

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 May 2025

1. RESULTS OF OPERATIONS continued

1.2 Revenue continued

The following table illustrates revenue by source and by revenue-generating reportable segment (refer to note 1.1).

	Total		Africa Distribution		Solutions	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Revenue from contracts with customers	13 215 098	13 715 014	12 989 476	13 460 523	225 622	254 491
Prepaid airtime, data and related revenue	8 625 289	9 078 108	8 625 289	9 078 108	—	—
Postpaid airtime, data and related revenue	171 467	144 314	171 467	144 314	—	—
Prepaid and postpaid SIM cards	344 379	356 982	344 379	356 982	—	—
Services	520 167	462 382	294 545	207 891	225 622	254 491
Electricity commission	319 964	287 065	319 964	287 065	—	—
Handsets, tablets and other devices	2 395 249	2 735 524	2 395 249	2 735 524	—	—
Other revenue*	838 583	650 639	838 583	650 639	—	—
Subscription income share	515 246	460 574	515 246	460 574	—	—
Revenue	13 730 344	14 175 588	13 504 722	13 921 097	225 622	254 491
Finance revenue	319 833	422 856	319 833	422 856	—	—
Total revenue	14 050 177	14 598 444	13 824 555	14 343 953	225 622	254 491

* Other revenue predominantly includes audit projects on municipalities and commissions earned on the sale of universal vouchers, bus ticketing and the facilitation of bill payments.

1.3 Operating profit

	2025 R'000	2024 R'000
The following has been charged/(credited) in arriving at operating profit:		
Advertising and promotional expenses	54 275	57 553
Audit fees – services as auditors relating to the year-end audit	19 379	28 127
Audit fees – other	—	132
Bad debts recovered	(2 631)	(29 578)
Consulting fees ¹	50 201	58 167
Foreign exchange loss/(gain)	1 578	(1 051)
Impairment of inventory	8 034	9 684
Insurance	27 600	15 663
IT infrastructure costs and computer-related costs	76 831	64 306
Legal fees	11 569	13 923
Licence fees	87 076	74 678
Loss on disposal of investment in joint venture	7 902	—
Loss on disposal of property, plant and equipment	1 998	966
Motor vehicle expenses	11 450	17 056
Software development and IT project costs ¹	70 390	34 975
Staff training	52 492	52 203
Travel – local and overseas	17 544	13 595

¹ In order to achieve enhanced disclosure software development and IT project costs has been disaggregated from consulting fees. Comparative results have been updated accordingly.

	Notes	2025 R'000	2024 R'000
Fair value movements comprise the following:			
Fair value gain on surety receivable	3.5	(2 883)	(2 555)
Net fair value gain on financial instruments	3.5	(171 433)	(4 658)
		(174 316)	(7 213)
Bad debts and expected credit loss, arising from the application of IFRS 9, comprise the following:			
Bad debts and expected credit loss on loans		(285 372)	123 085
Expected credit loss on 2DFine and OSI loans		391	1 381
Bad debts and expected credit losses on trade receivables, other receivables and advances to customers		520 505	383 316
		235 524	507 782
Modification/derecognition of financial instruments comprise the following:			
Loss/(gain) on modification of financial liability – Class A Preference Shares	3.4.2	18 769	(20 682)
Loss on derecognition of financial assets measured at amortised cost		34 103	53 258
		52 872	32 576

1.4 Finance costs and finance income

Finance costs/income are recognised in profit or loss using the effective interest rate method as the instruments to which this relates are measured at amortised cost.

Where the core business of a Group subsidiary is providing finance to its customers, the interest earned from these customers is recognised as revenue in profit or loss. In all other scenarios, interest is recognised as a finance income or finance expense below operating profit.

	2025 R'000	2024 R'000
Finance costs		
– Bank	66	292
– Loans and facilities	1 003 071	1 082 061
– Related party loans (refer to note 8)	755	—
– Other	80 459	34 920
– Unwinding of lease liability	5 963	4 083
	1 090 314	1 121 356
Finance income		
– Bank	(34 625)	(43 579)
– Loans	(6 779)	(8 453)
– Related party loans (refer to note 8)	(710 833)	(707 521)
– Related party other (refer to note 8)	(47 125)	(137 617)
– Other	(4 495)	(4 714)
	(803 857)	(901 884)