Sebata Holdings
INNOVATIVE SOLUTIONS

Sebata Holdings Limited

(Registration number 1998/003821/06)

Consolidated Annual Financial Statements for the year ended 31 March 2026

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

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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 2026 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 2026 financial year, the Committee met twice and attendance thereat is set out below.

	24 March 2026	31 March 2026
Members		
PH Duvenhage	Yes	Yes
DA Di Siena	Yes	apologies sent
D Passmore	Yes	Yes
Invitees		
IG Morris	Yes	Yes
TW Hamill	Yes	Yes
CA King	Yes	Yes
RW King	Yes	Yes
DL Strydom	Yes	Yes
RJ Viljoen	Yes	Yes
Nexia SAB&T	Yes	Yes
RB Smith (company secretary)	Yes	Yes

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 2026 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 2026 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 2026 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.

Financial Director

The Audit Committee has assessed 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.

Financial Reporting Procedures

The Audit Committee has assessed the financial reporting procedures of Sebata and its subsidiaries and satisfied itself that the established procedures are sufficient to allow Sebata to effectively prepare and report on the financial statements of the company and its subsidiaries.

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.

Audit Committee Report

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.

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 company's securities were suspended from trading on the JSE on 1 October 2025, following its failure to publish its audited annual financial statements for the year ended 31 March 2025 within the prescribed period. The suspension was lifted on 9 July 2026 once all outstanding reports had been submitted. Publication of the results for the year ended 31 March 2026 was also delayed beyond the prescribed period, and shareholders were advised accordingly on SENS on 30 July 2026. The Committee has considered the circumstances of each matter and the steps taken by management to restore timely reporting. It is satisfied that both matters have been resolved, that all outstanding reports have been submitted, and that the listing has been reinstated. Other than as set out above, 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 31 August 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.

Audit Committee Report

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 2026 to the board for approval.

On behalf of the audit committee

PH Duvenhage
Chairman Audit Committee

28 August 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 August 2027 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 64, which have been prepared on the going concern basis, were approved by the board of directors on 28 August 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 64, 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
Chief executive officer

RJ Viljoen
Chief executive officer

RW King
Chief financial officer

28 August 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
28 August 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 2026.

1. Nature of business

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 28 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 12 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 current or prior year to equity holders of the parent company.

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)	
D Passmore	(Independent Non-executive)	
DL Strydom	(Joint Chief Executive Officer)	
RJ Viljoen	(Joint Chief Executive Officer)	

* Mr IG Morris resigned as the Non-executive Chairperson on 31 March 2026, whereafter Mr CA King was appointed as the Non-executive Chairperson on 27 May 2026.

6. Share incentive scheme

Refer to note 14 of the consolidated annual financial statements for details of the group share incentive scheme.

Directors' Report

7. Directors' interest in shares

Directors interest in shares are disclosed in note 37 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 29.

9. Subsidiaries and investments in associates

Details of subsidiaries are listed in the consolidated annual financial statements in note 34 and business combinations are presented in in the consolidated annual financial statements in note 28.

Details of material changes in associates are presented in the consolidated annual financial statements in note 7.

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 at each of the company's Annual General Meetings held on 24 October 2024 and 15 July 2026. The resolutions were effective for a two year period.

- 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 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 suspension was subsequently lifted on 9 July 2026 following the submission of all outstanding reports. There was no financial impact to the group as a result of the suspension.

- 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.

Directors' 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 the net current liability position at 31 March 2026 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 28 and 26).

Following the restructure of borrowings in the current year (refer note 15), the group is now substantively funded by a single supportive shareholder. Laird Group (Pty) Ltd ("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 2026.

15. Company secretary

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

Nexia SAB&T

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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 64, which comprise the consolidated statement of financial position as at 31 March 2026; 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 2026, 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), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Final materiality

The scope of our audit was influenced by our application of materiality. 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	R16,2 million (2025: R15,5 million)
Basis for determining materiality	2% of the Total Assets
Rationale for the materiality benchmark applied	We considered total assets to be the appropriate benchmark as the group's value is largely derived from its goodwill and intangible assets, which comprise a significant portion of total assets and involve significant estimation and judgement. We therefore concluded that total assets provide the most relevant measure for assessing matters that may influence the decisions of users of the consolidated financial statements. Furthermore, Sebata Holdings Limited group is advanced in its life cycle; therefore, its users expect the assets to be a relatively stable indicator.

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

Group Audit Scope

We tailored the scope of our group audit to obtain sufficient appropriate audit evidence to provide a basis for our opinion on the consolidated financial statements as a whole. In doing so, we considered the structure of the Group, the nature of its activities, the accounting processes and controls, and the assessed risks of material misstatement.

We designed our group audit by identifying and assessing the risks of material misstatement in the consolidated financial statements and determining the nature, timing and extent of audit procedures necessary to respond to those risks. Significant professional judgement was exercised in determining the components at which audit work, if any, was required to obtain sufficient appropriate audit evidence in support of the group audit opinion.

In performing the risk assessment, we obtained an understanding of the Group and its components and considered component-specific risks, the nature and magnitude of account balances, classes of transactions and disclosures, and how these contributed to the assessed risks of material misstatement in the consolidated financial statements.

In determining whether audit work was required at any component, we considered, amongst other matters:

- whether any individual component had events or conditions that could give rise to a risk of material misstatement in the consolidated financial statements;
- whether sufficient appropriate audit evidence needed to be obtained from the component's financial information;
- the significance of the component's contribution to the Group's financial position, financial performance and cash flows, including relevant account balances, classes of transactions and disclosures;
- the nature and extent of the risks identified at the component;
- whether the component was subject to a statutory audit or other assurance engagement under local legislation.

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 except for one which is based in Namibia.

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

	Number of components
Audit of entire financial information of the component	5
Audit of one or more account balances, classes of transaction or disclosures	5
Not audited	3

Throughout the audit, the group engagement team remained responsible for directing, supervising and reviewing the work performed and for evaluating the sufficiency and appropriateness of the audit evidence obtained.

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;
- Deferred tax asset recoverability;
- Deferred and current taxes payable and receivable;
- Related party transactions and balances; and
- Journal entries.

Based on our understanding of the Group and its components, the risk assessment procedures performed and the audit evidence obtained, we concluded that sufficient appropriate audit evidence was obtained to support our opinion on the consolidated financial statements as a whole.

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 matters, and these are included below.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of the Intangible Assets and Goodwill</td></tr>
<tr><td>As disclosed in Note 5 and 6 of the Consolidated Annual Financial Statements, the Group recognised Goodwill of R103,6 million (2025: R103,6 million), and Intangible Assets of R430,4 million (2025: R484,6 million).

The valuation of the intangible assets and goodwill was considered a key audit matter due to the significance of these balances to the consolidated financial statements and the significant judgement and estimation involved in assessing impairment under IAS 36. This included management's use of assumptions and data in the impairment models such as forecast cash flows, growth rates and discount rates.</td><td>Our procedures included:

• Evaluating the determination of the cash generating units to which goodwill and intangible assets were allocated;
• Evaluating the reasonableness of the future projected cash flows used in the impairment models, with reference to historical performance, approved budgets and forecasts, current economic conditions and expected future performance of the relevant cash-generating units;
• Comparing key assumptions, including revenue growth rates and operating margins to historical performance to test the reasonableness of the directors' projections;
• Testing of the mathematical accuracy of the impairment models;
• Evaluating the discount rate used by management with reference to independent market data, where applicable;
• Assessing the sensitivity of the impairment assessment to reasonably possible changes in the assumptions; and
• Considering the adequacy of the disclosures relating to intangible assets, goodwill and impairment assessments in terms of the applicable accounting standards.

Based on the procedures performed, we found the methods, assumptions and data used by the directors to be appropriate, having regard to historical performance, future outlook and current prevailing circumstances. We considered the disclosures relating to the intangible assets, goodwill and impairment assessments to be appropriate.</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sebata Holdings Limited Consolidated Annual Financial Statements for the year ended 31 March 2026", which includes the Directors' Report, the Audit Committee's Report and the Group Secretary's Certification, as required by the Companies Act of South Africa and the CEO and CFO Responsibility Statement on Internal Financial Controls as required by the JSE Limited Listing Requirements, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. 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 on the other information prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we do receive and read the Integrated Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

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 15 years.

We confirm that the total fees do not exceed 15% of our total revenue.

Nexia SAB&T

Nexia SAB&T

Sophocles Kleouvoulou

Director

Registered Auditor

28 August 2026

Nexia SAB&T

Consolidated Statement of Financial Position as at 31 March 2026

Figures in Rand thousand	Note(s)	2026	2025
Assets			
Non-Current Assets			
Property, plant and equipment	3	37,724	38,409
Goodwill	5	103,556	103,556
Intangible assets	6	430,371	484,627
Other financial assets		95	96
Deferred tax	8	38,548	4,468
		610,294	**631,156**
Current Assets			
Inventories	9	49,225	22,075
Trade and other receivables	10	111,785	76,666
Current tax receivable		2,410	673
Cash and cash equivalents	11	35,810	42,368
		199,230	**141,782**
Total Assets		**809,524**	**772,938**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	12	287,223	287,223
Retained income		168,188	161,281
		455,411	**448,504**
Non-controlling interest		(165)	(96)
Total Equity		**455,246**	**448,408**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	15	1,618	30,067
Deferred tax	8	101,665	75,252
		103,283	**105,319**
Current Liabilities			
Trade and other payables	16	120,118	111,594
Other financial liabilities	15	112,521	94,546
Current tax payable		11,342	6,057
Deferred vendor payments	17	7,014	7,014
		250,995	**219,211**
Total Liabilities		**354,278**	**324,530**
Total Equity and Liabilities		**809,524**	**772,938**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand thousand	Note(s)	2026	2025
Revenue	18	387,679	268,727
Cost of sales	19	(226,502)	(142,578)
Gross profit		**161,177**	**126,149**
Other operating income and gains	20	21,670	23,881
Movement in credit loss allowances	21	10,502	32,790
Operating expenses		(163,614)	(142,894)
Operating profit	21	**29,735**	**39,926**
Investment income		1,583	1,760
Finance costs	22	(15,765)	(12,463)
Share of loss from equity accounted investments	7	-	(414)
Profit before taxation		**15,553**	**28,809**
Taxation	23	(4,215)	76,270
Profit for the year		**11,338**	**105,079**
Other comprehensive income for the year net of taxation		-	-
Total comprehensive income for the year		**11,338**	**105,079**
Profit attributable to:			
Owners of the parent		6,907	104,468
Non-controlling interest		4,431	611
		11,338	**105,079**
Total comprehensive income attributable to:			
Owners of the parent		6,907	104,468
Non-controlling interest		4,431	611
		11,338	**105,079**
Earnings per share			
Basic and diluted earnings per share (c)	32	6.01	91.17

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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 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 loss for the year	**-**	**-**	**-**	**(3,607)**	**-**	**104,468**	**100,861**	**611**	**101,472**
Transfer between reserves	-	-	-	-	(2,349)	2,349	-	-	-
Dividends	-	-	-	-	-	-	-	(676)	(676)
Balance at 01 April 2025	**1,140**	**286,083**	**287,223**	**-**	**-**	**161,281**	**448,504**	**(96)**	**448,408**
Profit for the year	-	-	-	-	-	6,907	6,907	4,431	11,338
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**6,907**	**6,907**	**4,431**	**11,338**
Dividends	-	-	-	-	-	-	-	(4,500)	(4,500)
Balance at 31 March 2026	**1,140**	**286,083**	**287,223**	**-**	**-**	**168,188**	**455,411**	**(165)**	**455,246**
Note(s)	12	12	12	13	14				

Consolidated Statement of Cash Flows

Figures in Rand thousand	Note(s)	2026	2025
Cash flows from operating activities			
Cash generated from operations	24	36,510	52,902
Interest income		1,583	1,760
Finance costs	22	(15,507)	(12,463)
Tax paid	25	(9,024)	(2,465)
Net cash from operating activities		**13,562**	**39,734**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(2,189)	(1,107)
Proceeds from sale of property, plant and equipment	3	1,252	614
Purchases of intangible assets	6	(3,734)	(3,505)
Proceeds from sale of intangible assets	6	18	2,323
Overdrafts acquired on business combinations		-	(28,196)
Cash advanced in respect of other financial assets		-	(96)
Cash receipts from repayments of other financial assets		-	506
Net cash from investing activities		**(4,653)**	**(29,461)**
Cash flows from financing activities			
Repayments of other financial liabilities	26	(129,812)	(2,056)
Cash advances received on other financial liabilities	26	120,000	23,694
Cash repayments on lease liabilities	26	(1,155)	(960)
Dividends paid to non-controlling interest		(4,500)	(676)
Net cash from financing activities		**(15,467)**	**20,002**
Total cash movement for the year		**(6,558)**	**30,275**
Cash and cash equivalents at the beginning of the year		42,368	12,093
Cash and cash equivalents at the end of the year	11	**35,810**	**42,368**

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 presentation currency of the group and 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.

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.

Accounting Policies

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 5 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 8 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.

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 28 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 . 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 of 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 .

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 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 31 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

Other financial assets, cash and cash equivalents (note 11), and financial assets included in trade and other receivables (note 10), are classified as financial assets subsequently measured at amortised cost.

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

Financial liabilities

Other financial liabilities (note 15), deferred vendor payments (note 17) and financial liabilities included in trade and other payables (note 16) are classified as financial liabilities subsequently measured at amortised cost.

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 assessd over a five year period 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.

Accounting Policies

1.8 Financial instruments (continued)

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, 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 to be received beyond the normal terms.

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.

For purposes of internal credit risk management purposes, the company considers that a default event has occurred if there is either a breach of financial agreements by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account where applicable). Irrespective of the above analysis, the company considers that default has occurred when a payment for a financial asset is more than 30 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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 15).

The right-of-use assets are included in property, plant and equipment (refer notes1.4 and 3).

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.

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 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 Presentation and Disclosure in Financial Statements 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.

IFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies:

- Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and a requirement for all companies to provide new defined subtotals, including operating profit.
- Enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the income statement.
- More useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses.

IFRS 18 replaces IAS 1 Presentation of Financial Statements and carries forward many requirements from IAS 1 unchanged.

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

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment

	2026			2025		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land and buildings	34,299	(2,455)	31,844	34,299	(1,769)	32,530
Plant and equipment	11,438	(9,530)	1,908	10,905	(10,034)	871
Furniture and fittings	9,378	(9,280)	98	9,403	(9,215)	188
Motor vehicles	8,846	(8,398)	448	9,389	(8,984)	405
Office equipment	2,148	(2,060)	88	2,136	(2,045)	91
IT equipment	10,617	(9,659)	958	10,229	(9,201)	1,028
Leasehold improvements	6,774	(6,717)	57	5,908	(5,770)	138
Right-of-use assets						
Buildings	10,454	(8,131)	2,323	9,960	(6,802)	3,158
Total	**93,954**	**(56,230)**	**37,724**	**92,229**	**(53,820)**	**38,409**

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Disposals	Depreciation	Total
Owned assets					
Land and buildings	32,530	-	-	(686)	31,844
Plant and equipment	871	1,527	(50)	(440)	1,908
Furniture and fittings	188	2	(4)	(88)	98
Motor vehicles	405	228	(41)	(144)	448
Office equipment	91	21	-	(24)	88
IT equipment	1,028	400	(28)	(442)	958
Leasehold improvements	138	11	(4)	(88)	57
Right-of-use assets					
Buildings	3,158	493	-	(1,328)	2,323
	38,409	**2,682**	**(127)**	**(3,240)**	**37,724**

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 machinery	-	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**

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 15. Management did not consider the fair value of the property to differ materially from the carrying value at the reporting dates.

Figures in Rand thousand

3. Property, plant and equipment (continued)

Lease liabilities associated with right-of-use assets are disclosed in note 15.

Contractual commitments

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

4. Investment property

Reconciliation of investment property - 2025

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

5. Goodwill

	2026			2025		
Cash-generating unit	**Cost**	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
Water group	95,074	-	95,074	95,074	-	95,074
Software solutions	8,482	-	8,482	8,482	-	8,482
Total	**103,556**	**-**	**103,556**	**103,556**	**-**	**103,556**

Reconciliation of goodwill - 2026

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

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**

Figures in Rand thousand

Notes to the Consolidated Annual Financial Statements

5. Goodwill (continued)

Impairment assessment

The recoverable amount of the software solutions cash-generating unit ("CGU") was determined based on the value-in-use.

The recoverable amount of the water group cash-generating unit ("CGU") was determined using the fair value less costs of disposal ("FVLCD") approach in the current year and the value-in-use ("VIU") approach in the prior year. The current year FVLCD assessment was based on observable market evidence and information available at the reporting date. Based on this assessment, the recoverable amount of the CGU exceeded its carrying value.

Value-in-use amounts are 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, 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
2026			
Software solutions	5.00 %	4.50 %	18.00 %
2025			
Water group	5.00 %	5.00 %	24.42 %
Software solutions	5.00 %	5.00 %	19.50 %

These key assumptions were based on management experience and knowledge of the relevant industries.

Figures in Rand thousand

6. Intangible assets

	2026			2025		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software, internally generated	799,549	(370,427)	429,122	795,676	(312,256)	483,420
Computer software, externally purchased	5,945	(5,587)	358	6,241	(5,775)	466
Intangible assets under development	672	-	672	668	-	668
Intellectual property	219	-	219	73	-	73
Total	**806,385**	**(376,014)**	**430,371**	**802,658**	**(318,031)**	**484,627**

Reconciliation of intangible assets - 2026

	Opening balance	**Additions**	**Disposals**	**Amortisation**	**Total**
Computer software, internally generated	483,420	3,872	-	(58,170)	429,122
Computer software, externally purchased	466	115	(18)	(205)	358
Intangible assets under development	668	4	-	-	672
Intellectual property	73	146	-	-	219
	484,627	**4,137**	**(18)**	**(58,375)**	**430,371**

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**

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

Impairment assessment

Goodwill and intangible assets together represent a material proportion of the group's total assets, and the directors have accordingly considered whether any indication of impairment existed at the reporting date, having regard to both external and internal sources of information. The intangible assets are used almost entirely in the Software Solutions segment. That segment's revenue increased in the current year as well as achieving a profit in the current year as compared to a loss in the prior year (refer note 33). There is no evidence that the economic performance of the assets is, or will be, worse than expected, and cash flows have not fallen materially below those expected.

During the prior 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 21).

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

6. Intangible assets (continued)

Contractual commitments

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

7. Investments in associates

Reconciliation of carrying value

Carrying value at beginning of year	-	133,434
Share of loss for the year	-	(414)
Business combinations*	-	(133,020)
Carrying value at end of year	**-**	**-**

8. Deferred tax

Deferred tax liability

Intangible assets (refer note 6)	(114,450)	(129,045)
Financial assets	-	(253)
Right-of-use asset	(627)	(853)
Prepayments	(564)	(463)
Total deferred tax liability	**(115,641)**	**(130,614)**

Deferred tax asset

Contract liabilities	7,886	3,879
Expected credit loss allowance	5,296	3,231
Lease liabilities	806	986
Accruals	2,690	2,690
Deferred tax balance from temporary differences other than unused tax losses	16,678	10,786
Tax losses available for set off against future taxable income	35,846	49,044
Total deferred tax asset	**52,524**	**59,830**

Total deferred tax liability	(115,641)	(130,614)
Total deferred tax asset	52,524	59,830
	(63,117)	**(70,784)**

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	(101,665)	(75,252)
Net deferred tax asset at entity level	38,548	4,468
Total net deferred tax liability	**(63,117)**	**(70,784)**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

8. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

At beginning of year	(70,784)	(33,333)
Increases (decrease) in tax loss available for set off against future taxable income	(13,198)	16,367
Taxable / (deductible) temporary difference movement on:		
- Intangible assets	14,595	(123,052)
- Financial assets	253	60,235
- Contract liabilities	4,007	3,213
- Prepaid expenses	(101)	(463)
- Right of use asset	226	313
- Lease liability	(180)	(258)
- Expected credit loss allowance	2,065	-
- Accruals	-	5,875
- Operating lease asset	-	319
	(63,117)	**(70,784)**

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.

Unrecognised deferred tax asset

Unused tax losses not recognised as deferred tax assets	35,708	36,608

9. Inventories

Raw materials	49,571	18,930
Finished goods	2,193	5,360
Consumables	57	74
	51,821	24,364
Provision for obsolescence	(2,596)	(2,289)
	49,225	**22,075**

The provision for obsolescence is based on slow moving and unsaleable inventory. The carrying value of inventories at year end carried at net realisable value was written down to nil value. Refer to note 19 for the value of inventories included in cost of sales.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

10. Trade and other receivables

	2026	2025
Financial instruments:		
Trade receivables - restated**	118,286	98,177
Loss allowance - restated**	(32,503)	(42,978)
Trade receivables at amortised cost	85,783	55,199
Deposits	868	1,056
Other receivables	7,795	5,636
Loans to directors*	2,330	2,160
Staff advances	22	160
Non-financial instruments:		
VAT	2,092	1,352
Contract assets	10,382	9,012
Prepayments	2,513	2,091
Total trade and other receivables	**111,785**	**76,666**

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

	2026	2025
At amortised cost	96,798	64,211
Non-financial instruments	14,987	12,455
	111,785	**76,666**

* Included in loans to directors is an amount of R2,160,000 for loans granted for the exercising of share options in the 2024 financial year. The loans are secured by the shares held and are interest free with no fixed terms of repayment.

** It was identified that the prior year trade receivables included an amount related to loss allowances and was disclosed in error as net of this amount. The trade receivables and loss allowance have therefore been restated to correctly disclose the amounts separately. The impact of the restatement to the prior year disclosure was an increase in trade receivables of R26.7 million and an increase in the loss allowance of R26.7m. There was no impact on the profit or loss for the year, cash flows, the financial position or total equity of the group.

Reconciliation of contract assets

Contract assets relate to revenue accrued for software projects based on the achievement of project milstones. 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.

	2026	2025
Opening balance	9,012	-
Acquired on business combinations	-	9,944
Revenue accrued on progress of projects	5,675	1,377
Transfers of contract assets to receivables	(4,305)	(2,309)
Closing balance	**10,382**	**9,012**

Figures in Rand thousand

10. Trade and other receivables (continued)

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.

The group does not hold collateral as security. There is no material concentration of credit risk.

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 receivable amounts, including contract assets, 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:

	2026	2026	2025	2025
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: 1.03% (2025: 0.63%)	36,629	(376)	27,761	(174)
Less than 30 days past due: 2.08% (2025: 2.14%)	12,791	(266)	8,981	(192)
31 - 60 days past due: 7.2% (2025: 19.91%)	8,167	(588)	5,545	(1,104)
61 - 90 days past due: 5.95% (2025: 21.35%)	4,787	(285)	4,830	(1,031)
91 - 120 days past due: 9.19% (2025: 56.54%)	1,607	(148)	4,434	(2,507)
More than 120 days past due: 56.79% (2025: 81.44%)	54,305	(30,840)	46,626	(37,970)
Total	**118,286**	**(32,503)**	**98,177**	**(42,978)**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

10. 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	(42,978)	(7)
Provisions acquired as part of business combinations	-	(35,571)
Provision raised on new trade receivables	(11,240)	(7,407)
Provisions reversed on settled trade receivables	21,715	7
Closing balance	**(32,503)**	**(42,978)**

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.

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	28,484	33,196
Short-term deposits	4,651	6,257
Call accounts	2,675	2,915
	35,810	**42,368**

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		
Standard & Poor: zaA-1+ (2025: zaA-1)	25,470	24,776
Standard & Poor: zaA-1+ (2025: zaA-1+)	9,442	16,703
Other banks	898	889
	35,810	**42,368**

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.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

12. Share capital

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

	Number of shares	
	2026	2025
Reconciliation of number of shares issued:		
Reported as at 01 April	114,915,089	114,027,757
Sale of treasury shares	-	887,332
Closing balance	**114,915,089**	**114,915,089**

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.

13. 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 prior year, and was included in the gain on disposal of subsidiaries (refer note 20).

14. 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 share-based payment reserve was transferred to retained earnings during the prior year as all the share options had expired.

Outstanding ordinary share options	Number of share options	
	2026	2025
Outstanding at the beginning of the year	-	482,215
Expired during the year	-	(482,215)
Outstanding at the end of the year	-	-

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

15. Other financial liabilities

	2026	2025
Non-current		
First National Bank mortgage bond	-	25,307
Lease liabilities	1,618	2,662
Bidvest Bank	-	2,098
Current		
Lease liabilities	1,369	987
Laird Group (Pty) Ltd	110,094	13,983
Talacar Holdings (Pty) Ltd	-	2,920
Shareholder loan (J Van Der Merwe)	1,058	1,058
Semantic Capital Ltd	-	46,255
Bidvest Bank	-	27,097
First National Bank mortgage bond	-	2,246
	114,139	**124,613**

Split between non-current and current portions

	2026	2025
Non-current liabilities	1,618	30,067
Current liabilities	112,521	94,546
	114,139	**124,613**

Refer to note 26 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 31 Financial instruments and financial risk management for the maturity analysis.

The group restructured its funding arrangements during the current year. Shareholder loans were advanced from Laird Group (Pty) Ltd to the group for R120 million and the proceeds were applied to extinguish all external borrowings and outstanding third-party obligations across the group. The settlements included mortgage bonds, amounts owing to financial institutions, outstanding statutory obligations and certain key trade creditor balances.

Lease liabilities

The group leases premises over a term of 5 years for which there are 27 months remaining, with monthly repayments of R131,426. 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 2026.

The right-of-use assets are presented in note 3.

Laird Group (Pty) Ltd

The loan is unsecured, bears interest at the prime lending rate and is repayable as and when the group is in a financial position to do so.

Talacar Holdings (Pty) Ltd

The loan was unsecured, had no fixed repayment terms and bore interest at the prime lending rate.

Shareholder loan (J Van Der Merwe)

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

15. Other financial liabilities (continued)

Semantic Capital Ltd

The loans comprised of the following:

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

Bidvest Bank

The loans were repayable over 13 and 14 months and bore interest at prime plus 1%. The loans were secured by trade receivables.

First National Bank mortgage bond

The mortgage bond was secured over the property disclosed in note 3. The bond bore interest at the prime lending rate less 1% and was repayable in monthly instalments of R417,349. The term of the bond was 10 years with 8.5 years remaining at the end of the prior year.

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	2026	2025

16. Trade and other payables

Financial instruments:		
Trade payables	61,185	62,760
Payroll liabilities	3,049	3,294
Accrued bonus	1,013	738
Accrued audit fees	1,786	2,303
Sundry payables	269	992
Dividends payable	992	1,037
Non-financial instruments:		
Contract liabilities	29,207	14,371
Accrued leave pay	4,545	4,201
VAT	10,135	6,532
Third party amounts collected on behalf of customers	7,937	15,366
	120,118	**111,594**

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

At amortised cost	68,294	71,124
Non-financial instruments	51,824	40,470
	120,118	**111,594**

Reconciliation of contract liabilities

Opening balance	14,371	2,010
Acquired on business combinations	-	4,853
Revenue recognised on delivery of goods/services previously paid for	(14,371)	(6,863)
Payments received in advance of delivery of performance obligations	29,207	14,371
	29,207	**14,371**

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.

17. 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 in prior years. 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 previous reporting periods, the consideration is no longer contingent on performance conditions 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 an 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. The impact of any discounting of the amount to the present value at 31 March 2026 is not considered material to the group.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

18. Revenue

Revenue from contracts with customers		
Sale of goods	140,678	72,410
Rendering of services	247,001	196,317
Total revenue from contracts with customers	**387,679**	**268,727**

Disaggregation and timing of revenue from contracts with customers

Major product lines at a point in time		
Consulting	35,735	2,127
Physical goods	140,678	67,588
	176,413	**69,715**
Major product lines over a period of time		
Software licenses	204,546	60,520
Support and maintenance services	6,720	138,492
	211,266	**199,012**
Total revenue from contracts with customers	**387,679**	**268,727**

Refer to note 16 for revenue recognised on delivery of goods/services included in contract liabilities at the end of the prior year.

19. Cost of sales

Sale of goods	103,815	35,009
Rendering of services	122,687	107,569
	226,502	**142,578**

20. Other operating income and gains

Management fees received	1,685	-
Prescribed trade payable	12,218	-
Other rental income	305	-
Gain on disposal of dormant subsidiaries	-	3,404
Fair value adjustment on consideration in a business combination	-	16,853
Net gain on derecognition of pre-existing lease arrangement	-	2,831
Profit on disposal of property, plant and equipment	1,125	60
Other income	132	733
Foreign exchange gains	6,205	-
	21,670	**23,881**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

21. Operating profit (loss)

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

Auditor's remuneration - external		
Audit fees	2,145	1,889
Adjustment for previous year	(77)	-
Other consultation services	64	31
	2,132	**1,920**
Remuneration, other than to employees		
Administrative and managerial services	230	106
Consulting and professional services	16,628	11,070
Secretarial services	827	784
	17,685	**11,960**
Employee costs		
Salaries, wages, bonuses and other benefits	150,678	100,377
Retirement benefit plans: defined contribution expense	3,570	2,732
Total employee costs	**154,248**	**103,109**
Less: employee costs included in cost of sales	(90,857)	(64,182)
Total employee costs expensed	**63,391**	**38,927**
Leases		
Short-term leases	2,609	1,675
Less: lease charges included in cost of sales	(2,565)	(96)
Total lease expenses	**44**	**1,579**
Depreciation and amortisation		
Depreciation of investment property on the cost model	-	291
Depreciation of property, plant and equipment	3,240	2,864
Amortisation of intangible assets	58,375	49,411
Total depreciation and amortisation	**61,615**	**52,566**
Less: depreciation and amortisation included in cost of sales	(480)	(182)
Less: depreciation capitalised to intangible assets	(403)	-
Total depreciation and amortisation included in operating expenses	**60,732**	**52,384**
Impairment losses		
Intangible assets	-	14,319
Movement in credit loss allowances		
Trade and other receivables	(10,502)	4,887
Loans to associates	-	1,495
Loans to group companies — reversal of credit loss allowances on business combination	-	(39,172)
	(10,502)	**(32,790)**
Other		
Foreign exchange losses	-	817

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

22. Finance costs

Lease liabilities	401	476
Bank overdraft and financial liabilities	11,053	5,440
Mortgage bond	676	3,454
Other interest paid	3,635	3,093
Total finance costs	**15,765**	**12,463**

23. Taxation

Major components of the tax expense

Current		
Local income tax - current period	9,320	4,000
Local income tax - prior period over provision	2,261	(358)
Capital gains tax	25	-
Foreign income tax - current period	276	-
	11,882	**3,642**
Deferred		
Originating and reversing temporary differences	(5,656)	(68,035)
Arising from prior period adjustments	(2,011)	(11,877)
	(7,667)	**(79,912)**
	4,215	**(76,270)**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	15,553	28,809
Tax at the applicable tax rate of 27% (2025: 27%)	4,199	7,778
Tax effect of adjustments on taxable income		
Donations	315	287
Learnership allowances	(493)	-
Reversal of impairment of group loans	-	(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	967	81
Tax losses utilised not previously recognised	(971)	-
Fair value gain on contingent loan receivable on acquisition	-	(4,550)
Reversal of deferred capital gains tax liability on derecognition of investment in associate and forfeiture of contingent loan receivable	-	(56,681)
Prior period income tax adjustment	2,261	(358)
Prior period deferred tax adjustment	(2,011)	(11,877)
Other	(52)	30
	4,215	**(76,270)**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

24. Cash generated from operations

Profit before taxation	15,553	28,809
Adjustments for non-cash items:		
Depreciation and amortisation (excluding amounts capitalised)	61,212	52,566
Gains on disposal of property, plant and equipment	(1,125)	(60)
Gain on disposal of subsidiaries	-	(3,404)
Impairment of intangible assets	-	14,318
Movement in credit loss allowances	(10,502)	(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
Other non-cash items allocated to other financial assets	1	-
Other non-cash expenses	432	-
Adjust for items which are presented separately:		
Interest income	(1,583)	(1,760)
Finance costs	15,765	12,463
Changes in working capital:		
Increase in inventories	(27,150)	(18,201)
(Increase) increase in trade and other receivables	(24,617)	5,854
Increase in trade and other payables	8,524	12,490
	36,510	**52,902**

25. Tax paid

Balance at beginning of the year	(5,384)	(3,581)
Current tax recognised in profit or loss	(11,882)	(3,642)
Acquired on business combinations	-	(626)
Interest and penalties accrued in tax liability at year end	(690)	-
Balance at end of the year	8,932	5,384
	(9,024)	**(2,465)**

26. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2026

	Opening balance	Lease additions	Cash inflows	Cash outflows	Closing balance
Other financial liabilities excluding leases	120,964	-	120,000	(129,812)	111,152
Lease liabilities	3,649	493	-	(1,155)	2,987
Deferred vendor payments	7,014	-	-	-	7,014
Total liabilities from financing activities	**131,627**	**493**	**120,000**	**(130,967)**	**121,153**

Reconciliation of liabilities arising from financing activities - 2025

	Opening balance	Business combinations*	Foreign exchange movements	Cash inflows	Cash outflows	Closing balance
Other financial liabilities	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 28 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 20 for the related net gain.

27. Contingencies

There were no significant contingent liabilities as at 31 March 2026.

28. Business combinations

The following business combinations took place during the 2025 financial year

Effective 1 July 2024, the Group obtained 100% control of the Software Group and Water Group concluding the Inzalo Transaction under which the group had previously disposed of a 60% interest in these businesses in the 2019 and 2020 reporting periods. Details of the business combination are disclosed in the 2025 consolidated annual financial statements.

Summary of business combination	**2025 R'000**
Consideration transferred — forfeiture of contingent loan receivable at carrying value	187,181
Fair value remeasurement of contingent loan receivable at acquisition date	16,853
Previously held 40% equity interest at fair value	133,020
Non-controlling interest	-
	337,054
Less: Fair value of identifiable net assets acquired	(241,979)
Goodwill	95,075

Revenue of R269,395,151 and a loss after tax of R11,458,464 have been included in the Group's 2025 results since the acquisition date. Had the acquisition occurred at the start of the 2025 reporting period, the additional external revenue would have been R338,855,402 for 2025 and the additional contribution to profit after tax would have been a loss of R14,781,857 for 2025.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

29. Related parties

Relationships

Associate of significant shareholder	Semantic Capital Ltd Talacar Holdings (Pty) Ltd
Significant shareholder	Laird Group (Pty) Ltd
Company controlled by director	Minzocron (Pty) Ltd Shimla Investment Holdings (Pty) Ltd
Company controlled by former director	Firethorn Investments (Pty) Ltd

Related party balances

	2026	2025
Loan accounts owing to related parties (refer note 15)		
Laird Group (Pty) Ltd	(110,094)	(13,983)
Semantic Capital Ltd	-	(46,255)
Talacar Holdings (Pty) Ltd	-	(2,920)
J Van Der Merwe (shareholder)	(1,058)	(1,058)
Loans owing by directors (refer note 10)		
DL Strydom	1,440	1,440
RJ Viljoen	890	720

Related party transactions

	2026	2025
Interest paid to related parties		
Laird Group (Pty) Ltd	(10,103)	(1,715)
Talacar Holdings (Pty) Ltd	(636)	(118)
Semantic Capital Ltd	(100)	(3,472)
Legal and consulting fees paid to related parties		
Talacar Holdings (Pty) Ltd*	(2,538)	(2,538)
Firethorn Investments (Pty) Ltd	-	(600)
Minzocron (Pty) Ltd	(2,000)	-
Shimla Investment Holdings (Pty) Ltd	(300)	-
Semantic Capital Ltd**	(1,465)	-
Expenses paid to related parties		
Semantic Capital Ltd	(381)	(2,046)

* CA King, RW King and TW Hamill 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.
** The amount paid to Semantic Capital Ltd is for the services as director by RW King.

Transactions with related parties are effected on a commercial basis.

Figures in Rand thousand

30. Directors' emoluments and compensation to other key management

2026

Directors' emoluments	**Basic salary and allowances**	**Retirement benefits**	**Other benefits**	**Fees for services as non-executive director**	**Total**
Services as director or prescribed officer					
IG Morris	-	-	-	2,217	2,217
DA Di Siena	-	-	-	-	-
PH Duvenhage	-	-	-	-	-
TW Hamill	-	-	-	-	-
CA King	-	-	-	-	-
RW King*	-	-	-	-	-
D Passmore	-	-	-	-	-
DL Strydom	3,078	216	77	-	3,371
RJ Viljoen	2,414	127	58	-	2,599
	5,492	**343**	**135**	**2,217**	**8,187**

* An amount of R1,465,493 (2025: R nil) is included in the consulting fees paid to Semantic Capital Ltd (refer note 29) for the services as director by RW King.

2025

Directors' emoluments	**Basic salary and allowances**	**Retirement benefits**	**Other benefits**	**Fees for services as non-executive director**	**Total**
Services as director or prescribed officer					
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

Share Options

There were no share options held as at 31 March 2026.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

31. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2026

	Note(s)	Amortised cost	Total	Fair value
Other financial assets		95	95	95
Trade and other receivables	10	96,798	96,798	96,798
Cash and cash equivalents	11	35,810	35,810	35,810
		132,703	**132,703**	**132,703**

2025

	Note(s)	Amortised cost	Total	Fair value
Other financial assets		96	96	96
Trade and other receivables	10	64,211	64,211	64,211
Cash and cash equivalents	11	42,368	42,368	42,368
		106,675	**106,675**	**106,675**

Categories of financial liabilities

2026

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	16	68,294	-	68,294	68,294
Other financial liabilities	15	111,152	2,987	114,139	114,139
Deferred vendor payments	17	7,014	-	7,014	7,014
		186,460	**2,987**	**189,447**	**189,447**

2025

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	16	71,124	-	71,124	71,124
Other financial liabilities	15	120,964	3,649	124,613	124,613
Deferred vendor payments	17	7,014	-	7,014	7,014
		199,102	**3,649**	**202,751**	**202,751**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand		2026	2025

31. 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.

	Note	2026	2025
Other financial liabilities	15	114,139	124,613
Trade and other payables	16	120,118	111,594
Total borrowings		**234,257**	**236,207**
Cash and cash equivalents	11	(35,810)	(42,368)
Net borrowings		**198,447**	**193,839**
Equity		455,246	448,408
Net operating income		29,735	39,926
Gearing ratio		44 %	43 %
Return on capital		7 %	9 %

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 loans receivable (at amortised cost), trade and other receivables (note 10) and cash and cash equivalents (note 11).

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

Figures in Rand thousand

31. Financial instruments and risk management (continued)

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

		2026			2025		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Other financial assets		95	-	95	96	-	96
Trade and other receivables	10	129,301	(32,503)	96,798	107,189	(42,978)	64,211
Cash and cash equivalents*	11	35,810	-	35,810	42,368	-	42,368
		165,206	**(32,503)**	**132,703**	**149,653**	**(42,978)**	**106,675**

* 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.

Due to the repayment terms of the other financial liabilities, excluding leases, not being fixed, the undiscounted cash flows are not determinable and have been disclosed as including 12 months of interest.

2026

		Less than 1 year	**1 to 2 years**	**2 to 5 years**	**Total**	**Carrying amount**
Non-current liabilities						
Lease liabilities	15	-	1,394	354	1,748	1,618
Current liabilities						
Trade and other payables	16	68,294	-	-	68,294	68,294
Other financial liabilities excluding leases*	15	122,982	-	-	122,982	111,152
Lease liabilities	15	1,638	-	-	1,638	1,369
Deferred vendor payments	17	7,014	-	-	7,014	7,014
		199,928	**1,394**	**354**	**201,676**	**189,447**

* Refer to notes 35 for management of liquidity risk.

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025

31. Financial instruments and risk management (continued)

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*	15	-	12,565	15,025	17,529	45,119	27,405
Lease liabilities	15	-	1,303	1,749	-	3,052	2,662
Current liabilities							
Trade and other payables	16	71,124	-	-	-	71,124	71,124
Other financial liabilities excluding leases*	15	130,583	-	-	-	130,583	93,559
Lease liabilities	15	1,367	-	-	-	1,367	987
Deferred vendor payments	17	7,014	-	-	-	7,014	7,014
		210,088	**13,868**	**16,774**	**17,529**	**258,259**	**202,751**

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 15 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.

	2026	2025
Sensitivity analysis based on balances at reporting date:		
Cash and cash equivalents	35,810	42,368
Interest-bearing financial liabilities	(110,094)	(118,158)
Net interest-bearing liabilities	**(74,284)**	**(75,790)**
Interest rate change	1.50 %	2.00 %
Potential after tax impact on earnings	(813)	(1,107)

The sensitivity analysis has been prepared with the assumption that the change in interest rates had occurred at the reporting 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	2026	2025
32. Earnings per share		
Basic earnings reconciliation		
Earnings attributable to equity holders of the company	6,907	104,468
Basic earnings	**6,907**	**104,468**
Headline earnings reconciliation		
Earnings attributable to ordinary shareholders	6,907	104,468
Adjustments		
Gross amount		
Gain on disposal of dormant subsidiaries	-	(3,404)
Profit on disposal of property, plant and equipment	(1,125)	(60)
Impairment of intangible assets	-	14,319
	(1,125)	**10,855**
Taxation thereon		
Profit on disposal of property, plant and equipment	297	16
	297	**16**
Net Impact		
Gain on disposal of dormant subsidiaries	-	(3,404)
Profit on disposal of property, plant and equipment	(828)	(44)
Impairment of intangible assets	-	14,319
	(828)	**10,871**
Headline earnings	**6,079**	**115,339**
Number of shares in issue	114,915,089	114,915,089
Weighted average shares in issue	114,915,089	114,582,340
Basic and diluted earnings per share (cents)	6.01	91.17
Headline and diluted earnings per share (cents)	5.29	100.66

Figures in Rand thousand

Notes to the Consolidated Annual Financial Statements

33. 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.

2026	Water	Software	Holdings and consolidated	Total
Revenue				
- Software licenses	821	203,726	-	204,547
- Support and maintenance services	-	10,236	-	10,236
- Consulting	-	35,735	-	35,735
- Goods	124,007	23,322	-	147,329
Internal revenue				
- Water segment	-	-	(6,652)	(6,652)
- Software segment	-	-	(3,516)	(3,516)
Total revenue	124,828	273,019	(10,168)	387,679
Cost of sales	(97,489)	(144,908)	15,895	(226,502)
Gross profit	27,339	128,111	5,727	161,177
Depreciation and amortisation	(1,039)	(59,453)	(240)	(60,732)
Employee costs	(13,753)	(48,081)	(1,557)	(63,391)
Investment income	226	1,557	(200)	1,583
Finance costs	(9,127)	(4,263)	(2,375)	(15,765)
Other income and expenses	1,158	(4,110)	(4,367)	(7,319)
Tax expense	127	(6,219)	1,877	(4,215)
Attributable earnings	4,931	7,542	(1,135)	11,338
Non-controlling interest	(1,801)	(2,630)	-	(4,431)
Earnings attributable to owners of the parent	**3,130**	**4,912**	**(1,135)**	**6,907**
Total assets	**197,272**	**638,518**	**(26,266)**	**809,524**
Total liabilities	**(253,081)**	**(292,797)**	**191,600**	**(354,278)**

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

33. Segment reporting (continued)

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)**

* 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

34. List of subsidiaries

Name of company	% Ownership 2026	% Ownership 2025	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 %	100.00 %	South Africa
Inzalo Amanzi Meters (Pty) Ltd	75.00 %	75.00 %	South Africa
Inzalo Empowerment Services (Pty) Ltd	100.00 %	100.00 %	South Africa
Inzalo Enterprise Management Systems (Pty) Ltd	100.00 %	100.00 %	South Africa
Inzalo Utility Management Services (Pty) Ltd	100.00 %	100.00 %	South Africa
Inzalo Utility Systems (Pty) Ltd	100.00 %	100.00 %	South Africa
Londoloza Utility Solutions (Pty) Ltd	100.00 %	100.00 %	South Africa
MICROmega Accounting & Professional Services (Pty) Ltd	100.00 %	100.00 %	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 %	100.00 %	South Africa
Sebata Group Holdings (Pty) Ltd	100.00 %	100.00 %	South Africa
Sebata Namibia (Pty) Ltd	100.00 %	100.00 %	Namibia
Stable-Net Solutions (Pty) Ltd	100.00 %	100.00 %	South Africa
UtiliPay (Pty) Ltd	100.00 %	100.00 %	South Africa

No subsidiaries have been pledged as security at 31 March 2026. 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 with material non-controlling interests at 31 March 2026 and at 31 March 2025.

35. 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 the net current liability position at 31 March 2026 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 28 and 26).

Following the restructure of borrowings in the current year (refer note 15), the group is now substantively funded by a single supportive shareholder. Laird Group (Pty) Ltd ("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.

36. Events after the reporting period

Subsequent to the reporting date, the following events occurred:

- 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 suspension was subsequently lifted on 9 July 2026 following the submission of all outstanding reports.

- 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

37. Shareholder analysis

Analysis of Share Register at 31 March 2026:

	No Shareholders	% Shareholders	No Shares	% Share Capital
Portfolio size				
1 to 50 000	2,674	98.60 %	3,448,037	3.00 %
50 0001 to 250 000	23	0.85 %	2,635,073	2.29 %
Over 250 000	14	0.55 %	108,831,979	94.71 %
	2,711	100.00 %	114,915,089	100.00 %

Non-public and public shareholders	**No. Shareholders**	**No. Shares**	**% Share Capital**
Non-public shareholders			
Laird Group (Pty) Ltd	1	83,398,041	72.57 %
Kamberg Investment Holdings (Pty) Ltd	1	10,733,180	9.34 %
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	8	101,017,974	87.91 %
Total public shareholders	2,703	13,897,115	12.09 %
	2,711	114,915,089	100.00 %

Major shareholders	**No. Shares**	**% Share Capital**
Laird Group (Pty) Ltd	83,398,041	72.57 %
Kamberg Investment Holdings (Pty) L td	10,733,180	9.34 %
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	**2026 Direct**	**2026 Indirect**		**2025 Direct**	**2025 Indirect**	
IG Morris (resigned 31 March 2026)	-	10,733,180		-	10,733,180	
CA King*	111,196	89,099,820	*	111,196	88,890,306	*
DL Strydom	-	300,000		-	300,000	
DA Di Siena	-	-		-	-	
RW King*	100,063	89,099,820	*	100,063	88,890,306	
PH Duvenhage	-	-		-	-	
D Passmore	-	-		-	-	
TW Hamill*	1,500	89,099,820	*	1,500	88,890,306	*
RJ Viljoen	-	672,215		-	672,215	
	212,759	100,805,215	*	212,759	100,595,701	*

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

37. Shareholder analysis (continued)

The following shares were purchased by directors during the year:

- An additional 209,514 indirect shares were purchased by Laird Group (Pty) Ltd, which is ultimately owned by the King Family Trust in regards to CA King, RW King and TW Hamill. The shares were purchased at an average price of R0.86 per share.

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