



adcorp

Connecting Human Potential

INTEGRATED ANNUAL REPORT

Connecting human potential, building a
sustainable future

2026

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01 ABOUT OUR INTEGRATED REPORT

Introducing our report

Our reporting suite

Adcorp Holdings Limited (Adcorp, the Company or the Group) has been a trusted provider of workforce solutions for more than 50 years. Listed on the JSE Limited, the Group operates in South Africa and Australia.

Through a portfolio of well-recognised brands, several of which have legacy positions in their markets, Adcorp brings together deep industry knowledge and specialist capability to deliver tailored, end-to-end workforce solutions. This enables the Group to support clients across a broad range of talent, employment and outsourced workforce requirements.

Our approach to reporting

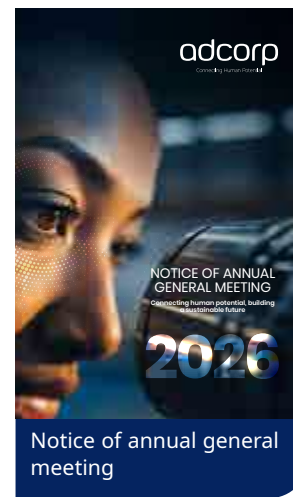
This integrated annual report explains how Adcorp creates, protects and grows value over time. It provides a connected view of the factors that shaped the Group's performance during FY2026, including the operating environment, the risks and opportunities we faced, the decisions we took and the outcomes that followed.

The report is intended to give stakeholders a balanced understanding of our business model, strategic priorities, governance approach and performance for the year under review. It also reflects how we engaged with stakeholders, responded to changing conditions and allocated resources to support sustainable long-term value creation. In addition, the report outlines the progress made against our strategic objectives during the year and highlights the matters that we believe are most relevant to an informed assessment of the Group's resilience, prospects and ability to deliver on its strategy.

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

The extract of the audited consolidated financial statements for the year ended 28 February 2026 is presented on **i page 77 of this report**.

Our reporting suite comprises the following publications:



Feedback

Adcorp recognises the value of integrated reporting and remains committed to strengthening its reporting approach through ongoing enhancement each year. We welcome constructive feedback and encourage stakeholders to share their comments. Please forward these to: companysecretary@adcorpgroup.com

Navigation in this report

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

- Further reference in **this report**.
- Further reference in the **corporate citizenship report**.
- Further reference on www.adcorpgroup.com or **web links**.

About our report

Reporting scope and boundary

This 16th integrated annual report, published by Adcorp, provides a comprehensive overview of the Group's strategic direction, business model, operating environment, key risks and opportunities, governance practices and performance for the financial year from 1 March 2025 to 28 February 2026 (FY2026).

The scope of this report includes Adcorp and its subsidiaries in South Africa and Australia. It builds on prior reporting and offers continuity in how we explain our strategy, performance and value creation over time. In doing so, it seeks to meet the information needs of our stakeholders, with particular regard to shareholders as the primary providers of financial capital.

Scope and boundary

The reporting boundary of this 2026 integrated annual report covers.

i Page 10 Our operating environment

i Page 14 Our strategy

i Page 17 Our key stakeholders

i Page 21 Our material risks and opportunities

i Page 48 Our governance overview

Our financial reporting boundary

Adcorp Holdings Limited

Legal structure including subsidiary operations in South Africa and Australia for the period 1 March 2025 to 28 February 2026.

Our materiality approach

Adcorp applies a double materiality approach to determine the matters that are most significant to our business and to our stakeholders. This approach helps us identify the factors that have the greatest influence on our ability to create, preserve and sustain or erode value over time, while also considering the Group's impact on society, the environment and the broader context in which we operate.

In assessing materiality, we consider both financial materiality and impact materiality. Financial materiality focuses on the matters that could affect the Group's performance, financial position or prospects. Impact materiality considers the effect of our activities on people, communities and the environment.

During the reporting period, the Group conducted a detailed review of its material matters using this framework. Following this process, nine material matters were identified across economic, environmental, governance and social categories and linked to the Group's top risks. Details of these material matters can be found on **i page 10 of this report** and **i page 10 of the corporate citizenship report**.

Assurance

A combined assurance framework is in place and is overseen by the audit and risk committee (ARC). This framework supports the integration, co-ordination and alignment of risk management and assurance activities across the Group. It also strengthens the control environment and supports the integrity of the information used by leadership in decision-making.

The combined assurance model assists the board in evaluating the effectiveness of the internal control environment and in assessing the integrity of the information used for reporting and decision-making. Standards and principles were assured by external assurance providers where required.

The Group's 2026 annual financial statements were assured by the external auditors, KPMG Inc. (KPMG). mPowerRatings provided assurance on the Group's broad-based black economic empowerment (B-BBEE) status.

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

Forward-looking statements

Certain statements in this report may constitute forward-looking statements relating to the Adcorp Group. These statements are based on the beliefs, assumptions and information currently available to the board.

By their nature, forward-looking statements involve inherent risk and uncertainty. They may include, without limitation, statements relating to the Group's business prospects, future developments, industry trends, market conditions and the geographies in which Adcorp operates. They may also include statements relating to objectives, strategy, overall market trends, the ability to control costs, operations and risk management.

Forward-looking statements have not been reviewed or reported on by KPMG.

Frameworks and process

In preparing this report, Adcorp has applied the principles and disclosure requirements of relevant reporting standards, frameworks and governance guidance. These include the IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards), the Integrated Reporting Framework, the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)¹, the JSE Listings Requirements and the Companies Act No. 71 of 2008, as amended.

Environmental, social and governance (ESG) disclosures are further informed by the frameworks referenced in our corporate citizenship report.

This report also includes extracts from the condensed consolidated financial statements from **i page 77**.

The executive committee (Exco) is responsible for the Group's integrated reporting process, which is co-ordinated by the Chief Governance Officer and Company Secretary. Executive management is accountable for the quality and completeness of the report content and for the commitments made to stakeholders.

The ARC oversees the integrity of the reporting process and, after reviewing the content and the basis on which it was prepared, recommends the report to the board for approval. In discharging its responsibility, the board considers materiality and applies its judgement to determine whether any information omitted or included could influence stakeholder understanding or decision-making.

A note about King V™

Although the Group will only report on its application of King V from the next reporting cycle, the Group has been cognisant of its anticipated requirements in preparing this report. King IV compliance has once again been prioritised for FY2026, while the Group continues to evaluate the implications of King V and how its principles may be integrated into our business and incorporated into our reporting approach over time.

1. Copyright and trademarks of King V™ and other King Reports are owned by the Institute of Directors in South Africa NPC, and all of its rights are reserved (www.iodsa.co.za).

Board approval statement

The board acknowledges its responsibility for ensuring the integrity of the Group's reporting. To the best of the board's knowledge and belief, this report addresses all material factors relevant to stakeholders and presents a fair and balanced view of how the Group creates value, while taking into account its effect on stakeholders and the environment.

The board approved the FY2026 integrated annual report on 30 June 2026.

Non-executive directors

Ms Gloria Serobe (non-independent)
Chairperson

Dr Phumla Mnganga
Lead independent

Mr Melvyn Lubega (independent)
Ms Tshidi Mokgabudi (independent)
Mr Robert Radley (independent)
Mr Herman Singh (independent)
Mr Clive Smith (non-independent)
Ms Ronel van Dijk (independent)

Executive directors

Dr John Wentzel
Chief Executive Officer (CEO)

Mr Noel Prendergast
Chief Financial Officer (CFO)

We have selected four sustainable development goals (SDGs) where we have a meaningful impact, aligned to our core resources and expertise:



02 ADCORP AT A GLANCE

2026 Performance highlights



B-BBEE Level 1

maintained for the largest operation in South Africa

Headline earnings per share

153,0 cents ▲ 13,0%

2025: 135,4 cents

Final cash dividend declared

46,9cps ▼ 6,2%

2025: 50,0cps

Total cash dividend for the year

71,7cps ▲ 13,1%

2025: 63,4cps

Revenue

R12,46bn ▼ 5,9%

2025: R13,24bn

Operating profit
(before finance income and
finance costs)

R177,3m ▲ 3,3%

2025: R171,6m

Gross profit

R1,24bn ▼ 5,1%

2025: R1,30bn

Profit for the year

R146,0m ▲ 3,6%

2025: R140,9m

Gross profit margin

9,9% ▲ 0,1%

2025: 9,8%

Net cash*

R342,1m

2025: R442,1m

Total earnings per share

141,9 cents ▲ 5,3%

2025: 134,7 cents

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

Who we are

Adcorp is a leading workforce solutions company with a proud history of connecting people to meaningful work since 1975. Listed on the JSE, the Group operates across South Africa and Australia, helping organisations access agile, skilled and future-ready talent while opening pathways to opportunity for thousands of people every day.

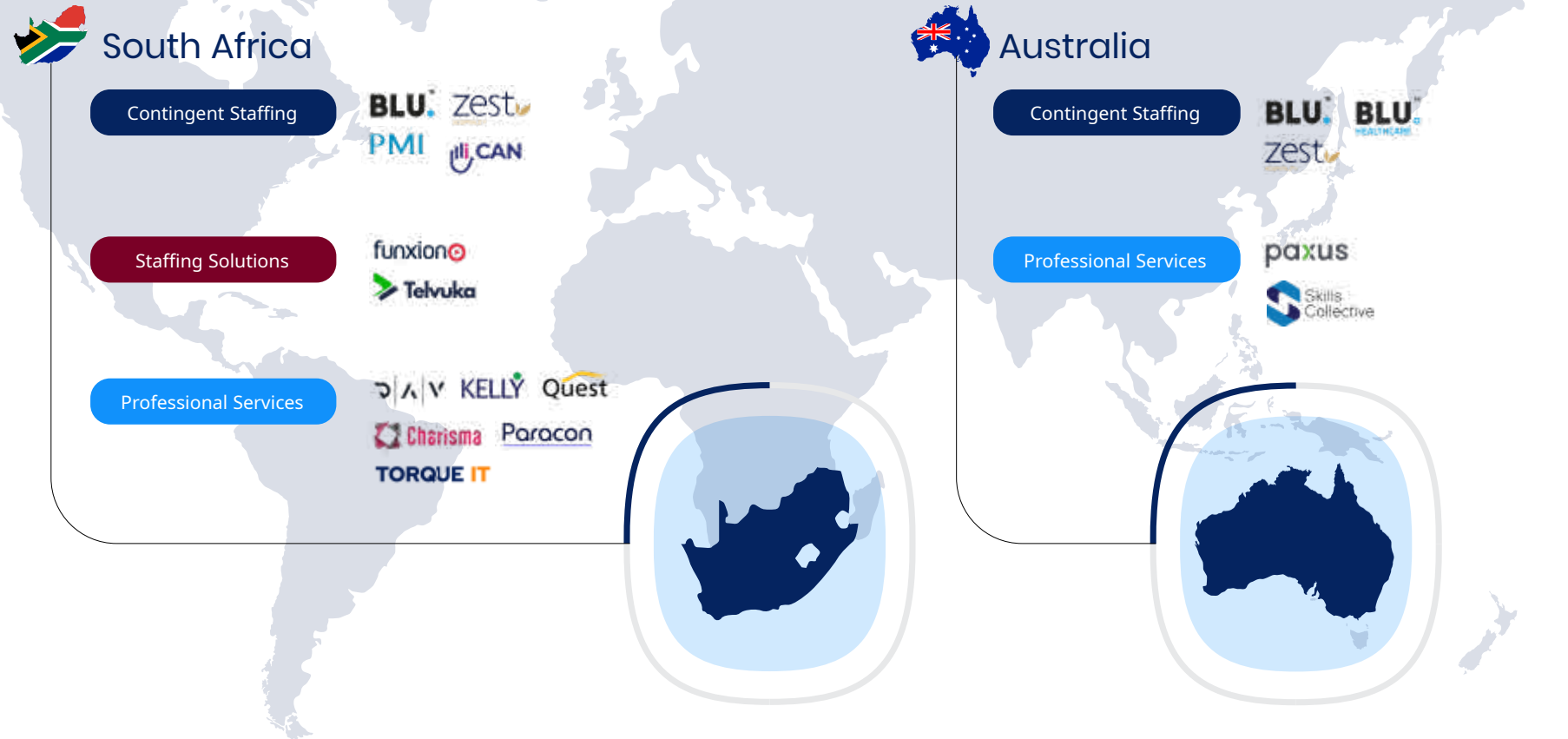
As one of the largest listed staffing companies globally and the largest listed workforce solutions company in Africa, Adcorp combines scale, specialist expertise and established client relationships to serve a broad range of sectors and workforce needs. Through our portfolio of trusted brands, we provide integrated solutions that support clients across the workforce lifecycle, from attracting and developing talent to managing workforce performance, wellbeing, outsourcing and workforce transition.

Our operating model

Our operating model is built around a portfolio of specialised brands, each with a clear market role and strong domain expertise. This structure allows us to bring together broad workforce capability and deep sector insight, while giving clients access to targeted solutions that address specific talent, outsourcing and operational needs.

- **Contingent Staffing** – We provide flexible, compliant and scalable workforce solutions across sectors such as manufacturing, logistics, fast moving consumer goods (FMCG), hospitality, agriculture, healthcare and transport.
- **Professional Services** – We deliver specialist recruitment, managed talent solutions and skills development across white-collar, executive, digital and technical fields.
- **Staffing Solutions** – We help clients improve efficiency and focus on their core operations through outsourced services that simplify complexity and enhance performance.

Together, these capabilities enable us to respond to clients' changing workforce requirements with tailored, practical and scalable solutions. Our model combines sector depth with operational reach, allowing us to support clients in both high-volume and specialised talent environments.



Headquartered in Johannesburg, South Africa, Adcorp employs more than 48 500 employees. In FY2026, we maintained a significant operational scale, managing a daily workforce of over 46 700 operational employees, encompassing our deployed employees, contingent workforce and independent contractors across various industries in South Africa and Australia.

The workforce lifecycle

Adcorp supports clients across all six stages of the workforce lifecycle. This enables us to provide a more integrated and enduring response to workforce needs, rather than a single-point service offering. Our solutions span:



Our impact extends beyond employment placement alone. We also invest in technology, learning, skills development, reskilling and workforce enablement to help individuals and organisations prepare for, and adapt to, the changing world of work. Adcorp's view of the future of work focuses on artificial intelligence (AI) enabled workforce solutions, evolving client talent needs, and the availability, wellbeing and adaptability of skills across multiple labour markets.

Our purpose

Our purpose is to enable agile, focused and skilled workforces for the future. We do this by connecting people to opportunity, helping clients solve workforce challenges and delivering solutions that create value for businesses, individuals and the economies in which we operate.

We are also committed to building inclusive workplaces that recognise the value of diversity across abilities, genders, generations and cultures. Through this approach, we aim to support more equitable participation in the economy while helping organisations unlock the benefits of broader perspectives and stronger workforce inclusion.

Our five core values



Our value proposition and what differentiates us

Adcorp's value proposition is grounded in scale, specialist capability and an integrated service offering. We combine established brands, broad sector coverage and deep workforce expertise to help clients solve complex people and operational challenges across multiple markets.

What differentiates us is our ability to support organisations across different working models, including permanent, contingent, contractor and outsourced environments, while remaining anchored in compliance, operational delivery and client service. This breadth allows us to respond to immediate workforce requirements and to partner with clients on longer-term talent, productivity and workforce transformation priorities.

We also bring together commercial scale and social relevance. With a Level 1 B-BBEE contributor status, strong procurement recognition and a meaningful training footprint, Adcorp is positioned to create value that is both commercially sustainable and socially significant.

Commitment to corporate citizenship

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

-  Stakeholders
-  ESG
-  Diversity, equity, inclusion, and belonging (DEIB)
-  Corporate social responsibility (CSR)

 Read more on **page 20** of the **corporate citizenship report**

Investment in people and communities

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

 Read more on **63 and 66** of **this report**

Experienced leadership and good governance

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

- 60% independent non-executive directors;
- 60% African, Indian and Coloured board representation; and
- an executive management team with extensive industry experience and leadership capabilities.

 Refer to **pages 45 and 48** of **this report** for more about our board

Strong sales pipeline and focus on growth

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

Geographically diversified earnings base

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

Diversified portfolio and strong brands

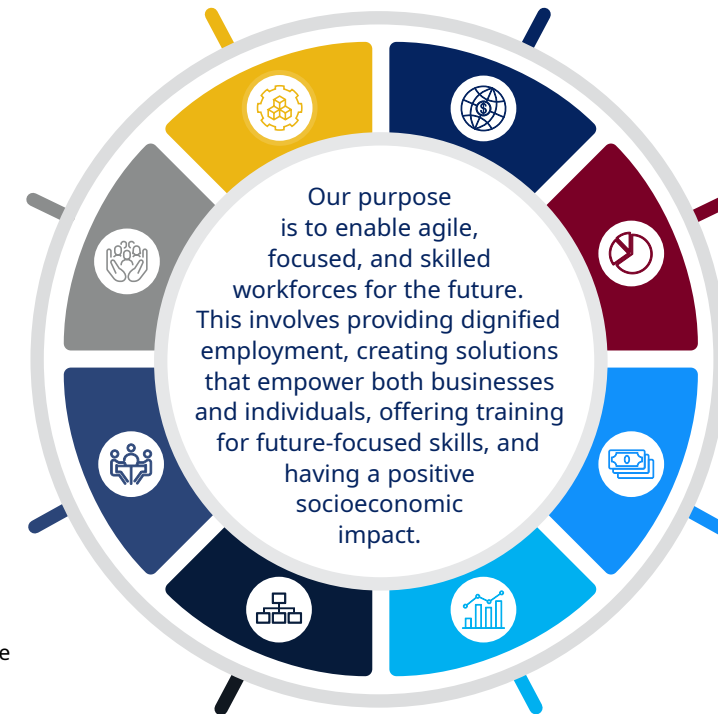
The Group boasts a diversified portfolio of well-established, award-winning brands across South Africa and Australia, known for high brand equity and excellent client satisfaction scores.

Cash-generative business model

Adcorp's operating model supports solid cash conversion with low capital intensity and excellent working capital management, ensuring optimal liquidity and financial stability. Our net cash position remains positive at R342,1 million for FY2026. The Company remains debt-free, which provides a strong balance sheet to weather economic uncertainties.

Prudent capital allocation framework

Our approved capital allocation framework is designed to provide shareholders with sustainable returns while reinvesting in the Group's earnings growth. Adcorp has a consistent dividend policy supported by strong cash flow, and distributed R82,124 million in ordinary dividends in FY2026.



Our operating environment

Our material matters

Adcorp's materiality process helps us identify and prioritise the matters that have the greatest influence on our ability to create, preserve and protect value over the short, medium and long term.

During the year, we applied a double materiality approach, considering our impact on the economy, people and the environment, and the corporate citizenship-related risks and opportunities that could affect our enterprise value. The process was aligned with relevant reporting standards and guidance, including King IV, IFRS S1 and S2 (incorporating SASB industry standards), GRI and AA1000SES.

Further detail on the methodology, stakeholder inputs and assessment process is provided in the [FY2026 corporate citizenship report](#).

The FY2026 assessment identified and linked nine material matters to the Group's top risks. These matters reflect the factors most likely to influence our performance, stakeholder relationships and long-term resilience.

Our material matters are:

Economic

- Adcorp Horizon¹
- Technology and AI transformation
- Effective capital allocation
- Client centricity and service delivery

Environmental

- Climate change and the Just Transition

Governance

- Responsible data and technology governance

Social

- Talent attraction, retention and building capacity for scarce skills
- Dignified working conditions
- Safety and wellbeing

1. Adcorp's strategy from FY2027, read more on [page 14](#) (our strategy).



GOVERNANCE

Risks and opportunities

[Read more from page 21 of this report](#)

Performance

[Read more from page 5 of this report and page 33 to 44.](#)

THE BUSINESS MODEL

Adcorp Horizon strategy

[Read more from page 14 of this report](#)

Outlook

[Read more from page 28 of this report](#)

Six capitals and value

Aligned with the Integrated Reporting Framework, which focuses on the six capitals that influence how value is created and/or preserved, or eroded over time, this infographic demonstrates how our business activities impact each capital over time.

1. HUMAN CAPITAL	INPUT	OUTCOME	
Diverse workforce of 48 000+ employees spanning permanent, deployed, and contingent worker types across South Africa, Australia, and select global markets.		Creation: Decent household income and improved livelihoods through formal employment (multiplier effect across communities) and opportunities created for vulnerable groups e.g. persons with disabilities, unemployed youth and migrant workers.	Erosion: Operational workforce vulnerability where client site conditions fall outside of Adcorp's direct control; risk of income disparity and lower health and safety standards.
Training and skills development investment of R17,87 million, including learnerships, accredited programmes, and sector-specific upskilling for employees.		Creation: Skilled workforce aligned to evolving client needs in high-demand sectors including IT, healthcare and FMCG.	
Occupational health and safety protocols, wellness programmes, and lost time injury frequency rate (LTIFR) monitoring across client sites.		Creation: Safer working environments where everyone goes home safely. Zero fatal incidents in FY2026.	
2. INTELLECTUAL CAPITAL	INPUT	OUTCOME	
Proprietary technology enabled operating platforms and systems (including Project Raptor) supporting assigned workforce, compliance, and administration.		Creation: Operational efficiency and technology independence from third-party platforms reduces the potential for revenue leakage.	Erosion: The loss of key talent and institutional knowledge may erode intellectual capital; cybersecurity threats to proprietary platforms.
Diversified brand portfolio spanning contingent staffing, business process outsourcing (BPO), accredited training, and specialist recruitment across sectors.		Creation: Competitive differentiation and ability to serve complex, multi-market client needs with a focus on moving to outcomes based workforce solutions from transactional.	
Labour market expertise, workforce data and analytics capability, regulatory and compliance know-how, proprietary methodologies and organisational knowledge developed through decades of operating in complex workforce environments.		Creation: Scalable service delivery, operational efficiency, regulatory compliance, improved client outcomes, and sustainable commercial performance.	
3. SOCIAL AND RELATIONSHIP CAPITAL	INPUT	OUTCOME	
Strategic client partnerships underpinned by responsible ESG practices and long-term service agreements.		Creation: Trusted supplier relationships and differentiated culture driving repeat business and contract renewal.	Erosion: Reputational exposure linked to labour practices at client sites; social licence risk where workforce wellbeing is perceived as insufficiently prioritised.
Brand awareness including recognition on the SIA 2025 list* of the largest staffing firms globally.		Creation: Enhanced credibility in competitive tender and enterprise client processes.	
Diverse and committed workforce enabling culturally responsive service delivery.		Creation: Improved employee engagement and client satisfaction; expanded market access through government programmes, like B-BBEE and the Pacific Australia Labour Mobility (PALM) scheme.	
4. NATURAL CAPITAL	INPUT	OUTCOME	
Efficient use of natural resources e.g. electricity, water and materials.		Creation: Responsible corporate citizenship positioning; alignment with client and investor sustainability expectations.	Erosion: Residual carbon exposure from commuter and business travel associated with a workforce of ~48 000; limited ability to influence Scope 3 emissions at client sites.
Mobile and dispersed workforce model supported by digital platforms reducing physical infrastructure dependency.		Creation: Reduced environmental burden relative to asset-heavy competitors.	
Strategic client alignment with renewable energy and green technology sectors.		Creation: Preferred supplier status in sustainability-oriented industries, clients and future-facing revenue streams.	
5. MANUFACTURED CAPITAL	INPUT	OUTCOME	
Leased office facilities across South Africa, Australia, and international markets.		Creation: Operationally functional and geographically accessible service infrastructure without balance sheet concentration in property.	Erosion: Dependency on third-party landlords and technology vendors introduces operational continuity risk; ageing infrastructure in legacy locations may constrain service quality.
Strategic reduction of legacy real estate dependencies in favour of capital-light operations.		Creation: Improved capital efficiency and potential for margin enhancement as fixed-cost base reduces.	
Asset light and cyber resilient IT infrastructure, enterprise systems, and digital platforms supporting diverse clients across multiple countries.		Creation: Scalable service delivery capability and reduced marginal cost per additional client or placed worker across multiple countries.	
6. FINANCIAL CAPITAL	INPUT	OUTCOME	
Access to equity and debt capital markets as a JSE-listed entity with a market cap of R703 million and shareholder equity of R1,532 billion.		Creation: Capacity to invest in people, platforms, and partnerships that sustain long-term competitiveness.	Erosion: Transitional earnings volatility as the portfolio is optimised; currency and macroeconomic exposure across dual-market operations; increased complexity driving administrative cost pressure.
Balanced earnings base across multiple industries and countries (currently South Africa and Australia) providing diversification.		Creation: Reduced earnings concentration risk and more resilient revenue through economic cycles.	
Disciplined capital allocation focused on margin enhancement, capital-light growth, and returns to shareholders.		Creation: Sustainable EBITDA and improved return on equity and long-term shareholder value.	

* Staffing industry analysts (SIA) on their 2025 largest staffing firms global list.

External operating environment in FY2026



FY2026 was shaped not only by uneven and volatile global economic conditions, but also by a deeper shift in how clients think about labour, risk and operating flexibility. Across both South Africa and Australia, employers remained cautious about fixed-cost expansion and increasingly focused on resilience, delivery certainty and workforce models that allow them to respond quickly to changing conditions. This was particularly relevant in sectors exposed to margin pressure, uncertain demand, labour shortages or rising compliance expectations. For Adcorp, these conditions continued to reinforce the value of flexible staffing, specialist capability, compliance-led service delivery and operational outsourcing.

South Africa

Slow growth, high unemployment and persistent regulatory complexity reinforced demand for variable-cost workforce models and outsourcing of non-core activities. This was especially relevant to Adcorp's contingent staffing and staffing solutions businesses.

In contingent staffing, clients continued to value the ability to scale labour up or down without carrying a larger fixed-cost base, while also relying on Adcorp for industrial relations, payroll administration and legislative compliance support in a complex labour environment.

In staffing solutions, clients in essential, throughput-driven sectors continued to prioritise continuity, productivity and managed service delivery.

In professional services, weaker permanent hiring and budget pressure shifted demand toward scarce skills, contract placements and project-based resourcing. These conditions did not reduce the relevance of Adcorp's South African businesses. Instead, they sharpened the value of service models that combine flexibility, execution and governance support.

Australia

Stronger macro conditions supported a more favourable demand backdrop, but the operating environment remained complex. Structural labour shortages remained supportive in blue-collar, regional and healthcare-related roles, while white-collar clients increasingly favoured more strategic, outcomes-based engagement models. Adcorp responded by broadening its sector footprint in contingent staffing, including diversification into horticulture, textiles, hospitality and selected green sectors, while also continuing to engage on the governance and reform of the PALM scheme.

In professional services, Paxus's shift from a state-based to a sector-based model improved national alignment, reduced duplication and strengthened its ability to engage clients as a strategic adviser rather than a transactional supplier. That repositioning was well suited to a market where clients increasingly want value-added delivery models, deeper sector insight and access to scarce capability in areas such as AI, data, cyber and cloud engineering.

Growing importance of technology and AI

Another defining feature of the external environment has been the continued and accelerating strategic importance of technology, AI and data governance, driven by rapid digitisation, changing client expectations and increasing regulatory and ethical scrutiny. This has informed management's broader shift under Horizon towards technology-enabled workforce solutions, selected international expansion, operational outsourcing and a stronger focus on quality of earnings. In that sense, the FY2026 operating environment reinforced the logic of the Group's next strategic phase and the relevance of its evolving business model.

Our response

- Strategic and economic monitoring across South Africa and Australia, with continued attention to inflation, interest rates, labour regulation and sector trends.
- Embedding scenario planning and greater operating flexibility into decision-making and business continuity responses.
- Continued diversification of services, sectors and client exposure, including growth in operational outsourcing, hospitality staffing and selected adjacent markets.
- Increased focus on technology, AI and data-enabled workforce solutions in support of Adcorp Horizon.



Gloria Serobe
Chairperson

“In a year marked by regulatory complexity, uneven operating conditions and continued disruption across the world of work, the board remained focused on enhancing governance effectiveness, sharpening oversight and supporting management through a period of strategic transition.

03 HOW ADCORP CREATES AND MEASURES VALUE

A message from the Chairperson

As Chairperson, I am encouraged by the way the Group has continued to strengthen its foundations while remaining anchored in its purpose and values.

The Group operated in an environment shaped by fragile labour markets, ongoing legal and regulatory reform, rising governance expectations and increasingly complex stakeholder demands. In both South Africa and Australia, workforce models continued to evolve as labour markets became more flexible, more digital and more skills-driven. In this context, the board's role was to ensure that the Group remained strategically focused, well governed and appropriately responsive to risk and stakeholder concerns.

A major area of board attention during the year was the transition from the Adcorp Brandshift strategy, launched in 2022, to the new Horizon strategy. The board spent considerable time with management reviewing the Group's strategic direction and overseeing the move into this next phase. At the same time, our focus extended well beyond strategy alone. We continued to strengthen the Group's governance framework, refine oversight structures and ensure that risk, compliance and sustainability remained properly integrated into board deliberations.

Importantly, Adcorp's purpose and values remain unchanged. The Group exists to do more than generate returns. Its role in creating work, enabling opportunity and supporting dignity through employment remains central to how the board thinks about long-term value. This is why the board continues to place particular emphasis on the social dimension of ESG. In our view, people, skills, inclusion and fair opportunity are not peripheral matters; they are central to responsible corporate citizenship and to the long-term health of the business.

This broader perspective is reflected in the non-financial indicators that came through during the year. Employee engagement improved in South Africa and remained stable in Australia. These measures provide insight into confidence, trust and organisational health. They also help the board assess whether the Group is building the kind of culture that can sustain performance over time.

The board also strengthened its governance focus during FY2026. Key governance documents and committee charters were updated, the Group's risk appetite and enterprise risk management (ERM) framework were reviewed, and increased attention was given to technology, AI and information governance as these issues become more significant to the future of the business. Oversight of sustainability and stakeholder-related matters was also strengthened, including through the introduction of a supplier code of conduct and the continued embedding of stakeholder policy and management processes across the Group. In addition, the board has begun preparing for future King V governance and reporting expectations.

During the year we also welcomed Robert Radley, an Australian resident, as an independent director to the board.

What has stood out most clearly over the course of the past financial year is the resilience of the organisation. That resilience does not sit in systems, offices or strategy documents. It sits with our people. The progress made over the past five years has been driven by the effort and commitment of our employees across the Group. We remain focused on building a culture that is high-performance, fair, transparent and grounded in merit.

My sincere thanks go to my fellow board members, management and all Adcorp employees for their commitment during the year.

I am confident that the board's continued commitment to strong governance and long-term value creation will serve the Group well to deliver on our new Horizon strategy.

Gloria Serobe
Chairperson

Our strategy

The 2026 financial year was the final year in which Adcorp operated under Brandshift Adcorp (Brandshift), the strategy introduced in 2022 to stabilise the business, restore financial resilience and rebuild confidence across the Group. During the year under review, Brandshift remained the foundation of execution.

At the same time, FY2026 was used to prepare the business for Adcorp Horizon (Horizon) – the Group’s next strategic phase, which came into effect on 1 March 2026. The year should therefore be understood as both the closing chapter of the turnaround and the bridge to a new phase of growth and value creation.

Bringing the Brandshift strategy to a close

The Brandshift strategy was launched in response to a period of strain for the Group. At the time it was implemented, Adcorp faced significant debt, weakening cash resources, declining revenue, low employee morale and a cost base growing faster than revenue. Over the course of the strategy, the Group restored profitability, resumed dividend payments, reduced debt, rebuilt client and employee confidence and strengthened its balance sheet. Brandshift achieved most of what it set out to do, despite margin expansion proving to be less robust than targeted.

Moving to a new Horizon

The significant progress achieved through Brandshift created the conditions for the strategic shift to our new Horizon strategy. The board spent considerable time during FY2026 overseeing this transition, which includes a deliberate shift away from volume-led growth and revenue preservation towards margin-led, higher-quality earnings. It also includes the decision to exit, or initiate the termination of, high-volume, low-margin contracts with extended payment terms where those contracts do not support the Group’s longer-term earnings quality and scalability objectives. As such, the board’s strategic focus during the year centred on growth, cost control and capital allocation, with particular attention to higher-margin outsourcing, portfolio optimisation and restructuring actions in South Africa and Australia, and the disciplined use of working capital and banking facilities.

FY2027 Horizon strategic focus areas					
OBJECTIVE	Growth and portfolio optimisation	Earnings quality and margin discipline	Technology and AI enablement	Capital allocation discipline	Geographic diversification and labour mobility
STRATEGIC ACTION	Scale higher-margin outsourcing, managed services and value-added solutions	Continue shifting away from low-margin, high-volume contracts that do not meet return thresholds	Use Project Raptor and shared platforms to improve visibility, compliance, pricing and scalability	Allocate capital by strategic role, return profile and system fit	Build a platform for growth across Africa, the Middle East and selected adjacent markets
OPERATING MODEL	- Decentralised execution through specialist brands - Group centre (support functions) focused on capital allocation, cash management, portfolio optimisation and governance - Purpose-led, people-centred strategy supported by the corporate citizenship pillars of stakeholders, ESG, DEIB and CSR				

Project Raptor

Project Raptor is Adcorp’s large-scale AI and data transformation programme. It brings together multiple workstreams across data, analytics, AI, culture and change, and business transformation, with each workstream made up of several coordinated projects. The programme is designed to create a trusted workforce data foundation across Adcorp’s brands, supported by stronger governance, standardised data, AI-enabled automation and advanced analytics capabilities. Over time, Raptor is expected to improve operational efficiency, support faster and more informed commercial decisions, and enable new predictive workforce services for clients and candidates.

A purpose-led strategy

Horizon does not replace Adcorp's purpose, which remains to enable agile, skilled and focused workforces for the future. The goal remains to strengthen Adcorp's leadership as Africa's premier listed staffing company, positioned to supply labour across key geographies in the Indian Ocean Rim. What changes under Horizon is the strategic expression of that purpose. Adcorp operates as a technology-enabled workforce solutions company through a decentralised model in which the brands remain at the core, while the Group centre provides leadership and direction on capital allocation, cash management, portfolio optimisation and governance. Under Horizon, this positioning is sharpened further, with Adcorp defined as a technology-enabled workforce infrastructure platform focused on utility-type industries, deploying and managing large-scale, geographically dispersed workforces in regulated environments.

This repositioning reflects a change in the external environment as much as a change within Adcorp itself. The rationale for the new strategy is well established. The Group's stabilisation phase is complete. Now, as the world of work is being reshaped by AI, platform models and skills mobility across borders, technology has become a differentiator rather than a support capability. Having rebuilt its strength and credibility, Horizon represents a deliberate move for the Group from defence to offence – repositioning it for the next phase of growth and shifting it towards a diversified earnings mix that includes outsourcing, managed services, employer-of-record capability and outcome-based workforce solutions.

Under Horizon, the Group will operate more intentionally as a system, with divisions playing different economic roles rather than being managed according to uniform growth and margin expectations.

BRANDSHIFT

Stabilise and restore the business

Reduce debt and rebuild cash generation

Restore profitability and dividends

Rebuild customer and employee confidence

Simplify and contain costs

HORIZON

Reposition and grow the business

Improve earnings quality and capital efficiency

Expand higher-quality, less volatile profit pools

Build a technology-enabled workforce infrastructure platform

Scale through technology, managed services and geographic expansion

Looking forward

The first year of Horizon will be shaped by selected group-level implementation priorities.

These include:

- Enhancing workforce, pricing, compliance and reporting processes through the work delivered by Project Raptor;
- Applying a Horizon-aligned capital allocation and approval framework;
- Establishing a Dubai-based platform to coordinate Africa and Middle East opportunities;
- Building employer-of-record capability to support labour mobility; and
- Exploring adjacent opportunities such as education-led workforce enablement and selected new service platforms.

These objectives are not the full strategy – just the first practical enablers of a broader strategic reset.

The Horizon strategy also remains firmly grounded in good corporate citizenship, with continued emphasis on the four pillars of stakeholders, ESG, DEIB and CSR. Under Horizon, that framework will also undergo a shift – moving from the previous compliance-oriented focus towards a more proactive maturity stage, with clearer prioritisation of ESG risks and opportunities and the development of measurable targets over time.

From 1 March 2026, Horizon became the strategic framework through which Adcorp intends to convert the strength rebuilt under Brandshift into a more scalable, resilient and future-oriented platform.



Strategic enablement through technology excellence

Adcorp's Horizon strategy marks a deliberate shift towards a more technology-enabled workforce solutions model. This is not a new direction so much as the next phase of a multi-year transformation journey. Over the past several years, the Group has invested significantly in simplifying and modernising its technology environment. FY2026 was the year in which that foundation began to translate into a more clearly defined Group IT strategy aligned to Horizon and focused on data, AI, cyber resilience and scalable enablement.

Building the digital foundation

The starting point for this journey was a highly fragmented technology landscape. In 2017, Adcorp identified 177 disparate and poorly integrated systems across the Group, many of them duplicative, manual and difficult to manage.

Through the Skyhawk programme, Adcorp began simplifying this landscape and moving towards a more integrated architecture. That work materially reduced system complexity and helped consolidate key processes onto modern platforms, creating a stronger digital backbone for the business and laying the groundwork for a more scalable, technology-enabled operating model.

From simplification to strategic enablement

The 2026 financial year represented an important technological bridge where the focus shifted from only technology simplification to the design of a more coherent Group IT strategy and operating model. This included aligning South Africa and Australia more closely, clarifying the role of Group IT and repositioning IT as a strategic enabler of business performance.

The resulting model is deliberately lean. Most operational delivery is executed through trusted partners and vendors, while Group IT retains responsibility for governance, architecture, budgeting, vendor management, policy, reporting and the digital roadmap.

This approach is intended to provide access to specialist capability, reduce key-person dependencies, improve service consistency and support cost discipline.

Data and AI as Horizon enablers

A central theme in FY2026 was the recognition that Adcorp's future AI capability will depend on the quality, structure and accessibility of its data. For this reason, the Group's technology strategy places data at the centre of its digital agenda. The AI strategy is described as the cornerstone of Adcorp's technology-enabled workforce strategy, but it is explicitly linked to a data strategy designed to create a secure, trusted and usable information foundation across the Group.

During FY2026, Adcorp advanced work on a Unified Data Architecture and tested proof-of-concept use cases to help shape this broader data foundation. This is intended to support a future in which AI can be applied meaningfully across the Group, not as isolated tools or experiments, but as part of a more integrated operating environment.

This work is now being taken forward through Project Raptor, Adcorp's large-scale data and AI enablement programme. Raptor brings together workstreams spanning people and change, AI and analytics capabilities, data foundations and transformation. Its vision is to unify and govern workforce data across the Group, creating a trusted data backbone that can support

automation, better decision-making and new predictive workforce services over time.

Strengthening cyber resilience

Cybersecurity remained a key priority and material risk during FY2026. Adcorp strengthened its cybersecurity posture across South Africa and Australia through the deployment of enhanced detection, response and governance capabilities. This included the implementation of enterprise level managed detection and response solutions, supported by centralised monitoring and strengthened oversight. During the year, the Group finalised an updated cybersecurity strategy and roadmap, underpinned by a formal incident management framework and ongoing assurance activities. Collectively, these measures have strengthened Adcorp's cyber resilience and improved threat visibility and response capability.

Supporting efficiency and scale

The past financial year also saw a continued focus on infrastructure optimisation, vendor rationalisation and cost efficiency. Legacy infrastructure was reviewed, network modernisation progressed, and Australian environments received greater Group oversight. This helped reduce inefficiencies, strengthen compliance and improve the platform from which further technology-led growth can be enabled.

From complexity to enablement

From...	To...	What this enables
177 disparate and poorly integrated systems	Simplified and more integrated technology landscape built through Skyhawk	A stronger digital backbone for the Group
Multiple legacy platforms and fragmented processes	Greater consolidation of core platforms	Better process consistency, visibility and scalability
IT structured largely around fragmented legacy environments	Lean Group IT model with central governance and specialist outsourced capability	Better cost discipline, specialist support and reduced key-person dependency
Limited readiness for advanced data and AI use	Unified Data Architecture work and Project Raptor initiated	A more credible foundation for AI, automation and insight-led decision-making
Cyber risk across complex legacy environments	Strengthened cyber posture, revised roadmap, managed detection and response capability	Improved resilience, monitoring and incident response

IT as a strategy driver

The role of IT within Adcorp is no longer simply to maintain systems, but to help the Group scale more effectively, improve quality of execution, support better commercial decisions and enable innovation in workforce solutions. In that sense, technology is increasingly becoming an engine of operational excellence, commercial agility and longer-term differentiation.

Our key stakeholders

Our ability to create and protect value is closely linked to the strength of our relationships, the activities we undertake, and the contribution we make to our stakeholders. We remain committed to building and sustaining meaningful relationships that support mutual growth, resilience and long-term success.

Adcorp continues to apply a strategic, values-driven approach to stakeholder engagement, recognising that trusted relationships are central to sustainable value creation. In FY2026, stakeholders remained one of the four core strategic pillars of our corporate citizenship strategy, as confirmed through our double materiality assessment and comprehensive evaluation in the year under review. Our double materiality approach ensures that stakeholder interests are considered along with the factors that influence our business and its long-term performance. This supports Adcorp's Horizon strategy, which is focused on transitioning the business from volume-led growth to high-quality, margin-led earnings.

Stakeholder policy

During the year, the Group further strengthened its stakeholder governance framework. The stakeholder engagement standards were formalised as the stakeholder policy, with continued focus on embedding the policy and its related management processes across the Group.

The social, ethics and sustainability committee (SESCoM) continued to oversee structured stakeholder management,

supported by stakeholder registers that serve as an early warning system for emerging stakeholder concerns. During the year, these registers helped identify and escalate issues requiring coordinated oversight, resulting in increased collaboration across committees and more proactive preparation for matters that required management intervention.

A more responsive stakeholder engagement model

Adcorp has refined its stakeholder categorisation model to support more responsive oversight. Rather than grouping stakeholders into fixed tiers, we now consider stakeholders according to the function of their relationship with the Group, including capital providers, value chain and society, licence and legitimacy stakeholders, and assurance providers.

The Group is also strengthening stakeholder oversight through brand and specialist-area stakeholder registers. This supports a decentralised engagement model that keeps stakeholder management close to the relevant business, while enabling consolidated feedback, escalation and strategic support at Group level.



For more information on stakeholders, refer to **page 22** of the FY2026 **corporate citizenship report**.

MATERIAL MATTERS

- | | | | | |
|---|---|---|--|---------------------------------------|
| 1 Adcorp Horizon | 2 Climate change and the Just Transition | 3 Client centricity and service delivery | 4 Dignified working conditions | 5 Effective capital allocation |
| 6 Responsible data and technology governance | 7 Safety and wellbeing | 8 Technology and AI transformation | 9 Talent attraction, retention, and building capacity for scarce skills | |



Candidates

Expectations and needs

- Transparent, efficient and fair recruitment processes.
- Professional and responsive consultants who understand their skills, experience and career aspirations.
- Fair remuneration.
- A safe, inclusive work environment and dignified working conditions.
- Opportunities for growth, training and development.
- Confidence that Adcorp acts ethically and responsibly.

Engagement approach

- We use candidate surveys to gather feedback to improve our services.
- Survey results provide valuable insight into candidate needs and expectations and help us enhance the overall candidate experience.
- Ongoing interaction with candidates through our consultants and operational teams helps identify issues early and improve responsiveness.
- Our updated ethical requirements across client and supplier contracts, including clauses relating to human rights and modern slavery, support a more responsible experience for candidates and workers in our value chain.

Metrics

- Positive candidate experience, with scores targeted above internal benchmarks.
- Candidate survey feedback and service responsiveness.
- Monitoring of complaints, query resolution and service quality indicators.
- Retention of good candidates over time.

Impact

- Reputational
- Regulatory compliance

MATERIAL MATTERS IMPACTED

- 4 6 7 8 9**



Clients

Expectations and needs

- Strategic, responsive and innovative workforce solutions.
- Excellence in client service.
- Value-for-money solutions and competitive pricing.
- A responsible, ethical and trusted partner.
- Access to advice and support.
- Quality employees and candidates.
- Confidence in our governance, compliance and safety systems, and ability to respond to changing workforce requirements.

Engagement approach

- Regular client touchpoints and proactive engagement, including customer satisfaction score (CSAT) surveys.
- Digital content and communication.
- Continued rollout of AI-driven recruitment solutions.
- Ongoing engagement to understand changing client requirements to adapt our service offering accordingly.
- Contractual standards strengthened to require clients to meet strict ethical, human rights and modern slavery obligations.
- Stakeholder monitoring and executive oversight to identify client concentration risks and support early intervention where strategic contracts may be at risk.

Metrics

- Responsive adaptation of services based on client feedback.
- Overall Group operational satisfaction score of 85% (South Africa: 83%; Australia 88%).
- Complaints tracking and evaluation of the strength of strategic partnerships.
- Monitoring of cross-selling initiatives and new wins.
- Client retention and quality of revenue relationships.
- Service innovation and solution delivery performance.



Read more about our client satisfaction index in the **corporate citizenship report**.

Impact

- Reputational
- Commercial (client retention)
- Innovation delivery

MATERIAL MATTERS IMPACTED

1 3 6 8 9



Suppliers

Expectations and needs

- Clear procurement standards.
- Fair and transparent engagement.
- Responsible payment practices.
- Clarity on Adcorp's ESG, human rights, labour, health and safety, and environmental expectations.

Engagement approach

- Supplier ESG due diligence.
- Stakeholder registers.
- Procurement engagement.
- Updated Group-wide supplier code of conduct.
- Accessible ESG awareness content for suppliers.

Metrics

- Supplier due diligence participation.
- Supplier risk indicators.
- Supplier code acknowledgements.
- Procurement compliance.
- Supplier relationship performance.



Read more about our supplier ESG due diligence in the FY2026 **corporate citizenship report**.

Impact

- Reputational
- Regulatory compliance
- Operational
- Supply chain resilience

MATERIAL MATTERS IMPACTED

2 3 4 6 7



Employees

Expectations and needs

- A safe and healthy work environment where an employer actively supports their physical, mental and emotional health.
- Fair, competitive compensation paired with genuine workplace flexibility.
- An enabling work culture and an environment where DEIB is embraced.
- Structured training and development programmes to help them stay relevant and employable amid the rapid rise of AI and automation in the workplace.
- Confidence in leadership, ethical conduct and the future-readiness of the organisation.
- Investment in employees' future through continuous upskilling and opportunities for personal growth.

Engagement approach

- Employee engagement surveys, wellbeing programmes and events.
- DEIB initiatives, employee volunteerism, management interaction and discussions, and employee forums and groups.
- Ethics surveys and ethics training.
- Enhanced performance management training.
- In FY2026, the Group also undertook the Project Raptor AI Readiness Survey to gain insight into employee attitudes to AI and future workforce change. The survey showed that employees are highly open and curious about an AI-enabled future, while also highlighting cultural risks relating to job security concerns, trust and confidence gaps. These findings are informing a dedicated cultural transformation workstream.

Metrics

- Outcomes of employee engagement surveys: FY2026 employee engagement scores: South Africa: 67%; Australia: 67%.
- Utilisation of wellness services.
- Employee attrition rates.
- Participation in culture and engagement initiatives.
- Insights from the AI Readiness Survey in bullets above to support organisational preparedness and change management.



Read more about employee engagement on page 24 in the **corporate citizenship report**.



Read more about fair and responsible remuneration on page 68.

Impact

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

MATERIAL MATTERS IMPACTED

1 4 6 7 8 9



Investors

Expectations and needs

- A robust balance sheet that supports sustainable growth and protects against risk.
- A sustainable growth strategy.
- An experienced leadership team.
- A stable dividend policy.
- Sustainable growth in earnings and financial returns.
- Transparent reporting and disclosure.
- Confidence in governance quality, strategic execution and the Group's longer-term prospects.

Engagement approach

- Regular virtual and face-to-face engagement with shareholders and investors.
- Ongoing feedback through investor relations channels and the Group's annual general meeting (AGM).
- Continued communication on strategic progress, governance developments and the Group's response to material risks and opportunities.
- Greater transparency around governance readiness, including preparatory work relating to King V and evolving sustainability reporting requirement.

Metrics

- Performance against market expectations and those of our peers.
- Industry benchmarking.
- AGM voting outcomes.
- Relative share price performance.
- Movements in the shareholder register.

Impact

- Reputational
- Commercial
- Stakeholder confidence

MATERIAL MATTERS IMPACTED

1 2 3 5 6 8



Financial institutions

Expectations and needs

- Transparent financial reporting.
- Sound financial management.
- A robust balance sheet for sustainable growth and risk protection.
- Ongoing covenant compliance.
- Confidence in governance, risk management and regulatory discipline.

Engagement approach

- Regular engagements, presentations and reports.
- ESG due diligence assessments on Adcorp.
- ESG compliance and secure banking and insurance platforms.
- Dedicated relationship management through our Treasury function.
- Ongoing engagement on governance, risk and reporting developments, including increasing sustainability-related expectations.
- Continued responsiveness to changing regulatory conditions in South Africa and Australia.

Metrics

- Monitoring of covenants.
- Oversight of bank accounts, insurance and other financial services.
- Control, compliance and risk mitigation indicators.
- Relationship management effectiveness across funding and insurance partners.

Impact

- Reputational
- Commercial
- Financial

MATERIAL MATTERS IMPACTED

1 2 5 6



Media, regulators, professional councils, trade unions, and industry bodies

Expectations and needs

- Transparent engagement.
- Legal and regulatory compliance.
- Responsible public influence.
- Fair labour practices.
- Credible disclosure and responsiveness to changes in labour market regulation.

Engagement approach

- Regulatory submissions.
- Participation in industry bodies.
- Engagement with organised business.
- Trade union engagement.
- Media engagement.
- Monitoring of legislative and policy developments in South Africa and Australia.

Metrics

- Regulatory compliance indicators.
- Quality of stakeholder engagement.
- Policy and advocacy participation.
- Media sentiment.
- Regulatory outcomes and issue resolution.

Impact

- Reputational
- Regulatory compliance
- Licence to operate
- Stakeholder confidence

MATERIAL MATTERS IMPACTED

2 4 6 7 9



Auditors, insurers, rating agencies, and certification bodies

Expectations and needs

- Access to accurate, complete and timely information.
- Transparent engagement with management and relevant governance structures.
- Evidence of effective controls, risk management and compliance.
- Confidence in the integrity of Adcorp's reporting, governance and assurance processes.

Engagement approach

Regular engagement with internal and external auditors, insurers, rating agencies, certification bodies and other assurance partners through:

- Audits.
- Reviews.
- Risk assessments.
- Management representations.
- Committee reporting.
- Assurance planning.

Metrics

- Audit and assurance outcomes.
- Control findings and remediation progress.
- Insurance and risk assessment outcomes.
- Certification or compliance findings.
- Timely resolution of assurance-related actions.

Impact

- Reputational
- Regulatory compliance
- Financial
- Risk management

MATERIAL MATTERS IMPACTED

2 5 6 7

Our material risks and opportunities

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

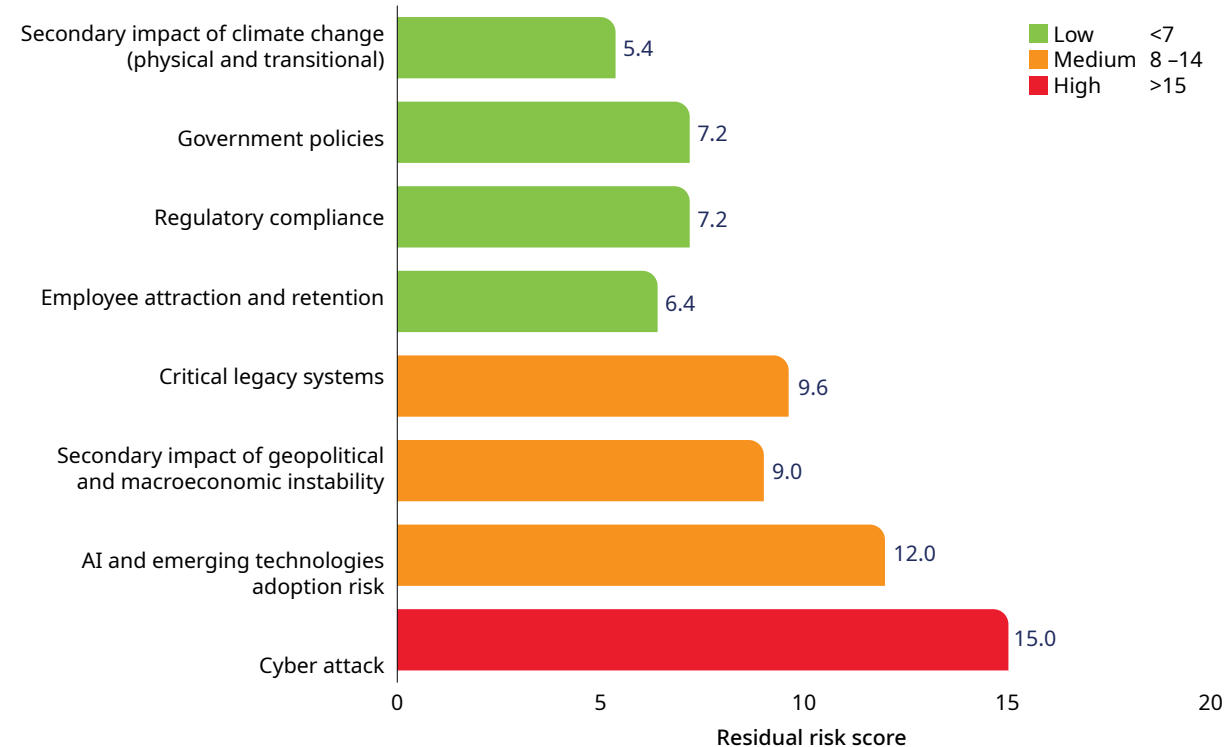
As a workforce solutions provider, our ability to navigate uncertainty, proactively manage risk, and capitalise on emerging opportunities is central to our long-term value creation.

During FY2026, the operating environment continued to require agility, discipline and responsiveness. While both regions faced distinct challenges, Adcorp continued to draw on its decentralised operating model, disciplined execution and focus on innovation to support resilience.

We view risk not only as a potential threat to value, but also as a critical input to strategic decision-making and to identifying growth and other opportunities. In line with our double materiality approach, we assess risks in terms of both their financial implications and their broader impacts on society, the environment and our stakeholders. This enables us to respond to systemic risks, such as digital disruption, trade volatility and climate-related developments, as well as operational risks, including client retention, compliance, technology resilience and talent management.

Our risk management framework is integrated with our strategic planning process and informed by regular scenario analysis, market intelligence and stakeholder engagement. This section outlines the material risks and related strategic opportunities that shape our performance and inform our priorities in the years ahead.

Adcorp's top risks (residual risk scores)



1. Cyber attack

RESIDUAL RISK RATING



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

Key mitigating actions

- The Group has implemented a layered cybersecurity control environment combining advanced detection capabilities, user awareness training, secure cloud adoption, and robust data protection. Collectively, these controls reduce the likelihood and impact of cyber attacks, ensuring operational continuity, regulatory compliance, and protection of critical business assets.

Risk category

- Cybersecurity and technology risk

2. AI and emerging technologies adoption risk

RESIDUAL RISK RATING



The rapid and ongoing advancement of AI and automation may result in the Group failing to keep pace with technological advancements which could hinder its ability to optimise operations, reduce costs, innovate at scale, and respond to market expectations, ultimately eroding competitive advantage over time.

Key mitigating actions

- Project Raptor has been formalised and funded; strategic and tactical projects are in progress to ensure focus on measurable business value.
- The build of the Unified Data Architecture, including use cases, addresses the risk of AI investments.
- Ongoing engagement with key vendors ensures emerging AI capabilities are assessed, tested and incorporated into core operating platforms as they become available.
- Project Sparrowhawk focuses on adoption and change with people, change and AI literacy as critical enablers.
- Executive oversight and reporting to ARC.

Risk category

- Cybersecurity and technology and strategic risk

3. Secondary impact of geopolitical and macroeconomic instability

RESIDUAL RISK RATING



Geopolitical instability may negatively impact client sectors, investment confidence and expansion, disrupting labour demand and workforce deployment. This could lead to reduced placement volumes, delayed market entry, operational uncertainty and revenue volatility, particularly in relation to the Group's regional growth strategy.

Key mitigating actions

- Diversification across sectors and geographies.
- Dynamic pricing and flexible workforce models.
- Market intelligence and scenario planning.
- Disciplined expansion into new markets.
- Strengthened client pipeline and sector focus.
- Cost base flexibility.

Risk category

- Finance risk

4. Critical legacy systems

RESIDUAL RISK RATING



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

Key mitigating actions

- All system replacement projects have firm retirement dates.
- Systems that are out of official support are still supported on demand by other technical specialists.
- Interim solutions have been deployed and are monitored.

Risk category

- Cybersecurity and technology risk

RESIDUAL RISK RATING

● High

● Medium

● Low

5. Employee attraction and retention

RESIDUAL RISK RATING



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

Key mitigating actions

- Succession planning where successors have been identified for critical roles.
- Ongoing employee engagement actions towards achieving employee engagement target of 75% by FY2028.
- Long term incentive (LTI) and short term incentive (STI) policies continuously reviewed.
- Employee value proposition continuously reviewed.
- Setting talent communities and pipelines.

Risk category

- Strategic risk

6. Regulatory compliance

RESIDUAL RISK RATING



Failure to comply with regulatory and ESG requirements could result in significant financial penalties, legal consequences, and damage to the organisation's reputation, potentially disrupting business operations and eroding stakeholder trust.

Key mitigating actions

- Formal regulatory change monitoring and horizon scanning by Group governance, business and support areas.
- Regulatory change communication and implementation; embedding regulatory changes into business processes, policies and controls through coordination with relevant functions.
- Compliance risk and obligations registers with regular audits and monitoring.
- Group governance function established to ensure an integrated, enterprise-wide approach to managing increasing regulatory and ESG complexity.

Risk category

- Compliance and regulatory risk

7. Government policies

RESIDUAL RISK RATING



Changes in government policies or regulations in South Africa and Australia may increase compliance costs, create uncertainty, and disrupt operations and strategic planning.

Key mitigating actions

- Regulatory monitoring by the Group Compliance, Group Legal and business teams.
- Engagement with industry bodies and participation in public commentary process.
- Agile strategic planning and regular review and updating of business strategic and tactical responses to account for regulatory changes.

Risk category

- Compliance and regulatory risk

8. Secondary impact of climate change

RESIDUAL RISK RATING



Risk that physical climate events or transitional regulatory shifts disrupt client sectors, resulting in concentrated and simultaneous revenue loss across the Group.

Key mitigating actions

Adcorp's climate exposure is not only its own operations but the stability of client sectors and geographies we serve. Physical climate events (incl. El Niño and La Niña weather cycles, floods, heatwaves and bushfires) and transitional regulatory shifts can disrupt multiple clients within a sector or region.

Physical risks:

- Maintaining a diverse client portfolio across sectors and geographies to reduce concentration exposure.
- Business continuity and emergency response plans updated annually.
- Remote-work capability across both South Africa and Australia (internal workforce).
- BLU Australia: ISO14001 Environmental Management accreditation achieved.
- Effective stakeholder management practices and client engagement.

Transitional risks:

- Ongoing monitoring of climate-related regulatory developments across South Africa and Australia.
- Sector diversification to reduce dependency on climate-sensitive industries.

Risk category

- ESG risk (primary)
- Secondary: financial and strategic (impact/value)

RESIDUAL RISK RATING

● High ● Medium ● Low



Dr John Wentzel
CEO

“ The 2026 financial year was a year of transition for Adcorp. Trading conditions remained uneven, with muted economic growth, geopolitical uncertainty, labour market disruption and continued cost pressure across a number of our markets. Against that backdrop, we remained focused on execution, disciplined in capital allocation and clear on where the Group needed to go next. Most importantly, FY2026 was the year in which we closed out the Brandshift chapter and began executing the next phase of Adcorp’s journey under Adcorp Horizon.

04 HOW ADCORP DELIVERS VALUE

Our Chief Executive Officer’s message

When I joined Adcorp five years ago, the business was in a fragile position. Brandshift was developed to stabilise the Group, restore profitability, eliminate debt, improve cash generation and re-establish shareholder returns. That strategy has substantially achieved what it set out to do. Today, Adcorp is debt free, cash positive, profitable and in a materially stronger position than it was five years ago. We have also returned meaningful capital value to shareholders while rebuilding a platform from which the next phase of growth can now be pursued.

FY2026 therefore marks both an end point and a beginning. It represents the successful close-out of one strategy and the first year of delivery against another. Adcorp Horizon sets the strategic direction for the next five years. Having stabilised the business, our focus now shifts to building a more scalable, higher-quality and future-focused group. Horizon is built around a small number of clear priorities. These include technology-enabled workforce solutions, selective international expansion, improving the quality of earnings, increasing our exposure to operational outsourcing, and maintaining balance sheet resilience. More broadly, it marks a deliberate shift from recovery and stabilisation towards disciplined growth and long-term value creation.

That shift was evident in the decisions we took during the year. We did not pursue revenue at any cost. Instead, we prioritised profitability, scalability and returns. In practical terms, this meant exiting lower-margin work, initiating the termination of certain high-volume, low-margin contracts, and sharpening management focus on EBITDA, margin quality and capital efficiency. While these actions can suppress short-term revenue, they strengthen the business and improve long-term value creation. We also continued to reposition the portfolio towards segments where we believe structural growth opportunities exist. Demand for more flexible workforce models, outsourced operating solutions and technology-led talent platforms continues to increase across many markets. Our strategy is aligned to these themes, and we will continue allocating capital accordingly.

Our balance sheet remains a strategic advantage. Strong cash generation and a debt-free position provide resilience in uncertain markets while also giving us optionality to pursue value-accretive opportunities where they arise. We remain disciplined in this regard and will only deploy capital where returns justify it.

None of our progress would have been possible without the commitment of our people. Across the Group, our teams have shown resilience, adaptability and focus in a demanding operating environment. I thank them for their contribution and continued commitment to our clients and the business.

I also thank our clients, partners and shareholders for their ongoing support. Adcorp today is a stronger, more focused and better-positioned company than it was five years ago. While market conditions remain mixed, we enter the next chapter with confidence, strategic clarity and the financial strength to pursue growth.

The turnaround phase is complete. The work of building the next Adcorp has begun.

Dr John Wentzel
Group CEO

Corporate citizenship overview

Corporate citizenship reflects Adcorp's commitment to responsible business conduct and its understanding of the impact we have on society, the environment and the broader economy, as well as how these factors influence our ability to create value.

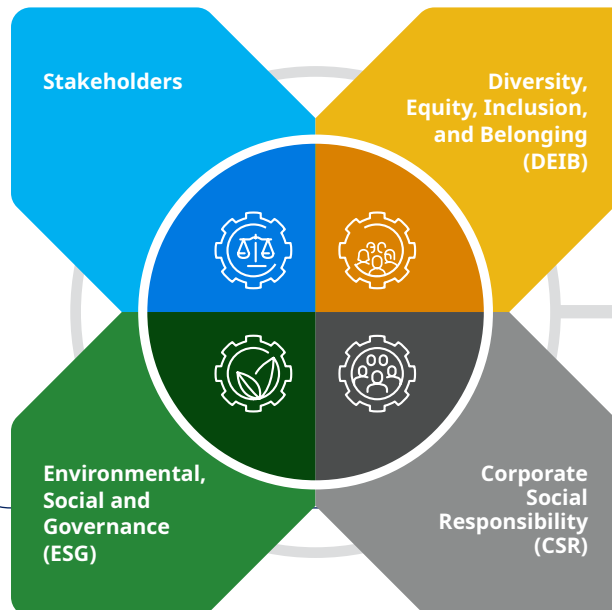
In FY2026, corporate citizenship remained a strategic enabler of the Group's long-term success. Our vision remains relevant, to foster fair and efficient labour markets by providing decent and dignified work, creating value for clients and employees and ultimately contributing to a sustainable future. This enhances our core purpose of enabling agile, focused and skilled workforces for the future.

Our FY2026 corporate citizenship report provides further detail on our strategy, governance, double materiality assessment, stakeholder engagement, ESG performance, DEIB progress and CSR initiatives across South Africa and Australia. The report supplements this integrated annual report and provides a more detailed view of the Group's corporate citizenship performance for the year.

 Read more in the FY2026 **corporate citizenship report**.

Corporate citizenship strategy

Our strategy focuses on four interconnected pillars:



PILLAR 1 – STAKEHOLDERS

Building trusted relationships and strategic advocacy to manage reputation, understand stakeholder expectations and support long-term talent and client relationships.

PILLAR 2 – ESG

Maintaining robust governance, risk and compliance frameworks that support ethical conduct, operational resilience, environmental responsibility and transparent reporting.

PILLAR 3 – DEIB

Fostering an inclusive, high-performance culture that supports transformation, protects human rights and enables equitable employee practices.

PILLAR 4 – CSR

Creating positive social and economic impact through education, skills development, enterprise development, community support and volunteerism.

These pillars support the execution of the Adcorp Horizon strategy by strengthening the Group's licence to operate, improving stakeholder trust, supporting workforce resilience and embedding responsible business practices into decision-making.

Progress in FY2026

Stakeholder responsiveness

During FY2026, Adcorp refined its stakeholder approach.

Client and employee feedback remained important inputs into decision-making. Overall operational client satisfaction improved to 85% (FY2025: 84%), while employee engagement scores were 67% in both South Africa (FY2025: 63%) and Australia (FY2025: 67%). These insights continue to inform service improvement plans, people initiatives and the development of the Group's employee value proposition.

Environmental stewardship

Adcorp's environmental impact is inherently limited by the nature of its business model as a people-led, workforce solutions provider, with no significant industrial operations, manufacturing footprint, or direct control over high-impact physical assets. The Group's environmental risks and opportunities are less pronounced and focus is therefore targeted and proportionate – centred on responsible resource use, emissions monitoring, energy efficiency (including renewables), water management, waste reduction and improving the integrity of underlying environmental data.

In FY2026, total Scope 1 and 2 emissions reduced to 2 427tCO₂e from 2 623tCO₂e in FY2025, while total electricity consumption decreased to 2 679 301kWh from 3 044 866kWh. Solar photovoltaic (PV) at Adcorp Place generated 507 905kWh (FY2025: 573 736kWh), contributing 19% of the Group's total portfolio electricity consumption.

The Group's recycling rate at Adcorp Place improved to 34% from 33% in FY2025. In Australia, we launched a certified e-waste recycling programme, and in South Africa we introduced carbon offsetting for paper usage through our print solutions vendor.

We also continued to position Adcorp as a participant in the Just Transition by focusing on the skills needed for a lower-carbon economy. Our contribution is primarily through upskilling and reskilling workers for emerging sectors, while supporting decent work and social inclusion.

Employee health, safety and wellbeing

Health, safety and wellbeing are central to Adcorp's responsibility as a people-centred business. The Group manages a large and dynamic workforce across South Africa and Australia, including permanent employees, deployed employees, contingent employees and independent contractors.

During FY2026, the Group continued to strengthen safety monitoring, incident reporting and preventative controls. The LTIFR improved to 1,34 from 1,38 in FY2025, and safety training was delivered to 4 419 employees. The Group's safety, health, environment and quality (SHEQ) management system continues to support active incident and near-miss tracking, aligned to our zero-harm ambition.

Adcorp continued to support employees through wellbeing programmes, employee assistance initiatives, awareness campaigns and broader learning and development opportunities. These initiatives form part of the Group's wider employee value proposition and support our ability to attract, retain and develop the right talent.

Governance and ethics

During FY2026, the Group strengthened its governance approach through the formalisation of a Group governance function, led by a Chief Governance Officer. This brings together corporate citizenship, transformation, ethics, risk and compliance, and company secretariat and investor relations to improve coordination, reporting and oversight.

The Group also elevated technology and AI ethics as a board-level oversight principle, reflecting the increasing importance of digital transformation and Project Raptor in the business. ESG risk was classified as a low-tolerance risk within the enterprise risk framework, supporting Adcorp's zero-tolerance approach to modern slavery, human rights abuses and ethical breaches.

During FY2026, Adcorp strengthened its governance framework through the updated Group-wide supplier code of conduct, a significantly enhanced human rights statement and an updated Group-wide modern slavery statement.



Read more about our stakeholder engagement on **page 17 of this report** and **page 22** of the FY2026 corporate citizenship report.



Read more about our environmental stewardship on **page 27** of the FY2026 corporate citizenship report.



Read more about our health and safety on **page 33** of the FY2026 corporate citizenship report and wellbeing on **page 35** of the FY2026 corporate citizenship report.



Read more about our governance commitment on **page 48 of this report** and **37** of the FY2026 corporate citizenship report.

Diversity, equity, inclusion and belonging

DEIB remains central to Adcorp's culture and transformation agenda. In South Africa, our largest operation in South Africa retained its Level 1 B-BBEE status, while the Group continued to support employment equity, disability inclusion, leadership accountability and inclusive workplace practices.

In FY2026, South African employees (permanent and contingent) were 97% (FY2025: 97%) african, coloured and indian (ACI) and 37% (FY2025: 37%) female, while employees in Australia were 43% female (FY2025: 31%). The Group also continued to invest in employee training, learnerships and internships, including 316 (FY2025: 493) learnerships and internships in South Africa, of which 43 (FY2025: 37) were for learners and interns with disabilities.

The Group's DEIB forums in South Africa continued to support employment equity planning, workplace skills planning and inclusion initiatives. In Australia, Adcorp retained its status as a disability confident recruiter, reinforcing its commitment to accessible and equitable recruitment practices.



Read more about our DEIB commitment and progress on **page 43** in the FY2026 corporate citizenship report.

Social responsibility

Adcorp's CSR activities are focused on creating access to opportunity, developing future-fit skills and supporting inclusive socioeconomic development. In FY2026, the Group spent R11,8 million (FY2025: R11,7 million) on CSR. In FY2026, South African employees (permanent and contingent) comprised 97% (FY2025: 97%) ACI and 37% (FY2025: 37%) female, while in Australia, female representation rose to 43% (FY2025: 31%). activities, trained 2 049 (FY2025: 2 257) unemployed individuals at a cost of R6,6 million (FY2025: R7,6 million) and supported six Black-owned small businesses at a cost of R4,1 million (FY2025: R3,1 million).

The Group's youth scholarship programme continued to provide tertiary education support for the children of employees in South Africa. In FY2026, R960 000 (FY2025: R1,3 million) was invested to support 12 (FY2025: 20) beneficiaries, bringing total investment in the programme since launch to more than R2,9 million.

During the year, 88 employees utilised 71 volunteer days at an estimated financial value of R165 340 (FY2025: R191 857). While volunteerism decreased, employees remained highly focused on meaningful engagement and charitable giving. CSR champions in South Africa and structured ESG, CSR and DEIB support in Australia help embed these initiatives across the business and connect Group-level priorities with local community needs.



Read more about our social responsibility commitment and progress on **page 51** in the FY2026 corporate citizenship report.



Focus for FY2027 and beyond

In FY2027, Adcorp will continue to embed corporate citizenship into the execution of the Adcorp Horizon strategy. Key focus areas include strengthening technology, data, cyber and AI governance; refining risk and compliance reporting; improving supply-chain transparency; deepening stakeholder and sustainability oversight; and preparing governance frameworks and disclosures for King V.

The Group will also continue to develop measurable ESG targets, expand the supplier ESG assessment, strengthen safety and wellbeing systems, advance DEIB and transformation priorities, and maintain a strong focus on skills development, decent work and dignified labour practices.

Divisional and operational overview



Adcorp's operational strategy is centred on delivering agile, client-focused workforce solutions across its two core markets, South Africa and Australia. Through a complementary portfolio spanning Contingent Staffing, Professional Services and Staffing Solutions, the Group responds to a wide range of workforce needs, from flexible and permanent staffing to outsourced services, training and specialist talent solutions.

Across the Group, our operating model is designed to combine scale, sector expertise and local market understanding. This enables our businesses to respond to changing client requirements, support workforce productivity and resilience, and position Adcorp to capture opportunities arising from structural shifts in labour markets, technology adoption and evolving client delivery models.

Each division plays a distinct role in the Group's value proposition, while also benefiting from the strength of Adcorp's broader brand portfolio, client relationships and workforce expertise. Together, our operations support clients across multiple sectors and stages of the workforce lifecycle, helping them address immediate operational requirements while also navigating longer-term transformation.

Contingent Staffing

Adcorp's Contingent Staffing division in South Africa remains a core part of the Group's operating model, combining scale, sector expertise and disciplined execution to deliver flexible workforce solutions in a complex and highly regulated market. Comprising BLU, Zest, PMI and iCAN, the division brings together large-scale temporary employment services and targeted training capability in sectors where flexibility, compliance and skills development are closely linked.

Positioning and operational focus

At the centre of the division is BLU, Adcorp's large-scale blue-collar temporary employment services business. Its relevance is shaped by clients' need for workforce flexibility in fluctuating demand cycles, supported by strong capability in industrial relations, human resources (HR) administration, payroll and legislative compliance. This means clients engage BLU not only for workforce flexibility, but also for access to established compliance capability in areas such as industrial relations and equal-treatment requirements, helping them navigate a complex labour environment with greater confidence.

On any given day, BLU deploys around 32 000 people, underlining both its scale and the operational discipline required to manage this responsibly. During FY2026, BLU maintained stability in its core business, and secured significant client opportunities, including a major protein processing contract in the Western Cape.

The division also continued to benefit from the growth of Zest, which built momentum

in hospitality staffing and delivered stronger margin characteristics off a small base, while PMI and iCAN remained strategically relevant through their close alignment with BLU's client sectors and cross-selling potential. Although PMI faced disruption after US tariff threats affected anticipated automotive training activity, the business responded through targeted management interventions.

i | Read more in the CFO report on **page 33**.

Strategic priorities and outlook

Looking ahead, the division remains focused on client retention, service quality, disciplined margin management and selective growth. Management sees room to deepen hospitality staffing through Zest and to re-enter heavier industrial segments as conditions stabilise. Across the division, compliance, workforce stewardship, wellbeing support and fair labour practices remain central to the operating model and to the value delivered to clients.

BLU

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

www.blubyadcorp.com

PMI

A private higher education institution specialising in vocational and higher education, with a focus on up-skilling, re-skilling and future-skilling across a range of sectors.

www.pmi-sa.co.za

zest
HOSPITALITY

A hospitality staffing business providing flexible temporary staffing solutions tailored to corporate conference and convention centres, hotels, lodges, and related service environments.

www.zesthospitality.co.za

iCAN

Specialises in disability placement services and disability training solutions, while also managing learnerships that create opportunities for employers to engage persons with disabilities.

www.ican-sa.co.za



Professional Services

Adcorp's Professional Services division is a leading provider of white-collar workforce solutions in South Africa, delivering specialist services across sectors including financial services, ICT, engineering, FMCG, BPO and business services. The division provides permanent recruitment, contract staffing, project-based resourcing and outsourced workforce solutions, including MSP and RPO.

Positioning and operational focus

The division operates in the higher-value segment of the staffing market, where scarce and critical skills support premium pricing, resilient margins and deeper client partnerships. Its multi-brand portfolio, spanning Paracon, Quest, Charisma, Kelly, DAV and Torque IT, delivers sector-specific credibility and a broad service offering across permanent, contract, managed and workforce development solutions.

FY2026 presented a challenging backdrop for the broader white-collar labour market, with slower permanent hiring, ongoing client budget pressure and sustained competition for specialist talent. Demand remained structurally strong for scarce skills in digital, engineering and finance, particularly in cloud, AI, cybersecurity, data and specialist finance roles, while clients increasingly favoured contract, project-based and outsourced solutions.

The division also intensified its focus on innovation, digital enablement and AI-supported delivery to enhance efficiency and client outcomes. Brand-level progress reinforce market relevance, including Quest's re-entry into the aviation sector and the recognition of Kelly, Quest and DAV through a combined 20 PMR Awards.

Strategic priorities and outlook

Looking ahead, the division's strategic focus is on scaling its managed services offering, developing statement of work capability, supported by targeted investment in technology and AI to improve placement ratios and reduce cost to serve. International labour mobility is a focus area, with an initial focus on the Middle East.

Management's primary growth opportunity lies in scaling higher-margin, recurring managed services and project-based solutions. Key risks include client concentration, market softness and the continued scarcity of specialist skills.



Permanent premium, scarce and specialised skills recruitment.

www.dav.co.za



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

www.torque-it.com



Intermediate permanent recruitment, recruitment process outsourcing (RPO) and managed services provider (MSP).

www.kelly.co.za



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

www.quest.co.za



Specialises in the recruitment and placement of nurses and healthcare professionals across both the private and public healthcare sectors in South Africa. Charisma provides highly trained and reliable nursing professionals, biomedical technology and pharmaceutical professionals.

www.charismahealthcare.co.za



A leading IT staffing brand specialising in technology recruitment, contracting and talent solutions across a range of industries.

www.paracon.co.za





Staffing Solutions

Adcorp's Staffing Solutions division comprises FunxionO and Telvuka, following the strategic discontinuation of Capability during FY2026. The division remains a core component of the Group's South African offering. The division provides outsourced operational workforce solutions, supporting clients through delivery models designed to enhance operational efficiency, consistency and execution.

Positioning and operational focus

The division continued to operate in sectors where continuity, productivity and operational discipline are critical to performance. Demand remained relatively resilient in essential, throughput-driven environments such as FMCG, warehousing and logistics, while more discretionary sectors experienced slower growth and cautious client spending. Against this backdrop, the division maintained a stable and diversified client base, with no material change in client concentration during the year.

The operating environment continues to be characterised by wage pressures, constraints on supervisory skills and ongoing regulatory scrutiny. These factors reinforced the value of outsourced solutions that combine execution capability with oversight, compliance assurance and productivity support. FunxionO continued to anchor the division through its output-based delivery model, aligning workforce deployment to performance outcomes and supporting consistent service delivery.

Telvuka continued to build its capability within the BPO contact centre environment, adopting a measured approach to growth while strengthening its operational base.

AI-enabled tools were progressively integrated to support workflow optimisation, performance monitoring and operational visibility. Leadership capability was further enhanced during the year with the appointment of Rashil Madaree as Head of Business, supporting Telvuka's continued development.

Strategic priorities and outlook

The division remains focused on maintaining delivery consistency, strengthening operational alignment and supporting sustainable performance in a changing economic environment. The continued demand for outsourced operational workforce solutions presents a clear opportunity, particularly as clients seek to improve execution, manage costs and enhance productivity.

The primary risk remains the impact of broader macroeconomic conditions on activity levels across client environments. During FY2026, the Group also discontinued Capability as part of a strategic portfolio optimisation review after optimisation, enabling a more focused allocation of management attention and resources toward core, scalable operations aligned with Adcorp's long-term strategy.



FunxionO specialises in outsourced business solutions that leverage technology to enhance operational efficiency and productivity. The business delivers sector-focused services across manufacturing and related industries, with an emphasis on execution, performance alignment and service consistency.

www.funxiono.co.za



Telvuka is a business process outsourcing provider offering customised client engagement solutions. The business delivers inbound and outbound customer interaction services, supported by evolving digital and AI-enabled capabilities designed to enhance service quality and operational efficiency.

www.telvuka.com





Contingent Staffing

Adcorp's Australian Contingent Staffing division, comprising BLU Australia, BLU Healthcare and Zest, supports sectors facing persistent labour shortages and workforce complexity. During FY2026, the division remained active across meat processing, logistics, warehousing, healthcare and labour mobility, while also broadening its client and sector footprint.

Positioning and operational focus

FY2026 was a year of resilience, diversification and repositioning. The division remained stable in several core sectors, but was affected by the loss of a significant client that brought workers in-house. In response, the business expanded into the seasonal worker programme, entered the clothing and textiles sector, and secured new national clients beyond its traditional East Coast base. In healthcare, the business shifted from community care towards residential care, nursing and acute care, supporting steadier demand in a structurally important sector.

A significant development during the year was the rebrand from Labour Solutions Australia to BLU Australia, with the healthcare business also adopting the BLU Healthcare name. This transition aligned the Australian operations with the stronger, unified international BLU identity and positions the business for continued growth across its core markets. The division also launched Zest in Australia late in the year, extending the Group's footprint into hospitality staffing and addressing shortages in skilled regional roles.

Strategic priorities and outlook

The Pacific Australia Labour Mobility (PALM) scheme remains important to the division. Management has been directly engaged in reform discussions with government and industry, aimed at ensuring the long-term sustainability of the scheme.

Looking ahead, the division is focused on sustainable growth through deeper diversification across healthcare, hospitality and selected green sectors, including renewable energy, carbon-neutral activities and rehabilitation-linked work. While regulatory change remains a defining feature of the market, management sees genuine opportunity to differentiate the business through best-practice governance, workforce care and compliance capability. Longer-term opportunities linked to infrastructure development and pre-works activity ahead of the 2032 Queensland Olympic Games are also beginning to feature in the division's strategic planning.



BLU Australia provides tailored contingent staffing solutions across Australia, specialising in blue-collar, industrial and food processing workforce needs.

www.blubyadcorp.com.au



BLU Healthcare provides trained, compliant healthcare professionals across aged care, disability and hospital environments.

www.blubyadcorp.com.au



Zest commenced operations in Australia during FY2026, extending the division into hospitality staffing and supporting clients with skilled roles in a sector facing persistent labour shortages and retention challenges.

zesthospitality.com.au





Professional Services

Through Paxus, Adcorp's Professional Services business in Australia continued to support the country's digital and broader white-collar workforce needs during FY2026. The year was characterised by consolidation and progression following the prior year's transformation project, with the business continuing to embed its move from a state-based model to a sector-based operating model.

Positioning and operational focus

The sector-based model strengthened Paxus's national positioning, reduced duplication and enabled deeper client relationships across key sectors. It also improved the business's ability to engage as a trusted adviser rather than a transactional supplier and helped identify adjacent white-collar opportunities without diluting the strength of the brand. This was important in a market where permanent hiring remained subdued and clients increasingly focused on value, flexibility and delivery outcomes rather than simply filling roles.

Conditions were stronger in the second half of the year, and the revised model helped the business capture opportunities in targeted sectors, including non-banking financial services such as insurance and superannuation. Demand for skills continued to evolve, with particularly strong interest in AI, machine learning, data, cyber and cloud engineering. These shifts, together with the rising importance of outcomes-based delivery models, reinforced Paxus's relevance in a market where clients are increasingly looking for more value-added engagement.

Strategic priorities and outlook

Looking ahead, the business is focused on consistency, incremental growth and continued strategic discipline. Management remains committed to deeper client value, strong delivery and sustained progress rather than volume-led expansion. Skills shortages in advanced technology areas remain a challenge, but also create opportunity, including through upskilling and selected international labour mobility pathways. Client feedback remains an important strength, with externally run CSAT interviews used actively to improve service and strengthen relationships; during FY2026, the business doubled its strategic interviews and increased operational interviews sixfold, while maintaining scores in the upper percentile.



A leading tech and digital recruitment agency, we also deliver exceptional talent in sales, marketing, and finance – covering the full spectrum of business functions for your team. Paxus offers specialised capability connecting top talent with leading organisations across government, industrial, energy, financial services, technology and professional services sectors.

www.paxus.com.au



Skills Collective provides tailored workforce solutions to help organisations build agile, resilient teams. Specialising in Statement of Work, RPO, and Staff Augmentation, our team deploys skilled consultants quickly across Brisbane, Sydney, Melbourne, Canberra, Adelaide, and Perth, including remote-ready teams, ensuring solutions align with business goals and deliver measurable impact.

www.skillscollective.com.au



Noel Prendergast
CFO

“The 2026 financial year continued to present a demanding operating environment across both South Africa and Australia. Although macroeconomic conditions improved moderately relative to the prior year, growth remained subdued and cautious client spending patterns continued to influence labour market activity and workforce demand.

Our Chief Financial Officer's report

Against this backdrop, the Group delivered an effective financial performance, supported by continued operational discipline, margin focus, cost optimisation initiatives and disciplined capital management.

While revenue declined during the year, the Group continued to prioritise quality of earnings, margin enhancement and cash preservation. Importantly, despite lower activity levels across several markets, gross margins improved further, operating costs reduced meaningfully, and profitability increased year-on-year.

The continued focus on pricing discipline, operational efficiency and portfolio quality across the Group played an important role in supporting profitability and maintaining a strong financial position during the year.

Group revenue declined by 5,9% from R13,24 billion to R12,46 billion, or 4,1% on a constant currency basis. Gross profit decreased by 5,1%, or 3,5% on a constant currency basis, to R1,24 billion from R1,30 billion. Importantly, despite lower revenue levels, the Group achieved a gross margin improvement from 9,8% to 9,9%. While revenue and gross profit declined during the year (management consciously prioritised profitable revenue over revenue growth), the Group continued to improve overall earnings quality and profitability.

Operating expenditure, excluding depreciation, amortisation and impairment reduced by 7,5% year-on-year to R991,7 million, reflecting continued focus on cost optimisation and operational efficiency across the Group.

The Group recognised a non-cash impairment of R15,8 million relating to right-of-use assets following the subletting of a portion of the Group's head office space at rates below the original lease cost.

Post IFRS 16 EBITDA increased to R262,8 million compared to R244,3 million in the prior year.

The Group incurred minimal net finance costs during the year, contributing positively to bottom-line profitability.

An income tax expense of R5,8 million was recorded for the year compared to a tax credit of R3,6 million in the prior year. The effective tax rate of 3,8% reflects the impact of deferred tax liability reversals, the utilisation of assessed losses and the recognition of employment tax incentives.

The improvement in profitability, operating efficiency and capital discipline has contributed to improved returns on invested capital during the year.

Performance

Summarised consolidated statement of profit or loss

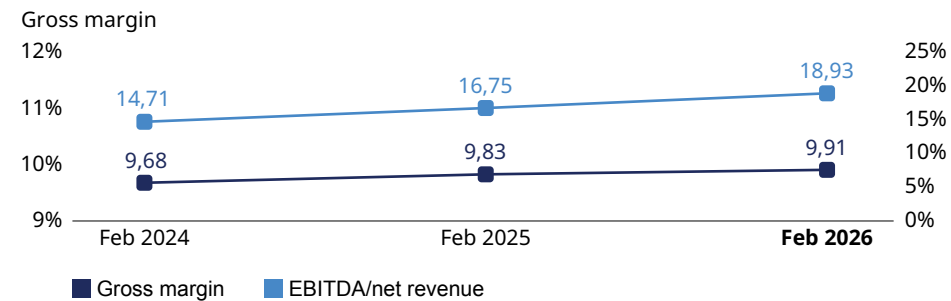
R'000	Audited Year end Feb 2026	Audited Year end Feb 2025	Var (%)
Revenue	12 458 013	13 236 678	(5,9)
Cost of sales	(11 222 944)	(11 935 225)	6,0
Gross profit	1 235 069	1 301 453	(5,1)
Gross profit margin	9,9%	9,8%	
Other income	19 484	14 786	31,8
Operating expenses	(991 747)	(1 071 898)	7,5
EBITDA	262 806	244 307	7,6
EBITDA margin	2,1%	1,8%	
Depreciation and amortisation	(69 689)	(71 662)	2,8
Depreciation of PPE and amortisation	(23 703)	(26 285)	9,8
Depreciation of right of use assets (IFRS 16)	(45 986)	(45 377)	(1,3)
Operating profit (excluding impairments)	193 117	172 679	11,8
Operating profit margin	1,6%	1,3%	
Net cost of funding	(25 535)	(34 329)	25,6
Net finance income	13 800	6 655	107,4
Lease liability interest (IFRS 16)	(39 335)	(40 984)	4,0
Impairments	(15 819)	(1 057)	
Profit before taxation	151 763	137 293	10,5
Taxation (expense)/income	(5 769)	3 563	
Profit for the year	145 994	140 856	3,6
Tax rate	3,8%	(2,6%)	

In FY2024, the Group commenced a focused margin enhancement programme aimed at improving profitability, portfolio quality and long-term earnings resilience across the business.

The progression of this initiative is reflected in the continued improvement in gross margin from 9,68% in FY2024 to 9,91% in FY2026.

In addition, EBITDA to net revenue, which excludes all permanent salary costs, is a key profitability metric commonly used across the international staffing industry. This metric improved materially from 14,71% to 18,93% over the same period.

Gross margin and EBITDA/net revenue progression



Segmental performance

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

R'000	Revenue		Gross profit		EBITDA	
	Audited Year end Feb 2026	Audited Year end Feb 2025	Audited Year end Feb 2026	Audited Year end Feb 2025	Audited Year end Feb 2026	Audited Year end Feb 2025
Total South Africa	7 121 076	7 017 825	782 306	786 797	194 758	181 456
Contingent Staffing – South Africa	3 919 522	3 712 663	457 583	442 962	107 645	107 110
Professional Services – South Africa	1 652 195	1 941 338	198 818	232 334	(23 390)	(8 122)
Staffing solutions – South Africa	1 549 359	1 363 824	125 905	111 501	32 684	12 158
Business Support – South Africa	-	-	-	-	77 819	70 310
Total Australia	5 336 937	6 218 853	452 763	514 656	68 048	62 885
Contingent Staffing – Australia	1 650 753	2 210 696	175 536	192 247	48 275	60 079
Professional Services – Australia	3 686 184	4 008 157	277 227	322 409	90 670	84 880
Business Support – Australia	-	-	-	-	(70 897)	(82 074)
Total Group	12 458 013	13 236 678	1 235 069	1 301 453	262 806	244 341

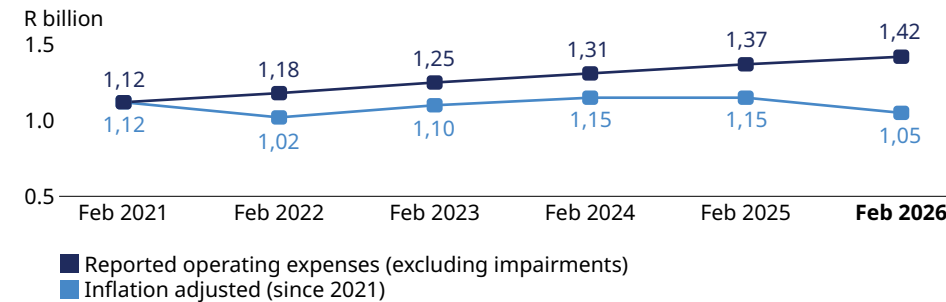
This graph illustrates the Group's continued focus on cost containment and operating discipline over the past several years.

Despite ongoing cost pressures and a challenging operating environment across both South Africa and Australia, the Group reduced operating expenditure by 7,5% during FY2026.

Management continued aligning each business' cost base to prevailing market conditions, while continuing to invest selectively in operational capability and growth initiatives.

The reduction in operating expenditure, together with the ongoing margin enhancement initiatives discussed previously, contributed meaningfully to the improvement in overall profitability during the year.

Operating expenses





South Africa

Contingent Staffing

Contingent Staffing South Africa

The division delivered a resilient performance during the year despite softer conditions across certain sectors of the South African economy.

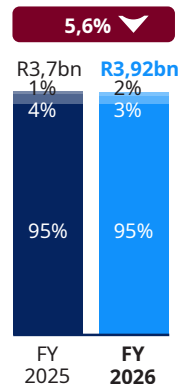
Revenue increased from R3,71 billion to R3,92 billion, while gross margin moderated slightly from 11,9% to 11,7%, primarily due to a lower proportional contribution from the higher-margin PMI business.

The ongoing demand for workforce flexibility continued to support demand across BLU's core client base, while the division continued expanding into targeted growth areas, particularly within protein processing and hospitality, where the Zest brand continued to improve.

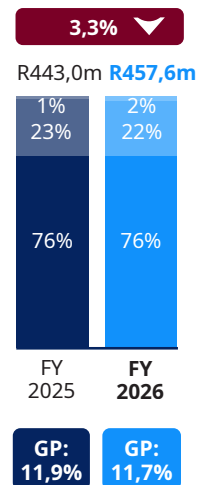
PMI experienced a slower start to the financial year due to uncertainty within segments of the automotive original equipment manufacturer (OEM) sector. Management responded by broadening focus toward alternative sectors while maintaining disciplined margin and cost management.

The continued expansion of the Occupational Health and Wellness offering further strengthened the division's integrated service capability and enhanced client engagement across the broader customer base.

Revenue



Gross Profit



Staffing Solutions

Staffing Solutions delivered another excellent operational and financial performance during the year.

Revenue increased from R1,36 billion to R1,55 billion, while the division maintained a healthy gross margin of 8,1%.

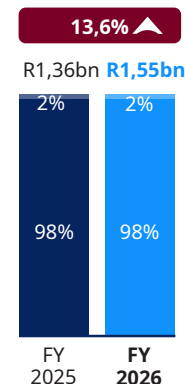
During the year, the division strategically discontinued Capability as part of a broader initiative to simplify the operating structure and increase focus on its core scalable outsourcing operations.

FunxionO, which includes ACMS as a single client subset, remained the primary contributor to divisional performance, delivering consistent growth while maintaining effective client relationships across its respective markets.

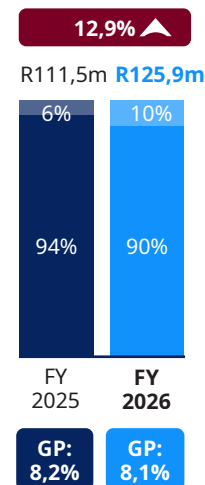
Telvuka continued building momentum during the year, supported by increasing client engagement and growing operational scale.

The division now operates with a simplified structure and improved operational focus.

Revenue



Gross Profit





South Africa

Professional Services

Professional Services South Africa delivered a weaker financial performance during the year amid constrained economic conditions, reduced hiring activity and continued pressure on discretionary client spending. Certain areas of the division were also impacted by the early effects of AI-driven efficiencies, particularly across segments of the entry-level white-collar recruitment market and certain roles within the technology sector.

Revenue declined from R1,94 billion to R1,65 billion during the year, while the division maintained its gross margin at 12%.

Performance across the portfolio remained mixed.

Paracon experienced a difficult trading period, impacted by subdued ICT contracting demand, the loss of a significant client and continued pressure within the technology recruitment market.

Charisma also delivered a weaker result as activity levels within certain healthcare segments remained below expectations.

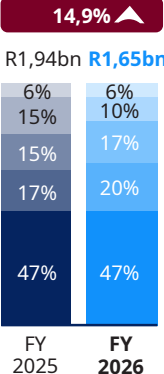
Torque IT improved margins through improved commercial discipline and cost management initiatives, although overall sales volumes remained under pressure.

Kelly improved its financial performance through continued optimisation of its operating model, while DAV continued its rebuilding phase following earlier restructuring initiatives.

Quest delivered a solid performance during the latter half of the financial year, supported by improved client activity levels.

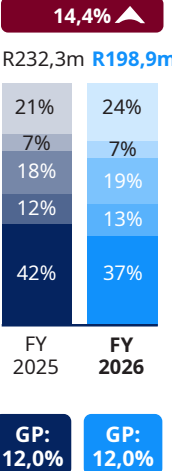
While market conditions remain challenging, management remains focused on rebuilding profitability, strengthening client engagement and improving commercial execution across the division.

Revenue



TORQUE IT
DAV KELLY
Quest
Charisma
Paracon

Gross Profit



TORQUE IT
DAV KELLY
Quest
Charisma
Paracon





Australia

Contingent Staffing

Revenue within **Contingent Staffing Australia** declined from R2,21 billion to R1,65 billion following the loss of a significant client that elected to internalise its workforce requirements.

Despite the reduction in revenue, the division delivered a significant improvement in gross margin, increasing from 8,7% to 10,6%. This reflects the deliberate repositioning of the business toward higher-margin client relationships and improved customer mix.

The year represented a period of strategic repositioning for the division. The rebrand from Labour Solutions Australia to BLU Australia, together with the launch of BLU Healthcare and Zest Australia, aligned the business more closely with the Group's broader international identity and diversified the division's service offering.

The division expanded beyond its traditional East Coast footprint and entered additional sectors including clothing and textiles, while continued participation in seasonal worker programmes further diversified the revenue base.

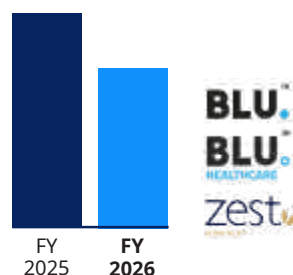
Within healthcare, the business increased focus on residential care, nursing and acute-care staffing, supporting more stable and recurring demand profiles.

While overall financial performance was impacted by the client loss, the division exits the year with an improved margin profile and broader sector diversification.

Revenue

25,3% ▼

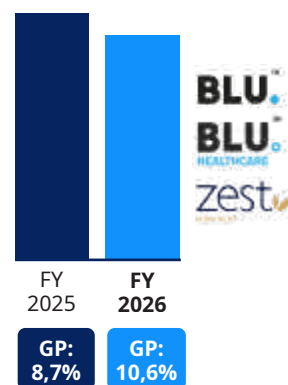
R2,21bn **R1,65bn**



Gross Profit

8,6% ▼

R192,2m **R175,5m**



Professional Services

Revenue within the **Professional Services Australia** division declined from R4,01 billion to R3,69 billion, or 3,9% on a constant currency basis, while gross margin softened from 8,0% to 7,5%.

During the year, management continued executing on its strategy of improving portfolio quality and margin sustainability. A number of material low-margin contracts were exited during the second half of the financial year. While this negatively impacted revenue, the impact on profitability was limited and is expected to support margin improvement going forward.

The division continued operating in a challenging market environment characterised by softness in permanent recruitment activity and cautious client spending patterns.

The business continued benefiting from its sector-focused operating model and secured new client wins across the Federal Government, Professional Services and Financial Services sectors.

Continued commercial discipline, tighter cost management and operational efficiencies contributed to a more streamlined and lower operating cost base during the year.

While market conditions remained challenging, the division achieved improved momentum during the second half and continued repositioning toward higher-quality and more sustainable revenue streams.

As part of its broader diversification and margin expansion strategy, the division also launched Skills Collective, a Statement of Work-focused offering aimed at expanding higher-value project-based and specialist workforce solutions across the Australian market.

Revenue

8,0% ▼

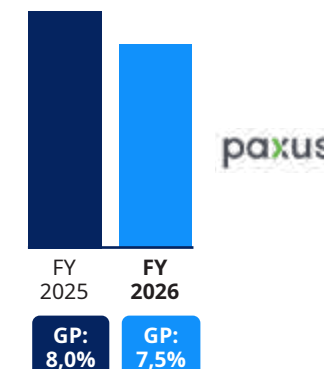
R4,01bn **R3,69bn**



Gross Profit

14,0% ▼

R322,4m **R277,2m**



Financial position

Summarised consolidated statement of financial position

R'000	Audited Year end Feb 2026	Audited Year end Feb 2025	Var (%)
Assets			
Property and equipment	16 570	20 175	(17,9)
Right-of-use lease assets	188 196	246 315	(23,6)
Intangible assets and goodwill	570 477	579 281	(1,5)
Tax and deferred tax asset	254 431	293 475	(13,3)
Trade and other receivables	1 607 802	1 634 934	(1,7)
Cash and cash equivalents	389 061	494 000	(21,2)
Total assets	3 026 537	3 268 180	
Equity and liabilities			
Capital and reserves	1 532 035	1 490 576	2,8
Lease liabilities	342 513	379 397	(9,7)
Tax and deferred tax liability	35 770	94 305	(62,1)
Provisions, trade and other payables	1 116 219	1 303 902	(14,4)
Total equity and liabilities	3 026 537	3 268 180	

The Group's balance sheet remained strong and well capitalised at the end of FY2026.

Total equity increased to R1,53 billion, while tangible net asset value increased from R911 million to R962 million.

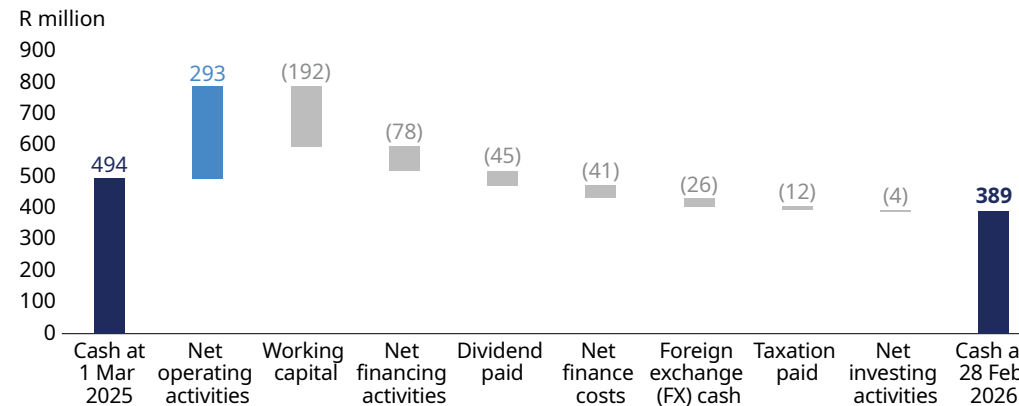
The Group continues to maintain healthy liquidity levels and substantial financial flexibility.

Liquidity and cash flow

Summarised consolidated statement of cash flows

R'000	Audited Year end Feb 2026
Cash generated from operations excluding working capital	292 853
Working capital changes	(191 894)
Cash generated from operations	100 959
Net cash generated from operating activities	33 968
Net cash utilised in investing activities	(3 934)
Net cash utilised in financing activities	(123 158)
Net decrease in cash and cash equivalents	(93 124)
Cash and cash equivalents at the beginning of the year	494 000
Foreign currency adjustment	(11 815)
Cash and cash equivalents at the end of the year	389 061

Cash flow movements



The Group generated robust cash flow from operations during the year, with operating cash flow before working capital movements amounting to R293 million.

Working capital movements absorbed R192 million during the year, primarily driven by timing differences, reductions in provisions and settlement timing movements across parts of the business.

Management remains comfortable that these movements do not reflect underlying operational concerns within the working capital cycle, with a normalised view of working capital presented later.

Dividend distributions of R78 million were paid to shareholders during the year.

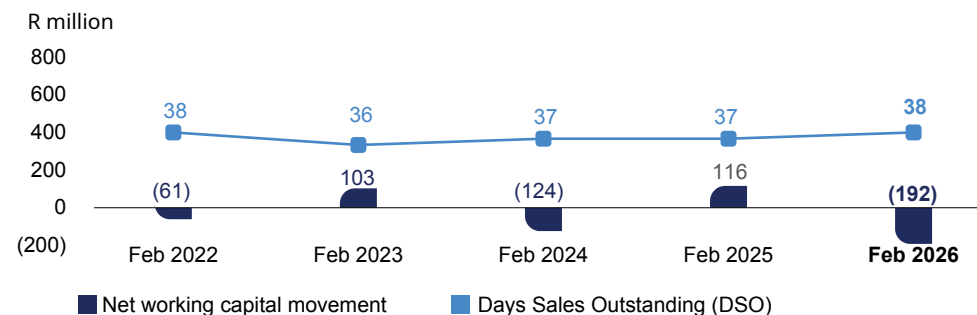
Net financing activities primarily related to lease repayments during the period.

As a result, cash and cash equivalents decreased from R494 million to R389 million at year-end, including restricted cash of approximately R47 million.

Despite the lower year-end cash balance, the Group continued to demonstrate resilient cash generation and disciplined capital management during the year.



Working capital management



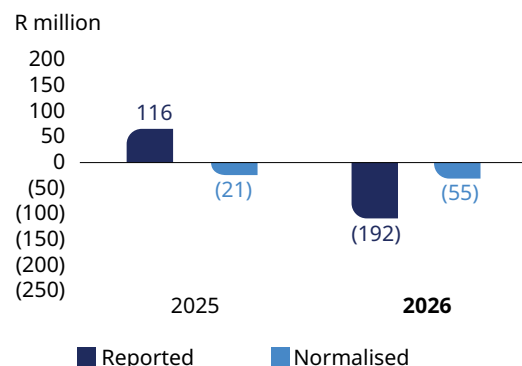
The Group maintained effective debtor management processes during the year, with DSO closing at 38 days and expected credit losses remaining at low levels.

While the Group continues to experience commercial pressure from certain clients to extend payment terms, overall debtor quality remains high and collections continued largely in line with agreed payment profiles.

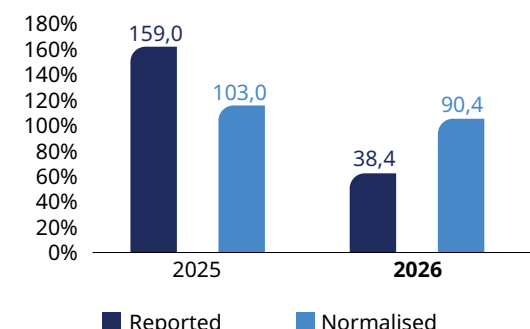
Trade and other payables reduced during the year, primarily reflecting settlement timing differences and operational working capital movements.

Management remains comfortable with the overall quality of the receivables book and the effectiveness of the Group's working capital management processes.

Net working capital movement



Cash conversion



The Group's reported working capital movement for FY2026 was significantly impacted by several timing-related and non-recurring items across the business.

These included timing differences relating to certain statutory settlement cycles, reductions in contractor-related provisions following the loss of a significant Australian client and changes in settlement timing within certain customer-specific operating arrangements around year-end. In addition, certain customer receipts were impacted by financial year-end processing cut-off dates, although these have not been normalised within management's adjusted view.

Management has applied a consistent normalisation approach to both FY2025 and FY2026. This is important because the FY2025 reported working capital outcome benefited from timing movements in the opposite direction, while FY2026 was negatively impacted by similar timing effects.

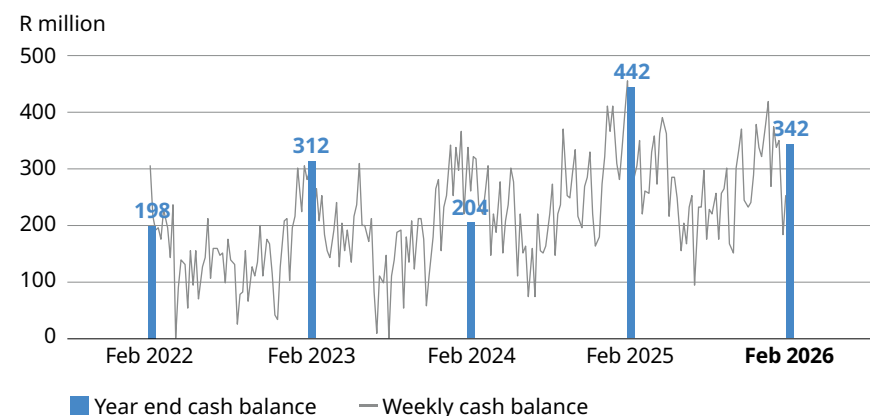
The normalised view therefore provides a more balanced assessment of the Group's underlying working capital cycle and cash conversion profile across the two-year period.

On this basis, FY2026 normalised working capital absorption is approximately R55 million compared to the reported absorption of R192 million, while FY2025 moves from reported cash generation of R116 million to normalised absorption of R21 million.

This also has a corresponding impact on cash conversion. While reported cash conversion reduced materially in FY2026, the normalised view shows a more consistent underlying cash conversion profile across FY2025 and FY2026.

The purpose of this analysis is not to replace the reported statutory position, but to provide additional insight into the point-in-time working capital effects that can arise at financial year-end.

Net cash trend*



This graph illustrates the Group's weekly cash profile over the past four financial years relative to the reported year-end cash balances.

As demonstrated by the graph, the Group's cash position can fluctuate materially throughout the financial year as a result of customer payment timing, settlement cycles and broader working capital movements across the business.

Accordingly, management believes that point-in-time year-end cash balances and working capital positions should be considered alongside broader intra-period cash trends when assessing the Group's underlying liquidity profile and cash generation characteristics.

Despite periodic timing-related volatility at reporting dates, the Group has consistently maintained healthy liquidity levels and a solid operational cash platform across the period under review.

Over the same period, the Group has continued returning capital to shareholders through consistent dividend distributions and targeted share buy-backs, while maintaining balance sheet strength and financial flexibility. Taking into account the final dividend declared for FY2026, the Group will have returned more than R400 million of capital to shareholders over the past five financial years, representing well over half of the Group's market capitalisation at year end.

While several markets remain subdued and macroeconomic uncertainty persists, management remains focused on operational execution, profitability enhancement, working capital discipline and disciplined capital allocation.

The Group remains focused on maintaining operational discipline and positioning the business appropriately as market conditions evolve.

Dividends

Consistent with Adcorp's capital allocation framework, the board declared a final gross dividend of 46,9 cents per ordinary share (2025: 50,0 cents per ordinary share). Together with the interim gross dividend of 24,8 cents per ordinary share paid during the year, this brings the total dividend for FY2026 to 71,7 cents per ordinary share.

Appreciation

I would like to thank all Adcorp employees for their commitment, professionalism and resilience throughout FY2026.

Despite challenging trading conditions across many of our markets, your dedication and focus enabled the Group to continue executing on its strategic priorities while maintaining strong operational discipline.

To the board of directors and executive committee, thank you for your continued guidance, oversight and support. Your stewardship has been instrumental in helping the Group navigate a dynamic operating environment while maintaining a disciplined focus on strengthening the Group's financial position and creating sustainable long-term value.

As we look ahead, I remain confident in the strength of our people, the resilience of our business and our ability to adapt to changing market conditions. These qualities position Adcorp well to continue creating sustainable value for all stakeholders.

Noel Prendergast
Chief Financial Officer

Distribution to external shareholders

Nil

R62m

R128m

R39m

R78m

Share buy-back

R4m

R20m

R7m

R7m

R4m

* Excluding restricted cash.

Five-year performance

STATEMENT OF FINANCIAL POSITION

	2026 R'000	2025 R'000	2024 R'000	2023 R'000	2022 R'000
Assets					
Non-current assets	1 001 402	1 117 802	1 133 443	1 238 869	1 290 954
Property and equipment	16 570	20 175	24 678	30 811	37 171
Right-of-use asset	188 196	246 315	249 800	291 785	323 432
Intangible assets	70 479	87 957	109 047	123 684	125 773
Goodwill	499 998	491 324	515 782	512 695	512 723
Other financial assets – investment at fair value	–	–	–	21 074	19 597
Deferred taxation	226 159	272 031	219 640	214 833	214 187
Prepayments	–	–	14 496	43 987	58 071
Current assets	2 025 135	2 150 378	1 989 319	1 922 796	1 909 718
Trade receivables	1 512 834	1 523 989	1 512 337	1 337 049	1 336 354
Other receivables	94 968	110 945	169 744	136 242	143 562
Taxation prepaid	28 272	21 444	31 989	33 957	9 447
Cash and cash equivalents and restricted cash	389 061	494 000	275 249	415 548	420 355
Total assets	3 026 537	3 268 180	3 122 762	3 161 665	3 200 672

	2026	2025	2024	2023	2022
Equity and liabilities					
Total equity	1 532 035	1 490 576	1 459 705	1 534 677	1 472 529
Share capital and share premium	1 740 562	1 740 562	1 740 858	1 740 858	1 740 858
Treasury shares	(94 502)	(94 595)	(93 864)	(91 170)	(72 172)
Reserves	(114 025)	(155 391)	(187 289)	(115 011)	(196 157)
Non-current liabilities	285 022	376 520	349 445	388 936	438 004
Lease liabilities	266 998	305 455	303 881	331 977	348 493
Deferred taxation	15 218	68 564	41 054	56 959	89 511
Provisions	2 806	2 501	4 510	–	–
Current liabilities	1 209 480	1 401 084	1 313 612	1 238 052	1 290 139
Interest-bearing borrowings	–	–	–	–	133 336
Lease liabilities	75 515	73 942	75 259	77 433	75 472
Bank overdraft	–	–	–	–	–
Trade and other payables	894 311	1 052 118	996 416	898 855	819 610
Provisions	219 102	249 283	216 504	234 889	203 930
Taxation payable	20 552	25 741	25 433	26 875	57 791
Total equity and liabilities	3 026 537	3 268 180	3 122 762	3 161 665	3 200 672

STATEMENT OF PROFIT AND LOSS

	2026 R'000	2025 R'000	2024 R'000	2023 R'000	2022 R'000
Revenue	12 458 013	13 236 678	12 982 141	12 048 951	11 318 048
Cost of sales	(11 222 944)	(11 935 225)	(11 725 110)	(10 766 543)	(10 109 805)
Gross profit	1 235 069	1 301 453	1 257 031	1 282 408	1 208 243
Other income	19 484	14 786	24 857	19 743	19 553
Operating expenses	(1 077 255)	(1 144 617)	(1 153 182)	(1 138 246)	(1 026 821)
Operating profit before finance income and costs	177 298	171 622	128 706	163 905	200 975
Finance income	16 427	11 318	11 161	5 589	5 243
Finance costs	(41 962)	(45 647)	(49 931)	(50 981)	(69 015)
Profit before taxation	151 763	137 293	89 936	118 513	137 203
Taxation (expense)/ income	(5 769)	3 563	(1 894)	2 241	(31 890)
Tax rate	3,8%	(2,6%)	2,1%	(1,9%)	23,2%
Profit for the year from continuing operations	145 994	140 856	88 042	120 754	105 313
(Loss)/profit from discontinued operations	–	–	–	(79 980)	13 644
Profit for the year	145 994	140 856	88 042	40 774	118 957
Operating profit before finance income and costs	177 298	171 622	128 706	163 905	200 975
Depreciation and amortisation	(69 689)	(71 662)	(79 947)	(85 021)	(88 734)
Impairments, derecognition of lease liabilities and right-of-use asset (ROUA) and profits/(losses) on the disposal of businesses	(15 819)	(1 023)	216	(34 172)	(4 952)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	262 806	244 307	208 437	283 098	294 661
IFRS 16 interest expense	(39 335)	(40 984)	(42 615)	(44 090)	(45 087)

STATISTICS

	2026	2025	2024	2023	2022
Weighted number of shares	102 967 417	102 939 974	102 867 948	103 387 640	106 692 859
Headline earnings per share – total (cents)	153,0	135,4	83,8	61,1	99,4
Continuing operations	153,0	135,4	83,8	147,8	99,7
Discontinued operations	–	–	–	(86,7)	(0,3)
Earnings per share – total (cents)	141,9	134,7	83,8	37,3	109,1
Continuing operations	141,9	134,7	83,8	114,7	96,3
Discontinued operations	–	–	–	(77,4)	12,8

RATIOS

	2026	2025	2024	2023	2022
Return ratios					
Return on equity					
<i>Profit after tax/Total equity</i>	9,5%	9,4%	6,0%	7,9%	7,2%
Return on total assets					
<i>Profit after tax/Total assets</i>	4,8%	4,3%	2,8%	3,8%	3,3%
ROCE					
<i>Net operating profit after tax/Average invested capital</i>	10,24%	9,56%	6,64%	11,05%	8,95%
ROIC (net of goodwill)					
<i>Net operating profit after tax/Average invested capital (net of goodwill)</i>	15,57%	14,85%	10,31%	16,47%	13,09%
ROCE (EBIT)					
<i>Operating profit before finance costs and income/ (Total equity plus non-current and current interest-bearings borrowings)</i>	11,6%	11,5%	8,8%	10,7%	12,5%
Margin ratios					
Gross profit margin					
<i>Gross profit/Revenue</i>	9,9%	9,8%	9,7%	10,6%	10,7%
Cost to income					
<i>Operating expense/Revenue</i>	8,6%	8,6%	8,9%	9,4%	9,1%
EBITDA/Net revenue					
<i>EBITDA/Gross profit*</i>	21,3%	18,8%	16,6%	22,1%	24,4%
EBITDA margin					
<i>EBITDA/Revenue</i>	2,1%	1,8%	1,6%	2,3%	2,6%
Operating profit margin					
<i>Operating profit before finance costs and income/ Revenue</i>	1,4%	1,3%	1,0%	1,4%	1,8%
Net margin					
<i>Profit after tax/Revenue</i>	1,2%	1,1%	0,7%	1,0%	0,9%

* Gross profit has not been adjusted for the allocated direct salaries.

	2026	2025	2024	2023	2022
Leverage/gearing					
Gearing: Gross debt to equity ratio					
<i>(Non-current plus current interest-bearing borrowings)/Total equity</i>	0,0%	0,0%	0,0%	0,0%	9,1%
Gearing: Net debt to equity					
<i>(Non-current plus current interest-bearing borrowings less cash & cash equivalents)/ Total equity</i>	(25,4%)	(33,1%)	(18,9%)	(27,1%)	(19,5%)
Equity ratio					
<i>Total equity/Total assets</i>	50,6%	45,6%	46,7%	48,5%	46,0%
Gross debt ratio					
<i>(Non-current plus current interest-bearing borrowings)/Total assets</i>	0,0%	0,0%	0,0%	0,0%	4,2%
Net debt to EBITDA					
<i>(Non-current plus current interest-bearing borrowings less cash & cash equivalents)/EBITDA</i>	(1,48)	(2,02)	(1,32)	(1,47)	(0,97)
Gross debt to EBITDA					
<i>(Non-current plus current interest-bearing borrowings)/EBITDA</i>	-	-	-	-	0,45
Efficiency					
Total asset turnover (times)					
<i>Revenue/Total assets</i>	4,1	4,1	4,2	3,8	3,5
Debtor collection (days) (DSO)	38	37	37	36	38
Liquidity					
Asset ratios					
Current ratio					
<i>Current assets/Current liabilities</i>	1,67	1,53	1,51	1,55	1,48
Cash ratio					
<i>Cash & cash equivalents/Current liabilities</i>	32,2%	35,3%	21,0%	33,6%	32,6%
Earnings ratio					
Times interest earned ratio					
<i>Operating profit before finance costs and income/ Net interest costs</i>	6,94	5,00	3,32	3,61	3,15

CASH FLOWS

	2026 R'000	2025 R'000	2024 R'000	2023 R'000	2022 R'000
Cash generated from operations before working capital changes	292 853	272 507	247 847	274 317	321 033
Cash generated by operations	100 959	388 386	123 772	377 671	260 018
Net cash generated from operating activities	33 968	335 158	64 436	259 557	145 735
Net cash (outflow)/inflow from investing activities	(3 934)	(7 843)	14 184	(31 691)	128 758
Net cash outflow from financing activities	(123 158)	(87 224)	(176 040)	(254 886)	(368 652)
Net (decrease)/increase in cash and cash equivalents	(93 124)	240 091	(97 420)	(27 020)	(94 159)

SHARE PERFORMANCE

	2026	2025	2024	2023	2022
Market price per share					
Highest (R)	7,47	5,55	6,90	6,50	7,39
Lowest (R)	3,66	3,60	3,17	4,38	4,65
Year-end (R)	6,40	4,41	4,50	4,41	6,00
Number of shares in issue	109 880 974	109 880 974	109 954 675	109 954 675	109 954 675
Volume traded during the period	13 017 161	15 519 479	20 121 281	17 637 841	25 941 579
Ratio of volume traded to shares issued (%)	11,85	14,12	18,30	16,04	23,59
Rand value traded during the period (R)	78 593 718	71 475 198	100 686 123	95 196 084	155 932 759
Price/earnings ratio as at year end (%)	4,5	3,3	5,4	11,8	5,5
Earnings yield as at year end (%)	25,03	17,9	18,6	8,5	18,2
Dividend yield as at year end (%)	9,35	6,82	5,45	6,51	7,83
Market capitalisation as at year end (R)	703 238 234	484 575 095	494 796 038	484 900 117	659 728 050

05 PROTECTING VALUE THROUGH GOOD GOVERNANCE

Our leadership

The Adcorp Group's unitary board comprises six independent non-executives, two non-executive directors, and two executive directors. Its primary role is to provide strategic leadership to ensure long-term sustainability and success for all stakeholders. This includes: setting, monitoring and reviewing strategic targets and objectives; approving capital expenditure, acquisitions and disposals; overseeing governance and internal controls; and managing risk.

Board of directors at the date of publication



Gloria Serobe ⁶⁶

Board Chairperson and non-executive director

QUALIFICATIONS
BCom, MBA

11 Jul 2017

VALUE ADDED TO THE BOARD

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

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Women Investment Portfolio Holdings Limited
- Hans Merensky Holdings Proprietary Limited
- Industrial Development Corporation of SA Limited
- Sasfin Wealth Proprietary Limited

Chair of Nominations Committee



Dr Phumla Mnganga ⁵⁸

Lead independent non-executive director

QUALIFICATIONS
BA, BEd, MBL, PhD

6 Sep 2018

VALUE ADDED TO THE BOARD

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

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Altron Limited
- Exxaro Resources Limited



Melvyn Lubega ³⁷

Independent non-executive director

QUALIFICATIONS
BBusSc, BBusSc (Hons),
MSC, MPP

1 Jul 2020

VALUE ADDED TO THE BOARD

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

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Old Mutual Bank Holdings Limited
- Conduit Capital (Pty) Ltd



Tshidi Mokgabudi ⁷²

Independent non-executive director

QUALIFICATIONS
BCom, BCom (Hons),
CA(SA), HDip Tax law

15 Oct 2020

VALUE ADDED TO THE BOARD

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

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Truworths International Limited
- Detonics Numerous Electronics (DENEL) SOC Limited
- Vukile Property Fund Limited

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

Joined board * **Chair**

COMMITTEES:



HCC Human capital



ARC Audit and risk



SESCo Social, ethics and sustainability



Exco Executive Committee



InvestCom Investment



Joined board * Chair



Herman Singh ⁶⁵

Independent non-executive director

QUALIFICATIONS
BSc, GDE, MBA

6 Sep
2018

VALUE ADDED TO THE BOARD

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

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

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



Robert Radley ⁶¹

Independent non-executive director

QUALIFICATIONS
BSc, BSc (Hons)
Electronics, MSc
(Eng), MBA, EDP
(Cornell), GAICD

2 Jun
2025

VALUE ADDED TO THE BOARD

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

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Edith Cowan University – Deputy Chancellor
- Horizon Power



Clive Smith ⁶⁵

Non-executive director

QUALIFICATIONS
ACIS (SA), EDP

10 Jan
2020

VALUE ADDED TO THE BOARD

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

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Servest Proprietary Limited



Ronel van Dijk ⁵⁴

Independent non-executive director

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

11 Jul
2017

VALUE ADDED TO THE BOARD

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

DIRECTORSHIPS IN LISTED AND/OR SIGNIFICANT UNLISTED COMPANIES

- Hans Merensky Holdings Proprietary Limited
- Omnia Holdings Limited



Dr John Wentzel ⁵⁹

Executive director and
Chief Executive Officer

QUALIFICATIONS
BSc (Hons), MSc,
MBA, PhD

1 Apr
2021

VALUE ADDED TO THE BOARD

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

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



Noel Prendergast ⁵³

Executive director and
Chief Financial Officer

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

21 Oct
2020

VALUE ADDED TO THE BOARD

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

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



Executive committee



Dr John Wentzel

Executive director and Chief Executive Officer

QUALIFICATIONS

BSc (Hons), MSc, MBA, PhD

 1 Apr 2021 



Bruce Toerien

Managing Director: Contingent Staffing South Africa

QUALIFICATIONS

BSoc Sci, Diploma in Labour Law (Henley)

 1 Aug 2003 



Natasha Parmanand

Managing Director: Staffing Solutions South Africa

QUALIFICATIONS

LLB, LLM

 15 Aug 2024 



Heidi Duvanage

Managing Director: Professional Services South Africa

QUALIFICATIONS

BCom (Law)

 1 Jun 2024 



Noel Prendergast

Executive director and Chief Financial Officer

QUALIFICATIONS

CA(SA), BCom, BCompt (Hons)

 21 Oct 2020 



Zeb Riddell

Managing Director: Contingent Staffing Australia

QUALIFICATIONS

MBA

 3 Mar 2025 



Darran Butcher

Managing Director: Professional Services Australia

QUALIFICATIONS

MAICD, ACCA (UK), AAT (UK)

 6 May 2025 



Our governance overview

As a leading, technology-enabled workforce solutions group operating across South Africa and Australia, Adcorp's 50+ year legacy has been built on an ethical value system, strong stakeholder relationships and governance practices designed to support integrity, accountability and long-term value creation. Good governance remains central to how Adcorp is directed, controlled and held accountable.



Our governance philosophy

Adcorp's governance objectives are aligned to King IV and are intended to promote ethical and effective leadership, strong performance, prudent control, sustainable value creation and legitimacy. The board supports mindful governance and integrated thinking, and seeks to ensure that governance policies, practices and frameworks are practical, value-accretive and responsive to a changing operating context.

These frameworks are reviewed regularly in light of economic and geopolitical conditions, technological change, corporate citizenship-related risks, workplace cultural shifts, and the increasing importance of data, cyber and AI governance.

During FY2026, the Group again applied the principles of King IV and complied, in all material respects, with the mandatory corporate governance provisions of the JSE Listings Requirements. The board has also begun preparing for the transition to King V, with a detailed gap analysis underway and focused work identified in relation to strategy, disclosure, technology governance and remuneration alignment to support readiness for the FY2027 reporting cycle.

Group governance framework

Adcorp's governance framework sets out the structures, principles and lines of accountability through which the Group is directed, controlled and held accountable. It provides the foundation for decision-making across the Group and guides how Adcorp Holdings Limited relates to and governs its subsidiaries. The framework is underpinned by the Board Charter, the Group's Memorandum of Incorporation (MoI), committee charters, delegated authority structures, and the broader policy environment that supports ethical conduct, risk management, compliance and performance oversight.

The board's objective is to ensure that governance remains aligned to the Group's strategic direction while also being practical, integrated and fit for purpose across a decentralised operating model. During FY2026, this framework continued to evolve in response to a changing governance landscape, the increasing importance of technology, data and AI oversight, and the Group's transition to the Horizon strategy. The board accordingly reviewed and updated all committee charters during the year and included stronger provisions for consultation and collaboration across committees to support more integrated oversight and clearer escalation pathways.

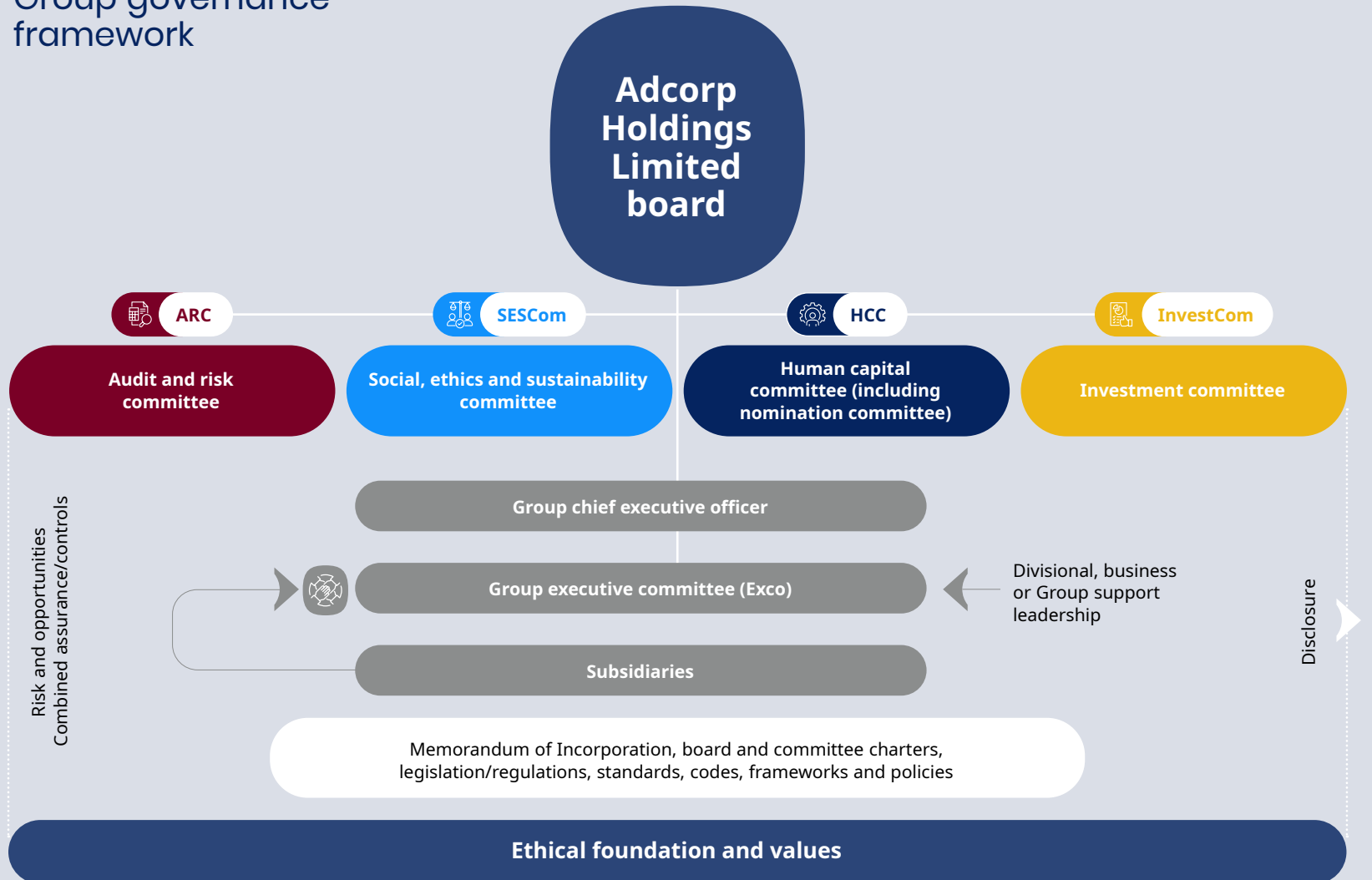
A notable governance development during the year was the reconstitution of the Adcorp Holdings Australia audit committee and the Adcorp Holdings Limited audit and risk committee into a single Group audit and risk committee.

This change strengthened Group-wide oversight, reduced duplication and supported a more consistent approach to audit, risk and compliance matters across the South African and Australian operations. The board also constituted an Independent Board for a specific potential corporate action during the year. Following the conclusion of that process, without the transaction proceeding, the independent board was dissolved in accordance with its limited mandate.

The governance framework also continued to mature operationally. During FY2026, Adcorp brought together its company secretariat, risk and compliance, and corporate citizenship-related functions under a broader governance structure led by the Chief Governance Officer and Company Secretary. This is intended to improve co-ordination across governance disciplines, streamline reporting and strengthen consistency as the Group grows in complexity and geographic reach.

The board delegates specific responsibilities to its committees and to management, but retains overall accountability for governance outcomes. Through this framework, the board seeks to ensure effective oversight of strategy, risk, ethics, compliance, stakeholder matters, remuneration, investment decisions and assurance. The framework is reviewed regularly to ensure that it remains relevant to the Group's operating context and supportive of sustainable long-term value creation.

Group governance framework



Governance in context

The board operated in a context defined by economic stagnation and fragile labour markets in parts of the Group's footprint, labour law and other regulatory reforms, workforce shifts towards digital, flexible and skills-based models, industry disruption in recruitment and staffing, internal recovery and strengthened financial resilience following restructuring, divergent regional performance between South Africa and Australia, and increasingly demanding ESG, governance and stakeholder expectations. These conditions required the board to prioritise strategic clarity, disciplined execution, technology and AI governance, human capital and remuneration refinement, ESG stewardship, and risk-balanced growth and capital discipline.

FY2026 focus areas

The board's work during FY2026 was shaped by a demanding operating context and a number of significant governance and strategic priorities. Key focus areas included:

- Overseeing the transition from the Brandshift strategy to Horizon;
- Maintaining disciplined oversight of business performance, capital allocation and earnings quality;
- Strengthening the Group's governance framework, including updates to charters and policies;
- Reviewing the ERM framework and redefining the Group's risk appetite;
- Overseeing technology, data and AI governance, including the establishment of Project Raptor;

- Refining human capital, remuneration and succession oversight; and
- Continuing to embed stakeholder, sustainability and corporate citizenship considerations into governance processes.

Regular board agenda items included detailed feedback from committee chairpersons and updates from the CEO and CFO on financial performance, forecasts, macroeconomic conditions, strategic progress, risk matters, governance priorities, reputational issues and people matters.

FY2027 focus areas

- Aligning governance frameworks and disclosures with King V;
- Strengthening technology, data, cyber and AI governance;
- Refining risk and compliance management systems and reporting;
- Supporting execution of the Horizon strategy;
- Continuing to strengthen remuneration and human capital governance; and
- Deepening stakeholder and sustainability oversight.

The board will also remain attentive to governance and regulatory developments that are expected to guide the Group's approach in the period ahead, including IFRS S1 and S2, proposed amendments to the B-BBEE Codes, and the Employment Equity Act.

The board of directors

The board's primary governance roles and responsibilities

The board provides leadership and guidance that support the cultivation of an ethical culture, sustainable value creation and effective oversight. Its core responsibilities include setting the Group's strategic direction, overseeing performance on material matters, monitoring risk and governance, and acting as a check and balance on executive management's performance and execution of strategy.

While retaining overall accountability, the board has delegated day-to-day management of the business to the CEO. Group Exco is responsible for operational management and meets monthly to consider business performance, strategy, governance, approvals and top risks.

The separation of roles between the Chairperson and the CEO remains a fundamental part of Adcorp's governance structure. This is reinforced by the presence of a Lead Independent Director, whose role includes resolving potential conflicts, supporting sound governance and helping maintain high standards of corporate conduct.

Board composition at year-end

At 28 February 2026, Adcorp had a unitary board comprising 10 directors:

Six independent non-executive directors



Two non-executive directors



Two executive directors



The board believes that its size and composition remain appropriate to support its four standing committees, preserve independence, and ensure an effective balance of skills, experience and perspectives.

Independent non-executives



Dr Phumla Mnganga
Lead independent director



Melvyn Lubega



Tshidi Mokgabudi



Herman Singh



Robert Radley



Ronel van Dijk

Non-executives



Gloria Serobe
Chairperson



Clive Smith



Dr John Wentzel
Group Chief Executive Officer



Noel Prendergast
Group Chief Financial Officer

Executives

Changes to the board during FY2026

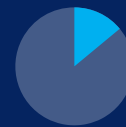
Robert Radley was appointed as an independent non-executive director and member of the Group audit and risk committee with effect from 2 June 2025. The board considered his appointment valuable in strengthening Australian representation, bringing additional industry and market insight.



60% independent non-executive directors



20% non-executive directors



20% executive directors

Board diversity at year end

The board continues to regard diversity as an important enabler of sound decision-making and effective governance. The Human Capital Committee annually reviews board composition and diversity against approved targets. At year-end:



Male

60% ▲

FY2025: 56%



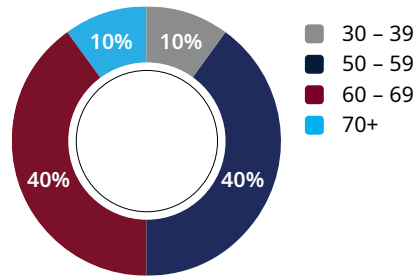
Female

40% ▼

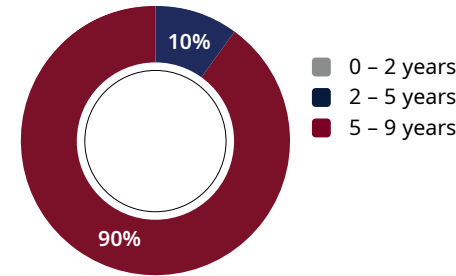
FY2025: 44%

The board amended its gender diversity target from 30% female representation to 40% during the year.

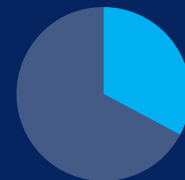
Board age profile at year end



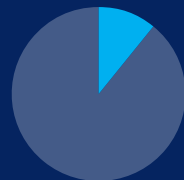
Board tenure at year end



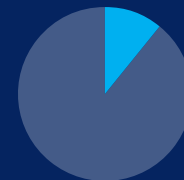
Racial diversity also remained above target, with the board exceeding its 50% ACI target at year-end. Board race diversity at year-end was:



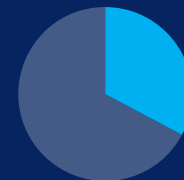
African
40%



Coloured
10%



Indian
10%



White
40%

Independence and conflicts of interest

The board annually assesses the independence of its independent non-executive directors and is satisfied that they continue to demonstrate objective judgment and independence in practice. Directors and officers are required to disclose actual or potential conflicts of interest timeously. Conflicts are declared at the start of board meetings, recorded by the Company Secretary and monitored through a formal register. The board's approach to conflict management forms part of its broader commitment to ethical governance.

Election, rotation and director appointments after 28 February 2026

In accordance with the MoI, at least one-third of directors retire by rotation at each AGM and may offer themselves for re-election. Board members do not serve fixed terms. The retirement age for non-executive directors is 73, extendable to 75 at the board's discretion subject to fitness and other governance considerations.

In line with these provisions and the board's succession planning process, Clive Smith will retire from the board at the upcoming AGM and will not offer himself for re-election. Dr Phumla Mnganga has also announced her intention to resign from the board at the upcoming AGM but will remain available to the board to support a seamless transition. The board has considered the associated succession requirements and appointed Vincent Raseroka and Alupheli Sithebe as independent non-executive directors with effect from 1 July 2026, with Vincent in the role of lead independent director.

Company Secretary

Directors have unfettered access to the Company Secretary, who provides governance guidance and support to the board and its committees. The Company Secretary advises directors, collectively and individually, on their duties, responsibilities and powers, and helps ensure that the board remains informed of relevant laws, regulations and governance developments affecting the Group.

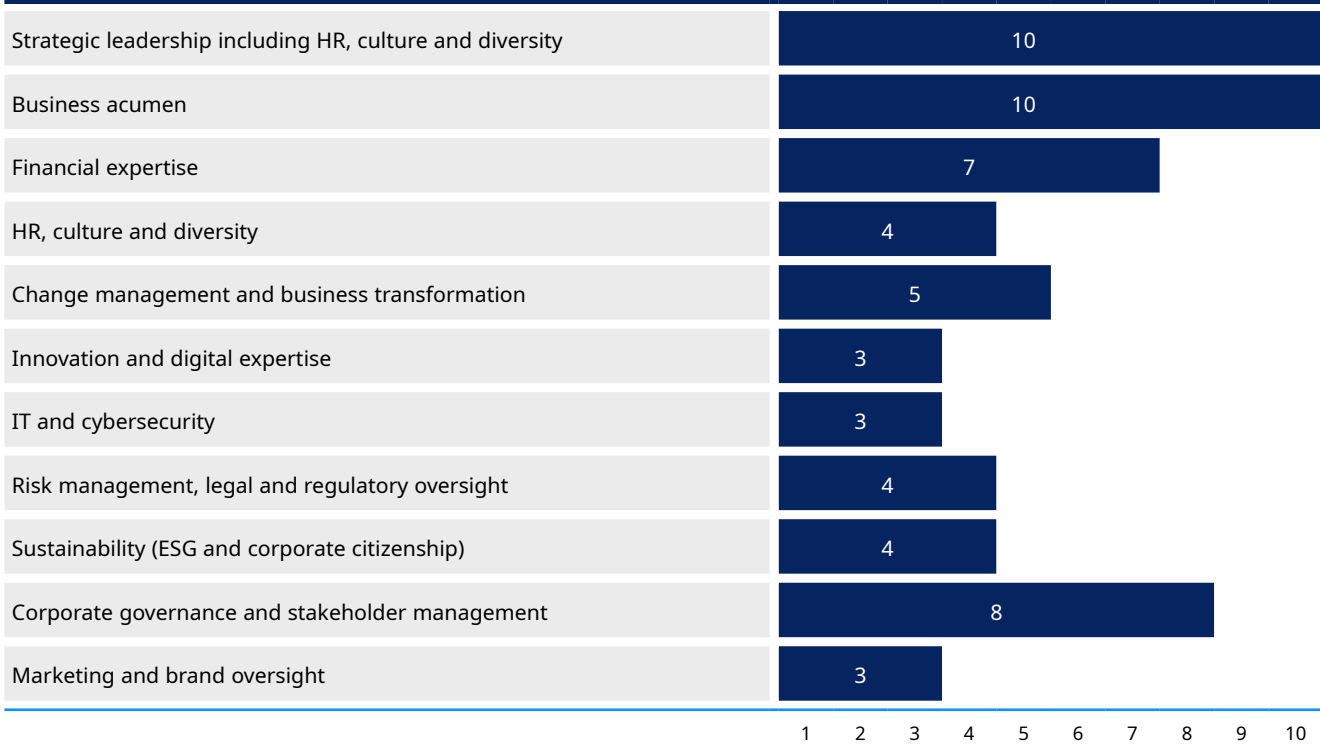
The board has considered and remains satisfied with the competence, qualifications and experience of the Company Secretary, Charissa de Jager. In fulfilling her governance and administrative responsibilities, she maintains an arm's-length relationship with the board and its directors. She also serves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

Board effectiveness, skills and succession

In accordance with the board charter, formal evaluations of the board and its committees are conducted on a regular cycle, with independent evaluations undertaken periodically. A formal board and committee evaluation was conducted in FY2025, and the next evaluation is scheduled for FY2027. The board remains satisfied that it continues to function effectively and in line with its strategic oversight role.

Board skills and expertise

(number of directors with experience)



The FY2025 evaluation confirmed that the board fosters a healthy dynamic characterised by open discussion, respectful challenge and transparent decision-making, with due consideration of risk and broader implications. It also confirmed that the committees were operating effectively, with appropriate overlap but without unnecessary duplication. The board has continued to apply those insights during FY2026, particularly in relation to succession planning, board composition and the ongoing refinement of committee mandates and governance processes.

The HCC continues to support the board in assessing whether it maintains the right balance of knowledge, experience, skills, diversity and independence to discharge its responsibilities effectively. The board remains confident in its collective capability to provide ethical and effective leadership in a changing governance and business environment.

Governance culture and ethical leadership

Adcorp is committed to being a responsible corporate citizen and to conducting business with honesty, integrity, transparency and respect. Directors are expected to declare conflicts early and fully, challenge unethical behaviour, demonstrate diligence and preparedness, and hold one another to account. The board approves the Group's purpose, core values, code of ethics and related behavioural standards for employees, leadership and suppliers.

The board, through its committees, oversees an ethics-management framework that includes whistleblowing mechanisms, anti-corruption controls, fraud risk oversight and the regular review of key policies governing acceptable behaviour, procurement, gifts and interests. Ethics and culture also form part of how leadership is assessed. The board and HCC monitor whether managers “walk the talk”, and seek to ensure that executive remuneration does not encourage unethical risk-taking. Employee ethics and engagement surveys, 360 reviews and performance assessments are part of this monitoring approach.

The board remains confident in the strength of the Group's governance culture. It takes comfort from well-designed frameworks, transparent reporting practices, clear committee mandates, regular assurance from internal and external providers, and evidence that governance processes are actively used across the business.

During FY2026, the board approved an updated supplier code of conduct, implemented a new human rights statement and reviewed the Group's modern slavery statement, further strengthening the ethical foundations of the business.



Principles that drive our code of ethics

Adcorp's code of ethics is grounded in principles that guide conduct across the Group and reinforce the kind of culture the board expects to see throughout the organisation.

Integrity, professionalism and avoidance of conflicts of interest

All employees represent Adcorp in the way they act, decide and engage. The Group therefore expects responsible conduct, sound judgment and behaviour that protects and enhances Adcorp's reputation. Integrity remains the central principle underlying employee and leadership conduct.

Respect for individuality, diversity and equality

Adcorp recognises that its people are central to its success. The Group seeks to respect the dignity of every individual, value diversity in its broadest sense, and support equality and inclusion across the workplace.

Honesty and anti-corruption

Adcorp aims to build trust through honest, reliable and transparent business conduct. The Group's approach to clients, candidates, suppliers and other stakeholders is underpinned by anti-corruption principles and a commitment to fair dealings and honest business practices.

Freedom of choice of employment and association

Adcorp does not permit forced or compulsory labour. Employees remain free to terminate employment in accordance with contractual notice provisions and are entitled to freedom of association and lawful representation.

Health and safety

Adcorp remains committed to supporting safe and healthy work environments for employees, contractors and visitors, and to complying with all applicable health and safety requirements.

Respect for privacy and protection of personal information

The Group respects the personal information of clients, employees, suppliers and applicants, and manages such information in line with applicable privacy and data protection laws, including Protection of Personal Information Act (POPIA), and the Australian Privacy Act.

Compliance

As a listed company operating in regulated labour markets, Adcorp is committed to conducting business in accordance with applicable laws, regulations, standards and internal policies. Compliance is treated not as a narrow legal requirement, but as a core element of responsible business conduct.

Prohibition of child labour and human rights abuses

Adcorp supports human rights and the abolition of child labour. The Group does not endorse any form of child labour or human rights abuse, and suppliers are expected to comply with applicable legal and ethical standards in this regard.

The board is satisfied that these principles, supported by the Group's ethics management framework, whistleblowing mechanisms, anti-corruption controls and policy environment, continue to underpin Adcorp's ethical culture.

Risk, technology and assurance oversight

The board continued to strengthen risk oversight during FY2026. The ERM framework underwent a comprehensive review and the Group's risk appetite was redefined. Technology and AI transformation, together with broader data, information and technology governance, increased in importance during the year and remain strategic focus areas, particularly in support of Horizon and Project Raptor.

Internal audit remains outsourced to EY and reports quarterly to the ARC. The board takes comfort from the integrated management of assurance, risk and compliance oversight, internal audit and external assurance providers. Internal audit continues to provide an annual assessment of governance, risk management and internal control effectiveness. No processes were rated as 'unsatisfactory' in FY2026, maintaining consistency with previous years.

Stakeholder and sustainability oversight

The board continues to apply a stakeholder-inclusive approach. Stakeholder management is overseen by SESCom, with material issues escalated to the board where appropriate. During FY2026, matters requiring particular attention included increased regulatory scrutiny in both regions, governance issues at the Services Sector Education and Training Authority (SETA), and the review of the Group's B-BBEE structure, which was considered by InvestCom and SESCom to ensure alignment with transformation principles and stakeholder expectations. Stakeholder inputs received during the year included sentiment analysis, ethics and employee engagement survey results, investor feedback, analyst views and whistleblowing trends.

The board continued to receive stakeholder-related insights through ethics trends, employee engagement surveys, investor feedback, analyst views and whistleblowing trends.

The board maintained its oversight of the Group's corporate citizenship strategy. During FY2026, we ran a comprehensive double materiality assessment, which identified nine material matters and confirmed the ongoing relevance of our four corporate citizenship strategy pillars:

-  Stakeholders
-  ESG
-  DEIB
-  CSR

The Group is moving from a more compliance-led phase towards greater maturity, including improved supply-chain transparency and clearer prioritisation of ESG risks and opportunities.

Board committees

Board committees play a critical role in supporting the board's governance responsibilities. Each committee has a defined mandate and reports to the board regularly. During FY2026, all committee charters were updated to remain aligned with evolving governance requirements and good practice. Provisions were also added to strengthen consultation and collaboration between committees and support integrated oversight.

During the year, the Adcorp Holdings Australia audit committee and the Adcorp Holdings Limited audit and risk committee were reconstituted into a single group audit and risk committee, further strengthening integrated Group oversight. The board also constituted an Independent Board for a specific potential corporate action, which was dissolved once that limited mandate concluded.

Cross-committee coordination

FY2026 required several matters to be considered across committee boundaries. These included:

- The impact of the loss of a major client in Australia, which was discussed by both the ARC and SESCom; and
- The delineation of fair and responsible remuneration responsibilities between HCC and SESCom.



ARC

Group audit and risk committee

Members:

Tshidi Mokgabudi – *Chair* | Melvyn Lubega | Herman Singh | Ronel van Dijk | Robert Radley

Mandate

All ARC members are independent non-executive directors. The ARC assists the board in relation to safeguarding assets, internal control, risk management, financial reporting, and oversight of internal and external audit. During FY2026, it also oversaw the integrity of non-financial disclosures and

confirmed the continued suitability of the CFO and finance function. The ARC also considered the suitability and independence of the internal and external auditors and recommended the re-appointment of KPMG as external auditors of the Group.



SESCom

Social, ethics and sustainability committee

Members:

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

Mandate

All SESCom members are independent non-executive directors. The committee supports the board in overseeing organisational ethics, transformation, social responsibility, sustainable development, stakeholder relationships and broader corporate citizenship matters. During the year, it continued to

support the board in monitoring transformation, sustainability and stakeholder issues, and in embedding stakeholder policy and management processes across the Group.



Read more in the Chair of the **SESCom's** report on page 63.



HCC

Human capital committee

Members:

Phumla Mnganga – *Chair* | Gloria Serobe | Clive Smith | Ronel van Dijk

Mandate

The HCC assists the board in relation to board composition, succession planning, executive appointments, remuneration and organisational health. At year-end, 50% of HCC members were independent non-executive directors. During the year the HCC performed a comprehensive review of the LTI and STI policies and remuneration framework.

The HCC also collaborated with SESCom during the year to clarify the respective mandates of the two committees in relation to fair and responsible remuneration.



Read more in the Chair of the **Remuneration committee's** report on page 66.



InvestCom

Investment committee

Members:

Herman Singh – *Chair* | Melvyn Lubega | Clive Smith | John Wentzel | Noel Prendergast

Mandate

The committee assists the board in assessing and approving capital projects, investments and divestments in line with the Group's investment criteria. During FY2026, it continued to oversee portfolio optimisation, review the weighted average cost of capital (WACC) and support the capital allocation framework.

Board and committee meetings

The board meets at least quarterly, with additional meetings convened when necessary, board and committee meeting attendance for the year ended 28 February 2026 is set out below:

MEMBER	Board	ARC ¹	HCC ²	SESCo ³	InvestCo ³
Non-executives					
Gloria Serobe*	4/4		2/2		
Phumla Mnganga	4/4		4/4	3/3	
Herman Singh	4/4	5/5			2/2
Ronel van Dijk	4/4	5/5	4/4	3/3	
Clive Smith	4/4		4/4		2/2
Tshidi Mokgabudi	4/4	5/5		3/3	
Melvyn Lubega	4/4	5/5			2/2
Robert Radley**	3/4	5/5			
Executives					
John Wentzel***	4/4	4/5 [#]	4/4 [^]	2/3 [~]	2/2
Noel Prendergast***	4/4	5/5 [#]	4/4 [^]		2/2

* Gloria Serobe attends only the nominations committee meetings of the HCC.

** Appointed effective 2 June 2025.

*** Attends ARC[#], HCC[^] and SESCO[~] by invitation.

1. Of the five ARC meetings held during the year, one was a risk workshop and four were ordinary meetings.
2. Of the four HCC meetings held, one was a special meeting.
3. Of the two InvestCo meetings held, one was a special meeting.



Application of King IV principles

A note about King V

While this FY2026 integrated annual report continues to report Adcorp's governance alignment against King IV, the board has also remained cognisant of the emerging King V framework and has begun aligning key governance practices and disclosures in advance of its application to future reporting cycles. In particular, the Group has continued to strengthen governance documentation, disclosure quality, remuneration transparency, and oversight of technology, information and AI-related matters, supporting a smoother transition as the new framework comes into effect.

PRINCIPLE 1

Leadership *The governing body should lead ethically and effectively*

Adcorp is committed to being a responsible corporate citizen and to conducting its affairs with the highest standards of ethical behaviour.

In conducting the affairs of the Group, the board endorses the principles of fairness, responsibility, transparency and accountability advocated by King IV. By regularly reviewing the Group's governance structures and policy framework, the board seeks to exercise effective and ethical leadership while acting in the best interests of the Group and remaining attentive to the sustainability of its operations over time. Balancing the long-term sustainability of the business with the legitimate interests of stakeholders is one of the ways in which the board demonstrates ethical and effective leadership.

Board members are required to act in accordance with Adcorp's values, the Group code of ethics and their legal duties as directors under the Companies Act. The Chairperson is responsible for addressing instances where board members do not uphold the conduct and values expected of them. Adcorp's commitment to honesty, integrity, transparency and openness is reflected in the Group code of ethics, which is reviewed annually and approved by the board.

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

- Conflict of interest and disclosure policy.
- Board charter and committee terms of reference, which set out the roles and responsibilities of the board and each committee.
- Group share trading policy.

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

- Oversight by the SESCom of ethics, transformation, social responsibility and corporate citizenship matters;
- Regular declaration of conflicts or potential conflicts of interest as a standing agenda item at board and committee meetings;
- Induction for new board members;
- Annual review of key policies, the board charter and committee terms of reference;
- Annual assessment of board composition by the Nominations Committee;
- Evaluation of the board's overall performance and that of individual directors on a regular cycle;
- Ongoing monitoring of board attendance; and
- Regular reporting by the CEO and executives to the board and its committees.

The board ensures effective leadership through

- Annual reviews of policies, practices, the board charter, and committee terms of reference;
- The Nominations Committee's annual assessment of the board's composition, considering skills, diversity, independence, and experience;
- The evaluation of the board's overall performance and that of individual directors;
- Continuous monitoring of board member attendance at meetings;
- Regular meetings between the CEO and committee chairpersons, supplemented by the CEO's monthly written reports to the board; and
- Executives regularly report to the board and committees, enabling members to ask questions, request information and seek clarity.

The board is satisfied that Adcorp's governance practices continue to support a culture of ethical and effective leadership.

PRINCIPLE 2

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

Governance of ethics

The board is ultimately responsible for the ethical behaviour of the Group and regards sound corporate governance as a critical enabler of sustainable performance and growth. The board oversees the governance of ethics to support the establishment and maintenance of an ethical culture across Adcorp. The Group remains committed to complying with all applicable laws and regulations and continues to support the application of relevant non-binding standards, codes and frameworks.

Being ethical goes beyond legal and regulatory compliance. SESCom provides oversight and guidance on ethics-related initiatives across the Group, including ethics-related policies, training and awareness programmes, investigations and other measures designed to strengthen ethical culture.

Board of directors

Establishes the tone at the top and oversees the governance of ethics to ensure the establishment and maintenance of an ethical culture



Oversees the management of ethics and human rights.



Receives reports about any ethical lapses and fraud incidents or control failures.

Ethics management

The Chief Governance Officer oversees ethics management and reports to the SESCom on trends and regulatory developments in relation to ethics, information on whistleblowing and ethics investigations, updates on ethics management and ethics risk indicators from across the Group.

Human rights management

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

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

- Group code of ethics.
- Whistleblowing policy.
- Gifts, entertainment and hospitality policy.
- Anti-bribery, corruption and fraud policy.
- Modern slavery policy*.
- Corporate citizenship policy.
- Procurement policy and procedures.
- Supplier Code of conduct*.
- Confidentiality policy.
- Standards of professional conduct, performance and ethics.

* During FY2026, the board approved an updated supplier code of conduct, implemented a new human rights statement and reviewed the group's modern slavery statement.

Adcorp takes a zero-tolerance stance to unethical conduct and applies the following ethics-management practices:

- Employees and contractors are contractually bound to adhere to the code of ethics and key policies.
- An independent external whistleblowing hotline is available.
- Policies, codes and regulations are reviewed regularly.
- Ethics training and awareness interventions are conducted periodically.
- Ethics transgressions and whistleblowing reports are monitored through the appropriate governance channels.
- Ethics and related culture indicators are considered through relevant surveys and oversight processes.

The board is satisfied that Adcorp's ethical culture remains well supported by the Group's governance arrangements and embedded practices.



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

PRINCIPLE 3

Responsible corporate citizen

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

Adcorp's approach to corporate citizenship reflects its commitment to conducting business responsibly, with full awareness of the Group's impact on society, the environment and the broader economy, and of how these factors in turn affect the organisation. Corporate citizenship remains a strategic enabler of long-term value creation by helping the Group identify opportunities, manage both financial and non-financial risks, and respond to evolving stakeholder expectations.

Adcorp's vision remains to support fair and efficient labour markets by enabling decent and dignified work, creating value for clients and employees and contributing to a more sustainable future. The board continues to provide oversight of the

Group's corporate citizenship strategy through SESCom, while the ARC considers relevant ESG risks, controls and reporting matters.

During FY2026, we ran a comprehensive double materiality assessment, which identified nine material matters and confirmed the ongoing relevance of our four corporate citizenship strategy pillars: stakeholders, ESG, DEIB, CSR. The Group also progressed from a more compliance-led corporate citizenship approach to greater maturity, including improved supply chain transparency, clearer prioritisation of ESG risks and opportunities and the expansion of supplier ESG assessment through the refinement of its supplier code of conduct.

The board believes that Adcorp continues to operate, and to be seen to operate, as a responsible corporate citizen.

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

PRINCIPLE 4

Strategy and performance

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

The board's primary responsibilities include setting the Company's strategic direction and overseeing performance on material matters. Strategy is developed through a process that considers the operating environment, material risks and opportunities, financial and operating performance, the business model and sustainable development. The annual strategy process includes detailed planning at business unit and Group Exco level, followed by board review and approval.

During FY2026, the board spent considerable time on strategic clarity and the transition from the Brandshift strategy to Horizon. In doing so, it also oversaw the deliberate shift from volume-led growth to margin-led, higher-quality earnings, supported by structural actions and capital allocation decisions intended to improve the scalability, resilience and earnings quality of the business.

The board is satisfied that its oversight of performance on material matters continues to take appropriate account of the factors that contribute to long-term value creation.

 Read our materiality approach on **page 21** of **this report** and  **page 10** of our **corporate citizenship report** respectively.



PRINCIPLE 5

Reporting

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

The board charter describes the board's responsibilities in relation to reporting, including ensuring open, prompt and meaningful communication with shareholders and other stakeholders on both financial and non-financial matters. Adcorp applies integrated thinking in its strategy, decision-making and reporting, and the board, supported by the ARC, is responsible for ensuring the integrity of the Group's integrated annual report and financial reporting.

The ARC oversees Adcorp's financial and integrated reporting, including the review of annual financial statements, interim results, summarised integrated information, price-sensitive disclosures, trading statements and similar communications. In doing so, it considers significant judgments, reporting decisions, regulatory developments and other factors that may affect the integrity of reporting. The board, supported by the SESCom, is responsible for ensuring the integrity of the Group's corporate citizenship report.

The board believes that the Group's reports continue to enable stakeholders to make informed assessments of Adcorp's performance and its short-, medium- and long-term prospects.



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

PRINCIPLE 6

Primary role and responsibility

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

The board is ultimately responsible for the Company's performance, operations and governance. It continues to discharge this role in accordance with its charter, the Companies Act, the Group's MoI and applicable regulations and standards.

The board is satisfied that it continues to serve as the focal point and custodian of corporate governance in Adcorp.

PRINCIPLE 7

Composition of the governing body

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

The board, through the nominations committee, continues to review its composition against the criteria set out in the board charter and relevant diversity policies. Board composition, succession planning, independence, skills and committee constitution remain ongoing focus areas. Non-executive directors are selected based on their skills, business experience, sector knowledge and qualifications.

During FY2026, the board retained its diversity and independence profile and continued to maintain an appropriate balance of skills and experience. Female representation remained at 40%, and the board amended its gender diversity target from 30% to 40%. The appointment of Robert Radley as an independent non-executive director and member of the group audit and risk committee strengthened Australian representation and further supported board oversight of the Group's Australian interests.



Refer to **page 50** for changes made to the board at the AGM.

In line with these provisions and the board's succession planning process, Clive Smith will retire from the board at the upcoming AGM and will not offer himself for re-election. Dr Phumla Mnganga has also announced her intention to resign from the board at the upcoming AGM but will remain available to the board to support a seamless transition. The board has considered the associated succession requirements and appointed Vincent Raseroka and Alupheli Sithebe as independent non-executive directors with effect from 1 July 2026, with Vincent in the role of lead independent director.

The board is satisfied that its composition remains aligned with the requirements and spirit of King IV.



Refer to **page 48 to 55 of this report** for more information about the board.

PRINCIPLE 8

Committees of the governing body

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

Adcorp has an established governance structure supported by a robust policy framework. The board charter and the Company's MoI define the responsibilities, authority and fiduciary obligations of directors, while board committees support the effective discharge of the board's responsibilities in accordance with their mandates.

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

- Committees have specialised focus on specific areas, allowing for detailed scrutiny and informed decision-making.
- Diverse membership of committees ensures a variety of perspectives and reduces the risk of groupthink.
- Board approved terms of reference that outline the committee's role and responsibilities ensure clarity and accountability.
- Committees report their findings and recommendations to the full board, facilitating informed and balanced decision-making.
- Minutes of committee meetings are available to all board members and any director may attend a committee meeting as an observer.

- Committees engage with various stakeholders to gather inputs, ensuring decisions reflect broader interests and contribute to sustainable value creation.
- Executives attend meetings where appropriate and by invitation, which allows board members the opportunity to ask questions and seek clarity.
- Private in-committee discussions may be held at the discretion of the committee chairpersons.
- Cross membership of non-executive directors among the various board committees.
- Committees have at least three members.
- When potential conflicts of interest arise, affected directors are excused from decision-making

During FY2026, the Adcorp Holdings Australia (AHA) audit committee and the Adcorp Holdings Limited audit and risk committee were reconstituted into a single group audit and risk committee, with the former AHA audit committee collapsed into the Group structure. In addition, all committee charters were updated during the year, including provisions to strengthen consultation and collaboration across committees and support more integrated oversight.

The board remains satisfied that delegation to committees continues to promote independent judgement, balanced decision-making and effective governance.



Refer to **page 54** of **this report** for more information about board committees.

PRINCIPLE 9

Evaluation of the performance of the governing body

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

Board and committee evaluations are conducted on a regular cycle, with independent assessments undertaken periodically. The board uses these evaluations to assess the performance of the board as a whole, its committees, the chairperson and individual directors, and to identify areas for further development and improvement. The evaluation process is structured to encourage frank and constructive feedback. The board will conduct an independent board evaluation in FY2027.

The board remains satisfied that its evaluation processes support continued improvement in board effectiveness.



PRINCIPLE 10

Appointment and delegation to management

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

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

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

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

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

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

The board is satisfied that the appointment of, and delegation to, management continue to support role clarity and the effective exercise of authority and responsibility.

i Refer to **page 48 to 55 of this report** for more information about board committees' membership, roles and responsibilities.

PRINCIPLE 11

Risk governance

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

Risk management remains a central focus within the Group. Oversight of risk management is entrusted to the ARC, which receives regular updates from management on risk-related matters and evaluates the governance structures and lines of defence that support risk identification, escalation and reporting. An integrated risk-management process is in place, supported by the ERM framework and regular review of the Group's risk appetite and governance arrangements.

During FY2026, the ERM framework underwent a comprehensive review and the Group's risk appetite was redefined. AI and emerging technologies adoption, together with cyber risk, also received increased board attention during the year.

i Read more about risk management on **page 21 of this report**.

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

PRINCIPLE 12

Technology and information governance

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

The ARC oversees technology and information governance, including management reporting and assurance relating to IT systems, controls, risks and investments. Management is responsible for implementing the Group's IT governance framework and ensuring that technology expenditure and investments remain aligned to business objectives.

Technology and AI transformation, together with broader data, information and technology governance, continued to increase in importance during FY2026. The board operated in an environment

increasingly shaped by digital, flexible and skills-based shifts in the world of work, and has already begun to focus more deliberately on these matters in the context of the Group's strategic direction and preparations for future King V application. Focused work will continue in relation to technology governance, data and cyber as the Group prepares for the FY2027 reporting cycle. Project Raptor, Adcorp's large-scale data and AI enablement programme will play a key role in this as it brings together workstreams spanning people and change, AI and analytics capabilities, data foundations, and transformation.

The board is satisfied that technology and information are governed appropriately in support of the Group's strategic objectives.

i Read more about technology and information on **page 16 of this report**.

PRINCIPLE 13

Compliance

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

The board retains ultimate responsibility for ensuring that the Group complies with all applicable laws and regulations and supports adherence to relevant non-binding rules, codes and standards. The board has delegated responsibility for compliance oversight to the ARC, while other board committees oversee specialist compliance matters within their respective mandates. The Group Compliance Function, led by the head of risk and compliance, is responsible for facilitating, coordinating and independently monitoring compliance risk across the Group.

Adcorp operated during FY2026 in an environment marked by labour law and other regulatory reforms requiring heightened compliance oversight in both regions.

No material legal sanctions, penalties or regulatory fines were incurred during FY2026, and the Group was not involved in legal proceedings relating to anti-competitive behaviour.

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

PRINCIPLE 14

Remuneration governance

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

The HCC is entrusted by the board with oversight of key remuneration matters, including ensuring that the Group's remuneration philosophy remains aligned with strategy and supports fair, responsible and transparent reward outcomes. The HCC has independent members and is empowered to review and approve remuneration matters within the bounds of objectivity, fairness and the Group's remuneration policy. Where exceptional circumstances require the exercise of discretion, the committee may deviate from policy, with full disclosure.

During FY2026, the HCC continued to refine remuneration practices and remained attentive to the evolving remuneration-related regulatory environment. The board and HCC also continued to focus on the refinement of human capital and remuneration practices, while HCC and SESCom worked together to clarify their respective mandates regarding fair and responsible remuneration. The committee also considered the implications of amendments to the Companies Act, JSE Listings requirements and the transition toward King V.

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



Refer to **page 66** for the remuneration report.

PRINCIPLE 15

Assurance

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

The board has delegated responsibility for assurance oversight to the ARC. A combined assurance framework is in place to support the integration, co-ordination and alignment of risk management and assurance processes and to strengthen the control environment.

Internal audit is outsourced to EY and is governed by an internal audit charter that is reviewed and approved annually. The ARC reviews the independence, effectiveness and performance of the internal audit function and approves the internal audit plan and budget.

The ARC also reviews the independence, effectiveness and performance of the external auditors, KPMG, and approves the audit plan and fees annually.

The board is satisfied that the Group's assurance services and functions support an effective control environment and the integrity of information used internally and externally.

PRINCIPLE 16

Stakeholders

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

Stakeholder engagement is overseen by SESCom, with material factors and engagements reported to the board as appropriate. Stakeholder engagement is governed by the stakeholder policy, which replaced the earlier stakeholder engagement standard terminology and is reviewed periodically. Adcorp continues to prioritise active engagement with stakeholders to inform strategy, shape services, manage social expectations and reduce reputational risk. The stakeholder engagement process is embedded in divisional and functional operations, with a stakeholder register maintained through the office of the CEO and updated regularly by business areas. The board and its committees also receive stakeholder-related insights through ethics trends, employee engagement surveys, investor feedback, analyst views and other sentiment inputs.

The board is satisfied that a stakeholder-inclusive approach continues to be applied throughout the Group and that the material needs, interests and expectations of our stakeholders are considered in the best interests of Adcorp over time.



Refer to **page 17** of this report and our FY2026 **corporate citizenship report** for more information on stakeholders.



Ronel van Dijk
SESCoM Chairperson

Social, ethics and sustainability committee chairperson's report

“ At Adcorp, we believe that true corporate citizenship is measured by our ability to move society forward through the dignity of work. By providing easy access to the labour market and creating flexible work opportunities where previously there were none, we empower individuals to gain the vital experience they need to thrive. This commitment is the heartbeat of our business, connecting human potential to build a sustainable and inclusive future for all.

SESCoM ensures that social, ethics and sustainability considerations are embedded in daily decision-making as the business scales and enters more complex markets. The committee plays a key role in ensuring that growth is guided by strong ethical controls, supports responsible corporate citizenship, and protects Adcorp's social licence to operate. In doing so, it reinforces the Group's purpose of creating sustainable value and enabling access to dignified work opportunities.

Mandate and governance

During the reporting period, the committee performed a comprehensive review of its terms of reference to ensure alignment with the evolving governance landscape, including the upcoming Code on Corporate Governance for South Africa 2025 (King V). The mandate was updated to clarify the committee's role regarding fair, equitable and responsible pay, ensuring SESCom oversees the fairness elements of remuneration while the human capital committee (HCC) handles the technical aspects. Furthermore, the mandate was strengthened to explicitly include oversight of climate governance, ESG data integrity, and digital and AI ethics.

The committee members remained unchanged during the year, comprising three independent, non-executive directors who bring objective oversight to our deliberations:

- **R van Dijk** (Chairperson and independent non-executive director);
- **Dr P Mnganga** (Lead independent non-executive director and chairperson of the HCC); and
- **T Mokgabudi** (Independent non-executive director and chairperson of the ARC).

Responsibilities

The SESCom has an independent oversight role and reports on organisational ethics, corporate citizenship, sustainable development, health and safety, and stakeholder relationships. The committee assists the board in facilitating and supporting the Group's transformation objectives, promoting an ethical culture, and ensuring that Adcorp conducts itself as a responsible corporate citizen.

Policies and statements

Strong policies and statements are critical as they form the foundational guardrails of our ethical standards, ensure regulatory compliance, and mitigate severe risks such as modern slavery and human rights violations. They promote consistent application of our responsible business conduct across all divisions and across all geographies.

Below is the breakdown of the policies and statements overseen by SESCom, categorised into those that were new or revised in FY2026, and those that remained unchanged from previous years:

Policies and statements revised in FY2026

Anti-competitive behaviour policy: Broadened to formally incorporate both South African and Australian competition law frameworks.

Code of ethics: Comprehensively updated to strengthen whistleblower protections and explicitly include human rights, modern slavery, ESG, data privacy, and cybersecurity.

Conflict of interest and disclosure policy: Revised to strengthen governance alignment and improve declarations and escalation protocols.

DEIB terms of reference (South Africa): Updated to explicitly reference ‘belonging’.

Environmental sustainability policy: A completely new policy introduced this year.

Human rights statement: Upgraded to include specific clauses meeting international standards and tender expectations.

Modern slavery statement: Updated as a look-back at the progress made over the past financial year.

Right to disconnect policy (Australia): Developed to comply with new legislation effective from August 2024.

Stakeholder engagement policy: Updated to integrate requirements for double materiality and stakeholder assessments.

Supplier code of conduct: Extensively updated to incorporate strict ESG, anti-bribery, and modern slavery clauses.

Whistleblowing policy: Updated to provide clarity on the terminology used for forensic investigations.

Other existing policies

Corporate citizenship policy

Family and domestic violence policy (Australia): Successfully implemented following its introduction in FY2025.

Just Transition statement

Sponsorships, donations and charitable giving policy

Transformation policy (South Africa)



Progress in FY2026

ESG performance: We successfully completed our double materiality assessment to identify material impacts, risks and opportunities, confirming our corporate citizenship programme is maturing to a proactive level. We also continued to strengthen our data management by embarking on a project to refine our ESG data management system, improving accuracy, consistency, and alignment with IFRS S1, S2 and SASB reporting standards.

SHEQ: We adopted a comparative performance approach for safety, removing numerical injury targets to ensure we do not inadvertently set an 'acceptable' level of harm. The Group's LTIFR trended below prior-year rates and industry benchmarks.

Stakeholder engagement: We shifted our stakeholder categorisation to a functional model and successfully transitioned to brand-level stakeholder registers managed out of the CEO's office. This centralised 'early warning system' proved highly effective, enabling a rapid and effective management response.

Supply chain ESG: We transitioned our supplier ESG due diligence from a pilot to a structured programme targeting key suppliers with a spend exceeding R1 million in South Africa or AU\$100 000 in Australia. To support suppliers, we rolled out an on-demand podcast and approved a significantly enhanced Supplier Code of conduct.

DEIB: In collaboration with the HCC, we continued to embed DEIB principles into the EVP by rolling out the total rewards statement (TRS) to the Exco and Exco minus one level, which quantifies the financial value of benefits like employee bursaries, birthday and volunteer leave.

Community impact: Volunteer leave across South Africa and Australia continues to foster community impact and team camaraderie. While overall participation decreased slightly, employees engaged in highly meaningful initiatives, such as supporting sanitary product and food drives in South Africa, and Australian teams partnering with Ronald McDonald House to support families with sick children in hospital.

B-BBEE and employment equity: Adcorp Workforce Solutions successfully maintained its Level 1 B-BBEE contributor status. We actively monitored proposed amendments to the B-BBEE Codes of Good Practice, including initiating financial modelling for the government's proposed Transformation Fund. We also commenced early implementation and monitoring of the newly approved five-year employment equity sectoral targets.

Fair, equitable and responsible remuneration: The committee's terms of reference were updated to explicitly clarify SESCom's role to oversee whether remuneration outcomes are fair, ethical and socially responsible, while the HCC continues to focus on remuneration philosophy, design and decisions.

Skills development: We shifted from fragmented learning activities to an integrated, capability-led approach by launching Workday Learning as a centralised training ecosystem, achieving 2 489 course enrolments. We also maintained our Youth Scholarship programme for returning students and facilitated compliance and harassment training for employees in Australia via the Go1 learning platform integrated into Employment Hero.

Focus areas in FY2027

Compliance with King V

We will proactively execute our transition plan for the implementation of the King V code. This includes embedding the 'apply and explain' disclosure regime, tracking outcomes-based governance principles, and formally adopting the Ubuntu-Botho philosophy into our stakeholder and ethics frameworks.

Standards for new markets

As the Adcorp Horizon strategy accelerates expansion into Africa and Middle-East (AME), we will establish non-negotiable minimum ethical and governance standards. This ensures Adcorp's purpose, values, and employee protections are upheld even in international jurisdictions.

Ethical use of AI

To support the Group's transition to a technology enabled workforce solutions business, we will establish robust frameworks governing the ethical development and use of AI (including Project Raptor). This will ensure AI deployment strictly adheres to our human rights, data privacy, and fairness standards.

Group consistency and value chain governance

Leveraging the newly formalised Group Governance function, we will drive consistency in our stakeholder, ESG, and CSR approaches across all divisions. We will also execute the next phases of our supplier ESG due diligence journey, officially integrating the new Supplier Code of Conduct into procurement processes and supplier contracts.

Looking ahead

Looking ahead, the SESCom is dedicated to supporting the successful implementation of Adcorp Horizon. We remain focused on ensuring that ethical and sustainable practices are deeply embedded as the Group transitions to a technology-enabled workforce solutions business.

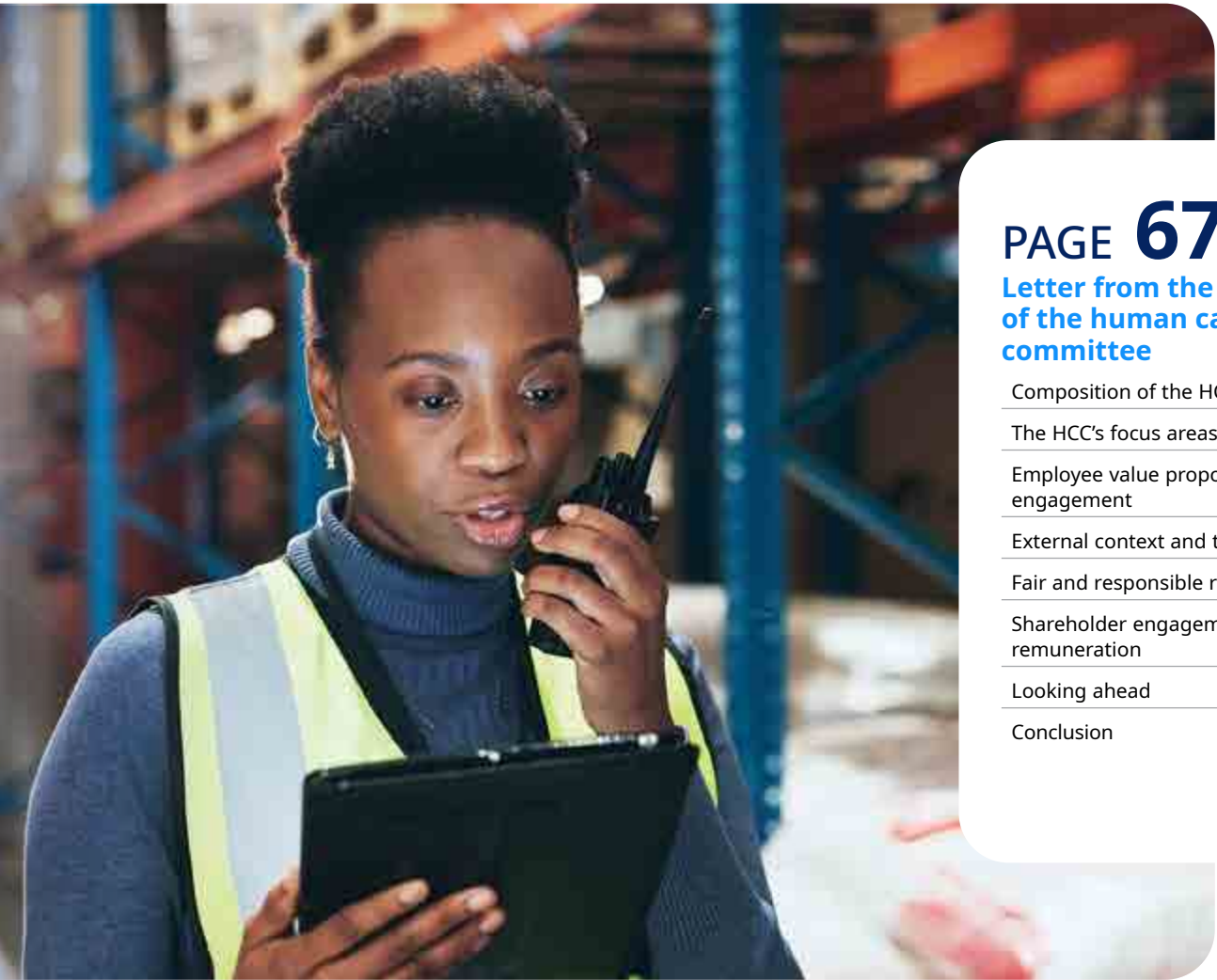
Appreciation

The progress achieved during the year is a direct reflection of the shared commitment and collective effort of our stakeholders.

Sincere appreciation is extended to management for their strategic leadership and proactive ownership of these initiatives, to our fellow board members for their robust governance and guidance, and to our employees whose daily commitment drives the practical execution of our policies on the ground. We also acknowledge our suppliers, clients, and broader social partners for their ongoing collaboration. It is through this combined dedication that the Group continues to advance its transformation, social responsibility, and sustainability commitments effectively.

Ronel van Dijk
Chairperson SESCom

Remuneration report



PART 1

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Dr Phumla Mnganga
Chairperson: Human Capital Committee
Lead independent non-executive director

Letter from the chairperson of the human capital committee

“The HCC is pleased to present Adcorp’s remuneration report for FY2026. This report sets out the committee’s principal areas of focus during the year, the remuneration philosophy that continues to guide the Group, and the manner in which the policy was implemented in practice.”

The committee’s work in FY2026 was guided by a straightforward principle: remuneration should remain aligned to strategy, credible in execution and clear in disclosure. The year was not characterised by a wholesale redesign of the Group’s remuneration philosophy. Rather, following the significant framework work undertaken in prior periods, the committee focused on testing whether the short- and long-term incentive structures were operating as intended in practice and on recalibrating elements where greater precision, alignment or accountability were needed.

Three themes stood out in the committee’s work during the year:

- Continued refinement of the STI and LTI frameworks to ensure that they remain fit for purpose.
- Closer integration of remuneration and human capital practices across South Africa and Australia within one coherent Group framework.
- Further progress in Adcorp’s fair and responsible pay journey, including our first disclosure on wage gap analytics and pay differentials following the announcement of the implementation of Section 30B of the Companies Amendment Act on 22 May 2026 (after year-end).

The committee remained mindful throughout that remuneration is not an isolated governance exercise. It is one of the mechanisms through which the board holds management accountable for delivering the Group’s strategy. As Adcorp moved into the next phase of its strategic journey, the committee therefore kept a clear focus on remuneration outcomes that support strategic execution, reinforce responsible leadership behaviour and align management with long-term shareholder value creation.

Composition of the HCC

The HCC comprised the following members during the reporting period:

- **Phumla Mnganga** – HCC chairperson and lead independent non-executive director
- **Gloria Serobe** – nomination committee chairperson and board chairperson
- **Ronel van Dijk** – independent non-executive director
- **Clive Smith** – non-executive director

The CEO, CFO, Group Executive: People and Culture, and members of senior management attend committee meetings by invitation where appropriate, but recuse themselves when their own remuneration is considered. The committee met four times during the year.

The HCC’s focus areas and activities

The committee’s work during FY2026 included the following priority areas:

- Ongoing refinement of the STI and LTI frameworks.
- Oversight of remuneration alignment to the Group’s strategic priorities and leadership accountability.
- Initiating a review of fair and responsible pay practices across South Africa and Australia, including wage gap analytics and pay-scale analysis.
- Oversight of leadership, succession and selected organisational changes, including the revised Australian management structure.
- Monitoring remuneration-related regulatory developments across both geographies, including Companies Amendment Act, JSE listings requirements amendments, Workplace Gender Equality Agency (WGEA) requirements and King V.
- Continued rollout of the total rewards statement and further harmonisation of remuneration frameworks across geographies.
- Nominations matters relevant to the HCC mandate, including support for the appointment of Robert Radley as an independent non-executive director and member of the Group audit and risk committee.

Employee value proposition, culture and engagement

The committee recognises that remuneration forms part of a broader employee value proposition. Fair pay, development opportunities, wellbeing support, leadership quality and career visibility all influence retention and productivity. During FY2026, the Group continued to invest in employee support and capability development, including wellbeing initiatives through the Indlela Employee Assistance Programme and broader learning opportunities through Workday Learning.

Employee engagement remained an important indicator of organisational health and culture, and employee wellbeing and morale for the committee. In FY2026, Adcorp South Africa's engagement score improved to 67% from 63% in FY2025, while Adcorp Australia remained stable at 67%. Participation rates were 87% in South Africa and 73% in Australia. Survey feedback nevertheless confirmed strong role clarity, strategic alignment and confidence in the Group's future direction, while also highlighting opportunities to strengthen recognition, communication, collaboration and perceptions of fairness in performance management.

External context and talent considerations

The external labour market continued to influence remuneration decisions during the year. In South Africa, moderate inflation and affordability constraints required disciplined salary management, even as selected specialist roles remained difficult to fill. In Australia, tighter labour market conditions and stronger competition for skilled employees supported more pronounced retention pressures. Across the Group, talent scarcity remained most evident in revenue-generating commercial roles, operational leadership positions and specialist capability areas linked to execution and growth.

Fair and responsible remuneration

During the year under review, the committee's focus was on strengthening the quality of remuneration information available across the Group, improving the consistency of pay-related definitions and deepening its understanding of remuneration differentials across Adcorp's South African and Australian operations.

In South Africa, the committee's focus includes wage differentials, different grade pay levels and the Companies Act remuneration disclosure requirements. During the year, the Group continued to apply job-grading frameworks, pay-scale reviews and internal equity considerations to support more consistent and equitable remuneration decisions. A lower-grade pay-scale review confirmed that employees in those grades earn above the statutory minimum wage, with brand-specific engagements initiated where individuals were positioned below expected ranges.

In Australia, regulatory and stakeholder attention remains more strongly focused on gender pay equity and related workplace equality measures. The Group reduced its adjusted gender pay gap in Australia from 15,6% to 11,3% and increased paid parental leave from six weeks to 14 weeks.

These actions support Adcorp's broader commitment to fair and responsible remuneration practices. The committee recognises that fair pay is a multi-year discipline. Future action will be guided by reliable data, local legal and labour-market context, affordability, internal equity and the need to implement any changes responsibly. The broader pay-scale analysis will continue in FY2027.

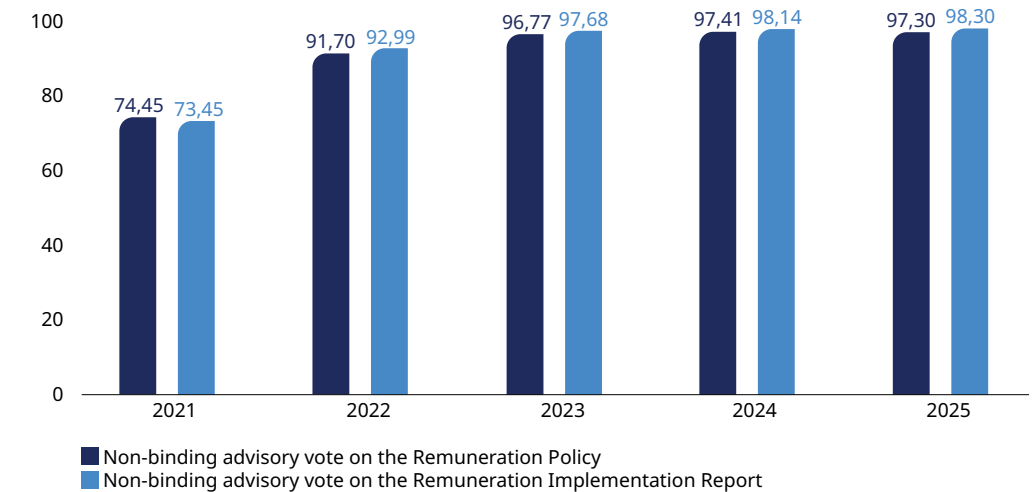
Shareholder engagement on remuneration

The committee remains conscious that the remuneration report must enable shareholders to understand the basis on which remuneration decisions are made. Clarity of rationale, consistency with policy and proper explanation of any discretion or recalibration therefore remain central to the committee's approach. At the 2025 annual general meeting, the remuneration policy received 97,3% support and the remuneration implementation report 98,3% support. As such, no formal shareholder engagement process was required and no shareholders engaged directly with the company on remuneration matters.

Conclusion

The committee is satisfied that it fulfilled its mandate during the year in accordance with its terms of reference, the Companies Act and the principles of King IV. On behalf of the HCC, I thank management, employees, fellow committee members and shareholders for their continued engagement and contribution during FY2026.

Shareholder voting results over the last 5 years



Looking ahead

The committee's priorities for FY2027 include:

- Continuing to refine the effectiveness of the STI and LTI frameworks;
- Ensuring that incentive structures reinforce the Group's strategic priorities and desired management behaviours;
- Continuing to review and monitor the Group's wage gap and fair-pay work and disclosures;
- Strengthening analytical capability in support of responsible remuneration decisions;
- Extending total rewards transparency more broadly across the organisation; and
- Continuing to align reward, leadership accountability and long-term value creation.

Remuneration philosophy – attracting and retaining talent to build sustainable value

Adcorp's remuneration philosophy is designed to attract, retain and motivate the people needed to deliver the Group's strategy, while supporting fair, responsible and sustainable reward outcomes. The framework balances competitiveness, affordability, accountability and internal fairness, and aims to keep remuneration aligned with both annual performance and long-term value creation.

During FY2026, the HCC did not undertake any fundamental redesign of the Group's remuneration philosophy. Instead, the focus remained on refining the operation of the framework so that it remains fit for purpose, practically effective and aligned to the needs of the business across both South Africa and Australia. While management used benchmarking inputs to inform pay decisions, the committee did not undertake a broad market re-benchmarking exercise during the year.

Remuneration philosophy in practice

Guided by King IV Principle 14, our remuneration philosophy is reflected in the balance between fixed pay, annual performance-related reward and long-term alignment with shareholder value creation. Adcorp continues to use a total reward approach, with TGP as the fixed element of remuneration. Pay decisions are informed by external benchmarking inputs, inflation, affordability, employee turnover, engagement and business context. February 2026 benchmarking inputs indicated that the Group's remuneration remained broadly aligned to the median of the market, in line with the remuneration policy.

	TOTAL GUARANTEED PACKAGE (TGP)	SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES
CEO	Market-based, in line with remuneration policy	100% of TGP	100% of TGP
CFO	Market-based, in line with remuneration policy	75% of TGP	75% of TGP
Group executive	Market-based, in line with remuneration policy	60% of TGP	60% of TGP
Description	Core component of remuneration. It is set to reflect the market value of the role and support the attraction and retention of key capability. In South Africa, TGP includes benefits such as retirement/provident fund, death and disability cover, medical aid and Group personal accident cover. In Australia, superannuation forms part of the retirement savings framework in line with local requirements.	Rewards the achievement of annual financial and strategic objectives. STI is intended to reinforce disciplined execution, leadership accountability and delivery against approved plans. Measures include both financial and non-financial performance indicators.	Supports long-term value creation and retention by aligning selected leaders with sustained Group performance and shareholder outcomes over a multi-year period.
Purpose and link to strategy	Attraction and retention of key employees.	Creates a high-performance culture and reinforces accountability for annual delivery.	Aligns the interests of employees with those of shareholders and supports retention.
Delivery mechanism	Monthly cash payments.	Annual cash payment.	Share incentive scheme.
Performance period	Reviewed annually, taking account of inflation, affordability, benchmarking, Company performance and individual contribution.	Aligned to the financial year.	Three-year vesting period from date of award, subject to performance conditions.



Remuneration structure and design

Adcorp's remuneration framework comprises the three primary components of:

- Fixed pay through TGP;
- Annual performance-linked reward through STI; and
- Longer-term alignment and retention through LTI.

These components are applied across the Group within one overall remuneration framework, while allowing for appropriate differences in local legislation and market practice between South Africa and Australia.

The framework is intended to support the following five core principles:

Attracting and retaining talent

Competitive remuneration designed to attract and retain critical capability.

Performance alignment

Reward outcomes linked to short- and long-term financial, strategic and leadership performance.

Fair and responsible remuneration

Remuneration practices informed by fairness, internal equity, affordability and responsible pay principles.

Governance and consistency

One Group framework applied across South Africa and Australia, with appropriate local application.

Development and wellbeing

Total reward includes broader elements that support employee wellbeing, growth and engagement.

Malus and clawback provisions

Robust malus and clawback provisions are fundamental to Adcorp's remuneration policy; these were applicable throughout FY2026. These provisions remain crucial for ensuring accountability and prudent risk management within remuneration governance.

The table below outlines the primary components of the remuneration structure applied to the Group executive management team during FY2026:

Component	How it is applied
Total guaranteed package (TGP)	Adcorp continues to use a total reward approach, with TGP as the fixed element of remuneration. Pay decisions are informed by external benchmarking inputs, inflation, affordability, employee turnover, engagement and business context.
Short- and long-term incentives	Adcorp's remuneration philosophy includes executive STIs and LTIs linked to Company performance goals. The STI rewards annual delivery against approved financial and strategic objectives, while the LTI supports retention and long-term alignment with shareholder value creation. Permanent employees and fixed-term contractors on 12 months and longer contracts may participate in STI arrangements aligned to role level and performance requirements, while LTIs are awarded to selected executives and senior managers who are key to long-term strategic delivery.
STI scheme	For FY2026, the STI financial component was based on four equally weighted measures: Revenue growth, EBITDA margin, Cash conversion and ROIC (net of goodwill). These provide a clear link to budget execution, balance growth with efficiency, and strengthen the focus on capital discipline and quality of earnings. Financial metrics account for 70% of Group executives' STI scorecards, with the remaining 30% linked to individual non-financial objectives.
How STI targets are set	Threshold, on-target and stretch targets are determined against approved budgets and performance expectations. Revenue, EBITDA margin and ROIC (net of goodwill) are assessed against budget-based target ranges, while cash conversion is measured against a specific approved target and performance range.
LTI scheme	The LTI framework was unchanged in FY2026. Awards are granted under the approved scheme rules as a combination of forfeitable share plan (FSP) and conditional share plan (CSP) awards. Executive directors receive 70% of awards as FSP and 30% as CSP, while other Group executives receive 40% as FSP and 60% as CSP. All awards have a three-year vesting period and remain subject to performance conditions and malus and clawback provisions.
LTI performance conditions	The FY2026 LTI performance conditions remained ROIC (net of goodwill) growth (50%) and HEPS growth (50%). These measures are intended to align selected leaders with sustained financial performance and long-term value creation.

Guaranteed pay

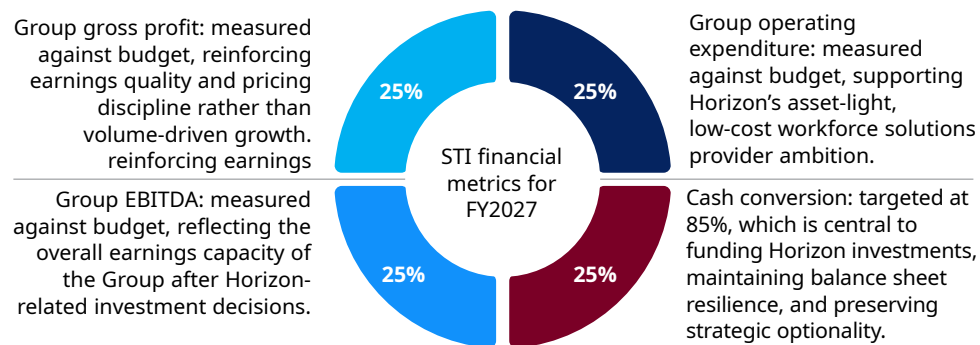
Guaranteed pay decisions are informed by external market data, inflation, affordability, individual performance and internal equity considerations. The Group maintained a disciplined approach to salary adjustments in FY2026, balancing competitiveness with affordability and long-term financial sustainability. Average increases of 4,5% for South Africa and 3% for Australia were awarded in FY2026. An average increase of 3,5% in South Africa, and 3,3% in Australia were awarded post year end in March 2026 for FY2027.

Structure of the short-term incentive scheme

The STI framework is intended to reward annual performance in a way that is directly linked to the Group's operating priorities and strategic execution. The HCC's FY2026 focus was on ensuring that the selected measures operate effectively in practice and drive the right management behaviours. For FY2026, the financial component of the STI was based on four equally weighted measures: revenue growth, EBITDA margin, cash conversion and ROIC (net of goodwill).

In its annual reassessment of these metrics, the FY2027 STI framework has been designed to ensure that executive incentives are directly aligned to the Adcorp Horizon strategy. Horizon represents a multi-year strategic repositioning of Adcorp into a technology-enabled, asset-light, internationally scalable workforce solutions provider. While the strategy is long-dated, FY2027 is a defined execution year, with explicit financial targets and clearly articulated group and divisional outcomes. Accordingly, the FY2027 incentive framework has been structured to balance the delivery of near-term financial outcomes, and the disciplined execution of Horizon commitments. It is intended to reinforce Horizon as a group-level strategy, rather than a collection of independent divisional initiatives.

STI metrics for FY2027 as set out herewith. Each of these metrics is measured on an absolute basis against approved budgets, rather than percentage margins, to ensure alignment with the Board-approved strategic and financial plan, including intentional margin trade-offs in support of longer-term value creation.



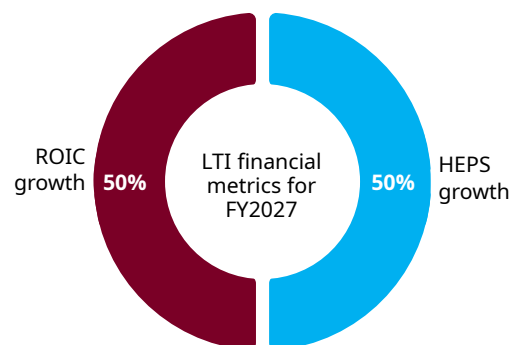
The committee also refined target-setting and the calibration of threshold, on-target and stretch outcomes, particularly in relation to cash conversion and capital efficiency.

Structure of long-term incentive scheme

The LTI framework remained unchanged in FY2026 and continues to support retention and shareholder alignment through a combination of FSP and CSP awards.

For executive directors, awards remain weighted 70% FSP and 30% CSP, while other Group executives receive 40% FSP and 60% CSP.

Performance conditions remained linked to ROIC growth and HEPS growth, each weighted at 50%, reflecting the Group's continued focus on disciplined capital allocation and long-term earnings performance.



The HCC continued to monitor the practical operation of the scheme, including the realities of implementing long-term share-based incentives in the context of the Group's share liquidity.

Executive directors' and management employment contracts

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

Prescribed officers

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

Remuneration of non-executive directors

Adcorp's non-executive director fees are based on an annual retainer structure aligned with current market practices and comparable JSE-listed entities. Regular benchmarking exercises ensure our remuneration remains competitive. Shareholder approval is required for all non-executive director remuneration. In FY2026, on recommendation of NomCo, the board has recommended a general increase of 3,5% to board and committee fees which is in line with the increase granted to the company's employees in South Africa.

Following a benchmarking review of non-executive director remuneration it was found that board member fees were below the desired market positioning and the NomCo recommended a market correction of board member fees. The proposed adjustment will be made over two years with the first adjustment of 4,9% to be made in FY2027.

Nomination committee and the board also considered the introduction of an additional meeting fee to address certain practical issues identified. An additional meeting fee of R10 000 (per meeting) for board and committee meetings has been recommended to shareholders for approval. This fee will be subject to conditions such as an assumed number of board and committee meetings annually (where the actual number of meetings exceed the assumed number of meetings, an additional meeting fee may become payable), it will only be paid to non-executive directors who attended the relevant meeting and the Chair of the board, in consultation with the relevant committee chair, will determine whether the additional meeting involves time and effort broadly comparable to a scheduled meeting of the board or relevant committee.

The proposed fees for FY2026 will be presented for approval at the upcoming AGM on 28 July 2026. FY2025 non-executive director remuneration is available on **i page 76**, with proposed FY2027 fees referred to in the AGM notice, available on the Company's website.

Conclusion

In both South Africa and Australia, we continue to refine our practices to ensure that they are fair and responsible, comply with evolving legal requirements and stakeholder expectations. Our ongoing efforts to address wage disparities further enhance employee understanding and trust in our remuneration framework. These initiatives are vital to attracting and retaining top talent in a competitive labour market. Looking forward, Adcorp is committed to strengthening the link between remuneration and strategic outcomes, ensuring that our reward systems continue to reflect our business priorities, performance standards, and broader corporate citizenship responsibilities. In doing so, we position ourselves as a values-driven employer, committed to equitable growth and shared success.

Implementation of the remuneration policy

Key aspects relating to implementing Adcorp's remuneration policy

The implementation of Adcorp's remuneration policy during FY2026 continued to reflect the Group's pay-for-performance philosophy, while also giving effect to the refinements and recalibrations considered by the human capital committee during the year. The focus was not on changing the architecture of the framework, but on ensuring that its practical application remained aligned to the needs of the business, shareholder expectations and the Group's evolving strategic priorities.

A key feature of implementation during the year was the continued strengthening of the link between remuneration outcomes and the Group's strategic direction. This included closer alignment between incentive outcomes, leadership accountability and the performance drivers considered most relevant in the current environment.

The HCC also continued to apply remuneration policy with a strong emphasis on disciplined governance, ensuring that where adjustments, recalibrations or discretion are applied, these are grounded in the approved policy and capable of being clearly explained to shareholders.

Implementation during FY2026 also included progression of the total rewards statement, continued

harmonisation of People and Culture policies across South Africa and Australia, and ongoing work to strengthen remuneration reporting, pay-scale governance and grading consistency across the Group.

Fair and responsible pay

The committee further considered remuneration implementation in the context of fair and responsible pay across both geographies. This included revised pay scales, targeted fair-pay analysis and continued use of job-grading frameworks in South Africa and Australia. A lower-grade pay-scale review confirmed that employees in those grades earn above the statutory minimum wage, with brand-specific engagements initiated where individuals were positioned below expected ranges. The broader pay-scale analysis will continue in FY2027.

Guaranteed pay increases

The Group maintained a disciplined approach to salary adjustments in FY2026, balancing competitiveness with affordability and long-term financial sustainability. Average increases of 4,5% for South Africa and 3% for Australia were awarded in FY2026. An average increase of 3,5% in South Africa, and 3,3% in Australia were awarded post year end in March 2026 for FY2027.

Remuneration disclosure

The remuneration disclosure requirements introduced by sections 30A and 30B of the Companies Act became effective on 22 May 2026 during the finalisation of the Group's annual reporting process.

The table below sets out the remuneration disclosure for FY2026 for the employee population comprising permanent, full-time employees of the Group's South African operations. This approach has been adopted to provide a consistent, comparable, and policy-based view of employee remuneration and pay gaps within the Group's South African operations. The footnotes to the table set out the remuneration disclosures for all categories of employees as defined in section 213 of the Labour Relations Act 66 of 1995, as required by section 30B(3)(c) of the Companies Act. This includes part time employees, fixed term employees, learners and casual employees as well as our deployed and contingent workforce placed at client sites whose remuneration are often determined by our clients.

The Group's workforce includes employees remunerated on different payroll structures and cycles, including daily, weekly, fortnightly and monthly arrangements. In certain limited cases, sufficient information was not available to reliably annualise remuneration for non-permanent employees. In these instances, the national minimum wage applicable for the reporting period was used as the basis for annualised remuneration. This methodology is supported by the Group's policy and employment practices, which require that no employee is remunerated below the applicable minimum wage. Management is undertaking further enhancements to remuneration data and reporting processes to support future disclosures.

Total remuneration has been calculated on a payroll/accrual basis using total cash remuneration and includes salary, benefits, employer contributions to benefit funds and short- and long-term incentives, including share-based incentives where applicable.

Total remuneration of permanent employees¹

	R
The employee with the highest total remuneration ²	16 578 834
The employee with the lowest total remuneration ²	61 308
Average total remuneration of all employees ³	439 502
Median total remuneration of all employees ⁴	249 971
Average total remuneration of the highest 5% ⁵	2 345 848
Average total remuneration of the lowest 5% ⁵	119 315
The ratio of the highest 5% to the lowest 5% ⁶	19,7

1. Permanent, full-time employees of the Group's South African operations

2. The total remuneration of the highest and lowest paid employee if all employees including full time permanent employees, part time employees, fixed term employees, learners and casual employees are included is R16 578 834 and R48 566 (learner) respectively.

3. The average total remuneration of all employees if all employees including full time permanent employees, part time employees, fixed term employees, learners and casual employees are included is R103 747.

4. Median total remuneration of all employees if all employees including full time permanent employees, part time employees, fixed term employees, learners and casual employees are included is R80 005.

5. Average total remuneration of the 5% highest paid and 5% lowest paid employees if all employees including full time permanent employees, part time employees, fixed term employees, learners and casual employees are included is R427 439 and R67 344.

6. The ratio of the highest 5% to the lowest 5% if all employees including full time permanent employees, part time employees, fixed term employees, learners and casual employees are included is 6,3.

STI implementation

The STI framework was implemented during FY2026 in line with the approved remuneration policy and the performance measures described in Part 2 of this report. The HCC remained focused on ensuring that outcomes were aligned to approved targets, business performance and responsible reward principles. Detailed STI outcomes for executive directors and prescribed officers are disclosed in the remuneration tables that follow.



FY2026 STI financial metrics (Group executive: 70% weighting towards STIs)

	Revenue	EBITDA	Cash conversion	ROIC (net of goodwill)	KPI (non-financial)	Total
Executive directors and Group executives*	17,5%	17,5%	17,5%	17,5%	30%	100%

* MD Contingent Staffing, MD Staffing Solutions and Professional Services

STI target and achievement grid – Group executive financial metrics

The table outlines the performance levels required to qualify for STI remuneration as well as performance achieved (each metric can be achieved at a range between 90% to 110%).

	Partial attainment	Attainment	Target	Stretch target	Target	Actual	% attained	Outcome
Revenue	<90% of budget	Target	<100% of budget	<110% of budget	R13 743 767	R12 449 226	90,6%	Partial met
EBITDA	<90% of budget	Target	<100% of budget	<110% of budget	1,31%	1,45%	110,7%	Exceeded
Cash conversion	<90%	95%	100%	100%	95,0%	90,4%	90,4%	Partial met
ROIC (net of goodwill)	<90% of budget	Target	<100% of budget	<110% of budget	15,0%	17,0%	113,3%	Exceeded

Group executive STI metrics achievements

The table outlines the performance achieved by each group executive.

	Financial metrics (70% weighting)	KPI (non-financial) score	KPI (30% weighting)	Total
Group CEO	52,50%	3,50	26,25%	78,75%
Group CFO	52,50%	3,30	24,75%	77,25%
MD Contingent Services SA	52,50%	3,10	23,25%	75,75%
MD Professional Services SA	52,50%	2,70	20,25%	72,75%
MD Staffing Solutions	52,50%	3,40	25,50%	78,00%
MD Professional Services Aus	52,50%	3,00	22,50%	75,00%
MD Contingent Services Aus	52,50%	3,00	22,50%	75,00%
The extent to which the Group's targets were met for FY2026 ¹	Revenue partially met (8,75%), EBITDA margin exceeded (17,5%), ROIC exceeded (17,5%) and Cash conversion partially met (8,75%)			

¹ Revenue has been considered at constant currency and cash conversion was based on normalised cash conversion. In addition to the performance outcomes generated through the STI framework, affordability principles approved by the HCC were applied (affordability cap of 20% of EBITDA-pre results in a maximum permissible STI pool).

LTI implementation

The LTI framework was implemented in FY2026 in accordance with the approved scheme rules and performance conditions set out in **Part 2** of this report. The HCC remained satisfied that the framework continued to support retention and long-term shareholder alignment, while also monitoring its practical operation in the context of the Group's share characteristics. Vesting outcomes and the status of relevant awards are disclosed in the detailed implementation tables that follow.

	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.

LTI awards approved for FY2026

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

Participant	Participant	Basis of allocation %	FSP %	FSP award	CSP %	CSP award	Total award
Dr. J Wentzel	CEO	100%	70%	782 213	30%	335 234	1 117 447
N Prendergast	CFO	75%	70%	319 686	30%	137 008	456 694
B Toerien	MD: Contingent Staffing SA	60%	40%	120 061	60%	175 897	300 153
H Duvenage	MD: Professional Services SA	60%	40%	117 265	60%	200 890	293 162
N Parmanand	MD: Staffing Solutions	60%	40%	133 927	60%	200 890	334 817
Z Riddell	MD: Contingent Staffing AUS	60%	40%	126 082	60%	189 123	315 205
D Butcher	MD: Professional Services AUS	60%	40%	126 082	60%	189 123	315 205
Total				1 725 316		1 407 369	3 132 683

Performance conditions for FY2026 LTI awards

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

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

Directors' and prescribed officers' emoluments

The remuneration of executive directors and prescribed officers for FY2026 is set out in the detailed remuneration tables that follow. These tables disclose the fixed and variable components of remuneration, together with the applicable benefits and incentive outcomes, in accordance with the Companies Act and relevant reporting requirements.

Executive directors 2026	Salary R'000	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share amounts R'000	FSP dividend equivalent¹ 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	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share amounts R'000	Total R'000
Dr. J Wentzel	5 855	6 319	1 138	13 312	4 681	17 993
N Prendergast	3 132	2 584	570	6 286	1 037	7 323
	8 987	8 903	1 708	19 598	5 718	25 316

Prescribed officers 2026	Salary R'000	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share awards R'000	FSP dividend equivalent¹ 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	Bonus R'000	Employee benefits R'000	Sub-total R'000	Realised gains on share awards R'000	Ex-gratia and other R'000	Notice and leave pay R'000	Total R'000
H Duvenage (Appointed 1 June 2024)	1 891	1 199	397	3 487	107	–	–	3 594
N Najjar (Resigned 30 June 2024)	1 027	–	40	1 067	496	232	258	2 053
N Parmanand (Appointed 1 August 2024)	1 532	1 037	377	2 946	40	–	–	2 986
B Toerien	2 413	1 656	732	4 801	621	–	–	5 422
P Prasad (Resigned 31 December 2024)	4 618	–	179	4 797	–	–	1 089	5 886
	11 481	3 892	1 725	17 098	1 264	232	1 347	19 941

¹ Represents formulaic cash payments made to FSP participants in lieu of dividend participation on shares not acquired in the market.

Non-executive directors' emoluments

Non-executive directors' fees	2026 R'000	2025 R'000
GT Serobe	983	943
C Smith	461	442
Dr. P Mnganga	652	625
R Radley (Appointed effective 2 June 2025)	340	–
H Singh	618	593
R van Dijk	708	679
T Olls ¹	–	330
T Mokgabudi	708	679
M Lubega	539	517
	5 009	4 808

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

Conclusion and looking forward

During FY2026, the HCC continued to prepare for evolving remuneration-related disclosure and governance requirements. These included developments associated with the Companies Amendment Act, JSE amendments, the Employment Equity Act, Australian Workplace Gender Equality requirements and the broader transition toward King V.

The HCC is satisfied that Adcorp's remuneration policy was implemented appropriately during FY2026 and that remuneration outcomes remained aligned to the approved framework, the Group's performance and the principles of fair, equitable and responsible reward. Looking ahead, the committee will continue to focus on fit-for-purpose implementation, stronger strategic alignment, strengthening principles around fair and responsible pay, and ensuring that remuneration remains an effective lever for accountability, retention and long-term value creation across both South Africa and Australia.



06 EXTRACT OF THE ANNUAL FINANCIAL STATEMENTS

Basis of preparation

The extracts from the consolidated financial statements comprise an extract from the consolidated statement of financial position at 28 February 2026, an extract from the consolidated statement of comprehensive income, an extract from the consolidated statement of changes in equity, an extract from the consolidated statement of cash flows for the year ended 28 February 2026, and an extract from the group's segment reporting.

The extracts from the consolidated financial statements and the full set of consolidated financial statements have been prepared under the supervision of Noel Prendergast CA(SA), the Group CFO.

Audited consolidated annual financial statements – independent auditors' opinion

The auditors expressed an unmodified opinion on the consolidated financial statements from which these extracts were derived. The audit report issued also includes communication of key audit matters. The information as set out in this report has not been audited. The board of directors take full responsibility for ensuring that the financial information has been correctly extracted from the underlying financial statements.

Consolidated statement of financial position

as at 28 February 2026

	2026 R'000	2025 R'000
Assets		
Non-current assets	1 001 402	1 117 802
Property and equipment	16 570	20 175
Right-of-use assets	188 196	246 315
Intangible assets	70 479	87 957
Goodwill	499 998	491 324
Deferred taxation	226 159	272 031
Current assets	2 025 135	2 150 378
Trade receivables	1 512 834	1 523 989
Other receivables	94 968	110 945
Taxation prepaid	28 272	21 444
Cash and cash equivalents and restricted cash	389 061	494 000
Total assets	3 026 537	3 268 180
Equity and liabilities		
Total equity	1 532 035	1 490 576
Share capital and share premium	1 740 562	1 740 562
Treasury shares	(94 502)	(94 595)
Reserves	(114 025)	(155 391)
Non-current liabilities	285 022	376 520
Lease liabilities	266 998	305 455
Deferred taxation	15 218	68 564
Provisions	2 806	2 501
Current liabilities	1 209 480	1 401 084
Lease liabilities	75 515	73 942
Trade and other payables	894 311	1 052 118
Provisions	219 102	249 283
Taxation payable	20 552	25 741
Total equity and liabilities	3 026 537	3 268 180

Consolidated statement of profit or loss

for the year ended 28 February 2026

	2026 R'000	2025 R'000
Revenue	12 458 013	13 236 678
Cost of sales	(11 222 944)	(11 935 225)
Gross profit	1 235 069	1 301 453
Other income	19 484	14 786
Loss allowance for expected credit losses – trade receivables	(8 127)	8 626
Operating expenses	(1 069 128)	(1 153 243)
Operating profit before finance income and finance costs	177 298	171 622
Finance income	16 427	11 318
Finance costs	(41 962)	(45 647)
Profit before taxation	151 763	137 293
Taxation	(5 769)	3 563
Profit for the year	145 994	140 856
Profit attributable to:		
Owners of the parent	146 107	138 654
Non-controlling interest	(113)	2 202
Total basic earnings per share		
Basic earnings per share – cents	141,9	134,7
Diluted earnings per share – cents	136,2	130,2

Consolidated statement of other comprehensive income

for the year ended 28 February 2026

	2026 R'000	2025 R'000
Profit for the year	145 994	140 856
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:	(26 021)	(68 056)
Exchange differences on translating foreign operations	(15 355)	(29 438)
Exchange differences arising on the net investment of a foreign operation	(10 666)	(38 618)
Other comprehensive income for the year, net of tax	119 973	72 800
Non-controlling interest	(12)	332
Total comprehensive income for the year	119 961	73 132
Total comprehensive income attributable to:		
Owners of the parent	120 086	70 598
Non-controlling interest	(125)	2 534

Consolidated statement of changes in equity

for the year ended 28 February 2026

	Share capital R'000	Share premium R'000	Treasury shares R'000	Share-based payment reserve R'000	Foreign currency translation reserve R'000	Accumulated loss R'000	Attributable to equity holders of the parent R'000	Non-controlling interest R'000	Employees' share Scheme Reserve R'000	Total equity R'000
Balance as at 29 February 2024	2 749	1 738 109	(93 864)	14 828	88 599	(291 810)	1 458 611	925	168	1 459 704
Movement in share capital ¹	-	(296)	-	-	-	-	(296)	-	-	(296)
Share-based payments	-	-	-	3 706	-	-	3 706	-	-	3 706
Total comprehensive income/(loss) for the year	-	-	-	-	(68 056)	138 654	70 598	2 534	-	73 132
Profit for the year	-	-	-	-	-	138 654	138 654	2 202	-	140 856
Other comprehensive loss	-	-	-	-	(68 056)	-	(68 056)	332	-	(67 724)
Treasury share purchases	-	-	(6 454)	-	-	-	(6 454)	-	-	(6 454)
Share scheme settlement	-	-	5 723	(5 723)	-	-	-	-	-	-
Distributions to shareholders	-	-	-	-	-	(39 216)	(39 216)	-	-	(39 216)
Equity due to change in control ²	-	-	-	-	-	2 902	2 902	(2 902)	-	-
Balance as at 28 February 2025	2 749	1 737 813	(94 595)	12 811	20 543	(189 470)	1 489 851	557	168	1 490 576
Share-based payments	-	-	-	3 743	-	-	3 743	-	-	3 743
Transfer to accumulated loss	-	-	-	1 518	-	(1 518)	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	(26 021)	146 107	120 086	(125)	-	119 961
Profit for the year	-	-	-	-	-	146 107	146 107	(113)	-	145 994
Other comprehensive loss	-	-	-	-	(26 021)	-	(26 021)	(12)	-	(26 033)
Treasury share purchases	-	-	(3 509)	-	-	-	(3 509)	-	-	(3 509)
Share scheme settlement	-	-	3 602	(3 602)	-	-	-	-	-	-
Distributions to shareholders	-	-	-	-	-	(78 101)	(78 101)	(635)	-	(78 736)
Balance as at 28 February 2026	2 749	1 737 813	(94 502)	14 470	(5 478)	(122 982)	1 532 070	(203)	168	1 532 035

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

² Change in ownership interest held in Labour Solutions Australia (Pty) Ltd from 93,2% to a wholly-owned subsidiary.

Consolidated statement of cash flows

for the year ended 28 February 2026

	2026 R'000	2025 R'000
Operating activities		
Profit before taxation	151 763	137 293
Adjusted for:		
Depreciation on property and equipment	5 113	7 880
Depreciation on right-of-use assets	45 985	45 377
Amortisation of intangible assets	18 590	18 405
Prepayment released – enterprise technology transformation project	14 164	30 788
Impairment of intangible asset	–	1 057
Impairment of right-of-use asset	15 819	–
Profit on the sale of property and equipment	(214)	(34)
Share-based payments	7 971	6 038
Increase/(decrease) in loss allowances for expected credit losses – trade receivables	8 127	(8 626)
Finance income	(16 427)	(11 318)
Finance costs	41 962	45 647
Cash generated from operations before working capital changes	292 853	272 507
Increase in trade and other receivables	(10 113)	(12 741)
(Decrease)/increase in trade and other payables	(153 842)	90 018
(Decrease)/increase in provisions	(27 939)	38 602
Cash generated by operations	100 959	388 386
Finance income	16 427	11 318
Finance costs	(2 627)	(4 663)
Interest expense on lease liabilities	(39 335)	(40 984)
Taxation paid	(41 456)	(18 899)
Net cash generated from operating activities	33 968	335 158

	2026 R'000	2025 R'000
Investing activities		
Additions to property and equipment	(2 411)	(4 109)
Proceeds from the sale of property and equipment and intangible assets	762	163
Additions to intangible assets	(2 285)	(2 635)
Prepayment – enterprise technology transformation project	–	(1 262)
Net cash outflow from investing activities	(3 934)	(7 843)
Financing activities		
Treasury share purchases	(3 509)	(6 454)
Share repurchases ¹	–	(296)
Repayment of borrowings	–	(125 000)
Proceeds from borrowings	–	125 000
Distributions to external shareholders	(78 101)	(39 216)
Distributions to non-controlling interests	(635)	–
Capital payment of lease liabilities	(40 913)	(41 258)
Net cash outflow from financing activities	(123 158)	(87 224)
Net (decrease)/increase in cash and cash equivalents	(93 124)	240 091
Cash and cash equivalents at the beginning of the year	494 000	204 175
Foreign currency adjustments	(11 815)	(21 340)
Restricted cash reclassified to cash and cash equivalents	–	71 074
Cash and cash equivalents at the end of the year	389 061	494 000

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

Segment report

for the year ended 28 February 2026

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

Contingent Staffing

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

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

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

The brands in the Contingent Staffing Australia operating segment include BLU Australia, BLU Healthcare and Zest.

Staffing Solutions

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

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

Professional Services

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

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

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

The Professional Services Australia operating segment includes the brands of Paxus and Skills Collective.

Business Support

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

Geographical segmentation

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

Transactions between segments follow the Group's accounting policies.

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

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

Segment report continued

for the year ended 28 February 2026

	Contingent Staffing South Africa R'000	Professional Services South Africa R'000	Staffing Solutions South Africa R'000	Business Support South Africa R'000	Contingent Staffing Australia R'000	Professional Services Australia R'000	Business Support Australia R'000	Total Group R'000	Geographical segments	
									South Africa R'000	Australia R'000
Revenue										
– February 2026	3 919 522	1 652 195	1 549 359	–	1 650 753	3 686 184	–	12 458 013	7 121 076	5 336 937
– February 2025	3 712 663	1 941 338	1 363 824	–	2 210 696	4 008 157	–	13 236 678	7 017 825	6 218 853
Internal revenue										
– February 2026	37 248	19 568	10 435	–	–	–	–	67 251	67 251	–
– February 2025	70 268	22 534	11 655	–	–	–	–	104 457	104 457	–
Cost of sales										
– February 2026	(3 461 939)	(1 453 377)	(1 423 454)	–	(1 475 217)	(3 408 957)	–	(11 222 944)	(6 338 770)	(4 884 174)
– February 2025	(3 269 701)	(1 709 004)	(1 252 323)	–	(2 018 449)	(3 685 748)	–	(11 935 225)	(6 231 028)	(5 704 197)
Gross profit										
– February 2026	457 583	198 818	125 905	–	175 536	277 227	–	1 235 069	782 306	452 764
– February 2025	442 962	232 334	111 501	–	192 247	322 409	–	1 301 453	786 797	514 656
Staff costs										
– February 2026	(135 200)	(87 644)	(19 765)	(80 867)	(82 515)	(133 099)	(17 314)	(556 404)	(323 476)	(232 928)
– February 2025	(130 468)	(115 867)	(21 897)	(79 795)	(95 604)	(179 365)	(11 760)	(634 756)	(348 027)	(286 729)
Other operating expenditure										
– February 2026	(141 367)	(102 299)	(51 188)	(9 684)	(44 736)	(53 458)	(4 991)	(407 723)	(304 538)	(103 185)
– February 2025	(142 666)	(104 130)	(49 442)	(8 869)	(36 564)	(58 164)	(32 204)	(432 039)	(305 107)	(126 932)
Inter-segmental allocated										
– February 2026	(72 866)	(32 224)	(22 213)	168 369	–	–	(41 066)	–	41 066	(41 066)
– February 2025	(69 176)	(22 325)	(28 004)	158 974	–	–	(39 469)	–	39 469	(39 469)
Depreciation on PPE and amortisation										
– February 2026	(409)	(18 929)	(459)	(343)	(546)	(2 956)	(61)	(23 703)	(20 140)	(3 563)
– February 2025	(418)	(18 479)	(925)	(1 067)	(802)	(4 481)	(113)	(26 285)	(20 889)	(5 396)
Depreciation on right-of-use assets										
– February 2026	(5 465)	–	(41)	(27 569)	(2 874)	(10 036)	–	(45 985)	(33 075)	(12 910)
– February 2025	(5 454)	(277)	(244)	(24 284)	(3 004)	(12 114)	–	(45 377)	(30 259)	(15 118)
Loss allowances for expected credit losses and bad debts on trade receivables										
– February 2026	(505)	(41)	(55)	–	–	–	(7 526)	(8 127)	(601)	(7 526)
– February 2025	6 458	1 866	–	–	–	–	302	8 626	8 324	302
Impairment expense										
– February 2026	–	–	–	(15 819)	–	–	–	(15 819)	(15 819)	–
– February 2025	–	–	–	–	–	(1 057)	–	(1 057)	–	(1 057)
Operating profit/(loss) before finance income and finance costs										
– February 2026	101 771	(42 319)	32 184	34 087	44 855	77 678	(70 958)	177 298	125 723	51 575
– February 2025	101 238	(26 878)	10 989	44 959	56 273	68 285	(83 244)	171 622	130 308	41 314

Segment report continued

for the year ended 28 February 2026

	Contingent Staffing South Africa R'000	Professional Services South Africa R'000	Staffing Solutions South Africa R'000	Business Support South Africa R'000	Contingent Staffing Australia R'000	Professional Services Australia R'000	Business Support Australia R'000	Total Group R'000	Geographical segments	
									South Africa R'000	Australia R'000
Interest income										
– February 2026	2 625	442	10	7 435	236	585	5 094	16 427	10 512	5 915
– February 2025	55	888	68	4 094	554	1 454	4 205	11 318	5 105	6 213
Interest expense										
– February 2026	(367)	(6)	–	(359)	–	–	(1 895)	(2 627)	(732)	(1 895)
– February 2025	(237)	(74)	(1)	(1 504)	–	–	(2 847)	(4 663)	(1 816)	(2 847)
Interest expense on lease liabilities										
– February 2026	(917)	–	–	(36 593)	(253)	(1 572)	–	(39 335)	(37 510)	(1 825)
– February 2025	(746)	–	(23)	(38 848)	(406)	(961)	–	(40 984)	(39 617)	(1 367)
Taxation (expense)/income										
– February 2026	(4 369)	12 234	1 354	2 950	(12 114)	(21 060)	15 236	(5 769)	12 169	(17 938)
– February 2025	7 545	15 242	3 332	(3 829)	(15 743)	(24 176)	21 192	3 563	22 290	(18 727)
Total assets										
– February 2026	837 499	349 998	153 035	441 341	177 714	459 345	607 605	3 026 537	1 781 873	1 244 664
– February 2025	794 845	416 065	130 377	472 100	276 619	527 201	650 973	3 268 180	1 813 387	1 454 793
Total liabilities										
– February 2026	347 447	144 524	109 552	436 018	169 279	262 858	24 824	1 494 502	1 037 541	456 961
– February 2025	337 768	186 425	115 850	448 754	321 896	345 932	20 979	1 777 604	1 088 797	688 807
Additions to property and equipment										
– February 2026	500	370	381	23	95	965	77	2 411	1 274	1 137
– February 2025	995	23	162	–	639	2 185	105	4 109	1 180	2 929
Additions to right-of-use assets										
– February 2026	1 263	–	–	1 055	–	3 289	–	5 607	2 318	3 289
– February 2025	7 989	–	–	–	36 438	–	–	44 427	7 989	36 438
Additions to intangible assets										
– February 2026	2 023	262	–	–	–	–	–	2 285	2 285	–
– February 2025	1 425	1 210	–	–	–	–	–	2 635	2 635	–

07 SUPPLEMENTARY INFORMATION

Glossary of terms

Abbreviation	Description
ACI	African, Coloured and Indian
Adcorp/the Company	Adcorp Holdings Limited
Adcorp Group/the Group/the business	Adcorp Group of companies
Adcorp Horizon/Horizon	Adcorp's strategy from FY2027, focused on margin-led growth, higher-quality earnings, portfolio optimisation, technology enablement, capital allocation discipline and geographic diversification
AFS	Annual financial statements
AGM	Annual general meeting
AHA	Adcorp Holdings Australia
AI	Artificial intelligence
AME	Africa and the Middle East
ARC	Audit and risk committee
Assignees	Temporary employees who are recruited, screened, trained and employed by a temporary employment services provider, then assigned to client organisations
B-BBEE	Broad-based black economic empowerment
Board	The board of directors of Adcorp
BPO	Business process outsourcing
Brandshift	Adcorp's strategy introduced in 2022 to stabilise the business, restore financial resilience and rebuild confidence across the Group
Business/the business	The business conducted within the Adcorp Group
Candidate	A job applicant or prospective employee

Abbreviation	Description
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Chair/Chairperson	The Chairperson of the board or a committee, as relevant
Combined assurance	A co-ordinated assurance approach that aligns risk management, internal controls and assurance activities across the Group
Companies Act	Companies Act 71 of 2008, South Africa
Contingent employees	Employees, whether on independent, temporary or permanent contracts of employment, who are deployed to Adcorp client sites as part of a commercial outsourcing contract
Contingent staffing	Flexible workforce solutions that allow clients to scale labour requirements in line with operational demand
CPI	Consumer price index
CSAT	Customer satisfaction
CSP	Conditional share plan
CSR	Corporate social responsibility
CTC	Cost to company
Cybersecurity	Measures used to protect information assets, systems and data from unauthorised access, disruption or compromise
DEIB	Diversity, equity, inclusion and belonging
Deployed permanent employee	A permanent employee who has been deployed or outsourced to a client company
DoS	Denial of service

Abbreviation	Description
Double materiality	An approach that considers both the financial effect of material matters on the Group and the Group's impact on people, communities, the environment and other stakeholders
DSO	Days Sales Outstanding, a measure of the average number of days it takes a company to collect payment after a sale has been made
EBITDA	Earnings before interest, tax, depreciation and amortisation
EE	Employment equity
Employer of record	A service model in which a third party assumes formal employment responsibilities for workers on behalf of another organisation
ESD	Enterprise and supplier development
EPS	Earnings per share, being the portion of the Company's profit allocated to each outstanding share
ERM	Enterprise risk management
ESG	Environmental, social and governance
Exco	Group executive committee
EY	Ernst & Young
Financial materiality	Matters that could affect the Group's performance, financial position or prospects
FMCG	Fast-moving consumer goods
FSP	Forfeitable share plan
FY	Year ended
FY2025	Year ended 28 February 2025
FY2026	Year ended 28 February 2026
FY2027	Year ending 28 February 2027
HCC	Human capital committee
HEPS	Headline earnings per share
HR	Human resources
IAR	Integrated annual report
ICT	Information and communications technology

Abbreviation	Description
IFRS	IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards)
Impact materiality	Matters relating to the effect of the Group's activities on people, communities, the environment and other stakeholders
Independent contractor	A self-employed individual who performs services for a company under contract rather than as an employee, either on or off-site
Integrated Reporting Framework	The reporting framework that guides integrated reporting by explaining how an organisation creates, preserves or erodes value over time
InvestCom	Investment committee
ISO	International Organisation for Standardisation
IT	Information technology
JSE	JSE Limited
Just Transition	The transition to a lower-carbon economy in a way that considers social, employment and economic effects
King IV™/King IV™ Report	King IV™ Report on Corporate Governance for South Africa, 2016
King V™	King V™ Report on Corporate Governance for South Africa
KPMG	The external auditors for the Adcorp Group
LTI	Long-term incentive
LTIFR	Lost time injury frequency rate
KPI	Key performance indicators
Malus	A remuneration adjustment mechanism that allows unvested incentive awards to be reduced or forfeited in defined circumstances
MoI	Memorandum of Incorporation
MSP	Managed Service Provider, a service whereby a company takes on primary responsibility for managing an organisation's contingent workforce programme, including overall programme management, reporting and tracking, supplier selection and management, order distribution and consolidated billing
NomCo	Nominations committee
OECD	Organisation for Economic Co-operation and Development
OEM	Original equipment manufacturer
OHS	Occupational health and safety

Abbreviation	Description
PALM	Pacific Australia Labour Mobility Scheme
PBT	Profit before tax
Permanent employee	An employee who works for, and is paid directly by, a specific employer without a predetermined end date for the employment arrangement. Permanent employees are often eligible for employment benefits such as paid leave, health insurance and retirement plan access
PMI	Production Management Institute of Southern Africa (Pty) Ltd
POPIA	Protection of Personal Information Act, also known as the POPI Act
Professional Services	Adcorp's division providing white-collar workforce solutions, including permanent recruitment, contract staffing, project-based resourcing, MSP and RPO
Project Raptor/Raptor	Adcorp's large-scale AI and data transformation programme, comprising multiple workstreams across data, analytics, AI, culture and change, and business transformation
PV	Photovoltaic
ROIC	Return on invested capital, being the percentage return that a company makes over its invested capital
ROUA	Right-of-use asset
RPO	Recruitment Process Outsourcing, the partial or full outsourcing of a company's internal recruitment function to a third-party specialist provider for its direct-hire recruitment needs
SED	Socioeconomic development
SDG	Sustainable development goals
SENS	Stock Exchange News Service

Abbreviation	Description
SESCom	Social, ethics and sustainability committee
SETA	Sector Education and Training Authority in South Africa, which governs skills development through learnerships, internships, unit-based skills programmes and apprenticeships
SHEQ	Safety, health, environment and quality
SIEM	Security information and event management
SIA	Staffing industry analyst
Skyhawk	Adcorp's technology simplification programme, which reduced system complexity and helped consolidate key processes onto modern platforms
SQL	Structured Query Language
Staffing Solutions	Adcorp's division that provides outsourced services to help clients simplify complexity, improve efficiency and focus on core operations
STI	Short-term incentive
TGP	Total guaranteed package, calculated using a total cost to company methodology
UN	United Nations
Unified Data Architecture	A common data architecture intended to support stronger data governance, better data quality and future AI-enabled use cases across the Group
US	United States
WACC	Weighted average cost of capital
WGEA	Workplace Gender Equality Act
ZAR	South African rand

Corporate information

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Adcorp Holdings Limited

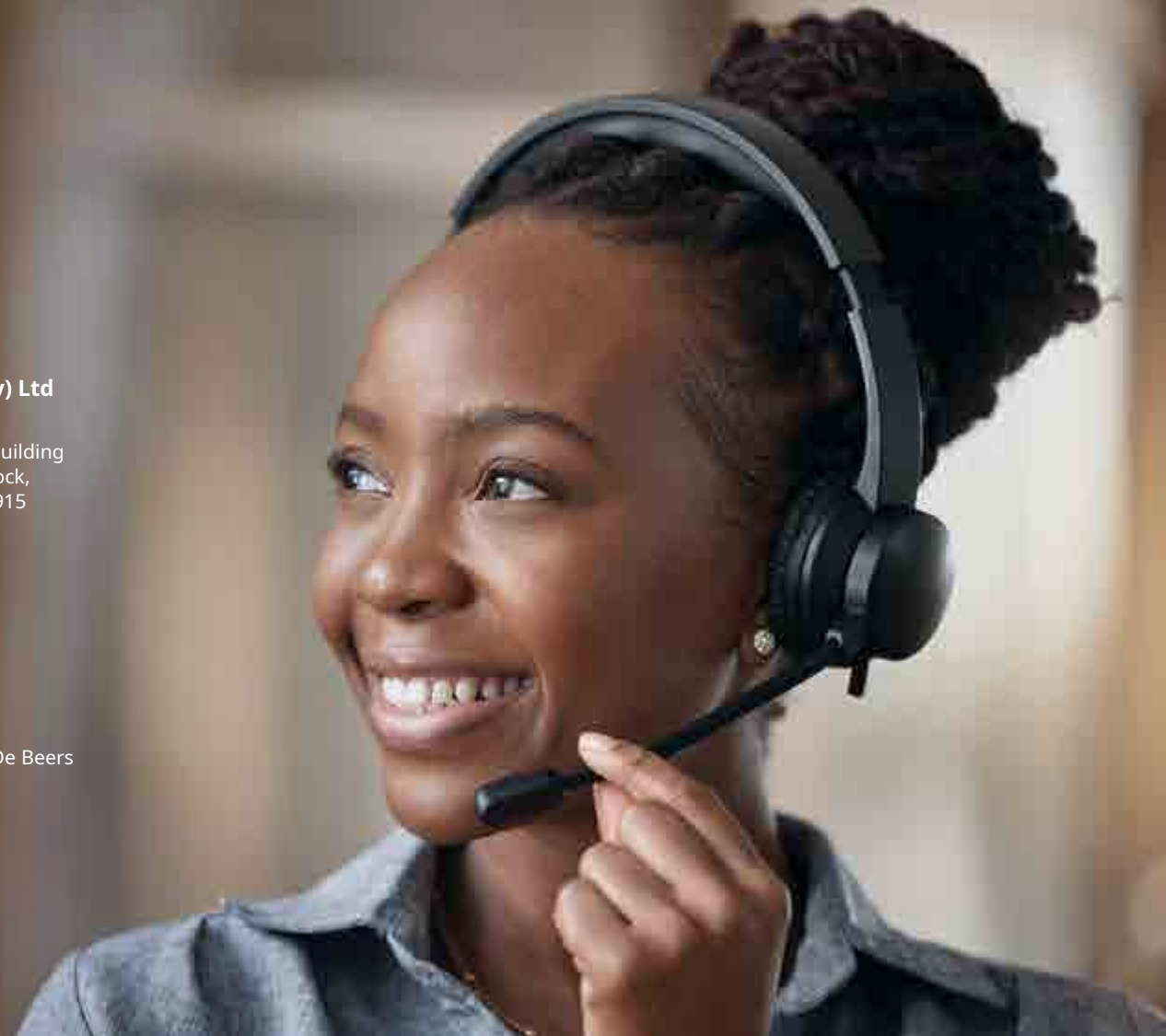
Registration number: 1974/001804/06

Listed: 1987

Share code: ADR

ISIN: ZAE000000139

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