

Unaudited interim results  
for the six months  
ended 31 August 2022



**adcorp**

Connecting Human Potential

adcorp



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# Salient highlights

## REVENUE

FROM CONTINUING OPERATIONS

**R5,9** bn

2021\* | R5,7 bn | + 3,2%

## OPERATING PROFIT

FROM CONTINUING OPERATIONS BEFORE  
FINANCE INCOME AND FINANCE COSTS

**R69** mil

2021\* | R69 mil | - 0,3%

## INTEREST-BEARING DEBT

EXCLUDES LEASES

**R23** mil

2021 | R133 mil | - 82,5%

## EARNINGS PER SHARE\*

FROM CONTINUING OPERATIONS

**24,6** cents

2021\* | 23,8 cents | + 3,4%

## GROSS PROFIT

FROM CONTINUING OPERATIONS

**R627** mil

2021\* | R590 mil | + 6,3%

## CASH GENERATED

BY OPERATIONS

**R89** mil

2021 | R69 mil | + 29,4%

## NET CASH POSITION\*\*

REDUCED TO

**R145** mil

2021 | R198 mil | - 26,7%

## HEADLINE EARNINGS PER SHARE\*

FROM CONTINUING OPERATIONS

**24,6** cents

2021\* | 25,7 cents | - 4,3%

## DIVIDEND DECLARED

PER SHARE

**12,2** cents

2021 | Nil |

\* Restated.

\*\* Net debt defined as interest-bearing debt excluding leases less unrestricted cash and cash equivalents from continuing operations. This is not an IFRS measure.

# Commentary

## Performance overview

The performance of Adcorp and its subsidiaries (“group”) for the first six months to 31 August 2022 reflected ongoing execution of its growth strategy. Adcorp’s revenue and gross profit was up compared to the six months ending 31 August 2021 (“comparative period”) and also lifted profit before tax on a continuing operations basis. This is the first time since August 2018 that we can report a rise in revenue over prior period and the ongoing focus on improving the quality of our business has seen gross margins rise over the comparable period. Overall results were negatively impacted by problems in the allaboutXpert (“aaX”) brand in Australia and at 31 August 2022 aaX has been classified as a discontinued operation in terms of IFRS 5: *Non-current Assets Held for Sale and Discontinued operations*.

## Financial overview

Group revenue from continuing operations of R5,9 billion was up 3,2% compared to the comparative period. Margin improvement has resulted in gross profit from continuing operations increasing by 6,3% to R626,8 million (2021: R589,6 million).

Operating profit from continuing operations was similar to the comparative period. While gross profit improved, operating expenses increased by 9,1%. The majority of this increase was attributable to an investment in people, particularly in Australia.

Profit before taxation rose by 22,3% to R45,4 million (2021: R37,1 million), largely due to a reduced interest expense of R26,9 million (2021: R35,1 million). Earnings per share from continuing operations is up to 24,6 cents (2021: 23,8 cents). The loss from discontinued operations amounted to R13,7 million.

The group’s effective tax rate from continuing operations was 40,8%, largely driven by current year tax losses not recognised and holding company non-deductible expenses in South Africa. The South African tax system does not

operate on group taxation principles and therefore all subsidiary group companies are taxed at an entity level. From the accounting charge of R18,5 million in income tax, only R6,1 million is payable as cash tax. As at 31 August 2022, total tax losses not recognised were R798 million (2021: R751 million) and those recognised were R238 million (2021: R332 million). As our businesses become more profitable, we anticipate recognising more of the assessed losses.

Cash generated by operations improved to R89,1 million from the comparative period (2021: R68,9 million) an increase of 29,4%. Net cash of R144,8 million was lower at 31 August 2022 (2021: 197,7 million) primarily due to investment in working capital, share buybacks of R12,6 million and returning cash to shareholders via a distribution of a net dividend of R49,2 million during the period. This is in line with the capital allocation framework shared with investors at year end. The group has extended its banking facilities for both South Africa and Australia during the period.

While the group continues to face pressure for extended terms from clients, the Days Sales Outstanding for the group has been carefully managed and has remained unchanged from year end on 38 days, with South Africa at 41 and 35 days in Australia.

## Contingent Staffing

Overall performance was solid as in the comparative period; considerable revenue losses in Cynergy were progressively replaced with new business in the division. BLU saw growth in demand in Q1, but had a weaker Q2 as GDP contracted. Despite this, margins were up, and the forward-looking pipeline is solid, although some of these opportunities may only materialise in FY2024.

## Functional Outsourcing

Overall performance was in line with expectations. The core FO brand continued to replace revenue lost from large contract withdrawals in the prior year with new sales. Gross profit margins improved as a continued focus on the quality of earnings paid dividends. The forward-looking pipeline remains strong. Capability performed strongly as its niche cleaning offering found willing customers.

## Professional

The division's performance reflected the efforts to stabilise the business and pursue higher quality contracts. Quest showed excellent growth while talentCRU showed signs of recovery in the Recruitment Process Outsourcing market. Charisma showed a sharp decline as hours worked were significantly less than the comparative period at a COVID-19 peak. Paracon performed in line with expectations, with lack of resource supply affecting our ability to meet demand.

## Training

Training had a weaker H1 than the comparative period. Large clients delayed spending in Q1, but these came through in Q2. Results were therefore negatively affected on a comparative basis to the prior year. PMI saw a decline in

turnover as clients cut back on training. In Torque IT, major suppliers discontinued long-standing incentive programmes, demand for IT training also fell, and clients adopted a wait-and-see attitude to training spending.

## Australia

The Australia division produced a strong underlying performance. Investments in Labour Solutions Australia ("LSA") during H1 produced excellent results, with revenue climbing substantially over the prior year. Paxus revenue was also ahead of prior year.

The division's results have been markedly impacted by considerable losses on contracts at aaX, a subsidiary of Adcorp Holdings Australia, ultimately held by Adcorp, which required extensive investment to remediate. This brand is not core to the Adcorp staffing business, therefore a programme to market the assets was launched and aaX has accordingly been disclosed as a discontinued operation in terms of IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*.



# Commentary continued

## Changes to the Board

The following changes to the directorate took place during the period under review:

- Passing of MW Spicer on 9 March 2022.
- Appointment of P Mnganga as Lead Independent director effective 26 May 2022.
- Resignation of M Nkosi effective 1 June 2022.
- Appointment of T Olls as non-executive director effective 28 July 2022.
- Resignation of and subsequent appointment of S Sithole as alternate director effective 28 July 2022.
- Resignation of C Maswanganyi effective 28 July 2022.

Subsequent to the AGM held on 28 July 2022, changes in the constitution of the various Board Sub-Committees were effected.

## Dividend declaration

Shareholders are hereby advised that the board of directors of Adcorp has approved and declared an interim gross dividend of 12,2 cents per ordinary share, from income reserves, for the six months ended 31 August 2022.

The dividend is subject to a South African dividend withholding tax rate of 20%, resulting in a net dividend of 9,76 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate of dividend tax in terms of an applicable double-taxation agreement.

As at the date of this announcement, the Company has 109 954 675 ordinary shares of no par value in issue.

The Company's income tax reference number is 9233680710.

## Salient dates and times

Shareholders are hereby advised of the following salient dates and times for the payment of the dividend:

Publication of declaration data and finalisation information	Monday, 31 October 2022
Last day to trade <i>cum</i> dividend	Tuesday, 17 January 2023
Securities commence trading ex dividend	Wednesday, 18 January 2023
Record date for purposes of determining the registered holders of ordinary shares to participate in the dividend at close of business on	Friday, 20 January 2023
Payment date	Monday, 23 January 2023

Share certificates may not dematerialise or rematerialise between Wednesday, 18 January 2023 and Friday 20 January 2023, both dates inclusive.

## Outlook

The South African operations in the second half of the 2023 financial year may be negatively affected by the persistent load shedding, high levels of labour unrest and rising inflation. In the absence of further weakening in the South African economy we expect that the progress we have made in the first half of the year will be sustained towards year end.

In Australia, we foresee softening demand for white collar contingent staff as inflation and interest rates rise, but we expect that demand for blue collar contingent staff will persist. We anticipate further costs associated with the resolution of the aaX matters will impact results.

By order of the Board

**GT Serobe**

*Chairman*

**Dr JP Wentzel**

*Chief Executive Officer*

**N Prendergast**

*Chief Financial Officer*

# Consolidated statement of financial position

as at 31 August 2022

	Notes	Unaudited six months to 31 August 2022 R'000	Unaudited six months to 31 August 2021 R'000	Audited year to 28 February 2022 R'000
<b>ASSETS</b>				
<b>Non-current assets</b>		<b>1 272 447</b>	1 282 305	1 290 954
Property and equipment		34 081	43 922	37 171
Right-of-use assets		304 222	333 072	323 432
Intangible assets		121 113	129 817	125 773
Goodwill		528 092	500 219	512 723
Other financial assets – investment at fair value		20 126	19 348	19 597
Deferred taxation		208 641	196 404	214 187
Prepayments		56 172	59 523	58 071
<b>Current assets</b>		<b>1 786 545</b>	1 904 244	1 909 718
Trade receivables		1 392 343	1 344 079	1 336 354
Other receivables		104 624	130 457	143 562
Taxation prepaid		5 513	9 572	9 447
Cash and cash equivalents		284 065	420 136	420 355
Non-current assets held for sale	4	81 222	–	–
<b>Total assets</b>		<b>3 140 214</b>	3 186 549	3 200 672
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>		<b>1 474 070</b>	1 340 430	1 472 529
Share capital and share premium		1 740 858	1 740 858	1 740 858
Treasury shares		(84 170)	(68 083)	(72 172)
Reserves		(182 618)	(332 345)	(196 157)
<b>Non-current liabilities</b>		<b>443 417</b>	443 854	438 004
Lease liabilities		346 703	356 173	348 493
Deferred taxation		96 714	87 681	89 511
<b>Current liabilities</b>		<b>1 193 644</b>	1 402 265	1 290 139
Interest-bearing borrowings	8	23 358	250 000	133 336
Lease liabilities		67 213	68 998	75 472
Trade and other payables		828 325	832 188	819 610
Provisions		225 305	205 265	203 930
Taxation		49 443	45 814	57 791
Liabilities held for sale	4	29 083	–	–
<b>Total equity and liabilities</b>		<b>3 140 214</b>	3 186 549	3 200 672

# Consolidated statement of profit or loss

for the six months ended 31 August 2022

	Notes	Unaudited six months to 31 August 2022 R'000	Restated <sup>1</sup> unaudited six months to 31 August 2021 R'000	Restated <sup>1</sup> audited year to 28 February 2022 R'000
<b>CONTINUING OPERATIONS</b>				
Revenue	6	5 860 947	5 680 579	11 318 048
Cost of sales		(5 234 175)	(5 090 963)	(10 109 805)
<b>Gross profit</b>		<b>626 772</b>	589 616	1 208 243
Other income		9 667	6 236	19 553
Loss allowance for expected credit losses – trade receivables		8 312	1 150	15 673
Operating expenses		(575 546)	(527 588)	(1 042 494)
<b>Operating profit</b>		<b>69 205</b>	69 414	200 975
Interest income		3 034	2 852	5 243
Interest expense		(26 851)	(35 146)	(69 015)
<b>Profit before taxation</b>		<b>45 388</b>	37 120	137 203
Taxation expense		(18 525)	(11 299)	(31 890)
<b>Profit for the period from continuing operations</b>		<b>26 863</b>	25 821	105 313
<b>DISCONTINUED OPERATIONS</b>				
(Loss)/profit for the period from discontinued operations	4	(13 663)	6 505	13 644
<b>Profit for the period</b>		<b>13 200</b>	32 326	118 957
<b>Profit attributable to:</b>				
Owners of the parent – continuing operations		25 790	25 516	102 759
Owners of the parent – discontinued operations		(13 663)	6 505	13 644
Non-controlling interest		1 073	305	2 554
<b>Continuing operations basic and diluted earnings per share:</b>				
Basic earnings per share – cents	7	24,6	23,8	96,3
Diluted earnings per share – cents	7	23,8	22,3	91,1
<b>Discontinued operations basic and diluted earnings per share:</b>				
Basic (loss)/earnings per share – cents	7	(13,0)	6,1	12,8
Diluted (loss)/earnings per share – cents	7	(12,6)	5,7	12,1
<b>Total basic and diluted earnings per share:</b>				
Basic earnings per share – cents	7	11,6	29,8	109,1
Diluted earnings per share – cents	7	11,2	27,9	103,2

<sup>1</sup> 31 August 2021 and 28 February 2022 restated on the classification of aaX as discontinued operations. Refer to note 4 Discontinued operations. The published prior year results included aaX as continued operations.



# Consolidated statement of other comprehensive income

for the six months ended 31 August 2022

	<b>Unaudited six months to 31 August 2022 R'000</b>	Restated <sup>1</sup> unaudited six months to 31 August 2021 R'000	Restated <sup>1</sup> audited year to 28 February 2022 R'000
<b>Profit for the period</b>	<b>13 200</b>	32 326	118 957
<b>Other comprehensive income/(loss)<sup>1</sup></b>			
<b>CONTINUING OPERATIONS</b>			
Exchange differences on translating foreign operations	<b>38 505</b>	(18 744)	9 375
Exchange differences arising on the net investment of a foreign operation	<b>17 380</b>	(30 330)	(15 987)
<b>DISCONTINUED OPERATIONS</b>			
Exchange differences on translating foreign operations	<b>(567)</b>	2 400	1 351
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>55 318</b>	(46 674)	(5 261)
Non-controlling interest	<b>104</b>	74	–
<b>Total comprehensive income/(loss) for the period</b>	<b>68 622</b>	(14 274)	113 696
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the parent continuing operations	<b>81 675</b>	(23 558)	96 147
Owners of the parent discontinued operations	<b>(14 230)</b>	8 905	14 995
Non-controlling interest	<b>1 177</b>	379	2 554

<sup>1</sup> 31 August 2021 and 28 February 2022 restated on the classification of aaX as discontinued operations. Refer to note 4 Discontinued operations. The published prior year results included aaX as continued operations.

# Consolidated statement of changes in equity

for the six months ended 31 August 2022

	Share capital R'000	Share premium R'000	Treasury shares R'000	Share-based payment reserve R'000
<b>Balance as at 28 February 2021 (audited)</b>	2 749	1 738 109	(68 083)	179 717
Recognition of BBBEE and staff share-based payments	–	–	–	8 484
Profit for the period	–	–	–	–
Other comprehensive income	–	–	–	–
Equity due to change in control	–	–	–	–
<b>Balance as at 31 August 2021 (unaudited)</b>	2 749	1 738 109	(68 083)	188 201
<b>Balance as at 28 February 2022 (audited)</b>	2 749	1 738 109	(72 172)	196 240
Treasury share purchases	–	–	(12 560)	–
Treasury shares sold	–	–	562	(562)
Recognition of BBBEE and staff share-based payments	–	–	–	(5 312)
Profit for the period	–	–	–	–
Other comprehensive income	–	–	–	–
Distributions to shareholders	–	–	–	–
<b>Balance as at 31 August 2022 (unaudited)</b>	<b>2 749</b>	<b>1 738 109</b>	<b>(84 170)</b>	<b>190 366</b>

Foreign currency translation reserve R'000	Accumulated loss R'000	Attributable to equity holders of the parent R'000	Non- controlling interest R'000	Employee's share option scheme reserve R'000	Total R'000
28 782	(529 095)	1 352 179	(93)	168	1 352 254
–	–	8 484	–	–	8 484
–	32 021	32 021	305	–	32 326
(46 674)	–	(46 674)	74	–	(46 600)
–	–	–	(6 034)	–	(6 034)
(17 892)	(497 074)	1 346 010	(5 748)	168	1 340 430
23 658	(412 692)	1 475 892	(3 531)	168	1 472 529
–	–	<b>(12 560)</b>	–	–	<b>(12 560)</b>
–	–	–	–	–	–
–	–	<b>(5 312)</b>	–	–	<b>(5 312)</b>
–	12 127	12 127	1 073	–	13 200
<b>55 318</b>	–	<b>55 318</b>	<b>104</b>	–	<b>55 422</b>
–	<b>(49 209)</b>	<b>(49 209)</b>	–	–	<b>(49 209)</b>
<b>78 976</b>	<b>(449 774)</b>	<b>1 476 256</b>	<b>(2 354)</b>	<b>168</b>	<b>1 474 070</b>

# Consolidated statement of cash flows

for the six months ended 31 August 2022

	<b>Unaudited six months to 31 August 2022 R'000</b>	Restated <sup>1</sup> unaudited six months to 31 August 2021 R'000	Restated <sup>1</sup> audited year to 28 February 2022 R'000
<b>Operating activities</b>			
<b>Profit before taxation</b>	<b>25 977</b>	45 520	153 977
From continuing operations	<b>45 388</b>	37 120	137 203
From discontinued operations	<b>(19 411)</b>	8 400	16 794
<b>Adjusted for:</b>			
Depreciation of property and equipment	<b>7 308</b>	9 611	18 496
Depreciation of right-of-use assets	<b>27 667</b>	26 671	53 645
Impairment of financial asset	<b>876</b>	–	–
Amortisation of intangibles	<b>8 491</b>	8 512	16 880
Prepayment released – enterprise technology transformation project	<b>13 052</b>	9 706	19 844
Impairment of right-of-use assets	<b>–</b>	2 770	2 770
Loss on the sale of property and equipment	<b>6</b>	164	2 182
Share-based payments	<b>9 792</b>	8 484	19 709
Profit on the disposal of businesses	<b>–</b>	(1 526)	(13 950)
Fair value adjustment	<b>(528)</b>	(377)	(626)
Decrease in loss allowances for expected credit losses – trade receivables	<b>(8 312)</b>	(1 150)	(15 673)
Interest income	<b>(3 034)</b>	(2 852)	(5 243)
Interest expense	<b>26 851</b>	35 153	69 022
<b>Cash generated from operations before working capital changes</b>	<b>108 146</b>	140 686	321 033
Increase in trade and other receivables	<b>(46 289)</b>	(57 992)	(13 658)
Increase/(decrease) in trade and other payables	<b>18 400</b>	(30 102)	(66 303)
Increase in provisions	<b>8 859</b>	16 292	18 946
<b>Cash generated by operations</b>	<b>89 116</b>	68 884	260 018
Interest income	<b>3 034</b>	2 852	5 243
Interest expense	<b>(4 609)</b>	(12 326)	(24 645)
Interest expense on finance lease liabilities	<b>(22 242)</b>	(22 522)	(45 087)
Taxation paid	<b>(14 255)</b>	(17 878)	(49 794)
<b>Net cash generated by operating activities</b>	<b>51 044</b>	19 010	145 735

<sup>1</sup> 31 August 2021 and 28 February 2022 restated on the classification of aaX as discontinued operations. Refer to note 4 Discontinued operations. The published prior year results included aaX subsidiaries as continued operations.

	Note	Unaudited six months to 31 August 2022 R'000	Restated unaudited six months to 31 August 2021 R'000	Restated audited year to 28 February 2022 R'000
<b>Investing activities</b>				
Additions to property, equipment and intangible assets		(5 206)	(4 545)	(10 835)
Proceeds from sale of property and equipment		–	–	511
Prepayment – enterprise technology transformation project		(15 529)	(4 983)	(23 798)
Additions to intangible assets		–	–	(804)
Net proceeds on disposal of businesses	4	–	150 773	163 684
<b>Net cash (utilised)/generated by investing activities</b>		<b>(20 735)</b>	141 245	128 758
<b>Financing activities</b>				
Treasury shares acquired		(12 561)	–	(4 089)
Distributions to external shareholders		(49 209)	–	–
Repayment of borrowings		(394 000)	(652 509)	(960 000)
Proceeds from borrowings		283 000	447 000	637 509
Repayment of lease liabilities		(18 931)	(17 327)	(36 217)
Acquisition of non-controlling interest shareholding		–	(3 857)	(3 864)
Distributions to non-controlling interest		–	(1 971)	(1 991)
<b>Net cash utilised by financing activities</b>		<b>(191 701)</b>	(228 664)	(368 652)
Net decrease in cash and cash equivalents		(161 392)	(68 409)	(94 159)
Cash and cash equivalents at the beginning of the period		420 355	498 356	498 356
Non-cash item: Foreign currency exchange arising on cash and cash equivalents		28 606	(9 811)	16 158
<b>Cash and cash equivalents at the end of the period<sup>2</sup></b>		<b>287 569</b>	420 136	420 355

<sup>2</sup> For the period ended 31 August 2022 R3,5 million is included in non-current assets held for sale.

# Segment report

for the six months ended 31 August 2022

	Industrial	Professional	Training	Australia
	South Africa R'000	South Africa R'000	South Africa R'000	International R'000
<b>Revenue</b>				
<b>– August 2022</b>	<b>2 247 500</b>	<b>933 837</b>	<b>113 859</b>	<b>2 565 751</b>
– August 2021	2 235 649	997 650	124 206	2 323 074
– February 2022	4 709 665	1 854 920	239 764	4 513 698
<b>Internal revenue</b>				
<b>– August 2022</b>	<b>20 197</b>	<b>12 590</b>	<b>4 390</b>	<b>–</b>
– August 2021	110 277	1 419	2 205	–
– February 2022	59 515	52 995	11 388	–
<b>Loss allowances for expected credit losses and bad debts on trade receivables – income/(expense)</b>				
<b>– August 2022</b>	<b>7 169</b>	<b>934</b>	<b>761</b>	<b>(552)</b>
– August 2021	1 353	–	(750)	547
– February 2022	10 081	4 642	176	774
<b>Depreciation and amortisation</b>				
<b>– August 2022</b>	<b>1 091</b>	<b>8 261</b>	<b>3 706</b>	<b>11 755</b>
– August 2021	1 039	9 080	3 550	12 194
– February 2022	2 079	17 968	7 604	23 461
<b>Operating profit/(loss) before finance income and finance costs<sup>3,4</sup></b>				
<b>– August 2022</b>	<b>40 595</b>	<b>7 253</b>	<b>(22 551)</b>	<b>38 846</b>
– August 2021	44 797	10 310	(21 734)	37 021
– February 2022	129 246	23 906	(22 834)	70 834
<b>Finance income</b>				
<b>– August 2022</b>	<b>36</b>	<b>34</b>	<b>58</b>	<b>220</b>
– August 2021	–	11	17	(46)
– February 2022	3	12	58	–
<b>Finance costs</b>				
<b>– August 2022</b>	<b>(134)</b>	<b>(10)</b>	<b>(520)</b>	<b>(3 049)</b>
– August 2021	(148)	(56)	(274)	(2 823)
– February 2022	(276)	(80)	(670)	(5 671)
<b>Impairment expenses<sup>4</sup></b>				
<b>– August 2022</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
– August 2021	–	–	–	–
– February 2022	–	–	–	–

Central	Group continued operations	Discontinued operations <sup>1</sup>	Discontinued operations <sup>2</sup>	Total Group	Geographical segments	
South Africa R'000	R'000	South Africa R'000	International R'000	Total R'000	South Africa R'000	International R'000
–	<b>5 860 947</b>	–	<b>97 464</b>	<b>5 958 411</b>	<b>3 295 196</b>	<b>2 663 215</b>
–	5 680 579	11 024	100 252	5 791 855	3 368 529	2 423 326
–	11 318 047	11 024	194 900	11 523 971	6 815 373	4 708 598
–	<b>37 177</b>	–	–	<b>37 177</b>	<b>37 177</b>	–
–	113 901	–	–	113 901	113 901	–
–	123 898	–	–	123 898	123 898	–
–	<b>8 312</b>	–	–	<b>8 312</b>	<b>8 864</b>	<b>(552)</b>
–	1 150	–	–	1 150	603	547
–	15 673	–	–	15 673	14 899	774
<b>18 652</b>	<b>43 465</b>	–	<b>74</b>	<b>43 539</b>	<b>31 710</b>	<b>11 829</b>
18 712	44 575	146	73	44 794	32 527	12 267
37 622	88 734	146	151	89 031	65 419	23 612
<b>5 062</b>	<b>69 205</b>	–	<b>(19 411)</b>	<b>49 794</b>	<b>30 359</b>	<b>19 435</b>
(758)	69 636	4 627	2 224	76 487	37 242	39 245
47	201 199	4 402	(1 827)	203 774	134 767	69 007
<b>2 686</b>	<b>3 034</b>	–	–	<b>3 034</b>	<b>2 814</b>	<b>220</b>
2 870	2 852	31	–	2 883	2 929	(46)
5 170	5 243	31	–	5 274	5 274	–
<b>(23 138)</b>	<b>(26 851)</b>	–	–	<b>(26 851)</b>	<b>(23 802)</b>	<b>(3 049)</b>
(31 845)	(35 146)	–	(7)	(35 153)	(32 323)	(2 830)
(62 332)	(69 029)	–	(7)	(69 036)	(63 358)	(5 678)
–	–	–	–	–	–	–
(2 770)	(2 770)	–	–	(2 770)	(2 770)	–
(2 770)	(2 770)	–	–	(2 770)	(2 770)	–

# Segment report continued

for the six months ended 31 August 2022

	Industrial	Professional	Training	Australia
	South Africa R'000	South Africa R'000	South Africa R'000	International R'000
<b>Taxation (expense)/income</b>				
<b>– August 2022</b>	<b>(12 345)</b>	<b>1 561</b>	<b>(1 183)</b>	<b>(10 293)</b>
– August 2021	(7 893)	5 465	1 167	(10 285)
– February 2022	(19 340)	(417)	5 118	(19 662)
<b>Total assets</b>				
<b>– August 2022</b>	<b>918 974</b>	<b>445 106</b>	<b>78 430</b>	<b>1 089 682</b>
– August 2021	982 008	544 874	82 299	1 059 496
– February 2022	839 565	448 313	100 096	1 146 197
<b>Total liabilities</b>				
<b>– August 2022</b>	<b>414 082</b>	<b>179 566</b>	<b>134 767</b>	<b>422 621</b>
– August 2021	395 756	182 429	127 454	418 506
– February 2022	372 681	159 618	138 677	471 515
<b>Additions to property and equipment</b>				
<b>– August 2022</b>	<b>16</b>	<b>51</b>	<b>193</b>	<b>4 807</b>
– August 2021	333	–	–	4 959
– February 2022	997	147	760	8 306
<b>Additions to right-of-use assets</b>				
<b>– August 2022</b>	<b>1 589</b>	<b>–</b>	<b>–</b>	<b>5 174</b>
– August 2021	1 289	–	1 417	–
– February 2022	2 699	2 271	8 117	7 152

<sup>1</sup> Relates to the trading performance and financial position of Adcorp Support Services Proprietary Limited classified as a discontinued operation in the 2021 financial year and its related assets and liabilities classified as held for sale. The comparatives had been restated.

<sup>2</sup> Relates to the trading performance and financial position of allaboutXpert Australia Proprietary Limited, allaboutXpert NZ Proprietary Limited and allaboutXpert Technologies Proprietary Limited classified as a discontinued operation in the current financial year and its related assets and liabilities classified as held for sale.

<sup>3</sup> Includes internal charges between segments within continued and discontinued operations. As a result, the amounts presented in the segmental report from continuing operations will not agree to the amounts presented in the consolidated statement of profit or loss for continuing operations.

<sup>4</sup> Includes impairment on right-of-use assets.



Central	Group continued operations	Discontinued operations <sup>1</sup>	Discontinued operations <sup>2</sup>	Total Group	Geographical segments	
South Africa R'000	R'000	South Africa R'000	International R'000	Total R'000	South Africa R'000	International R'000
<b>3 735</b>	<b>(18 525)</b>	–	<b>5 748</b>	<b>(12 777)</b>	<b>(8 232)</b>	<b>(4 545)</b>
249	(11 297)	(1 242)	(655)	(13 194)	(2 254)	(10 940)
2 410	(31 890)	(1 242)	(1 888)	(35 020)	(13 471)	(21 549)
<b>526 800</b>	<b>3 058 992</b>	–	<b>81 222</b>	<b>3 140 214</b>	<b>1 969 310</b>	<b>1 170 904</b>
517 870	3 186 547	–	–	3 186 547	2 127 051	1 059 496
666 501	3 200 672	–	–	3 200 672	2 054 475	1 146 197
<b>486 025</b>	<b>1 637 061</b>	–	<b>29 083</b>	<b>1 666 144</b>	<b>1 214 440</b>	<b>451 704</b>
721 972	1 846 117	–	–	1 846 117	1 427 611	418 506
585 652	1 728 143	–	–	1 728 143	1 256 628	471 515
<b>224</b>	<b>5 291</b>	–	–	<b>5 291</b>	<b>484</b>	<b>4 807</b>
21	5 313	–	–	5 313	354	4 959
625	10 835	–	–	10 835	2 529	8 306
–	<b>6 763</b>	–	–	<b>6 763</b>	<b>1 589</b>	<b>5 174</b>
–	2 706	–	–	2 706	2 706	–
7 338	27 577	–	–	27 577	20 425	7 152

# Notes to the unaudited interim financial statements

for the six months ended 31 August 2022

## 1. Basis of preparation

The unaudited and unreviewed consolidated interim financial statements are prepared in accordance with the JSE Listings Requirements for preliminary reports, the requirements of IAS 34 Interim Financial Reporting, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act, No 71 of 2008 of South Africa applicable to summary financial statements.

These interim financial statements do not include all the notes typically included in the annual financial statements and should therefore be read in conjunction with the Group audited consolidated financial statements for the year ended 28 February 2022.

The interim financial statements comprise the consolidated statement of financial position at 31 August 2022, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months ended 31 August 2022 and selected explanatory notes.

The accounting policies and method of computation applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are consistent with those applied in the preparation of the Group's 2022 consolidated financial statements.

These unaudited and unreviewed consolidated interim financial statements for the six months ended 31 August 2022 were prepared under the supervision of Mr Noel Prendergast CA(SA), in his capacity as Chief Financial Officer.

### 1.1 Restatements

#### *Assets held for sale and discontinued operations*

As at 31 August 2022 the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations have been met for disclosure purposes and allaboutXpert NZ Ltd and allaboutXpert Technologies Proprietary Limited that are wholly owned subsidiaries of allaboutXpert Australia Proprietary Limited ("aaX"), have been disclosed as discontinued operations held for sale in the consolidated statement of profit or loss, consolidated statement of other comprehensive income and consolidated statement of financial position for the period 31 August 2022. The consolidated statement of profit or loss, consolidated statement of other comprehensive income and the consolidated statement of cash flows for the period ended 31 August 2021 have been restated on the classification as a discontinued operation in the current financial year. Refer to note 4.

## 2. Auditor's responsibility

These unaudited interim financial results have neither been audited nor reviewed by the Group's auditors.

## 3. Going concern

The directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, accounting policies supported by judgements, estimates and assumptions in compliance with IFRS are applied on the basis that the Group shall continue as a going concern.

## 4. Discontinued operations

The Company's management approved the sale of allaboutXpert NZ Ltd and allaboutXpert Technologies Proprietary Limited that are wholly owned subsidiaries of allaboutXpert Australia Proprietary Limited ("aaX"), a subsidiary of Adcorp Holdings Australia which is ultimately held by Adcorp Holdings Limited. A programme to market the assets was launched and the identification of potential buyers is underway. Management is committed to the successful conclusion of this transaction within the next 12 months.

On 30 March 2021, the Group disposed of its 100% shareholding in Adcorp Support Services Proprietary Limited. The asset was disclosed as discontinued operations held for sale in terms of IFRS 5: Non-current Assets and Liabilities Held for Sale from Discontinued Operations in the statement of comprehensive income and statement of financial position for the periods 31 August 2021 and 28 February 2022.

# Notes to the unaudited interim financial statements continued

for the six months ended 31 August 2022

## 4. Discontinued operations continued

The current year financial performance presented below relates to aaX.

	<b>Unaudited six months to 31 August 2022 R'000</b>	Unaudited six months to 31 August 2021 R'000	Audited 28 February 2022 R'000
<b>Profit or loss</b>			
<b>Revenue</b>	<b>97 464</b>	100 252	194 900
Cost of sales	<b>(106 217)</b>	(90 445)	(181 091)
<b>Gross (loss)/profit</b>	<b>(8 753)</b>	9 807	13 089
Operating expenses	<b>(10 584)</b>	(7 583)	(15 636)
<b>Operating (loss)/profit</b>	<b>(19 377)</b>	2 224	(1 827)
Interest expense	<b>(74)</b>	(7)	(7)
<b>(Loss)/profit before taxation</b>	<b>(19 411)</b>	2 217	(1 834)
Taxation	<b>5 748</b>	(654)	(1 888)
<b>(Loss)/profit for the period from discontinued operations</b>	<b>(13 663)</b>	1 563	(3 722)

The assets and liabilities of the disposal group of aaX as at 31 August 2022 is presented as follows:

	<b>Unaudited six months to 31 August 2022 R'000</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	<b>2 845</b>
Property and equipment	215
Deferred taxation	2 630
<b>Current assets</b>	<b>78 377</b>
Trade and other receivables	73 008
Taxation prepaid	1 865
Cash and cash equivalents	3 504
<b>Total assets</b>	<b>81 222</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	<b>29 083</b>
Trade and other payables	27 336
Provisions	1 747
<b>Total liabilities</b>	<b>29 083</b>

#### 4. Discontinued operations continued

The prior year financial performance presented below relates to Adcorp Support Services Proprietary Limited.

	Adcorp Support Services Proprietary Limited	Adcorp Support Services Proprietary Limited
	Unaudited six months to 31 August 2021 R'000	Audited 28 February 2022 R'000
<b>Profit or loss</b>		
<b>Revenue</b>	11 024	11 024
Cost of sales	(4 199)	(4 199)
<b>Gross profit</b>	6 825	6 825
Other income	158	158
Operating expenses	(2 356)	(2 356)
<b>Operating profit</b>	4 627	4 627
Interest income	31	31
<b>Profit before taxation</b>	4 658	4 658
Taxation expense	(1 242)	(1 242)
<b>Profit for the period from discontinued operations</b>	3 416	3 416
<b>Profit on disposal after income tax</b>	1 526	13 950
<b>Profit from discontinued operation</b>	4 942	17 366

# Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2022

## 4. Discontinued operations continued

The sale of Adcorp Support Services Proprietary Limited was concluded in the prior year as represented below:

	31 August 2021 R'000	28 February 2022 R'000
<b>Total consideration received</b>	182 276	194 979
Cash (after closing liabilities)	173 932	173 932
Contingent consideration	8 344	21 047
<b>Carrying value of net assets sold</b>	(28 571)	(28 571)
<b>Goodwill derecognised</b>	(148 656)	(148 656)
<b>Profit on disposal before transaction costs</b>	5 049	17 752
Transaction costs	(3 523)	(3 802)
<b>Profit on disposal</b>	1 526	13 950
Net cash inflow on disposal:		
Net proceeds received on disposal	178 266	191 177
Less: cash and cash equivalents disposed of	(27 493)	(27 493)
<b>Net cash flow</b>	150 773	163 684

### Cash flows from discontinued operation

The cash flows presented below relate to aaX classified as discontinued operations for the period 31 August 2022:

	31 August 2022 R'000
<b>Cash flow from discontinued operations:</b>	
Net cash outflow from operating activities	(19 668)
Net cash outflow from investing activities	(41)
Net cash inflow from financing activities	22 928
<b>Net cash inflow from discontinued operations</b>	3 219
<b>Cash and cash equivalents at the beginning of the period</b>	285
<b>Cash and cash equivalents at the end of the period</b>	3 504

## 5. Change in non-controlling interest

In the prior year, 25% of the minority interest in allaboutXpert Technologies Proprietary Limited in Australia was acquired by allaboutXpert Australia Proprietary Limited for a consideration of AUD351 218.

There were no transactions with minority shareholders in the current financial period.

## 6. Revenue

The Group is in the business of providing services to clients. Permanent placement and outsourced based solutions services are provided at a point in time. Temporary placement and training services are provided over a period of time. Revenue is therefore recognised at the point of delivery for permanent placement and outsourced based solutions, and over a period of time for temporary placement and training services. In certain cases the Group makes use of output-based methods to determine when the revenue for performance obligations is recognised over time.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when the performance obligations are met.

	<b>Unaudited six months to 31 August 2022 R'000</b>	Restated <sup>1</sup> unaudited six months to 31 August 2021 R'000	Restated <sup>1</sup> audited year to 28 February 2022 R'000
<b>Performance obligation</b>			
Permanent placement	<b>44 821</b>	37 541	73 006
Temporary placement	<b>4 785 523</b>	4 564 003	9 192 923
Training	<b>113 859</b>	124 197	239 764
Outsourced-based solutions	<b>916 744</b>	954 838	1 812 355
<b>Total</b>	<b>5 860 947</b>	5 680 579	11 318 048

<sup>1</sup> 31 August 2021 and 28 February 2022 restated on the classification of aaX as discontinued operations. Refer to note 4 Discontinued Operations.

# Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2022

## 6. Revenue continued

### Disaggregation of revenue by geographical region

Region	Segment	Performance obligation	Unaudited six months to 31 August 2022 R'000	Restated <sup>1</sup> unaudited six months to 31 August 2021 R'000	Restated <sup>1</sup> audited year to 28 February 2022 R'000
South Africa			<b>3 295 196</b>	3 357 505	6 804 350
	Industrial		<b>2 247 500</b>	2 235 649	4 709 665
		Temporary placement	<b>1 747 381</b>	1 745 889	3 728 716
		Outsourced-based solutions	<b>500 119</b>	489 760	980 949
	Professional		<b>933 837</b>	997 650	1 854 921
		Temporary placement	<b>498 590</b>	516 288	994 237
		Permanent placement	<b>18 622</b>	16 284	29 280
		Outsourced-based solutions	<b>416 625</b>	465 078	831 404
	Training		<b>113 859</b>	124 206	239 764
		Training	<b>113 859</b>	124 206	239 764
Australia			<b>2 565 751</b>	2 323 074	4 513 698
	Australia		<b>2 565 751</b>	2 323 074	4 513 698
		Temporary placement	<b>2 539 552</b>	2 301 817	4 469 972
		Permanent placement	<b>26 199</b>	21 257	43 726
<b>Total revenue</b>			<b>5 860 947</b>	5 680 579	11 318 048
The timing of revenue recognition is as follows:					
		Over time	<b>4 899 342</b>	4 688 200	9 432 689
		At a point in time	<b>961 605</b>	992 379	1 885 359
<b>Total revenue</b>			<b>5 860 947</b>	5 680 579	11 318 048

In certain cases the Group uses output-based methods to determine when the revenue for performance obligations is recognised over time.

<sup>1</sup> 31 August 2021 and 28 February 2022 restated on the classification of aaX as discontinued operations. Refer to note 4 Discontinued Operations.



## 7. Earnings per share

The calculation of earnings per share on continuing operations attributable to the ordinary equity holders of the parent is based on profits of R25,8 million (2021 restated: R25,5 million), discontinued loss of R13,7 million (2021 restated: discontinued profit of R6,5 million), and ordinary shares of 108 227 303 (2021: 114 657 092), being the weighted number of shares relative to the above earnings.

	<b>Unaudited six months to 31 August 2022 R'000</b>	Restated <sup>2</sup> unaudited six months to 31 August 2021 R'000	Restated <sup>2</sup> audited year to 28 February 2022 R'000
<b>Continuing operations</b>			
Basic earnings per share – cents	<b>24,6</b>	23,8	96,3
Diluted earnings per share – cents	<b>23,8</b>	22,3	91,1
<b>Discontinuing operations</b>			
Basic (loss)/earnings per share – cents	<b>(13,0)</b>	6,1	12,8
Diluted (loss)/earnings per share – cents	<b>(12,6)</b>	5,7	12,1
<b>Total basic earnings per share</b>			
Basic earnings per share – cents	<b>11,6</b>	29,8	109,1
Diluted earnings per share – cents	<b>11,2</b>	27,9	103,2
<b>Weighted average number of ordinary shares outstanding during the period:</b>	<b>104 699 539</b>	107 364 109	106 692 859
<i>Reconciliation of weighted average number of ordinary shares outstanding to the weighted average diluted number of shares outstanding during the period:</i>			
Ordinary shares	<b>104 699 539</b>	107 364 109	106 692 859
Adcorp employee share schemes – potential dilution <sup>1</sup>	<b>7 055 529</b>	7 292 983	12 204 416
Adcorp employee share schemes – anti-dilutive	<b>(3 527 765)</b>	–	(6 102 208)
<b>Diluted weighted number of ordinary shares outstanding during the period</b>	<b>108 227 303</b>	114 657 092	112 795 067
<i>Reconciliation of headline earnings from continuing operations</i>			
Profit for the period	<b>25 790</b>	25 516	102 759
Loss on sale of property and equipment	<b>6</b>	164	2 182
Taxation recovered on the sale of property and equipment	<b>(2)</b>	(46)	(611)
Impairment of right-of-use assets	<b>–</b>	2 770	2 770
Taxation on impairment of right-of-use assets	<b>–</b>	(776)	(776)
<b>Headline earnings from continuing operations</b>	<b>25 794</b>	27 628	106 324
Headline earnings per share – cents	<b>24,6</b>	25,7	99,7
Diluted headline earnings per share – cents	<b>23,8</b>	24,1	94,3

# Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2022

## 7. Earnings per share continued

	<b>Unaudited six months to 31 August 2022 R'000</b>	Restated <sup>2</sup> unaudited six months to 31 August 2021 R'000	Restated <sup>2</sup> audited year to 28 February 2022 R'000
<i>Reconciliation of headline earnings from discontinued operations</i>			
(Loss)/profit for the period	<b>(13 663)</b>	6 505	13 644
Profits from the sale of businesses	–	–	(13 950)
<b>Headline (loss)/earnings from discontinued operations</b>	<b>(13 663)</b>	6 505	(306)
Headline earnings per share – cents	<b>(13,0)</b>	6,1	(0,3)
Diluted headline earnings per share – cents	<b>(12,6)</b>	5,7	(0,3)
<i>Reconciliation of headline earnings from total operations</i>			
Profit for the period	<b>12 127</b>	32 021	116 403
Loss on sale of property and equipment	<b>6</b>	164	2 182
Taxation recovered on the sale of property and equipment	<b>(2)</b>	(46)	(611)
Impairment of right-of-use assets	–	2 770	2 770
Taxation on impairment of right-of-use assets	–	(776)	(776)
Profits from the sale of businesses	–	(1 526)	(13 950)
<b>Headline earnings from total operations</b>	<b>12 131</b>	32 607	106 018
Headline earnings per share – cents	<b>11,6</b>	31,8	99,4
Diluted headline earnings per share – cents	<b>11,2</b>	29,8	94,0

<sup>1</sup> The dilution of shares results from the potential exercise of options in the employee share scheme.

<sup>2</sup> 31 August 2021 and 28 February 2022 restated on the classification of aaX as discontinued operations. Refer to note 4 Discontinued operations. The published prior year results included aaX as continued operations.

## 8. Interest-bearing liabilities

	Interest rate	Maturity	Unaudited six months to 31 August 2022 R'000	Unaudited six months to 31 August 2021 R'000	Audited year to 28 February 2022 R'000
<b>8.1 Non-current interest-bearing liabilities</b>					
Lease liability	Incremental Borrowing Rate (IBR)		<b>352 577</b>	356 173	348 493
<b>8.2 Current interest-bearing liabilities</b>			<b>84 697</b>	318 998	208 808
ZAR revolving credit facility	JIBAR + agreed margin <sup>1</sup>	31 August 2022	–	250 000	100 000
AUD borrowing base facility	Base rate <sup>2</sup> + margin	10 March 2024	<b>23 358</b>	–	33 336
Lease liability	IBR		<b>61 339</b>	68 998	75 472
<b>Total</b>			<b>437 274</b>	675 171	557 301

<sup>1</sup> The margin is determined on each measurement date being the last day of each financial quarter with reference to the agreed leverage ratio. The rate ranges between 3,4% and 5,2% on the ZAR revolving credit facility.

<sup>2</sup> The base rate is determined with reference to the Australian Reserve Bank rates at the time of drawdown. The rate is 1,6% on the Australian borrowing base facility.

Trade receivables are used as security to secure funding relating to the Group loan facilities inclusive of South Africa and Australia.

As security for the South Africa loan facility granted to the Group, a shared security agreement was entered into that holds a cession over the trade receivables of specified operating subsidiaries of the Adcorp Group.

As security for the Australia loan facility, a shared security agreement was entered into that holds a cession over the trade receivables of specified operating subsidiaries of the Adcorp Group.

On 23 March 2022, the lenders of the Australian operation's interest-bearing borrowings agreed to extend the revolving borrowing base facility maturity date until 10 March 2024.

Subsequent to period end, the South African operation concluded the refinance of a total loan facility of R250 million, made up of a new revolving credit facility of R150 million and R100 million overdraft facility plus an accordion feature of R100 million effective from 1 September 2022. The facility will mature in three years from the effective date and will be used to fund working capital requirements of the South African operation.

# Notes to the unaudited interim financial statements continued

for the six months ended 31 August 2022

## 9. Financial instruments

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the interest-bearing borrowings disclosed in note 8, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The group's investment committee has considered the cost of capital and the risks associated with each class of capital. The Group's favourable gearing ratio is 9,8% (2021: negative 7,3%). The gearing ratio is determined as net debt (being interest-bearing borrowings less unrestricted cash and cash equivalents) excluding finance leases as a percentage of total equity. The committee believes that the appropriate leverage ratio for the nature of the business is the gross debt-to-EBITDA ratio and has a target of 1.0x. This is reviewed on an ongoing basis as the strategic transformation of the Group progresses.

### 9.1 Categories for financial instruments

	<b>Unaudited six months to 31 August 2022 R'000</b>	Unaudited six months to 31 August 2021 R'000	Audited year to 28 February 2022 R'000
<b>Financial assets</b>			
Investments – fair value through profit and loss	<b>20 126</b>	19 348	19 597
Trade receivables – amortised cost	<b>1 392 343</b>	1 344 079	1 336 354
Cash and cash equivalents	<b>284 065</b>	420 136	420 355
Other receivables – amortised cost	<b>73 598</b>	70 912	82 355
<b>Financial liabilities</b>			
Interest-bearing borrowings	<b>23 358</b>	250 000	133 336
Lease liabilities	<b>413 916</b>	425 171	423 965
Trade and other payables	<b>272 270</b>	257 762	317 441
<b>The following table details the Group's remaining contractual maturity for its financial liabilities:</b>			
Within one year	<b>379 279</b>	663 630	531 173
More than one year and not later than five years	<b>607 092</b>	649 911	621 474

# Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2022

## 9. Financial instruments continued

### 9.2 Financial assets/financial liabilities

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The primary valuation models utilised by the Group for valuing unlisted portfolio investments are market-related net asset value of investments. The market-related net asset value used is dependent on independent third party valuations. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used):

	<b>Unaudited six months to 31 August 2022 R'000</b>	Unaudited six months to 31 August 2021 R'000	Audited year to 28 February 2022 R'000
Investment – fair value	<b>20 126</b>	19 348	19 597

**Valuation technique(s) and key inputs:** Fair value – market valuation

**Fair value hierarchy:** Level 3

**Relationships of unobservable inputs to fair value:** The fair value is determined based on the net asset value of the insurance cell captive at the reporting date. The net asset value is determined from financial information received from the insurer.

## 10. Contingent liabilities

The bank has issued guarantees of R25 million (2021: R26 million) on behalf of the Group, to creditors.

## 11. Events after the reporting period

### Debt refinance in South Africa

The South African operation concluded the negotiation for a total loan facility of R250 million made up of a new revolving credit facility of R150 million and R100 million overdraft facility plus an accordion feature of R100 million effective from 1 September 2022. The facility will mature in three years from the effective date and will be used to fund working capital requirements of the South African operation.

# Notes to the unaudited interim financial statements continued

for the six months ended 31 August 2022

## 12. Dividend declaration

Shareholders are hereby advised that the board of directors of Adcorp has approved and declared an interim gross dividend of 12,2 cents per ordinary share, from income reserves, for the six months ended 31 August 2022.

The dividend is subject to a South African dividend withholding tax rate of 20%, resulting in a net dividend of 9,76 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate of dividend tax in terms of an applicable double-taxation agreement.

As at the date of this announcement, the Company has 109 954 675 ordinary shares of no par value in issue.

The Company's income tax reference number is 9233680710.

### Salient dates and times

Shareholders are hereby advised of the following salient dates and times for the payment of the dividend:

Publication of declaration data and finalisation information	Monday, 31 October 2022
Last day to trade <i>cum</i> dividend	Tuesday, 17 January 2023
Securities commence trading ex dividend	Wednesday, 18 January 2023
Record date for purposes of determining the registered holders of ordinary shares to participate in the dividend at close of business on	Friday, 20 January 2023
Payment date	Monday, 23 January 2023

Share certificates may not dematerialise or rematerialise between Wednesday, 18 January 2023 and Friday, 20 January 2023, both dates inclusive.

## 13. Related parties

The Group entered into various related party transactions in the ordinary course of business. There have been no significant changes in related party transactions and balances since the previous reporting period.

# Corporate information

## Adcorp Holdings Limited

Registration number 1974/001804/06  
Listed: 1987  
Share code: ADR  
ISIN: ZAE000000139  
Website: [www.adcorpgroup.com](http://www.adcorpgroup.com)

## Registered office

Adcorp Holdings Limited  
Adcorp Place, 102 Western Service Road  
Gallo Manor Ext 6  
Johannesburg, South Africa, 2191  
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Johannesburg, South Africa, 2021  
Tel: +27 (0) 10 800 0000  
Email: [info@adcorpgroup.com](mailto:info@adcorpgroup.com)

## Directors

### *Executive*

Dr John Wentzel (Chief Executive Officer)  
Noel Prendergast (Chief Financial Officer)

### *Non-executive*

Gloria Serobe (Chairman)  
Clive Smith  
Timothy Olls

### *Independent non-executive*

Melvyn Lubega  
Dr Phumla Mnganga (Lead Independent)  
Tshidi Mokgabudi  
Prof Herman Singh  
Ronel van Dijk

### *Alternative non-executive*

Sam Sithole

## Company Secretary

Lisa Laporte  
Adcorp Place, 102 Western Service Road  
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Johannesburg, South Africa, 2021  
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## Investor relations

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## External Auditor

KPMG  
58 Empire Road, Parktown  
Johannesburg, 2193

## Legal advisers

Eversheds Sutherland SA  
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Email: [petervanniekerk@eversheds-sutherland.co.za](mailto:petervanniekerk@eversheds-sutherland.co.za)

## Transfer secretaries

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## JSE Sponsor

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