



ALTRON

**Annual Financial Statements**

**for the year ended 28 February 2025**

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# Contents

<b>2</b>	Directors' responsibility statement
<b>3</b>	Approval of the consolidated Annual Financial Statements
<b>3</b>	Group Chief Executive Officer's and Group Chief Financial Officer's responsibility statement
<b>4</b>	Company secretary certificate
<b>5</b>	Report of the Altron Audit and Risk Committee
<b>9</b>	Directors' report
<b>13</b>	Independent auditor 's report
<b>21</b>	Summary of material accounting policies
<b>43</b>	Consolidated balance sheet
<b>44</b>	Consolidated statement of comprehensive income
<b>46</b>	Consolidated statement of changes in equity
<b>48</b>	Consolidated statement of cash flows
<b>49</b>	Notes to the consolidated Annual Financial Statements
<b>174</b>	Separate financial statements
<b>178</b>	Notes to the separate financial statements
<b>183</b>	Historical financial review
<b>187</b>	Share ownership analysis
<b>186</b>	Definitions and abbreviations
<b>187</b>	Corporate information and administration

## **ALTRON LIMITED**

Registration number: 1947/024583/06

Share code: AEL

ISIN: ZAE000191342

### **To the shareholders of Altron Limited ("Altron" or "the Group" or "the Company")**

The Annual Financial Statements of Altron have been audited in compliance with Section 30 of the Companies Act of South Africa.

Mr C Snyman, CA(SA), Chief Financial Officer, was responsible for the supervision of the preparation of the Annual Financial Statements.

The Annual Financial Statements for the year ended 28 February 2025 were approved by the Board on 22 May 2025.

# Directors' responsibility statement

The Altron board of directors ("**Board**" or "**Directors**") are responsible for the preparation and fair presentation of the consolidated and separate Annual Financial Statements of Altron, 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**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee ("**APC**"), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("**FRSC**"), and the requirements of the Companies Act, No. 71 of 2008 of South Africa ("**the Companies Act**") the JSE Limited ("**JSE**") Listings Requirements and comprise of the following:

- Summary of material accounting policies;
- Consolidated statement of financial position;
- Consolidated statement of comprehensive income;
- Consolidated statement of changes in equity;
- Consolidated statement of cash flows;
- Notes to the consolidated financial statements (including the segmental analysis); and
- Altron Ltd separate annual financial statements and notes.

Herein referred to as the "**Annual Financial Statements**").

These Annual Financial Statements include amounts based on judgements and estimates made by the executive directors ("**Executive Directors**") and senior management (collectively referred to as "**Management**").

Any changes to accounting policies have been approved by the Board and the effects thereof have been explained in the Annual Financial Statements. The Company also subscribes in all its activities to principles of best practice and corporate governance, as set out in the King IV™ Report on Corporate Governance for South Africa 2016™ ("**King IV™**"). The Board is responsible for the compliance with the Company's Memorandum of Incorporation ("**MOI**") and preparation of the Director's Report.

The Board, by reviewing information provided by Management and internal audit reports, ensures that the Group has established and maintains effective internal controls. It also oversees the operation of a robust control environment that safeguards the Group's assets and provides reasonable assurance regarding the reliability of its financial information. The Directors oversee website security and controls, including the electronic distribution of Annual Financial Statements and financial information to shareholders and the Companies and Intellectual Property Commission.

The Board, through the Audit and Risk Committee, oversees the implementation of a risk management framework that ensures risks are identified, evaluated, and either mitigated to acceptable levels or transferred when necessary, providing reasonable assurance of effective risk management.

The Board confirms that, to its knowledge, no material deficiencies in internal controls or risk management practices occurred during the reporting period that have not been appropriately addressed or that could affect the fair presentation of the Annual Financial Statements.

The Directors have reviewed the budgets and cash flow forecasts of the Company and its subsidiaries for the financial year ended 28 February 2026. Considering this assessment, along with the Group's current financial position and existing borrowing facilities, the Directors are satisfied that the Company and its subsidiaries have the ability to continue as going concerns. Accordingly, the Annual Financial Statements have been prepared on a going concern basis.

The independent external auditor, PricewaterhouseCoopers Inc. ("**PwC**" or "**external auditor**"), is responsible for reporting on whether the consolidated and separate Annual Financial Statements set out on pages 21 to 182 are fairly presented in accordance with IFRS Accounting Standards and the requirements of the Companies Act. PwC has issued an unmodified audit opinion as set out on pages 13 to 20.

# Approval of consolidated and separate annual financial statements

The consolidated and separate Annual Financial Statements of Altron, as set out on pages 21 to 182 were approved by the Board on 22 May 2025 and signed on its behalf by:



**SW van Graan**  
Chairman

23 May 2025



**WG Kapp**  
Chief Executive Officer



**C Snyman**  
Chief Financial Officer

## Chief Executive Officer's and Chief Financial Officer's responsibility statement

In compliance with paragraph 3.84(k) of the JSE Listings Requirements, the directors whose names are stated below, after due, careful and proper consideration, hereby confirm that:

- a) the Annual Financial Statements, set out on pages 21 to 182, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the Annual Financial Statements of the issuer;
- d) the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as the Executive Directors with primary responsibility for the implementation and execution of controls;
- e) where we are not satisfied, we have disclosed to the Audit and Risk Committee and the external auditor, any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- f) we are not aware of any fraud involving the Directors.



**Mr. WG Kapp**  
Chief Executive Officer

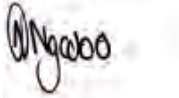
23 May 2025



**Mr. C Snyman**  
Chief Financial Officer

# Company secretary's certificate

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 that are required of a public company in terms of the Companies Act, in respect of the financial year ended 28 February 2025, and that all such returns and notices are true, correct and up to date.



**Ms. MB Ngcobo**

*Group Company Secretary*

23 May 2025

# Audit and Risk Committee report

We are pleased to present our report for the financial year ended 28 February 2025. The Altron Audit and Risk Committee (“the Committee” or “AARC”) is an independent statutory committee established in accordance with the Companies Act. Its duties are delegated by the Board and include statutory obligations as prescribed by the Companies Act, King IV™, and the JSE Listings Requirements. Additionally, the Committee is responsible for assisting the Board in fulfilling its oversight responsibilities, particularly regarding the integrity of the Group’s financial statements, the effectiveness of internal controls, financial reporting processes, and risk management.

The scope of the Committee extends to all activities of Altron and its subsidiaries, excluding the Altron Arrow Group and Altron Middle East Technologies LLC, which has its own Financial Review and Risk Committee reporting to this Committee.

## AARC MANDATE AND TERMS OF REFERENCE

The Committee operates in terms of a formal Mandate and Terms of Reference which are reviewed and approved by the Board annually. During the past financial year, the Committee’s Mandate and Terms of Reference have been reviewed and updated to further align with corporate governance best practice. The Committee has conducted its affairs in compliance with its Mandate and Terms of Reference and has fulfilled its responsibilities contained therein.

## AARC MEMBERS AND ATTENDANCE AT MEETINGS

The AARC comprised of the following members:

Name	Role	Qualification
Grant Gelink	Chairman of AARC Independent Non-Executive Director	CA (SA); BCompt (Hons) (UNISA); BCom (UND) (Hons) (UNISA)
Alupheli Sithebe	Independent Non-Executive Director	BCom Acc (RAU); BCom Acc (Hons) (UNISA); CA (SA); MBA (GIBS)
Sharoda Rapeti	Independent Non-Executive Director	Higher National Diploma in Electrical Engineering (DUT); MBA ( <i>cum laude</i> ) (University of Wales)
Grigoris Kouteris*	Independent Non-Executive Director	MPhil Electronic Engineering (UMIST) Beng (Hons) Electronic Engineering (UMIST)

\* Appointed to the AARC with effect from 1 February 2025, subject to shareholder approval at the annual general meeting.

The Group Chief Executive Officer, Group Chief Financial Officer, the external auditor and other senior function managers such as the Management responsible for Enterprise Risk, Internal Audit, Group Tax, Treasury, Corporate Actions, Legal, Compliance and Information Technology (“IT”) attend meetings by invitation from the Committee.

The Chairman of the Committee regularly meets with the Group Chief Financial Officer, the external auditor, the internal auditor and Management.

During the year under review, four formal meetings were held with a 100% attendance rate.

### Meeting attendance

14 May 2024	30 October 2024	18 February 2025
G Gelink	G Gelink	G Gelink
S Rapeti	S Rapeti	S Rapeti
A Sithebe	A Sithebe	A Sithebe
		G Kouteris*

\* Appointed to the AARC with effect from 1 February 2025, subject to shareholder approval at the annual general meeting.

## STATUTORY DUTIES

In conducting its duties, the Committee performed the following statutory duties, *inter alia*:

- Recommended the re-appointment of PwC as the external auditor of the Company for the financial year ended 28 February 2025, with Mr. Skalo Dikana as the lead audit partner. PwC is a registered auditor which, in the opinion of the Committee, is independent of the Company and the Group. The re-appointment of PwC as external auditor was approved by Altron shareholders during the Company’s annual general meeting held on 31 July 2024.
- Ensured that the re-appointment of the external auditor complies with the Companies Act, and any other legislation relating to the appointment of auditors.
- Determined the external auditor’s terms of engagement and fees.
- Determined the nature and extent of the non-audit related services that the external auditor may provide to the Company and the Group.

# Audit and Risk Committee report

## continued

- Pre-approved any proposed agreement with the external auditor for the provision of non-audit related services to the Company and the Group.
- Discharged those statutory obligations of an Audit Committee as prescribed by section 94 of the Companies Act, acting in its capacity as the appointed Audit Committee of the Group subsidiaries and the material subsidiaries which conduct their activities through the respective subsidiary's Financial Review and Risk Committees.

### DUTIES ASSIGNED BY THE BOARD

The Committee fulfils an oversight role regarding the Integrated Annual Report and the reporting process, including the system of internal financial controls. It is responsible for ensuring that the Group's Internal Audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to effectively discharge its duties. Furthermore, the Committee oversees co-operation between the internal and external auditors and serves as a link between the Board and these functions.

During the year under review, the Committee had several engagements with the external auditor and with the members of the Group Executives to ensure that information relevant to the Committee is shared regularly.

The Committee is satisfied that it has complied in all material respects with its legal, regulatory and other responsibilities.

### KEY AREAS OF ACTIVITY DURING THE YEAR

During the year, the Committee dealt with the following statutory, regulatory and compliance matters:

Focus Areas	Description
Financial Reporting and Disclosure	<ul style="list-style-type: none"> <li>• The reclassification of Altron Document Solutions ("<b>ADS</b>") as a continuing operation.</li> <li>• The implementation of the B-BBEE Transaction.</li> <li>• Reviewed and recommended the annual and interim financial statements for Board approval.</li> <li>• Conducted the solvency and liquidity tests, going concern assessments and provided recommendations on the dividend for Board approval.</li> <li>• Assessed the impact of new and revised IFRS and accounting policies.</li> <li>• Evaluated the expertise and experience of the Chief Financial Officer and finance team.</li> <li>• Reviewed the treasury, investment and guarantee reports.</li> <li>• Received reports from the Altron Arrow Financial Reporting and Review Committee.</li> </ul>
External Audit and Assurance	<ul style="list-style-type: none"> <li>• Reviewed the external audit reports and Management responses.</li> <li>• Assessed the external auditor's independence and compliance with regulatory requirements.</li> <li>• Approved audit plans, fees and terms of engagement and evaluated external auditor performance and effectiveness.</li> </ul>
Risk Management and Internal Controls	<ul style="list-style-type: none"> <li>• Reviewed and approved the new Group Enterprise Risk Management Framework, including the risk exposure reports and Management's mitigation actions.</li> <li>• Focused on enterprise risk, cyber risk, technology risk, privacy and information risk, organisational resilience and legal and regulatory compliance risk.</li> <li>• Reviewed and recommended the internal control statement.</li> </ul>
Internal Audit and Compliance	<ul style="list-style-type: none"> <li>• Approved the appointment of the Executive responsible for Enterprise Risk Management and internal audit.</li> <li>• Examined and reviewed the progress made by internal audit against the approved FY25 audit plan.</li> <li>• Approved the FY26 Internal Audit Plan and measured progress.</li> <li>• Approved the FY25–FY26 Internal Audit Plan.</li> <li>• Approved the Internal Audit Charter.</li> <li>• Considered internal audit findings and corrective actions taken in response to such findings.</li> <li>• Oversaw the compliance review with the SARB Cybersecurity and Cyber-resilience Joint Notice 1 of 2024.</li> <li>• Tracked the legal matter and the financial provisioning relating to legal proceedings between Thobela Telecoms (RF) Pty Limited and the City of Tshwane and its effect on Altron Nexus.</li> <li>• Tracked the legal matter and the financial provisioning relating to legal proceedings between Altron Nexus and Aeonova 360 Management Services Proprietary Limited.</li> <li>• Evaluated the independence, effectiveness and performance of the internal audit function.</li> </ul>

# Audit and Risk Committee report

## continued

Focus Areas	Description
Cybersecurity	<ul style="list-style-type: none"> <li>• Approved the Altron Cyber Strategy.</li> <li>• Monitored progress against the Critical Security Controls (“CIS”) Framework.</li> <li>• Assessed the outcomes from the Pentest and Attack Simulation initiatives conducted over the reporting period.</li> <li>• Assessed the results from the Altron Cyber Training and Awareness Campaigns conducted over the reporting period.</li> <li>• Oversaw the implementation of the Altron Artificial Information (“AI”) Policy approved in FY24.</li> </ul>
Governance and Board Engagement	<ul style="list-style-type: none"> <li>• Ensured compliance with the Companies Act and JSE Listings Requirements, including the JSE Proactive Monitoring Report and the CEO and CFO statements.</li> <li>• Conducted an annual review of the Committee’s Terms of Reference and workplan in accordance with King IV™.</li> <li>• Oversaw the report to shareholders on the Committee activities in the integrated annual report.</li> <li>• Provided oversight on the reporting on committee activities to the shareholders in the Integrated Annual Report.</li> </ul>

## RISK MANAGEMENT

The Committee fulfils an oversight role regarding risks, including financial reporting, fraud risks, cyber risks, enterprise risks, privacy and information risks, legal and compliance risks, as well as organisational resilience.

The Committee satisfied itself that the level of unmitigated risks, both individually and in totality, are within the risk appetite of the Group, and that there is sufficient assurance provided to manage risks and the control environment through both internal and external assurance.

## EXTERNAL AUDITOR RE-APPOINTMENT AND INDEPENDENCE

The Committee has satisfied itself that the external auditor was independent of the Company during the past financial year, as set out in sections 90(2)(c) and 94(8) of the Companies Act, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided by the external auditor that internal governance processes within PwC support and demonstrate their claim to independence.

The Committee, in consultation with Management, agreed to the engagement letter, terms, audit plan and proposed external audit fees for the financial year ended 28 February 2025.

There is a formal written policy and procedure (incorporating an authority matrix) that governs the process whereby the external auditor is considered for providing non-audit related services. The Committee has approved terms for the provision of non-audit related services by the external auditor in place and approved the nature and extent of non-audit related services that the external auditor may provide.

The Committee has nominated PwC as the external auditor, for re-appointment at the next annual general meeting to be held on 31 July 2025. Furthermore, the Committee has satisfied itself that PwC, the audit firm of Altron’s major subsidiaries, is not disqualified from acting as such. The Committee conducted the auditor’s suitability assessment in terms of sections 3.84(g)(ii) of the JSE Listings Requirements.

The Committee has nominated, for appointment, Mr. Skalo Dikana, as the designated auditor/lead audit partner for the Group as required in terms of section 92(1) of the Companies Act and the JSE Listings Requirements.

## FINANCIAL STATEMENTS

The Committee has reviewed the Annual Financial Statements of the Group and is satisfied that they comply in all material respects with IFRS Accounting Standards as issued by the IASB and Interpretations as issued by the IFRIC, the SAICA Financial Reporting Guides as issued by the APC, Financial Reporting Pronouncements as issued by FRSC, the JSE Listings Requirements and the requirements of the Companies Act.

## GOING CONCERN

The Committee reviewed a documented assessment by Management of the going concern premise of the Company and the Group before recommending to the Board that the Company, as well as the Group, will be a going concern in the foreseeable future.

# Audit and Risk Committee report

continued

## EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

The Committee assessed the Group Chief Financial Officer's (Mr. Carel Snyman) expertise and experience for the role as required in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements in May 2025 and confirms that it is satisfied that Mr. Snyman possesses the appropriate expertise and experience to meet the responsibilities of this position.

The Committee has considered and satisfied itself of the overall appropriateness of the expertise and adequacy of resources of the Group's finance function and experience of the senior members responsible for the financial function.

## INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

Altron has an internal audit function which reports directly to the Committee and administratively to the Group Chief Financial Officer.

Internal audit reviews and provides assurance on the adequacy of the internal control environment across all of Altron's operations in accordance with the internal audit plan as approved by the Committee. Internal audit is responsible for formally reporting the findings of the internal audit work against the agreed internal audit plan to the Committee on a regular basis and has direct access to the Committee, primarily through the AARC Chairman.

## ETHICS LINE

The Ethics Report is presented to the Altron Social, Ethics and Sustainability Committee via the office of the Group Company Secretary. The Altron Ethics Line is facilitated and managed by Deloitte. The Committee is satisfied that appropriate interventions have been put in place to deal with reporting throughout the Group and that the Group adequately monitors instances of ethics within the Group.

## COMBINED ASSURANCE

The Committee considers and assesses the Group's risks and the combined assurance model and the way the risks are mitigated and managed in terms of the Group's lines of defense. The Committee has oversight of the Group's combined assurance model which was embedded within the Group during the financial year.

## SUSTAINABILITY REPORTING

The Committee has reviewed the Company's sustainability information disclosed in the Integrated Annual Report for the year ended 28 February 2025, assessing its alignment with operational data, other relevant information, and the Annual Financial Statements. Following discussions with Management, the Committee is satisfied that the sustainability information is reliable and consistent with the financial results in all material respects. No material deficiencies have been identified.

## OPINION

The AARC, based on Management explanations and discussions with the external auditor, is satisfied that no material breakdown occurred in internal financial controls during the financial year under review. In accordance with King IV™, the Committee confirms that the Group's financial reporting risk, internal financial controls, and fraud risk related to financial reporting and IT have been adequately addressed.

After reviewing Altron's separate and consolidated Annual Financial Statements for the year ended 28 February 2025, the AARC has concluded that Altron complies in all material respects with the Companies Act and IFRS Accounting Standards.

The AARC recommended the Annual Financial Statements for Board approval, which has been granted. These statements will be open for discussion at the upcoming annual general meeting.



**GG Gelink**  
Chairman

**Altron Audit & Risk Committee**

23 May 2025

# Directors' report

## To the shareholders of Altron

The Directors hereby submit the Annual Financial Statements of the Group for the year ended 28 February 2025.

## NATURE OF BUSINESS

The Company is a South African incorporated public company listed on the JSE and the A2X. The Company's registration number is 1947/024583/06. Altron is a leading Information Communication and Technology ("ICT") business since 1965, operating in a number of geographies under the following three operating segments:

- **Platforms:** Netstar, Altron FinTech, and Altron HealthTech.
- **IT Services:** Altron Digital Business, Altron Security and Altron Document Solutions.
- **Distribution:** Altron Arrow.

## SHARE CAPITAL

The authorised share capital of the Company is 500 000 000 A ordinary shares of no-par value, 500 000 000 N ordinary shares with a par value of R0.01 per share and 1 high voting share of no par value (unlisted).

The issued and fully paid share capital of the Company as at 28 February 2025 is 412 055 395 A ordinary shares of no par value and 1 high voting share of no par value (unlisted). There are 30 837 778 treasury shares in issue. For full details on the share capital of the Company, refer to note 13.

No securities of Altron were repurchased during the financial year under review.

Altron did not undertake any issues of securities for cash, whether general or specific, during the period covered by this Directors' Report or during the prior financial year.

## FINANCIAL RESULTS

Particulars of the Group's attributable earnings and earnings per share for the year ended 28 February 2025 are given in the consolidated statement of comprehensive income, whilst particulars of the Group's headline earnings per share for the year ended 28 February 2025 are given in note 26 of the consolidated Annual Financial Statements.

Full details of the financial position, cash flows and results of the Group are set out in these consolidated Annual Financial Statements.

## SUBSIDIARIES, ASSOCIATE COMPANIES AND OTHER INVESTMENTS

Particulars of the principal subsidiaries of the Group are given in note 2 of the separate Annual Financial Statements and note 43.1 of the consolidated Annual Financial Statements, whilst particulars of the associate companies, joint ventures and other investments are provided in note 43.2 to 43.5 of the consolidated Annual Financial Statements.

## SEGMENT REPORTING

Segment information is included in note 41 of the consolidated Annual Financial Statements.

EBITDA (before capital items and equity accounted profits/(losses)) for the financial year ended 28 February 2025 was R1 667 million (2024: R985 million). Operating Income (before capital items) for the financial year ended 28 February 2025 was R817 million (2024: R187 million).

## BORROWING POWERS AND RESTRICTIVE FUNDING ARRANGEMENTS

In terms of its MOI, Altron has unlimited borrowing powers. As at 28 February 2025 unutilised borrowing facilities amounted to R1 875 million (2024: R1 540 million).

# Directors' report continued

## CORPORATE ACTIVITY DURING THE YEAR

### B-BBEE Transaction

Altron established a broad-based empowerment trust, Altron Foundation Trust ("Ascent" / "Trust"), a strategic transaction aimed at advancing sustainable transformation through ICT education and enhancing transformation and achieving long-term ownership targets. Ascent was founded by Altron TMT Holdings (Pty) Ltd, a wholly owned subsidiary of Altron and the holding company for its South African operations. The Trust is governed by a board of trustees comprising at least 50% black trustees (including a minimum of 25% black women) and at least 50% independent trustees, in line with good governance and B-BBEE compliance standards.

The Trust's mandate is to support Altron's B-BBEE ownership credentials and to promote access to ICT education, with a focus on lower-income employee family members. To facilitate its participation in the transaction, the Trust established a wholly owned subsidiary, Altron Foundation Holdings (RF) (Pty) Ltd ("Altron Foundation Holdings"), which serves as the investment vehicle. Altron Foundation Holdings acquired a 20% equity stake in Altron SA Holdings (Pty) Ltd ("HoldCo"), a newly formed entity that holds 100% of the shares in Altron TMT, thereby consolidating all of Altron's South African operations.

This structure enables indirect broad-based black ownership at the operating company level and supports meaningful economic participation. Distributions from the Trust are used to fund educational and empowerment initiatives, ensuring long-term transformation benefits for qualifying beneficiaries.

### Altron Document Solutions reclassified as a continuing operation from a discontinued operation

Altron Document Solutions was reclassified from a discontinued operation to a continuing operation during the period, after considering the strategic alternatives for the business, including purchase offers received. Refer to notes 39 and 40 of the consolidated Annual Financial Statements for further details.

## GOING CONCERN

The Directors have assessed that the Group has sufficient expected future cash flows and adequate financial resources to continue as a going concern for at least the next 12 months from the date of the approval of these Annual Financial Statements.

## DIVIDENDS

On 1 November 2024, the Board resolved to declare an interim dividend of 40.00 cents per share for the six-month period ended 31 August 2024 and which was paid on Monday, 25 November 2024.

At the Board meeting held on 22 May 2025, the Board resolved to declare and pay a final dividend of 50 cents per share in respect of the financial year ended 28 February 2025. Refer to note 28 of the consolidated Annual Financial Statements.

## EVENTS AFTER REPORTING PERIOD

The Board declared a final dividend of 50 cents per share on 22 May 2025.

### Sale of Altron Nexus ("Nexus")

Subsequent to year-end, the Group entered into a management buy out ("MBO") sale transaction. Under the terms of the MBO transaction, the acquirers will (through their acquisition of Altron Nexus) assume all intercompany related debt, while any potential recoveries from the City of Tshwane legal process will remain with Altron. The MBO transaction is not expected to result in any cash proceeds to the Group and remains subject to the fulfilment of conditions precedent, which are targeted to close by 30 June 2025 (note 40).

The Directors are not aware of any other events after the reporting period that will have a material impact on the financial position, performance or cash flows of the Group.

## CORPORATE GOVERNANCE

The Board endorses the contents of King IV™ and has satisfied itself that Altron has complied in all material aspects with King IV™ and with the JSE Requirements throughout the period.

Altron's application of the King IV™ Principles is contained in the Integrated Annual Report as well as King IV™ Register at [www.altron.com](http://www.altron.com).

## REGULATORY MATTERS

The Group has no material regulatory matters and complies with all laws, regulations and its MOI.

# Directors' report continued

## SPECIAL RESOLUTIONS

The Company passed three special resolutions during the year ended 28 February 2025 (all special resolutions were passed at the Company's annual general meeting on 30 July 2024):

- Approving the remuneration of the Non-Executive Directors.
- Approving the remuneration payable to Non-Executive Directors participating in statutory and Board committees.
- Approving financial assistance to related or inter-related companies and corporations.

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

## GENERAL AUTHORITY TO ISSUE SHARES

The remaining unissued A ordinary shares are the subject of a general authority granted to the Directors in terms of, among others, the Companies Act and which authority remains valid only until the next annual general meeting which will be held on Thursday, 31 July 2025.

At that meeting, Shareholders will be asked to place 3% of the unissued A ordinary shares under the control of the Directors. Shareholders will also be asked to authorise the Board to issue the shares under their control. This mandate is provided to allow the Board and authorised members of Management to issue shares for the Altron Share Scheme and in the ordinary course of business (inter-Group transactions).

## SHARE SCHEMES

Particulars relating to The Altron 2009 Share Plan are set out in note 13 of the consolidated Annual Financial Statements.

## EXTERNAL AUDITOR

PwC will continue in office as the auditor in accordance with section 90 of the Companies Act.

The AARC reviewed the independence of the auditor during the period under review and satisfied itself that the auditor was independent of the Group.

## BOARD AND COMMITTEE CHANGES DURING THE YEAR

The Board continued to provide valuable input to the Group in realising its strategic goals. The Board and its Committees underwent several changes during the year and these were announced in various SENS announcements.

Mr Grigoris Kouteris was appointed as an Independent Non-Executive Director with effect from 17 May 2024 and as a member of the Investment Committee and Audit and Risk Committee (subject to shareholder approval at the annual general meeting) from 1 February 2025. Mr Robbie Venter tragically passed on 7 August 2024.

The Remuneration Committee (chaired by Dr. Phumla Mnganga) and the Nominations Committee (chaired by Mr Stewart van Graan) operated separately before merging into a single committee effective 1 February 2025. The newly formed Remuneration and Nomination Committee ("RemNomCom") is chaired by Dr. Phumla Mnganga (Independent Non-Executive Director) and includes Ms Sharoda Rapeti and Mr Grant Gelink (Independent Non-Executive Directors) and Mr Tapiwa Ngara (Non-Executive Director) as members.

## RE-ELECTION OF DIRECTORS AT THE COMPANY'S ANNUAL GENERAL MEETING

In accordance with Articles 25.6.1 and 25.17 of the MOI, the following Directors will be tabled for re-election at Altron's annual general meeting to be held on 31 July 2025:

### Board re-election

- Dr. Phumla Mnganga (Independent Non-Executive Director);
- Mr Tapiwa Ngara (Non-Executive Director); and
- Mr Brett Dawson (Non-Executive Director).

All the retiring Directors are eligible and available for re-election. Their profiles appear in the Integrated Annual Report at [www.altron.com](http://www.altron.com).

# Directors' report continued

## DIRECTORS' INTERESTS

As of 28 February 2025, the Directors collectively held 160 213 015 of the Company's issued A ordinary shares (2024: 159 053 015). Refer to note 30.2.

The table below outlines the Directors' shareholdings in the Company, including direct and indirect interests through an associate as defined by the JSE Listings Requirements, as at 28 February 2025:

Director	Direct Beneficial	Indirect Beneficial	Indirect Non-Beneficial	Detail of indirect shareholding
GG Gelink	38 000			
RE Venter*	44 015	56 192 243		Shares held through Biltron Proprietary Limited where the Director was a beneficiary.
S van Graan		25 000		Shares held by the spouse of the Director.
B Dawson		3 057 866		Cumulative Shares held through Campan Enterprises Proprietary Limited (2 721 088) and Anuva Investments Limited (336 778) where Director is a beneficiary.
AC Ball T Ngara			99 142 667	Cumulative shares controlled by Value Capital Partners Proprietary Limited where the Directors are employees.
WG Kapp		1 433 224		Shares held through the WG Kapp Family Trust where the Director is a beneficiary.
C Snyman	280 000			
<b>Total</b>	<b>362 015</b>	<b>60 708 333</b>	<b>99 142 667</b>	

\* Passed away on 7 August 2024

## DIRECTORS' EMOLUMENTS

The individual Directors' emoluments paid in respect of the financial year under review are contained in note 20.1 of the consolidated Annual Financial Statements and in the Remuneration Report forming part of the Integrated Annual Report at [www.altron.com](http://www.altron.com).

## COMPANY SECRETARY

The role of Group Company Secretary continues to be occupied by Ms. Mbali Ngcobo. The Company Secretary's business and postal addresses appear in the Integrated Annual Report at [www.altron.com](http://www.altron.com).

The Board is satisfied that Ms. Ngcobo maintains an arm's-length and independent relationship with the Board and is not a director of Altron, as required in terms of Paragraphs 3.84(h) of the JSE Listings Requirements.

In evaluating the Company Secretary, the Board has considered the prescribed duties and responsibilities of the Company Secretary which are set out in the Companies Act, the JSE Listings Requirements and governance requirements as set out in King IV™.



## *Independent auditor's report*

To the shareholders of Altron Limited

### *Report on the audit of the consolidated and separate financial statements*

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#### *Our opinion*

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Altron Limited (the Company) and its subsidiaries (together the Group) as at 28 February 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 and the requirements of the Companies Act of South Africa.

#### **What we have audited**

Altron Limited's consolidated and separate financial statements set out on pages 21 to 182 comprise:

- the consolidated and separate balance sheets as at 28 February 2025;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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#### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090  
Private Bag X36, Sunninghill, 2157, South Africa  
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba  
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

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## Our audit approach

### Overview

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#### Final materiality

R95 million, which represents 1% of consolidated revenue from continuing operations.

#### Group audit scope

Our audit included a full scope audit of eight components that were considered significant due to risk and/or size, in addition to the full scope audit of the Company. An audit of certain account balances were performed over two components based on the associated risk of the component.

#### Key audit matters

Impairment assessment of goodwill

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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 final materiality and group audit scope below.

#### Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.



	<i>Consolidated financial statements</i>	<i>Separate financial statements</i>
<i>Final materiality</i>	R95 million	R33 million
<i>How we determined it</i>	1% of Revenue from continuing operations	1% of Total Assets
<i>Rationale for the materiality benchmark applied</i>	<p>We chose consolidated revenue from continuing operations, because in our view, it is the benchmark against which the performance of the Group is most commonly measured by stakeholders.</p> <p>We chose 1%, which is consistent with quantitative materiality thresholds that we would typically apply when using revenue to compute materiality.</p>	<p>We chose total assets due to there being no operations on a Company level. In our view, Total Assets would therefore be the primary performance indicator for stakeholders of the Company, as the Company holds the investments held within the Group.</p> <p>We chose 1%, which is consistent with quantitative materiality thresholds that we would typically apply when using Total Assets to compute materiality.</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 financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our scoping assessment included consideration of financially significant components as well as taking into consideration the sufficiency of work performed over material line items in the consolidated financial statements.

We performed full scope audits of eight components that were financially significant, in addition to the full scope audit of the Company. An audit of certain account balances were performed over two components based on the associated risk of the component.

The main indicators used to identify financially significant components are consolidated revenue; consolidated profit before taxation; consolidated earnings before interest; taxation; depreciation and amortisation; capital items and equity accounted profits (“EBITDA before capital items and equity accounted profits”); consolidated assets and consolidated liabilities.



In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, and component auditors from other PwC network firms operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole. Detailed group audit instructions were communicated to all components in scope and meetings were held with component teams before commencing their respective audits. Throughout the audit, numerous planning, execution and completion meetings and discussions were held with the component auditors of these 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.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

In terms of ISA 701 *Communicating key audit matters in the independent auditor’s report* the / EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><i>Impairment of Goodwill</i></p> <p>The Group’s net assets include a significant amount of goodwill, which arose from business combinations undertaken in prior years.</p> <p>International Accounting Standards (“IAS”) 36 – <i>Impairment of Assets</i> requires the Group to conduct an annual impairment test, or more frequently if there is an indication of impairment, to assess the recoverability of the carrying value of goodwill.</p>	<p>We tested the mathematical accuracy of the valuation models used by management and found no material differences.</p> <p>We further assessed the appropriateness of the valuation model (discounted cash flow model) applied by management, with reference to market practice and the requirements of IAS 36. No exceptions were noted.</p>

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>In determining the recoverable amounts of the respective cash generating units (“CGUs”) that goodwill has been allocated to, the Group applied the fair value less costs of disposal (“FVLCD”) which makes use of a discounted cash flow valuation model.</p> <p>When an impairment is identified through the assessment of the recoverable amount, an impairment loss is recognised in profit or loss where the recoverable amount is lower than the carrying value of the respective CGU.</p> <p>The Group performed its annual impairment tests and concluded that no impairments were required to be recognised in the current financial year.</p> <p>We considered the impairment assessment of goodwill arising from business combinations to be a matter of most significance to the current year audit of the consolidated financial statements due to the following:</p> <ul style="list-style-type: none"> <li>- the significant judgement and assumptions applied by management in determining the recoverable amounts of the CGUs; and</li> <li>- the magnitude of the goodwill balance in relation to the consolidated financial statements.</li> </ul> <p>Refer to the following notes to the consolidated financial statements for detail:</p> <ul style="list-style-type: none"> <li>- Note 2: Goodwill and other intangible assets;</li> <li>- Note 31.1: Critical estimates made by management, Impairment assessments of goodwill.</li> </ul>	<p>We assessed the reliability of the Group’s budgets included in the business plans (which form the basis of the cash flow forecasts), by comparing prior period budgets to actual results. We found management’s cash flow forecasts to be within an acceptable range consistent with the historical actual results and obtained corroboration from management where the budgeted numbers significantly differed from actuals.</p> <p>We agreed the key inputs (Revenue, EBITDA) applied in the forecasted cash flows, to approved budgets and noted no material differences.</p> <p>We assessed the reasonableness of the revenue growth rates and EBITDA margins used in the discounted cash flow analysis through discussions with management to understand the basis for the assumptions used in respect of the cash flows and corroborated their explanations against historic performance as well as other strategic initiatives implemented by management. We assessed these to be reasonable.</p> <p>We utilised our valuation expertise to test the appropriateness and reasonability of the discount rates through independent recalculation, based on inputs obtained which are comparable to other companies in the same industry and of similar size. Whilst we noted that our independently determined discount rates differed to those applied by management, this did not have a material impact on the impairment assessment.</p> <p>We compared the terminal growth rates used by management to long-term growth rates obtained from independent sources and found management’s terminal growth rates to be within and appropriate range.</p>

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
	We independently performed sensitivity calculations on the impairment assessments in order to determine the degree by which certain key assumptions needed to change in order to trigger an impairment. We compared the results of our sensitivity analysis to management's impairment results in order to identify those CGUs considered sensitive to a change in assumptions for disclosure purposes. We did not note any aspects requiring further consideration.

### *Other information*

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Altron Annual Financial Statements for the year ended 28 February 2025", which include(s) the Directors' Report, the Audit and Risk Committee Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the document titled "Altron Integrated Annual Report 2025", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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, 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 the Company or to cease operations, or have no realistic alternative but to do so.

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### *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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group and / or Company to cease to continue as a going concern.
- 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 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 law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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### *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 PricewaterhouseCoopers Inc. has been the auditor of Altron Limited for 7 year(s).

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*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
Director: KJ Dikana  
Registered Auditor  
Johannesburg, South Africa  
24 May 2025

# Summary of material accounting policies

Altron Limited (the Company) is a South African registered company and is listed on the Johannesburg Stock Exchange (JSE). The consolidated annual financial statements of the Company for the year ended 28 February 2025 comprise the Company and its subsidiaries and the Group's interests in associates and joint arrangements (together referred to as the 'Group'). Where reference is made to the Group in the accounting policies, it should be interpreted as referring to the Company where the context requires, unless otherwise noted.

## STATEMENT OF COMPLIANCE

The consolidated and separate financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS<sup>®</sup> Interpretations Committee (IFRIC), and comply with the 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 Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act). The consolidated and separate financial statements were approved for issue by the Group's Board of Directors on 22 May 2025 and released on 26 May 2025.

## BASIS OF PREPARATION

Amounts are rounded to the nearest million apart from earnings per share and the related number of shares (note 26), number of ordinary shares (note 13), share-based payments (note 13), directors' and prescribed officers' remuneration (note 20) and related party interests (note 30).

The consolidated financial statements are presented in South African Rands, which is the Group's functional and presentation currency, on a historical-cost basis, except for the following assets and liabilities which are stated at fair value:

- Financial assets at fair value through other comprehensive income;
- Financial assets at fair value through profit or loss (including derivative financial instruments);
- Defined benefit assets; and
- Share-based payment recharge arrangement asset.

Non-current assets and disposal groups held-for-sale which include Altron Nexus ("Nexus") are measured at the lower of their carrying amount and fair value less costs to sell.

The defined benefit asset is measured as the fair value of plan assets less the present value of the defined benefit obligation, limited as explained in note 18.

## GOING CONCERN

The Group's budgets and cash flow projections, taking account of reasonably possible changes in operating performance, show that the Group should be able to operate into the foreseeable future within its existing borrowing facilities.

At the time of approval of these consolidated and separate financial statements for the year ended 28 February 2025, the Board has a reasonable expectation that the Group and Company have 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 financial statements therefore have been prepared on a going concern basis.

# Summary of material accounting policies

CONTINUED

## CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS® Accounting Standards requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRS® Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in note 31.

## PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out on the following pages and in the related notes to the Group financial statements. Where applicable, the principal accounting policies applied in the Company financial statements are consistent with those applied in the Group financial statements. The principal accounting policies applied are consistent with those adopted in the prior year.

The Group's accounting policies have been applied consistently by all group entities.

## NEW AND AMENDED ACCOUNTING PRONOUNCEMENTS ADOPTED BY THE GROUP

As disclosed in note 32, a number of new pronouncements and / or interpretations were effective from 1 March 2024. These had no material effect on the Group or Company's financial statements.

## NEW AND AMENDED ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT EFFECTIVE

As disclosed in note 32, certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 March 2025, or later periods, but which the Group has not early adopted.

## BUSINESS COMBINATIONS

### SUBSIDIARIES

Subsidiaries are those entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Losses and each component of comprehensive income applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

# Summary of material accounting policies

## CONTINUED

When the Group ceases to have control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests. Any retained interest in the entity is remeasured to its fair value. Any resulting gain or loss is recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income (OCI) in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss. The remaining other reserves related to that entity are transferred to retained earnings.

On an acquisition-by-acquisition basis, non-controlling interests in the acquiree may initially be measured either at fair value, or at the non-controlling shareholders' proportion of the net identifiable assets acquired and liabilities and contingent liabilities assumed.

Non-controlling shareholders are treated as equity participants; therefore, all acquisitions of non-controlling interests or disposals by the Group of its interests in subsidiaries, where control is maintained subsequent to the disposal, are accounted for as equity transactions. Consequently, any increases or decreases in ownership interests in subsidiaries, without a change in control, are recognised as equity transactions in the consolidated financial statements.

Accordingly, any premiums or discounts on purchases of equity instruments from, or sales of equity instruments to, non-controlling interests are recognised directly in the equity of the parent shareholder.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### **ASSOCIATES**

An associate is an entity in which the Group holds an equity interest, over which the Group has significant influence and is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies. The equity method of accounting for associates is adopted in the consolidated financial statements. The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of associates from the date significant influence commences until the date significant influence ceases.

Goodwill included in the carrying amount of an investment in associate is not tested for impairment annually, but rather, the entire investment is tested for impairment if there is an indication of impairment.

Dividends received from associates are deducted from the carrying value of the investment. Where the Group's share of losses of an associate exceeds the carrying amount of the associate, the associate is carried at no value. Additional losses are only recognised to the extent that the Group has an obligation or has made payments on behalf of the associate.

### **JOINT ARRANGEMENTS**

Joint arrangements are those entities in respect of which there is a contractual agreement whereby the Group and one or more other parties undertake an economic activity, which is subject to joint control.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations.

The Group's participation in joint ventures is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profits or losses and other comprehensive income of the equity-accounted investees, until the date on which joint control ceases.

# Summary of material accounting policies

## CONTINUED

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

When the Group ceases to equity account for an investment because of a loss of joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in other comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset.

### ELIMINATIONS ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in these enterprises. Unrealised losses on transactions with associates and joint ventures are eliminated in the same way as unrealised gains, except that they are only eliminated to the extent that there is no evidence of impairment.

### BUSINESS COMBINATION

All business combinations are accounted for by applying the 'acquisition method', as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Subsequent to acquisition, goodwill is measured at cost less accumulated impairment losses and is allocated to cash-generating units and tested annually for impairment. Goodwill is not amortised and impairment losses recognised are not subsequently reversed.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit and loss. Any deferred purchase or contingent consideration payable is recognised at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Cash-generating units represent the business operations from which the goodwill was originally generated. On disposal of a subsidiary, joint arrangement or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

When the Group ceases to have control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests. Any retained interest in the entity is remeasured to its fair value. Any resulting gain or loss is recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The remaining other reserves related to that entity are transferred to retained earnings, with the exception of share-based payment reserve which is reclassified to profit or loss.

# Summary of material accounting policies

CONTINUED

## CAPITAL ITEMS

Capital items are items of income and expense relating to the impairment, subsequent reversal of impairment and disposal gains or losses of property, plant and equipment, right-of-use assets, investments, subsidiaries, intangible assets and capital items written off. Capital items also includes the following:

- Reclassification of foreign currency translation reserve to profit or loss.
- Net gains and losses arising from partial or full termination of leases (refer to accounting policy relating to leases).
- Gains or losses recognised on the measurement to fair value, less costs to sell of held-for-sale disposal groups.
- Impairment losses arising from the derecognition of right-of-use assets and subsequent recognition of net investment finance lease assets.
- Goodwill impairments.
- Any costs associated with the disposal of investments and subsidiaries.

These are consistent with the exclusions as defined by Circular 1/2023 Headline earnings.

## EMPLOYEE BENEFITS

### SHORT-TERM EMPLOYEE BENEFITS

The cost of all short-term employee benefits is recognised in profit or loss during the period in which the employee renders the related service.

The accruals for employee entitlements to salaries, performance bonuses and annual leave represent the amounts which the Group has a present obligation to pay as a result of the employee's services provided. The accruals have been calculated at undiscounted amounts based on current salary levels.

### RETIREMENT BENEFITS

The majority of the Group's employees are members of the Altron Group Pension Fund and Altron Group Provident Fund. During 2024 the Altron Group Provident Fund members were transferred to the Altron Group Pension Fund with the exception of a few members who were close to retirement. The Altron Group Provident Fund was consolidated into the Altron Group Pension Fund on 1 March 2023. All Provident Fund members transferred to the Pension Fund.

.After the acquisition of subsidiaries, certain employees remained members of their previous funds. While a number of these are defined benefit plans, these industry-managed retirement benefit schemes are dealt with as defined contribution plans as there is insufficient information available to apply defined benefit accounting.

The Group's contributions to defined contribution funds are recognised in profit or loss in the year they are incurred.

### DEFINED BENEFIT OBLIGATIONS

Certain members of the Altron Group Pension Fund who were members prior to 1 September 1996 are entitled to a minimum benefit equal to the previously provided defined benefit pension.

The Group's net obligation in respect of the defined-benefit plan is calculated separately by estimating the amounts of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on suitable corporate bonds that have maturity dates approximating the terms of the Group's obligations and are denominated in rand as the benefits are expected to be paid in rand. Actuarial valuations are conducted annually. The calculation is performed by qualified actuaries using the projected unit credit method.

# Summary of material accounting policies

## CONTINUED

When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any refunds available from the plan or reductions in contributions to the plan. In terms of the Fund rules, refunds to the Group are limited to amounts credited or to be credited to the employer surplus account in accordance with the Pension Funds Act, No 24 of 1956, as amended, where this does not exceed the total of any unrecognised past service costs. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

The defined-benefit cost recognised in profit or loss includes the current service cost and the net interest on the net defined-benefit liability / asset. Net interest expense / income is the interest on the net defined-benefit liability / asset at the beginning of the period, calculated using the discount rate used in the previous year's actuarial valuation. The interest considers changes in the net defined-benefit liability /asset during the year as a result of contributions and benefit payments.

The defined-benefit cost relating to actuarial gains and losses, which includes the return on plan assets (excluding the interest income recognised in profit or loss) and the effect of the asset ceiling (excluding the interest cost) and any changes in actuarial assumptions or experience adjustments, are remeasurements and are recognised immediately in other comprehensive income.

## FINANCIAL INSTRUMENTS

### ACCOUNTING FOR FINANCIAL INSTRUMENTS

Financial instruments comprise investments in equity, loans receivable, trade and other receivables (excluding prepayments), preference share investments, cash and cash equivalents, restricted cash, non-current and current loans payable, bank overdrafts, derivatives and trade and other payables.

### RECOGNITION

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments. Financial assets are recognised on the date the Group commits to purchase the instruments (trade date accounting).

Financial assets are classified as current if expected to be realised or settled within 12 months from the reporting date; if not, they are classified as non-current. Financial liabilities are classified as non-current if the Group has an unconditional right to defer payment for more than 12 months from the reporting date.

### CLASSIFICATION

The Group classifies financial assets on initial recognition as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) based on the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset.

Financial assets are classified as follows:

- Equity instruments at FVOCI – The assets are not held for trading and the Group has irrevocably elected on initial recognition to recognise the asset as at FVOCI.
- FVTPL – Instruments that are measured at FVTPL, include preference shares and forward exchange contracts.
- Amortised cost – These assets are held within a business model with the objective to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

# Summary of material accounting policies

## CONTINUED

Financial assets are not reclassified unless the Group changes its business model. In rare circumstances where the Group does change its business model; reclassifications are done prospectively from the date that the Group changes its business model. No reclassifications occurred during the current or prior financial years.

Financial liabilities are classified and measured at amortised cost except for those derivative liabilities and contingent consideration obligations that are measured at FVTPL.

### MEASUREMENT ON INITIAL RECOGNITION

All financial assets and financial liabilities are initially measured at fair value, including transaction costs, except for those classified as FVTPL which are initially measured at fair value excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognised immediately in profit or loss.

### SUBSEQUENT MEASUREMENT: FINANCIAL ASSETS

Subsequent to initial recognition, financial assets are measured as described below:

- FVTPL – These financial assets are subsequently measured at fair value and changes therein (including any interest or dividend income) are recognised in profit or loss.
- Amortised cost – These financial assets are subsequently measured at amortised cost using the effective interest method, less impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Equity investments at FVOCI – These financial assets are subsequently measured at fair value. Dividends are recognised in profit or loss when the right to receive payment is established. Other net gains and losses are recognised in other comprehensive income (OCI). On derecognition, gains and losses accumulated in OCI are not reclassified to profit or loss.

### SUBSEQUENT MEASUREMENT: FINANCIAL LIABILITIES

All financial liabilities, excluding derivative liabilities and contingent consideration obligations, are subsequently measured at amortised cost using the effective interest method. Derivative liabilities are subsequently measured at fair value with changes therein recognised in profit or loss.

### DERECOGNITION

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled, or expire. On derecognition of a financial asset or liability, any difference between the carrying amount extinguished and the consideration paid or received is recognised in profit or loss.

### IMPAIRMENT

The Group calculates its allowance for credit losses based on expected credit losses (ECLs) for financial assets measured at amortised cost, debt instruments measured at FVOCI and contract assets.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the original effective interest rate (EIR) of the financial asset and are presented as part of net impairment losses on financial and other assets in the statement of comprehensive income.

For trade receivables, the Group applies the simplified approach permitted by IFRS® 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. Two methods are applied by the Group's operations namely the provision matrix and the simplified PD/LGD/EAD approach. The method selected is dependent upon the availability of information relating to historic losses. Refer to note 11 for further details.

# Summary of material accounting policies

## CONTINUED

The Group calculates its ECLs on other financial assets at amortised cost and at fair value through other comprehensive income using the general model. The Group applies the 12-month expected credit loss model on these instruments as there has not been an increase in the credit risk associated with the counterparty. The inputs used in the calculation of the ECLs are based on published indexes which incorporate an element of forward-looking information.

### TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services rendered in the ordinary course of business and are accounted for at amortised cost. Prepayments and other receivables are stated at their nominal values. All transactions are initially measured at transaction price, and subsequently at amortised cost.

### TRADE AND OTHER PAYABLES

Trade payables, sundry creditors and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are accounted for in accordance with the accounting policy for financial liabilities as included above. Other payables are stated at their nominal values.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances, call deposits and cash floats. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement. All transactions are initially measured at transaction price, and subsequently at nominal values.

Cash and cash equivalents exclude cash in transit unprocessed at the reporting date.

### DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to manage its exposure to foreign exchange risks arising from operational, financing and investment activities. In addition, the Group deposited cash into a bank account to be held as collateral for the Group's share linked incentive which was fully settled during the prior year (note 5). The Group does not hold or issue derivative financial instruments for trading purposes.

Transactions are initially measured at its fair value. Subsequent to initial recognition, derivatives are measured at fair value through profit or loss. Fair value in relation to foreign exchange contracts entered into is determined by comparing the contracted forward rate to the present value of the current forward rate of an equivalent contract with the same maturity date. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

## LEASES

### LESSEE

The Group leases various properties, motor vehicles, high sites and fibre strands. Lease agreements are typically entered into for fixed periods but may have extension options included. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to 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 right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

# Summary of material accounting policies

## CONTINUED

Assets and liabilities arising from a lease are initially measured at the net present value of the minimum lease payments. The net present value of the minimum lease payments is calculated as follows:

- fixed payments, less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, where this rate cannot be determined, the Group'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.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Interest costs are charged to the statement of profit or loss and other comprehensive income 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.

Right-of-use assets are measured at cost comprising the following:

- the net present value of the minimum lease payments;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

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 right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease terms on a straight-line basis.

The Group presents right-of-use assets as well as lease liabilities separately in the statement of financial position and is disclosed in note 3.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with an expected lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

### **Lease and non-lease components**

A number of lease contracts include 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. Therefore, non-lease components are accounted for as operating expenses and are recognised in profit or loss as they are incurred. The Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone selling prices.

### **JUDGEMENTS APPLIED IN RECOGNISING LEASES**

Certain lease contracts include an option to renew the lease for a further period or allow for an earlier termination date. The majority of these contracts allow for extension or earlier termination to be determined by the Group and not the lessor. The Group applies judgement in assessing whether extension or termination options will be exercised, and these options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). In performing its assessment, management will consider all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option aligned with the Group's business plan and future outlook. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

# Summary of material accounting policies

## CONTINUED

### Portfolio leases

Where possible, high sites and fibre strands have been grouped on a portfolio basis based on contracts with similar characteristics. Management have used hindsight as well as budgets and forecasts to determine an average renewal period for portfolios identified. A single discount rate was also applied.

### LESSOR

The Group enters into finance lease arrangements with customers in respect of the sales of certain goods. The Group acts as the lessor in these arrangements with the customers. A finance lease asset is recognised when substantially all of the risks and rewards of ownership have transferred to the customer and a sale of the good is recognised. Finance leases are capitalised at inception of the lease agreement at the lower of the fair value of the goods transferred or the present value of the future minimum lease payments.

Each lease payment received from the customer is allocated between the finance lease asset and finance lease interest income. The finance lease interest income is recognised in profit or loss (as revenue other than from contracts with customers) over the lease period to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

### SUB-LESSOR

The Group is a sub-lessor (intermediate lessor) of its right-of-use assets (note 3).

The Group classifies the sublease as a finance lease, or an operating lease as follows:

- if the head lease is a short-term lease that the entity, as a lessee, has accounted for, then the sublease is classified as an operating lease.
- otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from the right-of-use asset resulting from the head lease; otherwise, it is classified as an operating lease.

For subleases classified as finance leases, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease; any difference between the right-of-use asset and the net investment in the finance sublease is recognised in profit or loss. At the commencement date, the net investment in the finance lease is measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The Group recognises finance income over the lease term, based on a pattern reflecting a constant period rate of return on the lessor's net investment in the lease.

For subleases classified as operating leases, the Group recognises the lease income from operating leases on a straight-line basis over the lease term. The respective leased asset is included in the statement of financial position based on its nature.

### FINANCE INCOME AND EXPENSE

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of listed securities is the ex-dividend date.

Finance expenses comprise interest expenses on borrowings, costs of funding such as loan commitment fees, unwinding of the discount on provisions and fair value adjustments on contingent consideration, that are recognised in profit or loss.

# Summary of material accounting policies

CONTINUED

## FOREIGN CURRENCIES

### FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are converted to the respective functional currencies of group entities at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates ruling at that date. Gains or losses on translation are recognised in profit or loss. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

### FOREIGN OPERATIONS

The assets and liabilities of all foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to South African rands at foreign exchange rates ruling at the reporting date. All reserves at acquisition of the respective foreign operations are translated to South African rands using the ruling rates at the acquisition date. All other reserves are translated to South African rands at yearly average rates which approximate the foreign exchange rates ruling at the dates of the transactions. The revenues and expenses of foreign operations are translated to South African rands at yearly average rates which approximate the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised directly in other comprehensive income and presented in the foreign currency translation reserve in equity. The foreign currency translation reserve applicable to a foreign operation is released to profit or loss as a capital item upon disposal or closure of that foreign operation (i.e. loss of control).

### IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories, non-current assets held-for-sale and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indication that an asset may be impaired, its recoverable amount is estimated.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated annually and whenever there is an indication that the asset may be impaired.

In assessing an asset's fair value less costs of disposal, the expected future cash flows from the asset are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

For an asset that does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then, to reduce the carrying amount of other assets in the unit, on a pro rata basis.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and it is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

### REVERSAL OF IMPAIRMENT OF NON-FINANCIAL ASSETS

A previously recognised impairment loss is reversed in profit or loss if there is an indication that the impairment loss no longer exists and the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. An impairment loss in respect of goodwill is however not reversed.

# Summary of material accounting policies

CONTINUED

## INTANGIBLE ASSETS

### GOODWILL

Refer to 'business combinations'.

### RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. Other development expenditure is recognised as an expense as incurred.

### OTHER INTANGIBLE ASSETS

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

### SUBSEQUENT EXPENDITURE

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

### AMORTISATION

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use unless such lives are indefinite, the asset is not yet ready for use or represents goodwill.

The estimated useful lives for the current and comparative periods are as follows:

- Customer relationships 1 to 10 years.
- Trade names, designs, patents and trademarks 3 to 10 years;
- Distribution rights indefinite life; and
- Proprietary software and licence agreements 2 to 3 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## INVENTORIES

Inventories are measured at the lower of cost and net realisable value taking into account market conditions and technological changes. Cost is determined on the first-in first-out and weighted average cost methods. Work and contracts in progress and finished goods include direct costs and an appropriate portion of attributable overhead expenditure based on normal production capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

# Summary of material accounting policies

CONTINUED

## NON-CURRENT ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through a sale, not through continuing use. Upon initial classification as held-for-sale, non-current assets and disposal groups are recognised at the lower of its carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets on a pro rata basis. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss as capital items.

Intangible assets and property, plant and equipment, once classified as held-for-sale, are not amortised or depreciated.

Equity accounting of equity accounted investments also ceases once classified as held-for-sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group, and which is abandoned or disposed of or is classified as held-for-sale and which represents a separate major line of business or geographical area of operation and is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

Classification as a discontinued operation occurs when disposed of or when the operation is classified as held-for-sale and meets one of the criteria as outlined above. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is represented, as if the operation has been discontinued from the start of the comparative period.

When the Group ceases to classify a non-current asset or disposal group as held-for-sale, the asset or disposal group is reclassified back to its appropriate category in the statement of financial position. The asset is measured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell.

Any adjustment arising from this remeasurement is recognised in profit or loss in the period the reclassification occurs.

## PROPERTY, PLANT AND EQUIPMENT

### OWNED ASSETS

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. When components of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

### SUBSEQUENT COSTS

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, if it is probable that future economic benefits embodied within the item will flow to the Group and the cost of such item can be measured reliably. The carrying amount of the replaced item of property, plant and equipment is derecognised. All other costs are recognised in profit or loss as an expense when incurred.

### CAPITAL WORK-IN-PROGRESS

Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use in accordance with the category to which it relates.

# Summary of material accounting policies

## CONTINUED

### DEPRECIATION

Depreciation is recognised in profit or loss for each category of assets on a straight-line basis over their expected useful lives up to their respective estimated residual values. Land is not depreciated.

- The estimated useful lives for the current and comparative periods are as follows:
- Buildings 20 to 50 years;
- Leasehold improvements (included in land and buildings) shorter of lease period or useful life of asset;
- Plant and machinery 3 to 20 years;
- Motor vehicles 4 to 8 years;
- Furniture and equipment 5 to 20 years; and
- IT equipment 2 to 8 years.

The depreciation methods, useful lives and residual values are reassessed annually and adjusted if appropriate. Gains and losses arising on the disposal of property, plant and equipment are included as capital items in profit or loss.

### CAPITAL RENTAL DEVICES

Capital rental devices include hardware and fitment cost attributable to customer service agreements and are measured at cost less accumulated depreciation and impairment losses. Capital rental devices for customers whose contracts are cancelled are written off and included in capital items within profit and loss.

Depreciation is recognised in profit or loss on a straight-line basis over their expected useful lives up to their respective estimated residual values. The average useful life of capital rental devices has been assessed at 3 to 5 years.

### PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions are not recognised for future operating losses. The increase in the provision due to the passage of time is recognised as interest expense.

### WARRANTIES AND FAULT RECTIFICATION

A provision for warranties and fault rectification is recognised when the underlying products or services are sold. The provision is based on historical warranty and fault rectification data, claims made and a weighting of all possible outcomes against their associated probabilities.

### ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

# Summary of material accounting policies

CONTINUED

## SHARE-BASED PAYMENT TRANSACTIONS

### EQUITY SETTLED

The fair value of share options granted to employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employees are required to provide services in order to become unconditionally entitled to the equity instruments. Shares issued to settle options exercised are transferred out of share-based payment reserve into share capital at the market value on exercise date.

The fair value of the instruments granted is measured using generally accepted valuation techniques, considering the terms and conditions upon which the instruments are granted. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### CASH SETTLED

Share-linked instruments have been granted to certain employees in the Group. The fair value of the amount payable to employees is recognised as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share-linked instruments. Any changes in the liability are recognised as employees' remuneration in profit or loss.

### GROUP SHARE-BASED PAYMENT TRANSACTIONS

Transactions in which a parent grants rights to its equity instruments directly to the employees of its subsidiaries are classified as equity settled in the financial statements of the subsidiary, as it receives the benefit of the services rendered and has no obligation to settle the award.

The subsidiary recognises the services acquired with the share-based payment as an expense and recognises a corresponding increase in equity for the capital contribution from the parent for those services acquired. The parent recognises in equity the equity-settled share-based payment and recognises a corresponding increase in the investment in subsidiary.

### GROUP SHARE-BASED PAYMENT RECHARGE

A recharge arrangement exists whereby the subsidiary is required to fund the difference between the exercise price of the share options and the market price of the share at the time of exercising the option. The recharge arrangement is accounted for separately from the underlying equity-settled share-based payment upon initial recognition, as follows:

- The subsidiary recognises a recharge liability and a corresponding adjustment against equity for the capital contribution recognised in respect of the share-based payment.
- The parent recognises a recharge asset and a corresponding adjustment to the carrying amount of the investment in the subsidiary.

Subsequent to initial recognition, the recharge arrangement is re-measured at fair value at each subsequent reporting date to the extent vested, until settlement date. Where the recharge amount recognised is greater than the initial capital contribution recognised by the subsidiary in respect of the share-based payment, the excess is recognised as a net capital distribution to the parent.

The amount in excess of the capital contribution recognised as an increase in the investment in subsidiary is deferred and recognised as a reduction of the cost of the investment by the parent when settled by the subsidiary.

## REVENUE FROM CONTRACTS WITH CUSTOMERS

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; and
- the customer has accepted the product.

# Summary of material accounting policies

## CONTINUED

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

- project related revenue;
- sale of goods and related services (which include the Group's vehicle tracking, fleet management and telematics business within Netstar);
- maintenance, support and outsource services;
- training and skills development;
- software, cloud services and related licenses, including software assurance services;
- software application and development; and
- switching and other transactional services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or services to a customer.

Contracts are assessed individually to determine whether the products and services are distinct i.e. the product or service is separately identifiable from the other promises 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 respective goods and/or services.

When a contract results in payments received from customers in advance of fulfilling the performance obligation, a contract liability is recognised, similarly, when the performance obligation has been fulfilled and the customers have not been invoiced, a contract asset is recognised.

The Group evaluates the following control indicators amongst others when determining whether it is acting as a principal or agent in transactions with customers and recording 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 good or service has been transferred to a customer or after transfer of control to the customer; and
- the Group has discretion in establishing the price for the specified good or service.

## PROJECT RELATED REVENUE

The Group provides a service of integrating goods or services into a bundle of goods or services that represents the combined output for which a customer has contracted, where the goods or services modify or are modified by other goods or services or are considered to be highly interdependent or interrelated. In these contracts the goods and services are therefore not separately identifiable and not seen as separate performance obligations. The Group recognises revenue over time based on the input method, i.e. costs incurred as a percentage of total estimated costs to completion. Judgement is applied in determining the estimated costs to complete. The Group recognises contract assets and contract liabilities on these contracts depending on the billing milestones identified in these contracts.

## SALES OF GOODS AND RELATED SERVICES

The Group sells a range of goods to its customers. 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. General payment terms are 30 - 90 days from invoice date.

In addition, the Group sells goods to customers with related services included. Depending on the nature of the contract, the Group applies its judgement to conclude whether the goods and services should be treated as a single performance obligation or as two or more separate performance obligations.

Where the Group sells goods and related services to customers and these goods and services are not distinct, i.e. not separately identifiable, the contracts are treated as a single performance obligation (i.e. in the Group's Netstar business where devices and services are bundled, but not considered distinct). However, where the goods and services are distinct, i.e. separately identifiable, and the customer can benefit from the goods and services either on its own or together with other resources that are readily available, then the goods and services are treated as separate performance obligations.

# Summary of material accounting policies

## CONTINUED

The related services sold, when considered to be distinct, are recognised over time when the services are rendered to the customer, excluding specific services below.

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 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 a time when the services have been rendered.

The Group provides software asset management services to its customers which include provision of software licences, in-house hosting and managed services in the form of insight reports. Such services are provided to the customers as a bundle, where the Group operates as a principal responsible for delivery of such services with revenue recognised over the term of the contract with the customer on a straight-line basis.

### **MAINTENANCE, SUPPORT AND OUTSOURCE SERVICES**

The Group provides a range of maintenance, support and outsource services to customers. The Group recognises revenue on these contracts over time on a straight-line basis as the services are rendered. The general payment terms are 30 – 90 days from invoice date. Contract assets are recognised when the services are rendered to the customers and contract liabilities are recognised when the customer pays for the services upfront over the period of the contract.

### **TRAINING AND SKILLS MANAGEMENT**

The Group provides a range of training and skills management services to its customers. The Group recognises the revenue over time.

Revenue recognised over time is based on contracts entered with customers that cover a specific period during which the training and skills management services are provided. The revenue recognised over time is measured in accordance with the duration of the contract as the costs are incurred on a straight-line basis.

### **SOFTWARE, CLOUD SERVICES, LICENCES AND SOFTWARE ASSURANCE PRODUCTS**

The Group sells a range of software licenses to its customers. The Group acts as a principal in certain contracts and as an agent in other contracts, depending on the nature and scope of the contract. Management has applied judgement in determining whether it acts as an agent or as a principal in these contracts.

The Group provides a range of cloud related services to its customers which provide customers with access to software in the cloud that enhances office productivity, provides security, or assists in collaboration. The Group recognises revenue relating to cloud sales as an agent at a point in time when the product is transferred to the customer.

Where the Group sells on-premise software licences with the right to updates and such updates are not considered critical to the functionality of the software, the Group considers that such licences include two performance obligations:

- a licence to the current version of the software product, which is recognised on a principal basis at a point in time; and
- an entitlement to future updates, which is recognised on a principal basis over time on a straight-line basis as this is the Group's best estimate as to how these revenues are earned.

Where updates are considered critical to the functionality of the software, and such updates can only be delivered by the vendor, the Group has concluded that the sale of the on-premise licences with the right to critical updates are considered to be one performance obligation and that the Group acts as an agent for such software sales, resulting in revenue being recognised at a point in time.

### **SUBSCRIPTION LICENSES AND ASSURANCE PRODUCTS**

Where the Group sells subscription licences together with assurance products, the Group applied its judgement to conclude that these arrangements consist of two performance obligations, being a subscription licence to the current version of the software product as well as software assurance. This conclusion is based on the fact that the Group controls delivery of such licences to its customers, and that the customer can benefit from the two performance obligations separately, with the performance obligations being separately identifiable. The Group recognises revenue on subscription licenses on a principal basis at a point in time and revenue from the current

# Summary of material accounting policies

## CONTINUED

software version is recognised on a principal basis over time on a straight-line basis. In order to estimate the proportion of the total invoice value to be allocated between the 'licence' performance obligation and the 'entitlement to updates' performance obligation, the Group considers the degree of homogeneity of products and solutions across different vendors and estimates such allocation based on a sample of price plans for various products and solutions.

### **POST SALE SUPPORT**

The Group considers the value of basic post-sale support in relation to licences sold to be trivial. This conclusion was reached with reference to the fair value of such post-sale support delivered by the Group and by the Group's vendors on its behalf. The Group doesn't separate out the basic post-sale support performance obligation from the original license sale as it is not material. The Group recognises revenue from enhanced post sale support provided by vendors on an agent basis as the Group does not control delivery of such post sale support.

### **MATERIAL CUSTOMER RIGHTS**

The Group considers that the value of material customer rights originating from various customer price bands under certain software programmes, and material rights related to software prices fixed at the beginning of certain long-term customer contracts, to be trivial. The Group's assessment is based on historical statistics of customer price band changes, which are normally linked to the volume of annual software spend and remain consistent year-on-year, as well as an assessment of the cancellation terms in the customer contracts, which allow the Group and the customers to cancel such contracts at short notice without penalty. The Group does not recognise such material customer rights on the grounds of materiality.

### **LONG-TERM, TRIPARTITE CONTRACTS BETWEEN THE GROUP, ITS CUSTOMERS AND VENDORS**

The Group holds certain long-term tripartite contracts with split billing between the Group, its customers and vendors. Such contracts are non-cancellable between the customers and the vendor and allow a change of reseller by the customer, typically on 90 days' notice. The Group considers that it controls delivery of the software licences within such tripartite contracts and, therefore, records revenue on a principal basis. Revenue is recognised in annual instalments based on the ability of customers to change resellers, which means that where revenue is recognised at a higher amount than in annual instalments (e.g. recognised in full on day 1 of the contract), this would create a more than remote risk of material revenue reversal.

The Group considers the non-cancellable contract between the customer and the vendor in such tripartite arrangements as a form of long-term procurement commitment by the Group with the vendor, which is conditional on the customers' continuation of its contract with the Group. In the case of there being no change in reseller by the customer, such commitment will be enforced by the vendor on the Group, rather than directly by the vendor on the customer.

## **SOFTWARE APPLICATION AND DEVELOPMENT**

The Group sells software application and development to its customers based on requirements set by the customers in each respective contract. The Group recognises the revenue on a principal basis over time using the input method, i.e. costs incurred as a percentage of the total estimated costs.

When a contract results in payment received from customers in advance of fulfilling the performance obligation, a contract liability is recognised, similarly, when the performance obligation has been fulfilled and the customers have not been invoiced, a contract asset is recognised.

## **SWITCHING AND OTHER TRANSACTIONAL SERVICES**

The Group provides a range of switching and other transactional services to its customers. The Group recognises revenue over time based on management's judgment.

Revenue recognised over time is based on the contracts with customers that cover a specific period over which these services need to be rendered. The revenue recognised over time is measured in accordance with the duration of the contract as the costs are incurred on a straight-line basis.

# Summary of material accounting policies

## CONTINUED

When a contract results in payment received from customers in advance of fulfilling the performance obligation, a contract liability is recognised, similarly, when the performance obligation has been fulfilled and the customers have not been invoiced, a contract asset is recognised.

### **CAPITALISATION OF COSTS INCURRED TO OBTAIN CONTRACTS**

The Group incurs certain costs to obtain contracts with customers. These costs include, fitment, agents' commissions and other costs directly attributable to the negotiation and conclusion of customer service contracts. The capitalised costs are amortised on a systematic basis over the average customer life and the amortisation relating to the hardware and fitment is included in amortisation in profit or loss.

The Group has elected to apply the practical expedient whereby the incremental costs of obtaining contracts are recognised as materials and services consumed 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.

Costs incurred to obtain contracts are assessed for impairment in terms of IAS 36 *Impairment of Assets* when there is an indicator of impairment.

Certain short term contracts (12 months or less) allow for revenue to be recognised in annual instalments based on the ability of customers to change resellers. The practical expedient is therefore applied to directly linked sales commissions and other related costs incurred of obtaining these contracts. These costs are recognised in profit or loss, as and when they are incurred.

### **CAPITALISATION OF COSTS INCURRED TO FULFIL CONTRACTS**

The Group incurs certain costs to fulfil contracts with customers. These costs are directly attributable to the completion of a contract, generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and are expected to be recovered, however the performance obligation to recognise the revenue has not yet been met. The capitalised costs are recognised in profit or loss when the Group has satisfied the related performance obligation in the contract with the customer, which is usually within 12 months after the end of the reporting period.

### **JUDGEMENTS APPLIED IN RECOGNISING REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Group applied the requirements of IFRS® 15 Revenue from Contracts with Customers in the current year. The Group applied judgement in recognising revenue on certain revenue streams as set out below:

#### **SALES OF GOODS AND RELATED SERVICES**

The Group enters into contracts with customers which include goods that are delivered to the customer and an ongoing service relating to the goods for a specific period as set out in the contracts. The Group has applied its judgement and views these arrangements, in some instances, as a single performance obligation that needs to be met as the goods and services are not separately identifiable and the customer cannot benefit from either the goods or the services separately. The revenue on these contracts is recognised over time using the input method, i.e., costs incurred as a percentage of total expected costs.

#### **SOFTWARE, CLOUD SERVICES AND RELATED LICENCES, INCLUDING SOFTWARE ASSURANCE SERVICES**

The Group provides cloud related services to its customers. The Group has applied judgement to determine whether it acts as an agent or principal in these arrangements in accordance with the principles of IFRS® 15. One of the judgements made is whether control passes to the Group prior to passing to the customer. The Group concluded that control does not pass and as a result it acts as an agent in these arrangements as the vendor has the primary obligation to fulfil the services to the customers.

Included in the software assurance services provided by the Group, software and related licences are sold with the ability to access the latest updates from the vendor. The Group applies judgement to determine whether the access to the updates is a separate performance obligation by assessing if the third-party delivered updates are critical to the core functionality of the software.

# Summary of material accounting policies

## CONTINUED

Where the Group sells on-premise software licences with the right to updates and such updates are not critical to the functionality of the software, the Group applied judgement to conclude that these arrangements consist of two performance obligations, being a licence to the current version of the software product and an entitlement to future updates. This conclusion is based on the fact that the Group controls delivery of such licences to the customers, the performance obligations being separately identifiable, and that the customer can benefit from the two performance obligations separately. In order to estimate the proportion of the total invoice value to be allocated between the 'licence' performance obligation and the 'entitlement to updates' performance obligation, the Group considers the degree of homogeneity of products and solutions across different vendors and estimates such allocation based on a sample of price plans for various products and solutions.

Where the Group has concluded that the upgrades are critical to the functionality of the software, and such updates can only be delivered by the vendor, the Group acts as agent for such software sales as the vendor has the primary obligation to fulfil the services to the customers.

## SHARE CAPITAL

### A ORDINARY SHARES

A ordinary shares are classified as equity. Incremental costs directly attributable to the issue of A ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on A ordinary shares are classified as equity and are recognised as distributions within equity.

### N ORDINARY SHARES

N ordinary shares are classified as equity as these are non-redeemable and any dividends are discretionary or are redeemable but only at the Company's option.

### HIGH VOTING SHARE

The high voting share is classified as equity and held at no par value.

### DIVIDENDS

Dividends declared to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's directors.

### REPURCHASE OF SHARE CAPITAL

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

Repurchased shares held by subsidiaries are classified as treasury shares and presented as a deduction from total equity.

### RETURN OF CAPITAL

The return of capital represents a reduction of capital of the A ordinary shares as a result of a distribution by the Company for the benefit of shareholders. The reduction in share capital has been determined by the Group to reduce the contributed tax capital of the Company as defined by the South African Income Tax Act, 1962.

### TAXATION

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case the income tax expense is also recognised in equity or other comprehensive income, respectively.

### CURRENT TAX

Current tax comprises tax payable calculated based on the expected taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment of tax payable for previous years.

# Summary of material accounting policies

## CONTINUED

### DEFERRED TAX

Deferred tax is recognised based on temporary differences.

Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date. The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or recognised directly in other comprehensive income in which case the income tax expense is also recognised in equity or other comprehensive income, respectively.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In the event that the applicable taxation rate(s) is / are changed from those applied in the comparative financial reporting year, the opening balance of the deferred taxation liability shall be adjusted for the change in the taxation rate(s).

Deferred taxation assets and liabilities are offset if there is a legally enforceable right to offset current taxation liabilities and assets and they relate to income taxation levied by the same authority on the same taxable entity, or on different taxation entities, but they intend to settle the current taxation liabilities and assets on a net basis or their taxation assets and liabilities will be realised simultaneously.

### DIVIDENDS WITHHOLDING TAX

The Group withholds dividends tax on behalf of its shareholders at a rate of 20% on dividends declared. Amounts withheld are not recognised as part of the Group's tax charge but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

### EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its A ordinary shares that are in issue.

Basic EPS is calculated by dividing the profit or loss attributable to A ordinary shareholders of the Company by the weighted average number of A ordinary share's outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of A ordinary shares outstanding for the effects of all dilutive potential A ordinary shares, which comprise share options granted to employees.

### OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on the information that is internally provided to the Group's executive committee, who are the Group's Chief Operating Decision-Maker (CODM).

# Summary of material accounting policies

## CONTINUED

An operating segment's operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters).

## EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION, CAPITAL ITEMS AND EQUITY ACCOUNTED LOSSES

The Group presents in its consolidated statement of comprehensive income earnings before interest, taxation, depreciation, amortisation, capital items and equity accounted losses. This represents the contribution by the Group from its revenue after deducting the associated employee costs and materials and services consumed and net impairment losses on financial and other assets. This also includes other income earned; and finance lease interest income that is considered to be revenue for the Group.

This excludes interest (i.e. finance income and finance expenses), taxation, depreciation, amortisation, capital items and share of equity accounted losses as defined in the accounting policies.

## ACCOUNTING POLICIES APPLICABLE TO SEPARATE FINANCIAL STATEMENTS

### BASIS OF PREPARATION

The separate financial statements are presented in thousands of South African rands, which is the Company's functional currency, on a historical-cost basis, except for the following assets and liabilities which are stated at fair value:

- Defined benefit asset; and
- Share-based payment recharge arrangement asset.

### INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries are carried at cost less accumulated impairments. Except for the accounting policies listed above, all accounting policies are in accordance with the consolidated financial statements' accounting policies.

### DIVIDENDS RECEIVED BY THE COMPANY

The Company recognises dividends received and dividends in specie in profit or loss (as revenue not from contracts with customers) on the date that the Company's right to receive payment is established.

### DIVIDENDS PAID BY THE COMPANY

The Company discloses dividends paid in the cash flow statement as part of operating activities.

# Consolidated balance sheet

at 28 February 2025

R millions	Notes	GROUP		
		28 February 2025	29 February 2024 <i>Restated*</i>	1 March 2023 <i>Restated*</i>
<b>ASSETS</b>				
<i>Non-current assets</i>				
		<b>4 519</b>	4 561	4 429
Property, plant and equipment	1	<b>304</b>	350	415
Goodwill and other intangible assets	2	<b>1 547</b>	1 535	1 570
Right-of-use assets	3	<b>410</b>	409	588
Equity accounted investments	4	<b>2</b>	2	33
Financial assets at amortised cost	5	<b>–</b>	142	151
Financial assets at fair value through other comprehensive income	5	<b>21</b>	21	21
Finance lease assets	6	<b>357</b>	387	225
Contract costs capitalised	7	<b>780</b>	723	551
Capital rental devices	8	<b>580</b>	429	345
Net defined benefit asset	18	<b>368</b>	382	295
Deferred taxation	9	<b>150</b>	181	235
<i>Current assets</i>				
		<b>4 593</b>	4 802	5 247
Inventories	10	<b>822</b>	971	1 413
Trade and other receivables	11	<b>2 379</b>	2 185	2 557
Financial assets at fair value through profit or loss	11	<b>9</b>	7	20
Contract assets	19	<b>96</b>	90	134
Taxation receivable		<b>75</b>	55	30
Cash and cash equivalents	12	<b>1 017</b>	1 140	750
		<b>4 398</b>	4 448	4 904
Assets classified as held-for-sale	40	<b>195</b>	354	343
<b>Total assets</b>		<b>9 112</b>	9 363	9 676
<b>EQUITY AND LIABILITIES</b>				
<i>Total equity</i>				
		<b>4 184</b>	4 077	4 314
Share capital and share premium	13	<b>1 066</b>	1 019	1 016
Retained earnings		<b>5 956</b>	5 855	6 098
Other reserves	14	<b>(3 007)</b>	(2 943)	(2 918)
Attributable to Altron shareholders		<b>4 015</b>	3 931	4 196
Non-controlling interests	43	<b>169</b>	146	118
<i>Non-current liabilities</i>				
		<b>1 612</b>	1 955	2 296
Loans	15	<b>217</b>	649	1 048
Contract liabilities	19	<b>597</b>	547	412
Lease liabilities	3	<b>733</b>	741	799
Deferred taxation	9	<b>65</b>	18	37
<i>Current liabilities</i>				
		<b>3 316</b>	3 331	3 066
Loans	15	<b>623</b>	195	180
Lease liabilities	3	<b>95</b>	85	118
Bank overdrafts	12	<b>24</b>	513	59
Provisions	16	<b>9</b>	12	18
Trade and other payables	17	<b>1 791</b>	1 793	1 858
Financial liabilities at fair value through profit or loss	17	<b>2</b>	1	5
Contract liabilities	19	<b>607</b>	528	404
Taxation payable		<b>116</b>	127	103
		<b>3 267</b>	3 254	2 745
Liabilities classified as held-for-sale	40	<b>49</b>	77	321
<b>Total equity and liabilities</b>		<b>9 112</b>	9 363	9 676

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Consolidated statement of comprehensive income

for the year ended 28 February 2025

R millions	Notes	28 February 2025	29 February 2024 <i>Restated*</i>
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	19	<b>9 588</b>	9 603
Other income	20	<b>107</b>	91
<b>Operating costs</b>		<b>(7 873)</b>	(8 258)
Material and services consumed	20	<b>(5 248)</b>	(5 596)
Net impairment losses on financial assets	11	<b>(27)</b>	(81)
Employees' remuneration	20	<b>(2 598)</b>	(2 581)
<b>Earnings before interest, taxation, depreciation, amortisation, capital items and equity accounted profits (EBITDA before capital items and equity accounted profits)</b>		<b>1 822</b>	1 436
Depreciation and amortisation	20	<b>(850)</b>	(786)
<b>Operating profit before capital items</b>		<b>972</b>	650
Capital items	21	<b>(120)</b>	(35)
<b>Operating profit</b>		<b>852</b>	615
Finance income	22	<b>90</b>	88
Finance expense	23	<b>(177)</b>	(190)
Net foreign exchange gains and losses relating to cash and cash equivalents		<b>(2)</b>	(7)
Share of profit of equity accounted investees, net of taxation	24	<b>3</b>	2
<b>Profit before taxation</b>		<b>766</b>	508
Taxation	25	<b>(150)</b>	(121)
<b>Profit for the year from continuing operations</b>		<b>616</b>	387
<b>DISCONTINUED OPERATIONS</b>			
<b>Revenue</b>	19	<b>343</b>	722
Other income	20	<b>16</b>	–
<b>Operating costs</b>		<b>(514)</b>	(1 173)
Material and services consumed	20	<b>(420)</b>	(842)
Net impairment losses on financial assets	11	<b>(17)</b>	(200)
Employees' remuneration	20	<b>(77)</b>	(131)
<b>Earnings before interest, taxation, depreciation, amortisation and capital items (EBITDA before capital items)</b>		<b>(155)</b>	(451)
Depreciation and amortisation	20	<b>–</b>	(12)
<b>Operating loss before capital items</b>		<b>(155)</b>	(463)
Capital items	21	<b>(33)</b>	(45)
<b>Operating loss</b>		<b>(188)</b>	(508)
Finance income	22	<b>3</b>	3
Finance expense	23	<b>(1)</b>	(1)
Foreign exchange gains and losses relating to cash and cash equivalents		<b>1</b>	–
<b>Loss before taxation</b>		<b>(185)</b>	(506)
Taxation	25	<b>(16)</b>	(28)
<b>Loss for the year from discontinued operations</b>		<b>(201)</b>	(534)
<b>Net profit / (loss) for the year from total operations</b>		<b>415</b>	(147)

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Consolidated statement of comprehensive income

CONTINUED

for the year ended 28 February 2025

R millions	Notes	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit asset	18	(30)	52
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences in respect of foreign operations**		(30)	5
Realisation of foreign currency translation differences upon disposal of foreign operations**		-	(1)
<b>Other comprehensive (loss) / income for the year, net of taxation</b>		<b>(60)</b>	<b>56</b>
<b>Total comprehensive income / (loss) for the year from total operations</b>		<b>355</b>	<b>(91)</b>
<b>Net profit / (loss) attributable to:</b>			
<b>Non-controlling interests</b>			
Non-controlling interests from continuing operations		25	23
Non-controlling interests from discontinued operations		-	(4)
<b>Altron equity holders</b>			
Altron equity holders from continuing operations		390	(170)
Altron equity holders from discontinued operations		591	360
		(201)	(530)
<b>Net profit / (loss) for the year from total operations</b>		<b>415</b>	<b>(147)</b>
<b>Total comprehensive profit attributable to:</b>			
<b>Non-controlling interests</b>			
Non-controlling interests from continuing operations		25	23
Non-controlling interests from discontinued operations		25	27
		-	(4)
<b>Altron equity holders</b>			
Altron equity holders from continuing operations		330	(114)
Altron equity holders from discontinued operations		531	416
		(201)	(530)
<b>Total comprehensive profit / (loss) for the year from total operations</b>		<b>355</b>	<b>(91)</b>
* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).			
** The component of other comprehensive income is not subject to tax			
<b>Basic earnings per share from continuing operations</b>	(cents)	26	156
<b>Diluted earnings per share from continuing operations</b>	(cents)	26	151
<b>Basic loss per share from discontinued operations</b>	(cents)	26	(53)
<b>Diluted loss per share from discontinued operations</b>	(cents)	26	(140)
<b>Basic earnings / (loss) per share from total operations</b>	(cents)	26	(51)
<b>Diluted earnings / (loss) per share from total operations</b>	(cents)	26	(137)
<b>Basic earnings / (loss) per share from total operations</b>	(cents)	26	103
<b>Diluted earnings / (loss) per share from total operations</b>	(cents)	26	(45)
<b>Basic earnings / (loss) per share from total operations</b>	(cents)	26	100
<b>Diluted earnings / (loss) per share from total operations</b>	(cents)	26	(44)

# Consolidated statement of changes in equity

for the year ended 28 February 2025

R millions	Notes	Attributable to Altron shareholders			
		Share capital and premium (note 13)	Treasury shares (note 13)	Foreign currency translation reserve (note 14)	Premium/discount on non-controlling equity transactions (note 14)
<b>Balance at 28 February 2023</b>		1 238	(222)	131	(3 645)
Prior period adjustment (note 39)		–	–	–	–
<b>Restated balance at 28 February 2023</b>		1 238	(222)	131	(3 645)
<b>Total comprehensive loss for the year</b>					
<i>Loss for the year</i>		–	–	–	–
<i>Other comprehensive loss</i>					
Foreign currency translation differences in respect of foreign operations		–	–	5	–
Realisation of foreign currency translation differences upon disposal of foreign operations		–	–	(1)	–
Remeasurement on net defined benefit asset		–	–	–	–
<b>Total other comprehensive loss</b>		–	–	4	–
<b>Total comprehensive income for the year</b>		–	–	4	–
<b>Transfer of reserves</b>					
<i>Transfer of Statutory reserve to distributable reserves</i>		–	–	–	–
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contributions by and distributions to owners</i>					
Dividends to equity holders		–	–	–	–
Issue of share capital	13	3	–	–	–
Share-based payment transactions	13	–	–	–	–
<b>Total contributions by and distributions to owners</b>		3	–	–	–
Changes in ownership interests in subsidiaries		–	–	–	(9)
<b>Total changes in ownership interests in subsidiaries</b>		–	–	–	(9)
<b>Transactions with owners, recorded directly in equity</b>		3	–	–	(9)
<b>Balance at 29 February 2024</b>		1 241	(222)	135	(3 654)
<b>Total comprehensive loss for the year</b>					
Income for the year		–	–	–	–
<i>Other comprehensive income</i>					
Foreign currency translation differences in respect of foreign operations		–	–	(30)	–
Remeasurement on net defined benefit asset		–	–	–	–
<b>Other comprehensive income</b>		–	–	(30)	–
<b>Total comprehensive income for the year</b>		–	–	(30)	–
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contributions by and distributions to owners</i>					
Dividends to equity holders		–	–	–	–
Issue of share capital	13	18	–	–	–
Treasury shares used for Share-based payment transactions	13	–	29	–	–
Share-based payment transactions	13	–	–	–	–
<b>Total contributions by and distributions to owners</b>		18	29	–	–
<b>Changes in ownership interests in subsidiaries</b>		–	–	–	–
<b>Total changes in ownership interests in subsidiaries</b>		–	–	–	–
<b>Transactions with owners, recorded directly in equity</b>		18	29	–	–
<b>Balance at 28 February 2025</b>		1 259	(193)	105	(3 654)

Dividends per share 50 cents (final) and 40 cents (interim) (2024: 33 cents (final) and 25 cents (interim)) (note 28).

Attributable to Altron shareholders

Cash flow hedging reserve (note 14)	Share- based payments reserve (note 14)	Statutory reserves (note 14)	Revaluation reserve (note 14)	Retained earnings*	Total	Non- controlling interests	Total equity
(1)	200	95	302	6 084	4 182	118	4 300
-	-	-	-	14	14	-	14
(1)	200	95	302	6 098	4 196	118	4 314
-	-	-	-	(170)	(170)	23	(147)
-	-	-	-	-	5	-	5
-	-	-	-	-	(1)	-	(1)
-	-	-	52	-	52	-	52
-	-	-	52	-	56	-	56
-	-	-	52	(170)	(114)	23	(91)
-	-	(95)	-	95	-	-	-
-	-	-	-	(168)	(168)	(2)	(170)
-	(3)	-	-	-	-	-	-
-	26	-	-	-	26	-	26
-	23	-	-	(168)	(142)	(2)	(144)
-	-	-	-	-	(9)	7	(2)
-	-	-	-	-	(9)	7	(2)
-	23	-	-	(168)	(151)	5	(146)
<b>(1)</b>	<b>223</b>	<b>-</b>	<b>354</b>	<b>5 855</b>	<b>3 931</b>	<b>146</b>	<b>4 077</b>
-	-	-	-	390	390	25	415
-	-	-	-	-	(30)	-	(30)
-	-	-	(30)	-	(30)	-	(30)
-	-	-	(30)	-	(60)	-	(60)
-	-	-	(30)	390	330	25	355
-	-	-	-	(277)	(277)	(8)	(285)
-	(18)	-	-	-	-	-	-
-	(19)	-	-	(6)	4	-	4
-	33	-	-	-	33	-	33
-	(4)	-	-	(283)	(240)	(8)	(248)
-	-	-	-	(6)	(6)	6	-
-	(4)	-	-	(289)	(246)	(2)	(248)
<b>(1)</b>	<b>219</b>	<b>-</b>	<b>324</b>	<b>5 956</b>	<b>4 015</b>	<b>169</b>	<b>4 184</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Consolidated statement of cash flows

for the year ended 28 February 2025

R millions	Notes	GROUP	
		28 February 2025	29 February 2024 <i>Restated*</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	33	1 736	1 623
Interest received	22	146	141
Interest paid	23	(210)	(245)
Dividends received from equity accounted investees and other investments	34	7	7
Taxation paid	35	(105)	(131)
Tax refund	35	1	–
Dividends paid, including to non-controlling interests		(285)	(170)
Net cash inflow from operating activities		1 290	1 225
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net proceeds on the disposal of subsidiaries and businesses net of cash	36, 42	3	15
Proceeds on disposal of property, plant and equipment and intangible assets	37	9	16
Acquisition of intangible assets	2	(146)	(110)
Acquisitions of property, plant and equipment	1	(110)	(129)
Acquisition of capital rental devices	8	(452)	(328)
Cash outflow from other investing activities	38	(16)	(20)
Cash inflow from other investing activities	38	18	23
Net cash outflow from investing activities		(694)	(533)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Loans received	38	425	1 275
Loans repaid	38	(426)	(1700)
Acquisition of non-controlling interests		–	(4)
Lease payments	38	(100)	(105)
Settlement of rental finance liabilities	38	(130)	(209)
Net cash outflow from financing activities		(231)	(743)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Net cash and cash equivalents at the beginning of the year		627	691
Effect of exchange rate fluctuations on cash held		(5)	(6)
Movement in cash classified as held-for-sale		6	(7)
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	12	<b>993</b>	627

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements

for the year ended 28 February 2025

## 1 PROPERTY, PLANT AND EQUIPMENT

R millions	28 February 2025			29 February 2024 <i>Restated*</i>		
	Cost	Accumulated depreciation and impairment losses	Carrying value	Cost	Accumulated depreciation and impairment losses	Carrying value
Land, buildings and leasehold improvements	200	(122)	78	193	(52)	141
Plant and machinery	119	(86)	33	102	(55)	47
Motor vehicles, furniture and equipment	153	(79)	74	180	(123)	57
IT equipment	442	(324)	118	491	(360)	131
Capital Work In Progress	1	–	1	–	–	–
<b>Total before items classified as held-for-sale</b>	<b>915</b>	<b>(611)</b>	<b>304</b>	<b>966</b>	<b>(590)</b>	<b>376</b>
<b>Classified as held-for-sale (note 40)</b>	<b>(91)</b>	<b>91</b>	<b>–</b>	<b>(94)</b>	<b>68</b>	<b>(26)</b>
<b>Total</b>	<b>824</b>	<b>(520)</b>	<b>304</b>	<b>872</b>	<b>(522)</b>	<b>350</b>

### Reconciliation of property, plant and equipment

R millions	Land, buildings and leasehold improvements	Plant and machinery	Motor vehicles, furniture and equipment	IT equipment	Capital work in progress	Total
Balance at 1 March 2023	139	65	69	137	3	413
Restated*	–	–	6	–	–	6
Restated balance at 1 March 2023	139	65	75	137	3	419
Additions at cost	16	23	20	70	–	129
Depreciation for the year	(14)	(8)	(17)	(61)	–	(100)
Impairments	–	(33)	(13)	(10)	–	(56)
Disposals of property, plant and equipment	–	–	(8)	(2)	(2)	(12)
Disposals of operations (note 42)	–	–	(1)	(3)	–	(4)
Assets written off	–	–	–	–	(1)	(1)
Translation of foreign operations	–	–	1	–	–	1
<b>Balance at 29 February 2024</b>	<b>141</b>	<b>47</b>	<b>57</b>	<b>131</b>	<b>–</b>	<b>376</b>
Additions at cost	2	10	36	51	11	110
Depreciation for the year	(11)	(6)	(18)	(52)	–	(87)
Impairments	(62)	(18)	(1)	(10)	–	(91)
Disposals of property, plant and equipment	–	–	(5)	(2)	–	(7)
Disposals of operations (note 42)	–	–	–	–	–	–
Reclassifications	8	–	4	–	(10)	2
<b>Balance at 28 February 2025</b>	<b>78</b>	<b>33</b>	<b>73</b>	<b>118</b>	<b>1</b>	<b>303</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 1 PROPERTY, PLANT AND EQUIPMENT (continued)

### Impairment tests and key assumptions

R28 million (2024: R37 million) of the impairment loss recognised relates to impairments on held-for-sale disposal groups, Rnil million (2024: R9 million) relates to impairments on various other IT equipment, R62 million (2024: Rnil million) relates to impairments on leasehold improvements that form part of the premises for which the Group entered into sublease agreements and Rnil million (2024: R9 million) relates to furniture written off during the consolidation of premises.

R millions	28 February 2025	29 February 2024
<b>Encumbered assets</b>		
Certain data processing, motor vehicles and office equipment, included in the above amounts, were encumbered as security (note 15). The carrying amounts are as follows:		
<b>Encumbered assets</b>	–	1
<b>Assets under construction</b>		
Included in the cost of capital work in progress are the following categories of assets:		
Plant and machinery	1	–
<b>Assets under construction</b>	1	–

### Useful lives

Useful lives are reflected under accounting policies.

Management has assessed the appropriateness of the useful lives and residual values of property, plant and equipment and there have not been any changes from the prior year.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 2 GOODWILL AND OTHER INTANGIBLE ASSETS

R millions	Goodwill	Customer relationships Restated**	Trade names, designs, patents and trademarks	Distribution rights license agreements and proprietary software Restated**	Total
<b>Cost</b>					
Balance at 1 March 2023	1 402	294	240	664	2 600
Additions at cost	–	2	1	107	110
Disposals	–	–	–	(2)	(2)
Intangible assets written off	–	(15)	–	(198)	(213)
Translation of foreign operations	3	–	2	2	7
<b>Balance at 29 February 2024</b>	<b>1 405</b>	<b>281</b>	<b>243</b>	<b>573</b>	<b>2 502</b>
Additions at cost	–	–	12	134	146
Disposals	–	–	–	(1)	(1)
Intangible assets written off	–	–	–	(67)	(67)
Transfers to property, plant and equipment	–	–	–	(2)	(2)
Transfers to rental devices	–	–	–	(2)	(2)
Translation of foreign operations	(15)	(2)	(2)	(12)	(31)
<b>Balance at 28 February 2025</b>	<b>1 390</b>	<b>279</b>	<b>253</b>	<b>623</b>	<b>2 545</b>
<b>Accumulated amortisation and impairment losses</b>					
Balance at 1 March 2023	153	225	197	464	1 039
Restated	–	(9)	–	–	(9)
Restated balance at 1 March 2023	153	216	197	464	1 030
Amortisation for the year	–	27	13	73	113
Impairment losses	33	–	–	–	33
Intangible assets written off	–	(15)	–	(198)	(213)
Translation of foreign operations	–	–	3	1	4
<b>Balance at 29 February 2024</b>	<b>186</b>	<b>228</b>	<b>213</b>	<b>340</b>	<b>967</b>
Amortisation for the year	–	26	9	72	107
Intangible assets written off	–	–	–	(67)	(67)
Translation of foreign operations	–	3	(2)	(10)	(9)
<b>Balance at 28 February 2025</b>	<b>186</b>	<b>257</b>	<b>220</b>	<b>335</b>	<b>998</b>
Carrying amount at 29 February 2024	1 219	53	30	233	1 535
<b>Carrying amount at 28 February 2025</b>	<b>1 204</b>	<b>22</b>	<b>33</b>	<b>288</b>	<b>1 547</b>

\* This includes Capitalised development costs with a carrying value of R238 million (2024: R238 million).

\*\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 2 GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

### Distribution rights

The Group owns the sole rights to distribute Xerox equipment in various African territories. It paid an initial fee to acquire these distribution rights which are governed by an agreement that has been signed into perpetuity. These distribution rights are held within Altron Document Solution ("ADS").

### Determination of the recoverable amount:

The carrying value of indefinite useful life intangible assets, intangible assets not yet available for use and goodwill are tested annually for impairment or more frequently if there is an indication of impairment. The Group applies the fair value less costs of disposal method in assessing CGUs for impairment.

A discounted cash flow valuation model is used to calculate fair value less costs of disposal. Future expected cash flows are based on management forecasts, typically over a five-year period, and thereafter a reasonable rate of growth is applied based on current market conditions.

For the purpose of impairment assessments of goodwill, the goodwill balance is allocated to the operating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

### Events and circumstances leading to the recognition of impairment losses:

#### Goodwill

In 2024, a R33 million impairment loss was recognised relating to the Nexus business that is classified as held-for-sale (note 40). The fair value is considered to be level 3 items in the fair value hierarchy.

### Summary of goodwill and assumptions applied

A summary of the goodwill per cash-generating unit as well as assumptions applied for impairment assessment purposes is presented below per country where the CGUs are situated:

28 February 2025	Geographic region	Revenue growth rate %	Long-term growth rate %	Discount rate %	Goodwill carrying amount
<b>R millions</b>					
Altron Digital Business***	South Africa	7.8	5.0	12.2	379
Altron Healthtech	South Africa	8.3	5.0	12.2	82
Altron Fintech	South Africa	6.3	5.0	12.2	65
Netstar	South Africa	6.2	5.0	12.2	29
Netstar Australia	Australia	9.2	5.0	10.2	203
Altron Security**	South Africa	12.6	5.0	12.2	446
<b>Carrying amount at 28 February 2025</b>					<b>1 204</b>
<b>29 February 2024</b>	Geographic region	Revenue growth rate %*	Long-term growth rate %	Discount rate %	Goodwill carrying amount
<b>R millions</b>					
Altron Digital Business***	South Africa	4.9	5.0	13.6	379
Altron HealthTech	South Africa	7.2	5.0	13.6	82
Altron FinTech	South Africa	3.1	5.0	13.6	65
Altron Netstar	South Africa	7.1	5.0	13.9	29
Altron Netstar Australia	Australia	9.7	5.0	10.1	218
Altron Security	South Africa	15.3	10.0	14.3	446
<b>Carrying amount at 29 February 2024</b>					<b>1 219</b>

\* The prior year disclosure is restated to include the revenue growth rate that was not previously disclosed.

\*\* The terminal growth rate for Altron Security was adjusted to 5% to align the growth rate with current industry outlook.

\*\*\* The merger of Altron Managed Solutions, Altron Systems Integration and Altron Karabina, was effected at the beginning of the current financial year and resulted in the combination of these cash-generating units ("CGU") into a single CGU referred to as Altron Digital Business. In the previous financial year, these were individual CGUs operating independently of each other. In analysing the current and future cash flows, Management views the information from these CGUs as a single CGU due to the dependency on each other since the merger.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 2 GOODWILL AND OTHER INTANGIBLE ASSETS (continued) Fair value less costs of disposal

The recoverable amounts of the respective CGUs were determined based on fair value less costs of disposal calculations. The calculations mainly use forecast cash flow projections based on financial budgets that were approved by the Board of Directors. The forecast period used in the calculation covers a five-year (2024: five-year) period, with year one being the approved budgeted year. A terminal value is calculated into perpetuity using long-term growth rates. The growth rates used are in line with industry norms.

The following key assumptions were used for the fair value less costs of disposal calculations:

### Revenue growth rates

Annually compounded revenue growth rates were applied for the discrete period. The growth rates were consistent with publicly available information relating to long-term average growth rates for each of the markets in which the respective CGU operated. The average growth rate used, ranged between 6.2% and 12.6% (2024: 3.1% - 15.3%).

### Terminal growth rates

Steady long term growth rates were applied beyond the approved budgets period. The average growth rate used, was 5% (2024: 5% - 10%).

### Sensitivities

A specific change in the revenue growth rate, terminal growth rate or discount rate of the below CGU would result in the recoverable amount being equal to the carrying amount of the net assets of the CGU:

	Absolute change to revenue growth rate %	Absolute change to terminal growth rate %	Absolute change to discount rate %
<b>28 February 2025</b>			
Netstar Australia	6.26	3.66	2.38
<b>29 February 2024</b>			
Netstar Australia	2.47	3.89	2.43

The CGUs not included in the table above have sufficient headroom and are not sensitive to a change in the assumptions applied.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 3 RIGHT-OF-USE ASSETS

R millions	28 February 2025			29 February 2024		
	Cost	Accumulated depreciation and impairment losses	Carrying value	Cost	Accumulated depreciation and impairment losses	Carrying value
Buildings	709	(386)	323	706	(343)	363
Motor vehicles	97	(56)	41	74	(45)	29
High sites	105	(66)	39	66	(55)	11
Office machinery and equipment	11	(4)	7	7	–	7
<b>Total before items classified as held-for-sale</b>	<b>922</b>	<b>(512)</b>	<b>410</b>	<b>853</b>	<b>(443)</b>	<b>410</b>
<b>Classified as held-for-sale (note 40)*</b>	<b>(46)</b>	<b>46</b>	<b>–</b>	<b>(43)</b>	<b>42</b>	<b>(1)</b>
<b>Total</b>	<b>876</b>	<b>(466)</b>	<b>410</b>	<b>810</b>	<b>(401)</b>	<b>409</b>

### Reconciliation of right-of-use assets

R millions	Buildings*	Motor vehicles*	High Sites	Office Machinery and equipment*	Fibre Strands and other IT equipment	Total
Balance at 1 March 2023	513	18	23	–	34	588
Additions to right-of-use assets	30	23	–	8	–	61
Depreciation for the year	(82)	(14)	(12)	(1)	(6)	(115)
Impairment reversals	47	–	–	–	–	47
Impairment losses	(1)	–	–	–	–	(1)
Lease modifications and terminations	7	2	–	–	(28)	(19)
Derecognition	(151)	–	–	–	–	(151)
<b>Balance at 29 February 2024</b>	<b>363</b>	<b>29</b>	<b>11</b>	<b>7</b>	<b>–</b>	<b>410</b>
Additions to right-of-use assets	32	24	–	4	–	60
Depreciation for the year	(63)	(17)	(11)	(4)	–	(95)
Impairment losses	(11)	–	–	–	–	(11)
Lease modifications and terminations	2	5	39	–	–	46
<b>Balance at 28 February 2025</b>	<b>323</b>	<b>41</b>	<b>39</b>	<b>7</b>	<b>–</b>	<b>410</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 3 RIGHT-OF-USE ASSETS (continued) Group as a lessor

### Impairment tests and key assumptions

An impairment loss of R5 million (2024: R10 million) resulted from an assessment of the carrying value of the held-for-sale operations, compared to the fair value less costs to sell (note 40). These fair values are considered to be level 3 items in the fair value hierarchy.

Previously, the Group entered into a lease agreement in relation to the Woodlands campus in order to house all operations within one location. The lease will terminate in October 2032.

During the prior year, various sublease agreements for the vacant office space have been entered into, resulting in the derecognition of the net right-of-use assets amounting to R149 million. A further R47 million reversal of impairment was recognised as a result of the reorganisation of vacant space currently occupied by the Group.

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Lease liabilities</b>		
<b>Opening balance including held-for-sale</b>	<b>827</b>	918
Current lease liabilities excluding balances classified as held-for-sale	<b>85</b>	117
Non-current lease liabilities excluding balances classified as held-for-sale	<b>741</b>	800
	<b>826</b>	917
Current lease liabilities classified as held-for-sale	<b>1</b>	1
Non-current lease liabilities classified as held-for-sale	<b>–</b>	–
	<b>1</b>	1
Leases entered into	<b>59</b>	47
Repaid (including interest and capital)	<b>(163)</b>	(172)
Interest (note 23)	<b>63</b>	67
Lease modifications and terminations	<b>46</b>	(33)
<b>Total lease liabilities</b>	<b>832</b>	827
Less lease liabilities classified as held-for-sale (note 40)	<b>(4)</b>	(1)
<b>Total lease liabilities excluding classified as held-for-sale</b>	<b>828</b>	826
<b>Balance at 28 February 2025</b>	<b>828</b>	826
Current lease liabilities excluding balances classified as held-for-sale	<b>95</b>	85
Non-current lease liabilities excluding balances classified as held-for-sale	<b>733</b>	741
<b>Included in the statement of profit or loss:</b>		
Expense relating to short-term leases and leases of low-value assets that are not shown above are included in materials and services consumed	<b>24</b>	44

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 4 EQUITY-ACCOUNTED INVESTMENTS

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Interest in joint ventures</b>	1	1
<b>Interests in associates</b>	1	1
	<b>2</b>	<b>2</b>

Refer to note 43.4 and 43.3 for detailed disclosures on the interest in joint ventures and associates respectively.

## 5 OTHER NON-CURRENT RECEIVABLES

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Non-current financial assets at amortised cost</b>		
Loan to Technologies Acceptances Receivables Proprietary Limited (TAR)	138	142
Less current portion (note 11)	(138)	–
	–	142
<b>Non-current financial assets at fair value through other comprehensive income</b>		
Preference share investment in Technologies Acceptances Receivables Proprietary Limited (TAR)	21	21
	<b>21</b>	<b>21</b>

Refer to note 43.5 for detailed disclosures

### Exposure to credit risks

All of the Group's non-current financial assets at amortised cost and FVOCI are considered to have credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected credit losses. The Group considers a financial instrument to have low credit risk when it has a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

### Non-current financial assets at amortised cost

Refer to note 43.5 for detailed disclosure on the Technologies Acceptances Receivables Proprietary Limited (TAR) participation loan. All customers are credit vetted, credit is only extended to customers in accordance with the stipulations of the securitisation vehicle, and is effectively secured by the underlying assets.

The loan is fully performing, therefore the assessed risk of expected credit loss has been determined to be low.

Based on the application of the Expected Credit Loss (ECL) model and the factors mentioned above, no ECL has been recognised on the current and non-current financial assets held at amortised cost. The ECL model incorporated the Probability of Default (PD) and the Loss Given Default (LGD) of the counterparty. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

### Non-current financial assets at fair value through other comprehensive income

The preference share investment in Technologies Acceptances Receivables Proprietary Limited (TAR), as disclosed has been classified as an equity investment in terms of IFRS 9.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 6 FINANCE LEASE ASSETS

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Net investment in lease (note 6.1)</b>		
Present value of minimum lease payments receivable	167	175
Less: Current portion (note 11)	(12)	(8)
	155	167
<b>Rental finance lease assets (note 6.2)</b>		
Present value of minimum lease payments receivable	413	417
Less: Current portion (note 11)	(201)	(197)
	212	220
Less: Impairment allowance	(10)	–
	202	220
Non-current finance lease receivable	357	387
<b>Rental finance liabilities at amortised cost (included under loans)</b>		
Present value of minimum lease payments payable (note 15)	415	418
Less: Current portion (note 15)	(198)	(194)
Non-current finance lease liability	217	224

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

### 6.1 Net investment in lease

During the prior year, the Group entered into five additional agreements to sublease vacant office space. Two leases have been classified as finance leases, which were determined with reference to the right-of-use asset arising from the head lease and the other three leases have been classified as operating leases.

The leases are for a period of 10 years. The rate implicit in the sub-lease was calculated by applying the same discount rate as determined in the head lease.

The reconciliation between the total gross investment in the lease and the net investment in the lease at the statement of financial position date is as follows:

R millions	GROUP	
	28 February 2025	29 February 2024
Present value of minimum lease payments receivable	167	175
Interest receivable	55	69
Future minimum lease payments receivable	222	244

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 6 FINANCE LEASE ASSETS (continued)

### 6.2 Rental finance lease assets and liabilities

Group entities sell certain document processing equipment to third parties on a finance lease basis. The lease asset arising is in turn financed by a reciprocal finance agreement with financial institutions. The actual equipment sold provides collateral to the Group.

The underlying loans receivable and payable are settled in monthly instalments over periods of up to seven years and bear interest at rates linked to the prime bank overdraft rate. The rates are fixed for the duration of the contract. The loans are secured by the underlying equipment sold.

Offsetting criteria have not been met and as a result, the lease asset and lease liability are presented on a gross basis (note 15).

The relationship between the gross investment in the lease at the balance sheet date, and the present value of the minimum lease payments receivable at the balance sheet date, is as follows:

R millions	28 February 2025	29 February 2024
<b>Rental finance lease assets</b>		
Present value of minimum lease payments receivable	413	417
Interest receivable	93	93
Future minimum lease payments receivable	506	510

The relationship between the lease liability at the balance sheet date, and the present value of the minimum lease payments payable at the balance sheet date, is as follows:

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Rental finance lease liabilities</b>		
Present value of minimum lease payments payable	415	418
Interest payable	88	90
Future minimum lease payments payable	503	508

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 6 FINANCE LEASE ASSETS (continued)

### 6.3 Exposure to credit risk

R millions	GROUP	
	28 February 2025	29 February 2024
The maximum exposure to, and concentration of, credit risk for finance lease assets at the reporting date by type of customer is as follows:		
Parastatals/government	276	223
Corporates	234	369
SMEs	70	–
	<b>580</b>	<b>592</b>
The maximum exposure to, and concentration of, credit risk for finance lease assets at the reporting date by geographical region is as follows:		
South Africa	574	587
Rest of Africa	6	5
	<b>580</b>	<b>592</b>

### Exposure to credit risk – net investment in lease

Lessees are subjected to stringent credit vetting. The maximum exposure to credit risk at the reporting date is the carrying amount of the finance lease receivables taking into account the risk of recoverability. The (“ECL”) model incorporated the probability of default (“PD”) and the loss given default (“LGD”) of the counterparty. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Group’s past history, existing market conditions as well as forward-looking estimates at the end of the reporting period. The expected credit loss, was calculated to be immaterial.

### Exposure to credit risk – rental finance lease assets and liabilities

All customers are subjected to stringent credit vetting. It is our experience that only large corporates and parastatal / government departments avail themselves to the document outsourcing services rendered by the Group and hence there is a reduced risk of default. Lease payments are due between 30 - 90 days after invoice.

As outlined above, finance lease assets relate to document processing equipment. The lease asset arising is in turn financed by a reciprocal lease agreement with financial institutions. The actual equipment sold provides collateral to the Group. The (“ECL”) model incorporated the probability of default (“PD”) and the loss given default (“LGD”) of the counterparty. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Group’s past history, existing market conditions as well as forward-looking estimates at the end of the reporting period. The ECL is calculated using the provision matrix and additional provision is raised on specific customers either experiencing financial difficulty in meeting cashflow obligations/received negative publicity in the media regarding their financial stability, or customers that didn't meet all the requirements during initial credit vetting (note 11).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 6 FINANCE LEASE ASSETS (continued)

### 6.4 Exposure to liquidity risk

The following are the contractual maturities of finance lease assets and liabilities, including interest payments:

R millions	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Greater than 5 years
<b>28 February 2025</b>							
<b>Non-derivative financial assets</b>							
Net investment in lease	167	222	12	12	26	90	82
Rental finance lease assets	413	506	132	120	177	77	–
	<b>580</b>	<b>728</b>	<b>144</b>	<b>132</b>	<b>203</b>	<b>167</b>	<b>82</b>
<b>Non-derivative financial liabilities</b>							
Rental finance lease liabilities	(415)	(503)	(130)	(119)	(177)	(77)	–
R millions	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Greater than 5 years
<b>29 February 2024</b>							
<b>Non-derivative financial assets</b>							
Net investment in lease	175	244	10	12	24	84	114
Rental finance lease assets	417	510	135	109	170	94	2
	<b>592</b>	<b>754</b>	<b>145</b>	<b>121</b>	<b>194</b>	<b>178</b>	<b>116</b>
<b>Non-derivative financial liabilities</b>							
Rental finance lease liabilities	(418)	(508)	(135)	(109)	(170)	(94)	–

### 6.5 Exposure to interest rate risk

A significant portion of finance leases are entered into on a back-to-back basis with financial institutions. The interest rate payable to financial institutions on the finance lease liability is equal to the rate being charged to the customer on the finance lease asset. These rates are fixed, but on initial recognition, are automatically adjusted as and when the prime overdraft rate is amended. Accordingly, the Group does not have any significant exposure to interest rate risk as a result of these arrangements. Refer to note 29.4 for further disclosure relating to interest rate risk.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 7 CONTRACT COSTS CAPITALISED

R millions	GROUP	
	28 February 2025	29 February 2024
Costs incurred to fulfil contracts	131	138
Costs incurred to acquire contracts – closing balance	780	723
Opening balance	723	551
Costs incurred to acquire contracts during the year	376	440
Written off during the year	(8)	(9)
Impairment of contract costs capitalised	(1)	(1)
Amortisation of costs incurred to acquire contracts during the year	(310)	(258)
<b>Total contract costs capitalised</b>	<b>911</b>	<b>861</b>
<i>Less: Current costs incurred to fulfil contracts (refer note 11)</i>	<i>(131)</i>	<i>(138)</i>
<b>Total Non-current costs capitalised</b>	<b>780</b>	<b>723</b>

### Costs incurred to fulfil contracts

This relates to costs incurred by the Group for future services to be received on certain contracts where the performance obligations have not been met and accordingly revenue could not be recognised.

### Costs incurred to acquire contracts

These costs include commissions and other costs directly attributable to the conclusion of customer service contracts.

These costs are amortised on a systematic basis over the average customer life. The amortisation relating to the fitment is included in amortisation in profit or loss.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 8 CAPITAL RENTAL DEVICES

R millions	GROUP 28 February 2025			GROUP 29 February 2024		
	Cost	Accumulated depreciation and impairment losses	Carrying value	Cost	Accumulated depreciation and impairment losses	Carrying value
Capital rental devices	969	(389)	580	745	(316)	429

### Reconciliation of capital rental devices

R millions	Capital rental devices
Balance at 1 March 2023	345
Additions to capital rental devices during the year	328
Depreciation for the year	(212)
Written off during the year	(32)
<b>Balance at 29 February 2024</b>	<b>429</b>
Additions to capital rental devices during the year	452
Depreciation for the year	(251)
Transfer from intangible assets	2
Translation of foreign operations	(2)
Written off during the year	(50)
<b>Balance at 28 February 2025</b>	<b>580</b>

The capital rental devices relates to the costs of hardware that the Group supplies to its customers as part of service agreements. These devices remain the legal property of the Group and are depreciated over the period of the contract, up to an average of three to five years. The depreciation on these items is included in depreciation and amortisation in profit or loss. Amounts written off during the year relate to rental devices no longer in use.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 9 DEFERRED TAXATION

R millions	Recognised		
	Opening balance	in profit or loss	Closing balance
<b>Deferred tax movements</b>			
<b>28 February 2025</b>			
Wear and tear allowances	244	15	259
Working capital allowances	(196)	(5)	(201)
Provisions, accruals and other allowances	(90)	26	(64)
Share based payments	1	(1)	–
Tax losses	(77)	52	(25)
Right-of-use asset	107	1	108
Lease liability on right-of-use assets	48	(2)	46
Finance lease receivable	(220)	(1)	(221)
Impairment on loans receivable	–	(13)	(13)
Research and development	–	26	26
	(183)	98	(85)
<b>Less deferred tax balances classified as held-for-sale</b>			–
<b>Deferred taxation</b>			(85)
<b>29 February 2024*</b>			
Wear and tear allowances	252	(8)	244
Working capital allowances	(156)	(40)	(196)
Provisions, accruals and other allowances	(88)	(2)	(90)
Share based payments	(2)	3	1
Tax losses	(124)	47	(77)
Right-of-use asset	155	(48)	107
Lease liability on right-of-use assets	10	38	48
Finance lease receivable	(245)	25	(220)
	(198)	15	(183)
Less deferred tax balances classified as held-for-sale			20
<b>Deferred taxation</b>			(163)

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 9 DEFERRED TAXATION (continued)

R millions	GROUP	
	28 February 2025	29 February 2024
<b>The above balance comprises:</b>		
Deferred tax liabilities	65	18
Less: Deferred tax liabilities classified as held-for-sale (note 40)	–	–
<b>Deferred tax liabilities</b>	<b>65</b>	<b>18</b>
Deferred tax assets	(150)	(201)
Less: Deferred tax assets classified as held-for-sale (note 40)	–	20
<b>Deferred tax assets</b>	<b>(150)</b>	<b>(181)</b>
<b>Net deferred tax asset</b>	<b>(85)</b>	<b>(163)</b>

The Group has used judgement and determined that the deferred tax asset is recoverable based on expected future taxable profits. The use of future projections, current assessed tax loss positions and other factors are assessed, and a deferred tax asset is only recognised if sufficient evidence of recoverability exists.

### Tax losses

Estimated tax losses and deductible temporary differences that are available for set-off against future taxable income	1 107	1 278
Continuing operations	433	699
Discontinued operations	674	579
Recognised*	(92)	(286)
Continuing operations	(92)	(212)
Discontinued operations	–	(74)
Unrecognised estimated tax losses and deductible temporary differences	1 015	992
Continuing operations	341	487
Discontinued operations	674	505

Tax losses recognised are not subject to expiry

\* Of the R92 million (2024: R286 million) assessed loss recognised, R92 million (2024: R73 million) is considered to be current.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 10 INVENTORIES

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
Raw materials	106	97
Work in progress	13	8
Finished goods	776	932
Consumable stores	14	18
	<b>909</b>	1 055
Less: Inventories classified as held-for-sale (note 40)	<b>(87)</b>	(84)
	<b>822</b>	971
Inventories carried at cost	<b>710</b>	756
Inventories carried at net realisable value	<b>112</b>	215
	<b>822</b>	971

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

Write downs of inventories to net realisable value of R6 million (2024: R99 million) occurred in the Group during the current financial year and are included in materials and services consumed.

Included in the write down of inventories during the prior period are the following significant items:

- Altron Nexus, the rollout of the Gauteng Broadband Network contract for phase 2 ("GBN2") project experienced delays outside of Altron's control, resulting in fewer sites being deployed than initially scoped for in the original tender awarded. An assessment was performed over the inventory pertaining to this project, resulting in a provision of R71 million.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 11 TRADE AND OTHER RECEIVABLES

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Financial assets at amortised cost</b>		
Gross trade receivables	1 946	2 088
Less: Impairment allowance	(433)	(459)
Less: Other allowances	(5)	(7)
Deposits	19	14
Current portion of finance lease assets (note 6)	213	205
Less: Impairment allowance	(10)	(48)
Current portion of financial assets at amortised cost	138	–
Other receivables	191	150
Less: Impairment allowance	(42)	–
	<b>2 017</b>	<b>1 943</b>
<b>Non-financial assets</b>		
Costs incurred to fulfil contracts (note 7)	131	138
Prepayments	255	234
Other receivables	21	23
Withholding tax receivable	56	58
VAT receivable	3	1
	<b>466</b>	<b>454</b>
<b>Trade and other receivables before items classified as held-for-sale</b>	<b>2 483</b>	<b>2 397</b>
Less: Trade and other receivables classified as held-for-sale (note 40)	(104)	(212)
	<b>2 379</b>	<b>2 185</b>
<b>Financial assets at fair value through profit or loss</b>		
Forward exchange contracts	9	7
	<b>2 388</b>	<b>2 192</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

### Exposure to credit risk

The exposure to credit risk, excluding finance lease assets, at the reporting date was represented by:

	28 February 2025			29 February 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Gross trade receivables	1 946	(433)	1 513	2 088	(459)	1 629
Other allowances	(5)	–	(5)	(7)	–	(7)
Deposits	19	–	19	14	–	14
Current portion of financial assets at amortised cost	138	–	138	–	–	–
Other receivables*	191	(42)	149	150	–	150
Contract assets (note 19)	98	(1)	97	98	(6)	92
	<b>2 387</b>	<b>(476)</b>	<b>1 911</b>	<b>2 343</b>	<b>(465)</b>	<b>1 878</b>
Less: Trade and other receivables classified as held-for-sale (note 40)**			(104)			(212)
Less: Contract assets, net of contract loss allowance classified as held-for-sale (note 40)**			(1)			(2)
			<b>1 806</b>			<b>1 664</b>

\* Other receivables include short-term vendor finance receivables. (FY24: Other receivables mainly relate to various vendor and BBBEE loans provided).

\*\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements

CONTINUED

for the year ended 28 February 2025

## 11 TRADE AND OTHER RECEIVABLES (continued)

### Exposure to credit risk (continued)

The exposure to credit risk for finance lease assets at the reporting date was represented by:

	28 February 2025			29 February 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Finance lease assets*	580	(20)	560	592	(48)	544

\* The simplified approach is used to calculate the ECL provisions. The increase in ECL within this category relates to elevated risk identified with certain debtors in finance lease assets. These amounts will only become due when invoiced to the debtors and at such time it will be reclassified as trade receivables.

### Ageing and impairment analysis (excluding finance lease assets)

R millions	28 February 2025			29 February 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	1 386	(85)	1 301	1 317	(60)	1 257
Past due 0-30 days	252	(9)	243	264	(10)	254
Past due 31-120 days	165	(13)	152	223	(11)	212
Past due 121-365 days	160	(29)	131	133	(54)	79
Past due 365+ days	424	(340)	84	406	(330)	76
	2 387	(476)	1 911	2 343	(465)	1 878

### Ageing and impairment analysis (finance lease assets only)

	28 February 2025			29 February 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due*	580	(20)	560	592	(48)	544
	580	(20)	560	592	(48)	544

\* The provision matrix approach is used to calculate the ECL provisions. The increase in ECL within this category relates to elevated risk identified with certain debtors in finance lease assets. These amounts will only become due when invoiced to the debtors and at such time it will be reclassified as trade receivables.

Refer below for further disaggregation by credit risk.

The maximum exposure to credit risk for financial assets at amortised cost, excluding finance lease assets at the reporting date by type of customer net of impairment was as follows:

	28 February 2025			29 February 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Parastatals/government	217	(43)	174	260	(23)	237
Corporates*	1 708	(384)	1 324	1 592	(329)	1 263
SMEs*	440	(47)	393	460	(110)	350
Individuals	22	(2)	20	31	(3)	28
	2 387	(476)	1 911	2 343	(465)	1 878

\* The Group generally deals with the larger corporates who have a sound credit standing. Credit risk in respect of corporates and SMEs is controlled through the use of credit vetting agencies and the setting of credit limits by experienced personnel. Credit limits are typically reviewed at least annually.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 11 TRADE AND OTHER RECEIVABLES (continued)

### Ageing and impairment analysis (finance lease assets only) (continued)

The maximum exposure to credit risk for finance lease assets at amortised cost at the reporting date by customer net of impairment was as follows:

	28 February 2025			29 February 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Parastatals/government	276	–	276	223	(1)	222
Corporates	234	(20)	214	369	(47)	322
SMEs	70	–	70	–	–	–
	580	(20)	560	592	(48)	544

The exposure to credit risk, excluding finance lease assets, at the reporting date was represented by:

R millions	GROUP	
	28 February 2025	29 February 2024
South Africa	1 617	1 562
Rest of Africa	168	153
Europe	6	11
Rest of world	120	152
	1 911	1 878

The majority of the financial assets outside of South Africa are in respect of the Group's international operations which are experienced in managing their own local credit risk. With regards to cross border trade, credit risk is managed through the use of letters of credit and bank guarantees as considered necessary.

The exposure to credit risk of finance lease assets at the reporting date was represented by:

	GROUP	
	28 February 2025	29 February 2024
South Africa	557	539
Rest of Africa	3	5
	560	544

### Credit risk, concentration risk and significant judgement applied by management

*Gross trade receivable with Thobela Telecoms (RF) Proprietary Limited ("Thobela")*

Altron Nexus (Pty) Ltd ("Nexus") forms part of a consortium named Thobela Telecoms (RF) (Pty) Ltd ("Thobela"), which was awarded a tender by the City of Tshwane ("COT") for the provision of a municipal broadband network project on 9 June 2015 ("BOT agreement").

Following a judgment brought by the COT to review and set aside the tender process, Nexus, along with Thobela and ABSA Bank Ltd, applied for leave to appeal to the Supreme Court of Appeal ("SCA"), which was duly granted and on 5 October 2020 the SCA ruled in favour of Nexus and the other appellants, by declaring the BOT agreement valid and binding. The COT filed an application for an appeal against the SCA judgement in the Constitutional Court, which was rejected on 19 May 2021 and dismissed with costs.

After the Constitutional Court ruling, Thobela engaged the COT and sought a practical resolution to give effect to roll out the BOT agreement and attend to the outstanding debt owing to Thobela and Nexus. The parties were unable to reach consensus on a certain portion of Thobela's damages claim and accordingly it was agreed to refer the matter to arbitration. During the arbitration proceedings and following the COT's pleading which amounted to a repudiation of the BOT agreement, Thobela cancelled the BOT agreement. The cancellation is disputed by COT. The parties are in the process to address all disputes relating to the BOT and all claims arising out of the disputed cancellation of the BOT agreement through arbitration.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 11 TRADE AND OTHER RECEIVABLES (continued)

### Credit risk, concentration risk and significant judgement applied by management (continued)

As at the end of the reporting period, Nexus has a balance of R309 million (2024: R309 million) outstanding from Thobela for work performed with regards to the COT Project. Several media reports regarding the COT's growing debt burden, with substantial debts owed to entities such as Eskom and Rand Water, resulted in Nexus recording an ECL impairment allowance of substantially the full outstanding amount. The ECL impairment allowance raised amounts to R284 million (2024: R266 million), resulting in a net debtor balance of R25 million (2024: R43 million).

An ECL allowance of R1 million (2024: R38 million) was recognised against the investment loan (note 43) bringing the total ECL allowance to R103 million (2024: R102 million).

### Expected credit losses

The Group generally deals with a widespread customer base. Refer to the discussion above in relation to Thobela for an explanation of the Group's concentration of credit risk at reporting date. Listings of overdue customer balances are reviewed and the ageing thereof is used as a tool for monitoring specific risk of default (refer below).

The Group applies two methods to measure the expected loss allowance for all trade receivables, contract assets and finance lease assets. These two methods are the provision matrix utilising historic loss rates and the PD/LGD/EAD approach and are further explained below.

R millions	28 February 2025			29 February 2024		
	Gross carrying amount at default	Impairment	Net carrying amount at default	Gross carrying amount at default	Impairment	Net carrying amount at default
<b>Expected credit loss by method applied:</b>						
Provision matrix utilising adjusted historic loss rates	708	(63)	645	768	(91)	677
Simplified PD/LGD/EAD approach	1 602	(107)	1 495	1 694	(156)	1 538
<b>Accounts receivable and contract assets including finance lease assets</b>						
	2 310	(170)	2 140	2 462	(247)	2 215
Deposits*	19	–	19	14	–	14
Current portion of financial assets at amortised cost	138	–	138	–	–	–
Other receivables*	191	(42)	149	150	–	150
Thobela**	309	(284)	25	309	(266)	43
<b>Total including finance leases</b>	<b>2 967</b>	<b>(496)</b>	<b>2 471</b>	<b>2 935</b>	<b>(513)</b>	<b>2 422</b>
<b>Comprises:</b>						
	2 967	(496)	2 471	2 935	(513)	2 422
Total excluding finance leases	2 387	(476)	1 911	2 343	(465)	1 878
Net investment in lease (note 6)*	167	–	167	175	–	175
Finance lease assets (note 6)***	413	(20)	393	417	(48)	369

\* No ECL was recognised on deposits, other receivables, the current portion of financial assets at amortised cost and the net investment in lease due to a low ECL ratio applied to these counterparties. The ECL model incorporated the probability of default (PD) and the loss given default (LGD) of the counterparty. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Group's past history, existing market conditions as well as forward looking estimates at end of the reporting period.

\*\* The ECL for Thobela was calculated on a weighted probability analysis of the amount expected to be received (refer above). This ECL excludes the allowance raised on the investment loan to the Joint Venture (note 4). Due to the objective evidence of impairment, the loan provided to Thobela Telecom is classified as stage 3 non-performing with reference to the general model for impairment.

\*\*\* Finance lease assets relate to document processing equipment as disclosed in note 6. The lease asset arising is in turn financed by a reciprocal finance agreement with financial institutions. The actual equipment sold provides collateral to the Group.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 11 TRADE AND OTHER RECEIVABLES (continued)

### Provision matrix utilising historic loss rates

This method is applied to those operations that have historical loss rates. ECLs are calculated by applying a loss ratio to the aged balance of trade receivables, contract assets, and finance lease assets at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historical/ proxy write-offs to the payment profile of the sales population. These financial assets have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay. Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations. The historic loss ratio is then adjusted for forward-looking information (including forecast economic indicators) to determine the ECL for the portfolio of financial assets at the reporting date to the extent that there is a strong correlation between the forward-looking information and the ECL. These operations have identified GDP to be the most relevant and accordingly adjusts the historical loss rates based on expected changes to these factors.

The loss allowance for trade receivables, contract assets and finance lease assets to which the provision matrix has been applied is determined as follows:

	28 February 2025			29 February 2024		
	Average ECL/impairment ratio	Gross carrying amount at default	Net carrying amount at default	Average ECL/impairment ratio	Gross carrying amount at default	Net carrying amount at default
	%	R millions	R millions	%	R millions	R millions
Not past due*	4.69	576	549	8.33	612	561
Past due 0-30 days	5.00	60	57	3.57	56	54
Past due 31-120 days	18.75	32	26	6.25	48	45
Past due 121-365 days	68.75	16	5	60.00	25	10
Past due 365+ days	66.67	24	8	74.07	27	7
<b>Total</b>	<b>8.90</b>	<b>708</b>	<b>645</b>	<b>11.85</b>	<b>768</b>	<b>677</b>
The above is represented by:						
Parastatals/government	15.25	236	200	3.72	323	311
Corporates	6.71	298	278	4.12	243	233
SMEs	4.02	174	167	34.33	201	132
Individuals	-	-	-	0.00	1	1
<b>Total</b>	<b>8.90</b>	<b>708</b>	<b>645</b>	<b>11.85</b>	<b>768</b>	<b>677</b>

\* Rental finance lease assets and contract assets are included within this ageing category.

The Group used 12 months revenue data to determine the payment profile of the sales. Where the Group has information about actual historical write-offs, actual write-offs have been used to determine a historic loss ratio. Alternatively, management has used a proxy write-off based on management's best estimate. The Group has considered quantitative forward-looking information such as GDP, of which the impact was found to be immaterial.

### Simplified PD/LGD/EAD approach

This method is applied on low default portfolios with insufficient historic annual internal defaults. ECL is calculated based on the life-time expected credit losses using a formula incorporating the following parameters: Exposure at default (EAD), probability of default (PD) and loss given default (LGD) (i.e.  $ECL = PD \times LGD \times EAD$ ). The PD parameter explains the likelihood of default of an exposure. It is assumed that risk drivers and default experience may differ by the institutional structure of the trade receivable, contract asset or finance lease asset (e.g. parastatal / government, corporates, SMEs and Individuals). Therefore, trade receivables, contract assets and finance lease assets are segmented into these portfolios. The purpose of portfolio segmentation (or grouping by shared risk characteristics) is to ensure the homogenous grouping of counterparties into (broadly and appropriately) homogeneous risk groups. Management exercises judgement in grouping customers into the abovementioned segments and applies Basel classification guidelines as a reference. Where possible, credit ratings for corporate entities that are externally rated were obtained from Moody's. For unrated corporates, parastatals / government, SMEs and individuals, the average probability of default (PD) and loss given default rates (LGD) were obtained from published Pillar III reports of major financial institutions, which includes forward looking information. Various institutions were analysed, and an average was applied on the segmentation discussed above.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 11 TRADE AND OTHER RECEIVABLES (continued)

### Simplified PD/LGD/EAD approach (continued)

The loss allowance for trade receivables to which the simplified PD/LGD/EAD approach has been applied is determined as follows:

	28 February 2025			29 February 2024		
	Average ECL/impairment ratio	Gross carrying amount at default	Net carrying amount at default	Average ECL/impairment ratio	Gross carrying amount at default	Net carrying amount at default
	%	R millions	R millions	%	R millions	R millions
Not past due*	3.31	1 056	1 021	4.97	1 147	1 090
Past due 0-30 days	3.13	192	186	4.33	208	199
Past due 31-120 days	6.72	134	125	4.65	172	164
Past due 121-365 days	11.81	144	127	36.45	107	68
Past due 365+ days	52.63	76	36	71.67	60	17
<b>Total</b>	<b>6.68</b>	<b>1 602</b>	<b>1 495</b>	<b>9.21</b>	<b>1 694</b>	<b>1 538</b>

The above table is presented for the first time in the current year

The above is represented by:

	28 February 2025			29 February 2024		
	Average ECL/impairment ratio	Gross carrying amount at default	Net carrying amount at default	Average ECL/impairment ratio	Gross carrying amount at default	Net carrying amount at default
	%	R millions	R millions	%	R millions	R millions
Parastatals/government	0.1 - 2.3	158	150	0.1 - 2.3	174	163
Corporates**	0.6 - 1.4	1 188	1 122	0.6 - 1.4	1 277	1 175
SMEs	2.0 - 5	236	204	1.9 - 5	213	173
Individuals	7.5	20	19	7.5	30	27
<b>Total</b>		<b>1 602</b>	<b>1 495</b>		<b>1 694</b>	<b>1 538</b>

\* Rental finance lease assets and contract assets are included within this ageing category.

\*\* The ECL for Thobela was calculated on 100% of the outstanding debt net of the deemed recoverable amount of R25 million (refer above) and therefore excluded from this ratio.

The Group utilises the ageing of the trade and other receivables and contract assets as a method for identifying specific risk of default. Under both methods disclosed above, the Group defines this risk as follows:

<b>Low Risk</b>	There has not been an increase in the credit risk of the counterparty since initial recognition of the trade receivable. All receivables are in low risk unless there are specific circumstances that indicate the contrary, such as long outstanding (overdue credit terms), financial problems at the counterparty, disputes, etc. The expected credit loss is calculated as explained above either under the PD/LGD/EAD approach or provision matrix method.
<b>Medium risk</b>	The credit risk of the counterparty has increased significantly since initial recognition of the trade receivable and therefore the ECL needs to be adjusted.
<b>High risk</b>	The trade receivable is at a point where it is fully non-recoverable. The full outstanding balance of the receivable is then provided for.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 11 TRADE AND OTHER RECEIVABLES (continued)

Accounts receivable and contract assets including finance lease assets, analysed by risk:

R millions	28 February 2025			29 February 2024		
	Gross carrying amount at default	Allowance raised	Net carrying amount	Gross carrying amount at default	Allowance raised	Net carrying amount
Low Risk	1 870	(72)	1 798	2 010	(118)	1 892
Medium Risk	356	(14)	342	334	(11)	323
High Risk	84	(84)	–	118	(118)	–
Accounts receivable and contract assets including finance lease assets	2 310	(170)	2 140	2 462	(247)	2 215
Deposits	19	–	19	14	–	14
Other receivables	191	(42)	149	150	–	150
Financial assets at amortised cost	138	–	138	–	–	–
Thobela*	309	(284)	25	309	(266)	43
	2 967	(496)	2 471	2 935	(513)	2 422

\* The ECL for Thobela was calculated on 100% of the outstanding debt net of the deemed recoverable amount of R25 million (refer above). This ECL excludes the allowance raised on the investment loan to the Joint Venture (note 4)

Based on the above, the Group distinguishes between non-performing and credit impaired counterparties. In the event that the counterparty is classified as credit impaired, the Group calculates the interest on the trade receivable, net of the impairment loss. The impact of this is immaterial for both the current and the prior year.

When the Group identifies a counterparty that has defaulted and the probability of recovery is remote, the amounts are written off, either by utilising the provision raised in respect of the counterparty or recognising the write-off in profit or loss.

Trade 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, amongst others, the failure of a debtor to engage in a repayment plan with the Group or a failure to make contractual payments for a period of greater than 120 days past due. Internal assessments are performed once debtors are 90 days past due from which the Group commences the process of assessing debtors on a case by case basis which includes assessing the adequacy of ECLs raised.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 11 TRADE AND OTHER RECEIVABLES (continued)

### Reconciliation of loss allowance

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. The impairment loss recognised in the current year is in respect of revenue recognised from contracts with customers.

The movement in the impairment allowance in respect of trade receivables and contract assets during the year was as follows:

R millions	Trade and other receivables		Contract assets	
	28 February 2025	29 February 2024	28 February 2025	29 February 2024
Balance at the beginning of the year	507	265	6	3
Increase in expected credit loss allowance <sup>1</sup>	44	281	(5)	3
Movement in expected credit loss allowance in relation to gross balances not in default	16	61	(5)	3
Movement in expected credit loss allowance in relation to Thobela	18	164	–	–
Movement in expected credit loss allowance in relation to gross balances greater than 120 days past due	10	56	–	–
Written off				
Directly to trade and other receivables <sup>2</sup>	(55)	(21)	–	–
Disposal of operation	–	(16)	–	–
Translation	(1)	(2)	–	–
<b>Balance at the end of the reporting period</b>	<b>495</b>	<b>507</b>	<b>1</b>	<b>6</b>
<sup>1</sup> Increase in expected credit loss allowance	44	281	(5)	3
Continuing operations*	27	81	(5)	3
Discontinued operations*	17	200	–	–

<sup>1</sup> The total increase in expected credit loss allowance of R281 million per the consolidated statement of comprehensive income, includes the expected credit loss allowance raised on the investment loan to the Thobela Joint Venture amounting to R164 million.

<sup>2</sup> Relates to debtors that were previously fully provided for. The debtors balances were therefore written off against allowances previously raised.

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

### Foreign currency risk

Foreign currency risk positions are reflected in note 29.2.

### Derivative assets at fair value

Derivative assets at fair value include:

R millions	GROUP	
	28 February 2025	29 February 2024
Forward exchange contracts	9	7

### Credit risk on derivative assets

The Group limits its exposure to credit risk by only entering into forward contracts with counterparties that have a sound credit rating.

Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 12 CASH AND CASH EQUIVALENTS

R millions	GROUP	
	28 February 2025	29 February 2024 Restated**
Cash at bank	751	1 044
Cash held on behalf of merchants*	269	105
Less: Cash at bank classified as held-for-sale (note 40)	(3)	(9)
	<b>1 017</b>	<b>1 140</b>
Bank overdrafts	(24)	(513)
<b>Net cash and cash equivalents per the statement of cash flows</b>	<b>993</b>	<b>627</b>

\* As part of the Group's business operations, cash is collected from customers on behalf of merchants and paid over to merchants when the amounts are cleared in the bank account. The cash on hand at year-end is due to the timing between receiving the cash from the customers, the cash clearing in the bank account and the payments being made to the merchants. On average, these amounts are paid over to merchants between 1 - 5 business days from receipt into the bank account.

\*\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

### Credit risk

The Group limits its credit risk exposure by investing only with financial institutions that have a sound credit rating. Management does not expect any counterparty to fail to meet its obligations based on the credit ratings of the financial institutions presented below:

R millions	Cash and cash equivalents including merchant cash			
	Credit ratings	Cash at bank	Bank overdrafts	Cash and cash equivalents Total
<b>28 February 2025</b>				
South Africa	BB-	959	(24)	935
United Kingdom	AA	–	–	–
Australia	AAA	5	–	5
Other	Various	53	–	53
		<b>1 017</b>	<b>(24)</b>	<b>993</b>

R millions	Cash and cash equivalents including merchant cash			
	Credit ratings	Cash at bank	Bank overdrafts	Cash and cash equivalents Total
<b>29 February 2024</b>				
South Africa*	BB-	1 084	(513)	571
United Kingdom	AA	2	–	2
Australia	AAA	38	–	38
Other	Various	16	–	16
		<b>1 140</b>	<b>(513)</b>	<b>627</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

### Expected credit losses

While cash and cash equivalents are also subject to the ECL model, the identified impairment loss was immaterial due to the fact that the Group has limited its credit exposure by investing only with financial institutions that have a sound credit rating.

### Interest rate risk

Refer to note 29.4 for disclosure relating to interest rate risk.

### Foreign currency risk

Foreign currency risk positions are reflected in note 29.2.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 13 SHARE CAPITAL AND SHARE PREMIUM

	GROUP			
	28 February 2025 Number of shares	29 February 2024 Number of shares	28 February 2025 R millions	29 February 2024 R millions
<b>13.1 Authorised</b>				
A Ordinary shares of no par value (2024: No par value)	500 000 000	500 000 000		
N Ordinary shares of 0.01 cent each (2024: 0.01 cent each)	500 000 000	500 000 000		
High Voting share of no par value ( <i>unlisted</i> )	1	1		
<b>13.2 Issued</b>				
<i>A Ordinary shares</i>				
In issue at the beginning of the year	411 018 564	410 681 964	1 241	1 238
Issued in terms of share schemes	1 036 831	336 600	18	3
In issue at the end of the year	412 055 395	411 018 564	1 259	1 241
Less: Own shares acquired by subsidiary	(30 837 778)	(32 287 468)	(193)	(222)
Net A ordinary shares at the end of the year	381 217 617	378 731 096	1 066	1 019
<i>High Voting share</i>				
In issue at the beginning of the year	1	1	–	–
Net High Voting share at the end of the year	1	1	–	–
Total number of shares in issue at the end of the year, net of own shares acquired (fully paid)	381 217 618	378 731 097		
<b>13.3 Total issued share capital and premium</b>			<b>1 066</b>	<b>1 019</b>

### Terms of equity shares

#### A Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### High Voting share

The holders (Venter family) of the High Voting share are entitled to voting rights of 25% plus one vote, so long as members of the Venter family are the ultimate beneficial owners of at least 10% of the A ordinary shares.

#### Treasury shares

The directors seek to obtain general authority to repurchase shares of the company's A ordinary issued share capital and will table the request at the next annual general meeting.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 13 SHARE CAPITAL AND SHARE PREMIUM (continued)

### 13.4 Share-based payments

#### 13.4.1 Altron 2009 Share Plan – Equity-settled share-based payments

The share plan was approved by the shareholders in the general meeting on 11 May 2009. It comprises three elements as follows:

#### Share Appreciation Rights ("SARs")

These grant participants rights to acquire shares subject to meeting future performance vesting conditions. Vesting occurs in equal tranches over a three-year period commencing on the third anniversary of the grant, subject to meeting the vesting conditions which include internal growth measures (non-market conditions) and is settled net of market value and the grant value. These rights lapse six years after the grant date.

#### Performance Share Awards ("PS")

Performance shares award participants with shares subject to meeting future performance vesting conditions. These rights vest and are exercised three years from the award date to the extent that the performance criteria have been met, which include internal growth measures (non-market conditions). Up to three times the number of rights may be awarded in shares. The full value of all the vested Performance Shares will be settled to the participants in shares as the exercise price is Rnil per share.

#### Bonus Share Grants ("BS")

The Bonus Share Scheme is a three-year scheme. The vesting period is three years from the initial date of the grant provided that the participants are still in the employ of the Group. The full value of the vested Bonus Shares will be settled to the participants in shares as the exercise price per share is Rnil per share.

#### Summary of share options outstanding in terms of Altron 2009 Share Plan:

Date granted	Exercise price per share	Share Appreciation Rights	Performance Share Awards	Bonus Share Grants
26 February 2020	R0.00	134 577	–	–
24 February 2021	R11.71	454 633	–	–
2 August 2021	R10.60	36 755	–	–
2 November 2021	R10.96	293 635	–	–
21 February 2022	R8.42	536 900	–	–
28 February 2023	R0.00	–	–	500 000
1 June 2023	R0.00	–	–	757 714
2 June 2023	R0.00	–	–	334 448
1 August 2023	R0.00	–	–	833 333
1 December 2023	R0.00	–	5 158 189	–
1 February 2024	R0.00	–	–	200 803
1 June 2024	R0.00	–	2 968 589	–
4 November 2024	R0.00	–	183 904	–
4 November 2024	R0.00	–	–	73 529
3 February 2025	R0.00	–	–	157 524
		1 456 500	8 310 682	2 857 351

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 13 SHARE CAPITAL AND SHARE PREMIUM (continued)

### 13.4 Share-based payments (continued)

#### 13.4.1 Altron 2009 Share Plan – Equity-settled share-based payments (continued)

	Weighted average exercise price Rand 2025	Number of options '000 2025	Weighted average exercise price Rand 2024	Number of options '000 2024
The number and weighted average exercise prices of share options are as follows:				
Outstanding at the beginning of the year	3.00	13 772	8.00	7 261
Granted during the year	–	3 517	–	7 564
Options lapsed / forfeited / reinstated	8.00	(2 119)	5.00	(396)
Exercised during the year	6.00	(2 545)	3.00	(657)
Outstanding at the end of the year	–	12 625	3.00	13 772
Exercisable at the end of the year		503		1 224

Exercise prices on outstanding options at the end of the period ranged from Rnil to R11.71 (2024: Rnil to R11.71). The weighted average remaining period to vesting on outstanding options at the end of the period was 18 months (2024: 23 months).

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of the fair value of the services received is measured using the Black-Scholes Model.

Evidence indicated that most options are exercised on or shortly after the vesting date and the assumptions have been adjusted accordingly. There is no difference between the options granted to key management and senior employees. Bonus share awards vest entirely and are exercisable between one to three years.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 13 SHARE CAPITAL AND SHARE PREMIUM (continued)

### 13.4 Share-based payments (continued)

#### 13.4.1 Altron 2009 Share Plan – Equity-settled share-based payments (continued)

#### Fair value and assumptions of share options awarded

		Bonus share grants	Performance share awards
<b>28 February 2025</b>			
Fair value at grant date (Rand)	Rand	17.67 - 18.65	12.86 - 17.29
Share price	Rand	19.08 - 20.92	14.50 - 19.08
Exercise price	Rand	–	–
Expected volatility	%	60.22 - 73.58	69.94 - 75.85
Option life	Years	2.00 - 3.00	2.57 - 3.00
Dividend yield	%	3.83	3.83 - 4.00
Risk-free interest rate	%	8.24 - 8.37	8.37 - 9.21
<b>29 February 2024</b>			
Fair value at grant date	Rand	6.12 – 8.88	8.71
Share price	Rand	7.10 – 10.10	9.75
Exercise price	Rand	–	–
Expected volatility	%	58.00 – 107.00	65.80
Option life	Years	2.00 – 3.00	2.50
Dividend yield	%	4.30 – 4.90	4.50
Risk-free interest rate	%	8.82 – 9.00	8.80

Volatility was estimated using the daily closing share price per Sharenet. The standard deviation of the rates of return of the share price was used for share-based payments granted by analysing historic daily movements in the share price with a similar time frame as the life of the option.

	Share appreciation rights	Bonus share grants	Performance share awards	Total share options
The details of options outstanding are as follows:				
<b>Number of options allocated at 28 February 2023</b>				
	5 126 383	2 134 700	–	7 261 083
Number of options granted	–	2 126 298	5 437 889	7 564 187
Number of options lapsed/forfeited/reinstated	(344 956)	(51 140)	–	(396 096)
Number of options exercised	(344 829)	(312 139)	–	(656 968)
<b>Number of options allocated at 29 February 2024</b>				
	4 436 598	3 897 719	5 437 889	13 772 206
Number of options granted	–	231 053	3 285 830	3 516 883
Number of options lapsed/forfeited/reinstated	(1 673 665)	(84 606)	(361 251)	(2 119 522)
Number of options exercised	(1 306 433)	(1 186 815)	(51 786)	(2 545 034)
<b>Number of options allocated at 28 February 2025</b>				
	1 456 500	2 857 351	8 310 682	12 624 533

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 13 SHARE CAPITAL AND SHARE PREMIUM (continued)

	28 February 2025
<b>Reconciliation of shares issued to options exercised</b>	
Shares issued in terms of share schemes	1 036 831
Options exercised at the end of the prior year and allotted in the current financial year	(203 954)
Shares allotted in the current year for options exercised in the next financial year	(217 674)
Treasury share utilised during the current year	1 157 306
Net settlement of share appreciation rights	772 525
Number of options exercised	2 545 034

The weighted average share price at the date of exercise of the options exercised during the year ended 28 February 2025 was R17.49 (2024: R9.01)

R millions	GROUP	
	28 February 2025	29 February 2024
<b>13.5 Share-based payment employee expenses</b>		
Equity-settled share-based payment expenses (note 20.2)	33	26

## 14 RESERVES

R millions	GROUP	
	28 February 2025	29 February 2024
<b>14.1 Foreign currency translation reserve</b>	105	135
Comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.		
<b>14.2 Premium/discount on non-controlling interest equity transactions</b>	(3 654)	(3 654)
Comprises the premium or discount on the subsequent purchase or sale of equity instruments in existing subsidiaries where there is no resulting change in control.		
<b>14.3 Cash flow hedging reserve</b>	(1)	(1)
Comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to hedged transactions that have not yet occurred.		
<b>14.4 Share-based payments reserve</b>	219	223
Comprises the net fair value of equity instruments granted to employees under share schemes expensed net of tax credits on deductible recharges in excess of expenses recognised.		
<b>14.5 Fair value reserve</b>	324	354
Comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income, net of deferred taxation. The change in the remeasurement of the defined benefit plan through other comprehensive income is also being recorded in this reserve.		
<b>Total reserves</b>	<b>(3 007)</b>	<b>(2 943)</b>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 15 LOANS

	GROUP	
	28 February 2025	29 February 2024 <i>*Restated</i>
<b>R millions</b>		
<b>15.1 Non-current loans</b>		
<b>Financial liabilities at amortised cost</b>		
Secured bank loans	425	425
Lease liabilities	–	1
Rental finance liabilities (note 6)	415	418
	<b>840</b>	<b>844</b>
<i>Less: Payable within one year disclosed as current loans</i>	<b>(623)</b>	<b>(195)</b>
<b>Total non-current loans</b>	<b>217</b>	<b>649</b>
<b>Non-current lease liabilities relating to right-of-use assets (note 3)</b>	<b>733</b>	<b>741</b>
<b>Total non-current loans including lease liabilities relating to right-of-use assets</b>	<b>950</b>	<b>1 390</b>
<b>15.2 Current loans</b>		
<b>Current portion of financial liabilities at amortised cost</b>		
Current portion of rental finance liabilities (note 6)	198	194
Current portion of lease liabilities	–	1
Current portion of secured bank loans	425	–
Current portion of long-term loans	623	195
<b>Current lease liabilities relating to right-of-use assets (note 3)</b>	<b>95</b>	<b>85</b>
<b>Current loans including lease liabilities relating to right-of-use assets</b>	<b>718</b>	<b>280</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 15 LOANS (continued)

### 15.3 Terms and debt repayment schedule

				28 February 2025 Carrying value R millions	29 February 2024 Carrying value R millions Restated**
	Currency	Nominal interest rate	Year of maturity		
The terms and conditions of outstanding loans were as follows:					
<b>Secured</b>					
Rental finance liabilities	ZAR	8.5% to 26.99%	2025 – 2030	415	418
Secured bank loans*	ZAR	JIBAR + 1.85%	2025	425	425
Lease liabilities	ZAR	3.71% – 6.2%	2024	–	1
Lease liabilities relating to right-of-use assets (note 3)	Various	7.25% – 10.5%	2025 – 2032	832	827
				<b>1 672</b>	<b>1 671</b>
Less: Lease liabilities relating to right-of-use assets classified as held-for-sale (note 40)				<b>(4)</b>	<b>(1)</b>
				<b>1 668</b>	<b>1 670</b>

\* The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group.

\*\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

### 15.4 Security

- Rental finance liabilities are largely matched by reciprocal finance lease assets from the customer on the back to back arrangement (note 6).
- The loans have been secured by way of cross-guarantees from the following entities in the Group:
  - Altron TMT Holdings Proprietary Limited
  - Altron TMT SA Group Proprietary Limited
  - Altron International Holdings Proprietary Limited
  - Altron TMT Proprietary Limited
  - Netstar Group Proprietary Limited
  - Netstar Proprietary Limited

# Notes to the consolidated financial statements

CONTINUED

for the year ended 28 February 2025

## 15 LOANS (continued)

### 15.5 Lease liabilities

R millions	28 February 2025		29 February 2024	
	Future minimum lease payments	Present value of minimum lease payments	Future minimum lease payments	Present value of minimum lease payments
Lease liabilities are payable as follows:				
Less than 1 year	-	-	1	1
	-	-	1	1

### 15.6 Liquidity risk

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. Refer to note 29.6 for further detail on how liquidity risk is managed by the Group.

The following are the contractual maturities of financial liabilities, including interest payments. The loans will be settled in the ordinary course of business.

R millions	Currency	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Greater than 5 years
<b>28 February 2025</b>								
<b>Non-derivative financial liabilities</b>								
Rental finance liabilities	ZAR	415	503	130	119	177	77	-
Secured bank loans	ZAR	425	445	445	-	-	-	-
Lease payments relating to right-of-use assets (note 3)	ZAR, AUD	832	1 066	85	81	168	386	346
		<b>1 672</b>	<b>2 014</b>	<b>660</b>	<b>200</b>	<b>345</b>	<b>463</b>	<b>346</b>
Less: Lease liabilities relating to right-of-use assets classified as held-for-sale (note 40)	ZAR	(4)	(4)	(1)	(1)	(1)	(1)	-
		<b>1 668</b>	<b>2 010</b>	<b>659</b>	<b>199</b>	<b>344</b>	<b>462</b>	<b>346</b>
Financial liabilities at amortised cost included in trade and other payables (note 17)	Various	1 759	1 759	1 759	-	-	-	-
Less: Financial liabilities at amortised cost classified as held-for-sale (note 40)	Various	(41)	(41)	(41)	-	-	-	-
		<b>3 386</b>	<b>3 728</b>	<b>2 377</b>	<b>199</b>	<b>344</b>	<b>462</b>	<b>346</b>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 15 LOANS (continued)

### 15.6 Liquidity risk (continued)

<b>R millions</b>	<b>Currency</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 to 12 months</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Greater than 5 years</b>
<b>29 February 2024</b>								
<b>Non-derivative financial liabilities</b>								
Rental finance liabilities	ZAR	418	508	135	109	170	94	–
Secured bank loans	ZAR	425	490	22	21	447	–	–
Lease payments	ZAR	1	1	1	–	–	–	–
Lease payments relating to right-of-use assets (note 3)	ZAR, AUD	827	1 101	76	75	130	366	454
		1 671	2 100	234	205	747	460	454
<i>Less: Rental finance liabilities classified as held-for-sale (note 40)</i>	ZAR	(418)	(508)	(135)	(109)	(170)	(94)	–
<i>Less: Lease liabilities relating to right-of-use assets classified as held-for-sale (note 40)</i>	ZAR	(18)	(22)	(5)	(4)	(6)	(7)	–
		1 235	1 570	94	92	571	359	454
Financial liabilities at amortised cost included in trade and other payables (note 17)	Various	1 767	1 767	1 767	–	–	–	–
<i>Less: Financial liabilities at amortised cost classified as held-for-sale (note 40)</i>	Various	(306)	(306)	(306)	–	–	–	–
		2 696	3 031	1 555	92	571	359	454

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 15 LOANS (continued)

### 15.7 Interest rate risk

Refer to note 29.4 for disclosure relating to interest rate risk.

### 15.8 Currency risk

Currency risk positions on borrowings that do not match the functional currencies of the underlying operations of the Group, are reflected in note 29.

### 15.9 Capital risk management and borrowing facilities

R millions	GROUP	
	28 February 2025	29 February 2024
In terms of the articles of association, the borrowing powers of the Group are unlimited.		
Unutilised banking facilities	1 875	1 540

The Group has a revolving credit facility ("RCF") of R850 million in place (February 2024: R850 million) in terms of its long-term financing with the banks. During the previous financial year, the Group amended its existing Common Terms Agreement ("CTA") by extending the tenor on its RCF by an additional 12 months to 31 August 2025.

The Group has an overdraft and overnight facility of R1.45 billion (2024: R1.45 billion) with the banks.

Refer to note 29.8 for further disclosure on the Group's capital management and applicable debt covenants.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 16 PROVISIONS

R millions	Onerous contracts	Warranties and fault rectification	Total
<b>Total current provisions at 29 February 2024</b>	–	12	12
Provisions raised during the year	–	5	5
Provisions utilised during the year	–	(8)	(8)
<b>Current provisions at 28 February 2025</b>	–	9	9

R millions	Onerous contracts	Warranties and fault rectification	Total
<b>Total current provisions at 28 February 2023</b>	6	12	18
Provisions raised during the year	–	9	9
Provisions utilised during the year	(6)	(9)	(15)
<b>Current provisions at 29 February 2024</b>	–	12	12

## 17 TRADE AND OTHER PAYABLES

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Financial liabilities at amortised cost</b>		
Trade payables	899	869
Accruals and other payables**	396	493
Amounts due to Merchants	236	97
Payroll liabilities	228	306
<i>Less: Financial liabilities at amortised cost classified as held-for-sale (note 40)</i>	<b>(41)</b>	(54)
	<b>1 718</b>	1 711
<b>Non-financial liabilities</b>		
Payroll liabilities	42	47
VAT payable	32	35
<i>Less: Non-financial liabilities classified as held-for-sale (note 40)</i>	<b>(1)</b>	–
	<b>73</b>	82
	<b>1 791</b>	1 793
<b>Financial liabilities at fair value through profit or loss</b>		
Forward exchange contracts	2	1
	<b>1 793</b>	1 794

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

\*\* Accruals and other payables were previously combined within the trade and other payables line which is now split out and includes accruals for trade, audit fees, commission, interest, VAT and other payables.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 17 TRADE AND OTHER PAYABLES (continued)

### (a) Trade payables

#### Management of liquidity risk:

The Group has negotiated favourable credit terms with suppliers, which enables the Group to utilise its operating cashflow to full effect.

The supplier's age analysis is reviewed by management on a regular basis to ensure that credit terms are adhered to and suppliers are paid when due. The Group utilises multiple credit terms, most of which are less than one year.

#### Foreign currency risk:

Most amounts owed in foreign currency are covered by foreign exchange contracts (note 29.2).

#### Interest rate risk:

The Group has no material exposure to interest rate risk in respect of suppliers.

## 18 RETIREMENT BENEFIT PLANS

### Defined contribution plans

The majority of the Group's employees are members of the Altron Group Pension Fund which is a defined contribution fund and is governed by the Pension Funds Act, 1956 as amended. The contribution rate of the employers is between 7.5% and 27.5%, calculated on the pensionable emoluments of members. During the prior year, the Altron Group Provident Fund merged with the Altron Group Pension fund mainly due to the Taxation Laws Amendment Act 20 that came into effect on 1 March 2021, enabling the merge as well as other financial benefits from a Fund management and Member perspective.

Additionally, the Group provides retirement benefits for certain of its employees through the Altron Group Provident Fund. The fund is a defined contribution fund and is governed by the Pension Funds Act, 1956 as amended. Contributions to the fund comprise between 8% and 27.5% of pensionable emoluments.

The Group's contribution to these funds amount to R166 million (2024: R188 million) for the current financial year.

The rules were amended to allow for the 2-pot retirement legislation that came into effect from 1 September 2024. This requires that members have the options to withdraw their savings component once per tax year with certain restrictions, and that Members must preserve their retirement component on leaving the Fund.

During the year under review, the Trustees and Group resolved to use the Employer Surplus Account and a thirteenth cheque was granted to pensioners in December 2024. This amounted to R24 million. It was also resolved that the Group started a 12 month contribution holiday in January 2025. The total contribution holiday for the 2 months to 28 February 2025 amounted to R31million.

### Multi-employer plans

Post acquisition of subsidiaries, certain employees remained members of their previous funds. A number of these are defined benefit plans.

The Group's contribution to these other funds amount to R3 million (2024: R4 million) for the current financial year.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 18 RETIREMENT BENEFIT PLANS (continued)

### Defined benefit plans

The benefit plans disclosed below are only in respect of members with minimum entitlement benefits and retirees with purchased defined benefit pensions.

For details on the related employee benefit expenses, see note 20.2.

Members of the Altron Group Pension Fund who were members prior to 1 September 1996 were entitled to a minimum benefit equal to the previously provided defined benefit pension. Furthermore, upon retirement, any member of the Altron Group Pension Fund could purchase a pension from the fund, though this option has been closed to new employees joining the Group after 31 May 2014. The base pension and subsequent increases granted, based on weighted average investment returns on funds, are guaranteed by the pension fund.

All employees with a defined benefit underpin who retire in the fund have their share of fund topped up (if necessary) at the time of retirement to enable them to purchase a pension in the fund equal to 1/45th of the average of the 12 month average pensionable value. All employees are treated identically.

The defined benefit plan is administered by a single pension fund that is legally separate from the Group. The board of the pension fund comprises of three employees, one pensioner and four employer representatives. The board of the pension fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund.

This defined benefit plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

### Funding

The defined benefit plans are fully funded by the Group's subsidiaries and members as discussed above. The funding requirements are based on the pension fund's actuarial measurement framework set out in its funding policies. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions below. The defined benefit component relating to the active members is funded by the employers through a guarantee reserve that resides in the fund. Under the latest IAS 19 valuation, this reserve is fully funded on a total service cost basis and has a surplus of R425 million (2024: R449 million). The defined benefit component relating to the pensioners is also fully funded and an investment reserve is retained in order to manage volatility in its investment returns.

The Group expects to pay R19 million in contributions to its defined benefit plan in the next financial year.

R millions	GROUP	
	28 February 2025	29 February 2024
<b>18.1 Fair value of plan assets</b>		
Fair value of plan assets	3 275	3 265
Present value of funded obligations	(2 850)	(2 816)
Surplus	425	449
Amount not recognised due to asset ceiling limitation	(57)	(67)
Pension fund asset recognised at the end of the year	368	382
Movement in the net defined benefit asset	16	87
Recognised in Other Income	46	35
Recognised in Other Comprehensive Income (note 18.3)	(30)	52
<b>18.2 Components of current year expense recognised in profit or loss</b>		
Current service cost	(18)	(18)
Interest cost	(325)	(351)
Interest income on plan assets	372	387
	29	18

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 18 RETIREMENT BENEFIT PLANS (continued)

R millions	GROUP	
	28 February 2025	29 February 2024
<b>18.3 Amounts recognised in other comprehensive income are as follows</b>		
Loss on plan assets excluding interest income	(22)	(158)
Actuarial (loss) / gain	(17)	277
Effect of asset ceiling limit	9	(67)
	<b>(30)</b>	52
<b>18.4 Remeasurement in other comprehensive income</b>		
Changes in financial assumptions	(59)	98
Experience losses	42	179
Excess return on assets	(22)	(158)
Change in the asset ceiling	9	(67)
	<b>(30)</b>	52
<b>18.5 Reconciliation of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	2 816	3 058
Current service cost	18	18
Interest cost	325	351
Benefits paid	(363)	(348)
Employee contributions to defined contribution fund credits subject to defined benefit underpin	–	1
Transfers from defined contribution fund	37	13
Actuarial gains	17	(277)
– Actuarial gain arising on financial assumptions	59	(98)
– Actuarial gain arising from actual experience being different from assumed	(42)	(179)
Present value of defined benefit obligation at the end of the year	<b>2 850</b>	2 816
<b>18.6 Reconciliation of fair value of plan assets</b>		
Assets at market value at the beginning of the year	3 265	3 353
<b>Actual return on assets</b>		
Interest income on plan assets	372	387
Loss on plan assets excluding interest income	(22)	(158)
Contributions paid – by employers	18	18
Contribution holiday	(32)	–
Benefits paid	(363)	(348)
Transfers from defined contribution fund	37	13
	<b>3 275</b>	3 265
<b>18.7 Reconciliation of asset ceiling</b>		
Asset ceiling at the beginning of the year	67	–
Net interest on asset ceiling	–	–
Effect of asset ceiling not in profit and loss	(9)	67
Asset ceiling at the end of the year	<b>58</b>	67

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 18 RETIREMENT BENEFIT PLANS (continued)

### 18.7 Reconciliation of asset ceiling (continued)

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Plan assets</b>		
<i>Plan assets comprise:</i>		
<b>Equities:</b>		
– Local	9.9%	10.3%
– International	28.0%	25.9%
<b>Fixed interest</b>		
– Local	39.5%	39.7%
– International	0.9%	1.0%
<b>Property</b>		
– Local	1.3%	1.5%
– International	0.0%	2.5%
<b>Collective investments:</b>		
– Local	9.6%	8.4%
– Cash & Other	10.4%	10.4%
– Net current assets	0.4%	0.3%

All equity securities and government bonds have quoted prices in active markets.

The plan assets do not include transferable financial instruments or property occupied by the Group.

The board of trustees, in conjunction with the pension fund's investment advisor, operate the investments of the fund under an investment strategy that is aligned to the liabilities of the fund and is used to determine a strategic asset allocation. The investments are managed within defined rebalancing bands in accordance with that strategic asset allocation.

### Defined benefit asset

Actuarial assumptions	GROUP	
	28 February 2025	29 February 2024
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).		
Discount rate	11.1%	12.2%
Future salary growth	6.6%	7.0%
Future pension growth	6.5%	6.8%
Inflation	5.6%	6.0%

At 28 February 2025, the weighted-average duration of the defined benefit obligation was 9 years (2024: 9 years).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 18 RETIREMENT BENEFIT PLANS (continued)

### 18.7 Reconciliation of asset ceiling (continued)

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, keeping other assumptions constant, would have affected the net defined benefit asset by the amounts shown below.

R millions	28 February 2025	
	Defined benefit asset recognised	
	Increase	Decrease
Discount rate (1% movement)	371	(362)
Salary increase (1% movement)	(363)	370
Pension increase (1% movement)	(266)	374

R millions	29 February 2024	
	Defined benefit asset recognised	
	Increase	Decrease
Discount rate (1% movement)	386	(377)
Salary increase (1% movement)	(377)	385
Pension increase (1% movement)	(282)	389

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 19 REVENUE FROM CONTRACTS WITH CUSTOMERS

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>19.1 Assets and liabilities related to contracts with customers</b>		
The Group has recognised the following assets and liabilities related to contracts with customers:		
<b>Total contract assets</b>	<b>97</b>	92
Less: Contract assets classified as held-for-sale (note 40)	<b>(1)</b>	(2)
	<b>96</b>	90
<b>Total contract assets comprise:</b>		
Current contract assets	<b>98</b>	98
Loss allowance	<b>(1)</b>	(6)
<b>Total contract assets</b>	<b>97</b>	92
Non-current contract costs capitalised (note 7)	<b>780</b>	723
Current contract fulfilment costs capitalised (note 7)	<b>131</b>	138
<b>Total contract costs capitalised</b>	<b>911</b>	861
Total contract liabilities	<b>1 207</b>	1 097
Less: Contract liabilities classified as held-for-sale (note 40)	<b>(3)</b>	(22)
	<b>1 204</b>	1 075
Non-current contract liabilities	<b>597</b>	547
Current contract liabilities	<b>607</b>	528
<b>Total contract liabilities</b>	<b>1 204</b>	1 075

### Contract liabilities recognised in revenue and significant movements during the year

	28 February 2025	29 February 2024 <i>Restated*</i>
Total contract liabilities at the beginning of the year	<b>1 097</b>	827
Disposals of operations	<b>–</b>	(41)
Revenue recognised in the current year in relation to current contract liabilities raised in the prior year	<b>(497)</b>	(345)
Contract liabilities recognised during the current year	<b>607</b>	656
Total contract liabilities at the end of the year	<b>1 207</b>	1 097
Less: Contract liabilities classified as held-for-sale (note 40)	<b>(3)</b>	(22)
Total contract liabilities at the end of the year excluding held-for-sale	<b>1 204</b>	1 075

The closing balance represents new contracts entered into where the performance obligations have not yet been met at year-end. The current portion of contract liabilities is expected to be recognised as revenue in the next financial year.

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 19 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

### 19.1 Assets and liabilities related to contracts with customers (continued)

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Unsatisfied long-term service contracts</b>		
The following table shows unsatisfied performance obligations:		
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied at the end of the year	<b>1 660</b>	1 264
Management expects that the contract liabilities that are allocated to contracts with partially or fully unsatisfied performance obligations will be recognised as follows:		
Within 1 year	<b>823</b>	523
Within 2 years	<b>450</b>	368
Thereafter	<b>387</b>	373
	<b>1 660</b>	1 264

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# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 19 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

### 19.2 Revenue by segment

The Altron group is a diversified group which derives its revenues and profits from a variety of sources.

Segmentation is based on the Group's internal organisation and reporting of revenue based upon internal accounting presentation.

Revenue by reportable segment is disaggregated by major product / service and geographic region below.

### 28 February 2025

#### Continuing operations

R millions

Revenue by product	Altron Netstar	Altron FinTech	Altron HealthTech	Platforms
<b>Revenue by product</b>				
<b>Project related revenue</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>1</b>
At a point in time	1	–	–	1
Over time	–	–	–	–
<b>Sale of goods and related services</b>	<b>2 276</b>	<b>1 084</b>	<b>12</b>	<b>3 372</b>
At a point in time	214	116	12	342
Over time	2 062	968	–	3 030
<b>Maintenance, support and outsource services</b>	<b>–</b>	<b>124</b>	<b>–</b>	<b>124</b>
At a point in time	–	–	–	–
Over time	–	124	–	124

	Altron Digital Business	Altron Document Solutions	Altron Security	IT Services	Distribution Altron Arrow	Corporate and consolidation and other international operations	Continuing operations
	580	-	-	580	-	(37)	544
	52	-	-	52	-	-	53
	528	-	-	528	-	(37)	491
	669	859	94	1 622	656	(53)	5 597
	669	760	94	1 523	656	(51)	2 470
	-	99	-	99	-	(2)	3 127
	1 133	485	303	1 921	-	(1)	2 044
	45	60	-	105	-	-	105
	1 088	425	303	1 816	-	(1)	1 939

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 19 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

### 19.2 Revenue by segment (continued)

R millions

Revenue by product	Altron Netstar	Altron FinTech	Altron HealthTech	Platforms
<b>Training and skills management</b>	–	–	–	–
At a point in time	–	–	–	–
<b>Software, cloud and licenses, including software assurance services</b>	–	18	204	222
At a point in time	–	18	26	44
Over time	–	–	178	178
<b>Software application and development</b>	–	29	–	29
At a point in time	–	–	–	–
Over time	–	29	–	29
<b>Switching and other transactional services</b>	–	27	181	208
At a point in time	–	–	181	181
Over time	–	27	–	27
<b>Total Revenue from contracts with customers</b>	<b>2 277</b>	<b>1 282</b>	<b>397</b>	<b>3 956</b>
Rental finance income	–	–	–	–
<b>Total Revenue</b>	<b>2 277</b>	<b>1 282</b>	<b>397</b>	<b>3 956</b>
<b>Revenue by Geographic region</b>				
South Africa	1 873	1 275	392	3 540
Rest of Africa	8	7	5	20
<b>Total Africa</b>	<b>1 881</b>	<b>1 282</b>	<b>397</b>	<b>3 560</b>
Europe	–	–	–	–
Rest of world	396	–	–	396
<b>Total International</b>	<b>396</b>	<b>–</b>	<b>–</b>	<b>396</b>
<b>Total Revenue</b>	<b>2 277</b>	<b>1 282</b>	<b>397</b>	<b>3 956</b>

	Altron Digital Business	Altron Document Solutions	Altron Security	IT Services	Distribution Altron Arrow	Corporate and consolidation and other international operations	Continuing operations
	-	-	-	-	-	13	13
	-	-	-	-	-	13	13
	574	23	-	597	13	(9)	823
	-	15	-	15	13	-	72
	574	8	-	582	-	(9)	751
	268	-	-	268	-	-	297
	-	-	-	-	-	-	-
	268	-	-	268	-	-	297
	17	-	-	17	-	(5)	220
	-	-	-	-	-	-	181
	17	-	-	17	-	(5)	39
	<b>3 241</b>	<b>1 367</b>	<b>397</b>	<b>5 005</b>	<b>669</b>	<b>(92)</b>	<b>9 538</b>
	-	50	-	50	-	-	50
	<b>3 241</b>	<b>1 417</b>	<b>397</b>	<b>5 055</b>	<b>669</b>	<b>(92)</b>	<b>9 588</b>
	2 924	1 324	366	4 614	542	(103)	8 593
	169	93	24	286	12	-	318
	<b>3 093</b>	<b>1 417</b>	<b>390</b>	<b>4 900</b>	<b>554</b>	<b>(103)</b>	<b>8 911</b>
	54	-	2	56	-	13	69
	94	-	5	99	115	(2)	608
	<b>148</b>	<b>-</b>	<b>7</b>	<b>155</b>	<b>115</b>	<b>11</b>	<b>677</b>
	<b>3 241</b>	<b>1 417</b>	<b>397</b>	<b>5 055</b>	<b>669</b>	<b>(92)</b>	<b>9 588</b>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 19 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

### 19.2 Revenue by segment (continued)

28 February 2025

Discontinued operations

R millions

	Altron Nexus	Discontinued operations
<b>Revenue by product</b>		
<b>Revenue by product</b>		
<b>Project related revenue</b>	<b>241</b>	<b>241</b>
Over time	241	241
<b>Sale of goods and related services</b>	<b>82</b>	<b>82</b>
At a point in time	82	82
<b>Maintenance, support and outsource services</b>	<b>1</b>	<b>1</b>
Over time	1	1
<b>Software, cloud and licenses, including software assurance services</b>	<b>19</b>	<b>19</b>
Over time	19	19
<b>Total Revenue from contracts with customers</b>	<b>343</b>	<b>343</b>
Rental finance income	–	–
<b>Total Revenue</b>	<b>343</b>	<b>343</b>
<b>Revenue by Geographic region</b>		
South Africa	335	335
Rest of Africa	8	8
<b>Total Africa</b>	<b>343</b>	<b>343</b>
Europe	–	–
Rest of world	–	–
<b>Total International</b>	<b>–</b>	<b>–</b>
<b>Total Revenue</b>	<b>343</b>	<b>343</b>
<b>Total Revenue - total operations</b>		<b>9 931</b>

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# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 19 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

### 19.2 Revenue by segment (continued)

The Altron Group is a diversified group which derives its revenues and profits from a variety of sources.

Segmentation is based on the Group's internal organisation and reporting of revenue based upon internal accounting presentation.

Revenue by reportable segment is disaggregated by major product / service and geographic region below.

#### 29 February 2024

#### Continuing operations

R millions

Revenue by product*	Altron Netstar	Altron FinTech	Altron HealthTech	Platforms
<b>Project related revenue</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>2</b>
Over time	2	–	–	2
<b>Sale of goods and related services</b>	<b>1 870</b>	<b>913</b>	<b>14</b>	<b>2 797</b>
At a point in time	129	186	8	323
Over time	1 741	727	6	2 474
<b>Maintenance, support and outsource services</b>	<b>–</b>	<b>124</b>	<b>–</b>	<b>124</b>
At a point in time	–	–	–	–
Over time	–	124	–	124
<b>Training and skills management</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Over time	–	–	–	–
<b>Software, cloud and licenses, including software assurance services</b>	<b>–</b>	<b>10</b>	<b>184</b>	<b>194</b>
At a point in time	–	10	20	30
Over time	–	–	164	164
<b>Software application and development</b>	<b>202</b>	<b>–</b>	<b>–</b>	<b>202</b>
At a point in time	–	–	–	–
Over time	202	–	–	202
<b>Switching and other transactional services</b>	<b>–</b>	<b>52</b>	<b>176</b>	<b>228</b>
At a point in time	–	–	176	176
Over time	–	52	–	52
<b>Total Revenue from contracts with customers</b>	<b>2 074</b>	<b>1 099</b>	<b>374</b>	<b>3 547</b>
Rental finance income	–	–	–	–
<b>Total Revenue</b>	<b>2 074</b>	<b>1 099</b>	<b>374</b>	<b>3 547</b>
<b>Revenue by Geographic region</b>				
South Africa	1 669	1 091	369	3 129
Rest of Africa	5	7	5	17
<b>Total Africa</b>	<b>1 674</b>	<b>1 098</b>	<b>374</b>	<b>3 146</b>
Europe	–	–	–	–
Rest of world	400	1	–	401
<b>Total International</b>	<b>400</b>	<b>1</b>	<b>–</b>	<b>401</b>
<b>Total Revenue</b>	<b>2 074</b>	<b>1 099</b>	<b>374</b>	<b>3 547</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39) and the classification of software sales at a point in time and over time in HealthTech were adjusted due to incorrect reporting in the prior year.

	Altron Digital Business	Altron Document Solutions	Altron Security	IT Services	Distribution Altron Arrow	Corporate and consolidation and other international operations	Continuing operations
	<b>604</b>	–	–	<b>604</b>	–	<b>(33)</b>	<b>573</b>
	604	–	–	604	–	(33)	573
	<b>801</b>	<b>619</b>	<b>286</b>	<b>1 706</b>	<b>782</b>	<b>(84)</b>	<b>5 201</b>
	801	546	286	1 633	782	(84)	2 654
	–	73	–	73	–	–	2 547
	<b>1 416</b>	<b>711</b>	<b>125</b>	<b>2 252</b>	–	<b>(29)</b>	<b>2 347</b>
	–	240	1	241	–	(1)	240
	1 416	471	124	2 011	–	(28)	2 107
	–	–	–	–	–	<b>14</b>	<b>14</b>
	–	–	–	–	–	14	14
	<b>397</b>	<b>22</b>	<b>38</b>	<b>457</b>	<b>20</b>	<b>(12)</b>	<b>659</b>
	44	13	38	95	20	(4)	141
	353	9	–	362	–	(8)	518
	<b>324</b>	–	–	<b>324</b>	–	<b>(1)</b>	<b>525</b>
	–	–	–	–	–	(1)	(1)
	324	–	–	324	–	–	526
	<b>17</b>	–	–	<b>17</b>	–	<b>(9)</b>	<b>236</b>
	–	1 352	–	1 352	–	–	1 528
	17	–	–	17	–	(9)	60
	<b>3 559</b>	<b>1 352</b>	<b>449</b>	<b>5 360</b>	<b>802</b>	<b>(154)</b>	<b>9 555</b>
	–	45	–	45	–	3	48
	<b>3 559</b>	<b>1 397</b>	<b>449</b>	<b>5 405</b>	<b>802</b>	<b>(151)</b>	<b>9 603</b>
	–	–	–	–	–	–	–
	3 269	1 272	419	4 960	644	(148)	8 585
	152	125	4	281	16	(17)	297
	<b>3 421</b>	<b>1 397</b>	<b>423</b>	<b>5 241</b>	<b>660</b>	<b>(165)</b>	<b>8 882</b>
	67	–	7	74	–	14	88
	71	–	19	90	142	–	633
	<b>138</b>	–	<b>26</b>	<b>164</b>	<b>142</b>	<b>14</b>	<b>721</b>
	<b>3 559</b>	<b>1 397</b>	<b>449</b>	<b>5 405</b>	<b>802</b>	<b>(151)</b>	<b>9 603</b>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 19 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

### 19.2 Revenue by segment (continued)

29 February 2024

Discontinued operations

R millions

Revenue by product*	Altron Nexus	Altron Rest of Africa	Discontinued operations
<b>Revenue by product</b>			
<b>Project related revenue</b>	<b>523</b>	<b>–</b>	<b>523</b>
Over time	523	–	523
<b>Sale of goods and related services</b>	<b>114</b>	<b>27</b>	<b>141</b>
At a point in time	114	27	141
<b>Maintenance, support and outsource services</b>	<b>22</b>	<b>34</b>	<b>56</b>
At a point in time	–	34	34
Over time	22	–	22
<b>Software, cloud and licenses, including software assurance services</b>	<b>–</b>	<b>2</b>	<b>2</b>
At a point in time	–	2	2
<b>Total Revenue from contracts with customers</b>	<b>659</b>	<b>63</b>	<b>722</b>
Rental finance income	–	–	–
<b>Total Revenue</b>	<b>659</b>	<b>63</b>	<b>722</b>
<b>Revenue by Geographic region</b>			
South Africa	637	–	637
Rest of Africa	22	63	85
<b>Total Africa</b>	<b>659</b>	<b>63</b>	<b>722</b>
Europe	–	–	–
Rest of world	–	–	–
<b>Total International</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Revenue</b>	<b>659</b>	<b>63</b>	<b>722</b>
<b>Total Revenue – total operations</b>			<b>10 325</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 20 OPERATING PROFIT BEFORE CAPITAL ITEMS Total operations

Is stated after taking account of the following items:

### 20.1 Directors' remuneration Non-Executive Directors

R'000	28 February 2025 Total	29 February 2024 Total
<b>Fees for services as Directors</b>		
SW van Graan (Chairman)	1 501	1 438
AC Ball	565	541
BW Dawson	418	400
GG Gelink	711	681
Dr P Mnganga	687	658
T Ngara	493	472
S Rapeti	790	807
A Sithebe	567	572
G Kouteris (Appointed 17 May 2024)	331	–
RE Venter <sup>#</sup>	360	735
	<b>6 423</b>	<b>6 304</b>

<sup>#</sup> Remuneration in terms of Non-Executive Director fees. Passed away on 7 August 2024.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 20 OPERATING PROFIT BEFORE CAPITAL ITEMS (continued)

### 20.1 Directors' remuneration (continued)

R'000

#### Full time Directors

##### 28 February 2025

Executive

WG Kapp

C Snyman

N Bofilatos (Resigned 1 June 2023)

##### 29 February 2024

Executive

WG Kapp

C Snyman (Appointed 1 June 2023)

N Bofilatos (Resigned 1 June 2023)

# IFRS 2 income statement expense in respect of options granted to Directors relating to both equity settled and cash settled share-based

\* This relates to fixed annual salary.

Altron 2009 Share Plan	Share option	Allocation Date	Strike Price	Balance 1 March 2024
<b>Directors' options</b>				
<b>WG Kapp</b>	Altron BS	28 February 2023	–	1 500 000
	Altron PS	1 December 2023	–	869 565
	Altron PS	1 June 2024	–	–
<b>C Snyman</b>	Altron BS	1 June 2023	–	434 783
	Altron PS	1 December 2023	–	434 783
	Altron PS	1 June 2024	–	–
Altron 2009 Share Plan	Share option	Allocation Date	Strike Price	Balance 1 March 2023
<b>Directors' options</b>				
<b>WG Kapp</b>	Altron BS	28 February 2023	–	1 500 000
	Altron PS	1 December 2023	–	–
<b>C Snyman (Appointed 1 June 2023)</b>	Altron BS	1 June 2023	–	–
	Altron PS	1 December 2023	–	–
<b>N Bofilatos (Resigned 1 June 2023)</b>	Altron SAR	2 August 2021	10.60	135 659
	Altron SAR	21 February 2022	8.42	148 661

Guaranteed Pay*	Defined Contribution Pension Payments	Performance related bonuses (Accrued)	Other Bonuses	Other Payments	Share option expense**	Total
8 108	372	5 042	-	-	13 125	26 647
4 897	290	2 659	-	-	-	7 846
-	-	-	-	-	205	205
<b>13 005</b>	<b>662</b>	<b>7 701</b>	<b>-</b>	<b>-</b>	<b>13 330</b>	<b>34 698</b>

7 996	420	9 396	-	-	8 918	26 730
3 497	253	3 775	-	-	1 044	8 569
2 697	316	227	-	1 004	1 350	5 594
14 190	989	13 398	-	1 004	11 312	40 893

28 February 2025								
Awarded	Lapsed / forfeited	Exercised	Exercise Date	Gross Proceeds R'000s	Exercise Price	Balance 28 February 2025	Expiry Date	
-	-	(1 000 000)	-	-	-	500 000	December 2025	
		(500 000)	4 July 2024	7 025	14.05			
		(500 000)	14 November 2024	10 125	20.25			
-	-	-	-	-	-	869 565	July 2026	
466 926	-	-	-	-	-	466 926	September 2027	
-	-	-	-	-	-	434 783	August 2026	
-	-	-	-	-	-	434 783	July 2026	
233 463	-	-	-	-	-	233 463	August 2027	

29 February 2024								
Awarded	Lapsed / forfeited	Exercised	Exercise Date	Gross Proceeds R'000s	Exercise Price	Balance 29 February 2024	Expiry Date	
-	-	-	-	-	-	1 500 000	December 2025	
869 565	-	-	-	-	-	869 565	July 2026	
434 783	-	-	-	-	-	434 783	August 2026	
434 783	-	-	-	-	-	434 783	July 2026	
-	-	-	-	-	-	135 659	August 2027	
-	-	-	-	-	-	148 661	February 2028	

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 20 OPERATING PROFIT BEFORE CAPITAL ITEMS (continued)

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Total operations is stated after taking account of the following items:</b>		
<b>20.2 Employees' remuneration</b>		
Employee remuneration (including Directors' remuneration)	2 454	2 471
Share-based payments – equity settled (note 13.5)	33	26
Retirement and provident funds	188	215
	<b>2 675</b>	<b>2 712</b>
Continuing operations	<b>2 598</b>	2 581
Discontinued operations	<b>77</b>	131
<b>20.3 Materials and services consumed</b>		
Cost of goods sold and services rendered*	4 400	5 005
Cost of goods sold – Direct materials	2 708	1 905
Cost of goods sold – Services	1 729	3 124
Cost of goods sold – Other	(37)	(24)
Repairs and maintenance	31	43
Sales and administration costs	635	693
Management fees	1	1
Training fees	86	81
Consulting fees	188	237
Auditors' remuneration	22	21
PricewaterhouseCoopers Inc		
Audit fees	17	18
Expenses	3	1
Total PricewaterhouseCoopers Inc	20	19
Other auditors		
Audit fees	1	1
Fees for non audit services	1	1
Total other auditors	2	2
Foreign exchange (gains)/losses	5	11
Gains	(54)	(79)
Losses	59	90
Operating lease charges	24	44
Property	11	25
Plant, equipment and vehicles	13	19
Other expenses	276	302
	<b>5 668</b>	<b>6 438</b>
Continuing operations	<b>5 248</b>	5 596
Discontinued operations	<b>420</b>	842

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 20 OPERATING PROFIT BEFORE CAPITAL ITEMS (continued)

R millions	GROUP	
	28 February 2025	29 February 2024 Restated*
<b>20.4 Foreign exchange (gains)/losses</b>		
	6	11
Realised	5	22
Unrealised	1	(11)
Continuing operations	7	2
Discontinued operations	(1)	9
<b>20.5 Other income</b>		
Other income**	(123)	(91)
	(123)	(91)
Continuing operations	(107)	(91)
Discontinued operations	(16)	–
<b>20.6 Depreciation and amortisation</b>		
Depreciation on property, plant and equipment (note 1)	87	100
Amortisation of intangible assets and goodwill (note 2)	107	113
Depreciation on right-of-use assets (note 3)	95	115
Amortisation of costs incurred to acquire contracts during the year (note 7)	310	258
Amortisation of capital rental devices (note 8)	251	212
	850	798
Continuing operations	850	786
Discontinued operations	–	12

\*\* Other income is mainly attributable to insurance refunds and royalty income.

R millions	GROUP	
	28 February 2025	29 February 2024 Restated*
<b>21 CAPITAL ITEMS</b>		
<b>Continuing operations</b>		
Net profit on disposal of property, plant and equipment	1	1
Net profit / (loss) on deregistration and disposal of operations	(1)	1
Impairment of right-of-use assets (note 3)	(6)	–
Impairment of property, plant and equipment (note 1)	(63)	(17)
Costs relating to disposal of operations	–	(5)
Impairment of goodwill (note 2)	–	(33)
Reversal of prior period impairment on right-of-use assets (Note 3)	–	47
Impairment of contract costs capitalised (note 7)	(1)	(1)
Capital rental devices written off (note 8)	(50)	(28)
	(120)	(35)

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 21 CAPITAL ITEMS (continued)

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Discontinued operations</b>		
Loss on disposal of operations and subsidiaries	–	(11)
Costs relating to disposal of operations	–	(2)
Net profit on disposal of property, plant and equipment	–	1
Impairment of property, plant and equipment	–	(34)
Impact of lease modifications and terminations	–	6
Foreign currency translation reserve recycling to profit and loss on deregistration of foreign dormant operations	–	1
Impairment of held-for-sale disposal groups (note 40)	(33)	(6)
Impairment of property, plant and equipment (note 1)	(28)	(5)
Impairment of right-of-use assets (note 3)	(5)	(1)
	(33)	(45)
<b>Total</b>	<b>(153)</b>	<b>(80)</b>

R millions	Group	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>22 FINANCE INCOME</b>		
<b>Recognised in profit or loss</b>		
Interest income on financial assets measured at amortised cost	76	87
Interest income on lease asset	13	4
Total interest income	89	91
Dividend income on financial assets measured at FVOCI	4	–
Total dividend income	4	–
<b>Total Finance income</b>	<b>93</b>	<b>91</b>
Continuing operations	90	88
Discontinued operations	3	3
	93	91
<b>Interest received per consolidated statement of cash flows</b>		
Interest income	89	91
Interest received on finance lease assets included in revenue	57	50
<b>Interest received</b>	<b>146</b>	<b>141</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 23 FINANCE EXPENSE

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Recognised in profit or loss</b>		
Interest expense on financial liabilities measured at amortised cost	105	115
Commitment fees and other costs of funding	10	9
Interest expense on lease liability	63	67
	<b>178</b>	<b>191</b>
Continuing operations	177	190
Discontinued operations	1	1
	<b>178</b>	<b>191</b>
<b>Interest paid per consolidated statement of cash flows</b>		
Finance expense	178	191
Interest relating to rental finance liabilities included in costs of goods sold and services rendered	59	54
Less interest raised - not paid	(27)	
<b>Interest paid</b>	<b>210</b>	<b>245</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 24 SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEEES, NET OF TAXATION

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated***</i>
Attributable earnings	3	2

Refer to note 43.4 and 43.3 for detailed disclosures on the interest in joint ventures and associates respectively.

## 25 TAXATION

### 25.1 Taxation charge

Current year		
– normal tax	76	111
– capital gains tax	–	(1)
– withholding tax	1	–
– dividend withholding tax	1	–
– deferred tax	70	12
(Over) / Under provision relating to prior years		
– normal tax	(10)	24
– deferred tax	28	3
	<b>166</b>	<b>149</b>
Continuing operations	<b>150</b>	<b>121</b>
Discontinued operations	<b>16</b>	<b>28</b>

### 25.2 Reconciliation of effective tax rate

South African normal tax rate	27.0	27.0
Adjusted for:		
Non-deductible expenditure*	2.7	1 519.4
Goodwill impaired	–	449.5
Non-taxable income**	(5.0)	(1 597.9)
Capital gains tax rate differential	–	(13.5)
Dividends withholding tax	0.3	–
Foreign tax rate differential	(0.1)	57.9
Income from associates	(0.1)	(27.1)
Temporary differences and tax losses not recognised	1.0	5 683.0
– Temporary differences not recognised	1.0	6 736.7
– Assessed losses not recognised	–	(1 053.7)
Utilisation of previously unrecognised tax losses	(0.5)	2.6
Prior year adjustments	3.2	1 375.7
(Decrease)/increase	<b>1.5</b>	<b>7 449.6</b>
Effective tax rate	<b>28.5</b>	<b>7 476.6</b>

\* Relates to loss on disposal of operations, impairments of Held-for-sale operations, increase in ECLs relating to loans to Joint venture, unrealised foreign exchange losses, share based payment expenses and other costs that are capital in nature.

\*\* Non-taxable income relates to the defined benefit fund gain, learnership and research and development allowances.

\*\*\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 26 EARNINGS PER SHARE

### 26.1 Reconciliation between earnings and headline earnings

R millions	GROUP			
	28 February 2025		29 February 2024	
	Gross	Net of tax and non-controlling interests	Gross Restated*	Net of tax and non-controlling interests Restated*
Profit / (loss) attributable to shareholders		390		(170)
Adjustments for:				
Impairment of goodwill (note 2)	–	–	33	33
Net loss on deregistration and disposal of operations	–	–	10	5
Impairment of held-for-sale disposal groups (note 40)	33	33	6	3
Net (profit) / loss on disposal of property, plant and equipment	(1)	(1)	(2)	(2)
Impairment of property, plant and equipment (note 1)	63	46	51	38
Foreign currency translation reserve recycling to profit and loss on deregistration of foreign dormant operations	–	–	(1)	(1)
Reversal of prior period impairment on right-of-use assets (note 3)	–	–	(47)	(34)
Impairment of right-of-use assets (note 3)	6	4	–	–
Lease modifications and terminations	–	–	(6)	(4)
Impairment of contract costs capitalised (note 7)	1	1	1	1
Capital rental devices written off (note 8)	50	37	28	20
Headline earnings		510		(111)
<b>Basic earnings / (loss) per share from total operations (cents)</b>		<b>103</b>		<b>(45)</b>
<b>Headline earnings per share from total operations (cents)</b>		<b>134</b>		<b>(29)</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 26 EARNINGS PER SHARE (continued)

### 26.2 Reconciliation between earnings and headline earnings from continuing operations

R millions	GROUP			
	28 February 2025		29 February 2024	
	Gross	Net of tax and non-controlling interests	Gross Restated*	Net of tax and non-controlling interests Restated*
Earnings attributable to shareholders		591		360
Adjustments for:				
Impairment of goodwill (note 2)	–	–	33	33
Net (profit) / loss on disposal of property, plant and equipment	(1)	(1)	(1)	(1)
Impairment of right-of-use assets (note 3)	6	4	–	–
Impairment of property, plant and equipment (note 1)	63	46	17	13
Net loss on deregistration and disposal of operations	–	–	(1)	(1)
Reversal of prior period impairment on right-of-use assets (note 3)	–	–	(47)	(34)
Impairment of contract costs capitalised (note 7)	1	1	1	1
Capital rental devices written off (note 8)	50	37	28	20
<b>Headline earnings</b>		<b>678</b>		<b>391</b>
<b>Basic earnings per share from continuing operations (cents)</b>		<b>156</b>		<b>95</b>
<b>Headline earnings per share from continuing operations (cents)</b>		<b>178</b>		<b>103</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 26 EARNINGS PER SHARE (continued)

### 26.3 Reconciliation between earnings and headline earnings from discontinued operations

R millions	GROUP			
	28 February 2025		29 February 2024	
	Gross	Net of tax and non-controlling interests	Gross Restated*	Net of tax and non-controlling interests Restated*
Loss attributable to shareholders		(201)		(530)
Adjustments for:				
Net loss on deregistration and disposal of operations	–	–	11	6
Net (profit) / loss on disposal of property, plant and equipment	–	–	(1)	(1)
Foreign currency translation reserve recycling to profit and loss on deregistration of foreign dormant operations	–	–	(1)	(1)
Lease modifications and terminations	–	–	(6)	(4)
Impairment of property, plant and equipment (note 2)	–	–	34	25
Impairment of held-for-sale disposal groups (note 40)	33	33	6	3
<b>Headline earnings</b>		<b>(168)</b>		<b>(502)</b>
<b>Basic loss per share from discontinued operations (cents)</b>		<b>(53)</b>		<b>(140)</b>
<b>Headline earnings per share from discontinued operations (cents)</b>		<b>(44)</b>		<b>(133)</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

	GROUP	
	Number of shares	
	28 February 2025	29 February 2024
<b>26.4 Reconciliation of weighted average number of shares</b>		
Issued shares at the beginning of the year (A ordinary and N ordinary shares)	411 018 564	410 681 964
Effect of own shares at the beginning of the year	(32 287 468)	(32 287 468)
Effect of shares issued during the year	360 653	229 921
Effect of own shares traded during the year	764 857	–
Weighted average number of shares	379 856 606	378 624 417
<b>26.5 Reconciliation between number of shares used for earnings per share and diluted earnings per share</b>		
Weighted average number of shares	379 856 606	378 624 417
Dilutive options	11 970 239	9 903 874
Weighted average number of shares (diluted)	391 826 845	388 528 291

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 26 EARNINGS PER SHARE (continued)

		GROUP	
		28 February 2025	29 February 2024 <i>Restated*</i>
<b>R millions</b>			
<b>26.6</b>	<b>Reconciliation between loss and diluted loss are as follows:</b>		
	Profit / (loss) attributable to shareholders	390	(170)
	Diluted profit / (loss)	390	(170)

### 26.7 Reconciliation between headline earnings attributable to shareholders and diluted headline earnings

		28 February 2025	29 February 2024 <i>Restated*</i>
<b>R millions</b>			
	Headline earnings	510	(111)
	Diluted headline earnings	510	(111)
	<b>Diluted headline earnings per share from total operations (cents)</b>	<b>130</b>	<b>(29)</b>
	<b>Diluted earnings per share from total operations (cents)</b>	<b>100</b>	<b>(44)</b>

### 26.8 Reconciliation between headline earnings attributable to shareholders and diluted headline earnings from continuing operations

		28 February 2025	29 February 2024 <i>Restated*</i>
<b>R millions</b>			
	Headline earnings	678	391
	Diluted headline earnings	678	391
	<b>Diluted headline earnings per share from continuing operations (cents)</b>	<b>173</b>	<b>101</b>
	<b>Diluted earnings per share from continuing operations (cents)</b>	<b>151</b>	<b>93</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 26 EARNINGS PER SHARE (continued)

### 26.9 Reconciliation between headline earnings attributable to shareholders and diluted headline earnings from discontinuing operations

	28 February 2025	29 February 2024 <i>Restated*</i>
<b>R millions</b>		
Headline earnings	<b>(168)</b>	(502)
Diluted headline earnings	<b>(168)</b>	(502)
<b>Diluted headline earnings per share from discontinued operations (cents)</b>	<b>(43)</b>	(129)
<b>Diluted loss per share from discontinued operations (cents)</b>	<b>(51)</b>	(137)

Basic earnings per share is calculated by dividing the earnings attributable to Altron equity holders by the weighted average number of A ordinary shares in issue during the year.

Basic headline earnings per share is calculated by dividing headline earnings by the weighted average number of A ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all outstanding share options under the employee share option schemes, net of proceeds received on those options that have a dilutive effect.

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 27 COMMITMENTS AND CONTINGENT LIABILITIES

### 27.1 Commitments

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Non-cancellable operating leases*</b>		
At year-end the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
<b>Within one year</b>		
Property	–	1
Plant, equipment and vehicles	1	–
	<b>1</b>	<b>1</b>
<b>One to five years</b>		
Plant, equipment and vehicles	–	1
	–	1
<b>Total non-cancellable operating leases*</b>	<b>1</b>	<b>2</b>

\* Commitments arising from non-cancellable operating leases are as a result of the exception used in terms of IFRS 16 whereby low value items or short term leases are treated as operating leases.

### 27.2. Contingent liabilities

#### Dispute with the South African Revenue Service

Altron is currently in a dispute with the South African Revenue Service regarding a historic tax submission. Based on the view by our attorneys that we have reasonable prospects of success with defending the dispute, Altron will not be making a provision at this stage.

## 28 EVENTS AFTER THE REPORTING PERIOD

### Dividends declared

#### Declaration of final dividend

The Board declared a final dividend of 50 cents per share on 22 May 2025.

#### Sale of Nexus

Subsequent to year-end, the Group entered into a management buy out (“MBO”) sale transaction. Under the terms of the MBO transaction, the acquirers of Altron Nexus will assume all company related debt, excluding any obligations that are specifically excluded. Any potential recoveries from the City of Tshwane legal process will remain with Altron. Other than the repayment of intercompany loans, the MBO transaction is not expected to generate any cash disposal proceeds to the Group. The MBO transaction remains subject to the fulfilment of conditions precedent, which are targeted to be fulfilled by 30 June 2025 (note 40).

The Directors are not aware of any other events after the reporting period that will have a material impact on the financial position, performance or cash flows of the Group.

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# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. The Group does not have material price risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the audit and risk committee ("AARC"), which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

### 29.1 Categories of financial instruments

R millions	28 February 2025			
	Assets			Total
	Amortised cost	Fair value through profit or loss	Equity instruments at FVOCI	
<b>Non-current financial asset</b>				
Non-current financial assets (note 5)	-	-	21	21
Rental finance lease assets (note 6)	202	-	-	202
<b>Current financial asset</b>				
Trade and other receivables (note 11)	2 017	-	-	2 017
Forward exchange contracts (note 11)	-	9	-	9
Cash and cash equivalents (note 12)	751	-	-	751
Cash held on behalf of merchants (note 12)	269	-	-	269
	<b>3 239</b>	<b>9</b>	<b>21</b>	<b>3 269</b>
<b>Non-current financial liabilities</b>				
Loans	-	-	-	-
Lease liabilities (note 3)	-	-	-	-
<b>Current financial liability</b>				
Trade and other payables (note 17)	-	-	-	-
Lease liabilities (note 3)	-	-	-	-
Amounts due to merchants (note 17)	-	-	-	-
Forward exchange contracts (note 17)	-	-	-	-
Loans (note 15)	-	-	-	-
Bank overdraft (note 12)	-	-	-	-
	-	-	-	-

28 February 2025

Liabilities

	Amortised cost	Fair value through profit or loss	Total
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	217	-	217
	733	-	733
	1 127	-	1 127
	95	-	95
	236	-	236
	-	2	2
	623	-	623
	24	-	24
	3 055	2	3 057

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.1 Categories of financial instruments (continued)

R millions	29 February 2024			
	Assets			
	Amortised cost	Fair value through profit or loss	Equity instruments at FVOCI	Total
<b>Non-current financial asset</b>				
Non-current financial assets (note 5)	142	–	21	163
Rental finance lease assets (note 6)	220	–	–	220
<b>Current financial asset</b>				
Trade and other receivables (note 11)	1 943	–	–	1 943
Forward exchange contracts (note 11)	–	7	–	7
Cash and cash equivalents (note 12)	1 044	–	–	1 044
Cash held on behalf of merchants (note 12)	105	–	–	105
	3 454	7	21	3 482
<b>Non-current financial liabilities</b>				
Loans	–	–	–	–
Lease liabilities (note 3)	–	–	–	–
<b>Current financial liability</b>				
Trade and other payables (note 17)	–	–	–	–
Lease liabilities (note 3)	–	–	–	–
Amounts due to merchants (note 17)	–	–	–	–
Forward exchange contracts (note 17)	–	–	–	–
Loans (note 15)	–	–	–	–
Bank overdraft (note 12)	–	–	–	–
	–	–	–	–

29 February 2024

Liabilities

	Amortised cost	Fair value through profit or loss	Total
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	649	-	649
	741	-	741
	1 670	-	1 670
	85	-	85
	97	-	97
	-	1	1
	195	-	195
	513	-	513
	3 950	1	3 951

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.2 Foreign currency risk

Forward exchange contracts are used as a means of reducing exposure to fluctuations in foreign exchange rates for procurement in foreign currencies. The Group incurs currency risk as a result of transactions which are denominated in a currency other than the Group entities' functional currency in respect of purchases, sales and borrowings. The currencies giving rise to currency risk in which the Group primarily deals are British pounds (GBP), US dollars (USD) and Euros (Euro). The Group entities hedge payables, receivables and borrowings denominated in foreign currencies. The settlement of these transactions takes place within a normal business cycle. The Group has clearly defined policies for the management of foreign currency exchange risks. Speculative use of financial instruments or derivatives is not permitted and none has occurred during any periods presented.

The Group's exposure to foreign currency risk was as follows:

	28 February 2025			
	Foreign amount			
	GBP Millions	Euro Millions	USD Millions	AUD Millions
Trade and other receivables	–	–	10	*
Cash and cash equivalents	–	–	2	*
Loans	*	*	(1)	*
Trade and other payables	–	–	(17)	*
Gross balance sheet exposure	–	–	(6)	*
Forecast transactions	*	*	(6)	*
Gross exposure	–	–	(12)	*
Forward exchange contracts	*	1	23	*
Net exposure	*	1	12	*

	28 February 2025			
	ZAR			
	GBP Millions	Euro Millions	USD Millions	AUD Millions
Trade and other receivables	1	3	195	*
Cash and cash equivalents	–	1	37	*
Loans	*	*	(18)	*
Trade and other payables	(4)	(7)	(317)	*
Gross balance sheet exposure	(3)	(3)	(103)	*
Forecast transactions	*	*	(115)	*
Gross exposure	(3)	(3)	(218)	*
Forward exchange contracts	–	12	432	*
Net exposure	(3)	9	214	*

\* Nominal amount

29 February 2024				
Foreign amount				
	GBP Millions	Euro Millions	USD Millions	AUD Millions
	–	–	4	*
	–	–	1	*
	*	*	–	*
	–	(1)	(19)	*
	–	(1)	(13)	*
	*	*	(2)	*
	–	(1)	(16)	*
	*	1	16	*
	*	–	–	*

29 February 2024				
ZAR				
	GBP Millions	Euro Millions	USD Millions	AUD Millions
	7	2	76	*
	*	3	25	*
	*	*	–	*
	(3)	(27)	(356)	*
	4	(22)	(255)	*
	*	*	(45)	*
	4	(22)	(300)	*
	4	27	301	*
	8	5	1	*

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.2 Foreign currency risk (continued)

The following significant exchange rates were used for the conversion of foreign operations on consolidation balances at year-end:

	28 February 2025		29 February 2024	
	Average rate	Closing rate	Average rate	Closing rate
British pound	23.31	23.56	23.41	24.27
Euro	19.65	19.43	20.25	20.77
US dollar	18.30	18.73	18.69	19.22
Australian dollar	11.97	11.63	12.30	12.50

### Sensitivity analysis

A 1% strengthening/weakening in the Rand against the following currencies at reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

The movement in other currencies are not material to the Group and consequently are not elaborated on any further.

	Profit or loss and equity	Profit or loss and equity
	Strengthening R millions	Weakening R millions
<b>28 February 2025</b>		
Euro	(0.2)	0.2
US dollar	(2.2)	2.2
British pound	-	-
Australian dollar	-	-
<b>29 February 2024</b>		
Euro	*	*
US dollar	(0.1)	0.1
British pound	-	-
Australian dollar	-	-

\* Nominal value

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.3 Foreign exchange contracts

The principal or contract amounts of the foreign exchange contracts for trade payables, receivables and borrowings, including forecast transactions, at reporting date were:

	28 February 2025		29 February 2024	
	Foreign amount Millions	Rand amount Millions	Foreign amount Millions	Rand amount Millions
<b>Net foreign exchange contracts to pay / (receive)</b>				
British pound	*	–	*	4
US dollar	23	432	16	301
Euros	1	12	1	27
Australian dollar	*	*	–	–
		444		332
Comprising foreign exchange contracts:				
– to pay		457		380
– to receive		(13)		(48)
		444		332
<b>Value of contracts at mark-to-market</b>				
Foreign exchange contract financial asset at fair value through profit or loss (refer note 11)		9		7
Foreign exchange contract financial liability at fair value through profit or loss (refer note 17)		(2)		(1)

\* Nominal amount

### 29.4 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The Group has certain financial asset and liability instruments, which bear interest at either fixed or floating interest rates (note 29.4.1). Interest rates on all borrowings compare favourably with those rates available in the market.

The Group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return.

Interest rate risk is monitored by management daily and cash is moved between bank accounts to maximise arbitrage. The Group's treasury function monitors both available cash as well as long-term borrowings and overnight / overdraft facilities holistically in order to restructure its use of debt and optimise interest exposure. During the current year, the Group maintained its long-term debt at R425 million.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.4 Interest rate risk (continued)

#### 29.4.1 Interest rate profile

The interest rate profile of interest-bearing financial instruments at the end of the reporting period was as follows:

	GROUP	
	Carrying amount	
	28 February 2025	29 February 2024 <i>Restated**</i>
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Rental finance lease assets (note 6)	413	417
	<b>413</b>	417
<b>Financial liabilities</b>		
Lease liabilities relating to right-of-use assets (note 3)	(828)	(826)
Lease liabilities relating to right-of-use assets – classified as held-for-sale (note 40)	(4)	(1)
Rental finance lease assets and liabilities (note 6)	(415)	(418)
	<b>(1 247)</b>	(1 245)
<b>Net fixed rate financial instruments</b>	<b>(834)</b>	(828)
<b>Variable rate instruments</b>		
<b>Financial assets</b>		
Loan to Technologies Acceptances Receivables Proprietary Limited (TAR)* (note 5)	138	142
Cash at bank (note 12)	751	1 044
	<b>889</b>	1 186
<b>Financial liabilities</b>		
Lease liabilities (note 15)	–	(1)
Bank overdraft (note 12)	(24)	(513)
Secured bank loans (note 15)	(425)	(425)
	<b>(449)</b>	(939)
<b>Net variable rate financial instruments</b>	<b>440</b>	247
<b>Total net interest-bearing financial instruments</b>	<b>(394)</b>	(581)

\* In the prior year, this loan was classified as held-for-sale, however, the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

\*\* Cash flow relating to the finance lease arrangements comprises of the following movements

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.4 Interest rate risk (continued)

#### 29.4.2 Interest rate sensitivity analysis

The following sensitivity analysis represents a reasonable possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to variable interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

R millions	28 February 2025		29 February 2024	
	100 bp rate	100 bp rate	100 bp rate	100 bp rate
<b>Profit or loss and equity</b>				
<b>Financial assets</b>				
Loan to Technologies Acceptances Receivables Proprietary Limited (TAR)	1	(1)	1	(1)
Cash at bank	5	(5)	8	(8)
<b>Financial liabilities</b>				
Lease liabilities (note 15)	–	–	*	*
Bank overdraft (note 12)	*	*	(4)	4
Secured bank loans (note 15)	(3)	3	(3)	3
	<b>3</b>	<b>(3)</b>	*	*

\* Nominal amount.

### 29.5 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's non-current financial assets, trade and other receivables, contract assets, net investment in lease, rental finance lease assets, foreign exchange contracts, cash and cash equivalents and cash held on behalf of merchants.

Management has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis.

Credit evaluations are performed on all customers requiring credit over a certain amount.

Credit guarantee insurance is taken where considered appropriate.

The maximum exposure to credit risk is represented by the carrying value of each financial asset recognised.

The Group has no significant concentration of credit risk, with exposure spread over a large number of customers, apart from the trade receivable in respect of Thobela Telecoms (note 11).

The maximum exposure to credit risk arising from derivative financial instruments is the contractual amounts receivable in respect of foreign exchange contracts.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.5 Credit risk (continued)

#### Guarantees

The Group provides financial guarantees mainly on behalf of wholly owned subsidiaries. External guarantees are provided in exceptional circumstances.

Refer to note 8 of the separate financial statements for further disclosures on external financial guarantees.

### 29.6 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's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due.

The Group ensures it has sufficient cash on demand or access to facilities to meet expected operational expenses for the next 12 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Group maintains the following lines of credit:

– R 1.45 billion (2024: R335 million). Interest payable is linked to the prime and money market interest rates.

### 29.7 Fair values and risk management

#### (a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amounts of these financial assets and liabilities are considered to be a reasonable approximation of fair value.

28 February 2025

R millions	Carrying amount		
	Measured at fair value	Total	Level 1
<b>Financial assets measured at fair value</b>			
Preference share investment in Technologies Acceptances Receivables Proprietary Limited (note 5)	21	21	–
Forward exchange contracts (note 11)	9	9	–
	<b>30</b>	<b>30</b>	<b>–</b>
<b>Financial liabilities measured at fair value</b>			
Forward exchange contracts (note 17)	(2)	(2)	–
	<b>(2)</b>	<b>(2)</b>	<b>–</b>

Fair value

	Level 2	Level 3	Total
	-	21	21
	9	-	9
	9	21	30
	(2)	-	(2)
	(2)	-	(2)

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.7 Fair values and risk management (continued)

29 February 2024	Carrying amount		
	Measured at fair value	Total	Level 1
R millions			
<b>Financial assets measured at fair value</b>			
Preference share investment in Technologies Acceptances Receivables Proprietary Limited (TAR) (note 5)	21	21	–
Forward exchange contracts (note 17)	7	7	–
	28	28	–
<b>Financial liabilities measured at fair value</b>			
Forward exchange contracts (note 17)	(1)	(1)	–
	(1)	(1)	–

The carrying amounts of financial assets that are not subsequently measured at fair value i.e. financial assets at amortised cost is considered to approximate the fair value.

The carrying amount of financial liabilities that are not subsequently measured at fair value i.e. financial liabilities at amortised cost is considered to approximate the fair value.

The different levels as disclosed in the table above have been defined as follows:

<b>Level 1</b>	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
<b>Level 2</b>	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
<b>Level 3</b>	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value

	Level 2	Level 3	Total
	-	21	21
	7	-	7
	7	21	28
	(1)	-	(1)
	(1)	-	(1)

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.7 Fair values and risk management (continued)

#### (b) Measurement of fair values

##### Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

#### Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	<i>Market comparison technique:</i> The fair value of foreign exchange contracts are marked-to-market by comparing the contracted forward rate to the present value of the current forward rate of an equivalent contract with the same maturity date.
Preference share in Technologies Acceptances Receivables Proprietary Limited	The dividend growth model was used to determine the fair value of the preference share using the historic dividends that were received from the investment.

#### Transfers

There were no transfers between levels 1, 2 or 3 of the fair value hierarchy for the years ended 28 February 2025 and 29 February 2024.

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Not applicable	Not applicable
Discount rate of 12.21% (2024: 12.85%) Annual perpetuity growth 0% (2024: 0%)	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> <li>the discount rate was lower/(higher) by 1% then the value would increase/(decrease) by R2 million;</li> <li>the annual perpetuity growth rate was higher/(lower) by 1% then the value would increase/(decrease) by R2 million.</li> </ul>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.8 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Board of Directors monitors both the demographic spread of shareholders and the return on capital, capital being defined as total shareholders' equity, excluding non-controlling interests. The Board of Directors monitors and approves the level of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound solvency position. The current gearing levels of the Group are within acceptable limits.

The Group's Board has determined a short term targeted debt level less than 1.0x EBITDA (as defined in the common terms of agreement ("CTA")), which is significantly lower than the covenant level in the CTA.

Altron's share capital consists of 412 million (2024: 411 million) A ordinary shares and 1 high voting share. The holders (Venter family) of the High Voting share are entitled to voting rights of 25% plus one vote, so long as members of the Venter family are the ultimate beneficial owners of at least 10% of the A ordinary shares.

The Group utilises a share scheme, as approved by the shareholders, as a long-term retention mechanism for senior executives and other key employees. The three components, which are disclosed fully in note 13 of the financial statements, contain conditions so that the interests of existing shareholders and management are aligned. Awards under this scheme are in accordance with a total remuneration strategy and are approved by the Board's Remuneration Committee.

The Group does not have a defined share buy-back plan, but does from time to time purchase its shares in the market; the timing of these purchases depends on market prices. Shares acquired are either held as treasury shares or would be cancelled on repurchase. The Group currently holds approximately 32 million treasury shares (note 13) and there are restrictions on the rights of these shares under the JSE Listings Requirements.

The directors seek to obtain general authority to repurchase shares of the company's A ordinary issued share capital and will table the request at the next annual general meeting.

Altron's capital management is partially restricted by covenants provided to lenders in respect of borrowing obligations. In accordance with the debt structure of the Group, the Group's net debt to EBITDA (as defined in the CTA) ratio is limited to 2 and the EBITDA (as defined in the CTA) divided by the net finance charges is limited to a minimum of 3.5 times. For the 28 February 2025 measurement date, the Group's net debt to EBITDA (as defined in the CTA) ratio is (0.16) (2024: 0.09) and the EBITDA (as defined in the CTA) divided by net finance charges is 133.25 (2024: 26.18).

In the event that these covenants are not met, the lenders would be able to request immediate repayment of debt. Altron has complied with the required covenants as at 28 February 2025. There were no changes in the Group's approach to capital management during the year.

The Group defines net debt as loans and rental finance lease liabilities net of cash. Lease liabilities relating to right-of-use assets and merchant cash are excluded from the calculation.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 29 FINANCIAL RISK MANAGEMENT (continued)

### 29.8 Capital management (continued)

The Group's net debt may be calculated as follows:

R millions	GROUP	
	28 February 2025	29 February 2024
Non-current loans (note 15)	–	425
Current loans (note 15)	425	1
Non-current rental finance liabilities (note 6)	217	224
Current rental finance liabilities (note 6)	198	194
<b>Total loans</b>	<b>840</b>	<b>844</b>
Total net cash (note 12)	727	531
Cash included in held-for-sale assets (note 40)	993	627
Cash included in held-for-sale assets (note 40)	3	9
Less cash held on behalf of merchants (note 12)	(269)	(105)
<b>Net debt as reported</b>	<b>113</b>	<b>313</b>

Refer to note 13 for a quantitative summary of authorised and issued capital.

## 30 RELATED-PARTY TRANSACTIONS

The Group has a related-party relationship with its subsidiaries, associates and joint ventures and with its Directors and key management personnel (refer below).

R millions	28 February 2025	29 February 2024
<b>30.1 Associates and joint ventures</b>		
Dividends received		
Mediswitch Namibia Proprietary Limited	3	2
Thobela Telecoms	25	43
Funds advanced to Joint Venture (note 43)	103	102
Trade receivables (note 11)	309	309
Total expected credit loss (note 11 and note 43)	(387)	(368)

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 30 RELATED-PARTY TRANSACTIONS (continued)

### 30.2 Directors

Details relating to Directors' remuneration are disclosed in note 20.1.

As at 28 February 2025, the Directors of the Company held direct and indirect interests (through an associate as defined in the JSE Listings Requirements) in the Group. As at 28 February 2025, the Directors held 160 213 015 (2024: 159 053 015) of the Company's issued A ordinary shares on a cumulative basis. Details of shares held per individual Director is listed below.

A total of 2 939 520 (2024: 3 523 451) share appreciation rights, performance share options and bonus share options are allocated to Directors in terms of the Company's employee share scheme.

	<b>28 February 2025</b>	29 February 2024
	<b>Direct Beneficial A Ordinary shares</b>	Direct Beneficial A Ordinary shares
<b>Name of Director</b>		
RE Venter*	44 015	44 015
GG Gelink	38 000	38 000
CC Snyman	280 000	–
<b>Total</b>	<b>362 015</b>	<b>82 015</b>

\* The Director passed on 7 August 2024.

	<b>Indirect Beneficial A Ordinary shares</b>	Indirect Beneficial A Ordinary shares
<b>Name of Director</b>		
RE Venter <sup>1</sup>	56 192 243	56 192 243
BW Dawson <sup>2</sup>	3 057 866	3 057 866
SW van Graan <sup>3</sup>	25 000	25 000
WG Kapp <sup>4</sup>	1 433 224	433 224
<b>Total</b>	<b>60 708 333</b>	<b>59 708 333</b>

<sup>1</sup> Shares held through Biltron Proprietary Limited where Director is a beneficiary. The Director passed on 7 August 2024.

<sup>2</sup> Cumulative Shares held through Campan Enterprises Proprietary Limited (2 721 088) and Anuva Investments Limited (336 778) where Director is a beneficiary.

<sup>3</sup> Shares held by spouse of Director.

<sup>4</sup> Shares held through the WG Kapp Family Trust where the Director is a beneficiary.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 30 RELATED-PARTY TRANSACTIONS (continued)

### 30.2 Directors (continued)

	Indirect Non-Beneficial A Ordinary shares	Indirect Non-Beneficial A Ordinary shares
<b>Name of Director</b>		
AC Ball /T Ngara <sup>5</sup>	99 142 667	99 262 667
<b>Total</b>	<b>99 142 667</b>	<b>99 262 667</b>

<sup>5</sup> The cumulative shares are controlled by Value Capital Partners Proprietary Limited ("VCP"), even though the shares are not directly held by VCP where the Directors are beneficiaries of VCP, there remains an indirect beneficial interest for VCP and its directors.

Save for the foregoing, the Directors' interests in securities for the year under review remain unchanged.

### 30.3 Key management personnel

R millions	GROUP	
	28 February 2025	29 February 2024
Key management personnel are defined as Directors of the Company and its principal subsidiary companies, including Prescribed Officers.		
The key management personnel compensations were as follows:		
Short-term employee benefits, including salaries and bonuses	27	35
Post-employment benefits	1	1
Equity compensation benefits	13	11
	<b>41</b>	<b>47</b>

### 30.4 Shareholders

#### Public and non-public shareholders

##### A Ordinary shares

28 February 2025	Number of shareholders	%	Number of shares	%
<b>Non-Public Shareholders</b>	9	0.07	191 050 793	46.36
Director/Related Holdings	8	0.06	160 213 015	38.88
Treasury shares	1	0.01	30 837 778	7.48
<b>Public Shareholders</b>	<b>13 008</b>	<b>99.93</b>	<b>221 004 602</b>	<b>53.63</b>
<b>TOTAL</b>	<b>13 017</b>	<b>100.00</b>	<b>412 055 395</b>	<b>99.99</b>

29 February 2024	Number of shareholders	%	Number of shares	%
<b>Non-Public Shareholders</b>	8	0.07	191 340 483	46.56
Director/Related Holdings	7	0.06	159 053 015	38.70
Treasury shares	1	0.01	32 287 468	7.86
<b>Public Shareholders</b>	<b>11 208</b>	<b>99.93</b>	<b>219 678 081</b>	<b>53.45</b>
<b>TOTAL</b>	<b>11 216</b>	<b>100.00</b>	<b>411 018 564</b>	<b>100.01</b>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 30 RELATED-PARTY TRANSACTIONS (continued)

### 30.4 Shareholders (continued)

#### Material shareholders

Beneficial shareholders (excluding Directors) holding 5% or more of the Company's listed A ordinary shares as at 28 February 2025 were the following:

	28 February 2025		29 February 2024	
	Number of shares	%	Number of shares	%
Coronation Asset Management Proprietary Limited	92 075 465	22.35	86 295 034	21.00
Value Capital Partners Proprietary Limited*	99 142 667	24.06	99 262 667	24.15
Billtron Proprietary Limited	56 192 243	13.64	56 192 243	13.67
Public Investment Corporation	38 795 182	9.42	–	0.00
Altron Finance (Pty) Ltd	30 837 778	7.48	32 287 468	7.86
Camissa Asset Management (Pty) Limited**	19 661 638	4.77	26 806 167	6.52
<b>TOTAL</b>	<b>336 704 973</b>	<b>81.72</b>	<b>300 843 579</b>	<b>65.34</b>

\* The cumulative shares controlled by Value Capital Partners Proprietary Limited through its associates.

\*\* The shareholder no longer holds more than 5% of the Company's listed A ordinary shares.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 31 CRITICAL JUDGEMENTS AND ESTIMATES MADE BY MANAGEMENT

In preparing financial statements in conformity with IFRS Accounting Standards, estimates and assumptions that materially affect the reported amounts and related disclosures are as follows:

### 31.1 Critical estimates made by management

- **Deferred tax assets**

Management's judgement is exercised when determining the probability of future taxable profits, which will determine whether deferred tax assets should be recognised or derecognised. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income.

Deferred tax assets have been raised at year end on income tax losses and temporary differences in certain subsidiaries based on current profit forecasts. The Group analysed its deferred tax assets in respect of assessed losses and expects to realise the deferred tax assets in the ordinary course of business.

- **Impairment assessments of goodwill**

The recoverable amounts of the respective CGUs were determined based on fair value less cost to sell calculations. The calculations mainly use forecast cash flow projections based on financial budgets that were approved by the Board of Directors. The forecast period used in the calculations covers a five year (2024: five year) period, with year one being the approved budgeted year. A terminal value is calculated into perpetuity using long-term growth rates. The growth rates used are in line with industry norms.

The input factors most sensitive to change are management's estimates of growth rates and discount rates. Further details on these assumptions have been disclosed in note 2. The Group has performed a sensitivity analysis by varying these input factors by a reasonably possible margin and assessing whether the changes in input factors result in any of the goodwill allocated to an appropriate CGU being impaired. The goodwill impairment amounted to Rnil million in the current year (2024: R33 million), (note 2).

- **Post-employment benefit obligations**

Post-retirement defined benefits are provided for certain existing and former employees (note 18). The actuarial valuation method used to value the obligations is the projected unit method. The assumptions used include a discount rate, inflation rate, salary increase rate, expected rate of return on assets and a pension future growth rate allowance.

### 31.2 Critical judgements made by management

- **Technologies Acceptances Receivables Proprietary Limited ("TAR")**

The relevant activities identified by management with regard to the securitisation vehicle are the credit vetting of leases and the management of leases upon default. Although Altron is exposed to variable returns from TAR due to the loan funding provided and the preference share investment held in TAR, it does not have the power over the above relevant activities that have an effect on TAR's returns based on management's consideration of a weighting of the various factors and indicators surrounding the securitisation vehicle.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 32 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

### 32.1 Effective standards, interpretations and amendments to published standards applied for the first time during the current financial year

A number of new pronouncements and / or interpretations were effective from 1 March 2024. These are outlined below and had no material effect on the Group or Company's financial statements.

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 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 – non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provided related to liabilities subject to these conditions. No material impact on the financial statements was identified resulting from the adoption of these amendments to IFRS Accounting Standards.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 32 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS (continued)

### 32.2 Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 March 2025, or later periods, but which the Group has not early adopted.

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 has not yet assessed the impact of the amendments.
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 has not yet assessed the impact of the amendments.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 32 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS (continued)

### 32.2 Standards, interpretations and amendments to published standards that are not yet effective (continued)

Title	Effective date	Impact
Non-recourse assets and contractually linked instruments – IFRS 9 Presentation of Financial Statements – 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 has not yet assessed the impact of the amendments.
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.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 32 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS (continued)

### 32.2 Standards, interpretations and amendments to published standards that are not yet effective (continued)

Title	Effective date	Impact
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'. Retrospective application is required. The Group is yet to assess 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.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 33 CASH GENERATED BY OPERATIONS

R millions	GROUP	
	28 February 2025	29 February 2024 Restated**
Operating profit before capital items	817	186
Adjustments for:		
Depreciation and amortisation (note 1, 2)	194	213
Amortisation of costs to fulfil contracts (note 7)	310	258
Depreciation on capital rental devices (note 8)	251	212
Right-of-use depreciation (note 3)	95	115
Equity settled share based payment expenses (note 13.5)	33	26
Increase in ECL on loans advanced to Joint ventures and other investment entities (note 43.4)	1	38
Movement in provisions (note 16)	(3)	(6)
Defined benefit pension fund gain (note 18)	(46)	(35)
Unrealised foreign exchange losses / (gains) (note 20.4)	1	(11)
Disposal costs (note 21)	–	(7)
Other non-cash movements	17	30
Costs incurred to acquire contracts during the year (note 7)	(376)	(440)
Cash flow relating to contract liabilities	111	279
Cash flow relating to contract fulfilment cost	6	(27)
Cash flow relating to the finance lease arrangements*	141	212
Cash generated by operations before movements in working capital	1 552	1 043
Decrease in inventories (note 10)	146	440
Decrease in trade and other receivables, including contract assets	88	358
Decrease in trade and other payables (note 17)	(188)	(301)
Increase / (decrease) in amounts due to merchants	138	82
<b>Cash Flows from operations (Total)</b>	<b>1 736</b>	<b>1 622</b>
Cash Flows from operations (Continuing)	1 861	1 519
Cash Flows from operations (Discontinuing)	(125)	103
<i>* Cash flow relating to the finance lease arrangements comprises of the following movements</i>		
Opening balance	592	404
Interest (note 22)	57	50
Increase in lease asset rentals	72	350
Closing balance (note 6)	(580)	(592)
Cash flow relating to the finance lease arrangements	141	212

\*\* Comparative information has been restated. The investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements

CONTINUED

for the year ended 28 February 2025

## 34 DIVIDENDS RECEIVED FROM EQUITY ACCOUNTED INVESTEEES AND OTHER INVESTMENTS

R millions	GROUP	
	28 February 2025	29 February 2024
Dividends receivable at the beginning of the year	–	5
Dividends received from associates during the year (note 43.3)	3	2
Dividend income on financial assets measured at FVOCI (note 22)	4	–
	<b>7</b>	<b>7</b>

## 35 TAXATION PAID

Amounts unpaid at the beginning of the year	(72)	(73)
Amounts recognised in profit or loss	(67)	(134)
Foreign tax credits	19	–
Translation differences	–	1
Disposals of operations (note 36)	–	6
Interest and penalties	(26)	(2)
Reclassification of other taxes	–	(1)
Tax refund	(1)	–
Dividends withholdings tax	1	–
Amounts unpaid at the end of the year	41	72
	<b>(105)</b>	<b>(131)</b>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 36 PROCEEDS ON DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND BUSINESSES, NET OF CASH DISPOSED

R millions	GROUP	
	28 February 2025	29 February 2024
Property, plant and equipment	–	5
Inventory	–	159
Cash and cash equivalents	–	11
Trade and other receivables	–	84
Other long-term liabilities	–	(1)
Trade and other payables	–	(208)
Taxation payable	–	(7)
<b>Disposal value</b>	–	43
Release of foreign currency translation surplus on disposal of operations (note 42)	–	(1)
Adjustment to contingent purchase consideration	3	–
Loss on disposal of subsidiaries (note 21, 42)	–	(16)
<b>Total proceeds received on disposals</b>	<b>3</b>	<b>26</b>
<b>Less cash disposed</b>	<b>–</b>	<b>(11)</b>
	<b>3</b>	<b>15</b>

No businesses were disposed of during the current year.

## 37 PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

R millions	GROUP	
	28 February 2025	29 February 2024
Carrying amount	8	14
Profit / (loss) on disposal	1	2
Proceeds received on disposal	9	16

## 38 OTHER CASH FLOWS

### 38.1 CASH OUTFLOW FROM OTHER INVESTING ACTIVITIES

Loans advanced to associates and other investments (note 43)	(1)	(7)
Advances made to TAR during the year	(15)	(13)
	<b>(16)</b>	<b>(20)</b>

### 38.2 CASH INFLOW FROM OTHER INVESTING ACTIVITIES

Repayment received from TAR during the year	18	23
	<b>18</b>	<b>23</b>

# Notes to the consolidated financial statements

CONTINUED

for the year ended 28 February 2025

## 38 OTHER CASH FLOWS (continued)

### 38.3 RECONCILIATION OF CASH FLOWS FROM FINANCING ACTIVITIES

R millions	Secured bank loans (note 15)	Right-of-use assets* (note 3)	Lease liabilities (note 15)	Rental finance liabilities* (note 6)	Total
<b>Balance at 1 March 2023 excluding loans held-for-sale</b>	850	917	4	374	2 145
<b>Loans classified as held-for-sale</b>	–	1	–	–	1
<b>Balance at 1 March 2023 including loans held-for-sale</b>	850	918	4	374	2 146
<b>Cash inflows/(outflows)</b>	(425)	(105)	–	(209)	(739)
Loans advanced	1 275	–	–	–	1 275
Loans repaid	(1 700)	–	–	–	(1 700)
Lease payments	–	(105)	–	–	(105)
Settlement of finance lease liabilities	–	–	–	(209)	(209)
<b>Other movements</b>	–	14	(3)	253	264
Non-cash outflow disclosed in investing activities	–	–	(3)	–	(3)
Lease modifications and terminations	–	(33)	–	–	(33)
Leases entered into and increase in rental finance liabilities	–	47	–	253	300
<b>Total</b>	425	827	1	418	1 671
<b>Classified as held-for-sale (note 40)</b>	–	(1)	–	–	(1)
<b>Balance at 29 February 2024 excluding loans held-for-sale</b>	425	826	1	418	1 670
<b>Disclosed as:</b>					
Current loans	–	–	1	–	1
Non-current loans	425	–	–	–	425
Lease liabilities (note 3)	–	826	–	–	826

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 38 OTHER CASH FLOWS (continued)

### 38.3 RECONCILIATION OF CASH FLOWS FROM FINANCING ACTIVITIES (continued)

R millions	Secured bank loans (note 15)	Right-of- use assets (note 3)	Lease liabilities (note 15)	Rental finance liabilities (note 6)	Total
<b>Balance at 29 February 2024 excluding loans held-for-sale</b>					
Loans classified as held-for-sale	425	826	1	418	1 670
	-	1	-	-	1
<b>Balance at 29 February 2024 including loans held-for-sale</b>	425	827	1	418	1 671
<b>Cash inflows/(outflows)</b>	-	(100)	(1)	(130)	(231)
Loans advanced	425	-	-	-	425
Loans repaid	(425)	-	(1)	-	(426)
Lease payments	-	(100)	-	-	(100)
Settlement of finance lease liabilities	-	-	-	(130)	(130)
<b>Other movements</b>	-	105	-	127	232
Lease modifications and terminations	-	46	-	-	46
Leases entered into and increase in rental finance liabilities	-	59	-	127	186
<b>Total</b>	425	832	-	415	1 672
<b>Classified as held-for-sale (note 40)</b>	-	(4)	-	-	(4)
<b>Balance at 28 February 2025 excluding loans held-for-sale</b>	425	828	-	415	1 668
<b>Disclosed as:</b>					
Current loans	425	-	-	-	425
Lease liabilities (note 3)	-	828	-	-	828

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 39 RESTATEMENT OF COMPARATIVE INFORMATION

### INVESTMENT IN ALTRON DOCUMENT SOLUTIONS ("ADS") PREVIOUSLY CLASSIFIED AS HELD-FOR-SALE

ADS is a division of Altron TMT Proprietary Limited, a subsidiary within the Altron Group. Altron previously communicated the Group's intention to focus on its core operations and its deliberations around potential businesses to be disposed of.

In August 2020, the Board resolved that the ADS business did not form part of the Group's core business and as a result would be disposed of. ADS was therefore classified as a discontinued operation and the relating assets and liabilities as held-for-sale. In July 2024, the Altron Board concluded that retaining ADS within the Group is the most effective option to maximise value for shareholders and that ADS will no longer be classified as held-for-sale and will be included in continuing operations within the IT Services segment.

Financial statements for the disclosed periods were amended accordingly. ADS was initially recognised as held-for-sale at 31 August 2020. During this period, the Group recognised impairment losses relating to property, plant and equipment, goodwill and intangible assets included in ADS' disposal group, based on the determination of the fair value less cost to sell of the investment in accordance with IFRS 5 Non-current Assets held-for-sale and discontinued operations. The impairment losses were included in capital items in prior years. The carrying amount of property, plant and equipment before it was classified as held-for-sale, was restated for depreciation that would have been recognised if the asset had not been classified as held-for-sale and impairment losses previously recognised were reversed but only to the extent that the carrying value is not higher than what it would have been if ADS was never held-for-sale. The Group has also ceased to classify all other assets and liabilities relating to the ADS business as held-for-sale.

R million	29 February 2024			28 February 2023		
	As previously reported	Restatement	Restated	As previously reported	Restatement	Restated
<b>Balance sheet</b>						
<i>(Extract)</i>						
<b>Assets</b>						
<b>Non-current assets</b>	<b>4 139</b>	<b>422</b>	<b>4 561</b>	<b>4 013</b>	<b>416</b>	<b>4 429</b>
Property, plant and equipment (note 1)	336	14	350	397	18	415
Goodwill and other intangible assets (note 2)	1 528	7	1 535	1 554	16	1 570
Right-of-use assets (note 3)	394	15	409	572	16	588
Equity-accounted investments (note 4)	2	–	2	33	–	33
Financial assets at amortised cost (note 5)	–	142	142	–	151	151
Financial assets at fair value through other comprehensive income (note 5)	–	21	21	–	21	21
Finance lease assets (note 6)	167	220	387	32	193	225
Contract costs capitalised (note 7)	723	–	723	551	–	551
Capital rental devices (note 8)	429	–	429	345	–	345
Defined benefit asset (note 18)	382	–	382	295	–	295
Deferred taxation (note 9)	178	3	181	234	1	235

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 39 RESTATEMENT OF COMPARATIVE INFORMATION (continued)

R million	29 February 2024			28 February 2023		
	As previously reported	Restatement	Restated	As previously reported	Restatement	Restated
<b>Current assets</b>	<b>5 216</b>	<b>(414)</b>	<b>4 802</b>	5 649	(402)	5 247
Inventories (note 10)	706	265	971	1 023	390	1 413
Trade and other receivables (note 11)	1 684	501	2 185	2 055	502	2 557
Financial assets at fair value through profit and loss (note 11)	5	2	7	20	–	20
Contract assets (note 19)	59	31	90	126	8	134
Taxation receivable	55	–	55	30	–	30
Cash and cash equivalents (note 12)	1 137	3	1 140	740	10	750
	<b>3 646</b>	<b>802</b>	<b>4 448</b>	3 994	910	4 904
Assets classified as held-for-sale (note 40)	1 570	(1 216)	354	1 655	(1 312)	343
<b>Total assets</b>	<b>9 355</b>	<b>8</b>	<b>9 363</b>	9 662	14	9 676
<b>Equity and liabilities</b>						
<b>Total equity</b>	<b>4 069</b>	<b>8</b>	<b>4 077</b>	4 300	14	4 314
Attributable to Altron shareholders	3 923	8	3 931	4 182	14	4 196
Non-controlling interests (note 43)	146	–	146	118	–	118
<b>Non-current liabilities</b>	<b>1 720</b>	<b>235</b>	<b>1 955</b>	2 088	208	2 296
Loans (note 15)	425	224	649	851	197	1 048
Contract liabilities (note 19)	547	–	547	412	–	412
Lease liabilities (note 3)	730	11	741	788	11	799
Deferred taxation (note 9)	18	–	18	37	–	37

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 39 RESTATEMENT OF COMPARATIVE INFORMATION (continued)

R million	29 February 2024			28 February 2023		
	As previously reported	Restatement	Restated	As previously reported	Restatement	Restated
<b>Balance sheet</b> <i>(Extract)</i>						
<b>Current liabilities</b>	<b>3 566</b>	<b>(235)</b>	<b>3 331</b>	3 274	(208)	3 066
Loans (note 15)	1	194	195	3	177	180
Lease liabilities (note 3)	79	6	85	111	7	118
Bank overdraft (note 12)	513	–	513	59	–	59
Provisions (note 16)	12	–	12	17	1	18
Trade and other payables (note 17)	1 536	257	1 793	1 566	292	1 858
Financial liabilities at fair value through profit and loss (note 17)	1	–	1	5	–	5
Contract liabilities (note 19)	509	19	528	398	6	404
Taxation payable	127	–	127	103	–	103
	<b>2 778</b>	<b>476</b>	<b>3 254</b>	2 262	483	2 745
Liabilities classified as held-for-sale (note 40)	788	(711)	77	1 012	(691)	321
<b>Total equity and liabilities</b>	<b>9 355</b>	<b>8</b>	<b>9 363</b>	9 662	14	9 676

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 39 RESTATEMENT OF COMPARATIVE INFORMATION (continued)

R million	29 February 2024		
	As previously reported	Restatement	Restated
<b>Income statement</b>			
(Extract)			
<b>Continuing operations</b>			
<b>Revenue (note 19)</b>	<b>8 250</b>	<b>1 353</b>	<b>9 603</b>
Other income (note 20)	91	–	91
<b>Operating costs</b>	<b>(6 839)</b>	<b>(1 419)</b>	<b>(8 258)</b>
Material and services consumed (note 20)	(4 499)	(1 097)	(5 596)
Net impairment (losses) / gains on financial assets (note 11)	(13)	(68)	(81)
Employees remuneration (note 20)	(2 327)	(254)	(2 581)
<b>Earnings before interest, taxation, depreciation, amortisation, capital items and equity accounted profits (EBITDA before capital items and equity accounted profits)</b>	<b>1 502</b>	<b>(66)</b>	<b>1 436</b>
Depreciation and amortisation (note 20)	(763)	(23)	(786)
<b>Operating profit before capital items</b>	<b>739</b>	<b>(89)</b>	<b>650</b>
Capital items (note 21)	(35)	–	(35)
<b>Operating profit</b>	<b>704</b>	<b>(89)</b>	<b>615</b>
Finance income (note 22)	61	27	88
Finance expense (note 23)	(187)	(3)	(190)
Foreign exchange gains and losses relating to cash and cash equivalents	(8)	1	(7)
Share of profit of equity accounted investments, net of taxation	2	–	2
<b>Profit / (loss) before taxation</b>	<b>572</b>	<b>(64)</b>	<b>508</b>
Taxation (note 25)	(139)	18	(121)
<b>Profit / (loss) for the year from continuing operations</b>	<b>433</b>	<b>(46)</b>	<b>387</b>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 39 RESTATEMENT OF COMPARATIVE INFORMATION (continued)

R million	29 February 2024		
	As previously reported	Restatement	Restated
<b>Discontinued operations</b>			
<b>Revenue (note 19)</b>	2 075	(1 353)	722
Other income (note 20)	-	-	-
<b>Operating costs</b>	(2 592)	1 419	(1 173)
Material and services consumed (note 20)	(1 938)	1 096	(842)
Net impairment (losses) / gains on financial assets (note 11)	(268)	68	(200)
Employees remuneration (note 20)	(386)	255	(131)
<b>Earnings before interest, taxation, depreciation, amortisation, capital items and equity accounted profits (EBITDA before capital items and equity accounted profits)</b>	(517)	66	(451)
Depreciation and amortisation (note 20)	(12)	-	(12)
<b>Operating loss before capital items</b>	(529)	66	(463)
Capital items (note 21)	(60)	15	(45)
<b>Operating loss</b>	(589)	81	(508)
Finance income (note 22)	30	(27)	3
Finance expense (note 23)	(4)	3	(1)
Foreign exchange gains relating to cash and cash equivalents	1	(1)	-
Loss before taxation	(562)	56	(506)
Taxation (note 25)	(12)	(16)	(28)
<b>Loss for the year from discontinued operations</b>	(574)	40	(534)
<b>Total comprehensive loss for the year</b>	(141)	(6)	(147)

Statement of cashflows (Extract)	29 February 2024		
	As previously reported	Restatement	Restated
<b>Net increase / (decrease) in cash and cash equivalents</b>	(51)	-	(51)
Net cash and cash equivalents at the beginning of the year	681	-	681
Effect of exchange rate fluctuations on cash held	(6)	-	(6)
Movement in cash classified as held-for-sale	-	3	3
<b>Net cash and cash equivalents at the end of the year</b>	624	3	627

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 40 ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

### 40.1 ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE DURING THE CURRENT YEAR

No operations were disposed of during the year.

### 40.2 ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE DURING THE PRIOR YEAR

#### 40.2.1 Altron Nexus Proprietary Limited ("Nexus")

During the prior year, the decision was made to restructure Nexus. Upon further analysis, the Altron Board concluded that the restructured Nexus business is no longer regarded as core to the Group's operations and strategy, and it will actively explore opportunities to sell the business.

The unsuccessful extension of the GBN phase 3 contract resulted in the termination of the Broadband Network Services business unit. With the restructure of consolidating the Enterprise Networking business into the Altron Digital Business operation, Altron Nexus will remain with only non-core Critical Communications operations, which are saleable on a standalone basis.

The relevant held-for-sale requirements of IFRS 5 were met at 29 February 2024, and the assets and liabilities relating to the Altron Nexus operation have been classified as such. Altron Nexus is reported as a separate operation and represents a major line of business. The Altron Nexus results have therefore been included in the results from discontinued operations.

The sale was not completed in the required 1 year period due to circumstances beyond the Group's control because the buyer imposed conditions on a contingent liability that required legal proceedings to be finalised before a sale agreement could be concluded. Subsequent to year-end, a sale agreement was signed on 18 March 2025 (note 28).

#### 40.2.2 Altron Document Solutions ("ADS")

Effective 31 August 2020, the Board resolved that the Altron Document Solutions operation does not form part of the Group's core business and as a result, will be disposed of. It was previously disclosed that the Group would dispose of its business interest in ADS and its associated subsidiary, Genbiz Trading 1001 Proprietary Limited ("Genbiz") to Bi-Africa Investment Holdings Proprietary Limited ("Bi-Africa"). The sale transaction was terminated at 28 February 2023 due to the inability to fulfil all conditions precedent. In relation to prior year, management had demonstrated its continued effort to dispose of the business and had engaged Nedbank on a consultant basis to assist in finding a buyer.

#### Reclassification as continuing operations

In July 2024, the Altron Board concluded that retaining ADS within the Group is the most effective option to maximise value for shareholders and that ADS will no longer be classified as held-for-sale and will be included in continuing operations within the IT Services segment (note 39).

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 40 ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (continued)

### 40.3 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

The comparative information has been restated as the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

R millions	GROUP	
	28 February 2025	29 February 2024 <i>Restated*</i>
<b>Net assets of business held-for-sale:</b>		
<b>Assets classified as held-for-sale</b>		
Property, plant and equipment (note 1)	–	26
Right-of-use assets (note 3)	–	1
Deferred taxation (note 9)	–	20
<b>Non-current assets</b>	–	47
Inventories (note 10)	87	84
Trade and other receivables (note 11)	104	212
Contract assets (note 19)	1	2
Cash and cash equivalents (note 12)	3	9
<b>Current assets</b>	195	307
<b>Assets classified as held-for-sale</b>	195	354
<b>Liabilities classified as held-for-sale</b>		
Lease liabilities (note 3)	3	–
<b>Non-current liabilities</b>	3	–
Lease liabilities (note 3)	1	1
Trade and other payables (note 17)	42	54
Contract liabilities (note 19)	3	22
<b>Current liabilities</b>	46	77
<b>Liabilities classified as held-for-sale</b>	49	77

\* Comparative information has been restated. The investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

# Notes to the consolidated financial statements

CONTINUED

for the year ended 28 February 2025

## 40 ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (continued)

### 40.3 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION (continued)

#### Breakdown of disposal groups held-for-sale:

R millions	28 February 2025		
	Altron Nexus	Cumulative Impairments	Total
<b>Assets classified as held-for-sale</b>			
Property, plant and equipment (note 1)	33	(33)	–
Right-of-use assets (note 3)	6	(6)	–
<b>Non-current assets</b>	<b>39</b>	<b>(39)</b>	<b>–</b>
Inventories (note 10)	87	–	87
Trade and other receivables (note 11)	104	–	104
Contract assets (note 19)	1	–	1
Cash and cash equivalents (note 12)	3	–	3
<b>Current assets</b>	<b>195</b>	<b>–</b>	<b>195</b>
<b>Assets classified as held-for-sale</b>	<b>234</b>	<b>(39)</b>	<b>195</b>
Lease liabilities (note 3)	3	–	3
<b>Non-current liabilities</b>	<b>3</b>	<b>–</b>	<b>3</b>
Lease liabilities (note 3)	1	–	1
Trade and other payables (note 17)	42	–	42
Contract liabilities (note 19)	3	–	3
<b>Current liabilities</b>	<b>46</b>	<b>–</b>	<b>46</b>
<b>Liabilities classified as held-for-sale</b>	<b>49</b>	<b>–</b>	<b>49</b>

#### Reconciliation of cumulative impairment losses:

	28 February 2025			
	Property, plant and equipment	Intangible assets and goodwill	Right-of-use assets	Total
<b>Impairment losses at 1 March 2024</b>	(5)	–	(1)	(6)
Impairment losses during the current period	(28)	–	(5)	(33)
Altron Nexus	(28)	–	(5)	(33)
<b>Impairment losses at 28 February 2025</b>	<b>(33)</b>	<b>–</b>	<b>(6)</b>	<b>(39)</b>

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 40 ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (continued)

### 40.3 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION (continued)

#### Breakdown of disposal groups held-for-sale:

R millions	29 February 2024		
	Altron Nexus	Cumulative Impairments	Total
<b>Assets classified as held-for-sale</b>			
Property, plant and equipment (note 1)	32	(5)	27
Right-of-use assets (note 3)	2	(1)	1
Deferred taxation (note 9)	20	–	20
<b>Non-current assets</b>	54	(6)	48
Inventories (note 10)	84	–	84
Trade and other receivables (note 11)	212	–	212
Contract assets (note 19)	2	–	2
Cash and cash equivalents (note 12)	9	–	9
<b>Current assets</b>	307	–	307
<b>Assets classified as held-for-sale</b>	361	(6)	355
Lease liabilities (note 3)	1	–	1
Trade and other payables (note 17)	54	–	54
Contract liabilities (note 19)	22	–	22
<b>Current liabilities</b>	77	–	77
<b>Liabilities classified as held-for-sale</b>	77	–	77

#### Reconciliation of cumulative impairment losses:

R millions	29 February 2024			
	Property, plant and equipment	Intangible assets and goodwill	Right-of-use assets	Total
<b>Impairment losses at 1 March 2023</b>	(3)	–	(2)	(5)
Impairment losses during the current period	(5)	–	(1)	(6)
Altron Nexus	(5)	–	(1)	(6)
Disposed of during the year	3	–	2	5
<b>Impairment losses at 29 February 2024</b>	(5)	–	(1)	(6)

#### Cash flows generated in discontinued operations:

R millions	GROUP	
	28 February 2025	29 February 2024
Net cash generated from operating activities	(147)	86
Net cash utilised in investing activities	(2)	(29)
Net cash generated from financing activities	142	68
Net cash flow for the year	(7)	125

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 41 REPORTING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group determines and presents operating segments based on the information that is internally provided to the Group's Executive Committee, who is the Group's Chief Operating Decision-Makers ("CODM"). An operating segment's operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise of mainly corporate assets (primarily the Group's headquarters).

In addition to revenue, segment results are reported to the CODM with two measures of profitability:

- Operating profit before capital items ("Operating Income before capital items"); and
- Earnings before interest, taxation, depreciation, amortisation, capital items and equity accounted profits ("EBITDA before capital items")

Both measures are used by the CODM for profitability assessment and resource allocation decisions. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets (primarily the Group's headquarters).

The segmental information has been prepared to highlight the continuing and discontinued operations. This provides more insight into revenue, EBITDA before capital items and operating profit before capital items and depreciation disclosed in the statement of comprehensive income.

During July 2023, Altron Nexus was classified as a discontinued operation and held-for-sale. The measures presented below are those that the CODM or the Group monitors on an ongoing basis.

The segment revenues, EBITDA before capital items and operating profit before capital items generated by each of the Group's segments are summarised as follows:

### Segment analysis

The merger of Altron Managed Solutions, Altron Systems Integration and Altron Karabina, was effected at the beginning of the current financial year and resulted in the combination of these cash-generating units ("CGUs") into a single CGU referred to as Altron Digital Business. In the previous financial year, these were individual CGUs operating independently of each other. In analysing the future cash flows, Management views the information from these CGUs as a single CGU due to the dependency on each other since the merger.

The following summary describes the operations and related products and services in each of the Group's reporting segments:

Platforms	
<b>Altron Netstar</b>	Market leading provider of specialist vehicle tracking and recovery systems, fleet management services and usage-based telematics to prevent misuse of company fleet vehicles, reduce cost per kilometre, monitor driver behaviour and increase security and safety of drivers.
<b>Altron FinTech</b>	Solutions include debit order processing, payment and switching services, card personalisation and issuance, credit management software as well as debit and credit card payment solutions. In addition to this, FinTech also provide person-to-person payments and value-added services to the consumer market.
<b>Altron HealthTech</b>	Provides practice management solutions in the healthcare industry and medical transaction switching.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 41 REPORTING SEGMENTS (continued)

Information Technology	
<b>Altron Digital Business</b>	Provider of networking, hardware (networking infrastructure, storage and compute), DevOps and modernisation, end to end data management and IT infrastructure solutions, security, IT as a service, cloud services, data storage, data centre infrastructure, artificial intelligence as well as the design, develop and implementation of specialised solutions (including securely managed identity profile and cryptographic solutions). Altron Digital Business is also a Microsoft certified solutions provider.
<b>Altron Document Solutions</b>	Provides a range of hardware and consumables to manage outsource print services such as installation and training, paper and toner supplies, maintenance and services of equipment and service contracts. Xerox provides leading-edge technology, services, software and supplies for production and office environments of any size.
<b>Altron Security</b>	Altron Security offer customers a securely managed identity profile and cryptographic solutions for their clients across devices, platforms, and locations.
Distribution	
<b>Altron Arrow</b>	Distributor of industrial electronic components from amongst others: batteries and solar; lighting and optics; software and compilers; and semiconductors and aerospace products.
Other	
<b>Corporate and consolidation and other international operations</b>	Head office, shared services and treasury function of the Group.
Discontinued operations	
<b>Altech Autopage Group</b>	Sales, distribution and services provision for cellular network operations.
<b>Altech Multimedia Group (UEC)</b>	Design and manufacture of satellite and terrestrial digital set-top box decoders.
<b>Powertech Group</b>	Manufacturing of power and distribution transformers and other related business.
<b>Altron Rest of Africa</b>	Networking, hardware, software, storage, services, software integration, SAP and management consulting, Microsoft certified solutions provider and a provider of Data Warehousing, CRM services and support. Design, develop and implementation of specialised solutions.
<b>Altron Nexus</b>	Altron Nexus provides enterprise connectivity and critical communications solutions that enables businesses to connect with the world, while enhancing their productivity and sustainability. These solutions are delivered as turnkey projects (Plan, Build, Operate, Support, Transfer), or as subscription services where required.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 41 REPORTING SEGMENTS (continued)

### Segment analysis

The measures presented below are those that the CODM of the Group monitors on an ongoing basis. The segmental information has been prepared to highlight the continuing and discontinued operating segments. This provides more insight into revenue, earnings before interest, tax, depreciation and amortisation and equity accounted income before capital items (EBITDA before capital items), operating profit before capital items and depreciation disclosed in the statement of comprehensive income.

The segment revenues, EBITDA before capital items and operating profit before capital items generated by each of the Group's segments are summarised as follows:

CONTINUING OPERATIONS	Revenue			EBITDA before capital items			Operating profit before capital items		
	28 February 2025	29 February 2024*	Growth	28 February 2025	29 February 2024*	Growth	28 February 2025	29 February 2024*	Growth
<b>R millions</b>									
Altron Netstar	2 277	2 074	10%	935	797	17%	255	222	15%
Altron FinTech	1 282	1 099	17%	457	330	38%	423	289	46%
Altron HealthTech	397	374	6%	122	106	15%	120	102	18%
<b>Platforms</b>	<b>3 956</b>	<b>3 547</b>	<b>12%</b>	<b>1 514</b>	<b>1 233</b>	<b>23%</b>	<b>798</b>	<b>613</b>	<b>30%</b>
Altron Digital Business**	3 241	3 558	(9%)	109	193	(44%)	83	156	(47%)
Altron Document Solutions	1 417	1 397	1%	84	(74)	214%	61	(97)	163%
Altron Security	397	449	(12%)	114	101	13%	86	72	19%
<b>IT Services</b>	<b>5 055</b>	<b>5 404</b>	<b>(6%)</b>	<b>307</b>	<b>220</b>	<b>40%</b>	<b>230</b>	<b>131</b>	<b>76%</b>
Altron Arrow	669	802	(17%)	69	69	–	67	67	–
<b>Distribution</b>	<b>669</b>	<b>802</b>	<b>(17%)</b>	<b>69</b>	<b>69</b>	<b>–</b>	<b>67</b>	<b>67</b>	<b>–</b>
Corporate and consolidation and other international operations	(92)	(150)	39%	(68)	(86)	21%	(123)	(161)	24%
<b>Other</b>	<b>(92)</b>	<b>(150)</b>	<b>39%</b>	<b>(68)</b>	<b>(86)</b>	<b>21%</b>	<b>(123)</b>	<b>(161)</b>	<b>24%</b>
<b>Continuing Operations</b>	<b>9 588</b>	<b>9 603</b>	<b>(0%)</b>	<b>1 822</b>	<b>1 436</b>	<b>27%</b>	<b>972</b>	<b>650</b>	<b>50%</b>
<b>DISCONTINUED OPERATIONS</b>									
<b>R millions</b>									
Altron Nexus	343	659	(48%)	(149)	(421)	65%	(148)	(433)	66%
Corporate and consolidation	–	63	(100%)	(6)	(30)	80%	(7)	(30)	77%
<b>Discontinued Operations</b>	<b>343</b>	<b>722</b>	<b>(52%)</b>	<b>(155)</b>	<b>(451)</b>	<b>66%</b>	<b>(155)</b>	<b>(463)</b>	<b>67%</b>
<b>Total</b>	<b>9 931</b>	<b>10 325</b>	<b>(4%)</b>	<b>1 667</b>	<b>985</b>	<b>69%</b>	<b>817</b>	<b>187</b>	<b>337%</b>

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

\*\* The revenue, EBITDA and operating profit of the Altron Digital Business for the prior year include 4 months of the ATM Hardware and Support Business that was sold effective 1 July 2023 (note 42.4). The amounts included for the business sold are: Revenue - R333 million; EBITDA loss - R3 million and Operating loss - R3 million.

Depreciation (note 20.6)			Materials and services consumed		
28 February 2025	29 February 2024*	Growth	28 February 2025	29 February 2024*	Growth
(716)	(620)	15%	(1 536)	(1 462)	5%
(77)	(89)	(13%)	(3 287)	(3 617)	(9%)
(2)	(2)	–	(557)	(672)	(17%)
(55)	(75)	(27%)	132	155	15%
(850)	(786)	8%	(5 248)	(5 596)	(6%)

Depreciation (note 20.6)			Materials and services consumed		
28 February 2025	29 February 2024*	Growth	28 February 2025	29 February 2024*	Growth
–	(12)	(100%)	(420)	(842)	(50%)
(850)	(798)	7%	(5 668)	(6 438)	(12%)

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 41 REPORTING SEGMENTS (continued)

Segment EBITDA before capital items can be reconciled to operating profit before capital items as follows:

R millions	28 February 2025	29 February 2024*
<b>EBITDA before capital items</b>	<b>1 667</b>	985
Reconciling items:		
Depreciation – Property, plant and equipment	<b>(87)</b>	(100)
Depreciation – Right-of-use assets	<b>(95)</b>	(115)
Amortisation	<b>(107)</b>	(113)
Amortisation of costs incurred to acquire contracts and capital rental devices	<b>(561)</b>	(470)
<b>Total operating profit before capital items</b>	<b>817</b>	187
<b>Discontinued operations profit before capital items</b>	<b>155</b>	463
<b>Continuing operations profit before capital items</b>	<b>972</b>	650

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

Revenues/EBITDA before capital items/operating profit from segments below the quantitative thresholds are attributable to smaller operating segments of the Altron Group. None of those segments have met any of the quantitative thresholds for determining reportable segments for the reportable periods. Quantitative thresholds have been calculated based on totals for the Altron Group and not per sub-group.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 42 DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND BUSINESSES

### 42.1 Current year disposals and proceeds receivable

No operations were disposed of during the year

### 42.2 Prior year disposals and proceeds receivable

#### 42.2.1 Disposal of AROA operations, Altron Technologies Namibia ("Altron Namibia")

The AROA segment was classified as held-for-sale during June 2021. Altron Namibia formed part of the AROA segment and was disposed of during the previous year to RCK Investment Proprietary Limited, effective 1 February 2024. The Group had a 74% shareholding in Altron Namibia.

The carrying value of the remaining assets and liabilities disposed of are disclosed below:

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Non-current assets</b>	-	1
Property, plant and equipment	-	1
<b>Current assets</b>	-	34
Inventory	-	9
Trade and other receivables	-	24
Cash and cash equivalents	-	1
<b>Current liabilities</b>	-	(15)
Trade and other payables including contract liabilities	-	(15)
<b>Non-current liabilities</b>	-	(1)
Loans (incl Lease liabilities)	-	(1)
<b>Disposal value</b>	-	19
Loss on disposal (note 21)	-	(7)
Cash and cash equivalents disposed	-	(1)
<b>Proceeds received net of cash disposed</b>	-	11

#### 42.2.2 Disposal of AROA operations, Altron BTG Kenya Limited ("Altron Kenya")

The AROA segment was classified as held-for-sale during June 2021. Altron Kenya formed part of the AROA segment and was disposed of during the previous year to TWM Digital Solutions (Private) Limited, effective 1 April 2023.

The carrying value of the assets and liabilities disposed of are disclosed below:

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Non-current assets</b>	-	1
Property, plant and equipment	-	1
<b>Current assets</b>	-	43
Inventory	-	6
Trade and other receivables	-	31
Cash and cash equivalents	-	6
<b>Current-liabilities</b>	-	(35)
Taxation payable	-	(4)
Trade and other payables including contract liabilities	-	(31)

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 42 DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND BUSINESSES (continued)

### 42.2 Prior year disposals and proceeds receivable (continued)

#### 42.2.2 Disposal of AROA operations, Altron BTG Kenya Limited ("Altron Kenya") (continued)

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Disposal value</b>	-	9
Foreign currency translation reserve recycled	-	(1)
Loss on disposal (note 21)	-	(8)
Cash and cash equivalents disposed	-	6
<b>Proceeds received net of cash disposed</b>	-	6

#### 42.2.3 Disposal of AROA operations, Altron BTG Rwanda Limited ("Altron Rwanda")

The AROA segment was classified as held-for-sale during June 2021. Altron Rwanda formed part of the AROA segment and was disposed of during the previous year to TID Solutions (Proprietary) Limited, effective 1 November 2023.

The carrying value of the remaining assets and liabilities disposed of are disclosed below:

R millions	GROUP	
	28 February 2025	29 February 2024
<b>Current assets</b>	-	4
Cash and cash equivalents	-	4
<b>Current-liabilities</b>	-	(6)
Taxation payable	-	(3)
Trade and other payables including contract liabilities	-	(3)
<b>Disposal value</b>	-	(2)
Profit on disposal (note 21)	-	3
Cash and cash equivalents disposed	-	(4)
<b>Proceeds received net of cash disposed</b>	-	(3)

#### 42.2.4 Disposal ATM Hardware and Support Business of Altron Managed Solutions ("AMS")

As disclosed within assets classified as held-for-sale in prior year, the Board approved the disposal of the ATM Hardware and Support Business, a component of the Altron Managed Solutions operation ("AMS ATM Hardware and Support Business"). The business consists of ATM hardware sales, implementation, licensing, repairs and maintenance and an approved re-work centre, as well as managed services for cash automation technologies.

Effective 1 July 2023, the Group, through its wholly owned subsidiary Altron TMT Proprietary Limited ("ATMT") disposed of the ATM Hardware and Support Business to NCR Corporation ("NCR").

The AMS operation will continue to operate all remaining portfolios including its retail solutions, end user computer support, cloud platform and software solutions.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 42 DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND BUSINESSES (continued)

### 42.2 Prior year disposals and proceeds receivable (continued)

#### 42.2.4 Disposal ATM Hardware and Support Business of Altron Managed Solutions ("AMS")

Prior to disposal, an impairment loss of R1 million was recognised specifically relating to AMS ATM Hardware and Support Business held-for-sale assets and liabilities (note 40). The carrying value of the remaining assets and liabilities disposed of are disclosed below:

R millions	GROUP	
	28 February 2025	29 February Restated*
<b>Non-current assets</b>	-	3
Property, plant and equipment	-	3
<b>Current assets</b>	-	173
Inventory	-	144
Trade and other receivables	-	29
<b>Current-liabilities</b>	-	(159)
Trade and other payables including contract liabilities	-	(159)
<b>Disposal value</b>	-	17
Loss on disposal	-	(4)
<b>Proceeds received</b>	-	13

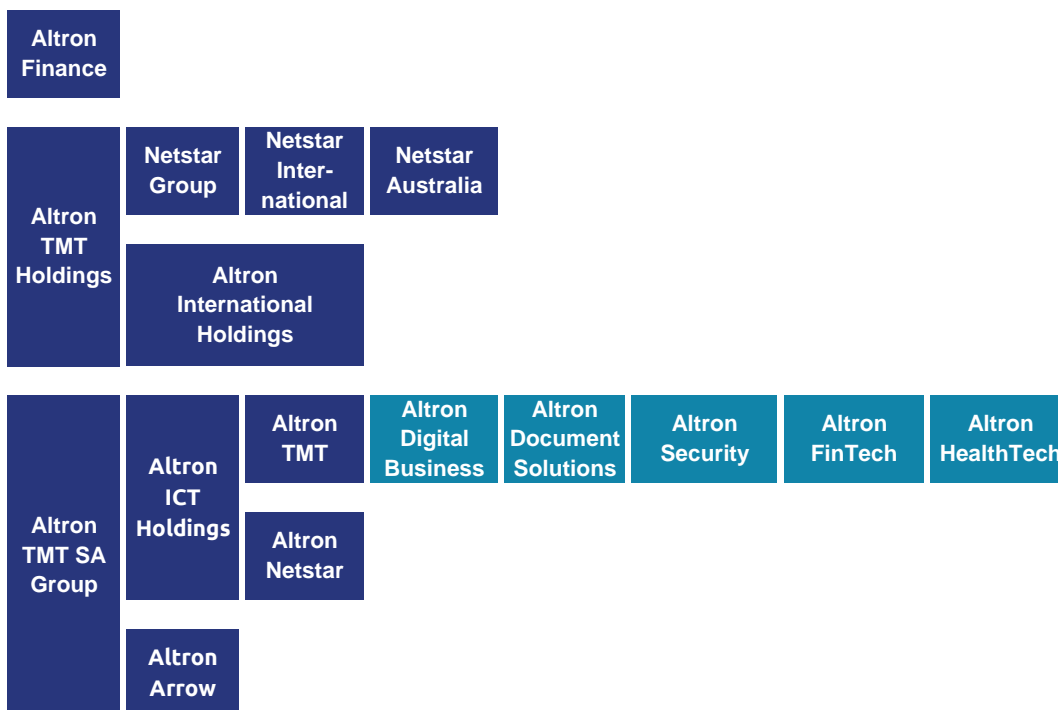
# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 43 GROUP COMPOSITION

### 43.1 Interests in subsidiaries

# ALTRON



#### Legends

- Legal entity
- Divisions

The Group structure included above only includes the Group's core subsidiaries. The associates and joint ventures have been excluded as these do not form part of the Group's core operations and are not considered material to the Group. Discontinued operations have been excluded as they do not form part of the Group's core operations.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 43 GROUP COMPOSITION (continued)

### 43.2 Non-controlling interests

The following subsidiaries have material non-controlling interest (NCI).

Name	Principal place of business / country of incorporation	Ownership interests held by NCI	
		28 February 2025	29 February 2024
Altron Arrow Proprietary Limited	South Africa	50% - 1 share	50% - 1 share

R millions	28 February 2025		
	Altron Arrow	Other non- material NCI	Total NCI
Revenue	669		
Profit / (loss)	52		
<b>Profit / (loss) attributable to non-controlling interests</b>	<b>26</b>	<b>(1)</b>	<b>25</b>
Other comprehensive income	–		
Total comprehensive income	52		
<b>Total comprehensive income / (loss) attributable to non-controlling interests</b>	<b>26</b>	<b>(1)</b>	<b>25</b>
Current assets	349		
Non-current assets	28		
Share based payments	2		
Current liabilities	(69)		
Non-current liabilities	(4)		
<b>Net assets</b>	<b>306</b>		
<b>Net assets attributable to non-controlling interests at 29 February 2024</b>	<b>135</b>	<b>11</b>	<b>146</b>
<b>Total comprehensive income attributable to non-controlling interests</b>	<b>26</b>	<b>(1)</b>	<b>25</b>
<b>Dividends paid to non-controlling interests during the year</b>	<b>(8)</b>	<b>–</b>	<b>(8)</b>
Dividends received by non-controlling interests during the year	–	6	6
<b>Net assets attributable to non-controlling interests at 28 February 2025</b>	<b>153</b>	<b>16</b>	<b>169</b>
<b>Summarised statement of cash flows</b>			
Net cash utilised in operating activities	58		
Net cash utilised in investing activities	(3)		
Effect of exchange rate fluctuations on cash	(2)		
<b>Net decrease in cash and cash equivalents</b>	<b>53</b>		
<b>Net cash and cash equivalents at the beginning of the year</b>	<b>77</b>		
<b>Net cash and cash equivalents at the end of the year</b>	<b>130</b>		

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 43 GROUP COMPOSITION (continued)

### 43.2 Non-controlling interests (continued)

R millions	29 February 2024		
	Altron Arrow	Other non-material NCI Restated*	Total NCI
Revenue	802		
Profit / (loss)	50		
<b>Profit / (loss) attributable to non-controlling interests</b>	25	(1)	24
Other comprehensive income	–		
Total comprehensive income	50		
<b>Total comprehensive income / (loss) attributable to non-controlling interests</b>	25	(1)	24
Current assets	365		
Non-current assets	31		
Share based payments	2		
Current liabilities	(123)		
Non-current liabilities	4		
<b>Net assets</b>	279		
<b>Net assets attributable to non-controlling interests at 28 February 2023</b>	112	6	118
<b>Disposed of during the year</b>	–	7	7
<b>Total comprehensive income attributable to non-controlling interests</b>	25	(2)	23
<b>Dividends paid to non-controlling interests during the year</b>	(2)	–	(2)
<b>Net assets attributable to non-controlling interests at 29 February 2024</b>	135	11	146
<b>Summarised statement of cash flows</b>			
Net cash generated in operating activities	75		
Net cash utilised in investing activities	(2)		
<b>Net increase in cash and cash equivalents</b>	73		
<b>Net cash and cash equivalents at the beginning of the year</b>	4		
<b>Net cash and cash equivalents at the end of the year</b>	77		

\* Comparative information has been restated because the investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

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# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 43 GROUP COMPOSITION (continued)

### 43.3 Interest in associate

The Group has no material associates.

The table below summarises the associate entities in which the Group holds an interest.

Investment	Nature of business
Mediswitch Namibia Proprietary Limited	Provides healthcare IT and eCommerce solutions in Saudi Arabia and Namibia.

The following is summarised financial information for the Group's interest in associates:

R millions	Altron controlled interest		Attributable share of profit / (loss)	
	28 February 2025	29 February 2024	28 February 2025	29 February 2024
	%	%	R millions	R millions
<b>Unlisted</b>				
Mediswitch Namibia Proprietary Limited	50	50	3	2
			3	2

Dividends Received		(Decrease) / increase in impairment		Total Investment	
28 February 2025 R millions	29 February 2024 R millions	28 February 2025 R millions	29 February 2024 R millions	28 February 2025 R millions	29 February 2024 R millions
(3)	(2)	-	-	1	1
(3)	(2)	-	-	1	1

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 43 GROUP COMPOSITION (continued)

### 43.4 Interests in joint ventures

R millions	28 February 2025
Balance at 28 February 2024 (note 4)	1
Loans advanced	1
Share of equity accounted profits	–
Increase in ECL allowance	(1)
Balance at 28 February 2025 (note 4)	1

The Group holds an interest in the following jointly controlled entities:

**Thobela Telecom** – The Group participates in this 26.5% joint arrangement through Altron Nexus in respect of the City of Tshwane broadband project. Since inception, the Group advanced a cumulative loan of R103 million (2024: R102 million) to Thobela over the years.

In line with the approach outlined in note 11, management prepared a weighted probability analysis of the amount expected to be received. The Group resolved to increase its ECL impairment allowance to R103 million (2024: R102 million).

The movement in the loan provided and the ECL raised is summarised as follows:

R millions	28 February 2025			29 February 2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Balance at the beginning of the year	102	(102)	–	95	(64)	31
Increase in loan	1	–	1	7	–	7
Increase in ECL allowance	–	(1)	(1)	–	(38)	(38)
Balance at the end of the year	103	(103)	–	102	(102)	–

Due to the objective evidence of impairment, the loan provided to Thobela Telecom is classified as stage 3 non-performing with reference to the general model for impairment.

# Notes to the consolidated financial statements CONTINUED

for the year ended 28 February 2025

## 43 GROUP COMPOSITION (continued)

### 43.5 Involvement with unconsolidated structured entities

#### Preference share in Technologies Acceptances Receivables Proprietary Limited (TAR)

TAR is a securitisation vehicle based in South Africa used to house leases predominately related to equipment leased by the Group.

The Group owns one variable rate cumulative redeemable preference share in TAR. At the reporting date, a fair value assessment was undertaken which, using recognised valuation principles and techniques, indicated that the preference share was fairly valued at R21 million (2024: R21 million).

Refer to note 29.7 for information relating to fair value determination.

The Group has concluded that it does not control, and therefore should not consolidate, the TAR securitisation vehicle. TAR was formed to pool leases of the Group's products. In substance, TAR's purpose is to facilitate the financing of lease equipment by the Group and a senior funder and to house the lease transactions. When considering the Group's lack of practical ability to direct the relevant activities of TAR as well as agency vs. principal considerations, Altron does not have power over the relevant activities and hence does not control TAR.

#### Exposure to credit risk

The maximum exposure to credit risk for the Group in relation to the repayment of the loan share at the balance sheet date amounts to R138 million (2024: R142 million). The loan is interest-bearing at JIBAR plus 1.65% to a maximum of the South African prime rate plus 6% and is repayable by 31 December 2025. TAR is exposed to the risk of customers defaulting on their lease rental payments. Refer to note 5.

All customers are credit vetted, credit is only extended to customers in accordance with the stipulations of the securitisation vehicle, and is effectively secured by the underlying assets. Expected credit loss experience is in line with expectations given the nature of the book.

#### Absorption of losses

The Altron Group is required to provide funding to TAR through the loan and need to fund at least 22% of the leases purchased. The balance is provided by the senior lender. In order to absorb exposure to non-performing leases, the Altron Group is entitled, but not obliged to, make additional Participation Loan Advances to TAR. Where leases default, the commitment of the Altron Group is therefore limited with regards to ensuring the continued operation of TAR. While the Altron Group may not have a legal obligation to advance additional funding to TAR in the event of default it may choose to do so.

The Altron Group, through its preference share investment, retains the right to receive any residual in TAR after all other parties have been repaid should TAR enter into liquidation.

#### Exposure to interest rate risk

The TAR loan notes earn a minimum interest rate of JIBAR plus 1.65% (2024: JIBAR plus 1.65%) and a maximum interest rate of South African prime plus 6%. Any return in excess of the prime plus 6% cap is declared as a dividend against the Group's preference share investment in TAR. Refer to note 29.4 for further disclosure relating to interest rate risk.

# Separate financial statements

for the year ended 28 February 2025

## SEPARATE BALANCE SHEET AT 28 FEBRUARY 2025

		COMPANY	
		28 February 2025	29 February 2024
		R'000	R'000
Notes			
<b>ASSETS</b>			
<i>Non-current assets</i>			
		<b>3 182 811</b>	3 191 386
	Investment in subsidiaries	2	2 734 722
	Defined benefit asset	9	367 376
	Group share scheme recharge receivable	5	80 713
			15 356
<i>Current assets</i>			
		<b>166 596</b>	411 387
	Trade and other receivables		16 661
	Amount receivable from subsidiary	2	121 327
	Group share scheme recharge receivable	5	26 764
	Cash and cash equivalents		1 844
			1 628
<b>Total assets</b>		<b>3 349 407</b>	3 602 773
<b>EQUITY AND LIABILITIES</b>			
<i>Total equity</i>			
		<b>3 347 507</b>	3 599 041
	Share capital and premium	3	1 259 361
	Retained earnings		1 548 863
	Other reserves		539 283
<i>Current liabilities</i>			
		<b>1 900</b>	3 732
	Other payables		1 900
			3 732
<b>Total equity and liabilities</b>		<b>3 349 407</b>	3 602 773

# Separate financial statements (continued)

for the year ended 28 February 2025

## SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025

	Notes	COMPANY	
		28 February 2025 R'000	29 February 2024 R'000
Operating costs		(402)	(342)
Other income		49 447	35 042
Pension Fund Income (Net defined benefit asset)	9	46 336	35 042
Other		3 111	–
<b>Operating profit</b>		<b>49 045</b>	<b>34 700</b>
<b>Profit before taxation</b>		<b>49 045</b>	<b>34 700</b>
Taxation	4	–	–
Profit for the year		49 045	34 700
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit asset		(29 918)	52 323
<b>Other comprehensive income / (loss) for the year</b>		<b>(29 918)</b>	<b>52 323</b>
<b>Total comprehensive income for the year</b>		<b>19 127</b>	<b>87 023</b>

# Separate financial statements (continued)

for the year ended 28 February 2025

## SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2025

R'000	A Ordinary share capital (Note 3)	Share premium (Note 3)	High Voting Shares	Share-based payment reserve	Fair value reserve	Retained earnings	Total equity
<b>Balance at 28 February 2023</b>	1 238 436	–	10	174 763	307 234	1 946 343	3 666 786
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	–	–	34 700	34 700
<b>Other comprehensive loss</b>							
Remeasurement of net defined benefit asset	–	–	–	–	52 323	–	52 323
<b>Total comprehensive income for the year</b>	–	–	–	–	52 323	34 700	87 023
<b>Transactions with owners, recorded directly in equity</b>							
Share-based payments expense	–	–	–	26 179	–	–	26 179
Dividends declared	–	–	–	–	–	(180 947)	(180 947)
Share options exercised	2 762	–	–	(2 762)	–	–	–
<b>Total transactions with owners</b>	2 762	–	–	23 417	–	(180 947)	(154 768)
<b>Balance at 29 February 2024</b>	1 241 198	–	10	198 180	359 557	1 800 096	3 599 041
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	–	–	49 045	49 045
<b>Other comprehensive income</b>							
Remeasurement of net defined benefit asset	–	–	–	–	(29 918)	–	(29 918)
<b>Total comprehensive income for the year</b>	–	–	–	–	(29 918)	49 045	19 127
<b>Transactions with owners, recorded directly in equity</b>							
Share-based payments expense	–	–	–	49 144	–	–	49 144
Dividends declared	–	–	–	–	–	(300 278)	(300 278)
Treasury shares used for Share-based payment transactions	–	–	–	(19 527)	–	–	(19 527)
Share options exercised	18 153	–	–	(18 153)	–	–	–
<b>Total transactions with owners</b>	18 153	–	–	11 464	–	(300 278)	(270 661)
<b>Balance at 28 February 2025</b>	1 259 351	–	10	209 644	329 639	1 548 863	3 347 507

# Separate financial statements (continued)

for the year ended 28 February 2025

## SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2025

	Notes	COMPANY	
		28 February 2025 R'000	29 February 2024 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	6.1	288 189	176 310
Dividends paid		(300 278)	(180 947)
<b>Net cash outflow from operating activities</b>		<b>(12 089)</b>	<b>(4 637)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds received on the recharge of shares issued relating to share based payments		12 305	4 772
<b>Net cash inflow from financing activities</b>		<b>12 305</b>	<b>4 772</b>
<b>Increase in cash and cash equivalents</b>		<b>216</b>	<b>135</b>
Cash and cash equivalents at the beginning of the year		1 628	1 493
Cash and cash equivalents at the end of the year		1 844	1 628

# Notes to the separate financial statements

for the year ended 28 February 2025

## 1 ACCOUNTING POLICIES

Refer to the accounting policies as included in the consolidated financial statements.

## 2 INTEREST IN SUBSIDIARIES

	Effective shareholding		Shares at cost		Indebtedness	
	28 February 2025	29 February 2024	28 February 2025	29 February 2024	28 February 2025	29 February 2024
	%	%	R'000	R'000	R'000	R'000
Altron Finance Proprietary Limited – ordinary shares	100	100	235	235	121 327	394 062
Altron Finance Proprietary Limited – preference shares	100	100	2 633 952	2 633 952	–	–
Investment in subsidiaries – share-based payments			100 535	159 647	–	–
			<b>2 734 722</b>	<b>2 793 834</b>	<b>121 327</b>	<b>394 062</b>

The above loan receivable from Altron Finance Proprietary Limited, a subsidiary of the company is unsecured, interest-free and has no fixed terms of repayment.

The preference share is non-cumulative, non-redeemable, non-convertible and is non-interest-bearing.

### Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	COMPANY	
	28 February 2025	29 February 2024
	R'000	R'000
Amount receivable from subsidiary	121 327	394 062
Other amounts receivable	16 661	–
Cash and cash equivalents	1 844	1 628
	<b>139 832</b>	<b>395 690</b>

### Application of IFRS 9

The Company has the following financial assets subject to the expected credit loss model (ECL):

Amounts receivable from subsidiaries

Cash and cash equivalents

The Company applies the 3-stage general impairment model when measuring expected credit losses. The Company applies a 12-month expected loss allowance (through a simplified parameter based approach) to the amounts receivable from subsidiaries as there has not been an increase in the credit risk since initial recognition.

Simplified parameter-based approach – ECL are calculated using a formula incorporating the following parameters: exposure at default (EAD), probability of default (PD) and loss given default (LGD) (i.e.  $ECL = PD \times LGD \times EAD$ ). The inputs used in the calculation of the ECL are based on published indexes which incorporates an element of forward-looking information.

Based on the application of the above, due to the low probability of default attributable to Altron Finance (Pty) Ltd, the identified impairment loss was immaterial.

The preference share investment as disclosed above has been classified as an equity investment in terms of IAS 32.

While cash and cash equivalents are also subject to the expected credit loss model, the identified impairment loss was immaterial, due to the low probability of default taking into account the credit rating of the financial institutions that the funds are held at (note 8).

# Notes to the separate financial statements (continued)

for the year ended 28 February 2025

## 3 SHARE CAPITAL AND PREMIUM

	28 February 2025	29 February 2024	28 February 2025	29 February 2024
	Number of shares	Number of shares	R'000	R'000
<b>Authorised</b>				
A Ordinary shares of no par value (2024: No par value)	500 000 000	500 000 000	–	–
N Ordinary shares of 0.01 cent each (2024: 0.01 cent each)	500 000 000	500 000 000	–	–
High Voting share of no par value ( <i>unlisted</i> )	1	1	–	–
<b>Issued</b>				
<i>A Ordinary shares</i>				
In issue at the beginning of the year	411 018 564	410 681 964	1 241 198	1 238 436
Issued in terms of share schemes	1 036 831	336 600	18 153	2 762
In issue at the end of the year	412 055 395	411 018 564	1 259 351	1 241 198
<i>High Voting share</i>				
In issue at the beginning of the year	1	1	10	10
Net High Voting share at the end of the year	1	1	10	10
<b>Total issued share capital and premium</b>			<b>1 259 361</b>	<b>1 241 208</b>

## 4 TAXATION

	COMPANY	
	28 February 2025	29 February 2024
	R'000	R'000
Current taxation	–	–
Prior year adjustment	–	–
	–	–
Reconciliation of rate of taxation	%	%
	--	--
South African normal taxation rate	27.0	27.0
Non-taxable income*	(27.22)	(27.27)
Non-deductible expenses	0.22	0.27
Effective taxation rate	–	–

\* Non-taxable income relates to the defined benefit fund gain.

# Notes to the separate financial statements (continued)

for the year ended 28 February 2025

## 5 GROUP SHARE-BASED PAYMENTS

	Company	
	28 February 2025 R'000	29 February 2024 R'000
Group share scheme recharge receivable at fair value (note 7)	107 477	31 053
Non-current portion	80 713	15 356
Current portion	26 764	15 697

Details of employee share options granted by the Company are reflected in the Consolidated Financial Statements (note 13.4). Options granted under the "Altron 2009 Share Plan" are subject to a recharge arrangement with participating subsidiaries upon exercise of the options by employees of those companies and have been accounted for as set out in the "Group share-based payments" accounting policy in the Consolidated Financial Statements.

The fair value of the Group share scheme recharge receivable is based on both level 1 and level 3 inputs depending on which share options and schemes are being considered. Performance Share Awards ("PS") and Bonus Share Grants ("BS") use level 1 inputs. Share Appreciation Rights ("SARs") generally uses level 3 inputs. Level 1 inputs are based on quoted prices in an active market. Level 3 inputs are based on unobservable inputs and driven by historic market quoted prices.

## 6 NOTES TO THE STATEMENT OF CASH FLOWS

	COMPANY	
	28 February 2025 R'000	29 February 2024 R'000
<b>6.1 CASH UTILISED IN OPERATIONS</b>		
Profit before tax	49 045	34 700
<i>Adjusted for:</i>		
Pension fund income	(46 336)	(35 042)
Other non-cash movements	(3 111)	
	(402)	(342)
<i>Changes in working capital</i>	288 591	176 652
Decrease in intercompany	287 312	176 517
Increase / (Decrease) in other payables	1 279	135
	288 189	176 310
<b>6.2 TAXATION PAID</b>		
Taxation payable at the beginning of the year	-	-
Recognised in profit or loss	-	-

# Notes to the separate financial statements (continued)

for the year ended 28 February 2025

## 7 RELATED PARTIES

	COMPANY	
	28 February 2025 R'000	29 February 2024 R'000
The Company has a related party relationship with its subsidiaries, joint ventures and associates (note 43 of the consolidated financial statements).		
<b>Shareholders</b>		
The principal shareholders of the Company are detailed in the analysis of shareholders in note 30 of the consolidated financial statements.		
<b>Directors</b>		
The Company has a related-party relationship with its Directors (note 30 of the consolidated financial statements).		
<b>Group share-based payments</b>		
The Group has a relationship with certain of its subsidiaries in accordance with the Group share-based payment arrangement (note 5), for which the balances outstanding at reporting date are as follows:		
Altron Arrow	2 255	438
Altron TMT	90 609	27 748
Netstar	14 613	2 867
	<b>107 477</b>	<b>31 053</b>

## 8 FINANCIAL RISK MANAGEMENT

### Credit risk

The Company limits its credit risk exposure by investing only with financial institutions that have a sound credit rating. Management does not expect any counterparty to fail to meet its obligations based on the credit ratings of the financial institutions presented below:

	Amount receivable from subsidiary			Cash and cash equivalents*
	R'000	Other amounts receivable R'000	R'000	
<b>28 February 2025</b>				
South Africa	121 327	16 661	1 844	
<b>29 February 2024</b>				
South Africa	394 062	–	1 628	

\* Credit ratings of the applicable financial institutions where cash and cash equivalents are held are BB- (2024: BB-).

# Notes to the separate financial statements (continued)

for the year ended 28 February 2025

## 8 FINANCIAL RISK MANAGEMENT (continued)

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due.

The Company ensures it has sufficient cash on demand or access to facilities to meet expected operational expenses for the next 12 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

### Financial guarantee liability

The Company provided a payment guarantee in favour of a lease financier who financed the lease receivables to parastatals amounting to R70 million. This guarantee provides security for the payment of any outstanding lease commitments in respect of specific leased processing equipment. The guarantee can be called upon at year end and it expires on 28 February 2027. The fair value of the guarantee and subsequent ECL was calculated to be immaterial as the actual equipment sold is collateral to the Group.

## 9 DEFINED BENEFIT ASSET

Retirement benefit plans are disclosed in the Consolidated Financial Statements. Refer to note 18.

## 10 STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of other new pronouncements are effective for the Company from 1 March 2025, these have been considered and do not have a material effect on the Company's financial statements. Refer to note 32 of the Consolidated Financial Statements.

## 11 EVENTS SUBSEQUENT TO YEAR END

### Dividends declared

The Board declared a final dividend of 50 cents per share on 22 May 2025.

The Directors are not aware of any other events after the reporting period that will have an impact on financial position, performance or cash flows of the Group.

## 12 DIRECTOR INFORMATION

The Altron Group announced that effective 17 May 2024 Grigoris Kouteris has been appointed as Non-Executive Director and as a member of the Investment Committee and Audit and Risk Committee (subject to shareholder approval at the annual general meeting) from 1 February 2025.

The Altron Group announced that effective 6 August 2024 Robert Eben Venter passed on and will no longer fill his position as Non-Executive Director.

## 13 GOING CONCERN

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the Company will not be a going concern in the year ahead.

# HISTORICAL FINANCIAL REVIEW (TOTAL OPERATIONS)

## ALTRON LIMITED

R millions	28 February 2025	2024*	2023*	2022*	2021*	2020
<b>INCOME STATEMENT</b>						
Revenue	9 931	10 325	10 848	9 518	15 453	16 713
Operating profit	817	187	318	420	950	1 084
Finance income	93	91	86	53	86	116
Finance expense	(178)	(191)	(204)	(187)	(251)	(350)
Profit / (loss) from equity accounted investees	3	2	3	3	(41)	–
Foreign exchange gains and losses	(1)	(7)	4	(5)	5	–
Capital items	(153)	(80)	(112)	(323)	11 538	(3)
Profit / (loss) before taxation	581	2	95	(39)	12 287	847
Taxation	(166)	(149)	(77)	(47)	(145)	(189)
Profit / (loss) after taxation	415	(147)	18	(86)	12 142	658
Attributable to Non-controlling interests	25	23	17	9	(12)	(12)
Attributable to Altron equity holders	390	(170)	1	(104)	12 154	670
Headline earnings	510	(111)	93	121	495	667
Dividends paid	277	168	147	437	219	271
<b>BALANCE SHEET</b>						
<b>Assets</b>						
Property, plant and equipment	304	350	415	459	422	648
Goodwill and other intangible assets	1 547	1 535	1 570	1 555	1 382	1 945
Right-of-use assets	410	409	588	785	1 013	524
Equity accounted investments and other investments	23	165	205	268	237	344
Capital rental devices	580	429	345	277	264	297
Contract costs capitalised	780	723	551	388	241	163
Finance lease assets	357	387	225	238	–	237
Defined benefit asset	368	382	295	254	253	83
Deferred taxation	150	181	235	238	151	134
Other non-current assets	–	–	–	–	–	132
Other current assets	3 501	3 607	4 467	4 133	5 214	7 263
Taxation receivable	75	55	30	24	17	32
Restricted cash	–	–	–	–	–	13
Cash and cash equivalents	1 017	1 140	750	759	1 381	1 810
<b>Total assets</b>	<b>9 112</b>	<b>9 363</b>	<b>9 676</b>	<b>9 378</b>	<b>10 575</b>	<b>13 625</b>
<b>Equity and liabilities</b>						
Shareholders' equity	4 015	3 931	4 196	4 257	4 764	3 939
Non-controlling interests	169	146	118	106	102	(176)
Total equity	4 184	4 077	4 314	4 363	4 866	3 763
Non-current loans	217	649	1 048	1 095	848	1 707
Current loans	623	195	180	287	279	493
Loans	840	844	1 228	1 382	1 127	2 200
Other non-current liabilities	711	565	449	348	193	404
Lease liabilities	828	826	917	1 039	1 102	572
Bank overdraft	24	513	59	158	650	854
Other current liabilities	2 525	2 538	2 709	2 088	2 447	5 832
<b>Total equity and liabilities</b>	<b>9 112</b>	<b>9 363</b>	<b>9 676</b>	<b>9 378</b>	<b>10 385</b>	<b>13 625</b>

\*\* Comparative information has been restated. The investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

### Definitions

**Earnings** - Attributable earnings as disclosed in the income statement.

**Borrowings** - All interest-bearing liabilities.

**Total assets** - Property, plant and equipment, investments and loans together with current assets.

**Operating assets** - Total assets less investments, loans, deferred tax and cash.

**Capital employed** - The total of total equity and borrowings.

**Operating profit** - is stated before capital items.

# RATIOS AND STATISTICS

	28 February 2025	2024*	2023*	2022*	2021*	2020
<b>Earnings</b>						
Basic earnings / (loss) per share (cents)	103	(44)	–	(26)	3 269	174
Headline earnings / (loss) per share (cents)	134	(29)	25	32	133	174
Ordinary shares in issue (millions)						
– at year end	381	379	378	375	370	371
– weighted average	380	379	377	372	371	371
<b>Profitability</b>						
Operating profit to revenue (%)	8.2	1.8	2.9	4.4	6.1	6.5
EBITDA before capital items	1 667	985	1 049	1 100	1 708	1 829
EBITDA before capital items to revenue (%)	16.8	9.5	9.7	11.6	11.1	10.9
Return on equity (continued operations) (%) - averaged	17.1	9.6	6.5	5.0	3.0	6.6
Return on capital employed (%) - averaged	17.5	3.8	5.9	7.4	16.5	20.1
Return on operating assets (%)	15.3	3.4	4.9	6.8	14.7	10.6
Return on net assets (%)	13.0	3.1	5.0	6.4	13.6	14.5
<b>Financial</b>						
Current ratio	1.4:1	1.4:1	1.7:1	1.8:1	1.7:1	1.2:1
Acid test ratio	1.1:1	1.2:1	1.3:1	1.4:1	1.4:1	1.1:1
Net asset value per share	1 053	1 038	1 109	1 134	1 289	1 061
<b>Shares</b>						
Price: earnings ratio (times)						
– ordinary shares	15.3	-35.5	34.4	23.1	8.7	11.6
Market value per share at year end (cents)						
– A ordinary shares	2 056	1 030	860	740	1 153	2 019
<b>Other</b>						
Consumer price index (percentage increase)	3.2	5.6	7.0	5.7	2.9	4.6
Production price index (percentage increase)	1.0	4.5	12.2	10.5	4.0	4.5
Number of permanent employees	4 329	4 597	5 009	5 616	7 711	7 331

\*\* Comparative information has been restated. The investment in Altron Document Solutions is no longer considered to be held-for-sale (note 39).

## Definitions

**Acid test** - The ratio of current assets excluding inventories to current liabilities.

**Borrowings ratio** - The percentage of borrowings to total equity.

**Current ratio** - The ratio of current assets to current liabilities.

**Market value per share** - The sellers' price quoted by the JSE Limited.

**Price : earnings ratio** - The market value per share divided by the headline earnings per share.

**Net asset value per share** - Shareholders' equity divided by the number of shares in issue at year end.

**EBITDA before capital items** - Operating profit before depreciation, amortisation and capital items.

**Return on capital employed** - The percentage of operating profit to capital employed.

**Return on operating assets** - The percentage of operating profit to operating assets.

**Return on shareholders' equity** - The percentage of attributable earnings to shareholders' equity, adjusted for net capital items and translation gains/losses.

**Return on net assets** - The percentage of profit before tax, excluding finance costs and capital items to net assets.

# Share ownership analysis

## MATERIAL SHAREHOLDERS

Beneficial shareholders (excluding Directors' direct interest) holding 5% or more of the Company's listed A ordinary shares as at 28 February 2025 were the following:

Names	Number of A ordinary shares held	% of total issued A ordinary shares
Value Capital Partners (Pty) Limited*	99 142 667	24.06
Coronation Fund Management (Pty) Limited	92 075 465	22.35
Biltron (Pty) Limited	56 192 243	13.64
Public Investment Corporation	38 795 182	9.42
Altron Finance (Pty) Limited**	30 837 778	7.59
<b>Total</b>	<b>317 043 335</b>	<b>77.06</b>

\* The cumulative shares controlled by Value Capital Partners Proprietary Limited through its associates.

\*\* Related party of Altron and holds Treasury shares on behalf of the Group.

## GEOGRAPHICAL HOLDINGS

The geographical shareholding of the Group as at 28 February 2025 is comprised as follows:

Geographic Holdings	Number of A ordinary issued shares held	% of total issued A ordinary shares
South Africa	397 194 772	96.39
United Kingdom (UK)	3 639 569	0.88
Europe (ex UK)	2 069 216	0.50
North America	705 569	0.17
Asia	62 140	0.02
Rest of World	67 832	0.02
Other	8 316 297	2.02
<b>Total</b>	<b>412 055 395</b>	<b>100.00</b>

## PUBLIC AND NON-PUBLIC SHAREHOLDERS (AS AT 28 FEBRUARY 2025)

A ordinary shares	Number of Shareholders	Number of A ordinary shares held	% of total issued A ordinary shares
<b>Non-Public Shareholders</b>	<b>9</b>	<b>191 170 793</b>	<b>46.39</b>
(Director / Related Holdings)	8	160 333 015	38.92
Treasury Shares	1	30 837 778	7.48
<b>Public Shareholders</b>	<b>13 008</b>	<b>220 884 602</b>	<b>53.60</b>
<b>Total</b>	<b>13 017</b>	<b>412 055 395</b>	<b>100.00</b>

# Definitions and abbreviations

Term	Abbreviation
Altron Audit and Risk Committee	AARC
Altron Investment Committee	InvestCom
Altron Remuneration and Nominations Committee	RemNomCom
Altron Social, Ethics and Sustainability Committee	SesCom
Artificial Intelligence	AI
Business Continuity Management	BCM
Buy-Now-Pay Later	BNPL
Chief Executive Officer	CEO
Chief Financial Officer	CFO
Corporate Social Investment	CSI
Council for Scientific and Industrial Research	CSIR
Earnings per Share	EPS
Environmental, Social and Governance	ESG
Greenhouse Gas	GHG
Group Earnings Before Interest, Taxes, Depreciation, and Amortisation	EBITDA
Headline Earnings per Share	HEPS
Information and Communications Technology	ICT
Information Technology	IT
Infrastructure as a Service	IaaS
International Financial Reporting Standards	IFRS
Internet of Things	IoT
Johannesburg Stock Exchange	JSE
King IV™ Report on Corporate Governance for South Africa	King IV™
National Health Insurance	NHI
Original Equipment Manufacturers	OEMs
Platform as a Service	PaaS
Point-to-Point Encryption	P2PE
Protection of Personal Information Act	POPIA
Radio Frequency	RF
Science, Technology, Engineering and Maths	STEM
Socioeconomic Development	SED
Software as a Service	SaaS
Solar Photovoltaic	PV
Stolen Vehicle Recovery	SVR
United Arab Emirates	UAE

# Corporate information and administration

## **Altron Limited**

Registration number: 1947/024583/06

Share code: AEL

ISIN: ZAE000191342

## **Registered office**

Altron Campus,  
20 Woodlands Drive  
Woodlands Office Park  
Woodmead  
2191

## **Postal address**

PO Box 981  
Houghton 2041  
Gauteng  
South Africa

## **Group secretary**

Mbali Ngobo  
(LLB, LLM)  
Email: mbali.ngcobo@altron.com  
Telephone: +2711 205 7950

## **Principal bankers**

ABSA Bank Limited  
Rand Merchant Bank (a division of FirstRand Bank Limited)  
Nedbank Limited  
The Standard Bank of South Africa Limited Investec Bank Limited

## **Transfer secretaries**

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)  
South Africa

## **Sponsor**

Investec Bank Limited

## **Auditors**

PricewaterhouseCoopers Inc.





# ALTRON



Altron Campus, 20 Woodlands Drive, Woodlands Office Park, Woodmead, Gauteng, South Africa 2191

[www.altron.com](http://www.altron.com)