



adcorp

Connecting Human Potential

ANNUAL
SEPARATE FINANCIAL
STATEMENTS

for the year ended 28 February 2026

Connecting human potential, building a
sustainable future

2026

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General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Adcorp Holdings Limited (the company) has subsidiaries that carry on business in South Africa and Australia. Areas of activities include the permanent recruitment and flexible staffing sectors, professional IT services, as well as the provision of business process outsourcing and training.
Directors	M Lubega Dr. P Mnganga T Mokgabudi R Radley (Appointed effective 2 June 2025) GT Serobe H Singh C Smith R van Dijk Dr. J Wentzel N Prendergast
Business address	102 Western Service Road Gallo Manor Extension 6 Woodmead Johannesburg 2191
Postal address	PO Box 70635 Bryanston 2021
Bankers	First National Bank
Auditor	KPMG Inc.
Secretary	C de Jager
Company registration number	1974/001804/06
Level of assurance	These annual separate financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual separate financial statements were independently compiled by: Ernst & Young Advisory Services Proprietary Limited Gisela Pieterse CA(SA)
Supervised by	These annual separate financial statements were prepared under the direction and supervision of Noel Prendergast CA(SA), Chief Financial Officer
Issued	30 June 2026

Directors' responsibilities and approval

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

The financial statements have been prepared in accordance with IFRS Accounting Standards, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Listings Requirements, the South African Companies Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the company's cash flow forecast for the 12 months from date of approval of the audited financial statements to end June 2027 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's audited financial statements. The audited financial statements have been examined by the company's external auditor and their report is presented on pages 11 to 13.

The audited financial statements set out on pages 14 to 43, which have been prepared on the going concern basis, and directors' report on pages 5 to 6, were approved by the board of directors on 30 June 2026 and were signed on their behalf by:



Dr. John Wentzel
Chief Executive Officer

30 June 2026

Chief Executive Officer and Chief Financial Officer responsibility statement

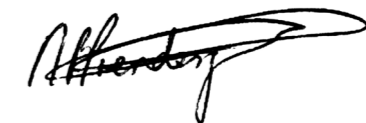
In terms of section 3.84(k) of the JSE Limited (JSE) Listings Requirements, each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 14 to 43, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its subsidiaries have been provided to effectively prepare the annual financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit and risk committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies/taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.



Dr. John Wentzel
Chief Executive Officer

30 June 2026



Noel Prendergast
Chief Financial Officer

30 June 2026

Company Secretary compliance statement

I certify that, to the best of my knowledge and belief, the company and its subsidiaries has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required of a public company in terms of the Companies Act 71 of 2008, as amended, in respect of the year ended 28 February 2026 and that all such returns appear to be true, correct and up to date.



Charissa de Jager
Company Secretary

30 June 2026

Directors' report

for the year ended 28 February 2026

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 28 February 2026.

Nature of business

The company is an investment holding company and has subsidiaries that carry on business in South Africa and Australia. Areas of activities include the permanent recruitment and flexible staffing sectors, professional IT services, as well as the provision of business process outsourcing and training.

There have been no material changes to the nature of the company's business from the prior year.

Review of financial results and activities

The annual separate financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

Share capital

The authorised share capital is 183 177 151 (2025: 183 177 151) ordinary shares of 2,5 cents per share and 16 822 849 (2025: 16 822 849) "B" ordinary shares of 2,5 cents per share.

The issued share capital of the Company at 28 February 2026 was 109 880 974 (2025: 109 880 974) ordinary shares of 2,5 cents per share and 6 729 140 (2025: 6 729 140) "B" ordinary shares of 2,5 cents per share.

Directorate

The directors in office at the date of this report are as follows:

Name	Current year appointments and resignations
Non-executive directors	
M Lubega	
Dr. P Mnganga	
T Mokgabudi	
R Radley	Appointed effective 2 June 2025
GT Serobe	
H Singh	
C Smith	
R van Dijk	
Executive directors	
Dr. J Wentzel	
N Prendergast	
Company Secretary	
C de Jager	

Dividends

The board approved a final gross cash dividend of 46,9 cents per ordinary share for the financial year ended 28 February 2026 (2025: Final gross dividend of 50,0 cents per ordinary share). The dividend has been declared from reserves. The directors have performed the required solvency and liquidity tests required by the Companies Act.

Directors' interests in contracts

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

Directors' report continued

for the year ended 28 February 2026

Special resolutions

At the annual general meeting (AGM) held on 29 July 2025, Adcorp's shareholders passed the following special resolutions for the purposes indicated:

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

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

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

Special resolution 4: To approve inter-company financial assistance.

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

Statutory information

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

Auditors

KPMG Inc. continued in office as auditors for the company for 2026, in accordance with section 94(7) of the Companies Act.

The audit and risk committee resolved to recommend to the shareholders that KPMG Inc. be appointed as the company's registered external auditor for the 2027 financial year. This will be approved at the upcoming AGM.

Company Secretary

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

Events after the reporting period

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

Dividend declaration

The board of directors has approved and declared a final gross dividend of 46,9 cents per ordinary share (2025: 50,0 cents per ordinary share) from reserves, for the year ended 28 February 2026.

Going concern

The directors have considered the company's financial position, cash flows, available facilities, and budgets, and believe the company has adequate resources to continue operating for the foreseeable future. Accordingly, the annual financial statements have been prepared on the going concern basis. Refer to note 23 for further details.

Compiler of annual separate financial statements

The compiler was responsible for the preparation of the annual financial statements based on information provided by management and worked under the supervision of management. Management is responsible for these annual financial statements.

Compliance with applicable laws

The board of directors hereby confirms that the company is:

- In compliance with the provisions of the Companies Act or laws of establishment, specifically relating to its incorporation; and
- Operating in conformity with its Memorandum of Incorporation and/or relevant constitutional documents.

Report of the audit and risk committee

for the year ended 28 February 2026

The company's audit and risk committee (the committee or ARC) presents its report for the financial year ended 28 February 2026. The committee is an independent statutory committee, whose duties are delegated to it by the board of directors. The committee's duties and objectives allow it to discharge its statutory and other board-delegated duties in keeping with its terms of reference. These duties are briefly set out in this report.

Composition, meetings and assessment

The five (5) members of the ARC were recommended by the board of directors, to the shareholders, and were formally appointed at the previous annual general meeting (AGM) held on 29 July 2025.

T Mokgabudi (*Chairman*)

H Singh

M Lubega

R van Dijk

R Radley

Five (5) committee meetings were held during the year, of which one (1) was a risk workshop and four (4) were ordinary meetings. As provided for in the ARC's terms of reference, closed sessions are arranged at least once a year with key relevant parties to ensure confidential assessments and discussions can occur.

Roles and responsibilities

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

- Perform and fulfil the committee's duties pursuant to section 94 of the Companies Act and its responsibilities as set out in paragraph 5.7(h) of the JSE Listings Requirements, including the appointment and the assessment of the independence of the external auditor;
- Overseeing the reporting process and assessing disclosures made to all stakeholders, which includes the company financial statements for the year under review;
- Overseeing and evaluating the governance of risk and compliance and the related internal control environment, and considering the recommendation of the internal auditors in respect of the effectiveness of the system of internal controls;
- Monitoring and assessing all internal and external assurance providers and the non-audit services rendered during the year;
- Assessing key audit matters;
- Assessing the expertise and experience of the CFO and the resources within the financial function; and
- Reviewing and recommending the annual financial statements for approval by the board of directors.

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

External auditor appointment and independence

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

The committee continuously assesses the impact of the overall audit professional environment and current challenges. The external auditor shared their significant risk and focus areas and responses thereto. The committee thus satisfied itself of the continued independence and competence of the auditor. The designated audit partner Mr Fred von Eckardstein retired and Ms Clasina Erasmus has been recommended as the designated individual auditor for Adcorp Holdings Limited for the 28 February 2026 engagement and beyond. The committee resolved to recommend to the shareholders that KPMG be re-appointed as the company's registered external auditor and Ms Clasina Erasmus as the designated individual auditor, for approval at the AGM, for the 2027 financial year.

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

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

Report of the audit and risk committee continued

for the year ended 28 February 2026

Financial statements and accounting policies

The committee has assessed the company's accounting policies and the annual financial statements for the year ended 28 February 2026 and is satisfied that they are appropriate and comply in all respects with Companies Act, IFRS Accounting Standards and the JSE Listings Requirements together with consideration of the findings from the JSE proactive monitoring of financial statements in 2025.

The committee did not receive any complaints relating to the accounting practices, internal audit, the content or auditing of the company's financial statements, the internal financial controls of the company or any related matters.

The committee supports the opinion of the board of directors and the external auditor with regard to the annual financial statements, which have been approved by the board and will be presented to shareholders at the AGM to be held at the end of July 2026.

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

Governance of risk

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

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

Internal audit

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

During the year under review, the committee:

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

CEO and CFO responsibility statement

The committee evaluated the CEO and CFO's responsibility statement on the financial statements and internal financial controls as required by the JSE Listings Requirements as set out on page 3.

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

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

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

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

Going concern

In preparing the annual financial statements, the committee is responsible for evaluating the company's ability to continue as a going concern and therefore the appropriateness of the going concern assumption in the preparation of the financial statements. The committee has assessed the economic environment, current financial position, and the expected cash flows for the next 12 months through to the end of June 2027. The liquidity and solvency position has also been reviewed as part of this assessment.

The committee is satisfied that there are no material uncertainties that cast doubt on the company's ability to operate as a going concern. The company has access to resources to continue with all operating activities for the foreseeable future. Based on this assessment, the committee considers it appropriate to adopt the going concern assumption for the preparation of the 2026 financial statements and recommends the going concern assumption to the board of directors for approval.

Significant areas of judgement

In arriving at the figures disclosed in the annual financial statements, there are certain areas where judgement is needed. The ARC has considered various elements of the financial statements that require judgement and have found all judgements and estimates to be reasonable.

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

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

The committee is satisfied that it has met the requirements of its terms of reference.

The ARC has access to all financial information of the company, including the financial information of subsidiaries of the company.

Key focus areas

In addition to executing on its statutory duties and the considering key audit matters, the committee also addressed the following key areas of focus during the year ended 28 February 2026:

- The committee continued to receive reports on the risks and related controls in respect of operations, fraud, cybersecurity, IT systems, and controls impacting financial reporting. The committee was informed of initiatives aimed at monitoring cybersecurity and ensuring data security across the organisation.
- The committee received reports from the compliance function and monitored the company's compliance activities across all geographies in which the company operates.
- Focused on ensuring that all areas of the business are aligned with the company's risk management and compliance philosophy and strategy and that a group-wide approach is maintained where applicable.
- Oversaw and evaluated management's response to future changes in legislation and other regulations impacting disclosure requirements, as well as macroeconomic risks and trends.
- Enhanced its oversight of initiatives aimed at monitoring cybersecurity and ensuring data security across the organisation.

Report of the audit and risk committee continued

for the year ended 28 February 2026

Key focus areas continued

The committee has set the following key areas of focus for 2027:

- Continue the oversight on financial reporting quality, internal controls and disclosure integrity.
- Enhance an integrated and combined assurance approach to risk management, compliance and ethical conduct.
- Advance oversight of ESG reporting readiness and evolving corporate governance disclosure requirements.
- Deepen oversight of technology governance, cybersecurity resilience and data integrity.
- Ensure the continued application of a combined assurance model to coordinate all assurance activities across the organisation.

Conclusion

Having considered all the material factors the committee recommended the annual financial statements for the year ended 28 February 2026 for approval to the board. The board has approved the annual financial statements which will be open for discussion at the forthcoming AGM of shareholders.

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



T Mokgabudi
Chairman, audit and risk committee

30 June 2026

Independent auditor's report

To the shareholders of Adcorp Holdings Limited

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Adcorp Holdings Limited (the Company) set out on pages 14 to 43, which comprise the Statement of financial position as at 28 February 2026, and the Statement of profit or loss and other comprehensive income, the Statement of changes in equity and the Statement of cash flows for the year then ended, material accounting policies, notes to the financial statements, and Annexure A: Details of significant subsidiaries.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Adcorp Holdings Limited as at 28 February 2026, and its separate financial performance and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

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

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

Final Materiality

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

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

Final materiality	R35 000 000 determined as 0.81% (rounded) of total assets.
Rationale for the benchmark and percentage applied	We selected total assets as the most appropriate benchmark because, in our view, it is the benchmark which best reflects the focus of users of the separate financial statements given the entity is an investment holding company. We applied 0.81% (rounded) based on our professional judgement after consideration of qualitative factors that impact the Company.

Key audit matters

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

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

We have determined that there are no key audit matters to communicate in our audit report.

Independent auditor's report continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Adcorp Holdings Limited Annual Separate Financial Statements for the year ended 28 February 2026", which includes the Directors' report, the Report of the audit and risk committee and the Company Secretary compliance statement as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the document titled "Adcorp Holdings Limited Integrated Annual Report 2026", which is expected to be made available to us after that date. The other information does not include the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the separate financial statements

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

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

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

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

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

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

Other information continued

Auditor's responsibilities for the audit of the separate financial statements continued

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

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

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

Report on other legal and regulatory requirements

Audit Tenure

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

KPMG Inc.

Registered Auditor
Per Clasina Erasmus
Chartered Accountant (SA)
Registered Auditor
Director

30 June 2026

KPMG Inc.

85 Empire Road
Parktown
2193
South Africa

Statement of financial position

as at 28 February 2026

	Notes	2026 R'000	2025 R'000
Assets			
Non-current assets			
Investments in subsidiaries	3	3 752 393	3 752 600
Amounts due by subsidiary companies	4	508 607	519 548
Current assets			
Amounts due by subsidiary companies	4	2 039	321
Other receivables	5	5 365	4 538
Cash and cash equivalents	6	76 544	56
Total assets		4 344 948	4 277 063
Equity and liabilities			
Equity			
Share capital and share premium	7	1 740 882	1 740 882
Share based payment reserve	8	10 882	9 223
Accumulated loss		(406 293)	(321 961)
Liabilities			
Non-current liabilities			
Deferred taxation	10	22 148	25 224
Current liabilities			
Trade and other payables	11	3 292	2 575
Amounts due to subsidiary companies	12	2 974 037	2 821 120
Total equity and liabilities		4 344 948	4 277 063

Statement of profit or loss and other comprehensive income

for the year ended 28 February 2026

	Notes	2026 R'000	2025 R'000
Revenue	13	17 867	-
Operating expenses		(21 632)	(45 256)
Operating loss	14	(3 765)	(45 256)
Finance income	15	6 184	2 793
Finance costs	16	(6 124)	(2 793)
Loss before taxation		(3 705)	(45 256)
Taxation	17	3 076	11 129
Loss for the year		(629)	(34 127)
Other comprehensive income		-	-
Total comprehensive loss for the year		(629)	(34 127)

Statement of changes in equity

for the year ended 28 February 2026

	Share capital R'000	Share premium R'000	Total share capital and share premium R'000	Share-based payment reserve R'000	Accumulated loss R'000	Total equity R'000
Balance at 01 March 2024	3 069	1 738 109	1 741 178	11 240	(246 519)	1 505 899
Loss for the year	-	-	-	-	(34 127)	(34 127)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(34 127)	(34 127)
Repurchase of shares	(2)	(294)	(296)	-	-	(296)
Equity settled share-based payment	-	-	-	6 038	-	6 038
Share scheme settlement	-	-	-	(8 055)	-	(8 055)
Distributions to shareholders	-	-	-	-	(41 315)	(41 315)
Total contributions by and distributions to owners of company recognised directly in equity	(2)	(294)	(296)	(2 017)	(41 315)	(43 628)
Balance at 01 March 2025	3 067	1 737 815	1 740 882	9 223	(321 961)	1 428 144
Loss for the year	-	-	-	-	(629)	(629)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(629)	(629)
Transfer between reserves	-	-	-	1 518	(1 518)	-
Equity settled share-based payment	-	-	-	7 971	-	7 971
Share scheme settlement	-	-	-	(7 830)	-	(7 830)
Distributions to shareholders	-	-	-	-	(82 185)	(82 185)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	1 659	(83 703)	(82 044)
Balance as at 28 February 2026	3 067	1 737 815	1 740 882	10 882	(406 293)	1 345 471
Notes	7	7	7	8		

Statement of cash flows

for the year ended 28 February 2026

	Notes	2026 R'000	2025 R'000
Cash flows from operating activities			
Loss before taxation		(3 705)	(45 256)
Adjusted for:			
Foreign exchange difference relating to translation of foreign loan receivable		11 392	41 217
Other non cash items		(7 832)	(8 055)
Dividend in specie	13	(17 867)	-
Finance income	15	(6 184)	(2 793)
Finance costs	16	6 124	2 793
Share-based payment expense		7 971	6 038
Impairment of investments in subsidiaries	3	209	-
Changes in working capital:			
(Increase)/decrease in other receivables		(827)	444
Increase/(decrease) in trade and other payables		717	(1 235)
Cash utilised by operations		(10 002)	(6 847)
Finance income	15	6 184	2 793
Finance costs		(60)	(430)
Net cash used in operating activities		(3 878)	(4 484)
Cash flows from financing activities			
Share repurchase	7	-	(296)
Proceeds from borrowings		-	125 000
Repayment of borrowings	9	-	(125 000)
Loans obtained from subsidiaries		162 551	23 355
Dividends paid	20	(82 185)	(41 315)
Net cash from/(used in) financing activities		80 366	(18 256)
Net increase/(decrease) in cash and cash equivalents		76 488	(22 740)
Cash and cash equivalents at the beginning of the year		56	22 796
Cash and cash equivalents at the end of the year	6	76 544	56

Accounting policies

for the year ended 28 February 2026

Corporate information

Adcorp Holdings Limited is a public company incorporated and domiciled in South Africa. The principle activity of the company is investment holding. Areas of activity of its subsidiaries include the rendering of services in areas of permanent recruitment and flexible staffing sectors, professional IT services, as well as the provision of business process outsourcing and training. Subsidiaries carry on business in South Africa and Australia.

1 Material accounting policies

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

1.1 Basis of preparation

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

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

The financial statements were authorised by the board of directors for issue on 30 June 2026.

1.2 Financial instruments

Initial recognition

A party to the contractual provisions of the instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

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

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

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

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

The financial assets at amortised cost include other receivables (note 5), amounts due by subsidiary companies (note 4) and cash and cash equivalents (note 6) as the business model is to collect payment of principal and interest.

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

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

Accounting policies continued

for the year ended 28 February 2026

1 Material accounting policies continued

1.2 Financial instruments continued

Subsequent measurement of financial liabilities

All financial liabilities are subsequently measured at amortised cost, using the effective interest method or at fair value through profit or loss. The company currently has no financial liabilities classified as at fair value through profit or loss. Financial liabilities at amortised cost includes amounts due to subsidiary companies (note 12) and trade and other payables (note 11).

Derecognition of financial assets and liabilities

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

The company derecognises a financial liability when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. The company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

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

Amortised cost and effective interest rate method

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

Other receivables

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

The simplified approach is forward looking and takes into account historical credit losses experience, time value of money and future economic factors including inflation. Losses are recognised in the statement of profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of profit or loss. When a trade receivable is uncollectible, it is written off and recognised in profit or loss.

1.3 Tax

Current taxation

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

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

1 Material accounting policies continued

1.3 Tax continued

Deferred taxation

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

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

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

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

Tax expenses

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

1.4 Share-based payment

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

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

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

1.5 Investments in subsidiaries

All investments in subsidiaries are carried at cost less any accumulated impairments.

For the purposes of impairment testing, the cost of each of the subsidiaries is compared to the recoverable amount which is the higher of the value in use or fair value less costs to sell. Where the recoverable amount is lower than the cost, an impairment is recognised in profit or loss.

1.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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

1.7 Share capital and equity

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

1.8 Revenue

Dividends are recognised in profit or loss when the company's right to receive payment is established.

1.9 Finance income and finance costs

The company receives finance income on cash and cash equivalents (money market instruments) on behalf of subsidiary companies and this income is recovered by the relevant subsidiary. A corresponding recharge is recognised as finance expense in profit or loss. The recharge is measured at the amount of the underlying income received and no margin is applied as the company acts solely as an intermediary.

Notes to the annual financial statements

for the year ended 28 February 2026

2 New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

The company has adopted all new and amended accounting pronouncements that are relevant to its operations and that are effective for financial years commencing on or after 01 March 2025, these did not have a significant effect on the financial statements.

2.2 Standards and interpretations not yet effective

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

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact:
IFRS 19 – <i>Subsidiaries without Public Accountability</i> – no impact for consolidated financial statements. Applicable for eligible subsidiaries that can choose to apply the reduced disclosure requirements as set out in the standard.	01 January 2027	The company is in the process of assessing its eligibility of its subsidiaries in applying the standard and, if applicable, assessing the amendments to the reduced disclosure requirements of the standard, in particular which disclosures will no longer be required.
IFRS 18 – <i>Presentation and Disclosure in financial statements</i> , sets out requirements for the presentation and disclosure of information in the financial statements, and may result in changes to the presentation of the statement of profit and loss as well as the notes to the financial statements.	01 January 2027	The company is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – <i>Amendments to the Classification and Measurement of Financial Instruments</i>	01 January 2026	Unlikely there will be a material impact
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – <i>Settlement by electronic payments</i>	01 January 2026	Unlikely there will be a material impact
Annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	01 January 2026	Unlikely there will be a material impact
Amendments to IAS 10 Statement of Cash flows	01 January 2026	Unlikely there will be a material impact
Contracts Referencing Nature dependent Electricity – Amendments to IFRS 9 and IFRS 7	01 January 2026	Unlikely there will be a material impact
IFRS 20: Regulatory assets and regulatory liabilities	01 January 2029	Unlikely there will be a material impact

3 Investments in subsidiaries

	2026 R'000	2025 R'000
Investment at cost less any impairments:		
Adcorp Flexible Staffing Solutions Proprietary Limited*	-	209
DAV Personnel Proprietary Limited*	-	7 269
Research Surveys Proprietary Limited*	-	6 726
Adcorp Holdings Australia Proprietary Limited	284 875	284 875
Adcorp Group South Africa Proprietary Limited	3 011 443	3 011 441
Adcorp Workforce Management Solutions Proprietary Limited	456 075	456 075
	3 752 393	3 766 595
Accumulated impairment of investment in subsidiaries	-	(13 995)
	3 752 393	3 752 600
Accumulated impairment of investments in subsidiaries		
DAV Personnel Proprietary Limited*	-	(7 269)
Research Surveys Proprietary Limited*	-	(6 726)
	-	(13 995)

* Company was deregistered during the current financial year resulting in the write-off of the investment.

Impairment of assets

As required by IAS 36, Impairment assets (IAS 36), where an indicator of impairment has been identified, management conduct impairment assessments to test the recoverability of the carrying amount of investments in subsidiaries at the end of the current year. One of the impairment indicators considered is the net asset value of the underlying subsidiary.

The proportionate share of the net asset value of the underlying subsidiaries is as follows:

	Net asset value R'000
Adcorp Holdings Australia Proprietary Limited	299 910
Adcorp Group South Africa Proprietary Limited	3 009 483
Adcorp Workforce Management Solutions Proprietary Limited	1 887 185
	5 196 578

The net asset value of Adcorp Group South Africa Proprietary Limited (AGSA) is below the carrying value of the investment in AGSA, which is an indicator of impairment. An impairment test was performed as at 28 February 2026, however no impairment was recognised as there was no movement in operations and the reduction in net asset value resulted from a distribution to shareholders.

During the year, the company undertook a legal entity rationalisation and simplification exercise, which resulted in the deregistration of certain subsidiaries within the company.

As a result, an impairment loss was recognised in respect of the investments in Adcorp Flexible Staffing Solutions Proprietary Limited that was deregistered as part of the exercise. As this subsidiary was deregistered and no future economic benefits are expected to arise from this investments, its carrying amount was fully impaired.

Furthermore, the investments in DAV Personnel Proprietary Limited and Research Surveys Proprietary Limited, which had been fully impaired and carried a nil value in the prior year, were formally written off during the current year.

This exercise resulted in the loan with Research Surveys Proprietary Limited being declared to the company as a dividend in specie (refer to notes 12 and 13).

Notes to the annual financial statements continued

for the year ended 28 February 2026

4 Amounts due by subsidiary companies

	2026 R'000	2025 R'000
Subsidiaries		
Adcorp Flexible Staffing Solutions Proprietary Limited*	-	1 251
Adcorp Staffing Solutions Proprietary Limited	3 263	2 012
Fortress Administration Proprietary Limited	398	175
Adcorp Holdings Australia Proprietary Limited	507 953	518 954
Production Management Institute of Southern Africa Proprietary Limited	714	241
Adcorp Africa Limited	654	594
Adcorp Fulfilment Services Proprietary Limited	123	-
Adcorp Workforce Solutions Proprietary Limited	899	-
	514 004	523 227
Expected credit losses	(3 358)	(3 358)
	510 646	519 869
Split between non-current and current portions		
Non-current assets	508 607	519 548
Current assets	2 039	321
	510 646	519 869
Reconciliation: Expected credit losses on loans to subsidiaries		
Adcorp Staffing Solutions Proprietary Limited	(3 263)	(2 012)
Adcorp Flexible Staffing Solutions Proprietary Limited*	-	(1 251)
Production Management Institute of Southern Africa Proprietary Limited	(95)	(95)
	(3 358)	(3 358)

* The loan with Adcorp Flexible Staffing Solutions Proprietary Limited was transferred into Adcorp Staffing Solutions Proprietary Limited during the current financial year.

The Adcorp Holdings Australia Proprietary Limited (AHA) loan denominated in Australian Dollars and the Adcorp Africa Limited loan denominated in United States Dollars are not expected to be repaid within 12 months of the reporting period.

No interest was levied or received on amounts due by subsidiary companies during the current year.

Loans to and from the group companies are generally unsecured and not subject to any fixed terms of repayment.

With the exception of the loans to AHA and Adcorp Africa Limited, the directors consider loans to group companies to be current. These are used for either cash management or trading purposes between group companies and are therefore intended to be repaid within 12 months of the reporting period.

4 Amounts due by subsidiary companies continued

Key estimates and judgements

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition.

In determining the ECL on intercompany receivable loan accounts, management has considered:

- The financial position of the companies from whom intercompany loans are recoverable. The net asset value of the company from whom the loan is recoverable was used by management to determine whether the loan could be recovered in the event of the company's liquidation. A negative net asset value would increase the probability of non recoverability in future; and
- The change in financial performance of the company where declining profitability was considered a potential sign of decreased ability to make payment on receivable balances in future.

Management has assessed that there has not been a significant increase in credit risk associated with the intercompany loan accounts between the 2025 and 2026 financial years. The company's financial performance contributed significantly to the assessed risk as well as having assessed credit risk, the company expects credit losses of R3,4 million (2025: R3,4 million).

	2026 R'000	2025 R'000
Movement in the allowance for ECLs		
Balance at the beginning and at the end of the year	3 358	3 358

5 Other receivables

	2026 R'000	2025 R'000
Financial instruments		
Interest from bank facilities	544	194
Other receivables	408	-
	952	194
Non-financial instruments		
VAT	4 180	4 168
Prepayments	233	176
	4 413	4 344
Total other receivables	5 365	4 538

Fair value of other receivables

Due to short term nature of current receivables, their carrying amounts is considered to approximate their fair value.

Exposure to credit risk

Other receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

Key estimates and assumptions

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

Notes to the annual financial statements continued

for the year ended 28 February 2026

6 Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following:

	2026 R'000	2025 R'000
Bank balances	76 544	56

Credit quality of cash at bank and short-term deposits

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

7 Share capital and share premium

	2026 R'000	2025 R'000
Authorised		
183 177 151 ordinary shares of 2,5 cents each (2025: 183 177 151)	4 579	4 579
16 822 849 "B" ordinary shares of 2,5 cents each (2025: 16 822 849)	421	421
Total authorised share capital	5 000	5 000
Issued		
109 880 974 ordinary shares of 2,5 cents each (2025: 109 880 974)	2 747	2 747
6 729 140 ordinary shares of 2,5 cents each (2025: 6 729 140)	320	320
Total issued share capital	3 067	3 067
Share premium	1 737 815	1 737 815
Total issued share capital and share premium	1 740 882	1 740 882
Number of ordinary shares ('000):		
Balance at the beginning of the year excluding treasury shares	102 940	102 868
Ordinary shares at the beginning of the year	109 881	109 955
Treasury shares at the beginning of the year	(6 941)	(7 087)
Odd lot offer share re purchase and cancellation of ordinary shares	-	(74)
Treasury share purchases	(544)	(1 361)
Transferred to employee share based scheme	571	1 507
	102 967	102 940
Consisting of:		
Total ordinary shares in issue	109 881	109 881
Treasury shares	(6 914)	(6 941)
Balance at the end of the year excluding treasury shares	102 967	102 940
Number of "B" ordinary shares ('000):		
Number at the beginning of the year	6 729	6 729
Number at the end of the year	6 729	6 729

Voting and dividend rights

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

8 Share-based payment reserve

	2026 R'000	2025 R'000
Opening balance	9 223	11 240
Charge arising from equity-settled share-based schemes	7 971	6 038
Transfer to accumulated loss*	1 518	-
Other movement in share-based payment reserve	(7 830)	(8 055)
Closing balance	10 882	9 223

* Relates to vesting of share awards.

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

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

The scheme includes one type of PS award:

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

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

	2026		2025	
	Number of share awards	Weighted average grant price	Number of share awards	Weighted average grant price
Senior management long-term incentive scheme				
Outstanding at the beginning of the year	1 674 731	4,25	6 043 901	3,94
Vested during the year	(741 763)	4,25	(1 975 821)	3,80
Forfeited during the year	(932 968)	4,25	(2 393 349)	3,92
Outstanding at the end of the year	-	-	1 674 731	4,25

Notes to the annual financial statements continued

for the year ended 28 February 2026

8 Share-based payment reserve continued

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

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

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

	2026	2025
Inputs		
Spot price (R)	4,15	4,15
Expected volatility (%)	70,16	70,16
Expected life (years)	3 – 6	3 – 6
Risk-free rate (%)	7,5	7,5
Expected dividend yield (%)	-	-

2024 Long-term incentive scheme

The scheme includes two types of performance share awards:

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

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

	2026		2025	
	Number of share awards	Weighted average grant price	Number of share awards	Weighted average grant price
Long-term incentive scheme				
Forfeitable shares				
Outstanding balance at the beginning of the year	4 082 644	4,31	1 949 402	4,60
Granted during the year	1 725 316	7,15	2 894 713	4,15
Forfeited during the year	(277 484)	4,33	(761 471)	4,43
Outstanding balance at the end of the year	5 530 476	5,20	4 082 644	4,31
Conditional shares				
Outstanding balance at the beginning of the year	3 086 381	4,29	1 824 252	4,60
Granted during the year	1 407 367	7,15	2 521 063	4,15
Forfeited during the year	(647 462)	4,33	(1 258 934)	4,45
Outstanding balance at the end of the year	3 846 286	5,33	3 086 381	4,29

8 Share-based payment reserve continued

2024 Long-term incentive scheme continued

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

	Forfeitable number of shares	Conditional number of shares	Grant date	Vesting date	Fair value at grant date
Issued in 2024	1 357 565	726 799	2024/02/29	2026/06/01	4,60
Issued in 2025	2 447 595	1 712 120	2024/07/16	2027/06/01	4,15
Issued in 2026	1 725 316	1 407 367	2025/07/01	2028/07/01	7,15
	5 530 476	3 846 286			

The number of shares available for utilisation for the above share-based schemes is 10% of the issued ordinary share capital being a total of 10 988 097 (2025: 10 988 097) shares.

	2026 Number of shares '000	2025 Number of shares '000
Reconciliation of shares available for utilisation		
Opening balance	2 144	1 177
Share repurchase	-	(7)
Granted during the year	(3 133)	(5 416)
Vested during the year	742	1 976
Forfeited during the year	1 858	4 414
Closing balance	1 611	2 144

Key estimates and judgements

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

Notes to the annual financial statements continued

for the year ended 28 February 2026

9 Interest-bearing borrowings

From 1 March 2025 through to 30 October 2025 the company's borrowing facilities comprised a R150 million revolving credit facility, a R100 million overdraft facility and a R100 million accordion facility. These facilities matured at the end of August 2025 and were extended to 30 October 2025. During this period, interest on the revolving credit facility was compounded monthly in arrears at an agreed margin plus JIBAR, which was determined on each measurement date being the last day of each month. Any amount outstanding on the revolving credit facility was to be repaid on the last day of the interest period. Any amount on the accordion facility which remained outstanding on the maturity date was to be repaid in full on that date.

The margin applicable for the utilisation of facilities was 2,9% where no default has occurred and continuing. The agreement sets out various events of default. For as long as an event of default has occurred and is continuing, the margin would be the applicable margin plus 2% per annum.

Upon maturity, the borrowing base facility was restructured into a R250 million overdraft facility under the general banking facility and a R100 million accordion option, effective 1 November 2025, with maturity on 31 October 2028. The new general banking facility attracts interest at the total of the publicly quoted prime lending rate less 80 basis points per annum, compounded monthly in arrears and calculated on the basis of a 365 day year. The agreement sets out various events of default and for as long as an event of default has occurred and is continuing, the margin shall be the applicable margin plus 2% per annum.

The financial covenants set out in the agreement that need to be complied with by the South African Group (SA Group) within 12 months of the reporting date include the following:

Financial covenant ratio	Requirement
Interest cover ratio (ratio of adjusted EBITDA to net finance costs)	>3.0x
Current ratio (ratio of current assets divided by current liabilities)	>1.1x
Tangible net asset value ('000) (SA Group)	R1 200 000

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

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

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

Trade receivables of the SA Group with a carrying value of R898 million are used as security to secure funding relating to the borrowing base facility. The eligible receivables are defined as those with outstanding invoices aged up to 90 days. The SA Group is permitted under its facility agreement to enter into factoring arrangements up to R60 million in South Africa. Any invoiced receivables that have been factored may not be included in the eligible receivables and become ineligible for inclusion in the borrowing base calculations.

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

	2026 R'000	2025 R'000
Reconciliation of movements on interest-bearing borrowings		
Opening balance	-	-
Interest accrued	-	2 793
Interest paid	-	(2 793)
Repayments on facilities during the year	-	(125 000)
Proceeds from facilities during the year	-	125 000
Balance at the end of the year	-	-

10 Deferred taxation

	2026 R'000	2025 R'000
Deferred tax liability		
Deferred tax on translation adjustment of foreign loan	(22 148)	(25 224)
Deferred tax liability	(22 148)	(25 224)
Reconciliation of deferred tax liability		
Balance at the beginning of the year	(25 224)	(36 353)
Movement of deferred tax on translation adjustment on foreign loan	3 076	11 129
Balance at the end of the year	(22 148)	(25 224)

11 Trade and other payables

	2026 R'000	2025 R'000
Financial instruments		
Trade payables	131	849
Other payables	3 161	1 726
	3 292	2 575

12 Amounts due to subsidiary companies

	2026 R'000	2025 R'000
Subsidiaries		
Adcorp Management Services Proprietary Limited	1 349 371	1 178 746
Research Surveys Proprietary Limited*	-	17 867
Capital Outsourcing Group Proprietary Limited – Africa	13 274	13 274
Adcorp Workforce Solutions Proprietary Limited	-	471
Adcorp Contracting Proprietary Limited	3 899	4 826
Quest Staffing Solutions Proprietary Limited	2 460	2 493
Torque IT Proprietary Limited	14 834	11 232
Adfusion Contract Management Services Proprietary Limited	160	77
Adcorp Group South Africa Proprietary Limited	1 590 039	1 592 001
Adcorp Fulfilment Services Proprietary Limited	-	133
	2 974 037	2 821 120

* Company was deregistered during the current financial year.

During the current year no interest was levied or received on amounts due to subsidiary companies.

Loans from subsidiaries are generally unsecured and not subject to any fixed terms of repayment.

Adcorp Group South Africa Proprietary Limited and Adcorp Management Services Proprietary Limited have subordinated their claims to loans made to the company in favour of third party creditors until such time as the company's current assets exceed its current liabilities:

- Adcorp Group South Africa Proprietary Limited – R1.6 billion.
- Adcorp Management Services Proprietary Limited – R1.0 billion.

Fair value of amounts due to subsidiaries

The fair value of group loans payable approximates their carrying amounts due to their short term nature.

Notes to the annual financial statements continued

for the year ended 28 February 2026

13 Revenue

	2026 R'000	2025 R'000
Revenue other than from contracts with customers		
Dividends received*	17 867	-

* Consists of a dividend in specie declared by Research Surveys Proprietary Limited.

14 Operating loss

Operating loss includes the following items:

	2026 R'000	2025 R'000
Consulting and professional services	1 819	975
Share-based payment expense	7 971	6 038
Write-off of investment (deregistered)	209	-
Administrative and managerial services (recoveries)	(705)	(2 182)
Board fees	5 009	4 808
Exchange differences arising on the foreign loan receivable by subsidiary	11 392	41 217

15 Finance income

	2026 R'000	2025 R'000
Bank and other cash	6 184	2 793

16 Finance costs

	2026 R'000	2025 R'000
Interest recovered by subsidiaries	6 124	2 793

17 Taxation

	2026 R'000	2025 R'000
Deferred taxation		
Current period	(3 076)	(11 129)
	(3 076)	(11 129)
Taxation reconciliation		
Loss before taxation	(3 705)	(45 256)
Tax at the applicable tax rate of 27% (2025: 27%)	(1 000)	(12 219)
Tax effect of adjustments on taxable income		
Limitation of loss*	(383)	12 232
Share-based payment	-	(71)
Non-taxable income**	(4 824)	(11 129)
Non-deductible expenses***	3 131	58
	(3 076)	(11 129)

* This relates to the expenses that were added back to avoid creating an assessed loss as this entity does not have sufficient income. The expenditure is not incurred in the production of revenue.

** This relates to exempt dividends.

*** This relates to foreign exchange differences arising on foreign amounts due by subsidiary companies.

The corporate tax rate for South Africa is 27%.

18 Related parties

Relationships

Refer to notes 4 and 12 for details regarding related party balances. Refer to Annexure A for a listing of significant subsidiaries.

	2026 R'000	2025 R'000
Related party transactions		
Consulting fees paid to related party		
Non-executive director – C Smith	-	840
Recovery of costs from subsidiary companies		
Adcorp Management Services Proprietary Limited	705	2 182

Notes to the annual financial statements continued

for the year ended 28 February 2026

19 Directors' and prescribed officers' emoluments and interests

Executive directors 2026	Salary R'000	Bonuses R'000	Employee benefits R'000	Sub-total R'000	Realised gains on other share amounts R'000	FSP dividend equivalent R'000	Total R'000
Dr. J Wentzel	6 144	5 166	1 198	12 508	1 937	2 134	16 579
N Prendergast	3 303	2 058	698	6 059	773	858	7 690
	9 447	7 224	1 896	18 567	2 710	2 992	24 269

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

The executive directors remuneration is paid out of Adcorp Management Services Proprietary Limited.

Prescribed officers 2026	Salary R'000	Bonuses R'000	Employee benefits R'000	Sub-total R'000	Realised gains on other share amounts R'000	FSP dividend equivalent R'000	Total R'000
H Duvenage	2 661	-	549	3 210	-	314	3 524
N Parmanand	2 946	1 528	720	5 194	-	357	5 551
B Toerien	2 542	1 318	745	4 605	298	338	5 241
D Butcher (Appointed 6 May 2025)	2 646	1 200	349	4 195	-	65	4 260
Z Riddell (Appointed 3 March 2025)	3 240	1 482	439	5 161	-	89	5 250
	14 035	5 528	2 802	22 365	298	1 163	23 826

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

19 Directors' and prescribed officers' emoluments and interests continued

Directors' and prescribed officers' participation in long term incentive plan

	Number of outstanding share awards as at 28 February 2025	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 2026	Vesting date
Executive directors								
Dr. J Wentzel	614 878 ¹	4,25	-	-	(307 439)	(307 439)	-	13/12/2025
	1 247 531 ²	4,60	-	-	-	-	1 247 531 ²	01/06/2026
	1 869 524 ²	4,15	-	-	-	-	1 869 524 ²	01/06/2027
	-	-	1 117 447	7,15	-	-	1 117 447 ²	01/06/2028
N Prendergast	245 481 ¹	4,25	-	-	(122 741)	(122 740)	-	13/12/2025
	498 531 ²	4,60	-	-	-	-	498 531 ²	01/06/2026
	742 840 ²	4,15	-	-	-	-	742 840 ²	01/06/2027
	-	-	456 694	7,15	-	-	456 694 ²	01/06/2028
Prescribed officers								
H Duvenage	489 305 ²	4,15	-	-	-	-	489 305 ²	01/06/2027
	-	-	293 162	7,15	-	-	293 162 ²	01/06/2028
B Toerien	94 747 ¹	4,25	-	-	(47 374)	(47 373)	-	13/12/2025
	338 302 ²	4,60	-	-	-	-	338 302 ²	01/06/2026
	504 570 ²	4,15	-	-	-	-	504 570 ²	01/06/2027
	-	-	300 153	7,15	-	-	300 153 ²	01/06/2028
N Parmanand	553 476 ²	4,15	-	-	-	-	553 476 ²	01/06/2027
	-	-	334 817	7,15	-	-	334 817 ²	01/06/2028
Z Riddell	-	-	315 205	7,15	-	-	315 205 ²	01/06/2028
D Butcher	-	-	315 205	7,15	-	-	315 205 ²	01/06/2028

¹ Conditional shares.

² Forfeitable and conditional shares.

Notes to the annual financial statements continued

for the year ended 28 February 2026

19 Directors' and prescribed officers' emoluments and interests continued

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

1 Sign on shares.

2 Conditional shares.

3 Forfeitable and conditional shares.

19 Directors' and prescribed officers' emoluments and interests continued

Schedule of directors' interests in the company

Directors' names	2026			2025		
	Direct number of shares	Indirect number of shares	Total number of shares	Direct number of shares	Indirect number of shares	Total number of shares
Dr. J Wentzel	1 360 171	-	1 360 171	1 052 732	-	1 052 732
N Prendergast	312 986	-	312 986	245 479	-	245 479
C Smith	-	1 601 463	1 601 463	-	1 601 463	1 601 463
H Singh	40 650	-	40 650	40 650	-	40 650
	1 713 807	1 601 463	3 315 270	1 338 861	1 601 463	2 940 324

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

The prescribed officers' remuneration is paid by other companies within the group.

Non-executive directors' emoluments

Non-executive directors' fees	2026 Fees R'000	2025 Fees R'000
GT Serobe	983	943
Dr. P Mnganga	652	625
H Singh	618	593
R van Dijk	708	679
C Smith	461	442
T Olls*	-	330
T Mokgabudi	708	679
M Lubega	539	517
R Radley (Appointed effective 2 June 2025)	340	-
	5 009	4 808

* Resigned as NED effective 1 January 2025.

20 Dividends

	2026 R'000	2025 R'000
Dividends paid	(82 185)	(41 315)

Dividends paid

The prior year final gross dividend of 50,0 cents, and the declared interim dividend of 24,8 cents was paid in the current financial year. The company has elected to disclose dividends paid under financing activities in the statements of cash flows.

Dividends declared

The board of directors of Adcorp has approved and declared a final gross dividend of 46,9 cents per ordinary share (2025: 50,0 cents), on 28 May 2026 from reserves, for the year ended 28 February 2026. The total dividend declared for the financial year is 71,7 cents per share (2025: 63,4 cents per share).

Notes to the annual financial statements continued

for the year ended 28 February 2026

21 Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

	Notes	2026 Amortised cost and total R'000	2025 Amortised cost and total R'000
Amounts due by subsidiary companies	4	510 646	519 869
Other receivables	5	952	194
Cash and cash equivalents	6	76 544	56
		588 142	520 119

Categories of financial liabilities

	Notes	2026 Amortised cost and total R'000	2025 Amortised cost and total R'000
Trade and other payables	11	3 292	2 575
Amounts due to subsidiary companies	12	2 974 037	2 821 120
		2 977 329	2 823 695

The carrying value of financial assets and liabilities at amortised cost approximates their fair value.

Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of debt, which includes amounts due by subsidiary companies in note 4, amounts due to subsidiary companies disclosed in note 12, cash and cash equivalents disclosed in note 6 and equity comprising of issued capital and reserves disclosed in note 7.

21 Financial instruments and risk management continued

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on amounts due by subsidiary companies, other receivables and cash and cash equivalents. The maximum exposure to credit risk is presented in the table below:

	Notes	Gross carrying amount R'000	2026 Credit loss allowance R'000	Amortised cost/fair value R'000	Gross carrying amount R'000	2025 Credit loss allowance R'000	Amortised cost/fair value R'000
Amounts due by subsidiary companies	4	514 004	(3 358)	510 646	523 227	(3 358)	519 869
Other receivables	5	952	-	952	194	-	194
Cash and cash equivalents	6	76 544	-	76 544	56	-	56
		591 500	(3 358)	588 142	523 477	(3 358)	520 119

Foreign currency risk

The Adcorp Holdings Australia Proprietary Limited loan exposes the company to foreign currency risk.

The table below analyses the impact on amounts due by subsidiary companies on profit or loss and equity. The analysis is based on the assumption that the ZAR had strengthened/weakened by 10% against the foreign currency with all variables held constant.

	2026 Rand weakened R'000	2025 Rand weakened R'000	2026 Rand strengthened R'000	2025 Rand strengthened R'000
Amounts due by subsidiary companies				
Adcorp Holdings Australia Proprietary Limited	50 795	51 895	50 795	51 895

Notes to the annual financial statements continued

for the year ended 28 February 2026

21 Financial instruments and risk management continued

Financial risk management continued

Interest rate risk

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk free rates (referred to as 'IBOR reform').

The Johannesburg Interbank Average Rate (JIBAR) is set to be discontinued following its final publication on 31 December 2026. The South African Reserve Bank (SARB) and the Market Practitioners Group (MPG) have confirmed the South African Rand Overnight Index Average (ZARONIA) as the successor reference rate. From 1 May 2026, the market moved into a "no new JIBAR" phase, where no new JIBAR linked contracts may be issued except in limited circumstances. Financial institutions and market participants are currently transitioning legacy contracts, systems and risk management frameworks to accommodate ZARONIA linked products and instruments. Based on the renegotiated general banking facilities during the current year, the group currently does not hold contracts, including derivatives, that reference JIBAR.

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

Interest risk management

Interest rate risk results from the cash flow and financial performance uncertainty arising from interest rate fluctuations.

Financial assets and liabilities affected by interest rate fluctuations include bank and cash deposits as well as bank borrowings.

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

Financial assets and liabilities affected by interest rate fluctuations include bank and cash deposits as well as bank borrowings. At the reporting date, the company's cash deposits were accessible immediately or had maturity dates up to three months. The interest rates earned on these deposits closely approximate the market rates prevailing.

Interest rate sensitivity

At 28 February 2026, if interest rates had been 1% higher/lower and all other variables were held constant, equity and profit or loss for the year would have decreased/increased by R0.4 million (2025: decreased/increased by R1 million).

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

22 Commitments

	2026 R'000	2025 R'000
The bank has issued guarantees to landlords and other creditors to the value of:	24 353	24 852

23 Going concern

In preparing the financial statements, the board of directors is responsible for evaluating the company's ability to continue as a going concern and as a consequence the appropriateness of the going concern assumption in the preparation of the financial statements. The board of directors has assessed the economic environment, current financial position and the cash flow position for the next 12 months through to the end of June 2027. The liquidity and solvency position has also been reviewed as part of this assessment.

Solvency

On 28 February 2026, the total assets of the company exceeded the total liabilities by R1.3 billion (2025: R1.4 billion) and the company made operating losses of R3.8 million (2025: R45.3 million) during the year. There are no events anticipated in the year ahead that indicate any risk to the company's solvency position.

Liquidity

On 28 February 2026, the company's total current liabilities exceeded the total current assets by R2.9 billion (2025: R2.8 billion). The current ratio is 25.50, excluding all amounts due to subsidiary companies. Fellow subsidiaries have subordinated their claims against the company in favour of third parties until the current assets exceed current liabilities (see note 12 of the financial statements).

The group's executive and head office treasury function provides services to the operating subsidiaries, coordinates access to domestic financial markets, and monitors and manages the financial risks relating to the operations of the group. In assessing the liquidity position, cash flow forecasts were prepared, covering the period up until the end of June 2027. These cash flow forecasts are prepared on a group basis that include all operating subsidiaries, due to the centralised treasury function and cash management structure of the group. Based on the short and long term forecasts (as per the budget approved by the board of directors), the company is expected to be able to meet all its short term obligations through a combination of the cash generated by operations and the utilisation of the current facilities available to the company. The cash position is monitored daily by management and the company is comfortable with its liquidity levels.

Going concern conclusion

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

24 Events after the reporting period

The board of directors is not aware of any material event which occurred after the reporting date and up to the date of this report other than:

Dividend declaration

The board of directors has approved and declared a final gross dividend of 46,9 cents per ordinary share (2025: 50,0 cents per ordinary share), from reserves, for the year ended 28 February 2026.

Annexure A: Details of significant subsidiaries

for the year ended 28 February 2026

Name of subsidiary	Nature of business/status	Share type	Authorised share capital of subsidiary/associate		Issued share capital of subsidiary/associate		Number of shares held by Adcorp	
			February 2026 Number	February 2025 Number	February 2026 Number	February 2025 Number	February 2026 Number	February 2025 Number
Adcorp Contracting Proprietary Limited	Outsourcing solutions	Ordinary	4 000	4 000	1	1	1	1
Adcorp Fulfilment Services Proprietary Limited	Flexible staffing	Ordinary	20 000	20 000	18 403	18 403	18 403	18 403
Adcorp Group South Africa Proprietary Limited	South African intermediate holding Group	Ordinary	100 000	100 000	10 005	10 005	6 462	6 462
Adcorp Group South Africa Proprietary Limited	South African intermediate holding Group	A preference	10 000	10 000	1 592	1 592	1 592	1 592
Adcorp Holdings Australia Proprietary Limited	Holding Group	Ordinary	30 000 100	30 000 100	30 000 100	30 000 100	30 000 100	30 000 100
Adcorp Management Services Proprietary Limited	Shared services	Ordinary	4 000	4 000	400	400	400	400
Adcorp Staffing Solutions Proprietary Limited	Flexible staffing	Ordinary	4 000	4 000	101	101	101	101
Adcorp Technical Training Proprietary Limited	Training	Ordinary	1 000	1 000	101	101	101	101
Adcorp Workforce Management Solutions Proprietary Limited	South African intermediate holding Group	Ordinary	900 000 000	900 000 000	349 716 713	349 716 713	349 716 713	349 716 713
Adcorp Workforce Management Solutions Proprietary Limited	South African intermediate holding Group	Cumulative preference	100 000 000	100 000 000	-	-	-	-
Adcorp Workforce Solutions Proprietary Limited	Flexible staffing	Ordinary	1 000 000 000	1 000 000 000	100 000 004	100 000 004	100 000 004	100 000 004
Adfusion Contract Management Services Proprietary Limited	Flexible staffing	Ordinary	4 000	4 000	2 101	2 101	2 101	2 101
Adcorp Employee Benefits Trust 3	Trust	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Cinergia Mozambique Limitada	Flexible staffing	Ordinary	10 000	10 000	10 000	10 000	4 900	4 900
Fortress Administration Solutions Proprietary Limited	Flexible staffing, outsourcing and recruitment solutions	Ordinary	4 000	4 000	2 552	2 552	2 552	2 552
Fortress Administration Solutions Proprietary Limited	Flexible staffing, outsourcing and recruitment solutions	A' ordinary	450	450	450	450	450	450
Inn-Staff Swaziland Proprietary Limited	Flexible staffing	Ordinary	100	100	100	100	100	100
Labour Solutions Australia (Agri) Proprietary Limited	Flexible staffing	Ordinary	1 000	1 000	1 000	1 000	920	920
Labour Solutions Australia Proprietary Limited	Flexible staffing	Ordinary	60 530 464	60 530 464	60 530 464	60 530 464	60 530 464	60 530 464
Paxus Australia Proprietary Limited	Supplier of IT services	Ordinary	152 856	152 856	152 856	152 856	152 856	152 856
Production Management Institute of Southern Africa	Training	Ordinary	4 000	4 000	101	101	101	101
Quest Staffing Solutions Proprietary Limited	Flexible staffing & Outsourcing solutions	Ordinary	1 000	1 000	701	701	701	701
Quest Staffing Solutions Proprietary Limited	Flexible staffing & Outsourcing solutions	A' ordinary	1 000	1 000	400	400	400	400
Skills Collective Professional Services Pty Ltd (Australia) (formerly Paxus Talent Solutions)	Recruitment services	Ordinary	100	100	100	100	100	100
Torque Technical Computer Training Proprietary Limited	Supplier of IT training services	Ordinary	1000	1000	101	101	101	101
Zest Hospitality and Leisure Australia Pty Ltd	Outsourcing Solutions	Ordinary	100	100	100	100	100	100

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

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

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