial liability is contingent consideration in a business combination, the group classifies it as a financial liability at fair value through profit or loss.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting misalignment which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy;

Accouting Policies

1.9 Financial instruments (continued)

or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses).

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the group's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting misalignment in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (note 32).

Financial liabilities denominated in foreign currencies

When a financial liability at fair value through profit or loss is denominated in a foreign currency, the fair value of the instrument is determined in the foreign currency. The fair value is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss. To the extent that the foreign exchange gain or loss relates to the portion of the fair value adjustment recognised in other comprehensive income, that portion of foreign exchange gain or loss is included in the fair value adjustment recognised in other comprehensive income.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 42).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The changes in fair value attributable to changes in own credit risk which accumulated in equity for financial liabilities which were designated at fair value through profit or loss are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the group are initially measured at their fair values and, if not designated as at fair value through profit and loss (FVTPL) and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Accouting Policies

1.9 Financial instruments (continued)

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Cash and cash equivalents

Cash and cash equivalent is subsequently measured at amortised cost which is deemed to be fair value.

Cash and cash equivalents comprise cash on hand and demand deposit, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recognised at cost subsequently measured at amortised cost.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

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

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following a change in the business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.10 Hedge accounting

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item,along with its risk management objectives and its strategy for undertaking various hedge transactions.

Accouting Policies

1.10 Hedge accounting (continued)

Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The group excludes the time value of options and designates only the intrinsic value of options as the hedging instruments in hedges involving options as the hedging instruments. The change in fair value attributable to the time value of options is recognised in other comprehensive income and accumulated in equity as deferred hedging gains (losses). The group only hedges time period related hedged items using options. The change in the aligned time value is recognised in other comprehensive income and is amortised on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value could affect profit or loss (or other comprehensive income, if the hedged item is an equity instrument at fair value through other comprehensive income). However, if hedge accounting is discontinued the net amount (i.e. including cumulative amortisation) that has been accumulated in the deferred hedging reserve is immediately reclassified into profit or loss.

1.11 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Accouting Policies

1.11 Tax (continued)

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

A deferred tax asset is recognised for the carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.

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

Tax expenses

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

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

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

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

1.12 Leases

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However, as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 5 Leases (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

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

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;

Accouting Policies

1.12 Leases (continued)

- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of- use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 32).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

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

Right-of-use assets

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

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Accouting Policies

1.12 Leases (continued)

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

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Company as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub- lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the group net investment in the lease.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the group from the lessee, a party related to the lessee or a third party unrelated to the group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Accouting Policies

1.12 Leases (continued)

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in investment income in profit or loss (note 31).

The group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy for trade and other receivables as lease receivables are impaired on a consistent basis with that accounting policy.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Short-term and low value lease payments are recognised as an expense on a straight-line basis over the lease term except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. The difference between the amounts recognised as an expense and the contractual payments is recognised as a short-term and low value lease asset. This liability is not discounted.

In the event that lease incentives are received to enter into short-term and low value leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Any contingent rents are expensed in the period they are incurred.

1.13 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Accouting Policies

1.14 Impairment of tangible and intangible non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Irrespective of whether there is any indication of impairment, the group also:

- tests goodwill acquired in a business combination for impairment annually.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if there coverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The carrying amount of an asset included in a cash generating unit may not be reduced below the highest of (1) Its fair value less cost to sell; (2) Its value in use or (3) zero.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.15 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.15 Share capital and equity (continued)

Ordinary shares are classified as equity and measured at cost.

Accouting Policies

1.16 Decommissioning and decontamination of stage 1 and 2

In terms of Section 55 (2) read with Section 1 (xiia) of the Nuclear Energy Act, 1999 (Act No. 46 of 1999), the D&D of Past Strategic Nuclear facilities, including the management of related radioactive material and waste, is an institutional nuclear obligation that vests in the Minister of Electricity and Energy. Necsa is responsible for discharging of the liabilities and government is responsible for funding thereof.

The full cost of decontamination and decommissioning of both stage 1 and 2 is assessed every 5 years and independently verified.

The present value of the obligation over the period of execution is recorded as the liability and asset.

1.17 Vaalputs aftercare

Vaalputs is required to make provision in a long-term provision fund to cover the costs which will be incurred during the institutional control period of Vaalputs. This is a period of total 300 years after closure of the disposal site and also called aftercare. Contributions to this fund should be made to the fund during the operational period of Vaalputs, thus ensuring that sufficient funds are available by the start of the institutional control period for these 300 years.

The full cost of the liability is re-assessed every 5 years.

The present value of the obligation over the period of execution is recorded as the liability and asset.

The asset is depreciated over the life span.

1.18 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

Defined contribution plans

The companies operate a provident fund on behalf of its employees. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. A defined contribution plan is a plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Accouting Policies

1.18 Employee benefits (continued)

Defined benefit plans

Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the group is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.19 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Accouting Policies

1.19 Provisions and contingencies (continued)

Provisions are not recognised for future operating losses.

Onerous contracts

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Rental income relating to Pelchem has resulted in an onerous contract.

Contingent assets and liabilities

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

1.20 Government grants and deferred grant income

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attached to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.21 Investment contributions for future liabilities

This represents contributions invested / ring fenced for the future decommissioning of facilities made by entities contracted to manage and operate Stage 2 facilities. This entities' contributions are ring-fenced and investment to be utilised in the future when the facilities are decontaminated and decommissioned.

1.22 Revenue

NECSA derives revenue from the following major sources:

Accouting Policies

1.22 Revenue (continued)

- Sale of goods to customers
- Services rendered to customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Sale of Goods to customers

The Group sells goods directly to customers. Revenue is recognised at a point in time for sales of goods. For sales of goods to customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods. Payment of the transaction price is due immediately at the point the customer purchases the goods. A receivable is recognised for account holding customers. Delivery occurs when the goods have been shipped to the customer's specific location. When the customer initially purchases the goods the transaction price received by the company is recognised as a contract liability until the goods have been delivered to the customer.

Services Rendered

The Group renders services for its customers. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Contract Revenue

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
- to the extent that it is probable that they will result in revenue; and
- they are capable of being reliably measured.

The method for revenue recognition is the output method as this is generally the method that give the most faithful representation of the transfer of goods and services to the customers. The customer gains control over the goods at the point of delivery of the agreed upon goods to the customer.

The costs to fulfil a contract is recognised as an asset when the costs are incurred directly in relation to a specific contract and when the costs will be recovered from the customer. These costs include mainly labour, direct material and other costs directly associated with the specific contract. This is included in Inventory Work in Progress. Costs are expensed when the performance obligation is satisfied.

Significant financing component:

Using the practical expedient in IFRS 15, the company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for the good or service will be one year or less.

Accouting Policies

1.23 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Translation of foreign currencies

Functional and presentation currency

Items included in the consolidated and separate annual financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate annual financial statements are presented in Rand which is the group functional and presentation currency.

Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate annual financial statements are recognised in profit or loss in the period in which they arise.

Accouting Policies

1.24 Translation of foreign currencies (continued)

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Necsa is exposed to foreign currency translation risks relating to Euro, Malaysian Ringgit and Dirham currencies.

Necsa, NTP and Pelchem enter into foreign exchange contracts (FEC's) for all procurement transactions over R300 000 and they enter into FEC's for exposure to income receivable.

Investments in subsidiaries, joint ventures and associates

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Rands using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

1.25 Payment received in advance

Payment received in advance refers to revenue received in advance but which has not yet been earned. The group will recognise the revenue as and when performance obligations have been met.

1.26 Prepayments

Prepayments relate to the purchases of inventories and goods and expected to realise within 12 months of the reporting date. The Group therefore classifies prepayments as current assets. The Group applies IAS 1 in determining whether to classify prepayments as current or non-current.

Accouting Policies

1.27 Related parties

The Group operates in an economic environment currently dominated by entities directly or indirectly owned by the South African Government. As a result of the constitutional independence of all three spheres of government in South Africa, only parties within the national sphere of government are considered to be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. All individuals from the level of Chief Executive Officer up to the Board of Directors are regarded as key management.

Close family members of key management personnel are considered to be those family members who may be expected to influence or be influenced by key management individuals or other parties related to the entity.

1.28 Fruitless, wasteful and irregular expenditure

Fruitless and wasteful expenditure in terms of the Public Finance Management Act means expenditure which was made in vain and would have been avoided had reasonable care been exercised are recorded in the notes to the financial statements.

Irregular expenditure is recorded in the notes to the financial statements. The amount recorded in the notes are equal to the value of the irregular expenditure incurred unless it is impracticable to determine the value thereof.

2. Significant judgement and estimates in assessing the impairment of financial assets

Significant judgement and estimates in assessing the impairment of financial assets

Financial assets, other than those at Fair Value through Profit or Loss, are assessed for indicators of impairment at the end of each reporting period. The Group uses significant judgement in determining whether financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For Annual Financial Statements equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. This determination requires significant judgement by Group.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Classification of buildings rented out

The buildings are all located on the Necsa premises and due to the security requirements related to the nuclear activities of Necsa, these buildings cannot be sold separately and has to be kept by Necsa as part of fulfilling its nuclear responsibilities. The purpose with which the buildings are held is therefore solely connected to Necsa's main nuclear business and the buildings are not held for the purpose of capital appreciation, nor is it held to earn rentals. When buildings are vacant and when there is a tenant to which a vacant building can be leased, vacant buildings are leased out. The leasing activity is incidental to the purpose for which the buildings are held and the buildings are not held for the purpose of leasing them out.

Accouting Policies

2. Significant judgements and sources of estimation uncertainty (continued)

Allowance for slow moving, damaged and obsolete inventory

An allowance is made to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note 30.

Fair value estimation

Some of the Group assets and liabilities are measured at fair value for financial reporting purposes. The Group Chief Financial Officer determines appropriate valuation techniques based on the accounting standards.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period. In estimating the fair value of an asset or liability, the Group uses market observable data to the extent that it is available. Where level 1 inputs are not available, the Group engages valuers to establish the appropriate valuation techniques and inputs into the model.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The assumption is based on the management expectation that outstanding balances will be collected or paid within twelve months; therefore the time value of money will not have an impact as it is considered to be immaterial.

Information about valuation techniques, inputs used in determining fair values of various assets and liabilities are disclosed in notes.

Impairment testing of goodwill and tangible assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in- use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that an assumption may change which may then impact estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Accouting Policies

2. Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are estimated by management based on the available information. Additional disclosure of these estimates is included in note 23 provisions.

Taxation

Necsa is not a tax paying entity however subsidiaries are income tax paying entities.

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Useful lives and residual values of property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the following factors to determine the optimum useful life expectation for each of the individual items of property, plant and equipment.

- Expected usage of the asset. Usage is assessed by reference to the assets expected capacity or physical output.
- Expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance programme, and the care and maintenance of the asset while idle.
- Technical or commercial obsolescence arising from changes or improvement in production or from a change in the market demand for the product or service output of the asset.
- Exit policy of the Company.

The estimation of residual value of assets is also based on management's judgement that the assets will be sold and what its condition will be at the end of its useful life. For assets that incorporate both a tangible and intangible portion, management uses judgement to assess which element is more significant to determine whether it should be treated as property, plant and equipment or intangible assets.

Post retirement benefit obligation

Judgement is required when recognizing and measuring the retirement benefit obligation of the Group and the Company. The obligation is valued by an independent actuary at each reporting date. The actuarial valuation method is used to value the obligation and the projected unit credit method is used.

Accouting Policies

2. Significant judgements and sources of estimation uncertainty (continued)

Future benefit values are projected using specific actuarial assumptions and the liability to in-service members is accrued over the expected working lifetime. The most significant of which are subsidy inflation, longevity, cash flow risk, changes in bond yields and CPI as well as further changes in legislation.

Lease classification

Lessors

The company is party to leasing arrangements, as a lessor. The treatment of leasing transactions in the annual financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment,management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

Significant judgement was applied by management in concluding the correct lease classification. Management therefore determines whether or not the lease should be classified as an operating or finance lease.

Lessees

IFRS 16 estimation and uncertainty:

- calculating discount rate
- estimating lease term
- estimating variable lease payments dependent on index or rate

Other IFRS 16 judgements:

- judgement in identifying whether a contract includes a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised
- determining whether or not variable lease payments are truly variable or in substance fixed

Critical judgements in determining the lease term.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets.

Impairment of financial assets

The Group assesses impairment of financial assets by calculating the expected credit loss allowance on trade and other receivables.

Forward-looking information included by adjusting the credit risk of receivables for macro-economic conditions that impact credit risk. As the Group operates in a niche market with a reliable customer base, the impact was not significant to warrant any significant adjustments to financial assets.

Accouting Policies

2. Significant judgements and sources of estimation uncertainty (continued)

Inventory obsolescence

The Group's inventory is continuously considered for obsolescence due to the nature of the group's business. The amount of any write-down of inventories to net realisable value and losses of inventories are recognised as an expense in the period the write-down or loss occurs.

Cash flows and liquidity

The Group assessed the impact of the lockdown on the cash resources on hand and available from committed facilities together with the possibility of default by customers. The Group is prioritising its spending with a focus on reducing non-essential costs and making operations more efficient. The Group is further committed to minimising the impact on salaries and job losses.

The Group's liquidity and access to facilities is continuously monitored to ensure that sufficient funds are available to meet the group's commitments. The Group has overdraft facilities with local banks and other funding institutions. In addition, the company can rely on financial support from its shareholder should the need arise.

Decommissioning and decontamination of stage 1 and 2

The liabilities are estimated by management based on the available information and methodology agreed with the funder and discounted over the expected performance period. Both the liability and the discount are reviewed and verified by independent external parties.

Vaalputs aftercare

The liability is estimated by management based on the available information and set methodology and discounted over the expected performance period.

The discounting is reviewed by an independent external party.

Notes to the Consolidated and Separate Annual Financial Statements

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024	No impact
Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	No impact
Lease liability in a sale and leaseback	01 January 2024	No impact

3.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Lack of Exchangeability - Amendments to IAS 21	01 January 2025	Unlikely there will be a material impact
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	The company is busy assessing the impact
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	The company is busy assessing the impact
Amendments to IFRS 7 Financial Instruments: Disclosures	01 January 2026	Unlikely there will be a material impact
Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
Amendments to IFRS 10 Consolidated Financial Statements 01 January 2026	01 January 2026	Unlikely there will be a material impact
Amendments to IAS 10 Statement of Cash flows	01 January 2026	Unlikely there will be a material impact
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	01 January 2026	Unlikely there will be a material impact

Notes to the Consolidated and Separate Annual Financial Statements

4. Property, plant and equipment

Figures in Rand thousand

Group	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	927 945	(52 029)	875 916	927 701	(49 300)	878 401
Plant	931 067	(366 796)	564 271	782 290	(344 164)	438 126
Furniture and fixtures	13 347	(10 508)	2 839	12 932	(9 893)	3 039
Motor vehicles and transport containers	70 251	(59 527)	10 724	68 050	(58 122)	9 928
Office equipment	19 805	(16 020)	3 785	18 139	(16 318)	1 821
IT equipment	119 235	(86 852)	32 383	112 101	(80 099)	32 002
Research facilities	36 139	(11 429)	24 710	36 633	(10 948)	25 685
Leasehold improvements	19 521	(11 671)	7 850	17 711	(8 335)	9 376
Machinery and equipment	515 043	(395 980)	119 063	493 205	(380 835)	112 370
Component spares	20 169	(19 969)	200	21 112	(20 931)	181
Vaalputs aftercare and decontamination asset	63 777	(43 143)	20 634	63 777	(42 406)	21 371
Total	**2 736 299**	**(1 073 924)**	**1 662 375**	**2 553 651**	**(1 021 351)**	**1 532 300**

Company	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	873 909	(52 029)	821 880	874 665	(49 300)	825 365
Plant	463 959	(126 890)	337 069	358 805	(125 798)	233 007
Furniture and fixtures	5 804	(4 943)	861	5 957	(4 763)	1 194
Motor vehicles and transport containers	30 339	(26 666)	3 673	29 847	(26 165)	3 682
Office equipment	17 681	(14 640)	3 041	16 206	(14 730)	1 476
IT equipment	76 958	(53 879)	23 079	72 907	(51 609)	21 298
Research facilities	36 139	(11 429)	24 710	36 633	(10 948)	25 685
Machinery and equipment	353 627	(280 009)	73 618	340 984	(269 371)	71 613
Vaalputs aftercare and Decontamination asset	63 777	(43 143)	20 634	63 777	(42 406)	21 371
Total	**1 922 193**	**(613 628)**	**1 308 565**	**1 799 781**	**(595 090)**	**1 204 691**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2025

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Impairment (loss)/ reversals	Total
Land and Buildings	825 365	7 925	-	41 619	(52 029)	-	875 916
Plant	438 126	145 836	-	-	(5 763)	(13 928)	564 271
Furniture and fixtures	3 039	464	(5)	-	(646)	(13)	2 839
Motor vehicles	9 928	3 423	(678)	-	(1 905)	(44)	10 724
Office equipment	1 821	2 494	(8)	-	(527)	5	3 785
IT equipment	32 002	13 317	(280)	-	(12 379)	(277)	32 383
Research facilities	25 685	-	(457)	-	(518)	-	24 710
Leasehold improvements	9 376	1 810	-	-	(3 336)	-	7 850
Machinery and equipment	112 370	29 295	(64)	-	(22 144)	(394)	119 063
Component spares	181	-	(791)	-	(37)	847	200
Vaalputs aftercare and decontamination asset	21 371	-	-	-	(737)	-	20 634
	1 532 300	**204 564**	**(2 283)**	**41 619**	**(100 021)**	**(13 804)**	**1 662 375**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment- Group- 2024

	Opening balance	Additions	Disposals/ Consumed	Transfers from right of use asset	Revaluations	Reallocations	Depreciation	Impairment (loss)/ reversal	Total
Land and Buildings	894 165	13 056	-	-	20 480	-	(49 300)	-	878 401
Plant	363 352	85 061	-	-	-	-	(7 044)	(3 243)	438 126
Furniture and fixtures	3 458	226	-	-	-	-	(641)	(4)	3 039
Motor vehicles	11 101	1 944	(585)	160	-	(19)	(2 673)	-	9 928
Office equipment	2 096	242	-	-	-	-	(510)	(7)	1 821
IT equipment	20 486	19 267	(13)	-	-	-	(7 443)	(295)	32 002
Research facilities	26 223	-	-	-	-	-	(538)	-	25 685
Leasehold improvements	12 586	-	-	-	-	-	(3 210)	-	9 376
Machinery and equipment	93 642	40 319	(183)	-	-	19	(19 192)	(2 235)	112 370
Component spares	226	-	(3 568)	-	-	-	(45)	3 568	181
Vaalputs aftercare and decontamination asset	22 108	-	-	-	-	-	(737)	-	21 371
	1 449 443	**160 115**	**(4 349)**	**160**	**20 480**	**-**	**(91 333)**	**(2 216)**	**1 532 300**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2025

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Impairment (loss)/ reversals	Total
Land and Buildings	825 365	7 925	-	40 619	(52 029)	-	821 880
Plant	233 007	105 154	-	-	(1 073)	(19)	337 069
Furniture and fixtures	1 194	(91)	(1)	-	(232)	(9)	861
Motor vehicles	3 682	1 010	(31)	-	(944)	(44)	3 673
Office equipment	1 476	1 984	(8)	-	(417)	6	3 041
IT equipment	21 298	9 559	(249)	-	(7 288)	(241)	23 079
Research facilities	25 685	-	(457)	-	(518)	-	24 710
Machinery and equipment	71 613	14 595	(44)	-	(12 472)	(74)	73 618
Vaalputs aftercare and decontamination asset	21 371	-	-	-	(737)	-	20 634
	1 204 691	**140 136**	**(790)**	**40 619**	**(75 710)**	**(381)**	**1 308 565**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2024

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Impairment (loss)/ reversals	Total
Land and buildings	843 365	12 120	-	19 180	(49 300)	-	825 365
Plant	160 777	73 459	-	-	(1 229)	-	233 007
Furniture and fixtures	1 355	69	-	-	(229)	(1)	1 194
Motor vehicles	4 610	446	-	-	(1 374)	-	3 682
Office equipment	1 890	4	-	-	(411)	(7)	1 476
IT equipment	13 288	12 165	(13)	-	(4 063)	(79)	21 298
Research facilities	26 223	-	-	-	(538)	-	25 685
Machinery and equipment	56 424	25 169	-	-	(9 935)	(45)	71 613
Vaalputs Aafter care and Ddecontamination asset	22 108	-	-	-	(737)	-	21 371
	1 130 040	**123 432**	**(13)**	**19 180**	**(67 816)**	**(132)**	**1 204 691**

Notes to the Consolidated and Separate Annual Financial Statements

4. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

No assets have been pledged as security and are secured by the lessor's title to the leased assets.

Details of properties

Land and buildings consist of the following properties:

Necsa: Farm 567, Weldaba; Erf 1150, 1153, 1155 and 1156. The properties were revalued as at 31 March 2025 and 31 March 2024 by an independent valuator. Please refer revaluation below.

Albertinia; Erf 4473 and 4474. Riverdale; Erf 1115, 1224, 1916, 1917, 1919, 1921, 1922, 1924, 1926, 1928 and 1929. These assets are measured at directors' valuation.

Springbok; Farm 369 and 380 Vaalputs. The rest of the assets are measured at Directors valuation.

Gammatec NDT: Portion 91 of Farm 601 Klipplaatdrif, Vereeniging. The property is encumbered as disclosed in Gammatec NDT's Annual Financial Statements. The property was revalued as at 3 April 2023 by an independent valuer.

AEC Amersham: Erf 176, 100 Indianapolis Street, Kyalami. The property was revalued as at 31 March 2025 by an independent valuer.

The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These depreciation rates represent management's current best estimate of the useful lives of the assets.

Transfer of property, plant and equipment also includes transfers to other asset classes. The revaluation reserve may not be distributed to shareholders.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

The level of the fair value measurement is level 3 for Necsa and AEC's revaluation and level 2 for AEC Amersham's revaluation.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

4. Property, plant and equipment (continued)

Assets in progress

Group - 2025	Opening	Additions	Capitalizsed	Closing
	R'000	R'000	R'000	R'000
	R'000	R'000	R'000	R'000
Used within the group				
Furniture and fixtures	149	464	(561)	52
IT equipment	6 156	13 317	(9 729)	9 744
Land and buildings	12	7 925	(7 937)	-
Machinery and equipment	36 373	29 295	(14 755)	50 913
Motor vehicles and transport containers	472	3 423	(1 770)	2 125
Office equipment	124	2 494	(754)	1 864
Plant	304 262	145 836	107 269	557 367
Research facilities	4 444	-	-	4 444
Leasehold	-	1 810	(1 798)	12
	351 992	**204 564**	**69 965**	**626 521**

Company - 2025	Opening	Additions	Capitalized	Closing
	R'000	R'000	R'000	R'000
Furniture and fixtures	174	(91)	(40)	43
IT equipment	6 370	9 559	(7 644)	8 285
Land and buildings	-	7 925	(7 925)	-
Machinery and equipment	27 891	14 595	(8 202)	34 284
Motor vehicles and transport containers	596	1 010	-	1 606
Office equipment	83	1 984	(549)	1 518
Plant	305 162	105 154	-	410 316
Research facilities	4 444	-	-	4 444
	344 720	**140 136**	**(24 360)**	**460 496**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

4. Property, plant and equipment (continued)

Material projects include the ongoing Multi-Purpose Reactor, Decommissioning and Decontamination stage 1 smelter and plasma projects.

Assets in progress for Plant is reviewed annually for impairment and currently includes R80.652million (2024: R80.652million) impairment not included above.

Revaluations

The group did not split land and buildings due to the impracticality thereof. The fair value measurements as of 31 March 2025 were performed by an independent valuer not related to the Group. This valuation is done as a single unit and cannot be separated. Impractical is defined in IAS 1 as "Applying a requirement is impractical when the entity cannot apply it after making every reasonable effort to do so". Should a split between land and buildings have been possible, there would be no change in the amounts as currently disclosed. Fair and faithful representation has therefore been applied in the measurement of the land and buildings which are reflected as close as possible to reality.

The carrying value of the revalued assets under the cost model would have been:

Land and buildings	37 602	38 499	15 466	16 363

Impairment and reversal of impairment

Impairments are done in consultation with the users of the assets when items are identified as obsolete. Impairment arises where the carrying amount is lower than the recoverable amount. In 2025, the impairment loss of R13.804 million for the group (2024; R2.216 million) and for the company, R0.381 million (2024: R0.132million), represented the write down of certain property plant and equipment to the recoverable amount as a result of technological obsolescence. This was recognised in the statement of profit and loss as other operating expenses and measured as fair value less cost to sell.

The 2024 amounts were restated to include the Vaalputs aftercare assets previously disclosed in a separate note.

5. Right of use assets and lease liabilities

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

5. Right of use assets and lease liabilities (continued)

Group	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	4 671	(1 334)	3 337	-	-	-
Motor vehicles	23 419	(11 218)	12 201	23 401	(7 254)	16 147
Total	**28 090**	**(12 552)**	**15 538**	**23 401**	**(7 254)**	**16 147**

Company	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	22 449	(10 761)	11 688	22 449	(6 716)	15 733

Net carrying amounts of right-of-use assets				
The carrying amounts of right-of-use assets are as follows:				
Buildings	3 337	-	-	-
Motor vehicles	12 201	16 147	11 688	15 733
	15 538	**16 147**	**11 688**	**15 733**
Additions to right-of-use assets				
Buildings	4 005	-	-	-
Motor vehicles	418	9 941	-	9 941
	4 423	**9 941**	**-**	**9 941**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

5. Right of use assets and lease liabilities (continued)

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 30), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	667	200	-	-
Motor vehicles	4 241	1 843	4 046	1 514
	4 908	**2 043**	**4 046**	**1 514**
Other disclosures				
Interest expense on lease liabilities	1 708	1 807	1 352	1 755
Leases of low value assets included in operating expenses	573	535	-	-
Leases of low value assets included in cost of merchandise sold and inventories	546	211	-	-
Lease liabilities				
The maturity analysis of lease liabilities is as follows:				
Within one year	4 962	4 462	3 482	4 251
Two to five years	7 253	7 535	3 987	7 378
	12 215	11 997	7 469	11 629
Less finance charges component	(789)	(42)	-	-
	11 426	**11 955**	**7 469**	**11 629**
Non-current liabilities	6 862	7 523	3 987	7 378
Current liabilities	4 564	4 432	3 482	4 251
	11 426	**11 955**	**7 469**	**11 629**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

6. Goodwill

Group	2025			2024		
	Cost or revaluation	Accumulated impairment	Carrying value	Cost or revaluation	Accumulated impairment	Carrying value
Goodwill	16 585	-	16 585	16 585	-	16 585

Reconciliation of goodwill - Group - 2025	Opening balance	Total
Goodwill	16 585	16 585

Reconciliation of goodwill - Group - 2024	Opening balance	Total
Goodwill	16 585	16 585

Goodwill was recognised on the acquisition of the following subsidiaries:

1) AEC-Amersham SOC Ltd

Percentage of voting equity interests acquired: 100%. Description of how NECSA obtained control of AEC-Amersham: NECSA obtained control of AEC-Amersham through its 100% voting equity interest in NTP Radioisotopes, which in turn obtained 100% voting equity interests in AEC-Amersham.

Factors that make up the goodwill recognised: Synergies are expected from combining operations of AEC-Amersham with the NECSA group of companies. The cash generating unit is the AEC business as a whole.

2) Gammatec NDT Supplies SOC Ltd

Percentage of voting equity interests acquired: 55%. Description of how the NECSA obtained control of Gammatec NDT Supplies: NECSA obtained control of Gammatec NDT Supplies through its 100% voting equity interest in NTP Radioisotopes, which in turn obtained 55% voting equity interests in Gammatec NDT Supplies.

Factors that make up the goodwill recognised: Synergies are expected from combining operations of Gammatec NDT Supplies with the NECSA group of companies. The cash generating unit is the Gammatec business as a whole.

Goodwill Allocation		
AEC Amersham SOC Ltd	5 228	5 228
Gammatec NDT Supplies SOC Ltd	11 357	11 357
	16 585	**16 585**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

7. Intangible assets

Group	2025			2024		
	Cost or revaluation	Accumulated amortisation	Carrying value	Cost or revaluation	Accumulated amortisation	Carrying value
Intellectual property	124 283	(114 510)	9 773	124 283	(113 248)	11 035
Computer software	9 747	(5 605)	4 142	7 343	(5 420)	1 923
Total	**134 030**	**(120 115)**	**13 915**	**131 626**	**(118 668)**	**12 958**

Company	2025			2024		
	Cost or revaluation	Accumulated amortisation	Carrying value	Cost or revaluation	Accumulated amortisation	Carrying value
Computer software	4 443	(2 317)	2 126	3 285	(2 317)	968

Reconciliation of intangible assets - Group - 2025

	Opening balance	Additions	Amortisation	Total
Intellectual property	11 035	-	(1 262)	9 773
Computer software	1 923	2 920	(701)	4 142
	12 958	**2 920**	**(1 963)**	**13 915**

Reconciliation of intangible assets - Group - 2024

	Opening balance	Additions	Amortisation	Total
Intellectual property	14 041	-	(3 006)	11 035
Computer software	484	1 897	(458)	1 923
	14 525	**1 897**	**(3 464)**	**12 958**

Reconciliation of intangible assets - Company - 2025

	Opening balance	Additions	Total
Computer software	968	1 158	2 126

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

7. Intangible assets (continued)

Reconciliation of intangible assets - Company - 2024

	Opening balance	Additions	Total
Computer software	-	968	968

Other information

The intellectual property included production processes, drug master files, licenses, manufacturing techniques and technology purchased from external parties.

Amortisation is included in other operating expenses.

The remaining useful life is between 3 to 18 years.

The intellectual property was tested for impairment and did not show the need for any impairment to be done. The impairment test was done by comparing the carrying amount to the recoverable amount using the discounted cash flows. The 4-year budget was used and adjusted for expected inflation going forward for a period of 20 years.

The product is expected to be in the market for this time. A growth rate equal to inflation was used for the periods beyond 4 years. The discount rate used is 11.93% (2024: 15.95%)

8. Interests in subsidiaries

The carrying amounts of subsidiaries are shown net of impairment losses.

The Directors' value of the investment in subsidiaries is equal to its carrying value. The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	Held by	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
Pelchem SOC Limited	Necsa SOC Limited	100,00 %	100,00 %	-	-
NTP Radioisotopes SOC Limited	Necsa SOC Limited	100,00 %	100,00 %	220 700	220 700
Cyclofil SOC Limited (deregistered 7 February 2025)	Necsa SOC Limited	- %	- %	-	-
Arecsa SOC Limited	Necsa SOC Limited	51,00 %	51,00 %	1	1
				220 701	**220 701**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

9. Investments in associates

The following table lists all of the associates in the group:

Group

Name of company	Held by	% ownership interest 2025	% ownership interest 2024	Carrying amount 2025	Carrying amount 2024
Oserix	Gammatec NDT SOC Ltd	25,00 %	25,00 %	14 312	10 384
Element 42	NTP Radioisotopes SOC Ltd. Deregistered in 2025	- %	50,00 %	-	-
Gamwave	NTP Radioisotopes	40,00 %	40,00 %	-	-
				14 312	**10 384**

Oserix is an associate of Gammatec NDT Supplies SOC Limited, which holds 25% of Oserix issued share capital. NTP Radioisotopes SOC Limited owns 55% of Gammatec NDT Supplies SOC Limited, therefore resulting in the group having a significant influence over the associate.

The carrying amounts of Investment in Associates are shown net of impairments. The Directors' value of the investment in associates is equal to its carrying value. The carrying amount equates to fair value.

Material associates

The following associates are material to the group:

- Oserix S.A

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income	Oserix S.A	
	2025	2024
Revenue	263 051	228 685
Other income and expenses	(236 111)	(212 408)
Profit before tax	26 940	16 277
Tax expense	(6 541)	(4 271)
Profit after tax	20 399	12 006
Total comprehensive income	**21 571**	**12 006**
Dividends received from associate	**1 172**	**1 058**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

9. Investments in associates (continued)

Summarised financial information of material associates

Summarised Statement of Financial Position	Oserix S.A	
	2025	2024
Assets		
Non-current	11 964	8 378
Current	88 204	93 148
Total assets	**100 168**	**101 526**
Liabilities		
Non-current	4 293	6 893
Current	33 727	48 685
Total liabilities	**38 020**	**55 578**
Total net assets	**62 148**	**45 948**

Reconciliation of net assets to equity accounted investments in associates	Oserix S.A	
	2025	2024
Interest in associates at percentage ownership	14 312	10 384
Carrying value of investment in associate	14 312	10 384
Investment at beginning of period	10 384	7 594
Share of profit	5 100	3 002
Impairment loss	-	848
Dividends received from associate	(1 172)	(1 060)
Investment at end of period	**14 312**	**10 384**

Associates with different reporting dates

The end of the reporting year of Oserix S.A is 31 December 2024. The entity's year end is aligned to legislative requirements in Belgium.

Oserix S.A functional currency is Euro. The statement of financial position was converted to Rand at the spot rate on 31 December 2024 - R19.48 (31 December 2023 - R20.58). The statement of profit or loss and other comprehensive income was converted to Rand at the average exchange rate for the period 1 January 2024 to 31 December 2024 - R19.83 (1 January 2023 to 31 December 2023 - R19.97).

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

9. Investments in associates (continued)

Oserix SA is incorporated in Belgium. Their principal business address is:

Rue de l'eglise 2, BE-7134 Leval Trahegnies, BE0827.904.995

10. Trade and other receivables

Financial instruments:				
Trade receivables	259 750	422 817	547 500	523 889
Loss allowance	(74 471)	(120 620)	(488 505)	(460 428)
Trade receivables at amortised cost	185 279	302 197	58 995	63 461
Deposits	24 037	8 903	23 788	8 654
Staff fuel debtors	1 882	1 483	1 882	1 483
Sundry debtors	-	-	252	251
Other receivable and staff	13 346	31 065	35 058	56 091
Non-financial instruments:				
VAT	25 746	34 435	-	-
Prepayments	3 922	1 156	-	-
Total trade and other receivables	**254 212**	**379 239**	**119 975**	**129 940**

Trade and other receivables pledged as security

No trade and other receivables have been pledged as security.

Classification as Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided below.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

10. Trade and other receivables (continued)

Approximate fair value of trade and other receivables

Trade and Other Receivables	254 212	379 243	119 975	129 940

Trade and other receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

On that basis, the loss allowance provision as at 31 March 2025 is determined as follows:

Group	2025	2025	2024	2024
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 10,42% (2024: 7,8%)	142 299	14 826	194 449	15 158
Less than 30 days past due: 12,65% (2024: 12,12%)	59 057	7 469	97 453	11 816
31 - 60 days past due: 32,08% (2024: 22,00%)	7 279	2 335	26 794	5 896
61 - 90 days past due: 100% (2024: 24,16%)	2 205	2 205	10 557	2 551
91 - 120 days past due: 97,4% (2024: 91,06%)	48 910	47 636	93 564	85 199
Total	**259 750**	**74 471**	**422 817**	**120 620**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	gGrossup		Company	
	2025	2024	2025	2024

10. Trade and other receivables (continued)

Company	2025	2025	2024	2024
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Not past due: 31,36% (2024: 34,27%)	87 289	31 076	91 793	31 461
Less than 30 days past due: 82,12% (2024: 79,63%)	11 455	9 407	13 673	10 888
31 - 60 days past due: 92,30% (2024: 96,88%)	8 337	7 695	6 592	6 386
61 - 90 days past due: 97,87% (2024: 95,96%)	4 338	4 246	3 415	3 277
91 - 120 days past due: 100% (2024: 100%)	436 081	436 081	408 416	408 416
Total	**547 500**	**488 505**	**523 889**	**460 428**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	120 620	127 234	460 428	411 725
Increase in loss allowance recognised in profit or loss during the year	(24 813)	(6 614)	28 077	48 703
Reclassified	(21 336)	-	-	-
Closing balance	**74 471**	**120 620**	**488 505**	**460 428**

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group and a failure to make contractual payments for a period of greater than 90 days past due.

These definitions for defaults as aforementioned were selected because they are expected to result in the most accurate measurement of the expected credit loss.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Expected Credit losses are measured on a collective basis. The instruments are grouped in accordance with the group entity's industry basis.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

10. Trade and other receivables (continued)

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

Trade receivables - related parties				
Trade receivables			525 111	444 192
Loss allowance			(463 306)	(415 625)
			61 805	**28 567**

11. Financial assets at fair value

Investments held by the group which are measured at fair value, excluding derivatives are as follows:

Equity investments at fair value through profit or loss	558 879	272 283	558 879	272 283
Financial investments	-	141 493	-	141 493
Equity investments at fair value through other comprehensive income	1 032	900	992	866
	559 911	**414 676**	**559 871**	**414 642**
Designated at amortised cost				
Investments	-	141 493	-	141 493
Mandatorily at fair value through profit or loss:				
Unit trusts	558 879	272 283	558 879	272 283
Equity investments at fair value through other comprehensive income:				
Listed shares	1 032	900	992	866
	559 911	**414 676**	**559 871**	**414 642**
Split between non-current and current portions				
Non-current assets	559 911	414 676	559 871	414 642

Fair value information

Refer to note 43 Fair value information and note 42 for details of valuation policies and processes.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

12. Derivatives

Non-hedging derivatives				
Revaluation of open foreign exchange contracts	(1 669)	(757)	-	-
Foreign exchange contracts	112	(523)	112	(523)
112Split between non-current and current portions				
Current assets	112	-	112	-
Current liabilities	(1 669)	(1 280)	-	(523)
	(1 557)	**(1 280)**	**112**	**(523)**

Refer to note 43 Fair value information for details of valuation policies and processes.

Refer to note 42 Financial instruments and risk management further details.

13. Retirement benefits

The Company and its two major subsidiaries, NTP Radioisotopes and Pelchem, operate a provident fund scheme which is governed by the Pensions Fund Act No. 24 of 1956. The scheme is generally funded through payments to insurance companies or trustee administered funds, determined by periodic actuarial calculations. The Company has defined contribution plans established in 1994. These contribution plans are compulsory for every permanent employee employed in accordance with the conditions of employment, primarily by means of monthly contributions to the Necsa Retirement Fund. A defined contribution plan is a provident fund under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The contributions are recognised as an expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Necsa Retirement Fund is revalued by an independent Actuary on an annual basis. The last actuarial valuation was performed in April 2025 for the year ending 31 March 2025. The conclusion made in the latest actuarial valuation was that the Fund is currently in a good financial position and should remain so, based on the contribution rates payable in terms of the rules of the Fund, until the next actuarial valuation.

Defined benefit plan

NECSA and its two major subsidiaries, NTP Radioisotopes and Pelchem's post-employment health care liabilities consists of a commitment to pay a portion of the members' post-employment medical scheme contributions. This liability is also generated in respect of independents who are offered continued membership of the medical scheme on the death of the primary member. The schemes have been valued per individual entity namely NECSA, NTP Radioisotopes and Pelchem, which reflects the group figures. These schemes have been disclosed separately below.

Notes to the Consolidated and Separate Annual Financial Statements

13. Retirement benefits (continued)

Members employed before 1 September 2004 are entitled to a 100% subsidy of medical scheme contributions in retirement, provided they have been members of the medical scheme for at least 10 years. Should a member be on the medical scheme for less than 10 years at retirement, they will be entitled to a 10% subsidy for each year they were active on the medical scheme during employment at NECSA.

Eligible members receive a Rand amount based on the Essential Core option's contributions in 2005, increasing annually in line with consumer price inflation ('CPI'). The Rand amounts for 2025 are R1,704 per month for a single member and R2,808 for a married member. The child dependant subsidy for 2025 is R712 per month.

If a member qualifies to upgrade to a Comprehensive option as per the subsidy rules, then NECSA will subsidise an additional Rand amount for the upgrade. The additional Rand amounts for members on the Classic Comprehensive option in 2025 are R952 per month for a single member and R1,729 per month for a married member. The additional Rand amounts for members on the Essential Comprehensive option in 2025 are R964 for a single member and R1,745 per month for a married member.

Members who do not qualify for an upgrade to a Comprehensive option or who do not belong to a Comprehensive option receive an additional Rand amount for the Medical Savings Account (MSA) contributions. The additional Rand amount for 2025 is R786 per member, irrespective of marital status.

Members who retired before 1 July 1990, referred to as the "Old 100% Group", receive an additional Rand amount of R319 for 2025, irrespective of marital status.

Dependants of eligible continuation members receive a subsidy before and after the death of the principal member. Note: The Rand amounts above are based on year-on-year CPI inflation to September 2024.

NECSA and its two major subsidiaries, NTP Radioisotopes and Pelchem's subsidy of its current employees' future post- employment medical scheme contributions and current pensioners' medical scheme contributions presents certain risks to the Company, the most significant of which are summarised below. The majority of these risks mainly apply to the Pelchem group only as there is no plan asset arrangement in respect of the group.

Subsidy inflation	The post-employment health care liability is linked to consumer price inflation. Higher consumer price inflation than expected will lead to higher liabilities.
Longevity	The employer's subsidy covers the post-employment medical scheme contributions in retirement until the main pensioner's death. On the main pensioner's death the subsidy will continue at a reduced level based on the contributions for the remaining dependants. The longevity risk is the risk that pensioners will live longer than expected. Possible contributing factors are medical advances, better health care and greater emphasis on following healthier lifestyles. This would lead to benefits being payable for longer than expected.
Cash flow risk	The employer pays the subsidy amounts in respect of the pensioners either directly to the pensioner or to the medical aid. There is a risk to the employer that, due to unforeseen circumstances, funds may not be available at the time that they are required.

Notes to the Consolidated and Separate Annual Financial Statements

13. Retirement benefits (continued)

Changes in bond yields and CPI	A decrease in the bond yields used to determine the discount rate will increase the employer's reported post-employment health care liability. An increase in CPI will result in a higher subsidy inflation assumption, which consequently will lead to a higher reported post- employment health care liability. High volatility in the above rates may lead to volatile balance sheet and income statement disclosures.
Changes in legislation	The National Health Insurance Act 20 of 2023 was signed into law on 15 May 2024. The National Health Insurance system may lead to a requirement for the Employer to provide some level of compensation to eligible members or to fund additional amounts into the system or may lead to private medical schemes re-designing their offering. The impact of such changes on the cost of and benefits from medical schemes is still uncertain. This may result in an increase or decrease in the Employer's liability as the impact on the Employer's liability to subsidise the provision of medical services, over and above what is to be provided by the NHI, is very uncertain. Changes in tax legislation affecting the subsidy may also pose a risk to both the Employer and the recipients of the subsidy.

Company developments:

NECSA purchased additional annuities with effect from 1 May 2024 to cater for new retirements since the previous purchase. In addition, contributions were also made towards the recurring premium contracts in place. Furthermore, annuities were also purchased in respect of new retirees for NECSA's subsidiary, NTP Radioisotopes.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2025 by Mr Sean Neethling, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Momentum Consultants and Actuaries (MCA) also undertook the previous valuation for NECSA and its two major subsidiaries, NTP Radioisotopes and Pelchem as at 31 March 2025.

Momentum Consultants and Actuaries ('MCA') quantify the present value of post-employment health care liabilities in terms of IAS19 for:

a) Current continuation members

b) Future continuation members emanating from the current active medical scheme members employed by NECSA

In particular, the funded status of the post-employment plan as at the valuation date will be determined and compared to the projected liability, calculated as at 31 March 2025. An expense for the 2024/25 financial year will be derived and a projected expense for the forthcoming year will be calculated for budget purposes. The report complies with the relevant professional guidance from the Actuarial Society of South Africa as described in Advisory Practice Note APN301.

The principal assumptions used for the purposes of the actuarial valuations for NECSA and its two major subsidiaries, NTP Radioisotopes and Pelchem were as follows.

Notes to the Consolidated and Separate Annual Financial Statements

13. Retirement benefits (continued)

	Valuation at	
Economic assumptions:	**2025**	**2024**
Discount rate (D)	11,10 %	12,40 %
Consumer Price Index (CPI)*	5,25 %	6,60 %
Subsidy contribution increase rate (H)	5,25 %	6,60 %
Net discount rate ((1+D)/(1+H)-1)	5,56 %	5,44 %
Expected return in Plan Assets	11,10 %	12,40 %

*** This is the market expectation of long-term CPI.**

We have estimated the total duration of the liability to be 8.75 years, based on the previous valuation basis and current membership data.

The rates derived are based on prevailing yields as at 31 March 2025. We used a convention of rounding the discount rate, price inflation and subsidy increase rates to the nearest 0.05%. In the previous valuation these rates were rounded to the nearest 0.1%. The net discount rate is rounded to the nearest 0.01%.

While it is essential that the assumptions are individually justifiable, it is the relative levels of the discount rate and health care cost inflation to one another that are important in the determination of the liability, rather than the nominal values.

Discount rate

We have derived the discount rate from the government bond zero-coupon yield curve. We used the spot rate on the nominal curve with duration equal to the rounded liability duration of 8.75 (8.65 years rounded to the nearest 0.25 years) to derive the discount rate of 11.10% per annum.

Price index inflation

The market expectation of long-term price inflation of 5.25% per annum was derived from the differential between the nominal yield curve and real yield curve at the same duration. An allowance for an inflation risk premium of 0.50% was introduced.

Subsidy contribution increase rate

The subsidy increase rate was set at price inflation

Expected return on Plan Assets

The expected return on Plan Assets was set at the discount rate.

Comparison to previous valuation

The financial assumptions have been set on a consistent basis with the previous year's valuation.

Net discount rate

The net discount rate is the difference between the discount rate and the subsidy increase rate on a compound basis as follows: (1.1110 / 1.0525) – 1 i.e. 5.56% per annum.

Notes to the Consolidated and Separate Annual Financial Statements

13. Retirement benefits (continued)

Demographic assumptions:	Valuation at 2025	Valuation at 2024
Normal and average retirement age (Males and females)	65	65

Family structure

	Current valuation	
	In-service members	Pensioners
Age difference between husband and wife	Actual ages used if available / Husband 4 years older than wife	Actual ages used
Proportion married	Assumed 75% married at retirement (previous valuation assumed 75% married at retirement)	Actual marital status used

Following discussion with employer, it was agreed that the proportion married assumption be reviewed. The assumed proportion married at retirement was reduced from 90% to 75%. This was based on an analysis of the proportions married of in-service members as at 31 March 2025 over age 60. The analysis indicates that 71% of in-service members in the over 60 age group (i.e. close to retirement) were married. It was noted that the marital status of in-service members may only updated on notifications to the employer. A slightly more prudent assumption relative to the actual date is therefore appropriate.

In valuing the death-in-service healthcare liability, it is necessary to make a number of additional assumptions. We assumed that the percentage married of in-service members increases from 71% at age 40 to 75% at age 45 until retirement. We have assumed the following percentage married for valuing death-in-service healthcare liability.

All eligible in-service employees were over age 39 as at the valuation date.

Example at stated age	Proportion married
40	71%
45+	75%

We have assumed that pensioner's children and orphans will be subsidised until the age of 21. We have not made any allowance for in-service members to have child dependants in retirement.

Continuation percentages:

We assumed that none of the current in-service members eligible for a retirement subsidy would discontinue medical scheme membership upon reaching retirement with NECSA on the grounds of affordability. Similarly, we assumed that none of the dependants of current in-service members eligible for a death-in-service subsidy would discontinue medical scheme membership on the grounds of affordability upon the death-in-service of the principal member.

Other than the proportion married at retirement, the demographic assumptions are the same as those used in the previous valuation.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

	Valuation at	
Decrement assumptions:	2025	2024
Mortality rates	SA 85-90	SA 85-90
In-service members	(Light)	(Light)
Pensioners	PA (90) rated down 2 years	PA (90) rated down 2 years

In addition to the above pensioner mortality assumption, we have made allowance for 1.00% p.a. improvement in mortality. We have used a base year of 2006 (i.e. as at valuation date there has been 17 years of mortality improvements).

Based on the above post-retirement mortality table the life expectancy of a 65-year-old male is 18.6 years and for a 65-year-old female it is 22.9 years.

Withdrawal rates

Example at stated age	Withdrawal rates
40 - 45	2%
45+	0%

Reconciliation of assets and liabilities recognised on the Statement of financial position

Present value of the defined benefit obligation-wholly unfunded	(282 805)	(291 525)	(255 861)	(263 260)
Fair value of plan assets	38 822	29 666	38 822	29 666
	(243 983)	**(261 859)**	**(217 039)**	**(233 594)**
Non-current assets	38 822	29 666	38 822	29 666
Non-current liabilities	(255 214)	(264 045)	(230 093)	(237 625)
Current liabilities	(27 591)	(27 480)	(25 768)	(25 635)
	(243 983)	**(261 859)**	**(217 039)**	**(233 594)**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

Reconciliation of net liability recognised on the Statement of financial position

Opening balance	261 859	288 865	233 594	259 359
Interest cost	36 828	33 001	30 959	29 817
Current service cost	1 538	1 519	1 167	1 309
Expected return on Plan Assets	(8 642)	(4 543)	(6 157)	(4 543)
Net annual cost recognised in profit or loss	29 724	29 997	25 969	26 583
Actuarial (gain)/ loss	(11 888)	(22 406)	(8 949)	(19 662)
Employer prefunding / additional contributions	(35 712)	(34 577)	(33 575)	(32 686)
	243 983	**261 859**	**217 039**	**233 594**

Reconciliation of present value of obligations in excess of Plan Assets

Opening balance	261 859	288 865	233 594	259 359
Interest cost	36 828	33 001	30 959	29 817
Current service cost	1 538	1 519	1 167	1 309
Expected return on Plan Assets	(8 642)	(4 543)	(6 157)	(4 543)
Actuarial (gains)/ loss	(11 888)	(22 406)	(8 949)	(19 662)
Employer prefunding/ additional contributions	(35 712)	(34 577)	(33 575)	(32 686)
	243 983	**261 859**	**217 039**	**233 594**

Sensitivity analysis:

Company:

The liability derived by this valuation is dependent on the assumptions set out above, which may or may not be borne out in practice. Variations from these assumptions will emerge in future years as experience gains or losses and will be recognised by NECSA in accordance with its accounting policies.

The valuation results are sensitive to changes in the underlying assumptions. The effects of varying these assumptions are illustrated below.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. This is a limitation of a sensitivity analysis.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

Discount rate

The table below shows the impact of a 1% increase and decrease in the discount rate.

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Employer's accrued liability	276 231	255 861	238 150
Employer's service and interest cost	27 689	27 922	28 092

Therefore, a 1% increase in the discount rate assumption will result in a 6.9% decrease in the accrued liability. Similarly, a 1% decrease in the discount rate assumption will result in a 8.0% increase in the accrued liability.

Price inflation

The valuation basis assumes that the employer's medical subsidy contribution rate will increase in line with assumed future price inflation annually. The effect of a 1% increase and decrease in the inflation rate is as follows:

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Employer's accrued liability	237 723	255 861	276 480
Employer's service and interest cost	25 790	27 922	30 353

Therefore, a 1% increase in the inflation rate assumption will result in an 8.1% increase in the accrued liability. Similarly, a 1% decrease in the inflation rate assumption will result in a 7.1% decrease in the accrued liability.

Mortality

The table below shows the impact of changing the mortality basis from PA(90)-2 to PA(90)-3 and PA(90)-1, all with a 1.0% improvement.

	PA(90) – 3*	Valuation basis	PA(90) – 1*
	R'000	R'000	R'000
Employer's accrued liability	263 793	255 861	247 929
Employer's service and interest cost	28 823	27 922	27 021

***The mortality basis includes mortality improvements of 1.0% per annum, with a base year of 2006.**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

Therefore, a one year down-rating in the post-retirement mortality assumption will result in a 3.1% increase in accrued liability. Similarly, a one year upward-rating in the post-retirement mortality assumption will result in a 3.1% decrease in the accrued liability.

A one year down-rating of the mortality assumption assumes that a person currently aged x will experience mortality equivalent to that of a person aged x-1.

Expected retirement age

The table below shows the impact of a 1-year increase and decrease in the average retirement age assumption (which is the age that the liability is assumed to be fully accrued). The average retirement age is assumed to be 65 years.

	1 year younger	Valuation basis	1 year older
	R'000	R'000	R'000
Employer's accrued liability	259 306	255 861	238 150
Employer's service and interest cost	28 065	27 922	25 974

Therefore, an increase of 1 year in the average retirement age assumption will result in a 6.9% decrease in the accrued liability. Similarly, a decrease of 1 year in the average retirement age assumption will result in a 1.3% increase in the accrued liability.

Group:

Discount rate

The table below shows the impact of a 1% increase and decrease in the discount rate.

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Employer's accrued liability	305 990	282 805	262 716
Employer's service and interest cost	30 785	30 969	31 092

Therefore, a 1% increase in the discount rate assumption will result in a 7.2% decrease in the accrued liability.

Similarly, a 1% decrease in the discount rate assumption will result in a 8.3% increase in the accrued liability.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

Price inflation

The valuation basis assumes that the employer's medical subsidy contribution rate will increase in line with consumer price inflation annually. The effect of a 1% increase and decrease in the inflation rate is as follows:

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Employer's accrued liability	262 213	282 805	306 298
Employer's service and interest cost	28 544	30 969	33 746

Therefore, a 1% increase in the inflation rate assumption will result in a 8.4% increase in the accrued liability. Similarly, a 1% decrease in the inflation rate assumption will result in a 7.4% decrease in the accrued liability.

Mortality

The table below shows the impact of changing the mortality basis from PA(90)-2 with a 1.0% improvement, to PA(90)-3 with a 1.0% improvement and PA(90)-1 with a 1.0% improvement.

	PA(90) – 3*	Valuation basis	PA(90) – 1*
	R'000	R'000	R'000
Employer's accrued liability	291 309	282 805	274 289
Employer's service and interest cost	31 937	30 969	30 001

***The mortality basis includes mortality improvements of 1.0% per annum, with a base year of 2006.**

Therefore, a one year down-rating in the post-retirement mortality assumption will result in a 3.0% increase in accrued liability. Similarly, a one year upward-rating in the post-retirement mortality assumption will result in a 3.0% decrease in the accrued liability.

A one year down-rating of the mortality assumption assumes that a person currently aged x will experience mortality equivalent to that of a person aged x-1.

Expected retirement age

The table below shows the impact of a 1-year increase and decrease in the average retirement age assumption (which is the age that the liability is assumed to be fully accrued). The impact of reducing the average retirement age by two years is also shown in the table below. The average retirement age is assumed to be 65 years.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

	1 year younger	Valuation basis	1 year older
	R'000	R'000	R'000
Employer's accrued liability	286 830	282 805	264 621
Employer's service and interest cost	31 142	30 969	28 956

Therefore, an increase of 1 year in the average retirement age assumption will result in a 6.2% decrease in the accrued liability. Similarly, a decrease of 1 year in the average retirement age assumption will result in a 1.4% increase in the accrued liability.

NTP Radioisotopes

Discount rate

The table below shows the impact of a 1% increase and decrease in the discount rate.

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Employer's accrued liability	20 926	19 091	17 522
Employer's service and interest cost	2 195	2 340	2 152

Therefore, a 1% increase in the discount rate assumption will result in a 8.2% decrease in the accrued liability. Similarly, a 1% decrease in the discount rate assumption will result in a 9.6% increase in the accrued liability.

Price inflation

The valuation basis assumes that the employer's medical subsidy contribution rate will increase in line with consumer price inflation annually. The effect of a 1% increase and decrease in the inflation rate is as follows:

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Employer's accrued liability	17 475	19 091	20 960
Employer's service and interest cost	1 977	2 340	2 402

Therefore, a 1% increase in the inflation rate assumption will result in a 9.8% increase in the accrued liability. Similarly, a 1% decrease in the inflation rate assumption will result in an 8.5% decrease in the accrued liability.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

Mortality

The table below shows the impact of changing the mortality basis from PA(90)-2 with a 1.0% improvement, to PA(90)-3 with a 1.0% improvement and PA(90)-1 with a 1.0% improvement.

	PA(90) – 3*	Valuation basis	PA(90) – 1*
	R'000	R'000	R'000
Employer's accrued liability	19 566	19 091	18 610
Employer's service and interest cost	2 229	2 340	2 118

***The mortality basis includes mortality improvements of 1.0% per annum, with a base year of 2006.**

Therefore, a one year down-rating in the post-retirement mortality assumption will result in a 2.5% increase in accrued liability. Similarly, a one year upward-rating in the post-retirement mortality assumption will result in a 2.5% decrease in the accrued liability.

A one year down-rating of the mortality assumption assumes that a person currently aged x will experience mortality equivalent to that of a person aged x-1.

Expected retirement age

The table below shows the impact of a 1-year increase and decrease in the average retirement age assumption (which is the age that the liability is assumed to be fully accrued). The average retirement age is assumed to be 65 years.

	1 year younger	Valuation basis	1 year older
	R'000	R'000	R'000
Employer's accrued liability	19 393	19 091	18 697
Employer's service and interest cost	2 183	2 340	2 125

Therefore, an increase of 1 year in the average retirement age assumption will result in a 2.1% decrease in the accrued liability. Similarly, a decrease of 1 year in the average retirement age assumption will result in a 1.6% increase in the accrued liability.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

Pelchem Discount rate

The table shows the impact of a 1% increase and decrease in discount rate.

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Employer's accrued liability	29 758	26 944	24 566
Employer's service and interest cost	3 096	3 047	3 000

Therefore, a 1% increase in the discount rate assumption will result in a 8.8% decrease in the accrued liability. Similarly, a 1% decrease in the discount rate assumption will result in a 10.4% increase in the accrued liability.

Price inflation

The valuation basis assumes that the employer's medical subsidy contribution rate will increase in line with consumer price inflation annually. The effect of a 1% increase and decrease in the inflation rate is as follows:

	1% decrease	Valuation basis	1% increase
	R'000	R'000	R'000
Employer's accrued liability	24 490	26 944	29 818
Employer's service and interest cost	2 754	3 047	3 392

Therefore, a 1% increase in the inflation rate assumption will result in a 10.7% increase in the accrued liability. Similarly, a 1% decrease in the inflation rate assumption will result in a 9.1% decrease in the accrued liability.

Mortality

The table below shows the impact of changing the mortality basis from PA(90)-2 with a 1.0% improvement, to PA(90)-3 with a 1.0% improvement and PA(90)-1 with a 1.0% improvement.

	PA(90) – 3*	Valuation basis	PA(90) – 1*
	R'000	R'000	R'000
Employer's accrued liability	27 516	26 944	26 360
Employer's service and interest cost	3 114	3 047	2 980

***The mortality basis includes mortality improvements of 1.0% per annum, with a base year of 2006.**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

Therefore, a one year down-rating in the post-retirement mortality assumption will result in a 2.1% increase in accrued liability. Similarly, a one year upward-rating in the post-retirement mortality assumption will result in a 2.2% decrease in the accrued liability.

A one year down-rating of the mortality assumption assumes that a person currently aged x will experience mortality equivalent to that of a person aged x-1.

Expected retirement age

The table below shows the impact of a 1-year increase and decrease in the average retirement age assumption (which is the age that the liability is assumed to be fully accrued). The impact of reducing the average retirement age by two years is also shown in the table below. The average retirement age is assumed to be 65 years.

	1 year younger	Valuation basis	1 year older
	R'000	R'000	R'000
Employer's accrued liability	27 524	26 944	26 471
Employer's service and interest cost	3 077	3 047	2 982

Therefore, an increase of 1 year in the average retirement age assumption will result in a 1.8% decrease in the accrued liability. Similarly, a decrease of 1 year in the average retirement age assumption will result in a 2.2% increase in the accrued liability.

Company

NECSA purchased an insurance policy in the form of a company-owned annuity policy, which qualifies as a Plan Asset, effective as at 1 March 2011. Following this, thirteen further policy tranches were purchased with effective dates of 1 July 2012 and 1 May each year from 1 May 2013 to 1 May 2024.

As at 31 March 2025, the policy value of the Plan Asset provided by the insurer was R24,485,788.

The annuity portfolio is made up of a growth account and a guaranteed account. Increases are guaranteed at a minimum of CPI per annum. The growth account may be used for interim subsidies for new retirees until the annual annuity purchase.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

	31 March 2025	31 March 2024
	R'000	R'000
Guaranteed account	24 004	5 632
Growth account	482	658
Market value of Plan Asset	**24 486**	**6 290**

IAS 19 requires Plan Assets to be accounted for at fair value. To ensure comparability and consistency between the asset and liability valuation, the fair value of the Guaranteed Account was calculated as the present value of the liabilities (only for pensioners already on the Momentum annuity policy) using current valuation assumptions, less the present value of future outstanding premiums (after deducting administration costs, solvency and profit margins in the future premiums). For this, we have assumed admin costs of 2.95% and another 8.75% margin to cover solvency and profit margins. The fair value of the Growth Account was set at the market value.

The fair value of the Plan Asset is therefore set as follows:

	31 March 2025	31 March 2024
	R'000	R'000
Guaranteed account	38 340	29 008
Growth account	482	658
Fair value of Plan Asset	**38 822**	**29 666**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

The table below shows the reconciliation of the Plan Assets from opening to closing balance:

Reconciliation of Plan Assets	31 March 2025 R'000	31 March 2024 R'000
Opening balance of Plan Asset	29 666	21 810
Expected benefit payments from Plan Asset	(27 178)	(27 511)
Additional contributions	33 575	32 686
Expected return on Plan Asset	6 157	4 543
Expected asset value as at end of year	**42 220**	**31 528**
Actuarial gains/(losses)	(3 398)	(1 862)
Closing balance of Plan Asset	**38 822**	**29 666**

Group

Pelchem:

We are not aware of any assets set aside for post-employment medical aid funding that qualify as Plan Assets in terms of the requirements of IAS19. As such we have ascribed a nil value to the fair value of Plan Assets.

NTP Radioisotopes:

NTP purchased an insurance policy in the form of a company owned annuity policy, which qualifies as a Plan Asset, effective as at 1 March 2011.

As at 31 March 2025, the policy value of the Plan Asset provided by the insurer was R22,592,532

The annuity portfolio is made up of a Growth Account and a Guaranteed Account. Increases are guaranteed at a minimum of CPI per annum. Funds are transferred from the Growth Account to the Guaranteed Account to fund the purchase of annuities for new retirees. The account may also be used to fund any increase in employer contributions in excess of the guaranteed annuities.

At the current and previous valuation date, the values of each of these accounts were as follows:

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

13. Retirement benefits (continued)

	31 March 2025	31 March 2024
	R'000	R'000
Guaranteed account	16 504	14 873
Growth account	6 089	6 606
Market value of Plan Asset	**22 593**	**21 479**

IAS 19 requires Plan Assets to be accounted for at fair value. To ensure comparability and consistency between the asset and liability valuation, the fair value of the Guaranteed Account was calculated as the present value of the liabilities with increases at CPI using current valuation assumptions. The fair value of the Growth Account remains at market value. The fair value of the Plan Asset is limited to the value of the employer's accrued liability in terms of the asset ceiling provisions.

The fair value of the Plan Asset is therefore set as follows:

	31 March 2025	31 March 2024
	R'000	R'000
Fair value of Plan Assets	19 091	19 333

The table below shows the reconciliation of the Plan Assets from opening to closing balance:

Reconciliation of Plan Assets	31 March 2025 R'000	31 March 2024 R'000
Opening balance of Plan Asset	19 333	19 047
Expected benefit payments from Plan Asset	(1 419)	(1 263)
Contribution from growth account for current service costs	181	209
Expected return on Plan Asset	2 485	2 194
Expected asset value as at end of year	**20 580**	**20 187**
Actuarial gains/(losses)	(1 489)	(854)
Closing balance of Plan Asset	**19 091**	**19 333**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

14. Deferred tax

Deferred tax liability				
Property plant and equipment	(25 140)	(29 368)	-	-
Investments at fair value	(6)	(4)	-	-
Right of use asset	(4 532)	-	-	-
Prepayments	(169)	(1 347)	-	-
Doubtful debt allowance	(7 851)	(10 447)	-	-
Revaluation reserve	-	(3 758)	-	-
Revaluation of property	(6 015)	(2 041)	-	-
Section 24C	(80)	(80)	-	-
Forex adjustment	(1 005)	(1 005)	-	-
	(44 798)	**(48 050)**	**-**	**-**
Deferred tax asset				
Provision for leave pay	5 945	7 528	-	-
Lease liability	4 983	-	-	-
Tax losses to be utilised in future	8 022	9 336	-	-
Intangible assets	22	-	-	-
Inventory impairments	618	2 558	-	-
Income received in advance	500	1 382	-	-
Provision for expected credit losses	10 846	15 897	-	-
Trade receivables with credit balances	247	5 406	-	-
Loss allowance on trade receivables	86	27	-	-
Property plant and equipment	895	1 473	-	-
Provision for expected credit losses	9 303	11 439	-	-
Provision for 13th cheque	879	929	-	-
Provision for incentive scheme	544	679	-	-
Provision for bonus	7 394	7 196	-	-
Retirement benefit liability	7 275	7 632	-	-
Provision for waste disposal	30 448	33 417	-	-
Other personnel provisions	1 184	503	-	-
Provisions	9 474	11 063	-	-
	98 665	**116 465**	**-**	**-**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

14. Deferred tax (continued)

Total deferred tax	**53 867**	**68 415**	**-**	**-**
Net deferred tax				
Entities with net deferred tax liability	(1 666)	(1 032)	-	-
Entities with net deferred tax asset	55 533	69 447	-	-
	53 867	**68 415**	**-**	**-**
Total net deferred tax asset				
Reconciliation of deferred tax asset / (liability)				
At beginning of year	68 415	69 916	-	-
Movement through profit and loss	(13 973)	82	-	-
Movement through other comprehensive income	(575)	(1 583)	-	-
	53 867	**68 415**	**-**	**-**
Unused tax losses not recognised as deferred tax asset				
Unused tax losses not recognised as deferred tax assets, with expiry date 31 March 2027	125 777	110 718	-	-

15. Decommissioning and decontamination of Stage 1 and 2

The South African Nuclear Energy Corporation Ltd (Necsa) has been established for the Republic in terms of the Nuclear Energy Act 46 of 1999 to manage and operate the Republic's nuclear and related objectives. Necsa derives its mandate (powers and functions) solely from the Act and the Minister of Energy via the Department of Electricity and Energy (DEE), and is subjected to the Policies and Procedures designed by the DEE.

The National Nuclear Regulator (NNR), an organ of the State, was established in terms of the National Nuclear Regulator Act 47 of 1999. Section 1 (xiv) of the NNR Act makes provision for the granting of nuclear authorisations, also known as Nuclear Installations Licenses (NILs). Section 20 (1) of the Act states that "No person may site, construct, operate, decontaminate or decommission a nuclear installation, except under the authority of a Nuclear Installation Licence".

Section 21 (1) requires that any person wishing to site, construct, operate, decontaminate or decommission a nuclear installation may apply in the prescribed format to the Chief Executive Officer of the NNR for a nuclear installation licence and must furnish such information as the NNR Board of Directors requires. Necsa is currently the license holder of forty one (41) Nuclear Installation Licenses (NILs) that was issued by the NNR. The NNR approved NILs issued to Necsa, govern all nuclear activities undertaken in the disused and operational nuclear facilities.

Notes to the Consolidated and Separate Annual Financial Statements

15. Decommissioning and decontamination of Stage 1 and 2 (continued)

The Republic of South Africa announced its intention to abandon the Nuclear Weapons Programme in 1989 and acceded to the Non-Proliferation of Nuclear Weapons on 10 July 1991. Stemming from this announcement Necsa started in 1995 with the shutdown of the various strategic nuclear facilities directly linked to the Nuclear Weapons Programme while the other strategically related operating nuclear facilities were excluded to continue the maintenance of the Necsa site license and to support some of the current operating facilities to date.

These shutdown facilities (some have been Decommissioned & Decontaminated (D&D) while others are scheduled to be Decommissioned & Decontaminated) are currently known as past disused strategic nuclear facilities. All the other ancillary nuclear facilities that were strategically used for the Nuclear Weapons Programme have been kept operational for the new Non-Weapons (peaceful application of nuclear energy) mandate and are currently known as the Past Operational Strategic Nuclear facilities.

In terms of Section 55 (2) read with Section 1 (xiia) of the Nuclear Energy Act, 1999 (Act No. 46 of 1999), the D&D of Past Strategic Nuclear facilities, including the management of related radioactive material and waste, is an institutional nuclear obligation that vests in the Minister of Electricity and Energy. Necsa is responsible for discharging of the liabilities and government is responsible for funding thereof.

In 2000 Necsa was requested by the then Department of Mineral Resources and Energy (DMRE) (As previously known, current DEE) to quantify the total nuclear and related liability at the Pelindaba site arising from the nuclear weapons/strategic programme. Necsa then submitted to Cabinet, in April 2004, through the DMRE (As previously known, currently DEE), a Nuclear Liabilities Management Plan (NLMP). The NLMP differentiated between three stages of D&D, namely:

- Stage 1 Decommissioning and Decontamination of all disused historical nuclear facilities;
- Stage 2 Decommissioning and Decontamination of all remaining (currently operating as at 2004) nuclear facilities.

In November 2005 Cabinet approved funding of approximately R1,8 billion (2004/05 Rand values) as reflected below: The D&D of disused historical nuclear facilities (Stage 1) of the Nuclear Liabilities Management Plan (R1,5 billion) and Decommissioning and remediation of Thabana waste trenches & waste storage facilities, which were excluded from the NLMP, R270 million.

In order to provide a monitoring mechanism for effective oversight of the implementation of the approved 2005 Cabinet resolutions, DMRE (As previously known, currently DEE) issued a Policy Procedure on the Management of Nuclear Liabilities arising from Past Strategic Nuclear Facilities in May 2008, the latest policy procedure was issued in April 2021. According to the policy procedure, Necsa must submit to DMRE (As previously known, currently DEE) a formal reassessment of the liabilities every five years or at a shorter frequency if so required by the Minister. The initial methodology for reassessing the liabilities and any changes to the methodology thereafter must be agreed with the DMRE (as previously known, currently DEE) prior to implementation.

The reassessment takes into account the following and is subjected to international experts benchmarking and validation:

Notes to the Consolidated and Separate Annual Financial Statements

15. Decommissioning and decontamination of Stage 1 and 2 (continued)

a) Review of variables and values used in the assessment model (e.g. interest rates, inflation rates, waste inventories, processing cost, etc.)

b) Review assumptions made in the model.

c) Appropriateness of model used.

d) Adjustments due to liabilities discharged in previous years.

The assessed amount is adjusted for inflation annually until the next reassessment. Since 2007/08 NECSA has been receiving annually ringfenced grants from the State to discharge this liability on behalf of the DMRE

Stage 1 Liabilities: In 2013/14 financial year, all the parties considered that the Decommissioning and Decontamination liability vested in the Minister and was recognised in the financial statements of the DMRE (As previously known, currently DEE); and NECSA was acting as an agent of the Minister with regard to D&D. A Senior Counsel opinion, obtained in March 2016, confirmed that the liability to Decommission and Decontaminate past strategic nuclear facilities rests with NECSA with regard to both disused and currently in use facilities; and that the State is obligated to fund these liabilities.

The Minister has accepted this opinion and has transferred this liability as well as Cabinet's approval to fund the Stage 1 liability to NECSA; to be recognised in NECSA's financial statements as from the 2014/15 financial year.

An independent international expert has confirmed that the assessment methodology used to determine the liability was in line with international best practice and that the amount was sound and reasonable.

After adjusting for inflation and the costs already incurred this liability has been determined to be R2.6 billion as at 31 March 2023 and in terms of IAS 37 this liability is recognised as a provision (liability) and the State's funding obligation, approved by Cabinet is recognised as an asset.

The initial 2018/19 liability reassessment that was conducted by Necsa was not accepted by the 2019 independent review team for the following reasons:

1. Concern that the methodology assumed an end date of 2033 was not realistic and attainable
2. No justification/detailed long term plan to substantiate the remaining years of the 2033 end date
3. Indirect/overhead cost not sufficient (was less than 2013/14 +CPI). This approach was based on the 2013/14 methodology as agreed to base 2018/19 assessment.
4. Queries in the facility inventory and D&D assessments

The above required corrective measures to be implemented and another 2018/19 reassessment was conducted and reviewed by the 2020 independent review team. The R5.5 billion current prices was confirmed/accepted as a reasonable estimate compared to the previously assessed R3.6 billion that was rejected by the review team. The reason for the increase was mainly due to the following:

- The high-level long-term plans for Waste Management and Decommissioning activities that were developed, after being identified as a shortcoming by the independent expert reviewer from the previous reassessment that was not accepted by the independent review team.
- These long-term plans pushed the projects from 2033 to 2040 increasing the project end date by seven (7) years.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

15. Decommissioning and decontamination of Stage 1 and 2 (continued)

- The negative impact of the underfunding over the past years that delayed the execution of the projects also contributed to this estimate although additional funding was provided in 2018.

An independent international expert has confirmed that the 2020 assessment methodology used to determine the liability provides a reasonable central estimate of the ongoing liability, as such it provides a reasonable figure for the purpose of securing government funding.

Non-current assets				
Decommissioning & decontamination - Stage 1	2 670 245	2 771 982	2 670 245	2 771 982
Current assets				
Decommissioning & decontamination - Stage 1	304 265	273 817	304 265	273 817
Non-current liabilities				
Decommissioning & decontamination - Stage 1	(2 670 245)	(2 771 982)	(2 670 245)	(2 771 982)
Current liabilities				
Decommissioning & decontamination - Stage 1	(304 265)	(273 817)	(304 265)	(273 817)
	-	-	-	-
Government grant expense (Decommissioning & decontamination - Stage 1)	(362 851)	(560 731)	(362 851)	(560 731)
Acceptance of Decommissioning & decontamination - Stage	362 851	560 731	362 851	560 731
	-	-	-	-

2025	Opening	Finance Charge / Finance Income	Change in discount factor	Total
	R'000	R'000	R'000	R'000
Assets	3 045 799	290 941	(362 230)	2 974 510
Liabilities	(3 045 799)	(290 941)	362 230	(2 974 510)
	-	-	-	-

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

15. Decommissioning and decontamination of Stage 1 and 2 (continued)

2024	Opening	Finance factor Charge / Finance Income	Change in discount factor	Total
	R'000	R'000	R'000	R'000
Assets	2 496 119	-	549 680	3 045 799
Liabilities	(2 496 119)	-	(549 680)	(3 045 799)
	-	-	-	-

Stage 2 Liabilities:

The Stage 2 facilities are currently in operation and these facilities will only be Decommissioned and Decontaminated once operations cease.

Strategic Operational Nuclear Facilities currently in use:

During 2013/14, the D&D Stage 2 liability assessment by management was calculated at R478 million. The formal assessment of liability is done periodically. In between the formal assessment, applicable economic indicators such as inflation are utilised to calculate the liability

The Stage 2 Liability has been assessed on the basis of the same methodology as for Stage 1. The reassessment is conducted every five (5) years, and the assessed amount will be adjusted for inflation until the next reassessment. The last assessment was conducted in 2022/2023 financial year. An independent international expert has confirmed that the assessment methodology used to determine the liability was in line with international best practice and that the amount of R512 million was sound and reasonable as on 30 March 2017.

Up to 2017/18, the asset could only be recognised to the extent of the allocation letter of grant for the Medium-Term Expenditure Framework (MTEF) period received from the shareholder Department of Mineral resources and Energy. However, in June 2018, the Minister of Finance through the Cabinet Memo 04 of 2018 accepted the funding obligation for Stage 2. To this extent, the Stage 2 liability matches the asset with effect from 2018/19 financial year. To address the incongruity between liabilities exceeding the asset with regard to D&D Stage 2, Necsa through the DMRE (as previously known, currently DEE) drafted a Cabinet Memorandum 04 of 2018 requesting the Cabinet to approve in writing the funding commitment of Stage 2 liability for Operational Nuclear Facilities at Necsa.

To this extent, the cabinet approved the funding of Stage 2 and requested the DMRE (As previously known, currently DEE) and National Treasury to finalise the matter in such a way that the AGSA will be satisfied that the funding obligation of Stage 2 lies with the state. Therefore, with effect from 2018/19 the Cabinet memo read with the Minister of Finance's letter complies with IAS 37.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

15. Decommissioning and decontamination of Stage 1 and 2 (continued)

Non-current assets				
Decommissioning & decontamination - Stage 2	300 503	287 913	300 503	287 913
Non-current liabilities				
Decommissioning & decontamination - Stage 2	(300 503)	(287 913)	(300 503)	(287 913)
	-	-	-	-

2025	Opening	Finance Charge / Finance Income	Change in discount factor	Total
	R'000	R'000	R'000	R'000
Assets	287 913	13 212	(622)	300 503
Liabilities	(287 913)	(13 212)	622	(300 503)
	-	-	-	-

2024	Opening	Finance Charge / Finance Income	Change in discount factor	Total
	R'000	R'000	R'000	R'000
Assets	243 931	32 931	11 051	287 913
Liabilities	(243 931)	(32 931)	(11 051)	(287 913)
	-	-	-	-

The 2024 disclosure was updated to reflect the current and non-current portions of the asset and liability for D&D Stage 1

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

16. Vaalputs after care

Non-current liabilities	(64 666)	(59 836)	(64 666)	(59 836)

2025	Opening	Change in discount factor	Total
	R'000	R'000	R'000
Vaalputs after care non-current liabilities	(59 836)	(4 830)	(64 666)

2024	Opening	Change in discount factor	Total
	R'000	R'000	R'000
Vaalputs after care non-current liabilities	(56 178)	(3 658)	(59 836)

In terms of Section 50 of the Nuclear Energy Act, the responsibility for the Republic's institutional nuclear obligations vests in the Minister of Electricity & Energy. The management of nuclear waste disposal on a national basis is one of these obligations as defined in Section 1(xii) of the Act.

The management of radioactive waste disposal on a national basis is assigned to the National Radioactive Waste Disposal Institute. The Institute is an independent entity established by statute under the provision of section 55(2) of the Nuclear Energy Act to fulfil the institutional obligation of the Minister of Electricity and Energy. Although the institute is operational, they are still in the process to obtain the Nuclear Installation Licence from the National Nuclear Regulator which will allow them to operate the Vaalputs disposal site.

In terms of section 30(8) of the Disposal Institute Act, DMRE (as previously known, currently DEE) subsequently appointed Necsa on 7 March 2010 to maintain the Nuclear Installation License for Vaalputs (NIL28) until such time as the NRWDI is in a position to take over these functions to the satisfaction of the NNR. To date the NNR still did not issue NRWDI with the Nuclear Installation Licence.

Vaalputs is required to make provision in a long-term provision fund to cover the costs which will be incurred during the institutional control period of Vaalputs. This is a period of total 300 years after closure of the disposal site, called aftercare. Contributions to this fund should be made to the fund during the operational period of Vaalputs (currently foreseen until 2054), thus ensuring that sufficient funds are available by the start of the institutional control period for these 300 years.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

16. Vaalputs aftercare (continued)

Provision was made for this fund and annual contributions were made. A methodology and model were developed and documented by Necsa to determine and assess on an annual basis the total required provision which would be required by Vaalputs closure in current terms. This model also compares the determined required provision with the current total provision, and then also determines the possible annual contributions required for the remainder of the operational period of Vaalputs.

The model considers all the projected operational expenses during the institutional control period, investment return, inflation, site closure date, etc. The model is run each year to reassess and compare the actual investment performance with the then projected current required provision, and the required annual fund contribution. The statement above reflects the current actual provision and the model determined required current provision as non current liabilities. The difference will be addressed by the model determined further annual contributions which will be made until site closure. Based on the recent annual review, no annual contribution to the fund was required for this financial year.

The 2024 amounts are restated as the asset previously reflected in this note is now disclosed as part of property, plant and equipment.

17. Inventories

Raw materials, components	5 746	4 802	-	-
Work in progress	18 290	20 734	16 339	16 957
Finished goods	41 102	29 937	-	-
Life science products and equipment	26 815	20 471	-	-
Production supplies	13 111	13 922	-	-
Safari fuel	253 769	313 261	-	-
Consumables	52 515	49 723	47 827	45 309
Other inventories for sale	490	636	-	-
	411 838	453 486	64 166	62 266
Inventories (write-downs)	(33 138)	(29 217)	(4 726)	(788)
	378 700	**424 269**	**59 440**	**61 478**
Carrying value of inventories carried at fair value less costs to sell	378 700	424 269	59 440	61 478

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

17. Inventories (continued)

Impairments are done to account for planned inventory write downs in the following financial year after the formal approval process. Impairments arises where inventory is obsolete, expired, has no use for the organisation and when no future benefits are expected to the group. Inventory is written down to the lowest of cost and net realisable value.

Impaired amount of categories of inventory

Consumables	2 874	29 217	1 637	788
Work in progress	3 089	-	3 089	-
Safari fuel	16 311	-	-	-
Life science products and equipment	2 999	-	-	-
Finished goods	5 576	-	-	-
Production supplies	2 289	-	-	-
	33 138	**29 217**	**4 726**	**788**

Write-downs for slow moving inventories to net realisable value amounted to R4.726 million (2024: R0.788 million) for the company and R33.138 million (2024: R29.217 million) for the group. These were recognised as an expense during the year ended 31 March 2025, in cost of sales.

18. Cash and cash equivalents

Cash and cash equivalents consist of:				
Cash on hand	30	44	7	18
Bank balances	881 610	1 001 317	640 053	668 547
Short-term deposits	224 750	125 545	-	-
Bank overdraft	(7 357)	(10 648)	-	(290)
	1 099 033	**1 116 258**	**640 060**	**668 275**
Current assets	1 106 390	1 126 906	640 060	668 565
Current liabilities	(7 357)	(10 648)	-	(290)
	1 099 033	**1 116 258**	**640 060**	**668 275**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

18. Cash and cash equivalents (continued)

Cash and cash equivalents pledged as collateral

Financial assets pledged as collateral	11 300	11 300	-	-
Nedbank bank account pledged as collateral for a guarantee to a customer	3 044	-	-	-
Current liabilities				
Gammatec	-	(1)	-	-
Pelchem	(7 350)	(10 350)	-	-
The Nuclear Energy Corporation of South Africa SOC Limited has signed suretyship for the R14 million overnight facility. The overnight facility is reviewed once a year by Nedbank. There are no set repayment terms on the overdraft and the interest is charged at prime plus 0.5%	-	-	-	-
Arecsa	(7)	(7)	-	-
Necsa deposits in transit	-	(290)	-	(290)
	(7 357)	**(10 648)**	**-**	**(290)**

Details of facilities

The overdraft facility was revoked during the 2019/20 financial year. This was due to market fluctuations during the height of the COVID-19 pandemic influencing the markets. There are no set repayment terms of the overdraft and interest is charged at prime less 1.5%. There are no restrictions on the realisability of any of the cash and cash equivalents. The credit quality of cash at bank and short-term deposits, excluding cash on hand is assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

18. Cash and cash equivalents (continued)

Asset based financing	3 000	899	3 000	899
CFC	2 000	2 000	-	-
Commitments regarding guarantees (local)	2 200	2 200	-	-
Corporate credit card	5 000	5 000	5 000	5 000
FECs	68 615	68 615	36 500	36 500
Fleet management service	185	185	-	-
Forex cancellation limit	750	750	-	-
Forex settlement limit	7 000	7 000	-	-
General short term banking facility	351	3 500	351	3 500
Letter of guarantee	6 040	32 000	1 040	-
Letter of credit	450	450	-	-
Overdraft	11 500	11 500	-	-
Vehicle and asset finance	5 350	5 290	-	-
	112 441	**139 389**	**45 891**	**45 899**

19. Share Capital

Authorised				
500 000 000 Ordinary shares of R1 each - No par value	500 000	500 000	500 000	500 000
Reconciliation of number of shares issued:				
2 205 000 ordinary shares of R1 each	2 205	2 205	2 205	2 205
Issued				
Ordinary	2 205	2 205	2 205	2 205

20. Revaluation reserve

The revaluation reserve consists of fair value adjustments to the land and buildings of the Group and the Company.

Revaluation reserve	840 774	799 371	824 398	783 779

Necsa does not intend to sell its land and buildings before decommissioning and decontamination takes place. An exercise will need to be conducted to check the decommissioning and decontamination of the land and buildings.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

21. Reserve for valuation of investments

The reserve for valuation of investments comprises all fair value adjustments on financial instruments designated as financial assets measured at fair value through other comprehensive income. When an asset or liability is derecognised, the fair value adjustment relating to that asset or liability is transferred to retained earnings/ accumulated loss.

Investments at fair value through other comprehensive income	521	380	505	380

22. Deferred income

Government grants for future expenditure:				
Government grants	1 277 415	1 271 857	1 277 415	1 271 857
Split between non-current and current portions				
Non-current liabilities	1 043 916	905 759	1 043 916	905 759
Current liabilities	233 499	366 098	233 499	366 098
	1 277 415	**1 271 857**	**1 277 415**	**1 271 857**
At 1 April	1 271 857	1 171 964	1 271 857	1 171 964
Received during the year	802 187	862 608	802 187	862 608
Released to the statement of comprehensive income	(796 629)	(762 715)	(796 629)	(762 715)
	1 277 415	**1 271 857**	**1 277 415**	**1 271 857**

Refer to note 15 and 24 for nature and detail of the government grant received relating to decommissioning and decontamination costs.

The 2024 amounts were restated to better disclose the long- and short-term liabilities.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

23. Provisions

Reconciliation of provisions - Group - 2025

	Opening balance	Additions	Utilised during the year	Change in discount factor	Total
Decommissioning and waste disposal	904 814	99 538	(33 394)	(765)	970 193
Leave provision	129 685	16 801	(14 581)	-	131 905
	1 034 499	**116 339**	**(47 975)**	**(765)**	**1 102 098**

Reconciliation of provisions - Group - 2024

	Opening balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Decommissioning and waste disposal	818 681	103 671	(14 658)	(2 651)	(229)	904 814
Leave provision	133 636	5 494	(8 596)	(849)	-	129 685
	952 317	**109 165**	**(23 254)**	**(3 500)**	**(229)**	**1 034 499**

Reconciliation of provisions - Company - 2025

	Opening balance	Additions	Utilised during the year	Total
Fuel elements and waste drums	753 870	75 482	-	829 352
Leave provision	66 993	12 019	(4 096)	74 916
	820 863	**87 501**	**(4 096)**	**904 268**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

23. Provisions (continued)

Reconciliation of provisions - Company - 2024

	Opening balance	Additions	Utilised during the year	Total
Fuel elements and waste drums	671 354	82 516	-	753 870
Leave provision	69 522	663	(3 192)	66 993
	740 876	**83 179**	**(3 192)**	**820 863**
Non-current liabilities	970 193	904 814	829 352	753 870
Current liabilities	131 905	129 685	74 916	66 993
	1 102 098	**1 034 499**	**904 268**	**820 863**

NTP Radioisotopes waste disposal:

The waste provision is for the disposal of waste generated during production. Management's best estimates are used to calculate this based on experience and quotes obtained from the industry. This calculation is based on a disposal plan set out by management. The obligation will be discharged when all required regulatory requirements have been met. Inputs to the disposal plan: Waste actually generated, expected packaging and disposal costs. The current portion will be realised within 12 months and the remainder between 1 and 3 years. The discount rate used is 9.25%. Utilisation takes place in the ordinary course of business as waste is removed for disposal.

Necsa Nuclear Fuel Element Disposal:

This provision is for the disposal of spent fuel from the Safari-1 nuclear reactor. Management's best estimate is used to calculate this based on experience and quotes obtained from the industry. This calculation is based on a disposal plan set out by management. The obligation will be discharged when all required regulatory requirements have been met. Inputs to the disposal plan include Spent Fuel actually generated, expected packaging, transport, processing and disposal costs.

The Department of Electricity and Energy released a draft National Back-end strategy which aims to consolidate all South African Spent Fuel and to dispose of them together. This strategy will bring economies of scales and reduce the Necsa obligation.

Necsa has done a preliminary costing exercise of the draft National back-end strategy and plan to adopt this strategy once approved. A comparison of the liability between the current Necsa strategy and the draft back-end strategy is as follows:

Current liability as recorded in 2025 is R772,954 million

Preliminary calculation of new National Strategy in 2025 is R527,038 million

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

23. Provisions (continued)

Necsa Solid Waste Disposal provision:

The waste provision is for the disposal of solid waste generated during production. Management's best estimate is used to calculate this based on experience and quotes obtained from the industry. This calculation is based on a disposal plan set out by management. The obligation will be discharged when all required regulatory requirements have been met. Inputs to the disposal plan: Waste actually generated, expected transport and disposal costs.

Pelchem Decommission and Decontamination provisions of production facilities:

The provision is to decontaminate and decommission Pelchem's production facilities. The decommissioning and decontamination provision is presently valued on the date the asset is constructed and used. The unwinding is recognised as a finance cost in profit and loss.

The average discount rate used was 8.99%. The average inflation used was 3.75%. The expected timing of cashflows is over the next 15 years. If the discount rate increases with 1% the total provision decreases with R0.947 million. If the discount rate decreases with 1% the total provision increases with R1.048 million.

Leave provision:

The leave days are a provision, because there is uncertainty over the timing and amount. The inputs into the calculation includes the leave days owed to the employees and the total cost to company.

Other payroll provisions:

These are provisions calculated based on the obligation of the organisation due to services rendered by the employees.

24. Investments contributions for future liabilities

This represents contributions invested / ring fenced for the future decommissioning of facilities.

	2023	Additions	2024	Additions	2025
	R'000	R'000	R'000	R'000	R'000
NTP - Decommissioning and Decontamination of buildings exclusively utilised	27 561	1 634	29 195	1 184	30 379
NTP Contribution to the Decommissioning and Decontamination of the Reactor / Safari-1	39 651	24 901	64 552	3 656	68 208
	67 212	**26 535**	**93 747**	**4 840**	**98 587**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

24. Investments contributions for future liabilities (continued)

The Stage 2 facilities include the SAFARI-1 Reactor which NTP Radioisotopes SOC Ltd (NTP), a subsidiary of Necsa, is contracted to manage and operate. In terms of the manage and operate agreement, NTP and Necsa will share the Decommissioning and Decontamination costs of SAFARI-1; and NTP will be charged based on the commercial utilisation of the SAFARI-1 by NTP. NTP's contribution is ring-fenced and invested to be utilised when Decommissioning and Decontamination commences. Refer to note 15 for further information on Decommissioning and Decontamination costs.

2025	Opening	Additions	Total
	R'000	R'000	R'000
NTP - Decommissioning and Decontamination of buildings exclusively utilised	(29 195)	(1 184)	(30 379)
NTP Contribution to the Decommissioning and Decontamination of the Reactor / Safari-1	(64 552)	(3 656)	(68 208)
	(93 747)	**(4 840)**	**(98 587)**

2024	Opening	Additions	Total
	R'000	R'000	R'000
NTP - Decommissioning and Decontamination of buildings exclusively utilised	(27 561)	(1 634)	(29 195)
NTP Contribution to the Decommissioning and Decontamination of the Reactor / Safari-1	(39 651)	(24 901)	(64 552)
	(67 212)	**(26 535)**	**(93 747)**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

25. Trade and other payables

Financial instruments:				
Trade payables	117 909	217 552	14 786	34 041
Accrued expense	20 457	37 133	21 456	35 621
Payroll accruals	57 232	17 736	49 620	8 194
Deposits received	258	274	-	-
Other payables	679	63 869	5 610	56 047
Non-financial instruments:				
Amounts received in advance	2 342	24 292	-	-
VAT	2 061	8 433	1 607	8 433
	200 938	**369 289**	**93 079**	**142 336**

Defaults and breaches

The average credit period on purchases is between 30 and 60 days from date of statement. The Company and Group settle payments to creditors on average 30 days from receipt of the statements. The Company and Group have financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

26. Revenue

Revenue from contracts with customers				
Sale of goods and rendering services	1 772 770	1 832 832	254 495	96 744
Revenue other than from contracts with customers				
Government grants	838 178	798 543	838 178	798 543
Other grants*	40 216	30 390	40 216	30 390
	878 394	**828 933**	**878 394**	**828 933**
	2 651 164	**2 661 765**	**1 132 889**	**925 677**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

26. Revenue (continued)

Revenue from contracts with customers includes both sales of goods and rendering of services.

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

Sale of goods and rendering of services				
Sale of goods and rendering of services	1 772 770	1 832 832	254 495	96 744
Amount included in revenue arising from government grant is as follows:				
Operating activities	626 836	594 148	626 836	594 148
Decommissioning of strategic plant	211 342	204 395	211 342	204 395
	838 178	**798 543**	**838 178**	**798 543**

The government grant relating to operating activities is primarily utilised to fund research and development expenses, non- commercial overheads and supplementary activities as required by the Nuclear Energy Act, costs for discarding radioactive waste and for storage of irradiated nuclear fuel.

The South African Government has an obligation to discharge nuclear liabilities resulting from the previous strategic nuclear programme which includes decommissioning and decontamination of disused historic facilities. The Minister of Department of Electricity and Energy is charged with this responsibility on behalf of government. A Nuclear Liabilities Management Plan (NLMP) was approved by cabinet in February 2007.

Necsa, as a statutory body created in terms of the Nuclear Energy Act (Act 46 of 1999) has been delegated with certain responsibilities in this regard. It annually receives funds to apply to the decommissioning and decontamination process in terms of the NLMP. Funds received by Necsa for this purpose and not utilised at year end are accounted for as deferred grants.

*Other grants include all non-primary mandate grants for research, training and other activities of the company. Other grants are grants received from non-shareholder public and private institutions.

The 2024 amounts were restated to show grant income separately from commercial revenue

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

27. Cost of sales

Sale of goods and rendering of services	746 142	952 915	97 123	69 002
Construction contracts	69 212	62 626	69 212	62 626
Discount received	7	(4)	-	(6)
Write down of inventories to net realisable value	238	-	-	-
Manufactured goods:				
Raw materials consumed	50	19	50	19
Employee costs	195 567	183 471	103	-
Depreciation and impairment	15 765	15 447	-	-
Manufacturing expenses	1 000	849	-	-
	1 027 981	**1 215 323**	**166 488**	**131 641**

28. Other operating income

Administration and management fees received	124	11	-	-
Commissions received	50	35	37	35
Royalties received	13 818	42 756	-	-
Bad debts recovered	2 310	828	621	828
Other recoveries	43 265	50 723	344 981	389 811
Scrapping income	1 055	12 704	424	9 615
Other income and rental income	13 285	36 856	4 753	31 572
	73 907	**143 913**	**350 816**	**431 861**

29. Other operating (losses) gains

Gains (losses) on disposals, scrappings and settlements

Property, plant and equipment	(675)	(470)	(543)	(131)

Foreign exchange gains (losses)

Net foreign exchange (losses) gains	(6 316)	14 711	-	-
Total other operating gains (losses)	**(6 991)**	**14 241**	**(543)**	**(131)**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

30. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external				
Audit fees	16 883	16 187	8 772	8 554
Auditor's remuneration - internal	**334**	**690**	**-**	**-**
Leases				
Fleet transport	6 485	5 048	6 485	5 084
Equipment	1 762	799	845	-
Buildings	185	21 635	-	21 619
Miscellaneous	-	527	-	527
Leases of low value assets	203	-	-	-
	8 635	28 009	7 330	27 230
Less: Lease charges included in cost of merchandise sold and inventories	(278)	(185)	-	-
Total lease expenses	**8 357**	**27 824**	**7 330**	**27 230**
Depreciation and amortisation				
Depreciation of property, plant and equipment	100 021	91 333	75 710	67 836
Depreciation of right-of-use assets	4 908	6 901	4 046	1 514
Amortisation of intangible assets	1 963	3 448	-	-
Total depreciation and amortisation	**106 892**	**101 682**	**79 756**	**69 350**
Less: Depreciation included in cost of merchandise sold and inventories	(15 765)	(20 253)	-	-
Total depreciation and amortisation expensed	**91 127**	**81 429**	**79 756**	**69 350**
Other				
Employee costs	1 281 076	1 204 315	864 393	790 806
Consulting and professional fees	54 820	41 267	41 825	22 262
Impairment of inventory	11 373	(7 030)	3 939	(9 252)
Employee costs included in costs of merchandise	(207 103)	(183 536)	-	-
Remuneration costs other than to employees	-	3 140	-	-
Impairment on property, plant and equipment	13 804	2 093	381	131
Impairment of right of use assets	492	2 488	-	-
Impairment of receivables	(24 813)	(5 885)	28 077	48 703
Licensing costs	89 618	74 992	89 618	74 992

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

31. Investment income

Dividend income

Equity instruments at fair value through profit or loss:

Unlisted investments - Local	979	1 828	28 833	64 733

Interest income

Investments in financial assets:

Bank and other cash	71 047	76 334	33 157	36 287
Trade and other receivables	616	1 322	-	-
Vaalputs after care	-	1 003	-	1 003
Other financial assets	-	(4 737)	-	-
Stage 1 decommissioning and decontamination	304 153	32 931	304 153	32 931
Local listed investment income	463	464	-	-
Total interest income	**376 279**	**107 317**	**337 310**	**70 221**
Total linvestment income	**377 258**	**109 145**	**366 143**	**134 954**

32. Finance costs

Trade and other payables	15	46	-	-
Lease liabilities	1 708	1 807	1 352	1 755
Bank overdraft	11 226	13 459	345	89
Late payment of tax (Tax authorities)	1	-	-	-
Decommissioning and decontamination	304 158	32 938	304 153	32 931
Deemed interest on PRML actuarial valuation	3 384	246	-	246
Fair value adjustments (1)	672	781	-	-
Total finance costs	**321 164**	**49 277**	**305 850**	**35 021**

The Group did not capitalise borrowing costs in the current or prior year presented.

(1) Fair value adjustments relate to imputed interest.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

33. Other non-operating gains (losses)

Gains (losses) on disposals, scrappings or settlements				
Impairment of Investments in associates	9	848	-	-
Fair value gains (losses)				
Financial assets mandatorily at fair value through profit or loss	8 983	14 644	8 983	14 644
Total other non-operating gains (losses)	**8 983**	**15 492**	**8 983**	**14 644**

34. Taxation

Major components of the tax expense

Current				
Local income tax - current period	53 675	46 456	-	-
Local income tax - prior period (over) under provision	-	(544)	-	-
	53 675	**45 912**	**-**	**-**
Deferred				
Originating and reversing temporary differences	4 527	3 330	-	-
	58 202	**49 242**	**-**	**-**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

34. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting (loss) profit	183 404	157 938	21 686	39 874
Tax at the applicable tax rate of 27% (2024: 27%)	49 427	42 643	-	-
Tax effect of adjustments on taxable income				
Charitable donations income	-	(272)	-	-
Permanent differences	761	-	-	-
Non-deductible impairments	-	177	-	-
Non-taxable dividends	(1 572)	(1 835)	-	-
Intellectual property amortisation	341	812	-	-
Consulting fees	-	149	-	-
Legal fees	6	23	-	-
Learnership allowance	(141)	-	-	-
Depreciation on site improvements	1 656	-	-	-
Under/ (Over) provision of tax in prior year	53	(1 286)	-	-
Other comprehensive income	-	162	-	-
Income from equity accounted investments	(1 377)	(840)	-	-
Tax losses not recognised	14 127	-	-	-
Tax losses	-	7 296	-	-
Permanent differences: Holding company exempt from tax	(5 079)	2 213	-	-
	58 202	**49 242**	**-**	**-**

The South African Revenue Services has approved an exemption in respect of The South African Nuclear Energy Corporation SOC Limited under section 10(1)(cA)(i) of the Income Tax Act. No provision is therefore made for tax for Necsa Company.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

35. Other comprehensive income

Components of other comprehensive income - Group - 2025

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	7 399	-	7 399
Movements on revaluation			
Gains (losses) on property revaluation	41 403	-	41 403
Movements on valuation of financial liabilities (credit risk component)			
Gains (losses) on valuation	2 939	(356)	2 583
Total items that will not be reclassified to profit (loss)	**51 741**	**(356)**	**51 385**
Items that may be reclassified to profit (loss)			
Financial assets measured at fair value through other comprehensive income adjustments			
Gains (losses) on valuation	143	(2)	141
Total	**51 884**	**(358)**	**51 526**

Components of other comprehensive income - Group - 2024

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	17 909	-	17 909
Movements on revaluation			
Gains (losses) on property revaluation	20 201	-	20 201
Movements on valuation of financial liabilities (credit risk component)			
Gains (losses) on valuation	2 744	(335)	2 409
Total items that will not be reclassified to profit (loss)	**40 854**	**(335)**	**40 519**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

35. Other comprehensive income (continued)

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Financial assets measured at fair value through other comprehensive income adjustments			
Gains (losses) on valuation	79	-	79
Total items that may be reclassified to profit (loss)	**79**	**-**	**79**
Total	**40 933**	**(335)**	**40 598**

Components of other comprehensive income - Company - 2025

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	7 399	-	7 399
Movements on revaluation			
Gains (losses) on property revaluation	40 619	-	40 619
Total items that will not be reclassified to profit (loss)	**48 018**	**-**	**48 018**
Items that may be reclassified to profit (loss)			
Financial assets measured at fair value through other comprehensive income adjustments			
Gains (losses) on valuation	125	-	125
Total	**48 143**	**-**	**48 143**

Components of other comprehensive income - Company - 2024

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	17 909	-	17 909
Movements on revaluation			
Gains (losses) on property revaluation	19 181	-	19 181
Total items that will not be reclassified to profit (loss)	**37 090**	**-**	**37 090**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

35. Other comprehensive income (continued)

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Financial assets measured at fair value through other comprehensive income adjustments			
Gains (losses) on valuation	79	-	79
Total items that will not be reclassified to profit (loss)	**37 169**	**-**	**37 169**

36. Cash generated from operations

Profit for the year	125 202	108 696	21 686	39 874
Adjustments for non-cash items:				
Depreciation and amortisation	106 891	93 840	79 755	69 330
Losses on sale of assets and liabilities	2 283	4 189	790	13
Fair value adjustment on financial assets	(8 983)	(15 492)	(8 983)	(14 644)
Government Grant Income (Decommissioning and Decontamination Stage 1)	362 581	560 731	362 851	560 731
Acceptance of Decommissioning and Decontamination Stage 1	(362 851)	(560 731)	(362 851)	(560 731)
Interest income relating to Stage 1 decommissioning and decontamination	(304 153)	(32 931)	(304 153)	(32 931)
Interest expense (D&D related)	304 153	32 931	304 153	32 931
Lease liability interest expense	1 708	1 807	1 352	1 755
Movements in provisions	67 599	82 182	83 405	79 991
Deferred tax expense	(14 548)	(1 222)	-	-
Movement in deferred tax	29 096	2 444	-	-
Changes in current tax payable/ receivable	14 978	(2 852)	-	-
Assets impairment	13 804	2 216	381	132
Share of profit or loss of equity accounted investments	(3 928)	(2 790)	-	-
Movement in expected credit losses	(24 813)	(5 885)	28 077	48 703
Foreign exchange (gains) and losses	(159)	2 865	(159)	2 865
Movement in investments in associates	-	-	-	2

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

36. Cash generated from operations (continued)

Adjust for items which are presented separately:				
Interest income	(72 126)	(74 386)	(33 157)	(37 290)
Dividends received	(979)	(1 828)	(28 833)	(64 733)
Finance costs	15 303	14 539	345	335
Changes in working capital:				
(Increase) decrease in inventories	41 648	(44 040)	(1 900)	(3 487)
(Increase) decrease in trade and other receivables	146 558	(39 418)	(21 394)	(70 084)
(Increase) decrease in prepayments	(117 350)	101 653	(59 681)	44 490
Inflows (outflows) from derivatives	277	2 655	(635)	3 895
Increase (decrease) in trade and other payables	(186 021)	57 574	(57 467)	(38 741)
Increase (decrease) in deferred income	5 558	99 893	5 558	99 893
Bad debts write off	3 441	15 627	3 441	5 237
Amounts received in advance	110 889	(115 244)	167 824	(94 634)
Movements in Vaalputs after care	4 830	3 658	4 830	3 658
Movement in contributions for future liabilities	4 840	26 535	4 840	26 535
Movement in retirement benefit asset/ obligation	(7 894)	(6 688)	(9 156)	(7 856)
Allowance for slow moving stock	3 921	(11 545)	3 938	(9 252)
	262 025	**298 983**	**184 857**	**85 987**

37. Commitments

Authorised capital expenditure				
Already contracted for but not provided for				
• Property, plant and equipment	413 699	196 130	43 751	57 641

This committed expenditure relates to plant and equipment and will be financed through ordinary trading operations.

Notes to the Consolidated and Separate Annual Financial Statements

38. Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

Litigation and other judicial proceedings as a rule raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each suit is brought and differences in applicable law. Upon resolution of any pending legal matter, the Company may be forced to incur charges in excess of the presently established provisions and related insurance coverage. It is possible that the financial position, results of operations or cash flows of the Company could be materially affected by the unfavourable outcome of litigation.

Legal claims:

Possible legal obligations exist for the Group in connection with disputes with unfair labour practice and CCMA disputes. These cases are currently being investigated by the Necsa legal division. A possible loss of R1 635 324 (2024: R1 635 324) can be reliably estimated.

A former employee got injured at work. He instituted a claim against Necsa for damages suffered. It is highly likely that the matter will be in Necsa's favour given the fact that COIDA is the liable entity. The claim amount is R15 000 000 (2024: R15 000 000).

Plaintiffs were employed as Independent Contractors, and their contracts were terminated as Necsa no longer required their services. The amount claimed was R149 040 (2024: R149 040) and R 359 920 (2024: R359 920) respectively.

An employee was dismissed on the 7th August 2018. The CCMA ruled that the dismissal was procedural and fair. The employee has approached the Labour Court for review of the CCMA award. At the time of his dismissal, he was earning R113 448 per annum. Depending on the outcome of the review, Necsa may be ordered to reinstate the employee with retrospective payment. However, considering that the CCMA previously ruled in Necsa's favour, the prospects are positive to likely be in Necsa's favour. The valuation was the same for 2024.

Former Necsa Board member suing another Board entity regarding the appointment of Executives at Necsa. It is highly likely the matter will be resolved in Necsa's favour. No fees paid as yet and it is difficult to quantify the quantum of a potential claim. The valuation was the same for 2024.

A supplier suing for alleged unlawful termination of contract. The contract was lawfully terminated following evidence of unlawful conduct by the company and two Necsa employees. It is highly likely that the matter will not be resolved in Necsa's favour. The amount claimed is set at R9,000,000 (2024: R6,500,000).

An external entity requires Necsa to complete work as set out in the snag list compiled by the entity. Necsa has filed a counter claim for arrear rentals and electricity amounting to R1,300,000 (2024: R1,300,000).

A local community is laying claims for land which includes Necsa at the Land Claims Court. Given the activities at Necsa and its national strategic importance it is highly likely that the land will not be restored to the claimants. Amount of claim is not quantifiable. The valuation was the same for 2024.

Notes to the Consolidated and Separate Annual Financial Statements

38. Contingencies (continued)

An independent contractor is suing Necsa for alleged breach of contract. The contract was lawfully terminated due to non- performance. There is a possibility that the matter will not be resolved in Necsa's favour. The amount claimed is set at R30,000,000 (2024: R25,000,000).

Necsa and another body are liable to pay a former Necsa employee for money he would have received had he switched his retirement monies to another administrator. Necsa is reviewing the Public Protector decision on the matter. The amount of claim is not quantifiable. The valuation was the same for 2024.

Guarantees - NTP Logistics:

Guarantees of R1,868,214 (2024: R1,868,214) were issued by Nedbank on behalf of NTP Logistics SOC Limited in favour of suppliers. The guarantees were issued in favour of specific suppliers as required through negotiations or industry requirements.

Suretyship - Pelchem SOC Limited:

A limited deed of suretyship for an amount of up to R7,350,000 (2024: R12,829,517) has been given to Pelchem SOC Limited for a Nedbank facility. R7,350,000 (2024: R10,350,000) relates to an overnight facility and R0 (2024: R2,479,517) relates to FEC liability.

The suretyship was supplied as part of the shareholders on-going support for the subsidiary's operational activities.

Pelchem SOC Limited

The company had a contingent liability at 31 March 2025 in respect of a claim made by the CCMA on 20 November 2022 to award an employee for unfair dismissal from the company. Pelchem SOC Limited was ordered to retrospectively reinstate the employee and pay an amount of R1,033,125 related to back pay.

A deposit to the same amount was paid to the lawyers in July 2023 as required by law. This amount is accounted for in prepayments under trade and other receivables.

On 20 December 2022 the company filed to the Labour Court of South Africa a notice of motion to appeal the award by the CCMA, on a date to be determined by the Registrar. The company considers it to be probable that the appeal will be successful and has therefore not recognised a provision in relation to this claim. It is not practical to estimate the total potential effect of this claim as the claim is dependent on when the court date is set, which is undeterminable.

NTP Radioisotopes SOC Limited

An extraordinary shareholder meeting of NTP Radioisotopes Europe SA was held on 31 August 2017 wherein a decision regarding the dissolution of NTP Radioisotopes Europe SA was taken. The liquidator in his report of 20 March 2018 has indicated that NTP undertook to cover liabilities up to an amount of EUR 733,500 of which EUR 270,107 has been paid to date. The liquidation process is ongoing. The amount is in dispute and in litigation. We are confident that we will be able to successfully defend the matter.

Guarantees: Guarantees of R958,683 (2024 R1,194,171) were issued by Nedbank on behalf of the company in favour of a customer.

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

39. Related parties

Relationships

Shareholder	Department of Electricity and Energy
Subsidiaries	Refer to note 8
Associates	Refer to note 9
National government	All national government departments are regarded to be related parties in accordance with circular 4 of 2005: Guidance on the term "State controlled entities" in the context of IAS 24 - Related Parties, issued by the South African Institute of Chartered Accountants. No transactions are implied simply by the nature of existence of the relationship between entities. All directors have given general declarations of interest in terms of the Companies
Directors and members of key management	Details of directors and key management remuneration paid are disclosed in Note 40

Related party balances				
Trade amount due from National public entities				
National Nuclear Regulator	455	263	455	263
National Radioactive Waste Disposal Institute	1 143	274	1 143	274
National government departments				
Department of Energy	42	3 488	42	3 488
Group companies				
Trade and other receivables				
NTP Radioisotopes SOC Ltd	-	-	75 984	77 116
AEC Amersham SOC Ltd	-	-	35	61
Gammatec NDT Supplies Ltd	-	-	-	100
NTP Logistics SOC Ltd	-	-	27	80
Pelchem SOC Ltd	-	-	449 064	399 363
Trade and other payables				
NTP Radioisotopes SOC Ltd	-	-	(233)	(239)
NTP Logistics SOC Ltd	-	-	(2 859)	(687)
Pelchem SOC Ltd	-	-	(109)	(1)
AEC Amersham	-	-	(54)	-
Gammatec NDT Supplies Ltd	-	-	(460)	-

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

39. Related parties (continued)

Dividends received from group companies				
NTP Radioisotopes SOC Ltd	-	-	28 775	63 831
Prepayment				
NTP Radioisotopes SOC Ltd	-	-	77 545	20 610
Related party transactions				
Group companies				
Interest paid to related parties				
NTP Radioisotopes SOC Ltd	-	-	-	54
Purchases from related parties				
NTP Radioisotopes SOC Ltd	-	-	443	501
AEC Amersham SOC Ltd	-	-	478	112
Gammatec NDT Supplies Ltd	-	-	400	9
NTP Logistics SOC Ltd	-	-	1 839	5 509
Pelchem SOC Ltd	-	-	2	-
Sales to related parties				
NTP Radioisotopes SOC Ltd	-	-	(443 033)	(294 896)
AEC Amersham SOC Ltd	-	-	(338)	(431)
Gammatec NDT Supplies Ltd	-	-	(240)	(854)
NTP Logistics SOC Ltd	-	-	(687)	(790)
Pelchem SOC Ltd	-	-	(43 892)	(46 672)
Electricity deposit				
NTP Radioisotopes	-	-	2 766	2 766
Interest received from related parties				
Gammatec NDT Supplies Ltd	-	-	(2)	-
Services rendered National public entities				
National Nuclear Regulator	(1 252)	(706)	(1 252)	(706)
National Radioactive Waste Disposal Institute	(1 893)	(1 378)	(1 893)	(1 378)
Sanedi	-	(8 320)	-	(8 320)
National government departments				
Department of Electricity and Energy	(37)	(2 468)	(37)	(2 468)
Department of Electricity and Energy - grant	(802 188)	(862 608)	(802 188)	(862 608)
Services received National public entities				
National Nuclear Regulator	67 477	63 415	67 477	63 415

Notes to the Consolidated and Separate Annual Financial Statements

39. Related parties (continued)

Trade amount due to/from subsidiaries are gross values reflected prior to provisions for expected credit loss.

Trade debtor, Gammatec, has payment terms of 60 days. Pelchem trade debtors have payment terms of 120 days. The remaining accounts have payment terms of 30 days.

Necsa does not have any commitments with its related parties nor has Necsa given any guarantees to its related parties other than those stated in this note.

This is also applicable to the Holding company of Necsa in that there are no commitments nor guarantees between the Necsa and its holding company.

Pelchem SOC Limited

Pelchem SOC Limited is a wholly owned subsidiary of Necsa. As a parent company Necsa is supportive of and committed to the turn-around strategy of the subsidiary. The turn-around strategy is showing fruits in continuous improvement of Pelchem results.

A provision for expected credit loss relating to Pelchem was raised R446.9 million (2024: R397.5 million).

Pelchem management has presented Necsa with a creditable recovery plan, which both Pelchem and Necsa will continue to monitor.

A limited deed of suretyship for an amount of up to R7,350,000 (2024: R12,829,517) has been given to Pelchem SOC Limited for a Nedbank facility. R7,350,000 (2024: R10,350,000) which relates to an overnight facility and R0 (2024: R2,479,517) relates to FEC liability.

With regards to other related parties: Necsa has raised a provision for expected losses on related party trade debtors excluding Pelchem of R16.321 million (2024: R17.035 million).

Notes to the Consolidated and Separate Annual Financial Statements

40. Directors' and prescribed officer's emoluments

Group Executives

2025

	Basic salary	Bonuses	Taxable allowances	Leave pay	Other company contributions	Retirement fund contributions	Total
Mr TJ Tselane: MD - NTP Group	2 341	618	1 021	-	45	444	4 469
Mr MA Mondi: GE - Human Capital (1)	1 290	167	355	195	26	262	2 295
Mr J Nkwana: Acting GE - Human Capital (2)	379	-	-	-	5	82	466
Mr AB Myoli: GE - NOAM	2 041	198	975	-	41	388	3 643
Ms PF Hawadi: GE - Financial capital	1 797	170	903	-	38	372	3 280
Ms QM Boyede: GE - Strategy and business enablement	1 179	182	1 540	-	38	240	3 179
Dr P Rampersadh: GE - Research and innovation	2 165	185	355	-	36	433	3 174
Ms SEN Rikhotso: Executive - Office of the GCEO	1 600	101	204	-	28	367	2 300
Mr SN Simelane: GE - Power and industry	1 445	146	1 087	-	35	283	2 996
Mr PJ Schutte: MD - Pelchem (3)	953	45	1 240	-	31	211	2 480
Mr AN Scott; MD - Pelchem (4)	293	-	101	44	6	56	500
Ms S Mbuyisa: GE - Human Capital (5)	112	-	123	-	3	23	261
	15 595	**1 812**	**7 904**	**239**	**332**	**3 161**	**29 043**

(1) Resigned November 2024

(2) Acting GE Human Capital from December 2024 to February 2025

(3) Appointed May 2024

(4) Resigned May 2024

(5) Appointed March 2025

Notes to the Consolidated and Separate Annual Financial Statements

40. Directors' and prescribed officer's emoluments (continued)

2024

	Basic salary	Bonuses	Taxable allowances	Leave pay	Other company contributions	Contributions paid under pension scheme	Total
Mr TJ Tselane: MD - NTP Group	1 949	714	729	-	39	375	3 806
Mr MA Mondi: GE - Human capital	1 801	154	419	-	32	368	2 774
Mr UKRD Natha: MD - Pelchem (6)	74	-	26	175	4	14	293
Mr AB Myoli: GE - Nuclear operations and advanced manufacturing	1 821	161	662	-	35	350	3 029
Ms PF Hawadi: GE - Financial capital	1 698	158	796	-	36	354	3 042
Ms QM Boyede: GE - Strategy and business enablement	1 032	163	1 150	-	32	213	2 590
Mr P Rampersadh: GE - Research and innovation	1 887	173	128	-	31	379	2 598
Ms SEN Rikhotso: Executive - Office of the GCEO	1 402	120	199	-	26	315	2 062
Mr SN Simelane: GE - Power and industry (7)	1 307	-	632	-	27	255	2 221
Mr PJ Schutte: Acting MD - Pelchem (8)	723	-	1 263	-	27	162	2 175
Mr AN Scott: MD - Pelchem (9)	146	-	51	-	3	28	228
	13 840	**1 643**	**6 055**	**175**	**292**	**2 813**	**24 818**

(6) Resigned April 2023

(7) Appointed May 2023

(8) Acting Pelchem MD from May 2023 to February 2024

(9) Appointed March 2024

Notes to the Consolidated and Separate Annual Financial Statements

40. Directors' and prescribed officer's emoluments (continued) Executive Director

2025

	Salary	Bonus	Taxable allowances	Other company contributions	Retirement fund contributions	Total
Mr L Tyabashe	1 729	300	2 221	51	383	4 684

2024

	Salary	Taxable allowances	Other company contributions	Retirement fund contributions	Total
Mr L Tyabashe	1 630	2 195	49	354	4 228

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

40. Directors' and prescribed officer's emoluments (continued)

Non-executive directors

2025

	Fees for services as director	Reimbursive travel allowance	Other company contributions	Total
Mr DR Nicholls (Necsa Chairperson)	356	4	4	364
Ms SKN Masango	154	-	2	156
Adv A Chowan	201	1	3	205
Mr LJ Shayi	212	46	3	261
Mr L Mavuso	249	2	3	254
Dr ME Makgae	237	1	3	241
Mr S Maharaj	280	2	3	285
	1 689	**56**	**21**	**1 766**

2024

	Fees for services as director	Reimbursive travel allowance	Other company contributions	Total
Mr DR Nicholls (Necsa Chairperson)	391	6	4	401
Ms SKN Masango	284	-	3	287
Adv A Chowan	174	3	2	179
Mr LJ Shayi	228	42	3	273
Mr L Mavuso	323	3	4	330
Dr ME Makgae	233	-	3	236
Mr S Maharaj	337	3	4	344
Mr HD Lazarus	-	6	-	6
	1 970	**63**	**23**	**2 056**

Notes to the Consolidated and Separate Annual Financial Statements

40. Directors' and prescribed officer's emoluments (continued)

Details of service contracts

No director has a notice period in excess of one year and no director's contract makes provision for predetermined compensation on termination exceeding one year's salary and benefits in kind. No directors are proposed for election or re- election at the forthcoming annual general meeting. All the directors have a service contract.

The following directors did not receive any emoluments:

Ms BM Makgopa

Dr PP Magampa

Amb X Mabhongo

Mr MJ Combrink

Mr HD Lazarus

41. Prior period errors

During the preparation of the financial statements for the year ended 31 March 2025, it was discovered that certain non-current liabilities relating to the Stage 2 grant funding were incorrectly classified as current. The 2024 non-current and current liabilities were re-stated to correct this. There is no other impact on the statement of profit and loss for 2024.

During 2025, it was decided to move the Vaalputs aftercare asset from Non-Current Assets in the Statement of Financial Position to Property Plant and equipment in Non-Current Assets. This is to better account for the IFRS requirement to disclose decontamination assets with the asset to be decommissioned in the future. The prior year was updated with the same change.

Necsa adopted the approach during 2025 to split the D&D Stage 1 liability and asset of the Statement of Financial Position into a non-current and current portion. The current portion reflects the company's plan to execute and receive funding on the D&D Stage 1 project in the next 12 months as agreed with the shareholder in the Annual Plan of Action. The 2024 balances were adjusted to show the same split between current and non-current liabilities and assets.

The following prior period error was corrected in the current year AFS and the amounts of the corrections and the financial statements line items affected are as follows:

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

41. Prior period errors (continued)

Statement of Financial Position	Previously reported 2024	Adjustment	Restated 2024	Previously reported 2023	Adjustment	Restated 1 April 2023
Deferred income						
Non-current liabilities	(767 189)	(138 570)	(905 759)	(674 526)	-	(674 526)
Current liabilities	(504 668)	138 570	(366 098)	(497 438)	-	(497 438)
D&D Stage 1 Liability						
Non-current liabilities	(3 045 799)	273 817	(2 771 982)	(2 496 119)	230 149	(2 265 970)
Current liabilities	-	(273 817)	(273 817)	-	(230 149)	(230 149)
D&D Stage 1 Asset						
Non-current asset	3 045 799	(273 817)	2 771 982	2 496 119	(230 149)	2 265 970
Current asset	-	273 817	273 817	-	230 149	230 149
Vaalputs Reclassification						
Vaalputs aftercare asset	21 371	(21 371)	-	22 108	(22 108)	-
Property Plant and Equipment	1 510 929	21 371	1 532 300	1 427 335	22 108	1 449 443
Total	**260 443**	**-**	**260 443**	**277 479**	**-**	**277 479**

Notes to the Consolidated and Separate Annual Financial Statements

42. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2025

	Note(s)	Fair value through other comprehensive income- equity instruments	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investmentsat at fair value	11	1 032	558 879	-	559 911	559 911
Derivatives - non-hedging	12	-	112	-	112	112
Trade and other receivables	10	-	-	224 544	224 544	224 544
Cash and cash equivalents	18	-	-	1 106 390	1 106 390	1 106 390
		1 032	**558 991**	**1 330 934**	**1 890 957**	**1 890 957**

Group - 2024

	Note(s)	Fair value through other comprehensive income- equity instruments	Fair value through profit or loss - Mandatory	Fair value through profit or loss Designated	Amortised cost	Total	Fair value
Investments at fair value	11	900	272 283	141 493	-	414 676	414 676
Trade and other receivables	10	-	-	-	343 648	343 648	343 648
Cash and cash equivalents	18	-	-	-	1 126 906	1 126 906	1 126 906
		900	**272 283**	**141 493**	**1 470 554**	**1 885 230**	**1 885 230**

Notes to the Consolidated and Separate Annual Financial Statements

42. Financial instruments and risk management (continued)

Company - 2025

	Note(s)	Fair value through other comprehensive income- equity instruments	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	11	992	558 879	-	559 871	559 871
Derivatives - non-hedging	12	-	112	-	112	112
Trade and other receivables	10	-	-	119 975	119 975	119 975
Cash and cash equivalents	18	-	-	640 060	640 060	640 060
		992	**558 991**	**760 035**	**1 320 018**	**1 320 018**

Company - 2024

	Note(s)	Fair value through other comprehensive income- equity instruments	Fair value through profit or loss - Mandatory	Fair value through profit or loss Designated	Amortised cost	Total	Fair value
Investments at fair value	11	866	272 283	141 493	-	414 642	414 642
Trade and other receivables	10	-	-	-	129 940	129 940	129 940
Cash and cash equivalents	18	-	-	-	668 565	668 565	668 565
		866	**272 283**	**141 493**	**798 505**	**1 213 147**	**1 213 147**

Notes to the Consolidated and Separate Annual Financial Statements

42. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2025

	Note(s)	Fair value through profit or loss - Held for trading	Amortised cost	Leases	Total	Fair value
Trade and other payables	25	-	196 535	-	196 535	196 535
Derivatives - non-hedging	12	1 669	-	-	1 669	1 669
Finance lease obligations	5	-	-	11 426	11 426	11 426
Bank overdraft	18	-	7 357	-	7 357	7 357
		1 669	**203 892**	**11 426**	**216 987**	**216 987**

Group - 2024

	Note(s)	Fair value through profit or loss - Held for trading	Amortised cost	Leases	Total	Fair value
Trade and other payables	25	-	336 564	-	336 564	336 564
Derivatives - non-hedging	12	1 280	-	-	1 280	1 280
Finance lease obligations	5	-	-	11 955	11 955	11 955
Bank overdraft	18	-	10 648	-	10 648	10 648
		1 280	**347 212**	**11 955**	**360 447**	**360 447**

Company - 2025

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	25	91 472	-	91 472	91 472
Finance lease obligations	5	-	7 469	7 469	7 469
		91 472	**7 469**	**98 941**	**98 941**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

42. Financial instruments and risk management (continued)

Company - 2024

	Note(s)	Fair value through profit or loss - Held for trading	Amortised cost	Leases	Total	Fair value
Trade and other payables	25	-	133 902	-	133 902	133 902
Derivatives - non-hedging	12	523	-	-	523	523
Finance lease obligations	5	-	-	11 629	11 629	11 629
Bank overdraft	18	-	290	-	290	290
		523	**134 192**	**11 629**	**146 344**	**146 344**

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

Lease liabilities		11 426	11 955	7 469	11 629
Trade and other payables	25	196 535	336 564	91 472	133 902
Total borrowings		**207 961**	**348 519**	**98 941**	**145 531**
Cash and cash equivalents	18	(1 106 390)	(1 125 967)	(640 060)	(668 565)
Net borrowings		**(899 312)**	**(777 448)**	**(541 461)**	**(523 034)**
Equity		955 863	783 511	(3 046)	(72 875)
Gearing ratio		(94)%	(99)%	17 776 %	718 %

Notes to the Consolidated and Separate Annual Financial Statements

42. Financial instruments and risk management (continued)

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

Notes to the Consolidated and Separate Annual Financial Statements

42. Financial instruments and risk management (continued)

Group		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Investments at amortised cost	11	-	-	-	141 493	-	141 493
Trade and other receivables	10	299 015	(74 471)	224 544	464 268	(120 620)	343 648
Cash and cash equivalents	18	1 106 390	-	1 106 390	1 126 906	-	1 126 906
		1 405 405	**(74 471)**	**1 330 934**	**1 732 667**	**(120 620)**	**1 612 047**

Company		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Investments at amortised cost	11	-	-	-	141 493	-	141 493
Trade and other receivables	10	608 480	(488 505)	119 975	590 368	(460 428)	129 940
Cash and cash equivalents	18	640 060	-	640 060	668 565	-	668 565
		1 248 540	**(488 505)**	**760 035**	**1 400 426**	**(460 428)**	**939 998**

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Notes to the Consolidated and Separate Annual Financial Statements

42. Financial instruments and risk management (continued)

Group - 2025

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	6 862	6 862	6 862
Current liabilities					
Trade and other payables	25	196 535	-	196 535	196 535
Lease liabilities		4 564	-	4 564	4 564
Bank overdraft	18	7 357	-	7 357	7 357
Derivatives		1 669	-	1 669	1 669
		210 125	**6 862**	**216 987**	**216 987**

Group - 2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	7 523	7 523	7 523
Current liabilities					
Trade and other payables		336 564	-	336 564	336 564
Lease liabilities		4 432	-	4 432	4 432
Bank overdraft	18	10 648	-	10 648	10 648
Derivatives		1 280	-	1 280	1 280
		352 924	**7 523**	**360 447**	**360 447**

Company - 2025

	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities				
Lease liabilities	-	3 987	3 987	3 987
Current liabilities				
Trade and other payables	91 472	-	91 472	91 472
Lease liabilities	3 482	-	3 482	3 482
	94 954	**3 987**	**98 940**	**98 940**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group - 2025	Group - 2024	Company 2025	Company 2024

42. Financial instruments and risk management (continued)

Company - 2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	7 378	7 378	7 378
Current liabilities					
Trade and other payables	25	133 902	-	133 902	133 902
Lease liabilities		4 251	-	4 251	4 251
Bank overdraft	18	290	-	290	290
Derivatives		523	-	523	523
		138 966	**7 378**	**146 344**	**146 344**

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars, Euros and Yen.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:				
Current assets:				
Trade and other receivables	83 645	152 647	6 961	5 403
Cash and cash equivalents	28 729	16 156	-	-
Prepayments	562	562	-	-
Current liabilities:				
Trade and other payables	(35 523)	(49 285)	-	(521)
Net US Dollar exposure	**77 413**	**120 080**	**6 961**	**4 882**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

42. Financial instruments and risk management (continued)

Euro exposure:				
Current assets:				
Trade and other receivables	39 803	66 141	448	1 035
Cash and cash equivalents	4 965	5 786	-	-
Interest receivable	4 272	4 390	-	-
Current liabilities:				
Trade and other payables	11 592	(31 160)	(880)	(952)
Net Euro exposure	**60 632**	**45 157**	**(432)**	**83**
GBP exposure:				
Current assets:				
Trade and other receivables	-	610	-	-
Cash and cash equivalents	-	33	-	-
Current liabilities:				
Trade and other payables	(3 100)	(1 730)	-	-
Net GBP exposure	**(3 100)**	**(1 087)**	**-**	**-**
CHF exposure:				
Current assets:				
Trade and other receivables	-	11	-	-
Current liabilities:				
Trade and other payables	(260)	-	-	-
Net CHF exposure	**(260)**	**11**	**-**	**-**
AUD exposure:				
Current assets:				
Trade and other receivables	3 015	3 015	-	-
Current liabilities:				
Trade and other payables	(2 308)	(1 805)		-
AUD exposure	**707**	**1 210**	**-**	**-**
Net exposure to foreign currency in Rand	**135 392**	**165 371**	**6 529**	**4 965**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

42. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group Increase or decrease in rate	2025 Increase	2025 Decrease	2024 Increase	2024 Decrease
Impact on profit or loss:				
US Dollar 10% increase or decrease impact on profit/ loss	7 741	(7 741)	12 044	(12 044)
EUR 10% increase or decrease impact on profit/ loss	6 063	(6 063)	4 516	(4 516)
GBP 10% increase or decrease impact on profit/ loss	(310)	310	(109)	109
CHF 10% increase or decrease impact on profit/ loss	(26)	26	(45)	45
AUD 10% increase or decrease impact on profit/ loss	(231)	231	(181)	181
OTHER 10% increase or decrease impact on profit/ loss	302	(302)	302	(302)
	13 539	**(13 539)**	**16 527**	**(16 527)**

Company Increase or decrease in rate	2025 Increase	2025 Decrease	2024 Increase	2024 Decrease
Impact on profit or loss:				
US Dollar 10% increase or decrease impact on profit/ loss	696	(696)	488	(488)
EUR 10% increase or decrease impact on profit/ loss	(43)	43	8	(8)
CHF 10% increase or decrease impact on profit/ loss	-	-	1	(1)
	653	**(653)**	**497**	**(497)**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

42. Financial instruments and risk management (continued)

Interest rate risk

Interest rate profile

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group Increase or decrease in rate	2025 Increase	2025 Decrease	2024 Increase	2024 Decrease
Impact on profit or loss:				
Impact of 2% increase or decrease in interest rate on interest income	1 442	(1 442)	1 553	(1 553)
Impact of 2% increase or decrease in interest rate on interest income	(300)	300	(233)	233
	1 142	**(1 142)**	**1 320**	**(1 320)**

Company Increase or decrease in rate	2025 Increase	2025 Decrease	2024 Increase	2024 Decrease
Impact on profit or loss:				
Impact of 2% increase or decrease in interest rate on interest income	663	(663)	726	(726)
Impact of 2% increase or decrease in interest rate on interest income	(34)	34	(17)	17
	629	**(629)**	**709**	**(709)**
Impact on equity:				
Impactof 2% increase or decrease in interest rate on D&D related interest income	6 083	(6 083)	659	(659)
Impact of 2% increase or decrease in interest rate on D&D related interest income	(6 083)	6 083	(659)	659
	-	-	-	-

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

43. Fair value information

Fair value hierarchy

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets	Note(s)				
Equity investments at fair value through other comprehensive income					
Listed shares	11	1 032	901	992	866
Financial assets mandatorily at fair value through profit or loss					
Listed shares	11	558 879	272 283	558 879	272 283
Total		**559 911**	**273 184**	**559 871**	**273 149**

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

43. Fair value information (continued)

Level 2

Recurring fair value measurements

Assets	Note(s)				
Non-hedging derivatives					
Foreign exchange contracts	12	112	-	112	-
Liabilities	**Note(s)**				
Non-hedging derivatives					
Foreign exchange contracts	12	1 669	1 280	-	523
Total		**(1 557)**	**1 280**	**112**	**523**

44. Going concern

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

Necsa has made a profit in the prior year and continued on a positive trajectory with profits now continuing to be realised in the current 2025 financial year end and the previous 2024 financial year. The company has a track record of continuing in operation, wherein this resilience will continue into the foreseeable future. Section 12 of the Nuclear Energy Act supports the mandate of the company in support of the going concern. Furthermore, Necsa has the ability to pay its short-term obligations, which it will do through the initiatives documented including through working capital management, austerity measure implementation, increasing revenue streams and prioritisation of cash generating projects to name a few.

Necsa continues to see green shoots after having embarked on a recovery plan premised on a Necsa turnaround strategy to ensure continued sustainability. This strategy is premised in the main on cost efficiency and diligent cost saving initiatives underway within the organisation as well as growth initiatives to increase revenue streams. Various projects have also been undertaken to remedy the financial situation including the rehabilitation of the balance sheet situation. All of the various initiatives including the strategic projects underway are closely tracked and monitored to ensure the effectiveness of the plans underway. The entity remains resilient with the current success and positive results of the initiatives underway evident in the forecasts to March 2026 and the current performance of the organisation post the March 2025 year end. Necsa is appreciative of the continuing support from the Shareholder which in addition to the various initiatives underway is supportive of the Necsa going concern consideration

Notes to the Consolidated and Separate Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2025	2024	2025	2024

45. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

46. Public Finance Management Act

Fruitless and wasteful expenditure for the year:

Fruitless and wasteful expenditure confirmed	53	214	14	-
Fruitless and wasteful expenditure written off	-	(803)	-	(589)
	53	**(589)**	**14**	**(589)**

Necsa Company:

Internal audit conducted an investigation on a contract awarded during the 2020/21 financial year and concluded that the procurement amounted to fruitless and wasteful expenditure of R588,555. The case was condoned by the Board during the 2023/24 financial year.

Current year fruitless and wasteful expenditure of R11,940 relates to the overpayment of salary for a terminated student and R1,626 which relates to incorrectly calculated acting allowance.

NTP Logistics SOC Ltd:

Current year fruitless and wasteful expenditure of R22,899 relates to the SARS penalties and interest.

AEC Amersham SOC Ltd:

An amount of R214,469 relates to an incident in the 2021/22 year. This was due to a late response to a VAT audit and subsequent penalties and interest. It was approved for write off in the 2023/24 financial year and subsequently removed

Gammatec NDT Supplies Ltd:

Current year fruitless and wasteful expenditure of R5 000 relates to the SARS penalties and interest.

Irregular expenditure for the year:

Irregular expenditure confirmed	105	3 629	105	1 521

Notes to the Consolidated and Separate Annual Financial Statements

46. Public Finance Management Act (continued)

Necsa Company:

The prior year irregular expenditure of R1 520 834 relates to non-adherence to procurement processes. The current year irregular expenditure of R105 000 relates to non-adherence to procurement processes.

Pelchem SOC Ltd:

The prior year irregular expenditure relates to the procurement of burner fuel from Sasol. Although the contract expired Pelchem continued to procure through an open purchase order. During the 2024 financial year a tender was issued to the market and from 31 July 2024 a new contract was signed with Sasol. The R2,107,893 relates to burner oil procured up until the commencement of the new contract.

ANNEXURES

Annexure A: Peer-Reviewed Scientific Publications for the Year

Augoyard, M., Zanolli, C., Santos, F., Oettlé, A., L'abbé, E., Le Luyer, M., Marine, M., Colard, T., Hoffman, J. W., Profico, A. & Bayle, P. (2023). Evaluation of age, sex, and ancestry-related variation in cortical bone and dentine volumes in modern humans, and a preliminary assessment of cortical bone-dentine covariation in later Homo. Journal of Anthropological Sciences Article ID PMID: 37543983. https://doi.org/10.4436/jass.10019

D'auria, F. S., Reventós, F., Herranz Puebla, L. E., Sánchez-Perea, M. M., Carlos Alberola, S., Freixa, J., Rossi, L., Zhang, J., Gupta, S., Hoehne, T., Paladino, D., Mišák, J., Darnowski, P., Kvizda, B., Mascari, F., Caruso, G., D'errico, F., Vrbanic, I., Zagar, T., Simovic, R. D., Šljivic-Ivanovic, M. Z., Hinovsky, I., Mitev, M. R., Hózer, Z., Le Corre, J. M., Roelofs, F., Kaliatka, A., Dundulis, G., Joyce, M., Middleburgh, S. C., Margulis, M., Cosgrove, P. M., Riznic, J. R., Rohatgi, U. S., Kang, H. G., Bolotnov, I. A., Fratoni, M., Marcum, W. R., Lisowski, D. D., Alonso, G., Castillo, A., Espinosa-Paredes, G., Francois, J. L., Costa, A. L., Laranjo de Stefani, G., Pinheiro Palma, D. A., Genezine, F. A., Mazzantini, O. A., Clausse, A., Florido, P. C., Soto, L., Gonzalez, A. J., Pan, C., Hu, C., Niu, F., Cai, W., Zhang, H., Zhao, J., He, X., Yun, D., Yang, J., Dong, Z., Tian, W., Pan, L., Song, D., Cheng, H., Koshizuka, S., Cheon, J., Yoon, H. Y., Ajay, K., Nguyen, V. T., Tran, H. N., Agung, A., Melikhov, V. I., Tomashchik, D. Y., Salih Bicakci, A., Shams, A., Addad, Y., Al-Athel, K. S., Afgan, I., Alwafi, A. M., Mousavian, K., Akbari, R., Aghaie Moghanloo, M., Chaudri, K. S., Elshahat, A. E., Seghour, A., Adu, S., Fadodun, O. G., Bokov, P. M., Hassan, M., Pesznyák, C. & Cizelj, L. (2024). What is the future for nuclear fission technology? A technical opinion from the Guest Editors of VSI NFT series and the Editor of the Journal Nuclear Engineering and Design. Nuclear Engineering and Design Article ID 113332. https://doi.org/10.1016/j.nucengdes.2024.113332

Duvenhage, J., Kahts, M., Summers, B., Zeevaart, J. R. & Ebenhan, T. (2024). HighlightingNewResearchTrendsonZirconium-89RadiopharmaceuticalsBeyondAntibodies. Seminars In Nuclear Medicine: 1-11. https://doi.org/10.1053/j.semnuclmed.2024.10.003

Gouws, C., Naicker, T., De la Torre, B., Albericio, F., Duvenhage, J., Kruger, G., Marjanovic-Painter, B., Mdanda, S., Zeevaart, J. R., Ebenhan, T. & Govender, T. (2024). 68Ga Radiolabeling of NODASA-Functionalized Phage Display–Derived Peptides for Prospective Assessment as Tuberculosis-Specific PET Radiotracers. Journal of Labelled Compounds & Radiopharmaceuticals: 1-15. https://doi.org/10.1002/jlcr.4120

Hojorat, M., Pineau, J., Driver, C. H. S., Esteban-Gomez, D., Cordier, M., Zeevaart, J. R., Platas-Iglesias, C. P., Lima, L. M. P., Le Bris, N. & Tripier, R. (2024). Relevance of Oxocyclam from Palladium(II) Coordination to Radiopharmaceutical Development. Inorganic Chemistry 63: 11884-11896. https://pubs.acs.org/doi/10.1021/acs.inorgchem.4c01780#

Jansen, A. A., Gama, J. S., Van der Walt, I. J. & Crouse, P. L. (2024). Waste-tyre pyrolysis and gasification via the reverse-Boudouard reaction: from 2 milligram to gram scale. Reaction Chemistry & Engineering. https://doi.org/10.1039/D3RE00577A

Kahts, M., Summers, B., Ndlela, A., Gutta, A., Nemutaduni, P., More, A., Parsoo, A., Ebenhan, T., Zeevaart, J. R., Aras, O. & Sathekge, M. (2024). First-in-human infection imaging with 89 Zr-labelled leukocytes and comparison of scan quality with [99m Tc] Tc-HMPAO-labelled leukocytes. Frontiers In Nuclear Medicine Article ID doi: 10.3389/fnume.2024.1426650. https://doi.org/10.3389/fnume.2024.1426650

Kleynhans, J., Reeve, R., Driver, C. H. S., Marjanovic-Painter, B., Sathekge, M., Zeevaart, J. R., Ebenhan, T. & Millar, R. (2025). Synthesis and characterisation of DOTA-kisspeptin-10 as a potential gallium-68/lutetium-177 pan-tumour radiopharmaceutical. Journal of Neuroendocrinology: 1-11. https://doi.org/10.1111/jne.13487

Kubheka, G. P., Adeola, A., Ngulube, R., Nombona, N. & Forbes, P. (2025). Magnetic hexadecylamine-graphene quantum dots-silver nanoparticle nanocomposite as adsorbents for the removal of phenanthrene and bacteria from aqueous solution. Discover Applied Sciences 6: 474-495. https://doi.org/10.1007/s42452-024-06147-y

Kubheka, G. P., Magwaza, T. M., Mack, J., Nyokong, T. & Shen, Z. (2024). Optical limiting properties of a 1,3,5,7-tetraaryl-azaBODIPY dye and its silver nanoparticle conjugate. Journal of Porphyrins and Phthalocyanines. https://doi.org/10.1142/S1088424624500718

Mack, J., Kubheka, G. P., May, A. K., Ngoy, B. P. & Nyokong, T. (2024). BODIPY dyes for optical limiting applications on the nanosecond timescale. Dalton Transactions 53: 17766-17771. https://pubs.rsc.org/en/content/articlelanding/2024/dt/d4dt02505a

Makhofane, M. M., Bissett, H., Kolesnikov, A. V., Premlall, K. & Van der Merwe, R. (2024). Plasma spheroidisation of Inconel 718. 2024 RAPDASA-RobMech-PRASA-AMI Conference 406: 1-9. https://www.matec-conferences.org/10.1051/matecconf/202440603007

Maqabuka, B., Daniels, G. C., Connell, S., Pieterse, F., Bedhesi, L., Chinaka, E. M., Naidoo, P., Nicholls, D. & Slabber, J. (2024). An Optical Analysis of Radiation-Induced Damage in Nuclear Reactor Optical Fibres. 32nd Southern African Universities Power Engineering Conference (SAUPEC), January 2024, IEEE https://ieeexplore.ieee.org/document/10445064/metrics#metrics

Moloko, L. E., Bokov, P. M., Wu, X. & Ivanov, K. (2024). Clustering and Uncertainty Analysis to Improve the Machine Learning-based Predictions of SAFARI-1 Control Follower Assembly Axial Neutron Flux Profiles. Annals of Nuclear Energy Article ID 110630. https://doi.org/10.1016/j.anucene.2024.110630

Motsomone, L., Diale, R., Ngoepe, P., Bissett, H. & Chauke, H. (2024). Mechanical and thermal properties of monazite LaPO4 under pressure. 2024 RAPDASA-RobMech-PRASA-AMI Conference and Exhibition 406: 1-9. https://www.matec-conferences.org/10.1051/matecconf/202440606018

Ndou, v., Kotze, D., Marjanovic-Painter, B., Phiri, E., Pieterse, P. & Sonopo, M. S. (2024). Reduced Translocation Confers Paraquat Resistance in Plantago Lanceolata. Agronomy-Basel Article ID 10.3390/agronomy14050977. https://doi.org/10.3390/agronomy14050977

Oyedeji, A., Sacks, N., Venter, A. M., Marais, D. & Pötschke, J. (2024). Optimisation of LPBF process parameters and residual stress analyses of Invar-10wt% TiC and Invar-10wt% TiN metal matrix composites. Progress In Additive Manufacturing Article ID PIAM-D-24-00667R1. https://doi.org/10.1007/s40964-024-00892-7

Prigge, L., Hoffman, J. W., Bam, L. C. & Venter, G. (2024). The semispinalis capitis muscle skull attachment as a superficial external landmark for the location of the transverse dural venous sinuses. Translational Research In Anatomy Article ID 100334. https://doi.org/10.1016/j.tria.2024.100334

Seger, M., Mathews, R., Marais, D., Venter, A. M., Halley, J., Wang, J. & Malik, A. (2024). Effects of Aluminum Plate Initial Residual Stress on Machined-Part Distortion. Journal of Manufacturing Science and Engineering-Transactions of The Asme 146: 10-31. https://doi.org/10.1115/1.4066155

Todorovic, V. T., Beetge, M., Kleyn, J., Hoffman, J. W. & Van Zyl, A. (2024). Micro-XCT analysis of anatomical features and dimensions of the incisive canal: implications for dental implant treatment in the anterior maxilla.. Bmc Oral Health Article ID 1472-6831-12-129. https://doi.org/10.1186/s12903-024-05046-3

Wu, X., Moloko, L. E., Bokov, P. M., Delipei, G., Kaizer, J. & Ivanov, K. N. (2024). Elucidating the uncertainties introduced by data-driven machine learning models. Best Estimate Plus Uncertainty International Conference (BEPU 2024); Lucca, Italy; 19-25 May 2024 https://www.nineeng.com/bepu2024/index.php

Abbreviations and acronyms

Ac-225	Actinium-225 A radioactive isotope of actinium
AC	Applied Chemistry
AEC	Atomic Energy Corporation
AET	Adult Education and Training
AFCONE	African Commission on Nuclear Energy
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AHF	Anhydrous Hydrogen Fluoride
ALARA	As Low as Reasonably Achievable
AMI	Advanced Metals Initiative
AMP	Ageing Management Programme
API	Active Pharmaceutical Ingredient
AR	Applied Radiation
ARC	Audit and Risk Committee
ARPL	Artisan Recognition of Prior Learning
ASME	American Society for Mechanical Engineers
B-BBEE	Broad-Based Black Economic Empowerment
BSC	Bid Specification Committee
CHIETA	Chemical Industries Education and Training Authority
Co-60	A radioactive isotope of cobalt
D&D	Decommissioning and Decontamination
D&D Stage 1	Decontamination, Decommissioning and Waste Management of Disused Historical Nuclear Facilities
D&D Stage 2	Decontamination, Decommissioning and Waste Management of Operating Nuclear Facilities
DFFE	Department of Forestry, Fisheries and the Environment
DIIR	Disabling Injury Incidence Rate
DIRCO	Department of International Relations and Cooperation
DMRE	Department of Mineral Resources and Energy
DSI	Department of Science and Innovation
DTI	Department of Trade and Industry
DTIC	Department of Trade, Industry and Competition
DWS	Department of Water and Sanitation
EASII	Excellence, Accountability, Safety First, Innovation and Integrity
EE	Employment Equity
EIA	Environmental Impact Assessment
ES	Engineering Services
EXCO	Executive Management Committee
FIDPM	Framework for Infrastructure Delivery and Procurement Management
FY	Financial Year
GCEO	Group Chief Executive Officer
GCFO	Group Chief Financial Officer
HF	Hydrogen fluoride
HR	Human Resources
I-131	A radioactive isotope of iodine
IAEA	International Atomic Energy Agency
IFRS	International Financial Reporting Standards
IP	Intellectual Property
Ir-192	A radioactive isotope of iridium
IRP	Integrated Resource Plan
ISO 9001	Quality Management Systems - Requirements
IT	Information Technology
KPA	Key Performance Area
KPI	Key Performance Indicator
LEMS	Liquid Effluent Management Services
LEU	Low-Enriched Uranium
LLW	Low-Level Waste
Lu-177	Lutetium-177 A radioactive isotope of lutetium
MoU	Memorandum of Understanding
MWh	Megawatt Hours
Molybdenum-99	A radioactive isotope of molybdenum
MPR	Multi-Purpose Reactor
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan

Necsa	South African Nuclear Energy Corporation SOC Limited
NEHAWU	National Education, Health and Allied Workers Union
Nersa	National Energy Regulator of South Africa
NIL	Nuclear Installation Licence
NIPMO	National Intellectual Property Management Office
NLA	Necsa Learning Academy
NLM	Nuclear Liabilities Management
NLS	Necsa Laboratory Services
NNR	National Nuclear Regulator
NOAM	Nuclear Operations and Advanced Manufacturing
NPAT	Net Profit After Tax
NQF	National Qualifications Framework
NSF	National Skills Fund
NSI	National System of Innovation
NTeMBI	Nuclear Technologies in Medicine & Biosciences Initiative
NTP	NTP Radioisotopes SOC Ltd
NuMeRI	Nuclear Medicine Research Infrastructure
OHSA	Occupational Health and Safety Act
OSCAR	Overall System for the Calculation of Reactors
PBMR	Pebble Bed Modular Reactor
P&I	Power and Industry
PDO	Predetermined Objective
PET	Positron Emission Tomography
PFMA	Public Finance Management Act
PMD	Property Management and Development
PSMA	Prostate-Specific Membrane Antigen
PWR	Pressurised Water Reactor
R&D	Research and Development
R&I	Research and Innovation
RER	Rare Earth Refineries
RPL	Recognition of Prior Learning
RRT	Radiation and Reactor Theory
SABS	South African Bureau of Standards
SAFARI-1	South African Fundamental Atomic Research Installation
SAHPRA	South African Health Products Regulatory Authority
SDG	Sustainable Development Goal
SEA	Separation Element Assembly
SHE	Safety, Health and Environment
SHEQ	Safety, Health, Environment and Quality
SMR	Small Modular Reactor
SOC	State-Owned Company
SOE	State-Owned Entity
STEM	Science, Technology, Engineering and Mathematics
Tb-161	Terbium-161 A radioactive isotope of terbium
TIA	Technology Innovation Agency
TRL	Technology Readiness Level
USA	United States of America
WIL	Work Integrated Learning
WSRF	Waste Segregation and Repacking Facility

NOTES

NOTES

BUSINESS PHYSICAL AND POSTAL ADDRESS:

Elias Motsoaledi Street Extension (Church Street West)
R104 Pelindaba, Madibeng Municipality
North West, 0240
PO Box 582
Pretoria
0001

CONTACT DETAILS:

Email: communication@necsa.co.za
Tel: +27 (012) 305 4911