TeleMasters Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 2006/015734/06
Share code: TLM
ISIN: ZAE000093324
("TeleMasters" or "Group" or "Company")

Reviewed provisional condensed consolidated financial statements for the year ended 30 June 2022 and declaration of dividend number 57

RESULTS SUMMARY

- Revenue decreased by 14.5% compared to the prior year
- Gross profit margin improved to 54.4% from 49.3% in the prior year
- Cash and cash equivalents reduced due to further investment in equipment
- Operating expenses reduced by 14.4% compared to the prior year
- EBITDA of R7 million achieved compared to R4.4 million in the prior year
- Loss per share reduced from 7.82 cents in the prior year to 3.67 cents
- 3,1 cents per share dividend declared during the year (6.4 cents in the prior year)

1. Commentary on operating results

Revenue decreased by 14.5% to R65 million mainly due to reduced variable usage services made up of corporate voice termination services. Hybrid working has made this a permanent trend and we expect continued pressure related to revenue of this commoditised product section.

Due to the economic climate we have seen a number of customers going out of business or down-scaling services in order to contain costs. During the first half of the financial year, the Group businesses focused heavily on controlling expenses and assuring existing business. Operating expenses reduced by R6.1 million (14.4%) mainly as result of a saving of R3 million in employee costs and a specific provision for an irrecoverable debt made in the prior year amounting to R3.1 million.

During the second half of the year we deployed additional sales resources to embark on a growth path. While sales cycles seem to have become longer, we have seen increased interest from the market for our services.

The focused placed on expense control is reflected by the healthy GP margin and cashflow delivered.

While profits remain impacted by substantial amounts of non-cash flow expenses such as depreciation and amortisation, the Group continued to generate positive operating cash flows from operations.

The Group continued to invest in capital equipment during the period to create additional revenue growth opportunities. This was primarily funded from the Group's own cashflow.

Positive cash generation remains a key component of our business and reflects our mission to build an annuity-based business that proactively manages operating costs and maximizes operating efficiencies across all subsidiaries.

Non-current assets of R49.4 million compare favourably with non-current liabilities of R10.8 million.

The net asset value has decreased from 66.8 cents per share to 64.9 cents per share. However, the tangible net asset value increased to 22.15 cents per share from 19.12 cents per share.

2. Issue and repurchase of shares

During the year under review:

- The Company issued an additional 5,259,670 shares at 122.75 cents in settlement of the first year of an earn-out consideration payable to vendors for the acquisition of Contineo Virtual Communications (Pty) Ltd ("Contineo") and Perfectworx Consulting (Pty) Ltd ("Perfectworx"): and

- A wholly owned subsidiary of the Company purchased 249 600 shares in the Company for an average purchase price of 124.99 cents per share as part of the Group's share repurchase programme. These shares are being held as treasury shares.

3. Dividends declared and paid

The Board does not link the payment of dividends primarily to the current year's operating results but considers dividends in relation to the Group's reserves of R22.1 million at 30 June 2022 (R25.7 million as at 30 June 2021) and cash generated by operations. The Board considers the working capital requirements of the Group for the next 12-month period, among other considerations, when determining any dividend. The Board considers the payment of dividends to be a significant reason why shareholders invest in the Group and regards the principle of paying quarterly dividends as important. The payment of a dividend is accordingly considered on a quarterly basis.

The following dividends were declared during the period under review:

- Dividend number 53 of 1.60 cents per share was declared on 30 September 2021 and paid to all shareholders recorded in the share register of the Company at the close of business on 25 October 2021;

- Dividend number 54 of 0.5 cents per share was declared on 7 December 2021 and paid to all shareholders recorded in the share register of the Company at the close of business on 10 January 2022;

- Dividend number 55 of 0.5 cents per share was declared on 25 March 2022 and paid to all shareholders recorded in the share register of the Company at the close of business on 22 April 2022; and

- Dividend number 56 of 0.5 cents per share was declared on 24 June 2022 and paid to all shareholders recorded in the share register of the Company at the close of business on 22 July 2022.

4. Dividend declaration

Notice is hereby given that a gross cash dividend (Number 57) of 0.5 cents per share has been declared and is payable to all shareholders recorded in the share register of the Company at the close of business on Friday, 21 October 2022.

The dividend will be subject to the Dividends Withholding Tax that was introduced with effect from 1 April 2012. In accordance with the provisions of the Listings Requirements of the Johannesburg Stock Exchange, the following additional information is disclosed:

- The dividend has been declared out of retained earnings;
- The local Dividends Withholding Tax rate is 20%;
- The gross local dividend is 0.5 cents per share for shareholders exempt from Dividends Tax;
- The net local dividend is 0.4 cents per share for shareholders liable for Dividends Tax;
- The Company has 55,759,670 ordinary shares in issue; and
- The Company's income tax reference number is 9683/978/14/3.

The following dates are applicable to the dividend: the last day to trade to be eligible for the dividend will be Tuesday, 18 October 2022. Shares will trade ex-dividend from Wednesday, 19 October 2022. The record date will be Friday, 21 October 2022 and payment of the dividend will be made on Monday, 24 October 2022.

Share certificates may not be dematerialised / re-materialised between Wednesday, 19 October 2022 and Friday, 21 October 2022, both days inclusive. The certificated register will be closed during these dates. Dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on payment date. Following the discontinuation of cheque payments in South Africa from January 2022 all payments will only be made into a nominated bank account by electronic funds transfer. Shareholders who have not yet provided their bank account details to JSE Investor Services Proprietary Limited ("JIS") are reminded to contact JIS on 086 154 6572 with their bank account details into which the dividends can be paid electronically.

5. Company focus

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

The Group consists of the following portfolio of companies:

Catalytic Connections (Pty) Limited ("Catalytic") is a diversified ICT managed solutions provider to medium and small enterprises through a comprehensive suite of products and services focused on digital connectivity, cloud communications, cloud services and cloud security.

Contineo Virtual Communications (Pty) Limited ("Contineo") operates a Next Generation Unified Communications ("UC") platform based on Cisco Broadsoft technology. The platform enables customers to migrate all their voice and UC traffic into the cloud and transformed Contineo from a traditional wholesale reseller of voice minutes into the largest independent wholesaler supplier of the Cisco Broadsoft communications platform in South Africa.

PerfectWorx Consulting (Pty) Limited ("PerfectWorx") is a niche network systems integrator that builds and operates networks for or with customers, supplies technology to build networks or provides specific solutions for customer's network requirements. It enjoys key technology partnerships with Cisco Meraki, Fortinet, Oracle, exaware, Sonus and Juniper Networks, among others.

Ultra Data Centre (Pty) Limited ("Ultra DC") (formerly ConexLink) built and operates a data centre located outside of Pretoria. This data centre is a vendor and carrier neutral facility that features several unique data centre capabilities including smart rack infrastructure, ultra-secure physical environment and connectivity vendor redundancy. Due to its location just outside the principal jurisdictions of many other data centres, it specializes in ultra-secure disaster recovery capabilities but also functions as a primary data centre for clients. Unique among data centres, it has massive and scalable utility power availability. The building is extremely physically secure with national key point (bunker type) construction. It has significant white space scalable on demand.

6. Prospects

Activity around new and additional ICT services in the corporate world has been more positive than the previous year but business activity has not yet returned to pre-pandemic levels. Our newly deployed sales resources and channel partners have been hard at work and we believe that all the focused effort will yield positive results.

Every business in the Group is on a growth trajectory, each with exciting opportunities in hand:

- **Ultra DC** – we have concluded agreements with a number of new customers that will be taking services in the data centre. We are confident that by Q1 [July-Sept] of this financial year, the business will surpass break-even and start generating cash.

- **Contineo** – there has been significant interest from the market for hosted Unified Communications and voice services since June 2022. We managed to conclude a new agreement with our major technology vendor which presents the opportunity to generate additional revenue while containing cost of sales. The service is world-class and will see the business increase revenue in this financial year. Our unique blend of technology and go-to-market offering has allowed us to participate in various "Request for Quotation" opportunities which we have not been able to do historically.

- **PerfectWorx** – we have onboarded new customers in the business which has led to Capex and Opex sales. PerfectWorx has also been appointed as Service Provider Partner for a large international networking vendor. This is likely to unlock new revenue opportunities for this business.

- **Catalytic** – we have deployed additional sales resources and onboarded new channel partners. We are confident that the new and additional resources will assist us to grow revenues in the year to come. We have also negotiated new commercial terms with some of our connectivity suppliers which will allow us to better compete against some of the larger competitors in the market. It will also allow us to respond to market demand for more affordable connectivity costs.

Overall, our outlook is positive. However, power availability related to Eskom delivery issues remains an ongoing concern. We have a great team in each business who have been hard at work during recent difficult times. We believe that the consistent hard work each team member contributed to date will yield results and see the Group benefit from their activities going forward.

7. Corporate governance

The Group subscribes to the highest standards of corporate governance best practices at all levels and is committed to conducting business with discipline, integrity and social responsibility.

8. Changes to the Board of Directors

Mrs Talana Smith was appointed on 2 November 2021 as an independent non-executive director and chair of the Audit and Risk Committee.

9. Going concern

The Directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future. Accordingly, the Group's consolidated annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Group remains in a sound financial position with access to sufficient cash on hand to meet its foreseeable financial requirements. The Directors are not aware of any new material changes that may adversely impact the Group. The Directors are also not aware of any material non-compliance with any statutory or regulatory requirements or of any pending changes to legislation which may materially affect the Group.

10. COVID-19, July 2021 Riots and the Ukraine Situation

The shift in work behaviour as a result of the COVID-19 pandemic continues to have a negative impact on Group revenues. The effects of the pandemic are not, however, expected to have an impact on the Group as a going concern into the foreseeable future.

The Group has fortunately not been negatively impacted by the July riots or the Ukraine situation due to the nature of its business.

11. Approval of the financial statements

The reviewed condensed consolidated financial statements were approved by the Board of Directors on 30 September 2022 and are signed on its behalf by:

J Voigt	JL Roos
Chief Executive Officer	Chief Financial Officer

JOHANNESBURG
30 September 2022

Provisional condensed consolidated statement of comprehensive income
for the year ended 30 June 2022

	30 June 2022 Reviewed R	30 June 2021 Audited R
Revenue	**65,001,950**	**76,012,774**
Cost of Sales	(29,620,139)	(38,520,786)
Gross profit	**35,381,811**	**37,491,988**
Other Income	81,662	18,245
Operating expenses	(35,990,252)	(42,051,400)
Operating loss	**(526,779)**	**(4,541,167)**
Investment revenue	172,839	531,593
Finance costs	(2,340,735)	(1,617,435)
Loss before income tax	**(2,694,675)**	**(5,627,009)**
Income tax	718,201	1,689,590
Loss for the period	**(1,976,474)**	**(3,937,419)**
Other comprehensive income for the period	**-**	**-**
Total comprehensive loss for the period	**(1,976,474)**	**(3,937,419)**
Per share information (cents)		
Basic loss per share (cents)	**(3.67)**	**(7.82)**

Provisional Condensed consolidated statement of financial position
as at 30 June 2022

	30 June 2022 Reviewed R	30 June 2021 Audited R
Assets		
Non-current assets	**49,438,620**	**51,004,431**
Property, plant and equipment	7,172,580	7,192,053
Right of use assets	13,993,272	16,916,565
Intangible assets	906,509	1,144,893
Goodwill	22,952,676	22,952,676
Restricted cash	690,000	-
Deferred tax	3,723,583	2,798,244
Current assets	**8,444,681**	**12,702,972**
Inventories	1,017,456	676,660
Trade and other receivables	4,302,308	5,127,951
Prepaid expenses	674,740	667,045
Current tax receivable	101,653	174,101
Cash and cash equivalents	2,348,524	6,057,215
Total assets	**57,883,301**	**63,707,403**
Equity and liabilities		
Total equity	**36,207,876**	**33,751,432**
Share capital	14,154,259	8,009,989
Retained earnings	22,053,617	25,741,443

Non-current liabilities	**10,838,784**	**13,076,250**
Lease liabilities	9,706,330	12,523,492
Borrowings	961,770	-
Deferred tax	170,684	102,758
Contingent consideration	-	450,000
Current liabilities	**10,836,641**	**16,879,721**
Trade and other payables	4,040,209	4,084,779
Lease liabilities	4,110,323	4,549,187
Borrowings	762,924	-
Shareholders for dividend	367,216	896,452
Contingent consideration	1,528,755	7,312,500
Current tax payable	27,214	36,803
Total equity and liabilities	**57,883,301**	**63,707,403**
Number of shares in issue	**55,759,670**	**50,500,000**
Net asset value per share (cents)	64.94	66.83
Net tangible asset value per share (cents)	22.15	19.12

Provisional Condensed consolidated statement of changes in equity

for the year ended 30 June 2022

	Share capital R	Share premium R	Total share Capital R	Retained Earnings R	Total Equity R
Balance at 1 July 2020	**4,200**	**43,859**	**48,059**	**32,910,862**	**32,958,921**
Loss for the period	-	-	-	(3,937,419)	(3,937,419)
Total comprehensive loss for the period	**-**	**-**	**-**	**(3,937,419)**	**(3,937,419)**
Transaction with owners:					
Shares issued	850	8,499,150	8,500,000	-	8,500,000
Treasury shares		(538,070)	(538.070)		(538,070)
Dividends	-	-	-	(3,232,000)	(3,232,000)
Total transactions with owners	**850**	**7,961,080**	**7,961,930**	**(3,232,000)**	**4,729,930**
Balance at 30 June 2021	**5,050**	**8,004,939**	**8,009,989**	**25,741,443**	**33,751,432**
Loss for the period	-	-	-	(1,976,474)	(1,976,474)
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,976,474)**	**(1,976,474)**
Transaction with owners:					
Shares issued	526	6,455,719	6,456,245	-	6,456,245
Treasury shares		(311,975)	(311,975)		(311,975)
Dividends	-	-	-	(1,711,352)	(1,711,352)
Total transactions with owners	**526**	**6,143,744**	**6,144,270**	**(1,711,352)**	**4,432,918**
Balance at 30 June 2022	**5,576**	**14,148,683**	**14,154,259**	**22,053,617**	**36,207,876**

Provisional Condensed consolidated statement of cash flows

for the year ended 30 June 2022

	30 June 2022 Reviewed R	30 June 2021 Audited R
Cash flows from operating activities		
Cash generated by operations	7,716,495	6,805,272
Finance costs	(2,118,236)	(1,279,935)
Income taxes paid	(76,353)	(264,883)
Net cash generated from operating activities	**5,521,906**	**5,260,454**
Cash flow from investing activities		
Purchase of property, plant and equipment	(4,152,558)	(3,707,161)
Purchase of intangible assets	-	(183,691)
Proceeds on sale of property, plant and equipment	80,260	-
Other financial assets acquired	(690,000)	-
Loans advanced to associate	-	(2,045,000)
Purchase of shares in Ultra DC(Pty)Ltd	-	(3,975,000)
Cash acquired from acquisition of businesses	-	1,394,825
Investment income received	172,839	516,593
Net cash used in investing activities	**(4,589,459)**	**(7,999,434)**
Cash flow from financing activities		
Dividends paid	(2,240,588)	(3,093,645)
Purchase of treasury shares	(311,975)	(538,070)
Proceeds from borrowings	2,193,083	-
Repayment of borrowings	(471,249)	-
Repayment of leases	(3,810,409)	(3,763,094)
Net cash used in financing activities	**(4,641,138)**	**(7,394,809)**
Total cash movement for the period	(3,708,691)	(10,133,789)
Cash and cash equivalents at the beginning of period	6,057,215	16,191,004
Cash and cash equivalents at the end of period	**2,348,524**	**6,057,215**

Notes to the provisional condensed consolidated financial statements
for the year ended 30 June 2022

1. Statement of compliance and the basis of preparation

The reviewed provisional condensed consolidated financial results for the year ended 30 June 2022 are prepared in accordance with the requirements of the JSE Limited's Listings Requirements ("Listings Requirements") for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The provisional consolidated annual financial results were reviewed by Nexia SAB&T who expressed an unmodified review conclusion. The auditor's review conclusion is available for inspection at the Company's registered office.

The auditor's review conclusion does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review conclusion together with the accompanying financial information from the issuer's registered office.

The Directors take full responsibility for the preparation of the provisional report. These results were prepared under the supervision of the Chief Financial Officer, Mr Wikus Roos CA (SA).

2. Accounting Policies

The accounting policies applied in the preparation of the condensed consolidated financial results are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial results. During the year under review various other interpretations and amendments became effective but their implementation had no material impact on the results of either the current or prior years. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Financial risk management

There has been no material change in the Group's financial risk management objectives and policies compared to those disclosed in the consolidated annual financial statements as at and for the year ended 30 June 2021.

4. Share capital

The Company issued 8,500,000 shares during 2021 in settlement of the initial purchase consideration payable for the acquisitions of Contineo and PerfectWorx. During the year an additional 5,259,670 shares were issued in settlement of the contractual earn-out obligation.

	30 June 2022 Reviewed	**30 June 2021 Audited**
Number of shares		
Balance at the beginning of the year	**50,500,000**	**42,000,000**
Shares issued during the year	5,259,670	8,500,000
Balance at the end of the year	**55,759,670**	**50,500,000**

5. Business combinations

Acquisition of Contineo and PerfectWorx

Effective 1 July 2020 the Group acquired the entire shareholding of Contineo and PerfectWorx for a maximum consideration of R16,500,000 (sixteen million five hundred thousand Rand). An aggregate of 8,500,000 shares at R1 each were issued on 23 July 2020 as settlement for the initial purchase price which the Directors deemed to be the fair value of the shares at that time. During the year 5,259,670 shares at 122,75 cents were issued in settlement of performance obligations, with a remaining contingent consideration at 30 June 2022 of R1 528 755.

Contingent Consideration	R
Balance at beginning of transactions	7,440,000
Income statement – finance costs from beginning of transactions	545,000
Shares issued	(6,456,245)
Balance as at 30 June 2022	**1,528,755**

6. Property, plant & equipment, right of use assets and intangible assets

	Property, plant and machinery	Right of use assets	Intangible assets
	R	R	R
Carrying value 1 July 2021	**7,192,053**	**16,916,565**	**1,144,893**
Additions	4,152,558	248,900	-
Reclassification of assets	(51,752)	-	51,752
Disposals for the year	(34,300)	-	-
Depreciation for the year	(4,085,979)	(3,172,193)	(290,136)
Carrying value 30 June 2022	**7,172,580**	**13,993,272**	**906,509**

	Property, plant and machinery	Right of use assets	Intangible assets
	R	R	R
Carrying value 1 July 2020	**7,526.910**	**9,775,832**	**1,919,173**
Additions	3,707,161	8,673,428	183,691
Depreciation for the year	(4,557,318)	(3,391,313)	(957,971)
Assets transferred	199,506	(199,506)	-
Disposals	-	(82,917)	-
Fair value of assets acquired with acquisition	315,794	2,141,041	-
Carrying value 30 June 2021	**7,192,053**	**16,916,565**	**1,144,893**

7. Goodwill

	30 June 2022 Reviewed			30 June 2021 Audited
	Cost	Accumulated impairment	Carrying value	Carrying value
	R	R	R	R
Balance at the beginning of the year	**22,952,676**	**-**	**22,952,676**	**3,286,779**
Acquisitions during the year				
- Contineo & PerfectWorx	-	-	-	14,375,394
- Ultra DC	-	-	-	5,290,503
Impairments during the year	-	-	**-**	**-**
Balance at the end of the year	**22,952,676**	**-**	**22,952,676**	**22,952,676**

Assessment of recoverable amounts

During the financial year, the Group assessed the recoverable amount of goodwill from the acquisitions of Catalytic Connections, Spice Telecom, Contineo, PerfectWorx and ConexLink (Ultra DC). The assessment determined that the goodwill allocated to the cash-generating units was not impaired. No impairment was recognised both in the current and previous financial periods.

8. Trade and other receivables

	30 June 2022 Reviewed R	30 June 2021 Audited R
Financial Instruments		
Trade debtors	3,498,640	7,166,062
Provision for loss allowance – specific contract	-	(3,067,500)
Provision for loss allowance – other	(705,593)	(640,232)
	2,793,047	**3,458,330**
Deposits	63,392	102,424
Accruals for revenue	625,952	1,023,200
Other	66,219	4,000
	3,548,610	**4,587,954**
Non-Financial instruments		
VAT	753,698	539,997
	4,302,308	**5,127,951**

The fair value of trade and other receivables approximates their carrying amounts due to their short- term nature.

9. Lease Liabilities

The maturity analysis of lease liabilities is as follows	30 June 2022 Reviewed R	30 June 2021 Audited R
Within one year	5,498,514	6,744,392
Two to five years	10,533,816	12,618,291
More than five years	982,423	-
	17,014,753	19,362,683
Less : finance charges component	(3,198,100)	(2,290,004)
	13,816,653	**17,072,679**
Non-current liabilities	9,706,330	12,523,492
Current liabilities	4,110,323	4,549,187

The fair value of lease liabilities approximates their carrying amount due to the application of market-related interest rates in the measuring of the carrying value.

10. Borrowings

The maturity analysis of borrowings is as follows	30 June 2022 Reviewed R	30 June 2021 Audited R
Within one year	990,554	-
Two to five years	1,115,038	-
More than five years	-	-
	2,105,592	-
Less : finance charges component	(380,898)	-
	1,724,694	**-**
Non-current liabilities	961,770	-
Current liabilities	762,924	-

The fair value of the borrowings approximates their carrying amount due to the application of market-related interest rates in the measuring of the carrying value.

11. Segment reporting

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available and that is evaluated regularly by the Chief Operating Decision Maker. The Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Group.

The reportable segments reflect the operating model of the Group as of 1 July 2020 and is consistent with the way the business is managed and reported on by the CODM. Management monitors the operating results of its business units separately for the purpose of resource allocation and performance assessment. Monthly management meetings are held to evaluate the individual segment performance. The CODM does not monitor assets and liabilities by segment.

The Group's reporting segments for the year ended 30 June 2022 are: Catalytic; Contineo and PerfectWorx; Ultra DC; and Corporate.

Year ended 30 June 2022 Reviewed	**Catalytic R**	**Contineo & PerfectWorx R**	**Ultra DC R**	**Corporate R**	**Consolidation R**	**TOTAL R**
Revenue external	62,357,039	2,225,670	419,241	-	-	65,001,950
Revenue internal	-	11,635,073	1,038,079	10,096,519	(22,769,671)	-
EBITDA*	**1,117,418**	**1,205,537**	**180,529**	**4,535,243**	**(17,198)**	**7,021,529**
Adjusted for: Depreciation and amortisation	(3,739,403)	(256,694)	(320,542)	(3,231,669)	-	(7,548,308)
Interest received	33,834	6	-	138,999	-	172,839
Finance costs	(780,859)	(67,669)	(335,897)	(1,156,310)	-	(2,340,735)
Net profit/(loss) before tax	**(3,369,010)**	**881,180**	**(475,910)**	**286,263**	**(17,198)**	**(2,694,675)**
Total Assets	**23,958,019**	**4,626,242**	**3,466,586**	**48,098,381**	**(22,265,927)**	**57,883,301**
Total Liabilities	**23,231,519**	**1,231,004**	**4,421,921**	**15,496,135**	**(22,705,154)**	**21,675,425**

* Earnings before interest, tax, depreciation, and amortisation

Year ended 30 June 2021 Audited	**Catalytic R**	**Contineo & PerfectWorx R**	**Ultra DC R**	**Corporate R**	**Consolidation R**	**TOTAL R**
Revenue external	73,598,531	2,349,211	65,032	-	-	76,012,774
Revenue internal	991 716	12,306,925	1,454,700	9,802,831	(24,556,172)	-
EBITDA*	**(894,116)**	**1,528,653**	**1,134,410**	**2,596,488**	**-**	**4,365,435**
Adjusted for: Depreciation and amortisation	(2,568,978)	(282,779)	(110,233)	(5,944,612)	-	(8,906,602)
Interest received	46,759	-	-	469,834	15,000	531,593
Finance costs	(721,537)	(71,789)	(33,178)	(453,431)	(337,500)	(1,617,435)
Net profit/(loss) before tax	**(4,137,872)**	**1,174,085**	**990,999**	**(3,331,721)**	**(322,500)**	**(5,627,009)**
Total Assets	**24,867,756**	**4,266,487**	**1,779,708**	**36,959,301**	**(4,165,849)**	**63,707,403**
Total Liabilities	**20,874,752**	**1,453,373**	**2,381,667**	**9,221,266**	**(3,975,087)**	**29,955,971**

* Earnings before interest, tax, depreciation, and amortisation

No single customer makes up more than 10% of the Group's revenues.

12. Disaggregation of revenues

Year ended 30 June 2022 Reviewed	Total	Catalytic	Contineo & PerfectWorx	Ultra DC
Revenue from contracts with customers				
Equipment sales	**3,696,131**	2,502,855	1,193,276	-
Rendering of services	**73,978,971**	59,854,184	12,667,467	1,457,320
	77,675,102	**62,357,039**	**13,860,743**	**1,457,320**
Internal revenue	**(12,673,152)**	-	(11,635,073)	(1,038,079)
	65,001,950	**62,357,039**	**2,225,670**	**419,241**
Disaggregation and timing from contracts with customers				
Sale of Goods				
Equipment sales (at a point in time)	3,696,131	2,502,855	1,193,276	
Rendering of services				
Usage (at appoint in time)	13,984,494	13,984,494	-	
Connection fees (over time)	32,403,276	32,403,276	-	
Service fees (over time)	14,918,049	13,466,414	1,032,394	419,241
	61,305,819	59,854,184	1,032,394	419,241
Total	**65,001,950**	**62,357,039**	**2,225,670**	**419,241**

Year ended 30 June 2021 Audited	Total	Catalytic	Contineo & PerfectWorx	Ultra DC
Revenue from contracts with customers				
Equipment sales	**4,700,236**	4,209,256	490,980	-
Rendering of services	**86,065,879**	70,380,991	14,165,156	1,519,732
	90,766,115	**74,590,247**	**14,656,136**	**1,519,732**
Internal revenue	**(14,753,341)**	(991,716)	(12,306,925)	(1,454,700)
	76,012,774	**73,598,531**	**2,349,211**	**65,032**
Disaggregation and timing from contracts with customers				
Sale of Goods				
Equipment sales (at a point in time)	4,700,236	4,209,256	490,980	
Rendering of services				
Usage (at a point in time)	20,497,508	20,497,508	-	
Connection fees (over time)	35,047,646	35,047,646	-	
Service fees (over time)	15,767,384	13,844,121	1,858,231	65,032
	71,312,538	69,389,275	1,858,231	65,032
Total	**76,012,774**	**73,598,531**	**2,349,211**	**65,032**

13. Earnings, Headline Earnings and Dividends

Headline earnings reconciliation and per share information is set out below:

	30 June 2022 Reviewed R	30 June 2021 Audited R
Headline earnings reconciliation:		
Loss attributed to equity holder of the company	**(1,976,474)**	**(3,937,419)**
Profit on sale of Property, plant and equipment	**(45,960)**	**-**
Headline loss	**(2,022,434)**	**(3,937,419)**
Per share information:		
Loss per share (cents)	**(3.67)**	**(7.82)**
Headline loss per share (cents)	**(3.75)**	**(7.82)**
Diluted per share information has not been presented as it is considered anti-dilutive, due to the loss per share and headline loss per share for the period under review.		
Number of shares in issue	55,759,670	50,500,000
Weighted average shares in issue	53,876,273	50,323,330
Dividends declared per share (cents)	3.10	6.40

14. Related party transactions

Members of Key Management	
Executive Director	J Voigt JL Roos
Non-Executive Directors	MB Pretorius WF Steinberg M Tappan DJ Bate T Smith

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

MB Pretorius	Snowy Owl Properties 82 (Pty) Ltd Telemasters (Pty) Ltd Zero Plus Trading 194 (Pty) Ltd
JM Vosloo	JMV Business Solutions CC
A Voigt (Spouse of a director)	Level This CC

Related party transactions and balances

	30 June 2022 Reviewed R	30 June 2021 Audited R
Details of transactions and balances occurring between the company and the related parties are presented below:		
Purchases from:		
ConexLink (Ultra DC)*	-	1,583,892
Consulting fees paid to:		
Level This CC	1 740 000	1,400,000
JMV Business Solutions CC	-	450,000
Zero Plus Trading 194 (Pty) Ltd	450,000	446,775
Value of Shares issued		
J Voigt	3,228,122	-
L Pieton	3,228,122	-
Compensation to key management	2,351,474	2,386,446

*Became a subsidiary during the prior year

15. Litigation

The company continues to pursue litigation and attendant matters in respect of a material debt recoverable from a customer.

Other than above, there are currently no legal or related proceedings against the Group of which the Board is aware which may have or have had in the 12 months preceding the date of this report a material effect on the consolidated position of the Group.

16. Subsequent events

No material subsequent events have occurred since year end.

16. Corporate information

Directors: DJ Bate*#, MB Pretorius*, WF Steinberg*#, M Tappan*#, T Smith*#, J Voigt, JL Roos
(* non-executive director # independent director)

Registered address: Ground Floor, Building 2, ATT House, Maxwell Office Park
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P.O. Box 68255 Highveld Park 0169

Company secretary: S Ramirez-Victor

Auditors: Nexia SAB&T
119 Witch-Hazel Avenue, Highveld Techno Park, Centurion

Transfer secretaries: JSE Investor Services Proprietary Limited
13th Floor, 19 Ameshoff Street, Braamfontein, 2017

Designated Advisor: AcaciaCap Advisors Proprietary Limited

Website: www.telemasters.co.za