adcorp

Connecting Human Potential

2025 CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

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www.adcorpgroup.com

FY2025

SALIENT FEATURES

REVENUE
R13,24bn ▲ 2.0%
2024: R12,98bn

GROSS PROFIT
R1,30bn ▲ 3.5%
2024: R1,26bn

OPERATING PROFIT
before finance income and finance costs
R171,6m ▲ 33.3%
2024: R128,7m

PROFIT FOR THE YEAR
R140,9m ▲ 60.0%
2024: R88,0m

NET CASH POSITION*
increased to
R442m
2024: R204m

B-BBEE
Level 1 rating
maintained for largest operation in South Africa

TOTAL EARNINGS
per share
134,7 cents ▲ 60.8%
2024: 83,8 cents

TOTAL HEADLINE EARNINGS
per share
135,4 cents ▲ 61.6%
2024: 83,8 cents

FINAL DIVIDEND DECLARED
per share
50,0 cents ▲ 106.7%
2024: 24,2 cents

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

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Connecting Human Potential

COMMENTARY

Company profile

Adcorp Holdings Limited (Adcorp or the Company) and its subsidiaries (Group or Adcorp Group) is a leading workforce solutions provider committed to unlocking human potential and influencing the future of work, economies, and society. With operations in South Africa and Australia, the Group employs over 1 700 permanent staff and deploys more than 45 000 contingent and contractor workers daily. Ranked among the top 100 staffing companies worldwide – and the largest in Africa – Adcorp proudly delivers through a portfolio of trusted brands, many with legacies spanning over 50 years.

Our strategic direction is rooted in a clear purpose: to create agile, skilled, and future-fit workforces. This purpose is underpinned by our values – respect, teamwork, customer centricity, agility, diversity and inclusion, which continue to shape lasting relationships with clients, candidates, and employees alike. Across two continents and hundreds of client sites, we support more than 2 900 organisations and touch the lives of over 150 000 individuals each day.

Adcorp remains a partner of choice for leading businesses in key sectors, consistently earning high customer satisfaction ratings and industry recognition. These outcomes reaffirm our enduring relevance and contribution. Our dividend policy further reflects confidence in our operating model and our ongoing commitment to long-term stakeholder value creation.

Introduction

This financial year marked a period of disciplined execution and operational consolidation for Adcorp. In the face of persistent macroeconomic volatility in both South Africa and Australia, the Group delivered a significantly improved financial performance, a direct outcome of multi-year restructuring efforts and sustained emphasis on capital discipline, operating leverage, and strategic alignment.

Adcorp achieved a substantial uplift in earnings, with headline earnings per share from operations increasing by more than 60% year-on-year. This result was driven by modest 2.0% revenue growth, enhanced gross profit margins, and tightly contained operating costs, which remained flat despite inflationary and operational headwinds in both geographies.

The Group enters the next financial year from a position of financial strength, with a clean balance sheet, robust liquidity and momentum across high-potential growth verticals. Our ability to deliver resilient earnings and strong cash conversion positions us to fund growth and shareholder returns with agility and confidence.

Financial overview

Group revenue increased by 2.0% from R13,0 billion to R13,2 billion for the year, or 3.4% in constant currency. This marks the third consecutive year of revenue growth, an achievement that stands out amid widespread declines across global workforce solutions providers. Gross profit improved by 3.5% (4.7% in constant currency) from R1,26 billion to R1,30 billion, driven primarily by improved gross margin performance in the second half, culminating in a year-end margin of 9.8%.

Profit for the year increased markedly by 60.0%, from R88,0 million to R140,9 million. This strong performance reflects the growth in gross profit and the Group's disciplined cost control, with operating expenses held flat year-on-year despite inflationary pressures and elevated activity levels.

Cash generated from operations before working capital movements rose to R272,5 million (2024: R247,9 million). Effective working capital management yielded a net inflow of R115,9 million. The Group's days sales outstanding (DSO) remained stable at 37 days despite continuing pressure from clients for extension. Consolidated net cash (excluding restricted cash in Angola) closed at R442,1 million (2024: R204,1 million), after share repurchases of R6,8 million and dividend payments of R39,2 million, in line with the Group's capital allocation framework.

The Group's effective tax rate was a credit of 2.6%, primarily due to a non-recurring reversal of deferred tax liabilities, utilisation of assessed losses, and tax incentives related to ETI and learnerships. As at 28 February 2025, unrecognised tax losses totalled R743,1 million (2024: R788,9 million), while recognised tax losses amounted to R217,1 million (2024: R223,9 million).

Liquidity and cash flow

The Group remains in a strong liquidity position, with R442,1 million in net cash (excluding restricted Angola balances), no drawn debt facilities, and access to committed undrawn lines of credit. South African facilities include a R150 million revolving credit facility, a R100 million overdraft facility, and a R100 million accordion facility maturing in September 2025. A new facility is currently under negotiation. The Australian borrowing base facility comprises a working capital and set-off facility totalling AU$23 million.

Contingent Staffing SA

The core value propositions of this division, blue-collar staffing through BLU and sector-focused training through PMI, remained highly relevant within the prevailing South African economic environment. BLU experienced a slight decline in year-on-year revenue performance, reflecting broader market uncertainty, while PMI delivered strong growth, benefiting from its targeted sector strategy and the increasing demand for upskilling in transformation-led initiatives.

Efforts to enhance gross margin and manage costs more efficiently delivered encouraging results, with improved margin percentages and disciplined cost control across both brands. Strategic investments in high-margin adjacencies, such as the hospitality sector through the ZEST brand and the incorporation of occupational health services, further contributed to earnings resilience.

The division delivered a solid financial performance, supported by revenue stability, margin uplift, and effective cost management, and enters the new financial year well-positioned for steady growth as inflationary pressures ease.

Professional Services SA

The division delivered stable year-on-year revenue, despite a challenging South African economic backdrop marked by high unemployment, persistent inflation, and modest growth. This resilience was driven by a diversified service offering, strong client retention, focused sales execution, and ongoing cost optimisation efforts.

Gross margin improvement was achieved across several brands through restructuring initiatives aimed at operational efficiency. DAV, Kelly, and talentCRU underwent targeted changes to streamline their delivery models, while Paracon maintained consistent performance following a reset of its cost base. Charisma posted strong growth by addressing high-demand market segments at attractive margins, and Torque IT also recorded margin uplift, supported by a sharpened sales focus and improved commercial discipline. Quest, however, was impacted by recruitment freezes and headcount reductions at key clients, leading to revenue softness.

With a more agile and efficient operating model in place, the division is well positioned to benefit from any recovery in permanent placement and broader white-collar staffing demand.

Staffing solutions

Staffing Solutions delivered a strong performance in FY2025. The division was renamed at the beginning of the year and now comprises FunxionO, Adfusion, Capability, and the newly established Telvuka brand. Revenue growth in the first half was modest, reflecting client caution amid political uncertainty, however, the second half saw a notable improvement.

FunxionO delivered strong revenue growth, particularly in the second half, supported by new client acquisitions, sector diversification, and improved operational efficiencies. While early margin pressure emerged from clients in the FMCG and retail sectors, pricing models were revised and operational enhancements implemented, contributing to an improvement in profitability. Adfusion also delivered strong growth, helping to offset the weaker performance of Telvuka and Capability.

Despite mixed performances across brands, the division delivered overall double-digit revenue growth and an improved margin performance, with FunxionO and Adfusion the primary drivers of this strong result.

Contingent Staffing AUS

The division, represented by LSA, delivered exceptional results in FY2025, achieving double-digit growth across revenue, gross profit, and EBITDA. This performance was driven by the successful acquisition of new national and regional contracts, as well as the geographic expansion of existing client relationships, reinforcing the division's strong market reputation and operational capability.

Ongoing demand for Australian agricultural and protein exports continued to drive large-scale workforce deployment through the PALM scheme. Building on this foundation, the division expanded its footprint into sectors such as aged care, where demand for reliable and compassionate labour remains elevated. This strategic diversification reflects the division's ability to respond quickly to market needs and deliver high-quality outcomes across industries.

Gross margins remained robust, supported by disciplined cost control, effective labour deployment, and a well-diversified client base. To support current and future growth, the division continued investing in internal capabilities, including regulatory compliance, quality assurance, and workforce development initiatives.

With a strong operational platform and proven ability to meet complex staffing requirements, the division is well-positioned to capitalise on further growth opportunities across Australia's evolving labour market.

COMMENTARY continued

Professional Services AUS

Paxus, Adcorp's Australian professional services brand, underwent a significant transformation in FY2025 in response to ongoing market pressures and evolving client needs. The business shifted from a state-based ICT model to a sector-focused professional services approach, aimed at improving efficiency, reducing costs, and building a more scalable platform for growth. As part of this transition, targeted leadership changes were made while preserving essential customer-facing expertise.

Market conditions remained challenging throughout the year, with continued softness in both permanent recruitment and contracting revenue as clients favoured lower-margin, cost-effective solutions. These trends, seen globally, continued to influence demand across Australia. Despite this, early signs of momentum were evident under the new model, with initial success in securing work across the Banking and Finance, State and Federal Government, and Digital sectors.

With a more focused structure, streamlined cost base, and renewed sector alignment, Paxus is now better positioned to benefit from any recovery in permanent hiring and broader demand across the white-collar and technology staffing markets.

Outlook

Adcorp enters FY2026 with a stronger financial position and a clear strategic agenda. Following a year of disciplined execution, the Group is focused on driving margin improvement, growing higher-margin outsourcing services, and advancing its transition into a technology-enabled workforce solutions provider.

Key investment will continue into AI and automation across payroll, workforce matching, and operational processes - a core pillar of Adcorp's scalable service model. Geographically, the Group is expanding its aged care and healthcare staffing capabilities in Australia and growing its presence in South African outsourced offerings. In parallel, Adcorp is extending its services into the rest of Africa, aligned to the needs of global clients seeking integrated, compliant staffing solutions across the continent.

The Group maintains a strong net cash position with no drawn debt, supporting its capital allocation framework – including a consistent dividend policy (2x cover), disciplined working capital management, and opportunistic share buybacks where liquidity allows.

While macroeconomic uncertainty remains a factor, particularly due to global trade tensions and local market constraints. Adcorp's decentralised model, sector diversification, and cash-backed balance sheet provide resilience. The Group remains well-positioned to pursue sustainable growth and value creation through both operational execution and potential strategic alignment.

By order of the board

29 May 2025

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

To the shareholders of Adcorp Holdings Limited

The directors are required in terms of the Companies Act 71 of 2008 (Companies Act) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa. The external auditor is engaged to express an independent opinion on the consolidated financial statements.

The audited consolidated financial statements are prepared in accordance with IFRS Accounting Standards International Financial Reporting Interpretations Committee (IFRIC) interpretations effective for the Group's financial year, and Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Financial Reporting Requirements") and the Companies Act of South Africa and the JSE Listings Requirements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

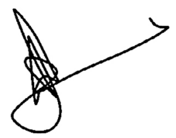
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a robust control environment. To enable the directors to meet these responsibilities, the directors set standards for internal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

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

The directors have reviewed the cash flow forecast for the 12 months from approval of the consolidated financial statements to end of May 2026 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the audited consolidated financial statements. The audited consolidated financial statements have been examined by the external auditor and their report is presented on pages 14 to 18.

The audited consolidated financial statements set out on pages 19 to 24, segment report on pages 25 to 29 and notes to the financial statements on pages 30 to 85, which have been prepared on the going concern basis and the Directors' report on pages 11 to 13, were approved by the directors on 29 May 2025 and are signed on their behalf by:



Dr. John Wentzel
Chief Executive Officer

29 May 2025

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

In terms of section 3.84(k) of the JSE Limited (JSE) Listings Requirements, each of the directors, whose names are stated below, hereby confirm that:

a) The annual financial statements set out on pages 19 to 87, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
c) Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of the issuer;
d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
e) Where we are not satisfied, we have disclosed to the audit and risk committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies/taken steps to remedy the deficiencies; and
f) We are not aware of any fraud involving directors.

Dr. John Wentzel
Chief Executive Officer

29 May 2025

Noel Prendergast
Chief Financial Officer

29 May 2025

COMPANY SECRETARY COMPLIANCE STATEMENT

I certify that, to the best of my knowledge and belief, the Company and its subsidiaries have lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required of a public company in terms of the Companies Act 71 of 2008, as amended, in respect of the year ended 28 February 2025 and that all such returns appear to be true, correct and up to date.

Charissa de Jager
Company Secretary

29 May 2025

REPORT OF THE AUDIT AND RISK COMMITTEE

for the year ended 28 February 2025

Dear Stakeholders

The Group's audit and risk committee (the committee or ARC) presents its report for the financial year ended 28 February 2025. The committee is an independent statutory committee, whose duties are delegated to it by the board of directors. The committee's duties and objectives, allow it to discharge its statutory and other board-delegated duties in keeping with its terms of reference. These duties are briefly set out in this report. The committee performs the requisite statutory functions on behalf of all subsidiaries within the Group.

Composition and meetings

The four members of the ARC were recommended by the board to the shareholders and were formally appointed at the previous annual general meeting (AGM) held on 30 July 2024.

T Mokgabudi *(Chairman)*
H Singh
M Lubega
R van Dijk

Six (6) committee meetings were held during the year, of which one (1) was a special meeting, one (1) was a risk workshop and four (4) were ordinary meetings. As provided for in the ARC's terms of reference, closed sessions are arranged at least once a year with key relevant parties to ensure confidential assessments and discussions can occur.

Role and responsibilities

The committee is satisfied that it has executed its responsibilities in keeping with the requirements of the Companies Act of South Africa, the JSE Listings Requirements and the recommendations of King IV™, as well as additional requirements prescribed by its terms of reference, as approved by the board of directors. The ARC's key areas of responsibility include:

- Perform and fulfil the committee's duties pursuant to section 94 of the Companies Act and its responsibilities as set out in paragraph 3.84(g) of the JSE Listings Requirements, including the appointment and the assessment of the independence of the external auditor;
- Overseeing the integrated reporting process and assessing disclosures made to all stakeholders, which includes the consolidated financial statements for the year under review;
- Overseeing and evaluating the governance of risk and compliance and the related internal control environment, and considering the recommendation of the internal auditors in respect of the effectiveness of the system of internal controls;
- Monitoring and assessing all internal and external assurance providers and the non-audit services rendered during the year;
- Assessing key audit matters;
- Assessing the expertise and experience of the CFO and the resources within the financial function; and
- Reviewing and recommending the consolidated financial statements for approval by the board.

In order to execute her responsibilities, the Chairman of the committee met separately during the course of the year with the CFO, the management, and the internal and external auditors.

The committee provides oversight of the Group and performs the Companies Act prescribed functions on behalf of the relevant South African subsidiary companies.

External auditor and independence

The committee satisfied itself that the external auditor of the Group is independent. The requisite assurance was sought and provided by the auditor that the internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee continuously assesses the impact of the overall audit professional environment and current challenges. The external auditor shared their significant risk and focus areas and responses thereto. The committee thus satisfied itself of the continued independence and competence of the auditor. The committee resolved to recommend to the shareholders that KPMG be re-appointed as the Group's registered external auditor and Mr Fred von Eckardstein as the designated individual auditor, for approval at the AGM, for the 2026 financial year.

The committee, in consultation with executive management, agreed to the engagement letter terms, audit plan, including the materiality levels proposed, and budgeted audit fees for the year under review. There is a formal procedure and policy that governs the process whereby the auditor is considered for non-audit services.

No non-audit services were provided by the external auditors during the year under review and it was confirmed that no reportable irregularities had been identified or reported by the external auditor under the Auditing Profession Act 26 of 2005.

REPORT OF THE AUDIT AND RISK COMMITTEE

continued

for the year ended 28 February 2025

Financial statements and accounting policies

The committee has assessed the Group accounting policies and the consolidated financial statements for the year ended 28 February 2025 and is satisfied that they are appropriate and comply in all respects with the Companies Act, IFRS Accounting Standards and the JSE Financial Reporting Requirements together with consideration of the findings from the JSE Limited (JSE) proactive monitoring of financial statements in 2024.

The committee confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act 26 of 2005. The committee did not receive any complaints relating to the accounting practices, internal audit, the content or auditing of the Group's audited consolidated annual financial statements, the internal financial controls of the Group or any related matters.

The committee supports the opinion of the board and the external auditor with regard to the consolidated financial statements, which have been approved by the board and will be presented to shareholders at the AGM to be held at the end of July 2025.

Based on the information and explanations given by directors, the internal and external auditors, the committee believes that the accounting and internal controls, including the internal financial controls, are adequate and that the financial records may be relied upon for preparing the consolidated financial statements in accordance with IFRS Accounting Standards and maintaining accountability for the Group assets and liabilities.

Governance of risk

The committee is responsible for overseeing the governance of risk across the Group. During the year, the committee revisited the risk management framework and determined how to ensure effective cascading of integrated assurance across the various board committees.

Nothing has come to the committee's attention to indicate that any material breakdown in the functioning of internal controls resulting in a material loss to the Group has occurred during the year and up to the date of this report.

Internal audit

The internal audit function, outsourced to Ernst & Young, reviews and provides assurance on the adequacy and effectiveness of internal controls and internal financial controls.

During the year under review, the committee:

- Reviewed and approved the annual internal audit coverage plan;
- Evaluated the independence, effectiveness and performance of the internal audit function in terms of its scope, execution of its plan, coverage, independence, skills, resourcing, overall performance and position within the organisation and found it to be satisfactory;
- Considered the internal audit reports on the Group's systems of internal controls, including financial controls and accounting records;
- Reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to internal audit findings and considered management's responses to adverse internal audit findings;
- Met with the internal audit independently of management; and
- Assessed the adequacy of the performance of the internal audit function and found it to be satisfactory.

CEO and CFO attestation

The committee evaluated the CEO and CFO's responsibility statement on the consolidated financial statements and internal financial controls as required by the JSE Listings Requirements as set out on page 6.

The CEO and CFO reviewed the controls over financial reporting and presented the findings to the committee. Based on this evaluation, management identified certain deficiencies that were largely mitigated by compensating controls and did not lead to any material concerns with the financial reporting process.

A remediation plan has been developed by management to address control deficiencies as part of the Group's ongoing journey towards strengthening the internal controls related to financial reporting, especially as it relates to control improvements associated with control disciplines and together with the relevant compensating controls.

This process has enabled the CEO and CFO to conclude and sign-off on the effectiveness of the internal controls over financial reporting, in accordance with the JSE Listings Requirements.

The committee is of the opinion that the system of internal financial controls and financial reporting procedures are effective and form a basis for the preparation of reliable financial statements in respect of the year under review.

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Going concern

In preparing the consolidated Group financial statements, the committee is responsible for evaluating the Group's ability to continue as a going concern and therefore the appropriateness of the going concern assumption in preparing the financial statements. The committee has assessed the economic environment, current financial position and the expected cash flows for the next 12 months through to the end of May 2026. The liquidity and solvency position has also been reviewed as part of this assessment.

The committee is satisfied that there are no material uncertainties that cast doubt on the Group's ability to operate as a going concern. The Group has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the committee considered it appropriate to adopt the going concern assumption for the preparation of the 2025 financial statements and recommended the going concern assumption to the board for approval.

Significant areas of judgement

In arriving at the figures disclosed in the consolidated financial statements, there are certain areas where judgement is applied. The committee has considered various elements of the consolidated financial statements that require judgement and have found all judgements and estimates to be reasonable and provides additional commentary on the goodwill impairment assessment.

Goodwill and impairment assessment

Management performed the annual assessment for impairment of goodwill. The committee has considered the significant estimates and judgements applied in management's valuation and impairment assessments. The committee assessed the following factors:

- The reasonableness of management's assumptions used in determining growth rates applied to revenue and earnings before interest, taxes, depreciation and amortisation (EBITDA) and EBITDA margins;
- The terminal growth rate and discount rates applied in management's valuation; and
- The adequacy of the disclosures made in note 6 in the consolidated financial statements.

On this basis, the committee is satisfied that no impairment (2024: Rnil) is required on goodwill for the current year.

Refer to note 6 in the consolidated financial statements for a detailed analysis of the factors, inputs and outcomes of results of impairment testing at the reporting date.

Evaluation of the expertise and experience of the CFO and the finance function

The committee has considered and is satisfied with the appropriateness of the expertise and experience of the CFO, Mr Noel Prendergast. The committee considered the appropriateness of the expertise, diversity and adequacy of resources of the Group's finance function and the effectiveness of the members of management responsible for the finance function.

The committee is satisfied that it has discharged its duties and responsibilities as set out in its terms of reference.

The ARC has access to all financial information of the Company, including the financial information of all entities within the Group.

REPORT OF THE AUDIT AND RISK COMMITTEE

continued

for the year ended 28 February 2025

Key focus areas

In addition to executing on its statutory duties and considering key audit matters, the committee also addressed the following key areas of focus during the year ended 28 February 2025:

- The committee continued to receive reports on the risks and related controls in respect of operations, fraud, cybersecurity, IT systems, and controls impacting financial reporting. The committee was informed of initiatives aimed at monitoring cybersecurity and ensuring data security across the organisation.
- The committee continuously monitored the group's risk exposure and the effectiveness of controls to mitigate risks and prevent and detect fraud. The committee focused on ensuring the effectiveness of a group-wide approach to risk management that ensures consistent application of risk management principles and methodologies across all geographies in which the group operates.
- The committee received reports from the compliance function and monitored the group's compliance activities across all geographies in which the group operates.
- The committee oversaw the development and adoption of a Group Governance Framework, thereby setting the Group's governance philosophy, structure, and principles.
- The committee ensured the continued application of a robust combined assurance model to coordinate all assurance activities across the Group's different geographical areas.
- The committee monitored the financial roadmap's alignment with the Group's strategy and assessed macroeconomic trends in South Africa and Australia, ensuring resilience and sustained profitability.
- The committee received reports on projects aimed at improving financial performance and continuously assessed macroeconomic trends and risks in South Africa and Australia, ensuring resilience and sustained profitability.

The committee has set the following key areas of focus for 2026:

- Focus on ensuring that all areas of the business are aligned with the Group's risk management and compliance philosophy and strategy and that a group-wide approach is maintained where applicable.
- Oversee and evaluate management's response to future changes in legislation and other regulations impacting disclosure requirements, as well as macroeconomic risks and trends. As part of this process, Adcorp will commence a process to assess the implications of Environmental, Social, and Governance (ESG) disclosures and related assurance processes to support the group in meeting the minimum ESG disclosure requirements under the Integrated Reporting (IR) Framework released by the International Auditing and Assurance Standards Board (IAASB).
- Enhance its oversight of initiatives aimed at monitoring cybersecurity and ensuring data security across the organisation.

Conclusion

Having considered all the material factors and key audit matters the committee recommended the consolidated financial statements for the year ended 28 February 2025 for approval to the board. The board has approved the annual financial statements which will be open for discussion at the forthcoming AGM of shareholders.

I would like to extend my appreciation to management, the external auditor, internal auditors and fellow committee members for their work and support throughout the year.

T Mokgabudi
Chairman, audit and risk committee

29 May 2025

DIRECTORS' REPORT

for the year ended 28 February 2025

The directors have pleasure in submitting their report and consolidated financial statements for the year ended 28 February 2025.

Nature of business

The Group operates in South Africa and Australia. Areas of activities include the permanent recruitment and flexible staffing sectors, professional IT services, as well as the provision of business process outsourcing and training. There have been no material changes in the nature of the business during the current financial year.

Results of Group operations

The results for the current financial year are detailed in the consolidated financial statements on pages 19 to 87.

Share capital

The authorised share capital is 183 177 151 (2024: 183 177 151) ordinary shares of 2,5 cents per share and 16 822 849 (2024: 16 822 849) "B" ordinary shares of 2,5 cents per share.

On 22 March 2024, the group repurchased 73 701 Adcorp Holdings Limited shares from Odd-lot holders, for a total Odd-lot consideration of R295 798. The issued share capital of the Company at 28 February 2025 was 109 880 974 (2024: 109 954 675) ordinary shares of 2,5 cents per share and 6 729 140 (2024: 6 729 140) "B" ordinary shares of 2,5 cents per share.

Dividend declaration

The board approved a final gross cash dividend of 50,0 cents per ordinary share for the financial year ended 28 February 2025 (2024: Final gross dividend of 24,2 cents per ordinary share). The dividend has been declared from income reserves. The directors have performed the required solvency and liquidity tests required by the Companies Act.

Property and equipment

There were no significant changes in the nature of the Group's property and equipment during the current financial year. The Group acquired property and equipment to the value of R4,1 million (2024: R4,9 million), during the current financial year.

Special resolutions

At the AGM held on 30 July 2024, Adcorp's shareholders passed the following special resolutions for the purposes indicated:

Special resolution number 1: To approve the remuneration payable to non-executive directors for their services as directors.

Special resolution number 2: To approve that the Company and/ or any subsidiary of the Company be authorised to repurchase shares issued by the Company, capped at 10% of issued share capital.

Special resolution number 3: To approve, in terms of section 44 read with section 45 of the Companies Act, that the Company provides financial assistance for the provision of any loans or other financial assistance to present or future related and inter-related companies.

Special resolution number 4: Inter-company financial assistance.

Except for the above, no other special resolutions, the nature of which might be significant to shareholders in their appreciation of the state of affairs of the Adcorp Group, were passed by the Company or its subsidiaries during the period covered by this directors' report.

Statutory information

The Company was incorporated in the Republic of South Africa on 16 July 1974. The registration number is 1974/001804/06.

DIRECTORS' REPORT continued

for the year ended 28 February 2025

Directorate and secretary

The directors during the year and up to the date of this report are as follows:

Name	Current year appointments and resignations
Non-executive directors	
GT Serobe	
Dr. P Mnganga	
H Singh	
S Sithole (alternate director)	Resignation effective 1 January 2025
R van Dijk	
C Smith	
T Olls	Resignation effective 1 January 2025
T Mokgabudi	
M Lubega	
Executive directors	
Dr. J Wentzel	
N Prendergast	
Company Secretary	
C de Jager	Appointed effective 1 August 2024
L Laporte	Resignation effective 30 April 2024
N Chipswa	Appointed effective 28 May 2024 on an interim basis until 31 July 2024

Directors' and prescribed officers' remuneration and interests held

Details of directors' and prescribed officers' remuneration and interests held in shares appear in notes 25 to 28 of the consolidated financial statements.

Directors' interest in contracts

No material contracts involving directors were entered into during the current year. The directors had no interest in any third party or company responsible for managing any of the business activities of Adcorp.

Going concern

In preparing the consolidated financial statements, the directors are responsible for evaluating the Group's ability to continue as a going concern and as a consequence the appropriateness of the going concern assumption in the preparation of the consolidated financial statements. The directors have assessed the economic environment, current financial position and the Group's expected cash flows for the next 12 months through to the end of May 2026. There has been no event of default over the past 12 months on any of the Group's debt facilities. No facilities available to the Group have been withdrawn at the reporting date and remain committed by our lenders; and the Group has forecast that it will achieve the required debt covenants agreed with its lenders for the following 12 months.

Solvency

On 28 February 2025, the total assets of the Group exceeded the total liabilities by R1 491 million and the current ratio as at 28 February 2025 was 1,5 times. The Group is expected to remain solvent after considering the approved budget and expected performance. There are no events anticipated in the year ahead that indicate any risk to the Group's solvency position.

Liquidity

In assessing the liquidity position, cash flow forecasts were prepared, covering the period up until the end of May 2026. Based on the forecasts (as per the budget approved by the board of directors), the Group is expected to be able to meet all its short-term obligations through a combination of the cash generated by operations and the utilisation of the current facilities available to the Group. The cash position is monitored daily by management and the Group is comfortable with its liquidity levels.

Going concern conclusion

The board, after considering the factors described above, has concluded that the Group will be able to discharge its liabilities as they fall due in the normal course of business and is therefore of the opinion that the going concern assumption is appropriate in the preparation of the consolidated financial statements.

Company Secretary

The board has considered and is satisfied with the competence, qualifications and experience of the Company Secretary, Charissa de Jager.

Compliance with applicable laws

The board hereby confirms that the Company:

- Complies with the provisions of the Companies Act or laws of establishment, specifically relating to its incorporation; and
- Operates in conformity with its Memorandum of Incorporation.

Events after 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:

Dividend declaration

The board of directors has approved and declared a final gross dividend of 50,0 cents per ordinary share (2024: 24,2 cents per ordinary share) from income reserves, for the year ended 28 February 2025.

Debt refinance in South Africa

The South African operation is in the final stages of renegotiating a facility of R250 million plus an accordion feature of R100 million which is expected to be effective from September 2025. The facility is expected to mature in three years from the effective date and will be used to fund its working capital requirements.

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Adcorp Holdings Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Adcorp Holdings Limited and its subsidiaries (the Group) set out on pages 19 to 87, which comprise the consolidated statement of financial position as at 28 February 2025, and the 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 year then ended, segment report, notes to the consolidated financial statements, including material accounting policy information and Annexure A: Details of significant subsidiaries.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Adcorp Holdings Limited and its subsidiaries as at 28 February 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Final Materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Overall materiality	R 71 000 000
How we determined it	0.5% (rounded) of total revenue
Rationale for benchmark and percentage applied	We selected total revenue as the most appropriate benchmark because, in our view, it is the benchmark which best reflects the focus of the users of the financial statements given that revenue is directly related to the level of activity of the Group. We chose 0,5% (rounded) based on our professional judgement after consideration of qualitative factors that impact the Group.

Group Audit Scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the consolidated financial statements and which further audit procedures to perform at these components to address those risks. Our judgement included assessing the nature and size of the account balances at the components, as well as specific risks that required an audit response.

In total, we identified thirty-three (33) components.

Group Audit Scope continued

We identified twenty-eight (28) components, at which further audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatement to the consolidated financial statements.

We further identified two (2) components at which specific further audit procedures are required to address specific risk of material misstatements.

Accordingly, we performed audit procedures on thirty (30) components, of which we involved component auditors in performing the audit work on four (4) components.

As part of establishing the overall Group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss the Group audit risks relevant to the respective components. As group auditor, we engaged with the component auditors to assess the audit risks and strategy relating to their respective components. We also inspected the work performed by component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

For the remaining financial information where audit procedures were not performed, we performed an analysis at an aggregated Group level to re-examine our assessment that there is less than a reasonable possibility of a material misstatement in the remaining financial information.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Goodwill impairment

Refer to note 6 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
Goodwill of R491 million was recognised in the consolidated statement of financial position. Goodwill represents 15% of the Group's total assets. As required by IAS 36 – *Impairment of Assets* (IAS 36), management conduct annual impairment assessments to test the recoverability of the carrying amount of goodwill for each cash generating unit. Impairment assessments are performed using discounted cash flow models to determine the value-in-use of the cash generating units (CGU's). There are a number of key assumptions made in determining the inputs into these models which include: • Future cash flows • Terminal growth rates • Growth rates applied to revenue, earnings before interest, taxes, depreciation and amortisation (EBITDA), and EBITDA margin • The discount rate applied to the projected future cash flows Given the complexity and significant estimation and judgement involved in the discounted cash flow models used to determine the value-in-use of the CGUs, this was considered a key audit matter.	Our team included senior audit team members and valuation specialists who understand the Group's business and industry. We performed the following audit procedures, amongst others: • Tested the design, implementation and operating effectiveness of controls over the goodwill impairment models; • Critically evaluated whether the discounted cash flow models used by management to calculate the value-in-use of each cash generating unit complies with the requirements of IAS 36; • Challenged the key assumptions used by the management in their value-in-use calculations by: – assessing the reasonableness of assumptions relating to revenue and EBITDA growth in relation to our knowledge of the Group and the industries in which it operates; – involved our valuation specialists in assessing the reasonableness of the terminal growth rates in relation to external market data; and – involved our valuation specialists in assessing the reasonableness of the discount rates applied by independently calculating the rates and comparing the rates to those used by management. • Evaluated whether the goodwill had been allocated: – to the appropriate level of CGU or group of CGUs and to those CGUs/ group of CGUs expected to benefit from the synergies of the business combination from which it arose; and – on a consistent basis with the prior period. • Evaluated the future projected cash flows for each cash generating unit to determine whether they are reasonable and supportable given the current macro-economic climate and expected future performance of each cash generating unit.

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INDEPENDENT AUDITOR'S REPORT continued

Key audit matters continued

Goodwill impairment *continued*

Key audit matter	How the matter was addressed in our audit
	• Compared the projected cash flows, including assumptions relating to EBITDA growth and terminal growth rates, against historical performance to test the accuracy and reliability of management's projections. • Involved our valuation specialists in performing sensitivity analyses on key assumptions to assess the impact on the value-in-use calculations; and • Evaluated the adequacy and appropriateness of the disclosures made by management in the consolidated financial statements in accordance with IAS 36. Based on the procedures performed above in respect of Goodwill, we did not identify any significant matters requiring further consideration.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "2025 Consolidated Annual Financial Statements", which includes the Company Secretary compliance statement, the Report of the audit and risk committee and the Directors' report as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT continued

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Adcorp Holdings Limited for three years.

Disclosure of fee related matters

Pursuant to requirements of the IRBA Code and in terms of the EAR rule, we report that the fees related to the services provided by our firm and network firms are the following:

Categories of services	Amount (R'000)
Financial Statement Audits	22 421
Other services	0

KPMG Inc.
Per FHC von Eckardstein
Chartered Accountant (SA)
Registered Auditor
Director

29 May 2025

KPMG Inc.
85 Empire Road
Parktown
2193
South Africa

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2025

	Notes	2025 R'000	2024 R'000
Assets			
Non-current assets		**1 117 802**	1 133 443
Property and equipment	3	**20 175**	24 678
Right-of-use assets	4.1	**246 315**	249 800
Intangible assets	5	**87 957**	109 047
Goodwill	6	**491 324**	515 782
Deferred taxation	8	**272 031**	219 640
Prepayments	12.1	**–**	14 496
Current assets		**2 150 378**	1 989 319
Trade receivables	11	**1 523 989**	1 512 337
Other receivables	12.3	**110 945**	169 744
Taxation prepaid	10	**21 444**	31 989
Cash and cash equivalents and restricted cash	13	**494 000**	275 249
Total assets		**3 268 180**	3 122 762
Equity and liabilities			
Total equity		**1 490 576**	1 459 705
Share capital and share premium	14.1	**1 740 562**	1 740 858
Treasury shares	14.2	**(94 595)**	(93 864)
Reserves	15	**(155 391)**	(187 289)
Non-current liabilities		**376 520**	349 445
Lease liabilities	4.2	**305 455**	303 881
Deferred taxation	8	**68 564**	41 054
Provisions	18	**2 501**	4 510
Current liabilities		**1 401 084**	1 313 612
Lease liabilities	4.2	**73 942**	75 259
Trade and other payables	17	**1 052 118**	996 416
Provisions	18	**249 283**	216 504
Taxation payable	10	**25 741**	25 433
Total equity and liabilities		**3 268 180**	3 122 762

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 28 February 2025

	Notes	2025 R'000	2024 R'000
Revenue	19	**13 236 678**	12 982 141
Cost of sales		**(11 935 225)**	(11 725 110)
Gross profit		**1 301 453**	1 257 031
Other income	20	**14 786**	24 857
Loss allowance for expected credit losses – trade receivables	11	**8 626**	818
Operating expenses	21	**(1 153 243)**	(1 154 000)
Operating profit before finance income and finance costs		**171 622**	128 706
Finance income	22	**11 318**	11 161
Finance costs	23	**(45 647)**	(49 931)
Profit before taxation		**137 293**	89 936
Taxation	9	**3 563**	(1 894)
Profit for the year		**140 856**	88 042
Profit attributable to:			
Owners of the parent		**138 654**	86 152
Non-controlling interest		**2 202**	1 890
Total basic earnings per share			
Basic earnings per share – cents	24	**134,7**	83,8
Diluted earnings per share – cents	24	**130,2**	81,4

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2025

	2025 R'000	2024 R'000
Profit for the year	**140 856**	88 042
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:	**(68 056)**	(35 943)
Exchange differences on translating foreign operations	**(29 438)**	(40 726)
Exchange differences arising on the net investment of a foreign operation	**(38 618)**	4 783
Other comprehensive income for the year, net of tax	**72 800**	52 099
Non-controlling interest	**332**	65
Total comprehensive income for the year	**73 132**	52 164
Total comprehensive income attributable to:		
Owners of the parent	**70 598**	50 209
Non-controlling interest	**2 534**	1 955

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2025

	Share capital R'000	Share premium R'000	Treasury shares R'000	Share-based payment reserve R'000	Foreign currency translation reserve R'000	Accumulated loss R'000	Attributable to equity holders of the parent R'000	Non-controlling interest R'000	Employees' share Scheme Reserve R'000	Total equity R'000
Notes	14.1	14.1	14.2	15.1	15.2					
Balance as at 28 February 2023	2 749	1 738 109	(91 170)	187 681	124 542	(426 372)	1 535 539	(1 030)	168	1 534 677
Share-based payments	–	–	–	7 401	–	–	7 401	–	–	7 401
Transfer to retained earnings	–	–	–	(176 166)	–	176 166	–	–	–	–
Total comprehensive income/(loss) for the year			–	–	(35 943)	86 152	50 209	1 955	–	52 164
Profit for the year	–	–	–	–	–	86 152	86 152	1 890	–	88 042
Other comprehensive loss	–	–	–	–	(35 943)	–	(35 943)	65	–	(35 878)
Treasury share purchases	–	–	(6 782)	–	–	–	(6 782)	–	–	(6 782)
Share scheme settlement	–	–	4 088	(4 088)	–	–	–	–	–	–
Distributions to shareholders	–	–	–	–	–	(127 756)	(127 756)	–	–	(127 756)
Balance as at 29 February 2024	2 749	1 738 109	(93 864)	14 828	88 599	(291 810)	1 458 611	925	168	1 459 704
Movement in share capital[1]	**–**	**(296)**	**–**	**–**	**–**	**–**	**(296)**	**–**	**–**	**(296)**
Share-based payments	**–**	**–**	**–**	**3 706**	**–**	**–**	**3 706**	**–**	**–**	**3 706**
Transfer to retained earnings	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income/(loss) for the year			**–**	**–**	**(68 056)**	**138 654**	**70 598**	**2 534**	**–**	**73 132**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**138 654**	**138 654**	**2 202**	**–**	**140 856**
Other comprehensive loss	**–**	**–**	**–**	**–**	**(68 056)**	**–**	**(68 056)**	**332**	**–**	**(67 724)**
Treasury share purchases	**–**	**–**	**(6 454)**	**-**	**–**	**–**	**(6 454)**	**–**	**–**	**(6 454)**
Share scheme settlement	**–**	**–**	**5 723**	**(5 723)**	**–**	**–**	**–**	**–**	**–**	**–**
Distributions to shareholders	**–**	**–**	**-**	**-**	**–**	**(39 216)**	**(39 216)**	**–**	**–**	**(39 216)**
Equity due to change in control[2]	**–**	**–**	**–**	**–**	**–**	**2 902**	**2 902**	**(2 902)**	**–**	**–**
Balance as at 28 February 2025	**2 749**	**1 737 813**	**(94 595)**	**12 811**	**20 543**	**(189 470)**	**1 489 851**	**557**	**168**	**1 490 576**

[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. The shares repurchased were cancelled and delisted, and accordingly, the total issued ordinary share capital of Adcorp was reduced from 109 954 675 to 109 880 974.

[2] Change in ownership interest held in Labour Solutions Australia (Pty) Ltd from 93.2% to a wholly-owned subsidiary.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2025

	Notes	2025 R'000	2024 R'000
Operating activities			
Profit before taxation		**137 293**	89 936
Adjusted for:			
Depreciation on property and equipment	3	**7 880**	10 602
Depreciation on right-of-use assets	4.1	**45 377**	53 516
Amortisation of intangible assets	5	**18 405**	15 829
Prepayment released – enterprise technology transformation project	12.2	**30 788**	30 389
Impairment of intangible asset	5	**1 057**	–
(Profit) /loss on the sale of property and equipment	21	**(34)**	42
Share-based payments	15.1	**6 038**	10 671
Fair value adjustment – investment at fair value	7.1	**–**	(832)
Decrease in loss allowances for expected credit losses – trade receivables	11	**(8 626)**	(818)
Right-of-use asset derecognised	4.2	**–**	816
Lease liability derecognised	4.3	**–**	(1 074)
Finance income	22	**(11 318)**	(11 161)
Finance costs	23	**45 647**	49 931
Cash generated from operations before working capital changes		**272 507**	247 847
Increase in trade and other receivables	11 and 12	**(12 741)**	(198 578)
Increase in trade and other payables	17	**90 018**	88 378
Increase/(decrease) in provisions	18	**38 602**	(13 875)
Cash generated by operations		**388 386**	123 772
Finance income	22	**11 318**	11 161
Finance costs	23	**(4 663)**	(7 316)
Interest expense on lease liabilities	4.2	**(40 984)**	(42 615)
Taxation paid	10	**(18 899)**	(20 566)
Net cash generated from operating activities		**335 158**	64 436
Investing activities			
Additions to property and equipment	3	**(4 109)**	(4 919)
Proceeds from the sale of property and equipment and intangible assets		**163**	492
Proceeds upon settlement of investment at fair value	7.1	**–**	21 906
Additions to intangible assets	5	**(2 635)**	(683)
Prepayment – enterprise technology transformation project	12.2	**(1 262)**	(2 612)
Net cash (outflow)/inflow from investing activities		**(7 843)**	14 184
Financing activities			
Treasury share purchases		**(6 454)**	(6 782)
Share repurchases[1]	14.1	**(296)**	–
Repayment of borrowings	16.2	**(125 000)**	(424 601)
Proceeds from borrowings	16.2	**125 000**	424 601
Distributions to external shareholders		**(39 216)**	(127 756)
Capital payment of lease liabilities		**(41 258)**	(41 502)
Net cash outflow from financing activities		**(87 224)**	(176 040)
Net increase/(decrease) in cash and cash equivalents		**240 091**	(97 420)
Cash and cash equivalents at the beginning of the year	13	**204 175**	311 692
Foreign currency adjustments		**(21 340)**	(10 097)
Restricted cash reclassified to cash and cash equivalents	13	**71 074**	–
Cash and cash equivalents at the end of the year	13	**494 000**	204 175

[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.*

SEGMENT REPORT

for the year ended 28 February 2025

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 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 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, telecommunications 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. 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. Goodwill has been allocated to reportable segments, as described in note 6.

Transactions between segments follow the Group's accounting policies.

No single customer contributes more than 10% of the Group's revenue.

The Group applied judgement and considered a number of factors, including the core principle of IFRS 8 Operating Segments, to determine the material items of income and expense to disclose for each reportable segment.

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SEGMENT REPORT continued

for the year ended 28 February 2025

	Contingent Staffing South Africa R'000	Professional Services South Africa R'000	Staffing Solutions South Africa R'000	Business Support South Africa R'000	Contingent Staffing Australia R'000	Professional Services Australia R'000	Business Support Australia R'000	Total Group R'000	Geographical segments South Africa R'000	Geographical segments Australia R'000
Revenue										
– February 2025	**3 712 663**	**1 941 338**	**1 363 824**	**–**	**2 210 696**	**4 008 157**	**–**	**13 236 678**	**7 017 825**	**6 218 853**
– February 2024	3 788 111	1 945 836	1 136 882	–	1 900 714	4 210 598	–	12 982 141	6 870 829	6 111 312
Internal revenue										
– February 2025	**70 268**	**22 534**	**11 655**	**–**	**–**	**–**	**–**	**104 457**	**104 457**	**–**
– February 2024	61 045	14 831	11 961	–	–	–	–	87 837	87 837	–
Cost of sales										
– February 2025	**(3 269 701)**	**(1 709 004)**	**(1 252 323)**	**–**	**(2 018 449)**	**(3 685 748)**	**–**	**(11 935 225)**	**(6 231 028)**	**(5 704 197)**
– February 2024	(3 356 545)	(1 724 542)	(1 055 168)	–	(1 731 110)	(3 857 745)	–	(11 725 110)	(6 136 255)	(5 588 855)
Gross profit										
– February 2025	**442 962**	**232 334**	**111 501**	**–**	**192 247**	**322 409**	**–**	**1 301 453**	**786 797**	**514 656**
– February 2024	431 566	221 294	81 714	–	169 604	352 853	–	1 257 031	734 574	522 457
Staff costs										
– February 2025	**(130 468)**	**(115 867)**	**(21 897)**	**(79 795)**	**(95 604)**	**(179 365)**	**(11 760)**	**(634 756)**	**(348 027)**	**(286 729)**
– February 2024	(113 740)	(102 155)	(12 492)	(87 453)	(98 958)	(191 970)	(22 869)	(629 637)	(315 840)	(313 797)
Other operating expenditure										
– February 2025	**(142 666)**	**(104 130)**	**(49 442)**	**(8 869)**	**(36 564)**	**(58 164)**	**(32 204)**	**(432 039)**	**(305 107)**	**(126 932)**
– February 2024	(46 803)	(37 626)	(21 433)	(211 450)	(24 250)	(47 141)	(30 856)	(419 559)	(317 312)	(102 247)
Inter-segmental allocated costs										
– February 2025	**(69 176)**	**(22 325)**	**(28 004)**	**158 974**	**–**	**–**	**(39 469)**	**–**	**39 469**	**(39 469)**
– February 2024	(167 156)	(100 743)	(43 008)	345 327	–	–	(34 420)	–	34 420	(34 420)
Depreciation on PPE and amortisation										
– February 2025	**(418)**	**(18 479)**	**(925)**	**(1 067)**	**(802)**	**(4 481)**	**(113)**	**(26 285)**	**(20 889)**	**(5 396)**
– February 2024	(489)	(17 591)	(901)	(239)	(1 643)	(5 440)	(128)	(26 431)	(19 220)	(7 211)
Depreciation on right-of-use assets										
– February 2025	**(5 454)**	**(277)**	**(244)**	**(24 284)**	**(3 004)**	**(12 114)**	**–**	**(45 377)**	**(30 259)**	**(15 118)**
– February 2024	(5 329)	(370)	(204)	(30 814)	(3 055)	(13 744)	–	(53 516)	(36 717)	(16 799)
Loss allowances for expected credit losses and bad debts on trade receivables										
– February 2025	**6 458**	**1 866**	**–**	**–**	**–**	**–**	**302**	**8 626**	**8 324**	**302**
– February 2024	767	115	(196)	–	–	–	132	818	686	132
Operating profit/(loss) before finance income and finance costs										
– February 2025	**101 238**	**(26 878)**	**10 989**	**44 959**	**56 273**	**68 285**	**(83 244)**	**171 622**	**130 308**	**41 314**
– February 2024	98 816	(37 076)	3 480	15 371	41 698	94 558	(88 141)	128 706	80 591	48 115

[1] *The cost recovery 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. This was not retrospectively applied.*

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SEGMENT REPORT continued

for the year ended 28 February 2025

	Contingent Staffing South Africa R'000	Professional Services South Africa R'000	Staffing Solutions South Africa R'000	Business Support South Africa R'000	Contingent Staffing Australia R'000	Professional Services Australia R'000	Business Support Australia R'000	Total Group R'000	Geographical segments South Africa R'000	Australia R'000
Interest income										
– February 2025	**55**	**888**	**68**	**4 094**	**554**	**1 454**	**4 205**	**11 318**	**5 105**	**6 213**
– February 2024	329	721	22	5 646	–	–	4 443	11 161	6 718	4 443
Interest expense										
– February 2025	**(237)**	**(74)**	**(1)**	**(1 504)**	**–**	**–**	**(2 847)**	**(4 663)**	**(1 816)**	**(2 847)**
– February 2024	(409)	(116)	(19)	(2 236)	–	–	(4 536)	(7 316)	(2 780)	(4 536)
Interest expense on lease liabilities										–
– February 2025	**(746)**	**–**	**(23)**	**(38 848)**	**(406)**	**(961)**	**–**	**(40 984)**	**(39 617)**	**(1 367)**
– February 2024	(484)	(523)	(16)	(40 406)	(507)	(679)	–	(42 615)	(41 429)	(1 186)
Impairment expense										
– February 2025	**–**	**–**	**–**	**–**	**–**	**(1 057)**	**–**	**(1 057)**	**–**	**(1 057)**
– February 2024	–	–	–	–	–	–	–	–	–	–
Taxation (expense)/income										
– February 2025	**7 545**	**15 242**	**3 332**	**(3 829)**	**(15 743)**	**(24 176)**	**21 192**	**3 563**	**22 290**	**(18 727)**
– February 2024	(1 819)	16 193	(2 852)	1 627	(11 781)	(26 951)	23 689	(1 894)	13 149	(15 043)
Total assets										
– February 2025	**794 845**	**416 065**	**130 377**	**472 100**	**276 619**	**527 201**	**650 973**	**3 268 180**	**1 813 387**	**1 454 793**
– February 2024	782 303	444 089	100 400	427 263	261 097	606 376	501 234	3 122 762	1 754 055	1 368 707
Total liabilities										
– February 2025	**337 768**	**186 425**	**115 850**	**448 754**	**321 896**	**345 932**	**20 979**	**1 777 604**	**1 088 797**	**688 807**
– February 2024	365 448	203 910	88 890	432 638	210 242	385 127	(23 198)	1 663 057	1 090 886	572 171
Additions to property and equipment										
– February 2025	**995**	**23**	**162**	**–**	**639**	**2 185**	**105**	**4 109**	**1 180**	**2 929**
– February 2024	263	122	778	–	342	3 379	35	4 919	1 163	3 756
Additions to right-of-use assets										
– February 2025	**7 989**	**–**	**–**	**–**	**36 438**	**–**	**–**	**44 427**	**7 989**	**36 438**
– February 2024	6 635	–	489	3 076	–	1 955	–	12 155	10 200	1 955
Additions to intangible assets										
– February 2025	**1 425**	**1 210**	**–**	**–**	**–**	**–**	**–**	**2 635**	**2 635**	**–**
– February 2024	583	–	100	–	–	–	–	683	683	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2025

Corporate information

Principal activities of the Group and its subsidiaries include the rendering of services in areas of permanent recruitment and flexible staffing sectors, professional IT services, as well as the provision of business process outsourcing, and training services. The Group carries on business in South Africa and Australia.

1 Accounting framework

The Group applies all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) to prepare the consolidated financial statements.

Consequently, all IFRS Accounting Standards statements that were effective at 28 February 2025 and are relevant to its operations have been applied.

The principal accounting policies applied in preparing these consolidated financial statements are set out in each of the respective notes. Any accounting policies that are general in nature and are applicable to more than one specific note have been disclosed below.

In preparation of the financial statements, the Group has assessed materiality for each item on the statement of profit or loss and statement of comprehensive income and statement of financial position. In assessing the materiality of the Group, quantitative and qualitative factors were taken into account.

New and amended standards and interpretations

The Group has adopted all new and amended accounting pronouncements that are relevant to its operations and that are effective for financial years commencing on or after 1 March 2024 but these did not have a significant effect on the consolidated financial statements.

Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements, are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard	Annual reporting periods beginning on or after
The following standards are unlikely to have a material impact:	
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – *Settlement by electronic payments*	1 January 2026
Annual Improvements to IFRS Accounting Standards – *Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*	1 January 2026
IFRS 19 – *Subsidiaries without Public Accountability* – no impact for consolidated financial statements. Applicable for eligible subsidiaries that can choose to apply the reduced disclosure requirements as set out in the standard. The Group is in the process of assessing its eligibility of its subsidiaries in applying the standard and, if applicable, assessing the amendments to the reduced disclosure requirements of the standard, in particular which disclosures will no longer be required.	1 January 2027
The following standards may not apply to the Group, as there are currently no transactions that are recognised under these standards:	
Amendments to IAS 21 – *Lack of Exchangeability*	1 January 2025
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Contracts Referencing Nature-dependent Electricity – *Amendments to IFRS 9 and IFRS 7*	1 January 2026

IFRS 18, effective from 1 January 2027, sets out requirements for the presentation and disclosure of information in the financial statements, and may result in changes to the presentation of the statement of profit and loss as well as the notes to the financial statements. The Group is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

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2 Material accounting policies

Any accounting policies that are general in nature and are applicable to more than one specific note have been disclosed below.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards), International Financial Reporting Interpretations Committee (IFRIC) interpretations effective for the Group's financial year, and Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Financial Reporting Requirements") and the requirements of the Companies Act of South Africa. These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa. The consolidated financial statements are presented in Rand (ZAR), the currency of South Africa where Adcorp Holdings Limited is incorporated. All values are rounded to the nearest thousand in the tables presented and nearest million in explanatory notes unless otherwise stated.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. These accounting policies are consistent with those of the comparative financial year unless otherwise stated.

These consolidated financial statements were prepared under the supervision of Noel Prendergast CA(SA) in his capacity as Chief Financial Officer.

The consolidated financial statements were authorised by the board of directors for issue on 29 May 2025.

2.2 Fair value measurements and valuation processes

The Group measured certain financial instruments at fair value at each reporting date (note 7.1).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair values of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 inputs are inputs, other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in note 7.1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

2 Material accounting policies continued

2.3 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in an acquisition of a business (acquiree) comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the Group and the fair value of contingent consideration arrangements where applicable. If the contingent consideration is classified as equity, it is not subsequently remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of contingent consideration are recognised in the income statement.

For each business combination, the Group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's book value of identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the group (its subsidiaries). Control is achieved when the Group:

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The profit or loss realised on disposal or termination of an entity is calculated after considering the carrying amount of any related goodwill.

2 Material accounting policies continued

2.4 Foreign currency transactions and balances

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Subsequent to initial recognition, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The profit or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the profit or loss on change in fair value of the item (i.e. translation differences on items whose fair value profit or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.5 Foreign currency translations

For the purposes of presenting the consolidated financial statements, the presentation currency is the South African Rand. On consolidation, the assets and liabilities of entities with a functional currency other than the Rand are translated into Rand at the rate of exchange prevailing at the reporting date and income and expenses for each statement presenting profit or loss and other comprehensive income are translated at the average exchange rates for the period. Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the foreign currency translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of the net investment. All resulting exchange differences are recognised in other comprehensive income and a corresponding foreign currency translation reserve.

On disposal of a foreign operation or when the Group ceases to consolidate a foreign operation, the deferred cumulative amount recognised in other comprehensive income in the foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

The applicable exchange rates are as follows:

	2025			2024		
	AU$	US$	AOA[1]	AU$	US$	AOA[1]
Exchange rate at the beginning of the year	**12,50**	**19,21**	**0,0231**	12,38	18,39	0,0363
Exchange rate at the end of the year	**11,58**	**18,24**	**0,0200**	12,50	19,21	0,0231
Average exchange rate during the year	**11,95**	**18,73**	**0,0214**	12,30	18,67	0,0262

[1] *In fraction of rand.*

AU$ = Australian dollar
US$ = United States dollar
AOA = Angolan kwanza

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

2 Material accounting policies continued

2.6 Financial instruments

2.6.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Trade receivables are recognised when they originate and measured at the transaction price when it does not have a significant financing. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.6.2 Subsequent measurement of financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value depending on their classification of the financial asset.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to collect contractual cash flows; and
- The contractual terms of the financial asset gives rise to cash flows that are solely payments of principal and interest on principal amount outstanding.

This assessment is referred to as the solely payments of principal and interest (SPPI) test and is performed at instrument level.

The financial assets at amortised cost include trade receivables (note 11) and other receivables (note 12), and cash and cash equivalents (note 13) as the business model is to collect payment of principal and interest.

Financial assets at fair value through profit or loss included an investment in a cell captive arrangement that was housed within an insurance Group in the prior year (note 7.1).

The Group currently does not recognise any financial assets through other comprehensive income.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

2.6.3 Subsequent measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss. The Group currently has no financial liabilities classified as at fair value through profit or loss.

Financial liabilities at amortised cost includes lease liabilities (note 4.2), interest-bearing borrowings (note 16) and trade and other payables (note 17).

2.6.4 Financial asset write-offs

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

2.6.5 Derecognition of financial assets and liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains all the risks and rewards of ownership substantially and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains all the risks and rewards of ownership of a transferred financial asset substantially, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises a financial liability when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2 Material accounting policies continued

2.6 Financial instruments continued

2.6.6 Modifications

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it, as an extinguishment of the original financial liability and recognising a new financial liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Any costs or fees incurred are recognised as part of the profit or loss on extinguishment. If the modification is not substantial, the difference between the carrying amount of the liability before the modification and the present value of the cash flows after the modification should be recognised in profit or loss. The modification recognised within profit or loss and any costs or fees incurred adjust the carrying amount of the financial liability and are amortised over the remaining term of the modified liability.

2.6.7 Amortised cost and effective interest method

Finance income is recognised in profit or loss and presented in the finance income line item. Finance cost is recognised in profit or loss presented in the finance costs line item.

2.7 Change in accounting policy

During the current financial year there have been no changes to accounting policies made by management as a result of new and amended IFRS Accounting Standards applicable in the current financial year.

2.8 Accounting judgements and estimates

The preparation of the consolidated financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, and liabilities at the statement of financial position date as well as the reported income and expenses for the year. Although estimates are based on management’s best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates. Revisions to estimates are recognised prospectively.

2.8.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 4.3 – Lease term: whether the Group is reasonably certain to exercise extension options.
- Note 15.1 – Accounting for share-based payment transactions.
- Note 19 – Accounting for revenue transactions as a principal.

2.8.2 Estimates

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts assets and liabilities within in the next financial year is included in the following notes:

- Note 6 – Assessment for impairment of goodwill.
- Note 8 – Assessing the recoverability of deferred tax assets.
- Note 9 – Accounting for uncertain tax positions.
- Note 11 – Impairment of financial assets carried at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

3 Property and equipment

Accounting policy

Property, leasehold improvements, computer equipment and furniture and fittings are initially recognised at cost and thereafter stated at cost, net of accumulated depreciation and accumulated impairment losses. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

All other repair and maintenance costs are recognised in profit or loss as incurred.

The profit or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

An item of property leasehold improvements, computer equipment and fixtures and fittings is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. At the end of each reporting period, the Group reviews the carrying value of property and equipment to determine whether there is an indication of impairment. If there is an indication of impairment, the recoverable amount is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of its fair value less cost to sell and its value in use. An impairment loss is recognised in profit or loss.

Depreciation is calculated on a straight-line basis after taking into account residual values over the estimated useful lives of the assets, as follows:

- Computer and office equipment 1 to 5 years;
- Furniture and fittings 2 to 5 years; and
- Leasehold improvements over the lease period and is generally recognised in profit and loss.

Land is not depreciated.

The above useful lives were also applicable to the comparative period. Depreciation is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items of property and equipment.

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in profit and loss.

Reconciliation of beginning and ending balances by classes of assets

	Leasehold improvements 2025 R'000	Computer and office equipment and furniture and fittings 2025 R'000	Total 2025 R'000
Carrying value at the beginning of the year	**12 462**	**12 216**	**24 678**
Assets at cost	**54 103**	**123 929**	**178 032**
Accumulated depreciation	**(41 641)**	**(111 713)**	**(153 354)**
Current year movements			
Additions	**544**	**3 565**	**4 109**
Foreign exchange movements	**(140)**	**(463)**	**(603)**
Disposals and assets derecognised	**–**	**(129)**	**(129)**
Depreciation (note 21)	**(1 928)**	**(5 952)**	**(7 880)**
Carrying value at the end of the year	**10 938**	**9 237**	**20 175**
Represented by:			
Cost	**52 658**	**121 112**	**173 770**
Accumulated depreciation	**(41 720)**	**(111 875)**	**(153 595)**
Carrying value at the end of the year	**10 938**	**9 237**	**20 175**

3 Property and equipment continued

Accounting policy continued

	Leasehold improvements 2024 R'000	Computer and office equipment and furniture and fittings 2024 R'000	Total 2024 R'000
Carrying value at the beginning of the year	15 664	15 147	30 811
Assets at cost	53 701	120 150	173 851
Accumulated depreciation	(38 037)	(105 003)	(143 040)
Current year movements			
Additions	159	4 760	4 919
Foreign exchange movements	8	51	59
Disposals and assets derecognised	–	(509)	(509)
Depreciation (note 21)	(3 369)	(7 233)	(10 602)
Carrying value at the end of the year	12 462	12 216	24 678
Represented by:			
Cost	54 103	123 929	178 032
Accumulated depreciation	(41 641)	(111 713)	(153 354)
Carrying value at the end of the year	12 462	12 216	24 678

4 Leases

The Group primarily leases office buildings and IT equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Accounting policy

The Group assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group as the lessor

The Group acts as a lessor over all its sub-tenant leases. These leases are classified as operating leases at the inception of the lease. The Group recognises lease payments received under an operating lease as income on a straight-line basis over the term as part of other income.

The property leased comprises an insignificant portion that is held to earn rental, and another portion that is substantially held for use by the Group in the supply of services and for administrative purposes. These portions cannot be sold separately and are therefore not accounted for separately.

Group as lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases and leases of low-value assets, at the date at which the leased asset is available for use. Short-term leases have a term of 12 months or less. For short-term and low-value leases the Group applies the permitted exceptions under IFRS 16: *Leases*. The Group recognises the lease payments for short-term and low-value leases as an operating expense in profit or loss on a straight-line basis over the lease term. Refer to note 34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

4 Leases continued

Lease liability

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method.

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

- Fixed lease payments, including in-substance fixed payments, less any lease incentives;
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- There has been a change to the lease term;
- If the Group changes its assessment of whether it will exercise an extension or termination option;
- If there is a revised in-substance fixed lease payment;
- Interest rate benchmark reform; and
- A change in future lease payments arising from a change in rate. A change in future lease payments arising from a change in rate requires the lease liability to be remeasured by discounting the revised lease payments using a revised discount rate and a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the lease term of the underlying asset on a straight-line basis or the asset's useful life. The Group has not entered into any leasing arrangements that contain the option to purchase leased property. Depreciation starts at the commencement date of a lease.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss. The Group tests for impairment of the right-of-use assets on an annual basis when there are indicators of impairment. The Group considers unproductive lease assets for impairment.

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in profit and loss.

For right-of-use assets which are depreciated over their lease terms, the lease terms are presented as:

- Buildings (one to twelve years) – over the lease period; and
- Printers (two to three years) – over the lease period.

On expiry or exit of the lease arrangement, the right-of-use asset's cost and accumulated depreciation are derecognised to the profit or loss as no future economic benefits are expected to flow to the Group.

4 Leases continued

4.1 Right-of-use assets

Reconciliation of beginning and ending balances by classes of assets

	Buildings 2025 R'000	Printers 2025 R'000	Total 2025 R'000
Carrying value at the beginning of the year	**248 262**	**1 538**	**249 800**
Cost	**477 925**	**3 076**	**481 001**
Accumulated depreciation	**(221 004)**	**(1 538)**	**(222 542)**
Accumulated impairments	**(8 659)**	**–**	**(8 659)**
Additions	**44 427**	**–**	**44 427**
Depreciation (note 21)	**(43 839)**	**(1 538)**	**(45 377)**
Foreign exchange movements	**(2 535)**	**–**	**(2 535)**
Carrying value at the end of the year	**246 315**	**–**	**246 315**
Represented by:			
Cost	**495 278**	**3 076**	**498 354**
Accumulated depreciation	**(240 304)**	**(3 076)**	**(243 380)**
Accumulated impairments	**(8 659)**	**–**	**(8 659)**
Carrying value at the end of the year	**246 315**	**–**	**246 315**

	Buildings 2024 R'000	Printers 2024 R'000	Total 2024 R'000
Carrying value at the beginning of the year	290 969	816	291 785
Cost	482 916	7 603	490 519
Accumulated depreciation	(183 288)	(6 787)	(190 075)
Accumulated impairments	(8 659)	–	(8 659)
Additions	9 079	3 076	12 155
Depreciation (note 21)	(51 978)	(1 538)	(53 516)
Right-of-use assets derecognised	–	(816)	(816)
Foreign exchange movements	192	–	192
Carrying value at the end of the year	248 262	1 538	249 800
Represented by:			
Cost	477 925	3 076	481 001
Accumulated depreciation	(221 004)	(1 538)	(222 542)
Accumulated impairments	(8 659)	–	(8 659)
Carrying value at the end of the year	248 262	1 538	249 800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

4 Leases continued

4.2 Lease liabilities

	Buildings 2025 R'000	Printers 2025 R'000	Total 2025 R'000
Current lease liabilities	73 942	–	73 942
Non-current lease liabilities	305 455	–	305 455
Carrying value	379 397	–	379 397
Reconciliation of lease liabilities			
Carrying value at the beginning of the year	377 518	1 622	379 140
Additions	44 427	–	44 427
Payments	(80 537)	(1 704)	(82 241)
Interest expense	40 902	82	40 984
Foreign exchange movements	(2 913)	–	(2 913)
Carrying value at the end of the year	379 397	–	379 397

	Buildings 2024 R'000	Printers 2024 R'000	Total 2024 R'000
Current lease liabilities	73 637	1 622	75 259
Non-current lease liabilities	303 881	–	303 881
Carrying value	377 518	1 622	379 140
Reconciliation of lease liabilities			
Carrying value at the beginning of the year	408 336	1 074	409 410
Additions	9 079	3 076	12 155
Payments	(82 413)	(1 704)	(84 117)
Interest expense	42 366	249	42 615
Lease liabilities derecognised	–	(1 074)	(1 074)
Foreign exchange movements	150	1	151
Carrying value at the end of the year	377 518	1 622	379 140

4 Leases continued

4.3 Maturity analysis of lease liabilities

	Buildings 2025 R'000	Printers[1] 2025 R'000	Total 2025 R'000
Minimum lease payments	574 936	1 420	576 356
Within one year	112 892	463	113 355
Between two and five years	313 120	957	314 077
More than five years	148 924	–	148 924
Made up of:			
The present value of the lease obligation is due as follows:	379 397	1 228	380 625
Within one year	73 942	365	74 307
Between two and five years	172 162	863	173 025
More than five years	133 293	–	133 293
Interest payments due:	195 539	192	195 731
Within one year	38 949	98	39 047
Between two and five years	140 958	94	141 052
More than five years	15 632	–	15 632

[1] *New lease agreement starting 1 March 2025.*

	Buildings 2024 R'000	Printers 2024 R'000	Total 2024 R'000
Minimum lease payments	567 894	1 704	569 598
Within one year	77 193	1 704	78 897
Between two and five years	274 909	–	274 909
More than five years	215 792	–	215 792
Made up of:			
The present value of the lease obligation is due as follows:	377 518	1 622	379 140
Within one year	73 637	1 622	75 259
Between two and five years	114 908	–	114 908
More than five years	188 973	–	188 973
Interest payments due:	190 376	82	190 458
Within one year	3 556	82	3 638
Between two and five years	160 001	–	160 001
More than five years	26 819	–	26 819

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

4 Leases continued

4.3 Maturity analysis of lease liabilities continued

Refer to note 33.7.

Key estimates and judgements

A summary of the policies applied to the Group's leases is as follows:

Extension and termination options

The Group has considered such extension and termination options within a lease where it is reasonably certain to exercise such extension and termination options. The options held are exercisable only by the Group and not by the respective lessor. Consideration of whether extension options should be included in determining the lease term is a significant area of judgement. In determining the lease term, the Group considers all facts and circumstances that create economic incentive to exercise an extension option.

Incremental borrowing rate

In determining the incremental borrowing rate, the Group made use of recent third-party financing received as a starting point and adjusted the cost of borrowing to reflect specific financing conditions such as a similar term to the lease term; security (collateral) in the lease; and adjustments for entity-specific risk within the Group. The determination of the incremental borrowing rate applied to lease transactions is a significant area of judgement and management estimation. The incremental borrowing rate ranges between 10.1% – 12.4% in South Africa and between 1.9% – 5.0% in Australia.

4.4 Profit on derecognition of right-of-use assets and lease liabilities

In the prior financial year, phase 2 of the lease agreements relating to the Group's high value printers expired and phase 3 was renegotiated at new favourable terms and conditions.

	Notes	2025 R'000	2024 R'000
Lease liabilities derecognised	4.2	–	1 074
Right-of-use asset derecognised	4.1	–	(816)
Profit on derecognition of lease liabilities and right-of-use assets		–	258

5 Intangible assets

Accounting policy

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis in profit or loss over the estimated useful lives of the intangible assets after taking into account any residual values. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangible assets

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is recognised in profit or loss in the period in which the expenditure is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised when all of the following criteria can be demonstrated:

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

5 Intangible assets continued

Accounting policy continued

Internally generated intangible assets continued

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

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately. Profits or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Indicators of impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the Group's overall business and significant negative industry or economic trends. An impairment loss is recognised in profit and loss when the carrying amount of an asset exceeds its recoverable amount. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in profit or loss.

Trademarks are regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Management perform annual impairment assessments to test the recoverability of the carrying amounts of the trademarks. The impairment assessments are performed for internally generated intangibles and the recoverable amount is assessed as the higher of the fair value less costs to sell and value in use. The impairment assessment performed for the indefinite life trademark in Australia, has been included as part of the Paxus Australia cash-generating unit (CGU) assessed under goodwill. Refer to note 6.

Reconciliation of beginning and ending balances by classes of assets

	Capitalised development 2025 R'000	Trademarks[1] 2025 R'000	Customer Base 2025 R'000	Other[2] 2025 R'000	Total R'000
Carrying value at the beginning of the year	4 737	72 804	21 621	9 885	109 047
Assets at cost	68 412	145 750	111 201	10 519	335 882
Accumulated amortisation and impairments	(63 675)	(72 946)	(89 580)	(634)	(226 835)
Additions	–	–	–	2 635	2 635
Amortisation expense (note 21)	(1 984)	(5 898)	(8 204)	(2 319)	(18 405)
Impairment	–	–	–	(1 057)	(1 057)
Foreign exchange movements	–	(4 214)	–	(49)	(4 263)
Cost	–	(4 214)	–	(90)	(4 304)
Accumulated amortisation	–	–	–	41	41
Carrying value at the end of the year	2 753	62 692	13 417	9 095	87 957
Represented by:					
Assets at cost	68 412	141 536	111 201	13 064	334 213
Accumulated amortisation and impairments	(65 659)	(78 844)	(97 784)	(3 969)	(246 256)
Carrying value at the end of the year	2 753	62 692	13 417	9 095	87 957

[1] *Included in trademarks, are those with an indefinite useful life of R53,0 million allocated to the Paxus CGU.*

[2] *Other intangible assets relate mainly to accreditation training programme costs capitalised.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

5 Intangible assets continued

Internally generated intangible assets continued

Reconciliation of beginning and ending balances by classes of assets continued

	Capitalised development 2024 R'000	Trademarks[1] 2024 R'000	Customer Base 2024 R'000	Other[2] 2024 R'000	Total R'000
Carrying value at the beginning of the year	5 929	78 179	29 826	9 750	123 684
Assets at cost	68 412	145 207	578 167	9 889	801 675
Accumulated amortisation	(62 483)	(67 028)	(548 341)	(139)	(677 991)
Additions	–	–	–	683	683
Amortisation expense (note 21)	(1 192)	(5 898)	(8 205)	(534)	(15 829)
Disposal and asset derecognition	–	–	–	(25)	(25)
Cost	–	–	(469 111)	(65)	(469 176)
Accumulated amortisation	–	–	469 111	40	469 151
Foreign exchange movements	–	523	–	11	534
Cost	–	523	2 145	12	2 680
Accumulated amortisation	–	–	(2 145)	(1)	(2 146)
Carrying value at the end of the year	4 737	72 804	21 621	9 885	109 047
Represented by:					
Assets at cost	68 412	145 750	111 201	10 519	335 882
Accumulated amortisation and impairments	(63 675)	(72 946)	(89 580)	(634)	(226 835)
Carrying value at the end of the year	4 737	72 804	21 621	9 885	109 047

[1] *Included in trademarks, are those with an indefinite useful life of R56,7 million allocated to the Paxus CGU.*
[2] *Other intangible assets relate mainly to accreditation training programme costs capitalised.*

Key estimates and judgements

A summary of the policies applied to the Group's intangible assets is as follows:

Useful lives	Capitalised development Finite (10 to 15 years)	Trademarks Finite (7 to 15 years)	Trademarks (Australia) Indefinite	Customer base Finite (13 to 15 years)	Other intangible assets Finite (4 years)
Amortisation method used	Amortised on a straight-line basis over its estimated useful life	Amortised on a straight-line basis over its estimated useful life	Not amortised	Amortised on a straight-line basis over its estimated useful life	Amortised on a straight-line basis over its estimated useful life
Internally generated or acquired	Internally generated	Acquired	Acquired	Acquired	Acquired

6 Goodwill

Accounting policy

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition- date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill and other indefinite useful life intangible assets are assessed annually for impairment.

For impairment testing, goodwill is allocated to each of the Group's CGU (or groups of CGUs) that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently, when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The estimated future cash flows and discount rates used are pre-tax, based on an assessment of the current risks applicable to the specific CGU.

The weighted average cost of capital is derived from taking into account market risks and the cost of debt. The variables used in the model are established on the basis of management judgement and current market conditions.

The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating the future cash flows of the CGUs.

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. In that event, a loss is recognised based on the amount by which the carrying value exceeds the recoverable amount. An impairment loss is directly recognised in the profit or loss account while the carrying amount of the asset concerned is concurrently reduced. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value-in-use calculation is based on a discounted cash flow (DCF) model. During the current and prior financial year, the recoverable amounts for CGUs were determined using value in use calculations. The Group based its cash flow calculations on 5-year budgeted and forecast information approved by senior management and/ or the board of directors. Long-term average growth rates of the CGU's were used to extrapolate cash flows into the future.

The Group assessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts taking into account the impact of market changes and operational performance. The group's five-year budgets and forecasts consisted of cash flow projections including macroeconomic factors and trends. These budgets and forecasts were used to calculate discounted cash flow valuations to identify whether goodwill allocated to various CGUs was impaired. The value in use amounts used were considered appropriate based on these budgets and forecasts. The cash flow inputs to the DCF do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for the terminal-value calculation. The key assumptions used to determine the recoverable amount for the different CGUs are discussed further in this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

6 Goodwill continued

The table below illustrates the discount rate, growth rates and terminal growth rate used in the valuation calculation to determine the headroom for each CGU.

	Pre-tax discount rate		Growth rates range		Terminal growth rate		Headroom	
Segmental CGU	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %	2025 R'000	2024 R'000
Contingent Staffing								
BLU	**26.4**	26.2	**6 – 13**	6 – 7	**2.5**	2.5	**274 394**	315 886
Professional Services								
Paracon	**27.7**	25.8	**5 – 16**	0 – 6	**2.5**	2.5	**43 778**	21 979
Professional Services Australia								
Paxus	**16.6**	15.8	**13 – 25**	8 – 15	**2**	2	**420 197**	725 022
Paxus Talent Solutions	**21.7**	20.3	**12 – 22**	10 – 20	**2**	2	**7 135**	4 210
Contingent Staffing Australia								
Labour Solutions	**16.6**	17.7	**15 – 25**	10 – 20	**2**	2	**766 776**	733 293

Key estimates and assumptions

Key assumptions include the discount rate, terminal growth rate and cash flows used to determine the value in use. Future cash flows are estimated based on the most recent budgets and forecasts approved by management covering a period of five years and are extrapolated using a terminal growth rate to reflect the long-term plans for the Group using the estimated growth rate for the specific business which is determined with reference to the CGU's ability to expand/maintain market share and the additional investment required to do so as well with reference to long-term country specific gross domestic product (GDP) rates.

The group uses look-back analysis to assess past performance of its CGUs and uses it to validate past judgements and predict future performance. For certain CGUs risk adjustments are made to the discount rates used (being the weighted average cost of capital) when calculating the value in use.

An annual impairment test was performed at the 28 February 2025 for all CGUs. No impairment was recognised in the current financial year (2024: Rnil).

Sensitivity analysis

The impairment calculations are most sensitive to the following assumptions:

- Discount rates;
- Terminal growth rates; and
- Growth rates applied to revenue, earnings before interest, taxes, depreciation and amortisation (EBITDA) and EBITDA margin.

Cash flows

Only the plans that are committed to and given effect to at 28 February 2025 were affected in the projected cash flows.

6 Goodwill continued

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Adjustments to the discount rates were made at 28 February 2025 to reflect the appropriate level of risk at the reporting date.

Appropriate sensitivity analyses were performed on all CGUs, which included fluctuations in growth rates applied to revenue, EBITDA in the cash flow forecast, terminal growth rates and discount rates.

Contingent Staffing segment CGU

BLU, a division of Adcorp Workforce Solutions Proprietary Limited

A change of 10% in growth rates applied to revenue and EBITDA in the cashflow forecast would result in a valuation difference of R85 million (2024: R93 million), which would not result in an impairment if the deviation in earnings is negative (2024: Rnil).

A change of 1% on the discount rate would result in a R35 million (2024: R21 million) difference in the valuation, which would not result in an impairment if the rate increased by 1% (2024: Rnil).

A change of 1% on the terminal growth rate would result in a R23 million (2024: R25 million) difference in the valuation, which would not result in an impairment if the rate decreased by 1% (2024: Rnil).

Professional Services segment CGU

Paracon, a division of Fortress Administration Proprietary Limited

A change of 10% in growth rates applied to revenue and EBITDA in the cashflow forecast would result in a valuation difference of R21 million (2024: R21 million), which would not result in an impairment if the deviation in earnings is negative (2024: Rnil).

A change of 1% on the discount rate would result in a R5 million (2024: R6 million) difference in the valuation, which would not result in an impairment if the rate increased by 1% (2024: Rnil).

A change of 1% on the terminal growth rate would result in a R6 million (2024: R6 million) difference in the valuation, which would not result in an impairment if the rate decreased by 1% (2024: Rnil).

Australia segment CGUs

Professional Services Australia segment CGU

Paxus Australia

A change of 10% in growth rates applied to revenue and EBITDA in the cashflow forecast would result in a valuation difference of R113 million (2024: R66 million) which would not result in an impairment if the deviation in earnings is negative (2024: Rnil).

A change of 1% on the discount rate would result in a R87 million (2024: R140 million) difference in the valuation, which would not result in an impairment if the rate increased by 1% (2024: Rnil).

A change of 1% on the terminal growth rate would result in a R52 million (2024: R83 million) difference in the valuation, which would not result in an impairment if the rate decreased by 1% (2024: Rnil).

Paxus Talent Solutions in Australia (Previously TalentCRU)

A change of 10% in growth rates applied to revenue and EBITDA in the cashflow forecast would result in a valuation difference of R4 million (2024: R4 million) which would not result in an impairment if the deviation in earnings is negative (2024: Rnil).

A change of 1% on the discount rate would result in a R1 million (2024: R3 million) difference in the valuation, which would not result in an impairment if the rate increased by 1% (2024: Rnil).

A change of 1% on the terminal growth rate would result in a R0,8 million (2024: R1 million) difference in the valuation, which would not result in an impairment if the rate decreased by 1% (2024: Rnil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

6 Goodwill continued

Australia segment CGUs continued

Contingent Staffing Australia segment CGU

Labour Solutions Australia

A change of 10% in growth rates applied to revenue and EBITDA in the cashflow forecast would result in a valuation difference of R115 million (2024: R63 million), which would not result in an impairment if the deviation in earnings was negative (2024: Rnil).

A change of 1% on the discount rate would result in a R83 million (2024: R107 million) difference in the valuation, which would not result in an impairment if the rate increased by 1% (2024: Rnil).

A change of 1% on the terminal growth rate would result in a R62 million (2024: R135 million) difference in the valuation, which would not result in an impairment if the rate decreased by 1% (2024: Rnil).

Reconciliation of beginning and ending balances

	2025 R'000	2024 R'000
Cost		
Opening balances at the beginning of the year	**1 505 812**	1 502 725
Foreign currency movement	**(24 458)**	3 087
Closing balances at the end of the year	**1 481 354**	1 505 812
Impairments		
Balances at the beginning and end of the year	**(990 030)**	(990 030)
Carrying value at the end of the year	**491 324**	515 782

The carrying amount of goodwill is attributable to the following material CGUs:

	2025 R'000	2024 R'000
Contingent Staffing	**83 109**	83 109
BLU, a division of Adcorp Workforce Solutions Proprietary Limited	**83 109**	83 109
Professional Services	**94 149**	94 149
Paracon, a division of Fortress Administration Proprietary Limited	**94 149**	94 149
Professional Services Australia	**246 151**	265 722
Paxus	**236 311**	255 100
Paxus Talent Solutions	**9 840**	10 622
Contingent staffing Australia	**67 915**	72 802
Labour Solutions	**67 915**	72 802
	491 324	515 782

7 Other financial assets

7.1 Investment at fair value

Accounting policy

Investments in securities are recognised on a trade date basis and are initially measured at fair value. The investment in the cell captive arrangement detailed below, was classified as held at fair value through profit or loss and measured subsequently at each reporting date at fair value.

The investment in the cell captive arrangement, was housed within an insurance Group, where the Group owned a special class of shares that entitled the Group to participate in the administration, risk and economic result of the agreed insurance business introduced to the insurance Group. The investment in the unlisted shares was not traded in an active market.

Under this cell captive arrangement the Group was insured against future adverse events by investing in shares issued by the insurer. The insurer utilised the capital received from the Group to purchase a portfolio of income-generating assets. Claims initiated by the Group against the insurer were settled from the portfolio of assets and were typically limited to the funds available from the portfolio.

The cell captive arrangement was terminated and subsequently derecognised in the prior year, upon settlement of the unlisted shares.

Reconciliation of beginning and ending balances

	2025 R'000	2024 R'000
Investment at fair value		
Balance at the beginning of the year	–	21 074
Fair value gain	–	832
Proceeds upon settlement of investment	–	(21 906)
Balance at the end of the year	–	–

Financial instruments measured at fair value

The primary valuation models utilised by the Group for valuing unlisted portfolio investments are market- related NAV of investments. The market-related NAV used is dependent on independent third-party valuations. 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).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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8 Deferred taxation

Accounting policy

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that sufficient taxable profits will be available against which deductible temporary differences, carry forward of unused taxation credits and unused taxation losses can be utilised. Such deferred taxation assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and those deferred taxation liabilities in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future and deferred taxation assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled, based on enacted or substantively enacted rates at the reporting date.

Deferred taxation assets and liabilities are offset when they arise from the same tax reporting entity, and relate to the same authority and when there exists a legal right to offset.

The carrying amount of the deferred taxation assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred taxation asset to be utilised.

Unrecognised deferred taxation assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred taxation asset to be recovered. Deferred taxation is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred taxation is also recognised in other comprehensive income.

The following is the analysis of the deferred tax balances (after offset) per legal entity for financial reporting purposes:

	2025 R'000	2024 R'000
Aggregate net deferred taxation assets	**272 031**	219 640
Aggregate net deferred taxation liabilities	**(68 564)**	(41 054)
Net deferred taxation assets	**203 467**	178 586

Key estimates and judgements

Significant management judgement is required to determine the amount of deferred taxation assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

In evaluating the Group's ability to recover deferred taxation assets in the jurisdiction from which they arise, all available evidence is considered, including projected future taxable income and results of operations.

In projecting future taxable income, historical results are adjusted for the results of discontinued operations where applicable and incorporate assumptions about the amount of future operating income, adjusted for items that do not have taxation consequences. The assumptions about future taxable income requires the use of significant judgement and are consistent with the plans and estimates the Group is using to manage the underlying businesses. The assumptions take into account historical performance of the Group as well as future expected growth.

The estimates of the future taxable income used for determining the recognition of deferred taxation assets, are based on forecast cash flows from operations, assumptions regarding economic growth, inflation rates and the application of existing tax laws. The Group remains confident of its ability to generate future taxable income and thus judgement is applied with regard to the timing of the utilisation of the deferred taxation assets. The taxation losses can be carried forward indefinitely, with no expiration date, for as long as the entity is trading. As a result, the Group has recognised deferred tax assets on taxation losses of R217 million (2024: R224 million). The unrecognised taxation losses for the group amount to R743 million (2024: R789 million) at the end of the financial year.

8 Deferred taxation continued

The following are the major categories of deferred tax assets and liabilities recognised by the Group and movements thereon during the current and comparative reporting period:

	As at 29 February 2024 R'000	Profit or loss movements R'000	Foreign exchange movements R'000	Prior year under/(over) R'000	As at 28 February 2025 R'000
Provisions	**42 307**	**12 887**	**–**	**11 902**	**67 096**
Computed losses	**60 454**	**4 774**	**–**	**(6 414)**	**58 814**
Income received in advance	**24 787**	**3 202**	**–**	**(3 682)**	**24 307**
Lease liabilities	**95 852**	**(4 306)**	**–**	**–**	**91 546**
Intangible assets	**31 451**	**(3 950)**	**–**	**751**	**28 252**
Other	**2 909**	**2 137**	**–**	**(3 030)**	**2 016**
Deferred taxation assets	**257 760**	**14 744**	**–**	**(473)**	**272 031**
Prepayments	**(2 209)**	**(714)**	**–**	**233**	**(2 690)**
Intangible asset – software	**(12 894)**	**4 263**	**–**	**–**	**(8 631)**
Section 24C future expense deduction	**(10 519)**	**(1 949)**	**–**	**2 206**	**(10 262)**
Accrued revenue	**8 151**	**101**	**–**	**(32)**	**8 220**
Right-of-use asset	**(60 842)**	**6 031**	**–**	**–**	**(54 811)**
Interest	**(491)**	**–**	**–**	**471**	**(20)**
Other	**(370)**	**5 228**	**(6 533)**	**1 305**	**(370)**
Deferred taxation liabilities	**(79 174)**	**12 960**	**(6 533)**	**4 183**	**(68 564)**
Net deferred taxation assets	**178 586**	**27 704**	**(6 533)**	**3 710**	**203 467**

	As at 28 February 2023 R'000	Profit or loss movements R'000	Foreign exchange movements R'000	Prior year under/over R'000	As at 29 February 2024 R'000
Provisions	58 495	(26 188)	–	10 000	42 307
Computed losses	49 329	11 328	–	(203)	60 454
Income received in advance	21 525	3 262	–	–	24 787
Lease liabilities	100 417	(4 565)	–	–	95 852
Intangible assets	33 275	(1 824)	–	–	31 451
Other	(94)	3 226	–	(223)	2 909
Deferred taxation assets	262 947	(14 761)	–	9 574	257 760
Prepayments	(4 184)	1 975	–	–	(2 209)
Intangible asset – software	(17 315)	4 421	–	–	(12 894)
Section 24C future expense deduction	(8 395)	(2 124)	–	–	(10 519)
Accrued revenue	(4 035)	12 186			8 151
Right-of-use asset	(68 571)	7 596	–	133	(60 842)
Interest	(2 203)	–	–	1 712	(491)
Foreign exchange movements	–	(949)	949	–	–
Other	(370)	–	–	–	(370)
Deferred taxation liabilities	(105 073)	23 105	949	1 845	(79 174)
Net deferred taxation assets	157 874	8 344	949	11 419	178 586

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

8 Deferred taxation continued

	2025 R'000	2024 R'000
Reconciliation of estimated taxation losses available in the Group:		
Estimated taxation losses at the beginning of the year	**1 012 896**	919 416
Increases in taxation losses for the year	**29 360**	146 355
Taxation losses utilised during the year	**(82 066)**	(52 875)
Estimated taxation losses at the end of the year	**960 190**	1 012 896
Consisting of:		
Taxation losses recognised	**217 115**	223 908
Taxation losses not recognised	**743 075**	788 988
	960 190	1 012 896

9 Taxation

Accounting policy

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or OCI.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax assets and liabilities are offset only if certain criteria are met.

The tax rates and tax laws used to compute the amount of taxation are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

	2025 R'000	2024 R'000
Current taxation		
– Current year	**31 074**	31 522
– Prior year over provision	**(3 223)**	(9 865)
Deferred taxation		
– Current year	**(27 704)**	(8 344)
– Prior year over provision	**(3 710)**	(11 419)
Taxation (income)/expense in profit or loss	**(3 563)**	1 894

9 Taxation continued

Taxation reconciliation

	2025 R'000	2024 R'000
Profit before taxation	**137 294**	89 936
South African standard tax rate (%)	**27**	27
Normal tax at standard rate	**37 070**	24 283
Adjustment for the tax effect at the standard rate for the following items:		
Exempt income		
– Employment Tax Incentive (ETI) income	**(11 351)**	(12 705)
Non-deductible items charged against income:		
– Non-deductible expenses[1]	**1 952**	2 669
– Share-based payments	**236**	1 073
Non-taxable income	**(4 240)**	(2 916)
Fair value adjustments	**–**	(228)
Special allowances claimed:		
– Learnerships	**(7 375)**	(4 177)
Current year taxation losses not recognised	**5 171**	24 343
Prior year unrecognised taxation losses utilised in current year	**(19 960)**	(10 543)
Rate differential adjustment[2]	**1 873**	1 336
Other	**(6)**	43
Prior year over provision of current and deferred taxation	**(6 933)**	(21 284)
Actual taxation charge for the year	**(3 563)**	1 894

[1] *Includes non-deductible consulting fees, tax penalties and impairment of goodwill.*
[2] *The corporate tax rate for South Africa is 27%. The corporate tax rate in Australia is 30%.*

Key estimates and assumptions

The Group considered whether it has any uncertain tax positions at year end, particularly those relating to the deductibility of related party interest, interest on a foreign loan and a tax position in a closed down African operation. The Group has maintained a provision for these positions based on the current available facts and circumstances surrounding these uncertainties.

10 Taxation paid

	2025 R'000	2024 R'000
Net amount receivable at the beginning of the year	**6 556**	7 082
Taxation prepaid	**31 989**	33 957
Taxation payable	**(25 433)**	(26 875)
Amounts charged to statement of profit or loss	**(27 851)**	(21 657)
Interest/penalties (paid to)/received from the South African Revenue Services	**(2 336)**	173
Foreign currency movement	**435**	392
Net amount payable/(receivable) at the end of the year	**4 297**	(6 556)
Taxation prepaid	**(21 444)**	(31 989)
Taxation payable	**25 741**	25 433
Net cash taxation payment	**(18 899)**	(20 566)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

11 Trade receivables

Accounting policy – initial recognition and subsequent measurement

Refer to note 2.6 Financial instruments.

Accounting policy – impairment

The Group recognises expected credit losses (impairment allowances) on financial assets measured at amortised cost and accrued income balances. The Group assesses, on a forward-looking basis, the impairment allowances associated with these financial assets and makes use of provision matrices relevant to its various operations in establishing impairment allowances, specifically for trade receivables.

The Group recognises a loss allowance for ECLs applying the simplified approach and measures the loss allowance at an amount equal to the lifetime ECLs. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument. As there is no significant financing component to trade receivables, the Group uses a specific identification and provision matrix when measuring ECL on the trade receivables.

The simplified approach is forward looking and takes into account historical credit loss experience, time value of money and future economic factors including inflation.

Trade receivables are considered to be in default when contractual payments are past due the average standard credit terms which is 30 to 45 days. 55% of all customers have payment terms of 30 days or less. 60 days past due is considered to be an appropriate indicator of default when considered against the Group's customer base, the trading terms for which are predominantly 30 days. This is also informed by the Group's extensive experience with its customer base.

Losses are recognised in the statement of profit or loss and in an impairment allowance account. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of profit or loss. The gross carrying amount of the trade receivable is reduced by the impairment loss allowance and is written off when the Group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. When a trade receivable is uncollectible to the extent it is not provided for, it is written off and recognised in profit or loss.

	2025 R'000	2024 R'000
Gross trade receivables	**1 541 406**	1 538 380
Allowance for ECLs	**(17 417)**	(26 043)
Trade receivables	**1 523 989**	1 512 337
The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:		
South Africa	**862 824**	834 095
Australia	**661 165**	678 242
Trade receivables	**1 523 989**	1 512 337
The ageing of trade receivables at the reporting date was:		
Current	**1 257 579**	1 239 252
0 – 30 days from invoice date	**206 635**	241 578
31 – 60 days from invoice date	**63 136**	36 306
61 – 90 days from invoice date	**11 474**	9 120
91 – 365 days from invoice date	**2 582**	8 324
Gross trade receivables	**1 541 406**	1 538 380
Movement in the allowance for ECLs		
Balance at the beginning of the year	**26 043**	26 861
Allowance adjustment	**(5 473)**	(247)
Amounts released during the year	**(3 153)**	(571)
Balance at the end of the year	**17 417**	26 043

11 Trade receivables continued

The trade receivables are provided as security for all banking facilities available to the Group as disclosed in note 16. The eligible receivables are defined as those with outstanding invoices aged up to 90 days. The Group is permitted under its facility agreement to enter into factoring arrangements up to R60 million in South Africa. Any invoiced receivables that have been factored may not be included in the eligible receivables and become ineligible for inclusion in the borrowing base calculations.

Exposure to credit risk

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the allowance for ECLs, based on past due status, is not further distinguished between the Group's different customer base. The Group's expected credit loss rate is 1.1% (2024: 1.7%).

	2025		2024	
	R'000	ECL per ageing category	R'000	ECL per ageing category
The ageing of the expected credit loss at the reporting date was:				
Current	**291**	**0.0%**	2 123	0.2%
0 – 30 days from invoice date	**179**	**0.1%**	1 597	0.7%
31 – 60 days from invoice date	**184**	**0.3%**	1 003	2.8%
61 – 90 days from invoice date	**235**	**2.0%**	750	8.2%
91 – 365 days from invoice date	**3 020**	**100.0%**	5 773	47.6%
Specifically identified[1]	**13 508**	**100.0%**	14 797	100.0%
Total allowance for ECLs	**17 417**	**1.1%**	26 043	1.7%

[1] *Fully provided for based on specific identification criteria: customers' financial difficulty, inability to pay and when it is perceived that there is no realistic prospect of recovery.*

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 defines credit limits by customer, whereas, Australia only make 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.

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 120 days with an average collection period of 37 days (2024: 37 days) and no interest has been charged on the trade receivables.

The carrying value approximates the fair value due to their short-term nature.

Key estimates and assumptions

To measure the ECLs, trade receivables are grouped based on shared credit risk characteristics and the days past due. The probability of a customer defaulting and the realised loss with defaulted accounts have been determined using historical data of 12 months.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors when affecting the ability of the customers to settle the receivables. The measurement of the ECLs also reflects the recovery expected from any credit risk insurance relating to trade receivables. The insured portion of the South African trade receivables are not impaired and insured at 90% (2024: 85%) of their value against default. The value insured is R650 million (2024: R630 million) capped at claims of R350 million annually. The trade receivables relating to the Australia business are insured at 85% of any defaults. The value insured under the policy is AU$33 million (2024: AU$32 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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11 Trade receivables continued

Exposure to credit risk continued

Historical estimated losses are calculated as the average losses for the past year. The estimated loss value is adjusted to be forward-looking by taking into account the Group's credit control measures and collection policies. When measuring ECLs the Group uses reasonable and supportable forward-looking information based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group has considered quantitative forward-looking information such as the core inflation rate, economic growth (GDP), unemployment rates and interest rates. Qualitative assessments have also been performed, of which the impact was found to be immaterial. The forward-looking adjusted loss rate is applied to each receivables terms' bucket based on the unpaid balance by the total estimated loss rate. The expected loss rate is applied to the outstanding buckets to derive the allowance for ECLs. A qualitative assessment of the impact of forward-looking information has been performed and found to be immaterial.

There have not been any changes in the estimation techniques or significant assumptions applied during the current financial year.

12 Other receivables and non-current prepayments

12.1 Non-current prepayments

Accounting policy

Costs for software development to customise, develop, or modify the software, during the development phase is capitalised as a prepayment and amortised over the term of the hosting arrangement. The term of that arrangement is the initial non-cancellable period, as well as any extension periods, as long as it is reasonably certain to be exercised.

	2025 R'000	2024 R'000
Prepayment – enterprise technology transformation project	–	14 496
Total non-current prepayments	**–**	14 496

12.2 Reconciliation of current and non-current prepayments – enterprise technology transformation project

	2025 R'000	2024 R'000
Balance at the beginning of the year	**44 319**	72 098
Additions	**1 262**	2 612
Amounts expensed during the year (note 21)	**(30 788)**	(30 389)
Foreign currency movement	**(51)**	(2)
Balance at the end of the year	**14 742**	44 319
Non-current	**–**	14 496
Current[1]	**14 742**	29 823
Total prepayments	**14 742**	44 319

[1] *Current prepayment relating to the enterprise technology transformation project is included in other receivables in note 12.3.*

12 Other receivables and non-current prepayments continued

12.3 Other receivables

Accounting policy – initial recognition and subsequent measurement

Refer to note 2.6 Financial instruments.

Accounting policy – impairment

The Group recognises a loss allowance for ECLs applying the simplified approach and measures the loss allowance at an amount equal to the lifetime ECLs. As there is no significant financing component to other receivables, the Group uses a specific identification and provision matrix when measuring ECL on the other receivables.

	2025 R'000	2024 R'000
Financial instrument:	**79 066**	91 336
Deposits	**2 382**	2 774
Sundry billings[1]	**59 463**	57 712
Lease receivable	**1 173**	2 105
Sundry loans	**753**	1 216
Other[2]	**15 295**	27 529
Non financial instrument	**31 879**	78 408
Prepayments	**8 784**	29 823
Enterprise technology transformation project prepayment (Note 12.2)	**14 742**	40 014
Indirect taxes	**7 662**	6 227
Other[3]	**691**	2 344
Total other receivables	**110 945**	169 744

[1] *Includes billings accrued for services performed but not yet invoiced.*
[2] *Comprises SETA government grants and other incentives receivable.*
[3] *Relates to withholding taxes.*

The Group considered the fact that no material write-offs have been made on other receivables in the past and raised no expected credit loss on these financial assets.

The carrying value approximates the fair value due to their short-term nature.

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13 Cash and cash equivalents and restricted cash

Accounting policy – initial recognition and subsequent measurement

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost and stated at carrying amount which approximates its fair value.

Certain bank accounts are provided as security for banking facilities available to the Group as disclosed in note 16.

Refer to note 2.6 Financial instruments.

Cash and cash equivalents and restricted cash comprise the following:

	2025 R'000	2024 R'000
Cash resources[1]	**494 000**	204 175
Restricted cash comprises of:		
Value of restricted cash held in Angola[2,3]	**–**	71 074
Total cash and cash equivalents and restricted cash per statement of financial position	**494 000**	275 249
Total cash and cash equivalents per statement of cash flows	**494 000**	204 175

1 The counterparties have a South African Moody's Rating of Ba2, and Australian Moody's ratings of Aaa.

2 The counterparties have an Angolan Moody's Ratings of B3.

3 The Group reassessed the classification of restricted cash held in Angola as a cash equivalent. Shortly after the end of the prior financial year, certain in-country administrative processes were completed and as such the cash is no longer restricted and available for use in the short term. However, in addition to the fact that the Angolan currency market is currently illiquid, management anticipates additional administrative-intensive procedures that may prevent the repatriation of the cash, and as such the Angolan cash is not available for general use by the group or its subsidiaries.

Credit risk

The maximum exposure to credit risk is represented by the carrying amount of cash and cash equivalents. 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.

Liquidity risk

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 in the current year, access 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 28 February 2025 is R494 million (2024: R275 million), which is inclusive of cash held in Angola of R52 million (2024: R71 million).

Currency risk

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.

14 Share capital and share premium

14.1 Share capital and share premium

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from equity.

	2025 R'000	2024 R'000
Authorised share capital:		
183 177 151 ordinary shares of 2,5 cents each (2024: 183 177 151)	**4 579**	4 579
16 822 849 "B" ordinary shares of 2,5 cents each (2024: 16 822 849)	**421**	421
Total authorised share capital	**5 000**	5 000
Number of ordinary shares ('000):		
Balance at the beginning of the year excluding treasury shares	**102 868**	103 388
Ordinary shares at the beginning of the year	**109 955**	109 955
Treasury shares at the beginning of the year	**(7 087)**	(6 567)
Odd lot offer share re-purchase and cancellation of ordinary shares	**(74)**	–
Treasury share purchases	**(1 361)**	(1 541)
Transferred to employee share-based scheme	**1 507**	1 021
Balance at the end of the year	**102 940**	102 868
Consisting of:		
Total ordinary shares in issue	**109 881**	109 955
Less: Treasury shares	**(6 941)**	(7 087)
Balance at the end of the year excluding treasury shares	**102 940**	102 868
Number of "B" ordinary shares ('000):		
Number at the beginning of the year	**6 729**	6 729
Number at the end of the year	**6 729**	6 729

	2025 R'000	2024 R'000
Issued share capital and premium comprises:		
109 880 974 ordinary shares of 2,5 cents each (2024: 109 954 675)	**2 749**	2 749
Total issued share capital	**2 749**	2 749
Share premium	**1 737 813**	1 738 109
Total share capital and share premium	**1 740 562**	1 740 858
Reconciliation of share capital and premium movement:		
Balance at the beginning of the year	**1 740 858**	1 740 858
Ordinary shares re-purchased	**(296)**	–
Balance at the end of the year	**1 740 562**	1 740 858

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14 Share capital and share premium continued

14.1 Share capital and share premium continued

Odd-lot offer

Adcorp made an offer to the Odd-lot Holders (shareholders holding less than 100 ordinary shares in the Company) to repurchase their ordinary shares at an offer price at a 5% premium to the 30-day VWAP of an Adcorp ordinary share at the close of business on 4 March 2024 being at a price of R3,8. In terms of the Odd-lot Offer, Adcorp repurchased a total of 73 701 ordinary shares from 6 955 Odd-lot Holders, representing 0.07% of the total issued ordinary share capital of Adcorp for a total Odd-lot Consideration of R295 798.

The Adcorp Shares repurchased by the Company in terms of the Odd-lot Offer were cancelled and delisted on Thursday, 28 March 2024, and accordingly, the total issued ordinary share capital of Adcorp has been reduced from 109 954 675 to 109 880 974.

Voting and dividend rights

In terms of the memorandum of incorporation, both ordinary and B ordinary shareholders have voting rights, however only ordinary shareholders are entitled to a dividend.

14.2 Treasury shares

Accounting policy

Where subsidiaries hold Adcorp ordinary shares, the consideration paid to acquire those shares, including attributable incremental costs, is deducted from shareholders' equity and presented separately as treasury shares. When treasury shares are sold, reissued or cancelled subsequently, the amount received is an increase in equity and the resulting surplus or deficit on the transaction is recognised in share premium.

As part of the Group's capital allocation framework, one of the levers to return value to shareholders is through share buybacks, if the share price is materially below intrinsic value. Refer to the statement of changes in equity for the reconciliation of the current year movement in treasury shares.

The forfeitable shares held by employees are treated as treasury shares since shares awarded under the forfeitable share plan have not fully vested for the purposes of IFRS 2: Share-based Payment until the potential forfeiture period has expired (note 15.1).

	2025 R'000	2024 R'000
Adcorp Fulfilment Services Proprietary Limited – 556 605 shares (2024: 556 605)	**(22 834)**	(22 834)
Adcorp Management Services Proprietary Limited – 1 360 584 (2024: Nil)	**(6 455)**	–
Torque IT Proprietary Limited – 5 023 809 shares (2024: 6 530 120)	**(65 138)**	(70 862)
Adcorp Employee Benefit Trust 2 (AEBT 2) consolidated – 6 729 140 "B" shares (2024: 6 729 140)	**(168)**	(168)
Total treasury shares	**(94 595)**	(93 864)

15 Reserves

	2025 R'000	2024 R'000
The reserves consist of:		
Share-based payment reserve (note 15.1.1)	**12 811**	14 828
Employee share scheme reserve (note 15.1.2)	**168**	168
Foreign currency translation reserve (note 15.2)	**20 543**	88 599
Accumulated loss	**(189 470)**	(291 809)
Non-controlling interest	**557**	925
Total reserves	**(155 391)**	(187 289)

15.1 Share-based schemes

Accounting policy

Share-based payment schemes are all settled by providing shares of the Group to the recipients. The Group accounts for all share-based payments as equity settled.

Equity-settled share-based payment transactions are measured at the fair value of the equity instruments granted. The fair value is measured at the grant date. IFRS 2 defines the grant date as the date at which the entity and another party agree to a share-based payment arrangement, being when the entity and counterparty have a shared understanding of the terms and conditions of the arrangement.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense in profit and loss, with a corresponding increase in equity, over the vesting period of the awards.

15.1.1 Share-based payment reserve

A reconciliation of the share-based payment reserve (per share scheme) for the year is provided below:

	2025 R'000	2024 R'000
Balance at the beginning of the year	**14 828**	187 681
Senior management long-term incentive scheme	**11 241**	11 865
AEBT 2 and Broad-Based Black Economic Empowerment (B-BBEE) shareholders' trust	**–**	172 229
AEBT 3 transaction	**3 587**	3 587
Share-based expense recognised during the year	**6 038**	10 671
Senior management long-term incentive scheme	**6 038**	7 068
AEBT 2 and B-BBEE shareholders' trust	**–**	3 603
Transfer to accumulated loss	**–**	(176 166)
AEBT 2 and B-BBEE shareholder's trust[1]	**–**	(175 832)
Senior management long-term incentive scheme[2]	**–**	(334)
Other movement in share-based payment reserve	**(8 055)**	(7 358)
Senior management long-term incentive scheme	**(8 055)**	(7 358)
Balance at the end of the year	**12 811**	14 828
Made up of:		
Senior management long-term incentive scheme	**9 224**	11 241
AEBT 3 transaction	**3 587**	3 587
Total share-based payment reserve	**12 811**	14 828

[1] *Relates to the transfer of share based payment reserve related to the 2013 B-BBEE scheme that has fully vested.*
[2] *Relates to vesting of share awards.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

15 Reserves continued

15.1 Share-based schemes continued

15.1.1 Share-based payment reserve continued

The Group awards performance shares (PS) under share-based payment schemes as part of the Group's retention policy and to align management remuneration with the achievement of short and long-term strategic and financial performance targets. The PS awards are subject to the fulfilment of service conditions, as well as performance conditions and are made up of conditional and/or forfeitable shares.

Senior management long-term incentive scheme (awards made prior to 2024)

The scheme includes one type of PS award:

- Conditional shares (CS): A conditional right to Adcorp shares, the vesting of which is subject to the fulfilment of service conditions as well as performance conditions. The performance conditions are based on targets set around growth of return on invested capital (ROIC) (50%), and growth of headline earnings per share (HEPS) (50%). Participants will not be entitled to dividends or have any voting rights on the CS until the awards vest. Vesting periods are three years from date of award.

The following reconciles the outstanding share awards granted under the senior management long-term incentive scheme at the end of the financial year:

	Number of share awards 2025	Weighted average grant price 2025	Number of share awards 2024	Weighted average grant price 2024
Senior management long-term incentive scheme				
Outstanding balance at the beginning of the year	**6 043 901**	**3,94**	9 442 033	3,92
Granted during the year	**–**	**–**	–	–
Vested during the year	**(1 975 821)**	**3,80**	(1 839 394)	4,00
Forfeited during the year	**(2 393 349)**	**3,92**	(1 558 738)	4,24
Outstanding balance at the end of the year	**1 674 731**	**4,25**	6 043 901	3,94

The following share awards were issued under the senior management long-term incentive scheme in previous financial years:

	Number	Grant date	Vesting date	Type	Fair value at grant date
Issued in 2023	1 674 731	2022/12/14	2025/12/13	CS	4,52

The fair values at grant date are independently determined using a binomial model. The inputs to the model determining the fair value of the shares awarded at grant date are set out below:

	2025	2024
Spot price (R)	**4,15**	5,20 – 6,25
Expected volatility (%)	**70.16**	91.81 – 93.04
Expected life (years)	**3 – 6**	3 – 6
Risk-free rate (%)	**7.5**	4.97 – 7.77
Expected dividend yield (%)	**–**	7.56 – 10.27

15 Reserves continued

15.1 Share-based schemes continued

15.1.1 Share-based payment reserve continued

2024 Long-term incentive scheme

The scheme includes two types of performance share awards:

- **Forfeitable share (FS):** The vesting of these shares is subject to continued employment, and is conditional upon achievement of performance targets, measured over a three-year period, for directors and senior management. The performance conditions are based on targets set around growth of return on invested capital (ROIC) (50%), and growth of headline earnings per share (HEPS) (50%). The fair value of the share awards on grant date were measured using the quoted market price of an Adcorp share without adjusting for expected dividends and non-market conditions.
- **CS:** A conditional right to Adcorp shares, the vesting of which is subject to the fulfilment of service conditions as well as performance conditions. The performance conditions are based on targets set around growth of return on invested capital (ROIC) (50%), and growth of headline earnings per share (HEPS) (50%). Participants will not be entitled to dividends or have any voting rights on the CS until the awards vest. Vesting periods are three years from date of award.

The following reconciles the shares awards granted under the long-term incentive scheme at the end of the financial year:

	Number of share awards 2025	Weighted average grant price 2025	Number of share awards 2024	Weighted average grant price 2024
Long-term incentive scheme				
Forfeitable shares				
Outstanding balance at the beginning of the year	**1 949 402**	**4,60**	–	–
Granted during the year	**2 894 713**	**4,15**	1 949 402	4,60
Forfeited during the year	**(761 471)**	**4,43**	–	–
Outstanding balance at the end of the year	**4 082 644**	**4,31**	1 949 402	4,60
Conditional shares				
Outstanding balance at the beginning of the year	**1 824 252**	**4,60**	–	–
Granted during the year	**2 521 063**	**4,15**	1 824 252	4,60
Forfeited during the year	**(1 258 934)**	**4,45**	–	–
Outstanding balance at the end of the year	**3 086 381**	**4,29**	1 824 252	4,60

The following share awards are the issued awards under the long-term incentive scheme in the current and comparative financial years:

	Forfeitable number of shares	Conditional number of shares	Grant date	Vesting date	Fair value at grant date
Issued in 2024	**1 469 129**	**987 115**	**2024/02/29**	**2026/06/01**	**4,60**
Issued in 2025	**2 613 515**	**2 099 266**	**2024/07/16**	**2027/06/01**	**4,15**
	4 082 644	**3 086 381**			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

15 Reserves continued

15.1 Share-based schemes continued

15.1.1 Share-based payment reserve continued

The number of shares available for utilisation for the above share-based schemes is 10% of the issued ordinary share capital being a total of 10 988 097 (2024: 10 995 467) shares.

	2025 Number of shares '000	2024 Number of shares '000
Ordinary shares available for utilisation:		
Balance at the beginning of the year	**1 177**	1 553
Share repurchase	**(7)**	–
Granted during the year	**(5 416)**	(3 774)
Vested during the year	**1 976**	1 839
Forfeited during the year	**4 414**	1 559
Balance at the end of the year	**2 144**	1 177

Key estimates and judgements

The assessed fair value at grant date of share awards granted during the financial year is disclosed above. The conditional shares at grant date are independently determined with the present value of future expected dividends discounted at a risk-free rate. The valuation models take into account the exercise price, the term of the share award, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the share award and the correlations and volatilities of the peer group companies

2020 B-BBEE Empowerment transaction

In the 2021 financial year, a B-BBEE transaction was completed and a new subsidiary was established, Adcorp Group South Africa Proprietary Limited and a trust registered, Adcorp Employee Benefit Trust 3 (AEBT 3) as contemplated by the B-BBEE transaction. As a result of the B-BBEE transaction, Adcorp Group South Africa Proprietary Limited became the new holding Group of Adcorp Management Services Proprietary Limited (which was an indirect subsidiary of Adcorp Holdings Limited) and Adcorp Workforce Management Solutions Proprietary Limited (which was a direct subsidiary of Adcorp Holdings Limited). AEBT 3 acquired 23.95% of the issued ordinary no par value shares in Adcorp Group South Africa Proprietary Limited, Thornbird Trade and Invest 33 Proprietary Limited 4.16% and Quest Strategic Partners Proprietary Limited 7.31% with Adcorp Holdings Limited holding 64.58% of Adcorp Group South Africa Proprietary Limited ordinary shares and 100% of the "A" preference shares in Adcorp Group South Africa Proprietary Limited.

Thornbird Trade and Invest 33 Proprietary Limited and Quest Strategic Partners Proprietary Limited have effectively received an option in Adcorp Group South Africa Proprietary Limited as consideration for Adcorp Group South Africa Proprietary Limited receiving empowerment credentials.

AEBT 3 is consolidated as Adcorp Holdings Limited has control over AEBT 3 through its ability to direct the relevant activities of the Trust in terms of the trust deed. Through the trust deed Adcorp Holdings Limited has exercised power to direct the relevant activities of the Trust. Adcorp Holdings Limited will furthermore obtain variable returns through access to future resources or future contracts from maintaining the Group's B-BBEE credentials. Furthermore, the beneficiaries of AEBT 3 are employees of the Group which exposes the Group to variable returns through their employment services.

The Group applied its judgement in determining the appropriate IFRS 2 expense that should be recognised as a result of the B-BBEE transaction as approved by the shareholders on 14 December 2020 utilising the principles as outlined in IFRS 2: Share-based Payment. In determining the share-based expense, the Group obtained an expert valuation. This valuation was then subjected to a sensitivity analysis based on the assumptions applied in the model. The valuation model is sensitive to the expected percentage volatility and the expected dividend yield percentage assumptions.

Due to the nature of the scheme, the share-based payment expense (R3,6 million) is non-recurring and vested in FY2021 on implementation of the scheme.

15 Reserves continued

15.1 Share-based schemes continued

15.1.2 Employee share scheme reserve

AEBT 2 and B-BBEE shareholders' interest

In terms of the Black Economic Empowerment (BEE) transaction in 2013 (2013 B-BBEE transaction), Adcorp had authorised and issued a total of 6 729 140 "B" ordinary shares (2024: 6 729 140) to its empowerment shareholder (AEBT 2) at a value of 2,5 cents per share.

	2025 R'000	2024 R'000
Issued "B" class shares in Adcorp Holdings shares		
6 729 140 "B" ordinary shares of 2,5 cents per share (2024: 6 729 140) at the beginning of the year	**168**	168
6 729 140 "B" ordinary shares of 2,5 cents per share (2024: 6 729 140) at the end of the year	**168**	168

In 2021, the Group implemented a BEE transaction (refer to 2020 B-BBEE Empowerment transaction on page 64).

15.2 Foreign currency translation reserve

	2025 R'000	2024 R'000
Balance at the beginning of the year	**88 599**	124 542
Arising on translation of foreign operations	**(68 056)**	(35 943)
Balance at the end of the year	**20 543**	88 599

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Rand amounts are brought to account by entries made directly to the foreign currency translation reserve.

16 Interest-bearing borrowings

16.1 Interest-bearing borrowings

ZAR Borrowing Base Credit Facilities

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 to the end of August 2025. New facilities are in negotiation.

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 that need to be complied with within 12 months of the reporting date include the following:

South African financial covenant ratio	Requirement
Interest cover ratio (ratio of adjusted consolidated EBITDA to consolidated net finance costs)	>3,0x
Current ratio (ratio of consolidated current assets divided by consolidated current liabilities)	>1,1x
Tangible net asset value (NAV) ('000)	R1 200 000

As at the reporting date, no events of default had occurred and the Group has complied with all financial covenants. The Group expects to comply with the quarterly covenants within 12 months after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

16 Interest-bearing borrowings continued

16.1 Interest-bearing borrowings continued

ZAR Borrowing Base Credit Facilities continued

Any breach of a covenant at or before the reporting date, that triggers a repayment of the facility within 12 months after the reporting date, results in the group classifying the liability as current unless the breach is remediated at or before the reporting date.

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

Trade receivables with a carrying value of R863 million are used as security to secure funding relating to the borrowing base facility. The eligible receivables are defined as those with outstanding invoices aged up to 90 days. The Group is permitted under its facility agreement to enter into factoring arrangements up to R60 million in South Africa. Any invoiced receivables that have been factored may not be included in the eligible receivables and become ineligible for inclusion in the borrowing base calculations.

As security for the borrowing base facility, a shared security agreement was entered into that holds a cession over the trade receivables and bank accounts between specified operating subsidiaries of the Adcorp Group.

AU$ Borrowing Base Credit Facilities

A new AU$ funding facility with Commonwealth Bank of Australia (CBA) commenced on Friday 12 July 2024 and will mature on 30 June 2026, consisting of a working capital facility (AU$20 million), set-off/overdraft facility (AU$3 million) and a bank guarantee facility (AU$2 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.

Australian financial covenant ratio	Requirement
Interest cover ratio (ratio of adjusted consolidated AU$ EBITDA to consolidated net finance costs)	>2,5x
Gross leverage (ratio of outstanding facilities divided by adjusted consolidated AU$ EBITDA)	<3,0x
Minimum net worth (NAV plus outstanding subordinated related party debt)	Greater of AU$50 million or 80% of preceding period's net worth

The Australian Group did not make use of the borrowing base facility during the financial year as disclosed in the tables in note 33.6.

As security for the AU$ borrowings, a shared security agreement was entered into that holds a cession over the trade receivables between specified operating subsidiaries of the Adcorp Australia Group. Trade receivables with a carrying value of R384 million are used as the receivables collateral base.

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

16.2 Reconciliation of movements on interest-bearing borrowings

	2025 R'000	2024 R'000
Opening balances at the beginning of the year	–	–
Interest accrued	440	5 730
Interest paid	(440)	(5 730)
Repayments on facilities during the year	(125 000)	(424 601)
Proceeds from facilities during the year	125 000	424 601
Closing balance at the end of the year	–	–

17 Trade and other payables

	2025 R'000	2024 R'000
Financial instrument	**385 356**	346 571
Trade creditors	131 783	102 621
Operating expense accruals	229 512	227 097
Other creditors	24 061	16 853
Non-financial instrument	**666 762**	649 845
Indirect taxes	162 464	173 652
Payroll accruals	413 755	384 392
Income received in advance from customer contract liabilities (note 17.1)	90 543	91 801
Total trade and other payables	**1 052 118**	996 416

Trade and other payables do not carry interest and are stated at their nominal value. The carrying amount approximates the fair value due to their short-term nature. The average credit period on trade and other payables is 30 days, except for payroll accruals that have an average credit period of seven days. All amounts will be settled within 12 months and are therefore considered to be short term in nature.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

17.1 Income in advance from customer contract liabilities

Amounts recognised in the income received in advance relate to monies received in advance from customers. The Group has recognised the following current liabilities related to contracts with customers.

	Performance obligation (timing)	2025 R'000	2024 R'000
Customer liabilities – training	Revenue is recognised over time as the training is provided	78 329	87 573
Customer liabilities – permanent placements	Revenue is recognised at the point in time when placed candidates begin employment	11 275	3 736
Customer liabilities – temporary placements	Revenue is recognised over time as the services are rendered	939	492
Total income received in advance from contract liabilities		**90 543**	91 801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

17 Trade and other payables continued

17.1 Income in advance from customer contract liabilities continued

The following table shows how much of the revenue recognised in the current reporting period relates to carried- forward contract liabilities where performance obligations were satisfied in the current year.

	2025 R'000	2024 R'000
Balance at the beginning of the year	**91 801**	79 720
Income in advance recognised as liability	**405 936**	387 153
– Training	**278 406**	275 396
– Permanent placements	**119 055**	103 806
– Temporary placements	**8 475**	7 951
Revenue recognised during the period	**(407 194)**	(375 072)
– Training	**(287 650)**	(264 765)
– Permanent placements	**(111 516)**	(102 477)
– Temporary placements	**(8 028)**	(7 830)
Balance at the end of the year	**90 543**	91 801

Training

Revenue from training is recognised as the contracted service is rendered to a client, which is over a period of time. Consideration received from clients who pay for training services in full, at the beginning of the service contract, is recognised as a contract liability. Revenue from the contract liability is recognised over the period of the training contract.

Permanent placements

Revenue from permanent placements is recognised at a point in time when a qualified candidate has been placed and begins permanent employment with a client. Consideration received is recognised net of a "contingency allocation" for permanent placement candidates who may not remain with a client through a specified contingency period. This contingency is recognised as a contract liability. Revenue from the contract liability is recognised at the point when the contingency period has lapsed.

Temporary placements

Revenue from temporary placements is recognised as the contracted service is rendered to a client, which is over a period of time. Consideration received from clients who pay for temporary placement services in full, at the beginning of the service contract, is recognised as a contract liability. Revenue from the contract liability is recognised over the period of the temporary placement contract.

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18 Provisions

Accounting policy

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for leave pay

The provision for leave pay is measured at the Group's best estimate of the expenditure required to settle the obligation at the reporting date in accordance with the Basic Conditions of Employment Act. The provision includes both temporary and permanent employees.

Bonuses

The bonus provision includes both temporary and permanent staff. The Group rewards the meeting of strategic financial and non-financial objectives through bonuses to permanent employees. The provision is utilised when the bonus is approved and paid out in June of the following financial year. Temporary staff bonuses are raised based on contractual obligations with our assignee and candidate base.

Other

Other provisions represent the directors' best estimate of future economic benefits that may be required to cover claims on services rendered by the Group. The provisions have been determined based on assessments and estimates by management. Actual results could differ from estimates and there is no certainty regarding the timing of these cash flows.

	Leave pay R'000	Bonuses R'000	Other[1] R'000	Total R'000
As at 29 February 2024	**158 301**	**44 608**	**18 105**	**221 014**
Provisions raised	**141 964**	**87 071**	**14 351**	**243 386**
Provisions utilised	**(135 258)**	**(53 028)**	**(16 713)**	**(204 999)**
Foreign exchange movement	**(5 703)**	**(781)**	**(1 133)**	**(7 617)**
As at 28 February 2025	**159 304**	**77 870**	**14 610**	**251 784**

[1] *Includes a 'lease make good' provision in Australia, which represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.*

	Leave pay R'000	Bonuses R'000	Other R'000	Total R'000
As at February 2023	145 920	72 573	16 396	234 889
Provisions raised	198 897	135 834	44 806	379 537
Provisions utilised	(187 132)	(163 895)	(43 174)	(394 201)
Foreign exchange movement	616	96	77	789
As at 29 February 2024	158 301	44 608	18 105	221 014

	2025 R'000	2024 R'000
Short and long-term split of provisions:		
Current	**249 283**	216 504
Non-current	**2 501**	4 510
	251 784	221 014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

19 Revenue

Accounting policy

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 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. 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.

Credit risk is accounted for separately as part of the impairment consideration for financial instruments.

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers the related services to the customer). Refer to note 17.1 Income received in advance from customer contract liabilities for details of the liabilities recognised by the Group arising from contracts from customers.

The Group does not enter into arrangements with deferred payment terms that exceed 12 months, therefore there is no significant financing component accounted for.

The Group makes use of the practical expedient option in paragraph 121 in IFRS 15 as the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. On conclusion of the performance obligation, whether weekly or monthly, a fixed amount for each hour of service provided is billed in accordance with signed customer agreements and payment is due based on agreed credit terms.

Performance obligation	Description	Timing	2025 R'000	2024 R'000
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.	**43 997**	61 244
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.	**10 918 936**	10 917 886
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.	**249 734**	246 098
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.	**2 024 011**	1 756 913
Total revenue			**13 236 678**	12 982 141

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19 Revenue continued

Disaggregation of revenue by geographical region

Region	Segment	Performance obligation	2025 R'000	2024 R'000
South Africa			**7 017 825**	6 870 829
	Contingent Staffing		**3 712 663**	3 788 111
		– Temporary placement	**3 573 318**	3 658 844
		– Permanent placement	**1 913**	330
		– Training	**137 432**	128 280
		– Outsourced-based solutions	**–**	657
	Functional Outsourcing		**1 363 824**	1 136 882
		– Temporary placement	**273 318**	245 923
		– Outsourced-based solutions	**1 090 506**	890 959
	Professional Services		**1 941 338**	1 945 836
		– Temporary placement	**872 238**	934 938
		– Permanent placement	**23 293**	27 783
		– Training	**112 302**	117 818
		– Outsourced-based solutions	**933 505**	865 297
Australia			**6 218 853**	6 111 312
	Contingent Staffing		**2 210 696**	1 900 714
		– Temporary placement	**2 209 575**	1 898 491
		– Permanent placement	**1 121**	2 223
	Professional Services		**4 008 157**	4 210 598
		– Temporary placement	**3 990 487**	4 179 689
		– Permanent placement	**17 670**	30 909
Total revenue			**13 236 678**	12 982 141

The timing of revenue recognition is as follows:

	2025 R'000	2024 R'000
Over time	**11 168 670**	11 135 533
At a point in time	**2 068 008**	1 818 156
Total revenue	**13 236 678**	12 982 141

Key estimates and judgements

The Group is a principal if it controls the specified service before the service is rendered to a customer. The Group is an agent if the entity's performance obligation is to arrange for the provision of the service by another party. The following factors were considered in determining that the Group is a principal:

- Primary responsibility for providing the services to the customer or for fulfilling the order; and
- Latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services which they will bill for.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

20 Other income

Accounting policy for government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses related costs for which the government grant is intended to compensate. A government grant is not recognised until there is reasonable assurance that the Group will comply with conditions attaching to it and the grants will be received. Government grants which are unconditional are presented on the consolidated statement of profit or loss in other income.

Refer to note 3 Property and equipment for the accounting policy relating to gains on disposal of property, plant and equipment. Refer to note 4 Leases for the accounting policy relating to the group as a lessor.

Other income comprises:

	2025 R'000	2024 R'000
Training levies recovered	**9 245**	10 026
Other income[1]	**1 452**	2 299
Sub-lease rental income	**4 055**	12 532
Profit on the disposal of property and equipment	**34**	–
Total other income	**14 786**	24 857

[1] *Includes Bureau income (government grants).*

21 Operating expenses

Operating expenses includes the following items:

	2025 R'000	2024 R'000
Auditors' remuneration	**(22 421)**	(20 361)
Retirement contribution benefits	**(76 960)**	(79 589)
Leasing and rentals (note 34)	**(15 745)**	(12 616)
Staff costs	**(634 756)**	(629 637)
Depreciation and amortisation	**(71 662)**	(79 947)
Depreciation on property and equipment (note 3)	**(7 880)**	(10 602)
Depreciation on right-of-use assets (note 4.1)	**(45 377)**	(53 516)
Amortisation of intangible assets (note 5)	**(18 405)**	(15 829)
Enterprise technology transformation project costs (note 12.2)	**(30 788)**	(30 389)
Foreign exchange losses	**(521)**	(417)
Loss on the disposal of property and equipment	**–**	(42)

22 Finance income

Finance income comprises:

	2025 R'000	2024 R'000
Bank deposits	**11 318**	10 762
Other	**–**	399
Total finance income	**11 318**	11 161

23 Finance costs

Finance costs comprises:

	2025 R'000	2024 R'000
Financial instruments held at amortised cost		
Bank overdrafts	**(4 223)**	(1 586)
Interest-bearing borrowings	**(440)**	(5 730)
	(4 663)	(7 316)
Interest on lease liabilities (note 4.2)	**(40 984)**	(42 615)
Total finance costs	**(45 647)**	(49 931)

24 Earnings per share

Accounting policy

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average ordinary shares outstanding during the financial year excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The Group discloses headline earnings per share as determined in accordance with Circular 1/2023, pursuant to the JSE Financial Reporting Requirements. Headline earnings represents net profit for the year attributable to the Group's equity holders, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2023, headline earnings, as issued by the South African Institute of Chartered Accountants, at the request of the JSE Limited in relation to the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 – Earnings per Share, under the JSE Financial Reporting Requirements.

Basic headline earnings per share are determined by dividing the headline earnings described above by the weighted average ordinary shares outstanding during the financial year excluding treasury shares.

Diluted headline earnings per share are determined by dividing the diluted headline earnings by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The forfeitable shares held by employees are treated as treasury shares since shares awarded under the forfeitable share plan have not fully vested for the purposes of IFRS 2: Share-based Payment until the potential forfeiture period has expired (Note 15.1). The potential dilutive impact of these shares are taken into account in calculating diluted earnings per share.

In the event that the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation without consideration, the calculation of the basic and diluted earnings per share for the comparative period are adjusted retrospectively.

The calculation of earnings per share attributable to the ordinary equity holders of the parent is based on profits of R138,7 million (2024: R86,2 million) and ordinary shares of 102 939 974 (2024: 102 867 948), being the weighted average number of shares relative to the above earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

24 Earnings per share continued

Accounting policy continued

	2025	2024
Basic earnings per share (cents)	**134,7**	83,8
Diluted earnings per share (cents)	**130,2**	81,4

	2025 R'000	2024 R'000
Weighted average number of ordinary shares outstanding during the period		
Reconciliation of weighted average number of ordinary shares outstanding to the weighted average diluted number of shares outstanding during the period		
Weighted average number of ordinary shares outstanding during the period	**102 939 974**	102 867 948
Adcorp employee share schemes – dilution[1]	**7 061 937**	6 043 901
Adcorp employee share schemes – anti-dilutive shares excluded	**(3 530 969)**	(3 021 951)
Diluted weighted number of ordinary shares outstanding during the period	**106 470 942**	105 889 898

[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.*

	2025 R'000	2024 R'000
Reconciliation of headline earnings from continuing operations		
Profit for the year attributable to ordinary shareholders	**138 654**	86 152
(Profit)/loss on the disposal of property and equipment	**(34)**	42
Taxation recovered on the disposal of property and equipment	**9**	(11)
Impairment of intangible asset	**1 057**	–
Taxation on impairment of intangible asset	**(317)**	–
Headline earnings	**139 369**	86 183
Headline earnings per share (cents)	**135,4**	83,8
Diluted headline earnings per share (cents)	**130,9**	81,4

25 Directors' and prescribed officers' emoluments

Executive directors 2025	Salary R'000	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share amounts R'000	Total R'000
Dr. J Wentzel	**5 855**	**6 319**	**1 138**	**13 312**	**4 681**	**17 993**
N Prendergast	**3 132**	**2 584**	**570**	**6 286**	**1 037**	**7 323**
	8 987	**8 903**	**1 708**	**19 598**	**5 718**	**25 316**

Executive directors 2024	Salary R'000	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share amounts R'000	Total R'000
Dr. J Wentzel	5 553	3 000	1 075	9 628	–	9 628
N Prendergast	3 002	1 450	530	4 982	1 032	6 014
	8 555	4 450	1 605	14 610	1 032	15 642

Prescribed officers 2025	Salary R'000	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share awards R'000	Ex-gratia and other R'000	Notice and leave pay R'000	Total R'000
H Duvenage (Appointed 1 June 2024)	**1 891**	**1 199**	**397**	**3 487**	**107**	**–**	**–**	**3 594**
N Najjar (Resigned 30 June 2024)	**1 027**	**–**	**40**	**1 067**	**496**	**232**	**258**	**2 053**
N Parmanand (Appointed 1 August 2024)	**1 532**	**1 037**	**377**	**2 946**	**40**	**–**	**–**	**2 986**
B Toerien	**2 413**	**1 656**	**732**	**4 801**	**621**	**–**	**–**	**5 422**
P Prasad (Resigned 31 December 2024)	**4 618**	**–**	**179**	**4 797**	**–**	**–**	**1 089**	**5 886**
	11 481	**3 892**	**1 725**	**17 098**	**1 264**	**232**	**1 347**	**19 941**

Prescribed officers 2024	Salary R'000	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share awards R'000	Notice and leave pay R'000	Total R'000
R de Grooth (Resigned 1 February 2024)	2 744	–	274	3 018	968	158	4 144
N Najjar	2 510	146	577	3 233	–	–	3 233
B Toerien	2 307	1 050	689	4 046	746	–	4 792
P Prasad	4 382	1 300	331	6 013	–	–	6 013
	11 943	2 496	1 871	16 310	1 714	158	18 182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

26 Directors' and prescribed officers' participation in long-term incentive scheme

	Number of outstanding share awards as at 29 February 2024	Issue price R/share	Number of share awards granted	Issue price R/share	Number of share awards vested	Number of share awards forfeited	Number of outstanding share awards as at 28 February 2025	Vesting date
Executive directors								
Dr. J Wentzel	**453 048[1]**	**4,88**	**–**	**–**	**(453 048)**	**–**	**–**	01/04/2024
	949 367[2]	**3,82**	**–**	**–**	**(474 684)**	**(474 683)**	**–**	30/06/2024
	614 878[2]	**4,25**	**–**	**–**	**–**	**–**	**614 878[2]**	13/12/2025
	1 247 531[3]	**4,60**	**–**	**–**	**–**	**–**	**1 247 531[3]**	01/06/2026
	–	**–**	**1 869 524[3]**	**4,15**	**–**	**–**	**1 869 524[3]**	01/06/2027
N Prendergast	**303 797[2]**	**3,82**	**–**	**–**	**(151 899)**	**(151 898)**	**–**	30/06/2024
	245 481[2]	**4,25**	**–**	**–**	**–**	**–**	**245 481[2]**	13/12/2025
	498 531[3]	**4,60**	**–**	**–**	**–**	**–**	**498 531[3]**	01/06/2026
	–	**–**	**742 840[3]**	**4,15**	**–**	**–**	**742 840[3]**	01/06/2027
Prescribed officers								
H Duvenage	**–**	**–**	**489 305[3]**	**4,15**	**–**	**–**	**489 305[3]**	01/06/2027
N Najjar	**261 076[2]**	**3,82**	**–**	**–**	**(130 538)**	**(130 538)**	**–**	30/06/2024
	136 953[2]	**4,25**	**–**	**–**	**–**	**(136 953)**	**–**	13/12/2025
	348 648[3]	**4,60**	**–**	**–**	**–**	**(348 648)**	**–**	01/06/2026
B Toerien	**232 595[2]**	**3,82**	**–**	**–**	**(116 298)**	**(116 297)**	**–**	30/06/2024
	94 747[2]	**4,25**	**–**	**–**	**–**	**–**	**94 747[2]**	13/12/2025
	338 302[3]	**4,60**	**–**	**–**	**–**	**–**	**338 302[3]**	01/06/2026
	–	**–**	**504 570[3]**	**4,15**	**–**	**–**	**504 570[3]**	01/06/2027
N Parmanand	**–**	**–**	**553 476[3]**	**4,15**	**–**	**–**	**553 476[3]**	01/06/2027
P Prasad	**188 492[2]**	**4,25**	**–**	**–**	**–**	**(188 492)**	**–**	13/12/2025
	501 850[3]	**4,60**	**–**	**–**	**–**	**(501 850)**	**–**	01/06/2026
	–	**–**	**702 995[3]**	**4,15**	**–**	**(702 995)**	**–**	01/06/2027

[1] *Sign-on shares.*
[2] *Conditional shares.*
[3] *Forfeitable and conditional shares.*

26 Directors' and prescribed officers' participation in long-term incentive scheme continued

	Number of outstanding share awards as at 28 February 2023	Issue price R/share	Number of share awards granted	Issue price R/share	Number of share awards vested	Number of share awards forfeited	Number of outstanding share awards as at 29 February 2024	Vesting date
Executive directors								
Dr. J Wentzel	906 095[1]	4,88	–	–	–	(453 047)	453 048[1]	01/04/2024
	949 367[2]	3,82	–	–	–	–	949 367[2]	30/06/2024
	614 878[2]	4,25	–	–	–	–	614 878[2]	13/12/2025
	–	–	1 247 531[3]	4,60	–	–	1 247 531[3]	01/06/2026
N Prendergast	258 064[2]	4,26	–	–	(258 064)	–	–	30/11/2023
	303 797[2]	3,82	–	–	–	–	303 797[2]	30/06/2024
	245 481[2]	4,25	–	–	–	–	245 481[2]	13/12/2025
	–	–	498 531[3]	4,60	–	–	498 531[3]	01/06/2026
Prescribed officers								
R de Grooth	241 984[2]	4,26	–	–	(241 984)	–	–	28/02/2023
	284 868[2]	3,82	–	–	–	(284 868)	–	30/06/2024
	184 148[2]	4,25	–	–	–	(184 148)	–	13/12/2025
N Najjar	261 076[2]	3,82	–	–	–	–	261 076[2]	30/06/2024
	136 953[2]	4,25	–	–	–	–	136 953[2]	13/12/2025
	–	–	348 648[3]	4,60	–	–	348 648[3]	01/06/2026
B Toerien	186 457[2]	4,26	–	–	(186 457)	–	–	30/11/2023
	232 595[2]	3,82	–	–	–	–	232 595[2]	30/06/2024
	94 747[2]	4,25	–	–	–	–	94 747[2]	13/12/2025
	–	–	338 302[3]	4,60	–	–	338 302[3]	01/06/2026
P Prasad	–	–	188 492[2]	4,50	–	–	188 492[2]	13/12/2025
	–	–	501 850[3]	4,60	–	–	501 850[3]	01/06/2026

[1] *Sign-on shares.*
[2] *Conditional shares.*
[3] *Forfeitable and conditional shares.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
for the year ended 28 February 2025

27 Non-executive directors' emoluments

Non-executive directors' fees	2025 R'000	2024 R'000
GT Serobe	**943**	901
Dr. P Mnganga	**625**	597
H Singh	**593**	566
R van Dijk	**679**	648
C Smith	**442**	422
T Olls[1]	**330**	422
T Mokgabudi	**679**	648
M Lubega	**517**	494
	4 808	4 698

[1] *Resigned as NED effective 1 January 2025.*

28 Schedule of directors' interests – Adcorp Holdings Limited

	2025			2024		
	Direct number of shares	Indirect number of shares	Total number of shares	Direct number of shares	Indirect number of shares	Total number of shares
Directors' names						
Dr. J Wentzel	**1 052 732**	**–**	**1 052 732**	125 000	–	125 000
N Prendergast	**245 479**	**–**	**245 479**	161 935	–	161 935
C Smith	**–**	**1 601 463**	**1 601 463**	–	1 601 463	1 601 463
H Singh	**40 650**	**–**	**40 650**	40 650	–	40 650
T Olls[1,2]	**–**	**–**	**–**	–	34 258 743	34 258 743
Alternate directors						
S Sithole[1,2]	**–**	**–**	**–**	–	34 258 743	34 258 743
	1 338 861	**1 601 463**	**2 940 324**	327 585	70 118 949	70 446 534
Less duplicate counting for Value Capital Partners (VCP)	**–**	**–**	**–**	–	(34 258 743)	(34 258 743)
	1 338 861	**1 601 463**	**2 940 324**	327 585	35 860 206	36 187 791

[1] *Interest held through VCP.*
[2] *Resignation effective 1 January 2025.*

Note: There have been no changes in directors' interests post-year-end to the date of this report.

29 Dividends

29.1 Dividend paid

The prior year final gross dividend of 24,2 cents, and the declared interim dividend of 13,4 cents were paid in the current financial year. The Group has elected to disclose dividends paid under financing activities in the consolidated statements of cash flows.

29.2 Dividend declared

The board of directors of Adcorp has approved and declared a final gross dividend of 50,0 cents per ordinary share (2024: 24,2 cents), on 27 May 2025 from income reserves, for the year ended 28 February 2025.

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30 Related parties

The Group did not enter into any transactions with group parties other than those with subsidiaries which were eliminated on consolidation. Refer to Annexure A for details of significant subsidiaries.

30.1 Trading transactions

During the year, Group entities entered into the following transactions that eliminate on a Group level:

	Sale of services		Holding company management fees		Accounting and information technology fees	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Subsidiaries of Adcorp	**103 348**	87 837	**94 632**	80 802	**293 532**	302 622

30.2 B-BBEE shareholders' interest

Certain directors of the Group are directors of the Group's B-BBEE partners (refer to note 15.1.1).

GT Serobe, is a director of Quest Strategic Partners Proprietary Limited, being one of the Group's B-BBEE partners. For key management interest disclosures, please refer to notes 25, 26, 27 and 28.

30.3 Consulting fees

Consulting fees of R0,8 million (2024: R1.1 million) have been paid to a non-executive director (C Smith) for consulting services rendered during the year.

31 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 16, cash and cash equivalents disclosed in note 13, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 14 and 15.

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 29.7% (2024: 14.0%). The gearing ratio is determined as net debt (being interest-bearing borrowings less cash and cash equivalents, excluding restricted Angolan cash) excluding finance leases as a percentage of total equity. The investment 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

32 Financial instruments by category

32.1 Financial assets by category

	Amortised cost R'000	Total R'000
As at 28 February 2025		
Trade receivables (note 11)	**1 523 989**	**1 523 989**
Other receivables (note 12.3)	**79 066**	**79 066**
Cash and cash equivalents and restricted cash (note 13)	**494 000**	**494 000**
	2 097 055	**2 097 055**

	Amortised cost R'000	Total R'000
As at 29 February 2024		
Trade receivables (note 11)	1 512 337	1 512 337
Other receivables (note 12.3)	91 336	91 336
Cash and cash equivalents and restricted cash (note 13)	275 249	275 249
	1 878 922	1 878 922

32.2 Financial liabilities by category

	Amortised cost R'000	Total R'000
As at 28 February 2025		
Lease liabilities (note 4.2)	**379 397**	**379 397**
Trade and other payables (note 17)	**385 356**	**385 356**
	764 753	**764 753**

	Amortised cost R'000	Total R'000
As at 29 February 2024		
Lease liabilities (note 4.2)	379 140	379 140
Trade and other payables (note 17)	346 571	346 571
	725 711	725 711

33 Financial risk management

33.1 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 provides services to the business, coordinates 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.

33.2 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 16.

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.

Management continues to stay abreast of the changes and will assess impacts once the changes have been finalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

33 Financial risk management continued

33.3 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.

The Group was exposed to foreign currency exchange movements related to the cash and cash equivalents denominated in US dollars, Australian dollars and Angolan Kwanza in the current and prior financial year.

Foreign currency sensitivity

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 (AU$) is the most significant. For purposes of foreign currency sensitivity analysis, financial instruments are only considered sensitive to foreign exchange rates when they are not denominated in the functional currency of the group entity holding the relevant financial instrument and excludes translation differences due to translating from functional currency to presentation currency.

There are certain money market investments and cash held in Angolan Kwanza and US dollar which do give rise to foreign currency risk. At 28 February 2025, in respect of the cash and cash equivalents denominated in foreign currency, if the South Africa rand had weakened/strengthened 5%, with all other variables held constant, equity and profit or loss for the year would have increased/decreased by R2.6 million (2024: R4 million).

A 10% weakening of the Rand against the above currencies would have had the equal but opposite effect on equity and profit or loss to the amounts shown above on the basis that all other variables remain constant. The methods and assumptions used to calculate the above sensitivity analysis are consistent with the prior year.

33.4 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 up to six months. The interest rates earned on these deposits closely approximate the market rates prevailing. The Group is exposed to interest rate risk because it has interest-bearing borrowings (note 16) that attract interest at a variable rate.

Interest rate sensitivity

At 28 February 2025, if interest rates had been 1% higher/lower and all other variables were held constant, equity and profit or loss for the year would have decreased/increased by R4 million (2024: decreased/increased by R5 million).

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 whole year.

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33 Financial risk management continued

33.5 Credit risk management

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. The Group limits its counterparty exposure arising from financial instruments by only dealing with well-established institutions of high credit standing. The Group does not expect any counterparties to fail to meet their obligations given their high credit ratings. Credit risk in respect of the Group's customer base is controlled by the application of credit limits and credit monitoring procedures. Certain significant receivables are monitored on a daily basis.

The maximum exposure to credit risk is represented by the carrying amount of trade receivables and short- term cash and cash equivalents. The credit risk management of the Group is disclosed within note 11 and 13 respectively.

33.6 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, to enable the Group to meet its liabilities when they are due.

The Group has the following facilities available:

	2025 R'000	2024 R'000
Non-interest-bearing facilities		
Intra-day settlement facility with First National Bank non-interest-bearing	**100 000**	100 000
Non-interest-bearing facilities	**100 000**	100 000
Interest-bearing borrowing facilities		
Total interest-bearing borrowing facilities available South Africa	**350 000**	350 000
– ZAR revolving credit and overdraft facility	**250 000**	250 000
– Accordion facility	**100 000**	100 000
Australia – AU$ borrowing base facility	**266 269**	287 364
Total interest-bearing borrowing facilities available	**616 269**	637 364
Interest-bearing borrowing facilities utilised South Africa	**–**	–
– ZAR revolving credit and overdraft facility	**–**	–
– Accordion facility	**–**	–
Australia – AU$ borrowing base facility	**–**	–
Total interest-bearing borrowing facilities utilised	**–**	–
Unutilised interest-bearing borrowing facilities South Africa	**350 000**	350 000
– ZAR revolving credit and overdraft facility	**250 000**	250 000
– Accordion facility	**100 000**	100 000
Australia – AU$ borrowing base facility	**266 269**	287 364
Total unutilised interest-bearing borrowing facilities	**616 269**	637 364

Interest-bearing borrowings

Refer to note 16 for additional disclosures.

Cash and cash equivalents

Refer to note 13 for additional disclosures and cash and cash equivalents available and any restrictions applicable thereto.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 28 February 2025

33 Financial risk management continued

33.7 Maturity analysis of non-derivative financial liabilities (including interest)

The following tables detail the Group's remaining contractual maturity for non-derivative financial liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group will be required to pay utilising funding either from operating activities or committed credit facilities. The table includes both interest and principal cash flows.

	2025 R'000	2024 R'000
Trade and other payables (note 17)	**385 356**	346 571
Lease liabilities	**113 355**	78 897
Total due within one year	**498 711**	425 468
Lease liabilities		
After one year but within two years	**79 437**	68 387
After two years but within three years	**89 444**	67 844
After three years but within four years	**70 534**	68 242
After four years but within five years	**74 662**	70 436
After five years	**148 924**	215 793
Total due after one year	**463 001**	490 702
Total	**961 712**	916 170

34 Operating lease arrangements

The Group has the following short-term and low-value lease commitments:

	2025 R'000	2024 R'000
The Group as lessee		
Short-term lease expenses	**11 985**	6 916
Low-value assets lease expenses	**3 760**	5 099
Minimum lease payments under operating property and IT-related leases recognised as an expense in the year (note 21)	**15 745**	12 015
At the statement of financial position date, the Group has outstanding commitments under non-cancellable operating leases which fall due as follows:		
Within one year	**9 305**	8 512
Between two and five years	**6 880**	7 418
Total commitments under non-cancellable leases	**16 185**	15 930
Average lease terms of short-term leases (months)	**12 months or shorter**	12 months or shorter
Average lease term remaining for low-value assets	**41 months**	30 months

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35 Guarantees and commitments

	2025 R'000	2024 R'000
The bank has issued guarantees to creditors to the value of:	**36 162**	41 956

36 Events after reporting period

Dividend declaration

The board of directors has approved and declared a final gross dividend of 50,0 cents per ordinary share (2024: 24,2 cents per ordinary share), from income reserves, for the year ended 28 February 2025.

Debt refinance in South Africa

The South African operation is in the final stages of renegotiating a facility of R250 million plus an accordion feature of R100 million which is expected to be effective from September 2025. The facility is expected to mature in three years from the effective date and will be used to fund its working capital requirements.

37 Going concern

In preparing the consolidated financial statements, the directors are responsible for evaluating the Group's ability to continue as a going concern and as a consequence the appropriateness of the going concern assumption in the preparation of the financial statements. The directors have assessed the economic environment, current financial position, and the Group's expected cash flows for the next 12 months through to the end of May 2026.

There has been no event of default over the past 12 months on any of the Group's debt facilities. No facilities available to the Group have been withdrawn at the reporting date and remain committed by our lenders; and the Group has forecast that it will achieve the required debt covenants agreed with its lenders for the following 12 months.

Solvency

On 28 February 2025, the total assets of the Group exceeded the total liabilities by R1 491 million and the current ratio as at 28 February 2025 was 1,5 times. The Group is expected to remain solvent after considering the approved budget and expected performance. There are no events anticipated in the year ahead that indicate any risk to the Group's solvency position.

Liquidity

In assessing the liquidity position, cash flow forecasts were prepared, covering the period up until the end of May 2026. Based on the forecasts (as per the budget approved by the Group's board of directors), the Group is expected to be able to meet all its short-term obligations through a combination of the cash generated by operations and the utilisation of the current facilities available to the Group. The cash position is monitored daily by management and the Group is comfortable with its liquidity levels.

Going concern conclusion

The board, after considering the factors described above, has concluded that the Group will be able to discharge its liabilities as they fall due in the normal course of business and is therefore of the opinion that the going concern assumption is appropriate in the preparation of the consolidated financial statements.

ANNEXURE A: DETAILS OF SIGNIFICANT SUBSIDIARIES

for the year ended 28 February 2025

			Authorised share capital of subsidiary/associate		Issued share capital of subsidiary/associate		Number of shares held by Adcorp	
Name of subsidiary	**Nature of business/status**	**Share type**	**February 2025 Number**	**February 2024 Number**	**February 2025 Number**	**February 2024 Number**	**February 2025 Number**	**February 2024 Number**
Adcorp Contracting Proprietary Limited	Outsourcing solutions	Ordinary	**4 000**	4 000	**1**	1	**1**	1
Adcorp Fulfilment Services Proprietary Limited	Flexible staffing	Ordinary	**20 000**	20 000	**18 403**	18 403	**18 403**	18 403
Adcorp Group South Africa Proprietary Limited	South African intermediate holding Group	Ordinary	**100 000**	100 000	**10 005**	10 005	**6 462**	6 462
Adcorp Group South Africa Proprietary Limited	South African intermediate holding Group	A preference	**10 000**	10 000	**1 592**	1 592	**1 592**	1 592
Adcorp Health Proprietary Limited	Flexible staffing	Ordinary	**100**	100	**100**	100	**100**	100
Adcorp Holdings Australia Proprietary Limited	Holding Group	Ordinary	**30 000 100**	30 000 100	**30 000 100**	30 000 100	**30 000 100**	30 000 100
Adcorp Management Services Proprietary Limited	Shared services	Ordinary	**4 000**	4 000	**400**	400	**400**	400
Adcorp Staffing Solutions Proprietary Limited	Flexible staffing	Ordinary	**4 000**	4 000	**101**	101	**101**	101
Adcorp Technical Training Proprietary Limited	Training	Ordinary	**1 000**	1 000	**101**	101	**101**	101
Adcorp Workforce Management Solutions Proprietary Limited	South African intermediate holding Group	Ordinary	**900 000 000**	900 000 000	**349 716 713**	349 716 713	**349 716 713**	349 716 713
Adcorp Workforce Management Solutions Proprietary Limited	South African intermediate holding Group	Cumulative preference	**100 000 000**	100 000 000	**–**	–	**–**	–
Adcorp Workforce Solutions Proprietary Limited	Flexible staffing	Ordinary	**1 000 000 000**	1 000 000 000	**100 000 004**	100 000 004	**100 000 004**	100 000 004
Adfusion Contract Management Services Proprietary Limited	Flexible staffing	Ordinary	**4 000**	4 000	**2 101**	2 101	**2 101**	2 101
Adcorp Employee Benefits Trust 3	Trust	N/a	**N/a**	N/a	**N/a**	N/a	**N/a**	N/a
Cinergia Mozambique Limitada	Flexible staffing	Ordinary	**10 000**	10 000	**10 000**	10 000	**4 900**	4 900
Fortress Administration Solutions Proprietary Limited	Outsourcing and recruitment solutions	Ordinary	**4 000**	4 000	**2 552**	2 552	**2 552**	2 552
Fortress Administration Solutions Proprietary Limited	Outsourcing solutions	A' ordinary	**450**	450	**450**	450	**450**	450
Funxiono Aust Proprietary Limited	Outsourcing solutions	Ordinary	**100**	100	**100**	100	**100**	100
Funxiono Queensland Proprietary Limited	Outsourcing Solutions	Ordinary	**100**	100	**100**	100	**100**	100
Inn-Staff Swaziland Proprietary Limited	Flexible staffing	Ordinary	100	100	100	100	100	100
Jobvine Aust Proprietary Limited	Supplier of IT recruitment services	Ordinary	100	100	100	100	100	100
Labour Solutions Australia (Agri) Proprietary Limited[1]	Flexible staffing	Ordinary	**1 000**	1 000	**1 000**	1 000	**920**	920
Labour Solutions Australia Proprietary Limited	Flexible staffing	Ordinary	**60 530 464**	60 530 464	**60 530 464**	60 530 464	**60 530 464**	56 414 392
Paxus Australia Proprietary Limited	Supplier of IT services	Ordinary	**152 856**	152 856	**152 856**	152 856	**152 856**	152 856
Production Management Institute of Southern Africa	Training	Ordinary	**4 000**	4 000	**101**	101	**101**	101
Quest Staffing Solutions Proprietary Limited	Flexible staffing & Outsourcing solutions	Ordinary	**1 000**	1 000	**701**	701	**701**	701
Quest Staffing Solutions Proprietary Limited	Flexible staffing & Outsourcing solutions	A' ordinary	**1 000**	1 000	**400**	400	**400**	400
Skills Collective Professional Services Pty Ltd (Australia)	Flexible staffing	Ordinary	**100**	–	**100**	–	**100**	–
Paxus Talent Solutions Proprietary Limited (Australia)[2]	Recruitment services	Ordinary	**100**	1 000	**100**	100	**100**	100
Torque Technical Computer Training Proprietary Limited	Supplier of IT services	Ordinary	**1000**	1 000	**101**	101	**101**	101
Zest Hospitality and Leisure Australia	Outsourcing Solutions	Ordinary	**100**	100	**100**	100	**100**	100

The table of significant subsidiaries and trusts excludes entities disposed during the current financial year, dormant subsidiaries and subsidiaries in a deregistration process.

A full list of the Group's dormant subsidiaries and trusts is available on request from the Group's registered office.

[1] *Indirectly held.*
[2] *Previously TalentCRU Proprietary Limited (Australia).*

SHAREHOLDER ANALYSIS

for the year ended 28 February 2025

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	2 826	79.90	355 494	0.32
1 001 – 10 000	400	11.31	1 443 750	1.31
10 001 – 100 000	201	5.68	7 313 445	6.66
100 001 – 1 000 000	83	2.35	28 495 446	25.93
Over 1 000 000	27	0.76	72 272 839	65.78
Total	**3 537**	**100.00**	**109 880 974**	**100.00**
Distribution of shareholders				
Assurance Companies	15	0.42	6 312 536	5.74
Close Corporations	6	0.17	63 289	0.06
Collective Investment Schemes	44	1.24	31 608 308	28.77
Control Accounts	1	0.03	108	0.00
Custodians	10	0.28	2 175 269	1.98
Foundations & Charitable Funds	13	0.37	1 759 909	1.60
Hedge Funds	5	0.14	15 795 562	14.38
Insurance Companies	2	0.06	3 782	0.00
Investment Partnerships	7	0.20	110 057	0.10
Managed Funds	7	0.20	1 384 487	1.26
Medical Aid Funds	4	0.11	430 559	0.39
Private Companies	47	1.33	2 494 716	2.27
Public Companies	1	0.03	191 569	0.17
Retail Shareholders	3 196	90.36	6 964 358	6.34
Retirement Benefit Funds	101	2.86	33 067 171	30.09
Stockbrokers & Nominees	9	0.25	1 085 532	0.99
Treasury	2	0.06	5 580 414	5.07
Trusts	62	1.75	852 853	0.78
Unclaimed scrip	5	0.14	495	0.00
Total	**3 537**	**100.00**	**109 880 974**	**100.00**
Shareholder type				
Non-public shareholders	6	0.17	8 714 777	7.93
Directors and associates (direct holding)	3	0.08	1 532 900	1.40
Directors and associates (indirect holding)	1	0.03	1 601 463	1.46
Treasury	2	0.06	5 580 414	5.07
Public shareholders	3 531	99.83	101 166 197	92.07
Total	**3 537**	**100.00**	**109 880 974**	**100.00**

Pursuant to the provisions of Section 56 of the Companies Act, 2008, disclosures from foreign nominee companies have been included in this analysis.

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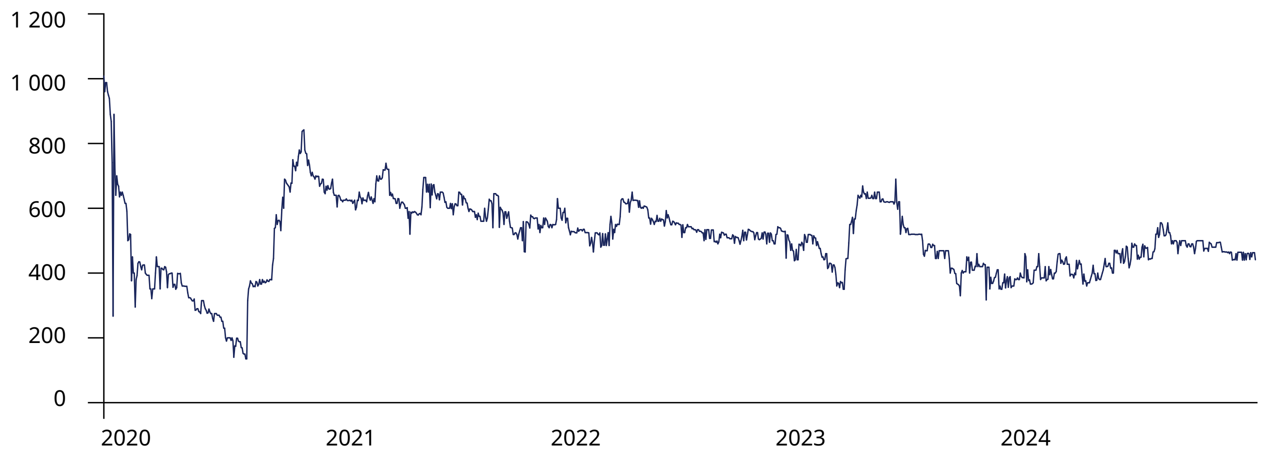
Fund managers with a holding greater than 5% of the issued shares	Number of shares	% of issued capital
Value Capital Partners	34 258 743	31.18
Camissa Asset Management	21 354 111	19.43
Allan Gray	16 726 928	15.22
PSG Asset Management	8 878 260	8.08
Steyn Capital Management	5 659 015	5.15
Total	**86 877 057**	**79.06**
Beneficial shareholders with a holding greater than 5% of the issued shares		
H4 Collective Investments	12 499 866	11.38
Allan Gray	9 797 883	8.92
PSG Asset Management	8 859 006	8.06
Camissa Asset Management	8 031 368	7.31
Sentinel Mining Industry Retirement Funds	5 852 537	5.33
Total	**45 040 660**	**41.00**

Total number of shareholdings	3 537
Total number of shares in issue	109 880 974

Share price performance	
Opening price 1 March 2024	R4,50
Closing price 28 February 2025	R4,41
Closing high for the period	R5,55
Closing low for the period	R3,60
Number of shares in issue	109 880 974
Volume traded during the period	15 519 479
Ratio of volume traded to shares issued (%)	14.12
Rand value traded during the period	R71 475 198
Price/earnings ratio as at 28 February 2025	5,59
Earnings yield as at 28 February 2025 (%)	17.89
Dividend yield as at 28 February 2025 (%)	6.82
Market capitalisation at 28 February 2025	R484 575 095

Five-year share price performance (cents)



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CORPORATE INFORMATION

Adcorp Holdings Limited

Registration number 1974/001804/06 Listed 1987
Share code: ADR
ISIN: ZAE000000139
Website: **www.adcorpgroup.com**

Registered office

Adcorp Holdings Limited
Adcorp Place
102 Western Service Road
Gallo Manor Ext 6
Johannesburg, South Africa, 2191
Johannesburg, South Africa

PO Box 70635, Bryanston
Johannesburg, South Africa, 2021
Tel: +27 (0) 10 800 0000
Email: **info@adcorpgroup.com**

Head of Investor Relations and Group Secretary

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

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**

Sponsors

Valeo Capital Proprietary Limited
Unit G02, Skyfall Building, De Beers Ave,
Paardevlei, 7130
Tel: +27 (0) 21 851 0091
Email: **info@valeocapital.co.za**

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