

ISA Holdings Limited
 Incorporated in the Republic of South Africa
 (Registration number: 1998/009608/06)
 Share code: ISA
 ISIN: ZAE000067344
 ("ISA" or "the company" or "the group")

Abridged summarised consolidated audited results for the year ended
 28 February 2023, cash dividend declaration and notice of Annual General
 Meeting

	28 Feb 23 year ended Audited R'000	28 Feb 22 year ended Audited R'000
SUMMARISED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		
Revenue	75 581	74 743
Cost of sales	(35 772)	(34 861)
Profit before other income and expenses	39 809	39 882
Other income	3 322	1 927
Selling and marketing costs	(14 035)	(10 525)
Administrative expenses	(11 847)	(10 608)
Finance income	1 455	551
Share of profits after taxation of equity accounted investment	7 707	1 598
Profit before taxation	26 411	22 825
Taxation	(4 539)	(6 471)
Earnings attributable to equity shareholders for the year	21 872	16 354
Other comprehensive income	-	2 878
Total comprehensive income attributable to equity shareholders	21 872	19 232
Earnings and diluted earnings per share (cents)	14.0	10.5
	As at 28 Feb 23 Audited R'000	As at 28 Feb 22 Audited R'000
SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		
ASSETS		
Non-current assets	26 433	20 723
Property, plant and equipment	14 489	13 469
Other financial asset	2 357	2 371
Investment in joint venture	7 100	3 393
Deferred tax	2 487	1 490
Current assets	49 738	63 584
Cash and cash equivalents	31 971	47 345
Trade and other receivables	17 352	16 233

Current tax receivable	415	6
Total assets	76 171	84 307
EQUITY AND LIABILITIES		
Equity capital and reserves	57 814	70 348
Share capital and share premium	1 560	1 560
Reserves	53 376	65 910
Other reserves	2 878	2 878
LIABILITIES		
Non-Current liabilities		
Deferred tax	1 064	1 064
Current liabilities		
Trade and other payables	16 757	12 443
Current tax payable	536	452
Total equity and liabilities	76 171	84 307

28 Feb 23	28 Feb 22
year	year
ended	ended
Audited	Audited
R'000	R'000

SUMMARISED CONSOLIDATED STATEMENTS
OF CASH FLOW

Cash flows from operating activities	13 514	6 709
Cash receipts from customers	78 820	65 053
Cash paid to supplier and employees	(57 004)	(53 602)
Cash generated from operations	17 816	11 451
Interest received	1 455	551
Taxation paid	(5 757)	(5 293)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1 511)	(107)
Dividends received	4 000	1 500
Proceeds on disposal of property, Plant and equipment	14	-
Cash flows from financing activities		
Dividends paid to ordinary shareholders	(34 406)	(11 657)
Net increase in cash and cash equivalents	(18 379)	(3 555)
Revaluation of foreign cash balances	3 005	1 639
Cash and cash equivalents at beginning of the year	47 345	49 261
Cash and cash equivalents at end of the year	31 971	47 345

	28 Feb 23 year ended Audited R'000	28 Feb 22 year ended Audited R'000
SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY		
Share capital - ordinary shares		
Balance at beginning of the year	1 560	1 560
Balance at end of the year	1 560	1 560
Total share capital and share premium	1 560	1 560
Retained income		
Balance at beginning of the year	65 910	61 213
Comprehensive income - profit	21 872	16 354
Dividends paid during the year	(34 406)	(11 657)
Balance at end of the year	53 376	65 910
Reserves		
Balance at beginning of the year	2 878	-
Revaluation surplus on PPE	-	3 942
Deferred tax on revaluation	-	(1 064)
Balance at end of the year	2 878	2 878
Total equity capital and reserves	57 814	70 348
Notes to the statements:		
RECONCILIATION OF HEADLINE EARNINGS		
Earnings as per statement of comprehensive income	21 872	16 354
Headline earnings	21 872	16 354
Headline and diluted earnings per share (cents)	14.0	10.5
ORDINARY SHARES		
Number of shares in issue at end of year ('000s)	155 996	155 996
Weighted average number of shares in issue ('000s)	155 996	155 996
Treasury shares held at end of year ('000s)	14 596	14 596
Net asset value per share at end of year (cents)	37.1	45.1
Net tangible asset value per share at end of year (cents)	37.1	45.1

OPERATIONAL REVIEW

I am pleased to present our results for the full year ended 28 February 2023 ("the current reporting period"), which continue to be underpinned by a high portion of recurring revenue, a robust balance sheet and strong cash flows. In the context of the exceptionally challenging trading conditions in which we operate, together with the extreme pressure on the local economy, I am satisfied with our performance and humbled by the tremendous support that we have received from our staff, customers, suppliers, vendor partners and shareholders.

Financial

Revenue increased marginally to R75.6 million compared to R74.7 million in the previous corresponding reporting period ("the prior reporting period"), of which more than 90% of revenue is of a recurring nature and includes turnover from both product subscription and our various Managed Security Service offerings.

Profit before other income and expenses decreased slightly to R39.8 million during the current reporting period compared to R39.9 million in the prior reporting period.

While the top-line increase is less than what we had hoped, I remain encouraged by our resilience through these challenging times, as well as our ability to curate and bring to market a range of new Professional and Managed security services designed to support our customers through the rapidly evolving information security and threat landscape. Notably, our expanded range of Security Advisory and Security Assessment services has been well received during the current reporting period and has afforded us deeper access into our customers' leadership structures and strategies, which in turn has opened new avenues for future growth.

Other income increased by 72.3% to R3.3 million compared to R1.9 million in the prior reporting period, largely resulting from the revaluation of our foreign currency reserves which increased to R3.0 million from R1.6 million in the prior reporting period. While these positive foreign currency revaluation adjustments have been most welcomed over the years, management has decided to reduce their foreign currency reserves in favour of the Rand to better align the business' cash reserves to its expenditure profile, as well as to benefit from the higher interest rates offered locally. The effect of this decision can already be seen in the increased finance income of R1.4 million in the current reporting period compared to R551 000 in the prior reporting period.

Operating expenditure increased by 22.5% to R25.9 million compared to R21.1 million in the prior reporting period, which is largely attributable to a sizeable increase in payroll expenses. This increase relates to both organic salary adjustments for existing staff, as well as the recruitment and development of new talent needed to curate and spearhead growth in our broader portfolio of offerings referred to previously.

On an exciting note, our share of profits from our equity-accounted investment ("DataProof") grew almost fivefold to R7.7 million compared to R1.6 million in the prior reporting period, which is largely a result of a few sizeable public-sector contracts awarded during the current reporting period. Over the last few years, DataProof has been developing a range of services focusing primarily on meeting the demand in the outsourced Security Operations Centre and Security Information and Event Management markets. DataProof will be further developing and investing into their service-centric business model with the intention of delivering sustainable above-average growth into the future.

Earnings attributable to equity shareholders increased by 33.7% to R21.9 million compared to R16.4 million in the prior reporting period, presented as an increase in headline earnings per share and earnings per share to 14.0 cents from 10.5 cents in the prior reporting period; and total comprehensive income attributable to equity shareholders, which includes the revaluation of our owner-occupied property in the prior reporting period, increased by 13.7% from R19.2 million in the prior reporting period.

Distribution

During the current reporting period an interim dividend of R9.4 million for the half year ended 31 August 2022 was declared and paid to shareholders, representing a cash distribution of 6.0 cents per share. With the realisation of earnings of 14.0 cents per share for the current reporting period, we are now pleased to declare a final ordinary dividend to shareholders for the year

ended 28 February 2023 of 8.0 cents per share, which will be subject to dividend tax legislation.

The board of directors of ISA ("board") has reasonably concluded that the company will satisfy the solvency and liquidity requirements immediately after distribution thereof and for the next 12 months.

The salient dates for the ordinary dividend will be as follows:

Declaration date	Friday,	26 May 2023
Last day to trade	Tuesday,	18 July 2023
Shares trade ex-dividend	Wednesday,	19 July 2023
Record date	Friday,	21 July 2023
Payment date	Monday,	24 July 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 July 2023 and Friday, 21 July 2023, both days inclusive.

In terms of the dividend tax legislation, effective 1 April 2012, the following additional information is disclosed:

- This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves.
- The South African dividend tax (DT) rate is 20%.
- The DT to be withheld by the company in respect of the ordinary dividend amounts to 1.60 cents per share.
- The net ordinary dividend payable to shareholders who are not exempt from DT is therefore 6.40 cents per share, while a gross ordinary dividend of 8.0 cents per share is payable to those shareholders who are exempt from DT.
- The issued share capital of the company at the declaration date comprises 170 592 593 ordinary shares.
- The company's income tax reference number is 9340/150/71/4.

Market and prospects

I continue to be optimistic about our long-term prospects, as the key drivers of the information security market remain robust. With the continued evolution and persistence of threats and attack vectors against organisational information and IT resources, together with the increased regulatory and legislative compliance requirements, stakeholders continue to elevate the importance of security within their organisations. By leveraging this positive sentiment towards the information and infrastructure security market, as well as our positioning as a thought leader in this market segment, we are likely to continue delivering above average tangible returns over time.

REPORTING

These abridged summarised consolidated financial statements have been derived from the consolidated annual financial statements as at 28 February 2023 and are consistent in all material respects with the group financial statements. This abridged report is extracted from audited financial information but is not itself audited. The directors take full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying financial statements. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors. The auditor's report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of

the auditor's work they should obtain a copy of that report together with the accompanying financial information from the company's website.

The abridged financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, the information required by IAS 34: Interim Financial Reporting, the JSE Limited (JSE") Listings Requirements, and the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act").

This abridged report has been prepared using accounting policies that comply with IFRS and which are consistent with those applied in the financial statements for the year ended 28 February 2022. The preparation of the group financial statements for the financial year ended 28 February 2023 was supervised by the Financial Director, Priscilla Mogoboya, and has been audited in terms of all the applicable requirements of Section 29(1) of the Companies Act.

The auditors, Crowe JHB, have issued their opinion on the underlying group annual financial statements for the year ended 28 February 2023. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. There were no key audit matters to communicate in the auditor's report. A copy of their audit report and the group annual financial statements are available for inspection at the company's registered office and on the company's website at www.isa.co.za.

SUBSEQUENT EVENTS

The directors are not aware of any reportable matters arising after the financial year end and up to the date of this report.

CHANGES IN DIRECTORATE

There were no changes to the board during the 2023 financial year.

CHANGE IN AUDITOR

During the year under review, Mahdi Meyer Steyn Chartered Accountants Inc ("MMS") advised the board of the group of its resignation as external auditors effective

9 November 2022. The reason for MMS's resignation is based on the decision by its board of directors not to renew their firm's JSE accreditation for the calendar year 2023. The board took the decision to appoint Crowe JHB as the group's external auditors with Craig George as the designated audit partner for the financial year ended 28 February 2023, effective 17 February 2023, replacing MMS. The appointment is subject to shareholder approval at the group's Annual General Meeting. The board would like to extend its appreciation to MMS for their service to the group.

The Audit and Risk committee has established for itself, through enquiry, that the group's external auditor is independent as defined by the Companies Act. There are formal procedures that govern the process whereby the auditor is considered for non-audit services and each engagement letter for such work is reviewed by the committee. No matters of concern were raised during the Audit and Risk committee meeting which was held with the external auditor. The committee has therefore nominated, for ratification of Crowe JHB as the external auditor for the 2023 financial year and approval by shareholders at the Annual General Meeting, Crowe JHB as the external auditor for the 2024 financial year,

with Craig George as the designated audit partner. There were no non-audit related services carried out.

INTEGRATED ANNUAL REPORT

Shareholders are advised that the integrated annual report is in the process of being distributed to shareholders and will be available on the company's website at www.isa.co.za.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of ISA ("Annual General Meeting") will be held at 10:00 on Wednesday, 28 June 2023 for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter.

The board has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for the purposes of determining which shareholders of the company are entitled to participate in and vote at the Annual General Meeting is Friday, 23 June 2023. Accordingly, the last day to trade ISA shares in order to be recorded in the Register to be entitled to vote will be Tuesday, 20 June 2023.

The Annual General Meeting will be accessible through electronic participation, as permitted by the JSE, the provisions of the Companies Act and the company's Memorandum of Incorporation.

To this end, the company together with its share transfer secretaries, JSE Investor Services Proprietary Limited ("JSE Investor Services"), shall host the Annual General Meeting on an interactive electronic platform, to facilitate remote participation by shareholders. JSE Investor Services will also act as meeting scrutineer.

Shareholders who wish to participate electronically at the Annual General Meeting are required to contact the JSE Investor Services at meetfax@jseinvestorservices.co.za; or alternatively contact JSE Investor Services' offices on +27 86 154 6572 as soon as possible, but in any event, for administrative purposes only, by no later than 10:00 on Monday, 26 June 2023.

Special Thanks

On behalf of the board, I would like to take this opportunity to thank the ISA team for their continued dedication and hard work. My appreciation is also extended to my colleagues on the board for their wise counsel and valuable input. Finally, I thank all stakeholders, customers and vendors for their support, and I look forward to meeting shareholders at the Annual General Meeting to be held on Wednesday, 28 June 2023.

For and on behalf of the board.

Clifford Katz
Chief Executive Officer
Johannesburg
26 May 2023

Directors: CS Katz (Chief Executive Officer), PJG Green (Chief Technical Officer), P Mogoboya (Financial Director), AJ Naidoo#, C Pillay, DS Seaton*, N Maphothi*, Onica Seku (Chairperson)*

Non-executive

* Independent non-executive

Designated Adviser: Merchantec Capital

www.isaholdings.co.za