Sebata Holdings
INNOVATIVE SOLUTIONS

Sebata Holdings Limited
(Registration number 1998/003821/06)

Consolidated Annual Financial Statements
for the year ended 31 March 2025

Nexia SAB&T
Registered Auditors

These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008, as amended.

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Enterprise management, water management and ICT solutions as well as accounting and professional services
Directors	IG Morris (resigned 31 March 2026) DA Di Siena PH Duvenhage TW Hamill CA King RW King D Passmore DL Strydom RJ Viljoen
Registered office and business address	The Lodge - First Floor Hunts End - 38 and 42 Wierda Road West Wierda Valley Gauteng 2196
Postal address	The Lodge - First Floor Hunts End - 38 and 42 Wierda Road West Wierda Valley Gauteng 2196
Auditors	Nexia SAB&T Registered Auditors
Company secretary	RB Smith
Company registration number	1998/003821/06
Tax reference number	9457323849
Level of assurance	These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008, as amended.
Preparer	The consolidated annual financial statements were independently compiled by: T Kritsiotis Chartered Accountant (SA) Fourteen Ninety-Four (Pty) Ltd Prepared under the supervision of: RW King Executive Financial Officer

Index

The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholders:

Audit Committee Report

The Audit Committee is pleased to present its report for the financial year ended 31 March 2025 to the board of directors and to all company stakeholders.

This report is in compliance with the requirements of the Companies Act of South Africa, No. 71 of 2008, as amended, and the King Code of Governance for South Africa.

Committee composition and attendance at meetings

The Committee is comprised of three non-executive directors.

The following directors served on the Committee during the year under review:

- PH Duvenhage (Independent Chairperson)
- D Passmore (Independent)
- DA Di Siena (Independent)

The Audit Committee is required to meet at least twice a year. During the 2025 financial year, the Committee met four times and attendance thereat is set out below.

	27 June 2024	25 July 2024	11 December 2024	27 March 2025
Members				
PH Duvenhage	Yes	Yes	Yes	Yes
DA Di Siena	Yes	Yes	Yes	Yes
D Passmore	Yes	Yes	apologies sent	Yes
Invitees				
IG Morris	Yes	Yes	Yes	Yes
TW Hamill	Yes	Yes	Yes	Yes
CA King	Yes	Yes	Yes	Yes
RW King	n/a	n/a	Yes	Yes
DL Strydom	Yes	Yes	Yes	Yes
RJ Viljoen	Yes	Yes	Yes	Yes
Nexia SAB&T	Yes	Yes	Yes	Yes
RB Smith (company secretary)	n/a	n/a	Yes	Yes
L Mayer (company secretary)	Yes	Yes	n/a	n/a

The executive directors and representatives from the independent external auditor, Nexia SAB&T, are invited to attend all Audit Committee meetings.

Audit Committee mandate

In line with its approved terms of reference, the Audit Committee fulfilled its responsibilities during the 2025 financial year. These included, among others:

- Reviewing the interim results, annual financial statements, trading updates, SENS announcements and other public disclosures, and providing input to the Board;
- Making recommendations to the Board regarding Sebata's accounting policies, internal financial controls, and reporting practices;
- Reviewing the Group's financial risk management processes and engaging with the independent external auditor, Nexia SAB&T;
- Assessing the appropriateness of the expertise and adequacy of resources within the finance function;
- Monitoring the Group's combined assurance model to ensure key risks were addressed appropriately and referred to the Risk Committee where necessary;
- Ensuring the continued independence and objectivity of Nexia SAB&T;
- Evaluating the effectiveness of the external audit process and approving the associated audit fees for the 2025 financial year;
- Reviewing the Directors' Report prior to its submission for Board approval; and
- Considering significant accounting judgements, estimates, and disclosure matters in the annual integrated report, including the clarity and completeness of financial and non-financial disclosures.

Audit Committee Report

At the request of the board, the Committee also assessed whether the annual report is fair, balanced, and understandable, and whether it provides the information required for shareholders to evaluate the Group's performance, strategy, and business model. The Committee reports directly to the Board on its activities, highlighting any areas of concern and recommending actions for improvement as required.

External Auditors

Input from the independent external auditors at Audit Committee meetings provides Committee members with greater insight into the financial management of the company. The Audit Committee is therefore satisfied that the financial statements of the group comply with International Financial Reporting Standards and are consistent with the previous annual consolidated financial statements and that no matters of significance have been raised during the 2025 financial year.

The group has a formal policy on the provision of non-audit services by the independent external auditor which specifies those services that the auditor is prohibited from providing to the Sebata group as well as those that require pre-approval by the Audit Committee.

During the year under review, Nexia SAB&T did not provide any non-audit services to Sebata. The Audit Committee duly satisfied itself that, in accordance with section 94 (8) of the Companies Act, Nexia SAB&T, the external auditors of the group remain independent. Nexia SAB&T has confirmed to the Committee its continuing independence and compliance with the Sebata policy on auditor independence.

The Audit Committee was provided with the latest Audit Quality Indicators report by Nexia SAB&T. The information was used by the Committee to assess the suitability for reappointment of both Nexia SAB&T as the external auditor and Sophy Kleovoulou as the individual designated audit partner.

Finance function

The Audit Committee has considered the appropriateness of the expertise and experience of the Group's Executive Financial Director, Ross King, and the broader finance team. The Committee is satisfied that Ross and his team possess the necessary competencies, qualifications and experience to effectively fulfil the Group's finance function. The finance function is appropriately resourced to support the Group's reporting and compliance obligations.

Internal Audit

The group does not have an internal audit function. The Committee nevertheless undertakes an annual review on the feasibility of establishing an internal audit function. In undertaking the review, the Committee considers:

- The operational necessity of having an internal audit function that can operate and report independently to the Committee;
- The possible risk that the company may incur by not having an internal audit function, considering all compensating controls that management has put in place;
- The findings contained in the management report prepared by the external auditor during their financial audit; and
- The cost of having an internal audit function that can report independently to the Committee.

In the absence of an internal audit function, the Committee may, from time to time, require management to review and report on key operational controls.

Whistle blowing policy

Sebata implemented a whistle blowing policy in order to demonstrate its commitment to working towards a culture of fairness, openness and transparency. In conjunction with the whistle blowing policy, the Sebata Holdings Ethics Hotline, which is independently operated by Vuvuzela, provides employees and clients with a mechanism to anonymously bring any unethical business practices to the attention of management. Communication in respect of this hotline is regularly circulated to all group employees, and constant reminders are sent out via the monthly group newsletter.

All reports received from the Ethics Hotline are forwarded to the designated representatives at Sebata and to the Audit Committee for review, and consideration is made as to whether the action taken by the designated representative was appropriate or whether further action is required.

Audit Committee Report

Financial Statements

The Committee has reviewed the annual consolidated financial statements of the group, and is satisfied that they comply with IFRS Accounting Standards as issued by the International Accounting Standards board and the Companies Act, and that the accounting policies used are appropriate.

The Committee has reviewed a documented assessment by management of the going concern premise of the company.

Based on the facts and circumstances known, management and the Committee determined that there is not a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern, and therefore the Committee recommended to the board that the company will be a going concern for the foreseeable future.

Compliance

The Committee is responsible for reviewing any major breach of relevant legal and regulatory requirements. The Committee is satisfied that there has been no material non-compliance with law and regulations during the period under review.

The Committee is also satisfied that it has complied with all its legal, regulatory and other responsibilities during the period under review.

General

The Committee has reviewed a documented assessment by management of the going concern premise of the group, which considered the going concern indicators identified at the reporting date, the management actions taken to address them, and the Laird letter of support effective until 30 June 2027. Based on the facts and circumstances known, management and the Committee determined that there is not a material uncertainty that may cast significant doubt upon the group's ability to continue as a going concern, and therefore the Committee recommended to the Board that the group will be a going concern for the foreseeable future.

Sebata's combined assurance model aims to optimise the assurance coverage obtained on the risks affecting the group. Within the group there is interplay between a number of key assurance providers which includes both the Audit and Risk Committee as well as the External audit function. This is supported by the assurance provided on an operational and structural level by both the executive management and the management at an individual subsidiary level.

The management team of each subsidiary in the group identifies and addresses the risks on the day-to-day operations of that particular business. Monthly management meetings are held with the group executives where these issues are discussed. Lastly, the Risk Committee is responsible for monitoring the appropriateness of the combined assurance model.

The Audit Committee are satisfied that the current combined assurance model utilised by the group ensures that significant risks facing the company are adequately addressed. The Committee has reviewed the annual consolidated financial statements of the group, based on the information provided to the Committee, considers that the group complies, in all material aspects, with the requirements of the Companies Act and IFRS Accounting Standards as issued by the International Accounting Standards board. The Committee has recommended the annual consolidated financial statements for the year ended 31 March 2025 to the board for approval.

On behalf of the audit committee

PH Duvenhage
Chairman Audit Committee

11 June 2026

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa No. 71 of 2008, as amended to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the group’s cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on pages 12 to 19.

The consolidated annual financial statements set out on pages 20 to 70, which have been prepared on the going concern basis, were approved by the board of directors on 11 June 2026 and were signed on their behalf by:

Approval of financial statements

DL Strydom	**RJ Viljoen**
RW King	

CEO and CFO Responsibility Statement on Internal Financial Controls

In terms of paragraph 5.9 of the JSE Listings Requirements, the directors, whose names are stated below, hereby confirm that:

a) the consolidated annual financial statements set out on pages 9 to 70, fairly present in all material respects the financial position, financial performance and cash flows of the group in terms of IFRS Accounting Standards;

b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading:

c) internal financial controls have been put in place to ensure that material information relating to the group has been provided to effectively prepare the consolidated annual financial statements of the group;

d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) where we are not satisfied, we have disclosed to the Audit and Risk Committee and the external auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and

f) we are not aware of any fraud involving directors.

DL Strydom
Joint Chief Executive Officer

RJ Viljoen
Joint Chief Executive Officer

RW King
Executive Financial Officer

11 June 2026

Group Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa No. 71 of 2008, as amended, I certify that the group has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

RB Smith

RB Smith
Company Secretary
11 June 2026

Directors' Report

The directors have pleasure in submitting their report on the consolidated annual financial statements of Sebata Holdings Limited for the year ended 31 March 2025.

1. Nature of business

Sebata Holdings Limited was incorporated in South Africa with interests in the industry. The group operates in South Africa.

Sebata Holdings Limited is domiciled in the Republic of South Africa. Sebata is a holding company with equity interests in a number of operating entities and is listed on the main board of the Stock Exchange operated by the JSE Limited ("JSE") under the computer services sector.

The entities within the group are primarily focused on the provision of information technology for enterprise management, water management and information and communication technology ("ICT") solutions, as well as accounting and professional services.

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

2. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended. The accounting policies have been applied consistently compared to the prior year.

Effective 1 July 2024, Sebata Holdings Limited regained 100% control of its Software and Water Divisions, marking the conclusion of the "Inzalo Transaction." Prior to this date, the group held a 40% interest in these divisions, accounted for as investments in associates, following a 60% disposal in the 2019 and 2020 reporting periods. Refer note 3 for detail of the business combinations.

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

3. Share capital

Refer to note 14 of the consolidated annual financial statements for detail of the movement in authorised and issued share capital.

4. Dividends

No dividends were declared or paid during the year (2024: 25c per share, totalling R28,728,772).

5. Directorate

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

Directors	Nationality	Changes
IG Morris	(Non-executive Chairperson)*	Resigned 31 March 2026
DA Di Siena	(Independent Non-executive)	
PH Duvenhage	(Lead Independent Non-executive)**	
TW Hamill	(Non-executive)	
CA King	(Non-executive Chairperson)***	
RW King	(Executive Financial Director)	Appointed 17 September 2024
D Passmore	(Independent Non-executive)	
DL Strydom	(Joint Chief Executive Officer)	Appointed 06 May 2024
RJ Viljoen	(Joint Chief Executive Officer)	Appointed 06 May 2024

* Mr IG Morris was appointed as the Chief Executive Officer and Interim Chief Financial Officer up until 16 September 2024, whereafter he was appointed as the Non-executive Chairperson until his resignation on 31 March 2026.

** PH Duvenhage was appointed as the Non-executive Independent Chairperson up until 16 September 2024, whereafter he was appointed as the Lead Non-Executive Independent Board Member.

*** Mr CA King changed from Executive to Non-executive director on 17 September 2024 and was appointed as the Non-executive Chairperson on 27 May 2026.

Directors' Report

6. Share incentive scheme

Refer to note 16 of the consolidated annual financial statements for details of the group share incentive scheme.

7. Directors' interest in shares

Directors interest in shares are disclosed in note 38 to the annual consolidated financial statements which presents the shareholders' information.

8. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the group had an interest and which significantly affected the business of the group. Related party transactions are disclosed in the consolidated annual financial statements in note 30.

9. Subsidiaries and investments in associates

Details of subsidiaries are listed in the consolidated annual financial statements in note 35 and business combinations are presented in in the consolidated annual financial statements in note 3.

Details of material interests and changes in associates are presented in the consolidated annual financial statements in note 8.

There were no subsidiaries with material non-controlling in interests.

10. Borrowing powers

In terms of the Memorandum of Incorporation of the group, the directors may exercise all the powers of the group to borrow money, as they consider appropriate.

11. Special resolutions

The company passed four special resolutions during the year ended 31 March 2025 (all special resolutions were passed at the company’s Annual General Meeting on 24 October 2024):

- Approving the remuneration of the non-executive directors.
- Approving financial assistance to related or inter-related companies and corporations.
- Approving Loans or other financial assistance to directors.
- General approval to acquire shares.

Except for the above, no special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the group were made by the group during the period covered by this report.

12. Events after the reporting period

Subsequent to the reporting date, the following events occurred:

- The group restructured its funding arrangements. Shareholder loans were advanced to the group for R110 million and the proceeds were applied to extinguish all external borrowings and outstanding third-party obligations across the group (refer note 17). The settlements included mortgage bonds, amounts owing to financial institutions, outstanding statutory obligations and certain key trade creditor balances. The new loan is unsecured, bears interest at the prime interest rate and has no fixed repayment terms.

  The board of directors is satisfied that the restructuring strengthens the group's balance sheet by consolidating external indebtedness into a single related-party funding arrangement.

- The company's shares were suspended from trading on the JSE on 1 October 2025 for failing to publish its audited financial results for the year ended 31 March 2025 within the prescribed period. The board intends requesting the suspension be lifted in August 2026, following the publication of these consolidated annual financial statements.

12. Events after the reporting period (continued)

- On 7 May 2026, the company released a cautionary announcement on SENS advising shareholders that it had entered into negotiations with a non-related third party regarding the potential disposal of certain assets which, if successfully concluded may have a material effect on the price of the company's securities. No binding agreement had been entered into at the reporting date and the conditions giving rise to the potential transaction did not exist at that date. As at the date of approval of these consolidated annual financial statements, the parties remain in the drafting phase of a sale and purchase agreement. Any transaction remains subject to the negotiation and conclusion of definitive transaction documents, the fulfilment of conditions precedent and such regulatory and shareholder approvals as may be required, including under the JSE Listings Requirements. The financial effect of the potential transaction cannot be reliably estimated at this time. Further announcements will be made to shareholders on SENS in accordance with the JSE Listings Requirements.

These were all considered non-adjustment events.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

13. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

In assessing the appropriateness of the going concern basis, the directors have considered two indicators present at, or shortly after, the reporting date: the net current liability position at 31 March 2025 reflected in the consolidated statement of financial position, principally arising from the consolidation of the short-term external borrowings of the Software and Water groups following the conclusion of the Inzalo Transaction (refer notes 3 and 17); and the suspension of trading in the company's ordinary shares on the JSE shortly after the reporting date (refer note 12 in the Directors' Report).

Both indicators have been substantively addressed by management actions taken after the reporting date and before the date of approval of these consolidated annual financial statements. The group's external lender exposure has been extinguished through a refinance funded by Laird Group (Pty) Ltd ("Laird"), as described in note 12 of the Directors' Report. The group is now substantively funded by a single supportive shareholder. Laird has provided the group with a letter of support confirming that it will not demand repayment of the shareholder loan, and that it has the financial capacity to support the group's ongoing funding requirements, throughout the assessment period applied by the directors.

The group's substantive reliance on continued support from Laird represents a key judgement area in the going concern assessment. The directors have considered Laird's financial capacity and its expressed intent to provide ongoing support, and are satisfied that this support is reasonably assured throughout the assessment period.

The directors have prepared cash flow forecasts covering the assessment period, including stress scenarios incorporating reductions in revenue, gross margin and working-capital efficiency. The group is forecast to maintain sufficient liquidity throughout the assessment period under both base and stress scenarios.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

14. Auditors

Nexia SAB&T continued in office as auditors for the group for 2025.

15. Company secretary

The company secretary is Mr RB Smith (appointed 01 September 2024).

Nexia SAB&T

119 Witch-Hazel Avenue
Highveld Technopark
Centurion
0157
T: +27 (0) 12 682 8800
info@nexia-sabt.co.za
www.nexia-sabt.co.za

Independent auditor's report

To the Shareholders of Sebata Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sebata Holdings Limited and its subsidiaries set out on pages 20 to 70, which comprise the consolidated statement of financial position as at 31 March 2025; and the consolidated statement of profit or loss and other comprehensive income; the consolidated statement of changes in equity; and the consolidated statement of cash flows for the year then ended; and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sebata Holdings Limited and its subsidiaries as at 31 March 2025, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

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

Final materiality

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

Our determination of materiality is a matter of professional judgement and is affected by our perception and understanding of the financial information needs of intended users, which is the quantitative and qualitative factors that determine the level at which relevant decisions taken by users would be affected by a misstatement. These factors helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Based on our professional judgement, we determined final materiality for the consolidated financial statements as follows:

	Consolidated financial statements
Final materiality	R15 458 760 (2024: R9 376 400)
Basis for determining materiality	2% of Total Assets
Rationale for the materiality benchmark applied	We considered total assets to be the appropriate benchmark as Sebata Holdings Ltd is an investment entity and performance is determined by the growth in the Group's assets. The strategic focus is to deliver long-term shareholder returns through the Group's software business.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality.

During the audit, initial materiality was reassessed and revised from the level determined at the planning stage. Scoping and sampling were re-evaluated to ensure that the audit procedures performed provided appropriate and sufficient audit evidence.

Group audit scope

We designed our group audit by assessing the risk of material misstatement at the group level and determining the nature, timing and extent of audit procedures to be performed across the group. Significant judgements were made in scoping the group audit, including the determination of components at which audit work, in support of the group audit opinion, needed to be performed to address the risk of material misstatement at group level.

The decision to perform audit of the entire financial information of the component, audit of one or more account balances, classes of transactions or disclosures or specified procedures was made considering the likelihood of material misstatement in those components and the overall risk profile of the group.

In selecting components, we involved the component auditors in the risk assessment process and performed risk assessment activities across the group and its components to identify risks of material misstatement. We then identified how the nature and size of the account balances, classes of transactions and disclosures at the components contribute to those risks and thus determined which account balances, classes of transactions and disclosures required an audit response. We then considered for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses.

We considered the following to determine the components at which audit work, in support of the group audit opinion, needed to be performed to provide an appropriate basis for undertaking audit work to address the risks of material misstatement at group level. This included an assessment of:

- Whether any individual component had relevant events or conditions that may result in a risk to the group financial statements.
- Whether the group auditor needed to obtain audit evidence on all or a significant portion of the component's financial statements.
- Size of the component i.e. component's contribution to relevant classes of transactions, account balance or disclosures and contribution to the group risks of material misstatements.
- Whether the individual component was subject to audit under local law.

Based on our assessment, there were 13 components within the group structure. Each consolidated legal entity was considered to be an individual component to be assessed. All components are based in South Africa.

In assessing the risk of material misstatement to the consolidated financial statements and ensuring adequate quantitative coverage of significant accounts, we summarise below the extent of audit work performed at the components in support of the group audit opinion.

	Number of components	% of benchmark
Audit of entire financial information of the component	6	81%
Audit of one or more account balances, classes of transaction or disclosures	4	13%
Not audited (below materiality)	3	7%

We determined the type of work that needed to be performed by us, whether as the group auditor, by component auditors, or by other firms or networks operating under our instruction. When the work was performed by component auditors, we defined the scope of work to be conducted at these components and the level of involvement necessary for us in the audit work at those components. We ensured a consistent audit approach through frequent communication with component auditors, detailed group instructions, and regular status updates, as well as through direction and supervision of the audit work performed by component auditors, including reviewing their working papers and engaging in regular communications to evaluate their findings. We also held planning and completion meetings with each component audit team to ensure alignment with the group audit strategy and consistency in applying audit procedures across the group. This approach provided us with sufficient appropriate audit evidence for the purposes of our opinion on the group financial statements as a whole.

For the components that were not audited, we considered if there were any events or conditions in these components that required additional procedures.

At group level, the following testing was performed centrally:

- Right-of-use assets and liabilities accuracy and completeness;
- Investment property accuracy and completeness;
- Deferred tax asset recoverability;
- Taxes payable accuracy;
- Related party transactions and balances accuracy and completeness;
- Journal validity and completeness

Our audit procedures were designed to respond to the risks of material misstatement at both the group and component levels and to obtain sufficient appropriate audit evidence to support our opinion on the consolidated financial statements.

Key Audit Matters

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

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matter and this is included below.

Key Audit Matter	**How our audit addressed the key audit matter**
Valuation of the Intangible Asset and Goodwill	
As disclosed in Note 3 of the Consolidated Annual Financial Statements, the Group recognised assets of R337 million, comprising identifiable net assets of R242 million and goodwill of R95 million, arising from the reacquisition of its Software and Water Divisions. Effective 1 July 2024, Sebata Holdings regained 100% control of these divisions, concluding the "Inzalo Transaction". Prior to this date, the Group held a 40% interest, which was accounted for as an investment in associates following the disposal	Our audit procedures focused on evaluating the key judgements and estimates used by the directors in determining the fair values of the contingent consideration receivable, the previously held associate interest, the identifiable intangible assets and goodwill recognised through the business combination, as well as the related impairment considerations. Our procedures included the following: ▪ Obtaining an understanding of the contractual agreements and related arrangements.

Nexia SAB&T

Key Audit Matter	**How our audit addressed the key audit matter**
of a 60% interest in the 2019 and 2020 reporting periods. Control was regained following the collapse of the Inzalo Transaction, whereby the Group forfeited its contractual right from the original disposal in exchange for the return of the 60% equity interest. Consequently, the consideration transferred for the business combination comprised (i) the fair value of the previously held 40% equity interest and (ii) the fair value of the outstanding consideration receivable. This transaction resulted in the application of IFRS 3 *Business combinations*, including the recognition and valuation of identifiable intangible assets, goodwill, and related deferred tax effects as well as the remeasurement of the previously held interest to fair value. We identified this matter as a key audit matter due to: - the materiality of the transaction; - the complexity of the accounting under IFRS 3, including the determination of consideration receivable; - the significant judgement involved in estimating the fair value of the outstanding consideration receivable and previously held associate interest, and - the judgement required in assessing impairment indicators for goodwill and intangible assets in terms of IAS 36 *Impairment of Assets.* The fair value measurements required valuation techniques for unlisted entities, primarily using an income approach in accordance with IFRS 13 *Fair Value Measurement*. These valuations were sensitive to assumptions including forecast EBITDA, expected cash flows, growth rates and discount rates. The valuation of the underlying equity, which serves as security for the receivable, also required judgement.	▪ Reviewing meeting minutes to determine when control was obtained. ▪ Inspecting documentation and corroborating evidence to confirm the Group did not control the investees prior to the transaction. ▪ Consulting IFRS specialists to assess the appropriateness of the accounting treatment. ▪ Evaluating the reasonableness of key assumptions and methodologies used in fair value calculations, including cash flow forecasts, growth rates and discount rates. ▪ Assessing whether the transaction met the definition of a business combination under IFRS 3. ▪ Assessing the fair value of consideration transferred, including the previously held interest and receivable. ▪ Assessing the identifiable assets acquired and liabilities assumed, and recalculating goodwill. ▪ Evaluating whether intangible assets were separately identifiable and appropriately measured. ▪ Reviewing journal entries and deferred taxation effects for compliance with IFRS. ▪ Assessing impairment indicators and, where relevant, evaluating the methodology used to determine recoverable amounts. ▪ Considering the adequacy of related financial statement disclosures. Based on the procedures performed, we found the methods, assumptions and data used by the directors to be appropriate. We also considered the disclosures to be appropriate, and no further matters were identified for consideration.

Key Audit Matter	How our audit addressed the key audit matter
Immediately prior to obtaining control, the previously held 40% interest was remeasured to fair value in accordance with IFRS 3.42, which required judgement due to the unlisted nature of the investees and reliance on management's estimates.	

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sebata Holdings Limited Integrated Report 2025", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's reports thereon.

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Sebata Holdings Limited for 14 years.

Nexia SAB&T

Nexia SAB&T

Sophocles Kleovoulou

Director

Registered Auditor

11 June 2026

Nexia SAB&T

Consolidated Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	4	38,409	4,678
Investment property	5	-	33,692
Goodwill	6	103,556	8,482
Intangible assets	7	484,627	29,757
Investments in associates	8	-	133,434
Other financial assets	9	96	-
Deferred tax	10	4,468	254
		631,156	**210,297**
Current Assets			
Inventories	11	22,075	158
Other financial assets	9	-	236,479
Trade and other receivables	12	76,666	9,664
Current tax receivable		673	129
Cash and cash equivalents	13	42,368	12,093
		141,782	**258,523**
Total Assets		**772,938**	**468,820**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	14	287,223	287,223
Reserves		-	5,956
Retained income		161,281	54,464
		448,504	**347,643**
Non-controlling interest		(96)	(31)
Total Equity		**448,408**	**347,612**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	17	30,067	30,576
Deferred tax	10	75,252	33,587
		105,319	**64,163**
Current Liabilities			
Trade and other payables	18	111,594	19,024
Other financial liabilities	17	94,546	27,297
Current tax payable		6,057	3,710
Deferred vendor payments	19	7,014	7,014
		219,211	**57,045**
Total Liabilities		**324,530**	**121,208**
Total Equity and Liabilities		**772,938**	**468,820**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand thousand	Note(s)	2025	2024
Revenue	20	268,727	33,149
Cost of sales	21	(142,578)	(4,715)
Gross profit		**126,149**	**28,434**
Other operating income and gains	22	23,881	304
Movement in credit loss allowances	23	32,790	(14,749)
Operating expenses		(142,894)	(61,499)
Operating profit (loss)	23	**39,926**	**(47,510)**
Investment income		1,760	915
Finance costs	24	(12,463)	(3,094)
Share of loss from equity accounted investments	8	(414)	(61,790)
Profit (loss) before taxation		**28,809**	**(111,479)**
Taxation	25	76,270	(1,234)
Profit (loss) for the year		**105,079**	**(112,713)**
Other comprehensive income for the year net of taxation		-	-
Total comprehensive income (loss) for the year		**105,079**	**(112,713)**
Profit (loss) attributable to:			
Owners of the parent		104,468	(113,938)
Non-controlling interest		611	1,225
		105,079	**(112,713)**
Total comprehensive income (loss) attributable to:			
Owners of the parent		104,468	(113,938)
Non-controlling interest		611	1,225
		105,079	**(112,713)**
Earnings (loss) per share			
Basic and diluted earnings (loss) per share (c)	33	91.17	(100.29)

Consolidated Statement of Changes in Equity

Figures in Rand thousand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Share based payment reserve	Retained income	Total attributable to equity holders of the group/company	Non-controlling interest	Total equity
Balance at 01 April 2023	**1,131**	**283,932**	**285,063**	**3,607**	**2,349**	**196,909**	**487,928**	**(254)**	**487,674**
Loss for the year	-	-	-	-	-	(113,938)	(113,938)	1,225	(112,713)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**(113,938)**	**(113,938)**	**1,225**	**(112,713)**
Issue of shares	9	2,151	2,160	-	-	-	2,160	-	2,160
Dividends	-	-	-	-	-	(28,507)	(28,507)	(1,002)	(29,509)
Balance at 01 April 2024	**1,140**	**286,083**	**287,223**	**3,607**	**2,349**	**54,464**	**347,643**	**(31)**	**347,612**
Profit for the year	-	-	-	(3,607)	-	104,468	100,861	611	101,472
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(3,607)**	**-**	**104,468**	**100,861**	**611**	**101,472**
Transfer between reserves	-	-	-	-	(2,349)	2,349	-	-	-
Dividends	-	-	-	-	-	-	-	(676)	(676)
Balance at 31 March 2025	**1,140**	**286,083**	**287,223**	**-**	**-**	**161,281**	**448,504**	**(96)**	**448,408**
Note(s)	14	14	14	15	16				

Consolidated Statement of Cash Flows

Figures in Rand thousand	Note(s)	2025	2024
Cash flows from operating activities			
Cash generated from/(used in) operations	26	52,902	(4,261)
Interest income		1,760	915
Finance costs	24	(12,463)	(2,192)
Tax paid	27	(2,465)	(870)
Net cash from operating activities		**39,734**	**(6,408)**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(1,107)	(107)
Proceeds from sale of property, plant and equipment	4	614	59
Purchases of intangible assets	7	(3,505)	(3,027)
Proceeds from sale of intangible assets	7	2,323	-
Overdrafts acquired on business combinations	3	(28,196)	-
Cash advanced in respect of other financial assets	9	(96)	(17,227)
Cash receipts from repayments of other financial assets	9	506	27,370
Net cash from investing activities		**(29,461)**	**7,068**
Cash flows from financing activities			
Repayments of other financial liabilities	28	(2,056)	(21,952)
Cash advances received on other financial liabilities	28	23,694	40,819
Cash repayments on lease liabilities	28	(960)	(1,058)
Dividends paid to non-controlling interest		(676)	(1,001)
Dividends paid to equity holders of the company		-	(10,106)
Net cash from financing activities		**20,002**	**6,702**
Total cash movement for the year		**30,275**	**7,362**
Cash and cash equivalents at the beginning of the year		12,093	4,731
Cash and cash equivalents at the end of the year	13	**42,368**	**12,093**

Accounting Policies

1. Material accounting policies

Management has considered the amendments to IAS 1 and the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated annual financial statements.

1.1 Basis of preparation

The consolidated annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated annual financial statements, the JSE Listings Requirements and the Companies Act of South Africa No. 71 of 2008, as amended.

The consolidated annual financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the functional currency of the company and significant entities within the group.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

Investments in associates are accounted for using the equity method of accounting.

The accounting policies of all subsidiaries and associates were the same as those of the parent.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Business combinations

The group accounts for business combinations using the acquisition method of accounting.

The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at acquisition date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

The effective settlement of a pre-existing relationship between the group and an acquiree in a business combination is recognised separately from the business combination and any resulting gain or loss is recognised in the statement of profit or loss.

Refer to note 3 for business combinations.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated annual financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.3 Significant judgements and sources of estimation uncertainty (continued)

The critical judgements and key sources of estimation uncertainty made by management in applying accounting policies, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Revenue contracts with customers

The group's contracts with customers often include promises to transfer multiple products and services to a customer. Details of the significant judgement applied in determining that products and services are distinct performance obligations is outlined in note 1.13.

Residual values and useful lives of tangible and intangible assets

The useful lives and residual values of items of property, plant and equipment and intangible assets are reviewed annually. The actual lives and residual values may vary depending on a variety of factors such as the nature of item, the condition as result of current usage and the expected physical wear and tear of each item and technical relevance of property, plant and equipment and intangible assets. The useful lives are based on managements best estimate of the period over which the asset could be used, which is based on past experience of similar assets in similar conditions, information in the market about similar products in similar condition, servicing similar industries, and other related factors directly influencing the period over which the asset can be utilised. Residual value of tangible assets are based on actual historic sales proceeds for similar assets in similar conditions and the blue book values for motor vehicles. Residual value of intangible assets is placed at nil due to the unique nature of the products internally developed.

Goodwill impairment assessment

The group tests annually whether goodwill has suffered any impairment, or more frequently if events or changes in circumstances indicate that it may be impaired. The calculation of the recoverable amounts of the cash generating units require the use of estimates in relation to the projection of future cash flows, the projected growth rate, the terminal value of the business and the discount rate.

Further detail on these assumptions has been disclosed in the goodwill note 6 of the consolidated annual financial statements.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets arising from tax losses are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. The raising of deferred tax assets is a process that is based on certain assumptions about the ability of the group to generate future profits in order to utilise the future tax benefits. The assessment of the probability of future taxable income is based on the group’s latest approved budget forecast. The recognition of deferred tax assets is assessed individually by management based on the specific facts and circumstances. Details of deferred tax assets are provided in note 10 of the notes to the group annual financial statements.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Determination of fair value of assets and liabilities acquired as part of a business combination

Management applied judgement and estimates to determine the fair value of the acquiree assets and liabilities. Various techniques and methods were applied to the different categories of assets and liabilities based on what was considered the most appropriate approach per category. There is significant estimation required in determining the fair value of the intangible assets in relation to the expected future cash flows to be generated. Refer to note 3 for business combinations.

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Plant and equipment	Straight line	5-15 years
Furniture and fixtures	Straight line	5-10 years
Motor vehicles	Straight line	4-5 years
Office equipment	Straight line	5-10 years
IT equipment	Straight line	2-5 years
Right-of-use assets	Straight line	Period of the lease
Leasehold improvements	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

The right-of-use assets are depreciated on a straight-line basis over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.5 Investment property

Investment property consisted of land and buildings.

Investment property was initially recognised at cost, including transaction costs, and subsequently carried at cost less accumulated depreciation. Depreciation was provided over a period of 50 years.

1.6 Intangible assets

Intangible assets are initially recognised at cost, and subsequently measured at cost less any accumulated amortisation and impairment losses.

Development activities involve a plan or design for the production of new or sustainable improved products and processes. Development expenditure is capitalised only if development costs can be, measured reliably, the product or process is technically commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the assets for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is allocated to computer software under development until such time that the products and processed are ready for use. The relevant items are then transferred from the computer software under development category to the computer software internally generated category within intangible assets.

Intangible assets under development are not amortised.

The useful lives of items intangible assets have been assessed as follows

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight line	3-15 years
Computer software, externally purchased	Straight line	3-15 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting period.

Accounting Policies

1.7 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment.

1.8 Financial instruments

Note 32 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

The specific material accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Initial recognition

The financial assets and financial liabilities are measured, at initial recognition, at fair value plus transaction costs, if any. The transaction costs for financial assets and liabilities measured at fair value are expensed on initial recognition.

Classification and subsequent measurement

Financial assets

Loans to associates and supplier included in other financial assets (note 9), cash and cash equivalents (note 13), and financial assets included in trade and other receivables (note 12), are classified as financial assets subsequently measured at amortised cost.

The contingent loan receivable included in other financial assets (note 9) was classified as held at fair value through profit or loss.

Financial liabilities

Other financial liabilities (note 17), deferred vendor payments (note 19) and financial liabilities included in trade and other payables (note 18) are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies

1.8 Financial instruments (continued)

Impairment of financial assets held at amortised cost

The group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are probability-weighted estimates based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate.

Trade receivables

The group makes use of a provision matrix by grouping trade receivables by aging as a practical expedient to the determination of expected credit losses on trade receivables. The provision matrix is determined by using reference to the credit quality of the trade receivables, the customers ability to pay, historical default rates and credit losses incurred along with reference to forward looking information such as macroeconomic factors which are used to adjust the ECL rate to take the risks into consideration.

Forward-looking information is incorporated into the provision matrix by considering macroeconomic, entity-specific and debtor-specific factors that may affect customers' ability to settle outstanding balances. The factors considered include movements in prime lending rates, inflation, unemployment, GDP growth, changes in collection practices, collateral or guarantees, customer-specific payment behaviour and the expected financial performance of the debtor base. Based on the factors assessed, no adjustment for forward-looking factors was applied in the current year to the historical loss rates used in the provision matrix.

A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Indicators that a financial asset is credit-impaired include significant financial difficulty of the debtor, breach of contract such as default or significant delinquency, legal proceedings to the debtor for economic or contractual reasons relating to financial difficulty, probability of business rescue, liquidation or other financial reorganisation, or other information indicating that the debtor is unlikely to settle the balance in full. In determining whether default has occurred the company has rebutted the presumption applied by IFRS 9 that default occurs at 90 days, and applied 150 days, this is due to the segments in which the company operates in which it is common practice for payment terms to extend past 30 days.

Other financial assets

The ECLs for other financial assets carried at amortised cost are determined in accordance with the general approach under IFRS 9 and are assessed on an individual basis based on a credit risk assessment of the borrower. ECLs on other financial assets are based on assumptions related to the risk of default by the counterparty and expected loss rates taking into consideration the group's past history of payments from counterparties and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Forward looking information includes the credit risk assessment, consideration of historic defaults by the borrower, the payment history of the borrower, the borrowers ability to repay any outstanding debt based on prospective financial performance and, when applicable, the security in place over the debt.

The group applies the IFRS 9 rebuttable presumption that credit risk has increased significantly when amounts are more than 30 days past due, unless reasonable and supportable information demonstrates that credit risk has not increased significantly.

The company applies the following credit risk grading:

Stage 1 - applies when the counterparty has a low risk (strong financial position with adherence to payment requirements) of default and does not have any past-due amounts. 12-month ECL is used as basis for recognising ECL;

Stage 2 - applies when the receivable is more than 30 days past due or when there has been significant increase in credit risk (weakened solvency and liquidity position). The receivable is not credit-impaired and lifetime ECL is used as basis for recognising ECL; and

Stage 3 - applies when the receivable is 90 days past due or when there is evidence indicating that the receivable is credit impaired (significant deterioration in the financial position or performance). The receivable is credit-impaired and lifetime ECL is used as basis for recognising ECL.

Write off policy

The groups policy is to write-off all outstanding trade and other receivables only once all legal avenues have been exhausted.

Accounting Policies

1.9 Tax

Deferred tax assets and liabilities

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

Deferred tax is not raised on the initial recognition of goodwill, but is raised on the initial recognition of an asset in a transaction which is a business combination.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

1.10 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are diminished.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its weighted average incremental borrowing rate. Lease liabilities are included in other financial liabilities (refer note 17).

The right-of-use assets are included in property, plant and equipment (refer notes1.4 and 4).

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

1.12 Share capital and equity

Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

Treasury shares

Shares in the company held by subsidiaries of the group are treated as a reduction in the group's equity.

Accounting Policies

1.13 Revenue from contracts with customers

Revenue is measured at the transaction price of the consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control over a product or services to a customer.

Transfer of control

For physical goods, control transfers to the customer when:

- the group has a present right to payment;
- the customer has legal title;
- the group has transferred physical possession;
- the customer has the significant risks and rewards of ownership; and
- the customer has accepted the goods.

For services recognised over time, control transfers as the customer receives and consumes the benefits of the group's performance. For services recognised at a point in time, control transfers when the deliverable is completed and accepted by the customer.

Performance obligations and transaction price allocation

Each distinct promise in a contract is identified as a performance obligation. The transaction price is allocated to each performance obligation in proportion to its stand-alone selling price.

Payment terms

Software licence fees are invoiced annually in advance. Support and maintenance is invoiced monthly. Physical goods and consulting are invoiced on completion. Standard payment terms are 30 days.

Major revenue streams

Major product lines recognised over time

Poducts and services	Nature, timing of satisfaction of performance obligations
Software licence	Hosted software accessed by the customer over the contract period, including updates and upgrades released during the period. Recognised over time on a straight-line basis.
Support and maintenance services	Operational support and maintenance of the customer's software environment, provided continuously throughout the contract period and reported monthly. Includes installation and implementation services where these are provided to customers alongside support. Implementation revenue is not material to the group and is presented within this stream rather than separately. Support is recognised over time based on services delivered. Implementation, where included, is recognised over time as milestones are accepted by the customer.

Accounting Policies

1.13 Revenue from contracts with customers (continued)

Major product lines recognised at a point in time

Products	Nature, timing of satisfaction of performance obligations
Consulting	Discrete fixed-fee engagements with a defined deliverable. Recognised when the deliverable is completed and accepted by the customer.
Physical goods	Sale of physical goods to customers. Recognised on delivery to the customer.

Contract assets

A contract asset is recognised when revenue is recognised prior to invoicing. Contract assets raised are expected to be realised within the normal operating cycle as there is no significant difference as to when the performance obligations are delivered and when the assets become contractually due.

Contract liabilities

A contract liability is recognised when the group has received consideration in advance of satisfying the related performance obligation. Contract liabilities relate principally to software licence fees invoiced annually in advance and are expected to be released to revenue within twelve months.

Significant financing component

The group does not adjust for the effects of a significant financing component where the period between delivery and payment is one year or less. No contracts exceed this period.

Significant judgements applied

In applying the group's accounting policy for revenue from contracts with customers under IFRS 15, the group has made the following significant judgements that affect the amount and timing of revenue recognised:

a) Identification of performance obligations in software arrangements

The group's contractual arrangements with customers of its software offerings comprise a number of related promises, principally the provision of a software licence (granting access to the hosted software solution) and the provision of ongoing support and maintenance services. The group has assessed each of these promises and concluded that they constitute distinct performance obligations for the following reasons:

- Each promise is individually capable of providing benefit to the customer: the software licence provides access to a fully functional hosted software solution independent of any support being provided by the group, and support and maintenance services can be commenced or discontinued without affecting the customer's right to access the software.
- Each promise is separately identifiable in the contract: the software licence is invoiced annually in advance at a fixed contract fee for access to the software, whereas support and maintenance services are invoiced monthly in arrears on the basis of services delivered.
- While customers typically procure the software licence and support services together, the group has determined that the promises are not so highly interdependent as to be inseparable. The combined commercial offering does not represent a single integrated output that the licence and support services jointly produce.

Where a customer arrangement includes installation and implementation services, the group treats these as a further distinct performance obligation, on the basis that the implementation is conducted on the customer's environment and the customer obtains, and is able to use, the configured software as the implementation milestones are accepted. Installation and implementation revenue is not material to the group and is included within the support and maintenance services stream for disclosure purposes, while being measured as a distinct performance obligation with its own measure of progress.

Accounting Policies

1.13 Revenue from contracts with customers (continued)

The transaction price for a customer arrangement is allocated to each distinct performance obligation in proportion to its stand-alone selling price. Stand-alone selling prices are determined on the basis of the contracted licence fee, the contracted rates applied to the expected support services, and the contracted milestone fees for installation and implementation services, respectively.

b) Timing of satisfaction of performance obligations

For performance obligations satisfied over time, the group has determined that the customer simultaneously receives and consumes the benefits of the group's performance as the group performs. This applies to:

- Software licences, in respect of which the customer benefits continuously from access to the hosted software throughout the contract period;
- Support and maintenance services, in respect of which the customer benefits continuously from the services as they are performed; and
- Installation and implementation services (included within the support and maintenance services stream for disclosure purposes), in respect of which the customer obtains and is able to use each component of the implementation as it is completed and formally accepted.

The conclusion that the software licence and the related support and maintenance services constitute distinct performance obligations reflects a refinement of the description of the group's performance obligations to better reflect the substance of its contractual arrangements with customers. The prior consolidated financial statements described the licence, support and ongoing upgrades as a single combined performance obligation recognised over time. The revised conclusion does not change the timing or amount of revenue recognised in either the current or any prior reporting period, since under both descriptions revenue is recognised over time on the same basis. Accordingly, the refinement is not a change in accounting policy under IAS 8 and comparative figures have not been restated.

The group has further determined the measure of progress that faithfully depicts the transfer of value to the customer. These are set out under the afore-mentioned major revenue streams. The measure of progress is reassessed at each reporting date.

1.14 Segment reporting

The group's identification of its segments and the measurement of segment results are based on the group's internal reporting to management as used for day to day decision making and as reviewed by the chief operating decision maker, which is the executive committee. The segments have been identified according to the nature of their respective products and services.

Notes to the Consolidated Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

There were no new relevant standards and interpretations adopted in the current financial period.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt any standards and interpretations. Standards will be implemented in the applicable year for which they are mandatory.

The impact of the implementation of IFRS 18 has not yet been fully assessed by management and may result in material changes to the disclosure and presentation of information in the financial year ended 31 March 2028.

There is unlikely to be a material impact on the future implementation of any other standards.

3. Business combinations

Effective 1 July 2024, the Group obtained 100% control of the Software Group and Water Group (together, "the Acquired Entities"), concluding the Inzalo Transaction under which the group had disposed of a 60% interest in these businesses in the 2019 and 2020 reporting periods. No cash consideration changed hands.

Under the original terms of the Inzalo Transaction, the 60% disposed of comprised a 5% donation of equity at inception and a 55% sale for a contingent receivable measured on an earn-out basis. The receivable was held at fair value through profit or loss; the retained 40% was accounted for as an investment in associate. On collapse of the Transaction, the receivable and the donated 5% equity reverted to the group together with the disposed 55% equity interest, restoring the group's holding to 100%.

The strategic rationale was to re-integrate these operational pillars into the group's centralised management structure and to reclaim the underlying intellectual property and service contracts.

3.1 Summary

The transaction has been accounted for under the acquisition method. The components are summarised below; full detail follows in sections 3.2 to 3.6.

	Note	R'000
Consideration transferred — forfeiture of contingent loan receivable at carrying value	3.3	187,181
Fair value remeasurement of contingent loan receivable at acquisition date	3.3	16,853
Previously held 40% equity interest at fair value	3.4	133,020
Non-controlling interest	3.4	-
		337,054
Less: Fair value of identifiable net assets acquired	3.6	(241,979)
Goodwill	6	**95,075**

Goodwill of R95,074,164 was recognised in respect of the Water Group and is attributable to the assembled workforce, expected synergies from vertical integration, and the premium associated with 100% ownership and unrestricted strategic control.

3.2 Revenue and profit or loss contribution

Revenue of R269,395,151 and a loss after tax of R11,458,464 have been included in the Group's results since the acquisition date. Had the acquisition occurred at the start of the reporting period, the additional external revenue would have been R338,855,402 and the additional contribution to profit after tax would have been a loss of R14,781,857.

3.3 Consideration transferred

Consideration transferred comprised the forfeiture of the group's right to receive the outstanding contingent consideration. The receivable had a carrying value of R187,180,506 immediately before the acquisition date, having been measured at fair value through profit or loss under IFRS 9. On the acquisition date the receivable was remeasured to its fair value of R204,033,174, giving rise to a fair value gain of R16,852,668 recognised in profit or loss (refer note 22). The receivable was then forfeited as consideration transferred for the business combination.

The fair value of the contingent loan receivable was determined using a discounted cash flow valuation technique, taking into account the expected future cash flows of the underlying businesses, the timing and probability of recoverability, and market participant assumptions at the acquisition date. The fair value measurement was categorised as Level 3 within the IFRS 13 fair value hierarchy due to the use of unobservable inputs.

3. Business combinations (continued)

3.4 Previously held 40% equity interest

The carrying value of the investment in associate at 30 June 2024 was R133,020,180 (refer note 8). The fair value of the investment was reassessed at the acquisition date.

The fair value of the previously held interests was determined using a discounted cash flow valuation technique, taking into account the expected future cash flows of the underlying businesses, the timing and probability of recoverability, and market participant assumptions at the acquisition date. The fair value measurement was categorised as Level 3 within the IFRS 13 fair value hierarchy, with key unobservable inputs being projected revenue growth rates over five years, the terminal growth rate, and the pre-tax discount rate

The directors concluded that no material change in the underlying business, market conditions or valuation inputs had occurred in the three months between 31 March 2024 and the acquisition date. The fair value at the acquisition date was determined to approximate the immediately preceding carrying value of R133,020,180, and no material remeasurement gain or loss arose.

3.5 Non-controlling interest

The Water Group includes one entity (Inzalo Amanzi (Pty) Ltd) over which a 25% non-controlling interest exists. The directors elected to measure the non-controlling interest at its proportionate share of the acquired entity's identifiable net assets. The fair value of the net assets of this entity at the acquisition date was R nil; the non-controlling interest was accordingly measured at R nil.

3.6 Fair value of assets acquired and liabilities assumed

	Water group	Software group	Total
	R'000	R'000	R'000
Property, plant and equipment	1,930	711	2,641
Right-of-use assets	38,571	-	38,571
Intangible assets	1,956	515,461	517,417
Inventories	3,209	507	3,716
Trade and other receivables	11,789	66,157	77,946
Current tax receivable	1,704	-	1,704
Borrowings	(42,459)	(5,623)	(48,082)
Deferred tax	2,407	(119,769)	(117,362)
Loans from group companies	(37,267)	(49,203)	(86,470)
Loans from related parties	(37,495)	-	(37,495)
Trade and other payables	(18,460)	(61,621)	(80,081)
Current tax payable	-	(2,330)	(2,330)
Bank overdraft	(14,772)	(13,424)	(28,196)
Total identifiable net assets	**(88,887)**	**330,866**	**241,979**

The fair values recognised for the identifiable assets acquired and liabilities assumed have been determined based on information available at the acquisition date and at the date of approval of these consolidated annual financial statements. Management considers the fair values recognised to be final and no provisional amounts remain subject to adjustment under the IFRS 3 measurement period.

Trade and other receivables includes contract assets of R9,944,233. Trade and other payables includes contract liabilities of R4,853,226.

The fair value of the trade and other receivables acquired as part of the business combinations amounted to R77,945,793 with a gross contractual amount of R86,782,875 and expected credit loss allowance of R8,837,082 (refere note 12). As at the acquisition date, the group did not expect any of the contractual cash flows to not be collectable.

3. Business combinations (continued)

Determination of fair values

The fair values of identifiable assets acquired and liabilities assumed in the business combination were determined at the acquisition date using valuation techniques appropriate to the nature of each asset and liability. Where observable market inputs were not available, management used valuation techniques incorporating significant unobservable inputs. These fair value measurements are therefore categorised as Level 3 within the IFRS 13 fair value hierarchy.

The fair value of the internally generated software and related intangible assets was determined using an income approach based on forecast future cash flows expected to be generated by the software and related customer relationships. The valuation was based on a five-year forecast period, approved management budgets, expected revenue growth, operating margins, terminal growth and discount rates reflecting the risks specific to the entities.

The determination of the fair values requirement significant judgements and estimates.

3.7 Transactions accounted for separately from the business combination

The following impact on the consolidation has been accounted for separately from the business combination.

Pre-existing loans between group companies

At the acquisition date, loans existed between Sebata Holdings Limited and the acquired entities, and between the Water Group and Software Group entities. These loans did not form part of the business combination and are repayable in the ordinary course of business. Where an impairment allowance existed at 1 July 2024, the allowance was reversed through profit or loss as part of the consolidation accounting. The gain on these reversal amounted to R39,172,016 (refer note 23).

These pre-existing between Sebata Holdings Limited and the acquired entities are included in note 9 under loans to associates.

Derecognition of pre-existing lease

A Water Group entity held a right-of-use asset and lease liability in respect of a lease with an existing Group subsidiary. Both were derecognised on consolidation, resulting in a net gain of R2,830,641 in profit or loss (refer note 22).

Reversal of deferred capital gains tax liability

A deferred capital gains tax liability of R56,681,480 had previously been raised on the investments in associates and on fair value adjustments to the contingent loan receivable. On acquisition, the receivable formed part of consideration transferred and the investments in associates were derecognised; the related deferred tax liability was accordingly reversed through profit or loss (refer note 25).

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

4. Property, plant and equipment

	2025			2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land and buildings	34,299	(1,769)	32,530	-	-	-
Plant and equipment	10,905	(10,034)	871	21	(21)	-
Furniture and fittings	9,403	(9,215)	188	7,032	(6,834)	198
Motor vehicles	9,389	(8,984)	405	181	(150)	31
Office equipment	2,136	(2,045)	91	243	(238)	5
IT equipment	10,229	(9,201)	1,028	2,802	(2,678)	124
Leasehold improvements	5,908	(5,770)	138	5,193	(5,193)	-
Right-of-use assets						
Buildings	9,960	(6,802)	3,158	5,811	(1,491)	4,320
Total	**92,229**	**(53,820)**	**38,409**	**21,283**	**(16,605)**	**4,678**

Reconciliation of property, plant and equipment - 2025

	Opening balance	**Additions**	**Additions through business combinations***	**Disposals**	**Transfers from investment property*****	**Depreciation**	**Total**
Owned assets							
Land and buildings	-	-	-	-	33,401	(871)	32,530
Plant and equipment	-	411	1,009	(319)	-	(230)	871
Furniture and fittings	198	4	153	(20)	-	(147)	188
Motor vehicles	31	-	613	(179)	-	(60)	405
Office equipment	5	3	109	-	-	(26)	91
IT equipment	124	687	555	(36)	-	(302)	1,028
Leasehold improvements	-	2	202	-	-	(66)	138
Right-of-use assets							
Buildings**	4,320	-	-	-	-	(1,162)	3,158
	4,678	**1,107**	**2,641**	**(554)**	**33,401**	**(2,864)**	**38,409**

Reconciliation of property, plant and equipment - 2024

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Owned assets					
Furniture and fittings	434	-	-	(236)	198
Motor vehicles	31	-	-	-	31
Office equipment	8	-	-	(3)	5
IT equipment	180	107	(65)	(98)	124
Right-of-use assets					
Buildings	894	4,613	-	(1,187)	4,320
	1,547	**4,720**	**(65)**	**(1,524)**	**4,678**

* Refer to note 3 for business combinations.

** Right-of-use assets acquired in the business combination were derecognised on group reporting as a transaction separate to the business combination (refer note 3.7). Refer to note 22 for the net gain on derecognition of the lease arrangement.

*** Refer to note 5 for the transfer from investment property.

Figures in Rand thousand

Notes to the Consolidated Annual Financial Statements

4. Property, plant and equipment (continued)

The land and buildings were purchased by the group during the 2023 financial year. The property is located at 17/19 Valley View Road, Falcon Industrial Park, New Germany, 3610, Kwazulu-Natal and has been pledged as security for the mortgage bond reflected in note 17. Management does not consider the fair value of the property to differ materially from the carrying value at the reporting date.

Lease liabilities associated with right-of-use assets are disclosed in note 17.

Contractual commitments

The group had no contractual commitments to acquire property, plant and equipment at the reporting date.

5. Investment property

	2025			2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Investment property	-	-	-	33,692	-	33,692

Reconciliation of investment property - 2025

	Opening balance	**Depreciation**	**Transfer to property, plant and equipment**	**Total**
Investment property	33,692	(291)	(33,401)	-

Reconciliation of investment property - 2024

	Opening balance	**Depreciation**	**Total**
Investment property	33,900	(208)	33,692

The property was previously held to let to the Water group. Following from the business combination (refer note 3), the property has been reclassified as owner-occupied for group reporting. Refer to note 4 for the transfer to property, plant and equipment.

Management determined that the cost and fair value did not materially differ at the end of the prior period.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

6. Goodwill

	2025			2024		
Cash-generating unit	**Cost**	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
Water group	95,074	-	95,074	-	-	-
Software solutions	8,482	-	8,482	8,482	-	8,482
Total	**103,556**	**-**	**103,556**	**8,482**	**-**	**8,482**

Reconciliation of goodwill - 2025

Cash-generating unit	**Opening balance**	**Additions through business combinations***	**Total**
Water group	-	95,074	95,074
Software solutions	8,482	-	8,482
	8,482	**95,074**	**103,556**

Reconciliation of goodwill - 2024

Cash-generating unit	**Opening balance**	**Total**
Software solutions	8,482	8,482

* Refer to note 3 for business combinations.

Impairment assessment

The recoverable amounts of the respective cash-generating units ("CGUs") were determined based on the value-in-use.

Value-in-use was determined using discounted cash flow forecasts covering a five-year period, with year one based on approved budgets. Cash flows beyond the forecast period were extrapolated using a terminal growth rate. The key assumptions to which the recoverable amounts are most sensitive are forecast revenue growth, EBITDA margins, terminal growth rates and discount rates.

Based on the recalculated value-in-use assessment, the recoverable amount exceeded the carrying amount of goodwill allocated to the CGUs and no impairment of goodwill was recognised.

Sensitivity analysis was performed by reducing the forecast growth rate and increasing the discount rate. The sensitivity analysis did not result in the carrying amount of goodwill exceeding the recoverable amount.

A summary of the key assumptions used for the value-in use calculations are as follows:

	Growth rate for 5 year period	**Growth rate into perpetuity**	**Pre-tax discount rate**
2025			
Water group	5.00 %	5.00 %	24.42 %
Software solutions	5.00 %	5.00 %	19.50 %
2024			
Software solutions	6.00 %	5.00 %	19.50 %

Figures in Rand thousand

7. Intangible assets

	2025			2024		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software, internally generated	795,676	(312,256)	483,420	39,474	(10,357)	29,117
Computer software, externally purchased	6,241	(5,775)	466	4,834	(4,194)	640
Intangible assets under development	668	-	668	-	-	-
Intellectual property	73	-	73	-	-	-
Total	**802,658**	**(318,031)**	**484,627**	**44,308**	**(14,551)**	**29,757**

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Additions through business combinations*	Disposals	Amortisation	Impairment loss	Total
Computer software, internally generated	29,117	2,764	517,075	(2,287)	(48,931)	(14,318)	483,420
Computer software, externally purchased	640	-	342	(36)	(480)	-	466
Intangible assets under development	-	668	-	-	-	-	668
Intellectual property	-	73	-	-	-	-	73
	29,757	**3,505**	**517,417**	**(2,323)**	**(49,411)**	**(14,318)**	**484,627**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	28,541	3,028	(2,452)	29,117
Computer software, externally purchased	1,120	-	(480)	640
	29,661	**3,028**	**(2,932)**	**29,757**

* Refer to note 3 for business combinations.

The internally generated software acquired under the business combination comprises of an ERP system.

Impairment assessment

During the year, management assessed the recoverability of the internally generated software intangible asset acquired through the business combination. The recoverable amount was determined using a discounted cash flow model over a five-year forecast period, with a terminal growth rate and considering a weighted average cost of capital. The key assumptions included forecast revenue growth, forecast operating margins, terminal growth, beta, entity specific risk premium and expected future cash flows from the software.

The recoverable amount determined from the valuation was below the carrying amount of the intangible asset. Accordingly, an impairment loss was recognised through profit or loss (refer note 23).

Contractual commitments

The group has no contractual commitments to acquire intangible assets at the reporting date.

Figures in Rand thousand 2025 2024

8. Investments in associates

The following table lists all of the associates in the group:

Name of company	% Ownership interest 2025	% Ownership interest 2024	Carrying amount 2025	Carrying amount 2024
Inzalo Enterprise Management Systems (Pty) Ltd ("EMS")	- %	40.00 %	-	96,028
R-Data (Pty) Ltd ("R-Data")	- %	40.00 %	-	36,078
Inzalo Utility Systems (Pty) Ltd ("USC")	- %	40.00 %	-	1,290
Micromega Accounting and Professional Services (Pty) Ltd ("MAP:	- %	40.00 %	-	-
Other			-	38
			-	133,434

Reconciliation of carrying value

	2025	2024
Carrying value at beginning of year	133,434	168,349
Share of loss for the year	(414)	(61,790)
Reversal of impairments	-	26,875
Business combinations*	(133,020)	-
Carrying value at end of year	**-**	**133,434**

* Refer to note 3 for business combinations.

Summarised financial information of associates

2024

Summarised statement of profit or loss and other comprehensive income	Revenue	Loss for the year	Total comprehensive loss
EMS	161,203	(9,730)	(9,730)
MAPS	1,029	(22,530)	(22,530)
R-data	54,934	(16,637)	(16,637)
USC	49,961	(180,026)	(180,026)
	267,127	**(228,923)**	**(228,923)**

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
EMS	286,837	37,531	(60,677)	(127,747)	135,944
MAPS	372	6	-	(51,064)	(50,686)
R-data	22,620	24,770	(2,579)	(13,859)	30,952
USC	46,816	26,262	(41,517)	(122,827)	(91,266)
	356,645	**88,569**	**(104,773)**	**(315,497)**	**24,944**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024
9. Other financial assets		
Loan to supplier held at amortised cost		
Inyosi Empowerment Trust	96	-
Loans to associates held at amortised cost		
Inzalo Enterprise Management Systems (Pty) Ltd	-	40,728
Londoloza Utility Systems (Pty) Ltd	-	4,045
Inzalo Utility Systems (Pty) Ltd	-	16,647
	-	61,420
Credit loss allowance	-	(12,122)
	-	49,298
Loans held at fair value through profit or loss		
Inzalo Capital Holdings (Pty) Ltd	-	187,181
Total other financial assets	**96**	**236,479**
Total other financial assets held at amortised cost	96	49,298
Total other financial assets held at fair value through profit or loss	-	187,181
	96	**236,479**
Split between non-current and current portions		
Non-current assets	96	-
Current assets	-	236,479
	96	**236,479**

Loan to Inyosi Empowerment Trust

There are no fixed terms of repayment for the loan, however, the loan will not be repayable within 12 months after the reporting period, provided there are no material breaches of the conditions of the loan agreement. Exposure to credit risk is not considered significant to the group.

Loans to associates

Except for the loan to Inzalo Utility Systems (Pty) Ltd, the other financial assets carried at amortised cost were assessed as having a low credit risk due to the continuing repayments against these loan accounts both during the current financial period and post year end by the counter parties. There was furthermore no default from these borrowers historically which could result in a increased credit risk related to the loans. These loans were categorised as stage 1 in terms of the credit risk grading of the group (refer accounting policy note 1.8). No credit loss allowance was recognised for these fully performing loans to associates.

The loan to Inzalo Utility Systems (Pty) Ltd was assessed as having a significant increase in credit risk and the group cateorised the loan as stage 2 in terms of the credit risk grading (refer accounting policy note 1.8). The group recognised a lifetime credit loss allowance on the loan advanced.

The loans were interest free and repayable within the ordinary course of business.

These associates became subsidiaries of the group on the business combinations during the year (refer note 3).

Figures in Rand thousand 2025 2024

9. Other financial assets (continued)

Contingent receivable from Inzalo Capital Holdings Proprietary Ltd

In the prior year, the group held a contingent consideration receivable from Inzalo Capital Holdings (Pty) Ltd ("Inzalo"). The receivable arose from the disposal of interests in the Software and Water Group divisions to Inzalo in the 2020 financial year and was repayable on the achievement of the performance conditions stipulated in the sale of share agreements. The contingent receivable was measured at fair value through profit and loss based on valuations performed in accordance with the income approach (free-cash flow to equity), which was categorised as a Level 3 in the IFRS 13 fair value hierarchy.

During the current year, the sale of share agreements were terminated and control of these entities reverted to the group. The receivable was remeasured to its fair value at the acquisition date, with the fair value gain of R16,852,668 recognised in profit or loss (refer note 22), and the receivable was then forfeited as consideration transferred for the business combination (refer note 3.3).

The carrying value of the contingent consideration receivable immediately prior to the business combination was R187,180,506. On the acquisition date the receivable was remeasured to its fair value as consideration transferred of R204,033,174.

Reconciliation of loss allowances

The following tables show the movement in the loss allowances for other financial assets held at amortised cost.

	2025	2024
Opening balance	(12,122)	-
Provision raised	(1,495)	(12,122)
Provisions reversed following business combination (refer note 3)	13,617	-
Closing balance	**-**	**(12,122)**

Fair value of loans receivable held at amortised cost

The fair value of loans receivable held at amortised cost approximated their carrying amounts in the prior year due to the short term nature thereof.

The impact of any discounting of the non-current loan to the present value at 31 March 2025 was not considered significant to the group.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

10. Deferred tax

Deferred tax liability

Intangible assets (refer note 7)	(129,045)	(5,993)
Financial assets and associates	(253)	(60,488)
Right-of-use asset	(853)	(1,166)
Operating lease asset	-	(319)
Prepayments	(463)	-
Total deferred tax liability	**(130,614)**	**(67,966)**

Deferred tax asset

Contract assets	3,879	666
Lease liabilities	986	1,244
Accruals	5,921	46
Deferred tax balance from temporary differences other than unused tax losses	10,786	1,956
Tax losses available for set off against future taxable income	49,044	32,677
Total deferred tax asset	**59,830**	**34,633**

Total deferred tax liability	(130,614)	(67,966)
Total deferred tax asset	59,830	34,633
	(70,784)	**(33,333)**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position on an entity basis as follows:

Net deferred tax liability at entity level	(75,252)	(33,587)
Net deferred tax asset at entity level	4,468	254
Total net deferred tax liability	**(70,784)**	**(33,333)**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(33,333)	(39,961)
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	16,367	(3,671)
Taxable / (deductible) temporary difference movement on:		
- Intangible assets	(123,052)	(115)
- Financial assets and associates	60,235	10,620
- Contract liabilities	3,213	-
- Prepaid expenses	(463)	-
- Right of use asset	313	-
- Lease liability	(258)	-
- Accruals, contract assets and other allowances	5,875	(206)
- Operating lease asset	319	-
	(70,784)	**(33,333)**

Net deferred tax liabilities of R117,362 were acquired during the year as part of business combinations (refer note 3).

Recognition of deferred tax asset

The deferred tax asset has been raised based on the assessment of the financial forecasts per entity by management that there will be future taxable profits against which the associated tax losses and deductible temporary differences can be utilised.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

11. Inventories

Raw materials	18,930	-
Finished goods	5,360	158
Consumables	74	-
	24,364	158
Provision for obsolescence	(2,289)	-
	22,075	**158**

The provision for obsolescence is based on slow moving and unsaleable inventory. The carrying value of inventories at year end carried at fair value less costs to sell was written down to nil value. Refer to note 21 for the value of inventories included in cost of sales.

Refer to note 3 for inventory acquired in a business consideration.

12. Trade and other receivables

Financial instruments:		
Trade receivables	71,443	5,239
Loss allowance	(16,244)	(7)
Trade receivables at amortised cost	55,199	5,232
Deposits	1,056	69
Operating lease receivables	-	1,184
Other receivables	5,636	387
Loans to directors*	2,160	2,160
Staff advances	160	150
Non-financial instruments:		
VAT	1,352	220
Contract assets	9,012	-
Prepayments	2,091	262
Total trade and other receivables	**76,666**	**9,664**

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	64,211	9,182
Non-financial instruments	12,455	482
	76,666	**9,664**

* Loans to directors were granted for the exercising of share options (refer note 14). The loans secured by the shares held and are interest free with no fixed terms of repayment.

Trade receivables are held as security for the loans from Bivest Bank (refer note 17).

Refer to note 3 for trade and other receivables acquired in a business consideration.

Reconciliation of contract assets

Contract assets relate to revenue accrued on work in progress for software projects. Amounts are transferred to receivables and invoiced once the progress reports are approved by the customer. Amounts at year end are expected to be invoiced within the normal operating cycle.

Figures in Rand thousand 2025 2024

12. Trade and other receivables (continued)

	2025	2024
Opening balance	-	-
Acquired on business combinations (refer note 3)	9,944	-
Revenue accrued on progress of projects	1,377	-
Transfers of contract assets to receivables	(2,309)	-
Closing balance	**9,012**	**-**

Exposure to credit risk

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

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

Customer credit risk is managed by each business unit subject to the group’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and historical default rates. Outstanding customer receivables are regularly monitored to ensure exposure to credit risk is maintained within the defined parameters.

Management includes in its assessment of credit risk the forecast macro-economic conditions in which its clients operate and the likelihood that these would further deteriorate resulting in a future default event, and subsequent possible increase in credit losses. The forecast market conditions are based largely on macroeconomic information that is available as at the time of performing the assessment, which includes amongst others the impact associated with the decline in the local economy on the ability of the customer to pay its accounts, as well as the forward looking GDP and general unemployment figures of the country in which it operates.

With the client base comprising largely local authorities the forecasted information mirrors that of the performance of the local and provincial spheres of government and the larger country as a whole, which includes amongst others forecast changes in economic stability, changes in credit worthiness of counterparties, and funding availability of counterparties. Further, given the client base, the default on contracted payment, if it were to occur, is mitigated from credit loss following from the fact that each of the clients exists out of a legislative requirement and are ultimately supported by the National Treasury, although decentralised therefore not a concentration risk.

The group does not hold collateral as security.

Generally, trade receivables are written-off where all legal avenues have been exhausted to recover the receivable. There are no trade receivables that have been written off that are still subject to enforcement activity.

Management assessed all other amounts receivable and determined that the credit risk was not significant to the group.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

The loss allowance provision is determined as follows:

	2025	2025	2024	2024
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Not past due: 0.63% (2024: 0.22%)	27,761	(174)	1,337	(3)
Less than 30 days past due: 2.14% (2024: 0.05%)	8,981	(192)	1,943	(1)
31 - 60 days past due: 19.91% (2024: 0.33%)	5,545	(1,104)	298	(1)
61 - 90 days past due: 21.35% (2024: 0.88%)	4,830	(1,031)	113	(1)
91 - 120 days past due: 56.54% (2024: 0.06%)	24,307	(13,743)	1,548	(1)
Total	**71,424**	**(16,244)**	**5,239**	**(7)**

Figures in Rand thousand	2025	2024

12. Trade and other receivables (continued)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(7)	(9)
Provisions acquired as part of business combinations (refer note 3)	(8,837)	-
Provision raised on new trade receivables	(7,407)	(7)
Provisions reversed on settled trade receivables	7	9
Closing balance	**(16,244)**	**(7)**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to the short term nature thereof.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	134
Bank balances	33,196	11,707
Short-term deposits	6,257	241
Call accounts	2,915	11
	42,368	**12,093**

Credit quality of cash at bank and short-term deposits, excluding cash on hand

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings. The credit quality of cash at bank and short term deposits, excluding cash on hand can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
Moody's: P-3 (2024: P-3)	24,776	466
Standard & Poor: zaAAA (2024: zaAA)	16,703	10,659
Other banks	889	968
	42,368	**12,093**

Fair value of cash and cash equivalents

The fair value of current cash and cash equivalents approximates their carrying amounts due to their short term nature.

Figures in Rand thousand	2025	2024

14. Share capital

Authorised		
200 000 000 Ordinary shares of R0.01 each	2,000	2,000

	Number of shares	
	2025	2024
Reconciliation of number of shares issued:		
Opening balance	114,027,757	113,127,757
Sale of treasury shares	887,332	-
Issue of shares	-	900,000
Closing balance	**114,915,089**	**114,027,757**

Issued		
Ordinary	1,140	1,140
Share premium	286,083	286,083
	287,223	**287,223**

The directors are authorised, until the forthcoming annual general meeting, to dispose of the unissued shares for any purpose and upon such terms and conditions as they deem fit, subject to the provision of section 38 and 41 of the Companies Act of South Africa, as amended and Johannesburg Stock Exchange requirements.

During the prior year 900,000 immediately exercisable share options were issued to two members of key management, DL Strydom and RJ Viljoen, who were appointed directors during the current year in accordance with the MICROmega Share Incentive scheme. The shares were issued in terms of company’s general authority to issue shares for cash obtained at its Annual General Meeting held on 22 October 2022. These options were immediately exercised by the respective individuals resulting in the issue of 900,000 ordinary shares to such individuals at a exercise price of R2.40 per ordinary share on exercise date. These shares were issued by the group from the treasury shares held by the subsidiaries. As at year end, R2.16 million receivable from the directors is included under other receivables (refer note 12).

15. Foreign currency translation reserve

The foreign currency translation reserve related to the translation of dormant foreign subsidiaries. These subsidiaries were wound down and the reserve was recycled through profit and loss in the current year, and is included in the gain on disposal of subsidiaries (refer note 22).

16. Share-based payment reserve

Sebata Holdings Limited established the Micromega Share Incentive Trust in 2001 together with a detailed share incentive scheme. The purpose of this scheme is to provide employees of the Sebata group with the opportunity to acquire an interest in equity of Sebata Holdings Limited, thereby providing such employees with a further incentive to advance the group's interests, and promoting an identity of interests between such employees and the shareholders of the group.

The scheme is equity settled and in terms of the scheme, share options may not be exercised until after the period, provided that the employee remains in the employment of the Sebata group, calculated from the acceptance date, of:

- more than three years shall have elapsed, in which event not more than one third thereof;
- more than four years shall have elapsed, in which event not more than a further one third thereof, representing two thirds thereof cumulatively; and
- more than five years shall have elapsed, in which event not more than a further one third thereof, representing 100% thereof cumulatively.

The share options lapse if employment terminates before share options have vested.

The share options expire on the expiry of the option period, being eight years from grant date.

Refer to note 14 for share options granted and exercised immediately during the prior year.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

16. Share-based payment reserve (continued)

Outstanding options

The following options were granted in terms of the MICROmega Share Incentive Trust to employees:

Share Option	**Number of ordinary share options**	
Outstanding at the beginning of the year	482,215	749,638
Lapsed during the year	-	(267,423)
Expired during the year	(482,215)	-
Outstanding at the end of the year	-	482,215

Outstanding options - 2024	**Grant date**	**Remaining contractual useful life**	**Number of share options**
Share options at an exercise price of R 20.00 per share	Dec 2016	0.75 years	82,215
hare options at an exercise price of R 20.00 per share	Feb 2017	1 year	400,000
			482,215

The share-based payment reserve was transferred to retained earnings during the current year as all the share options had lapsed.

17. Other financial liabilities

	2025	2024
Non-current		
First National Bank mortgage bond	25,307	26,895
Lease liabilities	2,662	3,681
Bidvest Bank	2,098	-
Current		
Lease liabilities	987	928
Laird Group (Pty) Ltd	13,983	14,920
Talacar Holdings (Pty) Ltd	2,920	2,922
Shareholder loan (J Van Der Merwe)	1,058	-
Semantic Capital Ltd	46,255	1,748
Inzalo UMS (Pty) Ltd	-	5,003
Bidvest Bank	27,097	-
First National Bank mortgage bond	2,246	1,776
	124,613	**57,873**

Split between non-current and current portions

	2025	2024
Non-current liabilities	30,067	30,576
Current liabilities	94,546	27,297
	124,613	**57,873**

Refer note 37 for changes in liabilities subsequent to year end.

Refer to note 28 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 32 Financial instruments and financial risk management for the maturity analysis.

17. Other financial liabilities (continued)

Lease liabilities

The group leases premises over a term of 5 years for which there are 39 months remaining, with monthly repayments of R121,210. Interest rates are the rates implicit in the lease.

There are no leases to which the group was committed to which had not yet commenced. There are no significant short term lease commitments at 31 March 2025.

The right-of-use assets are presented in note 4.

Laird Group (Pty) Ltd and Talacar Holdings (Pty) Ltd

The loans are unsecured, have no fixed repayment terms and bear interest at the prime lending rate.

Shareholder loan (J Van Der Merwe)

The loan is unsecured, interest free and has no fixed repayment terms.

Semantic Capital Ltd

The loans comprise of the following:

- A GBP denominated loans of GBP1,877,221 (R44,507,101). The loan is unsecured, bears interest at 8.5% per annum and has no fixed repayment terms.
- A GBP denominated loan of GBP83,020 (R1,748,087) which is unsecured, interest free and has no fixed repayment terms.

Inzalo UMS (Pty) Ltd

The loan was unsecured, interest free and repayable in the ordinary course of business as excess funds were available for repayments.

Bidvest Bank

The overdraft facilities held with Bidvest Bank that were acquired as part of the business combinations (refer note 3), were converted to short-term loan accounts at 31 March 2025. The loans are repayable over 13 and 14 months and bear interest at prime plus 1%. The loans are secured by trade receivables.

First National Bank mortgage bond

The mortgage bond is secured over the property disclosed in note 4. The bond bears interest at the prime lending rate less 1% and is repayable in monthly instalments of R417,349. The term of the bond is 10 years with 8.5 years remaining at year end.

Foreign currency sensitivity analysis on borrowings

Based on management's assessment of the reasonably possible change in foreign exchange rates at 31 March 2025, if the Rand/British Pound exchange rate had been 10.00% higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R3,374,439 lower or higher.

Fair value of other financial liabilities

The fair value of other financial liabilities approximates their carrying amounts due to the loans being short term in nature and non-current loans carrying terms that are market related.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

18. Trade and other payables

Financial instruments:		
Trade payables	62,760	2,791
Payroll liabilities	3,294	1,119
Accrued bonus	738	290
Accrued audit fees	2,303	1,436
Sundry payables	992	565
Dividends payable	1,037	992
Non-financial instruments:		
Contract liabilities	14,371	2,010
Accrued leave pay	4,201	566
VAT	6,532	-
Third party amounts collected on behalf of customers	15,366	18,348
	111,594	**28,117**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	71,124	7,193
Non-financial instruments	40,470	20,924
	111,594	**28,117**

Reconciliation of contract liabilities

Opening balance	2,010	2,037
Acquired on business combinations (refer note 3)	4,853	-
Revenue recognised on delivery of goods/services previously paid for	(6,863)	(2,037)
Payments received in advance of delivery of performance obligations	14,371	2,010
	14,371	**2,010**

Contract liabilities relate to amounts received in advance for performance obligations linked to software licenses with support and maintenance. These performance obligations are expected to be recognised as revenue in the next financial year.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to the short term nature thereof.

19. Deferred vendor payments

Deferred vendor payments	7,014	7,014

The amount due to vendors represents the balance of the purchase consideration owing in respect of acquisitions. The loans are settled through the issue of a variable amount of the company's own equity instruments or cash resources on the achievement of predetermined profit warranties. As the contractual profit warranties were attained in the previous reporting periods the purchase consideration payable is unconditional and has therefore been measured at amortised cost in the current and prior year.

The deferred vendor payments have not been settled as yet, due to a ongoing legal dispute with the previous shareholders insofar as it relates to the settlement of the consideration due and payable.

Fair value of deferred vendor payments

The fair value of the deferred vendor payments approximates their carrying amounts due to the short term nature thereof.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

20. Revenue

Revenue from contracts with customers		
Sale of goods	72,410	3,877
Rendering of services	196,317	25,448
Total revenue from contracts with customers	**268,727**	**29,325**
Revenue other than from contracts with customers		
Rental Income	-	3,824
Total revenue	**268,727**	**33,149**

Disaggregation and timing of revenue from contracts with customers

Major product lines at a point in time		
Consulting	2,127	617
Physical goods	67,588	3,877
	69,715	**4,494**
Major product lines over a period of time		
Software license with support and maintenance	60,520	18,651
Support and professional services	138,492	6,180
	199,012	**24,831**
Total revenue from contracts with customers	**268,727**	**29,325**

Refer to note 18 for revenue recognised on delivery of goods/services included in contract liabilities at the end of the prior year.

21. Cost of sales

Sale of goods	35,009	3,084
Rendering of services	107,569	1,631
	142,578	**4,715**

22. Other operating income and gains

Gain on disposal of dormant subsidiaries*	3,404	-
Fair value adjustment on consideration in a business combination (refer note 3.3)	16,853	-
Net gain on derecognition of pre-existing lease arrangement (refer note 3.7)	2,831	-
Profit on disposal of property, plant and equipment	60	-
Other income	733	304
	23,881	**304**

* The gain on disposal of dormant subsidiaries relates to the unwinding of dormant subsidiaries and comprises of the FCTR reserve amount of R3,606,629 less net assets written off of R202,459.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

23. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external		
Audit fees	1,889	135
Other consultation services	31	-
	1,920	**135**
Remuneration, other than to employees		
Administrative and managerial services	106	101
Consulting and professional services	11,070	11,121
Secretarial services	784	1,141
	11,960	**12,363**
Employee costs		
Salaries, wages, bonuses and other benefits	100,377	22,960
Retirement benefit plans: defined contribution expense	2,732	1,143
Termination benefits	-	25
Total employee costs	**103,109**	**24,128**
Less: employee costs included in cost of sales	(64,182)	-
Total employee costs expensed	**38,927**	**24,128**
Leases		
Short-term leases	1,675	1,058
	1,675	1,058
Less: lease charges included in cost of sales	(96)	-
Total lease expenses	**1,579**	**1,058**
Depreciation and amortisation		
Depreciation of investment property on the cost model	291	208
Depreciation of property, plant and equipment	2,864	1,524
Amortisation of intangible assets	49,411	2,932
Total depreciation and amortisation	**52,566**	**4,664**
Less: depreciation and amortisation included in cost of sales	(182)	-
Total depreciation and amortisation included in operating expenses	**52,384**	**4,664**
Impairment losses (reversals)		
Intangible assets	14,319	-
Investments in associates	-	(26,875)
	14,319	**(26,875)**
Movement in credit loss allowances		
Trade and other receivables	4,887	-
Loans to associates	1,495	14,749
Loans to group companies — reversal of credit loss allowances on pre-existing loans (refer note 3.7)	(39,172)	-
	(32,790)	**14,749**
Other		
Fair value adjustment on contingent loan receivable (refer note 9)	-	42,572
Net foreign exchange losses	817	-

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

24. Finance costs

Lease liabilities	476	434
Bank overdraft and bank loans	5,440	819
Mortgage bond	3,454	1,757
Other financial liabilities	2,621	-
Other interest paid	472	84
Total finance costs	**12,463**	**3,094**

25. Taxation

Major components of the tax income

Current		
Local income tax - current period	4,000	745
Local income tax - prior period (over) under provision	(358)	6,404
	3,642	**7,149**
Deferred		
Originating and reversing temporary differences	(68,035)	(5,915)
Arising from prior period adjustments	(11,877)	-
	(79,912)	**(5,915)**
	(76,270)	**1,234**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	28,809	(111,479)
Tax at the applicable tax rate of 27% (2024: 27%)	7,778	(30,099)
Tax effect of adjustments on taxable income		
Donations	287	-
Reversal of impairment of group loans (refer note 23)	(10,576)	-
Share of loss from associates	111	-
Gain on disposal of dormant subsidiaries	(919)	-
Impairment of loans to associates	404	-
Expenses not deductible for tax	81	20,375
Tax losses carried forward	30	4,682
Fair value gain on contingent loan receivable on acquisition (refer notes 3.3 and 22)	(4,550)	-
Reversal of deferred capital gains tax liability on derecognition of investment in associate and forfeiture of contingent loan receivable (refer note 3.7)	(56,681)	-
Prior period income tax adjustment	(358)	6,276
Prior period deferred tax adjustment	(11,877)	-
	(76,270)	**1,234**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

26. Cash generated from/(used in) operations

Profit before taxation	28,809	(111,479)
Adjustments for non-cash items:		
Depreciation and amortisation	52,566	4,664
(Gains) losses on disposal of property, plant and equipment	(60)	6
Gain on disposal of subsidiaries	(3,404)	-
Impairment of intangible assets	14,318	-
Movement in credit loss allowances	(32,790)	-
Fair value gain on remeasurement of contingent loan receivable at acquisition date	(16,853)	-
Net gain on derecognition of pre-existing lease arrangement	(2,831)	-
Unrealised foreign exchange on financial liabilities	1,887	-
Share of loss from equity accounted investments	414	61,790
Impairment of other financial assets carried at amortised cost	-	14,749
Fair value remeasurement of other financial assets	-	42,572
Reversal of impairment of investment in associates	-	(26,875)
Adjust for items which are presented separately:		
Interest income	(1,760)	(915)
Finance costs	12,463	3,094
Changes in working capital:		
(Increase) decrease in inventories	(18,201)	1,066
Decrease in trade and other receivables	5,854	3,208
Increase in trade and other payables	12,490	3,859
	52,902	**(4,261)**

27. Tax paid

Balance at beginning of the year	(3,581)	2,698
Current tax recognised in profit or loss	(3,642)	(7,149)
Acquired on business combinations (refer note 3)	(626)	-
Balance at end of the year	5,384	3,581
	(2,465)	**(870)**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

28. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2025

	Opening balance	Business combinations*	Foreign exchange movements	Cash inflows	Cash outflows	Closing balance
Other financial liabilities excluding leases	53,264	44,175	1,887	23,694	(2,056)	120,964
Lease liabilities	4,609	-	-	-	(960)	3,649
Deferred vendor payments	7,014	-	-	-	-	7,014
Total liabilities from financing activities	**64,887**	**44,175**	**1,887**	**23,694**	**(3,016)**	**131,627**

* Refer to note 3 for business combinations. Lease liabilities and right-of-use assets acquired in the business combination were derecognised on group reporting as a transaction separate to the business combination. Refer to note 22 for the related net gain.

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Non-cash: Liabilities assumed	Non-cash: New leases	Cash inflows	Cash outflows	Closing balance
Other financial liabilities	8,234	26,163	-	40,819	(21,952)	53,264
Lease liabilities	1,054	-	4,613	-	(1,058)	4,609
Deferred vendor payments	7,014	-	-	-	-	7,014
Total liabilities from financing activities	**16,302**	**26,163**	**4,613**	**40,819**	**(23,010)**	**64,887**

29. Contingencies

There were no significant contingent liabilities as at 31 March 2025.

As at 31 March 2024, the group had the following contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business.

2024

Bank guarantees issued:	Grant date	Expiry date	Guarantee value R'000
MICROmega Technologies Proprietary Limited - Bond	01/10/2023	30/09/2024	28,671
Inzalo Utility Systems Proprietary Limited - Overdraft	03/10/2022		14,000
Inzalo Enterprise Management Systems Proprietary Limited - Overdraft	03/10/2022		14,500
			57,171

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

30. Related parties

Relationships

Associates	Refer to note 8
Associate of significant shareholder	Semantic Capital Ltd Talacar Holdings (Pty) Ltd
Significant shareholder	Laird Investments (Pty) Ltd
Company controlled by former director	Firethorn Investments (Pty) Ltd

Related party balances

	2025	2024
Loan accounts owing to related parties (refer note 17)		
Semantic Capital Ltd	(46,255)	(1,748)
Talacar Holdings (Pty) Ltd	(2,920)	(2,922)
Laird Investments (Pty) Ltd	(13,983)	(14,920)
Inzalo UMS (Pty) Ltd	-	(5,003)
J Van Der Merwe (shareholder)	(1,058)	-
Loan accounts owing by related parties (refer note 9)		
Inzalo Enterprise Management Systems (Pty) Ltd	-	40,728
Londoloza Utility Systems (Pty) Ltd	-	4,045
Inzalo Utility Systems (Pty) Ltd	-	16,647
Loans owing by directors (refer note 12)		
DL Strydom	1,440	1,440
RJ Viljoen	720	720

Related party transactions

	2025	2024
Interest paid to related parties		
Talacar Holdings (Pty) Ltd	(118)	(3)
Laird Investments (Pty) Ltd	(1,715)	(819)
Semantic Capital Ltd	(3,252)	-
Legal and consulting fees paid to related parties		
Semantic Capital Ltd	-	(1,482)
Talacar Holdings (Pty) Ltd*	(2,538)	(2,538)
Firethorn Investments (Pty) Ltd	(600)	-
Laird Investments (Pty) Ltd*	-	(300)
Capital raising fees paid to related parties		
Talacar Holdings (Pty) Ltd	-	(1,635)
Expenses paid to related parties		
Semantic Capital Ltd	(2,046)	-

* CA King, CW King and TW Hamil are indirect beneficiaries of Talacar Holdings (Pty) Ltd and Laird Investments (Pty) Ltd. The consulting fees are not paid in relation to their services as directors.

Transactions with related parties are effected on a commercial basis and related party debts are repayable on a commercial basis.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

31. Directors' emoluments and compensation to other key management

2025

Services as director or prescribed officer	Basic salary and allowances	Retirement benefits	Other benefits	Fees for services as non-executive director	Total
IG Morris	1,060	-	-	1,293	2,353
DA Di Siena	-	-	-	-	-
PH Duvenhage	-	-	-	-	-
TW Hamill	-	-	-	-	-
CA King	-	-	-	-	-
RW King*	-	-	-	-	-
D Passmore	-	-	-	-	-
DL Strydom**	2,954	66	70	-	3,090
RJ Viljoen**	1,921	102	46	-	2,069
	5,935	**168**	**116**	**1,293**	**7,512**

* Appointed 17 September 2024
** Appointed 6 May 2024

2024

Services as director or prescribed officer	Basic salary and allowances	Fees for services as non-executive director	Total
IG Morris	2,024	-	2,024
DA Di Siena	-	83	83
PH Duvenhage	-	98	98
TW Hamill	-	53	53
D Passmore	-	98	98
P van Eeden**	1,775	30	1,805
	3,799	**362**	**4,161**
Members of key management	4,874	-	4,874
	8,673	**362**	**9,035**

* Resigned 28 August 2023
** Resigned 19 January 2024

Share Options

There were no share options held as at 31 March 2025.

CA King held 100,000 share options at 31 March 2024, which all lapsed during the current year. Refer to note 14 for share options issued and exercised by directors in the previous year, which was prior to being appointed as directors in the current year. No other share options were granted or exercised during the current or prior year.

Figures in Rand thousand

Notes to the Consolidated Annual Financial Statements

32. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note(s)	Amortised cost	Total	Fair value
Other financial assets	9	96	96	96
Trade and other receivables	12	64,211	64,211	64,211
Cash and cash equivalents	13	42,368	42,368	42,368
		106,675	**106,675**	**106,675**

2024

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Other financial assets	9	187,181	49,298	236,479	236,479
Trade and other receivables	12	-	9,182	9,182	9,182
Cash and cash equivalents	13	-	12,093	12,093	12,093
		187,181	**70,573**	**257,754**	**257,754**

Categories of financial liabilities

2025

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	18	71,124	-	71,124	71,124
Other financial liabilities	17	120,964	3,649	124,613	124,613
Deferred vendor payments	19	7,014	-	7,014	7,014
		199,102	**3,649**	**202,751**	**202,751**

2024

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	18	7,193	-	7,193	7,193
Other financial liabilities	17	53,264	4,609	57,873	57,873
Deferred vendor payments	19	7,014	-	7,014	7,014
		67,471	**4,609**	**72,080**	**72,080**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand		2025	2024

32. Financial instruments and risk management (continued)

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a strong capital base to maintain creditor and shareholder confidence and to sustain future development of the business. The group monitors return on capital, which the group defines as net operating income divided by total shareholders equity. The group also monitors the level of dividends to ordinary shareholders. There were no changes in the group's approach to capital management during the year. The group is not subject to externally imposed capital requirements.

Other financial liabilities	17	124,613	56,125
Trade and other payables	18	111,594	19,260
Total borrowings		**236,207**	**75,385**
Cash and cash equivalents	13	(42,368)	(12,093)
Net borrowings		**193,839**	**63,292**
Equity		447,927	347,612
Net operating income (loss)		39,926	(47,510)
Gearing ratio		43 %	18 %
Return on capital		9 %	(14)%

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

The board of directors has overall responsibility for the establishment and oversight for the group’s risk management framework. The directors are responsible for developing and monitoring the group’s risk management policies.

The group’s risk management policies are established to identify and analyse the risk faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

The board of directors oversees how management monitors compliance with the group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

Credit risk

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

The group is exposed to credit risk on other financial assets (note 9), trade and other receivables (note 12) and cash and cash equivalents (note 13).

The management of credit risk is outlined in the individual notes.

Figures in Rand thousand

32. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

		2025			2024		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Other financial assets	9	96	-	96	248,601	(12,122)	236,479
Trade and other receivables	12	80,455	(16,244)	64,211	9,189	(7)	9,182
Cash and cash equivalents*	13	42,368	-	42,368	11,959	-	11,959
		122,919	**(16,244)**	**106,675**	**269,749**	**(12,129)**	**257,620**

* Credit risk on cash and cash equivalents excludes actual cash on hand.

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash/ liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the group's statement of financial position remains low geared and thus the directors are comfortable with the ability to receive lines of credit.

The maturity profile of contractual cash flows financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

		Less than 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**	**Carrying amount**
Non-current liabilities							
Other financial liabilities excluding leases*	17	-	12,565	15,025	17,529	45,119	27,405
Lease liabilities	17	-	1,303	1,749	-	3,052	2,662
Current liabilities							
Trade and other payables	18	71,124	-	-	-	71,124	71,124
Other financial liabilities excluding leases*	17	130,583	-	-	-	130,583	93,559
Lease liabilities	17	1,367	-	-	-	1,367	987
Deferred vendor payments	19	7,014	-	-	-	7,014	7,014
		210,088	**13,868**	**16,774**	**17,529**	**258,259**	**202,751**

* Refer to notes 36 and 37 for management of liquidity risk and changes in liabilities subsequent to the year end.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

32. Financial instruments and risk management (continued)

2024

		Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities						
Other financial liabilities excluding leases	17	-	5,113	38,347	43,460	26,894
Lease liabilities	17	-	1,401	3,024	4,425	3,682
Current liabilities						
Trade and other payables	18	7,193	-	-	7,193	7,193
Other financial liabilities excluding leases	17	32,284	-	-	32,284	26,370
Lease liabilities	17	1,422	-	-	1,422	927
Deferred vendor payments	19	7,014	-	-	7,014	7,014
Financial guarantee contracts	29	57,171	-	-	57,171	57,171
		105,084	**6,514**	**41,371**	**152,969**	**129,251**

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Apart from the foreign denominated loans, the group is not exposed to any material foreign exchange risk at year end. Refer to note 17 for details of foreign-denominated loans and foreign currency sensitivity analysis.

Interest rate risk

The group exposure on fair value interest rate risk mainly arises from its interest baring financial assets and liabilities. It also has exposure on cash flow interest rate risk which is mainly arising from its deposits with banks and interest-bearing borrowings with the banks. It is a common practice in South Africa to have floating rate borrowings with the banks.

In order to manage the cash flow interest rate risk, the group will repay the corresponding borrowings when it has surplus funds.

	2025	2024
Sensitivity analysis based on balances at reporting date:		
Cash and cash equivalents	42,368	12,093
Other financial liabilities	(124,613)	(57,873)
Less: non-interest bearing financial assets	2,806	6,751
Net interest-bearing liabilities	**(79,439)**	**(39,029)**
Interest rate change	2.00 %	2.00 %
Potential after tax impact on earnings	(1,160)	(562)

The sensitivity analysis has been prepared with the assumption that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for the relevant financial instruments in existence at that date. The changes in interest rate represent management’s assessment of a reasonably possible change in interest rates.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand		2025	2024

33. Earnings per share

	Note	2025	2024
Basic earnings reconciliation			
Earnings attributable to equity holders of the company		104,468	(113,938)
Basic earnings		**104,468**	**(113,938)**
Headline earnings reconciliation			
Earnings attributable to ordinary shareholders		104,468	(113,938)
Adjustments			
Gross amount			
Gain on disposal of dormant subsidiaries	22	(3,404)	-
Profit (loss) on disposal of property, plant and equipment	22	(60)	6
Impairment of intangible assets	23	14,319	-
Reversal of impairment of associate		-	(26,875)
Impairment of internally developed intangible asset of associate recognised through equity accounted loss from associate		-	22,801
		10,855	**(4,068)**
Taxation thereon			
Profit (loss) on disposal of property, plant and equipment		16	(2)
Reversal of impairment of associate		-	6,559
Impairment of internally developed intangible asset of associate recognised through equity accounted loss from associate		-	(3,712)
		16	**2,845**
Net Impact			
Gain on disposal of dormant subsidiaries		(3,404)	-
Profit (loss) on disposal of property, plant and equipment		(44)	4
Impairment of intangible assets		14,319	-
Reversal of impairment of associate		-	(20,316)
Impairment of internally developed intangible asset of associate recognised through equity accounted loss from associate		-	18,369
		10,871	**(1,943)**
Headline earnings (loss)		**115,339**	**(115,881)**
Number of shares in issue		114,915,089	114,027,757
Weighted average shares in issue		114,582,340	113,607,265
Basic earnings (loss) per share (cents)		91.17	(100.29)
Diluted earnings (loss) per share (cents)		91.17	(100.29)
Headline earnings (loss) per share (cents)		100.66	(102.20)
Diluted headline earnings (loss) per share (cents)		100.66	(102.20)

Figures in Rand thousand

34. Segment reporting

The operating segments are based on reports reviewed by the executive committee who make the strategic decisions of the group, and which is therefore the chief operating decision-making body of the group. The operating segments are the same as the reportable segments. The executive committee assesses the performance of these operating segments based on attributable earnings to the group.

The new water segment in the current year is as a result of business combinations during the year (refer note 3).

2025	Water	Software	Holdings and consolidated	Total
Revenue				
- Software license with support and maintenance	-	62,979	-	62,979
- Support services	7,649	145,071	-	152,720
- Consulting	-	2,127	-	2,127
- Goods	64,826	2,929	-	67,755
Internal revenue				
- Water segment	-	-	(5,491)	(5,491)
- Software segment	-	-	(11,363)	(11,363)
Total revenue	72,475	213,106	(16,854)	268,727
Cost of sales	(44,885)	(114,292)	16,599	(142,578)
Depreciation, amortisation and impairments	(2,890)	(64,602)	789	(66,703)
Employee costs	(7,285)	(24,125)	(7,517)	(38,927)
Fair value adjustment on consideration in a business combination	309	16,544	-	16,853
Impairment of loans to group companies	5,664	(9,486)	41,499	37,677
Share of loss of equity accounted associates	-	-	(414)	(414)
Management fees	(7,824)	(7,824)	15,648	-
Investment income	406	1,511	(157)	1,760
Finance costs	(11,934)	(2,324)	1,795	(12,463)
Other income and expenses	(6,189)	(45,406)	33,993	(17,602)
Tax expense	(289)	18,460	58,099	76,270
Attributable earnings	(2,442)	(18,438)	126,626	105,079
Non-controlling interest	(946)	-	335	(611)
Earnings attributable to owners of the parent	**(3,388)**	**(18,438)**	**126,961**	**104,468**
Total assets	**111,133**	**618,387**	**43,418**	**772,938**
Total liabilities	**(286,666)**	**(357,915)**	**320,051**	**(324,530)**

Figures in Rand thousand

34. Segment reporting (continued)

2024	Software	Holdings and consolidated	Total
Revenue			
- Software license with support and maintenance	15,803	-	15,803
- Support services	6,180	-	6,180
- Consulting	617	-	617
- Goods	3,877	-	3,877
Total revenue	26,477	-	26,477
Depreciation and amortisation	(3,112)	(1,284)	(4,396)
Employee costs	(11,056)	(12,419)	(23,475)
Net finance expense	(243)	(1,935)	(2,178)
Reversal of impairment of associates	-	26,875	26,875
Fair value adjustments of financial assets	-	(42,572)	(42,572)
Share of loss of equity accounted associates	-	(61,790)	(61,790)
Other income and expenses	(12,649)	(18,996)	(31,645)
Tax expense	(913)	(321)	(1,234)
Attributable earnings	(1,496)	(112,442)	(113,938)
Non-controlling interest	-	1,225	1,225
Earnings attributable to owners of the parent	**(1,496)**	**(111,217)**	**(112,713)**
Total assets	**36,373**	**432,477**	**468,850**
Total liabilities	**(13,427)**	**(107,781)**	**(121,208)**

* Holdings and Consolidated mainly comprise the corporate office and reconciling items. These predominantly include elimination of intergroup sales, profits and intergroup receivables and payables and other unallocated assets and liabilities contained in the integrated group. Holdings and Consolidated is not considered to be an operating segment.

The group is organised into three reportable segments:

- Water Solutions: consists of the development and manufacturing of smart water management systems;
- Software Solutions: consists of the development of bespoke software solutions; and
- Holdings and Consolidated: corporate office and group eliminations.

Intersegment transactions are entered into under the normal commercial terms and conditions. The revenue from external parties is measured in a manner consistent with that of the statement of profit and loss.

Segment assets consist primarily of property, plant and equipment, intangible assets, investments in associates, deferred tax assets, inventories, other financial assets, trade and other receivables and cash and cash equivalents. There are no non-current assets located in foreign countries.

Segment liabilities comprise primarily of other financial liabilities, deferred tax liabilities, trade and other payables and income tax liabilities.

The majority of the group companies are domiciled in South Africa and mainly serve the South African market. There was no material revenue from foreign countries. No single customer comprises more than 10% of the groups revenue.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

35. List of subsidiaries

Name of company		% Ownership 2025	% Ownership 2024		Domiciled
Agrichain (Pty) Ltd		55.00 %	55.00 %	^	South Africa
Arbez Advanced Services & Solutions (Pty) Ltd		100.00 %	100.00 %		South Africa
Freshmark Systems (Pty) Ltd		55.00 %	55.00 %		South Africa
Intermap (Pty) Ltd	**	100.00 %	40.00 %	^	South Africa
Inzalo Amanzi Meters (Pty) Ltd	*	75.00 %	40.00 %		South Africa
Inzalo Empowerment Services (Pty) Ltd	**	100.00 %	40.00 %	^	South Africa
Inzalo Enterprise Management Systems (Pty) Ltd	**	100.00 %	40.00 %		South Africa
Inzalo Utility Management Services (Pty) Ltd	*	100.00 %	40.00 %		South Africa
Inzalo Utility Systems (Pty) Ltd	*	100.00 %	40.00 %		South Africa
Londoloza Utility Solutions (Pty) Ltd	**	100.00 %	40.00 %	^	South Africa
MICROmega Accounting & Professional Services (Pty) Ltd	**	100.00 %	40.00 %		South Africa
MICROmega Financial Services (Pty) Ltd		100.00 %	100.00 %		South Africa
MICROmega H2O (Pty) Ltd		100.00 %	100.00 %		South Africa
MICROmega Investment Portfolio (Pty) Ltd		100.00 %	100.00 %	^	South Africa
Micromega Technologies (Pty) Ltd		100.00 %	100.00 %		South Africa
MIS Consulting (Pty) Ltd		100.00 %	100.00 %		South Africa
NOSA Technologies (Pty) Ltd		100.00 %	100.00 %	^	South Africa
NOSA Travel Agency (Pty) Ltd		100.00 %	100.00 %		South Africa
R-Data (Pty) Ltd	**	100.00 %	40.00 %		South Africa
Sebata Group Holdings (Pty) Ltd		100.00 %	100.00 %	^	South Africa
Sebata Namibia (Pty) Ltd	**	100.00 %	40.00 %		South Africa
Stable-Net Solutions (Pty) Ltd		100.00 %	100.00 %		South Africa
UtiliPay (Pty) Ltd		100.00 %	100.00 %		South Africa
Cloudware (Pty) Ltd	***	- %	100.00 %		South Africa
NOSA Investment Holdings (Pty) Ltd (Hong Kong)	***	- %	100.00 %		Hong Kong
NOSA Mozambique (Pty) Ltd	***	- %	100.00 %		Mozambique
NOSA Zambia (Pty) Ltd	***	- %	100.00 %		Zambia
MICROmega Printing Services (Pty) Ltd	***	- %	100.00 %		South Africa
MICROmega Services and Support DRC	***	- %	100.00 %		DRC
MICROmega Treasury Solutions (Pty) Ltd	***	- %	100.00 %		South Africa
Ocneblok (Pty) Ltd	***	- %	100.00 %		South Africa
Symphony Trade and Invest (Pty) Ltd	***	- %	83.00 %		South Africa

* Company included in Water Group in business combinations (refer note 3).
** Company included in Software Group in business combinations (refer note 3).
*** Refer to note 22 for disposal of dormant subsidiaries.
^ The comparative percentage ownership has been corrected from that which was previously disclosed.

No subsidiaries have been pledged as security at 31 March 2025. There are no restrictions on the ability of the group to access or use the assets or liabilities of the subsidiaries.

Non-controlling interests

There were no subsidiaries material non-controlling interests at 31 March 2025 and at 31 March 2024.

36. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

In assessing the appropriateness of the going concern basis, the directors have considered two indicators present at, or shortly after, the reporting date: the net current liability position at 31 March 2025 reflected in the consolidated statement of financial position, principally arising from the consolidation of the short-term external borrowings of the Software and Water groups following the conclusion of the Inzalo Transaction (refer notes 3 and 17); and the suspension of trading in the company's ordinary shares on the JSE shortly after the reporting date (refer note 37).

Both indicators have been substantively addressed by management actions taken after the reporting date and before the date of approval of these consolidated annual financial statements. The group's external lender exposure has been extinguished through a refinance funded by Laird Group (Pty) Ltd ("Laird"), as described in note 37. The group is now substantively funded by a single supportive shareholder. Laird has provided the group with a letter of support confirming that it will not demand repayment of the shareholder loan, and that it has the financial capacity to support the group's ongoing funding requirements, throughout the assessment period applied by the directors.

The group's substantive reliance on continued support from Laird represents a key judgement area in the going concern assessment. The directors have considered Laird's financial capacity and its expressed intent to provide ongoing support, and are satisfied that this support is reasonably assured throughout the assessment period.

The directors have prepared cash flow forecasts covering the assessment period, including stress scenarios incorporating reductions in revenue, gross margin and working-capital efficiency. The group is forecast to maintain sufficient liquidity throughout the assessment period under both base and stress scenarios.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

37. Events after the reporting period

Subsequent to the reporting date, the following events occurred:

- The group restructured its funding arrangements. Shareholder loans were advanced to the group for R110 million and the proceeds were applied to extinguish all external borrowings and outstanding third-party obligations across the group (refer note 17). The settlements included mortgage bonds, amounts owing to financial institutions, outstanding statutory obligations and certain key trade creditor balances. The new loan is unsecured, bears interest at the prime interest rate and has no fixed repayment terms.

  The board of directors is satisfied that the restructuring strengthens the group's balance sheet by consolidating external indebtedness into a single related-party funding arrangement.

- The company's shares were suspended from trading on the JSE on 1 October 2025 for failing to publish its audited financial results for the year ended 31 March 2025 within the prescribed period. The board intends requesting the suspension be lifted in August 2026, following the publication of these consolidated annual financial statements.

- On 7 May 2026, the company released a cautionary announcement on SENS advising shareholders that it had entered into negotiations with a non-related third party regarding the potential disposal of certain assets which, if successfully concluded may have a material effect on the price of the company’s securities. No binding agreement had been entered into at the reporting date and the conditions giving rise to the potential transaction did not exist at that date. As at the date of approval of these consolidated annual financial statements, the parties remain in the drafting phase of a sale and purchase agreement. Any transaction remains subject to the negotiation and conclusion of definitive transaction documents, the fulfilment of conditions precedent and such regulatory and shareholder approvals as may be required, including under the JSE Listings Requirements. The financial effect of the potential transaction cannot be reliably estimated at this time. Further announcements will be made to shareholders on SENS in accordance with the JSE Listings Requirements.

These were all considered non-adjusting events.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

38. Shareholder analysis

Analysis of Share Register at 31 March 2025:

	No Shareholders	% Shareholders	No Shares	% Share Capital
Portfolio size				
1 to 50 000	2,719	98.55 %	3,447,321	3.00 %
50 0001 to 250 000	25	0.91 %	2,745,303	2.39 %
Over 250 000	15	0.54 %	108,722,465	94.61 %
	2,759	100.00 %	114,915,089	100.00 %

Non-public and public shareholders	No. Shareholders	No. Shares	% Share Capital
Non-public shareholders			
Laird Investments (Pty) Ltd	1	73,603,080	64.05 %
Kamberg Investment Holdings (Pty) Ltd	1	10,733,180	9.34 %
Laird Group (Pty) Ltd	1	9,585,447	8.34 %
Semantic Capital Ltd	1	5,701,779	4.96 %
Directors (direct interest)	3	212,759	0.19 %
Directors (indirect interest)	2	972,215	0.85 %
Total non-public shareholders	9	100,808,460	87.72 %
Total public shareholders	2,750	14,106,629	12.28 %
	2,759	114,915,089	100.00 %

Major shareholders	No. Shares	% Share Capital
Laird Investments (Pty) Ltd	73,603,080	64.05 %
Kamberg Investment Holdings (Pty) L td	10,733,180	9.34 %
Laird Group (Pty) Ltd	9,585,447	8.34 %
Semantic Capital Ltd	5,701,779	4.96 %
Seratrix (Pty) Ltd	3,375,200	2.94 %
Mr LC van Heerden	1,434,710	1.25 %
Banque Lombard Odier & Cie SA	719,486	0.63 %
Shimla Investments Holdings (Pty) Ltd	672,215	0.58 %
Clements Nominees Ltd	598,500	0.52 %
Lylalex (Pty) Ltd	592,787	0.52 %

Directors' interest in securities

Director	2025 Direct	2025 Indirect		2024 Direct	2024 Indirect	
IG Morris	-	10,733,180		-	10,733,180	
CA King*	111,196	88,890,306	*	111,196	86,831,218	*
DL Strydom	-	300,000		N/A	300,000	
DA Di Siena	-	-		-	-	
RW King*	100,063	88,890,306	*	N/A	N/A	
PH Duvenhage	-	-		-	-	
D Passmore	-	-		-	-	
TW Hamill*	1,500	88,890,306	*	1,500	86,831,218	*
RJ Viljoen	-	672,215		-	667,020	
	212,759	100,595,701	*	112,696	98,531,418	*

*Indirect shareholding are the same shares which are ultimately held by a trust of which these directors are beneficiaries

38. Shareholder analysis (continued)

The following shares were purchased by directors during the year:

- Additional 5,195 indirect shares were purchased in regards to RJ Viljoen
- An additional 2,059,088 indirect shares were purchased, which are held by the aforementioned trust in regards to CA King, RW King and TW Hamill.

There have been no further share transactions by directors since the reporting date and up to the date of this report.