

The logo for iOCO, consisting of the lowercase letters 'i', 'o', 'c', and 'o' in a white, sans-serif font. The 'i' is smaller than the 'o's. The background is a low-angle photograph of a modern building with a dark facade and a balcony with a metal railing. The sky is a clear blue. A teal decorative shape is visible in the bottom right corner.

iOCO

Annual Financial Statements

for the year ended 31 July 2025

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Level of assurance

These consolidated and separate financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 of South Africa.

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the financial statements of iOCO Limited (formerly EOH Holdings Limited) (iOCO or the Company) and its subsidiaries (together the Group), comprising the consolidated and separate statements of financial position at 31 July 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the IFRS[®] Accounting Standards issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act 71 of 2008 of South Africa (the Companies Act).

In terms of the Companies Act, the directors are required to prepare financial statements that fairly present the state of affairs and business of the Group and Company at the end of the financial year and of the profit for that year. The consolidated and separate financial statements for the year ended 31 July 2025 are prepared in accordance with IFRS Accounting Standards as issued by the IASB, IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act, and incorporate transparent and responsible disclosure, together with appropriate accounting policies. These consolidated and separate financial statements were compiled under the supervision of Ashona Kooblall CA(SA), the Group Chief Financial Officer (CFO).

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these financial statements.

These consolidated and separate financial statements have been audited in compliance with the requirements of the Companies Act. The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with IFRS Accounting Standards.

The directors assessed the ability of the Group and Company to continue as a going concern and believe that the Group and Company have adequate resources to continue in operation for the foreseeable future. Accordingly, these consolidated and separate financial statements have been prepared on a going concern basis.

The directors of the Company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.



Rhys Summerton
Joint Group Chief Executive Officer

27 October 2025



Ashona Kooblall
Group Chief Financial Officer

27 October 2025

Chief Executive Officer and Chief Financial Officer responsibility statement

Each of the directors, whose names are stated below, hereby confirms that:

- (a) The Annual Financial Statements set out on pages 1 to 96 fairly present, in all material respects, the financial position, financial performance and cash flows of the issuer in terms of the 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 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 Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies
- (f) We are not aware of any fraud involving directors.



Rhys Summerton
Joint Group Chief Executive Officer

27 October 2025



Dennis Venter
Joint Group Chief Executive Officer

27 October 2025



Ashona Kooblall
Group Chief Financial Officer

27 October 2025

Report of the Company Secretary

In terms of section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act in respect of the financial year ended 31 July 2025 and that all such returns and notices are true, correct and up to date.



Anisha Naidoo Umichand
Company Secretary

27 October 2025

Directors' approval of the consolidated and separate financial statements

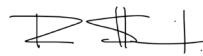
The consolidated and separate financial statements have been compiled under the supervision of Ashona Kooblall CA(SA), the Group Chief Financial Officer.

The consolidated and separate financial statements were approved and authorised by the Board of Directors on 27 October 2025 and signed on its behalf by:



Jabu Moleketi
Chairman

27 October 2025



Rhys Summerton
Joint Group Chief Executive Officer

27 October 2025

Audit and Risk Committee's Report

For the year ended 31 July 2025

Committee composition

Rhys Summerton resigned as a Non-executive Director and Chairperson of the Audit and Risk Committee (ARC) effective 14 February 2025 on his appointment as joint CEO of the Group. Effective 19 March 2025, Nompumelelo Mokou was appointed as an Independent Non-executive Director and Chairperson of the ARC.

For the year under review, the ARC comprised the following Independent Non-executive Directors:

- Nompumelelo Mokou (appointed as Chairperson of the ARC effective 19 March 2025)
- Rhys Summerton (resigned as Chairperson of the ARC and appointed as joint CEO with effect from 14 February 2025)
- Andrew Marshall
- Veronica Motloutsi.

The ARC is pleased to submit its report for the year ended 31 July 2025, which has been approved by the Board. This report has been prepared in compliance with section 94(7)(f) of the Companies Act and in accordance with the mandate given by the Board.

The Board is satisfied that the members of the ARC have the necessary skills and experience to enable the ARC to fulfil its duties.

The re-appointment of ARC members will be subject to approval by shareholders at the next annual general meeting (AGM) to be held on Wednesday, 3 December 2025. The biographies of the directors who have made themselves available for re-election to the ARC can be viewed in the AGM Notice. Veronica Motloutsi has informed the Board of her intention to retire at the conclusion of this AGM.

Committee purpose

The main role of the ARC is to provide independent oversight of:

- The integrity of the Annual Financial Statements and other external reports issued by the Company
- The effectiveness of the organisation's assurance services and functions, particularly focusing on combined assurance arrangements, the finance function and external assurance service providers.

Terms of reference

The ARC terms of reference, which were approved by the Board in 2022, remained unchanged and are aligned with the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV*).

Meetings

Four meetings of the ARC were held during the year under review.

The Chairman of the Board, the joint Group Chief Executive Officers, the Group Chief Financial Officer, the Company Secretary and other members of senior management, as required, attend ARC meetings by invitation but have no voting rights.

Similarly, external and internal auditors attend ARC meetings by invitation but have no voting rights.

The Chairperson of the ARC reports to the Board at all Board meetings on the activities and recommendations of the ARC.

The Chairperson of the ARC periodically met separately with the external auditor without members of executive management being present.

Independence of the external auditor

The ARC confirms that it has assessed the suitability for appointment of the external auditor and the designated audit partner. The ARC has satisfied itself on the qualification and experience of the external auditor and is satisfied with the quality and level of the work performed.

Financial reporting

The ARC reviewed the Group's interim and annual consolidated financial statements, culminating in a recommendation to the Board to approve them. The review of the results included ensuring compliance with IFRS Accounting Standards and the acceptability of the Group's accounting policies. This includes the appropriate disclosures in the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listings Requirements and the requirements of the Companies Act. The ARC confirms that the Group has established appropriate financial reporting procedures and that these procedures are operating effectively.

Expertise and experience of Group Chief Financial Officer and finance function

The ARC reviewed the performance and expertise of Ashona Kooball and confirmed her suitability to hold office as Group Chief Financial Officer in terms of the JSE Listings Requirements. The ARC has also considered and satisfied itself of the appropriateness of the expertise and experience of the finance function and adequacy of resources employed in this function.

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Audit and Risk Committee's Report continued

For the year ended 31 July 2025

Progress on 2025 focus areas

The committee's key focus areas for the 2025 financial year included:

Key focus area

Compliance with regulatory requirements, including JSE Listings Requirements, technical IFRS Accounting Standards and SARS requirements

Response

The Group has obtained an unqualified audit opinion for the sixth consecutive year, highlighting compliance commitment. Group tax exposures were reviewed as detailed on the Group tax risk register and assessments were carried out to ensure the continued appropriateness of the Group tax policies. The ARC has reviewed technical IFRS Accounting Standards papers prepared.

Effectiveness of entity-level controls across the various levels of the organisation

The ARC has relied on various entity-level controls across the organisation to maintain strong governance throughout the Group. The ARC is satisfied that the organisation's internal controls and governance processes, including the revised delegation of authority and strong-point processes in the ERP, have been effective. Internal reporting is submitted to the ARC on the effectiveness of entity-level controls, and these were reviewed and discussed at the ARC meetings and, where appropriate, recommendations were made to the Board.

Internal control environment and external audit reliance

Entity-level controls exist at various levels of the organisation as reviewed at the end of each quarter. Management has worked continuously to improve and maintain the internal control environment through the implementation of ongoing monitoring and review processes. New external auditors were appointed during the prior financial year and were re-appointed for the current financial year.

External audit: key audit matters

Impairment assessment of goodwill arising from business combinations

The Group had recognised a significant amount of goodwill from historical business combinations, which is tested at least annually for impairment. Details of the impairment losses assessment considerations and impairments losses recognised can be found in note 5 of the consolidated financial statements. The ARC is satisfied that management has assessed goodwill for impairment and recognised any impairment losses thereto per IAS 36 *Impairment of Assets* requirements and this is supported by the external auditor who noted no material exceptions in this regard.

Expected credit losses relating to loans advanced to Group companies (Company)

Loans to Group companies represent a substantial amount of the total assets of the Company. Details and amounts of the loans to Group companies can be found in notes 2 and 11 of the separate financial statements. Management individually assessed the loans to Group companies on a forward-looking basis for expected credit losses (ECLs) using the general approach under IFRS 9 *Financial Instruments*. The ARC is satisfied that management has applied appropriate judgement in the determination of these impairment assessments and this is supported by the external auditor who noted no material exceptions in this regard.

Focus areas for 2026

To ensure continuity and stability, the ARC will continue its oversight with specific focus on the following areas:

- Internal control environment and external audit reliance
- The effectiveness of entity-level controls across the various levels of the organisation
- Compliance with regulatory requirements, including JSE Listings Requirements, technical IFRS Accounting Standards and SARS requirements.

JSE requirements for CFO/CEO responsibility over financial controls

The iOCO Group CEOs and CFO have, in compliance with the JSE Listings Requirements, made an undertaking on the adequacy and reliability of internal controls around the preparation of Annual Financial Statements. This includes an undertaking by management that, where deficiencies and weaknesses have been identified, these have been reported to the ARC. In compliance with this requirement, the ARC considered a detailed assessment of the entity-level controls (ELCs) as well as a risk-and-control matrix (RACM) on the financial statements close processes (FSCPs).

Audit and Risk Committee's Report continued

For the year ended 31 July 2025

The primary objective of this assessment was to conduct a gap analysis review to identify shortcomings in the current process, as well as to enable the committee to:

- Identify and define the critical internal controls and understand the impact of control failure on the organisation
- Determine which existing evaluations are performed and who provides the assurance over the adequacy and effectiveness of these controls
- Develop a standard consolidated report of the critical controls identified.

This process was conducted with the participation of the first, second and third-line assurance providers.

The ARC has satisfied itself that there are adequate and effective entity-level controls relating to the risk assessment, control activities, information and communication and monitoring of the control environment. These pillars of controls are mainly predicated on the oversight and monitoring role played by the Board sub-committees, the combined assurance model, as well as the control self-review through the management attestation process.

The ARC has satisfied itself that no deficiencies have a material effect for the purposes of the preparation and presentation of financial statements for the year under review. The ARC is also not aware of incidents of fraudulent activities that would render the financial statements unreliable.

The ARC looks forward to the continuous monitoring of the entity-level controls, which would provide assurance in support of the combined assurance model.

Discharge of responsibilities

The ARC is satisfied that it has conducted its affairs and discharged its legal and other responsibilities as outlined in its charter, the Companies Act and King IV. The Board concurred with this assessment.

Conclusion

The ARC has had due regard to the principles and recommended practices of King IV in carrying out its duties and is satisfied that it has discharged its responsibilities in accordance with its terms of reference.



Nompumelelo Mokou

Chairperson, Audit and Risk Committee

27 October 2025

Directors' Report

The directors present their report for the year ended 31 July 2025

Nature of business

iOCO Limited (iOCO or the Company) is a holding company domiciled in South Africa that is listed on the JSE Limited under the category Technology: Software and Computer Services. iOCO is one of the largest information and communications technology (ICT) services providers in South Africa and is committed to providing the technology, knowledge, skills and organisational ability critical to the development and growth of the markets it serves.

The consolidated financial statements, as at 31 July 2025 and for the year then ended, comprise the Company and its subsidiaries (together referred to as the Group).

Financial statements and results

The Group's results and financial position are reflected on pages 14 to 20.

Stated capital

Authorised

Ordinary shares: 7 500 000 000 no par value shares (2024: 7 500 000 000).

A shares: 40 000 000 no par value shares (2024: 40 000 000).

Issued

Ordinary shares: 638 083 421 no par value shares (2024: 638 083 421).

A shares: 40 000 000 no par value shares (2024: 40 000 000).

Directors

The list of directors for the financial year is as follows:

Directorate

Non-executive

Jabu Moleketi* (Chairman)

Andrew Marshall (Lead Independent Non-executive Director)

Nompumelelo Mokou (appointed effective 19 March 2025)

Sipho Ngidi (resigned effective 26 November 2024)

Veronica Motloutsi

* Non-independent Non-executive Director.

Executive

Marius de la Rey (Interim Group Chief Executive Officer) (resigned effective 14 February 2025)

Rhys Summerton (Joint Group Chief Executive Officer) (appointed effective 14 February 2025)

Ashona Kooblall (Group Chief Financial Officer)

Dennis Venter (Joint Group Chief Executive Officer) (appointed effective 14 February 2025)

Directors' interest in shares

The directors' interest in shares is set out in note 31 of the consolidated financial statements.

Directors' emoluments

The emoluments of directors and prescribed officers of the Group are set out in note 32 of the consolidated financial statements.

Related-party contracts

During the course of the year, no director had a material interest in any contract of significance with the Company or any of its subsidiaries that could have given rise to a conflict of interest.

Transactions, defined as related-party transactions in terms of IFRS Accounting Standards, between the Company or its subsidiaries and the directors or their associates are disclosed in note 34 of the consolidated financial statements.

Governance and internal controls

iOCO's combined assurance model has made significant progress in relation to the Group's preventative and detective controls in the current year, also becoming more relevant and effective in achieving its governance objectives. The Group utilises extensive entity-level controls and governance processes including a detailed delegation of authority with dedicated heads of compliance, a thorough attestation process and key strongpoints in the ERP system with continuous monitoring and review.

Going concern

Based on the going concern assessment detailed in note 1.2 of the consolidated financial statements, the Board is of the view that the Group and the Company have adequate resources to continue in operation for the foreseeable future and accordingly, the consolidated and separate financial statements have been prepared on a going concern basis.

The Board is not aware of any new material changes that may adversely impact the Group.

Litigation statement

The Group is involved in various litigious matters, most of which arise from the ordinary course of business. Each of these matters are at various stages in the litigious process, therefore, it is not possible to predict the outcome of any of these matters, nor what portion of any costs will be attributable to the Group, or whether all or any portion of such costs will be covered by insurance or will be recoverable from other sources. Notwithstanding the aforementioned, management has no reason to believe that the disposition of these matters will have a materially adverse effect on the financial position of the Group and Company. Further information is set out in note 29 of the consolidated financial statements.

Subsidiaries

Details of the Company's investments in subsidiaries are set out in note 1 of the separate financial statements and the full list of Group operating entities is included in annexure 1.

Dividends

The Board has not declared any dividends for the year ended 31 July 2025 (2024: Rnil).

Special resolutions

On 27 November 2024, shareholders approved the following special resolutions at the AGM:

- Provision of financial assistance in terms of sections 44 and 45 of the Companies Act
- Remuneration of the Non-executive Directors
- Change of the Company's name to iOCO Limited.

On 23 May 2025, shareholders approved the following special resolution at a general meeting:

- General authority to acquire shares.

Subsequent events

Details are reflected in note 36 of the consolidated financial statements.

Independent Auditor's Report

To the Shareholders of iOCO Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of iOCO Limited (the Group and Company), set out on pages 14 to 90 which comprise:

- The statements of financial position
- The statements of profit or loss and other comprehensive income for the year then ended
- The statements of changes in equity for the year then ended
- The statements of cash flows for the year then ended
- The notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of iOCO Limited as at 31 July 2025, and its consolidated and separate financial performance and consolidated and separate 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 (Act 71 of 2008).

Final materiality

The scope of our audit was determined by our assessment of materiality. In determining the extent of our audit procedures, we applied specific quantitative thresholds supported by qualitative factors to guide the scope, timing, and nature of our work. Materiality also informed our evaluation of the impact of identified misstatements both individually and collectively on the consolidated and separate financial statements as a whole.

Exercising our professional judgement, we established materiality for the consolidated and separate financial statements as a whole as follows:

	Consolidated Financial Statements	Separate Financial Statements
Final materiality ('000)	R80 000	R12 000
How we determined materiality	1.43% of Revenue	0.68% of Total Assets
Rationale for the materiality benchmark applied	<p>Group revenue was selected as the benchmark for materiality, as it reflects the Group's primary focus on revenue-generating operations. Revenue is a key performance indicator for stakeholders and provides a consistent basis for evaluating financial performance.</p> <p>A 1.43% threshold was applied based on professional judgement, ensuring that potential misstatements are identified and addressed while maintaining relevance to the Group's operating environment.</p> <p>We determined materiality consistently with the previous reporting period.</p>	<p>Total assets were used as the benchmark for materiality, as the Company operates solely as an investment holding entity. This measure best reflects its financial position and purpose. A 0.68% threshold was applied based on professional judgement, considering the nature of the entity, and user expectations. This level is appropriate to identify relevant misstatements without being unreasonably low in the context of the Company's operations.</p> <p>We determined materiality consistently with the previous reporting period.</p>

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 and separate financial statements, 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

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 and separate financial statements section of our report. We are independent of the Group and Company 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 Number 49309 dated 15 September 2023 (EAR Rule), we report:

procedures to perform at these components to address these risks. Our judgement included assessing the size of the components and the nature of the balances and transactions within the components.

In establishing the overall audit approach for the Group audit, we identified the necessary procedures to be performed on the components by our audit team, as well as by component auditors from other audit firms working under our instruction. We have identified one component for which we conducted audit work centrally on the financial information as Group auditors.

Independent Auditor's Report continued

We identified 15 components where audit of financial information was performed for which we provided detailed Group instructions to the component auditors. The instructions outlined a comprehensive audit approach, and strategic planning meetings were held with the component auditor teams prior to the commencement of their audits. Additionally, regular follow-up meetings were held to enhance communication between the Group audit team and the component audit teams.

Where the audit work was conducted by the component auditors, we determined the appropriate level of involvement necessary to ensure that sufficient appropriate audit evidence was obtained to support our opinion on the consolidated financial statements as a whole. We assessed the competence, knowledge and experience of the component auditors and evaluated the procedures performed on the significant audit areas to assess the adequacy thereof in pursuit of our audit opinion on the consolidated financial statements.

To obtain sufficient appropriate audit evidence, we conducted audit work on specific classes of transactions, account balances or disclosures on 22 components.

Key audit matters

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

Key audit matter (Consolidated financial statements)

How our audit addressed the key audit matter

Assessment of goodwill impairment and the related impairment of the investment in the subsidiaries

Refer to the following notes to the consolidated financial statements:

- Note 1.3: Significant estimates and judgements
- Note 4: Intangible assets
- Note 5: Goodwill.

Judgement applied regarding the impairment of goodwill:

Due to the number of business combinations that the Group has historically entered into, the Group's net assets include a significant amount of goodwill at the reporting date. The goodwill relates to cash-generating units that are significant to the Group's Statement of Financial Position as a whole and subject to potentially sensitive assumptions that could result in an impairment of relevant cash-generating units.

As required by IAS 36 *Impairment of Assets*, the directors conducted an annual impairment test on the goodwill balance to assess the recoverability of the carrying value of this goodwill. There is a potential risk that these businesses may not trade in line with expectations and forecasts, resulting in a potential impairment of the carrying amount of goodwill allocated to these businesses in each cash-generating unit.

There are several key assumptions made in determining the inputs into the valuation model which include: future cash flow forecasts specifically for conflict markets where reliable economic data is not available, expense growth rates, operating margins, terminal value growth rates and discount rates (weighted average cost of capital).

As a result of the significant judgements, the valuation of this goodwill is a key audit matter.

We focused our testing on the key assumptions made by management. Our audit procedures included, among others, using the work of an auditor's expert where:

- We assessed the competency and experience of the expert to perform the assessments required and deliver a report that can be relied upon to sufficiently address the key audit matter.
- We critically evaluated whether the model used by management in calculating the value in use of the cash-generating units complied with IAS 36 *Impairment of Assets*.
- We validated the assumptions used to calculate the discount rates and long-term growth rates.
- We analysed the future projected cash flows, with respect to the capital expenditure and working capital used in the valuation model, to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash-generating unit.
- We compared the growth rates used to historical data regarding economic growth rates included in the relevant cash-generating units.
- We tested the inputs into the cash flow forecast against historical performance and in comparison, to the directors' strategic plans in respect of each cash-generating unit.
- We compared the projected cash flows, including the assumptions relating to revenue growth rates, operating margins and commodity prices against historical performance in order to test the accuracy of management's projections.
- We assessed the related disclosures requirements relating to the calculation around the impairment of goodwill in terms of IFRS Accounting Standards.

Based on the procedures performed on the impairment assessment of goodwill arising from business combinations, as listed above, we did not identify any matters requiring further consideration.

Independent Auditor's Report continued

Key audit matter (Separate financial statements)

Expected credit loss relating to loans advanced to Group companies

Refer to note 2 in the separate financial statements.

Management individually assessed the loans to Group companies on a forward-looking basis for expected credit losses ("ECLs"), using the general approach under IFRS 9 *Financial Instruments*.

Management evaluates the creditworthiness of these counterparties on an ongoing basis, taking into account their financial position, experience, subordination agreements (preventing first claim on loans to Group companies in favour of all other creditors) including dividends expected to be received and other relevant factors that may indicate whether there is a significant increase in credit risk.

The ECL assessment further takes into account several factors which includes determining the accessibility of cash for debt settlement, forecasted EBITDA, expected dividend and available liquid assets, which are considered in order of debt seniority. The counterparty's available resources for debt repayment was first applied towards their loan outstanding to EOH Treasury Proprietary Limited, then to non-subordinated debt and lastly to subordinated debt.

Management calculated the ECLs on the remaining loan balances after considering the availability of the following resources in decreasing the outstanding loan amount:

- Cash;
- The net present value of forecasted EBITDA projected over a substantial period subject to an estimated cash conversion rate;
- Net receivables subject to a haircut;
- The present value of expected dividends to be received from subsidiaries; and/or
- Various 'solves' that may be in the form of equity injection or dividends in specie.

The impairment assessment of loans to Group companies is a matter of most significance to the current year audit of the separate financial statements due to the following:

- the significant judgements and estimation applied by management in their assumptions
- the magnitude of the carrying values of loans to Group companies and impairment losses recognised.

How our audit addressed the key audit matter

We focused our testing on the key assumptions made by management. Our audit procedures included, but were not limited to:

We obtained an understanding of the Entity's ECL Model by:

- Reviewing the entity's ECL model documentation to understand its key components, assumptions, and methodologies.
- Evaluating the reasonableness of the model's inputs and outputs.
- Assessing the model's alignment with IFRS 9.

Tested the Accuracy and Completeness of Data by:

- Reviewing the data used in the ECL calculation for accuracy, completeness, and consistency.
- Reconciling data used in the ECL model to other financial systems.
- Testing the accuracy of historical loss data and forward-looking information.

Evaluated the Reasonableness of ECL Estimates by:

- Comparing the ECL estimate to previous periods and analysed trends.
- Assessing the sensitivity of the ECL estimate to changes in key assumptions and parameters.
- Evaluating the reasonableness of the ECL estimate in relation to the credit quality of the loan portfolio.

Intercompany Agreements:

- Reviewed intercompany loan agreements to understand terms and conditions, interest rates, collateral, and repayment terms.
- Assessed the adequacy of collateral provided for intercompany loans.
- Analysed the financial performance of Group companies to assess their creditworthiness.
- Reviewed key financial ratios and trends.
- Assessed the impact of economic conditions on Group companies' financial performance.

Based on the procedures performed on the expected credit loss relating to loans advanced to Group companies, as listed above, we did not identify any matters requiring further consideration.

Independent Auditor's Report continued

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa (Act 71 of 2008), the Chief Executive Officer and Chief Financial Officer Responsibility Statement, the Report of the Company Secretary, the Audit Committee's Report and the Directors' Report, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditors' report thereon. Our opinion on the consolidated and separate 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 and separate 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 and separate 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 and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa (Act 71 of 2008), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company'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 and/or Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 and the Company'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 and the Company'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 and separate 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 company to cease to continue as a going concern.

Independent Auditor's Report continued

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the 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 to 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 and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws 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.

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 Moore Johannesburg Incorporated has been the auditor of iOCO Limited (the Group and Company) since 23 July 2024.

Disclosure of fee-related matters

In terms of the EAR Rule published in Government Gazette Number 49309 dated 15 September 2023, we disclose the following fee-related matters:

Fee	Value (R'000)
Audit fees paid or payable to the firm	13 990
Audit fees paid or payable to network firms	–
Other fees paid or payable to firm and network firms	–

Moore Johannesburg Inc

Moore Johannesburg Inc., South Africa
Registered Auditors

Per: CA Jenkins
Director and Registered Auditor

50 Oxford Road, Parktown, Johannesburg, 2193

27 October 2025



iOCO

Consolidated financial statements

for the year ended **31 July 2025**



Consolidated statement of financial position

As at 31 July 2025

Figures in Rand thousand	Notes	2025	2024
ASSETS			
Non-current assets			
Property, plant, equipment and right-of-use assets	3	115 279	153 782
Intangible assets	4	78 321	78 966
Goodwill	5	570 178	570 178
Other financial assets	6	21 564	18 882
Deferred taxation	7	120 887	103 764
Finance lease receivables	8	336	906
		906 565	926 478
Current assets			
Inventories	9	68 801	70 730
Other financial assets	6	7 832	15 481
Current taxation receivable		9 094	36 639
Finance lease receivables	8	16 614	17 483
Trade and other receivables	10	1 389 942	1 672 230
Cash and cash equivalents	11	399 264	347 222
		1 891 547	2 159 785
Total assets		2 798 112	3 086 263
EQUITY AND LIABILITIES			
Equity			
Stated capital	13	4 774 521	4 774 521
Other reserves	14	12 132	31 140
Accumulated loss		(4 070 027)	(4 338 449)
Equity attributable to the owners of iOCO Limited		716 626	467 212
Non-controlling interests		36 679	31 311
Total equity		753 305	498 523
LIABILITIES			
Non-current liabilities			
Other financial liabilities	15	481 717	587 043
Lease liabilities	16	23 290	32 401
Deferred taxation	7	8 437	4 430
		513 444	623 874
Current liabilities			
Other financial liabilities	15	176 877	373 368
Current taxation payable		34 593	28 816
Lease liabilities	16	28 896	48 686
Trade and other payables	17	1 271 542	1 479 897
Provisions	18	19 455	33 099
		1 531 363	1 963 866
Total liabilities		2 044 807	2 587 740
Total equity and liabilities		2 798 112	3 086 263

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 July 2025

Figures in Rand thousand	Notes	2025	2024
Revenue	19	5 583 220	6 035 174
Cost of sales		(3 983 118)	(4 385 562)
Gross profit		1 600 102	1 649 612
Net financial asset impairment reversals/(losses)	20	5 562	(37 467)
Operating expenses		(1 184 709)	(1 499 963)
Operating profit	21	420 955	112 182
Investment income	22	7 128	14 529
Finance costs	23	(96 231)	(132 427)
Profit/(loss) before taxation		331 852	(5 716)
Taxation	24	(74 280)	(48 536)
Profit/(loss) for the year		257 572	(54 252)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations [^]		(11 645)	(25 774)
Reclassification of foreign currency translation differences on loss of control [^]		–	2 896
Other comprehensive loss for the year		(11 645)	(22 878)
Total comprehensive income/(loss) for the year		245 927	(77 130)
Profit/(loss) attributable to:			
Owners of iOCO Limited		250 834	(65 920)
Non-controlling interests		6 738	11 668
		257 572	(54 252)
Total comprehensive income/(loss) attributable to:			
Owners of iOCO Limited		240 559	(82 581)
Non-controlling interests		5 368	5 451
		245 927	(77 130)
Earnings/(loss) per share (cents)			
Earnings/(loss) per share	25	40	(10)
Diluted earnings/(loss) per share	25	39	(10)

[^] These components of other comprehensive income do not attract any tax.

Consolidated statement of changes in equity

For the year ended 31 July 2025

<i>Figures in Rand thousand</i>	Stated capital	Other reserves	Accumulated loss	Equity attributable to the owners of iOCO Limited	Non-controlling interests	Total equity
Balance at 1 August 2023	4 774 521	111 578	(4 325 319)	560 780	26 889	587 669
(Loss)/profit for the year	–	–	(65 920)	(65 920)	11 668	(54 252)
Other comprehensive loss	–	(16 661)	–	(16 661)	(6 217)	(22 878)
Total comprehensive (loss)/income	–	(16 661)	(65 920)	(82 581)	5 451	(77 130)
Non-controlling interest disposed	–	–	–	–	(1 029)	(1 029)
Transfer within equity*	–	(52 790)	52 790	–	–	–
Share-based payments	–	4 905	–	4 905	–	4 905
Share-based payments paid out during the year	–	(15 892)	–	(15 892)	–	(15 892)
Balance at 31 July 2024	4 774 521	31 140	(4 338 449)	467 212	31 311	498 523
Profit for the year	–	–	250 834	250 834	6 738	257 572
Other comprehensive loss	–	(10 275)	–	(10 275)	(1 370)	(11 645)
Total comprehensive (loss)/income	–	(10 275)	250 834	240 559	5 368	245 927
Transfer within equity*	–	(17 588)	17 588	–	–	–
Share-based payments	–	9 418	–	9 418	–	9 418
Share-based payments paid out during the year	–	(563)	–	(563)	–	(563)
Balance at 31 July 2025	4 774 521	12 132	(4 070 027)	716 626	36 679	753 305

Notes

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* Transfers within equity represent transfers from the share-based payments reserve for expired, unexercised options.

Consolidated statement of cash flows

For the year ended 31 July 2025

Figures in Rand thousand	Notes	2025	2024
Cash generated from operations	27	566 596	170 567
Investment income received		4 446	11 615
Interest paid		(95 995)	(130 967)
Taxation paid	28	(51 920)	(64 909)
Net cash inflow/(outflow) from operating activities		423 127	(13 694)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(22 411)	(47 929)
Proceeds from disposal of property, plant, equipment and intangible assets		3 680	9 711
Acquisition of intangible assets		(31 886)	(25 460)
Cash receipt from disposal of businesses, net of cash given up	12	(2 542)	84 688
Cash inflow relating to other financial assets	6	6 640	–
Cash outflow relating to other financial assets	6	(4 200)	(11 817)
Increase in restricted cash		(108)	(110 569)
Decrease in restricted cash		2 013	146 364
Net cash (outflow)/inflow from investing activities		(48 814)	44 988
Cash flows from financing activities			
Repayment of other financial liabilities	15	(102 538)	(41 061)
Principal elements of lease payments		(26 425)	(38 330)
Net cash outflow from financing activities		(128 963)	(79 391)
Net increase/(decrease) in cash and cash equivalents		245 350	(48 097)
Cash and cash equivalents at the beginning of the year	11	154 637	204 080
Exchange losses on cash and cash equivalents		(723)	(1 346)
Cash and cash equivalents at the end of the year	11	399 264	154 637

Consolidated segment results

For the year ended 31 July 2025

Over the past two years, the Group has dedicated substantial effort to optimising and aligning its suite of products and services, as well as refining its market approach. With the completion of the asset sale process aimed at reducing legacy debt, the Group now boasts a stable portfolio of offerings. The Group's market strategy is structured around six key product pillars: Digital, Intelligent Technology Solutions, Connected Industrial Ecosystems, Cloud, Outsourced Knowledge Solutions and iOCO International. The Group Executive Committee, serving as the Chief Operating Decision-maker (CODM), has been organised along these pillars, enhancing efficiency and accountability within our reporting structures.

Digital delivers advanced digital solutions through software development, data-driven insights, automation and proprietary platforms. These capabilities support clients' digital transformation by modernising applications, streamlining operations and enabling growth.

Intelligent Technology Solutions provide infrastructure and enterprise applications that support core business processes, including enterprise resource planning platforms such as systems, applications, products in data processing (SAP) and Oracle, enterprise software to manage information technology environments, and outsourced operations. The portfolio also includes subscription-based *IT-in-a-box* solutions for small and medium-sized enterprises, with artificial intelligence (AI) integration that improves efficiency and decision-making.

Connected Industrial Ecosystems deliver end-to-end industrial technology solutions through original equipment manufacturer partnerships and proprietary analytics. Focus areas include infrastructure, energy systems and connectivity that enhance resilience and efficiency in industrial and energy-intensive sectors.

Cloud offers cloud infrastructure, AI and cybersecurity services to modernise and secure digital operations. The portfolio includes data integration, infrastructure transformation and protection of critical assets.

Outsourced Knowledge Solutions provide integrated human resources and payroll systems, legal and forensic services and training aligned with broad-based black economic empowerment. It also offers outsourced payroll and call-centre operations and technology-enabled solutions to improve workforce efficiency and compliance.

iOCO International operates across sub-Saharan Africa, Europe and the Middle East, offering information technology outsourcing, software resale and proprietary intellectual property solutions.

The CODM does not receive secondary geographic information, and as such, this data is not included in the segment results. In the prior year, the CODM reviewed only revenue, gross profit and adjusted EBITDA as key profit measures. In the current year, the CODM also reviewed total assets and liabilities for each reportable segment.

Adjusted EBITDA is defined as operating profit or loss before accounting for depreciation, amortisation, share-based payments, gains or losses on the disposal of subsidiaries, impairment losses or reversals on non-financial assets, gains or losses on disposals of assets, interest income, interest expenses, corporate overheads and current and deferred tax.

Consolidated segment results continued

For the year ended 31 July 2025

Revenue, gross profit, adjusted EBITDA, assets and liabilities

Figures in Rand thousand	2025								
	Digital	Intelligent Technology Solutions	Connected Industrial Ecosystems	Cloud	Outsourced Knowledge Solutions	iOCO International	NEXTEC Legacy	Reconciliation [^]	Total
External revenue	1 490 132	1 726 843	862 307	125 616	798 100	573 398	6 824	–	5 583 220
Hardware sales	6 219	258 444	227 375	–	–	–	–	–	492 038
Services	1 321 653	1 072 735	382 131	117 662	791 258	485 578	6 824	–	4 177 841
Software/licence contracts	159 953	395 664	252 801	7 954	6 842	87 820	–	–	911 034
Rentals	2 307	–	–	–	–	–	–	–	2 307
Intersegment revenue	40 660	81 621	3 421	87 313	21 166	9 266	123	(243 570)	–
Hardware sales	107	17 425	633	–	–	–	–	(18 165)	–
Services	28 194	57 362	487	85 833	21 166	9 261	123	(202 426)	–
Software/licence contracts	12 359	6 834	2 301	1 480	–	5	–	(22 979)	–
Rentals	–	–	–	–	–	–	–	–	–
Gross revenue	1 530 792	1 808 464	865 728	212 929	819 266	582 664	6 947	(243 570)	5 583 220
Cost of sales	(1 079 358)	(1 391 662)	(598 811)	(152 472)	(611 669)	(351 187)	(604)	202 645	(3 983 118)
Gross profit	451 434	416 802	266 917	60 457	207 597	231 477	6 343	(40 925)	1 600 102
Gross profit (%)	29.5%	23.0%	30.8%	28.4%	25.3%	39.7%	91.3%	–	28.7%

Figures in Rand thousand	Restated* 2024								
	Digital	Intelligent Technology Solutions	Connected Industrial Ecosystems	Cloud	Outsourced Knowledge Solutions	iOCO International	NEXTEC Legacy	Reconciliation [^]	Total
External revenue	1 575 453	1 737 114	898 546	118 021	810 963	633 166	261 911	–	6 035 174
Hardware sales	13 326	350 849	226 652	–	–	1 413	31 488	–	623 728
Services	1 441 317	1 088 842	460 434	96 602	803 068	541 497	224 073	–	4 655 833
Software/licence contracts	120 810	297 423	211 460	21 419	7 895	90 256	–	–	749 263
Rentals	–	–	–	–	–	–	6 350	–	6 350
Intersegment revenue	122 546	212 689	3 168	77 489	82 760	27 711	1 221	(527 584)	–
Hardware sales	801	65 643	2 155	8	–	–	34	(68 641)	–
Services	110 052	139 174	956	65 401	82 760	27 711	1 187	(427 241)	–
Software/licence contracts	11 693	7 872	57	12 080	–	–	–	(31 702)	–
Rentals	–	–	–	–	–	–	–	–	–
Gross revenue	1 697 999	1 949 803	901 714	195 510	893 723	660 877	263 132	(527 584)	6 035 174
Cost of sales	(1 140 615)	(1 354 857)	(632 409)	(153 022)	(573 159)	(443 629)	(269 041)	181 170	(4 385 562)
Gross profit	557 384	594 946	269 305	42 488	320 564	217 248	(5 909)	(346 414)	1 649 612
Gross profit (%)	32.8%	30.5%	29.9%	21.7%	35.9%	32.9%	(2.2%)	–	27.3%

* Comparative figures previously reported have been restated to reflect changes to reportable segments as a result of changes to the Group's internal organisational structure for the year ended 31 July 2025.

[^] Reconciliation comprises elimination of intersegment transactions.

Consolidated segment results continued

For the year ended 31 July 2025

Revenue, gross profit, adjusted EBITDA, assets and liabilities continued

Figures in Rand thousand	2025								Total
	Digital	Intelligent Technology Solutions	Connected Industrial Ecosystems	Cloud	Outsourced Knowledge Solutions	iOCO International	NEXTEC Legacy	Reconciliation [^]	
Adjusted EBITDA	243 591	265 306	143 902	38 770	133 290	84 336	8 596	(401 880)	515 911
Adjusted EBITDA (%)	15.9%	14.7%	16.6%	18.2%	16.3%	14.5%	123.7%	–	9.2%
Material expenses included in adjusted EBITDA:									
Employee costs	717 655	734 701	256 225	33 700	412 758	185 761	(1 506)	184 818	2 524 112
Assets and liabilities per segment:									
Total assets	407 366	468 731	277 800	28 668	262 539	498 567	83 507	770 934	2 798 112
Total liabilities	(339 565)	(402 720)	(160 850)	(37 073)	(214 476)	(221 434)	(169 076)	(499 613)	(2 044 807)

Figures in Rand thousand	Restated* 2024								Total
	Digital	Intelligent Technology Solutions	Connected Industrial Ecosystems	Cloud	Outsourced Knowledge Solutions	iOCO International	NEXTEC Legacy	Reconciliation [^]	
Adjusted EBITDA	255 646	307 649	150 976	22 769	162 309	76 327	(36 008)	(632 536)	307 132
Adjusted EBITDA (%)	15.1%	15.8%	16.7%	11.6%	18.2%	11.5%	(13.7%)	–	5.1%
Material expenses included in adjusted EBITDA:									
Employee costs	826 555	835 478	275 419	24 312	458 198	162 426	116 268	362 381	3 061 037
Assets and liabilities per segment:									
Total assets	478 630	469 622	299 899	12 251	359 803	659 478	174 100	632 480	3 086 263
Total liabilities	(282 562)	(348 940)	(158 262)	(26 764)	(126 522)	(463 193)	(369 642)	(811 855)	(2 587 740)

* Comparative figures previously reported have been restated to reflect the changes to reportable segments as a result of the changes to the Group's internal organisational structure for the year ended 31 July 2025.

[^] Reconciliation comprises elimination of intersegment transactions and includes head office expenses.

Adjusted EBITDA reconciliation

Figures in Rand thousand

	2025	2024
Operating profit	420 955	112 182
Depreciation	61 975	79 983
Amortisation	30 316	26 415
IAS 36 reversal of impairment of intangible assets and property, plant and equipment	–	(1 397)
IAS 36 impairment of goodwill	–	23 697
Loss on disposal of intangible assets and property, plant and equipment	239	2 273
Share-based payment expense	647	23 837
Loss on disposal of subsidiaries	1 779	40 142
Adjusted EBITDA	515 911	307 132

Notes to the consolidated financial statements

For the year ended 31 July 2025

I Accounting policies

Reporting entity

iOCO Limited (formerly EOH Holdings Limited), (iOCO or the Company) is a holding company domiciled in South Africa that is listed on the JSE Limited under the category Technology: Software and Computer Services. iOCO is one of the largest information and communications technology (ICT) services providers in South Africa and is committed to providing the technology, knowledge, skills and organisational ability critical to the development and growth of the markets it serves. The consolidated financial statements of iOCO for the year ended 31 July 2025 comprise the Company and its subsidiaries (together referred to as the Group).

I.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listings Requirements and the requirements of the Companies Act.

I.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis, except for certain share-based payments and the financial guarantee liability (in the separate financial statements), which are measured at fair value through profit or loss as explained in the accounting policies below.

The consolidated and separate financial statements are presented in South African Rand, which is the Group's presentation currency, rounded to the nearest thousand, except for when otherwise indicated. The going concern basis has been used in preparing the consolidated and separate financial statements as the directors have a reasonable expectation that the Group and Company will continue as a going concern for the foreseeable future.

Going concern

The IFRS Conceptual Framework states that the going concern concept is an underlying assumption in the preparation of financial statements. Therefore, the financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting are required. Board of Directors believes that, as of the date of this report, the going concern presumption is still appropriate and accordingly the consolidated and separate financial statements of the Group and Company have been prepared on the going concern basis of accounting.

IAS 1 *Presentation of Financial Statements* (IAS 1) requires management to perform an assessment of the Group's ability to continue as a going concern. If management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, IAS 1 requires these uncertainties to be disclosed.

In conducting this assessment, the Board has taken into consideration the following factors:

The financial performance, condition and cash flows for the Group reflect a profit for the year of R258 million compared to the prior year, which had a loss of R54 million, net asset value at the end of the year of R753 million (2024: R499 million), and cash inflows from operating activities of R424 million (2024: outflows of R14 million) for the year. Details of the financial performance, condition and cash flows for the Group are explained in the consolidated and separate financial statements. A detailed action plan for deleveraging the Group to a sustainable level and resolving the "fit-for-purpose" cost structure was developed by the Group and its lenders and committed to. Since its announcement in October 2019, and subsequent revisions, the plan has been largely executed. Non-core businesses identified to be sold have been successfully disposed of and proceeds received from these disposals have been repaid to lenders as part of the Group's deleveraging strategy and commitment. The Group has also made significant progress on its debt repayments during the current financial year.

As at year end, the Group had R400 million of cash available, including foreign and restricted cash but excluding the undrawn portion of the direct overdraft facility of R250 million, which was available at reporting date and remains at the Group's disposal. The Group expects to be in a positive free cash flow position in the forthcoming financial year.

The directors' assessment of whether the Group is a going concern was considered and the directors concluded that:

1. The Group is solvent and is expected to remain solvent after considering the approved budget and expected performance
2. Net asset value as at 31 July 2025 is R753 million
3. The Group's current assets exceed its current liabilities by R360 million
4. There is an approved budget for the following 33 months
5. There are monthly cash flow forecasts for the 12 months to 31 July 2026 and annual forecasts for the 24 months to 31 July 2027, which were interrogated and adjusted for anomalies for each of the periods under review together with a detailed review of one-off cash payments.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.2 Basis of preparation continued

Going concern continued

6. The Group has sufficient access to facilities and liquidity events to fund operations for the following 12 months based on the following assumptions:
- Improved operational performance
 - The Group's assets are appropriately insured
 - There is currently no outstanding litigation that the directors believe has not been adequately provided for that could pressurise the Group's ability to meet its obligations.

At the time of approval of these consolidated and separate financial statements for the year ended 31 July 2025, the Board has a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future, which is not less than 12 months from the date of approval of these consolidated and separate financial statements.

The Board remains focused on and committed to the turnaround strategy and improving the capital structure.

The Board has concluded that the Group should 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 and separate financial statements.

Material accounting policies

The accounting policies applied in the consolidated and separate financial statements are consistent with those applied in previous years. Where applicable, the material accounting policies applied in the separate financial statements are consistent with those applied in the consolidated financial statements.

A number of amendments to standards were effective for the annual reporting period commencing 1 August 2024, with no material effect on the consolidated and separate financial statements.

Refer to note 2.1 for more information regarding the new standards, amendments to standards and interpretations adopted by the Group.

The material accounting policies are set out in the following pages.

I.3 Significant accounting judgements and sources of estimation uncertainty

In preparing the consolidated and separate financial statements, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts presented in the consolidated and separate financial statements and related disclosures. Use of available information, historical experience and the application of judgement are inherent in the formation of estimates. Actual results could differ from these estimates, which may be material to the consolidated and separate financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Where relevant, the Group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results.

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

Judgement relates to:		Notes
Deferred taxation assets	Judgement around future financial performance	1.5, 7 and 24
Revenue	Judgement in principal versus agent considerations	1.5
Revenue	Judgement in recognition of revenue at a point in time or over time	1.5 and 19
Going concern	Judgement on the Group's ability to continue as a going concern	1.2
Lease liabilities	Judgement in determination of lease term, including extension options	16
Goodwill	Judgement in goodwill impairment testing	5

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.3 Significant accounting judgements and sources of estimation uncertainty continued

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, include:

Estimates relate to:		Notes
Impairment of intangible assets and goodwill	Estimates in determining the recoverable amount of the asset or cash-generating unit	4 and 5
Impairment of investment in subsidiaries	Estimates in determining the recoverable amount of the investment in subsidiaries (separate financial statements)	1
Provisions	Estimates in determining the amount and timing of the provisions	18
Revenue	Estimation of measuring progress towards satisfaction of performance obligations based on cost incurred, inputs versus milestones	19
Impairment of trade receivables and contract assets	Estimates in determining the expected credit loss allowances on trade receivables and contract assets	35
Impairment of loans to Group companies and financial guarantee liabilities	Estimates in determining the expected credit loss allowances on loans to Group companies and financial guarantee liabilities (separate financial statements)	11

I.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

The Group considers that it controls an entity if the Group has:

- Power or existing rights over the entity or investee that give it the ability to direct relevant activities
- Exposure or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Intragroup transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised in equity. Initially, non-controlling interests are measured at their proportional share of the acquiree's identifiable net assets at acquisition date. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest, even if this results in a debit balance being recognised for the non-controlling interest. Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

I.5 Summary of accounting policies

Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

(b) Foreign currency transactions

A foreign currency transaction is recognised, on initial recognition in the entity's functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At reporting date:

- Foreign currency monetary items are translated using the closing rate
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Foreign currencies continued

(c) Foreign operations

The results and financial position of a foreign operation that has a functional currency different from the Group's presentation currency are translated into the presentation currency using the following procedures:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- Income and expenses for each item of profit or loss and other comprehensive income are translated at the average exchange rates for the period of the transactions
- All resulting exchange differences are recognised in other comprehensive income and accumulated in equity, within the foreign currency translation reserve.

Any goodwill recognised on foreign operations and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation and translated at the spot rate at the statement of financial position date.

Non-current assets (or disposal groups) held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value and inventory, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management, being a sub-committee of the Board to deal with asset disposals, strategic acquisitions and the restructuring of the Group, must be committed to the plan to sell the asset and the sale must be expected to be completed within one year from the date of the classification.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

If an asset (or disposal group) previously classified as held for sale no longer meets the required criteria, the Group ceases to classify the asset (or disposal group) as held for sale. The Group subsequently measures the asset (or disposal group) at the lower of its carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale and its recoverable amount at the time the change in the plan to sell is made.

A disposal group qualifies as a discontinued operation if it is a component of the Group, the operations and cash flows of which can be clearly distinguished from the rest of the Group, that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the statement of profit or loss. The prior period is also re-presented for all operations that have been discontinued by the end of the reporting period.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Property, plant, equipment and right-of-use assets

Property, plant and equipment are initially measured at cost and subsequently at cost less accumulated depreciation and accumulated impairment. Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value from the date that these assets are ready for use.

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

Item	Useful life
Buildings	50 years
Right-of-use buildings	3 to 15 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	3 to 6 years
IT equipment	2 to 5 years
Leasehold improvements	3 to 15 years
Other equipment	3 to 10 years

Land is not depreciated.

The Group has presented right-of-use assets within property, plant and equipment. Right-of-use assets are initially measured at cost. The cost consists of the initial lease liability amount, initial direct costs incurred and lease payments made at or before the commencement date of the lease less any lease incentives received. The right-of-use assets are subsequently measured at cost less any accumulated depreciation and accumulated impairment, and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease term, which is generally over a period of three to 15 years, on a straight-line basis.

An item of property, plant and equipment is derecognised upon disposal (at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

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

The depreciation charge for each period is recognised in profit or loss.

Goodwill and intangible assets

(a) Goodwill

Goodwill arising on the acquisition of subsidiaries is initially measured at cost less accumulated impairment losses. Goodwill is not amortised but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which businesses are managed and monitored by common cluster heads and Financial Directors/Financial Managers.

(b) Intellectual property, customer relationships and contracts purchased

Separately acquired intellectual property is measured at historical cost. Intellectual property, customer relationships and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. These intangible assets have finite useful lives and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Goodwill and intangible assets continued

(c) Internally generated software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as an intangible asset when the following criteria are met:

- It is technically feasible to complete the asset so that it will be available for use or sale
- There is an intention to complete and use or sell it
- There is an ability to use or sell it
- It will generate probable future economic benefits
- There are available technical, financial and other resources to complete the development and to use or sell the asset
- The expenditure attributable to the asset during its development can be measured reliably.

Capitalised development costs are recognised as intangible assets and are amortised from the point at which the asset is ready for use. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and impairment losses.

Research expenditure and development expenditure that do not meet the above criteria are recognised as an expense as incurred.

(d) Acquired computer software and other intangible assets

Acquired computer software and other intangible assets are measured initially at cost. They have finite useful lives and are subsequently measured at cost less accumulated amortisation and accumulated impairment.

(e) Amortisation methods and periods

The amortisation period for intangible assets is reviewed on an annual basis and adjustments, where applicable, are accounted for as a change in accounting estimate. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation, recognised in profit or loss, is calculated to write down the intangible asset, on a straight-line basis, over its finite useful life, as follows:

Item	Useful life
Contracts purchased	2 to 5 years
Customer relationships	2 to 15 years
Intellectual property	2 to 10 years
Internally generated software	3 to 15 years
Other intangible assets	2 to 13 years
Computer software	2 to 3 years

(f) Derecognition

An intangible asset is derecognised upon disposal (ie at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss.

Impairment of non-financial assets

Goodwill and intangible assets not subject to amortisation are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets (except contract assets and deferred tax assets) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Financial instruments

(1) Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement category:

Those to be measured at amortised cost, which include trade receivables, other receivables, other financial assets, loans to Group companies, restricted cash, and cash and cash equivalents.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. For a financial asset to be classified and measured at amortised cost, the Group's business model for it needs to be managing the financial asset to collect contractual cash flows.

(b) Measurement

At initial recognition, which is on trade date, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method, less expected credit losses (ECLs). ECLs are presented as a separate line item in the statement of profit or loss as net financial asset impairment losses. Investment income determined using the effective interest method is recognised in profit or loss.

(c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(d) Impairment

The Group assesses, on a forward-looking basis, the ECLs associated with its debt instruments measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises a loss allowance for ECLs on loans, finance lease receivables, cash and cash equivalents and other financial assets using the general approach. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition. The Group considers there to have been a significant increase in credit risk when contractual payments are more than 30 days past due. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contracts assets, the Group applies the simplified approach permitted by IFRS 9 *Financial Instruments* (IFRS 9), which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Refer to note 35 for further details on the methodology applied by the Group.

(2) Financial liabilities

(a) Measurement

At initial recognition, the Group measures a financial liability at its fair value plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings, including bank overdrafts.

These are subsequently measured at amortised cost, using the effective interest method. Gains and losses, including finance costs, are recognised in profit or loss.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Financial instruments continued

(2) Financial liabilities continued

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. Any difference between the carrying value of the derecognised liability and the fair value of the new liability at initial recognition is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are subsequently measured at amortised cost. Bank overdrafts are presented within other financial liabilities in the statement of financial position.

For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents are net of outstanding bank overdrafts as they are repayable on demand, considered an integral part of the Group's cash management, and have fluctuating balances.

Restricted cash

Restricted cash comprises bank balances that are ring-fenced and are not highly liquid. These balances are not included in cash and cash equivalents and are measured at amortised cost.

Taxation

(a) Tax expenses

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

- A transaction or event which is recognised, in the same or a different period, to other comprehensive income or equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively; or
- A business combination.

(b) Tax assets and liabilities

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

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

(c) Deferred tax assets and liabilities

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts at year end.

A deferred tax liability is recognised for all taxable temporary differences unless the deferred tax liability arises from the initial recognition of goodwill. Deferred tax is also recognised if it arises from initial recognition of an asset or liability in a transaction which:

- Is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised in respect of deductible temporary differences associated with investments in subsidiaries, 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.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Taxation continued

(c) *Deferred tax assets and liabilities continued*

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are adjusted if recovery is no longer probable. In assessing the recoverability of deferred tax assets, the Group uses budgets and forecasts which, among other things, reflect the potential impact of macroeconomic factors on the Group's businesses as well as the environment surrounding the local and international ICT industries in which the Group operates.

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

Leases

(a) *Group as lessor*

The Group, as lessor, leases assets to customers. The Group determines at lease inception whether a lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease, if not it is classified as an operating lease. As part of this assessment, the Group considers certain indicators, including whether the lease is for the major part of the economic life of the asset.

For finance leases, the Group recognises a finance lease receivable at an amount equal to the net investment in the lease. Finance lease income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease. The Group applies the derecognition and impairment requirements applicable to financial assets to the net investment in the lease.

For operating leases, operating lease income is recognised as rental income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. The respective leased assets are included in the statement of financial position based on their nature.

(b) *Group as lessee*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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.

Lease contracts contain both lease and non-lease components. The Group has not elected the practical expedient to account for non-lease components as part of its lease liabilities and right-of-use assets. Accordingly, non-lease components are recognised as an expense in operating expenses as they are incurred.

The Group recognises right-of-use assets and lease liabilities at the lease commencement date for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and for short-term leases. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases have a lease term of 12 months or less and no purchase option. Low-value assets comprise leases such as IT equipment (tablets and personal computers), office furniture or telephones.

Extension and termination options are included in a number of leases across the Group. In determining the lease term, all facts and circumstances are considered when assessing whether such options will be exercised. Extension options and periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

Assets and liabilities arising from leases are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes adjustments, where necessary, to reflect changes in financing conditions and those specific to the lease, eg term and security.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Interest costs are recognised in profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to extend the lease term.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Leases continued

(b) Group as lessee continued

The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The Group presents right-of-use assets together with property, plant and equipment in the statement of financial position. Lease liabilities are presented separately in the statement of financial position.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out formula or weighted average cost method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition. An allowance for obsolete or damaged inventory is maintained by the Group. The level of the allowance for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at the reporting date. Movements in this allowance are recognised in profit or loss and included in cost of sales.

Stated capital

Shares in the Company held by its subsidiaries or re-acquired by the Group are classified in the Group's shareholders' interest as treasury shares. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. The consideration paid, including any directly attributable incremental costs (net of income taxes) on those treasury shares, is deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any distributions received on the treasury shares are eliminated on consolidation. Consideration paid or received is recognised directly in equity.

Share-based payments

Employee share plans

The Group has four equity-settled share schemes: The Share Trust, The Mthombo Trust, The Share Ownership Plan and The 2022 Share Plan, under which share-based compensation benefits are provided to employees through issue of share options or shares. Information relating to these schemes is set out in note 33.

The fair value of the share options granted in terms of The Share Trust and The Mthombo Trust is measured at the grant date using the binomial model and recognised as an employee benefit expense with a corresponding increase in equity over the vesting period. The share options are only conditional on employees remaining in service and have no other performance conditions attached. The impact of any service conditions is excluded in determining the fair value of the options.

The fair value of the shares granted in terms of The Share Ownership Plan and The 2022 Share Plan is measured at grant date and recognised as an employee benefit expense with a corresponding increase in equity over the vesting period. The Share Ownership Plan contains only a service condition while The 2022 Share Plan awards contain various performance non-market and market vesting conditions. Non-market performance vesting conditions are taken into account in estimating the number of shares expected to vest, while market vesting conditions are considered when determining the fair value of the shares at grant date.

At each reporting date, the Group revises its estimates of the number of share options/shares that are expected to vest based on the service conditions and non-market performance conditions. The Group recognises the impact of the revision to original estimates in profit or loss with a corresponding adjustment to equity.

Amounts are transferred to retained earnings in so far as they relate to expired shares under these employee share plans.

The Group also has a cash-settled share scheme for which a liability is recognised at fair value. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in profit or loss. The fair value is determined using certain assumptions, further details of which are given in note 35.

Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, compensated absences as well as profit sharing and bonus payments are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service and are recognised as current liabilities in the statement of financial position. The liabilities are recognised in the period in which the service is rendered and are measured at the amounts expected to be paid when the liabilities are settled (ie they are not discounted).

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

(b) Post-employment obligations

The Group pays contributions to a privately administered defined contribution retirement benefit plan on behalf of employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as a defined contribution plan expense as they fall due.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Revenue

Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer. The following indicators are used by the Group in determining when control has passed to the customer:

- The Group has a right to payment for the product or service
- The customer has legal title to the product
- The Group has transferred physical possession of the product to the customer
- The customer has the significant risk and rewards of ownership of the product
- The customer has accepted the product or service.

The Group generates revenue from providing the following goods and services:

- Software/licence contracts
- Hardware
- Services
- Rentals.

Revenue is measured based on the consideration specified in a contract with a customer and is recognised when control is transferred to the customer. The Group has generally concluded that it is acting as the principal in its revenue arrangements, except for certain services, sales of software licences and hardware where it is acting as an agent.

Contracts are assessed individually to determine whether the products and services are distinct, ie the product or services are separately identifiable from other items in the contract with the customer and whether the customer can benefit from the goods or services either on its own or together with other resources that are readily available. The consideration is allocated between the goods and services in a contract based on management's best estimate of the standalone selling prices of the goods and services.

The Group evaluates the following control indicators, among others, when determining whether it is acting as a principal or agent in the transactions with customers and recognising revenue on a gross, or net, basis:

- The Group is primarily responsible for fulfilling the promise to provide the specified goods or service
- The Group has inventory risk before the specified goods or services have been transferred to a customer or after the transfer of control to the customer
- The Group has discretion in establishing the price for the specified goods or services.

Judgement has been applied in determining whether the Group is acting as principal or agent in contracts with customers for software/licence contracts, hardware and the provision of services.

In contracts where a customer purchases a maintenance or service package from the Group that is delivered over time directly by a vendor, these service contracts are sold alongside but separately from the associated products, and the Group serves as the agent for the contract on behalf of the vendor. The Group's responsibility is to arrange for the provision of the specified service by the vendor, and the Group does not control the specified service before it is transferred to the customer. The Group therefore has no obligation to the customer in terms of the service or maintenance once the sale has been made.

The Group sells cloud computing solutions, which include infrastructure and software elements. These solutions utilise third-party vendors to offer the Group's customers' access to cloud technology and software in the cloud. While most of the Group's software licence sales are recognised on a gross basis, as the Group is acting as a principal in these transactions at the point the software licence is delivered to the customer, some software licences are sold with the ability to access that vendor's latest technology via product updates. The Group evaluates each of these arrangements to determine its performance obligation and appropriate recognition of revenue. The assessment of whether the Group acts as a principal or an agent is judgemental and requires a weighting of the individual factors in reaching a conclusion.

The Group deems the defining characteristic of each arrangement to be whether its material performance obligation is to deliver the hardware, software or service or to arrange access to the hardware, software or service. In those arrangements where the software service is delivered entirely by the vendor, the Group will recognise revenue at the time of delivery on a net basis as the Group is acting as an agent in the transaction. In all other cases, the Group is deemed to be acting as principal and revenue is recognised on a gross basis.

The transaction price recognised is based on the contracted amounts, less amounts collected on behalf of third parties. Normal credit terms provided to customers are 30 to 60 days. If the transaction price includes a variable amount, the Group estimates the amount to which it will be entitled in terms of the contract. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Revenue continued

Software/licence contracts

Agent

These contracts are billed on behalf of software vendors for the right to use the software and include licences for cloud software.

The Group is an agent in these arrangements and recognises the net amount as revenue at a point in time when the software licences are delivered to the customer.

Principal

There are also cases under software/licence contracts where the Group acts as a principal as the Group obtains control of the goods before they are transferred to the customer.

Revenue is recognised over time as the customer benefits as and when the Group performs.

Hardware

Agent

These contracts are billed by the Group for hardware sales concluded on behalf of hardware vendors.

The Group is an agent in these arrangements and recognises the net amount as revenue at a point in time when the hardware is delivered to the customer.

Principal

The Group recognises revenue when control is transferred to the customer, being when the customer accepts delivery of the goods, at a point in time.

Services

The Group provides a range of maintenance, support and other services to customers. Maintenance and support services consist of contracts with/promises to customers where the Group mainly provides hardware maintenance, software maintenance and support, and unspecified upgrades and patches for software at an agreed fee based on defined service level agreements.

Agent

The Group introduces customers to third-party service providers and performs billing and other administrative activities on behalf of such third parties but does not control the delivery of such professional services or the setting of prices for them. The Group recognises such third-party professional services on an agent basis at a point in time when the services have been rendered.

Principal

There are also cases under service contracts where the Group acts as the principal as the Group obtains control of the service before it is rendered. Revenue is recognised over time as the customer benefits as the service is rendered.

Estimates of revenues and costs to the extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates of revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Rentals

The Group supplies rentals of IT safety and security access equipment to customers. Revenue earned on rental contracts is recognised over time, being the period over which the customer and the Group are a party to the rental agreement.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

I Accounting policies continued

I.5 Summary of accounting policies continued

Revenue continued

(a) **Significant payment terms**

Generally, the Group receives short-term advances from its customers and in certain cases there are delayed payment terms of generally 30 days to 120 days, which indicate that no financing is provided to customers. The Group has applied the practical expedient of not adjusting consideration for significant financing components as the period between transfer of the underlying good or service to the customer and when payment is received from the customer is one year or less.

(b) **Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. When the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional other than through the passage of time.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (ie only the passage of time is required before payment of the consideration is due). Refer to accounting policies on financial assets for further detail.

(c) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. When a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

(d) **Contract costs**

The Group incurs certain costs to obtain contracts with customers. These costs include commissions and other costs relating to the negotiation and conclusion of customer service contracts. The Group has elected to apply the practical expedient whereby the incremental costs of obtaining contracts are recognised in profit or loss, as and when these costs are incurred, if the amortisation period of the assets that the Group otherwise would have recognised is 12 months or less.

Finance costs

Finance costs comprise interest payable on borrowings and the interest expense component of lease liability charges, calculated using the effective interest rate.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

2 New standards and interpretations

2.1 Adoption of new standards, amendments to standards and interpretations

Certain amendments to accounting standards became effective from 1 August 2024. These did not have a material impact on the Group or Company financial statements and are outlined below.

Title	Effective date	Impact
Amendments to IAS 7 and IFRS 7 – supplier finance arrangements	Annual periods beginning on or after 1 January 2024 with transitional relief in the first year (published May 2023)	The amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. No material impact on the financial statements was identified resulting from the adoption of these amendments to IFRS Accounting Standards.
Amendments to IFRS 16 Leases – leases on sale and leaseback	Annual periods beginning on or after 1 January 2024 (published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. No material impact on the financial statements was identified resulting from the adoption of these amendments to IFRS Accounting Standards.
Amendments to IAS 1 Presentation of financial statements – classification of liabilities as current or non-current and non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 (published January 2020 and November 2022)	The amendments to IAS 1 clarify how conditions (covenants) that an entity must comply with within 12 months after the reporting period affect the classification of liabilities as current or non-current. The amendments also introduce enhanced disclosure requirements to improve transparency regarding non-current liabilities subject to such conditions. No material impact on the financial statements was identified resulting from the adoption of these amendments to IFRS Accounting Standards.

2.2 Standards, interpretations and amendments issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are not effective for 31 July 2025 reporting periods.

Title	Effective date	Impact
Settlement of financial liabilities by electronic payments – IFRS 9	The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted	The amendments clarify when a financial asset or financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. The exception allows entities to derecognise their financial liabilities before the settlement date when it uses an electronic payment system that meets specific criteria. The Group has not yet assessed the impact of the amendments.
Classification of financial assets with a contingent feature – IFRS 9 and IFRS 7	The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted	Following the post-implementation review of the classification and measurement requirements, IFRS 9 has been amended to include guidance on the classification of financial assets, including those with contingent features. Additional disclosures in terms of IFRS 7 will also need to be provided on financial assets and financial liabilities that have certain contingent features. The Group does not expect these amendments to have a material impact.
Equity instruments designated at fair value through other comprehensive income – IFRS 7	The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted	The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The Group does not expect these amendments to have a material impact.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

2 New standards and interpretations continued

2.2 Standards, interpretations and amendments issued but not yet effective continued

Title	Effective date	Impact
Non-recourse assets and contractually linked instruments – IFRS 9 <i>Presentation of Financial Statements</i> – non-current liabilities with covenants	The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted	The amendments clarify the treatment of non-recourse assets and contractually linked instruments. The Group does not expect these amendments to have a material impact.
Contracts referencing nature-dependent electricity – IFRS 9 and IFRS 7	The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted	To allow companies to better reflect the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), amendments have been made to IFRS 9 and IFRS 7. These amendments provide guidance on the “own-use” exemption for purchasers of electricity under PPAs, hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs, and new disclosure requirements to enable investors to better understand the effects of PPAs. This standard will not be applicable to the Group.
Amendments to IAS 21 – lack of exchangeability	Annual periods beginning on or after 1 January 2025 (early adoption is available) (published August 2023)	The amendments impact entities that have transactions or operations in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Group is not operating nor conducting business in jurisdictions that currently have a lack of exchangeability. Accordingly, it has been assessed that these amendments do not have an impact on the Group.
Presentation and disclosure in financial statements – IFRS 18	Annual periods beginning on or after 1 January 2027 (published April 2024)	IFRS 18 replaces IAS 1 and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements; and enhanced principles on aggregation and disaggregation, which apply to the primary financial statements and notes. Many of the other existing principles in IAS 1 are retained. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its “operating profit or loss”. A retrospective application is required. The Group is in the process of assessing the impact of IFRS 18.
Subsidiaries without public accountability – IFRS 19	Eligible subsidiaries can choose to apply the standard for reporting periods beginning on or after 1 January 2027, with earlier application permitted	The standard is applicable to subsidiaries that do not have public accountability and that have a parent that produces consolidated accounts under IFRS Accounting Standards. IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted. This standard will not be applicable to the Group.

2.3 Standards and interpretations early adopted

The Group has chosen not to early adopt any new standards or interpretations.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

3 Property, plant, equipment and right-of-use assets

Figures in Rand thousand	2025			2024		
	Cost	Accumulated depreciation and impairment losses	Carrying value	Cost	Accumulated depreciation and impairment losses	Carrying value
Land and buildings	663	(91)	572	664	(78)	586
Right-of-use assets (buildings)	162 919	(118 871)	44 048	188 907	(117 618)	71 289
Furniture and fixtures	24 324	(18 630)	5 694	42 220	(34 485)	7 735
Motor vehicles	21 417	(19 269)	2 148	22 627	(20 186)	2 441
Right-of-use assets (motor vehicles)	1 473	(770)	703	1 473	(455)	1 018
Office equipment	18 544	(16 499)	2 045	19 245	(16 519)	2 726
IT equipment	244 319	(190 187)	54 132	246 323	(182 201)	64 122
Right-of-use assets (IT equipment)	183	(132)	51	183	(70)	113
Leasehold improvements	9 775	(8 106)	1 669	15 353	(15 187)	166
Other equipment	11 616	(7 399)	4 217	10 351	(6 765)	3 586
Closing balance	495 233	(379 954)	115 279	547 346	(393 564)	153 782

Reconciliation of property, plant, equipment and right-of-use assets

Figures in Rand thousand	Opening balance	Additions	Disposals	Transfers	Foreign currency translation	Depreciation	(Impairment losses)/ reversals	Disposals of business (note 12)	Closing balance
2025									
Land and buildings	586	-	-	-	-	(14)	-	-	572
Right-of-use assets (buildings)	71 289	3 478	-	(1 247)	(407)	(29 065)	-	-	44 048
Furniture and fixtures	7 735	2 084	(411)	(1 324)	(37)	(2 353)	-	-	5 694
Motor vehicles	2 441	130	-	338	(3)	(758)	-	-	2 148
Right-of-use assets (motor vehicles)	1 018	-	-	-	-	(315)	-	-	703
Office equipment	2 726	120	(7)	127	(6)	(915)	-	-	2 045
IT equipment	64 122	15 993	(1 449)	2 883	55	(27 347)	-	(125)	54 132
Right-of-use assets (IT equipment)	113	-	-	-	-	(62)	-	-	51
Leasehold improvements	166	1 995	-	-	-	(492)	-	-	1 669
Other equipment	3 586	2 089	(27)	(777)	-	(654)	-	-	4 217
	153 782	25 889	(1 894)	-	(398)	(61 975)	-	(125)	115 279

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

3 Property, plant, equipment and right-of-use assets continued

Reconciliation of property, plant, equipment and right-of-use assets continued

<i>Figures in Rand thousand</i>	Opening balance	Additions	Disposals	Transfers	Foreign currency translation	Depreciation	(Impairment losses)/ reversals	Disposals of business (note 12)	Closing balance
2024									
Land and buildings	602	–	–	–	–	(16)	–	–	586
Right-of-use assets (buildings)	51 606	53 972	(1 025)	–	2	(37 766)	4 500	–	71 289
Furniture and fixtures	12 145	9 281	(1 934)	–	(6 530)	(4 880)	–	(347)	7 735
Motor vehicles	3 661	1 985	(1 141)	–	–	(782)	–	(1 282)	2 441
Right-of-use assets (motor vehicles)	284	1 002	–	–	–	(268)	–	–	1 018
Office equipment	2 048	2 226	(90)	–	7	(1 112)	–	(353)	2 726
IT equipment	68 060	29 412	(1 007)	(129)	150	(29 859)	–	(2 505)	64 122
Right-of-use assets (IT equipment)	–	–	–	174	–	(61)	–	–	113
Leasehold improvements	3 277	2 943	(1 501)	–	–	(4 553)	–	–	166
Other equipment	3 677	2 082	(1 142)	(45)	–	(686)	–	(300)	3 586
	145 360	102 903	(7 840)	–	(6 371)	(79 983)	4 500	(4 787)	153 782

Refer to note 15 for details of the security provided on the loans secured through Security SPV.

The prior year opening balance of property, plant, equipment and right-of-use assets cost was R767 million and accumulated depreciation was R622 million.

The loss on disposal of items of property, plant and equipment is included in operating expenses (refer to note 21).

In the prior period, a reversal of a previous impairment loss of R4.5 million was recognised on certain right-of-use assets (buildings) in a CGU in the Connected Industrial Ecosystems segment, in which impairment losses on goodwill and other assets were previously recognised. The impairment loss reversal was recognised as a result of evidence becoming available, indicating that there is significant value remaining in the right-of-use asset (buildings), which the Group has used in the current period and will use in future periods.

Refer to note 5, which further addresses the impairment testing, including key assumptions and estimates.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

4 Intangible assets

Figures in Rand thousand	2025			2024		
	Cost	Accumulated amortisation and impairment losses	Carrying value	Cost	Accumulated amortisation and impairment losses	Carrying value
Customer relationships	23 854	(20 592)	3 262	23 854	(18 934)	4 920
Intellectual property	25 672	(15 754)	9 918	25 311	(13 851)	11 460
Internally generated software	87 938	(46 309)	41 629	98 451	(53 738)	44 713
Computer software	46 823	(37 591)	9 232	57 335	(51 769)	5 566
Other intangible assets	102 776	(88 496)	14 280	73 370	(61 063)	12 307
Closing balance	287 063	(208 742)	78 321	278 321	(199 355)	78 966

Reconciliation of intangible assets

Figures in Rand thousand	Opening balance	Additions	Disposals	Transfers	Foreign currency translation	Amortisation	Impairment losses	Disposals of business (note 12)	Closing balance
2025									
Customer relationships	4 920	–	–	–	–	(1 658)	–	–	3 262
Intellectual property	11 460	361	–	–	–	(1 903)	–	–	9 918
Internally generated software	44 713	15 442	(2 020)	(3 598)	(72)	(12 836)	–	–	41 629
Computer software	5 566	9 236	(2)	–	15	(5 583)	–	–	9 232
Other intangible assets	12 307	6 847	–	3 598	(136)	(8 336)	–	–	14 280
	78 966	31 886	(2 022)	–	(193)	(30 316)	–	–	78 321
2024									
Customer relationships	6 974	–	–	–	–	(2 054)	–	–	4 920
Intellectual property	13 354	–	–	–	–	(1 894)	–	–	11 460
Internally generated software	50 497	10 672	(3 386)	93	134	(11 289)	(2 008)	–	44 713
Computer software	5 190	5 818	(545)	–	65	(3 839)	(1 095)	(28)	5 566
Other intangible assets	17 556	8 970	(213)	(93)	(3 837)	(7 339)	–	(2 737)	12 307
	93 571	25 460	(4 144)	–	(3 638)	(26 415)	(3 103)	(2 765)	78 966

Impairments to intangible assets in the prior year largely relate to internally generated software and computer software that were impaired for an amount of R3 million in a number of underperforming CGUs in which goodwill impairment losses were also recognised.

The prior year opening balance of intangible assets cost was R353 million and accumulated depreciation was R259 million.

Impairment testing

The Group performed a review of intangible assets for impairment, which highlighted impairment losses of Rnil (2024: R3 million). For the purpose of impairment testing, intangibles were allocated, together with goodwill, to the Group's CGUs. The recoverable amount of these CGUs was determined based on the value-in-use calculations, discounting future cash flows expected to be generated.

Note 5 further addresses the impairment testing, including key assumptions, estimates and sensitivities, in relation to the testing performed.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

5 Goodwill

Figures in Rand thousand

	2025	2024
Cost	2 339 220	2 549 611
Accumulated impairment losses	(1 769 042)	(1 880 687)
Opening balance	570 178	668 924
Disposals	–	(75 049)
Impairment losses	–	(23 697)
Closing balance	570 178	570 178
Cost	2 339 220	2 339 220
Accumulated impairment losses	(1 769 042)	(1 769 042)
Closing balance	570 178	570 178

The Group has revised its reportable segments to better reflect how management evaluates performance in line with its product and service offering and executive responsibilities. CGUs as at 31 July 2025 and for the comparative period have been presented under the new reporting segment structures. Refer to the consolidated segment results for more detail.

The Group's annual review of goodwill highlighted no impairments for the current financial year. In the prior financial year, R24 million impairments to goodwill were recognised.

Prior year impairments

Prior year goodwill impairment losses amounted to R24 million (R8 million in the Digital segment, R6 million in the Connected Industrial Ecosystems segment and R10 million in the NEXTEC Legacy segment). The impairment loss in Digital comprised a R4 million write-down of the Impression CGU, which was primarily attributed to the decline in revenue compared to budgeted expectations and a loss of notable pipeline revenue opportunities, which prompted a downward revision in revenue projections. The recoverable amount of the Impression CGU amounted to R25 million. The goodwill balance of R4 million attributable to Shandon Business Solutions Proprietary Limited was fully impaired as a result of the disposal of its core business assets to its key customer. Its recoverable amount post the disposal was considered negligible. In the Connected Industrial Ecosystems segment, the Energy Insight CGU recognised a full impairment of its goodwill balance of R6 million. This impairment was driven by stagnant revenue growth, a lack of new business opportunities and high operating costs. The recoverable amount of the Energy Insight CGU was considered negligible. In the NEXTEC Legacy segment, goodwill amounting to R10 million attributed to the JOAT CGU was impaired. This impairment was necessitated by delays on the commencement of major contracts, which contributed to a downward adjustment in forecast revenue and adjusted EBITDA margins compared to the budgeted expectations. The JOAT CGU was sold in the prior year.

Impairment testing

For the purpose of impairment testing, goodwill is allocated to the Group's CGUs. The recoverable amount of these CGUs was determined based on value-in-use calculations, discounting the future cash flows expected to be generated from the continuing operations of each CGU.

A post-tax discount rate was used in discounting post-tax projected cash flows depending on the nature of business and operating markets. Cash flow projections used in the value-in-use calculations cover a minimum of three years based on financial budgets and forecasts, as approved by the Board, which are based on assumptions of the business, industry and economic growth. Cash flows beyond the approved forecast period are extrapolated using the perpetual growth rates in line with industry norms. A perpetuity growth rate is calculated using long-term growth rates. This is applied based on conservative historical market trends and operating markets.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

5 Goodwill continued

Key assumptions used in discounted cash flow projection calculations

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on past experience and both external and internal data.

Changes in key assumptions, as well as the actual cash flows achieved against forecasts, may result in further impairments to the CGUs impaired during the year. The forecast cash flows of these CGUs are reliant on a certain level of anticipated improvement within the forecast period.

The assumptions below have been applied to calculate the recoverable amount of CGUs based on value-in-use calculations. The discount rates used in the discounted cash flow models are calculated using the principles of the capital asset pricing model, taking into account current market conditions.

The following key assumptions were used for the value-in-use calculations:

- **Revenue growth rates:** the Group used growth rates for the forecast period based on the different industries the CGUs operate in, as well as management's views on the growth prospects of the businesses
- **Discount rates:** the discount rates reflect the time value of money and CGU-specific risk factors, which have not been adjusted in the forecast cash flows
- **Adjusted EBITDA margins:** the Group uses adjusted EBITDA margins as a reliable indicator of operational performance
- **Perpetuity growth rates:** a perpetuity growth rate of 4.0% (2024: 4.0%) has been used for the Group.

	2025			
	Goodwill closing balance	Pre-tax discount rates %	Average revenue growth rates %	Average adjusted EBITDA margins %
<i>Figures in Rand thousand</i>				
Outsourced Knowledge Solutions				
Learning and development	93 488	21.6	5.0	12.1
Legal consulting	26 154	19.2	7.2	19.2
Symplexity	50 123	24.2	7.8	13.1
XTND	13 333	18.3	9.7	16.5
Intelligent Technology Solutions				
CA	10 387	16.4	4.6	12.1
Oracle	11 670	19.0	12.3	5.5
Softworks	22 193	16.6	0.2	2.9
Compute	103 662	17.4	3.2	3.1
Managed services	80 793	16.7	6.3	8.0
Cloud				
Cloud and security	9 019	18.3	12.0	17.4
Connected Industrial Ecosystems				
SCAN RF	28 155	17.3	13.5	3.3
Operational technology	14 814	18.0	9.8	37.0
Digital				
Freethinking	14 081	18.6	6.2	25.7
Impression*	8 353	20.0	29.0	30.8
Integrated services	8 999	18.8	6.0	32.2
Application development	43 872	17.5	7.4	18.8
Data and analytics	22 881	18.9	5.9	19.8
Testing and quality assurance	6 866	18.3	6.4	17.9
Automation	1 335	17.9	4.9	10.1
Total carrying amount	570 178			

* The Impression CGU is forecast to grow significantly due to its early stage in its lifecycle and expectations to leverage its investments in its intellectual property and route to market.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

5 Goodwill continued

Key assumptions used in discounted cash flow projection calculations continued

	2024			
	Goodwill closing balance	Pre-tax discount rates %	Average revenue growth rates %	Average adjusted EBITDA margins %
<i>Figures in Rand thousand</i>				
Outsourced Knowledge Solutions				
Learning and development	93 488	27.3	11.6	23.1
Legal consulting	26 154	25.4	1.2	14.8
Symplexity	50 123	23.2	9.3	9.9
XTND	13 333	23.4	5.2	10.2
Intelligent Technology Solutions				
CA	10 387	24.4	5.3	12.8
Oracle	11 670	27.2	6.3	8.5
Softworks	22 193	25.0	1.0	8.5
Compute	103 662	21.2	7.0	4.5
Managed services	80 793	22.1	3.8	8.1
Cloud				
Cloud and security	9 019	24.6	8.7	7.4
Connected Industrial Ecosystems				
SCAN RF	28 155	24.4	8.5	7.4
Operational technology	14 814	24.2	7.1	34.6
Digital				
Freethinking	14 081	26.9	3.8	20.0
Impression*	8 353	23.0	38.0	16.4
Integrated services	8 999	25.3	4.8	31.3
Application development	43 872	24.3	4.6	19.0
Data and analytics	22 881	24.6	10.9	19.8
Testing and quality assurance	6 866	26.1	6.7	18.7
Automation	1 335	25.7	8.0	19.8
Total carrying amount	570 178			

* The Impression CGU is forecast to grow significantly due to its early stage in its lifecycle and expectations to leverage its investments in its intellectual property and route to market.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

5 Goodwill continued

Sensitivity analysis on value in use

In performing the impairment test for goodwill, the Group considered the sensitivity of the CGUs to changes in assumptions around key value drivers. The key value drivers for the CGUs are revenue, adjusted EBITDA margins and discount rates assumptions. Management has refined its approach and determined reasonably possible changes to these key assumptions on the recoverable amount of the CGUs based on their historical volatility embedded in each CGU. The percentage change noted below would result in the recoverable amount of the CGUs listed to approximate their carrying amount. Prior year amounts have been represented to align to the current year disclosure.

	2025				2024			
	Head-room	% decrease in revenue	% decrease in adjusted EBITDA margin	% increase in discount rate	Head-room	% decrease in revenue	% decrease in adjusted EBITDA margin	% increase in discount rate
<i>Figures in Rand thousand</i>								
Outsourced Knowledge Solutions								
Learning and development	98 142	n/a	n/a	n/a	105 674	n/a	5.7	n/a
Symplexity	4 603	0.9	26.3	10.6	1 184	0.2	0.2	0.5
Intelligent Technology Solutions								
Compute	9 089	14.8	3.7	n/a	14 600	0.6	0.6	n/a
Oracle	46 642	n/a	65.6	n/a	34 194	n/a	4.0	n/a
Softworks	12 264	21	72.2	n/a	15 659	2.2	2.0	n/a
Connected Industrial Ecosystems								
SCAN RF	14 271	1.6	92.9	n/a	31 179	2.9	2.9	n/a
Digital								
Impression	29 967	34.8	31.8	n/a	13 696	1.3	2.7	n/a

n/a – not applicable.

The CGUs not included and those referenced not applicable in the table above have sufficient headroom and no reasonably possible change to the key assumptions would result in the carrying amount of those CGUs exceeding their recoverable amounts.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

6 Other financial assets

Figures in Rand thousand

	2025	2024
Debt instruments at amortised cost	29 396	34 363
Enterprise development loans receivable	10 640	9 590
Restricted cash	356	2 261
Gross loans and receivables	26 749	30 861
Receivables from disposal of subsidiaries	2 791	2 791
Allowance for expected credit losses	(11 140)	(11 140)
Total other financial assets	29 396	34 363
Non-current other financial assets	21 564	18 882
Current other financial assets	7 832	15 481
	29 396	34 363

Restricted cash balances are those that are not available for use by the Group and are ring-fenced for repayment to the lenders. Refer to note 15 for additional information.

Expected credit losses

A total allowance for expected credit losses of R11 million (2024: R11 million) has been recognised in respect of debt instruments measured at amortised cost.

R4 million (2024: R4 million) of the impairment loss allowance relates to enterprise development loans and receivables, R2 million (2024: R2 million) relates to receivables from the disposal of subsidiaries, and the remaining R5 million (2024: R5 million) relates to gross loans and receivables. The allowances recognised are based on the general approach, considering the probability of default and collateral.

Refer to note 35 for the credit risk disclosure.

Reconciliation of movements of debt instruments measured at amortised cost

Figures in Rand thousand

	2025	2024
Opening balance	34 363	75 279
Net decrease in restricted cash	(1 905)	(35 795)
Receivables from disposal of subsidiaries (note 12)	–	(20 369)
Net impairment on other financial assets (note 20)	(3 326)	–
Reclassification of balances on disposal of subsidiaries	–	11 817
Disposal of subsidiaries (note 12)	–	(485)
Interest accrued	2 682	2 914
Loans and receivables granted	4 200	–
Payments received	(6 640)	–
Other movements	22	1 002
Closing balance	29 396	34 363

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

7 Deferred taxation

Figures in Rand thousand

	2025	2024
The balance comprises		
Aggregate of deferred taxation assets	120 887	103 764
Aggregate of deferred taxation liabilities	(8 437)	(4 430)
	112 450	99 334
Analysis of deferred taxation balances		
Prepaid expenses	(7 107)	(5 185)
Right-of-use assets*	(9 086)	(124)
Lease liabilities*	10 997	2 377
Intangible assets	(6 462)	(7 733)
Property, plant and equipment	(518)	(1 056)
Net financial asset impairment losses	62 573	68 024
Payroll accruals	52 329	48 927
Assessed losses	745 838	747 070
Contract liabilities	58 712	83 617
Fair value adjustments	(3 096)	9 604
	904 180	945 521
Deferred taxation assets not recognised in respect of deductible temporary differences	(88 014)	(124 264)
Deferred taxation assets not recognised in respect of assessed losses	(703 716)	(721 923)
	112 450	99 334
Deferred taxation movement		
Balance at the beginning of the year	99 334	87 030
Disposals of subsidiaries (note 12)	–	(3 072)
Movement recognised in profit or loss (note 24)	12 309	16 378
Foreign currency translation	807	(1 002)
Balance at the end of the year	112 450	99 334

* Comparative amounts of deferred taxation related to right-of-use assets and lease liabilities have been restated to show the deferred tax balances related to each of the right-of-use assets and lease liabilities separately. This has not had an impact on equity nor on the statement of financial position of the Group.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

8 Finance lease receivables

<i>Figures in Rand thousand</i>	2025	2024
Gross investment in finance lease receivables		
– within one year	148 890	118 941
– within one to two years	342	414
– within two to five years	–	492
	149 232	119 847
Less: unearned finance income	(42)	–
	149 190	119 847
Impairment allowance (note 35)	(132 240)	(101 458)
	16 950	18 389
Present value of minimum lease payments receivable		
– within one year	148 854	118 941
– within two to five years	336	906
	149 190	119 847
Impairment allowance		
– current finance lease receivables	(132 240)	(101 458)
	16 950	18 389
Finance lease receivables		
Current	16 614	17 483
Non-current	336	906
	16 950	18 389

The Group entered into finance lease agreements with customers where it is the lessor of certain IT safety and security access equipment.

The lease terms are generally three to five years and the interest rate implicit in the lease is 1% to 6.5% above prime lending rates (2024: prime plus 1% to 6.5%).

Refer to note 35 for the credit risk disclosure.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

9 Inventories

Figures in Rand thousand

	2025	2024
Finished goods	51 478	69 544
Consumables	275	425
Work-in-progress	27 335	14 827
	79 088	84 796
Allowance for write-down of inventories to net realisable value	(10 287)	(14 066)
	68 801	70 730
Cost of goods sold during the year from continuing operations	1 021 915	962 913

Write-down of inventories of Rnil million (2024: R1 million) to net realisable value was recognised as an expense during the year and included in cost of sales in the statement of profit or loss and other comprehensive income.

10 Trade and other receivables

Figures in Rand thousand

	2025	2024
Financial instruments	1 016 288	1 196 655
Trade receivables	971 543	1 177 900
Gross trade receivables	1 026 475	1 259 906
Impairment allowance (note 35)	(54 932)	(82 006)
Other receivables	44 745	18 755
Non-financial instruments	373 654	475 575
Contract assets	124 530	169 070
Gross contracts assets	130 761	175 069
Impairment allowance (note 35)	(6 231)	(5 999)
Prepayments	195 847	259 066
Value added tax (VAT) receivable	19 832	17 324
Other receivables	33 445	30 115
	1 389 942	1 672 230

Included in other receivables are withholding taxes and employee advances (part of financial assets).

Refer to note 15 for details on the security provided on the loans secured through Security SPV.

11 Cash and cash equivalents

Figures in Rand thousand

	2025	2024
Cash and cash equivalents consist of:		
Cash on hand	663	723
Bank balances and short-term deposits	398 601	346 499
	399 264	347 222
Bank overdrafts (note 15)	–	(192 585)
Net cash and cash equivalents per the statement of cash flows	399 264	154 637
The total amount of undrawn facilities available for future operating activities and commitments	250 000	87 415

Refer to note 15 for details on the security provided on the loans secured through Security SPV.

Refer to note 35 for the credit risk disclosure.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

12 Disposal of subsidiaries

The Group has disposed of the below investments in subsidiaries during the year.

	Percentage holding disposed	Date of disposal	Consideration received or receivable	(Loss)/ gain on disposal
<i>Figures in Rand thousand</i>				
Entities disposed				
Outsourced Knowledge Solutions				
EasyHQ Proprietary Limited	100%	1 October 2024	*	(2 176)
Highveld Wealth Management Proprietary Limited	100%	1 June 2025	*	397
Net loss on disposal of subsidiaries			*	(1 779)

* Less than R1 000.

Reconciliation of cash received from disposal of businesses

<i>Figures in Rand thousand</i>	2025	2024
Opening balance	2 791	23 160
Cash consideration received or receivable	*	101 900
Less: amount outstanding at year end	(2 791)	(2 791)
Cash received from disposal of businesses	–	122 269
Less: cash balances disposed of	(2 542)	(37 581)
Cash receipt from disposal of businesses, net of cash given up	(2 542)	84 688

* Less than R1 000.

The carrying amounts of major classes of assets and liabilities associated with subsidiaries disposed of during the current and prior years are as follows:

<i>Figures in Rand thousand</i>	Notes	2025	2024
Assets			
Property, plant, equipment and right-of-use assets	3	125	4 787
Goodwill and intangible assets	4, 5	–	77 814
Other financial assets	6	–	485
Deferred taxation	7	–	3 212
Inventories		–	11 871
Current taxation receivable		–	1 078
Trade and other receivables		602	112 897
Cash and cash equivalents		2 542	37 581
Liabilities			
Other financial liabilities	15	–	(6 937)
Lease liabilities	16	–	(610)
Deferred taxation	7	–	(140)
Current taxation payable		–	(1 272)
Trade and other payables		(1 490)	(100 591)

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

13 Stated capital

Figures in Rand thousand

	2025	2024
Stated capital		
Opening balance	4 774 521	4 774 521
Closing balance	4 774 521	4 774 521

Authorised

7 500 000 000 (2024: 7 500 000 000) ordinary shares of no par value.

40 000 000 (2024: 40 000 000) A shares of no par value.

Unissued

6 861 916 579 (2024: 6 861 916 579) unissued ordinary shares.

Issued

Figures in Rand thousand

	2025	2024
Reconciliation of the number of ordinary shares in issue		
Opening balance	638 083	638 083
Shares in issue at the end of the year (fully paid)	638 083	638 083
Less:		
Treasury shares held in the Group share incentive schemes	(2 341)	(2 341)
Treasury shares held by wholly owned subsidiaries of the Group	(5 455)	(5 446)
Closing balance	630 287	630 296
A shares of no par value:		
Reconciliation of the number of shares in issue		
Opening balance*	40 000	40 000
Closing balance	40 000	40 000

* The Lebashe transaction was approved by shareholders on 18 September 2018 and effectively implemented on 1 October 2018. Lebashe received 40 million unlisted A shares, which was to be redeemed in five years on 1 October 2023 through an ordinary share issue.

As at 13 February 2023 and in keeping with the spirit of the 2018 empowerment transaction, the Company and Lebashe have amended the A share terms by:

- Amending the strike price of the A shares from R90 per ordinary share to a price per ordinary share equal to the closing ordinary share price on the day following the publication of the results of the rights offer increased by a 25% CAGR, which amounted to R11.81 per share.
- Extending the maturity of the A shares by a further five years until 30 September 2028, as well as amending the Amended and Restated Relationship Agreement (being one of the key agreements of the 2018 empowerment transaction) to further enable Lebashe to add value as a strategic partner of iOCO. The effect of the A share amendments has been to provide Lebashe with a reasonable prospect of it being issued with iOCO ordinary shares upon maturity of the A shares while also extending the life of the Company's empowerment transaction (and the resultant benefits thereof to the Company) by a further five years.

The A shares rank equal to an iOCO ordinary share in respect of voting rights and each A share will receive cash dividends in an amount equal to the value of 15% of dividends paid by iOCO to ordinary shareholders. The remaining 85% of the dividend value will be accrued and redeemed through the redemption of the A shares. Despite the variability in the number of iOCO ordinary shares that will be issued, the obligation to Lebashe is accounted for as a share-based payment transaction.

14 Other reserves

Figures in Rand thousand

	Foreign currency translation reserve	Share-based payment reserve	Total
Opening balance at 1 August 2023	264	111 314	111 578
Other comprehensive loss	(16 661)	–	(16 661)
Transfer within equity*	–	(52 790)	(52 790)
Share-based payments	–	4 905	4 905
Share-based payments paid out during the year	–	(15 892)	(15 892)
Balance at 31 July 2024	(16 397)	47 537	31 140
Other comprehensive loss	(10 275)	–	(10 275)
Transfer within equity*	–	(17 588)	(17 588)
Share-based payments	–	9 418	9 418
Share-based payments paid out during the year	–	(563)	(563)
Balance at 31 July 2025	(26 672)	38 804	12 132

* Transfers within equity represent transfers from the share-based payment reserve to retained earnings for expired, unexercised options.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

15 Other financial liabilities

Figures in Rand thousand

	2025	2024
Interest-bearing liabilities	658 594	951 640
Interest-bearing bank loans secured through Security SPV	541 274	643 576
Bank overdrafts	–	192 585
Project finance loan	113 456	113 456
Unsecured interest-bearing bank loans	3 864	2 023
Non-interest-bearing liabilities	–	8 771
Cash-based long-term incentive (note 33)*	–	8 771
Total other financial liabilities	658 594	960 411
Non-current financial liabilities	481 717	587 043
Current financial liabilities	176 877	373 368
	658 594	960 411
Reconciliation of other financial liabilities – financial instruments		
Opening balance	951 640	833 643
(Repayment)/draw-down of bank overdraft	(192 585)	160 717
Repayment of other financial liabilities	(102 538)	(41 061)
Disposal of subsidiaries (note 12)	–	(6 937)
Interest accrued on other financial liabilities	70 714	81 642
Interest repaid on other financial liabilities	(71 607)	(81 871)
Amortisation of debt restructuring fee (note 23)	1 689	1 689
Payment of debt restructuring fee	(559)	–
Other non-cash items	1 840	3 818
Closing balance	658 594	951 640
Reconciliation of other financial liabilities – non-financial instruments		
Opening balance of cash-based long-term incentive*	8 771	4 852
Remeasurement of cash-based long-term incentive*	(8 771)	18 932
Payment of the cash-based long-term incentive*	–	(15 013)
Closing balance	–	8 771
Financial instruments		
Measured at amortised cost	658 594	951 640
Non-financial instruments		
Cash-based long-term incentive (note 33)*	–	8 771
	658 594	960 411

* The cash-based long-term incentive is measured in accordance with IFRS 2.

Interest-bearing bank loans are secured through a Security SPV, which requires that the South African wholly owned subsidiaries of the Group provide a pledge and cession of:

- All shares in, and claims on loan account against, any member of the Group incorporated in South Africa
- Cash
- Cash equivalents
- Bank accounts
- Investments
- Claims
- Disposal proceeds
- Any other amounts, of any nature whatsoever, now or from time to time in the future owing to that obligor by any third person arising out of any cause of action whatsoever, including, without limitation, all amounts owing or becoming payable to that obligor by any of its debtors
- Related rights.

South African wholly owned subsidiaries contributing more than 70% of the Group's revenue, EBITDA and gross assets are pledged as required above.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

15 Other financial liabilities continued

The Group has the following loans and facilities secured through the Security SPV:

- An amortising term loan of R108 million at year end, currently bearing interest at three-month JIBAR + 3.10% repayable in equal amounts quarterly until March 2027
- A bullet term loan of R226 million at year end, currently bearing interest at three-month JIBAR + 3.20% now repayable in March 2027, following negotiation of a one-year extension
- R250 million four-year revolving credit facility drawn to an amount of R209 million at year end, currently bearing interest at three-month JIBAR + 3.40% repayable in March 2027
- R500 million general banking facilities, which include a working capital facility bearing interest at prime + 1% and ancillary banking facilities.

The JIBAR margins above have improved along with the Group's performance as they apply for debt to EBITDA ratios of between 2.00x and 1.50x, and will reduce by 0.45 percentage points on the next quarterly interest rate reset date, following the further improvement in the debt to EBITDA ratio to below 1.50x.

The Group has the following debt covenant limits in respect of the above-mentioned loans at 31 July 2025:

- Debt to EBITDA ratio of 2.00x or lower, whereas the actual ratio was 1.28x
- Debt service cover ratio to free cash flow of 1.20x or higher, whereas the actual ratio was 2.18x
- Interest cover ratio of 3.75x or higher, whereas the actual ratio was 5.37x.

16 Lease liabilities

Figures in Rand thousand

	2025	2024
<i>Amounts recognised in the statement of financial position</i>		
Lease liabilities relate to:		
Buildings	50 442	79 902
Motor vehicles	1 744	1 185
	52 186	81 087
Additions to the lease liabilities amounted to R3 million (2024: R55 million).		
<i>Amounts recognised in the statement of profit or loss and other comprehensive income</i>		
Interest expense (note 23)	7 642	6 349
Expense relating to short-term leases and low-value asset leases (note 21)	14 678	22 084
	22 320	28 433

The total cash outflow for leases amounted to R49 million (2024: R67 million).

Potential future cash flows of R91 million (2024: R86 million) undiscounted have not been included in the lease liability as it is not reasonably certain that the leases will be extended in considering their available extension options.

Lease commitments for short-term leases were considered and deemed immaterial.

	2025	2024
<i>Figures in Rand thousand</i>		
Reconciliation of lease liabilities		
Opening balance	81 087	67 423
Additions	3 478	54 974
Lease payments	(34 067)	(44 679)
Interest accrued	7 642	6 349
Disposal of businesses (note 12)	–	(610)
Remeasurements	(2 877)	(1 025)
Other movements	(3 077)	(1 345)
Closing balance	52 186	81 087
Lease liabilities		
Current	28 896	48 686
Non-current	23 290	32 401
	52 186	81 087

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

17 Trade and other payables

Figures in Rand thousand

	2025	2024
Financial instruments	568 886	478 719
Trade payables	543 583	391 147
Other payables	25 303	87 572
Non-financial instruments	702 656	1 001 178
VAT payable	40 269	97 707
Other accrued expenses	51 829	193 333
Payroll accruals	271 894	249 228
Contract liabilities (note 19)	338 664	460 910
	1 271 542	1 479 897

Included in payroll accruals are amounts relating to leave pay, bonuses, profit share and PAYE.

18 Provisions

Figures in Rand thousand

	Provision for litigation	PAYE provision	Onerous contracts	Total
Opening balance at 1 August 2023	45 000	114 831	23 934	183 765
Raised during the year	4 000	–	14 894	18 894
Paid	–	(111 811)	–	(111 811)
Utilised	–	–	(8 749)	(8 749)
Transferred to trade and other payables	(49 000)	–	–	(49 000)
Balance at 31 July 2024	–	3 020	30 079	33 099
Raised during the year	10 000	–	3 851	13 851
Paid	–	(3 020)	–	(3 020)
Utilised	(1 917)	–	(22 558)	(24 475)
Balance at 31 July 2025	8 083	–	11 372	19 455

The provision for litigation relates to a dispute the Group is currently involved in related to an alleged storage array issue that resulted in damages being claimed by a client. The provision recognised reflects the Group's obligation to cover the insurance excess associated with the claim. The matter remains ongoing and developments continue to be monitored.

The PAYE provision related to a PAYE dispute, which the Group was contesting, that related to EOH Abantu Proprietary Limited (Abantu), a wholly owned subsidiary, which had an ongoing tax dispute dating back to 2012, related to a PAYE dispute in two of its staff outsourcing businesses. An amount of R112 million was paid to SARS on 1 March 2024 and considered as final settlement. SARS has performed an audit regarding PAYE on another entity in the Group, Rosstone Consulting Proprietary Limited and issued its assessment. The Group is objecting to this assessment and intends to appeal. A provision of R3 million was paid to SARS during the current year.

Provisions also include onerous contract provisions, where there is uncertainty on the final amount, which is the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contracts, with the timing of outflow expected to be in the next financial year.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

19 Revenue

Disaggregated revenue

Figures in Rand thousand

	2025	2024
Revenue by sector		
Public sector	12%	14%
Private sector	88%	86%
Total	100%	100%
Major revenue types		
Hardware sales	492 038	623 728
Services	4 177 841	4 655 833
Software/licence contracts	911 034	749 263
Rentals*	2 307	6 350
Total	5 583 220	6 035 174
Timing of revenue recognition		
Goods or services transferred to customers:		
– at a point in time	1 868 218	2 376 345
– over time	3 715 002	3 658 829
Total	5 583 220	6 035 174

* Rentals recognised are excluded from revenue from contracts with customers and accounted for under IFRS 16 Leases.

Figures in Rand thousand

	2025	2024
Contract balances		
Contract assets (note 10)	124 530	169 070
Contract liabilities (note 17)	(338 664)	(460 910)
Total	(214 134)	(291 840)

Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date, mostly for services contracts. Contract assets are transferred to receivables when the rights become unconditional, which usually occurs when the Group issues an invoice to the customer.

Contract liabilities relate to the advance consideration received from customers, or amounts billed to customers in advance of completing work, for services and maintenance contracts. Revenue is recognised from the contract liability amounts as and when services are delivered and related performance obligations satisfied.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

19 Revenue continued

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Figures in Rand thousand

	2025	2024
Contract assets		
Opening balance	169 070	220 018
Transfers from contract assets recognised at the beginning of the period and during the current period to receivables	(322 116)	(662 468)
Increases as a result of revenue recognised	275 994	610 710
Foreign exchange translation	181	(497)
Impairment allowance reversed (note 35)	1 401	1 307
Closing balance	124 530	169 070
Contract liabilities		
Opening balance	460 910	368 145
Revenue recognised during the year and which was included in the contract liability balance at the beginning of the year	(419 719)	(302 148)
Increases due to advance cash received or amounts billed, excluding amounts recognised as revenue during the year	292 042	395 926
Foreign exchange translation	5 431	(1 013)
Closing balance	338 664	460 910
Net contract assets		
Unbilled revenue (note 10)	130 761	175 069
Allowance for impairment (note 10)	(6 231)	(5 999)
Net contract assets	124 530	169 070

Performance obligations

Nature of goods and services

The following table provides an explanation of the Group's performance obligations:

Revenue type	Timing of satisfaction of performance obligation	Transfer of control	Measurement of transaction price	Duration of contract
Hardware sales	Upon delivery	At a point in time	Contracted amounts	<1 year
Services	Monthly/costs incurred	Over time	Contracted amounts	>1 year
Software/licence contracts	Agent – upon delivery Principal – monthly	Agent – at a point in time Principal – over time	Contracted amounts	>1 year
Rentals	Monthly rentals	Over time	Contracted amounts	>1 year

The Group recognised revenue as principal of R5 406 million (2024: R5 845 million) and as agent of R177 million (2024: R190 million).

The Group has applied the practical expedient, which permits the Group not to separate financing components from the transaction price for contracts with an expected duration of one year or less.

Remaining performance obligations

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied):

	2025	2024
Figures in Rand thousand		
Within one year	541 675	474 861
More than one year	369 583	769 680
Total	911 258	1 244 541

The performance obligations expected to be recognised in more than one year relate to maintenance, software, managed and services contracts, which are to be satisfied within two years. All the other remaining performance obligations are expected to be recognised within one year.

Where revenue is recognised over time, for services contracts, on the costs incurred method, estimates are made to the total budgeted cost.

Significant judgement was applied in assessing whether the Group is an agent or principal in respect of the software/licence contracts and hardware sales (refer to note 1.5 for additional information).

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

20 Net financial asset impairment losses

Impairment losses and impairment reversals on financial assets at amortised cost recognised in profit or loss comprise the following:

<i>Figures in Rand thousand</i>	2025	2024
Impairment (reversal)/loss on trade and other receivables	(7 487)	38 876
Impairment loss on other financial assets	3 326	–
Impairment reversal on contract assets	(1 401)	(1 307)
Impairment reversal on finance lease receivables	–	(102)
	(5 562)	37 467

21 Operating profit

Figures in Rand thousand

<i>Figures in Rand thousand</i>	2025	2024
Operating profit is stated after taking into account the following other items:		
Amortisation	30 316	26 415
Amortisation included in cost of sales	4 678	3 151
Amortisation not included in cost of sales	25 638	23 264
Auditor's remuneration	17 982	36 255
Audit fee	13 112	31 874
Moore Johannesburg Inc.	13 112	–
PricewaterhouseCoopers Inc.	–	31 874
Other auditors	4 870	4 381
Audit fee	3 099	3 601
Fees for other services	1 771	780
Depreciation	61 975	79 983
Depreciation included in cost of sales	15 854	17 710
Depreciation not included in cost of sales	46 121	62 273
Employee costs	2 524 112	3 061 037
Employee costs included in cost of sales	1 661 467	1 996 840
Employee costs not included in cost of sales	862 645	1 064 197
Materials, services and travel included in cost of sales	2 301 119	2 367 862
Materials	2 300 027	2 364 956
Travel and accommodation	1 092	2 906
Inventory (write-off reversal)/write-off	(3)	1 456
Advisory services	32 440	25 627
IT and network support services	24 464	6 874
Legal fees	15 372	18 638
IT software licence fees	30 648	61 784
Reversal of historic VAT accruals	–	(4 400)
Loss on disposal of subsidiaries	1 779	40 142
Share-based payment expense	647	23 837
Loss on disposal of intangible assets and property, plant and equipment	239	2 273
Short-term and low-value asset lease expenses	14 678	22 084
Short-term lease expenses on immovable property	12 730	20 870
Low-value asset lease expenses on movable property	1 948	1 214
Provisions raised	13 851	18 894
IAS 36 impairment of goodwill	–	23 697
IAS 36 reversal of impairment of intangible assets and property, plant and equipment	–	(1 397)

22 Investment income

Figures in Rand thousand

<i>Figures in Rand thousand</i>	2025	2024
Interest income		
Bank	3 965	9 589
Other interest received	3 163	4 940
	7 128	14 529

Investment income is calculated using the effective interest method.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

23 Finance costs

Figures in Rand thousand

	2025	2024
Other financial liabilities	70 714	81 642
Debt restructuring fee	1 689	1 689
Lease liabilities	7 642	6 349
Bank	10 964	21 718
Other interest	5 222	21 029
	96 231	132 427

24 Taxation

Figures in Rand thousand

	2025	2024
Current taxation		
Local income taxation – current year	78 589	63 822
Local income taxation – prior years	8 000	1 092
	86 589	64 914
Deferred taxation		
Originating and reversing temporary differences	(9 352)	(5 078)
Prior year adjustments	(2 957)	(11 300)
	(12 309)	(16 378)
Total taxation expense	74 280	48 536
Reconciliation of rate of taxation	%	%
South African normal rate of taxation	27.0	27.0
Reduction in rate for the year, due to:		
Exempt income [^]	(5.0)	(68.6)
Foreign taxation rate differences	(2.0)	(138.6)
Prior year adjustments to underprovision of deferred taxation/current taxation	–	(178.6)
Effect of unutilised temporary differences	(10.9)	(301.8)
Effect of utilised estimated tax losses	(5.5)	–
Abantu settlement (assessed loss forfeited)	–	(162.9)
Increase in rate for the year, due to:		
Effect of not utilised estimated tax losses	8.6	630.0
Prior year adjustments to overprovision of deferred taxation/current taxation	1.5	–
Disallowed loss on disposal	0.4	406.5
Non-deductible expenditure*	8.4	636.0
	22.5	849.0
Unrecognised deferred taxation assets		
Deferred taxation assets not recognised in respect of deductible temporary differences	325 979	460 235
Deferred taxation assets not recognised in respect of taxation losses	2 606 354	2 673 789
	2 932 333	3 134 024

* The non-deductible expenditure relates mainly to interest expenses recognised (5%), corporate social investment (CSI) expenditure (1%), legal expenses (1%) and the net impairment of intangible assets (1%).

[^] Exempt income of (-1.3%)(2024: -36%) relates mainly to government grants received (-0.5%)(2024: -21%) and relates to special allowances in terms of SI 2H learnerships. Exempt income also relates to the reduction in the financial guarantee liabilities across the subsidiaries of the Group.

The Group's deductible temporary differences do not expire under the current taxation legislation.

Deferred tax assets have been recognised to the extent that the realisation of the related tax through future taxable profits is probable. The assessment of the availability of future taxable profits has been performed at a relevant subsidiary level based on budgets. In terms of this process, medium-term forecasts are prepared and reviewed, which include estimates and assumptions regarding economic growth, interest rates, inflation and other applicable industry factors. Judgement is exercised in determining whether forecasts are likely to be achieved and, in turn, whether the deferred tax assets will be recoverable.

In 2025, R75 million (2024: R276 million) of previously unrecognised taxation losses was utilised.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

25 Earnings per share

	2025	2024
Basic earnings/(loss) per share and diluted earnings/(loss) per share		
Profit/(loss) attributable to owners of iOCO Limited (R'000)	250 834	(65 920)
Weighted average number of shares in issue ('000)*	630 287	630 296
Diluted weighted average number of shares in issue ('000)	644 726	630 296
Basic earnings/(loss) per share (cents)	40	(10)
Diluted earnings/(loss) per share (cents)	39	(10)

* The impact of share options and A shares has been excluded from the weighted average diluted number of shares for the prior financial year as they would be anti-dilutive.

Refer to note 36 for details of transactions involving the ordinary shares between the reporting date and the date of authorisation of these financial statements.

26 Headline earnings/(loss) per share

	2025	2024
Headline earnings/(loss) per share and diluted headline earnings/(loss) per share		
Headline earnings/(loss) (R'000)	252 800	(1 323)
Weighted average number of shares in issue ('000)	630 287	630 296
Diluted weighted average number of shares in issue ('000)*	644 726	630 296
Headline earnings/(loss) per share (cents)	40	(0.21)
Diluted headline earnings/(loss) per share (cents)	39	(0.21)

* The impact of share options and A shares has been excluded from the weighted average diluted number of shares for the prior financial year as they would be anti-dilutive.

Figures in Rand thousand	2025		2024	
	Gross	Net	Gross	Net
Reconciliation between earnings, headline earnings and diluted headline earnings				
Profit/(loss) attributable to owners of iOCO Limited	250 834	250 834	(65 920)	(65 920)
Adjusted for:				
Loss on disposal of intangible assets and property, plant and equipment	239	187	2 273	1 782
Loss on disposal of subsidiaries	1 779	1 779	40 142	40 142
IAS 36 impairment of goodwill	–	–	23 697	23 697
IAS 36 reversal of impairment of intangible assets and property, plant and equipment	–	–	(1 397)	(1 020)
Total non-controlling interest effects on adjustments	–	–	(4)	(4)
Headline earnings/(loss)	252 852	252 800	(1 209)	(1 323)

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

27 Cash generated from operations

Figures in Rand thousand

	2025	2024
Profit/(loss) before taxation	331 852	(5 716)
Adjustments for:		
Depreciation and amortisation	92 291	106 398
IAS 36 impairment of goodwill	–	23 697
IAS 36 impairment reversals of intangible assets and property, plant and equipment	–	(1 397)
Loss on disposal of intangible assets and property, plant and equipment	239	2 273
Loss on disposal of subsidiaries	1 779	40 142
Share-based payment expense	647	23 837
Net finance costs	89 103	117 898
Net financial asset impairment (reversal)/loss (note 20)	(5 562)	37 467
Inventory (write-off reversal)/write-off	(3)	1 456
Movement in provisions	(10 624)	10 145
Foreign exchange losses/(gains)	1 032	(3 243)
Other non-cash items	(7 945)	4 169
Cash generated before changes in working capital	492 809	357 126
Working capital changes net of effects of disposal of subsidiaries	74 350	(155 654)
Decrease/(increase) in inventories	1 932	(10 330)
Decrease in trade and other receivables	292 758	114 814
Decrease in trade and other payables	(220 340)	(260 138)
Historical share-based payment schemes paid out during the year	(563)	(30 905)
Cash generated from operations	566 596	170 567

28 Taxation paid

Figures in Rand thousand

	2025	2024
Amounts receivable at the beginning of the year	7 823	15 375
Current taxation for the year (note 24)	(86 589)	(64 914)
Disposals (note 12)	–	194
Interest and other	1 346	(1 058)
Penalties	–	(6 683)
Amounts owing/(receivable) at the end of the year	25 500	(7 823)
Taxation paid	(51 920)	(64 909)

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

29 Contingencies and commitments

Parent Company guarantees

In May 2019, iOCO Limited issued a parent Company guarantee (PCG), as required by a client, in support of its wholly owned subsidiary, PiA Solar SA Proprietary Limited (PiA). The guarantee covered both the construction phase and the post-handover period, including an operational warranty guarantee. In the event of underperformance by PiA, the guarantee could require the Group to either ensure physical performance or settle any underperformance in cash. While PiA has experienced certain operational challenges, the Group implemented measures to minimise any potential impact of the PCG. All the projects subject to the PCG are now substantially complete and are in the process of being handed over to the client. The Group continues to monitor and manage these projects to ensure that any associated risks are effectively mitigated. The continued provision of the guarantee is under discussion with the client.

Litigation

iOCO and its subsidiaries are involved in various litigation matters at different stages of legal process. These matters primarily arise in the ordinary course of business, with some relating to legacy issues. None of these matters, individually or collectively, are considered material. The Group does not expect the resolution of these matters to have a materially adverse effect on its consolidated financial position, performance or cash flows.

Commitments

Figures in Rand thousand

	2025	2024
Expected but not yet contracted capital expenditure	26 607	34 279
Contractual obligation for future lease payments	42 375	88 672
	68 982	122 951

30 Retirement benefits

The Group is a member of a corporate defined contribution plan, which is governed by the Pension Funds Act to which employees elect to make retirement contributions on an income sacrifice basis. The Group makes no additional contribution and is under no obligation to cover any other benefits. Employees are also eligible and obliged to become members of the Group risk benefit scheme, providing certain minimum death and disability benefits. Such Group risk benefit scheme is external to the Group, to which employees make contributions, and the benefits paid out are paid by the third party.

For the year ended 31 July 2025, the average membership of the fund comprised 2 233 (2024: 2 553) employees.

For the year ended 31 July 2025, the Group's contribution to the fund was R88 million (2024: R106 million).

31 Directors' and prescribed officers' interest in ordinary shares of the Company

Number of shares	2025		2024	
	Beneficial direct interest	Total	Beneficial direct interest	Total
Executive Directors				
Rhys Summerton (appointed 14 February 2025)	16 787	16 787	–	–
Dennis Venter (appointed 14 February 2025)	–	–	–	–
Ashona Kooblall (appointed 22 June 2024)	800 000	800 000	–	–
Marius de la Rey (resigned 14 February 2025)	–	–	70 500	70 500
Marialet Greeff (resigned 22 July 2024)	–	–	8 175	8 175
Stephen van Coller (resigned 31 March 2024)	–	–	1 311 023	1 311 023
Megan Pydigadu (resigned 31 October 2023)	–	–	89 603	89 603
Prescribed officers				
Brian Harding (resigned 31 March 2025)	–	–	1 105 986	1 105 986
Fatima Newman (resigned 30 September 2024)	–	–	70 800	70 800
	816 787	816 787	2 656 087	2 656 087

There have been no other changes in the directors' interest in shares of the Company between year end and the date of approval of the consolidated and separate financial statements. Non-executive Directors do not hold any direct or indirect interest in shares of the Company, other than Nompumelelo Mokou who holds 224 shares. The Executive Directors and prescribed officers do not hold indirect interests in shares of the Company, other than Rhys Summerton, who holds 10 790 941 indirect beneficial shares. No shares held by the directors have been pledged as security or are subject to a guarantee, collateral or other encumbrance. Jabu Moleketi, who was appointed as Chairman during the prior year, is a shareholder and director of Lebashe Investment Group, which holds 108 444 046 (2024: 121 444 033) ordinary shares of the Company.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

32 Directors' and prescribed officers' remuneration

	Remuneration, including other benefits*	Compensation			Share-based payment expense
		Bonuses	For services as directors	Total	
<i>Figures in Rand thousand</i>					
2025					
Executive Directors					
Rhys Summerton (appointed Joint CEO 14 February 2025)	–	–	–	–	–
Dennis Venter (appointed Joint CEO 14 February 2025)	–	–	–	–	–
Ashona Kooblall	4 050	1 800	–	5 850	1 341
Marius de la Rey (resigned 14 February 2025)	9 228	900	–	10 128	–
Non-executive Directors					
Jabu Moleketi	–	–	1 461	1 461	–
Andrew Marshall	–	–	928	928	–
Veronica Motloutsi	–	–	852	852	–
Sipho Ngidi (resigned 26 November 2024)	–	–	482	482	–
Nompumelelo Mokou (appointed 19 March 2025)	–	–	227	227	–
	13 278	2 700	3 950	19 928	1 341
Less: paid/payable by subsidiaries	13 278	2 700	3 950	19 928	–
	–	–	–	–	1 341

* Other benefits include medical aid and retirement fund contributions.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

32 Directors' and prescribed officers' remuneration continued

	Remuneration, including other benefits*	Compensation			Share-based payment expense
		Bonuses	For services as directors	Total	
<i>Figures in Rand thousand</i>					
2024					
Executive Directors					
Marius de la Rey (appointed 30 May 2024; resigned 14 February 2025)	1 000	–	–	1 000	–
Ashona Kooblall (appointed 22 July 2024)	101	750	–	851	–
Marialet Greeff (appointed 1 November 2023; resigned 22 July 2024)	2 794	1 391	–	4 185	1
Stephen van Coller (resigned 31 March 2024)	7 050	31 649	–	38 699	4 843
Megan Pydigadu (resigned 31 October 2023)	1 772	3 255	–	5 027	6
Fatima Newman (resigned as a director 30 May 2024)	5 737	3 255	–	8 992	–
Prescribed officers					
Brian Harding (resigned 31 March 2025)	5 868	–	–	5 868	61
Fatima Newman (appointed 1 June 2024)	1 147	3 000	–	4 147	–
Marius de la Rey (resigned 29 May 2024)	5 000	2 616	–	7 616	–
Non-executive Directors					
Andrew Mthembu (resigned 30 May 2024)	–	–	1 287	1 287	–
Andrew Marshall	–	–	971	971	–
Bharti Harie (resigned 30 May 2024)	–	–	632	632	–
Dennis Venter (appointed 30 May 2024)	–	–	–	–	–
Jabu Moleketi	–	–	937	937	–
Jesmane Boggenpoel (resigned 10 May 2024)	–	–	511	511	–
Mike Bosman (resigned 22 November 2023)	–	–	266	266	–
Nosipho Molohe (resigned 18 July 2024)	–	–	810	810	–
Rhys Summerton (appointed 30 May 2024)	–	–	–	–	–
Sipho Ngidi (resigned 26 November 2024)	–	–	888	888	–
Veronica Motloutsi (appointed 30 May 2024)	–	–	251	251	–
	30 469	45 916	6 553	82 938	4 911
Less: paid/payable by subsidiaries	30 469	45 916	6 553	82 938	–
	–	–	–	–	4 911

* Other benefits include medical aid and retirement fund contributions.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

33 Share-based payments

The Group has four equity-settled share incentive schemes: The Share Trust, The Mthombo Trust, The Share Ownership Plan and The 2022 Share Plan. Inclusion in the schemes allows directors, executive management and employees to benefit from the iOCO share price performance. For all the equity-settled schemes, the participants need to be in the employ of the Group in order to exercise vested options and shares. The Mthombo Trust restricts participation to qualifying previously disadvantaged directors, executive management and employees, and the last remaining 5 687 share options under this scheme expired during the prior financial year.

The Share Trust

The scheme is governed by a trust deed approved by shareholders and the JSE Limited. The option strike price is equal to the share price at the date of the offer less 40% discount. The participants may exercise the option in respect of the shares granted in tranches from time to time as set out below. The share options lapse 10 years after the grant date.

- 25% after two years
- 25% after three years
- 25% after four years
- 25% after five years.

A reconciliation of the movement of all share options in The Share Trust is detailed below:

	The Share Trust			
	Number of options		Weighted average strike price (Rand)	
	2025	2024	2025	2024
Opening balance	348 459	1 644 874	77.70	39.31
Forfeited during the year	(28 266)	(127 275)	85.27	69.28
Expired during the year	(46 750)	(169 140)	76.09	45.49
Exercised during the year	–	(1 000 000)	–	21.08
Options granted but not issued up to the end of the year	273 443	348 459	94.38	77.70
Vesting of share options				
Number of options exercisable at year end	273 443	348 459	94.38	77.70
	273 443	348 459		

There were no new share options granted during the prior and current financial years for The Share Trust.

The 2022 Share Plan

The scheme is governed by share plan rules approved by shareholders and the JSE Limited and awards granted under this share plan are not subject to a strike price. The plan consists of awards of Forfeitable Shares and Conditional Shares, and the maximum number of shares which may be utilised for this plan is 31 904 171.

Forfeitable Shares are held in escrow from grant date with all shareholder rights and restrictions on disposal and forfeiture until vesting. Vesting is subject to a non-market performance condition related to the meeting of defined EBITDA targets, provided the participants remain in the Group's employ. The vesting date is five months from grant date and the awards will lapse if the performance condition is not met at year end. The fair value of the shares are determined with reference to the market price.

Conditional Shares represent rights to receive shares at a future date. Vesting of the awards is subject to the achievement of a market performance condition in the form of a share price hurdle in respect of iOCO Limited listed shares, which must be achieved within two years from grant date and is subject to participants remaining in the Group's employ. Should the share price hurdle not be met within two years from grant date, the award will lapse. The fair value of the shares is determined with reference to the market price, taking into account the market vesting condition for which a discounted cash flow model is used, with inputs being a discount rate of the Group, weighted average cost of capital of 10.8% and a perpetual growth rate of 1.5%. Once the market performance condition is met, the Conditional Shares will vest as below:

- 33.33% will vest on achievement of the market performance condition
- 33.33% will vest one year after achievement of the market performance condition
- 33.33% will vest two years after achievement of the market performance condition.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

33 Share-based payments continued

The 2022 Share Plan continued

A reconciliation of the movement of all shares awarded in terms of The 2022 Share Plan is detailed below:

	The 2022 Share Plan			
	Number of shares		Weighted average strike price (Rand)	
	2025	2024	2025	2024
Opening balance	–	–	–	–
Granted during the year	14 439 453	–	4.58	–
Forfeitable Shares	7 450 000	–	4.19	–
Conditional Shares	6 989 453	–	5.00	–
Forfeited during the year	–	–	–	–
Expired during the year	–	–	–	–
Shares granted but not issued up to the end of the year	14 439 453	–	4.58	–
Vesting of shares				
Number of shares exercisable at year end	14 439 453	–	4.58	–
	14 439 453	–		

Share awards were granted for the first time in respect of the 2022 Share Plan during the current financial year.

The 2022 Share Plan does not grant employees options, therefore a binomial option pricing model has not been used.

The Share Ownership Plan

The Share Ownership Plan was adopted in 2018. The scheme awards participants with shares and is determined to be equity-settled.

Shares granted vest in tranches as set out below:

- 25% after two years
- 25% after three years
- 25% after four years
- 25% after five years.

Shares have been exercised under this scheme in the current and prior years. These have been settled in cash as elected by the Group.

A reconciliation of the movement of all shares in The Share Ownership Plan is detailed below:

	The Share Ownership Plan			
	Number of shares		Weighted average strike price (Rand)	
	2025	2024	2025	2024
Opening balance	257 953	1 366 205	7.29	16.73
Forfeited during the year	(30 681)	(81 960)	34.83	15.37
Vested and exercised during the year	(227 272)	(1 026 292)	1.74	19.21
Shares granted but not issued up to the end of the year	–	257 953	–	7.29
Vesting of shares				
Number of shares vested at year end	–	257 953	–	7.29
	–	257 953		

The volatility of the share price at the grant date was determined using the share trading history of the Company prior to the grant date.

There were no new awards granted during the prior or current financial years for the Share Ownership Plan.

The Share Ownership Plan does not grant employees options, therefore a binomial option pricing model has not been used.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

33 Share-based payments continued

Cash-based long-term incentive

Members of the Group's executives, divisional executives and management are granted cash-based long-term incentives (CBLTIs), which are settled in cash. These awards are not subject to an exercise price, and vest subject to the achievement of designated performance criteria (non-market performance conditions) and subject to an employment condition. The employment condition is deemed to have been satisfied if the grantee remains in the employ of the Group on vesting of the units. The performance conditions relate to growth of the Group's return on invested capital (weighted 25%), headline earnings per share (weighted 25%), and EBITDA cash conversion ratio (weighted 25%), as well as to the achievement of certain skills development (weighted 10%) and transformation (weighted 15%) targets. The awards vest in a three-year period subject to the meeting of the performance and employment conditions.

The liability for the CBLTIs is measured, initially, and at each reporting date, until settled, at the fair value of the CBLTIs, applying an appropriate valuation model, taking into account the terms and conditions under which the CBLTIs were granted, the expected achievement of non-market performance conditions, and the extent to which services have been rendered by the grantees to date.

The expense reversed during the period arising from the CBLTIs' cash-settled share-based payment transactions amounted to R8.8 million (2024: expense recognised of R18.9 million). Refer to note 15 for further details on the cash-based long-term incentive liability.

During the prior year, a dilution factor of 3.78 was applied to the number of cash-settled awards granted to all grantees as approved by the Remuneration and Nomination Committee during October 2023. This has been disclosed below as awards granted during the year.

A reconciliation of the movement of the CBLTIs is detailed below:

	2025	2024
<i>Number of awards</i>		
Opening balance	8 834 314	4 857 933
Granted during the year	–	13 505 054
Forfeited during the year	(8 834 314)	(563 617)
Vested during the year	–	(8 965 056)
Closing balance	–	8 834 314
Vesting of CBLTIs		
Number exercisable at year end	–	–
Exercise date within one year	–	4 212 647
Exercise date between two and five years	–	4 621 667
	–	8 834 314
Fair values		
The following table lists the inputs to the model used to value the CBLTIs:		
Expected volatility (%)	–	–
Risk-free interest rate (%)	–	8.50
Spot share price	–	1.55
Dividend yield	–	–
Fair value	–	1.55

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

33 Share-based payments continued

The analysis of equity-settled shares granted to directors is detailed below:

	Outstanding at 31 July 2024	Exercised during the period	Shares granted during the year	Weighted average strike price/ share price (Rand)	Outstanding at 31 July 2025
EXECUTIVE DIRECTORS					
Ashona Kooblall					
<i>The 2022 Share Plan</i>	–	–	2 192 405	4.70	2 192 405
Exercisable at year end	–	–	2 192 405	4.70	2 192 405
Rhys Summerton					
<i>The 2022 Share Plan</i>	–	–	1 284 797	5.00	1 284 797
Exercisable at year end	–	–	1 284 797	5.00	1 284 797
Dennis Venter					
<i>The 2022 Share Plan</i>	–	–	1 284 797	5.00	1 284 797
Exercisable at year end	–	–	1 284 797	5.00	1 284 797

34 Related-party transactions

The Group entered into various transactions with related parties.

Figures in Rand thousand

	2025	2024
Transactions between Group companies (subsidiaries)		
Sale of products and services	410 363	791 178
Purchases of products and services	271 798	513 952
Operating expenses	138 565	277 226

Directors' remuneration

The remuneration for directors of the Company paid during the year by subsidiaries within the Group has been disclosed in note 32. Directors' and prescribed officers' interest in ordinary shares of the Company is disclosed in note 31. Directors are defined as key management.

35 Financial assets and financial liabilities

Financial risk management and fair value disclosures

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Risk management is carried out centrally and management identifies, evaluates and analyses financial risks where necessary in close cooperation with the Group's operating business units. The Governance and Risk Committee oversees how management monitors compliance with the Group risk management policies and procedures and reviews the adequacy of the Risk Management Framework in relation to the risks faced by the Group.

The Group's normal operations expose it to the following financial risks from its use of financial instruments:

- Capital risk
- Liquidity risk
- Interest rate risk
- Credit risk
- Currency risk.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued Financial risk management and fair value disclosures continued

The following table presents the carrying amounts and fair values of financial assets and financial liabilities at 31 July 2025:

Figures in Rand thousand	Carrying amount	
	Amortised cost	Fair value
Financial assets		
Cash and cash equivalents	399 264	399 264
Trade and other receivables	1 016 288	1 016 288
Finance lease receivables	16 950	16 950
Other financial assets	29 396	29 396
Financial liabilities		
Trade and other payables	568 886	568 886
Lease liabilities	52 186	52 186
Other financial liabilities	658 594	658 594

The following table presents the carrying amounts and fair values of financial assets and financial liabilities at 31 July 2024:

Figures in Rand thousand	Carrying amount	
	Amortised cost	Fair value
Financial assets		
Cash and cash equivalents	347 222	347 222
Trade and other receivables	1 196 655	1 196 655
Finance lease receivables	18 389	18 389
Other financial assets	34 363	34 363
Financial liabilities		
Trade and other payables	478 719	478 719
Lease liabilities	81 087	81 087
Other financial liabilities	951 640	951 640

The Group does not have any financial instruments that are subject to offsetting.

The carrying amounts of all cash and cash equivalents, short-term receivables and short-term payables approximate their fair values due to their short-term nature.

The carrying amounts of other financial liabilities and assets and lease receivables and payables approximate their fair values due to the nature and contractual terms of the instruments.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Capital risk management

The Group recognises, as part of its strategic intent, that an appropriate capital structure is required to ensure both sustainability of the business and to leverage growth opportunities.

The Group has a historically large debt burden, which is not fit-for-purpose in terms of its capital structure. The stated objective of the Group has been to deleverage the Group to an appropriate capital structure. The deleveraging process has been done by disposing of non-core assets as well as through general repayment of debt (refer to note 12). The Group was targeting a 70% equity to 30% debt ratio. Significant progress has been made in this regard over the past years and this has now been achieved.

While the Group is focused on creating a fit-for-purpose capital structure, the full focus has been on deleveraging. Appropriate funding for the business has also been a key focus.

In terms of allocating capital within the business, the Group looks at return on invested capital (ROIC) metrics to allocate capital. This is measured against the Group's discount rate of 10.8% (2024: 15.9%) to ensure there is value creation whereby ROIC needs to exceed the discount rate.

The debt-to-equity ratios were as follows:

Figures in Rand thousand	2025	2024
Debt* (R'000)	658 594	960 411
Equity at market value (R'000)	2 673 570	989 029
Debt-to-equity ratio	20:80	49:51

* Refer to note 15 for additional information.

Refer to note 1.2, which provides further information addressing the Group's debt reduction strategy.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by reviewing future commitments and credit facilities to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Figures in Rand thousand	Within 6 months	Within 7 to 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years
At 31 July 2025					
Other financial liabilities	40 563	56 971	514 072	–	–
Lease liabilities	13 504	10 756	10 964	6 207	944
Trade and other payables	568 886	–	–	–	–
At 31 July 2024					
Other financial liabilities	70 159	67 577	347 318	319 572	–
Lease liabilities	20 355	18 942	27 383	14 300	6 748
Trade and other payables	478 719	–	–	–	–

The expected maturity of financial liabilities is not expected to differ from the contractual maturities as disclosed above.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Interest rate risk

The cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate owing to changes in the market interest rate. The fair value interest rate risk is the risk that the value of the financial instrument will fluctuate because of changes in the market interest rates. The Group assumes exposure to the effects of the fluctuations in the prevailing levels, if the market interest rates on both the fair value and cash flow risks fluctuate.

Interest rate risk arises from other financial liabilities, being borrowings (refer to note 15). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group policy is to maintain most of its borrowings in variable rate instruments. The variable rates are influenced by movements in the JIBAR rates. During the year, the Group's borrowings at variable rates were denominated in Rand.

The Group analyses its interest rate exposure on an ongoing basis. The Group does not hedge against fluctuations in interest rates.

At 31 July 2025, if the interest rate on Rand-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax loss for the year would have been R6 million (2024: R7 million) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

Credit risk and expected credit losses

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's other financial assets, finance lease receivables, trade and other receivables, contract assets, and cash and cash equivalents.

Trade receivables, contract assets and finance lease receivables comprise a widespread customer base, spread across diverse industries and geographical areas. The Group has a general policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Management evaluates credit risk relating to customers on an ongoing basis, taking into account its financial position, past experience and other relevant factors. If customers are independently rated, these ratings are also considered.

The gross carrying amounts of financial assets represent the maximum credit exposure. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. Financial assets exposed to credit risk at year end were as follows:

<i>Figures in Rand thousand</i>	2025	2024
Other financial assets	40 536	45 503
Finance lease receivables	149 190	119 847
Trade and other receivables	1 071 220	1 278 661
Cash and cash equivalents	399 264	347 222
Contract assets	130 761	175 069
	1 790 971	1 966 302

At the reporting date, the Group did not consider there to be any significant concentration of credit risk, which has not been adequately provided for.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The Group's exposure and the credit scores of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the Risk Management Committee/Credit Control department annually.

The average credit period on sales of goods and services ranges from 30 days to 120 days. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Customers are grouped according to their credit characteristics. The customers grouped in a particular segment, which are industry segments, share similar credit risk characteristics. Trade receivables are assessed for impairment on a collective basis as well as on a specific basis considering the individual customer's credit quality and payment history in addition to their industry segment. The contract assets relate to unbilled work-in-progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group does not have trade and other receivables and contract assets for which no loss allowance is recognised because of collateral held.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets

The allowance for impairment of trade receivables and contract assets is created to the extent of, and as and when required, based upon the expected collectability of amounts receivable. The Group uses a provision matrix to measure the ECLs of trade receivables and contract assets. In addition to this, a specific assessment of customers for ECLs is performed.

Loss rates as per the provision matrix are calculated using a "roll rate"/"flow rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. "Roll rates"/"flow rates" are calculated separately for exposures in different industry segments based on the common credit risk characteristics. The expected credit loss calculation incorporates both industry risk and country risk depending on where the respective customers are based. The exposure to credit risk table presents the gross carrying amount of trade and other receivables and contract assets by industry together with the associated ECL.

The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Two scenarios have been modelled per customer, incorporating both their historical payment profiles as well as expectations about their abilities to pay amounts due.

A default event is considered to have occurred when aged 90 days or beyond. Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the entity, and a failure to make contractual payments for a period of greater than 90 days past due.

The following table provides information about the exposure to credit risk and ECLs for contract assets as at 31 July 2025:

<i>Figures in Rand thousand</i>	Gross amount	Weighted average loss rate %	Expected credit loss
Industry			
Agriculture, environment, forestry and fisheries	167	4	6
Automotive	250	7	17
Business and professional services	143	–	*
Construction, real estate, facilities and property management	6 006	12	692
Education	3 427	–	2
Electricity, gas, water, energy and utilities	40 942	4	1 665
Financial services	13 162	6	729
Health and pharmaceuticals	4 766	1	31
Industrial services	217	–	20
Information technology	14 576	–	24
Metro and municipalities	79	6	5
Mining and quarrying	1 090	9	94
National government	311	14	43
Other	24 692	4	968
Provincial government	1	–	*
Public institutions and agencies	206	5	10
Retail and wholesale trade	109	1	1
State-owned entities	15 880	12	1 881
Telecommunications	3 162	1	19
Tourism, hospitality, food and beverage	598	3	16
Transport, supply chain, logistics and storage	977	–	8
	130 761		6 231

* Less than R1 000.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables as at 31 July 2025:

<i>Figures in Rand thousand</i>	Gross amount	Weighted average loss rate %	Expected credit loss
Industry			
Agriculture, environment, forestry and fisheries	35 643	2	724
Automotive	52 392	6	2 955
Business and professional services	48 587	17	8 312
Constitutional and regulatory body	7 493	3	253
Construction, real estate, facilities and property management	49 845	6	3 034
Education	15 235	3	478
Electricity, gas, water, energy and utilities	51 898	3	1 552
Financial services	177 879	5	9 379
Health and pharmaceuticals	50 207	4	2 002
Human capital and resourcing	2 412	4	103
Industrial services	21 825	2	405
Information technology	101 260	6	6 348
Manufacturing and FMCG	37 809	6	2 351
Marketing and advertising	9 747	1	75
Metro and municipalities	23 444	5	1 263
Mining and quarrying	57 047	5	2 630
National government	40 255	18	7 182
Other	69 793	12	(8 710)
Provincial government	22 604	1	313
Public benefit and membership organisations	9 017	5	410
Public institutions and agencies	7 571	9	652
Retail and wholesale trade	15 430	18	2 761
Security services	1 214	10	123
State-owned entities	44 017	9	3 887
Telecommunications	78 932	5	3 757
Tourism, hospitality, food and beverage	27 748	3	755
Transport, supply chain, logistics and storage	11 916	16	1 938
	1 071 220		54 932

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

The following table provides information about the exposure to credit risk and ECLs for contract assets as at 31 July 2024:

Industry	Gross amount	Weighted average loss rate %	Expected credit loss
Agriculture, environment, forestry and fisheries	7	–	2
Automotive	2 109	6	129
Business and professional services	74	–	*
Construction, real estate, facilities and property management	7 034	8	579
Education	6 556	6	405
Electricity, gas, water, energy and utilities	47 198	4	1 665
Financial services	15 190	2	256
Health and pharmaceuticals	2 526	9	228
Information technology	18 182	6	(1 330)
Manufacturing and FMCG	2 086	5	97
Metro and municipalities	20	6	1
Mining and quarrying	7 190	2	172
National government	9 768	4	387
Other	11 462	7	778
Public benefit and membership organisations	20	–	1
Public institutions and agencies	6 856	–	*
Retail and wholesale trade	1 474	5	68
State-owned entities	30 412	8	2 285
Telecommunications	4 073	3	116
Tourism, hospitality, food and beverage	2 318	7	160
Transport, supply chain, logistics and storage	514	–	*
	175 069		5 999

* Less than R1 000.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables as at 31 July 2024:

Industry	Gross amount	Weighted average loss rate %	Expected credit loss
Agriculture, environment, forestry and fisheries	40 476	3	1 318
Automotive	41 172	5	2 107
Business and professional services	54 092	6	3 229
Constitutional and regulatory body	2 049	3	57
Construction, real estate, facilities and property management	34 974	15	5 262
Education	24 599	7	1 776
Electricity, gas, water, energy and utilities	54 844	4	2 066
Financial services	124 381	5	6 787
Health and pharmaceuticals	151 069	1	2 253
Human capital and resourcing	8 316	7	553
Industrial services	16 431	2	382
Information technology	127 331	8	10 755
Manufacturing and FMCG	60 537	11	6 528
Marketing and advertising	15 764	3	447
Metro and municipalities	21 788	5	1 117
Mining and quarrying	49 153	8	3 715
National government	72 165	10	7 033
Other	58 572	–	93
Provincial government	39 418	1	584
Public benefit and membership organisations	7 986	5	389
Public institutions and agencies	11 749	12	1 391
Retail and wholesale trade	24 238	6	1 341
Security services	1 032	2	19
State-owned entities	59 428	9	5 548
Telecommunications	109 429	11	11 762
Tourism, hospitality, food and beverage	44 016	4	1 883
Transport, supply chain, logistics and storage	23 652	15	3 611
	1 278 661		82 006

The expected loss rate by industry is based on payment profiles of sales over a 12-month period and the corresponding historical credit losses experienced within this period, which is considered to be representative of the collection cycle. These loss rates are adjusted to reflect a deterioration in the risk of the customer and macroeconomic overlay affecting the ability of the customer to settle the receivables. The macroeconomic overlay is based on the difference in default rates during the 2016 to 2024 period, including the Covid-19 pandemic, versus the 2025 to 2029 forward-looking future period and applied to the portion of each industry that is expected to be affected by the anticipated economic circumstances (this industry expectation is taken from the International Monetary Fund, World Economic Outlook). South African customers had an overlay of 2.2% (2024: 2.9%) applied.

The gross carrying amounts and related ECLs on both contract assets and trade receivables decreased in the prior year as a result of a number of businesses within the Group being disposed of. Refer to note 12.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

Movements in the allowance for impairment in respect of trade receivables and contract assets are as follows:

	2025		2024	
	Trade receivables	Contract assets	Trade receivables	Contract assets
<i>Figures in Rand thousand</i>				
Opening balance	82 006	5 999	123 072	6 682
Impairment losses reversed	(19 770)	(1 021)	(23 377)	(712)
Amounts written off as uncollectible	(6 242)	1 250	(5 742)	–
Disposals	(708)	(12)	(10 822)	79
Foreign currency translation	(354)	15	(1 125)	(50)
Closing balance	54 932	6 231	82 006	5 999

Trade receivables with a contractual amount of R6 million (2024: R6 million) were written off during the year.

Trade receivables with a contractual amount of R37 million (2024: R50 million) were subject to enforcement activity at year end. These amounts have not been written off as it is considered that there is a reasonable possibility of recovery.

Cash and cash equivalents

The Group maintains its cash and cash equivalents with banks and financial institutions that have good reputations, good past track records and high-quality credit ratings, and also reviews their creditworthiness on an ongoing basis.

Due to the short-term nature of these assets and historical experience, cash and cash equivalents are regarded as having a low probability of default and therefore the related expected credit loss is deemed to be insignificant.

The risk rating grades (Moody's) of cash and cash equivalents for the current year are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

	Cash and cash equivalents 2025	Cash and cash equivalents 2024
<i>Figures in Rand thousand</i>		
Credit rating of financial institution		
Aaa – A3	216 063	155 291
Baa1 – B2	181 964	188 180
Other	1 237	3 751
	399 264	347 222

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Credit risk and expected credit losses continued

Finance lease receivables

The Group has elected to measure the loss allowance for finance lease receivables using lifetime ECLs.

Finance lease receivables have been assessed using a provision matrix as well as individually to determine ECLs. Allowances have been recognised considering the probability of default of the counterparty to the lease, taking into account creditworthiness and other relevant factors affecting their ability to make lease payments over the lifetime of the exposure. Loss rates per the provision matrix have been assessed using the same inputs and assumptions as mentioned above in respect of those applied to trade receivables and contract assets. There has been an increase in the allowance for ECLs recognised during the current year as a result of certain long outstanding amounts being written off in the prior year, leaving only current debtors with additional amounts being recognised as ECLs. Debtors have been experiencing financial difficulties owing to economic circumstances prevailing at the macrolevel, which has contributed to additional ECLs being recognised on certain debtors in the more difficult industries, including those in telecommunications and tourism and hospitality.

The following table provides information about the exposure to credit risk and ECLs for finance lease receivables as at 31 July 2025:

Industry	Gross amount	Weighted average loss rate %	Expected credit loss
<i>Figures in Rand thousand</i>			
Agriculture, environment, forestry and fisheries	46	87	40
Automotive	34	87	29
Construction, real estate, facilities and property management	*	–	*
Financial services	1	87	1
Health and pharmaceuticals	560	92	514
Marketing and advertising	431	87	375
Other	276	87	242
Telecommunications	43 845	90	39 259
Tourism, hospitality, food and beverage	103 997	88	91 780
	149 190		132 240

* Less than R1 000.

The following table provides information about the exposure to credit risk and ECLs for finance lease receivables as at 31 July 2024:

Industry	Gross amount	Weighted average loss rate %	Expected credit loss
<i>Figures in Rand thousand</i>			
Agriculture, environment, forestry and fisheries	243	4	9
Automotive	145	7	10
Business and professional services	387	87	337
Construction, real estate, facilities and property management	601	79	472
Education	9	7	1
Electricity, gas, water, energy and utilities	40	3	1
Financial services	178	5	9
Health and pharmaceuticals	1 025	87	892
Information technology	184	18	34
Manufacturing and FMCG	161	6	9
Marketing and advertising	1 186	87	1 030
Mining and quarrying	260	5	13
Public benefit and membership organisations	199	5	9
Public institutions and agencies	3	7	*
Retail and wholesale trade	5	5	*
Telecommunications	23 845	87	20 810
Tourism, hospitality, food and beverage	91 277	85	77 819
Transport, supply chain, logistics and storage	99	3	3
	119 847		101 458

* Less than R1 000.

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Credit risk and expected credit losses continued

Finance lease receivables continued

Movements in the allowance for impairment in respect of finance lease receivables were as follows:

<i>Figures in Rand thousand</i>	2025	2024
Opening balance	101 458	135 593
Impairment losses recognised/(reversed)	30 782	(18 027)
Amounts written off as uncollectible	–	(16 108)
Closing balance	132 240	101 458

Other financial assets

Other financial assets are specific assets and were assessed individually for ECLs, using the general approach for recognising a lifetime ECL. ECLs are assessed using a three-stage model. The three stages are performing (stage 1), underperforming (stage 2) and non-performing (stage 3). Other financial assets are considered to be in stage 3.

Management evaluates the creditworthiness of counterparties on an ongoing basis, taking into account their financial position, past experience and other relevant factors that may indicate whether there is a significant increase in credit risk.

Loss allowances have been recognised considering the probability of default by the borrower.

ECLs have historically been recognised for a significant portion of other financial assets (refer to note 6). A large portion of these were written off in the prior year. Given the credit losses of banking institutions, restricted cash balances are not exposed to a significant increase in credit risk. Specific assessments were performed on enterprise development loans and on gross loans and receivables.

Movements in the allowance for impairment in respect of other financial assets were as follows:

<i>Figures in Rand thousand</i>	2025	2024
Opening balance	11 140	59 571
Amounts written off as uncollectible	–	(47 231)
Disposals	–	(1 200)
Closing balance	11 140	11 140

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

35 Financial assets and financial liabilities continued

Currency risk

The Group operates internationally but has limited exposure to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, the Arab Emirates Dirham, the Egyptian Pound and the British Pound.

Foreign exchange risk arises from future commercial transactions, recognised assets or liabilities that are denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group has limited investments in foreign operations where the assets are exposed to foreign currency translation risk. A 1% movement in the foreign currency exchange rates would not have a significant impact on profit or loss.

Financial assets and financial liabilities are analysed by currency as follows:

Foreign currency financial instruments

	2025				
	Other financial assets	Financial assets Trade and other receivables	Cash and cash equivalents	Financial liabilities Other financial liabilities	Trade and other payables
<i>Figures in Rand thousand</i>					
British Pound	–	63 450	28 349	–	(45 818)
US Dollar	–	44 951	21 759	–	(110 086)
Arab Emirates Dirham	–	40 533	12 727	(82)	(1 888)
Euro	676	8 304	3 312	–	(14 750)
Egyptian Pound	–	75 181	7 574	–	(7 308)
Saudi Riyal	–	26 012	32 061	–	(2 118)
Swiss Franc	–	33 871	133 661	(656)	(77 995)
Mozambican Metical	–	15 715	718	–	–
Other	–	6 038	3 275	–	(3 308)

	2024				
	Other financial assets	Financial assets Trade and other receivables	Cash and cash equivalents	Financial liabilities Other financial liabilities	Trade and other payables
<i>Figures in Rand thousand</i>					
British Pound	–	69 198	30 844	–	(29 973)
US Dollar	–	178 406	14 044	–	(84 288)
Arab Emirates Dirham	–	105 137	13 605	(573)	(71 987)
Euro	653	9 967	9 736	–	(14 540)
Egyptian Pound	–	77 866	4 698	(5)	(37 349)
Saudi Riyal	–	25 526	12 258	–	(19 478)
Swiss Franc	–	131 539	133 746	(617)	(3 217)
Mozambican Metical	–	13 719	2 546	–	–
Other	–	18 358	10 259	–	(2 963)

Notes to the consolidated financial statements continued

For the year ended 31 July 2025

36 Events after reporting date

Share buybacks

The Group announced on 1 August 2025 its entry into a share repurchase programme to commence from that date after an assessment of capital structure and cash position, with the intention of using capital efficiently and enhancing shareholder value.

In accordance with this announcement, the Group began repurchasing shares on 1 August 2025 and has continued to date, purchasing 10 000 shares on each business day to a total of 610 000 shares being repurchased up to the date of these financial statements being authorised for issue.

All shares have been repurchased by V55 Investments Proprietary Limited, a wholly owned subsidiary of the Group, and are held as treasury shares. The average price paid for the repurchased shares is R4.11 per share.



iOCO

Separate financial statements

for the year ended **31 July 2025**



Separate statement of financial position

As at 31 July 2025

Figures in Rand thousand	Notes	2025	2024
ASSETS			
Non-current assets			
Investment in subsidiary	1	641 538	641 538
Deferred taxation asset		7	7
Loans to Group companies	2	1 118 197	884 370
		1 759 742	1 525 915
Current assets			
Trade and other receivables		1 250	12
Cash and cash equivalents	3	31	12
		1 281	24
Total assets		1 761 023	1 525 939
EQUITY AND LIABILITIES			
Equity			
Stated capital	4	5 391 940	5 391 940
Other reserve	5	38 804	47 537
Accumulated losses		(3 820 081)	(4 070 960)
Total equity		1 610 663	1 368 517
LIABILITIES			
Current liabilities			
Financial guarantee liability	6	3 452	12 679
Loans from Group companies	2	145 929	142 447
Current taxation payable		148	148
Other payables	7	831	2 148
Total liabilities		150 360	157 422
Total equity and liabilities		1 761 023	1 525 939

Separate statement of profit or loss and other comprehensive income

For the year ended 31 July 2025

<i>Figures in Rand thousand</i>	Notes	2025	2024
Net impairment reversal/(loss) on loans to Group companies	2	233 827	(1 862 674)
Remeasurement of financial guarantee liability	6	9 227	3 125
Other operating expenses		(908)	(8 670)
Operating profit/(loss)		242 146	(1 868 219)
Finance costs		–	–
Profit/(loss) before taxation		242 146	(1 868 219)
Taxation	8	–	(140)
Profit/(loss) for the year		242 146	(1 868 359)
Other comprehensive income		–	–
Total comprehensive income/(loss) for the year		242 146	(1 868 359)

Separate statement of changes in equity

For the year ended 31 July 2025

	Stated capital	Other reserve	Accumulated losses	Total equity
<i>Figures in Rand thousand</i>				
Balance at 1 August 2023	5 391 940	111 313	(2 266 377)	3 236 876
Total comprehensive loss for the year	–	–	(1 868 359)	(1 868 359)
Transfer within equity*	–	(63 776)	63 776	–
Balance at 31 July 2024	5 391 940	47 537	(4 070 960)	1 368 517
Total comprehensive income for the year	–	–	242 146	242 146
Transfer within equity*	–	(8 733)	8 733	–
Balance at 31 July 2025	5 391 940	38 804	(3 820 081)	1 610 663
Notes	4	5		

* Transfers within equity represent transfers from the share-based payment reserve for expired, unexercised options.

Separate statement of cash flows

For the year ended 31 July 2025

<i>Figures in Rand thousand</i>	Notes	2025	2024
Cash utilised from operations	9	(3 463)	(9 456)
Taxation paid		–	–
Net outflow from operating activities		(3 463)	(9 456)
Cash flows from investing activities		–	–
Cash flows from financing activities			
Proceeds from loans from Group companies	2	3 767	204 679
Repayments of loans from Group companies	2	(285)	(195 211)
Net inflow from financing activities		3 482	9 468
Net increase in cash and cash equivalents		19	12
Cash and cash equivalents at the beginning of the year		12	–
Cash and cash equivalents at the end of the year	3	31	12

Notes to the separate financial statements

For the year ended 31 July 2025

I Investment in subsidiary

Investments in subsidiaries are measured at cost less any accumulated impairments. The cost of an investment in a subsidiary is the aggregate of:

- The fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company
- The initial recognition of a financial guarantee liability
- Any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the asset may be impaired, and an impairment is recognised if the carrying amount exceeds the investment's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The recoverable amount of investments in subsidiaries classified as held for sale is based on fair value less costs of disposal. Impairment losses are recognised in profit or loss.

The subsidiary and trusts below are incorporated in South Africa. Refer to Annexure I for the full list of Group operating entities.

Figures in Rand thousand	Effective interest		2025			2024		
	2025 %	2024 %	Cost	Accumulated impairments	Carrying amount	Cost	Accumulated impairments	Carrying amount
iOCO Intermediate Proprietary Limited	100	100	641 538	–	641 538	641 538	–	641 538
			641 538	–	641 538	641 538	–	641 538
Trusts								
The EOH Share Trust	100	100	–	–	–	–	–	–
The Mthombo Trust	100	100	–	–	–	–	–	–

Impairment testing

Assessment of impairment indicators included the financial performance of the underlying subsidiary, dividend payment received or lack thereof and net asset value of the underlying subsidiary compared to the investment's carrying amount. The recoverable amount of the investment in subsidiary was determined based on fair value less cost of disposal, with reference to the market capitalisation of the Group. Market capitalisation is considered level I in the fair value hierarchy.

Based on the current financial year's impairment assessment, the recoverable amount exceeds the investment's carrying amount, resulting in no impairment of the investment. No impairment loss was recognised in the current financial year.

Notes to the separate financial statements continued

For the year ended 31 July 2025

2 Loans to/(from) Group companies

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

	2025			2024		
	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
<i>Figures in Rand thousand</i>						
EOH International Proprietary Limited	142 680	(92 126)	50 554	142 680	(104 237)	38 443
V55 Investments Proprietary Limited	(34 447)	–	(34 447)	(34 732)	–	(34 732)
EOH Abantu Proprietary Limited	384 089	(32 923)	351 166	384 089	–	384 089
EOH Treasury Proprietary Limited	(78 989)	–	(78 989)	(75 222)	–	(75 222)
The EOH Share Trust	(32 493)	–	(32 493)	(32 493)	–	(32 493)
iOCO Technology South Africa Proprietary Limited	2 554 538	(1 925 872)	628 666	2 554 538	(2 193 627)	360 911
NEXTEC Industrial Technologies Proprietary Limited	115 115	(27 304)	87 811	115 115	(14 188)	100 927
	3 050 493	(2 078 225)	972 268	3 053 975	(2 312 052)	741 923

	2025	2024
<i>Figures in Rand thousand</i>		
Loans to Group companies – non-current assets	1 118 197	884 370
Loans from Group companies – current liabilities	(145 929)	(142 447)
	972 268	741 923

Loans to/(from) Group companies are interest-free, unsecured and repayable on demand.

The Company has agreed, in terms of signed subordination agreements, to subordinate R2.6 billion in favour of iOCO Technology South Africa Proprietary Limited (previously EOH Mthombo Proprietary Limited), R142.7 million in favour of EOH International Proprietary Limited, R240 million in favour of EOH Abantu Proprietary Limited, and R115.1 million in favour of NEXTEC Industrial Technologies Proprietary Limited. The subordinations shall remain in force until such time as the assets of these companies, fairly valued, exceed its liabilities.

In the current financial year, the Company received an additional loan of R3.8 million from EOH Treasury Proprietary Limited and the Company repaid an amount of R0.3 million to V55 Investments Proprietary Limited.

Loan reconciliation

	2025	2024
<i>Figures in Rand thousand</i>		
Opening balance	3 053 975	3 063 443
Amounts repaid	285	195 211
Proceeds of loans from Group companies	(3 767)	(204 679)
Closing balance	3 050 493	3 053 975

Net impairment (reversal)/loss on loans to Group companies

	2025	2024
<i>Figures in Rand thousand</i>		
Reversal of impairment losses	(279 866)	(51 165)
Impairment losses	46 039	1 913 839
Net impairment (reversal)/loss on loans to Group companies	(233 827)	1 862 674

The Company recognised a loss allowance on its loans to EOH Abantu Proprietary Limited and NEXTEC Industrial Technologies Proprietary Limited due to the assessment of their ability to generate future cash flows and their ability to reclaim debt due to them to in turn pay the debt due to the Company. The ECL reversals on the loans to EOH International Proprietary Limited and iOCO Technology South Africa Proprietary Limited are a result of the improved financial outlook and increased probability on their ability to repay the intercompany loans. Details on the ECLs on loans to Group companies are included in note 11.

Notes to the separate financial statements continued

For the year ended 31 July 2025

3 Cash and cash equivalents

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2025	2024
Cash and cash equivalents consist of:		
Bank balances	31	12

4 Stated capital

Figures in Rand thousand

	2025	2024
Opening balance	5 391 940	5 391 940
Closing balance	5 391 940	5 391 940

Authorised

7 500 000 000 (2024: 7 500 000 000) ordinary shares of no par value.
40 000 000 (2024: 40 000 000) A shares of no par value.

Issued

Reconciliation of the number of ordinary shares in issue

Opening balance	638 083	638 083
Shares in issue at the end of the period (fully paid)	638 083	638 083

A shares of no par value:

Reconciliation of the number of ordinary shares in issue

Opening balance	40 000	40 000
Closing balance	40 000	40 000

Unissued

6 861 916 579 (2024: 6 861 916 579) unissued ordinary shares are under the control of the directors in terms of the provisions of the Company's Memorandum of Incorporation (Moi). No shares held by the directors have been pledged as security or are subject to a guarantee, collateral or other encumbrance.

5 Other reserve

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2025	2024
Share-based payments reserve	38 804	47 537

Notes to the separate financial statements continued

For the year ended 31 July 2025

6 Financial guarantee liability

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- The ECL in accordance with IFRS 9
- The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IFRS 15.

The ECL is a probability weighted estimate of credit losses (the cash shortfalls) over the expected life of the guarantee. Accordingly, the cash shortfalls are the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, debtor or any other party. Where guarantees in relation to loans to related parties are provided for no compensation, the fair values are accounted for as capital contributions and recognised as part of the cost of the investment.

The valuation of the financial guarantee liability includes assumptions on credit default rates, credit risks and ECLs. The determination of ECL includes estimates relating to the probability of a default by the borrower and the resultant loss to the guarantor. Financial guarantee liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. Refer to note 11 for further detail on ECL model and fair valuation for financial guarantees.

Figures in Rand thousand

	2025	2024
Reconciliation of financial guarantee liability		
Opening balance	12 679	15 804
Remeasurement of financial guarantee liability	(9 227)	(3 125)
Closing balance	3 452	12 679

The Company has issued financial guarantees to a certain lender in terms of which the Company would be liable to the lender to the extent that the companies in the iOCO Group, to which the funding has been provided, fail to make payments when due in accordance with the terms of the loan agreements.

7 Other payables

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2025	2024
Financial instruments	776	1 155
Other payables	776	1 155
Non-financial instruments	55	993
Accrued expenses	55	993
	831	2 148

Notes to the separate financial statements continued

For the year ended 31 July 2025

8 Taxation

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2025	2024
Current taxation		
Local income taxation – current year	–	(140)
Total	–	(140)

	2025 %	2024 %
Reconciliation of rate of taxation		
South African normal rate of taxation	(27.00)	(27.00)
Tax effect of amounts that are (taxable)/not deductible in calculating taxable income:		
Exempt income – remeasurement of financial guarantee liability	–	(0.05)
Impairment losses on loans to Group companies	–	26.92
Non-deductible expenses – net expenses incurred not in production of income	27.00	0.14
	–	0.01

9 Cash utilised from operations

Figures in Rand thousand

	2025	2024
Profit/(loss) before taxation	242 146	(1 868 219)
Adjustments for:		
Net impairment (reversal)/loss on loans to Group companies	(233 827)	1 862 674
Remeasurement of financial guarantee liability	(9 227)	(3 125)
Cash utilised before changes in working capital	(908)	(8 670)
Working capital changes	(2 555)	(786)
Increase in other receivables	(1 238)	(10)
Decrease in other payables	(1 317)	(776)
Cash utilised from operations	(3 463)	(9 456)

10 Related-party transactions

The Company entered into various transactions with related parties.

Figures in Rand thousand

	2025	2024
Transactions between Group companies (subsidiaries)		
Sale of products and services	4 401	–
Amounts included in trade receivable	1 237	–
Outstanding loan balances		
Loans from iOCO Limited to subsidiaries (note 2)	1 118 197	884 370
Loans to iOCO Limited from subsidiaries (note 2)	145 929	142 447
Financial guarantee liability		
Financial guarantee liability balance (note 6)	3 452	12 679

Directors' remuneration

The remuneration for directors of the Company paid during the year by subsidiaries within the Group has been disclosed in note 32 of the consolidated financial statements. Directors' and prescribed officers' interest in ordinary shares of the Company is disclosed in note 31 of the consolidated financial statements. Directors are defined as key management.

Notes to the separate financial statements continued

For the year ended 31 July 2025

II Financial assets and financial liabilities

Financial risk management and fair value disclosures

Refer to note 35 of the consolidated financial statements for the applicable risk management information.

The Company's normal operations expose it to the following financial risks from its use of financial instruments:

- Capital risk
- Liquidity risk
- Interest rate risk
- Credit risk.

The Company has no significant exposure to currency risk.

The following table presents the carrying amounts and fair values of financial assets and financial liabilities at 31 July 2025:

	Carrying amount		Total
	Mandatorily at FVTPL	Amortised cost	
<i>Figures in Rand thousand</i>			
Financial assets			
Cash and cash equivalents	–	31	31
Loans to Group companies	–	1 118 197	1 118 197
Financial liabilities			
Other payables	–	776	776
Loans from Group companies	–	145 929	145 929
Financial guarantee liability	3 452	–	3 452

The following table presents the carrying amounts and fair values of financial assets and financial liabilities at 31 July 2024:

	Carrying amount		Total
	Mandatorily at FVTPL	Amortised cost	
<i>Figures in Rand thousand</i>			
Financial assets			
Cash and cash equivalents	–	12	12
Loans to Group companies	–	884 370	884 370
Financial liabilities			
Other payables	–	1 155	1 155
Loans from Group companies	–	142 447	142 447
Financial guarantee liability	12 679	–	12 679

The Company does not have any financial instruments that are subject to offsetting.

Carrying amounts of all cash and cash equivalents and other payables approximate their fair values due to their short-term nature.

The carrying amounts of loans to/(from) Group companies approximate their fair values as these loans are payable on demand.

Notes to the separate financial statements continued

For the year ended 31 July 2025

II Financial assets and financial liabilities continued

Fair value measurement

The financial guarantee liability is categorised as a level 3 fair value instrument.

The fair value of the financial guarantee liability on initial recognition is determined using valuation techniques that require management to make certain assumptions about the model inputs, which include the probability of default, exposure at default and loss given default rates. Refer to the expected credit loss model for financial guarantees below.

Capital risk management

The Company's objective is to safeguard its ability to continue as a going concern and to maintain an appropriate capital structure while growing the business. This is consistent with previous years.

In order to maintain or adjust the capital structure of the Company, the Board may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The debt-to-equity ratios were as follows:

	2025	2024
Total debt (R'000)	150 360	157 422
Total equity (R'000)	1 610 663	1 368 517
Debt to equity (%)	9.3	11.5

Liquidity risk

Refer to note 35 of the consolidated financial statements for an explanation on liquidity risk and how it is managed.

It has been determined that the Company is solvent as at 31 July 2025. While the Company's current liabilities exceed its current assets by R149 million (2024: R157 million), R146 million (2024: R142 million) of the current liabilities relate to loans from Group companies, which are repayable on demand. Should these loans from Group companies be called upon, the Company has access to loans to Group companies that are also repayable on demand, and which the Company can call on in order to settle payables that may become due, if required. The Company's intention, however, remains not to call on the loans to Group companies within the next 12 months, and as a result, these loans to Group companies remain classified as non-current at the reporting date. Refer to note 1.2 of the consolidated financial statements for an assessment of going concern.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period from the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year
<i>Figures in Rand thousand</i>	
At 31 July 2025	
Loans from Group companies	145 929
Financial guarantee liability	545 138
Other payables	776
At 31 July 2024	
Loans from Group companies	142 447
Financial guarantee liability	838 184
Other payables	1 155

The total value of debt being guaranteed for EOH Treasury Proprietary Limited is shown above, being the maximum exposure to liquidity risk. The Company recognised a financial guarantee liability amount of R3 million (2024: R13 million) (refer to note 6).

Notes to the separate financial statements continued

For the year ended 31 July 2025

II Financial assets and financial liabilities continued

Credit risk

Expected credit loss model for financial guarantees

The loss allowance accounts for credit losses are determined with reference to the following:

- Stage 1: 12-month ECLs for those financial guarantees where there has not been a significant increase in credit risk since recognition
- Stage 2: lifetime ECLs for those financial guarantees where there has been a significant increase in credit risk on a collective basis
- Stage 3: lifetime ECLs for all credit-impaired financial guarantees.

Calculations were performed in determining the day-one fair value, amortised to reporting date, calculated in line with the principles of IFRS 13 *Fair Value Measurement* and reporting date ECL. The guaranteed loan facilities were assessed to be in stage 2.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets represent the maximum credit exposure. The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

A significant increase in credit risk considers the impact of forward-looking economic information that is readily available. Management has applied the below-mentioned assumptions, judgements and estimates in developing the ECL model. Probability of default was determined as a key input using the Merton model method with the Company's listed share price movements over the period. Financial guarantees are assessed for ECLs on a specific basis, taking into account the respective financial positions and performance of other companies within the Group. Refer to note 6 for the remeasurement of the financial guarantee liability.

Guarantee exposure

The Group has agreed modified payment terms on outstanding loan facilities with the relevant financial institution. These updated cash flow profiles have been considered in the balance rundown for purposes of the ECL measurement on the financial guarantee liability.

Risk of default and credit loss was assessed by forecasting various cash flow scenarios and assigning reasonable probabilities to the various outcomes. This was used to calculate a probability-weighted expectation of credit loss, which was taken into account in the calculation of the ECLs pertaining to the financial guarantee liability. A large number of scenarios were considered when determining probability of default and the related correlations thereto.

A loss given default (LGD) and recovery rate were used in the ECL models in line with standard market practice.

ECL model for loans to Group companies

The allowance accounts for credit losses and is determined with reference to the following:

- Stage 1: 12-month ECLs for those loans to Group companies where there has not been a significant increase in credit risk since recognition
- Stage 2: lifetime ECLs for those loans to Group companies where there has been a significant increase in credit risk on a collective basis
- Stage 3: lifetime ECLs for all credit-impaired loans to Group companies.

Loans to Group companies are very specific assets and were assessed on a forward-looking basis individually for ECLs, using the general approach under IFRS 9. Management evaluates the creditworthiness of counterparties on an ongoing basis, taking into account their financial position, past experience, subordination agreements, including dividends expected to be received and other relevant factors that may indicate whether there is a significant increase in credit risk. Loans to Group companies are considered to be in stage 2.

The ECL assessment takes into account several factors to determine the accessibility of cash for debt settlement. These factors include forecasted EBITDA, expected dividend and available liquid assets, which are considered in order of debt seniority. The counterparty's available resources for debt repayment were first applied towards their loan outstanding to EOH Treasury Proprietary Limited, then to non-subordinated debt and lastly to subordinated debt.

Notes to the separate financial statements continued

For the year ended 31 July 2025

II Financial assets and financial liabilities continued

Credit risk continued

ECL model for loans to Group companies continued

ECLs are calculated as the amount outstanding, in line with IFRS 9, after considering the estimated cash flows to be received from the counterparty, by considering the following liquid assets and cash flows:

- Cash
- The net present value of forecasted EBITDA projected over a substantial period subject to an estimated cash conversion rate
- Net receivables subject to downward adjustments
- The present value of expected dividends to be received
- Various solutions that may be in the form of equity injection or dividend in specie.

Over and above this, there were specific adjustments made to the outcome of the ECL assessments to reflect any additional level conservatism to account for potential worst-case scenarios.

A significant increase in credit risk considers the impact of forward-looking economic information that is readily available, including any future turnaround plans, forecast cash flows and anticipated growth. Management has applied the above-mentioned assumptions, judgements and estimates in developing the ECL model. Loans to Group companies are assessed for ECLs on a specific basis, taking into account the respective financial positions and performance of other companies within the Group.

Inputs into the ECL model ranged from the budgeted profit or loss to a forecast cash flow. The budgeted profit or loss were sensitised and downward adjustments were applied to account for any sensitivities necessary. The profit or loss results were then applied to the statement of financial position, which impacted the ECL recognised for each of the loans.

Figures in Rand thousand

	2025	2024
Loans to Group companies	1 118 197	884 370
Cash and cash equivalents	31	12
Impairment losses and reversals recognised in profit or loss were as follows:		
Net impairment (reversal)/loss on loans to Group companies	(233 827)	1 862 674

Cash and cash equivalents are regarded as having a low probability of default and therefore the related ECL is deemed to be insignificant.

At the reporting date, the Company did not consider there to be any significant concentration of credit risk, which has not been adequately provided for.

Movement in the loss allowance for loans to Group companies

Figures in Rand thousand

	2025	2024
Opening balance	2 312 052	449 378
Net impairment (reversal)/loss on loans to Group companies	(233 827)	1 862 674
Closing balance	2 078 225	2 312 052
Gross loans to Group companies	3 196 422	3 196 422
Loss allowance	(2 078 225)	(2 312 052)
Loans to Group companies net of loss allowance	1 118 197	884 370

Annexure I – Group operating entities

Name	Country	iOCO Group effective consolidation (%)
2Identify Proprietary Limited	South Africa	100
About Time Software Proprietary Limited	South Africa	100
Apronics Proprietary Limited	South Africa	100
Arcserve Southern Africa Proprietary Limited	South Africa	100
Asset Arabia Software Systems LLC (Abu Dhabi)	United Arab Emirates	75.22
Asset Gulf FZ-LLC (Dubai)	United Arab Emirates	75.22
Asset Technology Group (Egypt)	Egypt	75.22
Asset Technology Group KSA (Saudi Arabia)	Saudi Arabia	75.22
Aveva Select West Africa Proprietary Limited	South Africa	100
Blick Properties SA Proprietary Limited	South Africa	100
CA Southern Africa Proprietary Limited	South Africa	100
Compu-power Proprietary Limited	South Africa	100
Connected Industrial Ecosystems Proprietary Limited	South Africa	100
Cornastone Enterprise Systems Proprietary Limited	South Africa	100
Cortez Trading Proprietary Limited	South Africa	100
Cybercare Proprietary Limited	South Africa	100
Deixis Proprietary Limited	South Africa	100
Digital Industries Proprietary Limited	South Africa	100
EasyHQ Audit and Advisory Proprietary Limited	South Africa	100
Educos Vision S.A.R.L. (Luxembourg)	Luxembourg	100
Educos Vision Services S.A.R.L. (Luxembourg)	Luxembourg	100
Energy Insight Proprietary Limited	South Africa	100
EOH Abantu Proprietary Limited	South Africa	100
EOH Afrika Proprietary Limited	South Africa	79
EOH Consulting Proprietary Limited	South Africa	100
EOH Enterprise Development Trust	South Africa	100
EOH Germany UG	Germany	100
EOH Headquarters Company Proprietary Limited	South Africa	100
EOH Information Technology (Namibia)	Namibia	100
EOH International Proprietary Limited	South Africa	100
EOH Linkstate Services Proprietary Limited	South Africa	100
EOH Managed Services PS Proprietary Limited	South Africa	100
EOH Middle East FZ-LLC (Dubai)	United Arab Emirates	100
EOH Mthombo Mozambique Limited	Mozambique	100
EOH Singapore Pvt Limited	Singapore	100
EOH Treasury Proprietary Limited	South Africa	100
Faculty Training Institute Proprietary Limited	South Africa	100
Fluent Proprietary Limited	South Africa	100
Freethinking Business Consulting Proprietary Limited	South Africa	100
Hospitality Professionals South Africa Proprietary Limited	South Africa	100
Impact Human Resources Proprietary Limited	South Africa	100
Impression Signatures Proprietary Limited	South Africa	100

Annexure I – Group operating entities continued

Name	Country	iOCO Group effective consolidation (%)
Inlexso Proprietary Limited	South Africa	100
Integrators of Systems Technology Proprietary Limited	South Africa	100
iOCO Cloud Services Proprietary Limited	South Africa	100
iOCO Digital Proprietary Limited	South Africa	100
iOCO Enterprise Applications Proprietary Limited	South Africa	100
iOCO Group Proprietary Limited	South Africa	100
iOCO Infrastructure Services Proprietary Limited	South Africa	100
iOCO Intermediate Proprietary Limited	South Africa	100
iOCO Limited	South Africa	100
iOCO Managed Services Proprietary Limited	South Africa	100
iOCO Middle East FZ-LLC	United Arab Emirates	100
iOCO S.R.O	Czech Republic	100
iOCO SBT Proprietary Limited	South Africa	100
iOCO Software Distribution Proprietary Limited	South Africa	100
iOCO Solutions GMBH	Switzerland	100
iOCO Solutions Limited	Great Britain	100
iOCO Solutions Proprietary Limited	South Africa	100
iOCO Technology South Africa Proprietary Limited	South Africa	100
Lizusize Proprietary Limited	South Africa	100
Matipart Proprietary Limited	South Africa	100
Mbat Proprietary Limited	South Africa	100
MPC Recruitment Proprietary Limited	South Africa	100
NEXTEC Industrial Technologies Kenya Limited	Kenya	100
NEXTEC Industrial Technologies Proprietary Limited	South Africa	100
NEXTEC Shared Services Proprietary Limited	South Africa	100
PIA Solar SA Proprietary Limited	South Africa	100
Quinedge Proprietary Limited	South Africa	100
Regro Technology Proprietary Limited	South Africa	100
Rinedata SA Proprietary Limited	South Africa	100
Rocketlab Ventures SA Proprietary Limited	South Africa	100
Rosstone Consulting Proprietary Limited	South Africa	100
Sabela Learning Academy Proprietary Limited	South Africa	100
SCAN RF Projects Proprietary Limited	South Africa	100
Siyanqoba Seminars Proprietary Limited	South Africa	100
Siyaya Skills Institute Proprietary Limited	South Africa	100
Sult Proprietary Limited	South Africa	100
Symplexity Proprietary Limited	South Africa	100
The EOH Share Trust	South Africa	100
The Mthombo Trust	South Africa	100
Trackstar Trading 308 Proprietary Limited	South Africa	100
Triclinium Clinical Development Proprietary Limited	South Africa	100
Umbane Systems Proprietary Limited	South Africa	100
V & V Holdings Proprietary Limited	South Africa	100
V and V Consulting Engineers Proprietary Limited	South Africa	100
V55 Investments Proprietary Limited	South Africa	100
XTND Proprietary Limited	South Africa	100
Zusiza Proprietary Limited	South Africa	100

There have been no material changes to the Group's effective consolidation percentages from the prior year.

Annexure 2 – shareholders' analysis

	2025				2024			
	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Analysis of shareholdings								
Holdings								
1 – 10 000	11 319	86.04	10 912 417	1.71	10 916	86.57	10 703 665	1.68
10 001 – 50 000	1 140	8.66	27 601 048	4.33	1 041	8.26	25 400 307	3.98
50 001 – 100 000	285	2.17	20 810 450	3.26	264	2.09	19 272 572	3.02
100 001 – 1 000 000	340	2.58	89 709 689	14.06	316	2.51	88 875 647	13.93
1 000 001 and more	72	0.55	489 049 817	76.64	72	0.57	493 831 230	77.39
	13 156	100	638 083 421	100	12 609	100	638 083 421	100
Shareholder categories								
Banks	18	0.14	109 419 317	17.15	8	0.06	91 862 788	14.40
Close corporations	38	0.29	2 473 801	0.39	37	0.29	4 421 846	0.69
Empowerment	2	0.01	108 444 046	17.00	2	0.02	121 444 033	19.03
Endowment funds	1	0.01	27	–	2	0.02	200 375	0.03
Individuals	12 424	94.44	121 085 266	18.98	11 948	94.76	123 649 942	19.38
Insurance companies	48	0.36	1 737 052	0.27	60	0.48	3 172 156	0.50
Investment companies	34	0.26	10 511 879	1.65	19	0.15	463 609	0.07
Medical schemes	1	0.01	2 500 777	0.39	1	0.01	4 195 809	0.66
Mutual funds	19	0.14	41 980 634	6.58	30	0.24	77 805 689	12.19
Other corporations	38	0.29	49 083 181	7.69	25	0.20	14 042 807	2.20
Own holdings (treasury shares)	2	0.01	5 445 661	0.85	2	0.02	5 445 661	0.85
Private companies	186	1.41	35 040 462	5.49	175	1.39	28 523 548	4.47
Public companies	5	0.04	1 628 998	0.26	3	0.02	485 429	0.08
Retirement funds	34	0.26	100 913 221	15.81	30	0.24	114 347 504	17.92
Trusts (including share trusts)	306	2.33	47 819 099	7.49	267	2.10	48 022 225	7.53
	13 156	100	638 083 421	100	12 609	100	638 083 421	100

Annexure 2 – shareholders' analysis continued

Major shareholders

According to the records of the Company, the only shareholders registered at 31 July holding 3% or more of the Company's shares, were:

	31 July 2025		31 July 2024	
	Number of shares	%	Number of shares	%
Government Employee Pension Fund	33 381 241	5.23	48 121 775	7.54
Stanlib Invest (Managed Collateral)	30 000 000	4.70	29 984 725	4.70
HSBC Private Bank Suisse Omnibusclient	89 199 385	13.98	81 699 385	12.80
Lebashe Investment Group	108 444 046	17.00	121 444 033	19.03
Metal Industries Benefit Funds Administrators	16 473 175	2.58	32 472 893	5.09
	277 497 847	43.49	313 722 811	49.16

Shareholder spread

	31 July 2025		31 July 2024	
	Number of shares	%	Number of shares	%
Shareholder spread				
Public shareholders	520 825 770	81.62	507 562 685	79.54
Non-public shareholders	117 257 651	18.38	130 520 736	20.46
Directors, associates and management of the Company	817 011	0.13	1 280 096	0.20
Strategic holdings	108 644 033	17.02	121 444 033	19.03
Share trusts	2 341 508	0.37	2 341 508	0.37
Treasury shares – V55 Investments Proprietary Limited	5 445 661	0.85	5 445 661	0.85
Other subsidiaries	9 438	0.01	9 438	0.01
	638 083 421	100	638 083 421	100
Shares in issue				
Total number in issue	638 083 421		638 083 421	
Share trusts	(2 341 508)		(2 341 508)	
Treasury shares – V55 Investments Proprietary Limited	(5 445 661)		(5 445 661)	
Other subsidiaries	(9 438)		–	
Effective number of shares in issue	630 286 814		630 296 252	

Annexure 3 – shareholders' diary

Financial year end

31 July 2025

Annual general meeting

Wednesday, 3 December 2025

Reports

Announcement of Annual Results for the year ended 31 July 2025

Tuesday, 28 October 2025

Availability of the Annual Integrated Report for the year ended 31 July 2025

Tuesday, 28 October 2025

Annexure 4 – corporate information

iOCO LIMITED

Incorporated in the Republic of South Africa
Registration number: 1998/014669/06
JSE share code: IOC
ISN: ZAE000071072
(iOCO or the Company or the Group)

DIRECTORATE

Non-executive

Jabu Moleketi* (Chairman)
Andrew Marshall (Lead Independent Non-executive Director)
Veronica Motloutsi
Sipho Ngidi (resigned effective 26 November 2024)
Nompumelelo Mokou (appointed effective 19 March 2025)

* *Non-independent Non-executive Director.*

Executive

Marius de la Rey (Interim Group Chief Executive Officer) (resigned effective 14 February 2025)
Ashona Kooblall (Group Chief Financial Officer)
Dennis Venter (Joint Group Chief Executive Officer) (appointed effective 14 February 2025)
Rhys Summerton (Joint Group Chief Executive Officer) (appointed effective 14 February 2025)

COMPANY SECRETARY

Mpeo Nkuna (resigned effective 30 September 2025)
Anisha Naidoo Umichand (appointed effective 1 October 2025)

REGISTERED ADDRESS

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INVESTOR EMAIL

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AUDITOR

Moore Johannesburg Inc., South Africa
50 Oxford Road, Parktown, 2193

SPONSOR

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number: 2006/005780/07)
6th Floor, 1 Park Lane
Wierda Valley
Sandton, 2196

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
Rosebank Towers
15 Biermann Avenue, Rosebank, Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)

The logo for iOCO, featuring the lowercase letter 'i' in a light teal color, followed by the uppercase letters 'O', 'C', and 'O' in white. The letters are in a clean, sans-serif font.

iOCO

www.ioco.tech