

BELL EQUIPMENT LIMITED

**CONSOLIDATED
ANNUAL FINANCIAL STATEMENTS**

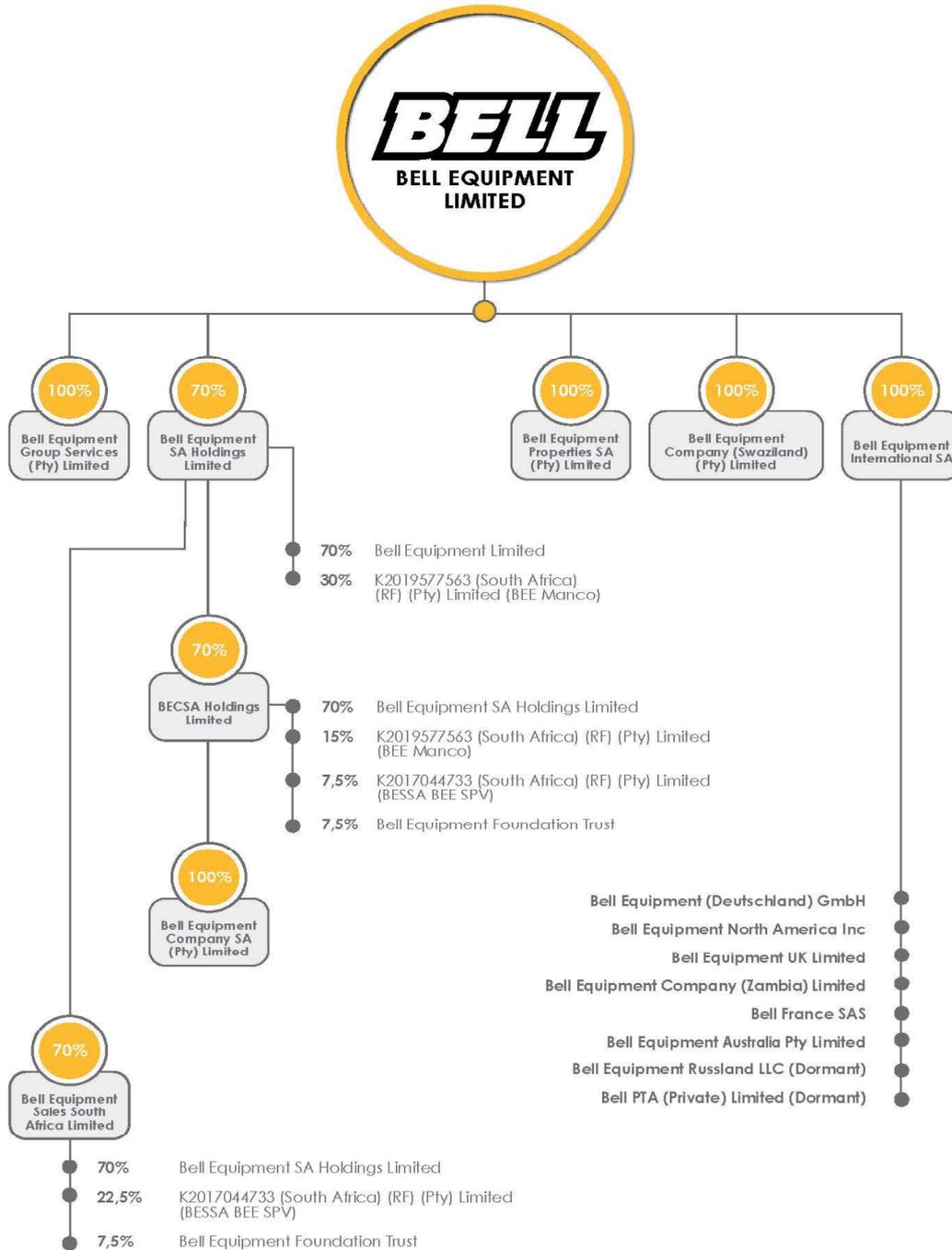
31 December 2025

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Global corporate structure



BELL EQUIPMENT LIMITED
RESPONSIBILITY FOR FINANCIAL STATEMENTS
31 December 2025

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Declaration in terms of the Companies Act, 71 of 2008 (as amended) (Companies Act)

The preparation of the annual financial statements for the year ended 31 December 2025, which appear on pages 6 to 12 and 22 to 100, has been supervised by the group finance director of Bell Equipment Limited, Mrs KJ van Hagt.



KJ van Hagt CA(SA)
Group CFO
30 March 2026

BELL EQUIPMENT LIMITED
RESPONSIBILITY FOR FINANCIAL STATEMENTS (continued)
31 December 2025

**Approval of the annual financial statements
for the year ended 31 December 2025**

The directors of Bell Equipment Limited are responsible for the integrity of the annual financial statements of the group and that the other information in these statements is fairly presented.

In order to fulfil this responsibility, the group maintains internal accounting and administrative control systems and procedures designed to provide assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the group's policies and procedures.

The annual financial statements have been prepared in accordance with IFRS® Accounting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and in accordance with the requirements of the Companies Act of South Africa, and have been examined by independent auditors in conformity with International Standards on Auditing.

The directors of Bell Equipment Limited are of the opinion that the group has adequate resources to continue in operation for the foreseeable future. The consolidated financial statements have therefore been prepared on a going concern basis.

The annual financial statements of the group which appear on pages 6 to 12 and 22 to 100 were approved by the board of directors on 26 March 2026 and signed on behalf of the board of directors on 30 March 2026, and authorised for its issue and release on 30 March 2026:



Gary Bell
Non-executive chairman
30 March 2026



Ashley Bell
Chief executive

BELL EQUIPMENT LIMITED
RESPONSIBILITY FOR FINANCIAL STATEMENTS (continued)
31 December 2025

Declaration by Chief Executive (CEO) and Chief Financial Officer (CFO)
for the year ended 31 December 2025

Each of the directors, whose names are stated below, hereby confirm that:

- a. the annual financial statements set out on pages 6 to 12 and 22 to 100, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- b. to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- c. internal financial controls have been put in place to ensure that material information relating to Bell Equipment Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements;
- d. the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- e. where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies.
- f. we are not aware of any fraud that involves directors.



Ashley Bell
Group CEO
30 March 2026



Karen van Hagt
Group CFO

Certification by Group Company Secretary
for the year ended 31 December 2025

I certify that the company has, in respect of the financial year reported on, lodged with the Companies and Intellectual Property Commission (CIPC) all returns and notices required of a public company and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.



D McIlrath
Company secretary
30 March 2026

BELL EQUIPMENT LIMITED
DIRECTORS' REPORT
for the year ended 31 December 2025

The directors submit the annual financial statements for the group (Bell Equipment Limited and its subsidiaries) for the year ended 31 December 2025.

NATURE OF BUSINESS

Bell Equipment is recognised as a global ADT specialist with the largest and most advanced range in the world. It designs and manufactures a wide range of products. This includes a complete range of Bell forestry and agriculture products.

Through strategic partnerships with global manufacturers such as JCB, Kobelco and Finlay, Bell complements its own product range in South Africa where it is a full range materials handling distributor and an equipment supplier of choice.

Following the launch of the Bell motor grader product line in 2025, which is being rolled out to market starting in southern Africa, a supply agreement was concluded with CNH Industrial America LLC in March 2026 to supply Case Construction Equipment branded motor graders for exclusive distribution in the USA and Canada, with first deliveries expected in the second half of 2026.

With machines operating in over 80 countries worldwide, the group values its global support network, which supplies equipment, ancillary products and after sales services. This network is, in turn, supported by a robust OEM structure to ensure efficient lines of communication between end users of the product and the group globally.

FINANCIAL RESULTS

The results of the group are fully disclosed in the accompanying financial statements and notes thereon, the finance director's report and in the joint chairman and chief executive's report which will appear in the integrated annual report when distributed.

The comprehensive annual financial statements of the group have been approved by the board.

SUBSIDIARY COMPANIES

The names of the company's main subsidiaries and financial information relating thereto appear in note 41 to the annual financial statements.

STATED CAPITAL

The company's authorised share capital remains at 100 000 000 ordinary shares of no par value. The stated capital account as at 31 December 2025 comprised 95 629 385 (December 2024: 95 629 385) ordinary shares of no par value, with 32 233 treasury shares in the name of the subsidiary, Bell Equipment Group Services Proprietary Limited.

DIVIDENDS

The directors have resolved to declare a final gross cash dividend of 100 cents per share for the 2025 financial year (2024: 160 cents).

The final dividend number 20 is 100 cents per share. The net final dividend is 80 cents per share for ordinary shareholders who are subject to the 20% dividend withholding tax.

Dividend declared	Monday, 30 March 2026
Last day to trade cum dividend	Tuesday, 21 April 2026
Shares trade ex dividend	Wednesday, 22 April 2026
Record date	Friday, 24 April 2026
Payment date	Tuesday, 28 April 2026

The directors concluded that the group would comply with the solvency and liquidity test and would be both solvent and liquid subsequent to such dividend distributions.

PROPERTY, PLANT AND EQUIPMENT

The group's accounting policy in respect of property, plant and equipment is recorded in note 7 to the annual financial statements.

SHARE-BASED PAYMENT SCHEMES WITH EMPLOYEES

Information relating to the incentive schemes is set out in note 33 to the annual financial statements.

BELL EQUIPMENT LIMITED
DIRECTORS' REPORT (continued)
for the year ended 31 December 2025

DIRECTORS AND COMPANY SECRETARY

The names of the directors in office at the date of this report are:

Independent non-executive directors

Hennie van der Merwe (lead independent non-executive director)
Derek Lawrance
Rajendran Naidu
Mamokete Ramathe
Ushadevi Maharaj
Markus Geyer
Shane Fitzpatrick (appointed on 1 July 2025)
Harish Ramsumer (appointed on 1 December 2025)

Non-executive director

Gary Bell (chairman)

Executive directors

Ashley Bell (chief executive)
Karen van Hagt (chief financial officer)
Avishkar Goordeen (alternate executive director to Karen van Hagt since 4 September 2025)
Stephen Jones (alternate executive director to Ashley Bell appointed on 4 September 2025)

Hennie van der Merwe, Ushadevi Maharaj and Derek Lawrance retire by rotation at the forthcoming AGM. Hennie van der Merwe and Ushadevi Maharaj being eligible, offered themselves for re-election and their re-election is recommended by the board. Derek Lawrance has notified the board that he does not intend standing for re-election and shall step down as a director after the conclusion of the forthcoming AGM.

The group company secretary is Diana McIlrath. Her particulars and business address appear on page 104 of the annual financial statements.

Further details of the directors and group executive committee (GEC) of the Bell Equipment group at the date of this report will appear in the leadership report of the integrated annual report when distributed.

DIRECTORS' INTEREST IN SHARES

As at the end of the year under review the directors' shareholdings were as follows:

	Number of shares held			
	Direct beneficial		Associates	
	2025	2024	2025	2024
GW Bell	-	-	23 701	23 701
AJ Bell	30	30	-	-

There has been no change in the shareholding of directors between the end of the financial year and the date of this report.

The remuneration paid to directors of the company during the period under review is set out in note 42 to the annual financial statements.

MAJOR SHAREHOLDER

The major shareholder in Bell Equipment Limited as at 31 December 2025 was:

I A Bell & Company Proprietary Limited	2025	2024
	70.10%	70.10%

GW Bell and AJ Bell are directors of I A Bell & Company Proprietary Limited and GW Bell holds a 24% shareholding in I A Bell & Company Proprietary Limited.

INTERNAL CONTROL

The board is accountable for the system of internal controls for the group. The output of the risk management process, in conjunction with the work of the assurance providers, indicates to the directors that the controls in place, including financial controls, are adequate and effective.

Furthermore, no material losses, exposures, financial misstatements or compliance breaches have been reported to the directors for the financial year.

The directors recognise that, at any point in time, there are areas for improvement in internal controls and new areas of risk exposure, which may require management attention. As such, there is a continual focus on ensuring that the control environment within each business area is understood and maintained at the required level and that process and control improvements are implemented where necessary.

The directors confirm that the audit committee has executed its responsibilities as set out in paragraph 5.7(h) of the JSE Listings Requirements.

BELL EQUIPMENT LIMITED
DIRECTORS' REPORT (continued)
for the year ended 31 December 2025

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LITIGATION STATEMENT

The directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the previous 12 months, a material effect on the group's financial position.

GOING CONCERN STATEMENT

At the time of approving these annual financial statements, the board of directors is of the opinion that, after making enquiries, it has a reasonable expectation that the group has sufficient resources to maintain its operational existence for the foreseeable future and therefore believes that the going concern assumption is appropriate.

SUBSEQUENT EVENTS

Shareholders are referred to note 40 to the annual financial statements.

No other facts or circumstances material to the appreciation of this report have occurred between 31 December 2025 and the date of this report.

CONCLUSION

The company is in compliance with the provisions of the Companies Act, specifically in relation to its incorporation and it is operating in conformity with its Memorandum of Incorporation (MOI).

Signed on behalf of the board



Gary Bell
Non-executive chairman
30 March 2026



Ashley Bell
Chief executive

BELL EQUIPMENT LIMITED
AUDIT COMMITTEE REPORT
for the year ended 31 December 2025

The audit committee ('the committee') is pleased to present its report for the financial year ended 31 December 2025. The committee carried out its statutory responsibilities in terms of section 94(7) of the Companies Act and the report is in compliance with the provisions of the Companies Act, the JSE Listings Requirements and King IV™.

The committee conducted its work in accordance with its board approved charter that is in line with the Companies Act. The charter is reviewed annually and updated, where required.

COMPOSITION

The committee is constituted as a statutory committee and the members are elected at the AGM. It has an independent role with accountability to both the board and shareholders.

In terms of the Companies Act, at the AGM of the company, shareholders are required to elect the committee members. Four independent non-executive directors of Bell Equipment Limited were elected by shareholders at the 2025 AGM to serve until the next AGM in June 2026.

The committee was chaired by independent non-executive director Derek Lawrance, and comprised the chairman and three other independent non-executive directors, Mamokete Ramathe, Rajendran Naidu and Ushadevi Maharaj.

The chairman of the board, the chief executive and group finance director have a standing invitation to attend the meetings of the committee. The chairman of the board is however not a member of the committee. The group company secretary is the secretary of the committee.

The board is satisfied that for the 2025 year:

- the committee, acting as a collective, was adequately skilled to perform its role having regard to the size and circumstances of the company. The collective skills of the committee include an understanding of financial and sustainability reporting, internal financial controls, the internal audit function, the external audit process, corporate law, risk management, information technology (IT) governance as it relates to integrated reporting, and the governance processes of the company;
- individual members of the committee held appropriate financial and related qualifications, skills and financial expertise to discharge their responsibilities; and
- individual members of the committee were not involved in the day-to-day management of the company.

The following directors, whose profiles including their qualifications will appear in the integrated annual report when distributed, have been nominated to the committee, subject to shareholders election at the AGM to be held on Thursday, 4 June 2026:

- Mamokete Ramathe
- Rajendran Naidu
- Ushadevi Maharaj
- Harish Ramsumer

I have notified the board that I do not intend standing for re-election as a director and shall step down after the conclusion of the forthcoming AGM. I will also automatically step down as a committee member after the conclusion of the forthcoming AGM. The board, on recommendation by the nominations committee, is satisfied that the proposed elections to the committee of the four independent non-executive directors set out above will meet the requirements of the Companies Act and is therefore recommending their election for the ensuing year.

FREQUENCY AND ATTENDANCE OF MEETINGS

During the year under review, three meetings were held. Meetings are scheduled to coincide with the key dates in the group's financial reporting and audit cycle.

Attendance by members was as follows:

AUDIT COMMITTEE	25 March 2025	2 September 2025	19 November 2025
Derek Lawrance (chairman)	✓	✓	✓
Mamokete Ramathe	✓	✓	✓
Rajendran Naidu	✓	✓	✓
Ushadevi Maharaj	✓	✓	✓

OBJECTIVE AND SCOPE

The committee's main objective is to assist the board in fulfilling its oversight responsibilities, in particular with regard to evaluation of the adequacy and efficiency of accounting policies, internal controls and financial and corporate reporting processes. In addition, the committee assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditor.

BELL EQUIPMENT LIMITED
AUDIT COMMITTEE REPORT (continued)
for the year ended 31 December 2025

COMBINED ASSURANCE

The committee is of the view that the arrangements in place for combined assurance are adequate and the model was applied to provide a coordinated approach to all assurance activities; and in particular ensuring that the combined assurance received is appropriate to address all the significant risks facing the group. The committee has monitored the relationship between the external assurance providers and the group.

Further information on the combined assurance process is provided in the corporate governance report under risk management which will appear in the integrated annual report when distributed.

The committee has considered the contents of the financial statements, the group's accounting practices, the internal financial controls of the group and the finance function of the group in general and found all of these to be in order.

EXTERNAL AUDIT

At the company's AGM on 3 June 2025, PricewaterhouseCoopers Inc. ("PWC") was elected as the external auditor of Bell Equipment Limited and its subsidiaries (the group) for the financial year commencing on 1 January 2025, with Mr. Pieter Vermeulen as the designated engagement partner.

The committee assessed the suitability of the external auditor, and the designated engagement partner, as contemplated in terms of paragraph 5.7(h)(iii) of the JSE Listings Requirements. The assessment took into account the letter and the report received from PWC providing the information required in terms of paragraph 5.7(h)(iii) of the JSE Listings Requirements.

The committee gave due consideration to the independence of the external auditor, and the external auditor's independence was not prejudiced by any consultancy, advisory or other work undertaken. Audit and other services' fees are disclosed in note 28 to the annual financial statements.

The committee has applied its mind to the key audit areas and considered the key audit matter identified by the external auditor as follows:

- Market capitalisation considerations relative to the recorded net asset value of the group – impairment of property, plant and equipment, right-of-use assets and intangible assets.

The committee is satisfied that this has been adequately addressed and disclosed.

The committee reviewed and approved the proposed audit fee for the 2025 financial year. The committee is satisfied that the external auditor does not, except as external auditor or in rendering permitted non audit services, receive any remuneration or other benefits from the company. The fee is considered appropriate for the work that could reasonably have been foreseen at that time.

The group's policy is to use its external auditors for non audit services where the use of other consultants would not make sound commercial sense and where the external auditor's independence will not be compromised, and where good corporate governance is not compromised by the engagement. There is a formal procedure that governs the pre-approval process when the external auditor is considered for the provision of non audit services, and the allocation of such work is reviewed by the committee.

The external auditor has unrestricted access to the chairman of the committee. Meetings were held during the reporting period with the external auditor where management was not present, and no matters of concern were raised.

The committee received and reviewed reports from the external auditor concerning the effectiveness of the internal control environment, systems and processes and detailing the auditor's concerns arising out of the audit together with appropriate responses from management.

BELL EQUIPMENT LIMITED
AUDIT COMMITTEE REPORT (continued)
for the year ended 31 December 2025

INTERNAL AUDIT

The committee oversaw the activities of the internal audit function, undertaken by Ernst & Young as the appointed internal auditor, and considered the effectiveness of internal audit, approved the internal audit charter and the annual internal audit plan, and monitored adherence to the plan. The committee has satisfied itself that the internal auditor reports functionally to the audit committee.

The internal auditor performed the role of considering and reporting to the committee on the effectiveness of the internal financial controls for financial reporting and risk management in support of the attestation by the group chief executive officer (CEO) and chief financial officer (CFO) required in terms of the provisions of paragraph 5.9 of JSE Listings Requirements. The internal auditor tested and monitored the financial controls throughout the group in line with the JSE Listings Requirements. The statement by the group CEO and CFO in terms of paragraph 5.9 of JSE Listings Requirements is set out on page 5.

The committee reviewed the reports of internal audit detailing findings arising out of its audits and responses from management. The committee received and reviewed reports from internal audit concerning the effectiveness of the internal control environment, systems and processes.

INTERNAL FINANCIAL CONTROL

The committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and financial risk management, and for considering the major findings of any internal investigations into control weaknesses, fraud or misconduct and management's response thereto.

The CEO and CFO have reviewed the controls for financial reporting for the 2025 financial year and have presented their findings to the committee. During the current financial year, management evaluated relevant internal controls which address risk areas relating to financial reporting in group operations.

The CEO and CFO's evaluation of controls included:

- the identification and classification of risks;
- the identification of controls, including effective internal financial reporting controls, in a formalised internal controls framework which has been implemented throughout the group;
- the implementation of an internal controls self assessment tool and controls self assessments by managers;
- testing the design and determining the implementation of controls addressing high and low risk areas;
- utilising internal audit to test the operating effectiveness of controls addressing high risk areas; and
- obtaining control declarations from managers of group operations on the operating effectiveness of controls on an annual basis.

The committee is of the view, based on the representations made by internal audit, the CEO and the CFO that the group's internal controls were adequate and effective during the period under review and can be relied upon as a reasonable basis for the preparation of appropriate annual financial statements. The committee has discussed and documented the basis for its conclusion, and this included discussions with management, the external auditor and the internal auditor.

ACCOUNTING STANDARDS

The committee has considered all new standards, interpretations and amendments to standards in issue that still need to be adopted but are likely to affect the financial reporting in future years. The full impact of the new standard, *IFRS 18 Presentation and Disclosure in Financial Statements*, which is effective for annual periods beginning on or after 1 January 2027 has not yet been assessed, but the assessment of the requirements of this standard is in progress and will be completed in 2026. This standard requires retrospective application, meaning the comparative information for the 2027 financial year must be restated to comply with IFRS 18. The committee is satisfied that amendments to standards are not expected to have a material impact on the financial statements of the group and company.

EXPERTISE AND EXPERIENCE OF THE GROUP FINANCE DIRECTOR AND FINANCE FUNCTION

The committee has reviewed and has satisfied itself that the chief finance officer, Karen van Haght, has the appropriate skills, expertise and experience and confirms her suitability for serving as group finance director in terms of paragraph 5.7(h)(i) of the JSE Listings Requirements. The committee further considers that the expertise, resources and experience of the finance function are appropriate based on the nature, complexity and size of the group's operations.

BELL EQUIPMENT LIMITED
AUDIT COMMITTEE REPORT (continued)
for the year ended 31 December 2025

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GOING CONCERN, ANNUAL FINANCIAL STATEMENTS AND INTEGRATED ANNUAL REPORT

The committee considered the Bell Equipment Limited consolidated and company financial statements for the year ended 31 December 2025.

The committee considered the report of the JSE's Financial Reporting Investigations Panel on its findings arising from the Panel's monitoring of the financial reports published by JSE listed companies and has taken appropriate action to apply the findings.

The committee has considered those items within the financial statements which required significant judgement as reflected in note 4 to the consolidated annual financial statements.

The committee reviewed management's assessment of the going concern status of the group at year end and for the foreseeable future. The committee concurred with management's assessment that the group is a going concern and recommended the assumption of the going concern basis to the board.

In the committee's opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of the company and its subsidiaries as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act.

The committee fulfils an oversight role in respect of the preparation of Bell Equipment's integrated annual report. In conjunction with other board committees, the committee considered the non financial information disclosed in the integrated annual report. The committee shall incorporate the principles of King V™ in the preparation of next year's integrated annual report, and continues to comply and ensure the incorporation of the principles of King IV™ in the preparation of this year's integrated annual report.

The committee recommends the group's 2025 annual financial statements (of which this report forms part) and the 2025 integrated annual report, to the board for approval.

As the chairman of the committee I will attend the annual general meeting and will be available to answer any questions in relation to matters pertaining to the responsibilities of the committee.

CONCLUSION

The committee is satisfied that it has conducted its affairs and discharged its legal and other responsibilities as outlined in its charter, the Companies Act, JSE Listings Requirements and King IV™ and the board concurred with this assessment.



Derek Lawrance
Chairman
Audit committee
30 March 2026



Independent auditor's report

To the shareholders of Bell Equipment Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Bell Equipment Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Bell Equipment Limited's consolidated financial statements set out on pages 22 to 100 comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, 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

PricewaterhouseCoopers Inc.

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Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

Reg. no. 1998/012055/21, VAT reg.no. 4950174682

International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview



Final materiality

R83,641,883 which represents 0.75% of consolidated revenue.

Group audit scope

We determined the nature and extent of the audit procedures across the components within the group considering the size and/or risk profile of the components which resulted in 7 individual components that were subject to full scope audits and 4 components subject to an audit of one or more financial statement line items.

Key audit matters

Impairment assessment of property, plant and equipment, right-of-use-assets and intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, 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 consolidated financial statements as a whole.

Consolidated financial statements	
Final materiality	R83,641,883
How we determined it	0.75% of consolidated revenue.
Rationale for the materiality benchmark applied	We selected consolidated revenue as the benchmark because in our view, it is the benchmark against which the performance of the Group is most commonly measured by users. We applied a rule of thumb of 0.75% which is consistent with quantitative materiality thresholds used for profit-orientated companies in this sector.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our audit scoping was based on the Group's consolidation processes, our understanding of the Group and environment, group-wide controls and assessing the risks of material misstatement at a group level.

The identification of components was a key step in developing our group audit strategy and group audit plan. The identification of components impacts how we organized our response to the assessed risks of material misstatement of the consolidated financial statements, including where audit work may be performed.

A total of 23 components have been identified, which was based on identifying a single reporting entity with the Group's financial reporting structure and consolidation schedule. Each individual component represents a separate reporting entity across various countries. In considering the basis for selecting components to perform further audit procedures, we assessed whether components were significant due to risk or size, non-significant or inconsequential, based on significant and/or elevated audit risks of group financial statements and relative financial significance of the individual components. In assessing the risk of material misstatement of the consolidated financial statements and to ensure we had adequate quantitative coverage over the significant accounts in the consolidated financial statements, 7 individual components were subject to full scope audits and 4 components were subject to an audit of one or more financial statement line items.

Further specific audit procedures over central functions, the group consolidation and areas of significant judgement, including impairment testing over property, plant and equipment, right- of- use assets and intangible assets, were directly led by the group audit team.

Where work was performed by component auditors, we determined the level of involvement that was required in the audit work of those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as the basis of our opinion on the consolidated financial statements.

We issued formal written instructions to all component auditors setting out the audit work to be performed by each of them and maintained regular communication with the component auditors throughout the audit. These interactions included attending component clearance meetings, holding regular discussion calls, reviewing and assessing matters reported. The group engagement team also reviewed audit working papers of component teams to evaluate the sufficiency of audit evidence obtained and fully understand the matters arising from the component audits and conclusions reached.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 ISA 701 *Communicating key audit matters in the independent auditor’s report* / the EAR Rule (as applicable), we are required to report key audit matters and 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
<p>Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets</p> <p>Refer to the following accounting policies and notes to the consolidated financial statements for disclosures as it relates to this key audit matter:</p> <ul style="list-style-type: none"> • Note 4 Significant accounting judgements and significant accounting estimates. • Note 4.3 IAS 36 Impairment of Assets. • Note 5 Impairment considerations and impact on the financial results for the year ended 31 December 2025. • Note 7 Property, plant and equipment. • Note 8 Right-of-use assets. • Note 9 Intangible assets. <p>A significant portion of the Group’s total assets relate to Property, plant and equipment with a carrying value of R1,030 billion, Right-of-use assets of R346 million and Intangible assets with a carrying value of R320 million.</p> <p>The International Accounting Standard – Impairment of assets (“IAS 36”) requires an impairment test to be performed annually on the relevant cash generating units (“CGUs”) or groups of cash generating units (“CGUs”) when there are indicators that these may be impaired.</p>	<p>With the assistance of our PwC valuations experts, we performed the following audit procedures over management’s impairment assessment of the OEM CGU:</p> <ul style="list-style-type: none"> • We obtained an understanding of the approach applied by management in determining the relevant CGUs, and in performing their impairment assessment for each of the relevant CGUs. We evaluated this against the applicable requirements of IAS 36 and market practice. We found the valuation methodologies applied by management to be in accordance with IAS 36 requirements. • We tested the mathematical accuracy of management’s valuation model by recalculating the fair value less costs to sell, and we noted no material exceptions. • We performed sensitivity analyses on the inputs and assumptions used by management in their valuation model relating to the revenue growth rates, discount rate and terminal growth rate to evaluate the impact of changes in these inputs on the fair value less costs to sell for both disclosure and measurement purposes. We did not note any aspect requiring further consideration.

Key audit matter	How our audit addressed the key audit matter
<p>As described within Note 5, as at 31 December 2025 the market capitalisation and net asset value of the group were R4,0 billion (2024: R3,9 billion) and R5,9 billion (2024: R5,7 billion) respectively. Management has identified this as an indicator of possible impairment of the group's business in terms of IAS 36. Judgement is applied by the directors (i) to determine the relevant CGUs within the group, (ii) estimation and assumptions applied in determining the recoverable amount of the CGUs.</p> <p>Management performed their annual impairment assessment on the original equipment manufacturer ("OEM") CGU and based their assessment on the fair value less costs to sell model in assessing the recoverable amount of this CGU. The OEM CGU comprises (i) the manufacturing, assembly and logistics operation in the South Africa segment and (ii) the manufacturing, assembly and logistics operation in the European segment.</p> <p>The cash flows were projected for seven years, including a terminal year, based on the approved financial budgets and forecasts. The key assumptions involved financial forecasts, cash flow projections, terminal growth rates, and discount rates. These forecasts and projections were approved by the board of directors. The methodologies and judgement applied by the Group in determining the recoverable amount is disclosed in Note 5 to the consolidated financial statements.</p> <p>Management's impairment testing performed over the OEM CGU noted that the carrying value was lower than the recoverable amount, resulting in no impairment charge recognised on the relevant Property, Plant and Equipment, Right-of-Use Assets and Intangible Assets.</p> <p>The impairment assessment of the Property, Plant and Equipment, Right-of-Use Assets and Intangible Assets within the OEM CGU is considered to be a matter of most significance to our current year audit of the consolidated financial statements due to:</p>	<ul style="list-style-type: none"> • We independently recalculated the weighted average cost of capital discount rate taking into account independently obtained data such as the cost of debt, risk-free rate, market risk premium, capital structure, as well as the beta of comparable companies. Where differences were noted between the respective discount rates, we obtained an understanding of the reasons and incorporated our independently calculated discount rate as part of our sensitivity analysis testing to assess the impact of the differences noted in the discount rate on the valuation results. There is deemed to be sufficient headroom and no impairment of the OEM CGU was noted. • The terminal growth rate as used by management was compared to the long-term inflation rate obtained from independent sources. Management's terminal growth rate used was deemed reasonable and within the range based on independent sources utilised. • We assessed the reasonableness of management's budgeting process by comparing the budgeted figures for FY25 to the actual results for FY25 and performed a reasonableness of the FY25 actual results to the FY26 budgeted cash flows. We assessed and corroborated any significant differences identified and concluded that management's budgeting process is reasonable over the 7-year forecast period. • We evaluated management's cash flow forecasts by comparing key inputs to the approved budgets. Our assessment included analysing assumptions related to revenue growth rates, focusing on sales volumes and prices, gross profit margins, working capital, and operating profits. These assumptions were benchmarked against historical average growth rates and gross profit margins for the current and prior financial years. We concluded that the rates used by management were consistent with approved budgets, fell within an acceptable range, and found to be reasonable.

Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> • the significant judgement applied by management with regard to determining the key assumptions and future cash flows that are included in the impairment calculation; and • the magnitude of these financial statement line items in relation to the consolidated financial statements for the year ended 31 December 2025. 	<ul style="list-style-type: none"> • We calculated the fair value less costs to sell using the independently determined discount rates and terminal growth rates applied to management’s forecasts, and compared this independently calculated fair value less costs to sell to that calculated by management and noted no material differences. • We agreed the information disclosed in the financial statements relating to the valuation method used, and the percentages for the key assumptions used in the current and prior year to the work performed as noted above, and the prior year audited financial statements. • We compared the fair value less costs to sell to the carrying value of the OEM CGU and concurred with management’s assessment.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document(s) titled "Bell Equipment Limited Consolidated Annual Financial Statements 31 December 2025" and the document titled "Bell Equipment Limited Annual Financial Statements 31 December 2025", which include(s) the Directors' Report, the Audit Committee Report and the Certification by Group Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor’s report, and the document(s) titled "Bell Equipment Limited Integrated Annual Report 2025", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, 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 consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 to communicate with them all relationships and other matters that may 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 consolidated 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 Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Bell Equipment Limited for two year(s).

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: PdP Vermeulen

Registered Auditor

Johannesburg, South Africa

30 March 2026

BELL EQUIPMENT LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

	Notes	2025 R000	2024 R000
ASSETS			
Non-current assets		1 983 069	2 038 327
Property, plant and equipment	7	1 029 855	1 040 657
Right-of-use assets	8	346 267	342 081
Intangible assets	9	319 897	320 943
Investments	10	26 188	23 943
Interest-bearing receivables and contract assets	11	24 266	27 581
Deferred taxation	12	236 596	283 122
Current assets		6 962 725	7 053 783
Inventory	13	4 722 400	5 076 477
Trade and other receivables	14	1 236 700	1 339 633
Interest-bearing receivables and contract assets	11	168 079	186 733
Prepayments and other assets	15	169 677	132 477
Current taxation assets		34 421	35 094
Cash and bank balances	16	631 448	283 369
TOTAL ASSETS		8 945 794	9 092 110
EQUITY AND LIABILITIES			
Capital and reserves		5 904 399	5 676 940
Stated capital	17	235 541	235 541
Non-distributable reserves	18	1 134 415	1 146 183
Retained earnings		4 409 666	4 192 403
Attributable to owners of Bell Equipment Limited		5 779 622	5 574 127
Non-controlling interest	19	124 777	102 813
Non-current liabilities		980 129	969 032
Interest-bearing liabilities	20	204 222	151 435
Lease liabilities	21	364 975	358 781
Contract liabilities	22	171 588	189 709
Refund liabilities	23	32 005	27 061
Provisions	24	71 018	101 599
Share-based payments and other liabilities	25	51 727	65 233
Deferred taxation	12	84 594	75 214
Current liabilities		2 061 266	2 446 138
Trade and other payables	26	1 224 111	1 046 553
Interest-bearing liabilities	20	45 508	250 851
Lease liabilities	21	97 297	93 429
Contract liabilities	22	219 684	276 038
Refund liabilities	23	25 117	37 944
Provisions	24	181 070	217 584
Share-based payments and other liabilities	25	36 922	47 717
Current taxation liabilities		9 893	53 116
Bank overdrafts and overnight call loans	38.2	221 664	422 906
TOTAL EQUITY AND LIABILITIES		8 945 794	9 092 110

BELL EQUIPMENT LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2025

	Notes	2025 R000	2024 R000
Revenue	27	11 152 251	11 696 666
Cost of sales		(8 679 014)	(9 229 079)
Gross profit		2 473 237	2 467 587
Other operating income		238 584	311 114
Distribution costs		(933 530)	(959 402)
Administration expenses		(139 563)	(148 514)
Factory and group services operating expenses		(1 057 421)	(916 388)
Profit from operating activities	28	581 307	754 397
Net interest expense		(9 505)	(82 140)
Interest expense	29	(74 535)	(185 050)
Interest income	30	65 030	102 910
Profit before taxation		571 802	672 257
Taxation	31	(164 413)	(201 193)
Profit for the year		407 389	471 064
Profit for the year attributable to:			
- Owners of Bell Equipment Limited		384 031	440 435
- Non-controlling interest		23 358	30 629
		Cents	Cents
Earnings per share			
Basic	32.1	402	461
Diluted	32.2	371	414

BELL EQUIPMENT LIMITED
CONSOLIDATED STATEMENT OF OTHER
COMPREHENSIVE INCOME
for the year ended 31 December 2025

	2025	2024
Notes	R000	R000
Profit for the year	407 389	471 064
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising during the year	(72 521)	(69 187)
Exchange differences on translating foreign operations	18 (72 521)	(71 105)
Reclassification to profit or loss of foreign currency translation reserve	18 -	1 918
<i>Items that may not be reclassified subsequently to profit or loss:</i>	48 176	(6 962)
Surplus arising on revaluation of properties	18 65 396	-
Taxation relating to revaluation of properties	31.2 (16 748)	-
Net fair value loss on investments designated as at fair value through other comprehensive income *	18 (472)	(6 962)
Other comprehensive loss for the year, net of taxation	(24 345)	(76 149)
Total comprehensive income for the year	383 044	394 915
Total comprehensive income for the year attributable to:		
- Owners of Bell Equipment Limited	359 686	364 286
- Non-controlling interest	23 358	30 629

* There were no corresponding tax implications on fair value loss on investments designated as at fair value through other comprehensive income.

BELL EQUIPMENT LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2025

	Attributable to owners of Bell Equipment Limited					
	Stated capital R000	Non-distributable reserves * R000	Retained earnings R000	Total R000	Non-controlling interest R000	Total capital and reserves R000
Balance at 1 January 2024	235 541	1 222 677	3 753 260	5 211 478	73 538	5 285 016
Total comprehensive (loss) income attributable to owners of Bell Equipment Limited	-	(76 149)	440 435	364 286	-	364 286
Total comprehensive income attributable to non-controlling interest	-	-	-	-	30 629	30 629
Transfer between reserves relating to disposal of investments classified as at fair value through other comprehensive income	-	(345)	345	-	-	-
Dividends paid	-	-	(1 637)	(1 637)	(1 354)	(2 991)
Balance at 31 December 2024	235 541	1 146 183	4 192 403	5 574 127	102 813	5 676 940
Total comprehensive (loss) income attributable to owners of Bell Equipment Limited	-	(24 345)	384 031	359 686	-	359 686
Total comprehensive income attributable to non-controlling interest	-	-	-	-	23 358	23 358
Transfer between reserves relating to investments classified as at fair value through other comprehensive income	-	5 841	(5 841)	-	-	-
Increase in statutory reserves of foreign subsidiaries	-	7 186	(7 186)	-	-	-
Decrease in BBBEE share-based payment reserve	-	(450)	-	(450)	-	(450)
Dividends paid	-	-	(153 741)	(153 741)	(1 394)	(155 135)
Balance at 31 December 2025	235 541	1 134 415	4 409 666	5 779 622	124 777	5 904 399

* Refer to note 18 for details on the movements in the non-distributable reserves.

BELL EQUIPMENT LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Notes	2025 R000	2024 R000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	A	1 259 299	2 235 386
Interest paid	B	(79 416)	(191 261)
Interest received	C	64 673	98 215
Taxation paid	D	(164 349)	(216 202)
Net cash generated from operating activities		1 080 207	1 926 138
CASH FLOW UTILISED IN INVESTING ACTIVITIES			
Purchase of additional property, plant and equipment and intangible assets		(151 317)	(180 313)
Proceeds on disposal of property, plant and equipment		21 200	15 692
Proceeds on disposal of listed investments		-	4 177
Purchase of unlisted investment		(2 777)	-
Net cash utilised in investing activities		(132 894)	(160 444)
CASH FLOW UTILISED IN FINANCING ACTIVITIES			
Interest-bearing liabilities raised	E	100 000	290 684
Interest-bearing liabilities repaid	E	(245 839)	(1 365 327)
Overnight call loans - drawdowns	F	926 805	3 978 760
Overnight call loans - repaid	F	(1 028 118)	(4 121 128)
Lease liabilities repaid		(97 018)	(87 360)
Dividends paid		(155 135)	(2 991)
Net cash utilised in financing activities		(499 305)	(1 307 362)
Net increase in cash for the year		448 008	458 332
Net bank overdrafts at beginning of the year		(27 975)	(486 307)
Net cash (bank overdrafts) at end of the year	G	420 033	(27 975)
		-	-

BELL EQUIPMENT LIMITED
NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Notes	2025 R000	2024 R000
A Cash generated from operations			
Profit from operating activities		581 307	754 397
Adjustments for non-cash items:			
Amortisation of intangible assets	9	37 954	34 952
Depreciation of property, plant and equipment	7	109 253	87 232
Depreciation of right-of-use assets	8	102 661	100 396
Reversal of revaluation decrease expensed to profit or loss in prior periods	7	(11 718)	-
Impairment loss recognised on intangible assets	9	33 241	5 112
Net surplus on disposal of property, plant and equipment and right-of-use assets		(7 014)	(2 413)
Decrease in allowance for expected credit losses		(3 645)	(12 514)
Amounts written off as credit impaired	28	18 655	12 970
Reclassification to profit or loss of foreign currency translation reserve	18	-	1 918
(Decrease) increase in provisions		(58 620)	15 299
Net (gain) loss arising on financial assets and financial liabilities at fair value through profit or loss		(9 170)	40 749
Unrealised exchange differences on foreign subsidiaries		(3 102)	25 776
Unrealised exchange differences on trade and other receivables and payables		(1 641)	(25 517)
Net non-cash movements in refund liabilities		(4 930)	(1 430)
Cash generated from operations before working capital changes		783 231	1 036 927
Decrease in inventory *		334 399	560 766
Decrease in trade and other receivables		21 910	635 644
(Increase) decrease in prepayments		(39 383)	165 450
(Decrease) increase in share-based payment liability	25	(14 649)	29 973
Increase (decrease) in trade and other payables		231 696	(174 906)
Decrease (increase) in interest-bearing receivables		22 487	(31 254)
Decrease in contract liabilities		(77 570)	(37 326)
(Decrease) increase in refund liabilities		(82)	32 087
(Increase) decrease in contract assets	11	(2 740)	18 025
Total cash generated from operations		1 259 299	2 235 386
* In the current year the decrease in inventory was represented to include the increase in provision for inventory write-downs, including write-downs to equipment on short-term rentals that was presented separately in the prior year.			
B Interest paid			
Interest accrued at beginning of the year		1 519	1 166
Add: interest expense	29	74 535	185 050
Less: interest charged to profit or loss relating to lease liabilities	29	(45 998)	(49 593)
Less: interest charged to profit or loss relating to interest-bearing liabilities		(7 206)	(62 835)
Add: interest repaid on lease liabilities		43 560	47 192
Add: interest repaid on interest-bearing liabilities		13 715	71 800
Less: interest accrued at end of the year		(709)	(1 519)
Total interest paid		79 416	191 261
C Interest received			
Interest accrued at beginning of the year		3 513	3 466
Add: interest income	30	65 030	102 910
Less: deferred finance income from contract liabilities recognised in profit or loss	30	-	(52 372)
Add: deferred finance income from contracts sold	22	-	47 724
Less: interest accrued at end of the year		(3 870)	(3 513)
Total interest received		64 673	98 215
D Taxation paid			
Net taxation owing at beginning of the year		(18 022)	(18 996)
Taxation charge for the year:			
South African normal taxation	31	(81 853)	(164 891)
Foreign taxation	31	(41 936)	(49 955)
Withholding taxation	31	(918)	(1 439)
Other corporate taxation	31	(1 059)	(644)
Translation differences		3 967	1 701
Net taxation (refund due) owing at end of the year		(24 528)	18 022
Total taxation paid		(164 349)	(216 202)

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

for the year ended 31 December 2025

	Notes	2025 R000	2024 R000
E Interest-bearing liabilities			
Total interest-bearing liabilities at beginning of the year		402 286	795 375
Translation differences		(208)	(7 865)
Supply chain finance liability raised		-	675 206
Loans raised to fund the purchase of property, plant and equipment		-	23 178
Interest-bearing liabilities raised		100 000	290 684
Interest-bearing liabilities repaid		(245 839)	(1 365 327)
Interest raised		7 206	62 835
Interest repaid		(13 715)	(71 800)
Total interest-bearing liabilities at end of the year	20	249 730	402 286
F Overnight call loans			
Total overnight call loans at beginning of the year		111 562	253 930
Overnight call loans - drawdowns		926 805	3 978 760
Overnight call loans - repaid		(1 028 118)	(4 121 128)
Total overnight call loans at end of the year	G	10 249	111 562
G Net cash (bank overdrafts)			
Bank overdrafts and overnight call loans	38.2	(221 664)	(422 906)
Overnight call loans	F	10 249	111 562
Bank overdrafts		(211 415)	(311 344)
Cash and bank balances	16	631 448	283 369
Net cash (bank overdrafts) at end of the year		420 033	(27 975)

H Classification of interest, taxation and dividends

The group considers cash flows from interest paid, interest income and taxation paid as part of operating activities as these transactions are included in the determination of profit or loss.

Cash flows from dividends paid are transactions with shareholders and are considered to be a cost of obtaining financial resources and therefore are classified as part of financing activities.

1 GENERAL INFORMATION

Bell Equipment Limited (the company) is a public company incorporated and domiciled in South Africa. The addresses of its registered office and principal place of business are disclosed on page 104 of this report. The principal activities of the company and its subsidiaries (the group) are described in the directors' report under the heading nature of business.

2 ACCOUNTING FRAMEWORK

2.1 Statement of compliance

The consolidated annual financial statements (hereinafter referred to as financial statements) have been prepared in accordance with IFRS® Accounting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC® Interpretations), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRPs), the JSE Listings Requirements and in accordance with the requirements of the Companies Act in South Africa.

Basis of accounting

The financial statements have been prepared on the historical cost basis, except for the revaluation of properties and certain financial instruments which are measured at fair value. The material accounting policies adopted are set out below and in the related notes to the financial statements. The accounting policies are consistent with those applied to the previous year, except as reflected in note 3.1.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025**2 ACCOUNTING FRAMEWORK (continued)****2.2 Material accounting policies****2.2.1 Foreign currency translation****Functional and presentation currency**

The financial statements are presented in South African Rand, which is the company's functional and presentation currency, rounded to the nearest thousand.

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary balances denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary balances carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary balances that are measured in terms of historical cost in a foreign currency are not retranslated at initial recognition, and are not retranslated subsequently. Foreign exchange contracts (forwards and options) are measured at fair value at reporting date using market-observable inputs, including spot rates, forward rates, volatility and time to maturity.

Gains and losses arising on translation of foreign currency transactions are dealt with in profit or loss. Gains and losses arising on inventory purchases by the manufacturing operations are classified as cost of sales.

Foreign subsidiary translation

The results and financial position of all group entities that have a functional currency different from South African Rand, the company's presentation currency, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position are translated at the exchange rates prevailing at the end of the reporting period;
- foreign reserves on the statement of financial position are translated at the exchange rates prevailing at the end of the reporting period;
- income and expenses for each statement of profit or loss are translated at average exchange rates for the period; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in equity in the group's foreign currency translation reserve.

Such translation differences are reclassified to profit or loss through other comprehensive income in the period in which the foreign operation is discontinued or disposed of.

3 ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

In the current year the group has adopted all of the amended standards issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2025.

3.1 New and amended standards adopted

During the current year, no new standards have been adopted. The group adopted the following amended standard, with an effective date of 1 January 2025, which had no significant impact on the group's financial statements:

IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

The amendments to IAS 21 clarify how an entity assesses whether a currency is exchangeable into another currency or not and how to estimate the exchange rate when exchangeability is lacking.

3.2 Standards and amendments in issue not yet adopted

At the date of authorisation of these financial statements, the following new and amended standards relevant to the group were in issue but not yet effective.

	Effective date for annual periods beginning on or after:
New	
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

IFRS 18 replaces IAS 1 and introduces a defined structure for the statement of profit or loss, including subtotals, requiring entities to classify income and expenses into defined categories. The full impact of IFRS 18 has not yet been assessed but the assessment of the requirements of this standard is in progress and will be completed in the succeeding financial period. Management does not intend to early adopt this standard.

Amended

IFRS 7 - Financial Instruments Disclosures: Amendments to the classification and measurement of financial instruments	1 January 2026
IFRS 7 - Financial Instruments Disclosures: Annual improvements to IFRS Accounting Standards (gain or loss on derecognition)	1 January 2026
IFRS 9 - Financial Instruments: Amendments to the classification and measurement of financial instruments	1 January 2026
IFRS 9 - Financial Instruments: Annual improvements to IFRS Accounting Standards	1 January 2026
IFRS 10 - Consolidated Financial Statements: Annual improvements to IFRS Accounting Standards (determination of a 'de facto agent')	1 January 2026
IAS 7 - Statement of Cash Flows: Annual improvements to IFRS Accounting Standards (cost method)	1 January 2026

The amended accounting standards are not anticipated to have a significant impact on the group's financial statements in future periods when these are adopted.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

4.1 Judgements and estimates made by management in applying accounting policies

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments. These are described below:

Revenue recognition

- a) Judgements in determining the timing of satisfaction of performance obligations
 - performance obligations satisfied at a point in time (refer to notes 27.1 and 27.2)
 - performance obligations satisfied over time (refer to notes 27.3 and 27.4)
 - performance obligations with regards to bill and hold arrangements (refer to note 27.1.1)
- b) Judgements in determining whether the group is a principal or an agent
 - performance obligations with regards to transport services (refer to note 27.3.2)
- c) Judgements and estimates in determining the transaction price and the amounts allocated to performance obligations
 - credit risk undertakings (affecting revenue recognition) (refer to notes 27.1.4 and 34.2.1)
 - effects of the time value of money relating to instalment sale agreements (refer to notes 27.1.5)
 - trade-ins (refer to note 27.1.3)
 - allocation of the transaction price (refer to note 27.1.1)

Leases - the group as a lessor

- a) Judgements with regard to classification of a lease as either a finance lease or an operating lease
 - finance leases (refer to notes 11 and 27.5)

Leases - the group as a lessee

- a) Judgements in determining the lease term (refer to note 21)
- b) Judgements in determining an incremental borrowing rate (refer to note 21)

Standard warranties

- a) Judgements and estimates in determining the group's obligation to end customers with regards to warranties on manufactured equipment provided by the group (refer to note 24.1)
- b) Judgements and estimates in determining the group's obligation to end customers with regards to supplier warranties provided by third party component suppliers and third party equipment suppliers (refer to notes 24.1 and 24.2)
- c) Judgements in determining when the group's reimbursement right from third party component suppliers is established (refer to note 24)

Financial assets

- a) Judgements and estimates in determining the impairments of financial assets (refer to note 14)
- b) Judgements and estimates in determining the fair value of the unlisted equity investment (refer to note 10)

Revaluation of property, plant and equipment

- a) Judgements in selecting an appropriate valuation technique (refer to note 7)
- b) Judgements in selecting the assumptions in determining the fair value of property, plant and equipment (refer to note 7)

Intangible assets

- a) Judgements and estimates in determining time spent by engineering department that qualifies for capitalisation (refer to note 9)
- b) Judgements and estimates in determining the useful lives (refer to note 9)
- c) Judgements in determining when the recognition criteria have been met to recognise an intangible asset (refer to note 9)
- d) Judgements and estimates in determining the impairments of intangible assets (refer to note 9)

Cash-settled employee share-based payments

- a) Judgements and estimates around the future achievement of the HEPS and ROIC performance conditions and inputs into the fair valuation model (refer to note 33.1)

Supply chain finance arrangements

- a) Judgements with regard to classification of supply chain finance arrangements (refer to notes 20.3 and 38.2.1.3)
- b) Judgements in determining whether direct settlements from the financial institution to the supplier are non-cash increases in interest-bearing liabilities in financing activities and non-cash decreases in trade and other payables in operating activities. As these transactions do not require the use of the group's cash and cash equivalents, the directors consider these to be non-cash transactions and on that basis they have been excluded from the statement of cash flows (refer to note E in the consolidated statement of cash flows).

4.2 Dilutive impact on earnings per share and headline earnings per share of the potential ordinary shares relating to the shareholding of BEE parties in BECSA and BESSA (refer to notes 32.2 and 32.4)

- a) Judgements in determining whether the BEE parties will be settled in cash, shares in another group entity or shares in the company. The directors concluded that the current intention is to settle the parties in shares in the company.
- b) Judgements and assumptions regarding expected future cash flows, factors such as expected future market conditions, discount rates and terminal growth rates in respect of valuations performed on BECSA and BESSA. Refer to note 4.3 below and to note 5 in respect of key inputs into the valuation of BECSA. In respect of BESSA, the key valuation inputs were as follows:
 - forecast sales volumes
 - discount rate of 13.9% (2024: 15.3%)
 - terminal growth rate of 4.0% (2024: 4.5%)

4.3 IAS 36 Impairment of Assets

The judgements made by management in respect of the impairment of assets are described below:

- a) Judgements in identifying the group's cash generating units (refer to note 5)
- b) Judgements in determining the discount rates (refer to note 5)
- c) Judgements in determining the terminal growth rates (refer to note 5)
- d) Judgements and estimates in determining the future cash flows (refer to note 5)

The determination of forecasts and expected future cash flows requires management to exercise judgement and make assumptions relating to factors such as expected future market conditions. Refer to note 5.

5 IMPAIRMENT CONSIDERATIONS AND IMPACT ON THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

In terms of *IAS 36 Impairment of Assets* the group is required to perform tests for impairment of assets based on the expected future cash flows pertaining to these assets whenever there is an indication that these assets may be impaired.

At 31 December 2025 the market capitalisation and net asset value of the group were R4,0 billion (2024: R3,9 billion) and R5,9 billion (2024: R5,7 billion) respectively. This is an indicator of possible impairment of the group's business in terms of IAS 36.

Management has identified two types of CGU's and has adopted the following approach in order to assess the relevant CGU for impairment:

- OEM CGU: The Richards Bay manufacturing component (BECSA), the Germany manufacturing and assembly component (Kindel), the Germany logistics centre component (Alsfield), BEGS including the GLC component and Bell Equipment North America Inc. component (BENA), constitute this main CGU. The OEM CGU comprises the manufacturing, assembly, logistics and dealer sales operation in South Africa segment and the manufacturing, assembly, logistics and dealer sales operation in Europe segment. Management has calculated a fair value for this CGU using a discounted cash flow model which is compared to the relevant net assets within the CGU in order to determine whether there is any need for impairment of OEM assets. A discounted cash flow valuation, based on the 2026 approved budgets and detailed forecasts for a further period of 6 years to 2032, was performed for the OEM CGU and compared with the carrying amount of the assets recorded in the financial statements. The recoverable amount of the OEM CGU was determined as R4,1 billion (2024: R5,2 billion), compared with the carrying amount of the OEM CGU of R2,8 billion (2024: R2,7 billion).

No impairment losses relating to the operations comprising the OEM CGU were identified from this review. Refer to note 5.1 below.

- Dealer CGU's: These comprise the South Africa and Zambia direct sales operations segments. Management performed a qualitative risk assessment of the profitability of these operations and any potential exposure of assets, which comprise mainly working capital, to impairment under IAS 36. No impairment losses were identified from this review.

Further consideration was given to the possible impairment of specific asset categories on the statement of financial position as set out in note 5.2. below.

5.1 Impairment considerations of the OEM CGU

The following was considered in the valuation of the OEM CGU, based on discounted cash flow methodology:

- discounted cash flow valuation principles were applied in assessing the expected future cash flows pertaining to each of the operations comprising the OEM CGU. A fair value less costs to sell measurement assessment was performed. This has been classified as a Level 3 fair value measurement.
 - the key assumptions used in the valuations related to financial forecasts, cash flow projections, terminal growth rates and discount rates as listed below.
- The 2026 budget, the financial forecasts and cash flow projections were approved by the board of directors. Specialists were engaged to determine appropriate discount rates and terminal growth rates, to review the appropriateness of the valuation methodology applied and the accuracy of implementation thereof by management.

Key assumptions and inputs into the cash flow forecasts and valuations performed were as follows:

- the forecast machine sales volumes for all products and the parts sales growth by market. This was based on past experience of industry cycles, expected market share in each market and the number and age of machines sold into each market in the past.
 - stable profit margins, based on past experience, including the impact of the US tariffs in 2025, and the margins achieved immediately before the budget period in each market. Management believes this is the best available input for forecasting these profit margins.
 - forward exchange rates based on the spot rates immediately before the budget period.
 - the present value of the expected future cash flows was determined using suitable discount rates, reflecting current market assessments of the time value of money and WACC for comparable industries. The discount rates reflect adjustments relating to market risk and specific risk factors of each operation.
- Pre-tax discount rates and terminal growth rates used for each operation are as described below:

	2025		2024	
	Weighted Average Cost of Capital %	Terminal growth rate %	Weighted Average Cost of Capital %	Terminal growth rate %
<u>Operations comprising the OEM CGU</u>				
Manufacturing operations				
- BECSA	18.06	4.00	20.73	4.50
- Kindel	11.07	2.00	11.77	2.00
Logistics operations				
- Alsfield	11.74	2.00	11.94	2.00
- BENA	12.95	2.00	13.89	2.00
OEM				
- BEGS	19.83	4.00	22.38	4.50

5 **IMPAIRMENT CONSIDERATIONS AND IMPACT ON THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

5.1 **Impairment considerations of the OEM CGU (continued)**

In respect of the discount rates, key inputs into the cost of equity and after tax cost of debt were:

	2025				2024			
	Nominal risk free rate * %	Market risk premium %	Beta co-efficient	Company specific risk premium % **	Nominal risk free rate %	Market risk premium %	Beta co-efficient	Company specific risk premium % **
Manufacturing operations								
- BECSA	8.20	6.00	1.05	-	10.32	6.00	1.06	0.83
- Kindel	3.48	5.25	1.05	-	2.60	6.50	1.05	0.47
Logistics operations								
- Alsfeld	3.48	5.25	1.05	0.90	2.60	6.50	1.05	0.94
- BENA	4.79	4.75	1.06	1.97	4.86	5.00	1.07	2.55
OEM								
- BEGS	8.20	6.00	1.05	2.90	10.32	6.00	1.06	4.17

* Based on the yield of the R2035 South African Government bond as at year-end for BECSA and BEGS.

Based on the average yield of the 30-year Germany Government bond as at year-end for Kindel and Alsfeld.

Based on the yield of the US 20-year treasury bonds as at year-end for BENA.

** Taking into consideration the specific business models and risks of each business.

	2025	2024
Small stock premium applied (i)	0.00%	0.00%
Cost of debt - credit spread added to respective risk free rates (ii)	2.00%	2.00%
Capital structure - based on comparator companies	80% equity 20% debt	80% equity 20% debt
Tax rates	Prevailing corporate tax rates in respective jurisdictions	Prevailing corporate tax rates in respective jurisdictions

(i) Considerations were the diversification of the group which is an established business operating across a number of jurisdictions with a diversified customer base, the substantial market share in South Africa, the governance in place being a listed entity, and the level of gearing.

(ii) Taking into account the actual cost of external borrowings as well as what market comparators could achieve in relation to the prime lending rates in the respective markets if the assumed capital structure was applied.

Terminal growth rates were benchmarked against respective long-term inflation rates that are inherent in the applied risk free rates.

Inflation and other macroeconomic data was obtained from independent analyst reports.

5 **IMPAIRMENT CONSIDERATIONS AND IMPACT ON THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

5.2 **Impairment considerations of specific asset categories**

Further consideration was given to the impairment of specific asset categories on the statement of financial position as set out below.

5.2.1 **Inventory**

The group conducted its detailed annual assessment of the valuation of inventory at 31 December 2025. As part of its assessment to determine if inventories were impaired, management categorised inventory by type (new equipment, used equipment and parts by product), ageing and the market into which the inventory is expected to be sold, including the impact of US tariffs on net realisable values.

All inventory is valued at the lower of cost and net realisable value. At 31 December 2025, an amount of R387,9 million (2024: R486,6 million) included in inventory was carried at net realisable value. Included in cost of sales in the current year is an amount of R138,2 million (2024: R72,7 million) in respect of write-downs of inventory.

5.2.2 **Trade and interest-bearing receivables**

The balances owed by customers to the group are reviewed on an ongoing basis, with specific emphasis on protecting the value of the group's security, comprising mainly the financed equipment. There has been no change to this approach during the current year. Management considered the likely impact of the current economic and market conditions on the expected loss rates for receivables. Management has concluded that no change on a portfolio basis is required. Steps and considerations taken by management as part of the forward-looking assessment of expected credit losses included the following:

- the market prices being realised and expected to be realised for capital equipment in the South African and international markets.
- the robustness of the group's processes to inspect, service and maintain equipment held as security for outstanding receivables.
- the status and prospects of the revenue generating contracts on which the financed equipment is being used by the customers with significant outstanding balances and the industries in which those customers are operating.
- the history of cash conversion on customer accounts, including parts accounts.

5.2.3 **Property, plant and equipment**

The group's freehold land and buildings were revalued in the current year. A revaluation surplus of R65,4 million (2024: Rnil) was accounted for in other comprehensive income for the period and a revaluation gain of R11,7 million was recognised in profit or loss relating to the reversal of revaluation decreases expensed to profit and loss in prior periods.

There has been no change in the group's plans to use its assets to support revenue generating activities. No impairment of property, plant and equipment was considered necessary.

5.2.4 **Intangible assets**

A review was conducted of capitalised engineering development costs and projects to the value of R33,2 million (December 2024: R5,1 million) were discontinued and impaired in the current period.

5.3 **Impairment considerations of Russian operation**

Due to the ongoing Russia-Ukraine conflict and sanctions imposed, the assets relating to the group's operation in Russia were tested for impairment. Access to the cash and bank balances in this operation is restricted at present (refer to note 16). There are no other significant assets in this operation.

No impairment losses were identified from this review.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 20256 **OPERATING SEGMENTS****Accounting policy**

The operating segments of the group by geographical area have been identified on the basis of internal reports about components of the group that are regularly reviewed by the group's chief executive in order to allocate resources to the segments and to assess their performance.

The group conducts two main business operations:

Manufacturing, assembly, logistics and dealer sales operations

- OEM operations comprising manufacturing, assembly and sales of equipment and aftermarket products to independent dealers for their distribution to market.

The Manufacturing, assembly, logistics and dealer sales operations comprise operations in South Africa and Europe:

- South Africa includes the group's main OEM and manufacturing operations in Richards Bay and the group's global parts logistics centre in Johannesburg. The main function of these operations is to manufacture and distribute product (refer to note 27 for the major revenue sources) to the rest of the group and to independent distributors and dealers in North America, Africa, South America and Australasia.
- Europe includes an assembly and manufacturing plant and a parts logistics centre in Germany as well as dealer support operations in the United Kingdom, France and Germany. These operations distribute product to independent distributors and dealers in North America, Europe and Asia.

Direct Sales operations

- owned distribution operations for direct sales of own manufactured products, other third party products and the supply of aftermarket support and products to market.

The Direct Sales operations comprise operations in South Africa, which includes a number of customer service centres in South Africa and Eswatini, and in Zambia.

Other operations include the results of the group's holding companies, property investment company and BBBEE companies and trust.

The accounting policies of the reportable segments are the same as the group's accounting policies except in the prior year when goods in transit between the Richards Bay and Germany manufacturing plants was included as revenue in the Manufacturing, assembly, logistics and dealer sales South Africa segment at the time the goods were shipped at Richards Bay rather than in accordance with the contractual shipping terms.

Each reportable segment, except for the other operations and inter-segmental eliminations segment, derives its revenue mainly from the sale of equipment and aftermarket products.

6 OPERATING SEGMENTS (continued)

	Manufacturing, assembly, logistics and dealer sales operations			Direct Sales operations			OTHER OPERATIONS AND INTER-SEGMENTAL ELIMINATIONS * R000	CONSOLIDATED R000
	SOUTH AFRICA	EUROPE	SOUTH AFRICA	ZAMBIA	SOUTH AFRICA	R000		
2025								
Revenue**								
External revenue	2 295 607	3 177 186	4 749 634	929 824	-	-	11 152 251	
Inter-segment revenue	5 038 457	467 197	38 262	-	(5 543 916)	-	-	
Total revenue	7 334 064	3 644 383	4 787 896	929 824	(5 543 916)	-	11 152 251	
Cost of sales	(6 114 754)	(3 162 958)	(4 158 490)	(798 449)	5 555 637	(8 679 014)	(8 679 014)	
Gross profit	1 219 310	481 425	629 406	131 375	11 721	-	2 473 237	
Profit from operating activities	218 690	94 846	186 502	62 168	19 101	-	581 307	
Interest expense	(59 938)	(19 698)	(58 163)	(3 478)	66 742	-	(74 535)	
Interest income	52 473	18 110	21 910	571	(28 034)	-	65 030	
Taxation	(61 763)	(24 173)	(44 403)	(18 499)	(15 575)	-	(164 413)	
Profit for the year	149 462	69 085	105 846	40 762	42 234	-	407 389	
Segment assets	5 670 753	2 443 089	1 868 149	345 913	(1 382 110)	-	8 945 794	
Segment liabilities	4 325 615	698 556	1 310 181	80 209	(3 373 166)	-	3 041 395	
Other information								
Additions to property, plant and equipment and intangible assets	135 347	3 715	3 073	9 700	(518)	-	151 317	
Additions and modifications to right-of-use assets	25 756	41 420	43 884	-	-	-	111 060	
Depreciation of property, plant and equipment and right-of-use assets and amortisation of intangibles	(156 178)	(47 652)	(50 216)	(6 729)	10 907	-	(249 868)	
Revaluation surplus recognised in other comprehensive income	-	1 968	-	-	63 428	-	65 396	
Reversal of revaluation decrease expensed to profit or loss in prior periods	-	-	-	11 718	-	-	11 718	
Other material items of income and expense:								
- Currency exchange gains	134 479	84 192	10	2 391	7 544	-	228 616	
- Currency exchange losses	(131 084)	(140 139)	(16)	(11 379)	(1 815)	-	(284 433)	
- Staff costs (including directors' remuneration)	(1 148 582)	(407 180)	(357 042)	(39 224)	(6 143)	-	(1 958 171)	
- Decrease (increase) in contract provision - warranty	57 106	32 009	16 255	(16)	(46 734)	-	58 620	
- Warranty expenditure - standard and extended warranties	(276 997)	(8 857)	(28 769)	(3 006)	6 787	-	(310 842)	
- Inventory write-downs included in cost of sales	(77 250)	(40 792)	(14 078)	(6 928)	865	-	(138 183)	
- APDP - production incentives	140 549	-	-	-	-	-	140 549	
- Impairment loss recognised on intangible assets	(33 241)	-	-	-	-	-	(33 241)	

Information about major customers

Included in the manufacturing, assembly, logistics and dealer sales operations segment in Europe are sales of R1.7 billion (2024: R2.4 billion) to a distributor in the United States of America which represent more than 10% of the group's external revenue. No other single customer contributed 10% or more to the group's revenue in either 2025 or 2024.

* Inter-segmental eliminations above relate to the following:

- Revenue - the elimination of intra-group sales transactions, mainly sales from the manufacturing, assembly, logistics and dealer sales operations to other group operations.
- Operating profit - the elimination of profit or loss on intra-group transactions, mainly sales transactions from the manufacturing, assembly, logistics and dealer sales operations to the other group operations, where the inventory has not yet been on-sold to a third party at period end.
- Assets and liabilities - unearned profit on the intra-group sales transactions is eliminated from inventory. The intra-group transactions result in intra-group receivables and payables balances and furthermore intra-group loans are in place between certain group operations. These are eliminated on consolidation.

** The group's revenue from major products and services is disclosed in note 27.

BELL EQUIPMENT LIMITED
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

6 OPERATING SEGMENTS (continued)

	Manufacturing, assembly, logistics and dealer sales operations			Direct Sales operations			CONSOLIDATED R000
	SOUTH AFRICA	EUROPE	SOUTH AFRICA	REST OF AFRICA *	OTHER OPERATIONS AND INTER-SEGMENTAL ELIMINATIONS **	R000	
2024	R000	R000	R000	R000	R000	R000	
Revenue ***							
External revenue	2 587 577	3 868 976	4 466 418	773 695	-	-	11 696 666
Inter-segment revenue	5 823 809	365 584	17 953	-	(6 207 346)	-	-
Total revenue	8 411 386	4 234 560	4 484 371	773 695	(6 207 346)	-	11 696 666
Cost of sales	(7 033 205)	(3 826 607)	(3 767 739)	(668 777)	6 067 249	-	(9 229 079)
Gross profit	1 378 181	407 953	716 632	104 918	(140 097)	-	2 467 587
Profit (loss) from operating activities	477 157	159 448	247 772	12 051	(142 031)	-	754 397
Interest expense	(141 316)	(44 145)	(78 084)	(3 452)	81 947	-	(185 050)
Interest income	96 113	15 685	25 146	209	(34 243)	-	102 910
Taxation	(115 003)	(37 322)	(59 147)	(16 363)	26 642	-	(201 193)
Profit (loss) for the year	316 951	93 666	135 687	(7 555)	(67 685)	-	471 064
Segment assets	5 677 583	2 691 171	2 039 728	333 407	(1 649 779)	-	9 092 110
Segment liabilities	4 381 303	1 002 364	1 583 411	69 938	(3 621 846)	-	3 415 170
Other information							
Additions to property, plant and equipment and intangible assets	174 625	21 288	4 015	7 198	(3 635)	-	203 491
Additions and modifications to right-of-use assets	16 159	(8 343)	26 571	-	-	-	34 387
Depreciation of property, plant and equipment and right-of-use assets and amortisation of intangibles	(118 832)	(56 252)	(47 274)	(6 890)	6 668	-	(222 580)
Other material items of income and expense:							
- Currency exchange gains	200 161	109 555	-	3 482	23 004	-	336 202
- Currency exchange losses	(190 977)	(115 507)	-	(13 610)	(16 292)	-	(336 386)
- Staff costs (including directors' remuneration)	(1 175 192)	(462 537)	(342 649)	(49 847)	(6 910)	-	(2 037 135)
- (Increase) decrease in contract provision - warranty	(17 795)	24 468	38 931	(298)	(60 605)	-	(15 299)
- Warranty expenditure - standard and extended warranties	(266 826)	(12 308)	(28 277)	(5 383)	5 037	-	(307 757)
- Inventory write-downs included in cost of sales	198	(4 607)	(9 879)	3 210	237	-	(10 841)
- APDP - production incentives	211 324	-	-	-	-	-	211 324
- Impairment loss recognised on intangible assets	(5 112)	-	-	-	-	-	(5 112)

* This includes customer service centres in Zambia and Zimbabwe. The customer service centre in Zimbabwe ceased trading during 2024.

** Inter-segmental eliminations above relate to the following:

- Revenue - the elimination of intra-group sales transactions, mainly sales from the manufacturing, assembly, logistics and dealer sales operations to other group operations.
- Operating profit - the elimination of profit or loss on intra-group transactions, mainly sales transactions from the manufacturing, assembly, logistics and dealer sales operations to the other group operations, where the inventory has not yet been on-sold to a third party at period end.
- Assets and liabilities - unearned profit on the intra-group sales transactions is eliminated from inventory. The intra-group transactions result in intra-group receivables and payables balances and furthermore intra-group loans are in place between certain group operations. These are eliminated on consolidation.

*** The group's revenue from major products and services is disclosed in note 27.

7 **PROPERTY, PLANT AND EQUIPMENT**

Accounting policy

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Freehold land is not depreciated and is stated at revalued amounts with subsequent additions at cost, less any subsequent accumulated impairment losses. Freehold buildings are stated at revalued amounts, with subsequent additions at cost less subsequent accumulated depreciation and any subsequent accumulated impairment losses. Other assets and its subsequent additions are stated at cost less accumulated depreciation and any accumulated impairment losses.

Revaluations of freehold land and buildings are undertaken every three years or when there is an indication of impairment, whichever comes first and are classified as Level 3 fair value measurements under IFRS 13. The group engages independent qualified valuers to perform the valuations. Inputs into the valuation model are based on market data to the extent it is available and can cause material fluctuations in the fair value of the relevant properties. Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or disposal of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. Depreciation on revalued buildings is recognised in profit or loss.

Depreciation of assets commences when the asset is available for use and is expensed in the statement of profit or loss.

The depreciable values of leasehold buildings are depreciated over the shorter of their expected useful lives and the period of the lease. Depreciation on other assets is provided on a straight-line basis over the anticipated useful lives of the assets, taking residual values into account. Depreciation ceases on an asset only when the asset is derecognised or when it is classified as held for sale.

Rental assets are stated at cost less accumulated depreciation and impairment losses. Manufactured and third party equipment is classified as rental assets under property, plant and equipment when they are held for rental to others and these rentals are expected to exceed 12 months. Equipment that is held for sale but is incidentally rented out under short-term rentals until a buyer is found, is classified as inventory. Rental assets are depreciated based on the hours utilised while on rental. Depreciation on rental assets is classified as cost of sales.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The annual rates of depreciation currently used are:

Freehold and leasehold buildings	1% to 3,33%
Leasehold improvements	1% to 20%
Plant and equipment	4% to 33%
Rental assets - manufactured and third party equipment	25% to 35%
Vehicles	10% to 25%
Aircraft	10% to 12,5%

Useful lives and residual values are reviewed annually, with the effect of any change in accounting estimate accounted for on a prospective basis. In assessing the useful lives of the assets and residual values, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values. In assessing useful lives and residual values, assumptions are made concerning the future and these may cause a significant adjustment to the carrying amounts of the assets within the next financial year.

Impairment of property, plant and equipment

At the end of the reporting period, the group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Refer to the impairment considerations in note 5.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Assumptions are made in projecting disposal values and in determining estimated future cash flows. Estimation uncertainties may cause a material adjustment to the carrying amounts of the assets within the next financial year.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease through other comprehensive income.

7 **PROPERTY, PLANT AND EQUIPMENT (continued)**

	Cost / valuation	Accumulated depreciation and impairments	Net book value	Cost / valuation	Accumulated depreciation and impairments	Net book value
	2025	2025	2025	2024	2024	2024
	R000	R000	R000	R000	R000	R000
Freehold and leasehold land and buildings *	747 911	79 137	668 774	741 945	116 169	625 776
Leasehold improvements **	32 933	17 212	15 721	14 821	5 380	9 441
Plant and equipment	937 461	616 827	320 634	982 781	631 127	351 654
Rental assets - manufactured and third party equipment	951	-	951	34 510	2 351	32 159
Vehicles and aircraft	61 360	37 585	23 775	55 611	33 984	21 627
Total	1 780 616	750 761	1 029 855	1 829 668	789 011	1 040 657

	Freehold and leasehold land and buildings	Leasehold improvements **	Plant and equipment	Rental assets - manufactured and third party equipment	Vehicles and aircraft	Total
	R000	R000	R000	R000	R000	R000

Movement in property, plant and equipment

2025

Net book value at beginning of the year	625 776	9 441	351 654	32 159	21 627	1 040 657
Revaluation surplus recognised in other comprehensive income	65 396	-	-	-	-	65 396
Reversal of revaluation decrease expensed to profit or loss in prior periods	11 718	-	-	-	-	11 718
Additions	70	4 350	66 285	-	10 463	81 168
Disposals	-	(447)	(13 570)	-	(229)	(14 246)
Depreciation	(24 460)	(3 314)	(75 031)	(47)	(6 401)	(109 253)
Transfers ***	-	5 867	(5 867)	(29 556)	-	(29 556)
Translation differences	(9 726)	(176)	(2 837)	(1 605)	(1 685)	(16 029)
Net book value at end of the year	668 774	15 721	320 634	951	23 775	1 029 855

2024

Net book value at beginning of the year	667 386	8 318	299 557	4 352	26 470	1 006 083
Additions	792	2 194	111 046	-	7 882	121 914
Disposals	-	-	(7 260)	-	(5 932)	(13 192)
Depreciation	(28 142)	(1 086)	(49 083)	(1 942)	(6 979)	(87 232)
Transfers ***	-	-	-	29 755	-	29 755
Translation differences	(14 260)	15	(2 606)	(6)	186	(16 671)
Net book value at end of the year	625 776	9 441	351 654	32 159	21 627	1 040 657

* In the current year the freehold land and buildings category was renamed to freehold and leasehold land and buildings.

** In the current year the leasehold buildings category was renamed to leasehold improvements. Leasehold improvements relate to improvements not refunded or reimbursed by the landlord or improvements which are not part of the lease contract.

*** Transfers of rental assets to the amount of R29,6 million (2024: R29,8 million) relate to equipment held for rental reclassified between inventory and rental assets in property, plant and equipment.

Certain property, plant and equipment is encumbered as indicated in note 20.1.

	2025	2024
	R000	R000
7 PROPERTY, PLANT AND EQUIPMENT (continued)		
7.1 Freehold and leasehold land and buildings at valuation/cost		
The group's freehold and leasehold land and buildings at valuation/cost comprise:		
South Africa	295 032	286 877
Richards Bay		
Lot 1892 Alton Industrial Township	31 688	27 200
Lot 1894 Alton Industrial Township	61 452	59 100
Lot 10024 Alton Industrial Township	158 149	160 108
Middelburg		
Portion 45 Lot 11063, Extension 33	43 743	40 469
Germany	368 030	368 537
Oberste-Elpersweide 4, 36304, Alsfeld	99 531	99 668
Industriestraße 8, 99820, Hørselberg-Hainich	268 499	268 869
Zambia		
Plots 4095 and 4096, Chingola Road, Kitwe *	75 884	79 173
France		
35 Avenue du Berry, 23800, Dun le Palestel	8 965	7 358
Total freehold and leasehold land and buildings at cost/valuation	747 911	741 945

* This land in Zambia is held on lease from the government of the Republic of Zambia for a period of 99 years. The remaining lease terms on plots 4095 and 4096 are 81 years and 77 years respectively.

South Africa

The group's freehold land and buildings in Richards Bay and Middelburg were valued by the Mills Fitchet group, independent qualified valuers, on the fair value in continuation of existing use basis. The date of the valuations was 30 June 2025. Additions subsequent to the valuation are at cost.

The valuations were undertaken in accordance with the requirements of the International Valuation Standards (IVS) and International Financial Reporting Standards (IFRS) and in particular *IFRS 13 Fair Value Measurement*.

The fair value of the freehold land and buildings was determined based on the market comparable approach that reflects recent industrial rentals and transaction prices for similar properties. In estimating the fair value of the freehold land and buildings, the highest and best use of these properties is its current use. The valuations include assumptions with regard to repairs and regular refurbishments.

In terms of the fair value hierarchy as required by *IFRS 13 Fair Value Measurement*, the fair value measurement has been classified as a Level 3. Level 3 fair value measurements use significant inputs that are not based on observable market data.

The valuation method used was the capitalisation of net annual income. Information about the fair value measurements is as follows:

	Level 3 Fair value R000	Significant unobservable inputs	Sensitivity: inter-relationship between key unobservable inputs and fair value
Richards Bay			
Freehold land and manufacturing plant and administration buildings in Alton Industrial Township, Richards Bay (i)	251 233	Average rental per square metre R50/m ² Capitalisation rate 10.75% per annum	The higher the rental per square metre, the higher the fair value The higher the capitalisation rate, the lower the fair value

(i) The properties in Richards Bay comprise a very large development and as a result it is unlikely to be let in the open market in its entirety to a single alternative tenant. This limits comparable evidence of similar industrial rentals for valuation purposes.

	2025	2024
	R000	R000
Reconciliation of carrying amount - Richards Bay		
Net book value at beginning of the year	201 388	216 266
Additions at cost	70	-
Depreciation	(10 585)	(14 878)
Level 3 revaluation gain recognised in other comprehensive income	58 409	-
Net book value at end of the year	249 282	201 388

	Level 3 Fair value R000	Significant unobservable inputs	Sensitivity: inter-relationship between key unobservable inputs and fair value
Middelburg			
Freehold land and customer service centre which includes warehousing, a workshop and administration buildings in Middelburg (ii)	43 743	Capitalisation rate 10.00% per annum Vacancy allowance 2.00% per annum Weighted average gross market rental per square metre R86/m ²	The higher the capitalisation rate, the lower the fair value The higher the vacancy allowance, the lower the fair value The higher the rental per square metre, the higher the fair value

(ii) The property in Middelburg is a specialist property and specifically designed to the group's requirements. This limits the number of other potential users and for this reason the valuation assumes that the group remains in occupation and enters into a long-term lease with a listed fund. Based on the value of the lease, the property then becomes relatively saleable. The rental is based on a fair return on the cost of the investment.

	2025	2024
	R000	R000
Reconciliation of carrying amount - Middelburg		
Net book value at beginning of the year	38 970	39 478
Depreciation	(499)	(508)
Level 3 revaluation gain recognised in other comprehensive income	5 019	-
Net book value at end of the year	43 490	38 970

7 PROPERTY, PLANT AND EQUIPMENT (continued)

7.1 Freehold and leasehold land and buildings at valuation/cost (continued)

Germany

The group's freehold land and buildings in Alsfeld and Hürselberg-Hainich (Kindel) were valued by ValEx Deutschland GmbH, independent qualified valuers. The date of the valuations was 31 December 2025.

The valuations were undertaken in accordance with the requirements of the European Valuation Standards (EVS) of The European Group of Valuers' Associations (TEGoVA), the International Valuation Standards (IVS) and International Financial Reporting Standards (IFRS) and in particular *IFRS 13 Fair Value Measurement*.

The fair value of the freehold land and buildings in Germany was determined based on the investment approach. The investment approach was considered to be the most reliable method that closely represents the current market situation. The highest and best use of these properties is their current use.

In terms of the fair value hierarchy as required by *IFRS 13 Fair Value Measurement*, the fair value measurement has been classified as a Level 3. Level 3 fair value measurements use significant inputs that are not based on observable market data.

Information about the fair value measurements is as follows:

	Level 3 Fair value R000	Significant unobservable inputs	Sensitivity: inter-relationship between key unobservable inputs and fair value
Alsfeld			
Freehold land and customer service centre which includes warehousing, a workshop and administration buildings in Alsfeld (iii)	85 433	Rental per square metre R122/m ²	The higher the rental per square metre, the higher the fair value
		Allowance for expenses R1,0 million per annum	The higher the expense allowance, the lower the fair value
		Property yield 7.0% per annum	The higher the property yield, the lower the fair value

(iii) The group uses the property as a logistics centre which services mainly the European markets.

	Level 3 Fair value R000	Significant unobservable inputs	Sensitivity: inter-relationship between key unobservable inputs and fair value
Kindel			
Freehold land and a manufacturing and assembly plant which includes administration buildings in Kindel (iv)	232 783	Rental per square metre R111/m ²	The higher the rental per square metre, the higher the fair value
		Allowance for expenses R3,1 million per annum	The higher the expense allowance, the lower the fair value
		Property yield 8.0% per annum	The higher the property yield, the lower the fair value

(iv) The group's manufacturing and assembly component in Germany services the northern hemisphere markets and is unlikely to be let in the open market in its entirety to a single alternative tenant.

Reconciliation of carrying amount - Germany *

	2025 R000	2024 R000
Net book value at beginning of the year	302 757	328 014
Translation differences	(50)	(15 177)
Additions at cost	-	792
Depreciation	(11 144)	(10 872)
Net book value at end of the year	291 563	302 757

* The group did not adjust the carrying amounts of the freehold land and buildings in Germany when valued in 2025 as these carrying amounts approximated the fair values as determined by the valuator.

Zambia

The group's leasehold land and buildings in Zambia were valued by Mak Associates Consulting Limited, independent qualified valuers. The date of the valuation was 31 August 2025.

The valuation was undertaken in accordance with the requirements of the Royal Institute of Chartered Surveyors' (RICS) Global Valuation Standards and International Financial Reporting Standards (IFRS), in particular *IFRS 13 Fair Value Measurement*.

The fair value of the leasehold land and buildings in Zambia was determined based on the depreciated replacement cost approach. Under this approach, the fair value is determined by adjusting the replacement cost by the loss in value due to the various forms of depreciation such as physical, functional and economic obsolescence. The highest and best use of this property is its current use and the lifespan of the buildings was assumed to be 80 years. For the previous valuation in 2022, the investment approach based on the capitalisation method was used. Due to the lack of the availability of relevant market information in the current period, the depreciated replacement cost approach was considered to be the most reliable method, closely representing the current market situation.

In terms of the fair value hierarchy as required by *IFRS 13 Fair Value Measurement*, the fair value measurement has been classified as a Level 3. Level 3 fair value measurements use significant inputs that are not based on observable market data.

Information about the fair value measurement is as follows:

	Level 3 Fair value R000	Significant unobservable inputs	Sensitivity: inter-relationship between key unobservable inputs and fair value
Zambia			
Leasehold land and customer service centre which includes warehousing, a workshop and administration buildings in Kitwe (v)	75 884	Average replacement cost per square metre - buildings R15 777/m ²	The higher the cost per square metre, the higher the fair value
		Value of land per square metre R211/m ²	The higher the value per square metre, the higher the fair value

(v) The property is located in an industrial location with easy access to main roads and adequate services.

Reconciliation of carrying amount - Zambia

	2025 R000	2024 R000
Net book value at beginning of the year	75 559	76 050
Translation differences	(9 685)	1 268
Depreciation	(1 708)	(1 759)
Reversal of revaluation decrease expensed to profit or loss in prior periods	11 718	-
Net book value at end of the year	75 884	75 559

7.2 Freehold and leasehold land and buildings at historical carrying amount

The comparable amounts under the historical cost convention for the group's freehold and leasehold land and buildings were:

	2025 R000	2024 R000
Historical carrying amount	458 457	482 699

8 **RIGHT-OF-USE ASSETS**

Accounting policy

The group as lessee

At inception of a contract, the group assesses whether a contract is or contains a lease.

The group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date with respect to all lease arrangements in which it is the lessee. The right-of-use asset is initially measured at the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date. Refer to note 21 for the group's accounting policy on lease liabilities.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term. In that case the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The group applies *IAS 36 Impairment of Assets* to determine whether a right-of-use asset is impaired (refer to note 5) and accounts for any identified impairment loss as described in note 7.

Short-term leases and leases of low value assets

The group does not recognise a right-of-use asset and a corresponding lease liability for short-term leases and leases of low value assets, but recognises the lease payments as operating expenses on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The group leases various land and buildings, plant and equipment and vehicles. Lease contracts typically extend for fixed periods of one to 10 years but may have further extension options.

	Cost 2025 R000	Accumulated depreciation 2025 R000	Net book value 2025 R000	Cost 2024 R000	Accumulated depreciation 2024 R000	Net book value 2024 R000
Land and buildings	646 076	343 499	302 577	559 563	288 478	271 085
Plant and equipment	24 100	16 338	7 762	25 134	15 172	9 962
Vehicles	113 059	77 131	35 928	115 318	54 284	61 034
Total	783 235	436 968	346 267	700 015	357 934	342 081

	Land and buildings R000	Plant and equipment R000	Vehicles R000	Total R000
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Movement in right-of-use assets

2025	Land and buildings R000	Plant and equipment R000	Vehicles R000	Total R000
Net book value at beginning of the year	271 085	9 962	61 034	342 081
Additions *	29 803	1 541	6 157	37 501
Modifications **	73 295	-	264	73 559
Disposals	(750)	-	(317)	(1 067)
Depreciation	(67 761)	(3 798)	(31 102)	(102 661)
Translation differences	(3 095)	57	(108)	(3 146)
Net book value at end of the year	302 577	7 762	35 928	346 267

2024

Net book value at beginning of the year	344 902	8 789	60 866	414 557
Additions	10 038	7 764	31 455	49 257
Modifications	(14 925)	55	-	(14 870)
Disposals	(533)	(1 882)	(264)	(2 679)
Depreciation	(65 053)	(4 621)	(30 722)	(100 396)
Translation differences	(3 344)	(143)	(301)	(3 788)
Net book value at end of the year	271 085	9 962	61 034	342 081

* Additions in the current year include new property leases for various commercial spaces relating to the group's manufacturing operation in Richards Bay, South Africa, totalling R24,3 million.

** Modifications in the current year include:

- i) a 10-year property lease for commercial space relating to the group's dealer support operation in Burton-on-Trent, United Kingdom, for an amount of R32,0 million.
- ii) a 7-year property lease for commercial space relating to the group's direct sales operation in Rustenburg, South Africa (BESSA), for an amount of R23,0 million.

Amounts recognised in profit and loss during the reporting period:

	2025 R000	2024 R000
Depreciation expense on right-of-use assets	102 661	100 396
Interest expense on lease liabilities	45 998	49 593
Expenses relating to short-term leases and leases of low value assets	31 685	38 444

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 20259 **INTANGIBLE ASSETS****Accounting policy**

Intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives and is recognised in profit or loss under factory operating expenses. The estimated useful lives and amortisation methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired separately

Intangible assets acquired separately relate to capitalised software. The annual rates of amortisation currently used are 10% to 33%.

Intangible assets generated from internal projects - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Where an intangible asset arises from the development phase of an internal project, management together with the various teams, largely being the engineering and marketing teams, assess whether the project meets the criteria for capitalisation. A project is only recognised as an asset if all of the following criteria listed in the project charter have been demonstrated:

- the technical feasibility of completing the project so that the product being developed will be available for use or sale;
- the intention to complete the project and use or sell the product being developed;
- the ability to use or sell the product being developed;
- how the project will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the product being developed; and
- the ability to measure reliably the expenditure attributable to the project during the development phase.

In the group's judgement the above criteria are generally considered to be met when the teams commence the building of the prototype of the product being developed. The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the project first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

The expenditure incurred on an internal project comprises of an allocation of the relevant engineering staff salary costs together with any material required for purpose of such development. In determining the engineering salary cost incurred, an estimate is made of the time spent by the engineering department on each of the internal projects and an allocation between these is made. This estimate of time is reviewed at regular intervals during the development phase and an adjustment made where necessary. This requires judgement.

An assessment is made once the development phase has ended, and thereafter annually, of the estimated useful life of each internal project capitalised. The assessment is based on past projects together with any information on future market trends. This requires judgement. The estimated useful lives currently vary from 5 to 10 years.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of intangible assets

Intangible assets are subject to the same impairment testing and impairment accounting principles as those described in the accounting policy for property, plant and equipment (refer to note 7). Refer to the impairment considerations in note 5.

Where intangible assets are not yet available for use, impairment testing is done annually and whenever there is an indication that the asset may be impaired.

9 INTANGIBLE ASSETS (continued)

	Accumulated			Accumulated		
	Cost	amortisation and	Net book	Cost	amortisation and	Net book
	2025	impairments	value	2024	impairments	value
	R000	R000	R000	R000	R000	R000
Capitalised software *	117 900	39 276	78 624	129 599	71 334	58 265
Capitalised engineering development expenditure - completed **	514 645	312 351	202 294	389 769	288 078	101 691
Capitalised engineering development expenditure - in progress	38 979	-	38 979	166 612	5 625	160 987
Total	671 524	351 627	319 897	685 980	365 037	320 943

	Capitalised software	Capitalised engineering development - completed	Capitalised engineering development - in progress	Total
	R000	R000	R000	R000

Movement in intangible assets

2025

Net book value at beginning of the year				320 943
Additions	28 703	-	41 446	70 149
Impairment loss	-	(11 297)	(21 944)	(33 241)
Amortisation	(8 344)	(25 124)	(4 486)	(37 954)
Transfers	-	137 024	(137 024)	-
Net book value at end of the year	78 624	202 294	38 979	319 897

2024

Net book value at beginning of the year	40 822	121 011	117 597	279 430
Additions	26 053	2 580	52 944	81 577
Impairment loss	-	-	(5 112)	(5 112)
Amortisation	(8 610)	(25 829)	(513)	(34 952)
Transfers	-	3 929	(3 929)	-
Net book value at end of the year	58 265	101 691	160 987	320 943

Refer to note 5.2.4 for impairment considerations of intangible assets.

* This includes software relating to the SAP implementation project for BECSA with a carrying value of R53,2 million (2024: R25,8 million) and a remaining useful life of 10 years.

** This includes engineering development expenditure relating to the new Grader product with a carrying value of R128,4 million and a remaining useful life of 9,8 years.

In the prior year this project was still in progress with a carrying value of R118,8 million.

10 **INVESTMENTS**

Accounting policy

Investments are classified as at fair value through other comprehensive income and comprise of listed and unlisted equity instruments which are not held for trading. The group has elected to designate the investments below as at fair value through other comprehensive income as these are strategic investments and the group considers this classification to be more relevant.

Upon initial recognition, the investments are measured at fair value plus transaction costs. Subsequent to initial recognition, any gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the reserve for fair value gains and losses on equity investments. Upon disposal of the equity investment, any related balance within the reserve for fair value gains and losses on equity investments is not reclassified to profit or loss, but transferred to retained earnings.

Dividends are recognised in profit or loss when the group's right to receive the dividends is established.

	2025	2024
	R000	R000
Financial assets at fair value through other comprehensive income		
Listed equity investments not held for trading - Zimbabwe		
Opening balance	499	3 168
Disposals at fair value	-	(4 177)
Translation difference	(27)	755
Fair value (loss) gain through other comprehensive income	(472)	753
Closing balance	-	499
Unlisted equity investment not held for trading - United States of America *		
Opening balance	23 444	32 563
Translation difference	(33)	(1 404)
Fair value loss through other comprehensive income	-	(7 715)
Closing balance	23 411	23 444
Unlisted equity investment not held for trading - Mutual Risk Group (MRG)		
Additions at cost	2 777	-
Closing balance	2 777	-
Total investments	26 188	23 943

* This unlisted equity investment represents a 10% interest in the equity of an entity registered in the United States of America.

The entity operates within the dealer and distribution network of the heavy equipment industry. The group does not have access to future forecast information with regards to this entity and has used the market approach to estimate the fair value of its investment.

An EBITDA multiple of 9.41 (2024: 8.60) was used to estimate the fair value of the entity. Information about the other unobservable inputs applied in the method is as follows:

	Measurement date	
	31 December 2025	31 December 2024
Control premium	20.0%	20.0%
Marketability discount	15.4%	15.3%
Minority discount	15.6%	16.9%
Risk discount	10.0%	10.0%

The EBITDA multiple of 9.41 represents an average of observable EBITDA multiples of a number of listed entities within the heavy equipment industry. The EBITDA multiples were obtained from a reputable market database. The fair value measurement has been classified as a Level 3 measurement. A 10% decrease or increase in the EBITDA multiple, would have a R6,5 million (2024: R6,6 million) decrease or increase impact on the fair value of the investment. There were no significant inter-relationships between unobservable inputs that materially affect the fair value of the investment. The group did not adjust the carrying amount of the unlisted equity investment in the current year as the carrying amount approximated the fair value.

11 **INTEREST-BEARING RECEIVABLES AND CONTRACT ASSETS**

Accounting policy

Interest-bearing receivables

Recognition

Interest-bearing receivables are classified as financial assets at amortised cost. Interest-bearing receivables are recognised at amortised cost using the effective interest rate method, less allowance for expected credit losses. Cash flows from interest-bearing receivables are solely payments of principal and interest and the group's objective is to collect the contractual cash flows that arise from these assets.

Impairment

The group elected to apply the simplified approach in assessing the recoverability of interest-bearing receivables. Under the simplified approach the expected credit loss allowance is measured at an amount equal to lifetime expected credit losses. The group measures the allowance for expected credit losses for interest-bearing receivables on the same basis as described in the accounting policy for trade and other receivables under the heading 'Impairment - trade receivables' (refer to note 14).

The expected credit loss rates for the group's instalment sale agreements are detailed below:

	South Africa
- equipment	< 1%

Derecognition

The group derecognises interest-bearing receivables when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received (refer below and note 20.2). Management has applied judgement and concluded that collateralised borrowings are infrequent and therefore does not impact the current business model.

Contract assets

Service and repair work in progress

Service and repair work in progress relates to revenue contracts with customers where the group has promised to service or repair a customer's machine and the group has not yet satisfied its performance obligation in terms of the contract. Job cards are maintained to keep track of labour, parts and other costs incurred by the group on a particular job and these costs are recognised as contract assets. Upon completion of the job, revenue is recognised at a point in time (refer to note 27.3.1) and the related contract asset is expensed to cost of sales.

Impairment - service and repair work in progress

At the end of the reporting period, the group reviews the carrying amounts of its service and repair work in progress for recoverability. An impairment loss is recognised in cost of sales to the extent that the carrying amount of the contract asset exceeds the amount of consideration the group expects to receive from the customer less any costs the group expects to incur in order to fulfil its performance obligation to the customer.

	Notes	2025	2024
		R000	R000
Interest-bearing receivables			
Instalment sale agreements (i)		129 106	114 685
Finance lease receivables (ii)		11 062	47 366
Other interest-bearing assets (iii)		12 292	14 338
Total interest-bearing receivables	38	<u>152 460</u>	<u>176 389</u>
Contract assets			
Service and repair work in progress (iv)		39 885	37 925
Total contract assets		<u>39 885</u>	<u>37 925</u>
Total interest-bearing receivables and contract assets		192 345	214 314
Less: current portion		(168 079)	(186 733)
Total long-term portion of interest-bearing receivables and contract assets		<u>24 266</u>	<u>27 581</u>

11 **INTEREST-BEARING RECEIVABLES AND CONTRACT ASSETS (continued)**

(i) Instalment sale agreements

Receivables from instalment sale agreements for the amount of R129,1 million (2024: R114,7 million) relate to equipment sold to customers under a credit arrangement where the contract provides a significant financing benefit to the customer. Refer to the group's accounting policy in note 27.1.5 for revenue recognition from instalment sale agreements. The amounts are repayable in instalments by:

	Average interest rate per annum	2025 R000	2024 R000
2025	11.8%	-	101 274
2026	12.6%	115 365	13 411
2027	12.9%	13 741	-
Total		129 106	114 685
Less: current portion		(115 365)	(101 274)
Long-term portion		13 741	13 411

The following details an analysis of these instalment sale receivables:

	Less than one year R000	One to two years R000	Total R000
2025			
Gross investment	122 650	14 112	136 762
Less: unearned finance income	(7 285)	(371)	(7 656)
Present value of minimum payments	115 365	13 741	129 106
2024			
Gross investment	104 948	13 486	118 434
Less: unearned finance income	(3 674)	(75)	(3 749)
Present value of minimum payments	101 274	13 411	114 685

The average credit period on the above instalment sale receivable balances is 5 to 24 months. The instalment sale agreements are secured by the financed equipment.

Certain instalment sale receivables were discounted to a financial institution with recourse to the group (refer to notes 20.2 and 38.5).

(ii) Finance lease receivables

Finance lease receivables for the amount of R11,1 million (2024: R47,4 million) relate to equipment sold to customers as part of a lease arrangement. Refer to note 27.5 for the group's accounting policy on revenue recognition from lease agreements. The amounts are repayable in instalments by:

	Average interest rate per annum	2025 R000	2024 R000
2025	15.0%	-	17 973
2026	14.2%	11 062	29 393
Total		11 062	47 366
Less: current portion		(11 062)	(45 783)
Long-term portion		-	1 583

The following details an analysis of these finance lease receivables:

	Less than one year R000	One to two years R000	Total R000
2025			
Gross investment	11 907	-	11 907
Less: unearned finance income	(845)	-	(845)
Present value of minimum payments	11 062	-	11 062
2024			
Gross investment	52 387	1 763	54 150
Less: unearned finance income	(6 604)	(180)	(6 784)
Present value of minimum payments	45 783	1 583	47 366

The average credit period on the above finance lease receivable balances is 6 to 20 months.

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	2025	2024
	R000	R000
11 INTEREST-BEARING RECEIVABLES AND CONTRACT ASSETS (continued)		
(iii) Other interest-bearing assets		
BBBEE shareholders loans	1 312	1 771
BBBEE initiative loans	7 659	8 797
Other interest-bearing assets	3 321	3 770
	<u>12 292</u>	<u>14 338</u>
Less: current portion	(1 767)	(1 760)
Long-term portion	<u>10 525</u>	<u>12 578</u>
Refer to the BBBEE ownership transaction described in note 19.2 and transactions and balances with related parties reflected in note 39.		
Other interest-bearing assets relates to cash-backed bonds of R3,3 million (2024: R3,8 million) in respect of which the cash is restricted.		
(iv) Service and repair work in progress		
Service and repair work in progress	39 885	37 925
Less: current portion	(39 885)	(37 916)
Long-term portion	<u>-</u>	<u>9</u>

12 DEFERRED TAXATION

Accounting policy

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding taxation bases used in the computation of taxable profit. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred taxation assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred taxation assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxation is calculated at the taxation rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred taxation is charged or credited to profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred taxation is also recognised in other comprehensive income or directly in equity.

The measurement of deferred taxation liabilities and assets reflects the taxation consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off deferred taxation assets against deferred taxation liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current taxation assets and liabilities on a net basis.

The deferred taxation analysed by major category of temporary difference and the reconciliation of the movement in the deferred taxation balance is as follows:

	Deferred taxation assets in group companies at beginning of the year R000	Deferred taxation liabilities in group companies at beginning of the year R000	Translation differences R000	Recognised in other comprehensive income for the year R000	Recognised in profit or loss for the year R000	Deferred taxation assets in group companies at end of the year R000	Deferred taxation liabilities in group companies at end of the year R000
2025							
Accruals	37 630	5 876	(164)	-	(4 869)	32 585	5 888
Capitalised engineering development expenditure	(70 952)	-	-	-	5 781	(65 171)	-
Contract liabilities	118 558	8 729	(1)	-	(15 022)	106 002	6 262
Excess taxation allowances over depreciation charge	(9 509)	(20 709)	320	-	(7 018)	(9 603)	(27 313)
Finance lease receivables	(12 789)	-	-	-	9 802	(2 987)	-
Production incentives	-	(25 548)	-	-	3 188	(1 872)	(20 488)
Leases liabilities	104 666	29 133	194	-	(8 077)	94 902	31 014
Other allowances, including allowances for future expenditure on contracts	(15 362)	-	-	-	(764)	(16 126)	-
Other provisions	1 509	-	(12)	-	345	1 842	-
Prepayments	(3 896)	(1 833)	(1)	-	1 703	(3 065)	(962)
Allowance for expected credit losses	2 757	4 909	(190)	-	1 330	4 150	4 656
Provision for inventory obsolescence	15 275	-	(782)	-	(1 861)	10 542	2 090
Contract provision - warranty	83 012	(1 619)	(355)	-	(17 074)	55 116	8 848
Revaluation of properties	(7 437)	(61 296)	1 209	(16 748)	(3 155)	(9 383)	(78 044)
Refund liabilities	1 352	-	1	-	(307)	1 046	-
Right-of-use assets	(76 075)	(16 666)	(266)	-	10 335	(64 353)	(18 319)
Taxable losses	-	528	(29)	-	1 301	1 800	-
Unrealised foreign currency gains and losses	(30)	3 282	(455)	-	2 055	3 078	1 774
Unrealised profit in inventory	114 413	-	20	-	(16 340)	98 093	-
Totals	283 122	(75 214)	(511)	(16 748)	(38 647)	236 596	(84 594)

Further information on the group's estimated taxation losses is set out in note 31.

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12 DEFERRED TAXATION (continued)	Deferred taxation assets in group companies at beginning of the year R000	Deferred taxation liabilities in group companies at beginning of the year R000	Translation differences R000	Recognised in profit or loss for the year R000	Deferred taxation assets in group companies at end of the year R000	Deferred taxation liabilities in group companies at end of the year R000
The deferred taxation analysed by major category of temporary difference and the reconciliation of the movement in the deferred taxation balance is as follows:						
2024						
Accruals	33 068	9 957	(59)	540	37 630	5 876
Capitalised engineering development expenditure	(64 456)	-	-	(6 496)	(70 952)	-
Contract liabilities	112 467	13 990	(32)	862	118 558	8 729
Discounted instalment sale agreements	8 956	-	-	(8 956)	-	-
Excess taxation allowances over depreciation charge	(16 672)	(16 878)	(91)	3 423	(9 509)	(20 709)
Finance lease receivables	-	-	-	(12 789)	(12 789)	-
Production incentives	-	(37 393)	-	11 845	-	(25 548)
Leases liabilities	111 441	27 723	(1 487)	(3 878)	104 666	29 133
Other allowances, including allowances for future expenditure on contracts	(17 889)	-	-	2 527	(15 362)	-
Other provisions	3 653	-	(1)	(2 143)	1 509	-
Prepayments	(3 290)	(2 159)	(2)	(278)	(3 896)	(1 833)
Allowance for expected credit losses	5 312	6 630	26	(4 302)	2 757	4 909
Provision for inventory obsolescence	10 771	3 396	83	1 025	15 275	-
Contract provision - warranty	75 720	(178)	33	5 818	83 012	(1 619)
Revaluation of properties	909	(70 176)	(134)	668	(7 437)	(61 296)
Refund liabilities	1 543	-	(25)	(166)	1 352	-
Right-of-use assets	(84 904)	(10 027)	1 308	882	(76 075)	(16 666)
Taxable losses	3 095	-	(3)	(2 564)	-	528
Unrealised foreign currency gains and losses	(71)	(6 458)	133	9 648	(30)	3 282
Unrealised profit in inventory	94 568	-	(225)	20 070	114 413	-
Totals	274 221	(81 573)	(476)	15 736	283 122	(75 214)

Further information on the group's estimated taxation losses is set out in note 31.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
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13 **INVENTORY****Accounting policy**

Inventory is stated at the lower of cost and net realisable value. Cost is generally determined on the following bases:

Merchandise spares, components and raw materials are valued on the weighted average cost basis. Finished goods purchased from third parties, manufactured finished goods, work-in-progress and components used in the manufacturing process are stated on a standard cost basis which approximates actual. Finished goods, work-in-progress and manufactured components include the cost of direct materials, and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Redundant and slow-moving inventory is identified and written down with regard to their estimated economic or realisable values. The determination of recoverable value of the inventory requires management to exercise considerable judgement and takes into account current market conditions, expected selling prices and model changes.

The group accounting policy for equipment that is rented out under short-term rentals classified as inventory is included in note 7.

	2025	2024
	R000	R000
Finished goods		
- manufactured *	1 068 277	1 220 190
- third party	553 167	674 390
- used	219 604	201 448
Merchandise spares, components and raw materials	2 101 471	2 191 079
Work-in-progress	779 881	789 370
Total inventory	4 722 400	5 076 477

* Included in manufactured finished goods are right-to-return assets of R25,7 million (2024: Rnil) which relate to transactions where the group has an obligation to repurchase the equipment at the customer's request at a future date at a price that is lower than the original selling price. Refer to note 23.

Total inventory expensed, included in cost of sales, amounts to R8 020,7 million (2024: R8 522,6 million).

Inventory includes machines on short-term rental with a carrying value of R39,3 million (2024: R67,2 million).

The group recognised R18,3 million (2024: R7,4 million) in cost of sales in respect of write-downs of machines on short-term rentals.

Inventory of R487,2 million (2024: R597,5 million) was pledged to financial institutions as collateral to secure an overdraft facility.

Refer to note 38.2.1.2.

Refer to note 5.2.1 for impairment considerations of inventory.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
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14 **TRADE AND OTHER RECEIVABLES**

Accounting policy

Recognition

Trade and other receivables are non-derivative financial assets with fixed or determinable payments.

Trade and other receivables are recognised at amortised cost, less allowance for expected credit losses.

The group's business objective is to collect contractual cash flows from trade and other receivables. Cash flows that arise from trade and other receivables are solely payments of principal and interest. Trade and other receivables are classified as financial assets at amortised cost.

Impairment - trade receivables

In assessing the recoverability of trade receivable balances, the simplified approach was applied to the specific and general allowances as described below, as there is no significant financing component in the revenue transactions associated with these balances. Under the simplified approach the expected credit loss allowance is measured at an amount equal to lifetime expected credit losses. The impact of the time value of money on the allowance for expected credit losses was considered to be insignificant as the majority of trade receivable balances are current. Refer to note 38.3 for further analysis of the group's trade receivable balances.

The assessment of the allowance for expected credit losses on customer balances is dependent on estimates and assumptions regarding past dues, repossession rates and the recovery rate on underlying equipment. Assumptions are also made concerning the future, as described below, and these may cause a material adjustment to the carrying amounts of the assets within the next financial year. The group measures the allowance for expected credit losses as follows:

a) Specific allowance

The group reviews each customer balance to assess it for a specific allowance. In instances where customers have exceeded approved credit terms, where the customer is in default with no specific arrangement to rectify the position by entering into a repayment plan with the group, where the terms of a repayment plan have not been complied with and where there are other indicators that the customer is unlikely to pay, such as where a customer has gone into business rescue, the group assesses the financial condition of the customer and the value of the underlying securities.

In considering the customer's ability to pay, the group considers the customer's ability to use the asset to generate revenue and cash. Industry factors that could potentially impact the customer's ability to generate revenue and cash are also factored in. The following specific factors, inputs, assumptions, macroeconomic and forward-looking information were used to assess the recoverability of trade receivables:

- anticipated future revenue generating contracts
- anticipated funding arrangements the customer has with financial institutions or government
- the market sector the customer operates the equipment in
- the customer's experience on similar contracts
- the customer's cash flow projections. In considering the customer's cash flow projections, an analysis of the assumptions and values used by the customer in determining the cash flows is done. Industry factors that could potentially affect the customer's anticipated future cash flows are also considered
- other macroeconomic factors such as unemployment rates, potential labour strikes, political and community unrests with regards to the mining or construction sites where the equipment is used
- in respect of customers operating in the mining industry, the group considered commodity prices, the stability of mining operations and the consistency of production volumes at the mine site at which the customer operates
- security provided by the customer including personal guarantees and cessions of other unencumbered moveable assets owned by the customer
- past payment history

In determining the allowance for expected credit losses, the group also considered estimations of the value of any security, in the form of the financed equipment, the estimated costs of preparing the equipment for re-sale and the group's ability to repossess the equipment.

14 **TRADE AND OTHER RECEIVABLES (continued)**

Accounting policy (continued)

Impairment - trade receivables (continued)

b) General allowance

For receivable balances where no specific allowance was raised, a collective assessment is made. Expected credit losses are calculated by fragmenting trade receivables into shared risk characteristics such as geographical area (by country), collateral type and transaction type (equipment versus parts and services), taking into account forward-looking information and applying a historical loss ratio to the outstanding balance per fragment at each period end. Determining the categories used in fragmentation that reflect the risks of default and loss, requires judgement.

Actual historical losses, which take any collateral into account, are tracked per fragment and the loss ratio is calculated as a percentage of fragmented revenue over a rolling 24 month period and is used to forecast future losses. Where significant, adjustments are made for current and forecast conditions such as unemployment rates and commodity prices.

The expected credit loss rates for the group's trade receivables are detailed below:

	South Africa	Europe	Rest of Africa
- equipment	< 1%	< 1%	< 1%
- parts and services	< 1%	< 1%	< 1%

There has been no change in the approach or techniques used by the group during the current reporting period in assessing the allowance for expected credit losses.

The group writes off any amounts where the likelihood of recovery is remote and where legal means of recovery has failed. Amounts written off by the group during the reporting period in this regard are disclosed in note 28.

The carrying amount of trade receivables is reduced by the allowance for expected credit losses. Subsequent recoveries of amounts previously provided for are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Impairment - production incentives receivable

The group participates in The Automotive Production Development Programme (APDP) in South Africa and earns government incentives in the form of production rebates on qualifying manufactured components which are sold as part of a completed product. The production rebates are in the form of duty credits which can be used to offset South African import duties. The group sells the production rebate certificates earned under the programme to third parties.

The receivable below represents the production rebate certificates the group has earned through qualifying production of components and which the group intends to sell to third parties. APDP claims are submitted quarterly in arrears, the payment terms to the third party for the sale of the certificates are 30 days on average and an invoice is considered past due if it remains unpaid after expiry of the payment terms.

The group assesses the impairment of the asset as follows:

- the group determines if there is a significant increase in credit risk since initial recognition. An indicator that the credit risk has increased significantly is when there are excess certificates available in the market and delays are experienced in finding buyers. Where credit risk has increased significantly since initial recognition the group assesses the asset for lifetime expected credit losses.
- in assessing the expected credit loss of the asset, the group takes into account forward looking factors such as future support from government for local manufacturing, the outlook on market demand for new vehicle sales in South Africa, the level of imports by motor vehicle manufacturers and potential changes to APDP legislation.
- where there is no significant increase in credit risk since initial recognition and the market demand for production rebate certificates is high, the group considers the probability of expected credit losses to be low and no impairment is made.

Derecognition

The group applies the same accounting policy and derecognition principles as described in note 11 under interest-bearing receivables, to trade and other receivables.

	Notes	2025 R000	2024 R000
Amounts receivable from the sale of goods and services		1 070 583	1 155 358
Allowance for expected credit losses (refer note 38.3)		(31 499)	(35 206)
		<u>1 039 084</u>	<u>1 120 152</u>
Sundry debtors		27 953	52 089
APDP - production incentives receivable *		84 500	94 623
Financial assets carried at amortised cost	38	<u>1 151 537</u>	<u>1 266 864</u>
Reimbursement assets		9 879	13 716
Value added taxation receivable		75 284	59 053
Total trade and other receivables		<u><u>1 236 700</u></u>	<u><u>1 339 633</u></u>

* The total allowance for expected credit losses was assessed to be immaterial. No amounts were past due and there has not been a significant increase in credit risk since initial recognition.

Trade receivables of R149,4 million (2024: R189,7 million) were pledged to financial institutions as collateral to secure an overdraft facility. Refer to note 38.2.1.2.

Further information regarding the group's credit risk management is set out in note 38.3.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
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15 **PREPAYMENTS AND OTHER ASSETS***Accounting policy***Prepayments**

Prepayments include advance payments made by the group for goods or services being received and are carried at cost less any accumulated impairment losses. Prepayments are classified as current because they relate to the purchase of inventories and other goods and services and are expected to be realised within 12 months of the reporting date.

	Notes	2025 R000	2024 R000
Prepayments			
Prepayments - inventory		100 942	72 924
Prepayments - other		62 389	52 725
Financial assets carried at fair value through profit or loss			
Foreign exchange contracts (forwards and options) (Level 2) *	38	6 346	6 828
Total prepayments and other assets		<u>169 677</u>	<u>132 477</u>

* Further details on the group's exposure to currency risk is disclosed in note 38.4.1.

16 **CASH AND BANK BALANCES***Accounting policy*

Cash and cash equivalents include deposits held on call with banks and cash on hand. Cash and cash equivalents are initially stated at fair value, and subsequently carried at amortised cost which is deemed to be the fair value. The group's objective is to collect contractual cash flows relating to cash and bank balances. Any cash flows from cash and bank balances are solely payments of principal and interest.

Consolidated statement of cash flows

When bank overdrafts are repayable on demand, form an integral part of the group's cash management and often fluctuate from being positive to overdrawn, they are included as a component of cash and cash equivalents.

	2025 R000	2024 R000
Cash on hand and cash bank balances *	<u>631 448</u>	<u>283 369</u>

* The group's cash and bank balances include an amount of R83,2 million (2024: R67,2 million) which forms part of the group's operation in Russia and which is not accessible by the group outside Russia due to sanctions. The amount is banked at OTP Bank and Sberbank of Russia. At the end of the reporting period, OTP Bank held long-term credit ratings of Baa1 (0) (Moody's) and BBB (-) (S&P), and short-term ratings of P-2 (Moody's) and A-2 (S&P), which reflects the bank's creditworthiness as assessed by internationally recognised credit rating agencies. No credit rating is available for Sberbank of Russia at which R26,8 million was held at year-end.

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17 **STATED CAPITAL**

Authorised

100 000 000 (2024: 100 000 000) ordinary shares of no par value

Issued and fully paid

95 629 385 (2024: 95 629 385) ordinary shares of no par value

The 4 370 615 authorised but unissued ordinary shares at year end are under the control and authority of the directors until the next annual general meeting of shareholders.

	2025 R000	2024 R000
	235 541	235 541

18 **NON-DISTRIBUTABLE RESERVES**

Balance at 31 December 2023

Other comprehensive loss

- exchange differences on translating foreign operations
- reclassification to profit or loss of foreign currency translation reserve

Net fair value loss through other comprehensive income

Transfer between reserves relating to disposal of investments classified as at fair value through other comprehensive income

Balance at 31 December 2024

Other comprehensive income (loss)

- exchange differences on translating foreign operations
- surplus on revaluation of properties
- deferred taxation on surplus on revaluation of properties

Decrease in BBBEE share-based payment reserve *

Increase in statutory reserves of foreign subsidiaries

Net fair value loss through other comprehensive income

Transfer between reserves relating to investments classified as at fair value through other comprehensive income

Balance at 31 December 2025

	Net surplus arising from revaluation of freehold land and buildings (a) R000	Statutory reserves of foreign subsidiaries (b) R000	Reserve for fair value gains (losses) on equity investments (c) R000	Foreign currency translation reserve (d) R000	BBBEE share-based payment reserve (e) R000	Total R000
	177 835	21 396	25 310	910 471	87 665	1 222 677
	(285)	(1 002)	(1 452)	(66 448)	-	(69 187)
	(285)	(1 002)	(1 452)	(66 366)	-	(71 105)
	-	-	-	1 918	-	1 918
	-	-	(6 962)	-	-	(6 962)
	-	-	(345)	-	-	(345)
	177 550	20 394	16 551	844 023	87 665	1 146 183
	48 640	(28)	732	(73 217)	-	(23 873)
	(8)	(28)	732	(73 217)	-	(72 521)
	65 396	-	-	-	-	65 396
	(16 748)	-	-	-	-	(16 748)
	-	-	-	-	(450)	(450)
	-	7 186	-	-	-	7 186
	-	-	(472)	-	-	(472)
	-	-	5 841	-	-	5 841
	226 190	27 552	22 652	770 806	87 215	1 134 415

(a) This reserve is in respect of gains and losses that arise from the revaluations of freehold land and buildings which have not previously been recognised in profit or loss as described in the group's accounting policy for property, plant and equipment (refer to note 7). Upon disposal of a revalued property, the related net revaluation surplus in this reserve is not reclassified to profit or loss but is transferred directly to retained earnings.

(b) Certain foreign subsidiaries are required in terms of local legislation to set aside a portion of their retained earnings in a non-distributable reserve. This has been presented as statutory reserves above.

(c) The balance in this reserve relates to gains and losses that arise from changes in the fair value of investments designated as at fair value through other comprehensive income. Refer to note 10.

Upon disposal of the investment, the related balance in the reserve is not reclassified to profit or loss but is transferred directly to retained earnings.

(d) Exchange differences that arise as a result of translating the results and financial position of group entities that have a functional currency different from the presentation currency, are accumulated in this reserve. Refer to the group's accounting policy as described in note 2.2.1. Upon the disposal or discontinuation of the foreign operation, the relevant amounts are reclassified to profit or loss through other comprehensive income.

(e) The group has entered into BBBEE ownership transactions for BESSA and BECSA as described in note 19. The reserve represents the BBBEE shareholders' loans issued and the fair value of the share-based payment charges recognised in respect of these transactions as required by *ITRS 2 Share-based Payments*.

* During the year a BBBEE shareholder, who was an employee of the group, resigned and his shareholding in the group's BEE management company was transferred to the group's broad based trust. Refer to note 19.2.

	2025	2024
	R000	R000
19 NON-CONTROLLING INTEREST		
Non-controlling interest at end of the year	124 777	102 813

The non-controlling interest comprised the 22,5% interest of the BESSA BEE SPV in BESSA and relates to the BBBEE ownership transaction concluded in 2017 as described in note 19.1. Summarised financial information about BESSA is disclosed in note 41.2.

19.1 BBBEE ownership transaction concluded in 2017 - BESSA

The BESSA BEE SPV and a broad based trust controlled by the group, acquired 22,5% and 7,5% respectively of the issued share capital of BESSA during 2017.

19.1.1 The BESSA BEE SPV

The BESSA BEE SPV is 100% owned by the selected BBBEE partner through a company named Sibi Capital Proprietary Limited (Sibi). Sibi, whose ultimate shareholders are Sindisiwe Mabaso-Koyana and Bharti Harie, is 100% black women owned.

There is a lock-in period of 10 years during which the BESSA BEE SPV is precluded from carrying out certain activities without the prior written consent of the company.

The BESSA BEE SPV may not during the lock-in period effect any transaction that will affect its shareholding in BESSA or its BBBEE credentials through Sibi. Sibi is required to remain a black women owned entity and to maintain its BBBEE status at all times whilst a shareholder of the BESSA BEE SPV.

At the end of the 10 year period, the BESSA BEE SPV may sell its shares subject to pre-emptive rights in favour of the company. If the company does not elect to acquire such shares, the BESSA BEE SPV may transfer such shares to eligible third parties who have an equal or greater BBBEE status. The company has a call option to acquire the BBBEE shareholders' shares in BESSA. The amount payable for the shares shall be the designated value as per the agreement less a 10% discount.

The group has control over the BESSA BEE SPV in terms of its relevant activities and the results of the BESSA BEE SPV have therefore been consolidated (refer to note 41).

19.1.2 The broad based trust

The broad based trust is known as the Bell Equipment Foundation (BEF) and the beneficiaries of the trust are black women. The objectives of the trust are to acquire and hold investments and use trust income to support black women in South African communities by financially assisting them with their education or their businesses. The group has control over the trust in terms of its relevant activities and trustees and the results of the trust have therefore been consolidated (refer to note 41).

**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025****19 NON-CONTROLLING INTEREST (continued)****19.2 BBBEE ownership transaction concluded in 2019 - BECSA and BESSA**

During 2019 another BBBEE transaction was concluded in terms of which the group's manufacturing subsidiary, BECSA, and the group's sales and aftermarket support operation in South Africa, BESSA, both became 51% black people owned companies with effect from 1 January 2020.

The BEE shareholders in this BEE transaction are the following:

- key black executives in the group; and
- the existing BESSA BEE shareholders, BESSA BEE SPV (refer to note 19.1.1), as well as BEF the beneficiaries of which are black women (refer to note 19.1.2).

No non-controlling interest was recognised in respect of the BBBEE ownership transaction concluded in 2019 due to the fact that the BBBEE parties are required to sell their shareholding in BECSA Holdings to the company at the end of the 10 year lock-in period, at the designated value defined in the contract, in exchange for cash, shares in the company or in another group entity or for a combination of shares and cash, at the company's discretion. The BBBEE parties were effectively granted an option to acquire Bell shares and as such no non-controlling interest was recognised.

19.2.1 Structure of BEE shareholding

A BEE management company (BEE Manco) was incorporated, the shareholders of which are BEE employees at management level of the group, being Avishkar Goordeen, Dominic Chinnappen, Sheetal Maharaj, Niraj Andhee and Bruce Ndlela * (the Managers) as well as BEF, the broad based trust. The group has control over BEE Manco in terms of its relevant activities and the results of BEE Manco have therefore been consolidated (refer to note 41).

Effective 51% black ownership in BECSA

BESSA BEE SPV, BEF and BEE Manco collectively hold 30% of the issued ordinary shares of BECSA Holdings, resulting in an effective 30% shareholding in BECSA. In addition, BEE Manco has an effective 21% shareholding in BECSA through its 30% shareholding in BHL.

Effective 51% black ownership in BESSA

BEE Manco has an effective 21% shareholding in BESSA through its 30% shareholding in BHL. In addition, BESSA BEE SPV and BEF collectively hold 30% of the issued ordinary shares in BESSA from the 2017 BEE transaction.

* During the year Bruce Ndlela resigned and his shareholding was transferred to the group's broad based trust.

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20 **INTEREST-BEARING LIABILITIES**

Accounting policy

Interest-bearing liabilities are measured at amortised cost, using the effective interest rate method. Interest expenses are recognised in profit or loss.

Derecognition

The group derecognises interest-bearing liabilities when the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

20.1 **Mortgage loans and instalment purchase agreements**

Mortgage loans and instalment purchase agreements relating to the purchase of certain freehold land and buildings, plant and equipment and vehicles are detailed below.

	Average variable / fixed rate of interest per annum	2025 R000	2024 R000
Secured			
Long-term mortgage loans and instalment purchase agreements from financial institutions repayable in instalments with the following maturity dates:			
April 2027 (i)	9.5%	3 974	6 450
May 2027 (i)	9.8%	958	1 555
August 2027 (i)	9.8%	2 305	3 510
September 2031 (ii) *	1.7%	22 413	26 347
November 2032 (iii) *	1.8%	26 030	29 835
August 2033 (iv) *	1.7%	72 543	81 360
November 2033 (v) *	5.6%	12 179	13 388
		140 402	162 445
Less: current portion		(20 825)	(21 545)
Long-term portion		119 577	140 900

* Fixed rate of interest.

The following properties, plant and equipment and vehicles at net book value are encumbered as security for the secured borrowings above:

- (i) plant and equipment and vehicles in South Africa R10,9 million (2024: R13,0 million)
- (ii) freehold land and buildings in Alsfeld, Germany R76,3 million (2024: R78,3 million)
- (iii) freehold land and buildings in Kindel, Germany R68,9 million (2024: R63,8 million)
- (iv) buildings in Kindel, Germany R146,3 million (2024: R152,1 million)
- (v) solar system in Kindel, Germany R13,3 million (2024: R14,1 million)

20.2 **Collateralised borrowings**

Accounting policy

Discounted instalment sale agreements

Discounted instalment sale agreements represent amounts payable to financial institutions where certain instalment sale agreements have been discounted with recourse to the group. Refer to note 11.

	Average variable rate of interest per annum	2025 R000	2024 R000
Collateralised borrowings - secured			
Discounted instalment sale agreements	10.2%	9 328	48 176
Less: current portion		(9 328)	(37 641)
Long-term portion		-	10 535

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
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20 **INTEREST-BEARING LIABILITIES (continued)**20.3 **Other loans**

Other loans comprise the following:

	Average rate of interest per annum	2025 R000	2024 R000
Unsecured			
Industrial Development Corporation (IDC) of South Africa (i) *	2.5%	100 000	-
ABSA Bank of South Africa (supply chain finance) (i)	11.6%	-	191 665
		<u>100 000</u>	<u>191 665</u>
Less: current portion		(15 355)	(191 665)
Long-term portion		<u>84 645</u>	<u>-</u>
		<u>249 730</u>	<u>402 286</u>
Total interest-bearing liabilities		<u>249 730</u>	<u>402 286</u>
		<u>45 508</u>	<u>250 851</u>
Less: current portion of interest-bearing liabilities		<u>45 508</u>	<u>250 851</u>
		<u>204 222</u>	<u>151 435</u>
Long-term portion of interest-bearing liabilities		<u>204 222</u>	<u>151 435</u>

(i) Refer to note 38.2.1 for further information on the IDC end user term loan and the ABSA trade loan.

* Fixed rate of interest.

The directors have unlimited borrowing powers in terms of the Memorandum of Incorporation of the company.

21 LEASE LIABILITIES

*Accounting policy***The group as lessee**

Lease liabilities relate to lease arrangements in which the group is the lessee. Refer to note 8 for the corresponding right-of-use assets in respect of these liabilities. The group leases various land and buildings, warehouses, plant and equipment and vehicles.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes.

The lease liability is initially measured at the present value of the lease payments due to the lessor over the lease term, 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 group uses its incremental borrowing rate. The group generally uses its incremental borrowing rate as discount rate.

Subsequent to initial measurement, the lease liability is reduced to reflect lease payments made.

Lease payments

Lease payments included in the measurement of the lease liability comprise of fixed payments and variable lease payments based on an index or rate. Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease term

The lease term included in the measurement of the lease liability is the non-cancellable period of the lease and any option to extend the lease or purchase the asset and any option to terminate the lease. This requires judgement. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option. Renewal options are only included in the lease term if the group has an enforceable right to renew the contract, the renewal period and renewal lease payments are stipulated in the contract and the group has the intention to exercise the option. At the lease commencement date, the group applies judgement in assessing whether it is reasonably likely that the group will exercise the option. Factors considered include how far in the future an option occurs, the group's planning cycle and past history of not renewing leases.

Leases that are short-term in nature or leases where the assets are of low value are accounted for as lease expenses in profit or loss on a straight-line basis. The group applies judgement in determining what comprises a low value lease taking into consideration the cost price of the underlying assets and materiality.

Incremental borrowing rate

The incremental borrowing rate is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. In determining the incremental borrowing rate, the group considers the terms and conditions of the lease and applies judgement. The incremental borrowing rate is determined by using a benchmark rate, which is a readily observable rate influenced by the economic environment and lease term, adjusted for a credit spread which is based on publicly available spreads which takes into account the level of indebtedness and profitability of the lessee based on secure borrowings. The benchmark rate, using the Damodaran approach, is the risk-free rate.

BELL EQUIPMENT LIMITED
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
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21 **LEASE LIABILITIES (continued)**

	2025	2024
	R000	R000
Lease liabilities at beginning of the year	452 210	509 854
Translation differences	(5 291)	(4 460)
New lease contracts entered into *	37 501	49 237
Lease modifications *	73 559	(14 870)
Lease contracts ended	(1 127)	(2 592)
Interest expense on lease liabilities	45 998	49 593
Lease liabilities repaid - principal	(97 018)	(87 360)
Lease liabilities repaid - interest	(43 560)	(47 192)
Lease liabilities at end of the year	462 272	452 210
Less: current portion	(97 297)	(93 429)
Long-term portion	364 975	358 781
* Refer to note 8.		
The breakdown of lease payments (including interest repaid) is as follows:		
Fixed lease payments	95 145	124 135
Variable lease payments	45 433	10 417
Total	140 578	134 552
The variable lease payments above included in the measurement of the lease liability, are based on an index or a rate and market related rentals.		
Total cash outflows for leases amount to R172,2 million (2024: R173,0 million) for the year.		
Below sets out the undiscounted contractual maturities of lease liabilities:		
Less than 1 year	132 476	131 322
Between 1 and 2 years	114 558	118 481
Between 2 and 3 years	98 053	90 025
Between 3 and 4 years	83 750	78 572
Between 4 and 5 years	64 038	65 302
Over 5 years	98 246	116 066
Total contractual cash flows	591 121	599 768
Less: unaccrued interest	(128 849)	(147 558)
Lease liabilities at end of the year	462 272	452 210
Analysed as follows:		
Non-current	364 975	358 781
Current	97 297	93 429
	462 272	452 210

The group does not face a significant liquidity risk with regards to its lease liabilities.

22 **CONTRACT LIABILITIES**

Accounting policy

Contract liabilities arise out of revenue contracts with customers. The group accounting policy for revenue and contract liabilities is included in notes 27.1.2, 27.3.1 and 27.4.

	2025	2024
	R000	R000
22.1 Advance receipts from customers		
Balance at beginning of the year	76 192	93 011
Translation difference	3 691	(268)
Amounts received in advance for delivery of finished goods	140 287	224 742
Revenue recognised during the year	(197 230)	(238 972)
Amounts repaid to customers	(1 605)	(2 321)
	<u>21 335</u>	<u>76 192</u>
Less: current portion	(21 335)	(76 192)
Long-term portion	<u>-</u>	<u>-</u>
Advance receipts from customers are contracts for periods of one year or less. An amount of R76,2 million (2024: R93,0 million) included in the opening balance was recognised as revenue in the current period.		
22.2 Deferred warranty income *		
Balance at beginning of the year	315 958	336 513
Extended warranty contracts sold during the year	186 659	153 835
Revenue recognised during the year	(198 806)	(174 390)
	<u>303 811</u>	<u>315 958</u>
Less: current portion	(151 287)	(150 622)
Long-term portion	<u>152 524</u>	<u>165 336</u>
Deferred warranty income relates to extended warranty contracts sold. The extended warranty contract periods commence after expiry of the standard warranty period provided for in the standard conditions of sale of equipment and the liability is in respect of this extended period. Revenue on the long-term portion is expected to be recognised over a period of two to five years. An amount of R145,0 million (2024: R89,7 million) included in the opening balance was recognised as revenue in the current period.		
22.3 Deferred service contract revenue *		
Balance at beginning of the year	73 597	78 448
Translation difference	(596)	17
Service contracts sold during the year	99 482	80 791
Costs in excess of contract value	3 867	1 814
Expired / forfeited during the year	(6 576)	(6 616)
Utilised during the year	(103 648)	(80 857)
	<u>66 126</u>	<u>73 597</u>
Less: current portion	(47 062)	(49 224)
Long-term portion	<u>19 064</u>	<u>24 373</u>
Deferred service contract income relates to service contracts sold where the proceeds were received upfront. The deferred service contract revenue is recognised when the services have been rendered. Revenue on the long-term portion is expected to be recognised over a period of two to six years.		
Total contract liabilities	<u>391 272</u>	<u>465 747</u>
Less: current portion of contract liabilities	<u>(219 684)</u>	<u>(276 038)</u>
Long-term portion of contract liabilities	<u>171 588</u>	<u>189 709</u>

* In the current year, management reassessed whether the extended warranty and service contracts contain a significant financing component in terms of *IFRS 15 Revenue from Contracts with Customers*. Management concluded that the previously recognised deferred finance income liability component was incorrect because the timing of payments does not provide a significant financing benefit to either the group or its customers and therefore no adjustment for a financing component is required. Accordingly, the previously recognised deferred finance income liability was restated to the deferred warranty income and deferred service contract revenue liabilities in the current year. There was no change in measurement on the total contract liabilities amount presented, accordingly the statement of financial position was not restated.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
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	2025	2024
	R000	R000
23 REFUND LIABILITIES		
Refund liabilities comprise the following:		
Right-to-return equipment *	32 005	32 087
Right-to-return parts	25 117	32 918
Total refund liabilities	57 122	65 005
Less: current portion of refund liabilities	25 117	37 944
Long-term portion of refund liabilities	32 005	27 061

* Refund liabilities relating to equipment represent transactions where the group has an obligation to repurchase the equipment at the customer's request at a future date at a price that is lower than the original selling price. At contract inception, management applied judgement and determined that the customer does not have a significant economic incentive to exercise its right. Therefore the transactions were accounted for as a sale of a product with a right to return. Revenue was reduced by the present value of the future buyback amount and a refund liability was recognised. The corresponding right-to-return assets have been included within inventory.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
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24 **PROVISIONS****Accounting policy****Contract provision - standard warranty**

The contract provision for standard warranty includes provisions for manufactured equipment and third party equipment and represents the discounted value of the directors' best estimate of the expenditure required to settle the group's obligations. Assumptions made regarding the timing and value of future warranty costs may have a significant risk of causing a material adjustment to the carrying amount of the provision within the next financial year.

24.1 **Manufactured equipment**

As part of the standard conditions of sale, the group provides a standard warranty on manufactured equipment sold to the customer. In terms of the warranty policy the group undertakes to make good any defects for an average period of 12 months. At the time of the sale, the group raises a provision for the estimated expenditure required to settle the group's obligation based on past experience of the timing and value of this cost, which in certain circumstances extends beyond the 12 month period contained in the group's standard warranty policy. The non-current portion of the provision is adjusted for the time value of money using an appropriate discount rate. The group also raises a provision for warranty campaigns, at the time that a decision is made to launch a warranty campaign, based on the number of machines to be included in the campaign and the estimated expenditure required to be spent on each machine to rectify the particular defect.

The group has the right to recover certain warranty costs incurred on manufactured equipment from the group's component suppliers. The group recognises the reimbursement asset only when it is virtually certain that reimbursement will be received from the component supplier. In the group's judgement, the group's right to reimbursement is assessed as virtually certain when the group receives a valid warranty claim against the standard warranty policy from a customer. The reimbursement asset is recognised as a financial asset under trade and other receivables. The amount included under trade and other receivables as at 31 December 2025 amounts to R9,9 million (2024: R13,7 million) as disclosed in note 14. Prior to the receipt of claims from customers, no reimbursement asset is recognised on the statement of financial position and the group only has a contingent asset which has been disclosed in note 34.1.1.

Based on the group's judgement, the obligation for warranty costs on manufactured equipment remains with the group and as a result, the provision for standard warranty costs on manufactured equipment has been recognised on a gross basis, without a reduction in the provision for the amounts expected to be recovered from third-party component suppliers as described above.

24.2 **Third-party equipment**

Third-party equipment sold to customers includes a standard warranty from third-party suppliers and in terms of the agreements with these suppliers, the group is obligated to carry out warranty campaigns from time to time and perform warranty repairs and warranty services for customers on behalf of the suppliers. Warranty costs incurred on third-party equipment is submitted to third-party suppliers for reimbursement. A portion of these costs is sometimes rejected by the suppliers and this rejected portion is carried by the group.

Significant judgement is applied in assessing the group's obligation in terms of these warranty claims. Based on an assessment of the legal arrangements the group has with third-party equipment suppliers, the group concludes that it only acts as an agent on behalf of certain suppliers but in some cases it acts as principal.

Contract provision - standard warranty	R000
Balance at 31 December 2023	298 966
Increase during the year	249 591
Utilised during the year	(229 941)
Translation differences	567
Balance at 31 December 2024	<u>319 183</u>
Less: current portion	(217 584)
Long-term provision at 31 December 2024	<u>101 599</u>
Balance at 31 December 2024	319 183
Increase during the year	110 476
Utilised during the year	(175 697)
Translation differences	(1 874)
Balance at 31 December 2025	<u>252 088</u>
Less: current portion	(181 070)
Long-term provision at 31 December 2025	<u>71 018</u>

Management has applied a pre-tax discount rate of 10,2% (2024: 11,4%) to determine the present value of the non-current portion of the estimated expenditure, based on the group's current average cost of borrowings which is considered appropriate as this reflects current market assessments of the time value of money in the South African environment and approximates a market-based rate for liabilities with a similar duration.

**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
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25 **SHARE-BASED PAYMENTS AND OTHER LIABILITIES**

Accounting policy

Cash-settled employee share-based payments

Refer to note 33.1 for the accounting treatment of the cash-settled share-based payment liability.

	Notes	2025 R000	2024 R000
Cash-settled employee share-based payments			
Balance at beginning of the year		90 646	60 673
Increase during the year		8 274	51 801
Payments made during the year		(22 923)	(21 828)
Cash-settled employee share-based payments at end of the year	33.1.2	75 997	90 646
Financial liabilities carried at fair value through profit or loss			
Foreign exchange contracts (forwards and options) (Level 2) *	38	12 652	22 304
Total share-based payments and other liabilities			
Less: current portion		(36 922)	(47 717)
Long-term portion		51 727	65 233

* Further details on the group's exposure to currency risk is disclosed in note 38.4.1.

26 **TRADE AND OTHER PAYABLES**

Accounting policy

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as financial liabilities at amortised cost. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost. Trade and other payables are derecognised when the group's obligations are discharged, cancelled or when they expire.

		2025 R000	2024 R000
Trade creditors		1 015 603	813 060
Credit balances in trade and other receivables		35 089	36 010
Other payables		12 913	18 353
Financial liabilities carried at amortised cost	38	1 063 605	867 423
Audit fees		14 499	12 135
Leave pay and other payroll accruals		111 524	116 237
Other accruals *		21 258	24 138
Value added taxation payable		13 225	26 620
Total trade and other payables		1 224 111	1 046 553

* Includes accruals for additional costs on finished goods incurred in the normal course of business.

27 **REVENUE**

Accounting policy

The group recognises revenue in a way that depicts the transfer of goods and services promised to customers in an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods and services. The group recognises revenue when it has satisfied its performance obligation in terms of the contract with the customer and when it transfers control of the product or service to the customer. Payment terms with customers range between 14 and 180 days.

The total transaction price, excluding sales taxation and net of any customer rebates, trade discounts and other similar allowances, are proportionately allocated to each performance obligation (good or service) promised in the contract, based on the stand-alone price of each good or service. Other than instalment sale agreements, finance leases, extended warranties and long-term service contracts, the transaction price was not adjusted for the effects of the time value of money in transactions where the period between delivery of the promised goods or services and the payment from the customer is one year or less.

The group recognises revenue from the following major sources:

- sale of equipment (manufactured, third party, used)
- sale of parts
- service contracts and transport revenue
- extended warranty
- rental revenue

27.1 **Sale of equipment (manufactured, third party, used)**

27.1.1 **Sale of equipment**

Upon delivery of a machine, judgements are made in assessing whether control of the machine has transferred to the customer. In assessing this, the group considers whether it has obtained the right to receive payment, the customer's acceptance of the asset, whether physical possession of the machine has transferred to the customer, whether significant risks and rewards of ownership have transferred to the customer taking into account shipping terms and the customer's ability to direct the use of the asset or obtain benefits from it.

In bill-and-hold arrangements the group has invoiced the customer for the promised machines, but physical possession has been retained by the group. The group applies judgement in assessing whether control of the machine has passed to the customer. In its assessment, the group considers the reason for the arrangement. These arrangements are usually a request from the customer and arise where delivery of the machine is not practical, or the customer's site where the equipment is going to be used is not ready. The group also considers if significant risks and rewards of ownership have passed to the customer and assesses whether it has retained the ability to direct the use of the equipment to another customer, if the equipment is ready for physical transfer and if the customer has accepted the asset. Revenue is recognised where the group concludes that the reason for the arrangement is substantive and that the customer has assumed control. Management is satisfied that all the criteria for the recognition of bill-and-hold arrangements have been met during the year.

In certain instances the group enters into sales contracts where a combination of finished goods and services are promised to the customer such as manufactured and third party equipment together with extended warranties and/or service contracts. The group also often agrees to arrange shipment of the equipment and recovers these freight costs from the customer. In these instances the group applies judgement and uses approved price listings to allocate the total transaction price proportionately to each performance obligation (good or service) promised in the contract, based on the stand-alone price of each good or service.

Standard warranties on the equipment are not separately sold by the group in its ordinary course of business and are not separately priced. The group accounts for these in accordance with *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*. Refer to note 24.

27.1.2 **Advance payments from customers for finished goods**

Payments received from customers in advance of the transfer of control of the finished goods to the customer are recognised as contract liabilities until control has transferred and the revenue is recognised. Refer to note 22.1.

27.1.3 **Transactions with trade-ins**

Where the group agrees to trade in used equipment from a customer as part of the consideration receivable for the sale of new equipment, the difference between the fair value of the used equipment traded in and the agreed upon price of such trade-in, is accounted for as an adjustment to revenue. The group uses judgement in determining the fair value of the used equipment and consideration is given to the age and condition of the equipment and residual values achieved in the market for similar products.

27 **REVENUE (continued)**

Accounting policy (continued)

27.1 **Sale of equipment (manufactured, third party, used) (continued)**

27.1.4 **Transactions with credit risk undertakings**

Where the group has provided a credit backing to customers for their financing of equipment purchases, revenue is recognised if control over the goods has passed to the customer and the group has satisfied its performance obligation in terms of its contract with the customer.

On initial recognition of revenue, an assessment of the transaction price is performed and revenue is recognised to the extent that it is highly probable that a reversal of revenue will not occur in future periods due to customer default.

The security that the group and the financial institution have in the financed equipment is taken into consideration in this assessment. A refund liability to the financial institution is recognised for the portion of the transaction price not recognised in revenue. Based on the group's history of these transactions, the rate of customer default is low and in the group's judgement the likelihood of reversal of revenue is considered to be insignificant.

Subsequent to initial recognition, where customers are in arrears with the financial institution and there is a shortfall between the estimated realisation values of the equipment and the balances due by the customers to the financial institution, an assessment of any additional security is done on an individual contract basis and a refund liability is recognised to the extent of the group's liability towards the financial institution with a debit to revenue. A corresponding right of recovery asset is recognised for the value of the equipment held as security where repossession of the machine is anticipated.

In assessing the group's credit risk exposure and the likelihood of reversal of revenue relating to these transactions, the group also uses an expected default rate based on historical trends and forward-looking information to measure expected credit losses on a portfolio basis. The group uses the same inputs and factors and considers the same forward-looking and macroeconomic information as described in the group's accounting policy for impairment of trade receivables (refer to note 14) when measuring the expected credit losses.

27.1.5 **Instalment sale agreements**

Where goods are sold and the contract provides a significant financing benefit to the customer, the group adjusts the transaction price for the financing component. The interest rates used to adjust the transaction price are customer specific and based on market related lending rates. The rates range between 8,0% and 14,3%. Revenue is recognised when control over the goods is transferred to the customer. A receivable is recognised on the statement of financial position at an amount that depicts the group's net investment in the contract (refer to note 11).

27.2 **Sale of parts**

Control is generally considered to be transferred where the group has obtained the right to receive payment, physical possession of the parts has transferred to the customer, significant risks and rewards of ownership has transferred to the customer and the customer has accepted the parts.

27.3 **Service contracts and transport revenue**

27.3.1 **Service contracts**

Service contract revenue arises from transactions with customers where the group is obligated to service a customer's equipment over the contract period, at specified service intervals or as and when required by the customer. Each service period is by nature short-term and in the group's judgement upon completion of the service the customer receives the benefits of the service provided.

It is also at this point that the group's right to receive payment is established and on this basis revenue is recognised at the service intervals over the contract period.

Where the group services a customer's equipment, job cards are maintained for each service keeping track of labour, parts and other costs incurred by the group on a particular job. Contract assets relating to service work-in-progress is presented in note 11.

The group often supplies the service parts as part of the agreement. In these instances, the total transaction price is proportionately allocated to each performance obligation in the contract, using stand-alone prices for each.

Where service contracts are sold to customers and the proceeds are received upfront, a contract liability is recognised in the statement of financial position. Refer to note 22.3. Management concluded that there was no significant financing component in these service contracts and therefore the transaction price required no adjustment for the time value of money. Revenue is recognised each time a service has been rendered, based on the expected gross margin. In estimating the expected gross margin, assumptions are made on the total expected costs to be incurred under the contract, using historical data where available. The remaining contract balance is periodically reviewed and revenue is recognised where the customer has forfeited services based on management's assessment. This requires judgement. A customer may elect to enter into a new contract to extend the service period after the expiry of the initial service term.

27 **REVENUE (continued)**

Accounting policy (continued)

27.3 **Service contracts and transport revenue (continued)**

27.3.2 **Transport services**

In many instances where machines and parts are sold to customers, the group agrees to deliver the goods to the customer at an agreed price. The group has discretion to accept or reject a request for transport services and to set pricing. Where the group accepts a request for transport services it assumes the responsibility to fulfil such promise to its customer. The group uses another party to deliver the goods and has the ability to direct that party to provide the service to the customer on the group's behalf. Based on this, in the group's judgement, the group considers that it acts as a principal in these transactions and therefore revenue from transport services is recorded on a gross basis with the related costs in cost of sales.

27.4 **Sale of extended warranties**

Extended warranty contracts are separately priced and sold by the group to customers. These contracts are accounted for as separate performance obligations and the total transaction price is allocated proportionately based on stand-alone prices where the sale of these contracts is combined with the sale of finished goods and/or other services. The consideration on these contracts is received upfront. Management concluded that there was no significant financing component in these contracts and therefore the transaction price required no adjustment for the time value of money. Refer to note 22.2. The group recognises the revenue on these contracts on a straight-line basis over the term of the contract as this, in the group's judgement, depicts the customer's right to access this service.

27.5 **Rental revenue**

The group as lessor

Where the group enters into a lease arrangement, the group uses the guidance in *IFRS 16 Leases* with regard to classification of a lease as either a finance lease or an operating lease. This requires judgement. The group considers if significant risks and rewards of ownership have transferred to the buyer and significant assumptions are made in assessing this.

In assessing the transfer of risks and rewards associated with ownership, the group considers the probability of return of the equipment by the customer. Consideration is given to the terms of the agreement and other relevant factors that will impact returns such as customer behaviour, product type, past practice and history of returns, current and anticipated market conditions and whether the present value of the minimum lease payments amounts to substantially all of the fair value of the equipment. Where the group concludes that significant risks and rewards of ownership have transferred to the buyer, the lease is classified as a finance lease and the sale of goods is recognised as revenue.

Where the lease is classified as an operating lease, rental revenue is recognised. Operating leases are not actively marketed as they are not the group's core business of selling equipment. Operating leases may be short-term or long-term. Rental revenue from operating leases is recognised over time based on the hours utilised on the machine as this, in the group's judgement, depicts the transfer of benefits to the customer.

Rental revenue from short-term rentals where the equipment is held in inventory, relate to rental agreements entered into from time to time with existing customers for various reasons, mainly the following:

- where the customer has an immediate need for equipment whilst waiting for their sales order to be fulfilled and for their new machine to be delivered by the group or for financing to be approved by a financial institution;
- where a customer's equipment is being repaired and the customer requires temporary equipment to continue operating;
- to initiate equipment sales in difficult market conditions or when a customer wants to test equipment first before purchasing equipment.

In respect of rental revenue from long-term rentals, the equipment is held as rental assets in property, plant and equipment. These rental agreements generally include an option to purchase the equipment and they are entered into with customers for a period exceeding 12 months. The main reasons for these long-term rentals are:

- as a financing solution provided by the group;
- as a customer financing preference.

The transfer of risks and rewards associated with ownership of these rental assets has not been satisfied.

Refer to note 36 for the disclosure of operating lease arrangements.

27 **REVENUE (continued)**

Disaggregation of revenue

The group derives its revenue from the sale of equipment and aftermarket products, which includes the sale of parts, service contracts and transport revenue, extended warranty and rental revenue.

This is consistent with the external revenue information that is disclosed for each reportable segment under IFRS 8 (refer to note 6) and the information that is provided to the group's chief operating decision maker on a regular basis.

	MANUFACTURING, ASSEMBLY, LOGISTICS AND DEALER SALES OPERATIONS		DIRECT SALES OPERATIONS		Total Revenue R000
	South Africa R000	Europe R000	South Africa R000	Zambia R000	
2025					
Revenue					
Sale of equipment	1 381 816	2 850 622	3 215 931	606 564	8 054 933
Sale of parts	593 766	269 323	1 150 649	300 003	2 313 741
Service contracts and transport revenue	121 508	49 405	302 080	18 840	491 833
Extended warranty	198 517	-	-	-	198 517
Finance lease revenue	-	-	57 480	-	57 480
Rental revenue	-	7 836	23 494	4 417	35 747
Total revenue	2 295 607	3 177 186	4 749 634	929 824	11 152 251

	South Africa R000	Europe R000	South Africa R000	Rest of Africa * R000	Total Revenue R000
	2024				
Revenue					
Sale of equipment	1 668 155	3 519 378	3 024 936	523 187	8 735 656
Sale of parts	649 349	293 683	1 134 151	233 350	2 310 533
Service contracts and transport revenue	127 636	53 632	281 513	17 158	479 939
Extended warranty	142 437	-	-	-	142 437
Rental revenue	-	2 283	25 818	-	28 101
Total revenue	2 587 577	3 868 976	4 466 418	773 695	11 696 666

The transfer of goods and services occurs over time and at a point in time as reflected below.

	2025 R000	2024 R000
Timing of revenue recognition from contracts with customers		
At a point in time		
Sale of equipment	8 054 933	8 735 656
Sale of parts	2 313 741	2 310 533
Total	10 368 674	11 046 189
Over time		
Service contracts and transport revenue	491 833	479 939
Extended warranty	198 517	142 437
Total	690 350	622 376
Revenue from lease arrangements		
Finance lease and rental revenue	93 227	28 101
Total revenue	11 152 251	11 696 666

Included in revenue for the year is an amount of R33,7 million (2024: R104,9 million) relating to bill and hold arrangements for the sale of equipment to certain customers. Control of the equipment has passed to these customers and management's assessment is that the likelihood of revenue reversal in future periods is remote.

The group had remaining and unsatisfied performance obligations at year end in terms of extended warranty contracts, service contracts, and in terms of certain equipment sales contracts where the consideration was received in advance from customers. These obligations are reflected as contract liabilities in the statement of financial position. Refer to note 22.

Related party sales are disclosed in note 39.

* This includes customer service centres in Zambia and Zimbabwe. The customer service centre in Zimbabwe ceased trading during 2024.

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for the year ended 31 December 2025

	Notes	2025 R000	2024 R000
28	PROFIT FROM OPERATING ACTIVITIES		
	Profit from operating activities is arrived at after taking into account:		
	Income		
	Currency exchange gains	228 616	336 202
	APDP - production incentives (i)	43 140 549	211 324
	Net surplus on disposal of property, plant and equipment	6 954	2 500
	Reversal of revaluation decrease on property, plant and equipment expensed to profit or loss in prior periods	7 11 718	-
	Expenditure		
	Amortisation of intangible assets (ii)	9 37 954	34 952
	Amounts written off as credit impaired	18 655	12 970
	Decrease in allowance for expected credit losses	(3 645)	(12 514)
	Auditors' remuneration - fees paid to PwC for audit services	19 593	15 760
	Auditors' remuneration - fees paid to PwC for non-audit services	1 170	1 097
	Auditors' remuneration - fees paid to other auditors for audit services	974	2 391
	Auditors' remuneration - fees paid to other auditors for non-audit services	-	146
	Cash-settled employee share awards	25 8 274	51 801
	Consulting fees	44 386	46 653
	Currency exchange losses	284 433	336 386
	Depreciation of property, plant and equipment (iii)	7 109 253	87 232
	Depreciation of right-of-use assets	8 102 661	100 396
	Directors' remuneration		
	Paid by company:		
	- non-executive directors' fees	42 6 067	6 834
	Paid by subsidiaries:		
	- executive directors - salaries	42 14 309	11 741
	- benefits	42 12 492	7 954
	Impairment loss recognised on intangible assets	9 33 241	5 112
	(Decrease) increase in contract provision - warranty	(58 620)	15 299
	Lease expenses - short-term and low value assets	8 31 685	38 444
	Repairs and maintenance	73 505	84 891
	Research expenses (excluding staff costs)	47 365	51 112
	Staff costs	1 917 029	1 958 805

(i) Income from production incentives decreased by 33,5% (2024: decreased by 11,6%) due to a decrease in production volumes in the current period.

(ii) Included in factory and group services operating expenses in the consolidated statement of profit or loss.

(iii) Total depreciation expense above, expressed by the nature of this expense, includes depreciation included in cost of sales and in distribution costs, administration expenses and factory operating expenses in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

	2025	2024
	R000	R000
29 INTEREST EXPENSE		
Interest expense incurred on the following:		
Bank overdrafts and loans	18 287	75 166
Lease liabilities	45 998	49 593
Industrial Development Corporation (IDC) of South Africa working capital facility	912	20 992
ABSA Bank of South Africa - supply chain finance	2 345	32 659
Other *	6 993	6 640
Total interest expense	74 535	185 050

* Includes interest expenses relating to extended credit terms granted to the group for goods purchased in the normal course of business.

	2025	2024
	R000	R000
30 INTEREST INCOME		
Interest income earned on the following:		
Service contracts *	-	7 979
Extended warranty contracts *	-	44 393
Instalment sale agreements and finance leases	14 804	12 483
Other **	50 226	38 055
Total interest income	65 030	102 910

* Following management's reassessment that the extended warranty and service contracts do not contain a significant financing component, amounts previously recognised as deferred finance income liability were reclassified to the deferred warranty income and deferred service contract revenue liabilities in the current year. Refer to note 22. Accordingly, in the current year amounts recognised in profit or loss relating to these contracts are classified as extended warranty income and service contract revenue within note 27 - Revenue.

** Includes interest income received from financial institutions and from customers on credit terms provided.

31 **TAXATION**

Accounting policy

The taxation expense represents the sum of the taxation currently payable and deferred taxation.

Current taxation

The current taxation is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability / asset for current taxation is calculated using taxation rates that have been enacted or substantively enacted by the end of the reporting period.

Current taxation is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current taxation is also recognised in other comprehensive income or directly in equity.

Deferred taxation

Refer to note 12 for the group's accounting policy on deferred taxation.

	2025 R000	2024 R000
31.1 Taxation recognised in profit or loss		
South African normal taxation		
Current taxation		
- current year	86 041	160 153
- prior year	(4 188)	4 738
Deferred taxation		
- current year	31 680	(20 638)
- prior year	11 573	293
Withholding taxation	918	1 439
Other corporate taxation	281	89
Foreign taxation		
Current taxation		
- current year	40 035	49 387
- prior year	1 901	568
Deferred taxation		
- current year	(2 559)	2 341
- prior year	(2 047)	2 268
Other corporate taxation, including wealth taxation	778	555
Total taxation recognised in profit or loss	164 413	201 193

	2025 %	2024 %
Reconciliation of rate of taxation		
Standard rate of taxation	27	27
Adjustment for:		
Disallowable legal and consulting fees	1	1
Special allowances for taxation *	(1)	(1)
Prior year taxation BECSA	1	1
Impact of different taxation rates of subsidiaries operating in other jurisdictions, mainly Germany and Zambia	1	2
Effective rate of taxation	29	30

* Relates to special allowances for research and development and learnerships.

The group's estimated taxation losses amount to R264,1 million (2024: R294,9 million). Taxation losses of R3,5 million (2024: R26,4 million) included in this amount will expire as follows:

	2025 R000	2024 R000
Less than one year	3 511	26 394
Total	3 511	26 394

Other losses may be carried forward indefinitely. Certain prior year losses were utilised in the current year.

A deferred taxation asset of R1,8 million (2024: R0,5 million) was recognised in the current year in respect of taxation losses. Refer to note 12. Taxation losses which do not expire and for which no deferred taxation asset was recognised, amounted to R253,9 million (2024: R268,5 million).

	2025 R000	2024 R000
31.2 Taxation recognised in other comprehensive income that will not be reclassified subsequently to profit or loss		
Deferred taxation		
- property revaluation	16 748	-
Total taxation recognised in other comprehensive income	16 748	-

31 **TAXATION (continued)**

31.3 **OECD Pillar Two (Global Minimum Tax)**

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in the process of issuing legislation on this framework. The Pillar Two rules apply to multinational enterprises (MNEs) that have a consolidated revenue of €750 million (approximately R15 billion) in at least two of the last four years. The Pillar Two rules will ensure that MNEs may be liable for a minimum effective corporate tax rate of 15% on their income in each jurisdiction where they operate.

South Africa published the Global Minimum Tax Act, Act 2024 (Pillar Two legislation) in the official Government Gazette, volume 714 in December 2024, in which Pillar Two legislation was enacted. The Pillar Two legislation applies retrospectively from 1 January 2024 for years of assessment commencing on or after that date.

Management has assessed the potential impact of the Pillar Two legislation on the group and concluded that the group does not meet the revenue threshold for applicability.

31.4 **Change in German corporate tax rate**

In July 2025, Germany enacted a tax investment program which will gradually reduce the country's corporate income tax rate of 15% over five years by 1% per year, starting in the 2028 tax period, to a final rate of 10% as of 2032.

Management has calculated the impact on the group's deferred taxation balances at 31 December 2025 and concluded that it is not significant.

32 **EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE**

	Notes	2025	2024
32.1 Earnings per share (basic)			
Profit attributable to owners of Bell Equipment Limited (R'000)		384 031	440 435
Weighted average number of shares in issue ('000)		95 629	95 629
Earnings per share (basic) (cents)		402	461
32.2 Earnings per share (diluted)			
Profit attributable to owners of Bell Equipment Limited (R'000)		384 031	440 435
Fully converted weighted average number of shares ('000)		103 637	106 488
Earnings per share (diluted) (cents)		371	414
<p>The group has potential ordinary shares relating to the shareholding of BEE parties in certain group entities. These BEE parties are required to sell their shares to the group at the end of the lock-in period in exchange for cash, shares in the company or in another group entity or for a combination of cash and shares, at the company's discretion. The number of shares has been adjusted for the effect of the dilutive potential shares relating to these options. Refer to note 4.2 for the judgements and estimates made by management in determining this dilutive impact.</p>			
32.3 Headline earnings per share (basic)			
Profit attributable to owners of Bell Equipment Limited (R'000)		384 031	440 435
Net surplus on disposal of property, plant and equipment (R'000)	28	(6 954)	(2 500)
Taxation effect of net surplus on disposal of property, plant and equipment (R'000)		1 879	664
Reversal of impairment loss on property, plant and equipment (R'000)	7	(11 718)	-
Taxation effect of reversal of impairment loss on property, plant and equipment (R'000)		3 515	-
Impairment loss recognised on intangible assets (R'000)	9	33 241	5 112
Taxation effect of impairment loss on intangible assets (R'000)		(8 975)	(1 380)
Reclassification to profit or loss of foreign currency translation reserve (R'000)	18	-	1 918
Headline earnings (R'000)		395 019	444 249
Weighted average number of shares in issue ('000)		95 629	95 629
Headline earnings per share (basic) (cents)		413	465
32.4 Headline earnings per share (diluted)			
Headline earnings as calculated in 32.3 above (R'000)		395 019	444 249
Fully converted weighted average number of shares per 32.2 above ('000)		103 637	106 488
Headline earnings per share (diluted) (cents)		381	417
<p>Headline earnings is calculated in accordance with <i>Circular 1/2023 Headline Earnings</i> issued by the South African Institute of Chartered Accountants.</p>			
32.5 Net asset value per share			
Total capital and reserves (R'000)		5 904 399	5 676 940
Number of shares in issue ('000)	17	95 629	95 629
Net asset value per share (cents)		6 174	5 936

33 **SHARE-BASED PAYMENT ARRANGEMENTS WITH EMPLOYEES**

Accounting Policy

The group recognises a liability for cash-settled share-based payments at fair value. The fair value of the liability is determined using an option pricing model and the liability is remeasured at each reporting date and at the date of settlement with any changes reflected in the group's statement of profit or loss. Services received from employees are recognised by the group as they are rendered.

The estimation of the fair value of the cash-settled share-based payments includes the effect of market and non-market conditions. Vesting conditions, other than market conditions, are taken into account in the measurement of the liability by adjusting the number of awards that are expected to vest. This estimate is revised at each reporting date when the liability is remeasured until the vesting date.

33.1 **Cash-settled employee share award plan for key executives of the Bell group**

The phantom share incentive scheme was implemented in 2018 and makes provision for long-term incentivisation of key executives of the Bell group in the structure of a share appreciation rights scheme. The object and purpose of the scheme is to grant forfeitable phantom share awards to key executives of the Bell group to enable them to benefit if the company's share price improves and if the applicable performance criteria are achieved, so as to retain and motivate employees and increase the profitability of the company.

The number of awards granted to executives was determined with reference to market norms for long-term incentive schemes and a multiple of the annual salary packages of the participants.

Each award comprises of three equal tranches. The three tranches vest as follows:

- in respect of tranche 1, on the first trading day after expiry of a period of three years after the award date;
- in respect of tranche 2, on the first trading day after expiry of a period of four years after the award date;
- in respect of tranche 3, on the first trading day after expiry of a period of five years after the award date.

The awards held by participants comprise a mixture of zero-strike and strike based awards. HEPS and ROIC performance conditions are applicable to the zero-strike awards.

The HEPS performance conditions are as follows:

- in respect of awards granted in 2021, the annual compounded HEPS growth rate over the three, four and five year periods ending on the last day of the financial year-end of the Bell group prior to the vesting date, must meet or exceed SA inflation plus 5%.
- in respect of awards granted in 2022 and 2023, the annual compounded HEPS growth rate over the three, four and five year periods ending on the last day of the financial year-end of the Bell group prior to the vesting date, must meet or exceed SA inflation plus 3%.
- in respect of awards granted in 2024 and 2025, the performance scorecard reflected below applies:

Performance condition		Weighting %	Targets			
Type	Metric		Vesting %	50%	75%	100%
			Threshold	On Target	Stretch	
Financial	HEPS	50%	CPI +1%	CPI +2%	CPI +3%	
Financial	ROIC	50%	WACC	WACC +1%	WACC +2%	
Total share units		<u>100%</u>				

The ROIC performance conditions are as follows:

- in respect of awards granted in 2021, the annual ROIC hurdle is based on operational returns in excess of the cost of capital plus a margin.
- in respect of awards granted in 2022 and 2023, a minimum ROIC hurdle of 15% applies and the payout is based on a sliding scale of the rolling three year average ROIC as follows:

<i>Rolling three year average ROIC</i>	<i>Payout</i>
< 15%	0%
≥ 15% < 16%	78%
≥ 16% < 17%	89%
≥ 17% < 18%	100%
≥ 18% < 19%	111%
≥ 19% < 20%	122%

- in respect of awards granted in 2024 and 2025, the performance scorecard reflected above applies.

Employees will acquire the cash equivalent of the difference between the strike price and the market value of shares upon realisation of their awards, subject to the performance conditions specified.

Awards are forfeited in certain circumstances, including on a participant ceasing to be an employee, for reasons other than incapacity, death or retirement at the pensionable age in terms of the rules of the pension and/or provident fund, when all the awards held by the participant, whether or not they have vested, will be deemed to have vested upon termination of employment and shall be settled within three months or in the case of death, within 12 months thereafter.

The total benefit paid to employees in respect of the scheme in any financial year shall not exceed 6% of the NPAT as reflected in the audited results of the Bell group, except in certain circumstances relating to mergers, takeovers and corporate action.

In the event of a change in control of the company which results in the retrenchment or other no fault termination, or a material adverse change in the conditions of employment of the participant then the vesting period in respect of any unvested phantom share units held by that participant will be advanced in accordance with the rules of the scheme.

Awards are subject to the group's malus and clawback policy.

33 SHARE-BASED PAYMENT ARRANGEMENTS WITH EMPLOYEES (continued)

33.1 Cash-settled employee share award plan for key executives of the Bell group (continued)

33.1.1 Share awards granted

The following awards were in existence during the reporting period:

Grant date	Phantom share units					Strike price of units with a strike price			
	With a strike price	With a strike price of zero	Total	Vesting January 2026	Vesting January 2027		Vesting January 2028	Vesting January 2029	Vesting January 2030
1 January 2021	191 330	107 667	298 997	298 997	-	-	-	-	R 6.52
1 January 2022	465 338	262 006	727 344	363 672	363 672	-	-	-	R 12.43
1 January 2023	2 391 000	1 594 000	3 985 000	1 328 333	1 328 333	1 328 334	-	-	R 14.88
1 January 2024	1 280 000	718 000	1 998 000	-	666 000	666 000	666 000	-	R 41.75
1 January 2025	943 330	853 923	1 797 253	-	-	599 084	599 084	599 085	R 38.66
Total share units	5 270 998	3 535 596	8 806 594	1 991 002	2 358 005	2 593 418	1 265 084	599 085	

These 8 806 594 (2024: 8 659 991) share awards were held by executive directors and prescribed officers as disclosed in note 42.

33.1.2 Fair value of share awards granted

The fair value of the phantom share awards was measured at the end of the year using the Black-Scholes pricing model.

A liability of R74,4 million (2024: R90,6 million) was raised for this cash-settled employee share award plan. Refer to note 25.

Inputs into the model	Measurement date	
	31 December 2025	31 December 2024
Spot price of the option	R 42.77	R 38.66
Dividend yield	0% - 2.3%	0% - 2.4%
Expected volatility of the share price	25.7% - 42.0%	43.7% - 78.0%
Risk-free interest rate	6.3% - 6.5%	7.3% - 7.7%
HEPS	413	465
ROIC	7.2%	8.5%

33.1.3 Movement in share awards granted

The following reconciles the share awards outstanding at the beginning and end of the year:

	2025		2024	
	Number of awards	Weighted average strike price R	Number of awards	Weighted average strike price R
Balance at beginning of the year	8 659 991	12.81	8 492 999	7.81
Vested during the year	(993 982)	6.13	(1 379 009)	5.99
Granted during the year	1 945 750	20.29	2 165 000	26.75
Forfeited during the year	(805 165)	14.64	(618 999)	8.11
Balance at end of the year	8 806 594	15.05	8 659 991	12.81

The share awards outstanding at the end of the year had a weighted average remaining contractual life of 2,5 years (2024: 2,9 years).

Phantom share awards of R22,9 million (2024: R21,8 million) were settled during the year.

33.2 Cash-settled employee share award plan for BESSA management

In the current year a phantom share incentive scheme was implemented which makes provision for long-term incentivisation of BESSA management in the structure of a share appreciation rights scheme.

The object and purpose of the scheme is to grant forfeitable phantom share awards to key management of BESSA to enable them to benefit if the company's market value improves and if the applicable performance criteria are achieved, so as to retain and motivate employees and increase the profitability of BESSA. 11 253 095 (2024: nil) share awards were held by BESSA management. A liability of R1,6 million (2024: Rnil) was raised for this cash-settled employee share award plan.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2025

34 CONTINGENT ASSETS AND LIABILITIES

Accounting policy

Contingent assets are not recognised as assets because they are possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the group.

The contingent asset in note 34.1.1 below relates to the group's reimbursement right from third-party component suppliers in respect of standard warranties on manufactured goods. The amount below has not been recognised as an asset as the circumstances do not support a conclusion that recovery is virtually certain. This represents the group's best estimate of expected recoveries from component suppliers. Refer to the group's accounting policy on contract provisions for standard warranty in note 24.1.

Contingent liabilities are not recognised as liabilities because they are either possible obligations and the group's present obligation that could lead to an outflow of resources has yet to be confirmed or they are present obligations that do not meet the recognition criteria because it is not probable that an outflow of resources will be required to settle the obligation.

	2025 R000	2024 R000
34.1 Contingent assets		
Reimbursement right relating to standard warranty in respect of manufactured goods		
Reimbursement right from component suppliers in respect of standard warranties where virtual certainty of recovery has not yet been established	62 430	69 420
34.2 Contingent liabilities		
Credit risk undertakings with financial institutions		
During the year the group entered into credit risk arrangements with certain financial institutions with recourse to the group to facilitate the financing of equipment for certain of the group's customers. Refer to note 27.1.4 for the group's accounting policy relating to these transactions.		
Transactions where the group carries all the credit risk (100%)		
In terms of these arrangements the group is liable for the full balance due to the financial institution in the event of default by the customer. At year-end the group's credit risk exposure under these arrangements totalled	35 830	82 417
In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liability	56 695	92 154
	(20 865)	(9 737)
Less: refund liability recognised	-	-
Net credit risk	-	-
Transactions where the group carries a portion of the credit risk (first loss) (20%-80%)		
In terms of these arrangements the group is liable for a portion of the balance due to the financial institution in the event of default by the customer. These are first loss undertakings and the group's liability is determined as the lesser of the recourse amount agreed upon or the net shortfall between the resale price achieved on the equipment and the total balance due by the customer to the financial institution. At year-end the group's credit risk exposure under these arrangements totalled	46 252	24 095
In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liability	54 431	29 530
	(8 179)	(5 435)
Less: refund liability recognised	-	-
Net credit risk	-	-

BELL EQUIPMENT LIMITED
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

34 **CONTINGENT ASSETS AND LIABILITIES (continued)**

34.2 **Contingent liabilities (continued)**

Transactions where the group carries a portion of the credit risk (20%)

In terms of this arrangement the group is liable for 20% of the balance due to the financial institution in the event of default by the customer. At year-end the group's credit risk exposure under this arrangement totalled

In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liability

Less: refund liability recognised

Net credit risk

2025	2024
R000	R000
11 406	13 459
14 295	15 251
(2 889)	(1 792)
-	-
-	-

No refund liability was recognised on these transactions as the risk of expected credit losses was considered to be insignificant.

35 **CAPITAL EXPENDITURE COMMITMENTS**

Capital expenditure commitments include commitments for the acquisition of property, plant and equipment and software.

Contracted

Authorised, but not contracted - property, plant and equipment

Authorised, but not contracted - intangible assets

Total capital expenditure commitments

2025	2024
R000	R000
28 007	9 543
116 120	132 699
34 806	41 614
178 933	183 856

This capital expenditure is to be financed from internal resources.

36 **OPERATING LEASE ARRANGEMENTS**

Operating leases, in which the group is the lessor, relate to leases of equipment reflected as rental assets in note 7 and inventory as reflected in note 13.

Operating lease receivables

The minimum undiscounted lease payments in non-cancellable operating lease receivables are set out below:

Equipment

Less than one year

Total operating lease receivables

2025	2024
R000	R000
3 562	9 401
3 562	9 401

**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025**37 **RETIREMENT BENEFIT INFORMATION****Accounting policy**

Payments to defined contribution retirement plans and state-managed retirement contribution schemes are charged as an expense when employees have rendered services in respect of which contributions are payable.

South African group employees in all scheduled occupations are required by legislation to join the Metal Industries Benefit Funds Administrators (MIBFA), a defined contribution plan. The MIBFA pension fund is governed by the Pension Funds Act and retirement benefits are determined based on the level of contributions for retirement by employees and investment returns. Employees carry the investment risk and the group has no commitment to meet any unfunded benefits.

Other South African employees are eligible, as a condition of their employment, to join the Old Mutual SuperFund Defined Benefit Provident Fund, which are externally managed defined contribution plans with multiple participating employers, including Bell Equipment Limited. These funds are governed by the Pension Funds Act and retirement and death benefits are determined with reference to the employees' contributions to the fund. These funds are actuarially valued but, by their nature, the group has no commitment to meet any unfunded benefits.

Certain of the foreign subsidiaries offer pension fund plans to their employees. These funds are externally managed defined contribution plans and are not actuarially valued. These companies have no commitment to meet any unfunded benefits.

The group's employer contributions to retirement funds were R114,1 million during the current year (2024: R114,1 million) and were charged to staff costs in profit or loss.

There is no obligation to meet any post retirement medical costs of employees.

38 **FINANCIAL INSTRUMENTS**

Financial assets and liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets carried on the statement of financial position are classified into the following categories:

- financial assets at fair value through profit or loss;
- financial assets at amortised cost; and
- financial assets at fair value through other comprehensive income.

Classification is determined by both the group's business model as well as the contractual cash flow characteristics of the asset. Financial assets carried on the statement of financial position include cash and bank balances, investments, interest-bearing receivables, trade and other receivables and other assets.

The group's business model for each category is disclosed in notes 10, 11, 14, 15 and 16.

Financial liabilities

Financial liabilities carried on the statement of financial position are classified into the following categories:

- financial liabilities at fair value through profit or loss; and
- financial liabilities at amortised cost.

Financial liabilities as disclosed in the statement of financial position include interest-bearing liabilities, trade and other payables, bank overdrafts and overnight call loans and other liabilities. Refer to notes 20, 25, 26 and 38.2.

Offsetting financial instruments

Financial assets and liabilities are offset where the group has a legal and enforceable right to set off the recognised amounts and it intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

38 **FINANCIAL INSTRUMENTS (continued)**

	Notes	2025 R000	2024 R000
Categories of financial instruments			
Financial assets			
Financial assets at amortised cost			
- Interest-bearing receivables	11	152 460	176 389
- Trade and other receivables (excluding accruals and value added taxation receivable)	14	1 151 537	1 266 864
- Cash and bank balances	16	631 448	283 369
Financial assets at fair value through other comprehensive income			
- Investments	10	26 188	23 943
Financial assets at fair value through profit or loss			
- Other assets (foreign exchange contracts (forwards and options))	15	6 346	6 828
Total financial assets		1 967 979	1 757 393
Financial liabilities			
Financial liabilities at amortised cost			
- Interest-bearing liabilities	20	249 730	402 286
- Trade and other payables (excluding accruals and value added taxation payable)	26	1 063 605	867 423
- Bank overdrafts and overnight call loans	38.2	221 664	422 906
Financial liabilities at fair value through profit or loss			
- Other liabilities (foreign exchange contracts (forwards and options))	25	12 652	22 304
Lease liabilities	21	462 272	452 210
Total financial liabilities		2 009 923	2 167 129

Fair value of financial instruments

Financial assets at amortised cost

Interest-bearing receivables, trade and other receivables and cash and bank balances are measured at amortised cost. The directors consider that the carrying amount of trade and other receivables, excluding the value added taxation receivable, and cash and bank balances approximates their fair value due to the short-term nature of these instruments. The carrying amount of interest-bearing receivables approximates their fair value owing to the market related interest rates charged on these agreements.

Financial liabilities at amortised cost

Interest-bearing liabilities, lease liabilities, trade and other payables and bank overdrafts and overnight call loans are measured at amortised cost. The directors consider that the carrying amount of trade and other payables, excluding the value added taxation payable, and bank overdrafts and overnight call loans approximates their fair value due to the short-term nature of these instruments. The carrying amount of interest-bearing liabilities approximates their fair value owing to the market related interest rates on these instruments.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities carried at fair value through profit or loss include foreign exchange contracts (forwards and options) presented in the statement of financial position as other assets or liabilities.

The group measures foreign exchange contracts (forwards and options) at fair value on a recurring basis based on the market approach, using inputs other than quoted prices (Level 2).

The fair value of forward foreign exchange contracts is based on observable forward exchange rates at year-end from an independent provider of financial market data. The fair value of foreign exchange option contracts is determined using generally accepted option pricing models, incorporating observable market inputs at year-end, including spot exchange rates, forward exchange rates, volatility, interest rate differentials and time to maturity.

There was no change in the valuation techniques used for foreign exchange contracts (Level 2) during the year.

Investments at fair value through other comprehensive income

Investments carried at fair value through other comprehensive income include listed and unlisted equity instruments. These investments are measured at fair value on a recurring basis. The fair value of listed investments is based on quoted market prices (Level 1). For its unlisted investment in the North American distributor (Level 3), the group used an average of observable EBITDA multiples of a number of entities within the industry which was applied to the EBITDA of the investment entity. Refer to note 10.

Valuation techniques and fair value hierarchy

There was no change in the valuation techniques used for the group's listed (Level 1) and unlisted investments (Level 3).

For all fair value measurements disclosed above, there were no transfers between levels of the fair value hierarchy during the year.

38 **FINANCIAL INSTRUMENTS (continued)**

Financial risk management

The group's approach to risk management includes being able to identify, describe and analyse risks at all levels throughout the group, with mitigating actions being implemented at the appropriate point of activity. The very significant, high impact risk areas and the related mitigating action plans are monitored by the risk and sustainability committee and the board. The overall risk strategy remains unchanged with emphasis on sustainability and liquidity.

In the normal course of its operations, the group is exposed to capital, liquidity, credit and market risks (foreign currency risk, interest rate risk and equipment residual value risk). In order to manage these risks, the group may enter into transactions which make use of derivatives, including foreign exchange contracts (forwards and options). The group does not speculate in derivative instruments.

The group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to operations of the group through internal reports which analyse exposures and the magnitude of risks.

38.1 **Capital risk management**

The group's overall strategy is to secure the long-term sustainability of the group and to generate cash. This is consistent with the prior year.

The capital structure of the group consists of debt, which includes short-term and long-term borrowings as disclosed in notes 20 and 38.2, cash and bank balances, all components of equity, comprising issued capital, reserves and non-controlling interest, as disclosed in notes 17 to 19, and retained earnings.

Gearing ratio

Management monitors the group borrowings with reference to a targeted maximum net debt-to-equity ratio of between 30% and 40%.

	2025	2024
	R000	R000
The gearing ratio at year-end was as follows:		
Short-term and long-term borrowings	471 394	825 192
Cash and bank balances	(631 448)	(283 369)
Net (cash) debt	(160 054)	541 823
Total equity	5 904 399	5 676 940
Attributable to owners of Bell Equipment Limited	5 779 622	5 574 127
Non-controlling interest	124 777	102 813
Debt-to-equity ratio (excluding cash and bank balances) (%)	8.0	14.5
Net debt-to-equity ratio (including cash and bank balances) (%)	(2.7)	9.5

38.2 **Liquidity risk**

Cash generated from operations decreased significantly from R2,2 billion in 2024 to R1,3 billion in 2025, mainly due to lower production and sales levels resulting from weaker market conditions.

The group manages liquidity risk by management of working capital and cash flows. Banking facilities are constantly monitored for adequacy. Other than the facilities described in 38.2.1.1 to 38.2.1.3, the banking facilities are repayable on demand.

The utilisation at 31 December 2025 is as follows:

	Facilities	Utilisation	Facilities	Utilisation
	2025	2025	2024	2024
	R000	R000	R000	R000
General banking facilities	1 459 098	221 664	1 470 273	422 906

Bank overdrafts and overnight call loans are unsecured and floating interest rates linked to benchmark rates are charged.

In terms of undertakings by the group in certain bank facility agreements, limits are in place for permitted security over group assets, the provision of guarantees or indemnities to any person and for the raising of additional borrowings. Transactions in excess of these limits require the consent of the banks concerned.

38 **FINANCIAL INSTRUMENTS (continued)**

Financial risk management (continued)

38.2 **Liquidity risk (continued)**

38.2.1 **Loan covenants**

38.2.1.1 The utilisation at 31 December 2025 on the Industrial Development Corporation of South Africa facility is as follows:

	Facility 2025 R000	Utilisation 2025 R000	Interest accrued 2025 R000	Facility 2024 R000	Utilisation 2024 R000	Interest accrued 2024 R000
Industrial Development Corporation of South Africa (IDC)						
End user funding and interest accrued	220 000	100 000	-	-	-	-
Trade finance and interest accrued	-	-	-	210 000	-	-

The IDC facility, which is held in BECSA, is unsecured. The terms of this facility were renegotiated in the current year. The 2024 trade finance facility amount was a rolling credit facility, repayable six-monthly and utilisation was restricted to the funding of working capital. The 2025 end user facility amount is intended to fund end customers, where the customer is unable to obtain funding, or where the group can offer funding at a better rate than the customer could borrow at. Drawdowns are repaid in equal monthly instalments over a period of 60 months, except for the first drawdown where a payment moratorium of 6 months applies. There were no amounts advanced to customers at year-end relating to the loan amount above. The terminal drawdown date of this facility is 28 February 2028.

The following financial covenants, which remained unchanged, measured at a group level, apply and were met at year-end:

- Ratio of total shareholders' interests to total assets: minimum of 35% (a ratio of 65% was achieved at 31 December 2025)
- Debt service cover ratio: no less than 1,2 times (a ratio of 15,5 times was achieved at 31 December 2025)

In addition, BECSA may not:

- make any loans; and/or
- repay loans to or pay interest on loans from shareholders or related persons or make any payments whatsoever to such persons; and/or
- pay directors fees and directors salaries exceeding R53,4 million (2024: R55,3 million),

if:

the making of such payments would result in the ratio of shareholders' interest to total assets being reduced below 40% and the debt service cover ratio being less than 1,5 times.

BECSA's loan from the company of R714,5 million (2024: R88,0 million) at year end shall remain constant and may not be repaid and BECSA may not enter into any new inter-company loans without the IDC's permission.

The group has classified the liability as part of interest-bearing liabilities as disclosed in note 20.3.

38.2.1.2 The utilisation at 31 December 2025 on the Commerzbank AG and Landesbank Baden-Württemberg combined bank facilities held in Germany is as follows:

	Maximum facilities 2025 R000	Utilisation 2025 R000	Maximum facilities 2024 R000	Utilisation 2024 R000
Commerzbank AG (CoBa) and Landesbank Baden-Württemberg (LBBW)				
Bank overdraft facilities	584 676	-	585 480	153 950

Utilisation of the above facility is restricted to the funding of current assets and is secured by certain inventory and trade receivables as disclosed in notes 13 and 14. Financing is limited to a maximum of €30,0 million and is available until 30 June 2026. The amount of credit available under the facility is determined periodically based on the value of current assets, in particular, inventory and trade receivables.

The following financial covenants, measured at Bell Equipment (Deutschland) GmbH, apply and were met at year-end:

- Ratio of equity to total assets: minimum of 35% (a ratio of 72% was achieved at 31 December 2025)
- Ratio of net debt to EBITDA: no more than 3,00 times (a ratio of 0,15 times was achieved at 31 December 2025)

The group classified the liability as part of bank overdrafts and overnight call loans on the face of the consolidated statement of financial position.

There was no amount outstanding under this facility at year-end.

38 **FINANCIAL INSTRUMENTS (continued)**

Financial risk management (continued)

38.2 **Liquidity risk (continued)**

38.2.1 **Loan covenants (continued)**

38.2.1.3 The utilisation at 31 December 2025 on the ABSA supplier finance facility is as follows:

	Facility	Utilisation	Interest accrued	Facility	Utilisation	Interest accrued
	2025	2025	2025	2024	2024	2024
	R000	R000	R000	R000	R000	R000
ABSA Bank of South Africa						
Supply chain finance and interest accrued	340 000	-	-	340 000	185 156	6 509

The supplier finance facility is unsecured and is a rolling credit facility. The group utilises the facility by presenting to ABSA selected supplier invoices which have become due for payment. These supplier invoices are settled by ABSA and the group is required to repay the loan in full together with interest thereon on maturity date, which is 180 days from draw down date. The amount above represents supplier invoices that have been settled by ABSA on invoice due date. The related trade payables have been derecognised as the group's liability is extinguished upon the suppliers' receipt of payment from ABSA.

The group classified the liability as part of interest-bearing liabilities as disclosed in note 20.3 as in the group's judgement, the terms and conditions relating to the supply chain financing are substantially different to the terms and conditions usually provided to the group's suppliers. There was no amount outstanding under this facility at year-end.

The amount in the prior year was repayable as follows:

	2025	2024
	R000	R000
January 2025	-	82 290
February 2025	-	59 771
March 2025	-	49 604
Total	-	191 665

The following financial covenants, measured at a group level, apply to the facility and were met at year-end:

- Ratio of EBITDA to net financing costs: no less than 3 times (a ratio of EBITDA to net financing income of 16,1 times was achieved at 31 December 2025)
- Ratio of interest-bearing borrowings to EBITDA: no more than 2,5 times (a ratio of net cash to EBITDA of 0,2 times was achieved at 31 December 2025)

38.2.2 **Maturity analysis of financial liabilities**

The following details the group's remaining contractual maturities for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows and where applicable includes both interest and principal cash flows.

Non-derivative financial liabilities	Notes	Less than one	One to two	Two to three	Three to four	Four to five	More than	Total
		year	years	years	years	years	five years	
		R000	R000	R000	R000	R000	R000	R000
2025								
Secured interest-bearing liabilities	20	25 455	22 494	19 653	19 375	19 097	45 709	151 783
Unsecured interest-bearing liabilities	20	32 262	24 269	22 253	22 819	15 533	-	117 136
Lease liabilities	21	132 476	114 558	98 053	83 750	64 038	98 246	591 121
Trade and other payables	26	1 063 605	-	-	-	-	-	1 063 605
Bank overdrafts and overnight call loans	38.2	221 664	-	-	-	-	-	221 664
Total		1 475 462	161 321	139 959	125 944	98 668	143 955	2 145 309
2024								
Secured interest-bearing liabilities	20	25 553	25 190	22 229	19 038	19 006	63 874	174 890
Unsecured interest-bearing liabilities	20	194 010	-	-	-	-	-	194 010
Lease liabilities	21	131 322	118 481	90 025	78 572	65 302	116 066	599 768
Trade and other payables	26	867 423	-	-	-	-	-	867 423
Bank overdrafts and overnight call loans	38.2	422 906	-	-	-	-	-	422 906
Total		1 641 214	143 671	112 254	97 610	84 308	179 940	2 258 997

The following outlines the group's maturity analysis for its derivative financial instruments which the group has entered into to cover foreign commitments not yet due (refer to note 38.4.1). The table has been drawn up based on the undiscounted gross cash inflows (exports) and outflows (imports) on the derivative instruments that settle on a gross basis.

Derivative financial instruments

Less than 1 year

Gross settled forward foreign exchange contracts - imports

Gross settled forward foreign exchange contracts - exports

Foreign exchange option contracts - exports

Total

	2025	2024
	R000	R000
Gross settled forward foreign exchange contracts - imports	(318 312)	(220 256)
Gross settled forward foreign exchange contracts - exports	79 163	498 983
Foreign exchange option contracts - exports	17 650	-
Total	(221 499)	278 727

38 **FINANCIAL INSTRUMENTS (continued)**

Financial risk management (continued)

38.3 **Credit risk**

Credit risk consists mainly of trade receivables, interest-bearing receivables and contract assets, production incentive receivables, the credit risk exposures described in note 34.2.1 and short-term cash deposits. The group only deposits short-term cash with approved financial institutions.

The granting of credit to customers is controlled by processes based on the group credit policy, credit applications by customers, a credit approval hierarchy, customer account limits, the utilisation of attorneys for collection where necessary and the ongoing monitoring of economic, political and industry conditions in each market. Management undertake ongoing credit evaluations of the financial condition of their customers and steps are taken when an invoice is not paid by due date. Credit terms granted to customers range from 14 days to 180 days.

The group's credit risk is regularly monitored by a credit committee, consisting of certain directors and senior executives, which exercises oversight over the extension and management of credit by group companies and approves credit in excess of certain thresholds. The credit committee assesses credit risk by categorising and credit risk rating customer balances into fully performing receivables and past due receivables. Fully performing receivables are those customers that are within credit terms. Past due receivables are those customers in default and customer balances that have been risk graded as past due may indicate a significant change in credit risk. The credit committee applies the considerations described below and in the policy for expected credit losses in note 14 to exercise oversight over the management of these past due balances. In the case of customer default the value of the repossessed equipment may not cover the outstanding receivable amount. Interest is usually charged on overdue balances.

Trade receivables contain concentration risk in certain markets, particularly where the group sells to independent dealers who distribute the group's products. The group's credit committee actively monitors credit, collections and the economic, political and industry conditions in each market. In addition, credit enhancements such as deposits, personal guarantees, liens on other property owned by the customer may be required at the time of origination or when there are signs of impairment.

Where industry factors or the economic environment impacts the customer's ability to service their debt, the group may renegotiate debt arrangements with customers where the customer's default was due to temporary circumstances and where there has not been a long-term change in the financial condition of the customer. Interest is charged in refinancing arrangements. Renegotiation assists the group to minimise losses and write offs. Renegotiated assets are monitored closely for on-going performance, the condition of the financed equipment and for any change in the financial condition of the customer.

Significant overdue customer balances are handed over to attorneys for legal collection. A customer balance is considered credit-impaired and will be written off in full once legal means of recovery has failed and it is believed that the likelihood of recovery is remote. Indicators that the likelihood of recovery is remote includes, amongst others, the liquidation of a debtor. Except in limited circumstances, the group continues to engage in recovery activities even after write off in order to recover amounts due to the group.

An allowance has been made for expected credit losses from the sale of goods and services and this has been determined as described in note 14. With the exception of the credit risk disclosed in note 34.2.1, the carrying amount of financial assets recorded in the financial statements, which is net of the allowance for expected credit losses, represents the group's maximum exposure to credit risk. At 31 December 2025, the group does not consider there to be any material credit risk that has not been adequately provided for.

Credit risk concentration

The group has a concentration of credit risk in the USA in respect of the North American distributor, in which the group holds a 10% equity interest as referred to in note 10, in the customers of BESSA, the group's direct sales operation in South Africa, and in the customers in the Zambia region. In assessing the recoverability of the receivable balances in the USA, South Africa and Zambia, the group applied the policy for expected credit losses as described in note 14 and in particular considered the following factors that are relevant to these receivable balances:

- customers' payment history
- payment past due dates
- risks the customers are exposed to
- industries the customers operate in
- selling season in the market the customer is active in
- customers' access to funding lines
- review of customers' financial statements

38 **FINANCIAL INSTRUMENTS (continued)**

Financial risk management (continued)

38.3 **Credit risk (continued)**

Analysis of credit risk

An analysis of the group's credit risk and credit ratings of receivable balances as well as the credit risk concentration in South Africa, the USA and Zambia are presented below:

	GROUP			
	South Africa		(including South Africa)	
	2025	2024	2025	2024
	R000	R000	R000	R000
Instalment sale agreements *				
Fully performing receivables	115 157	51 781	124 485	99 956
Gross	115 157	51 781	124 485	99 956
Past due receivables	-	-	4 621	14 729
Gross	-	1 212	4 621	15 941
Less: allowance for expected credit losses	-	(1 212)	-	(1 212)
Balance at end of the period (note 11)	115 157	51 781	129 106	114 685

* Included in interest-bearing receivables and contract assets on the statement of financial position.

The instalment sale receivables balance is considered recoverable and there has not been a significant change in credit quality. Refer to the impairment considerations in note 5.2.2.

	GROUP			
	South Africa		(including South Africa)	
	2025	2024	2025	2024
	R000	R000	R000	R000
Finance leases *				
Fully performing receivables	11 062	47 366	11 062	47 366
Gross	11 062	47 366	11 062	47 366
Past due receivables	-	-	-	-
Gross	3 738	3 738	3 738	3 738
Less: allowance for expected credit losses	(3 738)	(3 738)	(3 738)	(3 738)
Balance at end of the period (note 11)	11 062	47 366	11 062	47 366

* Included in interest-bearing receivables and contract assets on the statement of financial position.

	Zambia		USA		South Africa		GROUP	
	(i)		(ii)		(iii)		(iv)	
	2025	2024	2025	2024	2025	2024	2025	2024
	R000	R000	R000	R000	R000	R000	R000	R000
Trade receivables (v)								
Fully performing receivables	237 980	90 179	88 538	34 797	131 628	156 411	942 920	839 558
Gross	237 980	90 179	88 538	34 797	131 628	156 411	943 064	839 638
Less: allowance for expected credit losses	-	-	-	-	-	-	(144)	(80)
Past due receivables	36 178	26 845	29 672	162 492	19 819	33 257	96 164	293 833
Gross	40 548	43 832	29 672	162 492	43 387	49 115	127 519	328 959
Less: allowance for expected credit losses	(4 370)	(16 987)	-	-	(23 568)	(15 858)	(31 355)	(35 126)
Balance at end of the period (note 14)	274 158	117 024	118 210	197 289	151 447	189 668	1 039 084	1 133 391

(i) Based on the group's assessment of credit risk exposures in the current year, a concentration of credit risk was identified in respect of customers in the Zambia region at year-end. This exposure is being closely monitored by the group.

(ii) The North American distributor is a long-standing customer with a history of full settlement. Based on the group's credit risk assessment, the amount is considered to be recoverable and the allowance for expected credit losses has been assessed to be immaterial.

(iii) Including South Africa, USA and Zambia.

(iv) Included in trade and other receivables for the group is R118,8 million (2024: R111,8 million) for a specific independent dealer in Africa, which represents a concentration of credit risk. Management continues to closely monitor the exposure on this balance.

(v) Included in trade and other receivables on the statement of financial position.

The credit terms on the above trade receivable balances range from 14 days to 180 days.

An allowance for expected credit losses was raised as reflected in the table above. The remainder of the trade receivables balance is considered recoverable and there has not been a significant change in credit quality. Refer to the impairment considerations in note 5.2.2.

	GROUP			
	South Africa		(including South Africa)	
	2025	2024	2025	2024
	R000	R000	R000	R000
Movement in the allowance for expected credit losses on finance leases, instalment sale agreements and trade receivables				
Balance at beginning of the year	20 808	35 594	40 156	52 331
Translation differences	-	-	(1 274)	339
Net increase (decrease) in allowance for expected credit losses	6 498	(14 786)	(3 645)	(12 514)
Amounts considered credit-impaired and written off	(2 759)	(11 633)	(18 036)	(11 740)
Increase in allowance for expected credit losses, based on lifetime expected credit losses	10 623	3 946	16 905	6 658
Decrease in allowance due to cash flows from past due receivables	(1 366)	(7 099)	(2 578)	(7 353)
Increase (decrease) in allowance on fully performing receivables, based on lifetime expected credit losses	-	-	64	(79)
Balance at end of the year	27 306	20 808	35 237	40 156

The expected credit loss rates for the group's trade receivables are detailed in note 14.

Refer to note 34.2.1 for the group's credit risk exposure to financial institutions.

38 **FINANCIAL INSTRUMENTS (continued)**

Financial risk management (continued)

38.4 **Market risk**

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, residual value risk, political and economic risk and technological risk. There has been no change to the group's exposure to market risks or the manner in which it manages and measures the risks.

38.4.1 **Currency risk**

The group applied the following foreign currency exchange rates to present the financial statements in South African Rand:

	Average rate		Closing rate	
	2025	2024	2025	2024
British Pound	23.52	23.45	22.31	23.58
Euro	20.15	19.82	19.49	19.52
Japanese Yen	0.12	0.12	0.11	0.12
United States Dollar	17.84	18.35	16.60	18.85

The group undertakes certain transactions denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising mainly forward foreign exchange contracts and certain foreign exchange options. The group follows a policy of matching import and export cash flows where possible. The majority of any remaining inward or outward trade exposure is covered forward. In this regard the group has entered into certain foreign exchange contracts which do not relate to specific items appearing in the statement of financial position, but which were entered into to cover foreign commitments not yet due. The foreign subsidiaries do not hedge their intra-group purchases.

The details of contracts held at 31 December 2025 are listed below. These contracts will be utilised during the next six months. These contracts have been fair valued at the year-end as follows (included in notes 15 and 25):

	Foreign amount	Rate	Contract value in Rands	Market value in Rands	Fair value (loss) gain
2025	000	R	R000	R000	R000
Forward foreign exchange contracts					
<i>Import contracts</i>					
British Pound	4 000	22.92	91 694	89 564	(2 130)
Euro	5 703	20.06	114 373	111 357	(3 016)
Japanese Yen	994 377	0.11	112 245	106 318	(5 927)
<i>Export contracts</i>					
United States Dollar	4 500	17.59	79 163	74 789	4 374
Foreign exchange option contracts					
<i>Zero collar options</i>					
United States Dollar	1 000	17.65	17 650	17 257	393

	Foreign amount	Rate	Contract value in Rands	Market value in Rands	Fair value gain (loss)
2024	000	R	R000	R000	R000
Forward foreign exchange contracts					
<i>Import contracts</i>					
British Pound	3 700	22.95	84 929	87 811	2 882
Euro	1 400	19.56	27 379	27 522	143
Japanese Yen *	889 952	0.12	107 948	108 231	283
<i>Export contracts</i>					
Euro	2 000	19.69	39 389	39 731	(342)
United States Dollar	25 150	18.27	459 594	478 036	(18 442)

* In the current year the comparative rate was disclosed as Japanese Yen to South African Rand.

38 **FINANCIAL INSTRUMENTS (continued)**

Financial risk management (continued)

38.4 **Market risk (continued)**

38.4.1 **Currency risk (continued)**

The carrying amounts in South African Rand of the group's foreign currency denominated monetary assets and monetary liabilities as per the statement of financial position are as follows:

	Euro	United States Dollar	British Pound	Other currencies
	R000	R000	R000	R000
2025				
Financial assets				
Financial assets at amortised cost				
- Interest-bearing receivables	-	7 942	-	-
- Trade and other receivables	150 772	531 303	60 906	1 455
- Cash and bank balances	274 504	70 525	59 926	77 656
Financial assets at fair value through other comprehensive income				
- Investments	-	23 411	-	-
Financial assets at fair value through profit or loss				
- Other assets (foreign exchange contracts (forwards and options))	-	5 003	697	646
Financial liabilities				
Financial liabilities at amortised cost				
- Interest-bearing liabilities	133 165	-	-	-
- Trade and other payables	295 871	102 038	231 531	164 561
- Bank overdrafts and overnight call loans	-	13 966	-	-
Financial liabilities at fair value through profit or loss				
- Other liabilities (foreign exchange contracts (forwards and options))	3 016	236	2 827	6 573
2024				
Financial assets				
Financial assets at amortised cost				
- Interest-bearing receivables	-	18 499	-	-
- Trade and other receivables	292 979	536 227	26 879	1 049
- Cash and bank balances	182 269	63 326	21 980	785
Financial assets at fair value through other comprehensive income				
- Investments	-	23 943	-	-
Financial assets at fair value through profit or loss				
- Other assets (forward foreign exchange contracts)	742	1 392	3 802	892
Financial liabilities				
Financial liabilities at amortised cost				
- Interest-bearing liabilities	150 929	-	-	-
- Trade and other payables	218 789	76 223	165 257	192 466
- Bank overdrafts and overnight call loans	167 066	14 916	-	-
Financial liabilities at fair value through profit or loss				
- Other liabilities (forward foreign exchange contracts)	942	19 833	920	609

The group is mainly exposed to the United States Dollar, the Euro and the British Pound.

The analysis below details the group's sensitivity to a 10% strengthening or weakening in the South African Rand against major currencies. The analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A 10% strengthening or weakening in the South African Rand represents management's assessment of the reasonably possible change in foreign exchange rates.

For a 10% weakening (2024: 10%) in the South African Rand against major currencies and if all other variables were held constant, the group's:

- profit before taxation for the year ended 31 December 2025 would have decreased by R33,0 million (2024: decrease in profit before taxation R17,0 million); and
- other equity at year-end would have increased by R60,2 million (2024: R26,4 million increase).

For a 10% strengthening (2024: 10%), there would have been an equal and opposite impact on the profit before taxation and other equity.

38 **FINANCIAL INSTRUMENTS (continued)**

Financial risk management (continued)

38.4 **Market risk (continued)**

38.4.2 **Interest rate risk**

The group is exposed to interest rate risk as entities in the group borrow and invest funds at floating interest rates. Exposure to interest rate risk on borrowings and investments is monitored on a proactive basis. The group's interest rate profile of cash and borrowings at 31 December 2025, is as follows:

	Bank and cash and overnight call deposit balances	Overdraft and overnight call loan balances	Term finance	Long-term borrowings	Long-term borrowings	Total
2025						
Borrowings (R000)			221 664	100 000	133 165	16 565
Rate profile			Floating	Fixed	Fixed	Floating
% of total borrowings			47	21	28	4
Cash and bank balances (R000)	631 448					631 448
Rate profile	Floating					
% of total cash and bank balances	100					
2024 *						
Borrowings (R000)			422 906	191 665	150 930	59 691
Rate profile			Floating	Floating	Fixed	Floating
% of total borrowings			51	23	19	7
Cash and bank balances (R000)	283 369					283 369
Rate profile	Floating					
% of total cash and bank balances	100					

* In the current year the disclosure of borrowings was refined by separately presenting the cash and bank balances which do not meet the definition of borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates on borrowings and cash investments at the end of the reporting period.

For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset or liability outstanding at the end of the period was outstanding for the whole year. A 100 basis points increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the group's:

- profit before taxation for the year ended 31 December 2025 would have increased by R3,9 million (2024: decrease in profit before taxation R3,9 million)
- profit after taxation and equity would have increased for the year ended 31 December 2025 by R2,9 million (2024: decrease in profit after taxation and equity R2,9 million)

For a 100 basis points decrease, there would have been an equal and opposite impact on the profit before taxation and profit after taxation.

38.4.3 **Residual value risk**

Residual value risks are attributable to credit risk undertakings where the group has provided credit support to financial institutions to facilitate the financing of equipment for certain of the group's customers. Refer to note 34.2.1 for further information on these transactions.

Residual value risk is the risk that the equipment upon re-sale realises less than the balance due to the financial institution in the event of customer default.

The group manages residual value risk through ongoing assessments of the market values of the underlying equipment. Current and anticipated market conditions are assessed on an ongoing basis. Other conditions such as product development, environmental regulations and competitor actions are also considered in assessing the group's exposure to residual value risk. Furthermore, the group has service and maintenance agreements in place with the respective customers which enables the group to track the condition of the equipment.

38.5 **Transfers of financial assets**

38.5.1 **Transferred financial assets that are not derecognised**

The group discounted certain instalment sale receivables to financial institutions with full recourse to the group. The group carries all the credit risk associated with these assets and therefore these financial assets do not qualify for derecognition. A corresponding liability for the funds received from the financial institutions is recognised in interest-bearing liabilities as disclosed in note 20.2.

The carrying amounts of the transferred assets and associated liabilities of instalment sale agreements are presented below:

	Notes	2025 R000	2024 R000
Instalment sale receivables *	11	9 328	48 176
Collateralised borrowings *	20.2	(9 328)	(48 176)
Net position		-	-

* The amount relates to a 2024 discounting arrangement with Loinette Company Leasing Limited, a related party of the group. Refer to note 39.

The group considers the carrying amount of the transferred assets and the related borrowings to approximate their fair values.

38.5.2 **Transferred financial assets that qualify for derecognition**

Certain instalment sale receivables were discounted to Loinette Company Leasing Limited without recourse to the group in the prior year. No control over the asset has been retained by the group and the group carries no credit risk associated with these receivables. The assets have therefore been derecognised.

	2025 R000	2024 R000
Amount discounted	6 473	44 310
Loss on discounting	190	1 954

The group continues to collect the contractual cash flows from the customer but is obligated to pay Loinette Company Leasing Limited as soon as the funds are received. At 31 December 2025, no amount was payable to Loinette Company Leasing Limited as a result of the group's continuing involvement.

Loinette Company Leasing Limited is a related party as disclosed in note 39.

39 **RELATED PARTY TRANSACTIONS**

Accounting Policy

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties have been defined as shareholders and key management personnel (directors and the group's executive committee) including close members of their families, and entities over which these individuals or their close family members have a controlling interest.

Related party transactions constitute the transfer of resources, services or obligations between the group and a party related to the group, regardless of whether a price is charged.

The group enters into various transactions with related parties. All transactions are carried out on an arms length basis on terms no more favourable than those entered into with third parties, with the exception of those transactions entered into with the BBBEE parties below.

Details of transactions between the group and related parties and balances at the year-end are detailed below:

	2025	2024
	R000	R000
Shareholders and their directors		
GA Campbell *		
- salary	1 343	1 304
* GA Campbell is a director of I A Bell and Company (Pty) Ltd, which is the parent company of the group, and an employee of BESSA, a subsidiary of the group.		
Directors and group executive committee members who are BBBEE shareholders *		
A Goordeen		
- dividends paid	169	279
- interest received	144	183
- amounts owing by **	1 027	1 005
D Chinnappen		
- dividends paid	169	279
- interest received	-	79
- amounts owing by **	-	71

* Details of the BBBEE ownership transaction are included in note 19.2.

** The BBBEE shareholders' loan balances are included as part of interest-bearing receivables. Refer to note 11.

Enterprises in which the parent company of the group has a controlling interest or significant influence

Latin Equipment SA		
- sales	3 767	5 051
- amounts owing by	263	317
Latin Equipment Argentina		
- sales	2 877	2 761
- amounts owing by	352	1 178
- amounts owing to	952	-
Latin Equipment Chile		
- sales	945	2 748
- amounts owing by	332	-
Latin Equipment Norte		
- sales	2 548	8 100
- amounts owing by	25	-
Latin Equipment Uruguay SA		
- sales	19	538
Loinette Company Leasing Limited		
- instalment sale receivables discounted with recourse *	9 328	48 176
- instalment sale receivables discounted without recourse *	6 473	44 310
- loss on discounting arrangement *	190	1 954

* Refer to note 38.5.

Amounts outstanding are unsecured. Amounts will be settled in cash, except for the BBBEE shareholders' loans which will be settled by dividends.

Related party balances have been included as part of trade and other receivables in assessing recoverability and in the collective assessment of expected credit losses. No allowance for expected credit losses has been recognised in the current period (2024: Rnil) in respect of the amounts owed by related parties, because amounts are considered to be recoverable and no amounts have been written off as credit-impaired.

Compensation of key management personnel

The remuneration of directors and prescribed officers is reflected in note 42.

Close family members of key management personnel

The following close family members of key management personnel are employees of the group and earn market related salaries from the group:

CP Bell
 QI Bell
 KC Bell
 ML Bell
 MO Bell
 M Badenhorst
 JM Jones
 M van Wyngaardt
 R van Wyngaardt
 Z van Wyngaardt

**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025****40 SUBSEQUENT EVENTS****40.1 Dividend consideration**

Notice is hereby given that the directors have declared a gross final cash dividend of 100 cents per ordinary share for the year ended 31 December 2025 payable to ordinary shareholders in accordance with the timetable below.

The net final dividend is 80 cents per share for ordinary shareholders who are subject to the 20 percent dividend withholding tax. The aggregate amount of the proposed dividend expected to be paid, but not recognised as a liability at year end, is R95,6 million.

The dividend has been declared from income reserves.

The company's income tax reference number is 9022169206.

The issued share capital at the declaration date is 95 629 385 ordinary shares.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 21 April 2026
Shares commence trading "ex" dividend	Wednesday, 22 April 2026
Record date	Friday, 24 April 2026
Payment date	Tuesday, 28 April 2026

Share certificates may not be dematerialised or rematerialised between Wednesday, 22 April 2026 and Friday, 24 April 2026, both days inclusive.

40.2 Conflict in the Middle East

The directors have considered the ongoing geopolitical tensions in the Middle East and the potential impact on global supply chains and energy markets. At this stage, the group has not experienced any material disruption to its operations. The directors will continue to monitor developments closely and assess any potential impact on the group's operations and financial performance as the situation evolves.

No other fact or circumstance material to the appreciation of these financial statements has occurred between 31 December 2025 and the date of this report.

41 **COMPOSITION OF THE GROUP**

Accounting Policy

Basis of consolidation

The financial statements incorporate the financial position and results of the company and of its subsidiaries. The results of subsidiaries are included from the dates the company obtains control and ceases when the company loses control of the subsidiary. The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to the elements of control.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Except for K2017044733 (South Africa) (RF) Proprietary Limited (the BESSA BEE SPV) and K2019577563 (South Africa) (RF) Proprietary Limited (BEE Manco), the group's control is exercised directly by holding the majority of the voting rights of the ordinary shares in all its subsidiaries.

Control over K2017044733 (South Africa) (RF) Proprietary Limited (the BESSA BEE SPV)

The group established this entity with the sole purpose to acquire and maintain BBBEE credentials for Bell Equipment Sales South Africa Limited (BESSA). The activities of this entity are predetermined and designed in such a way that any amendment to the mandate in terms of the Memorandum of Incorporation requires the company's approval. Even though all the ordinary shares in the entity are held by external shareholders, the BESSA BEE SPV cannot effect any transaction that affects its shareholding in BESSA and its BBBEE credentials without the written consent from the company. As such, management concludes that the group has power over the BESSA BEE SPV and has the ability to direct and affect the variable returns from its involvement with the BESSA BEE SPV. The group controls the BESSA BEE SPV and the results have therefore been consolidated. The entity is also a shareholder in the 2019 BEE transaction described in note 19.2 of the financial statements.

Control over K2019577563 (South Africa) (RF) Proprietary Limited (BEE Manco)

The group established this entity with the sole purpose to acquire and maintain BBBEE credentials for BECSA and BESSA (see note 19.2). BEE Manco is subject to a 10 year lock-in period during which the entity will be unable to sell shares held in the group. The directors of BEE Manco have limited power to make decisions without the prior approval of the company. The company has power to direct the relevant activities of BEE Manco during the lock-in period. The company has the right to variable returns from its involvement with BEE Manco and has the ability to affect those returns through its power over BEE Manco. The company therefore controls BEE Manco. The results of the BEE Manco have therefore been consolidated by the company as part of its group financial statements.

Control over the broad based trust, Bell Equipment Foundation (BEF)

The trust was founded by the group in 2017 and the sole purpose of the trust is to hold shares in Bell group companies (see note 19.1.2) and to distribute dividends earned to participating beneficiaries. In terms of the trust deed, the group may at any time appoint or remove trustees. The group also directs the activities by determining the approved list of beneficiaries to whom distributions should be made by the trust in order to achieve the trust objectives. The decision making powers around the design and the purpose of the trust remains with the group. These activities allow the group to obtain variable returns from the BBBEE credentials in the trust. The group therefore controls the trust and the results have therefore been consolidated. The entity is also a shareholder in the 2019 BEE transaction described in note 19.2 of the financial statements.

Intra-group adjustments

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

41 COMPOSITION OF THE GROUP (continued)

41.1 Information about the composition of the group

The group structure is presented on page 2 of this report. Information about the composition of the group at year-end is as follows:

	Business type	Principal activity	Profit (loss) for the year before eliminations 2025 R000	Profit (loss) for the year before eliminations 2024 R000
SUBSIDIARIES				
Southern Africa				
BECSA Holdings Limited	H	H	65 023	163 289
Bell Equipment Company SA Proprietary Limited	O	M	97 103	109 464
Bell Equipment Group Services Proprietary Limited	O	G	53 128	195 996
Bell Equipment Sales South Africa Limited	O	S	103 814	136 129
Bell Equipment SA Holdings Limited	H	H	370	3 537
Bell Equipment Company (Swaziland) (Proprietary) Limited	O	S	2 033	(442)
K2017044733 (South Africa) (RF) Proprietary Limited	O	B	1 704	2 078
Bell Equipment Foundation	O	T	144	895
Bell Equipment Properties SA Proprietary Limited	O	P	13 475	23 770
K2019577563 (South Africa) (RF) Proprietary Limited	O	B	667	1 502
Other Africa				
Bell Equipment Zambia Limited	O	S	43 069	13 922
Bell PTA (Private) Limited *	D	D	(2 309)	(21 945)
Europe				
Bell Equipment International SA	H	H	3 462	126
Bell France SAS	O	S	1 847	2 053
Bell Equipment UK Limited	O	S	17 314	34 451
Bell Equipment (Deutschland) GmbH	O	A	34 074	48 487
Bell Equipment Russland LLC	R	S	12 287	1 849
United States of America				
Bell Equipment North America Inc	O	S	7 333	13 591
Australasia				
Bell Equipment Australia Pty Ltd	O	S	2 754	4 319

* The operation has ceased trading and is in the process of being deregistered.

A - Assembly and manufacturing plant, sales and logistics operation

B - BBBEE company

D - Dormant companies

G - Group services company

H - Holding companies

M - Manufacturing plant, sales and logistics operation

O - Operating companies

P - Property investment company

S - Sales operation

T - BBBEE Trust

R - Operations in Russia paused due to prolonged conflict between Russia and Ukraine

All the subsidiaries and the trust have a 31 December year end.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

41 **COMPOSITION OF THE GROUP (continued)**

41.2 **Entities with a BBBEE ownership**

In 2017 and 2019, the group entered into BBBEE ownership transactions relating to Bell Equipment Sales South Africa Limited (BESSA). Details of the transactions are disclosed in notes 19.1 and 19.2. BESSA's principal place of business is South Africa.

	2025	2024
	R000	R000
Summarised financial information about BESSA is presented below and represents amounts before intra-group eliminations:		
Non-current assets	301 195	317 717
Current assets	1 555 859	1 708 651
Non-current liabilities	242 560	372 159
Current liabilities	1 064 528	1 201 859
Revenue	4 752 231	4 462 787
Profit for the year	103 814	136 129
Total comprehensive income for the year	103 814	136 129

In 2019 the group entered into a BBBEE ownership transaction relating to Bell Equipment Company SA Proprietary Limited (BECSA). Details of the transaction are disclosed in note 19.2. BECSA's principal place of business is South Africa.

	2025	2024
	R000	R000
Summarised financial information about BECSA is presented below and represents amounts before intra-group eliminations:		
Non-current assets	285 502	301 250
Current assets	3 441 431	3 417 365
Non-current liabilities	1 806 754	1 747 832
Current liabilities	1 807 706	1 870 933
Revenue	6 058 445	7 280 537
Profit for the year	97 103	109 464
Total comprehensive income for the year	97 103	109 464

41.3 **Significant restrictions**

Certain restrictions imposed by the banks and the IDC are reflected in note 38.2.

Except for the limitations of exchange control regulations, the availability of currency in the local markets in which certain group companies operate and restrictions on accessing the cash and bank balances in Russia (refer to note 16), there are no other significant restrictions on cash transfers and capital distributions to and from group companies.

42 **DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION**

The remuneration of directors and key management is determined by the board having regard to the performance of individuals and market trends.

Paid to executive directors of the company by the company's subsidiary:

	Salary	Pension/ Provident fund	Incentive payment	Other benefits and allowances	2025 Total	2024 Total
	R000	R000	R000	R000	R000	R000
Executive directors						
AJ Bell	5 805	435	135	70	6 445	5 222
KJ van Haght	4 007	303	5 402	133	9 845	7 578
A Goordeen	3 264	251	5 386	182	9 083	6 895
SR Jones (appointed as alternate executive director with effect from 4 September 2025)	1 233	92	83	20	1 428	-
Total	14 309	1 081	11 006	405	26 801	19 695

Paid to prescribed officers of the company's subsidiaries by the company's subsidiaries:

Prescribed officers						
JP Bell	2 169	163	51	31	2 414	2 134
DB Chinnappen	3 543	273	2 581	159	6 556	5 602
SR Jones (appointed as alternate executive director with effect from 4 September 2025)	2 330	175	2 498	49	5 052	5 240
A Mayer (expatriate salary)	5 216	705	2 640	-	8 561	7 306
JJ van Wyngaardt	2 835	221	2 566	174	5 796	4 720
D McIlrath	2 426	181	2 554	58	5 219	4 123
TM Du Pisanie	2 574	201	832	151	3 758	2 678
PW Badenhorst	2 944	226	839	108	4 117	2 983
DE Morris (resigned 30 November 2024)	-	-	-	-	-	5 510
JM Fleetwood (resigned 18 July 2025)	1 748	135	768	503	3 154	3 513
Total	25 785	2 280	15 329	1 233	44 627	43 809

Other benefits and allowances comprise vehicle allowances, travel allowances and reimbursive allowances, annual leave encashments and the group's contributions to medical aid and life insurance.

	2025 Fees R000	2024 Fees R000
Paid to non-executive directors of the company by the company:		
Non-executive directors		
GW Bell	1 145	1 080
DH Lawrance	864	1 118
R Naidu	775	951
ME Ramathe	800	957
HR van der Merwe	1 044	1 414
U Maharaj	671	633
M Geyer	489	681
S Fitzpatrick (appointed with effect from 1 July 2025)	215	-
H Ramsumer (appointed with effect from 1 December 2025)	64	-
Total	6 067	6 834

BELL EQUIPMENT LIMITED
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

42

DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION (continued)

The following reconciles the number of phantom share awards held by directors and prescribed officers at the end of the year. Details of this cash-settled share award plan are disclosed in note 33.1.

Grant date 1 January	Strike price	Number of awards					Granted	Vested - settled	Vested - expired	Forfeited	Balance at 31 December 2024	Granted	Vested - settled	Vested - expired	Forfeited	Balance at 31 December 2025
		Balance at 31 December 2023	Granted	Vested - settled	Vested - expired	Forfeited										
AJ Bell																
2024	41.75	-	176 000	-	-	-	-	-	-	176 000	-	-	-	-	176 000	
	-	-	99 000	-	-	-	-	-	-	99 000	-	-	-	-	99 000	
2025	38.66	-	-	-	-	-	-	-	-	-	141 710	-	-	-	141 710	
	-	-	-	-	-	-	-	-	-	-	128 278	-	-	-	128 278	
Total			275 000							275 000	269 988				544 988	
KJ van Hagt																
2019	12.68	44 000	-	(44 000)	-	-	-	-	-	-	-	-	-	-	-	
	-	24 668	-	(24 668)	-	-	-	-	-	-	-	-	-	-	-	
2020	8.88	88 000	-	(44 000)	-	44 000	-	-	-	44 000	-	-	-	-	-	
	-	49 334	-	(12 334)	-	24 666	-	(12 333)	-	(12 333)	-	-	-	-	-	
2021	6.52	132 000	-	(44 000)	-	88 000	-	-	-	88 000	-	-	-	-	44 000	
	-	74 000	-	(24 668)	-	49 332	-	(12 333)	-	(12 333)	-	-	-	-	24 666	
2022	12.43	132 000	-	-	-	132 000	-	-	-	132 000	-	-	-	-	88 000	
	-	74 000	-	-	-	74 000	-	-	-	74 000	-	-	-	-	49 334	
2023	14.88	303 000	-	-	-	303 000	-	-	-	303 000	-	-	-	-	303 000	
	-	202 000	-	-	-	202 000	-	-	-	202 000	-	-	-	-	202 000	
2024	41.75	141 000	-	-	-	141 000	-	-	-	141 000	-	-	-	-	141 000	
	-	79 000	-	-	-	79 000	-	-	-	79 000	-	-	-	-	79 000	
2025	38.66	-	-	-	-	-	-	-	-	-	100 142	-	-	-	100 142	
	-	-	-	-	-	-	-	-	-	-	90 650	-	-	-	90 650	
Total		1 123 002	220 000	(193 670)	(12 334)	1 136 998				1 136 998	168 999		(36 999)		1 121 792	
A Goorden																
2019	12.68	44 000	-	(44 000)	-	-	-	-	-	-	-	-	-	-	-	
	-	24 668	-	(24 668)	-	-	-	-	-	-	-	-	-	-	-	
2020	8.88	88 000	-	(44 000)	-	44 000	-	-	-	44 000	-	-	-	-	-	
	-	49 334	-	(12 334)	-	24 666	-	(12 333)	-	(12 333)	-	-	-	-	-	
2021	6.52	132 000	-	(44 000)	-	88 000	-	-	-	88 000	-	-	-	-	44 000	
	-	74 000	-	(24 668)	-	49 332	-	(12 333)	-	(12 333)	-	-	-	-	24 666	
2022	12.43	132 000	-	-	-	132 000	-	-	-	132 000	-	-	-	-	88 000	
	-	74 000	-	-	-	74 000	-	-	-	74 000	-	-	-	-	49 334	
2023	14.88	303 000	-	-	-	303 000	-	-	-	303 000	-	-	-	-	303 000	
	-	202 000	-	-	-	202 000	-	-	-	202 000	-	-	-	-	202 000	
2024	41.75	107 000	-	-	-	107 000	-	-	-	107 000	-	-	-	-	107 000	
	-	60 000	-	-	-	60 000	-	-	-	60 000	-	-	-	-	60 000	
2025	38.66	-	-	-	-	-	-	-	-	-	77 942	-	-	-	77 942	
	-	-	-	-	-	-	-	-	-	-	70 555	-	-	-	70 555	
Total		1 123 002	167 000	(193 670)	(12 334)	1 083 998				1 083 998	148 497		(36 999)		1 026 497	
SR Jones (alternate executive director - appointed with effect from 1 September 2025)																
2019	12.68	20 666	-	(20 666)	-	-	-	-	-	-	-	-	-	-	-	
	-	11 666	-	(11 666)	-	-	-	-	-	-	-	-	-	-	-	
2020	8.88	41 333	-	(20 667)	-	20 666	-	-	-	20 666	-	-	-	-	-	
	-	23 333	-	(5 834)	-	11 666	-	(5 833)	-	(5 833)	-	-	-	-	-	
2021	6.52	62 000	-	(20 667)	-	41 333	-	-	-	41 333	-	-	-	-	20 666	
	-	35 000	-	(11 666)	-	23 334	-	(5 834)	-	(5 833)	-	-	-	-	11 667	
2022	12.43	62 000	-	-	-	62 000	-	-	-	62 000	-	-	-	-	41 334	
	-	35 000	-	-	-	35 000	-	-	-	35 000	-	-	-	-	23 334	
2023	14.88	255 000	-	-	-	255 000	-	-	-	255 000	-	-	-	-	255 000	
	-	170 000	-	-	-	170 000	-	-	-	170 000	-	-	-	-	170 000	
2024	41.75	107 000	-	-	-	107 000	-	-	-	107 000	-	-	-	-	107 000	
	-	60 000	-	-	-	60 000	-	-	-	60 000	-	-	-	-	60 000	
2025	38.66	-	-	-	-	-	-	-	-	-	77 942	-	-	-	77 942	
	-	-	-	-	-	-	-	-	-	-	70 555	-	-	-	70 555	
Total		715 998	167 000	(91 166)	(5 833)	785 999				785 999	148 497		(17 499)		837 498	

BELL EQUIPMENT LIMITED
 NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
 for the year ended 31 December 2025

42 DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION (continued)

Grant date 1 January	Strike price	Balance at		Number of awards		Balance at		Granted	Vested - settled	Vested - expired	Forfeited	Balance at 31 December 2024	Granted	Vested - settled	Vested - expired	Forfeited	Balance at 31 December 2025
		31 December 2023	Granted	31 December 2023	Forfeited	31 December 2024	Forfeited										
JP Bell																	
2024	41.75	-	107 000	-	-	107 000	-	-	-	-	-	-	-	-	-	-	107 000
		-	60 000	-	-	60 000	-	-	-	-	-	-	-	-	-	-	60 000
2025	38.66	-	-	-	-	-	77 942	-	-	-	-	70 555	-	-	-	-	77 942
		-	-	-	-	-	-	-	-	-	-	70 555	-	-	-	-	70 555
Total		-	167 000	-	-	167 000	148 497	-	-	-	-	148 497	148 497	-	-	-	315 497
DB Chinnappen																	
2019	12.68	-	20 666	-	-	(20 666)	-	-	-	-	-	-	-	-	-	-	-
		-	(11 666)	-	-	(11 666)	-	-	-	-	-	-	-	-	-	-	-
2020	8.88	41 333	-	(20 667)	-	20 666	-	(20 666)	-	-	-	-	-	-	-	-	-
		23 333	-	(5 834)	(5 833)	11 666	-	(5 833)	(5 833)	-	-	-	-	-	-	-	-
2021	6.52	62 000	-	(20 667)	-	41 333	-	(20 667)	-	-	-	20 666	-	-	-	-	20 666
		35 000	-	(11 666)	-	23 334	-	(5 834)	(5 833)	-	-	11 667	-	-	-	-	11 667
2022	12.43	-	62 000	-	-	62 000	-	(20 666)	-	-	-	41 334	-	-	-	-	41 334
		-	35 000	-	-	35 000	-	(5 833)	(5 833)	-	-	23 334	-	-	-	-	23 334
2023	14.88	-	255 000	-	-	255 000	-	-	-	-	-	255 000	-	-	-	-	255 000
		-	170 000	-	-	170 000	-	-	-	-	-	170 000	-	-	-	-	170 000
2024	41.75	-	107 000	-	-	107 000	-	-	-	-	-	107 000	-	-	-	-	107 000
		-	60 000	-	-	60 000	-	-	-	-	-	60 000	-	-	-	-	60 000
2025	38.66	-	-	-	-	-	77 942	-	-	-	-	70 555	-	-	-	-	77 942
		-	-	-	-	-	-	-	-	-	-	70 555	-	-	-	-	70 555
Total		-	715 998	-	(91 166)	785 999	148 497	(79 499)	(17 499)	(5 833)	-	785 999	148 497	(79 499)	(17 499)	-	837 498
A Mayer																	
2019	12.68	-	20 666	-	-	(20 666)	-	-	-	-	-	-	-	-	-	-	-
		-	(11 666)	-	-	(11 666)	-	-	-	-	-	-	-	-	-	-	-
2020	8.88	41 333	-	(20 667)	-	20 666	-	(20 666)	-	-	-	-	-	-	-	-	-
		23 333	-	(5 834)	(5 833)	11 666	-	(5 833)	(5 833)	-	-	-	-	-	-	-	-
2021	6.52	62 000	-	(20 667)	-	41 333	-	(20 667)	-	-	-	20 666	-	-	-	-	20 666
		35 000	-	(11 666)	-	23 334	-	(5 834)	(5 833)	-	-	11 667	-	-	-	-	11 667
2022	12.43	-	62 000	-	-	62 000	-	(20 666)	-	-	-	255 000	-	-	-	-	255 000
		-	35 000	-	-	35 000	-	(5 833)	(5 833)	-	-	23 334	-	-	-	-	23 334
2023	14.88	-	255 000	-	-	255 000	-	-	-	-	-	170 000	-	-	-	-	170 000
		-	170 000	-	-	170 000	-	-	-	-	-	170 000	-	-	-	-	170 000
2024	41.75	-	107 000	-	-	107 000	-	-	-	-	-	107 000	-	-	-	-	107 000
		-	60 000	-	-	60 000	-	-	-	-	-	60 000	-	-	-	-	60 000
2025	38.66	-	-	-	-	-	77 942	-	-	-	-	70 555	-	-	-	-	77 942
		-	-	-	-	-	-	-	-	-	-	70 555	-	-	-	-	70 555
Total		-	715 998	-	(91 166)	785 999	148 497	(79 499)	(17 499)	(5 833)	-	785 999	148 497	(79 499)	(17 499)	-	837 498

BELL EQUIPMENT LIMITED
 NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
 for the year ended 31 December 2025

42 DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION (continued)

Grant date 1 January	Strike price	Balance at		Number of awards		Balance at		Granted	Vested - settled	Vested - expired	Forfeited	Balance at 31 December 2024	Granted	Vested - settled	Vested - expired	Forfeited	Balance at 31 December 2025
		31 December 2023	Granted	Granted	Forfeited	31 December 2024	Forfeited										
JJ van Wyngaardt																	
2019	12.68	20 666	-	(20 666)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	11 666	-	(11 666)	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	8.88	41 333	-	(20 667)	-	20 666	-	(20 666)	-	(5 833)	-	-	-	-	-	-	-
	-	23 333	-	(5 834)	-	11 666	-	(20 667)	-	(5 833)	-	-	-	-	-	-	-
2021	6.52	62 000	-	(20 667)	-	41 333	-	(20 667)	-	(5 834)	-	20 666	-	-	-	-	20 666
	-	35 000	-	(11 666)	-	23 334	-	(20 667)	-	(5 834)	-	11 667	-	-	-	-	11 667
2022	12.43	62 000	-	-	-	62 000	-	(20 666)	-	(5 833)	-	41 334	-	-	-	-	41 334
	-	35 000	-	-	-	35 000	-	(5 833)	-	(5 833)	-	23 334	-	-	-	-	23 334
2023	14.88	255 000	-	-	-	255 000	-	-	-	-	-	255 000	-	-	-	-	255 000
	-	170 000	-	-	-	170 000	-	-	-	-	-	170 000	-	-	-	-	170 000
2024	41.75	-	107 000	-	-	107 000	-	-	-	-	-	107 000	-	-	-	-	107 000
	-	-	60 000	-	-	60 000	-	-	-	-	-	60 000	-	-	-	-	60 000
2025	38.66	-	-	-	-	-	-	-	-	-	-	77 942	-	-	-	-	77 942
	-	-	-	-	-	-	-	-	-	-	-	70 555	-	-	-	-	70 555
Total		715 998	167 000	(91 166)	(5 833)	785 999	-	148 497	(79 499)	(17 499)	-	837 498	148 497	(79 499)	(17 499)	-	837 498
D McIlraith																	
2019	12.68	20 666	-	(20 666)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	11 666	-	(11 666)	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	8.88	41 333	-	(20 667)	-	20 666	-	(20 666)	-	(5 833)	-	-	-	-	-	-	-
	-	23 333	-	(5 834)	-	11 666	-	(20 667)	-	(5 833)	-	20 666	-	-	-	-	20 666
2021	6.52	62 000	-	(20 667)	-	41 333	-	(20 667)	-	(5 834)	-	11 667	-	-	-	-	11 667
	-	35 000	-	(11 666)	-	23 334	-	(20 666)	-	(5 833)	-	41 334	-	-	-	-	41 334
2022	12.43	62 000	-	-	-	62 000	-	(20 666)	-	(5 833)	-	23 334	-	-	-	-	23 334
	-	35 000	-	-	-	35 000	-	(5 833)	-	(5 833)	-	255 000	-	-	-	-	255 000
2023	14.88	255 000	-	-	-	255 000	-	-	-	-	-	170 000	-	-	-	-	170 000
	-	170 000	-	-	-	170 000	-	-	-	-	-	107 000	-	-	-	-	107 000
2024	41.75	-	107 000	-	-	107 000	-	-	-	-	-	60 000	-	-	-	-	60 000
	-	-	60 000	-	-	60 000	-	-	-	-	-	77 942	-	-	-	-	77 942
2025	38.66	-	-	-	-	-	-	-	-	-	-	70 555	-	-	-	-	70 555
	-	-	-	-	-	-	-	-	-	-	-	148 497	-	-	-	-	148 497
Total		715 998	167 000	(91 166)	(5 833)	785 999	-	148 497	(79 499)	(17 499)	-	837 498	148 497	(79 499)	(17 499)	-	837 498

BELL EQUIPMENT LIMITED
 NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
 for the year ended 31 December 2025

42 DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION (continued)

Grant date 1 January	Strike price	Balance at			Number of awards			Balance at				
		31 December 2023	Granted	Vested - settled	Vested - expired	Forfeited	31 December 2024	Granted	Vested - settled	Vested - expired	Forfeited	31 December 2025
TM Du Pisane												
2022	12.43	62 000	-	-	-	-	62 000	-	(20 666)	-	-	41 334
		35 000	-	-	-	-	35 000	-	(5 833)	-	-	23 334
2023	14.88	255 000	-	-	-	-	255 000	-	-	-	(5 833)	255 000
		170 000	-	-	-	-	170 000	-	-	-	-	170 000
2024	41.75	-	107 000	-	-	-	107 000	-	-	-	-	107 000
		-	60 000	-	-	-	60 000	-	-	-	-	60 000
2025	38.66	-	-	-	-	-	-	77 942	-	-	-	77 942
		-	-	-	-	-	-	70 555	-	-	-	70 555
Total		522 000	167 000	-	-	-	689 000	148 497	(26 499)	(5 833)	-	805 165
PW Badenhorst												
2022	12.43	62 000	-	-	-	-	62 000	-	(20 666)	-	-	41 334
		35 000	-	-	-	-	35 000	-	(5 833)	-	-	23 334
2023	14.88	255 000	-	-	-	-	255 000	-	-	-	-	255 000
		170 000	-	-	-	-	170 000	-	-	-	-	170 000
2024	41.75	-	107 000	-	-	-	107 000	-	-	-	-	107 000
		-	60 000	-	-	-	60 000	-	-	-	-	60 000
2025	38.66	-	-	-	-	-	-	77 942	-	-	-	77 942
		-	-	-	-	-	-	70 555	-	-	-	70 555
Total		522 000	167 000	-	-	-	689 000	148 497	(26 499)	(5 833)	-	805 165

42 DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION (continued)

Grant date	Strike price	Balance at		Number of awards		Balance at		Forfeited	Vested - expired	Vested - settled	Granted	Vested - settled	Vested - expired	Forfeited	Balance at	
		31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024									
L.G. Goosen (resigned with effect from 31 December 2023)																
2019	12.68	-	82 338	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(46 000)	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	8.88	-	82 335	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(46 000)	-	-	-	-	-	(23 000)	-	-	-	-	-	-	-
2021	6.52	-	82 334	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(46 000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total			385 007						(23 000)							
DE Morris (resigned 30 November 2024)																
2019	12.68	-	20 666	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(11 666)	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	8.88	-	41 333	-	-	-	-	(20 666)	-	-	-	-	-	-	-	-
	-	-	(5 833)	-	-	-	-	(11 666)	(5 833)	-	-	-	-	-	-	-
2021	6.52	-	62 000	-	-	-	-	(41 333)	-	-	-	-	-	-	-	-
	-	-	(35 000)	-	-	-	-	(23 334)	-	-	-	-	-	-	-	-
2022	12.43	-	62 000	-	-	-	-	(62 000)	-	-	-	-	-	-	-	-
	-	-	(35 000)	-	-	-	-	(35 000)	-	-	-	-	-	-	-	-
2023	14.88	-	255 000	-	-	-	-	(255 000)	-	-	-	-	-	-	-	-
	-	-	(170 000)	-	-	-	-	(170 000)	-	-	-	-	-	-	-	-
Total			715 998					(618 999)	(5 833)							
JM Fleetwood (resigned 18 July 2025)																
2022	12.43	-	62 000	-	-	-	-	-	-	-	-	(20 666)	-	(41 334)	-	-
	-	-	(35 000)	-	-	-	-	-	-	(5 833)	-	(5 833)	-	(23 334)	-	-
2023	14.88	-	255 000	-	-	-	-	-	-	-	-	-	-	(255 000)	-	-
	-	-	(170 000)	-	-	-	-	-	-	-	-	-	-	(170 000)	-	-
2024	41.75	-	107 000	-	-	-	-	-	-	-	-	-	-	(107 000)	-	-
	-	-	(60 000)	-	-	-	-	-	-	-	-	-	-	(60 000)	-	-
2025	38.66	-	-	-	-	-	-	-	-	77 942	-	-	-	(77 942)	-	-
	-	-	-	-	-	-	-	-	-	70 555	-	-	-	(70 555)	-	-
Total			522 000							148 497		(26 499)		(605 165)		
GRAND TOTAL			8 492 999					(618 999)	(82 666)			(814 999)		(178 992)		8 806 394

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

43 **GOVERNMENT GRANTS**

Accounting policy

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants relating to the acquisition of property, plant and equipment are included in the carrying amount of the asset and released to profit or loss over the expected useful lives of the assets concerned as a reduced depreciation expense.

	2025 R000	2024 R000
Profit from operating activities includes the following government grants:		
Included in other operating income:		
- The Automotive Production Development Programme (APDP) *	140 549	211 324
Included in factory and group services operating expenses as a reduction to the depreciation expense:		
- The Automotive Investment Scheme (AIS)	2 707	33 214

* This income relates to production rebate certificates the group received under the programme and which were sold to another party. Refer to notes 14 and 28.

44 **GOING CONCERN**

As part of the assessment of the appropriateness of adopting the going concern basis in preparing the consolidated annual financial statements for the year ended 31 December 2025, the directors considered the group's cash flow forecast for the next twelve months. This forecast is based on expected demand for the next 12 months. The cash flow forecast reflects that the group expects to operate within facility levels and generate sufficient cash flows to settle its obligations when due. Management constantly monitors the facility levels in relation to the group's cash flow forecast. The group's lenders continue to support the business.

The group's net cash position at 31 December 2025 was approximately R0,2 billion (2024: net debt of R0,5 billion).

The directors consider it appropriate that the year-end financial statements are prepared on a going concern basis.

BELL EQUIPMENT LIMITED
INFORMATION NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT
SHAREHOLDER ANALYSIS
31 December 2025

Page 101

Register date: 24 December 2025
 Issued Share Capital: 95 629 385
 Treasury shares: 32 233

SHAREHOLDER SPREAD	No of Shareholdings	%	No of Shares	%
1 - 1,000 shares	5 297	91.64	283 496	0.30
1,001 - 10,000 shares	352	6.09	1 295 244	1.35
10,001 - 100,000 shares	101	1.75	3 068 133	3.21
100,001 - 1,000,000 shares	20	0.35	6 721 382	7.03
1,000,001 shares and over	10	0.17	84 261 130	88.11
Totals	5 780	100.00	95 629 385	100.00

DISTRIBUTION OF SHAREHOLDERS	No of Shareholdings	%	No of Shares	%
Banks/Brokers	26	0.45	7 356 526	7.69
Close Corporations	16	0.28	140 384	0.14
Endowment Funds	2	0.03	7 005	0.01
Individuals	5 595	96.80	5 305 883	5.55
Insurance Companies	9	0.16	297 386	0.31
Mutual Funds	19	0.33	7 407 450	7.75
Other Corporations	12	0.21	52 099	0.05
Private Companies	41	0.70	71 986 339	75.27
Public Companies	2	0.03	1 351	0.01
Retirement Funds	1	0.02	2 587 659	2.71
Treasury Stock	1	0.02	32 233	0.03
Trusts	56	0.97	455 070	0.48
Totals	5 780	100.00	95 629 385	100.00

PUBLIC / NON - PUBLIC SHAREHOLDERS	No of Shareholdings	%	No of Shares	%
Non - Public Shareholders	8	0.14	67 098 057	70.16
Directors & Associates of the Company	5	0.09	25 731	0.03
Bell Equipment Share Scheme	1	0.02	32 233	0.03
Strategic Holders of more than 10%	2	0.03	67 040 093	70.10
Public Shareholders	5 772	99.86	28 531 328	29.84
Totals	5 780	100.00	95 629 385	100.00

RESIDENT/NON RESIDENT	No of Shareholdings	%	No of Shares	%
Resident	5 717	98.91	92 012 749	96.22
Non-Resident	63	1.09	3 616 636	3.78
Totals	5 780	100.00	95 629 385	100.00

Top 10 Beneficial shareholders	No of Shares	%
I A Bell And Company (Pty) Ltd	67 040 093	70.10
Peregrine	4 814 120	5.03
Zenithar (Pty) Ltd	4 516 347	4.72
Government Employees Pension Fund	2 587 659	2.71
Absa	2 209 607	2.31
Pershing	1 442 977	1.51
Clearstream Banking SA Luxembourg	1 427 005	1.49
Gilmour, S	1 398 426	1.46
Sanlam	1 387 881	1.45
Perspective Investment Management	678 069	0.71
Peresec Prime Brokers	628 736	0.66
Totals	88 130 920	92.15

Top 10 Institutional shareholders	No of Shares	%
Peregrine Capital	4 814 120	5.03
Sanlam Investment Management	3 975 540	4.16
Absa Capital	2 209 607	2.31
Pershing Llc	1 442 977	1.51
Clearstream Banking SA Luxembourg	1 427 005	1.49
Perspective Investment Management	678 069	0.71
Peresec Prime Brokers	628 736	0.66
AG Capital	478 573	0.50
Zarclear	456 637	0.48
Fairtree Capital	372 617	0.39
Totals	16 483 881	17.24

BELL EQUIPMENT LIMITED**INFORMATION NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT (continued)****SHAREHOLDER ANALYSIS (continued)****31 December 2025**

Directors & Associates of the Company		Indirect	No of Shares	%
Bell, GW	Chairman	23 701	0	0.02
Bell, RL		23 400		
Bell, MJ		301		
Bell, AJ	CEO		30	0.00
Bell, AJ			30	0.00
Harie, B	Shareholder in subsidiary		1 000	0.00
Harie, B			1 000	0.00
Mabaso-Koyana, SN	Shareholder in subsidiary		1 000	0.00
Mabaso-Koyana, SN			1 000	0.00
Totals		23 701	2 030	0.02

Bell Equipment Share Scheme	No of Shares	%
Bell Equipment Group Services (Pty) Ltd	32 233	0.03
Totals	32 233	0.03

Strategic Holders of more than 10%	No of Shares	%
I A Bell And Company (Pty) Ltd	67 040 093	70.10
Totals	67 040 093	70.10

RESIDENT/NON-RESIDENT SPLIT	No of Shareholdings	%	No of Shares	%
South Africa	5 717	98.91	92 012 749	96.22
United States	4	0.07	1 823 692	1.91
Luxembourg	1	0.02	1 427 005	1.49
United Kingdom	3	0.05	241 092	0.25
France	1	0.02	30 500	0.03
Namibia	17	0.29	23 568	0.02
Germany	2	0.03	21 436	0.02
Switzerland	2	0.03	19 264	0.02
Australia	1	0.02	15 000	0.02
UAE	3	0.05	8 219	0.01
Mauritius	1	0.02	3 000	0.01
Zimbabwe	2	0.03	2 380	0.00
New Zealand	1	0.02	1 000	0.00
Botswana	1	0.02	270	0.00
Benin	1	0.02	85	0.00
Lesotho	10	0.17	55	0.00
Eswatini	10	0.17	56	0.00
Zambia	1	0.02	11	0.00
Korea	1	0.02	2	0.00
Honduras	1	0.02	1	0.00
Totals	5 780	100.00	95 629 385	100.00

SHAREHOLDER DIARY

Financial year-end	31 December 2025
Integrated annual report	April 2026
Annual general meeting	June 2026
Interim results announcement	September 2026

INFORMATION NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT (continued)**GLOSSARY****31 December 2025**

ADT	Articulated Dump Truck
AGM	Annual General Meeting
AIS	Automotive Investment Scheme
ALC	American Logistics Centre
APDP	Automotive Production and Development Programme
Bell Equipment or Bell or the group	Bell Equipment Limited and its subsidiaries
BEE or BBBEE	Black Economic Empowerment or Broad Based Black Economic Empowerment
BEE Manco	K2019577563 (South Africa) (RF) Proprietary Limited
BECSA	Bell Equipment Company SA Proprietary Limited
BECSA Holdings	BECSA Holdings Limited
BEF	Bell Equipment Foundation
BEGS	Bell Equipment Group Services Proprietary Limited
BENA	Bell Equipment North America Inc.
BESSA	Bell Equipment Sales South Africa Limited
BESSA BEE SPV	K2017044733 (South Africa) (RF) Proprietary Limited
BHL	Bell Equipment SA Holdings Limited
CEO	Chief Executive
CFO	Chief Financial Officer
CGU	Cash Generating Unit
Companies Act	Companies Act of South Africa No 71 of 2008 (as amended)
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ELC	European Logistics Centre
FD	Financial Director
GEC	Group Executive Committee
GLC	Global Logistics Centre
HEPS	Headline earnings per share
IDC	Industrial Development Corporation of South Africa Limited
IFRS	IFRS® Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
JSE	Johannesburg Stock Exchange Limited
King IV™	King IV Report on Corporate Governance in South Africa 2016
King V™	King V Report on Corporate Governance in South Africa, 2025
MOI	Memorandum of Incorporation
NPAT	Net Profit after Tax
OEM	Original Equipment Manufacturer
PwC	PricewaterhouseCoopers Inc.
ROIC	Return on Invested Capital
SAICA	South African Institute of Chartered Accountants
SENS	Stock Exchange News Service
Sibi	Sibi Capital Proprietary Limited

BELL EQUIPMENT LIMITED

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INFORMATION NOT COVERED BY THE INDEPENDENT AUDITOR'S REPORT (continued)

CORPORATE INFORMATION

31 December 2025

BELL EQUIPMENT LIMITED

Registration Number: 1968/013656/06

JSE SHARE CODE

BEL

ISIN CODE

ZAE000028304

GROUP COMPANY SECRETARY

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JSE SPONSOR

Investec Bank Limited

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www.bellequipment.com

INVESTOR RELATIONS WEB ADDRESS

www.bellir.co.za