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

Annual Financial Statements
for the year ended 31 March 2025

Nexia SAB&T
Registered Auditors

These 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 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 annual financial statements were independently compiled by: T Kritsiotis Chartered Accountant (SA) Fourteen Ninety-Four (Pty) Ltd Prepared under the supervision of: RW King Executive Financial Officer

Index

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

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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the 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 annual financial statements.

The 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 company 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 company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

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

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 7 to 13.

The annual financial statements set out on pages 14 to 38, which have been prepared on the going concern basis, were approved by the board of directors on 11 June 2026 and were signed on their behalf by:

Approval of financial statements

DL Strydom

RJ Viljoen

RW King

Directors' Report

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

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 company's business from the prior year.

2. Review of financial results and activities

The 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 company 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 notes 3 and 4 for further detail.

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

3. Share capital

Refer to note 8 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Dividends

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

5. Directorate

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

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

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

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

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

Directors' Report

6. Share incentive scheme

Refer to note 10 of the annual financial statements for details of the company share incentive scheme.

7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company. Related party transactions are disclosed in the annual financial statements in note 24.

8. Borrowing powers

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

9. Special resolutions

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

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

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

10. 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 board intends requesting the suspension be lifted in August 2026, following the publication of these consolidated annual financial statements.

- On 7 May 2026, the company released a cautionary announcement on SENS advising shareholders that it had entered into negotiations with a non-related third party regarding the potential disposal of certain assets which, if successfully concluded, may have a material effect on the price of the company's securities. This event occurred after the reporting date and is considered to be a non-adjusting event for the year ended 31 March 2025, as 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

11. Going concern

The 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.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company 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 company. 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 company.

12. Auditors

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

13. Secretary

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

Nexia SAB&T

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

Independent auditor's report

To the Shareholders of Sebata Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sebata Holdings Limited set out on pages 14 to 38, which comprise the statement of financial position as at 31 March 2025; and the statement of profit or loss and other comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sebata Holdings Limited as at 31 March 2025, and its financial performance and 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 Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) 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 2024 (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 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 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 financial statements as a whole.

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

	Financial statements
Final materiality	R5 056 257 (2024: R5 247 336)
Basis for determining materiality	2% of Total Assets
Rationale for the materiality benchmark applied	We considered total assets to be the appropriate benchmark as Sebata Holdings Ltd is an investment entity and performance is determined by the growth in the Group's assets. The strategic focus is to deliver long-term shareholder returns through the Group's software business.

During our audit, we reassessed initial materiality and found no reason to change from our original assessment at planning.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Key Audit Matter	How our audit addressed the key audit matter
As disclosed in Note 3 of the Annual Financial Statements, the Company recognised Investments of R201 million. Effective 1 July 2024, Sebata Holdings regained 100% control of the Software and Water divisions following the collapse of the "Inzalo Transaction". Prior to this date, the Company held a 40% interest accounted for as an investment in associates after disposing of a 60% interest in the 2019 and 2020 reporting periods. Control was regained when the Company forfeited its contractual rights from the original disposal in exchange for the return of the 60% equity interest. The consideration transferred comprised the fair value of the previously held 40% equity interest and the fair value of the outstanding consideration receivable. This transaction required the application of IFRS 3 *Business Combinations*, including the recognition and valuation of identifiable intangible assets, goodwill, and related deferred tax effects as well as the remeasurement of the previously held interest to fair value. We identified this matter as a key audit matter due to: - The materiality of the transaction; - The complexity of the accounting under IFRS 3, including the determination of consideration receivable; - the significant judgement involved in estimating the fair value of the outstanding consideration receivable and previously held associate interest, and - the judgement required in assessing impairment indicators	Our audit procedures focused on evaluating the key judgements and estimates used by the directors in determining the fair values of the contingent consideration receivable, the previously held associate interest, identifiable intangible assets , as well as the related impairment considerations. Our procedures included the following: ▪ Obtaining an understanding of contractual agreements and related arrangements. ▪ Reviewing meeting minutes to determine when control was obtained. ▪ Inspecting documentation and corroborating evidence to confirm the Company did not control the investees prior to the transaction. ▪ Consulting IFRS specialists to assess the appropriateness of the accounting treatment. ▪ Evaluating the reasonableness of key assumptions and methodologies used in fair value calculations, including cash flow forecasts, growth rates and discount rates. ▪ Assessing whether the transaction met the definition of a business combination under IFRS 3. ▪ Assessing the fair value of consideration transferred, including the previously held interest and receivable. ▪ Assessing the identifiable assets acquired and liabilities assumed, and recalculating goodwill. ▪ Evaluating whether intangible assets were separately identifiable and appropriately measured. ▪ Reviewing journal entries and deferred taxation effects for compliance with IFRS. ▪ Assessing impairment indicators and, where relevant, evaluating the methodology used to determine recoverable amounts. ▪ Considering the adequacy of related financial statement disclosures. Based on the procedures performed, we found the methods, assumptions and data used by the directors to be appropriate. The disclosures were also considered appropriate, and no further matters requiring consideration were identified.

Key Audit Matter	How our audit addressed the key audit matter
for goodwill and intangible assets in terms of IAS 36 *Impairment of Assets.* The fair value measurements required valuation techniques for unlisted entities, primarily using an income approach in accordance with IFRS 13 *Fair Value Measurement*. These valuations were sensitive to assumptions including forecast EBITDA, expected cash flows, growth rates and discount rates. The valuation of underlying equity, which serves as security for the receivable, also required judgement. Immediately prior to obtaining control, the previously held 40% interest was remeasured to fair value in accordance with IFRS 3.42, which required judgement due to the unlisted nature of the investees and reliance on management's estimates.	

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sebata Holdings Limited Annual Financial Statements for the year ended 31 March 2025", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's reports thereon.

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

Audit Tenure

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

Nexia SAB&T

Nexia SAB&T

Sophocles Kleovoulou

Director

Registered Auditor

11 June 2026

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment		122,852	184,395
Intangible assets		124,387	604,229
Investments in subsidiaries	3	201,038,481	11,007,493
Investments in associates	4	-	8,384,535
		201,285,720	**20,180,652**
Current Assets			
Other financial assets	5	-	186,151,655
Loans to group companies	6	48,181,663	52,560,864
Trade and other receivables	7	2,549,794	2,908,944
Cash and cash equivalents		795,669	564,733
		51,527,126	**242,186,196**
Total Assets		**252,812,846**	**262,366,848**
Equity and Liabilities			
Equity			
Share capital	8	185,836,140	185,836,140
Reserves		-	2,348,661
Retained income		27,857,719	10,741,316
Total Equity		**213,693,859**	**198,926,117**
Liabilities			
Non-Current Liabilities			
Deferred tax	9	1,576,682	1,093,447
Current Liabilities			
Trade and other payables	11	4,196,795	4,827,433
Loans from group companies	12	5,777,713	28,014,441
Other financial liabilities	13	18,650,356	19,589,658
Current tax payable		1,903,516	2,901,827
Deferred vendor payments	14	7,013,925	7,013,925
		37,542,305	**62,347,284**
Total Liabilities		**39,118,987**	**63,440,731**
Total Equity and Liabilities		**252,812,846**	**262,366,848**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2025	2024
Revenue	15	30,158,889	1,218,850
Interest revenue		3,404	169,455
Revenue and investment income		**30,162,293**	**1,388,305**
Other operating gains	16	2,175,088	-
Movement in credit loss allowances	17	(7,872,379)	(85,638,358)
Operating expenses		(6,927,403)	(27,813,113)
Operating profit (loss)	17	**17,537,599**	**(112,063,166)**
Finance costs	18	(2,005,292)	(891,190)
Profit (loss) before taxation		**15,532,307**	**(112,954,356)**
Taxation	19	(764,565)	(12,702,203)
Profit (loss) for the year		**14,767,742**	**(125,656,559)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**14,767,742**	**(125,656,559)**

Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Share based payment reserve	Retained income	Total equity
Balance at 01 April 2023	**1,149,151**	**184,686,989**	**185,836,140**	**2,348,661**	**165,126,647**	**353,311,448**
Total comprehensive loss for the year	-	-	-	-	(125,656,559)	(125,656,559)
Dividends	-	-	-	-	(28,728,772)	(28,728,772)
Balance at 01 April 2024	**1,149,151**	**184,686,989**	**185,836,140**	**2,348,661**	**10,741,316**	**198,926,117**
Total comprehensive income for the year	-	-	-	-	14,767,742	14,767,742
Transfer between reserves	-	-	-	(2,348,661)	2,348,661	-
Balance at 31 March 2025	**1,149,151**	**184,686,989**	**185,836,140**	**-**	**27,857,719**	**213,693,859**
Note(s)	8	8	8	10		

Statement of Cash Flows

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Cash used in operations	20	(7,092,526)	(20,642,131)
Interest income		-	169,455
Finance costs	18	(2,005,292)	(76,526)
Tax paid	21	(1,279,641)	-
Net cash from operating activities		**(10,377,459)**	**(20,549,202)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(47,176)	(50,808)
Cash advanced on loans to group companies		(15,888,774)	(18,925,086)
Cash receipts on repayment of loans to group companies		32,467,838	52,027,645
Net cash from investing activities		**16,531,888**	**33,051,751**
Cash flows from financing activities			
Repayments of loans from group companies	22	(7,134,746)	(10,748,636)
Cash advances received on loans from group companies	22	2,150,555	15,034,243
Repayments of other financial liabilities	22	(939,302)	(6,488,863)
Dividends paid		-	(10,328,002)
Net cash from financing activities		**(5,923,493)**	**(12,531,258)**
Total cash movement for the year		**230,936**	**(28,709)**
Cash and cash equivalents at the beginning of the year		564,733	593,442
Cash and cash equivalents at the end of the year		**795,669**	**564,733**

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 annual financial statements.

1.1 Basis of preparation

The 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 annual financial statements, the JSE Listings Requirements and the Companies Act of South Africa No. 71 of 2008, as amended.

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

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of 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.

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:

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 company 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 company’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 9 of the notes to the 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 company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company’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.

Accounting Policies

1.3 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.4 Investments in associates

Investments in associates are carried at cost less any accumulated impairment losses.

1.5 Financial instruments

Note 26 Financial instruments and risk management presents the financial instruments held by the company 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 company are presented below:

Initial recognition

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

Classification and subsequent measurement

Financial assets

Loans to company companies (note 6), cash and cash equivalents, and financial assets included in trade and other receivables (note 7), are classified as financial assets subsequently measured at amortised cost.

The contingent loan receivable included in other financial assets (note 5) was classified as held at fair value through profit or loss.

Financial liabilities

Other financial liabilities (note 13), deferred vendor payments (note 14) and financial liabilities included in trade and other payables (note 11) are classified as financial liabilities subsequently measured at amortised cost.

Impairment of financial assets held at amortised cost

The company 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 company expects to receive, discounted at an approximation of the original effective interest rate.

Other receivables and 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 company’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 company 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.

Accounting Policies

1.5 Financial instruments (continued)

The company applies the following credit risk grading:

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

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

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

Write off policy

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

1.6 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.

1.7 Share capital and equity

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

1.8 Revenue from contracts with customers

Management fees

The company provides management and administration services to subsidiaries. The performance obligation is met, and the revenue recognised as the services are provided over time throughout the year. The transaction price is agreed annually between the companies in accordance with the services provided.

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

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

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

3. Investment in subsidiaries

Name of company	% Holding 2025	% Holding 2024	Carrying amount 2025	Carrying amount 2024
Arbez Advanced Solutions and Services (Pty) Ltd	100.00 %	100.00 %	1	1
Freshmark Systems (Pty) Ltd	55.00 %	55.00 %	10,476,125	10,476,125
MICROmega Financial Services (Pty) Ltd	100.00 %	100.00 %	765	765
MICROmega H2O (Pty) Ltd	100.00 %	100.00 %	100	100
MICROmega Technologies (Pty) Ltd	100.00 %	100.00 %	30,552	30,552
MIS Consulting (Pty) Ltd	100.00 %	100.00 %	50	50
Stable-Net (Pty) Ltd	100.00 %	100.00 %	530,452	530,452
Inzalo Enterprise Management Systems (Pty) Ltd	100.00 %	40.00 %	190,030,868	-
MICROmega Accounting & Professional Services (Pty) Ltd	100.00 %	40.00 %	120	-
Inzalo Utility Systems (Pty) Ltd	100.00 %	- %	5,878,411	-
Other - dormant entities	100.00 %	100.00 %	2,445	4,216,533
			206,949,889	15,254,578
Impairment of MICROmega Technologies (Pty) Ltd			(30,552)	(30,552)
Impairment of Inzalo Utility Systems (Pty) Ltd			(5,878,411)	-
Impairment of dormant subsidiaries			(2,445)	(4,216,533)
			201,038,481	11,007,493

Acquisition of subsidiaries formerly held as associates

Effective 1 July 2024, the company obtained 100% control of the Software Group and Water Group, concluding the Inzalo Transaction under which the company had disposed of a 60% interest in these businesses in the 2019 and 2020 reporting periods. No cash consideration changed hands. Under the original terms of the Inzalo Transaction, the 60% disposed of comprised a 5% donation of equity at inception and a 55% sale for a contingent receivable measured on an earn-out basis. The receivable was held at fair value through profit or loss (refer note 5); the retained 40% was accounted for as an investment in associate (refer note 4). On collapse of the Inzalo Transaction, the receivable and the donated 5% equity reverted to the company together with the disposed 55% equity interest, restoring the company's holding to 100%.

The investment in the Software Group is represented by MICROmega Accounting & Professional Services (Pty) Ltd and Inzalo Enterprise Management Systems (Pty) Ltd and its underlying subsidiaries.

The investment in the Water Group is represented by Inzalo Utility Systems (Pty) Ltd and its underlying subsidiaries, which were previously held as an associate indirectly through the subsidiary, MICROmega H2O (Pty) Ltd.

Disposal of dormant entities

The company wound down and disposed of a number of dormant entities during the year. This resulted in a gain of R2,175,188 (refer note 16).

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Investments in associates

Name of company	% Ownership interest 2025	% Ownership interest 2024	Carrying amount 2025	Carrying amount 2024
Inzalo Enterprise Management Systems (Pty) Ltd	- %	40.00 %	-	3,205,928
R-Data (Pty) Ltd	- %	40.00 %	-	5,178,487
Micromega Accounting and Professional Services (Pty) Ltd	- %	40.00 %	-	120
			-	8,384,535

	2025	2024
Reconciliation of carrying value		
Carrying value at beginning of year	8,384,535	11,021,641
Transferred to investment in subsidiaries*	(8,384,535)	-
Impairment of investment	-	(2,637,106)
Carrying value at end of year	**-**	**8,384,535**

* Refer to note 3 for changes in investments.

5. Other financial assets

Loans held at fair value through profit or loss

	2025	2024
Inzalo Capital Holdings (Pty) Ltd	-	186,151,655

Contingent receivable from Inzalo Capital Holdings Proprietary Ltd

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

During the current year, the sale of share agreements were terminated and control of these entities reverted to the company. The receivable was then forfeited as consideration transferred for the business combination. The carrying value of the contingent consideration receivable immediately prior to the business combination was R186,151,655.

Notes to the Annual Financial Statements

Figures in Rand

6. Loans to group companies

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

2025

Entity	Relationship	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Inzalo Utility Systems (Pty) Ltd	Subsidiary	Lifetime ECL (not credit impaired)	28,137,577	(22,804,801)	5,332,776
Inzalo Empowerment Services (Pty) Ltd	Indirect subsidiary	12m ECL	1,401,352	-	1,401,352
MICROmega H2O (Pty) Ltd	Subsidiary	Lifetime ECL (not credit impaired)	77,125,791	(76,180,151)	945,640
MICROmega Technologies (Pty) Ltd	Subsidiary	12m ECL	4,868,097	-	4,868,097
Londoloza Utility Solutions (Pty) Ltd	Indirect subsidiary	12m ECL	4,047,162	-	4,047,162
Inzalo Enterprise Management Systems (Pty) Ltd	Subsidiary	12m ECL	28,500,121	-	28,500,121
MICROmega Financial Services (Pty) Ltd	Subsidiary	Lifetime ECL (not credit impaired)	7,324,666	(6,319,721)	1,004,945
Utilipay (Pty) Ltd	Subsidiary	Lifetime ECL (not credit impaired)	21,501,399	(19,419,829)	2,081,570
MICROmega Share Incentive Trust	Controlled entity	Lifetime ECL (not credit impaired)	14,123,200	(14,123,200)	-
			187,029,365	**(138,847,702)**	**48,181,663**

2024

Entity	Relationship	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Inzalo Utility Systems (Pty) Ltd	Indirect associate	Lifetime ECL (not credit impaired)	16,647,360	(13,683,496)	2,963,864
Inzalo Empowerment Services (Pty) Ltd	Associate	Lifetime ECL (not credit impaired)	1,431,169	(1,431,169)	-
MICROmega H2O (Pty) Ltd	Subsidiary	Lifetime ECL (not credit impaired)	78,499,100	(78,499,100)	-
MICROmega Technologies (Pty) Ltd	Subsidiary	12m ECL	4,045,026	-	4,045,026
Inzalo Enterprise Management Systems (Pty) Ltd	Associate	12m ECL	40,728,343	-	40,728,343
MICROmega Financial Services (Pty) Ltd	Subsidiary	Lifetime ECL (not credit impaired)	8,614,176	(6,884,175)	1,730,001
Utilipay (Pty) Ltd	Subsidiary	Lifetime ECL (not credit impaired)	19,449,313	(16,355,683)	3,093,630
MICROmega Share Incentive Trust	Controlled entity	Lifetime ECL (not credit impaired)	14,121,700	(14,121,700)	-
			183,536,187	**(130,975,323)**	**52,560,864**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

6. Loans to group companies (continued)

The loans are unsecured, interest free and repayable on demand.

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties, future prospects of the industries in which the counterparties operate and the financial position of the Sebata group.

There has been no change in the estimation techniques made during the current reporting period.

Reconciliation of loss allowances

Opening balance	(130,975,323)	(46,525,763)
Provision reversed due to reduction in loan	17,005,103	-
Additional provision raised	(24,877,482)	(84,449,560)
Closing balance	**(138,847,702)**	**(130,975,323)**

Fair value of group loans receivable

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

7. Trade and other receivables

Financial instruments:		
Trade receivables	-	22,250
Deposits	69,000	69,000
Loans to directors*	2,160,000	2,160,000
Staff advances	150,000	165,734
Non-financial instruments:		
VAT	-	373,363
Prepayments	170,794	118,597
Total trade and other receivables	**2,549,794**	**2,908,944**

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

At amortised cost	2,379,000	2,416,984
Non-financial instruments	170,794	491,960
	2,549,794	**2,908,944**

* Loans to directors were granted for the exercising of share options (refer note 8). The loans are secured by the shares held and are interest free with no fixed terms of repayment.

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

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.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

8. Share capital

Authorised		
200 000 000 Ordinary shares of R0.01 each	2,000	2,000
Issued		
114 915 100 Ordinary shares of R0.01 each	1,149,151	1,149,151
Share premium	184,686,989	184,686,989
	185,836,140	**185,836,140**

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

During the prior year 900,000 immediately exercisable share options were issued to two members of key management, DL Strydom and RJ Viljoen, who were appointed directors during the current year in accordance with the MICROmega Share Incentive scheme. The shares were issued in terms of company's general authority to issue shares for cash obtained at its Annual General Meeting held on 22 October 2022. These options were immediately exercised by the respective individuals resulting in the issue of 900,000 ordinary shares to such individuals at a exercise price of R2.40 per ordinary share on exercise date. These shares were issued by the group from the treasury shares held by the subsidiaries. As at year end, R2.16 million receivable from the directors is included under other receivables (refer note 7).

9. Deferred tax

Deferred tax liability		
Financial assets and investments	(33,239,437)	(33,765,835)
Provisions and accruals	-	(5,413)
Prepayments	(46,114)	-
Total deferred tax liability	**(33,285,551)**	**(33,771,248)**
Deferred tax asset		
Provisions and accruals	156,360	-
Tax losses available for set off against future taxable income	31,552,509	32,677,801
Total deferred tax asset	**31,708,869**	**32,677,801**
Deferred tax liability	(33,285,551)	(33,771,248)
Deferred tax asset	31,708,869	32,677,801
Total net deferred tax liability	**(1,576,682)**	**(1,093,447)**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(1,093,447)	5,153,580
Increases (decrease) in tax loss available for set off against future taxable income	(1,125,292)	(1,560,380)
Taxable / (deductible) temporary difference movement on:		
- Financial assets and investments	526,398	(4,536,097)
- Provisions and accruals	161,773	(237,400)
- Prepayments	(46,114)	86,850
	(1,576,682)	**(1,093,447)**

10. Share-based payment reserve

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

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

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

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

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

Refer to note 8 for share options granted and exercised immediately during the prior year.

Outstanding options

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

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

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

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

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

11. Trade and other payables

Financial instruments:		
Trade payables	57,060	1,090,611
Payroll accruals	21,443	1,090,193
Accrued audit fees	557,665	850,000
Sundry payables	201,781	727,725
Dividends payable	991,801	991,801
Non-financial instruments:		
Accrued leave pay	-	77,103
VAT	2,367,045	-
	4,196,795	**4,827,433**

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

At amortised cost	1,829,750	4,750,330
Non-financial instruments	2,367,045	77,103
	4,196,795	**4,827,433**

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.

12. Loans from group companies

Subsidiaries

Freshmark Systems (Pty) Ltd	-	2,272,865
Inzalo Utility Management Systems (Pty) Ltd	5,777,593	7,581,448
Other - dormant entities	-	2,175,188
MICROmega Technologies (Pty) Ltd	-	2,299,535
NOSA Travel Agency (Pty) Ltd	-	2,121,667
Stable-Net (Pty) Ltd	120	11,563,738
	5,777,713	**28,014,441**

The loans are unsecured, interest free and repayable on demand.

Fair value of group loans payable

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

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

13. Other financial liabilities

Laird Group (Pty) Ltd	13,982,689	14,920,051
Talacar Holdings (Pty) Ltd	2,919,580	2,921,520
Semantic Capital Ltd	1,748,087	1,748,087
	18,650,356	**19,589,658**

Refer to note 22 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 26 Financial instruments and financial risk management for the maturity analysis.

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

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

Semantic Capital Ltd

The loan comprises of a GBP denominated amount of GBP83,020 (R1,748,087) which is unsecured, interest free and has no fixed repayment terms.

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 R127,610 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.

14. Deferred vendor payments

Deferred vendor payments	7,013,925	7,013,925

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

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

Fair value of deferred vendor payments

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

15. Revenue

Revenue from contracts with customers		
Management fees	15,648,604	-
Other than from contracts with customers		
Dividends received	14,510,285	1,224,850
Loss on sale of property, plant and equipment	-	(6,000)
	14,510,285	**1,218,850**
Total revenue	**30,158,889**	**1,218,850**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

16. Other operating gains

Gain on disposal of dormant subsidiaries	2,175,088	-

17. Operating profit (loss)

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

Auditor's remuneration - external		
Audit fees	825,000	(59,069)
Remuneration, other than to employees		
Administrative and managerial services	158	347
Consulting and professional services	4,403,745	6,675,475
Secretarial services	784,475	1,139,848
	5,188,378	**7,815,670**
Employee costs		
Salaries, wages, bonuses and other benefits	2,987,673	11,079,940
Leases		
Short-term leases	-	901,180
	-	**901,180**
Depreciation and amortisation		
Depreciation of property, plant and equipment	108,719	254,309
Amortisation of intangible assets	479,842	479,842
	588,561	**734,151**
Impairment losses		
Impairment of investments in associates	5,878,411	2,637,126
Fair value adjustment of other financial assets measured at FVTPL	-	2,144,335
	5,878,411	**4,781,461**
Movement in credit loss allowances		
Loans to group companies	7,872,379	85,638,358

18. Finance costs

Bank overdraft	3,078	3,648
Financial liabilities	1,832,693	814,664
Group companies	169,521	72,054
Late payment of tax	-	824
Total finance costs	**2,005,292**	**891,190**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

19. Taxation

Major components of the tax expense

Current		
Local income tax - current period	281,330	-
Local income tax - prior period under provision	-	6,401,961
	281,330	**6,401,961**
Deferred		
Originating and reversing temporary differences	483,235	6,300,242
	764,565	**12,702,203**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	15,532,307	(112,954,356)
Tax at the applicable tax rate of 27% (2024: 27%)	4,193,723	(30,497,676)
Tax effect of adjustments on taxable income		
Dividends not taxable	(3,917,777)	(327,567)
Loan impairments	2,125,542	23,765,597
Deferred tax not recognised	(865,855)	13,359,888
Reversal of deferred capital gains tax liability on financial assets and investments	(771,068)	-
Prior period income tax under provision	-	6,401,961
	764,565	**12,702,203**

20. Cash used in operations

Profit (loss) before taxation	15,532,307	(112,954,356)
Adjustments for non-cash items:		
Depreciation and amortisation	588,561	734,151
Loss on disposal of property, plant and equipment	-	6,000
Movement in credit loss allowances	7,872,379	86,638,358
Impairment of investments	5,878,411	2,637,126
Fair value remeasurement of other financial assets	-	2,144,335
Gain on disposal of dormant subsidiaries	(2,175,088)	-
Other income and expenses allocated to loan accounts	(22,012,615)	-
Dividends received allocated to loan accounts	(14,510,285)	-
Adjust for items which are presented separately:		
Interest income	-	(169,455)
Finance costs	2,005,292	891,190
Changes in working capital:		
Decrease in trade and other receivables	359,150	1,351,095
Increase in trade and other payables	(630,638)	(1,920,575)
	(7,092,526)	**(20,642,131)**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

21. Tax paid

	2025	2024
Balance at beginning of the year	(2,901,827)	3,500,134
Current tax recognised in profit or loss	(281,330)	(6,401,961)
Balance at end of the year	1,903,516	2,901,827
	(1,279,641)	**-**

22. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2025

	Opening balance	Non-cash flow items	Disposal of dormant subsidiaries	Cash inflows	Cash outflows	Closing balance
Financial liabilities	19,589,658	-	-	-	(939,302)	18,650,356
Deferred vendor payments	7,013,925	-	-	-	-	7,013,925
Loans from group companies	28,014,441	(15,077,349)	(2,175,188)	2,150,555	(7,134,746)	5,777,713
Total liabilities from financing activities	**54,618,024**	**(15,077,349)**	**(2,175,188)**	**2,150,555**	**(8,074,048)**	**31,441,994**

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Other non-cash flow	Non-cash: Liabilities assumed	Cash inflows	Cash outflows	Closing balance
Financial liabilities	-	-	26,078,521	-	(6,488,863)	19,589,658
Deferred vendor payments	7,013,925	-	-	-	-	7,013,925
Loans from group companies	24,613,438	(884,604)	-	15,034,243	(10,748,636)	28,014,441
Total liabilities from financing activities	**31,627,363**	**(884,604)**	**26,078,521**	**15,034,243**	**(17,237,499)**	**54,618,024**

23. Contingencies

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

24. Related parties

Relationships

Subsidiaries	Refer to note 3
Associates	Refer to note 4
Associate of significant shareholder	Semantic Capital Ltd Talacar Holdings (Pty) Ltd
Significant shareholder	Laird Investments (Pty) Ltd
Company controlled by director	Big Sky Ranch (Pty) Ltd
Company controlled by former director	Firethorn Investments (Pty) Ltd

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

24. Related parties (continued)

Related party balances

Loan accounts owing by group companies - refer note 6

Loan accounts owing to group companies - refer notes 12

Loan accounts owing to related parties (refer note 13)		
Laird Group (Pty) Ltd	(13,982,689)	(14,920,051)
Talacar Holdings (Pty) Ltd	(2,919,580)	(2,921,520)
Semantic Capital Ltd	(1,748,087)	(1,748,087)
Loans owing by directors (refer note 7)		
DL Strydom	1,440,000	1,440,000
RJ Viljoen	720,000	720,000

Related party transactions

Management fees received from related parties		
Inzalo Enterprise Management Systems (Pty) Ltd	7,834,829	-
Inzalo Utility Systems (Pty) Ltd	7,834,829	-
Consulting and capital raising fees paid to related parties		
Talacar Holdings (Pty) Ltd*	(2,538,000)	(4,173,604)
Firethorn Investments (Pty) Ltd	(600,000)	-
Dividends received from related parties		
Freshmark Systems (Pty) Ltd	825,000	1,224,850
NOSA Travel (Pty) Ltd	2,121,667	-
Stable-Net Solutions (Pty) Ltd	11,563,618	-
Expenses paid to related parties		
Inzalo Enterprise Management Systems (Pty) Ltd	(2,555,676)	(685,770)
Inzalo Utility Systems (Pty) Ltd	(6,597)	-
Laird Investments (Pty) Ltd	-	(300,000)
Expenses recovered from related parties		
Freshmark Systems (Pty) Ltd	(41,213)	(205,381)
Inzalo Amanzi Meters (Pty) Ltd	-	(188,290)
Inzalo Enterprise Management Systems (Pty) Ltd	(1,433,323)	(4,549,004)
Inzalo Utility Management Systems (Pty) Ltd	(22,514)	(392,370)
Inzalo Utility Systems (Pty) Ltd	(1,304,349)	(836,789)
R-Data (Pty) Ltd	(54,295)	(382,350)
Interest paid to related parties		
Freshmark Systems (Pty) Ltd	(169,521)	(72,054)
Laird Investments (Pty) Ltd	(1,714,810)	(811,845)
Talacar Holdings (Pty) Ltd	(117,883)	-

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

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

Notes to the Annual Financial Statements

Figures in Rand

25. Directors' emoluments and compensation to other key management

2025

Services as director or prescribed officer	Basic salary and allowances	Retirement benefits	Other benefits	Fees for services as non-executive director	Total
IG Morris	1,060,000	-	-	1,293,000	2,353,000
DA Di Siena	-	-	-	-	-
PH Duvenhage	-	-	-	-	-
TW Hamill	-	-	-	-	-
CA King	-	-	-	-	-
RW King*	-	-	-	-	-
D Passmore	-	-	-	-	-
DL Strydom**	2,953,602	66,000	70,298	-	3,089,900
RJ Viljoen**	1,920,551	102,025	46,319	-	2,068,895
	5,934,153	**168,025**	**116,617**	**1,293,000**	**7,511,795**

* Appointed 17 September 2024
** Appointed 6 May 2024

2024

Services as director or prescribed officer	Basic salary and allowances	Fees for services as non-executive director	Total
IG Morris	2,024,203	-	2,024,203
DA Di Siena	-	82,500	82,500
PH Duvenhage	-	97,500	97,500
TW Hamill	-	52,500	52,500
D Passmore	-	97,500	97,500
P van Eeden**	1,774,685	30,000	1,804,685
	3,798,888	**360,000**	**4,158,888**
Members of key management	4,874,108	-	4,874,108
	8,672,996	**360,000**	**9,032,996**

* Resigned 28 August 2023
** Resigned 19 January 2024

Share Options

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

CA King held 100,000 share options at 31 March 2024, which all lapsed during the current year. Refer to note 8 for share options issued and exercised by directors in the previous year, which was prior to being appointed as directors in the current year. No other share options were granted or exercised during the current or prior year.

Notes to the Annual Financial Statements

Figures in Rand

26. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	6	48,181,663	48,181,663	48,181,663
Trade and other receivables	7	2,379,000	2,379,000	2,379,000
Cash and cash equivalents		795,669	795,669	795,669
		51,356,332	**51,356,332**	**51,356,332**

2024

	Note(s)	Fair value through profit or loss	Amortised cost	Total	Fair value
Loans to group companies	6	-	52,560,864	52,560,864	52,560,864
Other financial assets	5	186,151,655	-	186,151,655	186,151,655
Trade and other receivables	7	-	2,416,984	2,416,984	2,416,984
Cash and cash equivalents		-	564,733	564,733	564,733
		186,151,655	**55,542,581**	**241,694,236**	**241,694,236**

Categories of financial liabilities

2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	1,829,750	1,829,750	1,829,750
Loans from group companies	12	5,777,713	5,777,713	5,777,713
Other financial liabilities	13	18,650,356	18,650,356	18,650,356
Deferred vendor payments	14	7,013,925	7,013,925	7,013,925
		33,271,744	**33,271,744**	**33,271,744**

2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	4,750,330	4,750,330	4,750,330
Loans from group companies	12	28,014,441	28,014,441	28,014,441
Other financial liabilities	13	19,589,658	19,589,658	19,589,658
Deferred vendor payments	14	7,013,925	7,013,925	7,013,925
		59,368,354	**59,368,354**	**59,368,354**

Notes to the Annual Financial Statements

Figures in Rand		2025	2024

26. Financial instruments and risk management (continued)

Capital risk management

The company'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 company monitors return on capital, which the company defines as net operating income divided by total shareholders equity. The company also monitors the level of dividends to ordinary shareholders. There were no changes in the company's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

Loans from group companies	12	5,777,713	28,014,441
Other financial liabilities	13	18,650,356	19,589,658
Trade and other payables	11	4,196,795	4,827,433
Total borrowings		**28,624,864**	**52,431,532**
Cash and cash equivalents		(795,669)	(564,733)
Net borrowings		**27,829,195**	**51,866,799**
Equity		213,693,857	198,926,117
Net operating income (loss)		17,537,599	(112,063,166)
Gearing ratio		13 %	26 %
Return on capital		8 %	(56)%

Financial risk management

Overview

The company 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 company’s risk management framework. The directors are responsible for developing and monitoring the company’s risk management policies.

The company’s risk management policies are established to identify and analyse the risk faced by the company, 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 company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

Credit risk

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

The company is exposed to credit risk on other financial assets (note 5), trade and other receivables (note 7) and cash and cash equivalents (note).

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

26. Financial instruments and risk management (continued)

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

		2025			2024		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to group companies	6	187,029,365	(138,847,702)	48,181,663	183,536,187	(130,975,323)	52,560,864
Other financial assets	5	-	-	-	186,151,655	-	186,151,655
Trade and other receivables	7	2,549,794	-	2,549,794	2,908,944	-	2,908,944
Cash and cash equivalents*		795,669	-	795,669	564,733	-	564,733
		190,374,828	**(138,847,702)**	**51,527,126**	**373,161,519**	**(130,975,323)**	**242,186,196**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due. The company'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 company's reputation.

Typically the company 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 company's statement of financial position remains low geared and thus the directors are comfortable with the ability to receive lines of credit.

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

2025

		Less than 1 year	**Total**	**Carrying amount**
Current liabilities				
Trade and other payables	11	1,829,750	1,829,750	1,829,750
Loans from group companies	12	5,777,713	5,777,713	5,777,713
Other financial liabilities	13	20,606,259	20,606,259	18,650,356
Deferred vendor payments	14	7,013,925	7,013,925	7,013,925
		35,227,647	**35,227,647**	**33,271,744**

* Refer to notes 27 and 28 for management of liquidity risk and changes in liabilities subsequent to the year end.

2024

		Less than 1 year	**Total**	**Carrying amount**
Current liabilities				
Trade and other payables	11	4,750,330	4,750,330	4,750,330
Loans from group companies	12	28,014,441	28,014,441	28,014,441
Other financial liabilities excluding leases	13	19,589,658	19,589,658	19,589,658
Deferred vendor payments	14	7,013,925	7,013,925	7,013,925
		59,368,354	**59,368,354**	**59,368,354**

Notes to the Annual Financial Statements

Figures in Rand

26. Financial instruments and risk management (continued)

Foreign currency risk

The company 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 company is not exposed to any material foreign exchange risk at year end. Refer to note 13 for details of foreign-denominated loans and foreign currency sensitivity analysis.

Interest rate risk

The company's exposure on fair value interest rate risk mainly arises from its interest bearing financial 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.

Interest rate risk is not considered material to the company.

27. Going concern

The 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.

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

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

28. 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 board intends requesting the suspension be lifted in August 2026, following the publication of these consolidated annual financial statements.

- On 7 May 2026, the company released a cautionary announcement on SENS advising shareholders that it had entered into negotiations with a non-related third party regarding the potential disposal of certain assets which, if successfully concluded, may have a material effect on the price of the company’s securities. This event occurred after the reporting date and is considered to be a non-adjusting event for the year ended 31 March 2025, as 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.