



adcorp

Connecting Human Potential

2025

INTEGRATED
ANNUAL REPORT



Connecting human potential,
building a sustainable future



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INTRODUCING OUR REPORT

Adcorp Holdings Limited (Adcorp, the Company or the Group) has been a trusted provider of workforce solutions for the last 50 years. The company is listed on the JSE Limited, with operations in South Africa and Australia.

Adcorp leverages decades of industry expertise through its portfolio of well-recognised brands, some with legacies spanning half a century. These trusted brands are positioned to deliver tailored, end-to-end workforce solutions that support our clients across the full spectrum of their talent and employment needs.

Reporting suite



Integrated annual report



Corporate citizenship report



Notice of annual
general meeting



Annual financial
statements

Approach to reporting

This integrated annual report provides a holistic view of the risks, opportunities, and performance outcomes that shape Adcorp's ability to deliver sustainable value. It reflects on the Group's operating context, business performance, and the quality of our engagements with the key stakeholders who influence our long-term success. The report also assesses progress toward our strategic objectives and the extent to which we have advanced our value creation agenda.

The audited consolidated financial statements of the Group and the audited annual financial statements of the Company, are presented in South African rand (ZAR), which is the Group's reporting currency, and can be found on our website at www.adcorpgroup.com.

i The extract of the audited consolidated financial statements for the year ended 28 February 2025 on **page 79 of this report**

Feedback

g A hard copy of this integrated report is available on request and online at <https://www.adcorpgroup.com/Integrated-Annual-Report-2025>

Adcorp recognises the importance of integrated reporting and is committed to moving towards a more integrated approach to reporting by making continuous improvements each year. Therefore, we appreciate and encourage constructive feedback. Please forward comments to: companysecretary@adcorpgroup.com

Navigation in this report

For ease of reference and further reading, the following icons are used in the report:

- i** Further reference in this report
- h** Further reference in the corporate citizenship report
- g** Further reference on www.adcorpgroup.com

ABOUT OUR REPORT

Reporting scope and boundary

This is the 15th edition of Adcorp's integrated annual report, presenting a comprehensive overview of the Group's strategic direction, business model, operating environment, key risks and opportunities, governance practices, and performance for the financial year from 1 March 2024 to 28 February 2025. The scope of this report covers Adcorp and its subsidiary operations in South Africa and Australia. It builds on the previous report and provides continuity. Intended to respond to the information needs of our stakeholders, this report's primary focus is on shareholders as the main providers of financial capital.

Approach to materiality

Adcorp applies the principle of materiality to guide the content and focus of this integrated report, ensuring that we provide relevant and meaningful information on the issues most critical to our ability to create and sustain value. These material matters are of particular interest to investors, both current and prospective, as well as to other stakeholders seeking to assess our performance and resilience across short, medium, and long-term horizons.

Material themes were re-assessed through engagement with leadership teams across our South African and Australian operations, while also incorporating stakeholder perspectives. In line with evolving global reporting frameworks, Adcorp has adopted a double materiality approach. This means we assess both financial materiality, how issues affect the Group's performance, and impact materiality, which considers our environmental and societal impacts, as well as how these external factors influence our business.



Further information on our materiality process and outcomes is available in our **corporate citizenship report**

Following this process we have identified the following material themes:

 **MARKET DYNAMICS AND ECONOMIC ENVIRONMENT**

 **OUR PEOPLE**

 **CLIENT CENTRICITY**

 **RISK AND COMPLIANCE**

 **CORPORATE CITIZENSHIP**

These themes are discussed throughout this report and the corporate citizenship report.

Refer to  **corporate citizenship report** and  **page 28** for further detail.

Assurance

A combined assurance framework is in place and is overseen by the Audit and Risk Committee (ARC). The framework enables the integration, coordination and alignment of risk management and assurance processes. It further enables an effective control environment and supports the integrity of information used for decision making by leadership. A combined assurance model assists the board in assessing the effectiveness of the internal control environment and enables the board to evaluate the integrity of the information used for reporting and decision-making. Standards and principles were assessed by external assurance providers where required.

Our 2025 annual financial statements were assured by our external auditors, KPMG Inc (KPMG). mPowerRatings provided assurance on the Group's broad-based black economic empowerment (B-BBEE) status.



The B-BBEE certificate is available on our website www.adcorpgroup.com

The Group's internal audit function is outsourced to Ernst & Young (EY) and assesses the Group's financial, operating, compliance and risk management controls, which is overseen by the ARC.

Frameworks and process

We align with best reporting practices and are guided by the principles and requirements in the International Financial Reporting Standards (IFRS); the Integrated Reporting Framework; King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)¹; the JSE Listings Requirements and the Companies Act No 71 of 2008, as amended (the Companies Act).

For frameworks guiding our environmental, social and governance (ESG) disclosures, please refer to our  **corporate citizenship report**. We also provide extracts from the condensed consolidated financial statements in this report from  **page 79**.

Forward-looking statements

Certain statements in this report may constitute forward-looking statements relating to the Adcorp Group that are based on the beliefs, assumptions and information currently available to the board. These forward-looking statements are, by their nature, subject to significant risks and uncertainties and include, without limitation, statements relating to the Group's business prospects, future developments, trends and conditions in the industry and geographical markets in which Adcorp operates. The forward-looking statements may also contain objectives, overall market trends, strategies, ability to control costs, statements relating to operations and risk management. All forward-looking statements have not been reviewed or reported on by the Adcorp Group's external auditors.

The Executive Committee (Exco) owns the Group's integrated reporting process, which is led by the Head of Investor Relations and Company Secretary. Executive management approves the content and commitments. Following a thorough review of both the content and compilation process, the ARC recommends the report to the board for approval. In preparing this report, the board also considered materiality in terms of how the inclusion or omission of information could impact the accuracy of disclosures or influence stakeholder decisions.

To the best of the board's knowledge and belief, this report addresses all material factors relevant to stakeholders and presents a fair, balanced view of how the Group creates value, while considering its impact on stakeholders and the environment.

The board approved the FY2025 integrated annual report on 29 June 2025.

Non-executive directors
GT Serobe
Chairperson

Dr P Mnganga
Lead independent director

M Lubega (independent)
T Mokgabudi (independent)

R Radley (independent)
H Singh (independent)

C Smith
R van Dijk (independent)

Executive directors
Dr J Wentzel
Chief Executive Officer
(CEO)

N Prendergast
Chief Financial Officer
(CFO)

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ADCORP AT A GLANCE

2025

PERFORMANCE HIGHLIGHTS

Revenue

R13,24bn



2024: R12,98bn

Profit after tax

R140,9m



2024: R88,0m



**B-BBEE
Level 1**

maintained for
the largest operation
in South Africa

Gross profit

R1,30bn



2024: R1,26bn

Total earnings per share

134,7 cents



2024: 83,8 cents

Net cash position
increased to*

R442m

2024: R204m

Operating profit
before finance income and
finance costs

R171,6m



2024: R128,7m

Headline earnings
per share

135,4 cents



2024: 83,8 cents

Final dividend declared

50,0cps



2024: 24,2cps

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

WHO WE ARE

Adcorp Holdings Limited, a prominent workforce solutions provider, operates in South Africa and Australia.

We specialise in three core areas: Contingent Staffing, Professional Services and Staffing Solutions, with five divisions spanning across both countries. Our expertise lies in delivering innovative workforce solutions that enhance human capital management throughout all six stages of the workforce lifecycle, fostering success and growth for our clients.

Spanning South Africa and Australia, Adcorp and its portfolio of client facing brands remains a cornerstone of talent mobility. Every day, more than 1 700 permanent and over 37 000 deployed and contingent employees contribute to our clients' success through the work we facilitate.

Our impact is broader than employment alone. We design and deliver future ready learning that equips people with the skills businesses will need next, recognising that technology, artificial intelligence (AI), and sustainability demands are constantly redefining jobs. By cultivating adaptable, multidisciplinary workforces, we enable companies to outperform and individuals to prosper.

Overview of our business

Our Group's operating model is powered by a portfolio of specialised brands that combine wide-ranging service capabilities and deep sector insight.

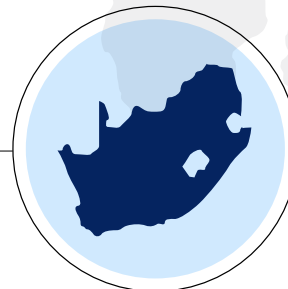


South Africa

Contingent Staffing

Staffing Solutions

Professional Services



Together, Adcorp's brands equip organisations to master all six stages of the workforce lifecycle, unlocking their full potential. Each brand is purpose-built to align seamlessly with one or more of these core stages, ensuring continuous efficiency and measurable impact from start to finish.



Australia

Contingent Staffing

Professional Services



The workforce lifecycle

We offer a range of workforce solutions designed to meet the unique needs of businesses. These include recruitment, onboarding, skills development, training and workforce management. Adcorp ensures the health, safety and wellbeing of the workforce and delivers meaningful outputs and business impact through the workforce. When businesses need change, we offer off-boarding solutions.

1 Recruitment
Finding the best talent for your workforce.

2 Skills development
Developing the right skills for now and the future.

3 Management
Managing the workforce using best practice and informed by analysis.

4 Wellbeing
Ensuring the health, safety and wellbeing of the workforce.

5 Solutions
Delivering meaningful outputs and business impact through the workforce.

6 Offboarding
Offboarding the workforce when your business needs change.



Our purpose

To enable agile, focused, and skilled workforces for the future.

Our vision is clear: to be a leading workforce solutions provider in the areas in which we trade and to **build agile, focused, and highly skilled talent communities that create positive social and economic outcomes**. That commitment spans every working model – permanent, contingent, contractor, and gig. We champion inclusive workplaces that celebrate diversity across abilities, genders, generations, and cultures, unlocking the innovation that comes from many perspectives. Through this inclusive approach we accelerate transformative growth for organisations today, while shaping a more equitable world of work for tomorrow.

Our five core values



Agility

We act with speed and flexibility to ever changing conditions



Client centricity

We strive to anticipate our clients' needs and deliver excellent client experiences



Diversity and inclusion

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



Respect

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



Teamwork

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



Our value proposition and what differentiates us

Adcorp presents a compelling investment case as the largest integrated workforce solutions company in Africa, with a strong presence in Australia.

The Group was founded 50 years ago in 1975 and is one of the 100 largest listed staffing companies globally. Its diversified portfolio of award-winning brands across South Africa and Australia boasts high brand equity and excellent client satisfaction scores.

Adcorp's operating model supports solid cash conversion with low capital intensity. Adcorp's working capital is well-managed, and it has consistently paid dividends since FY2022. Adcorp benefits from geographically diversified earnings, with strong performance in both South Africa and Australia, which not only enhances growth opportunities, but also provides a strategic hedge against currency and economic risks.

Commitment to corporate citizenship

Our corporate citizenship approach considers the impact Adcorp has on both society and the environment (impact materiality) and the financial implications of ESG factors for Adcorp (financial materiality). Adcorp's Corporate Citizenship strategy rests on four key pillars:

1. ESG
2. Stakeholders
3. Corporate social responsibility (CSR)
4. Diversity, equity, inclusion, and belonging (DEIB)



Read more on **page 21** of the corporate citizenship report

Investment in people and communities

Adcorp makes a meaningful contribution to the societies where it operates, leveraging resources for low cost / high impact opportunities. This includes investing in sustainable community development programmes. We invest in training and development of our talent and actively create a work environment that prioritises both physical and mental health. Our remuneration policies. Our remuneration philosophy is founded on fair, equitable and responsible remuneration practices that attract and retain top talent.



Read more on **page 70**

Experienced leadership and governance

A strong, experienced, and diversified board and leadership team:

- 56% independent non-executive directors;
- 66% African, Indian and Coloured board representation; and
- executive management team with extensive industry experience and leadership capabilities.



Refer to **pages 45 and 50** of this report for more about our board

Strong sales pipeline and focus on growth

Adcorp has a strong sales pipeline and focuses on growth in high-margin and emerging sectors, in Australia and South Africa. We are expanding into outsourcing, managed services, and outcome-based delivery. These offerings align with long-term labour trends and evolving client expectations.

Geographically diversified earnings base

Adcorp is exposed to two distinct macroeconomic environments, with its South African operations currently generating slightly more than half of its revenue. This provides a rand-hedge quality for investors during periods of economic difficulty and weakening earnings in the South African market, while the Australian operations can lean on a revenue buffer should any setbacks occur in that market.

Diversified portfolio and strong brands

The Group boasts a diversified portfolio of well-established, award-winning brands across South Africa and Australia, known for high brand equity and excellent client satisfaction scores.

Cash-generative business model

Adcorp's operating model supports solid cash conversion with low capital intensity and excellent working capital management, ensuring optimal liquidity and financial stability. Our net cash position remains positive at R442,1 million for FY2025. The Company remains debt-free, which provides a strong balance sheet to weather economic uncertainties.

Prudent capital allocation framework

Our approved capital allocation framework is designed to provide shareholders with sustainable returns while reinvesting in the Group's earnings growth. In accordance with the framework, the Company aims to return 50% of headline earnings per share (HEPS) to shareholders through dividends or share buybacks, while retaining 50% for investing in organic growth or strategic acquisitions. Adcorp has a consistent dividend policy supported by strong cash flow, distributing R128 million in ordinary and special dividends in FY2024 and R39 million in ordinary dividends in FY2025.



OPERATING CONTEXT

OUR MATERIALITY APPROACH

Adcorp's approach to materiality is grounded in the principle of double materiality. We evaluate how our business activities impact society and the environment (impact materiality), and how corporate citizenship-related factors can affect our business performance (financial materiality). Understanding this dual perspective is essential to maintaining our licence to operate and achieving long-term business resilience. We conduct a double materiality assessment every two years. This is a dynamic exercise informed by internal dialogue, stakeholder feedback, and shifts in regulatory and best practice standards. We align our materiality assessment with globally recognised frameworks such as the GRI Standards and King IV, which guided our evaluation of material themes, risks, and opportunities.

To structure our understanding of material factors, we actively engage stakeholders across our ecosystem to determine what truly matters, resulting in a more accountable and adaptive business model. We also integrate the perspectives of our Social, Ethics and Sustainability Committee (SESCoM), ARC and Human Capital Committee (HCC). A desktop assessment was conducted in the year under review. This review confirmed the continued relevance of the material factors that could create, preserve, or erode value for us and our stakeholders and highlighted changes to be applied.

Six capitals

In line with the Integrated Reporting Framework's concept of reporting in terms of the six capitals that impact value creation, preservation, and erosion in a business, the Group's activities and performance relating to the capitals are covered in this report as well as the corporate citizenship report, as indicated alongside.



CAPITALS		REFERENCE IN REPORT	
	Financial capital		
	Financial resources deployed by the Group		Who we are CFO's review Extract of the audited consolidated financial statements
	Intellectual capital		
	Organisational knowledge, systems, protocols, expertise		Who we are Divisional and operational overview
			Our people Sustainability and ESG
	Human capital		
	Our leadership and skilled employees, ongoing employee training programmes, leadership development pipeline and succession planning, occupational health and safety protocols ensuring workforce wellbeing.		CEO's letter Remuneration report SESCoM report
			Our people Stakeholders
	Social and relationship capital		
	Relationships with and engagement within broader society and communities impacted by the Group		Corporate governance overview Ethical leadership SESCoM report
			CEO's and Chairperson's reflections Stakeholder management Corporate social responsibility Diversity, equity, inclusion and belonging
	Natural capital		
	Our use and stewardship of natural resources		Carbon footprint Energy consumption Water consumption Waste management
	Manufactured capital		
	Our property and equipment, digital platforms, IT infrastructure, and office facilities.		Who we are Divisional and operational overview Corporate governance overview
			Energy management and consumption ESG

Our material themes

CAPITALS



Financial capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital



Manufactured capital



MARKET DYNAMICS AND ECONOMIC ENVIRONMENT

The labour markets in which Adcorp operates are intrinsically linked to broader economic trends.

South Africa



The South African economy grew by 1,1% in 2024, below earlier projections of 1,2%. This growth was driven by reduced load shedding, lower inflation and interest rates, and improved business and investor sentiment following the formation of the GNU after the 2024 elections. The annual inflation rate decreased from 5,3% in March 2024 to 2,88% by December 2024, signalling improved price stability. South Africa's economy exhibited modest growth in the first quarter of 2025, with GDP expanding by 0,1%. Inflationary pressures remained subdued during this period. The annual consumer price inflation rate held steady at 3,2% in both January and February 2025, aligning with the South African Reserve Bank's target range of 3% to 6%. Despite these positive indicators, significant socio-political challenges persist, including inequality, high unemployment, and poverty. South Africa's official unemployment rate for the first quarter of 2025 was 32,9%, up one percentage point from the fourth quarter of 2024. Poor governance, corruption, and failing public service continue to undermine efforts to address these issues.



Australia

Following the inflationary and interest rate pressures that restricted Australia's economy in preceding years, its economic outlook for FY2026 is broadly positive, supported by easing inflation, stabilising interest rates, and a resilient labour market. Inflation has shown a consistent downward trend, with the annual rate declining from 6,3% in 2023 to 3,2% in 2024, and stabilising at 2,4% by March 2025, within the Reserve Bank of Australia's target range. The cash interest rate has remained steady at 4,35%, contributing to improved business confidence. While GDP growth has been modest, driven by government investment amid subdued household spending, the labour market remains strong, with unemployment steady around 4,2%. A chronic shortage of blue-collar workers has increased reliance on migrant labour through schemes like PALM. Although regulatory changes and government hiring policies have weighed on white-collar hiring, and underemployment and wage stagnation remain concerns, the overall economic environment is favourable. Falling inflation, stable interest rates, and anticipated future rate cuts are expected to support stronger growth, particularly in labour-intensive sectors.

Market and economic variables can significantly influence staffing demand, business continuity, and investment trends across the sectors we serve. The accelerated adoption of AI and automation technologies is reshaping global staffing trends, altering required skill sets, and transforming traditional work methods. This shift is continuing to drive hybrid working models and automation of many traditional tasks. The rise in flexible and remote work, combined with evolving skill requirements, is intensifying competition for scarce talent and high performers. Adcorp also faces challenges such as evolving labour laws and regulatory requirements, increased competition, and a persistent shortage of qualified candidates, particularly in specialised fields like technology, healthcare, education, manufacturing and financial services.

CAPITALS IMPACTED



Strategic focus areas

- Market monitoring
- Tracking the regulatory environment
- Scenario planning

Risks

- Commercial risk
- Business continuity risk
- Regulatory compliance risk

Our response

- Strategic and economic monitoring across Australia and South Africa for inflation, interest rate, and regulatory shifts.
- Embedding scenario planning into business continuity models.
- Enhanced market analytics and workforce forecasting tools to manage geographic risk and demand volatility.
- Diversification of services and expansion into new or adjacent sectors to ensure a diversified client base.

CAPITALS



Financial capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital



Manufactured capital



OUR PEOPLE

People and culture are fundamental to the success of Adcorp. Attracting, developing, and retaining talent is central to our values, operating model, and strategic growth.

Heightened competition for limited existing skills, particularly in senior management roles and specialised fields, places pressure on our ability to attract and retain the necessary skills to support our goals. The rise in flexible and remote work further intensifies this competition, as global companies can now employ talented individuals from anywhere. These dynamics underscore the importance of fostering a strong, supportive culture that prioritises employee benefits, wellbeing, development and engagement to maintain a competitive edge in the workforce industry. We are actively addressing material people issues through our people strategy, with solutions designed to address talent retention and management, employee attrition, the wellbeing of our people, career development, fair, equitable and responsible remuneration as well as DEIB.

CAPITALS IMPACTED



Our response

- Implementation of an employee value proposition (EVP), succession planning and a hybrid work model.
- Skills development tracking aligned with DEIB targets.
- Structured employee wellbeing and engagement initiatives.

Strategic focus areas

- Leadership development
- DEIB metrics
- Skills pipeline

Risks

- Human capital risk
- Commercial risk
- Skills risk
- Social and relationship risk



CLIENT CENTRICITY

Delivering consistent, high-quality client service is a material priority for Adcorp. As a professional services group operating in dynamic labour markets, client satisfaction and retention are not only business outcomes, but also strategic differentiators. Our client base spans public and private sectors, ranging from small businesses to multinational corporations, each with specific expectations around service delivery, compliance, and innovation.

We continually evolve our offerings to meet these demands. In FY2025, we strengthened our staffing solutions and hospitality capabilities, particularly in South Africa, and our healthcare and aged care service capabilities in Australia.

We deploy digital tools to enhance responsiveness, scalability, and personalisation. These include automated onboarding, AI-enabled talent matching, and client-facing dashboards that offer real-time performance metrics. Our client satisfaction index (CSAT) scores and client feedback surveys inform service adjustments, improvements and employee training.

Ultimately, Adcorp's value proposition lies in being both a trusted advisor and an agile delivery partner, and being able to deepen relationships, expand wallet share, and unlock cross-market synergies across Australia and South Africa.

CAPITALS IMPACTED



Our response

- Continued enhancement of digital tools, including AI-enabled recruitment and real-time performance dashboards.
- Strengthening BPO offerings aligned with national development priorities.
- Regular CSAT assessments and client-specific reviews.

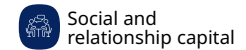
Strategic focus areas

- Growing in high demand sectors
- Digital service integration
- Client satisfaction

Risks

- Client retention risk
- Reputational risk
- Innovation delivery risk

CAPITALS



RISK AND COMPLIANCE

The Group operates in a constantly evolving legal and regulatory landscape and across two jurisdictions, with overlapping obligations relating to data protection, anti-corruption, employment laws and standards. Ensuring compliance with labour and employment laws, tax regulations, and health and safety standards is essential to avoid legal penalties and reputational damage.



In South Africa

The Employment Equity Amendment Act, 2022 came into effect on 1 January 2025 followed by the publication of the Employment Equity Act Regulations in April 2025. The introduction of the new sector-specific numerical equity targets and reporting requirements, as well as stricter compliance monitoring and enforcement, will impact our operations and strategy. It will require a review of our own practices and targets, while our clients will have to develop their own plans for compliance. These changes are also likely to impact workforce planning, recruitment and people strategies to meet the new equity targets, impacting how our clients train and develop, and source and place candidates.



In Australia

Our operations and strategy will be impacted by recent amendments to the Fair Work Act, 2009 that introduced changes for labour hire workers and criminalised intentional wage underpayments, new discrimination protections and protections for migrant workers. Amendments to the Work Health and Safety Act, 2011 introduced new regulations that require employers to manage psychosocial hazards in the workplace. In addition, privacy and data protection laws as well as anti-discrimination laws in Australia continue to evolve.

Our robust compliance practices enhance our ability to manage compliance and the company's reputation, enabling us to secure high-value contracts.

CAPITALS IMPACTED



Our response

- Annual compliance reviews aligned with sector-specific regulatory updates.
- Quarterly compliance and ethics monitoring and reporting.
- Integrated compliance dashboards to key laws, regulations and governance issues across jurisdictions.

Strategic focus areas

- Compliance reporting
- Risk dashboards
- Governance audits

Risks

- Regulatory compliance risk
- Operational risk
- Stakeholder risk

Risk management

Effective risk management remains essential for Adcorp's financial stability and our risk mitigating strategies are continuously updated to ensure smooth operations and minimise disruptions, which are vital for maintaining service quality and client satisfaction. Adcorp remains focused on its top risks. Data security and employee behaviour that may harm Adcorp's brand and reputation are prioritised items.



Read more about risk management on **page 19** of this report

CAPITALS



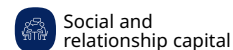
Financial capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital



Manufactured capital



CORPORATE CITIZENSHIP

Adcorp's business is dependent on its relationships with candidates, clients, employees, financial institutions and shareholders. Responsible corporate behaviour helps maintain trust and legitimacy of these stakeholders. Our clients increasingly seek to partner with ethical, socially responsible businesses. Adcorp is committed to playing a role in creating employment, upskilling workers, and supporting economic participation. Because this contributes directly to reducing inequality and unemployment, critical issues in markets like South Africa, corporate citizenship is a material matter for us. Adcorp's greatest social impact is rooted in its unwavering commitment to human rights, fair labour practices, health and safety, and the prevention of modern slavery interactions across its operations in South Africa and Australia. Adcorp enforces zero-tolerance policies on human rights abuses, harassment, and modern slavery.

Our policies are underpinned by robust statements, supply chain due diligence, practices and employee training. Adcorp's integrated safety, health, environment and quality (SHEQ) system ensures alignment with international standards (ISO9001, ISO45001, ISO14001), delivering rigorous health and safety protocols to over 37 000 employees annually, including those at more than 1 000 client sites. Adcorp reinforces ethics through a number of policies and practices overseen by the SESCom and HCC. We ensure that remuneration, workplace conditions, and labour rights align with principles of dignity, equality, and accountability. Collectively, these efforts form a comprehensive approach to responsible business conduct, driving meaningful and measurable social impact across our workforce and value chain.

Environmental sustainability remains a key component of Adcorp's responsible business practices, despite our relatively modest direct environmental footprint. In FY2025, we conducted a focused energy audit at Adcorp place, our head office in Johannesburg, which informed our environmental roadmap. Upgrades such as efficient lighting and a more advanced building management system remain dependent on budget availability. Sustainability progress was made across the Adcorp Group in FY2025. A key contributor was the 11% reduction in total electricity consumption to 3,04 million kWh (FY2024: 3,42 million kWh), primarily driven by a 93% decrease in diesel generator use, which was a direct benefit of reduced load shedding and increased grid uptime.

This improved grid availability, however, coincided with more cloudy days, resulting in a slightly lower solar photovoltaic (PV) contribution of 19% across the Adcorp portfolio (FY2024: 20%). Despite this, Adcorp's solar assets generated 573 736 kWh, preventing 597 tCO₂e emissions.

Corporate citizenship-related risks and opportunities are fully integrated into our enterprise risk framework, and we continue to build board and executive capacity on corporate citizenship-related matters.

Adcorp remains committed to being a responsible and future-ready organisation, one that contributes positively to the societies and economies in which we operate.



Read more about sustainability progress on page 21 of our corporate citizenship report.

CAPITALS IMPACTED



Our response

- Implementation of the corporate citizenship strategy across all regions.
- Ongoing oversight of human rights, modern slavery, SHEQ, and fair labour practices.
- ESG data management system for tracking non-financial performance.

Strategic focus areas

- Corporate citizenship strategy
- ESG data integration
- Ethical supply chain

Risks

- Occurrence of modern slavery or human rights violations in operation and/or supply chain
- Climate-related risks
- Negative stakeholder sentiment
- Operational risk
- SHEQ risk
- Infrastructure failure in South Africa



For more information on corporate citizenship refer to pages 13 and 14

The material themes explored in this report reflect the multidimensional nature of Adcorp's value creation model. From economic resilience and operational excellence to ethical governance and social responsibility, we are evolving our business to meet today's complex realities, and tomorrow's uncertainties.

Adcorp's future will be shaped by our ability to anticipate risks, invest in our people, and create sustainable partnerships with clients, employees, and regulators. The alignment of our governance practices, data systems, and reporting frameworks ensures we remain transparent, responsive, and accountable.

THE EXTERNAL OPERATING ENVIRONMENT AND OUR RESPONSES

The global economic environment entering FY2025 was marked by heightened volatility, rising international trade restrictions, and structural uncertainty. The lingering effects of global inflation and tightening monetary cycles, have collided with a resurgent geopolitical risk landscape, most notably the re-emergence of US-led economic nationalism under a second Trump administration. Against this backdrop, business sentiment has become cautious, labour markets have become fragmented, and capital has increasingly flowed to resilient, scalable, and strategically focused operators.

It is precisely in this environment that Adcorp has demonstrated its resilience, and more importantly, its relevance. With disciplined capital allocation, strong working capital control, and a sharply focused operating model, Adcorp enters this period of global realignment with the agility and optionality to scale where others are retreating. Our exposure to two distinct yet complementary labour markets, South Africa and Australia, gives us both diversification and insight. Each presents unique macroeconomic pressures, yet both continue to generate demand for flexible workforce solutions that are increasingly embedded in the structural functioning of modern economies.

South Africa



In South Africa, the macro environment remains constrained by longstanding structural issues: persistent but improving energy instability, transport bottlenecks, infrastructure failures, high unemployment and slow fiscal reform. The growth outlook for South Africa remains poor and has weakened further as the year progressed. While the establishment of a GNU following the 2024 elections has stabilised the political climate to some degree, investor sentiment remains cautious. Inflationary pressure, although easing in early 2025, and high interest rates have limited investment appetite and placed pressure on household consumption. As the largest workforce solutions player in South Africa, Adcorp feels these constraints.

Yet even in this constrained environment, Adcorp's business has proven resilient. Our diversified sectoral exposure from industrial staffing to outsourcing, has allowed us to capture demand from businesses seeking variable cost structures and operational flexibility. Importantly, our margin improvement in South Africa has come not from headline growth, but from disciplined execution.

Our ability to maintain flat operating costs in an inflationary environment is a direct consequence of our strategic emphasis on cost discipline, automation, and decentralised agility. In an economy where growth is uneven and risk perception remains high, Adcorp's model provides clients with a practical, compliant alternative to fixed headcount models, and provides us with dependable, cash-generative earnings.

Australia



Australia offered sectoral resilience and macro stability through FY2025, even as the economy shifted from post-pandemic rebound to cyclical caution. GDP growth slowed to 0.2% in late 2024, inflation peaked at 6.3%, and high interest rates have muted both consumer demand and business investment. Despite this, structural labour shortages persist, especially in blue-collar sectors like agriculture, aged care, logistics, and food processing, where Adcorp has strong delivery capability and client traction. The re-election of the incumbent government has removed policy uncertainty that may have arisen with a change in government.

Through our Labour Solutions Australia (LSA) and LSA Health brands, Adcorp has capitalised on these shortages by providing clients with high-volume, compliant workforce solutions underpinned by programmes like the PALM (Pacific Area Labour Mobility Scheme) scheme. These sectors, less sensitive to short-term business cycles, offer defensible margin profiles and repeat client engagements, aligning well with our strategy of building scale in essential service verticals.



Global economic factors

We also note the accelerating impact of technology and AI on both client expectations and labour markets. While automation and digital tools are displacing some traditional staffing needs, they are simultaneously creating new roles and new service models especially in areas like digital compliance, remote operations, and AI-supported workforce management. Adcorp has embraced these shifts not as threats, but as catalysts for reinvention. Our continued investment in automation, AI enabled workflows, and data-driven staffing solutions reflects our conviction that the future of workforce services will be technology enabled, real-time, and insight-driven.

The broader geopolitical context, including shifting US-China trade dynamics, fluctuating commodity cycles, and tightening cross-border labour regimes, creates risk for many businesses, but opens doors for those with regional insight, flexible cost models, and diversified exposure. As global companies look to Africa and the Middle East for new growth, these regions remain underpenetrated despite growing multinational interest, infrastructure expansion, and demographic tailwinds. The volatility is real, but so is the upside, and few players are as structurally suited as Adcorp to navigate and unlock these markets. Adcorp is positioned to serve both domestic enterprises and multinationals seeking scalable, compliant workforce partners across the Indian Ocean Rim.

Importantly, Adcorp's financial structure enhances its resilience in this environment. The Group ended FY2025 with R442,1 million in unrestricted net cash, no gearing, and a consistent track record of free cash flow generation. This capital strength allows us to make long-term strategic decisions without pressure to dilute shareholders or assume balance sheet risk. It also positions us to act opportunistically, including in pursuing acquisitions that accelerate our platform strategy, particularly in the Africa Middle East corridor.

As the global environment evolves, our strategic responses remain grounded in a few core convictions: that flexibility will be valued over fixed cost; that compliance and capability will be more important than pure volume; and that capital discipline will distinguish sustainable operators from those chasing scale for its own sake.

Adcorp is not immune to macroeconomic volatility, but we are built to outperform through it. With margin resilience, capital strength, and delivery capacity across multiple markets, we have the financial and operational footing to turn disruption into opportunity. This is the environment we are now well positioned to excel in.

03

HOW ADCORP CREATES AND MEASURES VALUE

A MESSAGE FROM THE CHAIRPERSON

“In a year marked by economic headwinds and societal challenges, Adcorp has not only demonstrated financial resilience but has also reinforced its commitment to meaningful impact and inclusive growth. As Chairperson, I am proud to reflect on how our collective efforts have advanced our purpose to enable agile, focused and skilled workforces for the future.”

Gloria Serobe
Chairperson



The financial year ending February 2025 presented a complex operating environment. South Africa grappled with persistent high unemployment and infrastructural constraints. In Australia inflation peaked at 6,3%, and high interest rates have muted both consumer demand and business investment, while global markets faced volatility. Despite these challenges, Adcorp achieved a profit after tax of R140,9 million and ended on a robust unrestricted net cash position of R442,1 million. These results are a testament to our disciplined execution and sound governance practices as well as strategic clarity.

Beyond financial metrics, Adcorp's true strength lies in its people. Our employees, across various geographies and functions, have shown unwavering dedication. Their efforts have ensured that we continue to provide essential workforce solutions, support businesses, and contribute to economic growth.

Adcorp's role extends beyond business operations; we are integral to the social fabric of the communities we serve. Our initiatives in skills development, employment facilitation, and support for small enterprises have empowered individuals and fostered economic participation. These endeavours align with our belief that sustainable business practices must also drive social progress.

In FY2025, the Board continued to uphold the principles of good governance in line with King IV, while preparing for anticipated developments in the upcoming King V Code. We reviewed and refined key elements of our governance framework to ensure relevance, agility, and integrity in decision-making.

During the year, Timothy Olls and Sam Sithole resigned as non-executive director and alternate non-executive director, respectively. We thank them for their valuable contributions. We also welcomed

Robert Radley as an independent non-executive director. His deep knowledge of the Australian market, coupled with his strategic and commercial insight, will support Adcorp in aligning and growing its operations across South Africa and Australia.

As we look ahead, the board remains committed to guiding Adcorp in its mission to create shared value. We will continue to uphold the highest standards of governance, ensure ethical leadership, and support initiatives that promote inclusivity and empowerment.

I extend my deepest gratitude to our employees for their resilience, to our clients for their trust, and to our shareholders for their continued support. Together, we will navigate the future with purpose and determination.

OUR KEY STAKEHOLDERS

The relationship with our stakeholders is integral to our strategic and operational ethos. Our ability to create and protect value is intrinsically linked to the quality of our relationships, activities and contributions we make to stakeholders. We are committed to building and sustaining meaningful relationships that drive mutual growth and success, as we have done over the last 50 years.

For more information on stakeholders, one of the four pillars of our corporate citizenship strategy, please refer to **page 39** of the **corporate citizenship report**

MATERIAL MATTERS



Market dynamics



Our people



Client centricity



Risk and compliance



Corporate citizenship

In FY2025, Adcorp maintained a strategic and values-driven approach to stakeholder engagement, ensuring that our actions foster trust, sustainability, and shared success across all areas of influence.



Candidates

Expectations and needs

- Transparent, efficient and fair recruitment processes.
- Professional and responsive consultants who understand their skills and career goals.
- Fair remuneration.
- A safe and inclusive work environment and dignified working conditions.
- Opportunities for growth and development.

Engagement approach

We use candidate surveys to gather feedback and improve our services. Results from surveys provide valuable insights that help us improve to meet the needs and expectations of candidates.

Metrics

Ensure positive candidate experience with scores exceeding targets.

Risks

- Reputational risk
- Regulatory compliance risk

MATERIAL MATTERS IMPACTED



Clients

Expectations and needs

- Strategic, responsive, and innovative workforce solutions.
- Excellence in client service.
- Value-for-money solutions and competitive pricing.
- Responsible, ethical and trusted partner.
- Access to advice and support.
- Quality employees and candidates.

Engagement approach

- Regular client touchpoints and proactive engagements such as CSAT surveys.
- Digital content and communication.
- Launch of AI-driven recruitment solutions.

MATERIAL MATTERS IMPACTED



Metrics

Responsive adaptation of services based on client feedback, maintaining and improving CSAT (CSAT above 75%).



Read more about our CSAT performance on **page 41** of the **corporate citizenship report**

We track complaints and evaluate the strength of strategic partnerships. We track and monitor cross-selling initiatives (new wins).

Risks

- Reputational risk
- Commercial (client retention) risk
- Innovation delivery risk

Employees

MATERIAL MATTERS IMPACTED   

Expectations and needs

- Safe and healthy work environment and hybrid work practices.
- Fair remuneration, effective performance management, and recognition.
- An enabling work culture and an environment where DEIB is embraced.
- Career development and opportunities for professional growth.

Engagement approach

Employee engagement surveys, wellbeing programmes and events, DEIB initiatives, CSR champions initiative, management interaction and discussions, virtual townhalls, and employee forums and groups.

Metrics

Key metrics we track include outcomes of employee engagement surveys, and monitor statistics on the utilisation of wellness services as well as employee attrition rates.

-  Read more about employee engagement **on page 69 of this report**
-  **page 42 of corporate citizenship report**

Risks

- Reputational risk
- Employee retention and skills risk
- Regulatory compliance risk
- Operational risk

Investors/shareholders

MATERIAL MATTERS IMPACTED   

Expectations and needs

- Robust balance sheet for sustainable growth and risk protection, supported by a sustainable growth strategy.
- Experienced leadership team.
- Dividend policy.
- Sustainable growth in earnings and financial returns.
- Transparent reporting and disclosure.

Engagement approach

Regular virtual and face-to-face engagements with shareholders and investors, feedback via investor relations channels, and the group's annual general meeting (AGM).

Metrics

Key metrics we track include performance against market expectations and those of our peers, industry benchmarking, AGM voting outcomes, relative share price performance, and movements in the shareholder register.

Risks

- Reputational risk
- Commercial risk
- Stakeholder confidence risk

Financial institutions

MATERIAL MATTERS IMPACTED   

Expectations and needs

- Transparent financial reporting.
- Sound financial management.
- Robust balance sheet for sustainable growth and risk protection.
- Meeting covenants.

Engagement approach

Regular engagements, presentations and reports, ESG compliance and secure banking and insurance platforms. Dedicated relationship management through our Treasury function.

Metrics

Key metrics we track include monitoring of covenants, bank accounts, insurance, and other financial services, enabling better control, compliance, and risk mitigation.

Risks

- Reputational risk
- Commercial risk
- Financial risk

MATERIAL RISKS AND OPPORTUNITIES

Adcorp's risk profile is shaped by a complex interplay of external and internal factors that affect our operations across our two primary markets in South Africa and Australia. These include macroeconomic, political, social, and operational variables.

As a workforce solutions provider, our ability to navigate uncertainty, manage risk proactively, and capitalise on emerging opportunities is central to our long-term value creation.

FY2025 reinforced the importance of agility and foresight. While both operating regions faced distinct challenges, Adcorp remained resilient. This was made possible through our decentralised model, disciplined execution, and commitment to innovation.

We view risk not only as a potential threat to value but also as a critical input to strategic decision-making. In line with our double materiality approach, we assess risks in terms of both their financial implications and their broader impact on society, the environment, and our stakeholders. This perspective enables us to respond effectively to both systemic risks, such as geopolitical instability and digital disruption, and operational risks, including client retention, compliance, and talent management.

Our risk management framework is integrated with our strategic planning process and informed by regular scenario analysis, market intelligence, and stakeholder engagement.

At the same time, structural shifts in global labour markets, the accelerated adoption of automation and AI, and the growing demand for flexible labour and outsourcing solutions present compelling opportunities. By embedding technology into our service delivery, expanding into adjacent markets, and leveraging our cross-border presence, Adcorp is well-positioned to scale with purpose.

This section outlines the material risks and related strategic opportunities that shaped our performance in FY2025 and will inform our priorities in the years ahead. It highlights how we are managing volatility while seizing the potential to unlock sustainable growth, deepen client value, and enhance our social and economic contribution.

Our risk management approach

Our approach to risk management is embedded in a robust governance structure and a groupwide enterprise risk management (ERM) framework, aligned with King IV and International Standards Organization (ISO) principles. It enables us to identify, assess, mitigate, and monitor risks that could impact the Group's ability to achieve its strategic objectives.

The ERM framework is actively implemented through annual risk workshops, divisional risk reviews and monthly reporting mechanisms. It undergoes annual reviews to ensure alignment with King IV, strategic objectives, evolving business requirements, regulatory obligations, and enterprise governance responsibilities.

The responsibility for risk management rests with the board. The ARC provides oversight to ensure accountability and responsiveness across the Group. Executive management and operational leadership play a critical frontline role in the implementation, integration, and continuous evolution of risk management across the Group.

Risk management process



Adcorp follows a comprehensive five-step risk management process

Ongoing risk monitoring is embedded into our daily operations and governance structures. Business continuity and crisis management plans, aligned with ISO22301, are maintained and tested annually to ensure operational resilience in the face of disruptions. This integrated and adaptive approach positions Adcorp to navigate volatility while unlocking strategic value.

Strengthening the risk function

During FY2025, our digital risk management and compliance system was extended to Adcorp Australia and further embedded in the operational layers of the South African operations, enhancing visibility and responsiveness to regulatory and operational risk. Targeted sessions were held with divisional leadership to review operational risks with the aim of ensuring it is aligned with Group strategy.

Risk appetite and tolerance

Adcorp's risk appetite reflects the level of risk the Group is willing to accept in pursuit of its strategic objectives. It guides decision-making by establishing boundaries for acceptable risk-taking, ensuring a disciplined approach to value creation and the protection of stakeholder interests.

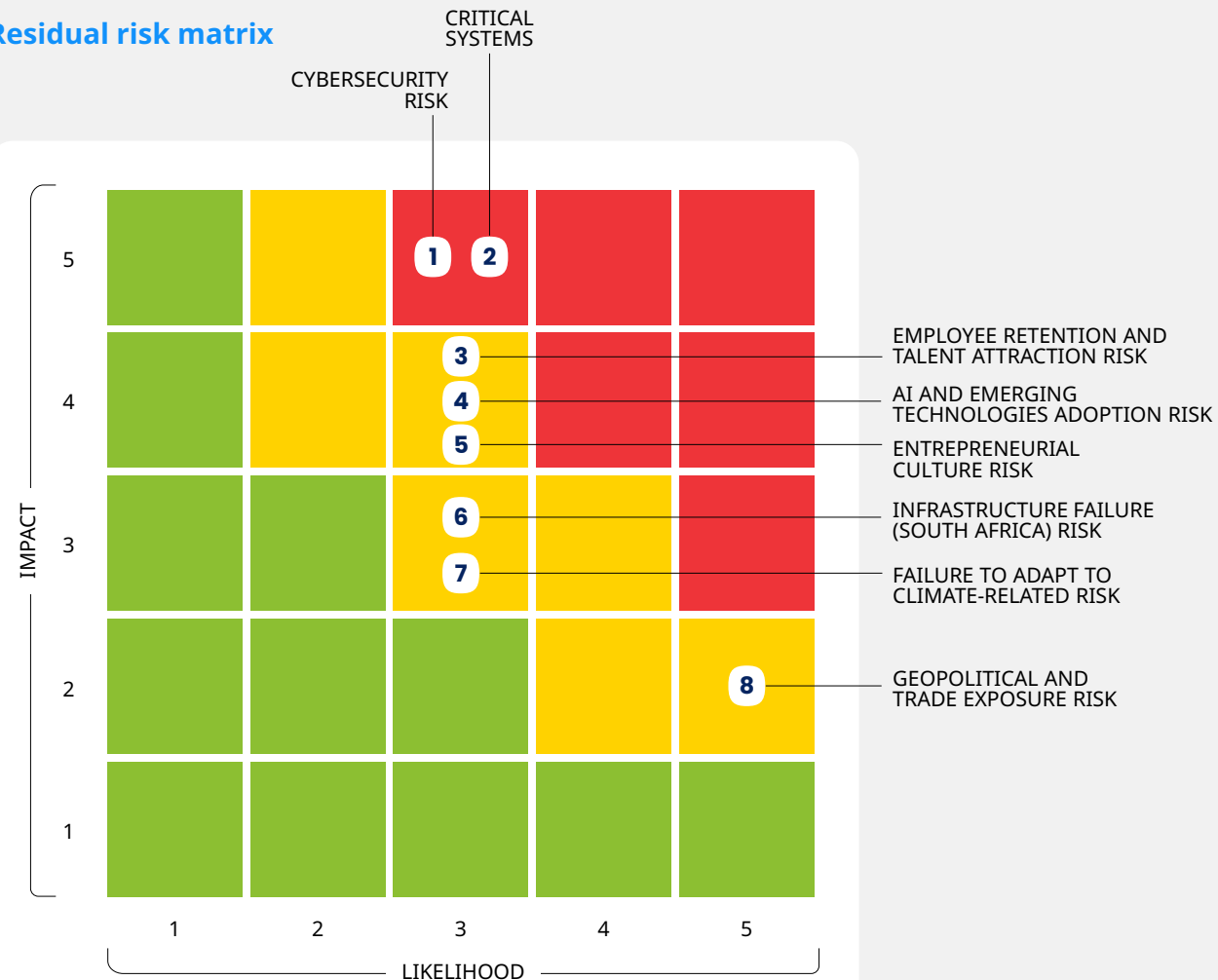
Risk appetite is not static; it evolves in response to changing market conditions, business priorities, and stakeholder expectations. It is reviewed regularly and embedded into the Group's ERM framework.

Complementing risk appetite is Adcorp's risk tolerance, the specific level of variation the Group is willing to accept for each risk. Tolerance levels are defined through a combination of board and executive judgment, data analysis, regulatory requirements, and stakeholder input. Risks with residual ratings above defined thresholds are escalated and require targeted mitigation to bring them within acceptable levels.

Together, risk appetite and tolerance support informed, accountable decision-making and help ensure that Adcorp remains agile, resilient, and aligned with its strategic intent.

Adcorp's top risks

Residual risk matrix



RESIDUAL RISK RATING ● High ● Moderate ● Low



1 CYBERSECURITY RISK

RESIDUAL RISK RATING

Risk category

Information security risk

The risk of the organisation being targeted by a cyberattack, leading to the compromise of the confidentiality, integrity, or availability of its information assets. Threats include phishing, malware, ransomware, denial-of-service (DoS) attacks, SQL injection, and other malicious activities that could result in unauthorised access to or control over digital systems and data.

Opportunity

- Position Adcorp as a trusted service provider in sectors where information security is a procurement priority (e.g. banking, healthcare, insurance).
- Use existing tools to develop a cyber risk assurance value proposition for clients.
- Leverage cybersecurity maturity in marketing and investor relations to build reputational capital.
- Pursue ISO or third-party certifications to unlock contracts that require formalised cybersecurity controls.

Key mitigating actions

- Reputable independent service provider and deployment of state-of-the-art technology to provide Managed Detection and Response (MDR) services for both South Africa and Australia.
- A formal cybersecurity strategy has been approved that guides all risk-based cyber initiatives.
- Cybersecurity training is regularly conducted across all geographies to enhance employee awareness and reduce human-related cyber risks.
- Robust antivirus and anti-malware solutions are deployed across the enterprise.
- Internal audit performs regular assessments of system controls, policies, and response readiness.
- Strengthening security posture through ongoing policy and security reviews.
- Deep storage solutions are implemented to securely archive critical data, ensuring long-term integrity, compliance, and protection against loss or tampering.



2 CRITICAL SYSTEMS

RESIDUAL RISK RATING

Reliance on unsupported, End-of-Life systems poses a risk to critical operations such as payroll and invoicing. System failure or outages could disrupt business continuity and compromise compliance.

Risk category

Information security risk

Opportunity

- Modern functionality decreases the risk of failure.
- Opportunity to deploy AI enabled systems that will increase efficiency and productivity.
- Elimination of data integrity challenges.
- Reduction of operational downtime.
- Embedding world class systems and improving operational efficiency.

Mitigating actions

- Several system replacement projects in South Africa are nearing completion.
- Interim solutions deployed and monitored where necessary.
- Legacy systems that pose a high risk are included in the annual internal audit plan.
- Internal controls and monitoring by management on a monthly basis.



3 EMPLOYEE RETENTION AND TALENT ATTRACTION RISK

RESIDUAL RISK RATING

The risk that the Group may be unable to attract, develop, and retain key talent with the appropriate skills and capabilities to support its strategic objectives. This may impact the Group's ability to deliver on client expectations, drive innovation, and maintain operational effectiveness in a competitive and evolving labour market.

Risk category

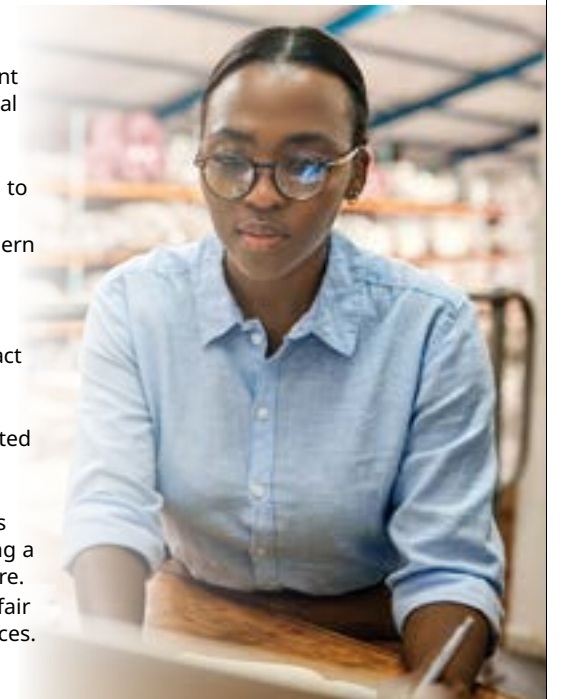
Human capital risk

Opportunity

- Use mentorship and development initiatives to strengthen career pathways for young professionals and critical-skill incumbents.
- Enhance Adcorp's employer brand through campaigns that spotlight culture, flexibility and growth potential.
- Position Adcorp as a thought leader.

Key mitigating actions

- Mentorship programmes help retain top talent by providing career pathways and professional development.
- Employee engagement initiatives: Regular surveys, wellness efforts, and feedback loops to improve morale.
- Hybrid work policy: Offers flexibility and modern work arrangements aligned with market expectations.
- Market benchmarking of salaries: Aligns compensation with market standards to attract and retain critical skills.
- Develop and roll-out an EVP that improves transparency and summarises the value created by Adcorp as an employer.
- Continuous review of the organisation's remuneration philosophy by the HCC which is integral to attracting, retaining and motivating a skilled and competent workforce for the future.
- Performance linked incentives supported by fair and robust performance management practices.



4 AI AND EMERGING TECHNOLOGIES ADOPTION RISK

Insufficient investment in AI may result in the Group lagging behind in the adoption of these technologies. This could limit the Group's ability to keep pace with global industry trends, optimise operations, reduce costs, innovate at scale, and respond to market expectations, ultimately diminishing its long-term competitiveness.

Opportunity

- Develop AI-enabled HR services such as predictive hiring and chatbot onboarding tools.
- Offer training as a service (TAAS) for Copilot and other platforms for clients transitioning into automation.
- Embed automation in service delivery to increase efficiency and differentiate from competitors.
- Contribute to ethical AI policy leadership within the broader workforce solutions industry.

Key mitigating actions

- The technology adoption strategy guides investment and implementation of AI and automation tools.
- AI literacy training is deployed to upskill employees on new technologies like Microsoft's Copilot.
- Agile methodologies are adopted to improve speed and responsiveness in project delivery.
- Automation of routine tasks and processes enhances productivity and reduces manual errors.
- Implementation of a formal data strategy in FY2026 with a roadmap and planned initiatives.
- Leadership is committed and there is alignment around technology innovation.
- Strategic partnerships are explored to support AI adoption through projects that demonstrate tangible business value. In addition, ongoing engagement with key vendors.
- Our Data and AI programme, called Raptor (led by the CEO) aims to ensure that we become a leading technology enabled workforce solution provider.

RESIDUAL RISK RATING

Risk category

Commercial risk

5 ENTREPRENEURIAL CULTURE RISK

Failure to promote an entrepreneurial mindset may limit innovation, agility, and growth, reducing competitiveness and long-term value creation.

Opportunity

- Being the first to market with new, innovative ideas.
- Promote cross-functional innovation sprints to surface insights and accelerate implementation.
- Build innovation storytelling into Adcorp's investor and client communications.

Key mitigating actions

- Annual innovation awards recognise teams and individuals for contributing to innovative ideas.
- Idea-sharing platforms facilitate employee participation in process improvement and innovation.
- Funding is allocated for technology solutions, digital platforms, and new business models.

RESIDUAL RISK RATING

Risk category

Stakeholder confidence risk

6 INFRASTRUCTURE FAILURE (SOUTH AFRICA)

The risk that ongoing failures in South Africa's critical infrastructure and public service delivery (electricity supply, water availability, and transport networks) may disrupt client operations and employee mobility, adversely affecting service delivery, business continuity, and client satisfaction. This could result in reputational damage, loss of revenue, and reduced competitiveness.

Opportunity

- Offer flexible working arrangements as part of client delivery assurance packages.
- Use operational resilience to bid competitively in energy-affected sectors, such as logistics or retail.
- Strengthen geographic and industry diversification to protect revenue streams and ensure consistent client delivery.
- Adapting the solutions we offer to support our clients and diversify into new service offerings or industries.

Key mitigating actions

- Employee contract flexibility: Enables shifting of hours and duties around load shedding schedules.
- Client collaboration: Coordinate with clients to align shift patterns with infrastructure realities.
- Diversification strategy: Expand into sectors and geographies less vulnerable to energy and infrastructure instability.
- Contingency planning: Enable relocation of teams or remote work when onsite infrastructure fails.
- Business continuity plans (BCP): Update to account for rolling blackouts and their knock-on effects.

RESIDUAL RISK RATING

Risk category

Commercial risk, business continuity risk



7 FAILURE TO ADAPT TO CLIMATE-RELATED RISK (PHYSICAL & TRANSITIONAL)

Inability to respond to physical climate impacts (e.g., extreme weather, supply chain disruption) and transitional risks (e.g., regulation, market shifts) may result in operational disruption, higher costs, reputational damage, and missed opportunities for sustainable growth.

Opportunity

- Exploring opportunities that promote renewable energy and reduce greenhouse gas emissions as well as resource efficiencies and new market access.
- Assisting our clients to develop workforce plans that account for climate-related risks, such as changes in labour demand due to extreme weather events or shifts in business operations.
- Developing technology solutions to manage and mitigate climate-related risks, such as data analytics to predict workforce needs or developing remote work solutions.

Key mitigating actions

- Ensuring resilient operations, monitoring our clients' risks and maintaining a diverse client base.
- Disaster recovery and crisis management plans and training are updated annually.
- Embracing digitalisation, adopting hybrid work models, up-skilling employees and staying informed about evolving legislation.

RESIDUAL RISK RATING

Risk category

Business continuity

RESIDUAL RISK RATING ● High ● Moderate ● Low



8

GEOPOLITICAL TRADE EXPOSURE RISK

The risk that geopolitical developments, including the imposition of international tariffs or sanctions particularly by major global economies may indirectly impact client sectors through supply chain disruptions, increased operational costs, or reduced international trade activity. This may reduce demand for workforce and outsourcing solutions, particularly in export-reliant industries, thereby negatively affecting revenue and client retention.

Opportunity

- Clients facing uncertainty may provide additional opportunities for contract-based, project-driven, or outsourced talent models.
- Developing specialist talent pools and reskilling offerings in high-demand areas such as supply chain management, risk mitigation, and scenario planning.
- Pivot towards more resilient sectors like infrastructure, healthcare and aged care, technology and cybersecurity, domestic retail and utilities.
- Offering support to clients that move away from disrupted regions; new market entries, talent mobility, and cross-border workforce planning.

Key mitigating actions

- Adcorp has moderate exposure through clients in export-reliant industries such as mining, oil and gas, manufacturing, logistics, and agriculture.
- Diversification of client base.
- Monitor global trade developments and client risk exposure through engagement with clients and structured risk dashboards; proactively support at-risk clients with adaptive workforce solutions.

RESIDUAL RISK RATING

Risk category

Commercial risk

Business continuity and resilience

Adcorp's Business Continuity Management (BCM) Policy, aligned with ISO 22301:2019, ensures that the Group remains operational during disruptive events.

Key developments in FY2025 included:

- **BCM enhancement in Staffing Solutions:** Driven by entry into the BPO sector, BCM protocols were expanded to include client system dependency scenarios.
- **Policy separation:** Distinct lines were maintained between BCM and disaster recovery planning, reflecting operational versus technological continuity, respectively.
- **Annual training and testing:** Business continuity plans were exercised across major divisions, with ongoing alignment to stakeholder expectations and regulatory requirements.

Fraud, ethics, and whistleblowing

Adcorp's outsourced ethics hotline, managed by Deloitte, supports anonymous reporting across South Africa and Australia. Every call is investigated, escalated where appropriate, and reported to the ARC.

During FY2025:

- Increased usage of the ethics hotline by contingent employees indicated greater awareness, with most reports related to payroll misunderstandings.
- Mandatory ethics training, including whistleblowing and conflict of interest was conducted for all permanent employees.

Focus for 2026 and beyond

Adcorp will prioritise the continued embedding of a risk-conscious culture across the business, aligning further with ESG frameworks and the emerging IFRS S1 and S2 standards. There is a strategic intention to reframe risks as levers for growth, turning operational threats into opportunities for innovation and transformation.

OUR STRATEGY

FY2025 represented a defining moment in Adcorp's trajectory: from stabilisation to sustainable growth. The Group entered the year on the back of a completed multi-year restructuring programme and exited it with restored earnings momentum, margin expansion, and a strengthened, ungeared balance sheet. Against a backdrop of economic volatility in both South Africa and Australia, Adcorp delivered focused execution, contained its cost base, and positioned itself to scale in ways that are both efficient and value-accretive.

The next phase of Adcorp's evolution is guided by our Brandshift Adcorp strategy. More than a programme of operational tweaks, Brandshift Adcorp represents a deliberate repositioning of the Group as a technology enabled, asset-light workforce platform that delivers integrated staffing, outsourcing, and talent solutions across high-demand sectors in multiple geographies. While retaining a strong foundation in contingent staffing, Adcorp is now expanding into outsourcing, managed services, and outcome-based delivery — offerings that align with long-term labour trends and evolving client expectations.

South Africa



In South Africa, the Group is deepening its presence in verticals that require high-volume, compliance-sensitive labour deployment, including logistics, retail, hospitality, healthcare, and customer experience services.

The restructuring of the Professional Services division, along with cost and margin improvements across the Group, has created a solid base from which to scale. As the macro environment remains pressured, clients are seeking flexible cost structures and service providers that can manage non-core workforce needs with predictability and professionalism. Adcorp has responded by investing in commercial capability, sector diversification, and technology-led service design. In parallel, the Group is enhancing our domestic BPO offering while continuing to serve South African corporates seeking end-to-end outsourced solutions.

Australia



In Australia, the strategy is tailored to sectoral realities: persistent labour shortages in agriculture, aged care, and food processing have kept demand high in areas where Adcorp has long-standing delivery credibility.

Through our LSA and LSA Health brands, the Group has maintained strong market presence, supported by access to PALM scheme labour flows and by its deep client partnerships. Adcorp will be entering new sectors such as hospitality building off its success in South Africa. Adcorp is progressing the transformation of its Professional Services offering — moving from a narrow ICT recruitment model to a broader, sector-specialised national platform that integrates Recruitment Process Outsourcing (RPO), statement of work models and a renewed focus on permanent placement.

Technology enablement is now embedded across Adcorp's operating model. Over the past 18 months, the Group has invested in automating key workflows, modernising its technology infrastructure, and integrating AI into select operational functions. This is not about technology as a differentiator in itself, but about what it enables: speed, precision, risk reduction, and scale without proportional cost increases. These capabilities are enhancing the quality of service delivery, creating room for margin expansion, reducing costs and enabling new products and services. Our Data and AI programme called Raptor is the next logical evolution on our journey to becoming a leading technology enabled workforce solutions provider.

Adcorp also remains focused on talent development and long-term workforce sustainability. Internally, the Group has refreshed its EVP, maintained its hybrid work flexibility, strengthened succession planning, and renewed investment in leadership development. Externally, Adcorp's contributions to vocational education, disability workforce participation, and transformation-aligned employment reflect our philosophy that social impact and commercial resilience are mutually reinforcing. The company's purpose — to build agile, skilled, and future-fit workforces — is not merely branding. It informs both strategy and execution.

While the primary growth thesis is organic, the Group's financial position allows it to pursue acquisitions that support strategic execution. With R442,1 million in unrestricted net cash, strong free cash flow generation, and no gearing, Adcorp can act when opportunities arise. The Group will remain selective. Acquisitions must contribute geographic access, vertical depth, or operational capability, and be aligned to our strategy. They must also be sensibly priced. The past has taught Adcorp that discipline is key, and that integration is as important as acquisition. Priority areas include the Africa and the Middle East corridor, where the market remains buoyant but fragmented, underpenetrated, and aligned with Adcorp's strengths in compliant, scalable workforce delivery.

Brandshift Adcorp provides the strategic coherence behind this approach. It links operating priorities, market positioning, and client solutions into a unified ambition: to become a trusted platform for organisations seeking agile, tech-enabled, and outcome-driven workforce models. FY2025 demonstrated the effectiveness of this model, with strong financial outcomes and a repositioned business. FY2026 will be about extending that success, not through bold reinvention, but through consistent delivery, commercial focus, and strategic expansion built on a platform that is now ready to grow.

04

DELIVERING VALUE

CEO'S LETTER

“FY2025 was a defining year for Adcorp. In a context marked by economic uncertainty, persistent inflationary pressures, and political transitions across our core markets, we maintained focus and delivered.”

Dr John Wentzel
CEO



While the year presented its share of challenges, our disciplined execution, decentralised agility, and commitment to innovation enabled us to translate strategy into measurable performance.

Our results speak to this resilience. Revenue increased to R13,24 billion, but more meaningfully, gross margin expanded to 9,8%, operating profit grew by 33%, and headline earnings per share rose by more than 60%. These improvements were driven by ongoing cost discipline, a sharper commercial orientation, and the cumulative benefits of restructuring actions taken in prior years. Our net cash position more than doubled to R442,1 million. Over the past four years, we have returned more than R260 million to shareholders through dividends and share buybacks – demonstrating consistent capital discipline and long-term confidence in our business.

FY2025 also marked the conclusion of our post-restructuring stabilisation phase and the beginning of a new chapter for Adcorp – one anchored in scalable, tech-enabled growth. The investments made in modernising our technology infrastructure, streamlining organisational structures and professionalising leadership teams across South Africa and Australia are now delivering operating leverage. Our platform is more agile, cost bases are leaner, and leaders across the Group are empowered to drive outcomes.

This year reinforced the strategic value of our geographic and service-line diversification. Our Australian operations – contributing half of Group earnings – delivered another strong performance, supported by new contract wins, operational rigour, and sector expansion.

In South Africa, despite persistent macroeconomic headwinds, our blue-collar and professional services brands demonstrated commendable margin resilience, while our further expansion into outsourcing and compliance-driven services began to gain meaningful traction.

Looking ahead, our focus is on deepening profitability and scaling impact. We will pursue margin uplift by capitalising on efficiencies embedded in our reset operating model, while accelerating growth in outsourcing and BPO verticals where regulatory complexity, client demand, and margin potential converge. In parallel, we are embedding automation and AI across key workflows – particularly staffing and payroll – to enhance speed, accuracy, and scalability. Our existing client base offers significant headroom for deeper penetration, especially as multinationals increasingly seek partners with regional scale and execution capacity across Africa and the Middle East.

All of this will be underpinned by continued capital discipline. We intend to fund growth internally, without compromising liquidity or return on capital. Our dividend policy remains reflective of our strong cash generation and enduring confidence in the Group's strategic trajectory.

At the core of everything we do is our purpose: **to enable agile, focused, and skilled workforces for the future.** Across every geography, brand, and engagement, Adcorp exists to enable people and organisations to thrive. That responsibility informs our decisions and shapes the business we are building.

On a deeply somber note, we experienced the loss of three individuals connected to our operations during the past year. Two of these tragic incidents occurred on client sites, where safety accountability lies with our clients, and the third was a transportation-related accident. On behalf of Adcorp, I would like to extend our heartfelt condolences to the families, friends, and colleagues of those who lost their lives. Each person we work with is more than just an employee, they are individuals with passions, dreams, and goals. They have families who love them and who count on them returning home safely each day. This is what drives us to never compromise on safety. While these incidents are a stark reminder of the risks people face in the workplace, they also strengthen our commitment to doing everything within our power to prevent such tragedies. Our safety, health, environment and quality (SHEQ) team continues to support investigations and remediation efforts, working closely with our clients to put meaningful safety measures in place.

In closing, I extend my thanks to the Adcorp team, our recruiters, support employees, operational leaders, and executives, for their unwavering commitment. I also thank our clients, candidates, partners, shareholders and board for your continued trust. Adcorp is a fundamentally stronger and more focused organisation than it was just two years ago. We are positioned to scale – and ready to grow.

CORPORATE CITIZENSHIP OVERVIEW

Corporate citizenship embodies our commitment to responsible business conduct, grounded in a clear understanding of our impact on society, the environment and the broader economy, and how these forces, in turn, shape our organisation. As we celebrate our 50th anniversary, Adcorp is a mature and leading workforce solutions provider. We deliver value through an integrated corporate citizenship strategy built on ethical governance, social inclusion, environmental stewardship, and stakeholder responsiveness.

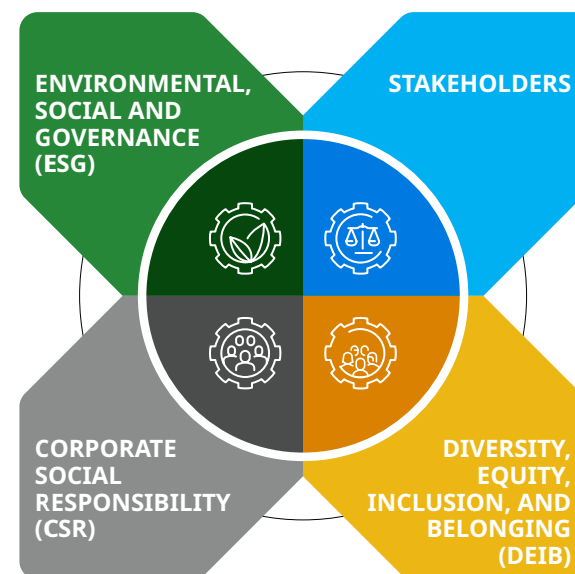


Our 2025 corporate citizenship report highlights Adcorp's commitment to responsible business practices and sustainable development across our operations in South Africa and Australia.

Four pillars of corporate citizenship

Corporate citizenship at Adcorp is a strategic imperative, directly aligned with our purpose and corporate citizenship vision: to foster fair and efficient labour markets by providing decent and dignified work, creating value for our clients and employees, and ultimately contributing to a sustainable future. We aim to generate lasting value for our clients, employees, and the broader communities in which we operate, thereby contributing meaningfully to a sustainable future.

This vision is supported by four interconnected pillars:



Environmental stewardship

The Group's environmental performance is driven by targeted initiatives designed to reduce carbon emissions, enhance resource efficiency, and promote environmental awareness. During this period, we achieved a substantial reduction in Scope 1 carbon emissions, decreasing from 302 tCO₂e to 114 tCO₂e due to reduced diesel generator usage. Scope 2 emissions remained relatively stable, while our overall electricity consumption dropped from 3.4 million kWh to 3.0 million kWh. Solar PV power contributed 573 736 kWh, accounting for 25% of electricity needs at Adcorp Place, our Johannesburg head office. Our waste recycling increased from 22% to 33%, and water consumption significantly decreased due to improved monitoring and leak detection. We reinforce these gains with ESG-aligned training initiatives and strengthened data management systems, further embedding sustainability into our core business processes.

Social responsibility

Our workforce footprint reached over 37 000 individuals, encompassing permanent employees, deployed employees and contingent employees at client sites, and independent contractors. We provided 493 learnerships and internships, with 37 of these benefiting persons with disabilities. Adcorp invested R3.12 million to support black-owned small, medium, and micro enterprises (SMMEs) through enterprise development, of which R2.16 million was specifically allocated to black-women owned businesses. Our youth scholarship spend amounted to R1.3 million, supporting 20 students with their tertiary education.

In Australia, Paxus received recognition as a disability confident recruiter by the Australian Disability Network. In South Africa, Adcorp was awarded the disabled persons rate award for the second consecutive year by the National Council for Persons with Disabilities and Integrated Reporting & Assurance Services.

We maintained our Level 1 B-BBEE rating for our largest South African operation for the fifth consecutive year.

Employee health, safety and wellbeing

We have made significant investments in workplace health, safety and wellbeing, recognising its moral and operational importance. In FY2025, the Group regrettably reported three employee fatalities, each occurring on client sites. These incidents prompted detailed investigations, increased safety training, external audits, and strengthened onboarding and preventive protocols. Adcorp delivered SHEQ training to over 22 000 individuals, developed a real-time risk assessment system aligned with global best practices, and monitored safety across more than 1 000 client sites. While our safety metrics revealed an increase in total recordable injuries, we attribute this to our improved reporting systems and broader safety awareness.

Our wellbeing strategy, implemented through local branding such as Ndlela in South Africa and Acacia in Australia, provides digital access to mental health support, therapy sessions, self-help tools, and wellbeing trackers. This programme has been well received, and we are expanding it across the Group. Further initiatives include wellness days, fitness activities, onsite gym access at Adcorp Place, comprehensive health screening, and volunteer opportunities to foster team camaraderie and support social impact causes. Furthermore, Adcorp introduced a family and domestic violence policy in Australia, reflecting our responsiveness to emerging social and legislative trends.

Governance and ethics

The SESCom, as part of its mandate to oversee the implementation of Adcorp's corporate citizenship strategy, collaborates with the ARC and other committees to evaluate ethical conduct and ensure our business practices align with the principles of King IV. During the year, SESCom guided updates to our key policies, including those addressing modern slavery, human rights, and stakeholder engagement.

Our board enhanced its gender diversity, with women comprising 44% of members, and we improved racial representation in line with our equity targets.

The Group's DEIB strategy remains a cornerstone of our corporate culture. Adcorp has reinforced inclusive labour practices and made meaningful progress toward fair, equitable and responsible remuneration. We are developing a total rewards statement to improve transparency and highlight the full scope of employee benefits, ranging from cost to company and performance incentives to professional development opportunities and employee assistance programmes. This initiative aligns with Adcorp's goal of attracting and retaining talent in increasingly competitive and values-driven labour markets.

i Corporate governance overview

i Remuneration report



Focus for FY2026 and beyond

Adcorp has identified several strategic priorities for FY2026. These include expanding our supplier ESG assessments, embedding our stakeholder engagement standards, continuing our investment in skills development, and maintaining our leadership in B-BBEE empowerment. We will place further focus on improving our SHEQ systems, refining our remuneration analysis, and embedding DEIB principles into our employee value proposition.

CHIEF FINANCIAL OFFICER'S REPORT

“ The 2025 financial year has been just as demanding as recent ones, reflecting the tough conditions faced by companies operating in both South Africa and Australia. The year unfolded against a backdrop of evolving macroeconomic complexity across our primary markets. Both regions contended with global and domestic headwinds that influenced labour market dynamics, client demand, and overall business sentiment, all of which impacted Adcorp's operations and strategic execution. Amid these persistent macroeconomic challenges, the Group delivered a notably improved financial performance, underpinned by years of restructuring, ongoing capital discipline, operational leverage, and strategic focus.



Noel Prendergast
Chief Financial Officer



In South Africa, entrenched structural issues continued to weigh heavily. GDP growth remained muted, hampered by infrastructure disruptions, transport inefficiencies, elevated interest rates, and inflationary strain. These pressures subdued private sector investment and consumer confidence, which affected demand in key sectors we serve. Yet, there were pockets of resilience, particularly where skills-based outsourcing and flexible workforce solutions found continued relevance.



In Australia, the economy grappled with high interest rates, softening inflation, and a tight labour market. While the Reserve Bank maintained a cautious monetary policy stance for most of the year, inflation moderated in the second half, creating a more stable operating climate. Labour shortages in specialist sectors and growing reliance on contract and temporary staffing created growth opportunities for our Australian businesses.



Recent years have seen margin compression despite revenue growth. This year, we are pleased to report revenue growth, now accompanied by a gross margin uplift. The formal launch of a margin improvement project during this financial year played a pivotal role in reversing the gross margin pressure, with improvements noted across most brands.

Performance

Summarised consolidated statement of profit or loss

R'000	Audited Year end Feb 2025	Audited Year end Feb 2024	Var (%)
Revenue	13 236 678	12 982 141	2.0
Cost of sales	(11 935 225)	(11 725 110)	(1.8)
Gross profit	1 301 453	1 257 031	3.5
Gross profit %	9.8%	9.7%	
Other income	14 786	24 857	(40.5)
Operating expenses	(1 153 243)	(1 154 000)	0.1
EBITDA	244 341	208 437	17.2
EBITDA %	1.8%	1.6%	
Depreciation and amortisation	(71 662)	(79 947)	10.4
Depreciation of PPE and amortisation	(26 285)	(26 431)	0.6
Depreciation of right of use assets (IFRS 16)	(45 377)	(53 516)	15.2
Operating profit (excluding impairments)	172 679	128 490	34.4
Operating profit margin (%)	1.3	1.0	
Net cost of funding	(34 329)	(38 770)	11.5
Net finance income	6 655	3 845	73.1
Lease liability interest (IFRS 16)	(40 984)	(42 615)	3.8
Impairments, derecognition of lease liabilities & ROUA	(1 057)	216	-
Profit before taxation	137 293	89 936	52.7
Taxation expense	3 563	(1 894)	288.1
Profit for the year	140 856	88 042	52.7
Tax rate (%)	(2.6%)	2.1%	

Group revenue rose 2.0% from R13,0 billion to R13,2 billion, or 3.4% on a constant currency basis. This marks the third consecutive year of growth – an impressive outcome in a global context where many workforce providers experienced contraction. The increase was primarily driven by the strong performance of Staffing Solutions South Africa and Contingent Staffing Australia, which both grew by double digits.

Gross profit increased by 3.5% (or 4.7% in constant currency), reaching R1,30 billion, up from R1,26 billion, with a year-end margin of 9.8%.

Cost management remained a core priority, balancing necessary investment with sustainable growth. Operating expenditure rose by just 0.1% year-on-year – commendable amid high inflation in both territories. The Professional Services Divisions in both South Africa and Australia incurred once-off restructuring costs of R25,1 million, which were partially offset by a positive SARS VAT outcome amounting to R14,2 million.

This year also marked the final full-year amortisation of the Project Skyhawk prepayment. R30,4 million was expensed, with R14,7 million remaining in FY2026.

Post IFRS 16 EBITDA increased by 17,2% to R244,3 million, compared to R208,4 million in the previous year.

There was no net funding cost, excluding IFRS 16 lease interest. Our cash management practices effectively limited finance costs, although we do make use of facilities intra-month.

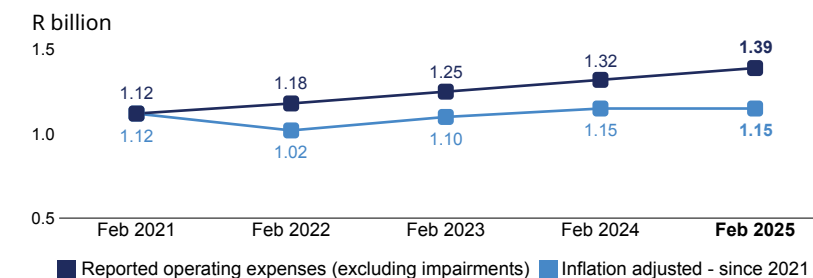
The effective tax rate was a credit of 2.6%, resulting from deferred tax reversals, utilisation of assessed losses, and incentives such as ETI and learnership allowances. However, this tax position is not expected to recur.

Segmental performance

	Revenue		Gross profit		EBITDA	
R'000	Audited Year end Feb 2025	Audited Year end Feb 2024	Audited Year end Feb 2025	Audited Year end Feb 2024	Audited Year end Feb 2025	Audited Year end Feb 2024
Contingent Staffing – South Africa	3 712 663	3 788 111	442 962	431 566	294 610	288 884
Professional Services – South Africa	1 941 338	1 945 836	232 334	221 294	93 940	108 395
Staffing solutions – South Africa	1 363 824	1 136 882	111 501	81 714	65 650	47 593
Business Support – South Africa	-	-	-	-	(312 242)	(342 980)
Contingent Staffing – Australia	2 210 696	1 900 714	192 247	169 604	57 075	46 396
Professional Services – Australia	4 008 157	4 210 598	322 409	352 853	72 768	113 742
Business Support – Australia	-	-	-	-	(27 460)	(53 593)
Total Group	13 236 678	12 982 141	1 301 453	1 257 031	244 341	208 437

The above table includes segment Revenue, Gross Profit and EBITDA shows divisional EBITDA before business support allocations. It is important to note that business support does not only include typical head office type functions, it is also a conduit for direct business purchases and several shared services such as debtors and creditor management, banking and treasury, IT, procurement, HR and payroll.

Operating expenses



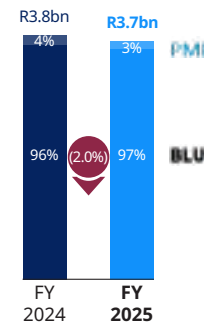
This graph illustrates Adcorp's efforts to control operating expenses. The upper trend line reflects inflation-adjusted growth since 2021. The upper trend line projects operating expenses based on average inflation rates in both regions, showing a potential scenario if 2021 expenses had followed that path. Our focus on aligning each brand's cost base with its operational needs has been methodical and disciplined, reflecting our commitment to financial rigour.

South Africa

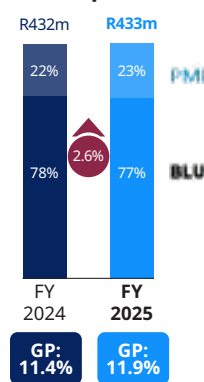


Contingent Staffing

Revenue



Gross profit



The Contingent Staffing business achieved revenue of R3,7 billion for the year, representing a 2.0% decrease for the year-on-year. An overall strong gross margin of 11.9% was achieved for the division, an increase of 0.5% from the prior year.

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

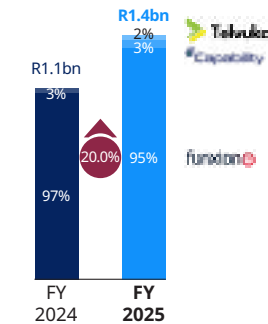
Efforts to enhance gross margin and manage costs more efficiently delivered encouraging results, with improved margin percentages and effective cost control across both brands. Strategic investments in high-margin adjacencies, such as the hospitality sector through the ZEST brand and the incorporation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

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

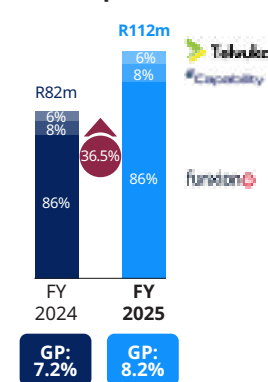
Staffing Solutions



Revenue



Gross profit



Staffing Solutions delivered a notable performance, with revenue increasing by 20.0% to R1,4 billion compared to the prior year of R1,1 billion. This achievement was at a healthier margin of 8.2% compared to 7.2% in FY2024.

At the start of the financial year, the division was renamed Staffing Solutions and now encompasses FunxionO, ACMS (which is a single client subset of FunxionO), Capability, and the newly established Telvuka brand.

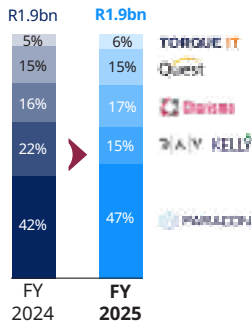
FunxionO delivered strong revenue growth, particularly in the second half, supported by new client acquisitions, sector diversification, and improved operational efficiencies. While early margin pressure emerged from clients in the FMCG and retail sectors, pricing models were revised and operational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

South Africa: continued

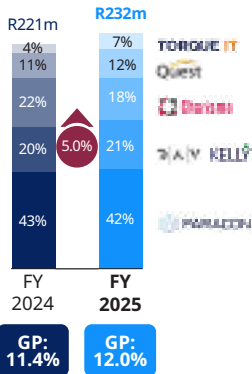


Professional Services

Revenue



Gross profit



Professional Services revenue remained flat at R1,9 billion year on year. Notably, a focused effort on gross margin enhancement resulted in significant improvement, with the margin closing at 12.0%, up from 11.4% in the prior year.

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

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

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



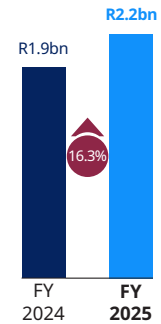
Australia



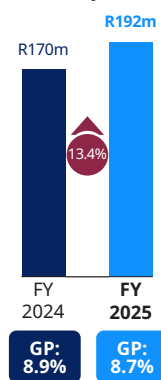
Contingent Staffing



Revenue



Gross profit



Contingent Staffing in Australia continued on its impressive growth in the current year and noted an increase in revenue of 16.3% year-on-year (19.7% on a constant currency basis). The gross margin ended at 8.7% for the period compared to 8.9% in FY2024.

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

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

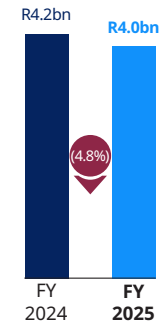
Gross margins remained robust, supported by disciplined cost control, effective labour deployment, and a well-diversified client base. To support current and future growth, the division continued investing in internal capabilities, including regulatory compliance, quality assurance, and workforce development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

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

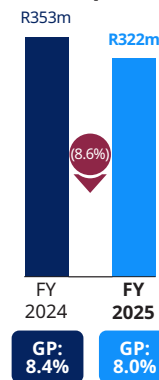
Professional Services



Revenue



Gross profit



Revenue in the **Professional Services** division declined to R4,0 billion compared to the prior performance of R4,2 billion, representing a 4.0% decrease (2.0% decrease on a constant currency basis). Gross margin ended at 8.0%, softening compared to the prior year's margin of 8.4%.

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

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

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



Financial position

Summarised consolidated statement of financial position

R'000	Audited Year end Feb 2025	Audited Year end Feb 2024	Var (%)
Assets			
Property and equipment	20 175	24 678	(18.2)
Right-of-use assets	246 315	249 800	(1.4)
Intangible assets	579 281	624 829	(7.3)
Tax and deferred tax asset	293 475	251 629	16.6
Trade and other receivables	1 634 934	1 696 577	(3.6)
Cash and cash equivalents	494 000	275 249	79.5
Total assets	3 268 180	3 122 762	
Equity and liabilities			
Capital and reserves	1 490 576	1 459 705	2.1
Lease liabilities	379 397	379 140	0.1
Tax and deferred tax liabilities	94 305	66 487	41.8
Provisions trade and other payables	1 303 902	1 217 430	7.1
Total equity and liabilities	3 268 180	3 122 762	

The group's financial position remains robust as at the end of February 2025.

The reduction in intangible assets and goodwill is mainly related to foreign exchange movement in the Australian goodwill assets.

Working capital closed in a healthy position, supported by robust receivables collections and effective management of payables.

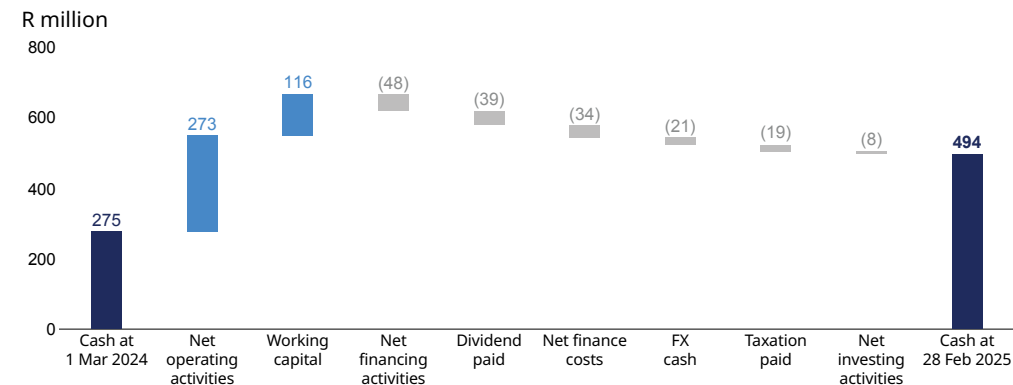
Cash and cash equivalents closed at R494 million and includes the Angola cash of R52 million.

Liquidity and cash flow

Summarised consolidated statement of cash flows

R'000	Audited Year end Feb 2025
Cash generated from operations excluding working capital	272 507
Working capital changes	115 879
Cash generated from operations	388 386
Net cash generated from operating activities	335 158
Net cash utilised in investing activities	(7 843)
Net cash utilised in financing activities	(87 224)
Net increase in cash and cash equivalents	240 091
Cash and cash equivalents at the beginning of the year	204 175
Foreign currency adjustment	(21 340)
Restricted cash reclassified to cash and cash equivalents	71 074
Cash and cash equivalents at the end of the year	494 000

Cash flow movements



The Group's cash position improved significantly over the financial year, increasing from R275 million to R494 million, including restricted cash of R52 million reflecting a net increase of R219 million. The main driver for the strong position is the cash generation of the underlying operations with the Group closing with a cash conversion of 159.0% supported by the various initiatives implemented for cost control and margin improvement. Further, the favourable working capital movement is driven by reliable collection and payables management.

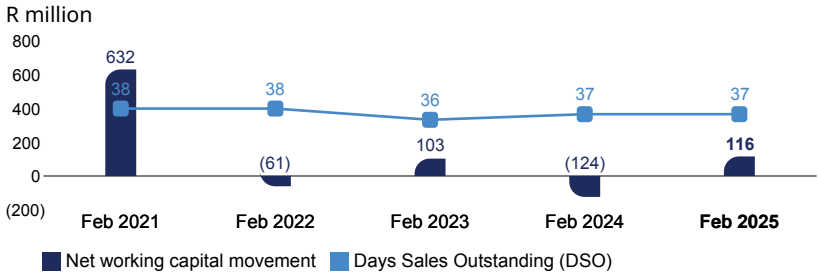
Cash utilisation during the year included:

- The net financing activities and net finance costs mainly relating to the capital and interest payments of leases during the period.
- The dividend payments of R39 million to shareholders in line with the capital allocation policy of the Group.

The foreign exchange impact is mainly due to the two factors, the strengthening of the Rand against the Australia Dollar and weakening of Angolan Kwanza experienced during the year.

The Group's closing cash balance provides a strong liquidity position heading into FY2026 and supports ongoing operational and strategic flexibility.

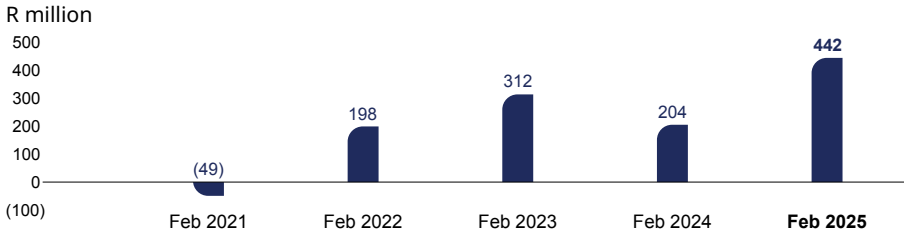
Working capital management



Trade and other receivables balances closed on R1,63 billion, which is a reduction of 3.6% compared to prior year). At 37 days, the Group's DSO was unchanged year-on-year, a commendable result considering sustained client pressure to lengthen payment cycles. This reflects the continued effectiveness of the Group's receivables management and broadly consistent customer payment behaviour within their agreed terms.



Net cash/(debt)



Distribution to external shareholders

Nil

Nil

R62m

R128m

R39m

Share buy-back

Nil

R4m

R20m

R7m

R6m

The management team is pleased to present the Group's five-year net cash or debt trend. While we recognise that Adcorp's current share price may not fully reflect its intrinsic value or tangible net asset value of R911 million, we remain firmly committed to our strategic growth agenda. This is evidenced by our disciplined capital allocation approach and the ongoing refinement of our portfolio. Over the past four years, our focus on delivering shareholder value has been consistently demonstrated through targeted dividend distributions and active share repurchase initiatives.

Dividends

In line with the principles of Adcorp's capital allocation framework the board approved and declared a final gross dividend of 50,0 cents per ordinary share (2024: 24,2 cents per ordinary share). This is in addition to the interim gross dividend of 13,4 cents per share declared and paid during FY2025. The total ordinary dividend for FY2025 was 63,4 cents per share.

Appreciation

I would like to thank all Adcorp employees for their commitment and hard work over the past year. The environment remained demanding, yet their focus and determination played a key role in helping the Group deliver on its priorities and maintain operational discipline.

A particular acknowledgment goes to the finance team for their outstanding professionalism and steadfast execution. Their work has been instrumental in upholding financial discipline, enabling strategic agility, and sustaining operational continuity amid a shifting economic environment.

To our Board of Directors and Executive Committee, I am equally grateful for your consistent engagement and strategic oversight. Your guidance has been central to maintaining our momentum and preparing the Group for its next chapter of growth.

With a team of this calibre, I remain confident in Adcorp's ability to navigate complexity, unlock new opportunities, and continue delivering long-term value to all stakeholders.

Noel Prendergast
Chief Financial Officer

Five-year performance

STATEMENT OF FINANCIAL POSITION

	2025 R'000	2024 R'000	2023 R'000	2022 R'000	2021 R'000
Assets					
Non-current assets	1 117 802	1 133 443	1 238 869	1 290 954	1 357 418
Property and equipment	20 175	24 678	30 811	37 171	48 286
Right-of-use asset	246 315	249 800	291 785	323 432	364 572
Intangible assets	87 957	109 047	123 684	125 773	144 346
Goodwill	491 324	515 782	512 695	512 723	527 216
Other financial assets – investment at fair value	–	–	21 074	19 597	18 971
Deferred taxation	272 031	219 640	214 833	214 187	198 832
Prepayments	–	14 496	43 987	58 071	55 195
Current assets	2 150 378	1 989 319	1 922 796	1 909 718	1 962 906
Trade receivables	1 523 989	1 512 337	1 337 049	1 336 354	1 377 823
Other receivables	110 945	169 744	136 242	143 562	101 297
Taxation prepaid	21 444	31 989	33 957	9 447	9 854
Cash and cash equivalents and restricted cash	494 000	275 249	415 548	420 355	473 932
Disposal group assets held for sale	–	–	–	–	196 553
Total assets	3 268 180	3 122 762	3 161 665	3 200 672	3 516 877

	2025 R'000	2024 R'000	2023 R'000	2022 R'000	2021 R'000
Equity and liabilities					
Total equity	1 490 576	1 459 705	1 534 677	1 472 529	1 352 254
Share capital and share premium	1 740 562	1 740 858	1 740 858	1 740 858	1 740 858
Treasury shares	(94 595)	(93 864)	(91 170)	(72 172)	(68 083)
Reserves	(155 391)	(187 289)	(115 011)	(196 157)	(320 521)
Non-current liabilities	376 520	349 445	388 936	438 004	870 459
Interest-bearing borrowings	–	–	–	–	400 000
Lease liabilities	305 455	303 881	331 977	348 493	369 658
Deferred taxation	68 564	41 054	56 959	89 511	100 801
Provisions	2 501	4 510	–	–	–
Current liabilities	1 401 084	1 313 612	1 238 052	1 290 139	1 273 020
Interest-bearing borrowings	–	–	–	133 336	55 823
Lease liabilities	73 942	75 259	77 433	75 472	75 281
Bank overdraft	–	–	–	–	87
Trade and other payables	1 052 118	996 416	898 855	819 610	908 922
Provisions	249 283	216 504	234 889	203 930	183 738
Taxation payable	25 741	25 433	26 875	57 791	49 169
Disposal group liabilities held for sale	–	–	–	–	21 144
Total equity and liabilities	3 268 180	3 122 762	3 161 665	3 200 672	3 516 877

STATEMENT OF PROFIT AND LOSS

	2025 R'000	2024 R'000	2023 R'000	2022 R'000	2021 R'000
Revenue	13 236 678	12 982 141	12 048 951	11 318 048	11 716 956
Cost of sales	(11 935 225)	(11 725 110)	(10 766 543)	(10 109 805)	(10 575 140)
Gross profit	1 301 453	1 257 031	1 282 408	1 208 243	1 141 816
Other income	14 786	24 857	19 743	19 553	99 399
Operating expenses	(1 144 617)	(1 153 182)	(1 138 246)	(1 026 821)	(1 122 804)
Operating profit/(loss) before finance income and costs	171 622	128 706	163 905	200 975	118 411
Finance income	11 318	11 161	5 589	5 243	16 204
Finance costs	(45 647)	(49 931)	(50 981)	(69 015)	(106 854)
Profit before taxation	137 293	89 936	118 513	137 203	27 761
Taxation expense	3 563	(1 894)	2 241	(31 890)	(22 338)
Tax rate	(2.6%)	2.1%	(1.9%)	23.2%	80.5%
Profit for the year from continuing operations	140 856	88 042	120 754	105 313	5 423
(Loss)/profit from discontinued operations	-	-	(79 980)	13 644	35 906
Profit for the year	140 856	88 042	40 774	118 957	41 329
Operating profit before finance income and costs	171 622	128 706	163 905	200 975	118 411
Depreciation and amortisation	(71 662)	(79 947)	(85 021)	(88 734)	(130 361)
Impairments, derecognition of lease liabilities and right-of-use assets, and profits/(losses) on the disposal of businesses	(1 057)	216	(34 172)	(4 952)	(1 008)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	244 341	208 437	283 098	294 661	249 780

STATISTICS

	2025 R'000	2024 R'000	2023 R'000	2022 R'000	2021 R'000
Weighted number of shares	102 939 974	102 867 948	103 387 640	106 692 859	107 400 053
Headline earnings per share – total (cents)	135.4	81.4	61.1	99.4	34.2
Continuing operations	135.4	83.8	147.8	99.7	0.8
Discontinued operations	-	-	(86.7)	(0.3)	33.4
Earnings per share – total (cents)	134.7	83.8	37.3	109.1	35.6
Continuing operations	134.7	83.8	114.7	96.3	2.2
Discontinued operations	-	-	(77.4)	12.8	33.4

RATIOS

	2025	2024	2023	2022	2021
Return ratios					
Return on equity <i>Profit after tax/Total equity</i>	9.4%	6.0%	7.9%	7.2%	0.4%
Return on total assets <i>Profit after tax/Total assets</i>	4.3%	2.8%	3.8%	3.3%	0.2%
Return on invested capital (ROIC) <i>Net operating profit after tax/Average invested capital</i>	9.6%	6.6%	11.0%	8.9%	3.6%
ROCE (EBIT) <i>Operating profit before finance costs and income/ (Total equity plus non-current and current interest-bearings borrowings)</i>	11.5%	8.8%	10.7%	12.5%	6.5%
Margin ratios					
Gross profit margin <i>Gross profit/Revenue</i>	9.8%	9.7%	10.6%	10.7%	9.7%
Cost to income <i>Operating expense/Revenue</i>	8.6%	8.9%	9.4%	9.1%	9.6%
EBITDA margin <i>EBITDA/Revenue</i>	1.8%	1.6%	2.3%	2.6%	2.1%
Operating profit margin <i>Operating profit before finance costs and income/ Revenue</i>	1.3%	1.0%	1.4%	1.8%	1.0%
Net margin <i>Profit after tax/Revenue</i>	1.1%	0.7%	1.0%	0.9%	0.0%

	2025	2024	2023	2022	2021
Leverage/gearing					
Gearing: Gross debt to equity ratio <i>(Non-current plus current interest-bearing borrowings)/Total equity</i>	0.0%	0.0%	0.0%	9.1%	33.7%
Gearing: Net debt to equity <i>(Non-current plus current interest-bearing borrowings less cash & cash equivalents)/ Total equity</i>	(33.1%)	(18.9%)	(27.1%)	(19.5%)	(1.3%)
Equity ratio <i>Total equity/Total assets</i>	45.6%	46.7%	48.5%	46.0%	38.5%
Gross debt ratio <i>(Non-current plus current interest-bearing borrowings)/Total assets</i>	0.0%	0.0%	0.0%	4.2%	13.0%
Net debt to EBITDA <i>(Non-current plus current interest-bearing borrowings less cash & cash equivalents)/EBITDA</i>	(2.02)	(1.32)	(1.47)	(0.97)	(0.07)
Gross debt to EBITDA <i>(Non-current plus current interest-bearing borrowings)/EBITDA</i>	-	-	-	0.45	1.82
Efficiency					
Total asset turnover (times) <i>Revenue/Total assets</i>	4.1	4.2	3.8	3.5	3.3
Debtor collection (days) (DSO) <i></i>	37	37	36	38	38
Liquidity					
Asset ratios					
Current ratio <i>Current assets/Current liabilities</i>	1.53	1.51	1.55	1.48	1.54
Cash ratio <i>Cash & cash equivalents/Current liabilities</i>	35.3%	21.0%	33.6%	32.6%	37.2%
Earnings ratio					
Times interest earned ratio <i>Operating profit before finance costs and income/ Net interest costs</i>	5.00	3.32	3.61	3.15	1.31

CASH FLOWS

	2025 R'000	2024 R'000	2023 R'000	2022 R'000	2021 R'000
Cash generated from operations before working capital changes	272 507	247 847	274 317	321 033	281 869
Cash generated by operations	388 386	123 772	377 671	260 018	913 730
Net cash generated from operating activities	335 158	64 436	259 557	145 735	770 605
Net cash (outflow)/inflow from investing activities	(7 843)	14 184	(31 691)	128 758	9 663
Net cash outflow from financing activities	(87 224)	(176 040)	(254 886)	(368 652)	(649 180)
Net increase/(decrease) in cash and cash equivalents	240 091	(97 420)	(27 020)	(94 159)	131 088

	2025 R'000	2024 R'000	2023 R'000	2022 R'000	2021 R'000
Share performance					
Market price per share					
Highest	5.55	6.90	6.50	7.39	10.08
Lowest	3.60	3.17	4.38	4.65	1.35
Year-end	4.41	4.50	4.41	6.00	6.49
Number of shares in issue	109 880 974	109 954 675	109 954 675	109 954 675	109 954 675
Volume traded during the period	15 519 479	20 121 281	17 637 841	25 941 579	41 065 441
Ratio of volume traded to shares issued (%)	14.12%	18.30%	16.04%	23.59%	37.35%
Rand value traded during the period	71 475 198	100 686 123	95 196 084	155 932 759	191 056 330
Price/earnings ratio as at year end	3.3%	5.4%	11.8%	5.5%	18.2%
Earnings yield as at year end (%)	17.9%	18.6%	8.5%	18.2%	5.5%
Dividend yield as at year end (%)	6.82%	5.45%	6.51%	7.83%	–
Market capitalisation as at year end	484 575 095	494 796 038	484 900 117	659 728 050	713 605 841

DIVISIONAL AND OPERATIONAL OVERVIEW

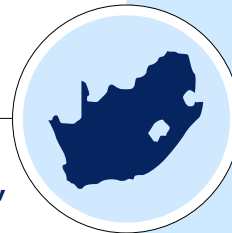
Adcorp's operational strategy is anchored in delivering agile, client-focused workforce solutions across two dynamic markets: Australia and South Africa. Through a synergistic portfolio of services and solutions, including Staffing Solutions, Professional Services and Contingent Staffing, the Group addresses flexible workforce requirements, supports enterprise transformation, and unlocks growth in sectors aligned to long-term socio-economic shifts.



South Africa

Resilience, transformation, and innovation at scale

In South Africa, Adcorp leverages a heritage of trusted brands – BLU, PMI, Kelly, Quest, Paracon, and FunxionO – to provide adaptive, inclusive, and scalable workforce solutions. With a footprint spanning over 1 000 client sites, the Group supports productivity across key industries including manufacturing, logistics, financial services, mining and renewable energy.



Contingent Staffing Division

Adcorp's leadership in the contingent staffing market remains well-established despite persistent macroeconomic and regulatory volatility.

BLU continued to deliver scalable flexible staffing solutions across multiple industries, including the logistics, FMCG, and manufacturing sectors.

PMI's vocational training solutions mitigate the need for upskilling in a rapidly changing workplace. Our solutions provide transformation objective outcomes through bespoke training and initiatives, and is a natural adjacency advantage to BLU's clients.

Zest Hospitality leveraged a resurgence in domestic tourism to expand its hospitality staffing footprint, particularly in the Western Cape. Across all brands, the focus on diversity, localisation, and employment equity reinforces Adcorp's commitment to inclusive growth and long-term workforce sustainability.



A leading provider of flexible staffing solutions, specialising in blue-collar temporary staffing across major industries. BLU offers a comprehensive range of services including workforce sourcing, screening, management, payroll and HR administration.

www.blubyadcorp.com



Best in class flexible hospitality staffing solution that offers experienced front and back of house associates to deliver an exceptional client experience.

www.zesthospitality.co.za



A private higher education institution that specialises in vocational and higher education, focusing on up-skilling, reskilling, and future-skilling across various sectors.

www.pmi-sa.co.za



Specialises in providing disability placement services and disability training solutions. Also manages learnerships providing opportunities for employers to engage with persons with a disability.

www.ican-sa.co.za

South Africa: continued



Professional Services

Adcorp's Professional Services division remains one of South Africa's foremost staffing providers, with iconic brands like Kelly and Quest leading the way, each with over 50 years of industry experience. The division's services encompass contingent staffing (contractors), training, and permanent placements. It serves major industries, including financial services, healthcare, telecommunications, and technology, providing solutions to the largest and most reputable companies in South Africa.

The division's competitive edge lies in its ability to deliver integrated services across the entire workforce life cycle, ensuring comprehensive support to clients from recruitment to workforce management and training. As DAV celebrates its 50th anniversary next year, and Paracon nears three decades of excellence in IT talent sourcing, supported by TorqueIT's offering of future focused technology training, the division continues to showcase its long-standing industry leadership.

Investments aimed at revitalising well-established brands have positioned the division for long-term growth, despite the ongoing challenges faced by the global white-collar and permanent staffing sectors.



A leading IT staffing brand specialising in technology solutions and staffing services across various industries. Paracon empowers businesses through innovative IT strategies and a robust talent pool, aiming to enhance operational efficiencies.

www.paracon.co.za



Specialises in recruiting and staffing nurses and healthcare workers for both private and public healthcare sectors in South Africa. Charisma provides highly trained and reliable nursing professionals.

www.charismahealthcare.co.za



Intermediate permanent recruitment, recruitment process outsourcing and managed services provider.

www.kelly.co.za



Focused on connecting top talent with leading employers. It offers temporary, permanent and project staffing solutions into white-collar professional sectors.

www.quest.co.za



Permanent premium, scarce and specialised skills recruitment.

www.dav.co.za



An online job portal that connects job seekers with employment opportunities across various industries. Jobvine also supports freelancers by providing a community and market place for freelance work.

www.jobvine.co.za



A premier IT training and certification academy in South Africa, specialising in vendor-authorised, instructor-led training aimed at enhancing IT skills across various technologies.

www.torque-it.com



South Africa: continued



Staffing Solutions

Adcorp's Staffing Solutions division, comprising FunxionO, Telvuka, and Capability, continues to lead the market in delivering fully outsourced staffing solutions. These brands enable clients to optimise operational costs, enhance performance, and increase the outputs of their non-core activities, allowing them to focus on their core business objectives.

FunxionO has a presence in over 60 client facilities across South Africa, and provides outsourced workforce solutions, across key sectors, including but not limited to:

- FMCG
- Manufacturing
- Warehousing and logistics
- Retail

FunxionO's output based model aligns its success with that of its clients, fostering a shared commitment to quality, risk and efficiency. This model, combined with the brand's sound track record and optimal performance, has positioned FunxionO as a leader in the South African market. The brand anticipates continued growth, driven by increasing client adoption of its flexible, cost-effective, and technology solutions.

Launched in March 2024, Telvuka represents a strategic expansion into the BPO contact centre sector. Leveraging AI-enhanced technologies, Telvuka serves both domestic and international clients, with a growing presence in the UK and US markets. The brand is strategically positioned to leverage South Africa's growing status as a preferred destination for client service outsourcing, attracting global clients looking to establish or relocate BPO operations.

The brands in Staffing Solutions optimally position the division to leverage the growing need of companies wanting to outsource non-core operations in part or totality. The division's proven track record and scalability positions it well to expand beyond the current landscape.



Specialising in outsourced business solutions that leverage technology to enhance operational efficiency and productivity. FunxionO offers a range of specialised services within manufacturing and related industries.

www.funxiono.co.za



Specialises in high-performance, specialised cleaning services tailored to meet the stringent requirements of industries such as food processing, manufacturing, and distribution centres.

www.capabilitycleaning.co.za



A business process outsourcing provider offering customised solutions to enhance client service and support. Telvuka provides comprehensive services including inbound and outbound client interactions.

www.telvuka.com





Australia

Strengthening workforce pathways in a high-demand economy

Adcorp's Australian operations – comprising LSA, LSA Health, and Paxus – remain strategically positioned to support sectors facing acute skills shortages, including healthcare, protein processing, aged care, technology, and construction. Leveraging government mobility frameworks such as the Pacific Area Labour Mobility Scheme (PALM), our operations continue to address structural labour shortages with speed and impact.



Contingent Staffing

LSA and LSA Health continue to be preferred workforce partners in core industries critical to national productivity. Ongoing demand in protein processing and healthcare, increased by demographic shifts and local labour constraints, has reinforced the need for workforce mobility. LSA's ability to facilitate skilled migration under the PALM scheme remains a vital enabler of regional economic resilience.

LSA Health is benefitting from structural tailwinds in the aged care sector, with projected annual growth in healthcare staffing of 6.5% through 2027. Recent expansion into hospitality staffing further diversifies the division's revenue base and aligns with post-pandemic service recovery trends.



Offering tailored workforce solutions across Australia specialising in blue-collar, industrial and food processing recruitment and labour hire striving to match the right candidates with the right jobs.
www.laboursolutions.com.au



Operating in Australia's healthcare sector providing reliable, compliant, and suitably qualified healthcare professionals. Offering specialised recruitment services including allied health, aged care and hospital staffing.
<https://www.laboursolutions.com.au/employers/healthcare-recruitment>

Professional Services

Through Paxus, Adcorp continues to support Australia's digital transition by delivering expert technology staffing, managed services, and consulting. Despite subdued market conditions and a decline in permanent placements, Paxus responded by transitioning to a sector-based operating model. This strategic shift enhances agility and unlocks access to emerging white-collar verticals. This repositioning supports entry into adjacent white-collar verticals and enhances Paxus's relevance in an evolving market.

Paxus remains one of the most trusted technology workforce brands in Australia, backed by consistent contractor retention, high client satisfaction, and a growing presence in higher-margin service lines. Managed services, remains a key driver of sustainable, long-term value. The division is well-positioned to benefit from increased demand for digital capabilities, particularly in data, cybersecurity, and AI adoption.



A leading IT recruitment agency, providing extensive services in IT contract recruitment, permanent staffing, and talent solutions. They offer specialised services across various sectors including AI, cybersecurity, and software development.
www.paxus.com.au

OUR LEADERSHIP

Board of directors at date of publication

Joined board # Appointed after year-end * Chair

COMMITTEES: HCC Human capital ARC Audit and risk SESCO Social, ethics and sustainability Exco Executive InvestCom Investment

Gloria Serobe ⁶⁵

Board Chairperson and non-executive director

QUALIFICATIONS
BCom, MBA

11 Jul 2017

VALUE ADDED TO THE BOARD

Financial and business acumen, HR and culture, strategic leadership, and corporate governance and stakeholder management.

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Women Investment Portfolio Holdings Limited
- DENEL SOC Limited
- Hans Merensky Holdings Proprietary Limited
- Sasfin Wealth Proprietary Limited



Chair of
Nominations
Committee

Dr Phumla Mnganga ⁵⁷

Lead independent non-executive director

QUALIFICATIONS
BA, Bed, MBL, PhD

6 Sep 2018

VALUE ADDED TO THE BOARD

Strategic leadership, HR, culture and diversity, business acumen, change management, sustainability, corporate governance and stakeholder management.

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Altron Limited
- Exxaro Resources Limited



Melvyn Lubega ³⁶

Independent non-executive director

QUALIFICATIONS
BBusSc (Hons),
MSC, MPP

1 Jul 2020

VALUE ADDED TO THE BOARD

Financial and business acumen, strategic leadership, change management and business transformation, innovation and digital expertise, IT and cybersecurity, and corporate governance and stakeholder management.

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Old Mutual Bank Holdings Limited



Tshidi Mokgabudi ⁷¹

Independent non-executive director

QUALIFICATIONS
CA(SA), H.Dip Tax Law,
BCompt (Hons), BCom

15 Oct 2020

VALUE ADDED TO THE BOARD

Financial and business acumen, strategic leadership, risk management, legal and regulatory oversight, sustainability, and corporate governance.

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Truworths International Limited
- DENEL SOC Limited
- Hensoldt South Africa Limited
- Vukile Property Fund Limited



Herman Singh ⁶⁴ Independent non-executive director

QUALIFICATIONS
BSc, GDE, MBA

6 Sep 2018

VALUE ADDED TO THE BOARD

Business acumen, change management and business transformation, strategic leadership, innovation and digital expertise, IT and cybersecurity, corporate governance, and marketing and brand oversight.

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Telkom SA Limited
- African Bank Holdings Limited
- Payments Association of South Africa



Clive Smith ⁶⁴ Non-executive director

QUALIFICATIONS
ACIS (SA), EDP

10 Jan 2020

VALUE ADDED TO THE BOARD

Business and financial acumen, change management and business transformation, marketing and brand oversight, and corporate governance and stakeholder management.

Clive holds no directorships in listed and/or significant unlisted companies.



Ronel van Dijk ⁵³ Independent non-executive director

QUALIFICATIONS
BCom, BCom (Hons)
CA(SA)

6 Jun 2019

VALUE ADDED TO THE BOARD

Financial and business acumen, strategic leadership, HR and culture, risk management, legal and regulatory oversight, sustainability, and corporate governance.

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Hans Merensky Holdings Proprietary Limited
- Omnia Holdings Limited



Robert Radley ⁶⁰ Independent non-executive director

QUALIFICATIONS
BSc (Hons)(Eng),
MSc (Engineering), MBA, member
Australian Institute of Company
Directors

2 Jun 2025*

VALUE ADDED TO THE BOARD

Business acumen, strategic leadership, business transformation and performance improvement, commercial transactions, stakeholder management and corporate governance. Deep knowledge of the Australian market.

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Edith Cowan University



Dr John Wentzel ⁵⁸ Executive director and Chief Executive Officer

QUALIFICATIONS
BSc (Hons), MSc,
MBA, PhD

1 Apr 2021

VALUE ADDED TO THE BOARD

Strategic leadership, HR and culture, marketing and brand oversight, corporate governance and stakeholder management, financial and business acumen, digital expertise and IT.

John holds no directorships in listed and/or significant unlisted companies.



Noel Prendergast ⁵² Executive director and Chief Financial Officer

QUALIFICATIONS
CA(SA), BCompt
(Hons), BCom

21 Oct 2020

VALUE ADDED TO THE BOARD

Strategic leadership, financial and business acumen, corporate finance risk management, legal and regulatory oversight.

Noel holds no directorships in listed and/or significant unlisted companies.



EXECUTIVE COMMITTEE

 Joined Exco # Appointed after year-end



Bruce Toerien

Managing Director: Contingent Staffing

QUALIFICATIONS

 1 Aug 2003

SKILLS AND EXPERTISE

Bruce is an accomplished executive having spent more 22 years at Adcorp and has experience leading human capital businesses across the FMCG, logistics, manufacturing, and hygiene sectors. He is responsible for driving business performance, leading high-performing teams, and creating sustainable value for clients, shareholders, and communities.



Natasha Parmanand

Managing Director: Staffing Solutions

QUALIFICATIONS

 15 Aug 2024

SKILLS AND EXPERTISE

Natasha is seasoned executive with over 20 years' experience in banking, intellectual property, tax, risk and logistics. Natasha brings with her a dynamic skillset with a proven track record of delivering business results, driving innovation, and leading teams across multiple markets and functions while adhering to highest ethical and professional standards to create value for our clients, shareholders, and communities.



Heidi Duvanage

Managing Director: Professional Services

QUALIFICATIONS

 1 Jun 2024

SKILLS AND EXPERTISE

Heidi is a seasoned executive with over 20 years of experience in recruitment across Africa. She has led the growth and development of professional recruitment businesses and skills platforms, strengthening talent acquisition and enabling effective talent management across diverse markets.



Zeb Riddell

Managing Director: Contingent Staffing

QUALIFICATIONS

 3 Mar 2025#

SKILLS AND EXPERTISE

Zeb is a proven executive leader with over a decade of experience driving transformation, growth, and operational excellence. He brings deep capability in strategy, risk, and workforce leadership, with a strong record of delivering commercial outcomes. Zeb has led large-scale teams, navigated complex environments, and influenced performance across both private and listed enterprises.



Darran Butcher

Managing Director: Professional Services

QUALIFICATIONS

AAT (UK), ACC (Association of Certified Accountants)(UK)

 6 May 2025#

SKILLS AND EXPERTISE

Darran is an experienced recruitment professional with over 20 years' experience gained in the UK and Australian professional service markets. Having started his career in finance, he has held leadership positions in internationally listed as well as privately owned recruitment organizations. During his career, Darran has helped drive improvement across various areas of business performance whilst engaging and retaining talent, and maximizing operational efficiencies.



CORPORATE GOVERNANCE OVERVIEW

Introduction

Adcorp was established in 1975 as South Africa's first recruitment marketing agency and has since grown into a leading workforce solutions company in Africa. This 50 year legacy has been built on an ethical value system and strong relationships with all stakeholders, underpinned by integrity and good governance practices established over time.

During the reporting period, the Group has, in all material respects, applied the principles of King IV and complied with mandatory corporate governance provisions in the JSE Listings Requirements. The King V Draft Code, published in February 2025, is currently being assessed to understand its future implications.

Our governance philosophy

Adcorp's governance objectives are aligned to King IV and promote ethical and effective leadership that achieves the outcomes of an ethical culture, good performance and sustainable value creation, effective control, and legitimacy.

The board supports mindful governance and integrated thinking, and therefore our governance policies, practices and frameworks are intended to add value, ensure sustainability, and help the Group seize opportunities. We continuously strive to embed a business-wide culture of good governance that facilitates good decision-making and performance, while minimising the risk of failure. We evaluate our practices and frameworks regularly to adapt to the dynamic environment in which we operate. These consider economic and geopolitical factors, corporate citizenship-related risks, workplace cultural shifts, and advancements in technology such as AI and data security.

The board's focus areas in FY2025

The board acknowledges that sustainable long-term value creation hinges on a solid long-term strategy, identifying key issues, effective risk management, and strong financial performance. The board, supported by its committees, strive to balance these areas while responding quickly and decisively to any challenges.

During the year, the board and its committees focused on the following issues which have a material bearing on Adcorp's ability to create long-term value for its shareholders and other stakeholders:

- **Strategy and business performance:** In response to the difficult trading environment, the board augmented its strategic and financial oversight during the year. The business's performance was scrutinised against established financial and operational benchmarks. As a result, the Group implemented key restructuring initiatives aimed at reducing costs, enhancing efficiency, and better aligning with market conditions. The board continued to oversee initiatives to strengthen working capital management and our balance sheet position, which yielded positive results. The capital allocation framework is being deployed to balance investment in growth and returns to shareholders, with an emphasis on driving growth through strategic diversification.
- **Information technology:** The board oversaw the final implementation and benefit realisation of the Skyhawk programme, which involved a comprehensive update of Adcorp's enterprise applications. This update allows Adcorp to support our clients in achieving effective recruitment outcomes and improving operational efficiency through technology.
- **Governance frameworks:** We enhanced our approach to governance under the oversight of the ARC and SESCom to ensure integration of our international operations into all governance, compliance and risk processes. This involved refining several policies and adopting a new Group Governance Framework.
- **Risk management:** As Adcorp navigates a challenging environment, the board maintained a strong focus on risk management, with particular emphasis on human capital and people risk, commercial risk, information security and strategic execution risk.

Regular board agenda items included detailed feedback from the chairpersons of board committees on key deliberations. The CEO provided updates on top-of-mind matters including financial performance, forecasts, the macroeconomic environment, the status of key strategic actions, key risk and reputational issues, people matters, and progress on significant programmes.

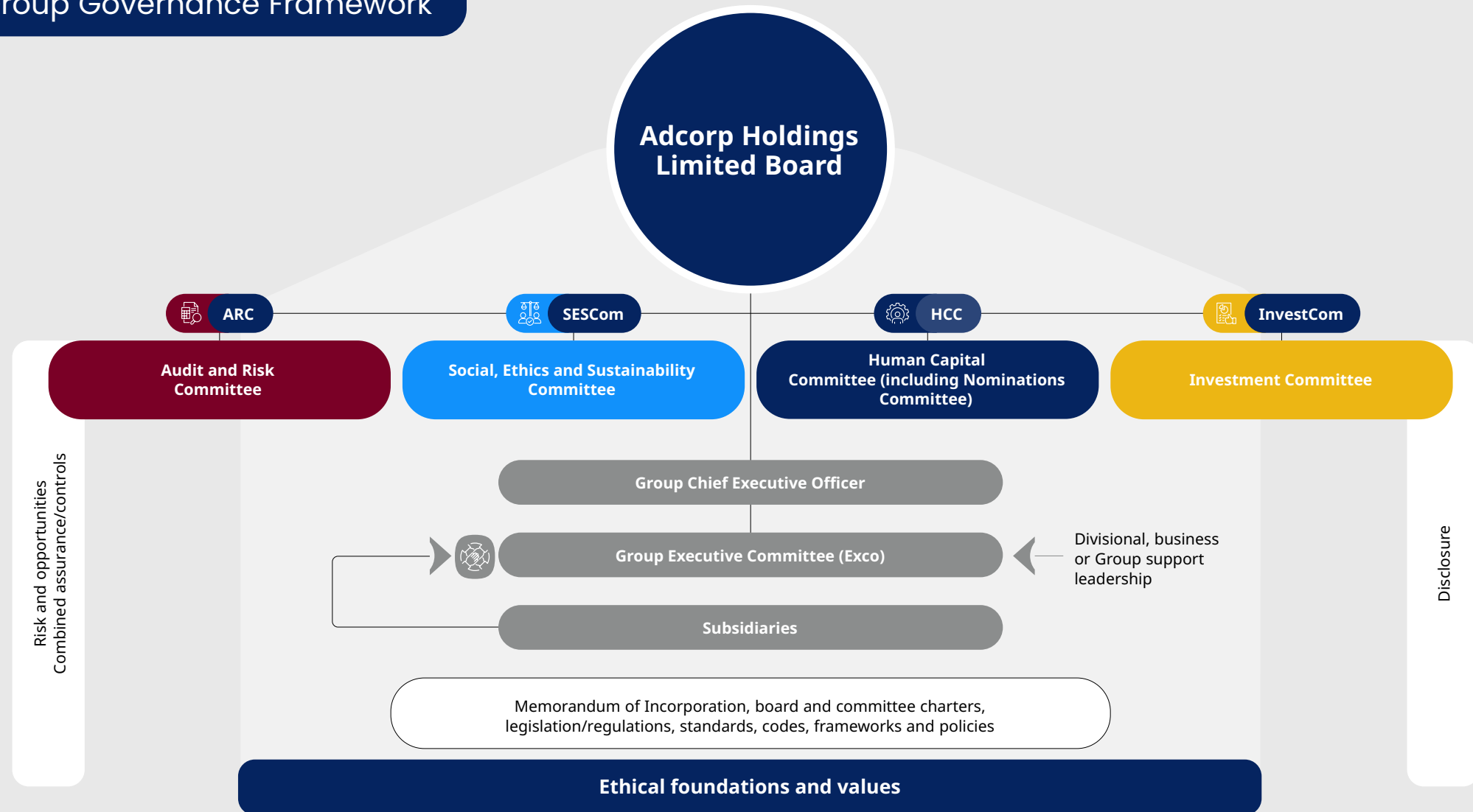
FY2026 focus areas

- Overseeing our data and AI programme (Project Raptor)
- Succession planning for critical roles and talent retention;
- Steering the Group through an uncertain environment; and
- Continuing to oversee the deployment of the capital allocation framework to balance investment in growth and return to shareholders.



How Adcorp has applied the principles and practices of King IV can be found from **page 55 of this report**

Group Governance Framework



The Group's governance framework describes the structure and principles for decision-making through which the Group is directed, controlled and held accountable.

It provides direction on how the relationship between Adcorp Holdings and its subsidiaries is structured and managed. Adcorp's governance structure is underpinned by a robust policy framework, including the board charter and the Group's Memorandum of Incorporation (MoI), which define the responsibilities, authority, and fiduciary obligations of directors.

The board aims to ensure alignment between the Group's strategic direction and the implementation of fit-for-purpose policies and governance processes across the Group. The policies and processes for specific groups, as well as the charters and terms of reference for various governance structures, are detailed in separate documents. These documents also describe how these structures carry out their activities.

i Read more about how the board delegates authority on **page 60** of this report

Our board of directors **PRINCIPLE 2**

The board's primary governance roles and responsibilities

The board provides leadership and guidance that support the ongoing cultivation of an ethical culture. Its role and responsibilities include setting the Group's strategic direction and providing continuous oversight of performance on material matters. The board functions as a check and balance to oversee executive management performance and strategy execution. The board charter outlines the composition, authority, responsibilities, and procedures of the board, ensuring adherence to good corporate governance principles.

The board is supported by four board committees with clearly defined mandates and decision-making powers. Group Exco is responsible for daily operations and management of the business. While retaining overall accountability, the board has delegated the management of the day-to-day affairs of Adcorp to the CEO. The CEO and CFO hold monthly review meetings with divisional heads to gather feedback on key initiatives and performance areas. Exco meets monthly to discuss business performance, strategic progress, top risks, governance, and approvals.

The board confirms that it has discharged its responsibilities under the board charter for the period under review.

Functioning of the board

Gloria Serobe, a non-executive director, is the Chairperson of the board. The responsibilities of the Chairperson and the CEO are clearly defined and separated as outlined in the board charter. This separation remains fundamental to the Group's governance structure and is further reinforced by the appointment of Phumla Mnganga, the lead independent director, whose role is to resolve potential conflicts, provide governance oversight, and support the consistent application of high standards of corporate conduct.

The board ensures a balanced mix of knowledge, experience, skills, and expertise among non-executive directors. Any director is entitled to obtain independent professional advice at the Company's expense should the

need arise. All directors have access to the Company Secretary for governance and compliance advice, as well as to Adcorp's external and internal auditors and executive management. In compliance with JSE Listings Requirements, non-executive directors do not participate in the Company's share incentive schemes.

Board profile

Adcorp has a unitary board structure comprising ten board members at the date of this report. The size of the board provides enough members for the four committees, including two statutory committees, while preserving independence. The committees are led by independent directors, except for the Nominations Committee, which is chaired by the board Chairperson who is not an independent director. With the exception of the Investment Committee (InvestCom), each committee has a majority of independent non-executive directors as envisaged in the King IV recommended practices and the board charter.

Adcorp aims to enhance board effectiveness by promoting diversity at the board level, which contributes to diverse perspectives in decision-making. Adcorp identifies various attributes that support better decision-making and effective governance, including the board's mix of competencies, age, culture, race, and gender. These attributes strengthen the board's ability to effectively and collectively discharge its duties and add value to the Group. The inclusion of diverse perspectives in board decisions benefits all stakeholders, and diversity is a fundamental aspect of our board selection process. Our policy for the nomination and appointment of directors takes into account factors such as race, gender, age, culture, and knowledge, skills and expertise.

The HCC annually reviews the composition of the board and measures the actual female representation on the board against targets, before making recommendations to the Board. At year-end, the board exceeded its racial diversity target of 50%, and its gender diversity target of 30%, reflecting its commitment to transformation and inclusive leadership.

Board of directors at date of this report

INDEPENDENT NON-EXECUTIVES



Phumla Mnganga
Lead Independent



Melvyn Lubega



Tshidi Mokgabudi



Herman Singh



Ronel Van Dijk



Robert Radley

NON-EXECUTIVES



Gloria Serobe
Chairperson



Clive Smith

EXECUTIVES



John Wentzel
Chief Executive Officer



Noel Pendergast
Chief Financial Officer

Changes to the board of directors

Timothy Olls, non-executive director, resigned with effect from 1 January 2025 and his alternate, Samuel Sithole, resigned on the same date. Robert Radley was appointed as an independent non-executive director with effect from 2 June 2025.

In accordance with the provisions of the MoI, shareholders must elect each board member by majority vote at the AGM. Board members do not have fixed terms, but one-third retire at each AGM and can seek re-election. The retirement age for non-executive directors is 73 years of age (subject to being physically and mentally fit and other corporate guidelines), which could be extended to 75 years, at the discretion of the board.

Board profile

28 February 2025*

PRINCIPLE 2

Board gender diversity
(target 30% women)



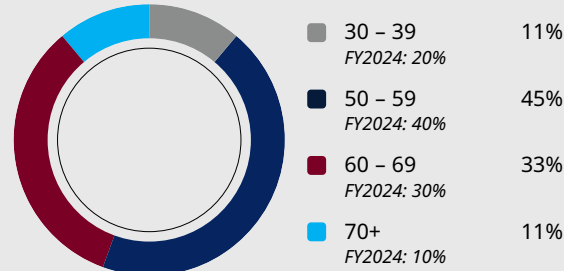
Male
56%
FY2024: 60%



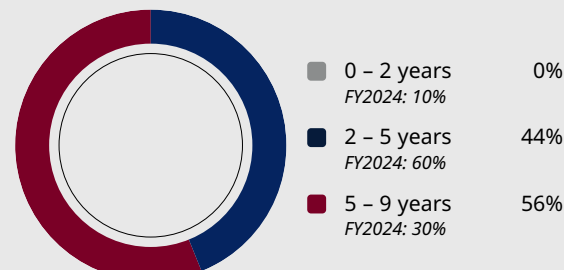
Female
44%
FY2024: 40%

TARGET
ACHIEVED

Board
age
profile



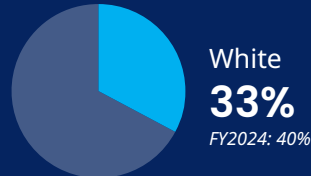
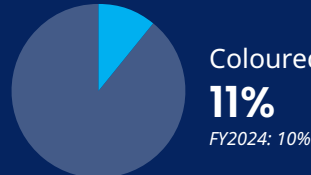
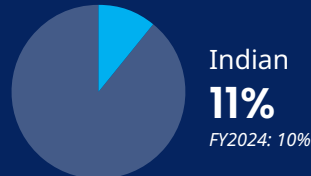
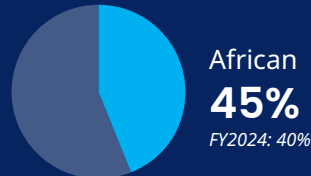
Board
tenure



Board race diversity

(target 50% ACI)

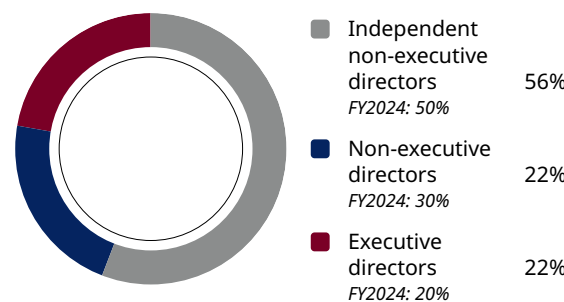
TARGET
ACHIEVED



Independence and conflicts of interest

The independence of all independent non-executive directors is assessed on an annual basis. Following its annual review, the board is satisfied that all directors continue to demonstrate objective judgment and independence in practice.

Independence



Directors and officers must inform the board timeously of conflicts or potential conflicts of interest that they may have in relation to particular items of business or other directorships. At the start of each board meeting, all board members must declare any actual and/or potential conflict of interest with matters to be considered at that meeting. Registers of individual directors' interests in and outside the Group are maintained, updated and signed by the directors, with details noted by the board at each board meeting. No director has an interest in Adcorp that exceeds 5% of the Group's total number of shares in issue or that is material to their personal wealth. Only executive directors participate in the Group's share incentive scheme.

i Details of board members' directorships in listed and/or significant unlisted companies can be found on **page 45 and 46 of this report**

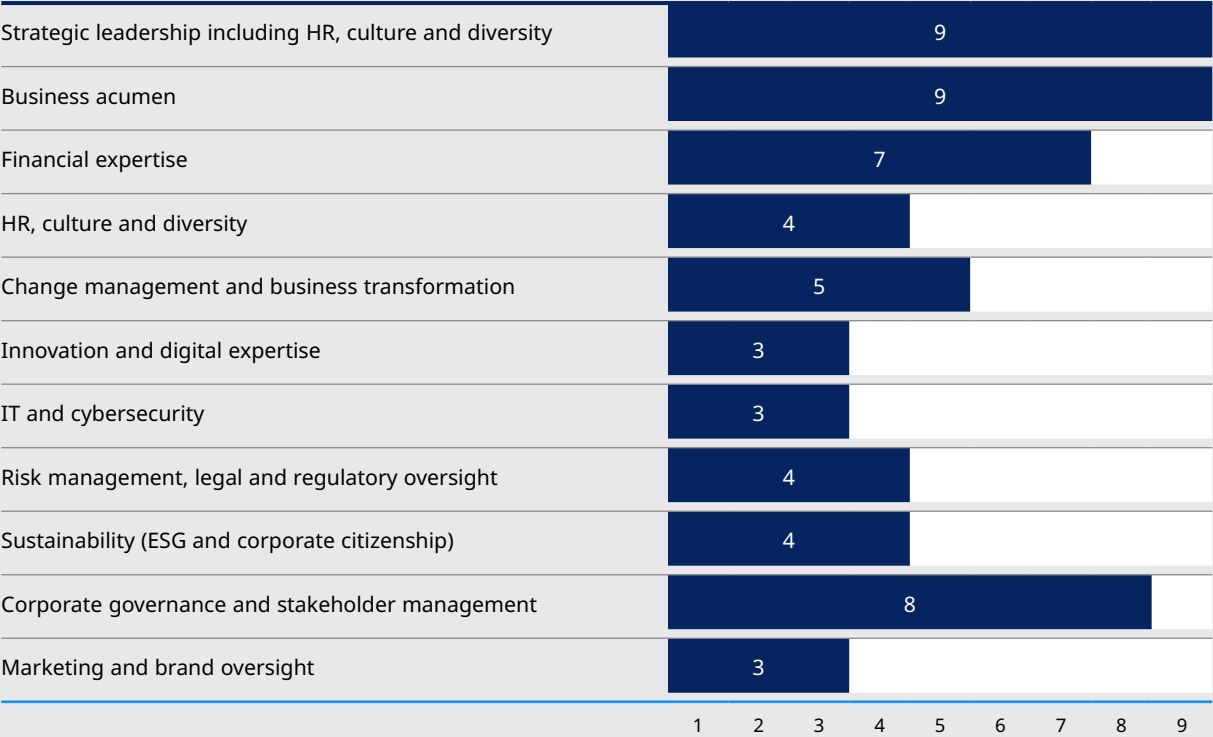
* Not including appointments made after year end.

Skills, expertise and experience

The board's diverse skills, expertise, and experience enable it to effectively guide strategy and create and protect value. Each year, with the support of the HCC, the board conducts a review of its composition, taking into account the changes in the Group's strategy and the evolving business environment. While the board is satisfied with the current balance of skills and expertise, the succession process over the next few years will focus on enhancing capabilities in environmental sustainability, social impact, and DEIB.

i Details of board members' qualifications and experience can be found on **page 45 and 46 of this report**

Board skills and expertise
(number of directors with experience)



Assessing the board's performance **PRINCIPLE 2**

In accordance with provisions of the board charter, evaluations of the board and board committees are conducted annually, with an independent evaluation performed at least every third year. An internal evaluation of the board and its committees was conducted in FY2025, which involved questionnaires and a peer review.

The board evaluation results, presented to the board on 27 May 2025, were positive. The board is satisfied that the evaluation confirms that it performed its strategic oversight role adequately and that the board functions effectively. It fosters a healthy dynamic, encouraging open discussion, respectful dialogue, and healthy debate. Decision-making is transparent, with adequate consideration of risks and implications.

The Chairperson's assessment was positive, highlighting her leadership, inclusive approach, and balanced views, underpinned by her extensive expertise and experience. Committees effectively discharge their duties, ensuring appropriate overlap without duplication. The chairpersons of committees are well-regarded, and board committee members are adequately skilled. The board will address identified areas for improvement in FY2026, most notably enhancing succession planning for the board and senior management, as well as considering board composition.

Company Secretary

During the year, Charissa de Jager was appointed as the Company Secretary, effective 1 August 2024, following the resignation of Lisa Laporte, effective 1 May 2024. Directors have unfettered access to the Company Secretary, who provides guidance and support to directors. The Company Secretary advises directors on their duties, responsibilities and powers, and ensures that the board remains informed of all relevant laws, regulations, and governance developments affecting the Group.

The board has considered and is satisfied with the competence, qualifications and experience of the Company Secretary. In fulfilling her governance and administrative responsibilities, Charissa maintains an arm's-length relationship with the board and its directors. She is also secretary to the board committees.

Board committees PRINCIPLE 2

Board committees play a critical role in supporting the board in discharging its duties and governance responsibilities.

Each committee has a clearly defined mandate, reviewed periodically to ensure continued alignment with evolving governance standards and business needs. Board committees report to the board on a quarterly basis. Each committee, including the board, upholds integrity and oversees corporate governance, ensuring decisions and actions create value for the Company and its stakeholders.

Audit and Risk Committee



Tshidi Mokgabudi – *Chair* • Melvyn Lubenga • Herman Singh • Ronel van Dijk
Robert Radley (*appointed effective 2 June 2025*)

Mandate

- Assists the board in discharging its responsibilities relating to the safeguarding of assets, the integrity and operation of adequate and effective internal control systems, internal financial controls and accounting policies;
- Responsible for the appointment, remuneration and oversight of the external and internal auditors for the Group, including managing interactions with the external and internal auditors and assessing their independence and effectiveness;
- Facilitates and promotes communication between the board, executive management, the external and internal auditors;
- Recommends the annual financial statements to the board for approval;
- Oversees the Group's risk management policies and plans, and submits recommendations to the board for approval. Monitors the implementation and execution of the risk management policy and plan;
- Monitors the prevention and detection of fraud including fraud risks relating to financial reporting;
- Oversees compliance to ensure that the Company complies with the relevant regulatory and legal requirements, including corporate securities trading policies, and considers management's responses to any transgressions detected;
- Oversees IT governance and ensures that IT risks are adequately addressed; and
- Approves the information security strategy and monitors implementation thereof by management.



Refer to the ARC report included in the **annual financial statement** on **page 7 to 10**

100% of members are independent non-executive directors.

Human Capital Committee (incorporating the Nominations Committee)



Phumla Mnganga – *Chair* • Clive Smith • Ronel van Dijk • Timothy Olls (*resigned effective 1 January 2025*)

Mandate

- Assists the board to assess the appropriate composition of the board, ensures the establishment of a formal process for the nomination and appointment of directors, and oversees the appointment of non-executive and executive directors.
- The HCC considers the performance of the executive team and makes recommendations to the board with regard to poor performance;
- Assists and enables the board to achieve its responsibilities in relation to the Group's Remuneration Policy, processes and procedures;
- Ensures the principles, design and implementation of remuneration for the Group's employees are aligned with best practices and that the reward philosophy and remuneration governance are sound; and
- Approves the annual salary increase and oversees implementation over the financial year, including out-of-cycle adjustments and market alignments.



Refer to the remuneration report on **page 67 of this report**

66% of members are independent non-executive directors.

Social, Ethics and Sustainability Committee



Ronel van Dijk – *Chair* • Phumla Mnganga • Tshidi Mokgabudi

Mandate

- Guides and advises on the Group's sustainability, social and ethics efforts.
- Independently monitors and reports on the Group's activities with regard to social and economic development, ethics, transformation, sustainability, corporate citizenship, environment, health, safety, stakeholder relationships, labour and employment matters (applies the recommended practices and regulations as outlined in King IV and the Companies Act in executing its mandate).



Refer to the SESCOm's report on **page 63 of this report**

100% of members are independent non-executive directors.

Investment Committee



Herman Singh – *Chair* • Melvyn Lubega • Clive Smith • John Wentzel • Noel Prendergast
Timothy Olls – *resigned effective 1 January 2025*

Mandate

Assists the board in assessing, reviewing and approving individual capital projects, investment and divestment opportunities in line with the Group's investment criteria and approved mandate.

FY2025 focus areas

The InvestCom continued to play a key role in advancing the Group's growth objectives and enhancing shareholder value. The committee oversaw the execution of the Group's portfolio optimisation initiatives in alignment with the approved strategy and capital allocation framework, reviewed the Group's weighted average cost of capital (WACC) and made recommendations to the board on material investment decisions and capital deployment.

40% of the members are independent non-executive directors.



Board and committee meeting attendance

The board meets quarterly with additional meetings convened when necessary. Board and committee meetings and directors' attendance for year ended 28 February 2025 are set out below:

MEMBER	Total (% total)	Board ¹	ARC ¹	HCC ²	SESCo ³	InvestCom ³
NON-EXECUTIVES						
Gloria Serobe	7/8 (87%)	4/5		3/3 ⁴		
Phumla Mnganga	12/15 (80%)	3/5		6/7	3/3	
Melvyn Lubega	15/15 (100%)	5/5	5/5			5/5
Tshidi Mokgabudi	12/13 (92%)	5/5	5/5		2/3	
Timothy Olls ⁵	13/13 (100%)	3/3		6/6		4/4
Herman Singh	14/15 (93%)	5/5	4/5			5/5
Clive Smith	16/17 (94%)	5/5		6/7		5/5
Ronel van Dijk	20/20 (100%)	5/5	5/5	7/7	3/3	
EXECUTIVES						
John Wentzel	10/10 (100%)	5/5				5/5
Noel Prendergast	10/10 (100%)	5/5				5/5

¹ The Board and ARC each held one special meeting.

² The HCC held four special meetings.

³ The InvestCom held three special meetings.

⁴ Gloria Serobe attends only the Nominations Committee meetings and not the HCC meetings.

⁵ Resigned effective 1 January 2025.

APPLICATION OF KING IV PRINCIPLES

Leadership

PRINCIPLE

1

The governing body should lead ethically and effectively

Adcorp is committed to being a good corporate citizen and acting with the highest standards of ethical behaviour at all times.

In conducting the affairs of the Group, the board endorses the principles of fairness, responsibility, transparency and accountability, advocated by King IV. By regularly reviewing the Group's governance structures, the board exercises effective and ethical leadership by always acting in the best interests of the Group, and at the same time concerning itself with the sustainability of its business operations. Balancing the business's sustainability with the best interests of our stakeholders is one of the ways the board demonstrates effective ethical leadership. Board members are required to conduct themselves in accordance with Adcorp's values, the Group Code of Ethics and their legal duties as company directors under the Companies Act. The Chairperson is responsible for addressing board members who fail to uphold the expected values or conduct. Adcorp's commitment to conduct all activities with honesty, integrity, transparency, and openness is outlined in our Code of Ethics which is reviewed annually and approved by the board.

In addition, the following board-approved policies govern this area:

- Conflict of Interest and Disclosure Policy;
- Board charter and board committee terms of reference, which set out the roles and responsibilities of the board and each committee; and
- Group Share Trading Policy.

The board's approach to ethical governance includes comprehensive practices that promote ethical leadership, including:

- The SESCom supports the board in overseeing the Group's ethics, transformation, social responsibility and corporate citizenship. From time to time, the SESCom recommends initiatives, policies or practices to the board for approval.
- Regular declaration of conflicts or potential conflicts of interest that a board member may have in relation to particular items of business or other directorships. This is a standing agenda item at all board and committee meetings.
- Board induction for new members.
- All directors and senior executives are prohibited from dealing in Adcorp shares during closed periods, as defined by the JSE Listings Requirements, or while the Company is trading under a cautionary announcement. Email communication is distributed by the Company Secretary to inform all relevant individuals when the Company is entering a closed period. At all other times, directors and prescribed officers are required to seek approval as provided for under the Adcorp Share Trading Policy.

The board ensures effective leadership through

- Annual reviews of policies, practices, the board charter, and committee terms of reference.
- The Nominations Committee's annual assessment of the board's composition, considering skills, diversity, and experience.
- The evaluation of the board's overall performance and that of individual directors.



Refer to the FY2025 board evaluation results on **page 52 and 60 of this report**

- Continuous monitoring of board member attendance at meetings.
- Regular meetings between the CEO and committee chairpersons, supplemented by the CEO's monthly written reports to the board.
- Executives regularly report to the board and committees, enabling members to ask questions, request information, and seek clarity.



The board is confident that it fosters values for ethical and effective leadership and believes that the Company's governance practices have successfully contributed to this goal.

Organisational ethics

PRINCIPLE

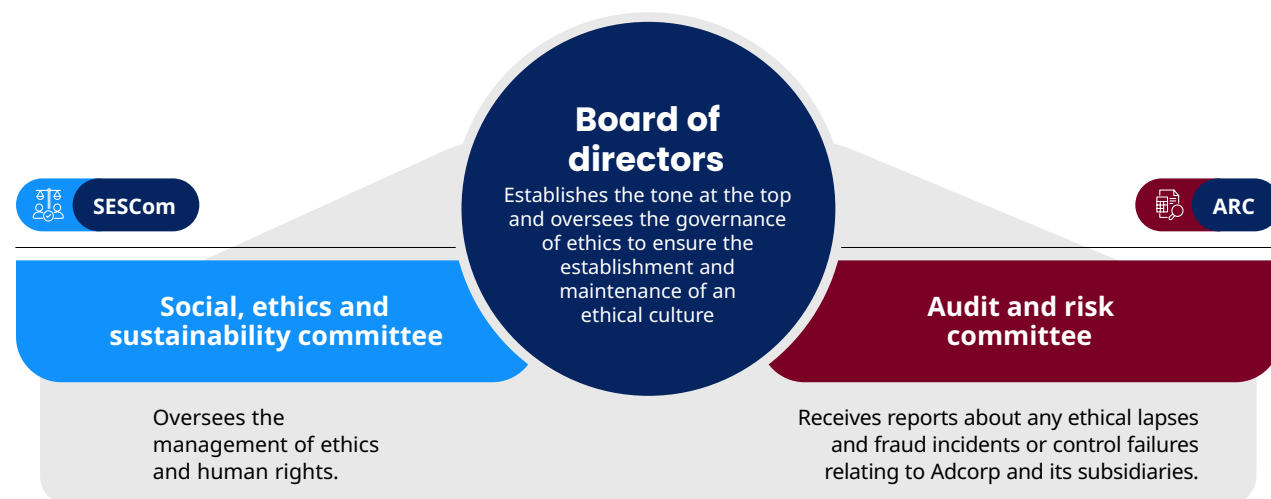
2

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Governance of ethics

The board is ultimately responsible for the ethical behaviour of the business and considers sound corporate governance as a critical driver for sustainable growth. The board oversees the governance of ethics to ensure the establishment and maintenance of an ethical culture. Adcorp is committed to complying with all applicable laws and regulations, and it supports the application of non-binding codes, standards and plans including the UN Sustainable Development Goals, the South African National Development Plan and the Confederation of Associations in the Private Employment Sector.

Being ethical goes beyond legal and regulatory compliance, with SESCom providing oversight and guidance on all ethics initiatives implemented across the Group. These include the implementation of ethics-related policies, training and awareness initiatives, ethics investigations, and other measures designed to promote an ethical culture.



Ethics management

Head of Risk and Compliance fulfils the role of Ethics Officer and reports to the SESCom on trends and regulatory developments in relation to ethics, information on whistleblowing and ethics investigations, updates on ethics management and ethics risk indicators from across the Group.

Human rights management

Head of Sustainability reports to the SESCom on trends and regulatory developments in relation to human rights, updates on human rights management and human rights risk indicators from across the Group.

The following key policies, approved at board committee level, govern ethics

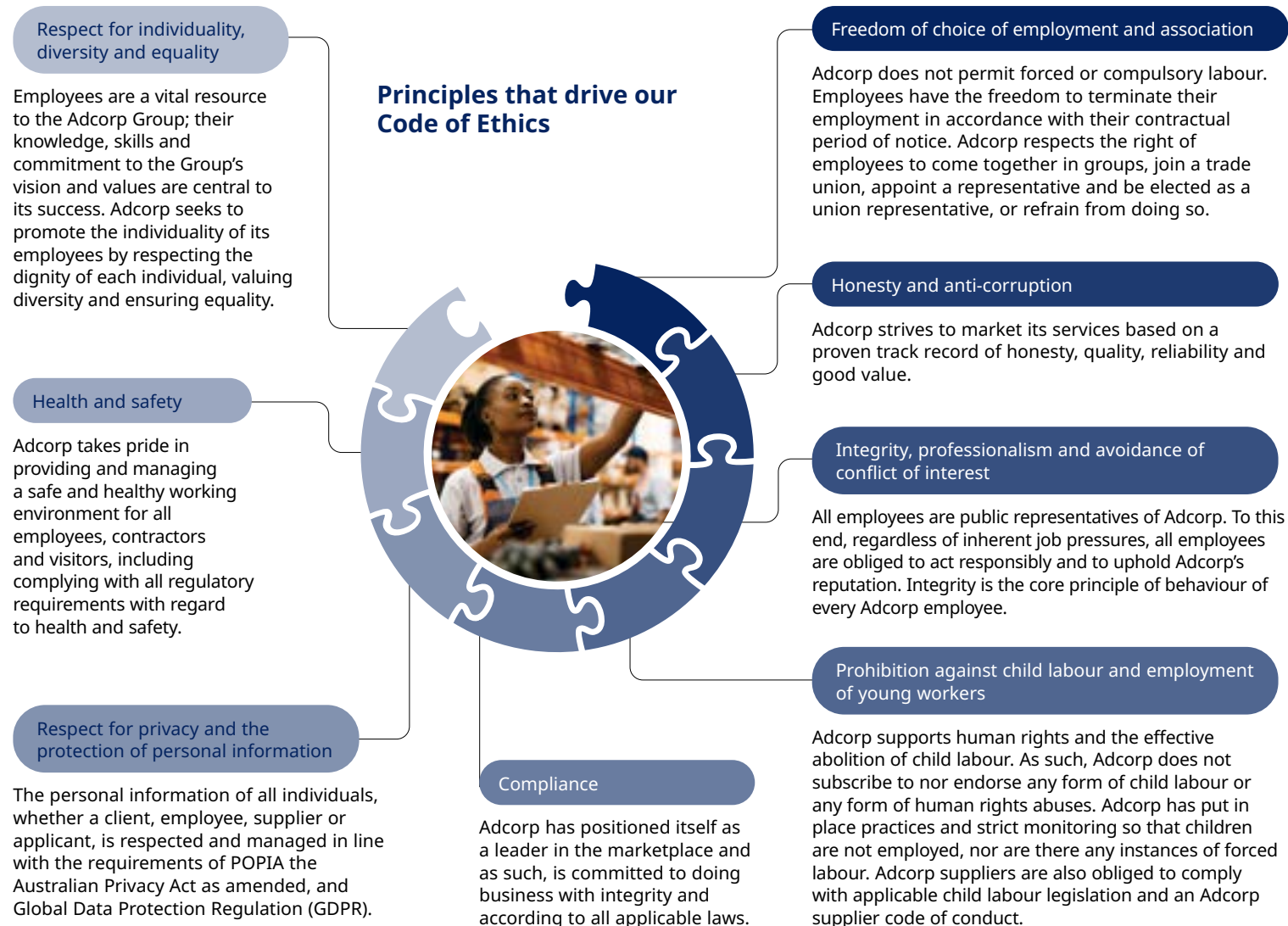
- Group Code of Ethics – applicable to internal and external stakeholders;
- Whistleblowing Policy;
- Gifts, Entertainment and Hospitality Policy;
- Anti-Bribery, Corruption and Fraud Policy;
- Modern Slavery Policy
- Corporate Citizenship Policy
- Procurement Policy and Procedures;
- Supplier Code of Conduct;
- Confidentiality Policy; and
- Standards of Professional Conduct Performance and Ethics.

Adcorp takes a zero-tolerance stance to unethical conduct and has implemented the following standard practices that ensure effective ethics management

- Employees and contractors are contractually bound to adhere to Adcorp's Code of Ethics and policies;
- An external independent whistleblowing hotline is available, the reports of which are sent directly to the Head of Risk and Compliance and escalated to the CEO and Chairperson of the ARC;
- Policies, codes and regulations are reviewed annually;
- Periodic ethics training for employees is conducted;
- Ethics transgressions are disclosed to, and whistleblowing reports are monitored by the SESCom; and
- An ethics survey is conducted annually. An internal fraud awareness survey was conducted in FY2025 to evaluate the level of fraud awareness among employees, as well as their ability to identify, respond to, and report fraudulent activities following the groupwide awareness training.

The board is confident that Adcorp's ethical culture is well supported and established to ensure employees act with integrity, even in the absence of oversight.

Principle 2: continued



See our Human Rights Statement in <https://www.adcorpgroup.com/about/corporate-citizenship/>

Responsible corporate citizen

PRINCIPLE

3

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

Corporate citizenship reflects our commitment to conducting business responsibly, with full awareness of our impact on society, the environment, and the broader economy and how these, in turn, influence our organisation. It is a strategic enabler that supports long-term value creation by uncovering hidden opportunities, mitigating financial and non-financial risks, and aligning our operations with evolving stakeholder expectations.

Adcorp's vision is to foster fair and efficient labour markets by providing decent and dignified work, creating value for our clients and employees, and ultimately contributing to a sustainable future. This vision is tightly interwoven with our core purpose of enabling agile, focused, and skilled workforces for the future. The board adopted a corporate citizenship strategy during FY2024, structured around four interconnected pillars: ESG, stakeholders, CSR, and DEIB.

The board provides strategic oversight, monitoring sustainability risks and ESG performance through SESCom. The SESCom ensures compliance with regulations, oversees corporate citizenship governance, and reports material non-compliance directly to the board. The ARC evaluates ESG factors, assesses risks, and ensures compliance with reporting requirements. At the executive level, the CEO and Group Exco are responsible for strategy execution and performance; aligning technology investments with green standards, embedding sustainability into sales and client relationships, and preventing greenwashing. Various teams are involved in driving our sustainability and social responsibility strategy including Sustainability, Transformation, HR (Learning and Development and Remuneration), Occupational Health and Safety, Group Risk and Compliance, Marketing, and Investor Relations. This integrated governance approach strengthens Adcorp's commitment to sustainable growth and responsible business practices.



Please refer to our **corporate citizenship report** for more information.

Various corporate citizenship policies, practices and standards have been embedded in the business and the board believes that Adcorp is, and is seen to be a good corporate citizen.

Strategy and performance

PRINCIPLE

4

The governing body should appreciate that the organisation's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

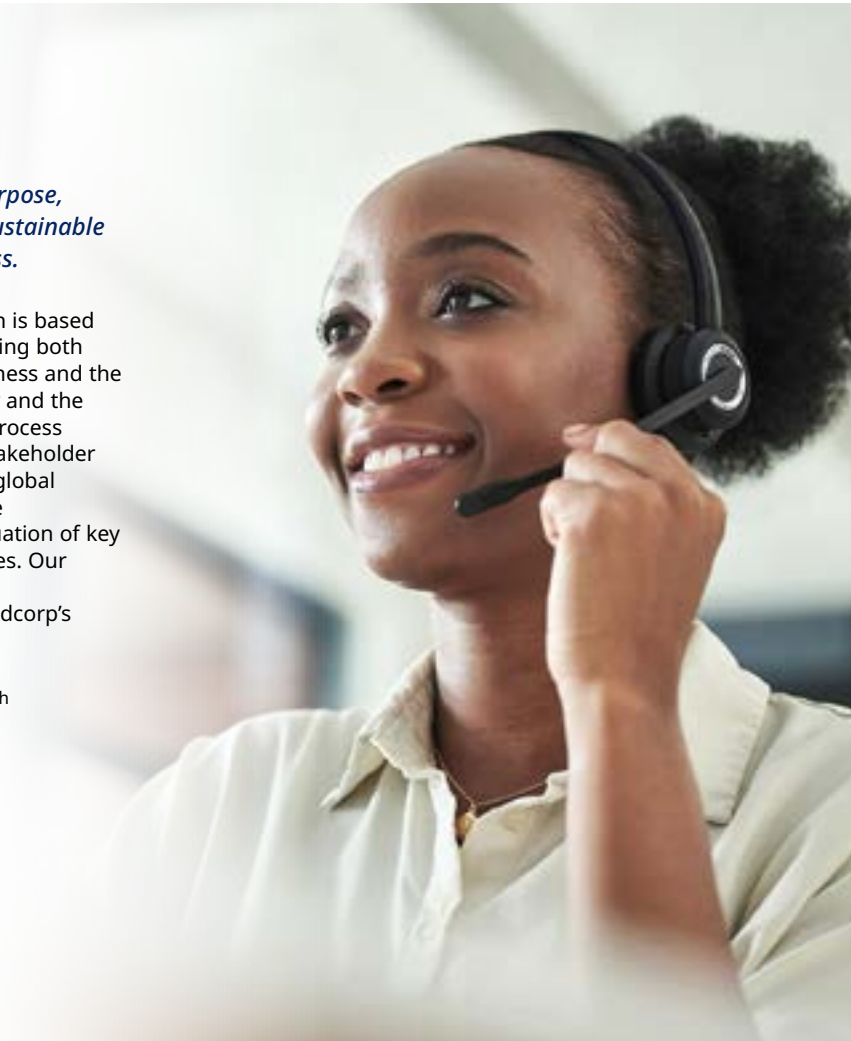
The board's primary responsibilities are setting the Company's strategic direction and providing continuous oversight of performance on material matters. The Company's strategy is developed through a process of identifying key factors in the operating environment, such as risks, opportunities, financial performance metrics, operating and commercial model, and sustainable development. The annual strategy process entails detailed business planning at business unit and Group Exco level, and a strategy review by the board, culminating in final approval of the strategy by the board in November followed by approval of the Group budget in February. The board considers major macro trends in the operating environment and assesses the effect of these trends on our client base and strategic objectives.

The board is confident that its oversight of performance on material matters has thoroughly considered all relevant factors contributing to the value creation process.

Adcorp's materiality approach is based on double materiality, assessing both external impacts on the business and the business's impacts on society and the environment. This dynamic process involves internal dialogue, stakeholder feedback, and adherence to global frameworks. In FY2025, these frameworks guided our evaluation of key topics, risks, and opportunities. Our material themes reflect the multidimensional nature of Adcorp's value creation model.



Read our materiality approach on **page 9 of this report**



Reporting

PRINCIPLE

5

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.

The board charter describes the general functions, responsibilities and duties of the board which include providing open, prompt and meaningful reporting to shareholders and other stakeholders on financial and non-financial matters and encouraging attendance at general meetings. Adcorp applies integrated thinking in its strategy, decision-making and reporting. The board, supported by the ARC, is responsible for ensuring that the integrity of the Company's integrated annual and financial reports aligns with the provisions of applicable laws, codes and standards.

The ARC oversees Adcorp's financial and integrated reporting. This responsibility includes considering factors and risks that may affect the integrity of reports, such as the presentation of significant judgments and reporting decisions made, monitoring or enforcement actions by regulatory bodies, any evidence questioning previously published information, and forward-looking statements or information. The ARC reviews the annual financial statements, interim reports, results announcements, summarised integrated information, any other intended release of price-sensitive information, trading statements and similar documents.

The integrated annual report provides an overview of how well the Group has achieved its objectives. It discloses Adcorp's risks, opportunities, and outcomes related to the Group's strategy and operating environment. Additionally, it covers stakeholder engagement issues that could impact the Group's ability to create and sustain value.

As a result of the processes and controls implemented, the board believes that reports issued by Adcorp enable stakeholders to make informed assessments of its performance and its short-, medium- and long-term prospects.



Please refer to our **corporate citizenship report** for more information.



Primary role and responsibility

PRINCIPLE
6

The governing body should serve as the focal point and custodian of corporate governance in the organisation.

The board is ultimately responsible for the Company's performance and operations, including ensuring good governance as detailed in this report. It follows the King IV guidelines for oversight and monitoring and adheres to the roles and responsibilities outlined in its charter, laws and regulations.

The board is confident that it effectively serves as the focal point and custodian of corporate governance, ensuring Adcorp operates ethically and sustainably, as demonstrated in principles 1 to 5 above.

Composition of the governing body

PRINCIPLE
7

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The board, through the NomCo, continuously reviews its composition based on the criteria outlined in the board charter and the Gender Diversity and Inclusion Policy. The HCC also ensures adequate succession planning for directors and that all committees are appropriately constituted and chaired. For new appointments, non-executive directors are selected based on their skills, business experience, sector knowledge, and qualifications. Annual board reviews are conducted to ensure that the board composition aligns with best practices and governance codes.

The current board composition is aligned with the requirements of King IV, with 56% independent non-executive directors, 22% non-executive directors and 22% executive directors.

i Refer to **page 45 to 47 of this report** for more information about the board and executive profile.

Committees of the governing body

PRINCIPLE
8

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

Adcorp has an established governance structure, underpinned by a robust policy framework. The board charter and the Company's MoI define the responsibilities, mandated authority, and fiduciary obligations of directors. The board delegates certain responsibilities to committees as outlined in each board committee's terms of reference.

In addition, the following practices are in place to promote independent judgement, the balance of power and the effective discharge of the board's duties, thereby creating value for the Company and its stakeholders:

- Committees have specialised focus on specific areas, allowing for detailed scrutiny and informed decision-making.
- Diverse membership of committees ensures a variety of perspectives and reduces the risk of groupthink.
- Board approved terms of reference that outline the committee's role and responsibilities ensure clarity and accountability.

- Committees report their findings and recommendations to the full board, facilitating informed and balanced decision-making.
- Minutes of committee meetings are available to all board members and any director may attend a committee meeting as an observer.
- Committees engage with various stakeholders to gather inputs, ensuring decisions reflect broader interests and contribute to sustainable value creation.
- Executives attend meetings where appropriate and by invitation, which allows board members the opportunity to ask questions and seek clarity.
- Private in-committee discussions may be held at the discretion of the committee chairpersons.
- Cross membership of non-executive directors among the various board committees.
- Committees have at least three members.
- When potential conflicts of interest arise, affected directors are excused from decision-making.

The board is confident that power is evenly distributed across committees and that the implemented practices and controls contribute to good governance, overall organisational performance, and effective oversight.

i Refer to **page 45 to 47 of this report** for more information about board committees' membership, roles and responsibilities.



Evaluation of the performance of the governing body

PRINCIPLE
9

The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members support continued improvement in its performance and effectiveness.

Board evaluations are conducted annually with an independent assessment every third year. The performance of the board as a whole, board committees, the chairperson and individual directors is assessed. The results are presented to the board and committees as appropriate and discussed to identify strengths, weaknesses and areas of improvement.

By conducting evaluations on a regular basis and defining objectives for the evaluation process, the board ensures that it consistently monitors performance and identifies areas for improvement. The board evaluation process ensures anonymity in responses to encourage honest and frank feedback from board members.

The board is confident that board evaluations support continued improvement in its performance and effectiveness.

Appointment and delegation to management

PRINCIPLE
10

The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

The board adheres to the philosophy of delegating authority and responsibility to the lowest prudent level, expecting management to consistently act in alignment with the Company's values. Our Delegation of Authority Policy (DOA) defines the various authority levels across the Company and its subsidiaries. Subject to compliance with all applicable regulations and memorandums of incorporation, certain governance matters are reserved for the board and may not be delegated.

The following practices have been implemented to ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities:

The roles and responsibilities of the board and management are clearly defined, including outlining the specific duties, decision-making authority, and accountability for each position.

A delegation of authority framework specifies decisions, approval limits, and tasks delegated to management.

Adcorp has implemented systems to monitor and evaluate the performance of management. This includes setting clear performance metrics and conducting regular reviews to ensure that management is effectively exercising their authority and responsibilities.

The board believes that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

Risk governance

PRINCIPLE
11

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

Risk management is a primary focus within the Group, driving our commitment to consistently and proactively identify, address and monitor key risks on an ongoing basis. Oversight of risk management is entrusted to the ARC, which regularly receives updates from management on all risk-related activities. The ARC evaluates governance structures and defensive lines to ensure clear delineation of roles, responsibilities, and accountabilities in identifying, addressing, and reporting risks within the Group.

An integrated risk management process has been implemented, employing a systematic approach that combines bottom-up and top-down methods of risk identification and mitigation. This process involves an annual review of the ERM framework to ensure alignment with our objectives, business requirements, and governance responsibilities, which is presented to the ARC.



Read more about Risk Management on page 19 of this report

The board is comfortable that it governs risk management in a manner that is designed to identify, assess and address potential obstacles to achieving the Group's strategic objectives.

Technology and information governance

PRINCIPLE
12

The governing body should govern technology and information in a way that supports the organisation's setting and achieving its strategic objectives.

The ARC oversees IT governance, reviewing reports from both management and external assurance providers and internal audit to ensure a robust and efficient IT system. Management's duties include implementing an IT governance framework to effectively manage IT expenditures and investments in alignment with business objectives. Adcorp's IT governance is supported by King IV, Control Objectives for Information and Related Technology, the Information Technology Infrastructure Library framework, and is integrated into the Risk and Compliance Framework policy.

The board has delegated accountability to the ARC to ensure Adcorp's IT strategy and business goals are aligned with investments in compliance resources, business processes and technology. The Head of Group IT reports to the ARC on IT progress, risks with mitigations on a quarterly basis.

The board is satisfied that technology and information are governed appropriately to support the achievement and setting of Adcorp's strategic objectives.

Compliance

PRINCIPLE
13

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

The board retains ultimate responsibility for ensuring that the Group complies with all applicable laws and regulations, and it supports the application of non-binding rules, codes and standards. Risk compliance is one of the Group's material matters. The board has delegated responsibility for compliance to the ARC. Other board committees have oversight of compliance activities in accordance with each committee's specialised focus area and mandate. Compliance reports are presented to the relevant board committees on the level of compliance risk and compliance issues and their resolution. Any material non-compliance is reported directly to the board.

Adcorp's Group Compliance Function is headed by the Head of Risk and Compliance, who reports directly to the CFO. Group Compliance is responsible for the facilitation, coordination and independent monitoring of compliance risk across the Group, developing a compliance programme, education and training on compliance matters and providing assurance to the board. Adcorp has a compliance framework in place which

outlines the key compliance principles, standards and processes that are applied to ensure compliance. The framework as well as the regulatory landscape is reviewed regularly. The Group Head of Risk and Compliance is invited to attend ARC and SESCom meetings and has access to communicate directly and freely with the Chairperson, board members, all levels of management, and internal and external auditors about compliance-risk-related matters.

No material legal sanctions, penalties, or regulatory fines were incurred, reflecting the effectiveness of compliance controls and proactive risk mitigation efforts. Furthermore, the Group was not involved in any legal proceedings related to anti-competitive behaviour.

Adcorp confirms that at the date of this report it complies with the Companies Act and that the Company operated in accordance with the requirements of its MoI throughout the reporting period.



Refer to **page 53 to 54 of this report** for more information about board committees' roles, responsibilities and focus areas.

Remuneration governance

PRINCIPLE
14

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The HCC is entrusted by the board to oversee key aspects of remuneration, including ensuring strategic alignment between the remuneration philosophy and the Group's strategy. The HCC has independent members and the authority to review and approve remuneration packages within the ambits of objectivity and fairness. The HCC's responsibilities are fully detailed in the board-approved charter. While the committee adheres to the principles of the Remuneration Policy, it reserves the right to exercise discretion and deviate from this policy in exceptional circumstances, with full disclosure.

The committee remains well-informed about the evolving regulatory environment in relation to remuneration, both locally and globally, supported by regular updates from the Group HR team and external advisers as needed.

Adcorp supports fair, responsible, and transparent remuneration to achieve strategic goals and positive outcomes. Key practices include:

Regularly reviewing remuneration policies to align with our objectives.

Benchmarking against industry standards and best practices.

Engaging stakeholders, including shareholders and external advisers, for input and feedback on remuneration practices.

The board will continue to monitor the effectiveness of our remuneration practices in promoting the achievement of strategic objectives and positive outcomes across different time horizons.

Assurance

PRINCIPLE

15

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The board has delegated its governance responsibility in respect of assurances to the ARC. A combined assurance framework is in place that ensures the integration, coordination and alignment of risk management and assurance processes. It further enables an effective control environment and supports the integrity of information used for decision-making by leadership.

Internal audit, which is outsourced to EY, is governed by the internal audit charter, which is reviewed and approved annually. It clearly defines the mandate, authority, roles and responsibilities of the function and complies with global internal auditing standards. This charter also clearly indicates the functional and operational reporting line of the Chief Internal Auditor to ensure the independence and objectivity. The ARC reviews the effectiveness and performance of EY annually and approves the internal audit plan and budget.

The board is satisfied that the Group's assurance services and functions enable an effective control environment. It further supports the integrity of information for internal decision-making and of the organisation's external reports.

Stakeholders

PRINCIPLE

16

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

Stakeholder engagement is overseen by the SESCom and material issues and engagements are reported to the board as and when required. Stakeholder engagement is governed by the stakeholder engagement standard which is reviewed by the SESCom every two years. Adcorp prioritises ongoing engagement with stakeholders to inform business strategy, shape products and services, manage social expectations, and minimise reputational risk. We aim to ensure inclusivity, materiality, and responsiveness in all stakeholder interactions. The stakeholder engagement process forms part of the operations of our divisions and business areas. Formal and informal interactions with stakeholders are conducted by the functions directly aligned with the stakeholder group, on an ongoing basis. A stakeholder register is maintained through the office of the CEO, with quarterly updates from business areas.



Refer to our **corporate citizenship report** for more information on stakeholders **page 39**.

The board is comfortable that a stakeholder-inclusive approach is applied throughout Adcorp and that the needs, interests and expectations of material stakeholders are considered in the best interests of the Group.



SOCIAL ETHICS AND SUSTAINABILITY COMMITTEE CHAIRPERSON'S REPORT



“During FY2025, Adcorp made good progress in implementing its Corporate citizenship strategy, enhancing value for the company and its stakeholders.”



Ronel van Dijk
Chairperson SESCom

It is my pleasure to present the SESCom report on the committee's activities for the past year and to confirm that the committee has executed its mandate for FY2025. In recent years, we have witnessed significant shifts in business and society. Challenges such as climate change, geopolitical and social conflicts, poverty, inequality, and rapid technological progress have increasingly pressured businesses to acknowledge that success is linked to the wellbeing of society and the environment. Guided by our purpose, Adcorp remains dedicated to operating our business in a way that aligns with the realistic expectations of our stakeholders and is mindful of our social, economic, and environmental impacts.

Following a comprehensive double materiality assessment in FY2024, we performed a desktop review of the outcomes last year and confirm their continued relevance. Minor refinements were made to the corporate citizenship strategy to more accurately reflect our strategic intent. Building on the adoption of this strategy in FY2024, we continued its implementation throughout the reporting period, structured around four interconnected pillars: ESG, stakeholders, CSR, and DEIB.

Mandate and governance

The SESCom has been appointed by the board to provide integrated strategic direction on groupwide sustainability, social and ethics matters, including acting as the social and ethics committee for the Company and its South African subsidiaries as contemplated in the Companies Act 71 of 2008 (the Companies Act). The committee has an independent oversight role with responsibility for monitoring and reporting on the way Adcorp governs its social and ethics performance, promoting an ethical culture and ensuring that Adcorp conducts itself as a responsible corporate citizen. In fulfilling its functions, the committee endeavours to apply the principles outlined in King IV™, ensuring business practices align with principles of responsible corporate citizenship.

The committee's mandate is articulated in its terms of reference, which are regularly reviewed to ensure their continued relevance and alignment with our statutory obligations. The committee performed a comprehensive review of its terms of reference in the year under review and aligned its annual workplan more closely with its mandate.

Committee composition

During the reporting period, SESCom comprised three independent, non-executive directors, bringing a balanced and objective perspective to our deliberations. The presence of independent directors is crucial as they provide unbiased oversight, safeguard stakeholder interests, and enhance the integrity and accountability of decisions.

- **Ronel van Dijk:** *Chairperson and independent non-executive director*
- **Phumla Mnganga:** *Lead independent non-executive director and chairperson of the HCC*
- **Tshidi Mokgabudi:** *Independent non-executive director and chairperson of the ARC*

Delivering on our mandate requires cross functional insights through engagement with members of the other board committees, such as the ARC and human capital committee (HCC). Oversight is also facilitated by quarterly board meetings. The Group's Chief Executive Officer, Head: People and Culture, Head: Sustainability, and members of senior management, hold standing invitations to committee meetings. In line with our terms of reference, the committee convened three times during the reporting period.

i Details regarding meeting attendance can be found on **page 54 of this report**.

The committee's responsibilities encompass the following

Organisational ethics

Monitoring and reporting on ethical conduct of the Group to ensure the establishment of an ethical culture and ethical tone at the top. The SESCom exercises oversight to ensure that the management of ethics results in the objectives outlined in King IV and that the recommended practices are applied where relevant.

Good corporate citizenship

The SESCom sets and approves the Group's corporate citizenship strategy. It is responsible for monitoring all activities and the Group's standing in relation to good corporate citizenship, at the same time ensuring that Adcorp's core purpose and values, strategy and conduct are congruent with the Group being a responsible corporate citizen.

ESG

The SESCom, together with management, identifies the relevant ESG factors that affect, or are likely to affect, the operations of Adcorp and/or its strategy, including risks and opportunities. It monitors the ongoing development and implementation of sustainability strategies, policies and initiatives to address ESG factors. The SESCom also reviews and evaluates the disclosure of sustainability factors in Adcorp's annual reporting and oversees the integrity of the contents of this report and Adcorp's integrated annual report.

This committee interacts with the ARC to oversee the identification and mitigation of risks relating to ESG, as well as the identification of opportunities related to ESG. It will inform the ARC of any material sustainability factors that may have an impact on the financial statements.

Human capital, labour and transformation

Aspects relating to remuneration fall within the ambit of the HCC. SESCom, however, has strategic oversight of specific objectives relating to human capital with the main objective of creating a globally competitive workforce and ensuring employees work towards the accomplishment of the Group's strategic objectives.

Corporate citizenship focus

Our corporate citizenship vision is to *foster fair and efficient labour markets by providing decent and dignified work, creating value for our clients and employees, and ultimately contributing to a sustainable future*. Adcorp is committed to contributing to a sustainable future by advancing sustainable development across the economic, social, and environmental dimensions of its operations. This commitment aligns with the UN Sustainable Development Goals (SDGs), which aim to end poverty, protect the planet, and promote prosperity for all by 2030.

The company's progress is outlined in more detail in this report and is guided by a principle-based corporate citizenship policy which is structured around four interconnected pillars that form the foundation of Adcorp's corporate citizenship agenda.

FY2025 focus areas and progress

SESCom focused on key areas, making notable progress across its mandate.

Broad-based black economic empowerment (B-BBEE) and employment equity: Monitored transformation goals and B-BBEE ratings, successfully maintaining a Level 1 B-BBEE rating for Adcorp Workforce Solutions (Pty) Ltd for the fifth consecutive year and improving black and black female ownership percentages (75.22% black ownership, 60.28% black female ownership).

Community impact and CSR: Ensured sustained commitment to and monitoring of activities giving back to society, including the introduction of a new volunteer leave type across South Africa and Australia to foster community impact and team camaraderie.

DEIB and policy alignment: Continued to develop a total rewards approach as part of the EVP by updating policies, alongside implementing a systematic plan to align and consolidate Group-level policies across geographies, reducing complexity and ensuring consistent high standards.

Employee safety: Successfully developed and implemented an internal SHEQ system to enhance health and safety oversight and reporting, particularly for contingent employees working on client sites.

ESG performance and risk management: Oversaw the gathering, analysis, and reporting of ESG data. Progress included reconfirming the double materiality assessment with minor adjustments, significantly enhancing ESG risk identification, assessment, and integration into the Group's overall risk framework.

Fair, equitable and responsible remuneration: Improved analyses and enhanced oversight to promote and ensure fair, equitable, and responsible remuneration practices across the Group.

Modern slavery: The improved modern slavery statement was approved, underscoring our intensified focus on combating modern slavery.

Stakeholder engagement and management: Developed and rolled out stakeholder engagement standards, notably improving internal reporting processes through consistent use of stakeholder registers and developing a new stakeholder engagement policy with assigned ownership and centralised oversight for proactive communication and agile dealings.

Supply chain: Commenced a process to enhance our supplier ESG assessment, completing our first supplier ESG due diligence pilot for key suppliers.

Policies and statements that ensure Adcorp's ethical standards and organisational culture are upheld

Throughout the reporting period, the SESCom actively oversaw the development and revision of key Group policies and statements, with a continued emphasis on upholding Adcorp's ethical standards and organisational culture.

Code of ethics

Adcorp's Code of Ethics is grounded in our core values and serves as a guiding framework for conducting business with the highest standards of integrity, honesty, and professionalism. It fosters a culture of trust and ethical behaviour across the organisation and strengthens relationships with clients, suppliers, and internal stakeholders.

Whistleblowing policy

In support of transparency and accountability, Adcorp has implemented a comprehensive whistleblowing policy, which safeguards employees, management, directors, and other stakeholders who report suspected unethical, illegal, or harmful conduct. Recognising whistleblowers as critical to upholding ethical practices, the Group ensures their protection and encourages the reporting of concerns without fear of retaliation.



Details of Adcorp's independent whistleblower hotline can be found on **page 43** of the **corporate citizenship report**

Conflict of interest and disclosure policy

Adcorp's conflict of interest and disclosure policy is aligned with King IV™ Principle 2.14 and is enforced through robust governance controls across the organisation. All employees, management, and directors are required to act in the best interests of the Group and to disclose any personal or

professional conflicts that may compromise their objectivity. Where necessary, appropriate remedial action is taken to uphold the integrity of decision-making processes.

Corporate citizenship policy and supporting statements

The Corporate citizenship Policy represents a strategic evolution from our former ESG policy, placing greater emphasis on the integration of sustainability into the core of our daily operations and business decision-making. It is supported by a series of dedicated policies and statements that address key social and ethical issues, underscoring Adcorp's commitment to responsible business conduct. These include statements on human rights, modern slavery, and just transition, each aligned with global standards and best practices. The policy is available online at: Corporate citizenship Policy.

Human rights statement: zero tolerance

Adcorp recognises that human rights are universal and fundamental, forming the foundation of dignity, freedom, and equality. We have adopted a zero-tolerance stance on human rights abuses, consistent with the UN Universal Declaration of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. These principles guide our efforts to ensure that economic development within our sphere of influence respects and advances the rights of all individuals.



View our human rights statement on **page 43** of the corporate citizenship report

Modern slavery statement: zero tolerance

In line with our commitment to ethical conduct, Adcorp maintains a zero-tolerance approach to modern slavery, human trafficking, and child labour across our operations and supply chain. We recognise the complexity of these issues and are committed to the implementation of robust reporting mechanisms to actively combat modern slavery.



View our modern slavery statement on **page 44** of the **corporate citizenship report**

Just transition statement

Our just transition statement outlines a commitment to ensuring that the shift towards a sustainable, low-carbon economy is fair and inclusive for everyone. It acknowledges the need to protect jobs, support communities, and provide workforce transition strategies for individuals impacted by changes in industries. The core idea is to foster new job creation in green sectors while offering comprehensive reskilling and upskilling programmes to equip workers with the necessary skills for these emerging opportunities. Ultimately, it emphasises that economic transformation should not leave anyone behind but instead create a more equitable and resilient future.

Prevention and elimination of harassment in the workplace policy: zero tolerance

Adcorp is committed to maintaining a workplace that is free from all forms of harassment and discrimination. In line with the 2022 Code of Good Practice, we uphold a zero-tolerance approach to harassment based on any protected personal characteristic. Clear reporting channels, thorough investigation procedures, and proactive prevention strategies are in place to protect the dignity of all employees and to ensure prompt, appropriate action.

Protection of personal information and access to information policy

Adcorp ensures the lawful, transparent, and secure handling of personal information in accordance with the Protection of Personal Information Act (POPIA) and the Promotion of Access to Information Act (PAIA). A dedicated Information Officer is tasked with overseeing compliance and ensuring that robust security controls are regularly reviewed and maintained. These measures safeguard the privacy of employees, clients, and stakeholders.

SHEQ policy

Adcorp is committed to providing a safe, healthy, and high-quality work environment for all employees. The SHEQ Policy outlines a structured approach to safety and operational excellence, including:

- **Employee training** to enhance safety awareness and knowledge
- **Continuous quality improvement** in service delivery through safe practices
- **Regulatory compliance** with all applicable safety, health, environmental and quality legislation
- **Proactive risk management** to identify and mitigate workplace hazards
- **Stakeholder engagement** to strengthen the overall safety culture

This policy is a cornerstone of our operational integrity and underpins our continuously improving workplace safety standards.

Social media policy

Adcorp recognises the value of social media for communication and brand engagement while emphasising the need for responsible use and all employees are expected to uphold the reputation of Adcorp and its stakeholders.

Newly developed policies during FY2025

Sponsorships, donations & charitable giving policy

Adcorp's sponsorships, donations, and charitable giving policy sets out the guiding principles and responsibilities for providing financial or in-kind support to external initiatives. The policy is designed to ensure that such contributions are strategically aligned with the company's values and corporate social responsibility commitments, while also delivering maximum benefit from limited resources.

Stakeholder engagement policy

Adcorp's stakeholder engagement policy establishes the core management principles and responsibilities guiding stakeholder engagement activities across its global operations.



Refer to **page 39** of the **corporate citizenship report** or more information on this policy

Family and domestic violence policy (Australia)

Adcorp has implemented a Family and Domestic Violence Policy in Australia, reflecting recent legislative changes and a strengthened commitment to employee wellbeing.

Focus areas for FY2026

ESG performance

Continue to strengthen our ESG data management capabilities, focusing on robust gathering, analysis, and reporting to inform strategic decision-making and transparently communicate our commitment to corporate citizenship.

SHEQ

Enhance focus on proactive measures and robust implementation of our SHEQ system to ensure a safer and healthier working environment for all employees, with a specific emphasis on preventing workplace incidents and promoting wellbeing.

Stakeholder engagement

Further embed the newly developed stakeholder engagement standards across the Group, ensuring proactive, consistent communication and effective responsiveness to stakeholder needs and concerns.

Supply chain ESG

Expand our supplier ESG assessment programme, deepening our engagement with key suppliers to promote responsible practices and mitigate risks within our value chain.

DEIB

In collaboration with the HCC, we will further embed DEIB principles into our EVP, including the ongoing development of the Total Rewards framework and ensuring our policies and statements consistently reflect Adcorp's values.

Community impact

Maintain and enhance our commitment to making a positive impact in the communities where we operate through strategic and impactful corporate social responsibility initiatives.

B-BBEE and employment equity

Sustain and enhance our strong B-BBEE ratings, ensuring ongoing regulatory compliance and driving further meaningful progress in transformation across the Group.

Fair, equitable and responsible remuneration

Working closely with the HCC, we will continue to refine our analyses and understanding of remuneration practices to further promote fairness, equity, and responsibility across all levels of the organization.

Skills development

In partnership with the HCC, we will continue to invest in employee skills development to cultivate a future-fit and engaged workforce.

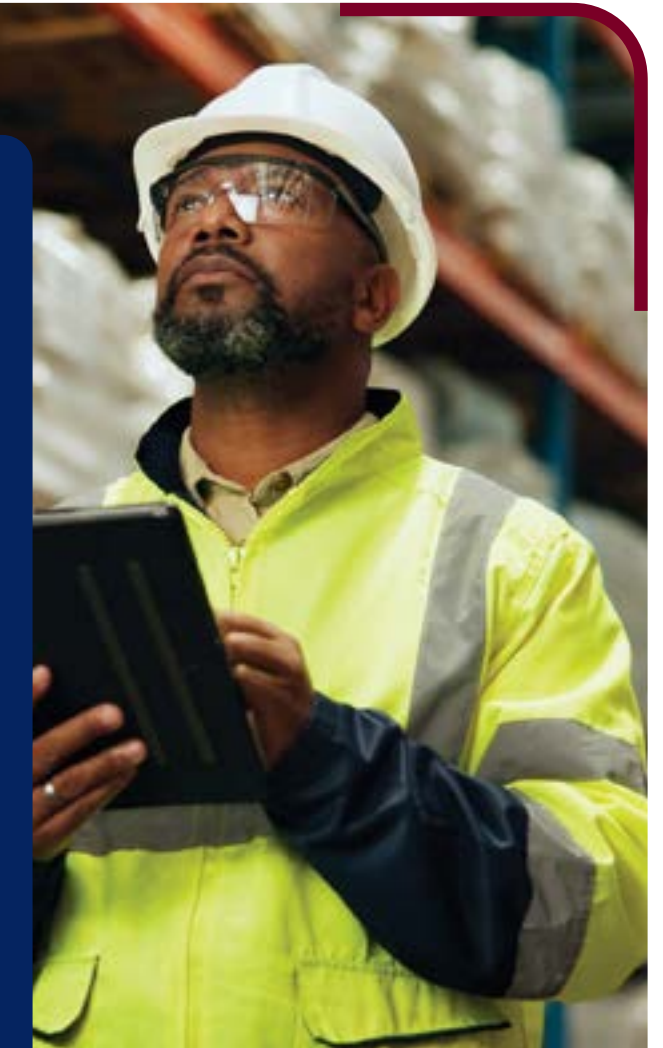
Looking Ahead

Reflecting on FY2025, the committee is deeply appreciative of the collective dedication that has enabled us to confidently fulfil our mandate, as clearly defined by the Companies Act, King IV, and our terms of reference.

I extend our sincere gratitude to the exceptional management team, our committed employees, the insightful contributions of my fellow committee members, and the unwavering support of all our stakeholders. It is through our shared vision and collaborative spirit that Adcorp has achieved remarkable progress in advancing our corporate citizenship agenda.

Looking ahead, we are optimistic and energised by the opportunities that lie before us. With the strong foundation we have built and the continued engagement of our dedicated teams, we are confident that FY2026 will be another year of significant advancements and positive impact for Adcorp and all those we serve. Thank you for being an integral part of this inspiring journey.

Ronel van Dijk
Chairperson of the SESCom



REMUNERATION REPORT

The following is covered in this section



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Letter from the chairperson of the Human Capital Committee

- Composition of the HCC
- The HCC's focus areas and activities
- Employee wellbeing and value proposition
- Organisational changes in FY2025
- Regulatory developments
- Employee engagement
- Executive remuneration and performance alignment
- Shareholder engagement on remuneration
- Looking ahead
- Conclusion

PART 2

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Remuneration philosophy – attracting and retaining talent to build sustainable value

- Remuneration philosophy
- Remuneration structure and design
- The STI scheme
- The LTI scheme
- Key remuneration metrics
- Executive directors and management contracts
- Prescribed officers
- Remuneration of non-executive directors
- Conclusion

PART 3

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Implementation of the remuneration policy

- Key aspects relating to implementing Adcorp's remuneration policy
- STI Framework
- LTI Framework
- Directors' and prescribed officers' emoluments
- Malus and clawback provisions
- Conclusion and looking forward

Letter from the chairperson of the Human Capital Committee

“In FY2025, the Human Capital Committee provided strategic oversight as the Group advanced key organisational refinements to enhance operational efficiency and support long-term growth. This included structural alignment initiatives in both South Africa and Australia, which were carefully guided to ensure fairness, transparency and consistency with our employee value proposition. Through strengthened leadership, succession planning and a continued focus on culture, we are supporting a resilient and agile workforce that drives the Group’s strategic execution across all geographies. Following the refresh of our remuneration frameworks in 2024, the HCC is satisfied that Adcorp’s remuneration strategy is well aligned to support the human capital and business strategies.”

Dr Phumla Mnganga
HCC chairperson

I am pleased to present our FY2025 HCC report to our shareholders on behalf of the HCC and the board. This report presents a summary of the HCC’s decisions and primary focus areas for the year under review. Adcorp’s remuneration philosophy, our policy framework, and implementation outcomes for the year under review are presented in part 2 and 3 of this report, with a focus on executive directors and prescribed officers.

The HCC played a key role in ensuring Adcorp’s human capital practices and organisational structures are aligned to our long term objectives and strategy, and enable growth and talent optimisation. The HCC maintained a deliberate and measured approach to remuneration, guided by the principles of competitiveness, fair and responsible remuneration, and long-term affordability. Following the comprehensive review of our reward frameworks in FY2024, refinements to the short- and long-term incentive (STI and LTI) structures were successfully implemented during FY2025.

Economic conditions during the year were mixed. In South Africa, tentative signs of recovery emerged amid easing

inflation, lower interest rates, and modest gains in business confidence. Conversely, Australia contended with persistent inflation and elevated interest rates, although the March 2025 rate cut, the first since 2020, provided some relief. These contrasting dynamics highlight the continued volatility in both local and global markets, reinforcing the need for agility and focus across our operations.

Talent attraction and retention – particularly in specialist and leadership roles – remained a priority and a challenge. In South Africa, limited sectoral growth and affordability constraints impacted the talent pipeline. In Australia, our talent pipeline is impacted by heightened demand in sectors such as healthcare, aged care, and technology. Cost of living pressures further intensified talent scarcity as the need to manage rising expenses, leads to increasing turnover and disrupts workforce stability. The HCC is confident that the remuneration reforms implemented in FY2024 and FY2025 will help mitigate these pressures while reinforcing our EVP.



Composition of the HCC

The HCC comprised the following members during the reporting period, ensuring strong independent oversight and a diversity of perspectives:

- **Phumla Mnganga:** HCC Chairperson and lead independent non-executive director
- **Gloria Serobe:** NomCo chairperson and board chairperson
- **Ronel van Dijk:** Independent non-executive director and SESCom chairperson
- **Clive Smith:** Non-executive director
- **Timothy Olls:** Non-executive director (resigned effective 1 January 2025)

The CEO, CFO, Executive: People and Culture, and members of senior management have standing invitations to the committee’s meetings but recused themselves during discussions regarding their own remuneration.

The committee met seven times during the year, with additional sessions dedicated to finalising and approving the revised STI and LTI structures.

i Attendance is detailed on page 54 of this report

The HCC’s focus areas and activities

During the year, the committee undertook several critical activities in line with its mandate:

- Overseeing the streamlining of organisational structures and strengthening our leadership across South Africa and Australia.
- Continuing to oversee the embedding and refinement of the revised LTI scheme for Group executives and senior management, initially introduced in FY2024.
- Enhanced the analysis and execution of equitable remuneration practices, including vertical and horizontal remuneration assessments.
- Preparing for implementation of the evolving disclosure requirements, particularly those arising from the 2024 amendments to the Companies Act, as well as ongoing compliance with the Employment Equity Act and Australia’s Workplace Gender Equality Act (WGEA).
- Approved groupwide remuneration spend, executive performance outcomes, and variable remuneration targets aligned with both financial and non-financial measures.
- Reviewed benchmarking data and recommended adjustments to non-executive director fees.
- Overseeing the development and implementation of the total rewards statement, initially with Group executives and senior leaders reporting to Group executives in July 2025, and a full employee rollout planned by July 2026 following the implementation of the Workday Learning module in FY2026.
- Appointment of an Australia director (Robert Radley) to support the alignment and growth of Adcorp’s operations across South Africa and Australia.

Employee wellbeing and value proposition

A holistic approach to employee wellbeing remains central to our people strategy. During the year, we expanded our employee assistance programmes. We launched the “Ndlela” programme in South Africa and “Acacia” in Australia, which provide digital access to mental health support, therapy sessions, self-help tools, and wellbeing trackers.

These initiatives aim to foster a culture of engagement, inclusion, and resilience – aligned with our commitment to workforce agility and sustainable performance.



Further detail on these initiatives is provided
page 32 of the **corporate citizenship report**

Streamlining for strategic execution across geographies

In line with Adcorp’s focus on organisational efficiency and positioning the Group for growth, key decisions were taken to streamline organisational structures and integrate and strengthen management and leadership across South Africa and Australia. The HCC played an important role to monitor and oversee these initiatives and transitions closely.

- Underperforming brands in South Africa underwent restructuring aimed at improving operational efficiency.
- Paxus underwent a significant transformation in response to market conditions and evolving client needs. The business shifted from a state-based ICT model to a sector-focused professional services approach, aimed at improving efficiency and building a more scalable platform for growth. As part of this transition, targeted leadership changes were made while preserving essential customer-facing expertise. This transition is expected to drive long-term efficiencies.
- Group executive and senior management structures in Australia and South Africa were aligned to ensure cohesive execution across geographies and business units. In the process our leadership bench was strengthened to drive strategy and efficiency.
- The leadership structure in Australia was reconfigured into two roles – Managing Director: Professional Services and Managing Director: Contingent Staffing– both reporting directly to the Group CEO. Zeb Riddel was appointed Managing Director: Contingent Staffing in March 2025, and Darran Butcher commenced his role as Managing Director: Professional Services in May 2025.
- The appointment of experienced female leaders in South Africa - Heidi Duvenhage (Managing Director: Professional Services South Africa) and Natasha Parmanand (Managing Director: Staffing Solutions) – reinforces our commitment to DEIB and reflects the diversity of our broader stakeholder base.

Regulatory developments

The HCC and management remain actively engaged in preparing for the anticipated implementation of the Companies Amendment Act and the remuneration-related disclosures. Although not fully effective at the time of this report, the proposed changes signal a strong shift toward enhanced transparency and accountability. We are proactively reviewing our frameworks to ensure full readiness and alignment with these emerging standards.

It is our ambition to ensure that we take an active approach to addressing key matters around fair and responsible remuneration across our business in South Africa and Australia.

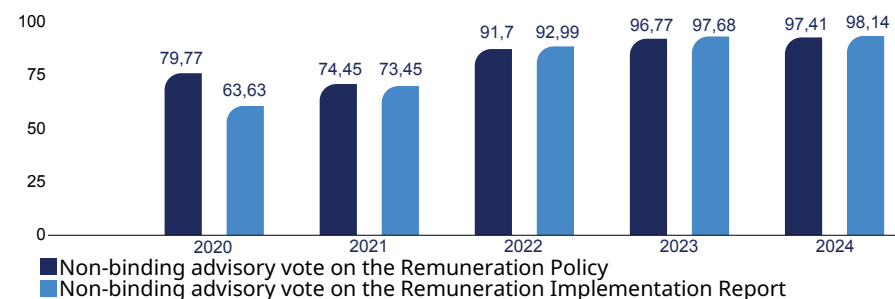
Executive remuneration and performance alignment

Executive remuneration remained closely linked to performance and aligned with Adcorp’s financial and strategic goals. The FY2025 STI awards were approved in line with business unit achievements and approved policy, with payouts calibrated to reflect both operational outcomes and responsible fiscal management. A bonus pool of R12,794,476 million was approved for qualifying Group executives, underscoring our commitment to linking reward to value creation rather than isolated metrics.

Shareholder vote on remuneration

The non-binding vote by shareholders on Adcorp’s remuneration policy and implementation report has improved over the last 5 years, showing strong support in 2024. We encourage shareholders to share their views directly with the HCC Chairperson. Following the 2024 AGM results, shareholders were invited to share any further concerns not previously raised with the HCC Chairperson, but no shareholders accepted this invitation.

Shareholder voting results on Remuneration Policy and Implementation Report from 2020 to 2024



Employee engagement

Annual engagement surveys remain a valuable feedback mechanism. In FY2025, groupwide participation remained strong, albeit slightly lower than the previous year:

- **South Africa:** 91% participation (FY2024: 88%) with a 63% engagement score (FY2024: 66%)
- **Australia:** 76% participation (FY2024: 93%) with a 67% engagement score (FY2024: 68%)

Despite operating pressures and organisational changes, engagement in Australia remained above the Group’s benchmark of 65%, with South African dropping slightly to 63%. Management and the HCC have carefully considered the results of the engagement survey. Insights from the surveys informed several initiatives, including the development of a total reward statement and improvements to career pathways and recognition frameworks.

Looking ahead

The committee’s priorities for FY2026 include:

- Enhancing the design and effectiveness of the STI and LTI frameworks.
- Embedding leadership and non-financial performance metrics into senior scorecards.
- Overseeing the full rollout of the total rewards statement by July 2026 following the implementation of the Workday Learning module in FY2026.
- Strengthening analytical capabilities to improve our understanding of any remuneration gaps.
- Aligning remuneration practices with our transformation and inclusion agenda.
- Taking an active approach to addressing key matters around fair and responsible remuneration across our business in South Africa and Australia. These actions will reinforce Adcorp’s commitment to responsible reward, performance alignment, and long-term sustainability.

Conclusion

The committee is satisfied that it has fulfilled its mandate for the year in accordance with the Companies Act, King IV, and its terms of reference. On behalf of the HCC, I extend my appreciation to management, employees, fellow committee members, and all stakeholders for their contribution to the Group’s continued progress.

Dr Phumla Mnganga

Chairperson: Human Capital Committee

Lead independent non-executive director

Remuneration philosophy – attracting and retaining talent to build sustainable value

Remuneration philosophy

Adcorp's remuneration philosophy is integral to attracting, retaining and motivating a skilled and competent workforce for the future. We align performance with sustainable value creation, ensuring our approach remains competitive and responsible. Annual incentives are based on individual performance scorecards, team performance, and financial and strategic goals, as approved by the HCC.

Guided by King IV Principle 14, our philosophy in practice means:

Attracting and retaining talent

Competitive remuneration packages designed to secure top talent.

Performance alignment

Executive and senior management remuneration directly linked to short- and long-term strategic and financial targets.

Fair and equitable

Fair remuneration practices with a focus on equal remuneration for work of equal value.

Responsible practices

Remuneration aligned with the Group's financial capabilities.

Development focus

Providing continuous development and wellbeing opportunities.

Adcorp's remuneration policy, framework and principles are integral to creating sustainable value. This means prioritising fair and responsible remuneration aligned with the Group's long-term strategic goals. This report outlines how these policies apply to our Group executive management team.

Remuneration structure and design

Adcorp ensures competitive remuneration with a total guaranteed package (TGP) based on a cost to company (CTC) methodology. Regular benchmarking and remuneration scale exercises in South Africa and Australia guide us in our efforts to attract and retain talent. Outcomes from the recent February 2025 benchmarking survey inform our FY2026 remuneration strategy.

The table below outlines the primary components of the remuneration structure applied to the Group executive management team during FY2025:

	TOTAL GUARANTEED PACKAGE (TGP)	SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES
CEO	Market-based in line with remuneration policy	100% of TGP	100% of TGP
CFO	Market-based in line with remuneration policy	75% of TGP	75% of TGP
Group executive	Market-based in line with remuneration policy	60% of TGP	60% of TGP
Description	Core component of remuneration. It is set to reflect the market value of the role within the 50th percentile. In South Africa, TGP also includes benefits such as retirement/provident fund, death and disability cover, medical aid and Group personal accident cover. In Australia, superannuation is a long-term savings plan mandated by the government to help individuals fund their retirement. Death and disability cover (insurance) is not part of employee benefits in Australia.	Encourage achievement of agreed set and stretch targets at a Group, division and business unit level. Targets are both financial and non-financial and based on a 12-month view of the Group, division and business unit. These targets are broken down into shorter-term targets and rewarded annually.	Encourage sustainable decision making that drives long-term returns for shareholders and other key stakeholders. Targets are based on a three-year view of the Group.
Purpose and link to strategy	Attraction and retention of key staff	Creating a high performing culture	Alignment of key employee interests with those of shareholders and retention
Delivery mechanism	Monthly cash payments	Annual cash payment	Share incentive scheme
Performance period	Reviewed annually every March and adjusted in line with inflation, affordability, market surveys as well as Company and individual performance. Average increases of 4,5% for South Africa and 3% for Australia were awarded post year end in March 2025 for FY2026.	Aligned annually with the financial year i.e. 1 March to 28 February.	Three-year performance-based vesting period from date of award.

Adcorp's remuneration philosophy: performance-driven incentives

Our remuneration philosophy includes executive STIs and LTIs linked to the Company's performance goals.

Short- and long-term incentives

Permanent employees participate in a STI plan aligned with their job level and role. STIs require meeting minimum performance goals. LTIs, designed to retain and reward key contributors to long-term success, are awarded to executives and senior managers who are key to the delivery of the Group's long-term strategy.

STI scheme

For FY2025, the STI structure was based on four equally weighted measures: Revenue, Operating Margin, Cash Conversion, and Profit before interest, tax and incentives (PBITI) (i refer to **page 74 (remuneration implementation report)**).

In its annual reassessment of these metrics, the HCC considered the need for:

- A clear and transparent link to budget execution;
- A balanced focus on both growth and efficiency; and
- The elimination of metrics that do not fully capture capital efficiency.

Accordingly, the STI metrics have been re-designed for FY2026 as set out herewith.

Revenue growth

Revenue remains a fundamental measure of business expansion and the execution of our growth strategy. This metric tracks total revenue performance against budgeted targets, ensuring that all executives remain focused on achieving Adcorp's stated financial growth ambitions.

EBITDA margin

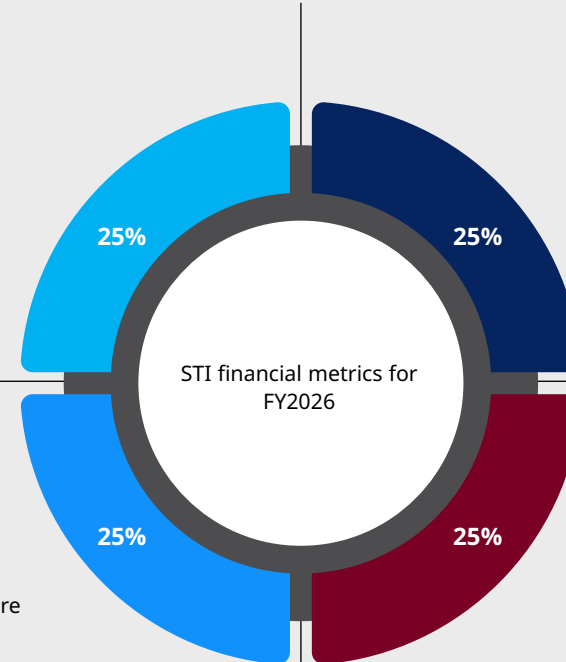
EBITDA margin provides a clear reflection of profitability by accounting for non-operational costs and ensuring that cost efficiencies translate into sustainable earnings. This measure reinforces both revenue growth and cost control.

Cash conversion

Strong cash flow generation is critical for maintaining liquidity and supporting capital allocation decisions. This metric ensures that our executives remain focused on effective working capital management, preventing revenue growth that is cash inefficient.

Return on invested capital (ROIC) (net of goodwill)

ROIC is a key measure of how effectively the company generates returns on capital deployed. However, as goodwill can distort the true return on operational assets, we use ROIC net of goodwill to ensure a cleaner view of capital efficiency. This metric ensures that executive decisions drive value-accretive growth, focusing on returns from tangible and intangible assets directly involved in operational performance, while ensuring management is not held accountable for historical decisions that predate their appointment and resulted in the creation of goodwill.



MEASURE	PARTIAL ATTAINMENT	ATTAINMENT	EXCEED	TARGET
Revenue	< 90% of target	target	> 110% of target	budget
EBITDA margin	< 90% of target	target	> 110% of target	budget
Cash conversion	< 90%	95%	> 100%	95%
ROIC	< 90% of target	target	> 110% of target	budget

The LTI scheme

The Group executive LTI scheme, approved in 2024, comprises three instruments, forfeitable shares (FSPs), conditional shares (CSPs) and share appreciation rights. In terms of the LTI scheme rules, 70% of executive directors' LTIs are awarded as FSP and 30% as CSP. Remaining LTI participants receive 40% as FSPs and 60% as CSPs. The maximum aggregate number of unvested awards at any given time is capped at

10% of Adcorp shares in issue, net of treasury shares.

The basis upon which awards are made may take into account factors determined to be relevant in terms of the current remuneration strategy, approach or intention of the Company, which may include inter alia, the performance and level of the employee, the employee's guaranteed pay and grade. This is approved from time to time by the HCC.

The forfeitable share plan allows beneficiaries to receive dividends on awarded shares even before vesting. All LTI instruments have a three-year vesting period subject to performance criteria. In line with governance requirements, awards are subject to malus and/or clawback.

LTI awards granted under the share plan typically lapse upon termination of employment. However, in cases of death, disability, retirement or other

circumstances at the committee's discretion, "good leaver" provisions (defined in the scheme rules) may apply. Awards are then prorated based on the portion of the performance period served. Good leaver status is reserved for exceptional circumstances. The HCC considers individual performance and reasons for departure when making this determination.

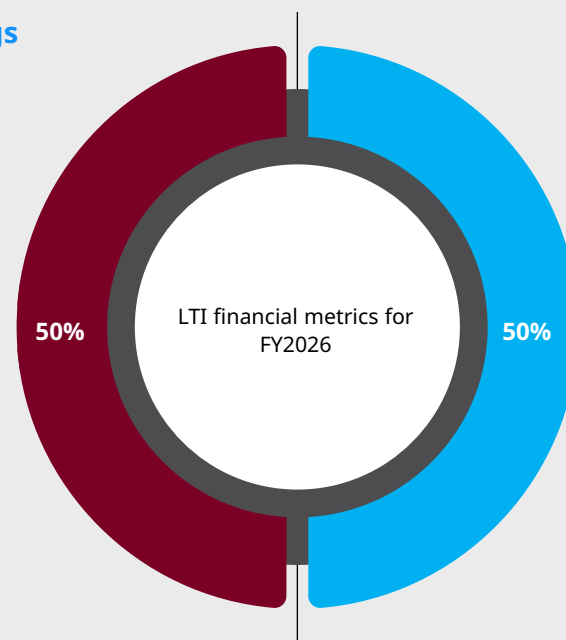
LTI performance condition weightings

ROIC growth

ROIC is a key measure of how effectively the company generates returns on capital deployed. For purposes of the LTI, Invested Capital includes goodwill.

The minimum threshold is ROIC equal to the WACC target. Thereafter, on a sliding scale:

- 50% vest if ROIC equals WACC target
- 75% vest if ROIC exceeds WACC target by 1%
- 100% vest if ROIC exceeds WACC target by 2%



HEPS growth

Calculated as the 3-year compound annual growth rate (CAGR) in HEPS from total operations, using a slide scale interval.

The Company's latest audited financial results will be used for the testing of performance conditions.

The minimum threshold is HEPS growth of CPI + 3%. Thereafter, on a sliding scale:

- 50% awarded where HEPS growth is => CPI + 3%
- 100% awarded where HEPS growth is => CPI + 6%

Executive directors' and management employment contracts

Executive directors and Group executive management operate under contracts with a three-month notice period and a retirement age of 65.

Prescribed officers

Adcorp's prescribed officers, including the CEO, CFO and divisional managing directors' remuneration is detailed in the [i](#) implementation report on [page 75](#), as required by the Companies Act.

Remuneration of non-executive directors

Adcorp's non-executive director fees are based on an annual retainer structure aligned with current market practices and comparable JSE-listed entities. Regular benchmarking exercises ensure our remuneration remains competitive. Shareholder approval is required for all non-executive director remuneration. The proposed fees for FY2026 will be presented for approval at the upcoming AGM on 29 July 2025.

[i](#) FY2025 non-executive director remuneration is available on [page 78](#), with proposed FY2026 fees referred to in the [AGM notice](#), available on the Company's website.

Conclusion

In both South Africa and Australia, we continue to refine our practices to ensure that they are fair and responsible, complies with evolving legal requirements and stakeholder expectations. Our ongoing efforts to address wage disparities further enhance employee understanding and trust in our remuneration framework. These initiatives are vital to attracting and retaining top talent in a competitive labour market.

Looking forward, Adcorp is committed to strengthening the link between remuneration and strategic outcomes, ensuring that our reward systems continue to reflect our business priorities, performance standards, and broader corporate citizenship responsibilities. In doing so, we position ourselves as a values-driven employer, committed to equitable growth and shared success.

Implementation of the remuneration policy

Key aspects relating to implementing Adcorp's remuneration policy

Remuneration reporting

Adcorp is committed to accurate and transparent remuneration reporting. A standardised approach is being established for permanent employees in South Africa and Australia, ensuring consistency in definitions, terminology, and data collection methods and enhancing employee understanding of their full remuneration package. This includes the planned implementation of the total rewards statement, initially with Group executives and senior leaders reporting to Group executives in July 2025, and a full employee rollout planned by July 2026 following the implementation of the Workday Learning module in FY2026. Remuneration reports aligned to the provisions of South African Companies Act, Employment Equity Act, and Australia's WGEA will be provided to the HCC annually, half-yearly, and ad hoc as required.

Wage gap analysis and remediation

Adcorp is addressing wage gaps in both South Africa and Australia through income differential reporting.

Remuneration benchmarking

Adcorp conducts an annual remuneration benchmarking process to ensure competitiveness and fairness and this was completed in February 2025.

Job grading and remuneration scales

Adcorp employs job grading and remuneration bands, typically positioning total guaranteed remuneration (TGR) in the middle quartile of the market. Remuneration is based on the CTC model. In South Africa, Adcorp uses the Paterson grading system integrated into Workday to improve analyses of horizontal remuneration practices. For horizontal remuneration in Australia, the Equidi system has proven effective and relevant, aligning with WGEA legislation and generating regular WGEA reports.

Executive remuneration

The HCC oversees executive remuneration, including interviewing, negotiating, and finalising remuneration packages for new executives. Adcorp aims to ensure that executive remuneration is competitive, market-related, and is directly linked to short- and long-term strategic and financial targets. Performance metrics underpinning executive remuneration were significantly refined in FY2025. The streamlined STI framework introduced consistent and clear financial metrics. Concurrently, the LTI structure emphasises economic value added, linking incentives directly to tangible, sustained performance improvements.

FY2025 STI awards

Our remuneration philosophy is underpinned by the alignment of our corporate objectives, individual performance, and the returns delivered to shareholders. This framework ensures fair and responsible remuneration outcomes across the organisation. For FY2025, the company has delivered a strong performance from an earnings perspective. Profit after tax has improved significantly in absolute terms, with notable year-on-year improvements in Gross Profit, Operating Margin, and cash conversion.

Adcorp's updated STI framework is streamlined for clarity and operational effectiveness. Financial metrics now constitute 70% and non-financial metrics 30% of the STI criteria, uniformly applied for all executives. For FY2025, executive STIs were based on the four financial metrics outlined in the table below, making up 70% of the scorecard. The remaining 30% is linked to individual KPIs introduced to the framework that reinforce personal responsibility in line with Adcorp's objectives.

STI METRIC	WHY IT WAS CHOSEN	HOW TARGETS ARE SET
Revenue growth	- Reflects Company goals, market share, and profitability. - Linked to shareholder value and investor confidence.	- Based on historical performance and market analysis. - Informed by market trends and competitor performance.
Operating margin	- Reflects operational efficiency and cost control. - Ensures sustainability and financial health.	- Derived from budgetary goals and cost reduction initiatives. - Adjusted for efficiency improvements and economic fluctuations.
Profit before interest, tax and amortisation of intangibles	- Measures core profitability before interest, taxes, and incentives. - Guides investment decisions and performance benchmarks.	- Set based on financial forecasts and performance benchmarks. - Compared to industry standards and peer performance.
Cash conversion	- Reflects liquidity, working capital management, and financial stability. - Supports investment opportunities and mitigates liquidity risks.	- Determined through cash flow analysis and working capital ratios. - Aimed at optimising the cash conversion cycles and reserves.

FY2025 STI financial metrics (Group executive STI, 70% weighting towards STIs)

	Revenue	Operating margin	Cash conversion	PBITI	KPI	Total
Executive directors and Group executives*	17,5%	17,5%	17,5%	17,5%	30%	100%

* MD Contingent Staffing, MD Staffing Solutions MD Professional Services

STI target and achievement grid – Group executive

The table outlines the performance levels required to qualify for STI remuneration as well as performance achieved (each metric can be achieved at a range between 85% to 115%)

	Not attained	Minimum target	On target	Stretch target	Target	Actual	% attained	Outcome
Revenue	<85% of budget	<85% of budget	<100% of budget	<115% of budget	R13 944 710	R13 237 787	95%	Met
Operating margin	<85% of budget	<85% of budget	<100% of budget	<115% of budget	0,59%	0,63%	106,42%	Exceeded
Cash conversion	<80%	80%	90%	95%		159,09%	159,09%	Exceeded
PBITI*	<85% of budget	<85% of budget	<100% of budget	<115% of budget	R121 882	R130 945	107,44%	Exceeded

* Pre-IFRS 16

Group executive STI metrics achievements

The table outlines the performance achieved by each group executive.

	Revenue	Operating margin	Cash conversion	PBITI	KPI	Total
Group CEO	13,1%	17,5%	17,5%	17,5%	24,8%	90,4%
Group CFO	13,1%	17,5%	17,5%	17,5%	27,4%	93,0%
MD Contingent Staffing	13,1%	17,5%	17,5%	17,5%	22,1%	87,8%
MD Staffing Solutions	13,1%	17,5%	17,5%	17,5%	25,5%	91,1%
MD Professional Services	13,1%	17,5%	17,5%	17,5%	21,8%	87,4%



LTI awards approved for FY2025

Adcorp's revised LTI scheme strategically aligns executives' interests with sustained corporate performance through three primary instruments: FSPs, CSPs and share appreciation rights.

Participant	Basis of allocation % of TGP	FSP	CSP	FSP %	CSP %
CEO	100%	1 308 667	560 857	70%	30%
CFO	75%	519 988	222 852	70%	30%
MD Contingent Staffing	60%	201 828	302 742	40%	60%
MD Staffing Solutions	60%	221 390	332 086	40%	60%
MD Professional Services	60%	195 722	293 583	40%	60%

* The WACC target is typically the WACC as determined by the investment committee in February of each year.

Performance Conditions for FY2025 LTI awards

Performance conditions	Weighting	Description
ROIC growth	50%	- No award if ROIC $\leq$ WACC target 25% awarded where ROIC exceeds WACC target by 1% 50% awarded where ROIC exceeds WACC target by 2% 75% awarded where ROIC exceeds WACC target by 3% 100% awarded where ROIC exceeds WACC target by 4% or more. - The ROIC performance condition will be calculated as the linear average of the actual annual ROIC achieved each year in the performance period, less the linear average of the WACC target for each corresponding year in the performance period.
HEPS growth	50%	The minimum threshold is HEPS growth of CPI + 3%. Thereafter, on a sliding scale: 50% awarded where HEPS growth is $\Rightarrow$ CPI + 3% 100% awarded where HEPS growth is $\Rightarrow$ CPI + 6%

* The WACC target is typically the WACC as determined by the investment committee in February of each year.

Directors' and prescribed officers' emoluments

2025	Salary R'000	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share amounts R'000	Ex-gratia and other R'000	Notice and leave pay R'000	Total R'000
Executive directors								
Dr. J Wentzel	5 855	6 319	1 138	13 312	4 681			17 993
N Pendergast	3 132	2 584	570	6 286	1 037			7 323
	8 987	8 903	1 708	19 598	5 718			25 316
Prescribed officers								
H Duvenage (Appointed 1 June 2024)	1 891	1 199	397	3 487	107	-	-	3 594
N Najjar (Resigned 30 June 2024)	1 027	-	40	1 067	496	232	258	2 053
N Parmanand (Appointed 1 August 2024)	1 532	1 037	377	2 946	40	-	-	2 986
B Toerien	2 413	1 656	732	4 801	621	-	-	5 422
P Prasad (Resigned 31 December 2024)	4 618	-	179	4 797	-	-	1 089	5 886
	11 481	3 892	1 725	17 098	1 264	232	1 347	19 941

2024	Salary R'000	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share amounts R'000	Notice and leave pay R'000	Total R'000
Executive directors							
Dr. J Wentzel	5 553	3 000	1 075	9 628	-		9 628
N Prendergast	3 002	1 450	530	4 982	1 032		6 014
	8 555	4 450	1 605	14 610	1 032		15 642
Prescribed officers							
R de Grooth (Resigned 1 February 2024)	2 744	-	274	3 018	968	158	4 144
N Najjar	2 510	146	577	3 233	-	-	3 233
B Toerien	2 307	1 050	689	4 046	746	-	4 792
P Prasad	4 382	1 300	331	6 013	-	-	6 013
	11 943	2 496	1 871	16 310	1 714	158	18 182

Forfeitable and conditional shares

Directors' and prescribed officers' participation in LTI scheme

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

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

Malus and clawback provisions

Robust malus and clawback provisions are fundamental to Adcorp’s remuneration policy, these will be deployed in FY2026. These provisions remain crucial for ensuring accountability and prudent risk management within remuneration governance.

Conclusion and looking forward

Adcorp is dedicated to fostering a culture of fair, equitable and responsible remuneration practices across its South African and Australian operations. The ongoing development of a robust remuneration reporting framework, coupled with a commitment to addressing remuneration gaps and ensuring equitable remuneration, underscores Adcorp's focus on supporting its employees and the long-term success of the company. The HCC will continue to provide oversight and regularly monitor progress towards achieving remuneration equity.

Looking forward, Adcorp has outlined strategic priorities that include refining performance metrics more deeply, adapting remuneration structures responsively to market dynamics, and enhancing corporate citizenship integration. Collaboration between the HCC and SESCom is pivotal in embedding corporate citizenship within remuneration practices, ensuring continued strategic alignment.

Non-executive directors’ emoluments

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

¹ Resigned as non-executive director effective 1 January 2025.

Basis of preparation

The extracts from the consolidated financial statements comprise an extract from the consolidated statement of financial position at 28 February 2025, an extract from the consolidated statement of comprehensive income, an extract from the consolidated statement of changes in equity, an extract from the consolidated statement of cash flows for the year ended 28 February 2025, and an extract from the group's segment reporting. The extracts from the consolidated financial statements and the full set of consolidated financial statements have been prepared under the supervision of Noel Pendergast CA(SA), the Group CFO.

Audited consolidated annual financial statements – independent auditors' opinion

The auditors expressed an unmodified opinion on the consolidated financial statements from which these extracts were derived. The audit report issued also includes communication of key audit matters.

The information as set out in this report has not been audited. The board of directors take full responsibility for ensuring that the financial information has been correctly extracted from the underlying financial statements.



A copy of the auditor's report, together with the accompanying consolidated financial statements, and the audit and risk committee's report are available for inspection on the following links
<https://www.adcorpgroup.com/investor-news/group-financials/fy25-adcorp-group-consolidated-financial-statements/> or
<https://senspdf.jse.co.za/documents/2025/jse/isse/ADR/YE2025.pdf>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2025

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 28 February 2025

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2025

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2025

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

¹ Relates to the repurchase of 73 701 Adcorp Holdings Limited shares from Odd-lot holders, for a total Odd-lot consideration of R295 798. The shares repurchased were cancelled and delisted, and accordingly, the total issued ordinary share capital of Adcorp was reduced from 109 954 675 to 109 880 974.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2025

	Notes	2025 R'000	2024 R'000
Operating activities			
Profit before taxation		137 293	89 936
Adjusted for:			
Depreciation on property and equipment	3	7 880	10 602
Depreciation on right-of-use assets	4.1	45 377	53 516
Amortisation of intangible assets	5	18 405	15 829
Prepayment released – enterprise technology transformation project	12.2	30 788	30 389
Impairment of intangible asset	5	1 057	–
(Profit)/loss on the sale of property and equipment	21	(34)	42
Share-based payments	15.1	6 038	10 671
Fair value adjustment – investment at fair value	7.1	–	(832)
Decrease in loss allowances for expected credit losses – trade receivables	11	(8 626)	(818)
Right-of-use asset derecognised	4.2	–	816
Lease liability derecognised	4.3	–	(1 074)
Finance income	22	(11 318)	(11 161)
Finance costs	23	45 647	49 931
Cash generated from operations before working capital changes		272 507	247 847
Increase in trade and other receivables	11 and 12	(12 741)	(198 578)
Increase in trade and other payables	17	90 018	88 378
Increase/(decrease) in provisions	18	38 602	(13 875)
Cash generated by operations		388 386	123 772
Finance income	22	11 318	11 161
Finance costs	23	(4 663)	(7 316)
Interest expense on lease liabilities	4.2	(40 984)	(42 615)
Taxation paid	10	(18 899)	(20 566)
Net cash generated from operating activities		335 158	64 436

	Notes	2025 R'000	2024 R'000
Investing activities			
Additions to property and equipment	3	(4 109)	(4 919)
Proceeds from the sale of property and equipment and intangible assets		163	492
Proceeds upon settlement of investment at fair value	7.1	–	21 906
Additions to intangible assets	5	(2 635)	(683)
Prepayment – enterprise technology transformation project	12.2	(1 262)	(2 612)
Net cash (outflow)/inflow from investing activities		(7 843)	14 184
Financing activities			
Treasury share purchases		(6 454)	(6 782)
Share repurchases ¹	14.1	(296)	–
Repayment of borrowings	16.2	(125 000)	(424 601)
Proceeds from borrowings	16.2	125 000	424 601
Distributions to external shareholders		(39 216)	(127 756)
Capital payment of lease liabilities		(41 258)	(41 502)
Net cash outflow from financing activities		(87 224)	(176 040)
Net increase/(decrease) in cash and cash equivalents		240 091	(97 420)
Cash and cash equivalents at the beginning of the year	13	204 175	311 692
Foreign currency adjustments		(21 340)	(10 097)
Restricted cash reclassified to cash and cash equivalents	13	71 074	–
Cash and cash equivalents at the end of the year	13	494 000	204 175

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

SEGMENT REPORT

for the year ended 28 February 2025

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

Contingent Staffing

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

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

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

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

Staffing Solutions

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

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

Professional Services

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

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

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

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

Business Support

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

Geographical segmentation

The geographic segment report is disclosed as (a) South Africa and (b) Australia. It includes directors' salaries, finance income, finance costs, and income tax expense applicable to the Business Support segment and internal charges between Business Support and other segments. The finance income and finance costs include intra-group charges. This is the measure reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance. For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive Officer monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of other financial assets (except for trade and other receivables) and taxation assets. Goodwill has been allocated to reportable segments. Goodwill has been allocated to reportable segments, as described in note 6.

Transactions between segments follow the Group's accounting policies.

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

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

SEGMENT REPORT continued

for the year ended 28 February 2025

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

¹ The cost recovery allocation methodology was amended from the beginning of the year to a full absorption basis, resulting in a shift of costs between other operating expenditure and inter-segmental allocated costs. This was not retrospectively applied.

SEGMENT REPORT continued

for the year ended 28 February 2025

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

07

GLOSSARY OF TERMS

SUPPLEMENTARY INFORMATION

Abbreviation	Description
Adcorp/the Company	Adcorp Holdings Limited
Adcorp Group/the Group/the business	Adcorp Group of companies
AFS	Annual financial statements
AGM	Annual general meeting
ARC	Audit and risk committee
Assignees	Temporary employees that are recruited, screened, trained and employed by the Temporary Employment Services provider, then assigned to client organisations
BaaS	Backup as a service
Board	The board of directors of Adcorp
BPO	Business process outsourcing
Business/the business	The business conducted within the Adcorp Group
B-BBEE	Broad-based black economic empowerment
Candidate	A job applicant or prospective employee
Chair/Chairperson	The Chairperson of the board or a committee (as relevant)
Companies Act	Companies Act 71 of 2008 (South Africa)
Contingent employees	All employees whether on independent, temporary or permanent contracts of employment, who are deployed to Adcorp client sites as part of a commercial outsourcing contract
CSR	Corporate social responsibility
CTC	Cost to company
DEIB	Diversity, equity, inclusion and belonging
Deployed permanent employee	A permanent employee that has been deployed/outsourced to a client company
DRaaS	Disaster recovery as a service

Abbreviation	Description
DSO	Days Sales Outstanding (is a measure of the average number of days that it takes a company to collect payment after a sale has been made)
EBITDA	Earnings before interest, tax, depreciation and amortisation
EE	Employment equity
EPS	Earnings per share is the portion of the Company's profit allocated to each outstanding share
ERM	Enterprise risk management
ESG	Environmental, Social and Governance
ETI	Employment Tax Incentive is a SARS tax incentive which reduces the cost of hiring young people by reducing the amount of PAYE owed by the employer to SARS without affecting the employees' wages
Exco	Group executive committee
EY	Ernst & Young
FY2024	Year ended 29 February 2024
FY2025	Year ended 28 February 2025
FY2026	Year ended 28 February 2026
GDP	Gross Domestic Product
GHG	Greenhouse gases
GNU	Government of National Unity
GRI	Global Reporting Index
HCC	Human capital committee
HEPS	Headlines earnings per share
IAR	Integrated annual report
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council

Abbreviation	Description
ILO	International Labor Organisation
Independent Contractor	An independent contractor is a self-employed individual performing services for a Company under contract rather than as an employee, either on or off-site
InvestCom	Investment Committee
ISO	International Organisation for Standardisation
JSE	JSE Limited
King IV™/King IV™ Report	King IV™ Report on Corporate Governance for South Africa 2016 (the copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved)
KPMG	The external auditors for the Adcorp Group
LRA	Labour Relations Act 66 of 1995 is a South African statute that regulates labour relations and collective bargaining in the workplace. The LRA contains provisions outlining the labour relations rights and responsibilities of employers, trade unions and employees
LSA	Labour Solutions Australia
LTI	Long-term incentive
MoI	Memorandum of Incorporation
MSP	Managed Service Provider is a service whereby a company takes on primary responsibility for managing an organisation's contingent workforce programme, including overall programme management, reporting and tracking, supplier selection and management, order distribution and consolidated billing
NomCo	Nominations committee
PALM	Pacific Area Labour Mobility Scheme
OECD	Organisation for Economic Co-operation and Development
PBT	Profit before tax

Abbreviation	Description
Permanent employee	An employee who works for and is paid directly by a specific employer without a predetermined end date for the employment arrangement. Permanent employees are often eligible for employment benefits e.g. paid leave, health insurance and retirement plan access
PMI	Production Management Institute of Southern Africa (Pty) Ltd
POPIA	Protection of Personal Information Act (POPI Act)
ROIC	Return on invested capital is the percentage return that a company makes over its invested capital
ROUA	Right-of-use asset
RPO	Recruitment Process Outsourcing is the partial or full outsourcing of a company's internal recruitment function to a third-party specialist provider, for all its direct hire (permanent workers) recruitment needs
SENS	Stock Exchange News Service
SESCoM	Social, ethics and sustainability committee
SETA	Sector Education and Training Authority in South Africa which governs skills development through learnerships, internships, unit-based skills programmes, and apprenticeships
SHEQ	Safety, health, environment and quality
SIEM	Security information and event management
STI	Short-term incentive
TGP	Total guaranteed package calculated using a total cost to company methodology
UN	United Nations
WACC	Weighted average cost of capital
WGEA	Workplace Gender Equality Act
ZAR	South African Rand

CORPORATE INFORMATION

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Listed: 1987

Share code: ADR

ISIN: ZAE000000139

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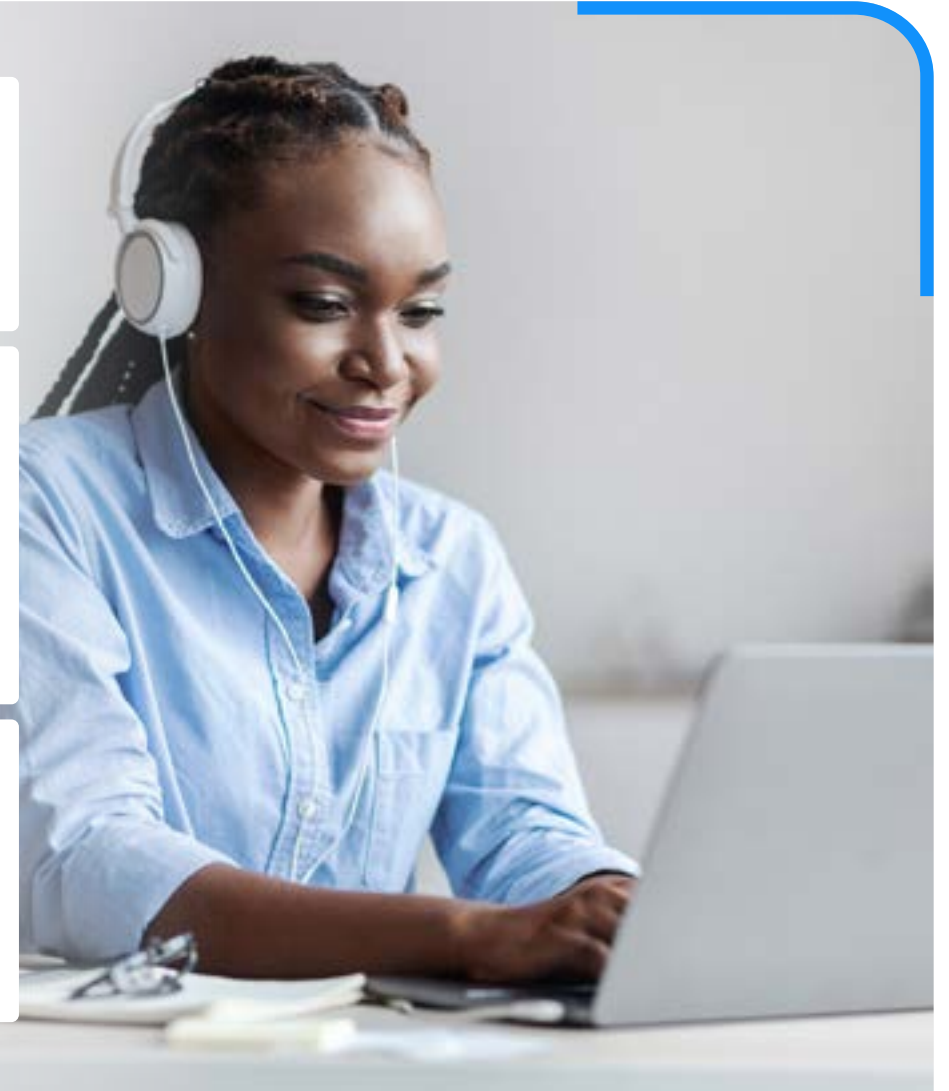
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