

iOCO

**Unaudited
interim
condensed
consolidated
financial
statements**

for the six months ended
31 January 2026



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Salient features

Headline earnings per share (HEPS)

climbed to **28 cents** for HY2026, a **47.4% increase** compared to 19 cents in HY2025.

Profit

for the period increased to **R180 million**, up **45.6%** from R123 million in HY2025.

EBITDA

further improved by **20.8%**, from R252 million in HY2025 to **R305 million in HY2026**.

Operating profit

increased by **12.4%** to **R240 million** in HY2026, up from R214 million in HY2025.

Group revenue

for the six months ended 31 January 2026 (HY2026) increased by **3.5%** to **R2.8 billion**, compared to R2.7 billion for the six months ended 31 January 2025 (HY2025).

Commentary

iOCO has delivered a solid set of results, underpinned by enhanced operational execution and disciplined strategic focus.

From strategy to execution

The Group has delivered improved performance in the first half of the financial year. This reflects stronger operational discipline, focused execution and increasing commercial traction across our core markets. We have seen organic revenue growth over the period, supported by market share growth and a continued focus on cost rationalisation.

Our three-step strategy has repositioned the Group for sustainable growth. The first two stages – cost rationalisation and decentralisation – are now substantially complete and embedded, delivering measurable improvements in efficiency and responsiveness. With this foundation in place, our focus has shifted to resource and capital allocation. Between August 2025 and January 2026, the Group repurchased more than 6.4 million shares for R27 million, while simultaneously strengthening the balance sheet and funding future-focused initiatives.

iOCO has maintained its fit-for-purpose Group structure, enabling investment in growth and diversification across an expanded product and geographic base – an exciting time for iOCO as we drive market expansion across various regions, specifically the Middle East. This has shown clear benefits, with the Group seeing market share growth during the first half of FY2026.

Our continuing decentralisation has given us significant strategic and operational advantages through increased responsiveness, enhanced client service and improved adaptability to changing market conditions. We continue to focus on co-creating and driving innovation with our customers.

During HY2026, we have shifted our focus to the last stage of our turnaround plan: capital allocation. In this regard, we have decreased net interest-bearing debt to R512 million, having repaid R58 million in capital and interest, with cash generated from operations. The Group ended HY2026 with no overdraft and decreased interest paid on bank debt to R27 million for the half year compared to R39 million paid in HY2025.

The Group is allocating capital in order of priorities, with the share buyback programme well underway and almost 6.5 million shares being repurchased during HY2026. Balance sheet optimisation continues to be a key focus area for the Group and we have seen our balance sheet continue to strengthen during HY2026, supported by a growing cash position and a continued reduction in liabilities. Net asset value increased by 19.8% in HY2026, reflecting disciplined capital management and targeted asset optimisation.

Financial highlights

Revenue has increased by 3.5% to R2.8 billion, compared to R2.7 billion for HY2025, representing the first period of organic revenue growth for the Group in several years. Although gross margins have decreased slightly to 28%, our operating and EBITDA margins have grown to 9% and 11%, respectively, up from 8% and 9%, reflecting our improved operating leverage and efficiencies. Gross profit margin reflects the securing of market share and retaining of customers through competing effectively on price. This strategic trade-off strengthens our long-term revenue base and positions the Group for sustainable growth.

We have reduced operating expenses by 9.2% and net finance costs by 34.5%, driving a remarkable 45.6% increase in profit after tax to R180 million, up from R123 million in HY2025. The Company delivered HY2026 growth in HEPS of 47.4%, moving from 19 cents per share to 28 cents per share, a powerful testament to the strength of our strategy and execution.

Operational highlights

Our operational improvements have been promising and include:

- Maintaining our streamlined corporate structure and fit-for-purpose operations
- We have seen market share growth for the first time in a number of years, which speaks to an enhanced market sentiment
- We have increased investment into business development, sales and solutioning capabilities, enabling clients to adopt future-focused technology solutions in areas such as digital transformation, cloud and operational technology
- We are actively exploring a targeted pipeline of acquisitions designed to strengthen our capabilities, expand market share and accelerate growth.

Segmental performance

IT services

Revenue in IT services increased by 3.3% compared to HY2025, driven by hardware and services revenue, digital transformation, as well as infrastructure-related projects. This was partially offset by softer revenue performance in software development, with extended sales cycles continuing to present challenges. Our people businesses saw an improvement in recurring revenue, driven by upsell within the customer base as well as new customer wins. However, timing delays in certain contracts, including public sector contracts, still presents a challenge. We continue to see new sales opportunities in the public sector, which remains promising.

Gross profit increased by 1.8% in the segment despite margin pressure being experienced in the people businesses and software development space.

Profitability in IT services was temporarily impacted by delayed project starts, hardware supply constraints and margin pressure in certain delivery streams, resulting in a 7% EBITDA decline. However, a strong pipeline, public sector opportunities and continued cost discipline provide a clear path to recovery.

Operational technology

Revenue grew by 1.3%, driven by strong pipeline activity in the first half of the financial year and influenced by the timing of project conversion and procurement processes where customer decision-making cycles remain extended.

In terms of gross profit, the segment achieved healthy margins of over 34%, increasing 4% from HY2025. This has been driven by operational efficiencies.

EBITDA grew 15% compared to HY2025, driven by continuing gross margin gains and operational cost efficiencies.

International

The International businesses reported revenue growth compared to the prior period, supported by increased customer activity across cloud services and platform-related offerings. Profitability was constrained in the UK following the loss of a major high-margin customer, but this was offset by growth in the Middle East and Switzerland. This diversification demonstrates the resilience of our international portfolio.

Outlook

The leadership team is focused on creating value with clients, expanding investment into recurring revenue drivers and pursuing strategic acquisitions with an overall drive for optimum performance and growth.

For FY2026, we will be focusing on deepening our revenue base and capitalising on our market share growth. Our strategy is growth-focused with a view to continue expanding our market and region reach, as well as our key business areas, including managed services, operational technology, digital transformation, global cloud solutions, cybersecurity advisory and infrastructure solutions.

With a strengthened operating platform, a clear strategic road map and an increasingly competitive market position, the Group is well-positioned to maintain momentum through the second half of the year, and we remain confident in our ability to deliver sustainable growth and long-term value for shareholders.

Ashona Koobllall

Ashona Koobllall
Group Chief Financial Officer

17 March 2026

Rhys D Summerton

Rhys Summerton
Group Chief Executive Officer

17 March 2026

Interim condensed consolidated financial statements



Interim condensed consolidated statement of profit or loss and other comprehensive income

for the six months ended 31 January 2026

<i>Figures in Rand thousand</i>	Notes	Unaudited for the six months to 31 January 2026	Unaudited for the six months to 31 January 2025
Revenue	6	2 829 349	2 732 587
Cost of sales		(2 041 966)	(1 909 509)
Gross profit		787 383	823 078
Net financial asset impairment reversals/(losses)	8	2 110	(4 306)
Operating expenses		(549 173)	(604 990)
Operating profit		240 320	213 782
Investment income		3 515	3 787
Finance costs		(35 256)	(52 273)
Profit before taxation		208 579	165 296
Taxation		(28 819)	(41 824)
Profit for the period		179 760	123 472
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations [^]		(9 410)	(4 764)
Other comprehensive loss for the period		(9 410)	(4 764)
Total comprehensive income for the period		170 350	118 708
Profit attributable to:			
Owners of iOCO Limited		177 387	120 446
Non-controlling interests		2 373	3 026
		179 760	123 472
Total comprehensive income attributable to:			
Owners of iOCO Limited		171 411	116 151
Non-controlling interests		(1 061)	2 557
		170 350	118 708
Earnings per share (cents)			
Earnings per share		28	19
Diluted earnings per share		28	19

[^] This component of other comprehensive income does not attract any tax.

Interim condensed consolidated statement of financial position

as at 31 January 2026

<i>Figures in Rand thousand</i>	Notes	Unaudited at 31 January 2026	Audited at 31 July 2025
Assets			
Non-current assets			
Property, plant, equipment and right-of-use assets		148 343	115 279
Intangible assets		80 607	78 321
Goodwill	10	570 178	570 178
Other financial assets		22 766	21 564
Deferred taxation		123 728	120 887
Finance lease receivables		–	336
		945 622	906 565
Current assets			
Inventories	11	55 235	68 801
Other financial assets		9 601	7 832
Current taxation receivable		10 525	9 094
Finance lease receivables		990	16 614
Trade and other receivables		1 415 196	1 389 942
Cash and cash equivalents		378 939	399 264
		1 870 486	1 891 547
Total assets		2 816 108	2 798 112
Equity and liabilities			
Equity			
Stated capital	12	4 771 337	4 774 521
Other reserves		(16 738)	12 132
Accumulated loss		(3 879 164)	(4 070 027)
Equity attributable to the owners of iOCO Limited		875 435	716 626
Non-controlling interests		27 307	36 679
Total equity		902 742	753 305
Liabilities			
Non-current liabilities			
Other financial liabilities	13	447 696	481 717
Lease liabilities		50 210	23 290
Deferred taxation		17 521	8 437
		515 427	513 444
Current liabilities			
Other financial liabilities	13	190 096	176 877
Current taxation payable		17 246	34 593
Lease liabilities		37 117	28 896
Trade and other payables		1 141 216	1 271 542
Provisions	14	12 264	19 455
		1 397 939	1 531 363
Total liabilities		1 913 366	2 044 807
Total equity and liabilities		2 816 108	2 798 112

Interim condensed consolidated statement of changes in equity

for the six months ended 31 January 2026

<i>Figures in Rand thousand</i>	Stated capital	Other reserves	Accumulated loss	Equity attributable to the owners of iOCO Limited	Non-controlling interests	Total equity
Audited balance at 1 August 2024	4 774 521	31 140	(4 338 449)	467 212	31 311	498 523
Profit for the period	–	–	120 446	120 446	3 026	123 472
Other comprehensive income	–	(4 295)	–	(4 295)	(469)	(4 764)
Total comprehensive (loss)/income	–	(4 295)	120 446	116 151	2 557	118 708
Transfers within equity*	–	(10 295)	10 295	–	–	–
Share-based payments paid out during the period	–	(563)	–	(563)	–	(563)
Unaudited balance at 31 January 2025	4 774 521	15 987	(4 207 708)	582 800	33 868	616 668
Audited balance at 1 August 2025	4 774 521	12 132	(4 070 027)	716 626	36 679	753 305
Profit for the period	–	–	177 387	177 387	2 373	179 760
Other comprehensive loss	–	(5 976)	–	(5 976)	(3 434)	(9 410)
Total comprehensive (loss)/income	–	(5 976)	177 387	171 411	(1 061)	170 350
Dividends declared to non-controlling interests	–	–	–	–	(8 311)	(8 311)
Movement in treasury shares - settlement of share-based payments	23 982	(23 982)	–	–	–	–
Share buybacks	(27 166)	–	–	(27 166)	–	(27 166)
Transfers within equity*	–	(13 476)	13 476	–	–	–
Share-based payments	–	14 564	–	14 564	–	14 564
Unaudited balance at 31 January 2026	4 771 337	(16 738)	(3 879 164)	875 435	27 307	902 742

Note 12

* Transfers within equity are transfers from the share-based payments reserve for expired, unexercised options.

Interim condensed consolidated statement of cash flows

for the six months ended 31 January 2026

<i>Figures in Rand thousand</i>	Note	Unaudited for the six months to 31 January 2026	Unaudited for the six months to 31 January 2025
Cash flows from operating activities			
Cash generated from operations	16	161 119	301 624
Investment income received		2 313	2 277
Interest paid		(34 463)	(51 926)
Taxation paid		(40 388)	(34 432)
Net cash inflow from operating activities		88 581	217 543
Cash flows from investing activities			
Acquisition of property, plant and equipment		(15 605)	(8 394)
Proceeds on the sale of property, plant, equipment and intangible assets		2 097	624
Acquisition of intangible assets		(21 887)	(14 757)
Cash receipt from disposal of businesses, net of cash given up		–	(2 077)
Cash inflow relating to other financial assets		–	528
Cash outflow relating to other financial assets		(1 800)	–
Increase in restricted cash		(23)	(51)
Decrease in restricted cash		7	2 006
Net cash outflow from investing activities		(37 211)	(22 121)
Cash flows from financing activities			
Proceeds from other financial liabilities		1 770	–
Repayment of other financial liabilities		(30 769)	(30 769)
Purchase of treasury shares - share buybacks		(27 166)	–
Principal elements of lease payments		(16 913)	(18 434)
Net cash outflow from financing activities		(73 078)	(49 203)
Net (decrease)/increase in cash and cash equivalents		(21 708)	146 219
Cash and cash equivalents at the beginning of the period*		399 264	154 637
Exchange gains/(losses) on cash and cash equivalents		1 383	(2 904)
Cash and cash equivalents at the end of the period		378 939	297 952

* Cash and cash equivalents at the beginning of the period is the balance as at 31 July 2025 (31 July 2024).

Cash and cash equivalents include bank overdrafts of Rnil (period ended 31 January 2025: R16 million).

Segment results

for the six months ended 31 January 2026

Over the past few years, the Group has dedicated substantial effort to optimising and aligning its suite of products and services as well as refining its market approach. With the completion of the asset sale process aimed at reducing legacy debt, the Group now boasts a stable portfolio of offerings. The Group's market strategy is structured around three key product pillars: IT Services, Operational Technologies and International. The Group Executive Committee, serving as the Chief Operating Decision-maker (CODM), has been organised along these pillars, enhancing efficiency and accountability within our reporting structures.

IT Services brings together a comprehensive portfolio of capabilities across digital solutions, infrastructure, enterprise applications, cloud services and outsourced knowledge solutions. The digital business delivers advanced digital solutions through software development, data-driven insights, automation and proprietary platforms. These capabilities support clients' digital transformation by modernising applications, streamlining operations and enabling growth. Infrastructure and enterprise applications that support core business processes, including enterprise resource planning platforms such as systems, applications, products in data processing (SAP) and Oracle, enterprise software to manage information technology environments, and outsourced operations are also provided as part of IT Solutions. The portfolio includes subscription-based IT-in-a-box solutions for small and medium-sized enterprises. The cloud businesses offer cloud infrastructure, AI and cybersecurity services to modernise and secure digital operations, also including data integration, infrastructure transformation and protection of critical assets. The Group's people businesses deliver outsourced knowledge solutions providing integrated human resources and payroll systems, legal and forensic services and training aligned with broad-based black economic empowerment, also offering outsourced payroll and call centre operations and technology-enabled solutions to improve workforce efficiency and compliance.

Operational Technology delivers end-to-end industrial technology solutions through original equipment manufacturer partnerships and proprietary analytics. Focus areas include infrastructure, energy systems and connectivity that enhance resilience and efficiency in industrial and energy-intensive sectors.

iOCO International operates across sub-Saharan Africa, Europe and the Middle East, offering information technology outsourcing, software resale and proprietary intellectual property solutions.

The CODM does not receive secondary geographic information and, as such, this data is not included in the segment results. In the prior period, the CODM reviewed only revenue, gross profit and adjusted EBITDA as key profit measures. In the current period, the CODM also reviewed total assets and liabilities for each reportable segment.

Adjusted EBITDA is defined as operating profit or loss before accounting for depreciation, amortisation, share-based payments, gains or losses on the disposal of subsidiaries, impairment losses or reversals on non-financial assets, gains or losses on disposals of assets, interest income, interest expenses, corporate overheads and current and deferred tax.

Segmental results continued

for the six months ended 31 January 2026

Revenue, gross profit, adjusted EBITDA, assets and liabilities

Figures in Rand thousand	Unaudited for the six months to 31 January 2026				
	IT Services	Operational Technology	iOCO International	Reconciliation [^]	Total
External revenue	2 082 250	449 863	297 236	–	2 829 349
Hardware sales	156 997	117 180	–	–	274 177
Services	1 681 905	209 483	170 296	–	2 061 684
Software/licence contracts	243 348	123 200	126 940	–	493 488
Intersegment revenue	235 600	1 899	339	(237 838)	–
Hardware sales	27 859	1 533	–	(29 392)	–
Services	187 312	311	339	(187 962)	–
Software/licence contracts	20 429	55	–	(20 484)	–
Gross revenue	2 317 850	451 762	297 575	(237 838)	2 829 349
Cost of sales	(1 676 527)	(296 463)	(213 744)	144 768	(2 041 966)
Gross profit	641 323	155 299	83 831	(93 070)	787 383
Gross profit (%)	27.7%	34.4%	28.2%	–	27.8%

[^] Reconciliation comprises elimination of intersegment transactions.

Segment results continued

for the six months ended 31 January 2026

Revenue, gross profit, adjusted EBITDA, assets and liabilities continued

Figures in Rand thousand	Unaudited restated* for the six months to 31 January 2025				
	IT Services	Operational Technology	iOCO International	Reconciliation^	Total
External revenue	2 016 143	444 235	272 209	–	2 732 587
Hardware sales	99 738	101 746	–	–	201 484
Services	1 651 692	212 554	209 234	–	2 073 480
Software/licence contracts	263 401	129 935	62 975	–	456 311
Rentals	1 312	–	–	–	1 312
Intersegment revenue	147 472	372	8 266	(156 110)	–
Hardware sales	12 989	214	–	(13 203)	–
Services	123 386	106	8 200	(131 692)	–
Software/licence contracts	11 097	52	66	(11 215)	–
Rentals	–	–	–	–	–
Gross revenue	2 163 615	444 607	280 475	(156 110)	2 732 587
Cost of sales	(1 533 552)	(308 706)	(174 329)	107 078	(1 909 509)
Gross profit	630 063	135 901	106 146	(49 032)	823 078
Gross profit (%)	29.1%	30.6%	37.8%	–	30.1%

* Comparative figures previously reported were restated to reflect the changes to reportable segments as a result of the changes to the Group's internal organisational structure for the period ended 31 January 2026.

^ Reconciliation comprises elimination of intersegment transactions.

Segment results continued

for the six months ended 31 January 2026

Revenue, gross profit, adjusted EBITDA, assets and liabilities continued

Figures in Rand thousand	Unaudited for the six months to 31 January 2026				
	IT Services	Operational Technology	iOCO International	Reconciliation [^]	Total
Adjusted EBITDA	323 674	78 779	24 628	(122 170)	304 911
Adjusted EBITDA (%)	14.0%	17.4%	8.3%	–	10.8%
Material expenses included in adjusted EBITDA:					
Employee costs	915 015	121 516	70 131	19 007	1 125 669
Assets and liabilities per segment:					
Total assets	1 928 900	276 853	606 673	3 682	2 816 108
Total liabilities	(1 500 810)	(220 877)	(363 294)	171 615	(1 913 366)

[^] Reconciliation comprises elimination of intersegment transactions and includes head office expenses.

Figures in Rand thousand	Unaudited restated* for the six months to 31 January 2025				
	IT Services	Operational Technology	iOCO International	Reconciliation [^]	Total
Adjusted EBITDA	348 560	68 636	46 089	(210 940)	252 345
Adjusted EBITDA (%)	16.1%	15.4%	16.4%	–	9.2%
Material expenses included in adjusted EBITDA:					
Employee costs	970 984	130 055	87 782	104 604	1 293 425
Assets and liabilities per segment:					
Total assets	2 050 577	248 681	772 167	(81 014)	2 990 411
Total liabilities	(1 645 151)	(233 167)	(543 888)	48 463	(2 373 743)

* Comparative figures previously reported were restated to reflect the changes to reportable segments as a result of the changes to the Group's internal organisational structure for the period ended 31 January 2026.

[^] Reconciliation comprises elimination of intersegment transactions and includes head office expenses.

Segment results continued

for the six months ended 31 January 2026

Adjusted EBITDA reconciliation

<i>Figures in Rand thousand</i>	Unaudited for the six months to 31 January 2026	Unaudited for the six months to 31 January 2025
Operating profit	240 320	213 782
Depreciation	33 010	31 407
Amortisation	17 840	13 625
IAS 36 net impairment of intangible assets and property, plant and equipment	—	128
Profit on disposal of intangible assets and property, plant and equipment	(823)	(1)
Share-based payment expense/(reversal)	14 564	(8 772)
Loss on disposal of subsidiaries	—	2 176
Adjusted EBITDA	304 911	252 345

Notes to the interim condensed consolidated financial statements

for the six months ended 31 January 2026

1 REPORTING ENTITY

iOCO Limited (iOCO or the Company) is a holding company domiciled in South Africa that is listed on the JSE Limited under the category Technology: Software and Computer Services. iOCO is one of the largest information and communications technology (ICT) services providers in South Africa and is committed to providing the technology, knowledge, skills and organisational ability critical to the development and growth of the markets it serves. The interim condensed consolidated financial statements of iOCO, as at 31 January 2026 and for the six months then ended, comprise the Company and its subsidiaries (together referred to as the Group).

2 STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards Accounting Standards (IFRS[®] Accounting Standards) and its interpretations adopted by the International Accounting Standards Board (IASB) and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and contain at a minimum the information required by IAS 34 *Interim Financial Reporting*, the requirements of the Companies Act, 71 of 2008 of South Africa and the JSE Limited Listings Requirements.

These interim condensed consolidated financial statements were compiled under the supervision of Ashona Kooblall CA(SA), the Group Chief Financial Officer (CFO).

3 BASIS OF PREPARATION

The accounting policies and methods of computation applied in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the previous consolidated annual financial statements.

The interim condensed consolidated financial statements do not include all the notes of the type normally included in a set of consolidated annual financial statements. Accordingly, this report is to be read in conjunction with the audited consolidated annual financial statements for the year ended 31 July 2025.

The interim condensed consolidated financial statements have been prepared on the historical cost basis.

The interim condensed consolidated financial statements are presented in South African Rand, which is the Group's presentation currency, rounded to the nearest thousand except for when otherwise indicated. The going concern basis was used in preparing the interim condensed consolidated financial statements as the directors have a reasonable expectation that the Group will continue as a going concern for the foreseeable future. Refer to note 4 for further information.

The interim condensed consolidated financial statements have not been audited or reviewed by the Group's external auditor.

Notes to the interim condensed consolidated financial statements

continued

for the six months ended 31 January 2026

4 GOING CONCERN

The IFRS Conceptual Framework states that the going concern concept is an underlying assumption in the preparation of financial statements. Therefore, the financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting is required. The Board of Directors (Board) believes that, as of the date of this report, the going concern presumption is still appropriate and accordingly the interim condensed consolidated financial statements have been prepared on the going concern basis of accounting.

IAS 1 *Preparation of Financial Statements* (IAS 1) requires management to perform an assessment of the Group's ability to continue as a going concern. If management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, IAS 1 requires these uncertainties to be disclosed.

In conducting this assessment, the Board has taken into consideration the following factors:

The financial performance, condition and cash flows for the Group reflect a profit for the period of R180 million compared to the prior period, which had a profit of R123 million, net asset value at the end of the period of R903 million (31 July 2025: R753 million), and cash inflows from operating activities of R89 million (2025: inflows of R218 million) for the period. Details of the financial performance, condition and cash flows for the Group are explained in the interim condensed consolidated financial statements. A detailed action plan for deleveraging the Group to a sustainable level and resolving the fit-for-purpose cost structure was developed by the Group and its lenders and committed to. Since its announcement in October 2019, and subsequent revisions, the plan has been largely executed. Non-core businesses identified to be sold have been successfully disposed of and proceeds received from these disposals have been repaid to lenders as part of the Group's deleveraging strategy and commitment. The Group has also made significant progress on its debt repayments during the current period.

As at period end, the Group had R379 million of cash available, including foreign and restricted cash but excluding the undrawn portion of the direct overdraft facility of R250 million, which was available at reporting date and remains at the Group's disposal. The Group expects to be in a positive free cash flow position in the forthcoming financial year.

The directors' assessment of whether the Group is a going concern was considered and the directors concluded that:

1. The Group is solvent and is expected to remain solvent after considering the approved budget and expected performance
2. Net asset value as at 31 January 2026 is R903 million
3. The Group's current assets exceed its current liabilities by R473 million
4. There is an approved budget for the following 27 months
5. There are monthly cash flow forecasts for the following 12 months to 31 January 2027 and annual forecasts for the 18 months to 31 July 2027, which were interrogated and adjusted for anomalies for each of the periods under review together with a detailed review of one-off cash payments
6. The Group has sufficient access to facilities and liquidity events to fund operations for the following 12 months based on the following assumptions:
 - Improved operational performance
 - The Group's assets are appropriately insured
 - There is currently no outstanding litigation, that the directors believe has not been adequately provided for, that could pressurise the Group's ability to meet its obligations.

At the time of approval of these interim condensed consolidated financial statements for the period ended 31 January 2026, the Board has a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future, which is not less than 12 months from the date of approval of these interim condensed consolidated financial statements.

The Board remains focused on and committed to the turnaround strategy and improving the capital structure.

The Board has concluded that the Group should be able to discharge its liabilities as they fall due in the normal course of business and is therefore of the opinion that the going concern assumption is appropriate in the preparation of the interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

continued

for the six months ended 31 January 2026

5 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

Certain amendments to accounting standards became effective from 1 August 2025. These did not have a material impact on the Group.

6 REVENUE

Disaggregated revenue

<i>Figures in Rand thousand</i>	Unaudited for the six months to 31 January 2026	Unaudited for the six months to 31 January 2025
Revenue by sector		
Public sector	9%	11%
Private sector	91%	89%
Total	100%	100%
Major revenue types		
Hardware sales	274 177	201 484
Services	2 062 545	2 073 480
Software/licence contracts	492 627	456 311
Rentals*	—	1 312
Total	2 829 349	2 732 587
Timing of revenue recognition		
Goods or services transferred to customers:		
- at a point in time	1 053 191	926 334
- over time	1 776 158	1 806 253
Total	2 829 349	2 732 587

* Rentals recognised are excluded from revenue from contracts with customers and accounted for under IFRS 16 Leases. These have been included per sector above and have been included as being recognised over time.

The Group recognised revenue as a principal of R2 750 million (period ended 31 January 2025: R2 613 million) and as an agent of R79 million (period ended 31 January 2025: R120 million).

Notes to the interim condensed consolidated financial statements

continued

for the six months ended 31 January 2026

7 HEADLINE EARNINGS PER SHARE

	Unaudited for the six months to 31 January 2026	Unaudited for the six months to 31 January 2025
Headline earnings per share and diluted headline earnings per share		
Headline earnings (R'000)	176 742	122 715
Weighted average number of shares in issue ('000)	629 521	630 287
Diluted weighted average number of shares in issue ('000)	629 521	630 287
Headline earnings per share (cents)	28	19
Diluted headline earnings per share (cents)	28	19

Figures in Rand thousand

Reconciliation between earnings, headline earnings and diluted headline earnings	Unaudited for the six months to 31 January 2026		Unaudited for the six months to 31 January 2025	
	Gross	Net	Gross	Net
Profit attributable to owners of iOCO Limited	177 387	177 387	120 446	120 446
Adjusted for:				
Profit on disposal of intangible assets and property, plant and equipment	(823)	(645)	(1)	(1)
Loss on disposal of subsidiaries	–	–	2 176	2 176
IAS 36 net impairment loss on intangible assets and property, plant and equipment	–	–	128	94
Total non-controlling interest effects on adjustments	–	–	–	–
Headline earnings	176 564	176 742	122 749	122 715

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

8 NET FINANCIAL ASSET IMPAIRMENT REVERSALS/(LOSSES)

Impairment reversals/(losses) on financial assets recognised in profit or loss comprise the following:

<i>Figures in Rand thousand</i>	Unaudited for the six months to 31 January 2026	Unaudited for the six months to 31 January 2025
Impairment reversal/(loss) on trade and other receivables	2 360	(5 340)
Impairment (loss)/reversal on contract assets	(250)	1 034
	2 110	(4 306)

9 PROPERTY, PLANT, EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

The Group acquired property, plant, equipment and right-of-use assets at a value of R67.9 million (year ended 31 July 2025: R25.9 million) and intangible assets at a value of R21.9 million (year ended 31 July 2025: R31.9 million). The Group disposed of property, plant, equipment and right-of-use assets with a carrying value of R0.5 million (year ended 31 July 2025: R1.9 million) and intangible assets with a carrying value of R0.7 million (year ended 31 July 2025: R2.0 million).

No impairment losses against property, plant, equipment and right-of-use assets and intangible assets were recognised during the current or prior periods.

10 GOODWILL

<i>Figures in Rand thousand</i>	Unaudited at 31 January 2026	Audited at 31 July 2025
Cost	2 339 220	2 339 220
Accumulated impairment losses	(1 769 042)	(1 769 042)
Opening balance	570 178	570 178
Disposals	–	–
Impairment losses	–	–
Closing balance	570 178	570 178
Cost	2 339 220	2 339 220
Accumulated impairment losses	(1 769 042)	(1 769 042)
Closing balance	570 178	570 178

Impairment of goodwill

During the six months ended 31 January 2026, the Group performed a review of goodwill impairments in certain cash-generating units (CGUs). Where impairment indicators were identified, the carrying amounts of the CGUs were compared to their respective recoverable amounts. These recoverable amounts were determined through value-in-use calculations, discounting estimated post-tax projected cash flows using a post-tax discount rate. No CGUs were impaired during the period.

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

11 INVENTORIES

<i>Figures in Rand thousand</i>	Unaudited at 31 January 2026	Audited at 31 July 2025
Finished goods	49 070	51 478
Consumables	587	275
Work-in-progress	16 188	27 335
	65 845	79 088
Allowance for write-down of inventories to net realisable value	(10 610)	(10 287)
	55 235	68 801
Cost of goods sold during the period	611 769	473 060

Write-down of inventories of R0.1 million (six months to 31 January 2025: write-down of R1.5 million) to net realisable value was recognised as an expense during the period and included in cost of sales in the interim condensed consolidated statement of profit or loss and other comprehensive income.

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

12 STATED CAPITAL

<i>Figures in Rand thousand</i>	Unaudited at 31 January 2026	Audited at 31 July 2025
Stated capital		
Opening balance	4 774 521	4 774 521
Movement in treasury shares - settlement of share-based payments	23 982	–
Share buybacks	(27 166)	–
Closing balance	4 771 337	4 774 521

Authorised

7 500 000 000 (2025: 7 500 000 000) ordinary shares of no par value.
40 000 000 (2025: 40 000 000) A shares of no par value.

Unissued

6 861 916 579 (2025: 6 861 916 579) unissued ordinary shares.

Issued

<i>Figures in thousand</i>	Unaudited at 31 January 2026	Audited at 31 July 2025
Reconciliation of the number of ordinary shares in issue		
Opening balance	638 083	638 083
Shares in issue at the end of the period (fully paid)	638 083	638 083
Less:		
Treasury shares held in the Group share incentive schemes	(2 341)	(2 341)
Treasury shares held by wholly owned subsidiaries of the Group	(6 221)	(5 455)
Closing balance	629 521	630 287
A shares of no par value:		
Reconciliation of the number of shares in issue		
Opening balance*	40 000	40 000
Closing balance	40 000	40 000

* The Lebashe transaction was approved by shareholders on 18 September 2018 and effectively implemented on 1 October 2018. Lebashe received 40 million unlisted A shares, which was to be redeemed in five years on 1 October 2023 through an ordinary share issue.

As at 13 February 2023 and in keeping with the spirit of the 2018 empowerment transaction, the Company and Lebashe have amended the A share terms by:

- (i) Amending the strike price of the A shares from R90 per ordinary share to a price per ordinary share equal to the closing ordinary share price on the day following the publication of the results of the rights offer increased by a 25% CAGR, which amounted to R11.81 per share.
- (ii) Extending the maturity of the A shares by a further five years until 30 September 2028, as well as amending the Amended and Restated Relationship Agreement (being one of the key agreements of the 2018 empowerment transaction) to further enable Lebashe to add value as a strategic partner of iOCO. The effect of the A share amendments was to provide Lebashe with a reasonable prospect of it being issued with iOCO ordinary shares upon maturity of the A shares, while also extending the life of the Company's empowerment transaction (and the resultant benefits thereof to the Company) by a further five years.

The A shares rank equal to an iOCO ordinary share in respect of voting rights and each A share will receive cash dividends in an amount equal to the value of 15% of dividends paid by iOCO to ordinary shareholders. The remaining 85% of the dividend value will be accrued and redeemed through the redemption of the A shares. Despite the variability in the number of iOCO ordinary shares that will be issued, the obligation to Lebashe is accounted for as a share-based payment transaction.

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

12 STATED CAPITAL continued

Share buybacks

The Group continued executing its authorised share repurchase programme, which commenced on 1 August 2025, following shareholder approval granted at the general meeting held on 23 May 2025. The programme forms part of management's capital allocation strategy aimed at optimising the statement of financial position and supporting long-term growth.

During the reporting period from 1 August 2025 to 31 January 2026, the Group cumulatively repurchased 6 475 392 shares at a cost of R27 million, representing approximately 1% of its issued share capital. Shares have been repurchased at prices ranging from R3.95 to R4.65 per share. All repurchased shares were held as treasury shares at the end of the period.

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

13 OTHER FINANCIAL LIABILITIES

<i>Figures in Rand thousand</i>	Unaudited at 31 January 2026	Audited at 31 July 2025
Interest-bearing liabilities	637 792	658 594
Interest-bearing bank loans secured through Security SPV	511 539	541 274
Project finance loan	113 456	113 456
Unsecured interest-bearing bank loans	12 797	3 864
Non-interest-bearing liabilities	–	–
Cash-based long-term incentive*	–	–
Total other financial liabilities	637 792	658 594
Non-current financial liabilities	447 696	481 717
Current financial liabilities	190 096	176 877
	637 792	658 594
Reconciliation of other financial liabilities - financial instruments		
Opening balance	658 594	951 640
Repayment of bank overdraft	–	(192 585)
Proceeds from other financial liabilities	1 770	–
Repayment of other financial liabilities	(30 769)	(102 538)
Dividends payable to non-controlling interests	8 311	–
Interest accrued on other financial liabilities	26 938	70 714
Interest repaid on other financial liabilities	(27 158)	(71 607)
Amortisation of debt restructuring fee	1 012	1 689
Payment of debt restructuring fee	–	(559)
Other non-cash items	(906)	1 840
Closing balance	637 792	658 594
Reconciliation of other financial liabilities - non-financial instruments		
Opening balance of the cash-based long-term incentive*	–	8 771
Remeasurement of the cash-based long-term incentive*	–	(8 771)
Closing balance	–	–
Financial instruments		
Measured at amortised cost	637 792	658 594
	637 792	658 594

* The cash-based long-term incentive is measured in accordance with IFRS 2.

Notes to the interim condensed consolidated financial statements

continued

for the six months ended 31 January 2026

13 OTHER FINANCIAL LIABILITIES continued

Interest-bearing bank loans are secured through a Security SPV, which requires that the South African wholly owned subsidiaries of the Group provide a pledge and cession of:

- All shares in, and claims on loan account against, any member of the Group incorporated in South Africa
- Cash
- Cash equivalents
- Bank accounts
- Investments
- Claims
- Disposal proceeds
- Any other amounts, of any nature whatsoever, now or from time to time in the future owing to that obligor by any third person arising out of any cause of action whatsoever, including, without limitation, all amounts owing or becoming payable to that obligor by any of its debtors
- Related rights.

South African wholly owned subsidiaries contributing more than 70% of the Group's revenue, EBITDA and gross assets are pledged as required above.

The Group has the following loans and facilities secured through the Security SPV:

- An amortising term loan of R77 million at period end, currently bearing interest at three-month JIBAR + 2.65% repayable in equal amounts quarterly until March 2027
- A bullet term loan of R226 million at period end, currently bearing interest at three-month JIBAR + 2.75% repayable in March 2027, following negotiation of a one-year extension
- R250 million four-year revolving credit facility drawn to an amount of R209 million at period end, currently bearing interest at three-month JIBAR + 2.95%, repayable in March 2027
- R500 million general banking facilities, which include a working capital facility bearing interest at prime + 1% and ancillary banking facilities.

The Group has the following debt covenant limits in respect of the above-mentioned loans:

- Debt to EBITDA ratio of 2.00x or lower, whereas the actual ratio was 1.28x
- Debt service coverage ratio to free cash flow of 1.20x or higher, whereas the actual ratio was 1.84x
- Interest cover ratio of 3.75x or higher, whereas the actual ratio was 7.24x.

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

14 PROVISIONS

<i>Figures in Rand thousand</i>	Provision for litigation	PAYE provision	Onerous contracts	Total
Opening balance at 1 August 2024	–	3 020	30 079	33 099
Raised during the year	10 000	–	3 851	13 851
Paid	–	(3 020)	–	(3 020)
Utilised	(1 917)	–	(22 558)	(24 475)
Audited balance at 31 July 2025	8 083	–	11 372	19 455
Raised during the period	–	–	922	922
Utilised	(1 395)	–	(6 718)	(8 113)
Unaudited balance at 31 January 2026	6 688	–	5 576	12 264

The provision for litigation relates to a dispute the Group is currently involved in related to an alleged storage array issue that resulted in damages being claimed by a client. The provision recognised reflects the Group's obligation to cover the insurance excess associated with the claim. The matter remains ongoing and developments continue to be monitored.

SARS has performed an audit regarding PAYE on an entity in the Group, Rosstone Consulting Proprietary Limited, and issued its assessment. The Group is objecting to this assessment and intends to appeal. A provision of R3 million was paid to SARS during the prior year.

Provisions also include onerous contract provisions, where there is uncertainty on the final amount, which is the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contracts, with the timing of outflow expected to be in the next financial period.

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

15 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value disclosures

The following table shows the carrying amounts and fair values of financial assets and financial liabilities at 31 January 2026:

<i>Figures in Rand thousand</i>	Carrying amount	
	Amortised cost	Fair value
Financial assets		
Cash and cash equivalents	378 939	378 939
Trade and other receivables	930 493	930 493
Finance lease receivables	990	990
Other financial assets	32 367	32 367
Financial liabilities		
Trade and other payables	421 329	421 329
Lease liabilities	87 327	87 327
Other financial liabilities	637 792	637 792

The following table shows the carrying amounts and fair values of financial assets and financial liabilities at 31 July 2025:

<i>Figures in Rand thousand</i>	Carrying amount	
	Amortised cost	Fair value
Financial assets		
Cash and cash equivalents	399 264	399 264
Trade and other receivables	1 016 288	1 016 288
Finance lease receivables	16 950	16 950
Other financial assets	29 396	29 396
Financial liabilities		
Trade and other payables	568 886	568 886
Lease liabilities	52 186	52 186
Other financial liabilities	658 594	658 594

The Group does not have any financial instruments that are subject to offsetting.

The carrying amounts of all cash and cash equivalents, short-term receivables and short-term payables approximate their fair values due to their short-term nature.

The carrying amounts of other financial liabilities and assets and lease receivables and payables approximate their fair values due to the nature and contractual terms of the instruments.

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

16 CASH GENERATED FROM OPERATIONS

<i>Figures in Rand thousand</i>	Unaudited for the six months to 31 January 2026	Unaudited for the six months to 31 January 2025
Profit before taxation	208 579	165 296
Adjustments for:		
Depreciation and amortisation	50 850	45 032
IAS 36 net impairment loss on intangible assets and property, plant and equipment	–	128
(Profit)/loss on disposal of subsidiaries, property, plant and equipment	(823)	2 175
Share-based payment expense/(reversal)	14 564	(8 772)
Net finance costs	31 741	48 486
Net financial asset impairment (reversals)/losses	(2 110)	4 306
Inventory write-off	148	1 528
Movement in provisions	(7 191)	3 970
Foreign exchange losses	3 624	8 510
Other non-cash items	(5 225)	(2 649)
Cash generated before changes in working capital	294 157	268 010
Working capital changes net of effects of disposal of subsidiaries	(133 038)	34 177
Decrease/(increase) in inventories	13 419	(5 315)
(Increase)/decrease in trade and other receivables	(32 838)	24 092
(Decrease)/increase in trade and other payables	(113 619)	15 400
Historical share-based payment plans paid out during the period	–	(563)
Cash generated from operations	161 119	301 624

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

17 RELATED-PARTY TRANSACTIONS

The Group entered into various transactions with related parties.

<i>Figures in Rand thousand</i>	Unaudited at 31 January 2026	Audited at 31 July 2025
Transactions between Group companies (subsidiaries)		
Sale of products and services	219 927	410 363
Purchases of products and services	154 278	271 798
Operating expenses	65 649	138 565
Outstanding loan balances		
Loans from iOCO Limited to subsidiaries	1 118 197	1 118 197
Loans to iOCO Limited from subsidiaries	145 967	145 929

18 CONTINGENCIES AND COMMITMENTS

Parent company guarantees

In May 2019, iOCO Limited issued a parent Company guarantee (PCG), as required by a client, in support of its wholly owned subsidiary, PiA Solar SA Proprietary Limited (PiA). The guarantee covered both the construction phase and the post-handover period, including an operational warranty guarantee. In the event of underperformance by PiA, the guarantee could require the Group to either ensure physical performance or settle any underperformance in cash. While PiA has experienced certain operational challenges, the Group implemented measures to minimise any potential impact of the PCG. All the projects subject to the PCG are now substantially complete and are in the process of being handed over to the client. The Group continues to monitor and manage these projects to ensure that any associated risks are effectively mitigated. The continued provision of the guarantee is under discussion with the client.

Litigation

iOCO and its subsidiaries are involved in various litigation matters at different stages of legal process. These matters primarily arise in the ordinary course of business, with some relating to legacy issues. None of these matters, individually or collectively, are considered material. The Group does not expect the resolution of these matters to have a materially adverse effect on its consolidated financial position, performance or cash flows.

Commitments

<i>Figures in Rand thousand</i>	Unaudited at 31 January 2026	Audited at 31 July 2025
Expected, but not yet contracted, capital expenditure	47 000	26 607
Contractual obligation for future lease payments	97 423	42 375
	144 423	68 982

Notes to the interim condensed consolidated financial statements

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for the six months ended 31 January 2026

19 EVENTS AFTER REPORTING DATE

Acquisition of the MySky Group of Companies

On 12 March 2026, the Group entered into a binding agreement to acquire 100% of the issued share capital of the MySky Group of Companies, a group of four companies that is a South African enterprise networking and managed infrastructure services. The acquisition is expected to strengthen iOCO's networking capability, expand access to new enterprise clients and provide scalable recurring revenue growth, and is expected to be completed within three months from the date of authorisation of these unaudited interim condensed consolidated financial statements subject to certain conditions precedent.

The transaction carries a purchase price comprising R47 million in cash, R5 million payable through the issue of iOCO shares subject to vesting conditions over a three-year period, and a contingent element of consideration depending on future performance over a two-year period. The MySky Group of Companies is expected to contribute approximately R80 million in annual revenue and R10 million in profit after tax to iOCO in the first full year of ownership. The Group is in the process of performing an assessment of the fair value of the assets and liabilities to be acquired, which will be completed during the current financial year in accordance with IFRS 3 *Business Combinations*.

Corporate information

iOCO Limited

Incorporated in the Republic of South Africa
(Registration number: 1998/014669/06)
JSE share code: IOC
ISIN code: ZAE00071072
(iOCO or the Company or the Group)

Directorate

Non-executive

Jabu Moleketi* (Chairman)
Andrew Marshall (Lead Independent Non-executive Director)
Veronica Motloutsi (resigned effective 3 December 2025)
Nompumelelo Mokou*
Lerato Pule (appointed effective 4 December 2025)

* *Non-independent, Non-executive Director.*

Executive

Ashona Kooball (Group Chief Financial Officer)
Rhys Summerton (Group Chief Executive Officer)
Dennis Venter (Joint Group Chief Executive Officer)
(resigned effective 25 February 2026)

Company secretary

Mpeo Nkuna (resigned effective 30 September 2025)
Anisha Naidoo Umichand (appointed effective 1 October 2025)

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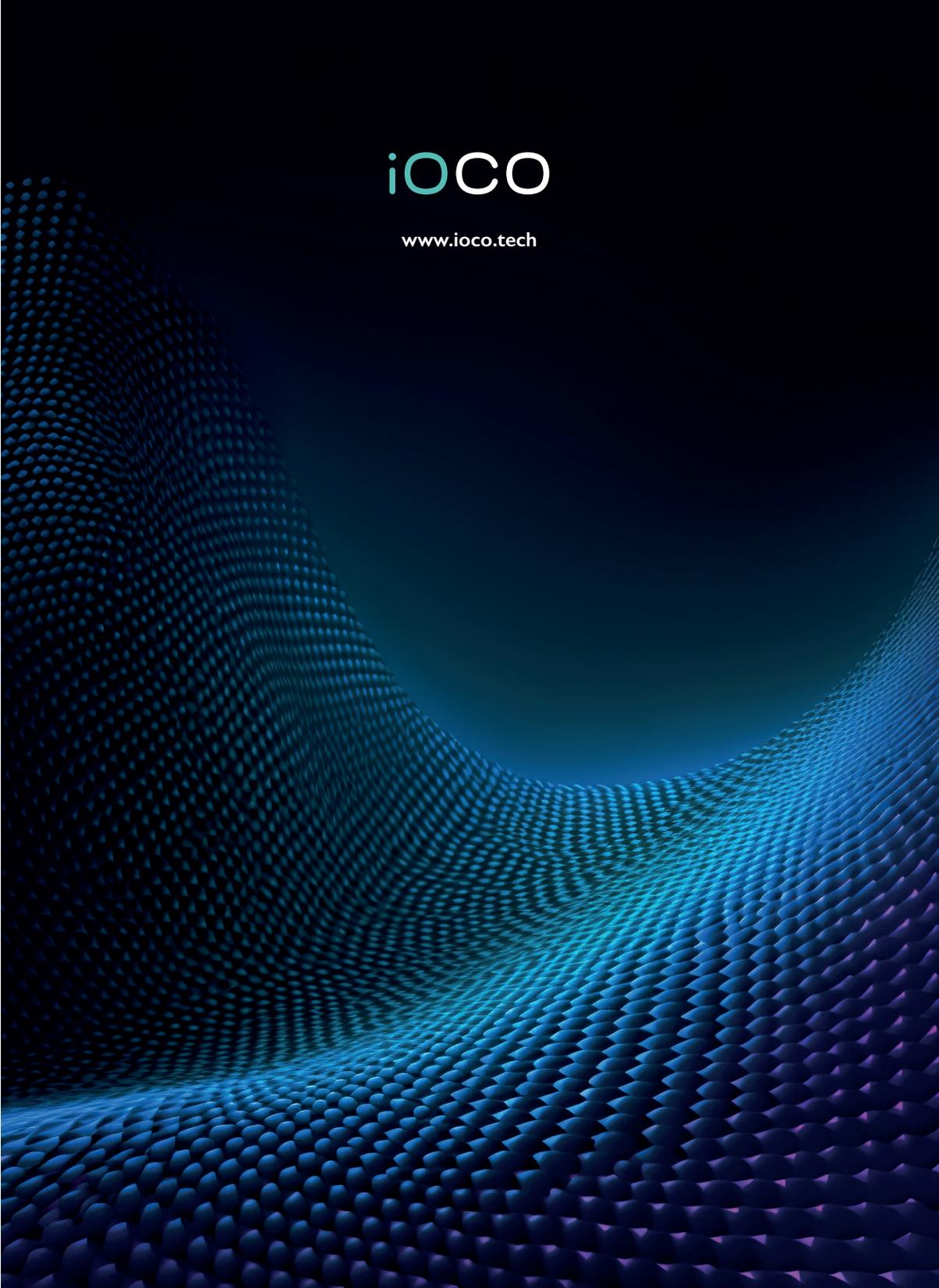
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Transfer secretaries

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