

Foreign currency sensitivity analysis

The Group has used a sensitivity analysis technique that measures the estimated change to profit or loss of an instantaneous 10% strengthening or weakening in the rand against all other currencies, from the rate applicable at 31 May 2025, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only, as in practice, market rates rarely change in isolation.

Increase/(decrease) in profit before tax

Net exposure to foreign currencies denominated: functional currency	Net assets/(liabilities) denominated in foreign currency R'000	Change in exchange rate %	Weakening in functional currency R'000	Strengthening in functional currency R'000
2025				
USD:ZAR	134 347	10*	13 435	(13 435)

* These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

Capital adequacy risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust this capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to reduce debt. The Group defines capital as capital and reserves and non-current borrowings. The Group is required to maintain a market capitalisation of R3 billion in terms of its covenants with Investec Bank in respect of TPC's working capital facility.

3.3 Financial assets

3.3.1 Loans receivable

	2025 R'000	2024 R'000
Interest-free loans	39 308	55 565
Interest-bearing loans receivable*	76 888	32 413
Less: Provision for impairment	(12 420)	(12 719)
	103 776	75 259
Amounts included in non-current portion of loans receivable	46 536	38 753
Amounts included in current portion of loans receivable	57 240	36 506

* An interest-bearing loan of R20 million owing by iTalk Holdings to BLDS, was reclassified to third-party loans receivable upon the sale of their interest in the former effective 1 June 2024.

All loans receivable are unsecured and repayable within five years. Interest-bearing loans bear interest at a range of between prime and prime plus three percent. The fair value of the loans, which include loans to product distributors, approximates their carrying value. This has been corroborated through discounted cash flow calculations at the effective interest rate the lender would have been able to secure from a financing institution, using an expected payment timeframe.