



TeleMasters Holdings Limited
(Registration number 2006/015734/06)

**Annual Financial Statements
for the year ended 30 June 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.

TeleMasters Holdings Limited

(Registration number 2006/015734/06)

Annual Financial Statements for the year ended 30 June 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Telemasters delivers full telecommunications, internet connectivity, cloud solutions and data storage to businesses across South Africa.
Directors	MB Pretorius JM Voigt BR Topham MJ Krastanov M Moela
Registered office and business address	74 Waterfall Drive Waterfall Corporate Campus Building 5 First Floor Waterfall City Gauteng 1685
Postal address	Postnet Suite 51 Private Bag X81 Halfway House Gauteng 1685
Bankers	First National Bank Capitec Bank
Auditors	Nexia SAB&T Registered Auditors
Secretary	S Ramirez-Victor
Company registration number	2006/015734/06
Tax reference number	9683978143
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)

TeleMasters Holdings Limited

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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. 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 board of directors sets 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 minimize 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 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 Annual Financial Statements have been audited by the independent auditing firm, Nexia SAB&T, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of Shareholders, the Board of Directors and Committees of the Board. The auditors report is presented on pages 7 to 11.

The Annual Financial Statements set out on pages 12 to 37, which have been prepared on the going concern basis, were approved by the board of directors on 15 October 2025 and were signed on their behalf by:

Approval of the Annual Financial Statements



JM Voigt



BR Topham

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Directors' Report

The Directors have pleasure in submitting their report on the Annual Financial Statements of TeleMasters Holdings Limited for the year ended 30 June 2025.

1. Review of financial results and activities

TeleMasters Holdings is a diversified technology investment company. Entities within the Group are complementary towards each other with a key focus on enhancing digital transformation, empowering next generation interconnectivity and accelerating smart working environments. The vision of the Group is to create and accelerate shareholder value through responsible growth, acquisitions and investments with focus on technology.

Full details of the financial position, results of operations and cash flows of the Company are set out in these Annual Financial Statements.

2. Authorised and issued share capital

The authorised and issued share capital as at 30 June 2025 is set out in note 11 of these Annual Financial Statements.

As at 30 June 2025, there were 57 482 830 issued ordinary shares and 442 517 170 unissued ordinary shares. The unissued ordinary shares are under the control of the Directors subject to the provisions of the Companies Act and the JSE Listings Requirements.

There have been no changes to the authorised or issued share capital during the year under review.

3. Dividends

The Board does not link the payment of dividends primarily to the current year's operating results but considers dividends in relation to the Company's reserves of R48.4 million at 30 June 2025 (R41.4 million as at 30 June 2024) and cash generated by operations. The Board considers the working capital requirements of the Company for the next 12-month period, among other considerations, when determining any dividend. The Board considers the payment of dividends to be a significant reason why shareholders invest in the Company and regards the principle of paying quarterly dividends as important. The payment of a dividend is accordingly considered on a quarterly basis.

The following dividends were declared during the period under review:

- Dividend number 64 of 0.01 cents per share was declared on 03 July 2024 and paid to all shareholders recorded in the share register of the Company at the close of business on 26 July 2024;
- Dividend number 65 of 0.01 cents per share was declared on 03 October 2024 and paid to all shareholders recorded in the share register of the Company at the close of business on 25 October 2024; and
- Dividend number 66 of 0.01 cents per share was declared on 27 March 2025 and paid to all shareholders recorded in the share register of the Company at the close of business on 17 April 2025.

During the comparative year ended 30 June 2024, the Company declared four dividends totalling 0.102 cents per share.

4. Directorate

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

Directors	Nationality	Changes
MB Pretorius	South African	
JM Voigt	South African	
BR Topham	South African	
MJ Krastanov	South African	
M Moela	South African	Appointed 01 July 2024

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Directors' Report

5. Interest of directors and officers in the company securities

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 note 25 of the Annual Financial Statements.

Interest in shares

Directors	2025 Direct	2024 Direct	2025 Indirect	2024 Indirect
MB Pretorius	-	-	35 700 000	35 700 000
JM Voigt	8 611 006	8 611 006	-	-
BR Topham	642 228	642 228	-	-
	9 253 234	9 253 234	35 700 000	35 700 000

There were no share transactions with Directors during the current and prior year.

There were no changes in the interests of directors in the Company between the end of the financial year and the date of approval of the Annual Financial Statements.

6. Subsidiary companies

Details of interests in subsidiaries are presented in the Annual Financial Statements in note 6.

7. 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.

8. Special resolutions

At the Company's Annual General Meeting held on 28 November 2024, the following special resolutions were passed:

- Non-Executive Directors' remuneration for the year commencing from 1 July 2024 was approved by the Shareholders;
- A general authority to enter into funding agreements, provide loans or other financial assistance in terms of Sections 44 and 45 of the Companies Act of South Africa was granted; and
- A general authority to repurchase shares in terms of section 48 of the Companies Act.

9. Events after the reporting period

Other than that disclosed below, the Directors are unaware of any significant adjusting or disclosable events that have occurred between the end of the financial year and the date of this report that may materially affect the Company's results for the year under review or its financial position as at 30 June 2025:

- Dividend number 67 of 0.1 cents per share was declared on 31 July 2025 and is payable to all Shareholders recorded in the share register of the Company at the close of business on 22 August 2025.

10. Going concern

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 resources 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.

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Directors' Report

11. Litigation statement

There are currently no legal or related proceedings against the Company, of which the Board is aware, which may have or have had in the 12 months preceding the date of this report, a material effect on the position of the Company.

12. Auditors

Nexia SAB&T acted as the Company's Auditors for the period ended 30 June 2025 and will be nominated to continue in office in accordance with Section 90 of the Companies Act, as amended, for re-appointment at the Annual General Meeting. The independence and remuneration of the Auditors was confirmed by the Audit & Risk Committee.

13. Secretary

The company secretary is Mrs S Ramirez-Victor.

Postal address:

Postnet Suite 51
Private Bag X81
Halfway House
Gauteng
1685

Business address:

74 Waterfall Drive Waterfall
Corporate Campus Building 5
First Floor Waterfall City
Gauteng
1685

To the Shareholders of TeleMasters Holdings Limited

Report on the Audit of the Financial Statements*Opinion*

We have audited the financial statements of TeleMasters Holdings Limited set out on pages 12 to 37, which comprise the statement of financial position as at 30 June 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 TeleMasters Holdings Limited as at 30 June 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 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 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.

Audit. Tax. Advisory.

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

	Financial statements
Final materiality	R481,397
Basis for determining materiality	1.50% of Total Assets limited to the group final materiality threshold.
Rationale for the materiality benchmark applied	We considered total assets as the most appropriate benchmark as, in our view, it is the benchmark against which the performance of the company is most likely to be measured by users due to the company's nature.

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
Investment in subsidiary impairment	
The financial statements recognised investments in subsidiaries in the amount of R4.5 million (2024: R20.5 million) as disclosed in note 6 to the financial statements. The directors are required to perform an annual impairment test on the recoverability of investments in subsidiaries where impairment indicators are identified. The directors performed their assessment using discounted cash flow models to determine the value in use for each appropriate cash generating unit. There are several key complex assumptions and judgements applied in the valuation models, which include amongst others: revenue growth rate; operating margins, terminal growth rate and weighted average capital discount rate applied to the projected cash flows, as well as consideration of the continuing impact of emerging risks on the assessment. Accordingly, the impairment test of investment in subsidiaries is a key audit matter due to the significant judgement	As part of our response to these key audit matters, we: • Evaluated the determination of the cash generating units and confirmed the application thereof by management was reasonable considering the nature of the underlying operations; • Reviewed the impairment assessment approach applied by management and confirmed the methodology applied is consistent with international valuation standards; • Analysed the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash generating unit to which the investment relates; • Compared the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the reasonableness of the directors' projections, as well as testing the underlying calculations and obtained corroborative evidence where a significant increase in forecast earnings was noted; • Analysed the terminal growth rate to determine whether it was fair and reasonable; • Recalculated a discount rate for each cash generating unit using our independently sourced data and incorporated a further risk premium for the impact of forward-looking information as required, which we compared against managements inputs to determine whether their assessment was fair and reasonable. We found the methods, assumptions and data used by the directors to be appropriate based on historical performance, future outlook and current prevailing circumstances.

Key Audit Matter	How our audit addressed the key audit matter
and estimations involved in determining the recoverable amount of the cash generating unit.	We considered the impairment assessment disclosures, as referenced to in the financial statements, to be appropriate.
Financial assets measured at amortised cost receivable from subsidiaries	
Investment in preference shares and loans to group companies (notes 7 and 9 to the financial statements) comprise approximately 85% of the total assets in the statement of financial position of the Company. IFRS 9 requires entities to recognize expected credit losses ("ECL") for all financial assets held at amortised cost, including preference shares and loans to group companies. Due to the quantitative significance of these amounts to the Company financial statements and the potential risk of impairment, we considered the measurement of preference shares and loans to group companies to be a matter of most significance to our audit of the Company.	As part of our response to the impairment assessment of the preference shares and loans to group companies, we: • Obtained an understanding of the company's process for estimating the credit loss allowance; • Assessed the company's IFRS 9 credit loss allowance policy, modelling technique and methodology against the requirements of IFRS 9; • Reviewed the company's business model assessment to confirm the financial instruments are correctly classified on initial recognition; • Assessed under the general approach, the classification between the various stages of credit impaired, taking into account the default rate; • Assessing the financial health of the underlying company to which the funding have been advanced to determine the reasonability of the present value of anticipated future cash flows; • Researching current market conditions and macro-economic indicators for indications of financial distress, and assessed the forward-looking assumptions applied by management in their calculation; and • Testing the mathematical accuracy of the model to ensure the calculation is considered to be reasonable. We found the methods, assumptions and data used by the directors to be appropriate based on historical performance, future outlook and current prevailing circumstances. We considered the preference shares and loans to group company's impairment assessment disclosures to be appropriate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "TeleMasters Holdings Limited Annual Financial Statements for the year ended 30 June 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 TeleMasters Holdings Limited for 14 years.

Disclosure of Fee-related Matters

In terms of the EAR Rule, we disclose the following fee-related matters:

	Amount
Audit services fees paid or payable in relation to the audit for the year ended 30 June 2025 for TeleMasters Holdings Limited	R419,000
Non-audit services	R19,300

We communicated with those charged with governance the above fee related matters. Where the total fees represented are likely to represent more than 15% of total fees received by us, this together with the relevant safeguards applied was communicated with those charged with governance in support of our independence.

Nexia SAB&T

Nexia SAB&T

Johandre Engelbrecht

Director

Registered Auditor

12 November 2025

119 Witch-Hazel Avenue, Highveld Technopark, Centurion

TeleMasters Holdings Limited

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Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	3	478,687	976,743
Right-of-use assets	4	-	4,756,705
Intangible assets	5	67,674	136,350
Investment in subsidiaries	6	4,575,095	20,515,096
Investment in preference shares	7	28,988,653	26,664,553
Deferred tax	8	862,413	769,728
		34,972,522	53,819,175
Current Assets			
Loans to group companies	9	32,061,377	13,801,483
Cash and cash equivalents	10	4,610,810	3,847,909
		36,672,187	17,649,392
Total Assets		71,644,709	71,468,567
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	11	16,401,687	16,401,687
Retained income		47,760,465	41,377,886
		64,162,152	57,779,573
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	-	692,235
Current Liabilities			
Trade and other payables	12	1,496,755	1,527,567
Loans from group companies	13	5,752,526	9,927,361
Lease liabilities	4	-	1,452,795
Current tax payable		155,150	-
Dividend payable		78,126	89,036
		7,482,557	12,996,759
Total Liabilities		7,482,557	13,688,994
Total Equity and Liabilities		71,644,709	71,468,567

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2025	2024
Revenue	14	3,088,000	5,667,000
Other operating gains (losses)	15	2,738,073	(54,355)
Movement in credit loss allowances	15	(590,089)	-
Other operating expenses		(5,748,585)	(5,532,564)
Operating profit	16	(512,601)	80,081
Investment income	17	7,297,735	25,128,371
Finance costs	18	(167,642)	(547,318)
Profit before taxation		6,617,492	24,661,134
Taxation	19	(62,465)	40,247
Total comprehensive income for the year		6,555,027	24,701,381

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Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Balance at 01 July 2023	5,698	16,395,989	16,401,687	16,735,138	33,136,825
Total comprehensive income for the year	-	-	-	24,701,381	24,701,381
Dividends	-	-	-	(58,633)	(58,633)
Balance at 01 July 2024	5,698	16,395,989	16,401,687	41,377,886	57,779,573
Total comprehensive income for the year	-	-	-	6,555,027	6,555,027
Dividends	-	-	-	(172,448)	(172,448)
Balance at 30 June 2025	5,698	16,395,989	16,401,687	47,760,465	64,162,152

Note

11

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Annual Financial Statements for the year ended 30 June 2025

Statement of Cash Flows

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Cash (used in)/generated from operations	20	(2,091,505)	2,114,549
Finance costs paid		(167,642)	(547,318)
Net cash from operating activities		(2,259,147)	1,567,231
Cash flows from investing activities			
Purchase of shares in subsidiary		-	(70)
Loans to group companies repaid		70,746,597	4,810,454
Loans advanced to group companies		(56,614,550)	(3,821,427)
Interest income received	17	257,546	263,818
Net cash from investing activities		14,389,593	1,252,775
Cash flows from financing activities			
Proceeds from loans from group companies	23	3,338,553	1,930,723
Repayment of loans from group companies	23	(12,077,003)	(834,879)
Payment of lease liabilities	23	(2,445,737)	(1,348,385)
Dividends paid	22	(183,358)	(116,042)
Net cash from financing activities		(11,367,545)	(368,583)
Total cash movement for the year		762,901	2,451,423
Cash at the beginning of the year		3,847,909	1,396,486
Total cash at end of the year	10	4,610,810	3,847,909

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Accounting Policies

1. Material accounting policies

Management has considered the amendments to IAS 1 and 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 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 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.

These Annual Financial Statements comply with the requirements of the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The Annual Financial Statements have been prepared on the historic cost convention and incorporate the principal accounting policies set out below. They are presented in Rands, which is the Company's functional currency.

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 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.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the Annual Financial Statements, are outlined as follows:

Taxation

Judgement is required in determining the provision for income tax 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 audit 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.

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast budgets from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the year end date could be impacted. (Refer note 8.)

Key sources of estimation uncertainty

Useful lives of plant and equipment

Management applies judgement and estimates in assessing the appropriateness of the useful lives and residual values of plant and equipment. Plant and equipment are reviewed annually on an individual basis to determine their useful life and residual value. Residual value is the estimated amount which the Company will currently obtain from disposal of the asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The method of depreciation is annually reviewed and considered whether it is still appropriate.

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1.2 Significant judgements and sources of estimation uncertainty (continued)

The actual useful lives and residual values may vary depending on a variety of factors such as the nature of item, rapid technological advances, the condition as result of current usage and the expected physical wear and tear of each item of plant and equipment. The measurement of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives and the estimation of what their condition will be like at that time. Refer paragraph 1.3 for estimated useful lives.

Impairment of loans to group companies

Judgement is required in the assumptions used for calculating the Expected Credit Loss (ECL). The Company has financial assets classified and measured at amortised cost that are subject to the expected credit loss model requirements of IFRS 9. Refer note 7 for information on the expected credit loss allowance.

Impairment of investments

The Company tests annually whether the investments have suffered any impairment, or more frequently if events or changes in circumstances indicate that it may be impaired. The recoverable amount of the investment is determined based on value-in-use calculations. These calculations require the use of estimates in relation to the projections of future cash flows, the projected growth rate, the terminal value of the business of the subsidiary and the discount rate.

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost and is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, when applicable. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset and costs incurred subsequently to add to the asset.

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

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5 years
IT equipment	Straight line	3-10 years
Routers and handsets	Straight line	3 years

There was no significant impact from the change of the estimated useful life in the current year.

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

1.4 Leases

Company 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 company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. The Company did not hold any short-term leases or leases of low value assets in the current or prior year.

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 company uses its weighted average incremental borrowing rate.

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

Right-of-use assets have been depreciated as follows:

Item	Depreciation method	Depreciation Period
Routers and handsets	Straight line	3-5 years (term of lease)
Racks	Straight line	10 years (useful life)

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1.5 Intangible assets

Intangible assets are initially recognised at cost, and subsequently carried at cost less any accumulated amortisation and any impairment losses. The residual values, amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Acquired computer software and licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Useful lives for intangible assets has been assessed as follows:

Item	Amortisation method	Average useful life
Computer software	Straight line	3 years

1.6 Impairment of assets

The Company 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 Company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

1.7 Financial instruments

Note 27 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

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

FINANCIAL ASSETS AT AMORTISED COST

Classification

Loans to group companies (note 9), Investment in preference shares (note 6) and cash and cash equivalents (note 10) are classified as financial assets subsequently measured at amortised cost.

Recognition and measurement

Financial assets are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Impairment

The Company recognises a loss allowance for expected credit losses on all financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective amount.

The Company measures the loss allowance for all other financial assets by following the general approach. The loss allowance is measured at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on these financial assets has not increased significantly since initial recognition, then the loss allowance is measured at 12 month expected credit losses (12 month ECL).

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring as at the date of initial recognition.

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Accounting Policies

1.7 Financial instruments (continued)

The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, as well as consideration of various external sources of actual and forecast economic information, such as forecast economic growth and inflationary pressures. The Company furthermore considers the financial position of the counterparty, their liquidity and solvency, and their ability to service the payment obligations as and when they become due and payable. Where deemed necessary the Company will consider the forecast financial performance of the counterparty to determine if there are any increases in credit risk which need to be taken into consideration.

Irrespective of the outcome of the above assessment, the credit risk on a financial asset is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

By contrast, if a financial asset is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the financial asset has not increased significantly since initial recognition. A financial asset is considered to have a low credit risk where there has not been any historical default and the counterparty is considered to be a reputable institution.

Definition of default

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).

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 Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk related to financial assets are included in the specific notes and the financial instruments and risk management (note 27).

FINANCIAL LIABILITIES AT AMORTISED COST

Classification

Trade and other payables (note 12) loans to group companies (note 13) are classified as financial liabilities and subsequently measured at amortised cost, except for VAT and indirect taxes, which is not a financial liability and is measured at cost.

Liquidity and interest rate risk

Financial liabilities expose the Company to liquidity risk and interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

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1.8 Tax

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.11 Revenue from contracts with customers

The Company recognises revenue from service fees.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The consideration specified in the contract is the same as the transaction price. The Company recognises revenue when the performance obligation relating to each specific contract has been satisfied. There are no performance obligations outstanding at the end of year. There are no transactions which include transaction prices that have variable considerations.

At the inception of a contract with a customer, the Company assesses the services promised in the contract and identifies as a performance obligation each promise to transfer to the customer service (or bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

Performance obligations are satisfied over time as the services are rendered. Management did not have to apply significant judgement in determining the performance obligations. Given the nature of the contracts completed over time, this method provides a faithful depiction of the transfer of services for performance obligations satisfied over time.

Payments by are typically made in within 30 days of revenue being recognised.

Disaggregation of revenue

The disaggregation of revenue is presented in note 14 of the financial statements.

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

There was no material impact on the implementation of any standards and interpretations during the current financial year.

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 30 June 2028.

The group has also not yet determined the application of IFRS 19.

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

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3. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles	257,793	(222,888)	34,905	420,096	(352,730)	67,366
IT equipment	85,139	(85,131)	8	85,139	(85,131)	8
Routers and handsets	3,099,824	(2,656,050)	443,774	3,589,279	(2,679,910)	909,369
Total	3,442,756	(2,964,069)	478,687	4,094,514	(3,117,771)	976,743

Reconciliation of property, plant and equipment - 2025

	Opening balance	Disposals	Depreciation	Total
Motor vehicles	67,366	(32,461)	-	34,905
IT equipment	8	-	-	8
Routers and handsets	909,369	(138,028)	(327,567)	443,774
	976,743	(170,489)	(327,567)	478,687

Reconciliation of property, plant and equipment - 2024

	Opening balance	Disposals	Transfers from right-of use assets*	Depreciation	Total
Motor vehicles	81,134	-	-	(13,768)	67,366
IT equipment	704	(6)	-	(690)	8
Routers and handsets	806,101	(35,034)	274,137	(135,835)	909,369
	887,939	(35,040)	274,137	(150,293)	976,743

* Transfers from right-of-use assets relate to assets where the lease liability has been settled and the company has retained ownership of the asset.

** Transfers to inventory relate to routers and handsets that have reached their end of contract term, and have been reclassified to inventory at their carrying value where they can be sold.

Contractual commitments

There were no significant contractual commitments for the acquisition of property, plant and equipment.

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4. Right-of-use assets and lease liabilities (company as lessee)

The lease for the racks was settled in the current year and the racks sold to subsidiary Catalytic Connections (Pty) Ltd. There was an average of 17 months remaining on the leases at the end of the prior year. Monthly repayments were R173,336. Interest rates were the rates implicit in the lease.

There were no new leases to which the Company is committed to which have not yet commenced.

Details pertaining to leasing arrangements, where the Company is lessee are presented below:

Reconciliation of right-of-use asset - 2025

	Opening balance	Disposal to subsidiary	Depreciation	Total
Racks	4,756,705	(4,553,056)	(203,649)	-
	4,756,705	(4,553,056)	(203,649)	-

Reconciliation of right-of-use asset - 2024

	Opening balance	Reclassifications	Transfers to inventory	Transfers to property, plant and equipment	Depreciation	Total
Routers and handsets	202,356	76,026	(4,245)	(274,137)	-	-
Racks	5,440,922	(76,026)	-	-	(608,191)	4,756,705
	5,643,278	-	(4,245)	(274,137)	(608,191)	4,756,705

Other disclosures

Interest expense on lease liabilities	167,631	547,317
Capital repayments on leases	2,445,737	1,348,385
Total cash outflow from leases	2,613,368	1,895,702

Lease liabilities

Non-current liabilities	-	692,235
Current liabilities	-	1,452,795
	-	2,145,030

Maturity analysis and exposure to liquidity risk

Refer to note 27 Financial instruments and risk management for the details of the maturity analysis and liquidity risk exposure and management.

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5. Intangible assets

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1,227,159	(1,159,485)	67,674	1,227,159	(1,090,809)	136,350

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software	136,350	(68,676)	67,674

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software	234,007	(97,657)	136,350

Contractual commitments

The Company has no contractual commitments for the acquisition of intangible assets.

6. Investment in subsidiaries

Name of company	% Holding/ voting power 2025	% Holding/ voting power 2024	Carrying amount 2025	Carrying amount 2024
Catalytic Connections (Pty) Ltd	70.00 %	70.00 %	70	70
Spice Telecom (Pty) Ltd	100.00 %	100.00 %	600,000	600,000
PerfectWorx Consulting (Pty) Ltd	100.00 %	100.00 %	-	1,315,000
Contineo Virtual Communications (Pty) Ltd	100.00 %	100.00 %	-	14,625,001
Ultra DataCentre (Pty) Ltd	100.00 %	100.00 %	3,975,025	3,975,025
			4,575,095	20,515,096

All subsidiaries are incorporated in and operate in South Africa. There are no restrictions on the ability to access or use the assets and liabilities of the subsidiaries.

The impairment of the investment in subsidiaries is assessed annually in conjunction with the goodwill recognised and assessed in the Consolidated Annual Financial Statements of the Group.

On 30 June 2025, PerfectWorx Consulting (Pty) Ltd and Contineo Virtual Communications (Pty) Ltd declared dividends of R1,315,000 and R14,625,000 respectively, as a return of capital contribution to the Company, resulting in a reduction of the carrying value of the investments.

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7. Investment in preference shares		
Loans and receivables		
Preference shares - Catalytic Connections (Pty) Ltd	29,578,742	26,664,553
	29,578,742	26,664,553
Loans and receivables (impair)	(590,089)	-
	28,988,653	26,664,553
Reconciliation of movement		
Opening balance	26,664,553	-
Initial investment in ordinary shares	-	1,000
Ordinary shares converted to Preference shares	-	25,912,792
Dividend accrued during the current financial period	2,914,189	750,761
Expected credit loss allowance	(590,089)	-
Closing balance - non-current	28,988,653	26,664,553

On 1 April 2024 Catalytic Connections (Pty) Ltd converted 1,000 ordinary no-par value shares into 1,000 redeemable cumulative preferential shares for a total value of R25 912 792. The value of the investment in the preference shares represented a conservative internal directors' valuation of the fair value of the entire issued equity of Catalytic Connections (Pty) Ltd at the date of conversion prior to the decrease in the Company's shareholding from 100% to 30% in compliance with the requirements to adhere to the ICASA ownership rules with effect from 1 April 2024 onward.

The value of the redeemable cumulative preference shares is to be increased to the extent that preference share dividends (at the coupon determined from time to time by the board of directors of Catalytic Connections (Pty) Ltd) are declared by Catalytic Connections (Pty) Ltd and decreased to the extent that the redeemable preference shares are redeemed. Should a redemption of the preference shares not occur earlier at the dissolution of Catalytic Connections (Pty) Ltd, the remaining preference share liability would require redemption.

The redeemable preference shares, including unredeemed dividends, can be redeemed to the holders thereof no earlier than three years from 31 March 2024. The declaration of any and all dividend(s) in respect of the redeemable cumulative preference shares are cumulative, therefore, if any dividends are not declared by the Board of Directors of Catalytic Connections (Pty) Ltd during a specific financial period, those would subsequently have to be caught up.

The coupon rate determined by the Board of Directors is a market related coupon rate of 11.25% (2024: 11.75%). The preference shares are unsecured.

Simultaneously with the share conversion noted above, 70 ordinary no-par value shares were issued at a value of R1.00 per share (70%) to TeleMasters Holdings Limited. Thereafter, 30 (30%) ordinary shares were issued by Catalytic Connections (Pty) Ltd to Sebenza Education and Empowerment Holdings (Pty) Ltd at a value of R1.00 per share. The difference between the original cost of the 1,000 ordinary shares held in Catalytic Connections (Pty) Ltd and the fair value recognised on implementation of the transaction was considered to be a preference share dividend recognised in investment income. Subsequent thereto the financial asset is recognised at amortised cost with dividends recognised as investment income.

Exposure to credit risk

In determining the amount of expected credit losses, the Company took into account the financial position as well as the future prospects of the counterparty, which included forecasted profits. The credit quality of the preference shares was considered to be high as the preference shares are not in default and the prospective forecasted profits of the counterparty suggests the preference shares will be recoverable when they become due and payable. The counterparty's cash flows generated from operating activities are assessed annually to determine whether the counterparty will be able to service its obligations as and when they become due and payable.

Fair value of preference shares

The fair value of preference shares approximated its carrying amount due to the coupon rate being market related.

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8. Deferred tax

Deferred tax liability

Right-of-use assets	-	(1,358,327)
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Deferred tax asset

Employee related accruals	322,481	388,364
Lease liabilities	-	579,158
Deferred tax balance from temporary differences other than unused tax losses	322,481	967,522
Tax losses available for set off against future taxable income	539,932	1,160,533
Total deferred tax asset	862,413	2,128,055

The deferred tax assets and the deferred tax liabilities have been disclosed on a net basis per company as follows:

Deferred tax liability	-	(1,358,327)
Deferred tax asset	862,413	2,128,055
Total net deferred tax asset	862,413	769,728

Reconciliation of deferred tax asset / (liability)

At beginning of year	769,728	729,481
(Decrease) increase in tax loss available for set off against future taxable income	(620,601)	16,362
Taxable (deductible) temporary differences on:		
- Lease liabilities	(579,158)	(364,063)
- Employee related accruals	(65,883)	304,247
- Right-of-use assets	1,358,327	83,701
	862,413	769,728

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.

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9. Loans to group companies

Subsidiaries

Catalytic Connections (Pty) Ltd	27,273,200	13,614,834
Ultra DataCentre (Pty) Ltd	4,788,177	186,649
	32,061,377	13,801,483

The loans are unsecured, interest free and have no fixed terms of repayment.

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 took into account the financial position as well as the future prospects of the counterparty, which included forecasted profits. The credit quality of the loans was assessed as high and categorised as Stage 1 under IFRS 9, as there has been no default and repayment continues to occur. The counterparty's free cash flow from operations are assessed annually to conclude whether sufficient cash resources are available to continue making repayments regularly. Based on these factors, no credit loss allowance was recognised.

The maximum exposure to credit risk is the gross carrying amount of the loans. The Company did not hold collateral or other credit enhancements against the loans.

Fair value of group loans receivable

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

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	4,610,810	3,847,909
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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 Company 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:

Standard & Poor credit rating

zaA-1+ (2024: zaA-1+)	4,610,810	3,847,909
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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.

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11. Share capital

Authorised

500 000 000 Ordinary shares of R0.0001 each	50,000	50,000
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There was no movement in the number of shares issued during the current or prior year.

442,517,170 unissued ordinary shares are under the control of the Directors subject to the provisions of the Companies Act of South Africa and the JSE Listings Requirements.

Issued

Ordinary	5,698	5,698
Share premium	22,318,392	22,318,392
Share issue costs written off against share premium	(462,403)	(462,403)
Capital distribution of share premium	(5,460,000)	(5,460,000)
	16,401,687	16,401,687

12. Trade and other payables

Financial instruments:

Trade payables	14,491	12,877
Employee related payables	67,647	67,793
Accruals	38,076	4,395
Accrued leave pay	494,544	438,600
Accrual for directors fees	699,830	999,830

Non-financial instruments:

VAT	182,167	4,072
	1,496,755	1,527,567

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

At amortised cost	1,314,588	1,523,495
Non-financial instruments	182,167	4,072
	1,496,755	1,527,567

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.

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13. Loans from group companies

Subsidiaries

Spice Telecom (Pty) Ltd	5,662,844	5,624,091
PerfectWorx Consulting (Pty) Ltd	25,590	3,608,994
Contineo Virtual Communications (Pty) Ltd	64,092	694,276
	5,752,526	9,927,361

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

Refer to note 23 Changes in liabilities arising from financing activities for details of the movement in loans from group companies during the reporting period.

Fair value of group loans payable

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

14. Revenue

Disaggregation and timing of revenue from contracts with customers

Services rendered

Service fees - over time	3,088,000	5,667,000
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15. Other operating gains (losses)

Gain (loss) on disposal of property, plant and equipment	3,038,780	(35,040)
Settlement of lease liability	(300,707)	-
Other gains	-	(19,315)
	2,738,073	(54,355)

16. Operating profit

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

These expenses all relate to administrative overheads and are included under other operating expenses.

Auditor's remuneration - external

Audit fees	438,300	285,450
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Professional fees

Consulting and professional services	436,420	353,391
Secretarial services	593,909	557,802
	1,030,329	911,193

Employee costs

Salaries, wages, bonuses and other benefits	3,131,121	3,156,590
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Depreciation and amortisation

Depreciation of property, plant and equipment (refer note 3)	327,567	150,293
Depreciation of right-of-use assets (refer note 4)	203,649	608,191
Amortisation of intangible assets (refer note 5)	68,676	97,657
	599,892	856,141

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16. Operating profit (continued)		
Movement in credit loss allowances		
Investment in preference shares (refer note 7)	590,089	-
17. Investment income		
Dividend income		
Group entities:		
Subsidiaries	4,125,000	-
Subsidiaries - preference share dividend	-	24,113,792
Total dividend income	4,125,000	24,113,792
Interest income		
Investments in financial assets:		
Bank and other cash	257,546	263,818
Preference shares (refer note 7)	2,915,189	750,761
Total interest income	3,172,735	1,014,579
Total investment income	7,297,735	25,128,371
18. Finance costs		
Lease liabilities	167,631	547,318
Other interest paid	11	-
Total finance costs	167,642	547,318
19. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	155,150	-
Deferred		
Originating and reversing temporary differences	(92,685)	(40,247)
	62,465	(40,247)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	6,617,492	24,661,134
Tax at the applicable tax rate of 27% (2024: 27%)	1,786,723	6,658,506
Tax effect of adjustments on taxable income		
Donations	17,280	-
Credit loss allowance on preference share investment (refer note 7)	159,324	-
Ordinary dividends not taxable	(1,113,750)	-
Preference dividend not taxable	(787,101)	(6,713,429)
Other	(11)	14,676
	62,465	(40,247)

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20. Cash (used in)/generated from operations

Profit before taxation	6,617,492	24,661,134
Adjustments for:		
Depreciation and amortisation	599,892	856,141
(Gain) loss on disposal of property, plant and equipment	(3,038,780)	35,040
Dividends received	(4,125,000)	(750,761)
Interest income	(3,172,735)	(24,377,610)
Finance costs	167,642	547,318
Net movements in credit loss allowances	590,089	-
Settlement of lease liability	300,707	-
Other non-cash flow movements	-	4,245
Changes in working capital		
Trade and other receivables	-	44,459
Trade and other payables	(30,812)	1,094,583
	(2,091,505)	2,114,549

21. Tax paid

Current tax for the year recognised in profit or loss	(155,150)	-
Balance at end of the year	155,150	-
	-	-

22. Dividends paid

Balance at beginning of the year	(89,036)	(146,445)
Dividends	(172,448)	(58,633)
Balance at end of the year	78,126	89,036
	(183,358)	(116,042)

23. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2025

	Opening balance	Dividends allocated to loan account	Management fees allocated to loan account	Lease settlement	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	2,145,030	-	-	300,707	-	300,707	(2,445,737)	-
Loans from group companies	9,927,361	(4,125,000)	(2,288,000)	-	10,976,615	4,563,615	(8,738,450)	5,752,526
Total liabilities from financing activities	12,072,391	(4,125,000)	(2,288,000)	300,707	10,976,615	4,864,322	(11,184,187)	5,752,526

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Cash flows	Closing balance
Lease liabilities	3,493,415	(1,348,385)	2,145,030
Loans from group companies	8,831,517	1,095,844	9,927,361
Total liabilities from financing activities	12,324,932	(252,541)	12,072,391

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24. Litigation

There are currently no legal or related proceedings against the Company, of which the Board is aware, which may have or have had in the 12 months preceding the date of this report, a material effect on the position of the Company.

25. Related parties

Relationships

Subsidiaries	Refer to note 6
Executive directors	JM Voigt BR Topham
Non-executive directors	MB Pretorius M Moela MJ Krastanov

Related parties in which key management and / or non-executive directors have a beneficial interest:

MB Pretorius	Zero Plus Trading 194 (Pty) Ltd
M Krastanov	AcaciaCap Advisors (Pty) Ltd

Related party balances

Loan amounts owing by (to) related parties*

Ultra DataCentre (Pty) Ltd **	4,788,177	186,649
Catalytic Connections (Pty) Ltd **	27,273,200	13,614,834
Spice Telecom (Pty) Ltd *	(5,662,844)	(5,624,091)
Contineo Virtual Communications (Pty) Ltd *	(64,092)	(694,276)
PerfectWorx Consulting (Pty) Ltd *	(25,590)	(3,608,994)

* Refer to note 9 for terms of loan.

** Refer to note 13 for terms of loan.

Related party transactions

Investment in preference shares

Catalytic Connections (Pty) Ltd (refer note 7)	28,988,653	26,664,553
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Related party transactions

Preference dividend received from related parties

Catalytic Connections (Pty) Ltd	2,915,189	750,761
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Ordinary dividend received from related parties

Contineo Virtual Communications (Pty) Ltd	1,450,000	-
PerfectWorx Consulting (Pty) Ltd	2,675,000	-

Purchase of shares

Catalytic Connections (Pty) Ltd	-	(70)
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Services rendered to related parties

Catalytic Connections (Pty) Ltd	800,000	3,469,954
Contineo Virtual Communications (Pty) Ltd	1,472,000	496,297
PerfectWorx Consulting (Pty) Ltd	816,000	360,349
Ultra DataCentre (Pty) Ltd	-	1,340,500

Consulting fees paid to other related parties

Zero Plus Trading 194 (Pty) Ltd	266,700	292,000
AcaciaCap Advisors (Pty) Ltd	278,650	235,650

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26. Directors' emoluments

Executive

2025

Directors' emoluments	Basic salary	Medical aid contributions	Total
JM Voigt	1,440,000	164,878	1,604,878
BR Topham	600,000	-	600,000
	2,040,000	164,878	2,204,878

2024

Directors' emoluments	Basic salary	Medical aid contributions	Total
JM Voigt	1,440,000	101,874	1,541,874
BR Topham	249,000	-	249,000
	1,689,000	101,874	1,790,874

Non-executive

2025

Directors' emoluments	Fees for services as director
MB Pretorius	399,996
MJ Krastanov	249,000
M Moela	249,000
	897,996

2024

Directors' emoluments	Fees for services as director
MB Pretorius	399,996
MJ Krastanov	193,667
DJ Bate	186,750
WF Steinberg	186,750
M Tappan	186,750
	1,153,913

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27. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note(s)	Amortised cost	Fair value
Investment in preference shares	7	28,988,653	28,988,653
Loans to group companies	9	32,061,377	32,061,377
Cash and cash equivalents	10	4,610,810	4,610,810
		65,660,840	65,660,840

2024

	Note(s)	Amortised cost	Fair value
Investment in preference share	7	26,664,553	26,664,553
Loans to group companies	9	13,801,483	13,801,483
Cash and cash equivalents	10	3,847,909	3,847,909
		44,313,945	44,313,945

Categories of financial liabilities

2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	1,314,588	1,314,588	1,314,588
Loans from group companies	13	5,752,526	5,752,526	5,752,526
Dividend payable		78,126	78,126	78,126
		7,145,240	7,145,240	7,145,240

2024

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	12	1,523,495	-	1,523,495	1,523,495
Loans from group companies	13	9,927,361	-	9,927,361	9,927,361
Lease liabilities	4	-	2,145,030	2,145,030	2,145,030
Dividend payable		89,036	-	89,036	89,036
		11,539,892	2,145,030	13,684,922	13,684,922

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27. Financial instruments and risk management (continued)

Capital risk management

The Company's capital structure consists of cash and cash equivalents, restricted cash and equity attributable to equity holders of the Company which comprises issued share capital, share premium and accumulated earnings. The Company's capital management objective is to achieve an effective weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements, repay borrowings as they fall due and continue as a going concern, whilst concurrently ensuring that at all times its credit worthiness is considered to be at least investment grade. Management reviews the capital structure, analyses interest rate exposure and reevaluates treasury management strategies in the context of economic conditions and forecasts regularly. This could lead to an adjustment to the dividend yield and/or an issue or repurchase of shares.

This policy is consistent with that of the comparative period. The Company is not subject to any external capital requirements.

Financial risk management

Financial instrument risk exposure and management

There have been no substantive changes to the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. Information disclosed has not been disaggregated as the financial instruments used by the Company share the same economic characteristics and market conditions.

Risk management is carried out by management under policies approved by the Board. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk. The directors monitor their collections from the Company's receivables, movement in prime lending rates and the risks that the Company is exposed to based on current market conditions, on a monthly basis.

The principal financial instruments used by the Company, from which financial risk arises, are as follows:

- Loans to and from group companies
- Cash and cash equivalents;
- Trade and other payables;
- Borrowings;
- Lease liabilities; and
- Dividends payable.

The Company is currently exposed to credit risk, liquidity risk and interest rate risk (which comprises cash flow interest rate risk).

The main purpose of financial liabilities is to raise finance to fund the acquisition of plant and equipment and intangible assets, working capital and future acquisitions.

Procedures for avoiding excessive concentration of risk include:

Credit risk

- Reviewing the financial performance and profit forecasts for related counterparties.

Liquidity risk

- Maintaining cash balances;
- Effecting necessary price increases as and when required; and
- Reviewing the Company's bank accounts daily and transferring excess funds from the main current account to other facilities in order to increase the interest earnings to the Company.

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27. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on cash and cash equivalents (note 10), loans to group companies (note 9) and investment in preference shares (note 7). The management of credit risk exposure is detailed in the individual notes.

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
Loans to group companies	9	32,061,377	-	32,061,377	13,801,483	-	13,801,483
Investment in preference shares	7	29,578,742	(590,089)	28,988,653	26,664,553	-	26,664,553
Cash and cash equivalents	10	4,610,810	-	4,610,810	3,847,909	-	3,847,909
		66,250,929	(590,089)	65,660,840	44,313,945	-	44,313,945

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 manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through cash generated from operations and shareholder funding when required. Deposits are held with reputable financial institutions. There have been no defaults or breaches on trade payables during the course of the financial year.

The maturity profile of contractual cash flows 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	12	1,314,588	1,314,588	1,314,588	1,314,588
Loans from group companies	13	5,752,526	5,752,526	5,752,526	5,752,526
Dividend payable		78,126	78,126	78,126	78,126
		7,145,240	7,145,240	7,145,240	7,145,240

2024

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	4	-	725,937	725,937	692,235
Current liabilities					
Trade and other payables	12	1,523,495	-	1,523,495	1,523,495
Loans from group companies	13	9,927,361	-	9,927,361	9,927,361
Lease liabilities	4	1,742,249	-	1,742,249	1,452,795
Dividend payable		89,036	-	89,036	89,036
		13,282,141	725,937	14,008,078	13,684,922

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27. Financial instruments and risk management (continued)

Interest rate risk

The Company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

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

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
		2025	2024	2025	2024
Assets					
Investment in preference shares - capital portion	7	11.25 %	11.75 %	25,913,792	25,913,792
Cash and cash equivalents	10	4.25%-6.00%	5.25%-6.23%	4,610,810	3,847,909
				30,524,602	29,761,701
Liabilities					
Lease liabilities	4		8.75%-21.7%	-	(2,145,030)
				30,524,602	27,616,671

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date.

If the interest rate had been 1.50% higher/lower with all other variables held constant, post-tax profit for the year would have been R292,787 (2024: R287,218) higher/lower, mainly as a result of higher/lower interest income on preference shares.

28. Going concern

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 resources 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.

29. Events after the reporting period

Other than that disclosed below, the Directors are unaware of any significant adjusting or disclosable events that have occurred between the end of the financial year and the date of this report that may materially affect the Company's results for the year under review or its financial position as at 30 June 2025:

- Dividend number 67 of 0.1 cents per share was declared on 31 July 2025 and is payable to all Shareholders recorded in the share register of the Company at the close of business on 22 August 2025.