



Connecting Human Potential



UNAUDITED INTERIM RESULTS

for the six months ended
31 August 2024

Our five core values



Diversity and inclusion

We welcome and embrace a diverse range of people, perspectives and ideas.



Agility

We act with speed and flexibility to ever-changing conditions.



Customer centricity

We strive to anticipate our customers' needs and deliver excellent customer experiences.



Respect

We respect the feelings, wishes, rights and traditions of our workforce, candidates, clients, communities and the environment.



Teamwork

We collaborate as a team to achieve excellence and take responsibility for our own deliverables.

www.adcorpgroup.com

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Salient features

REVENUE

R6,8^{bn}

2023 R6,5 bn



4,8%

GROSS PROFIT

R648,1^{mil}

2023 R627,7 mil



3,3%

OPERATING PROFIT

before finance income and finance costs

R42,3^{mil}

2023 R59,5 mil



(28,9%)

PROFIT FOR THE PERIOD

R29,4^{mil}

2023 R35,3 mil



(16,9%)

TOTAL EARNINGS

per share

28,2 cents

2023 33,1 cents



(14,8%)

TOTAL HEADLINE EARNINGS

per share

28,2 cents

2023 33,1 cents



(14,8%)

NET CASH POSITION*

improved to

R206,4^{mil}

2023 R82,1 mil



151%

INTERIM CASH DIVIDEND

declared per share

13,4 cents

2023 16,1 cents



(16,8%)

B-BBEE rating

Level 1

maintained for South African operations

* Net cash is a non-IFRS measure defined as unrestricted cash and cash equivalents less interest-bearing debt excluding leases.

Commentary

Adcorp Holdings Limited (Adcorp or the Company) and its subsidiaries (Group or Adcorp Group) is a workforce solutions provider dedicated to enabling agile, focused and skilled workforces for the future. With a strong presence in both South Africa and Australia, Adcorp Group and its diverse portfolio of brands proudly employ over 1 700 permanent staff members and assign more than 35 000 contingent, contractor and freelance staff daily.

Introduction

Our Staffing Solutions and Contingent Services divisions have performed strongly, achieving solid revenue and gross profit growth. While Professional Services saw softer demand, our agility in managing costs and adapting to shifting client needs ensured stable overall performance across the business, resulting in positive year-on-year growth in Group revenue and gross profit. The first half of the year was characterised by challenging market conditions in both South Africa and Australia. In response, we proactively launched key restructuring initiatives aimed at reducing costs, enhancing efficiency, and better aligning with market conditions. While once-off restructuring costs have impacted earnings in the short term, these actions are expected to drive significant long-term efficiencies.

Financial overview

The Group achieved revenue growth of 4,8%, reaching R6,8 billion, despite challenging market conditions. This growth was driven primarily by the strong performance of Staffing Solutions in South Africa and Contingent Staffing in Australia. Gross profit increased by 3,3% to R648,1 million compared to the prior period, with gross profit margins stabilising at 9,6% (2023: 9,7%).

In response to the difficult trading environment, the Group has undertaken several strategic restructurings aimed at recalibrating its cost base. While these initiatives are expected to deliver long-term efficiencies, they resulted in once-off restructuring and other costs totalling R25,6 million. This contributed to an operating

profit of R42,3 million (2023: R59,5 million). The decline in profit after tax to R29,4 million (2023: R35,3 million) was partially mitigated by the benefit of taxation credits.

Significant improvement in cash generation was achieved, with R97,6 million generated from operations compared to a cash utilisation of R57,7 million in the prior period. Prudent working capital management has supported the Group's robust financial position, with a positive net cash balance (excluding restricted cash in Angola) of R206,4 million (2023: R82,1 million). Days Sales Outstanding (DSO) remained consistent year-on-year at 35 days.

The Group recorded a tax credit of R5,1 million, yielding an effective tax rate of negative 20,9%. This outcome was driven by effective tax planning, the continued utilisation of tax benefits from the Employment Tax Incentive and learnerships, as well as increased recognition of assessed losses. As of 31 August 2024, total unrecognised tax losses amounted to R775,8 million (2023: R751,6 million), with R244,3 million in recognised tax losses (2023: R174,2 million).

Contingent Staffing SA

The Contingent Staffing division in South Africa delivered a strong performance, with both revenue and gross profit exceeding the previous year's figures. Strategic alignment of our blue-collar staffing and training brands around common client types has enhanced client relationships. This approach, combined with the integration of occupational health and wellness services, has strengthened client relationships and improved margins. The

successful relaunch of our hospitality brand ZEST further strengthened our offering. While BLU had a robust start, reduced client demand in the last two months tempered overall growth. PMI maintained steady momentum throughout the half year, and the division remains focused on controlling costs and safeguarding margins.

Staffing Solutions SA

Staffing Solutions, formerly known as Functional Outsourcing, achieved double-digit revenue growth, bolstered by expanded customer relationships and new business wins. Margins were softened somewhat due to setup costs for clients and adverse weather conditions that impacted output volumes. Our newly launched Telvuka brand is well-positioned to tap into demand for outsourced contact centre services, particularly from international markets. Specialist cleaning brand Capability put in a solid performance.

Professional Services SA

Our Professional Services division maintained stable revenue despite broader economic challenges in South Africa, such as high unemployment and inflation. Gross margins were carefully managed and contracted very slightly over the period. Paracon faced IT talent shortages, which affected contract renewals, but disciplined margin management helped mitigate the impact. Charisma posted strong year-on-year growth, supported by new business wins and enhanced visibility. Torque IT also delivered solid results, benefiting from margin improvement initiatives and a strong sales culture. Although Quest encountered challenges due to client headcount reductions and financial constraints, DAV and Kelly showed recovery, driven by brand revitalisation efforts and recognition with 16 PMR awards. Ongoing restructuring within DAV, Kelly, and talentCRU is expected to improve efficiency, although short-term profitability was affected.

Contingent Staffing AUS

LSA in Australia continues to perform strongly and delivered double-digit growth in revenue and gross profit, supported by continued demand in sectors like manufacturing, horticulture and the meat industry through the PALM Scheme. Strategic initiatives in industrial and healthcare sectors also contributed positively. Despite

challenges like margin compression, LSA maintained strong margins through proactive contract renegotiations and cost control. While the broader Australian labour market experienced some slowing, LSA continued to expand into new sectors, including aged care, aquaculture, and the timber industry, to mitigate risks and capitalise on growth opportunities. This positions LSA well for continued success in evolving market conditions.

Professional Services AUS

Paxus, our Australian professional services brand, completed a significant transformation, shifting from a state-based ICT model to a sector-based white-collar professional structure. This shift aims to reduce costs, improve efficiency, and establish a scalable platform for growth. We have focused on key sectors like Financial & Professional Services, Emerging Technologies, and Industrial & Energy, while maintaining public sector revenues. The transformation included reducing senior leadership roles while retaining critical talent to ensure smooth customer relations. Despite economic challenges, revenue grew modestly, with once-off transformation costs absorbed, positioning Paxus for future growth and improved customer outcomes.

Outlook

Looking ahead, we are optimistic about the second half of the year. In South Africa, economic indicators are improving with reduced inflation, stable interest rates, and the positive impact of no load shedding. These factors are expected to gradually boost demand for our services. In Australia, the transformation of our professional services division has been completed, positioning us to unlock cost benefits, while expansion into the aged care and healthcare sectors presents exciting growth opportunities. Despite some ongoing economic challenges, we expect sustained demand in key areas and are well-prepared to capitalise on improving market conditions. Our strategic focus and operational improvements give us confidence in delivering stronger performance in the second half of the year.

Commentary continued

Changes to the board

There have been no changes to the board of directors or sub-committees for the six months ended 31 August 2024.

Ms Lisa Laporte resigned as Company Secretary, effective 30 April 2024. Mr Newton Chipswa was appointed the interim Company Secretary, effective 28 May 2024. Subsequently, Ms Charissa de Jager was appointed as the permanent Company Secretary of Adcorp, effective 1 August 2024.

Dividend declaration

Shareholders are hereby advised that the board of directors has approved and declared an interim gross dividend of 13,4 cents per ordinary

share (2023: 16,1 cents per ordinary share), from income reserves, for the six months ended 31 August 2024.

The dividend is subject to a South African dividend withholding tax rate of 20%, resulting in a net dividend of 10,72 cents per ordinary share (2023: 12,88 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 109 880 974 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	Thursday, 31 October 2024
Last day to trade cum dividend	Tuesday, 14 January 2025
Securities commence trading ex dividend	Wednesday, 15 January 2025
Record date for purposes of determining the registered holders of ordinary shares to participate in the dividend at close of business on	Friday, 17 January 2025
Payment date	Monday, 20 January 2025

Share certificates may not dematerialise or rematerialise between Wednesday, 15 January 2025 and Friday, 17 January 2025, both dates inclusive.

By order of the board

31 October 2024

Directors

Ms Gloria Serobe* (Chairman)

Mr Melvyn Lubega**

Dr Phumla Mnganga**

Ms Tshidi Mokgabudi**

Mr Timothy Olls*

Mr Noel Prendergast (Chief Financial Officer)

Mr Herman Singh**

Mr Sam Sithole***

Mr Clive Smith*

Ms Ronel van Dijk**

Dr John Wentzel (Chief Executive Officer)

* Non-executive.

** Independent non-executive.

*** Alternate non-executive.

Consolidated statement of financial position

as at 31 August 2024

<i>R'000</i>	Notes	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
Assets				
Non-current assets		1 089 269	1 186 170	1 133 443
Property and equipment		23 292	27 740	24 678
Right-of-use assets		240 864	269 675	249 800
Intangible assets		98 517	115 781	109 047
Goodwill		503 306	506 943	515 782
Other financial assets – investment at fair value	10.6	–	21 706	–
Deferred taxation		223 290	214 581	219 640
Prepayments		–	29 744	14 496
Current assets		2 011 285	1 805 394	1 989 319
Trade receivables		1 513 156	1 424 231	1 512 337
Other receivables		190 835	193 593	169 744
Taxation prepaid		41 242	35 780	31 989
Cash and cash equivalents and restricted cash		266 052	151 790	275 249
Total assets		3 100 554	2 991 564	3 122 762
Equity and liabilities				
Capital and reserves		1 424 649	1 410 632	1 459 705
Share capital and share premium		1 740 562	1 740 858	1 740 858
Treasury shares		(88 481)	(93 170)	(93 864)
Reserves		(227 432)	(237 056)	(187 289)
Non-current liabilities		342 365	370 154	349 445
Lease liabilities	7.1	303 108	317 227	303 881
Deferred taxation		36 355	52 927	41 054
Provisions		2 902	–	4 510
Current liabilities		1 333 540	1 210 778	1 313 612
Lease liabilities	7.2	71 027	76 153	75 259
Trade and other payables		990 410	860 964	996 416
Provisions		251 268	241 837	216 504
Taxation		20 835	31 824	25 433
Total equity and liabilities		3 100 554	2 991 564	3 122 762

Consolidated statement of profit and loss

for the six months ended 31 August 2024

<i>R'000</i>	Notes	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
Revenue	5	6 769 014	6 458 108	12 982 141
Cost of sales		(6 120 883)	(5 830 389)	(11 725 110)
Gross profit		648 131	627 719	1 257 031
Other income		5 823	9 999	24 857
Loss allowance for expected credit losses – trade receivables		5 737	1 169	818
Operating expenses		(617 365)	(579 379)	(1 154 000)
Operating profit before finance income and finance costs		42 326	59 508	128 706
Finance income		5 619	5 850	11 161
Finance costs		(23 649)	(23 964)	(49 931)
Profit before taxation		24 296	41 394	89 936
Taxation		5 075	(6 052)	(1 894)
Profit for the period		29 371	35 342	88 042
Profit attributable to:				
Owners of the parent		29 411	34 135	86 152
Non-controlling interest		(40)	1 207	1 890
Total basic and diluted earnings per share:				
Basic earnings per share – cents	6	28,2	33,1	83,8
Diluted earnings per share – cents	6	27,8	31,8	81,4

Consolidated statement of other comprehensive income

for the six months ended 31 August 2024

	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
<i>R'000</i>			
Profit for the period	29 371	35 342	88 042
Other comprehensive (loss)/income Items that are or may be reclassified subsequently to profit or loss:	(41 055)	(53 366)	(35 943)
Exchange differences on translating foreign operations	(21 727)	(44 456)	(40 726)
Exchange differences arising on the net investment of a foreign operation	(19 328)	(8 910)	4 783
Other comprehensive (loss)/income for the period, net of tax	(11 684)	(18 024)	52 099
Non-controlling interest	(211)	(26)	65
Total comprehensive (loss)/income for the period	(11 895)	(18 050)	52 164
Total comprehensive (loss)/income attributable to:			
Owners of the parent	(11 644)	(19 231)	50 209
Non-controlling interest	(251)	1 181	1 955

Consolidated statement of changes in equity

for the six months ended 31 August 2024

R'000	Share capital	Share premium	Treasury shares	Share-based payment reserve
Balance as at 28 February 2023 (audited)	2 749	1 738 109	(91 170)	187 681
Treasury share purchases	—	—	(2 000)	—
Share-based payments	—	—	—	7 125
Profit for the period	—	—	—	—
Other comprehensive income	—	—	—	—
Distributions to shareholders	—	—	—	—
Balance as at 31 August 2023 (unaudited)	2 749	1 738 109	(93 170)	194 806
Balance as at 29 February 2024 (audited)	2 749	1 738 109	(93 864)	14 828
Movement in share capital ¹	—	(296)	—	—
Treasury share purchases	—	—	(340)	—
Share scheme settlement	—	—	5 723	(5 723)
Share-based payments	—	—	—	2 717
Profit for the period	—	—	—	—
Other comprehensive income	—	—	—	—
Distributions to shareholders	—	—	—	—
Balance as at 31 August 2024 (unaudited)	2 749	1 737 813	(88 481)	11 822

¹ Relates to the repurchase of 73 701 Adcorp Holdings Limited shares from Odd-lot holders, for a total Odd-lot consideration of R295 798.

	Foreign currency translation reserve	Accumulated loss	Attributable to equity holders of the parent	Non- controlling interest	Employees' share option scheme reserve	Total
	124 542	(426 372)	1 535 539	(1 030)	168	1 534 677
	–	–	(2 000)	–	–	(2 000)
	–	–	7 125	–	–	7 125
	–	34 135	34 135	1 207	–	35 342
	(53 366)	–	(53 366)	(26)	–	(53 392)
	–	(111 120)	(111 120)	–	–	(111 120)
	71 176	(503 357)	1 410 313	151	168	1 410 632
	88 599	(291 810)	1 458 611	925	168	1 459 704
	–	–	(296)	–	–	(296)
	–	–	(340)	–	–	(340)
	–	–	–	–	–	–
	–	–	2 717	–	–	2 717
	–	29 411	29 411	(40)	–	29 371
	(41 055)	–	(41 055)	(211)	–	(41 266)
	–	(25 241)	(25 241)	–	–	(25 241)
	47 544	(287 640)	1 423 807	674	168	1 424 649

Consolidated statement of cash flows

for the six months ended 31 August 2024

	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
<i>R'000</i>			
Operating activities			
Profit before taxation	24 296	41 394	89 936
Adjusted for:			
Depreciation of property and equipment	4 263	5 709	10 602
Depreciation of right-of-use assets	25 422	26 852	53 516
Amortisation of intangibles	9 067	7 199	15 829
Prepayment release – enterprise technology transformation project	15 417	14 273	30 389
Loss on the sale of property and equipment	–	2	42
Share-based payments	2 717	7 125	10 671
Lease liabilities derecognised	–	(1 074)	(1 074)
Right-of-use assets derecognised	–	816	816
Fair value remeasurement	–	(632)	(832)
Decrease in loss allowances for expected credit losses – trade receivables	(5 737)	(1 169)	(818)
Finance income	(5 619)	(5 850)	(11 161)
Finance costs	23 649	23 964	49 931
Cash generated from operations before working capital changes	93 475	118 609	247 847
Increase in trade and other receivables	(44 179)	(152 163)	(198 578)
Increase/(decrease) in trade and other payables	15 177	(31 142)	88 378
Increase/(decrease) in provisions	33 155	6 948	(13 875)
Cash generated/(utilised) by operations	97 628	(57 748)	123 772
Finance income	5 619	5 850	11 161
Finance costs	(3 049)	(2 436)	(7 316)
Interest expense on finance lease liabilities	(20 600)	(21 528)	(42 615)
Taxation paid	(21 400)	(8 385)	(20 566)
Net cash generated/(utilised) by operating activities	58 198	(84 247)	64 436

	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
R'000			
Investing activities			
Additions to property and equipment	(4 211)	(2 587)	(4 919)
Proceeds from sale of property and equipment	–	–	492
Proceeds upon settlement of investment at fair value	–	–	21 906
Prepayment – enterprise technology transformation project	(169)	(2 056)	(2 612)
Additions to intangible assets	–	–	(683)
Net cash (outflow)/inflow from investing activities	(4 380)	(4 643)	14 184
Financing activities			
Treasury shares acquired	(340)	(2 000)	(6 782)
Share repurchases*	(296)	–	–
Distributions to external shareholders	(25 241)	(111 120)	(127 756)
Repayment of borrowings	(75 000)	(24 600)	(424 601)
Proceeds from borrowings	75 000	24 600	424 601
Capital payment of lease liabilities	(21 098)	(21 206)	(41 502)
Net cash utilised by financing activities	(46 975)	(134 326)	(176 040)
Net increase/(decrease) in cash and cash equivalents	6 843	(223 216)	(97 420)
Cash and cash equivalents at the beginning of the period	204 175	415 548**	311 692
Restricted cash reclassified to/(from) cash and cash equivalents	71 074	(69 669)	–
Foreign currency adjustments	(16 040)	(40 420)	(10 097)
Cash and cash equivalents at the end of the period	266 052	82 243	204 175

* Relates to the repurchase of 73 701 Adcorp Holdings Limited shares from Odd-lot holders, for a total Odd-lot consideration of R295 798.

** Included restricted cash of R103 million that was reclassified as at 28 February 2023.

Segment report

for the six months ended 31 August 2024

Information reported to the Group's executive committee chief operating decision maker (CODM) for the purposes of making key operating decisions, resource allocation and the assessment of segmental performance is focused on the different service offerings and geographical region of operations. The operating segments are grouped into the following categories: Contingent Staffing, Staffing Solutions (previously referred to as Functional Outsourcing), Professional Services and Business Support, as well as geographically. The Group's reportable segments under IFRS 8 are as follows:

Contingent Staffing

Contingent Staffing South Africa is a market-leading industrial contingent staffing service that offers compliant fixed-term employee contracting to the FMCG, manufacturing, warehousing and logistics, mining and renewable energy industries, enabling client labour flexibility and improved variable cost management. It also offers strategic skills development solutions through customised programmes.

The South African operating segment includes BLU and the PMI brand, which is a training provider to external clients and supports other Adcorp service lines.

Contingent Staffing Australia is a leading provider of blue-collar staffing solutions and healthcare personnel across Australia in the food processing, transport and logistics, trade and construction, agricultural and healthcare sectors.

The brands in the Contingent Staffing Australia operating segment include Labour Solutions Australia, Zest and Labour Solutions Health.

Staffing Solutions

Staffing Solutions offers effective non-core process outsourcing related to productivity, process efficiencies and continuous improvement that is focused in the FMCG, warehousing and logistics sectors. It also offers niche industrial and office cleaning.

The brands in the operating segment include FunxionO, ACMS, Telvuka and Capability.

Professional Services

Professional Services South Africa provides ICT and project management resourcing that sources contractors from multiple ICT disciplines on either a contracting or permanent placement basis. It also offers temporary and permanent placement of front and back-office professionals across multiple industries and operates a fully digital marketplace where freelancers and hirers connect and transact. It also offers training of the Microsoft product suite, delivering in-person and virtual instructor-led or demand-driven online training.

The brands in the South African Professional Services operating segment include that of Paracon, Charisma, Quest, Kelly, DAV, Jobvine and TorqueIT.

Professional Services Australia is a leading technology and digital staffing and recruitment business in Australia offering temporary and permanent placement of ICT professionals to customers across various industries in Australia for more than 50 years. It also offers recruitment process outsourcing and managed service solutions.

The Professional Services Australia operating segment include the brands of Paxus and Paxus Talent Solutions.

Business Support

This segment plays a pivotal support role in the execution and the handling of specialised operational services such as finance, human resources, payroll, IT, legal, risk, compliance and marketing. This segment acts as a service centre for all other operating segments in the Group that enables efficiencies that reduce costs and create a higher degree of strategic flexibility and support.

Geographical segmentation

The geographic segment report is disclosed as (a) South Africa and (b) Australia. It includes directors' salaries, finance income, finance costs, and income tax expense applicable to the Business Support segment and internal charges between Business Support and other segments. The finance income and finance costs include intra-group charges. This is the measure reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance. For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive Officer monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of other financial assets (except for trade and other receivables) and taxation assets. Goodwill has been allocated to reportable segments.

Transactions between segments follow the Group's accounting policies. No single customer contributes more than 10% of the Group's revenues.

Segment report continued

for the six months ended 31 August 2024

	Contingent Staffing	Professional Services	Staffing Solutions	Business Support
R'000	South Africa	South Africa	South Africa	South Africa
Revenue				
– August 2024	1 860 211	998 347	624 608	–
– August 2023	1 860 192	997 903	545 632	–
– February 2024	3 788 111	1 945 836	1 136 882	–
Internal revenue				
– August 2024	30 194	10 549	5 569	–
– August 2023	22 118	8 307	6 591	–
– February 2024	61 045	14 831	11 961	–
COS				
– August 2024	(1 640 977)	(884 465)	(579 651)	–
– August 2023	(1 645 537)	(881 689)	(503 500)	–
– February 2024	(3 356 545)	(1 724 542)	(1 055 168)	–
Gross profit				
– August 2024	219 234	113 882	44 957	–
– August 2023	214 655	116 214	42 132	–
– February 2024	431 566	221 294	81 714	–
Staff costs				
– August 2024	(76 298)	(66 509)	(19 261)	(45 506)
– August 2023	(68 364)	(55 920)	(13 434)	(50 364)
– February 2024	(113 740)	(102 155)	(12 492)	(87 453)
Other operating expenditure				
– August 2024 ¹	(60 014)	(48 002)	(15 266)	(11 671)
– August 2023	(10 370)	(1 751)	(3 715)	(121 663)
– February 2024	(46 803)	(37 626)	(21 433)	(211 450)
Inter-segmental allocated costs				
– August 2024 ¹	(39 129)	(14 227)	(15 817)	84 473
– August 2023	(87 277)	(55 480)	(22 838)	182 644
– February 2024	(167 156)	(100 743)	(43 008)	345 327

¹ The cost allocation methodology was amended from the beginning of the year to a full absorption basis, resulting in a shift of costs between other operating expenditure and inter-segmental allocated costs.

Contingent Staffing	Professional Services	Business Support	Total Group	Geographical segments	
Australia	Australia	Australia	Total	South Africa	Australia
1 117 937	2 167 911	–	6 769 014	3 483 166	3 285 848
922 924	2 131 457	–	6 458 108	3 403 727	3 054 381
1 900 714	4 210 598	–	12 982 141	6 870 829	6 111 312
–	–	–	46 312	46 312	–
–	–	–	37 016	37 016	–
–	–	–	87 837	87 837	–
(1 021 024)	(1 994 766)	–	(6 120 883)	(3 105 093)	(3 015 790)
(843 680)	(1 955 983)	–	(5 830 389)	(3 030 726)	(2 799 663)
(1 731 110)	(3 857 745)	–	(11 725 110)	(6 136 255)	(5 588 855)
96 913	173 145	–	648 131	378 073	270 058
79 244	175 474	–	627 719	373 001	254 718
169 604	352 853	–	1 257 031	734 574	522 457
(56 683)	(110 778)	(8 271)	(383 306)	(207 574)	(175 732)
(46 634)	(99 574)	(11 887)	(346 177)	(188 082)	(158 095)
(98 958)	(191 970)	(22 869)	(629 637)	(315 840)	(313 797)
(14 531)	(31 857)	(8 143)	(189 484)	(134 953)	(54 531)
(13 919)	(38 251)	6 226	(183 443)	(137 499)	(45 944)
(24 250)	(47 141)	(30 856)	(419 559)	(317 312)	(102 247)
–	–	(15 300)	–	15 300	(15 300)
–	–	(17 049)	–	17 049	(17 049)
–	–	(34 420)	–	34 420	(34 420)

Segment report continued

for the six months ended 31 August 2024

	Contingent Staffing	Professional Services	Staffing Solutions	Business Support
R'000	South Africa	South Africa	South Africa	South Africa
Depreciation on PPE and amortisation				
– August 2024	(228)	(9 099)	(488)	(556)
– August 2023	(245)	(8 796)	(451)	(120)
– February 2024	(489)	(17 591)	(901)	(239)
Depreciation on right-of-use assets				
– August 2024	(2 488)	(198)	(61)	(14 713)
– August 2023	(2 665)	(185)	(99)	(15 504)
– February 2024	(5 329)	(370)	(204)	(30 814)
Loss allowances for expected credit losses and bad debts on trade receivables				
– August 2024	2 614	1 493	107	–
– August 2023	1 441	(299)	(72)	–
– February 2024	767	115	(196)	–
Operating profit/(loss)				
– August 2024	43 691	(22 660)	(5 829)	12 027
– August 2023	47 175	(6 217)	1 523	(5 007)
– February 2024	98 816	(37 076)	3 480	15 371
Finance income				
– August 2024	51	459	25	2 011
– August 2023	77	260	14	3 896
– February 2024	329	721	22	5 646
Finance cost				
– August 2024	(128)	(41)	(1)	(1 066)
– August 2023	(40)	–	(9)	(114)
– February 2024	(409)	(116)	(19)	–
Interest expense on lease liabilities				
– August 2024	(385)	(3)	(6)	(19 692)
– August 2023	(340)	(60)	(8)	(20 487)
– February 2024	(484)	(523)	(16)	(40 406)

Contingent Staffing	Professional Services	Business Support	Total Group	Geographical segments	
Australia	Australia	Australia	Total	South Africa	Australia
(393)	(2 498)	(68)	(13 330)	(10 371)	(2 959)
(822)	(2 410)	(64)	(12 908)	(9 612)	(3 296)
(1 643)	(5 440)	(128)	(26 431)	(19 220)	(7 211)
(1 533)	(6 429)	—	(25 422)	(17 460)	(7 962)
(1 527)	(6 872)	—	(26 852)	(18 453)	(8 399)
(3 055)	(13 744)	—	(53 516)	(36 717)	(16 799)
—	—	1 523	5 737	4 214	1 523
—	—	99	1 169	1 070	99
—	—	132	818	686	132
23 773	21 583	(30 259)	42 326	27 229	15 097
16 342	28 367	(22 675)	59 508	37 474	22 034
41 698	94 558	(88 141)	128 706	80 591	48 115
—	211	2 862	5 619	2 546	3 073
—	—	1 603	5 850	4 247	1 603
—	—	4 443	11 161	6 718	4 443
—	—	(1 813)	(3 049)	(1 236)	(1 813)
—	—	(2 273)	(2 436)	(163)	(2 273)
—	(2 236)	(4 536)	(7 316)	(544)	(6 772)
(225)	(289)	—	(20 600)	(20 086)	(514)
(235)	(398)	—	(21 528)	(20 895)	(633)
(507)	(679)	—	(42 615)	(41 429)	(1 186)

Segment report continued

for the six months ended 31 August 2024

	Contingent Staffing	Professional Services	Staffing Solutions	Business Support
R'000	South Africa	South Africa	South Africa	South Africa
Taxation (expense)/income				
– August 2024	3 988	6 826	3 699	(4 687)
– August 2023	4 432	3 388	(525)	(6 458)
– February 2024	(1 819)	16 193	(2 852)	1 627
Total assets				
– August 2024	826 531	406 399	118 412	339 829
– August 2023	804 342	421 931	116 958	409 688
– February 2024	782 303	444 089	100 400	427 263
Total liabilities				
– August 2024	368 332	160 442	94 325	417 091
– August 2023	383 270	170 776	78 013	455 238
– February 2024	365 448	203 910	88 890	432 638
Additions to property and equipment				
– August 2024	995	23	162	–
– August 2023	–	–	–	–
– February 2024	263	122	778	–
Additions to right-of-use assets				
– August 2024	1 606	–	–	–
– August 2023	2 328	–	489	3 049
– February 2024	6 635	–	489	3 076
Additions to intangible assets				
– August 2024	–	–	–	–
– August 2023	–	–	–	–
– February 2024	583	–	100	–

Contingent Staffing	Professional Services	Business Support	Total Group	Geographical segments	
Australia	Australia	Australia	Total	South Africa	Australia
(6 890)	(6 406)	8 545	5 075	9 826	(4 751)
(5 345)	(10 496)	8 952	(6 052)	837	(6 889)
(11 781)	(26 951)	23 689	(1 894)	13 149	(15 043)
269 741	701 148	438 494	3 100 554	1 691 171	1 409 383
201 850	622 374	414 421	2 991 564	1 752 919	1 238 645
261 097	606 376	501 234	3 122 762	1 754 055	1 368 707
264 680	385 395	(14 360)	1 675 905	1 040 190	635 715
176 121	359 523	(42 009)	1 580 932	1 087 297	493 635
210 242	385 127	(23 198)	1 663 057	1 090 886	572 171
580	2 359	92	4 211	1 180	3 031
322	2 230	35	2 587	–	2 587
342	3 379	35	4 919	1 163	3 756
–	15 687	–	17 293	1 606	15 687
–	–	–	5 866	5 866	–
–	1 955	–	12 155	10 200	1 955
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	683	683	–

Notes to the unaudited interim financial statements

for the six months ended 31 August 2024

1. Basis of preparation

The unaudited and unreviewed consolidated interim financial statements for the six months ended 31 August 2024 are prepared in accordance with the JSE Listings Requirements for interim 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.

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 29 February 2024.

The interim financial statements comprise of the consolidated statement of financial position at 31 August 2024, 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 2024 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 2024 consolidated financial statements.

These unaudited and unreviewed consolidated interim financial statements for the six months ended 31 August 2024 were prepared under the supervision of Mr Noel Prendergast CA(SA), in his capacity as Chief Financial Officer.

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. Change in non-controlling interest

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

5. Revenue

The Group is in the business of providing services to clients which include permanent placements, temporary placements to flexible staffing sectors, professional IT services, as well as the provision of business process outsourcing and training. Revenue is 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.

Performance obligation	Description	Timing	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
Permanent placement	Permanent placement involves placing candidates in full-time employment with prospective employers. Once candidates are placed, the Group has no further obligations to the customer.	Revenue is recognised at the point in time when placed candidates begin employment.	46 262	29 818	89 695

Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2024

5. Revenue continued

Performance obligation	Description	Timing	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
Temporary placement	Adcorp provides temporary employment services to customers – the services are described as a "solution". The services contracted include procurement, screening, payroll administration, maintenance of records, management reporting, labour-related matters etc. Additional services may be required on an ad hoc basis, the terms of which are to be agreed upon between the parties.	Revenue is recognised over time as the services are rendered.			
Training	The Group provides disability, technical, higher and technological training as well as other ancillary services. There are no contracts with variable consideration components as well as multiple performance obligations.	Revenue is recognised over time as the training is provided.	5 656 556	5 422 036	10 889 436
Outsourced-based solutions	This is focused on managing a wide range of business processes through qualified professionals who use automation and optimisation tools to help improve efficiency, reduce operational costs and increase productivity, while capitalising on process automation technologies. This could also include providing clients with contract management and vendor disbursements for client suppliers.	Revenue is recognised at the point of time the solution has been delivered to the customer.	135 050	125 852	246 098
			931 146	880 402	1 756 912
Total			6 769 014	6 458 108	12 982 141

5. Revenue continued

Disaggregation of revenue by geographical region

Region	Segment	Performance obligation	Unaudited six months to 31 August 2024 R'000	Unaudited six months to 31 August 2023 R'000	Audited year to 29 February 2024 R'000
South Africa			3 483 166	3 403 727	6 870 829
	Contingent Services		1 860 211	1 860 192	3 788 111
		Temporary placement	1 779 056	1 788 652	3 658 844
		Permanent placement	851	–	330
		Training	79 986	71 534	128 280
		Outsourced-based solutions	318	6	657
	Staffing Solutions		624 608	545 632	1 136 882
		Temporary placement	130 707	105 286	245 923
		Outsourced-based solutions	493 901	440 346	890 959
	Professional Services		998 347	997 903	1 945 836
		Temporary placement	491 662	488 495	934 938
		Permanent placement	14 694	15 040	27 783
		Training	55 064	54 318	117 818
		Outsourced-based solutions	436 927	440 050	865 297
International			3 285 848	3 054 381	6 111 312
	Contingent Services		1 117 937	922 924	1 900 714
		Temporary placement	1 105 113	922 924	1 870 041
		Permanent placement	12 824	–	30 673
	Professional Services		2 167 911	2 131 457	4 210 598
		Temporary placement	2 150 018	2 116 679	4 179 689
		Permanent placement	17 893	14 778	30 909
Total revenue			6 769 014	6 458 108	12 982 141
The timing of revenue recognition is as follows:					
Over time			5 791 606	5 547 888	11 135 533
At a point in time			977 408	910 220	1 846 608
Total revenue			6 769 014	6 458 108	12 982 141

Notes to the unaudited interim financial statements

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for the six months ended 31 August 2024

6. 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 R29,4 million (2023: R34,1 million) and ordinary shares of 105 694 981 (2023: 107 184 164) being the weighted number of shares relative to the above earnings.

R'000	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
Total basic earnings per share			
Basic earnings per share – cents	28,2	33,1	83,8
Diluted earnings per share – cents	27,8	31,8	81,4
Weighted average number of ordinary shares outstanding during the period:			
<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	104 223 584	103 079 520	102 867 948
Adcorp employee share schemes – potential dilution ¹	2 942 793	8 209 288	6 043 901
Adcorp employee share schemes – anti-dilutive	(1 471 396)	(4 104 644)	(3 021 951)
Diluted weighted number of ordinary shares outstanding during the period	105 694 981	107 184 164	105 889 898
Reconciliation of headline earnings from continuing operations²			
Profit for the period	29 411	34 135	86 152
Loss on sale of property and equipment	–	2	42
Taxation recovered on the sale of property and equipment	–	(1)	(11)
Headline earnings from continuing operations	29 411	34 136	86 183
Headline earnings per share – cents	28,2	33,1	83,8
Diluted headline earnings per share – cents	27,8	31,8	81,4

¹ The dilution of shares results from the potential exercise of share awards in the employee share scheme. The potential exercise of share awards considered to be anti-dilutive is excluded.

² Headline earnings per share is based on the earnings adjusted for the loss on the sale of assets and net of tax.

7. Interest-bearing liabilities

<i>R'000</i>		Interest rate	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
7.1	Non-current interest- bearing liabilities		303 108	317 227	303 881
	Lease liability	Incremental Borrowing Rate (IBR) ¹	303 108	317 227	303 881
7.2	Current interest- bearing liabilities		71 027	76 153	75 259
	Lease liability	IBR ¹	71 027	76 153	75 259
Total			374 135	393 380	379 140

¹ The incremental borrowing rates range from 10% – 12,4% in South Africa and between 1,9% – 4,5% in Australia.

The South African facilities include a revolving credit facility of R150 million (ZAR revolving credit facility), an overdraft facility of R100 million and an accordion facility of R100 million, which was effective from 1 September 2022 and matures in three years from the effective date.

Interest is compounded monthly in arrears at an agreed margin plus Johannesburg Interbank Average Rate (JIBAR), which is determined on each measurement date being the last day of each month. Any amount outstanding on the ZAR revolving credit facility is to be repaid on the last day of the interest period. Any amount on the accordion facility which remains outstanding on the maturity date, will be repaid in full on that date. The margin applicable for the utilisation of facilities is 2,9% where no default has occurred and continuing. The agreement sets out various events of default. For as long as an event of default has occurred and is continuing, the margin shall be the applicable margin plus 2% per annum.

The financial covenants set out in the agreement include the following:

Financial covenant ratio	Requirement
Interest cover ratio (ratio of adjusted consolidated EBITDA to consolidated net finance costs)	>3
Current ratio (ratio of consolidated current assets divided by consolidated current liabilities)	>1,1
Tangible net asset value (NAV) ('000)	R1 200 00

Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2024

7. Interest-bearing liabilities continued

As at the reporting date, no events of default had occurred and the Group has complied with all financial covenants.

The accordion facility was not utilised during the current financial period.

A new AUD funding facility with Commonwealth Bank of Australia (CBA) commenced on Friday 12 July 2024 and will mature on 30 June 2026, consisting of a Revolving Credit Facility (AUD20 million), Set-off/overdraft Facility (AUD3 million) and Guarantee Facility (AUD2 million).

Interest on the facility is payable quarterly at the applicable base rate as determined with reference to the Australian Reserve Bank rates at the time of drawdown plus a margin of 0.7% per annum.

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

8. Management of capital

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 7, 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 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. The leverage 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 Group is unleveraged at the reporting date.

9. Categories of financial instruments

<i>R'000</i>	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
Financial assets			
Fair value through profit or loss			
Investments – fair value	–	21 706	–
Amortised cost			
Trade receivables	1 513 156	1 424 231	1 512 337
Other receivables	99 360	115 706	91 336
Cash and cash equivalents	266 052	151 790	275 249
Financial liabilities			
Amortised cost			
Lease liabilities	374 135	393 380	379 140
Trade and other payables	345 310	268 862	305 980
The following table details the Group's remaining contractual maturity for its financial liabilities (including interest):			
Within one year	422 610	347 387	425 467
More than one year	472 817	495 472	490 702

Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2024

10. Financial risk management

10.1 Financial risk management objectives

The Group's activities expose it to a variety of financial risks such as market risk (including foreign currency exchange risk), interest rate risk, credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The Group's executive and head office treasury function provide services to the business, co-ordinates access to domestic financial markets, and monitors and manages the financial risks relating to the operations of the Group. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The head office treasury function reports quarterly to the board, which monitors risks and policies implemented to mitigate risk exposures.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposure to the JIBAR through certain debt instruments. Refer to note 7. The South African Reserve Bank (SARB) has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The Market Practitioners Group (MPG), a joint public and private sector body, comprising representatives from SARB, the Financial Sector Conduct Authority and senior professionals from a variety of institutions and financial market interest groups active in the domestic money market, has designated the South African Rand Overnight Index Average (ZARONIA) as the successor rate to replace JIBAR. ZARONIA reflects the interest rate at which rand-denominated overnight wholesale funds are obtained by commercial banks. It is based on actual transactions and calculated as a trimmed, volume-weighted mean of interest rates paid on eligible unsecured overnight deposits.

In November 2022, SARB commenced publishing the ZARONIA to allow market participants to observe its performance and consider the implications of adopting it as a replacement for the JIBAR. The observation period for the ZARONIA ended on 3 November 2023 and market participants may use ZARONIA as a reference rate in financial contracts going forward. The MPG also engaged several market infrastructure providers to prepare their processes and technology to support the adoption of the benchmark. Even so, the transition away from JIBAR to ZARONIA is expected to be a multi-year initiative. The MPG is expected to provide detailed information regarding the transition roadmap and offer further guidance on the salient aspects of the transition. Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group. The Group's treasury function monitors and manages the transition to alternative rates and evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

10. Financial risk management continued

10.2 Foreign currency management

As the Group operates in various countries and undertakes transactions denominated in foreign currencies, exposures to foreign currency fluctuations arise. The Group does not hold foreign exchange contracts in respect of foreign borrowings, as its intention is to repay these from its foreign income stream or subsequent divestment of its interest in the operation. Foreign exchange differences relating to investments, net of their related borrowings, are reported as translation differences in the Group's net other comprehensive income until the disposal of the net investment, at which time exchange differences are recycled through profit or loss. To manage foreign exchange risk arising from commercial transactions and recognised liabilities, the Group use forward exchange contracts transacted with commercial banks on an all-inclusive price in the entity's functional currency.

The cash in Angola faces a systemic risk of currency devaluation over time. The Angolan currency market is currently illiquid and poses a risk to Adcorp's ability to repatriate funds to South Africa, which is exacerbated by foreign exchange restrictions. The Group continues to hold cash until such time as these can be remitted back to South Africa or utilised within Angola.

Held for trading – foreign exchange contracts (FECs)

The Group entered into foreign exchange contracts during the period to manage exposure to fluctuations in the rand-dollar exchange rate on foreign liabilities. At 31 August 2024, there were open FECs.

Foreign currency sensitivity

At 31 August 2024, in respect of the cash and cash equivalents denominated in Angolan kwanza, if the South Africa Rand had weakened/strengthened 5% against the Angolan kwanza, with all other variables held constant, profit or loss for the year would have increased/decreased by R3,0 million (2023: R3,5 million).

The Group's presentation currency is the South African rand (ZAR), but as it operates internationally with investments in foreign operations, it is exposed to a number of currencies, of which the exposure to the Australian dollar (AUD) is the most significant.

The table below analyses the impact on the Group's revenue, post-tax profit and assets/liabilities. The analysis is based on the assumption that the ZAR had strengthened/weakened by 10% against the foreign currency with all variables held constant.

Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2024

10. Financial risk management continued

10.2 Foreign currency management continued

R'000	Rand strengthened		Rand weakened	
	31 August 2024	31 August 2023	31 August 2024	31 August 2023
Impact on revenue				
AUD	(328 585)	(305 438)	328 585	305 438
Impact on profit/(loss) after tax				
AUD	(1 109)	(2 054)	1 109	2 054
Impact on assets/liabilities				
AUD	(1 900)	(1 053)	1 900	1 053

10.3 Interest risk management

Interest rate risk results from the cash flow and financial performance uncertainty arising from interest rate fluctuations. Financial assets and liabilities affected by interest rate fluctuations include bank and cash deposits as well as bank borrowings.

At the reporting date, the Group cash deposits were accessible immediately or had maturity dates of up to three months. The interest rates earned on these deposits closely approximate the market rates prevailing.

The sensitivity analyses have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting year. The analysis is prepared assuming the average of the outstanding interest-bearing borrowings and cash and cash equivalents for the reporting period.

At 31 August 2024, if interest rates had been 1% higher/lower and all other variables were held constant, the profit or loss for the year would have decreased/increased by R2,8 million (2023: R2,0 million).

10.4 Credit risk management

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. The maximum exposure to credit risk is represented by the carrying amount of trade receivables and short-term cash and cash equivalents.

Before accepting any new customer, the South African operations make use of an external credit bureau to assess the potential customer's credit quality and define credit limits by customer, whereas Australia only makes use of an external credit bureau when vetting customers that trade outside of professional sectors. Customers that trade within professional services are usually government, tier 1 agencies or well-known and established entities within our geography. As such, they are subject to contract review only and not credit sign off. Certain significant receivables are monitored on a daily basis.

10. Financial risk management continued

10.4 Credit risk management continued

A customer is considered to be in default when the amount based on customer credit terms is due but is unpaid. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The Group's credit terms to clients range between seven to 180 days with an average collection period of 35 days (2023: 35 days) and no interest is charged on the trade receivables. The carrying value approximates the fair value.

The Group only deposits short-term cash surpluses with financial institutions of high-quality credit standing. The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

10.5 Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure sufficient cash and availability of funding through adequate credit facilities and monitoring forecast cash flows, to enable the Group to meet its liabilities when they are due.

The Group has undrawn variable rate facilities of R627 million (2023: R693 million). The Group's liquidity exposure is represented by the aggregate balance of financial liabilities as indicated in the categorisation table in note 9.

The Group reassessed the classification of restricted cash held in Angola due to regulatory restrictions placed on the ability of the subsidiary to access the cash in Angola in the prior financial year, and as a result of the subsequent completion of certain in-country administrative processes, access in country is no longer restricted however management anticipate additional administrative-intensive procedures in order to facilitate the repatriation of the cash.

Cash and cash equivalents as at 31 August 2024 is R266 million (2023: R152 million), which is inclusive of cash held in Angola of R60 million (2023: R70 million).

Notes to the unaudited interim financial statements

continued

for the six months ended 31 August 2024

10. Financial risk management continued

10.6 Financial instruments measured at fair value

The Group's financial asset of an investment in a cell captive was measured at fair value at the end of each reporting period. The cell captive arrangement was terminated and subsequently derecognised in the prior financial year on the 5 October 2023, upon settlement of the unlisted shares.

The following table gives information about how the fair value of these financial assets were determined (in particular, the valuation technique(s) and inputs used):

<i>R'000</i>	Unaudited six months to 31 August 2024	Unaudited six months to 31 August 2023	Audited year to 29 February 2024
Investment – fair value	–	21 706	–

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.

Fair value risk

The fair value of forward exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting amount discounted back to present value, as determined by the financial institution at 31 August 2024.

11. Contingent liabilities

The bank has issued guarantees of R41 million (2023: R41 million) on behalf of the Group to creditors.

12. Events after the reporting period

No event which is material to the understanding of the consolidated financial statements has occurred between year-end and the date of the annual financial statements other than:

The board of directors has approved and declared an interim gross dividend of 13,4 cents per ordinary share (2023: 16,1 cents per share), from income reserves, for the period ended 31 August 2024.

13. Dividend declaration

Shareholders are hereby advised that the board of directors of Adcorp has approved and declared an interim gross dividend of 13,4 cents per ordinary share (2023: 16,1 cents per ordinary share), from income reserves, for the six months ended 31 August 2024.

The dividend is subject to a South African dividend withholding tax rate of 20%, resulting in a net dividend of 10,72 cents per ordinary share (2023: 12,88 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 109 880 974 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	Thursday, 31 October 2024
Last day to trade <i>cum</i> dividend	Tuesday, 14 January 2025
Securities commence trading ex dividend	Wednesday, 15 January 2025
Record date for purposes of determining the registered holders of ordinary shares to participate in the dividend at close of business on	Friday, 17 January 2025
Payment date	Monday, 20 January 2025

Share certificates may not dematerialise or rematerialise between Wednesday, 15 January 2025 and Friday, 17 January 2025, both dates inclusive.

14. 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

Registered office

Adcorp Place
 102 Western Service Road
 Gallo Manor Ext 6
 Johannesburg, South Africa, 2191
 PO Box 70635, Bryanston
 Johannesburg, South Africa, 2021
 Tel: +27 (0) 10 800 0000
 Email: info@adcorpgroup.com

Directors

Executive

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

Non-executive

Ms Gloria Serobe (Chairman)
 Mr Timothy Olls
 Mr Clive Smith

Independent non-executive

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

Alternate non-executive

Mr Sam Sithole

Company Secretary

Charissa de Jager
 Tel: +27 (0) 10 800 0000
 Direct: +27 (0) 10 800 0786
 Email: charissa.dejager@adcorpgroup.com

Investor relations

Singular Systems
 Michèle Mackey
 25 Scott Street
 Waverley, Johannesburg, 2090
 Tel: +27(0) 10 003 0661
 Email: michele@singular.co.za

External Auditor

KPMG
 58 Empire Road,
 Parktown
 Johannesburg, 2193
 Tel: +27(0) 11 647 7111

Transfer secretaries

CTSE Registry Services (Pty) Ltd
 5th Floor, Block B
 The Woodstock Exchange Building
 66-68 Albert Road, Woodstock
 Cape Town
 South Africa, 7915
 Tel: +27 (0) 11 100 8352
 Email: adcorp@4axregistry.co.za

JSE Sponsor

Valeo Capital Proprietary Limited
 Unit 12, Paardevlei Specialist
 Medical Centre
 Somerset West, 7130
 Tel: +27 (0) 21 851 0091
 Email: info@valeocapital.co.za



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