



Driving Technology



Audited Group consolidated  
annual financial statements  
**2024**

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# Directors' responsibility statement

for the year ended 29 February 2024

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Datatec Limited ("Datatec" or the "Company" or the "Group"), comprising the consolidated statement of financial position at 29 February 2024 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated annual financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with IFRS @ Accounting Standards ("IFRS Accounting Standards") and the requirements of the Companies Act, No.71 of 2008 of South Africa ("the Companies Act").

In terms of the Companies Act, the directors are required to prepare consolidated annual financial statements that fairly present the state of affairs and business of the Group at the end of the financial year and of the profit for that year. The consolidated annual financial statements for the year ended 29 February 2024 are prepared in accordance with IFRS Accounting Standards of the International Accounting Standards Board, Interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act and incorporate transparent and responsible disclosure together with appropriate accounting policies. These consolidated annual financial statements were compiled under the supervision of Ivan Dittrich CA(SA), the Chief Financial Officer ("CFO").

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these consolidated annual financial statements.

These consolidated annual financial statements have been audited in compliance with the requirements of the Companies Act. The auditor is responsible for reporting on whether the consolidated annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns and believe that the Group and its subsidiaries have adequate resources to continue in operation for the foreseeable future, and accordingly, these consolidated annual financial statements have been prepared on a going concern basis.

The directors of the Company are responsible for the controls over, and security of the website and, where applicable, for establishing and controlling the process of electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

## Approval of the consolidated annual financial statements

The consolidated annual financial statements of Datatec Limited as identified in the first paragraph were approved and authorised by the Board of directors on 24 May 2024 and signed on its behalf by:



**JP Montanana**  
Chief Executive Officer  
Authorised director  
26 May 2024



**IP Dittrich**  
Chief Financial Officer  
Authorised director  
26 May 2024

# CEO and CFO responsibility statement

for the year ended 29 February 2024

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

- a. the annual financial statements set out on pages 3 to 123, fairly present in all material respects the financial position, financial performance and cash flows of Datatec Group in terms of IFRS Accounting Standards;
- 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 the Datatec Group and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the Datatec Group;
- 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 taken steps to remedy the deficiencies; and
- f. we are not aware of any fraud involving directors.



**JP Montanana**  
Chief Executive Officer  
Authorised director  
26 May 2024



**IP Dittrich**  
Chief Financial Officer  
Authorised director  
26 May 2024

## Certificate by Company Secretary

for the year ended 29 February 2024

In terms of section 88(2)(e) of the South African Companies Act 71 of 2008, I certify that for the year ended 29 February 2024 Datatec Limited has filed with the Commissioner of the CIPC all such returns as are required of a public company in terms of the Act. Further, that such returns are true, correct and up to date.



**SP Morris**  
For and on behalf of Datatec Management Services (Pty) Ltd  
Company Secretary  
26 May 2024

# Independent auditor's report

## To the Shareholders of Datatec 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 Datatec Limited (the Company) and its subsidiaries (together the Group) as at 29 February 2024, 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

Datatec Limited's consolidated financial statements set out on pages 12 to 123 comprise:

- the consolidated statement of financial position as at 29 February 2024;
- the consolidated statement of 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.

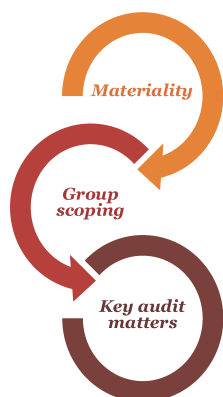
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

#### Our audit approach

##### Overview



##### Overall group materiality

US\$27 million, which represents 0.5% of consolidated revenue.

##### Group audit scope

We performed full scope audits on the three components that were financially significant, in addition to the full scope audit of the Company. Analytical review procedures were performed over all remaining insignificant components which are not in scope based on the associated risk of those components.

##### Key audit matter

Impairment assessment of goodwill arising from business combinations.

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.

## Independent auditor's report continued

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the 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 overall group 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 financial statements as a whole.

<b>Overall group materiality</b>	US\$27 million.
<b>How we determined it</b>	0.5% of consolidated revenue.
<b>Rationale for the materiality benchmark applied</b>	<p>We selected consolidated revenue as the benchmark for materiality because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, as it is an indicator of market share. Consolidated revenue is one of the key drivers of the Group's business and is one of the key performance indicators for stakeholders. The Group's focus is on growth which is attributable to an increase in revenue. Furthermore, consolidated profit before tax is typically volatile, whereas consolidated revenue has remained stable and therefore deemed a more appropriate benchmark.</p> <p>We chose 0.5% as the benchmark threshold, which is lower than the quantitative materiality threshold that we would typically apply when using consolidated revenue to compute materiality. We took into account various factors, including the intended users and distribution of the consolidated financial statements, as well as the level of external debt in the consolidated financial statements.</p>

### How we tailored our group audit scope

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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 scoping assessment included consideration of the financial significance of the Group's components as well as the sufficiency of work planned to be performed over material consolidated financial statement line items. We identified three financially significant components in the Group, namely Westcon International Limited and Logicalis International Limited, both incorporated in the United Kingdom, as well as Logicalis Latin America Holdings S.A., incorporated in Brazil. These components were considered to be financially significant based on their contribution to consolidated revenue, consolidated profit before tax, consolidated assets or consolidated liabilities. We performed a full scope audit of these three components and the Company. Analytical review procedures were performed over all remaining components not in scope, to assess whether any risks exist that would require additional audit procedures. These components were considered to be insignificant, individually and in aggregate.

In establishing the overall approach to the Group audit, we determined the type and extent of work that needed to be performed by us, as the group auditor, or component auditors from other PwC network firms. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components (including their scoping considerations regarding their respective components) to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our audit opinion on the consolidated financial statements as a whole. Detailed group audit instructions were communicated to all components in scope.

We conducted various meetings with all of our significant component teams and management. During these meetings we discussed the strategy and financial performance of the local businesses, the audit plan and execution, significant risks and other relevant audit topics and the clearance of those matters at the conclusion of the component audits. We conducted site visits at each of the three financially significant component locations. During these site visits, we also met with the divisional Chief Financial Officers of the financially significant components, to discuss the status of the component audits.

We assessed the competence, knowledge and experience of the component auditors and evaluated the procedures performed on the significant audit areas to assess the adequacy thereof to support our audit opinion on the consolidated financial statements.

# Independent auditor's report continued

## Key audit matter

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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment assessment of goodwill arising from business combinations</b></p> <p>As at 29 February 2024, the Group recognised goodwill with a carrying amount of US\$281 million, which includes goodwill arising on acquisition of subsidiaries in the current year amounting to US\$35 million.</p> <p>In accordance with IAS 36 Impairment of Assets ("IAS 36") the Group is required to conduct an annual impairment test on goodwill, or more frequently when an indication of impairment exists on goodwill attributed to an individual cash-generating unit ("CGU").</p> <p>For purposes of its impairment testing, the Group allocated goodwill to each of its segmental CGUs that are expected to benefit from the synergies of the business combinations.</p> <p>The Group performed its annual impairment tests and concluded that no impairments were required to be recognised in the current financial year.</p> <p>The recoverable amount of each respective segmental CGU was determined based on a fair value less cost to sell model. The fair value less costs to sell is based on a discounted cash flow calculation. The key assumptions used in the calculation are disclosed in Note 7 to the consolidated financial statements. The fair values less costs to sell are compared to values arising from a comparable company's market approach and a market transactions method.</p> <p>External valuations were obtained for the Logicalis International and Logicalis Latin America CGUs. An internal valuation was prepared for Mason Advisory Limited, which constitutes the goodwill in the Corporate and Management Consulting CGU. The recoverable amounts yielded by the aforementioned valuations were compared to the corresponding net asset value of the CGUs, including goodwill.</p> <p>We considered the impairment assessment of goodwill arising from business combinations 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"> <li>the significant judgement and assumptions applied by management in determining the recoverable amounts of the segmental CGUs;</li> <li>the magnitude of the goodwill balance in relation to the consolidated financial statements; and</li> <li>the audit effort expended in this area, including our use of experts.</li> </ul> <p>Refer to the following accounting policies and notes to the Group consolidated annual financial statements for details:</p> <ul style="list-style-type: none"> <li>Group accounting policies - Goodwill;</li> <li>Critical accounting judgements and key sources of estimation - Key sources of estimation uncertainty; and</li> <li>Note 7: Goodwill.</li> </ul>	<p>Our audit addressed this key audit matter as follows:</p> <ul style="list-style-type: none"> <li>We tested the mathematical accuracy of the valuation models used by management and no material differences were noted.</li> <li>We assessed the reasonableness of the valuation methodology (discounted cash flows model) applied by management's experts and found this to be consistent with industry practice and in line with the requirements of IAS 36.</li> <li>We evaluated the independence, objectivity and competence of management's experts with reference to their professional qualifications.</li> <li>We evaluated the reliability of the Group's budgets included in the business plans (which form the basis of the future earnings in the cash flow forecasts), by comparing prior period budgets to actual results. Where variances were noted, we applied historically achieved rates to our independent assessment of future forecasts as further explained in the procedures below.</li> <li>We further compared the budgets included in the business plans to the budgets approved by the Board and noted no differences.</li> </ul> <p>Using our valuations expertise, we performed the following:</p> <ul style="list-style-type: none"> <li>Independently calculated a range of discount rates for each segmental CGU taking into account independently obtained data such as the cost of debt, risk free rates in the market, market risk premiums adjusted for specific risks relating to the relevant CGUs, debt/equity ratios, sovereign risk premiums as well as the beta of comparable companies;</li> <li>Using our independently calculated discount rates for each material CGU, we performed a stress test on the impairment calculations by applying our independently calculated discount rates to the CGUs to assess whether there is an impairment, noting no further indications of possible impairments to be recognised; and</li> <li>Calculated the terminal value consistent with publicly available information relating to long-term average growth rates for each of the markets in which the respective CGUs operate. No material exceptions were noted.</li> </ul> <p>We applied the above independently sourced and calculated inputs to management's forecasts (adjusted for actual achieved rates) and compared management's recoverable amount of each CGU to the results of our calculations. Whilst our independently determined key assumptions were different from those applied by management in certain instances, the impact of these differences was found to have an immaterial impact on the recoverable amounts.</p> <p>We further assessed the reasonableness of the discount rates, terminal growth rates and forecasted cash flows by independently performing a sensitivity analysis to determine the degree by which certain key assumptions (discount rate, long-term growth rate and budgeted gross margin) would need to change in order to result in an impairment or a material difference between the resultant recoverable amounts of the CGUs. Our sensitivity analyses did not yield a reasonable scenario that would trigger impairment.</p>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Datatec Audited Group Consolidated Annual Financial Statements 2024" and "Datatec Limited Audited Financial Statements for the year ended 29 February 2024", which include the Directors' Report, the Audit, Risk and Compliance Committee Report and the Certificate by 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 other sections of the documents titled "Datatec Integrated Report 2024" and "Datatec Annual Report 2024", which are 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.

## Independent auditor's report continued

### **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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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**

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 Datatec Limited for 4 years.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

Director: D Storm

Registered Auditor

Johannesburg, South Africa

26 May 2024

# Audit, Risk and Compliance Committee report

for the year ended 29 February 2024

The information below constitutes the report of the Audit, Risk and Compliance Committee (“ARCC” or “the committee”).

The ARCC comprises three independent non-executive directors: Johnson Njeke (Chair), Deepa Sita and Rick Medlock.

The following officers are invited to attend all meetings of the ARCC:

- Chair of the Board, Maya Makanjee
- Chief Executive Officer, Jens Montanana
- Chief Financial Officer, Ivan Dittrich
- Chief Risk Officer, Simon Morris
- Chief Audit Executive, Marcos Bedendo (internal audit)

The external and internal auditors attend the ARCC and have unrestricted access to the ARCC and also meet with the committee members, without management present, at least once a year.

The committee meets at least four times a year. In the year under review and subsequently up to the date of this report, the committee has met six times, with all members in attendance. The Chair of the committee reports on the committee’s activities at each Board meeting.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board. The charter is reviewed annually to confirm compliance with the King IV\* Code and the Companies Act and to ensure the incorporation of best practice developments.

The charter is available at [www.datatec.com](http://www.datatec.com).

The committee is satisfied that it has met and complied with its legal and regulatory responsibilities for the year under review and to the date of this report with respect to its terms of reference as set out in its charter.

Each of Datatec’s main operating divisions has an audit, risk and compliance committee, chaired by the Group Chief Financial Officer, Ivan Dittrich in the case of Westcon International and Logicialis International and by Luis Rapparini in the case of Logicialis LATAM. Reports from these committees are submitted to the Datatec ARCC, which retains all the functions of an audit committee in respect of Datatec’s subsidiaries.

In terms of the Companies Act and the JSE Listings Requirements, the committee has considered and satisfied itself of the appropriateness of the expertise and experience of Mr Dittrich. Further, the committee considers the appropriateness of the expertise and adequacy of resources of the Group’s finance function and the experience of senior management in the finance function and the risk management organisation. For the year under review, the committee is satisfied that the Group has established appropriate financial reporting procedures and controls, and that those procedures and controls are operating effectively.

The committee is responsible for approving the external auditor’s fees. It oversees the Company’s policy and controls that address the provision of non-audit services by the external auditor, and the nature and extent of such services rendered during the financial year. This contributes to maintaining the external auditor’s independence.

The committee reviews the activities and effectiveness of the Group’s internal audit function and annually reviews the internal audit charter and recommends it to the Board. The ARCC receives reports from the Chief Audit Executive at each of its meetings and reviews the progress of the internal audit programme, results and findings from internal audit work, and actions taken by management to resolve issues in a timely manner.

The ARCC assists the Board in reviewing the risk management process and significant risks facing the Group. The committee reviews the Group’s risk strategy with the executive directors and senior management and oversees the Group’s use of recognised risk management and internal control models and frameworks to maintain a sound system of risk management and internal control. Combined assurance processes are in place throughout the Group to provide the committee with internal management assurance and external assurance from a range of assurance providers, including the internal auditor. The ARCC is satisfied that the appropriate processes are in place, including effective combined assurance, to enable the Board to make an objective assessment of the Group’s system of internal controls and risk management.

The committee is closely involved in the JSE’s proactive monitoring of annual financial statements. It reviews the annual report issued by the JSE on this subject and related information and ensures that all the comments by the JSE are taken into consideration in its review of the Group’s financial information.

The committee is tasked with reviewing the interim and consolidated annual financial statements and Integrated and Annual Reports. The ARCC recommended the annual financial statements for the year ended 29 February 2024 for approval to the Board. The Board has subsequently approved the consolidated annual financial statements, which will be published on the Company’s website and presented at the forthcoming AGM.

## Going concern

The Board has satisfied itself that the Group has adequate resources to continue in operation for the foreseeable future.

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# Audit, Risk and Compliance Committee report continued

for the year ended 29 February 2024

## Key sources of estimation uncertainty

The results and statement of financial position presented in the consolidated annual financial statements point to many areas where key assumptions concerning the future, and other key areas of estimation included in the Group's consolidated annual financial statements, pose a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

These are outlined in the notes to the consolidated annual financial statements. The committee has considered in particular the qualitative and quantitative aspects of information presented in the statement of financial position and other notes that contain sources of estimation and uncertainty in the following area:

- estimates made in determining the recoverable amount of goodwill included in the statement of financial position. This is considered to be a key audit matter. Refer to Note 7 for further discussion of the methodology and rationale for selecting these inputs to management's estimations.

In making its assessment in the above area, the committee examined the external auditor's report and questioned senior management in arriving at their conclusions.

Based on their review of the underlying issues and assumptions, the committee considers the accounting treatment for the above to be appropriate.



**MJN Njeke**

Audit, Risk and Compliance Committee Chair

Sandton  
26 May 2024

# Directors' report

for the year ended 29 February 2024

## Profile and Group structure

Datatec is an international ICT solutions and services group operating in more than 50 countries across North America, Latin America, Europe, Africa, the Middle East and Asia-Pacific. The Group's service offering spans the technology distribution and integration sectors of the ICT market.

Datatec operates in **four operating divisions**:

- Westcon International: Technology distribution of security and networking products
- Logicalis International: ICT infrastructure solutions and services
- Logicalis Latin America: ICT infrastructure solutions and services
- Corporate and Management Consulting: Corporate includes Group head office companies, including the ultimate Logicalis holding company, Logicalis Group Limited and its associated costs, and Group consolidation adjustments. Management Consulting comprises Mason Advisory Limited in the current year as well as Analysys Mason which was disposed of during FY23, with its results are disclosed as discontinued operations in the prior year comparatives

Datatec Limited (the "Company"), a South African company with registration number 1994/005004/06, is the parent company of the Group. The Company's shares are listed on the JSE Limited with share code DTC and ISIN ZAE000017745.

## Stated share capital

### Authorised stated share capital

The authorised stated share capital of the Company as at 29 February 2024 and 28 February 2023 is R4 000 000, made up of 400 000 000 ordinary shares.

### Issued stated capital

As at 29 February 2024, the issued share capital, excluding treasury shares and shares held throughout the period for equity-settled share schemes, amounted to R2 269 013.83, divided into 226 901 383 ordinary shares (28 February 2023: R2 196 533.16, divided into 219 653 316 ordinary shares). Of the issued share capital, 574 145 shares are held by the Company in treasury (FY23: 3 000 000).

## Dividend policy

The Group's policy is to maintain a three times cover relative to underlying\* earnings when declaring ordinary dividends.

## Dividends

On 23 May 2023, the Board declared a final dividend for FY23 of 195 ZAR cents per share equivalent to 10 US cents per share totalling US\$22.5 million with the customary form of a cash dividend with a scrip distribution alternative.

## Financial results

The Group recorded a profit after tax for the year ended 29 February 2024 of US\$50.9 million (FY23: US\$33.4 million loss after tax from continuing operations).

Full details for the financial results of the Group are set out in these consolidated annual financial statements and accompanying notes for the year ended 29 February 2024.

## Going concern

The Board has satisfied itself that the Group has adequate resources to continue in operation for the foreseeable future.

The Group currently has no need to undertake a capital restructuring and key executive management is in place. The Board is not aware of any material non-compliance with statutory or regulatory requirements and there are no pending legal proceedings other than in the normal course of business or as disclosed in the consolidated annual financial statements.

## Solvency

The Board has determined that the Group is solvent with net assets at 29 February 2024 of US\$501.2 million (FY23: US\$472.0 million) and tangible net assets of US\$165.6 million (FY23: US\$178.8 million). The Group is expected to remain solvent over the next 12 months.

\* Underlying earnings exclude the following: impairments of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation of acquired intangible assets, unrealised foreign exchange movements, acquisition-related adjustments, fair value movements on acquisition-related financial instruments, restructuring costs relating to fundamental reorganisations, one-off tax items impacting EBITDA, costs relating to acquisitions, integration and corporate actions, and the taxation effect on all of the aforementioned.

# Directors' report continued

for the year ended 29 February 2024

## Liquidity

Westcon International has an invoice assignment facility of EUR390.6 million for its European subsidiaries, as well as an extended payables facility of US\$71.5 million. Westcon International has a securitisation facility of US\$130.0 million for its Asia-Pacific facilities. In addition, Westcon International utilises accounts receivable facilities in the Middle East (US\$15.0 million) and Indonesia (US\$11.0 million) as well as overdraft facilities in Europe (EUR4.0 million) and Africa (US\$1.0 million), and a securitisation facility in South Africa (ZAR200.0 million).

Logicalis International is supported by a corporate facility of US\$135 million, covering all its operations, comprising a rolling credit facility to fund working capital requirements and an acquisition facility.

Logicalis Latin America is supported separately via a number of uncommitted overdraft facilities and short-term lending arrangements and is predominantly sourced via Tier 1 banks in Brazil as it is the largest territory in the region.

The Group performed covenant projections to confirm that banking covenants are unlikely to be breached for the next 12 months.

The Group ended FY24 with net debt of US\$123.1 million compared to FY23 (US\$106.6 million), refer Note 31.2.

Trade receivables are of a sound quality and adequate expected credit losses have been recorded.

The Group's forecasts and projections of its current and expected financial performance show that the Group is expected to operate within the levels of its banking facilities for at least 12 months from the authorisation date of these consolidated annual financial statements.

## Conclusion

The Group's projections show that the Group has sufficient capital and liquidity to continue to meet its short-term obligations, and as a result, it is appropriate to prepare these annual financial statements on a going concern basis.

## Investments and subsidiaries

Financial information relating to the Group's investments are disclosed in Note 12 and interests in subsidiaries is contained in Note 43 to the consolidated annual financial statements.

### Mason Advisory Limited

Datatec PLC increased its shareholding in Mason Advisory Limited from 42.5% to 80% effective 1 December 2023 by acquiring additional shares in Mason Advisory Limited from its management team for a consideration of US\$18.2 million.

### Logicalis Latin America

In September 2023, Logicalis Latin America Holding repurchased 5.0% of its shares from Promon S.A. for subsequent cancellation for US\$8.6 million. This resulted in an effective shareholding of 68.42% (FY23: 65%) for Datatec and 31.58% (FY23:35%) for Promon S.A.

### Westcon International

On 18 January 2024, Westcon Group European Operations Limited ("WGEO"), a 100% owned subsidiary of Westcon International Group Holdings Limited ("WIGHL"), acquired 100% of Rebura Holdings Limited ("Rebura"). WGEO purchased Rebura for US\$7.6 million, of which US\$6.5 million was paid in cash at completion. The remaining US\$1.1 million will be paid one year after the acquisition subject to conditions precedent within the contract.

## Share-based payments and long-term incentive schemes

Details of the Group's share-based payment schemes and long-term incentive schemes are set out in Note 2 of the consolidated annual financial statements.

## Directors' report continued

for the year ended 29 February 2024

### Management incentive plans

#### Logicalis International

Logicalis International implemented the Logicalis International Long-Term Incentive Plan ("LILTIP") on 3 March 2023 following a corporate restructuring. An intermediate holding company called Logicalis International Group Holdings Limited ("LIGHL") was inserted and is owned by Logicalis Group Limited ("LGL"). The Logicalis International senior management purchased 5.26% of the ordinary equity of LIGHL and LGL holds the remainder. A further 1.04% of the ordinary equity is available for purchase by management up to a total limit of 6.3%. A fixed return equity instrument (intercompany loan note) was issued to Logicalis Group Limited in addition to its ordinary equity.

#### Westcon International

Westcon International implemented the Westcon International Long-Term Incentive Plan ("WILTIP") on 1 September 2023 following a corporate restructuring. An intermediate holding company called Westcon International Group Holdings Limited ("WIGHL") was inserted and is owned by Westcon International Ltd ("WIL"). The Westcon International senior management purchased 5.0% of the ordinary equity of WIGHL and WIL holds the remaining 95%, with 1% earmarked for potential management participation in future. A fixed return equity instrument (intercompany loan note) was also issued to WIL. Datatec continues to own a 92.1% shareholding in WIL with TD Synnex as the minority shareholder.

US\$ million	LIGHL	WIGHL
Ordinary equity	50	118.5
Fixed return instrument	200	450
<b>Total equity</b>	<b>250</b>	<b>568.5</b>

### Events occurring subsequent to the year-end

#### Increased shareholding in subsidiaries

In April 2024, Logicalis Group Limited purchased 7.04% of Cirrus Participações S.A.C. in Brazil ("Cirrus") from the minority shareholders. As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Cirrus of 67.4%. The Group will consolidate the results of Cirrus from this date in the FY25 financial year.

#### Management Incentive plan - Mason Advisory

Mason Advisory implemented the Mason Advisory Long-Term Incentive Plan ("MALTIP") on 9 April 2024 following a corporate restructuring. Two intermediate holding companies called Mason Advisory Group Ltd ("MAGL") and Mason Advisory Group Holdings Ltd ("MAGHL") were incorporated into the Group structure. Management purchased shares in MAGHL constituting 6.25% of the ordinary equity and MAGL holds the remaining 93.75%. Datatec owns an 80.0% shareholding in MAGL. MAGHL also issued a fixed return instrument to MAGL.

#### Dividend declared

On 27 May 2024, the Board declared a final dividend for FY24 of 130 ZAR cents per share (approximately 7 US cents per share) totalling US\$16.2 million with the customary form of a cash dividend with a scrip distribution alternative.

There were no other events that occurred subsequent to the reporting date that require disclosure or adjustment to these consolidated annual financial statements.

### Directors

Directors' interests in the shares of the Company, their remuneration and their interests in share-based remuneration schemes are provided in Note 30 to these consolidated annual financial statements.

All directors are subject to election by shareholders at the first AGM after their appointment. Subsequently, the terms of the Company's Memorandum of Incorporation require one-third of all directors to retire annually (ensuring each director retires at least once every three years) when they may offer themselves for re-election by shareholders.

### Annual General Meeting

The AGM of shareholders of Datatec will be held as a virtual meeting at 14:00 South African time on Wednesday, 31 July 2024.

### Registered office

3rd Floor, Sandown Chambers, Sandown Village Office Park, 81 Maude Street, Sandton.

# Group accounting policies

for the year ended 29 February 2024

## Basis of accounting and reporting

The consolidated annual financial statements as set out on pages 12 to 123 have been prepared on the historical cost basis except for those assets and liabilities referred to that are measured at fair value. Significant details of the Group's accounting policies are set out below and are consistent with those applied in the previous year, with the exception of changes due to the amendments of existing standards as explained below.

Accounting policies for which no choice is permitted in terms of IFRS® Accounting Standards ("IFRS Accounting Standards") have been included only if management considers that the disclosure will assist users in understanding the financial statements as a whole, after considering the materiality of the item being discussed. Accounting policies which are not applicable from time to time have been removed, but will be included if the type of transaction occurs in future or becomes material.

The consolidated annual financial statements comply with the IFRS Accounting Standards of the International Accounting Standards Board, Interpretations issued by the IFRS Interpretations Committee, the JSE Listings Requirements, the Companies Act as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

## Adoption of amendments to existing standards and interpretations

The Group adopted the following amendments to existing standards and interpretations which are effective for the first time:

Applicable standard or note	Amendment	Amendment application	Effective reporting period
IAS 1 <i>Presentation of financial statements</i> ("IAS 1") and IFRS <i>Practice Statement 2</i>	Disclosure of Accounting Policies	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.	1 January 2023
IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Error</i>	Definition of Accounting Estimates	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	1 January 2023
IAS 12 <i>Income Taxes</i> ("IAS 12")	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	1 January 2023
IAS 12 <i>Income Taxes – Pillar Two Model Rules</i>	The deferred tax exemption and disclosure	The amendments give temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements.	1 January 2023
IFRS 17 <i>Insurance Contracts</i> ("IFRS 17")	Replacement of IFRS 4 <i>Insurance Contracts</i> ("IFRS 4")	IFRS 17 replaces IFRS 4	1 January 2023

The Group has adopted the amendment to IAS 12 as it relates to the disclosure of deferred tax assets and deferred tax liabilities arising from a single transaction. The Group has assessed that the impact of this amendment is limited to the deferred taxes raised on leased assets accounted for in accordance with IFRS 16 *Leases* ("IFRS 16"). The Group previously disclosed deferred taxes raised on right-of-use assets and lease liabilities on a net basis. Following the amendments, the Group has disclosed a deferred tax asset in relation to its lease liabilities separate from the deferred tax liability in relation to its right-of-use assets in its annual financial statements. The comparative note disclosure has been restated in accordance with the revised requirements.

There is no resultant impact on the statement of financial position as these balances qualify for offset in terms of IAS 12. Further, there is no impact on the opening retained earnings as at 1 March 2023 as a result of the amendment.

The application of all the other amendments to the existing standards had no material impact on the disclosures or amounts recognised in the Group's consolidated annual financial statements.

## Group accounting policies continued

for the year ended 29 February 2024

### New or revised accounting standards and amendments to existing standards not yet effective

At the date of authorisation of these consolidated annual financial statements, the following new or revised accounting standards and amendments to existing standards applicable to the Group were in issue but not yet effective:

Applicable standard or note	Amendment	Amendment application	Effective reporting period
IAS 1	Classification of Liabilities as Current or Non-current	The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.	1 January 2024
IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	Supplier Finance Arrangements	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	1 January 2024
IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>	Lack of Exchangeability	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
IFRS 16	Lease Liability in a Sale and Leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2025

The Group is assessing the impact of the IFRIC agenda decision on definition of a lease - substitution right (IFRS 16). The Group did not early adopt any new, revised or amended accounting standards or interpretations.

The accounting standards, amendments to issued accounting standards and interpretations, which are relevant to the Group but not yet effective at 29 February 2024, are being evaluated for the impact of these pronouncements. The accounting standards, amendments to issued standards and interpretations are not expected to have a material impact.

### Critical accounting judgements and key sources of estimation

In the application of the Group's accounting policies described below, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Certain of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

## Group accounting policies continued

for the year ended 29 February 2024

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent that it is available and also engages third parties to perform valuations on its material acquisitions. Specifically, market-observable data is used for derivatives (forward-currency contracts) in the form of the latest foreign currency exchange rates that are available.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in the relevant notes.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key areas of estimation included in the Group's consolidated annual financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- Estimates made in determining the recoverable amount of goodwill included in the statement of financial position (refer to Note 7). This requires an estimation of the recoverable amount of the cash-generating unit ("CGU") to which the goodwill is allocated. The Group's CGUs to which goodwill is allocated are consistent with the segments (refer to Note 37) to these consolidated financial statements. The resulting recoverable amount calculations are sensitive to changes in the timing or quantum of future cash flows, the weighted average cost of capital and assumptions in determining the revenue growth rates and terminal growth rates. Changes in one or more of these inputs to management's estimations could result in the recognition of an impairment charge. Refer to Note 7 for further discussion of the methodology and rationale for selecting these inputs to management's estimations.
- Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The Group is required to make significant estimates in assessing whether future taxable profits will be available.
- Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the probable reversal of taxable temporary differences in future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The Group's recognised and unrecognised deferred tax assets for the current year are disclosed in Note 13.
- The Group operates in numerous tax jurisdictions and the Group's interpretations and application of the various tax rules applied in direct and indirect tax filings may result in disputes between the Group and the relevant tax authorities. Uncertain tax positions are based on the most likely outcome of the tax liability based on information that is available. Due to the level of estimation and judgements required in determining tax provisions, amounts that may eventually become payable may differ from provisions recognised. Refer to Note 29.
- Estimates made in determining the level of provision required for obsolete inventory. Inventory obsolescence is determined by reference to the risk profile of a vendor which considers the age of the inventory, the ability to rotate stock, the turnover of the stock and any other extenuating circumstances that management is aware of (refer to Note 15).
- Estimates are made in determining the amount or timing relating to restructuring, legal claims, pension and dilapidation obligations. Refer to Note 26 for uncertainties disclosed for each of the categories listed.
- The Group recognises cash – and equity-settled share-based payment expenses from its various share incentive schemes and exercises judgements when calculating these expenses. Expenses are generally based on the fair values of awards granted to employees. Fair value is measured using appropriate valuation and option pricing models, where applicable. The values assigned to the key assumptions used in the valuation models for the Group's share incentive schemes are disclosed in Note 2.
- Estimates are utilised when measuring the expected credit losses ("ECLs") which are applied to determine the provision recorded against the gross value of trade receivables (refer to Note 16). The Group applies the simplified approach as permitted by IFRS 9 Financial Instruments ("IFRS 9") when providing for expected credit losses on trade receivables and contract assets. Factors which are considered for each of the operating segments are as follows:
  - **For Logicalis International and Logicalis Latin America**
    - A loss allowance is recognised for all trade receivables, and is monitored at the end of each reporting period. To measure the expected credit losses, the trade receivables have been grouped based on shared credit risk characteristics into common ageing buckets. The historic loss rates are calculated for each ageing category from current to two years. The calculated historic loss rates are adjusted for identified forward-looking factors per ageing bucket for each risk category.
    - Management may make further adjustments to the ECL to consider specific event risk where there is uncertainty in respect of the model's ability to capture conditions due to inherent limitations of modelling; for example, when a trade receivable has been placed under liquidation and proceedings are at a stage that a reliable estimate of non-recoverability can be made. These specifically identified debtors are removed from the ECL buckets when modelling the remainder of the trade receivables.

## Group accounting policies continued

for the year ended 29 February 2024

### – For Westcon International

- In measuring lifetime ECLs, past experience is considered to be the most significant predictor to determine historic write-off rates for trade receivables that reach different ageing categories that fall past due. A provision is then created based on this experience being the estimated likelihood of a debt being written off once it reaches the ageing bucket.
- For higher value receivables which are lower volume, the receivable is reviewed independently for recoverability. In making this assessment, management considers the age past due, the geography in which the customer resides, and the knowledge of the customer's situation based on the Group's discussions and dealings with particular customers. Further to the above assessments, the Group considers forward-looking information such as known changes in the macroeconomic environment of customers located in a certain geography, or the deterioration in the Group's relationship, or discussions with a particular customer.
- For lower-value receivables which are higher volume, Westcon International applies a percentage to the ageing buckets of these receivables. These percentages are derived by comparing the amounts ultimately written off in each ageing category to the total amount of customer receivables in each ageing category. Forward-looking information is assessed and included where material.

## Critical judgements in applying accounting policies

### Agent vs principal (net vs gross revenue)

When deciding on the most appropriate basis for presenting revenue or related costs, both the legal form and the substance of the agreement between the Group and the counterparty are reviewed to determine each party's respective role in the transaction. The Group evaluates the following control indicators, among others, when determining whether it is acting as a principal or agent in transactions with customers, and therefore whether the recording of revenue is on a gross or a net basis:

- the Group is primarily responsible for fulfilling the promise to provide the specified goods or service;
- the Group has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer;
- the Group has discretion in establishing the price for the specified good or service;
- the Group is involved in determining product or service specifications; and
- the Group has discretion in supplier selection.

Revenue from sales arrangements where the Group acts as agent is recognised on a net basis, and the commission or gross profit earned on these contracts is recognised as revenue.

In the process of applying the Group's accounting policies, the directors have made a judgement in determining that the Group is acting as an agent in the provision of both vendor resold maintenance sales and certain sales of software, as well as of cloud and software services.

For vendor resold maintenance sales, a customer purchases a maintenance or service package from the Group that is delivered over time directly by the vendor. These service contracts are sold alongside but separately from the associated products, and the Group serves as the agent for the contract on behalf of the vendor. The Group's responsibility is to arrange for the provision of the specified service by the vendor, and the Group does not control the specified service before it is transferred to the customer. The Group therefore has no obligation to the customer in terms of the service or maintenance once the sale has been made.

The Group sells cloud computing solutions, which include Infrastructure as a Service ("IaaS") and Software as a Service ("SaaS"). These solutions utilise third-party vendors to offer the Group's customers access to cloud technology and software in the cloud that provides flexible computing and storage resources, enhances office productivity, provides security or assists in collaboration.

While most of the Group's software licence sales are recognised on a gross basis, as the Group is acting as a principal in these transactions at the point the software licence is delivered to the customer, some software licences are sold with the ability to access that vendor's latest technology via product updates. The Group evaluates each of these arrangements to determine its performance obligation and appropriate recognition of revenue. The assessment of whether the Group acts as a principal or an agent is judgemental and requires a weighting of the individual factors in reaching a conclusion. The Group deems the defining characteristic of each arrangement to be whether its material performance obligation is to deliver the solution or to arrange access to the solution.

In those arrangements where the software service is delivered entirely by the vendor, or where the updates and cloud access are critical to the effectiveness of the solution and there is no material on-premise component to the solution, the Group will recognise revenue at the time of delivery on a net basis as the Group is acting as an agent in the transaction. In all other cases, the Group is deemed to be acting as principal and revenue is recognised on a gross basis.

## Group accounting policies continued

for the year ended 29 February 2024

### IFRS 16 – Leases

The Group applies judgement in determining the lease term by considering all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option and whether it is reasonably certain that options will be exercised by considering factors such as how far in the future an option occurs, the Group's business planning cycle and past history of terminating/not renewing leases. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

### Multi-year contract revenue recognition

The Group enters into multi-year contract arrangements, predominantly for the sale of software licences, software-as-a-service and maintenance products which allow for periodic billing to the customer over the term of the arrangement. The terms offered to customers on these deferred billing plans include back-to-back arrangements where the Group benefits from a similar billing profile from its vendors, as well as asynchronous arrangements. The contracts are non-cancellable by the Group or the customer other than in specific circumstances. The assessment of when revenue should be recognised in these arrangements requires considerable judgement of the individual factors.

Amounts receivable for multi-year contracts and the associated accrued costs of the contract from the vendor are recorded on the statement of financial position in line with IFRS 15. The current portion of amounts receivable is included in Note 16 and the non-current portion is included in Note 19.1; while the current portion of accrued costs is included in Note 23 and the non-current portion is included in other non-current liabilities. The amounts are recorded gross on the statement of financial position (discounted to present value where material), since the Group is contractually entitled to, and obligated for, the gross cash flows and no contractual right of set-off exists.

### Judgements in determining if financial assets should be derecognised

The Group applies judgements in the determination of whether its financial assets should be derecognised. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the asset to another entity. Refer to the policy on Financial Instruments, c) Derecognition of financial assets for further information.

### Judgement in determining the starting point of the tax rate reconciliation

The tax rate reconciliation uses the 27% South African statutory rate as a starting point. The Group operates in over 50 countries and the head office is based in South Africa. Datatec Limited is listed on the JSE and the majority of the Group's shareholders are based in South Africa. If a weighted average tax rate were to be used, the starting point would change every year, making comparability difficult. The South African statutory rate is therefore deemed to be the most appropriate starting point.

### Basis of consolidation

The Group reports in US Dollar as the US Dollar is the functional currency in which the major part of the Group's trading is conducted, and it is consistent with the economic substance of most of the Group's transaction flows worldwide. Reporting in US Dollar also simplifies financial analysis and is more meaningful to global investors and shareholders, and for international benchmarking.

The translation for the Group components where the functional currency is not US Dollar, including the holding company, is performed as follows:

- a. Assets and liabilities are translated at the closing rate ruling at the date of each statement of financial position.
- b. Income and expense items for all periods presented are translated at a weighted average rate that approximates the ruling exchange rates at the dates of the transactions.  
Exchange differences arising from the translations in (a) and (b) are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.
- c. The functional currency of the parent company is South African Rand. The share capital and share premium of the parent company are translated into US Dollar at the closing exchange rates.

The exchange differences arising on this translation (c) are recognised directly in equity and accumulated in non-distributable reserves.

## Group accounting policies continued

for the year ended 29 February 2024

The weighted average and closing exchange rates of the Group's material currencies are listed below:

	Average US\$ exchange rates FY24	Closing US\$ exchange rates FY24	Average US\$ exchange rates FY23	Closing US\$ exchange rates FY23
British Pound/US\$	1.25	1.26	1.21	1.21
Euro/US\$	1.08	1.08	1.04	1.06
US\$/Brazilian Real	4.94	4.97	5.13	5.20
US\$/Australian Dollar	1.52	1.54	1.45	1.48
US\$/Singapore Dollar	1.34	1.35	1.38	1.35
US\$/South African Rand	18.62	19.18	16.79	18.42

The consolidated financial statements incorporate the financial statements of the Company and all enterprises controlled by the Company during the reporting period. The assessment of whether the Group has control over the investee is carried out at acquisition or inception.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there may have been changes to one or more of the elements of control. Total comprehensive income of subsidiaries is attributable to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Accounting policies of subsidiaries are consistent with the policies adopted by the Group. Subsidiaries may only have a different statutory reporting year-end if required by local regulations.

### Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method.

#### Acquisition method

The consideration for each acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions of recognition under IFRS 3 *Business Combinations* ("IFRS 3") are recognised at their fair values at the acquisition date. Costs associated with the acquisition are expensed, and may include such costs as advisory, legal, accounting, valuation and other professional costs associated with the transaction.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated statement of comprehensive income.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Non-controlling interests in the acquiree are initially measured at the non-controlling shareholders' proportion of the net identifiable assets acquired and liabilities and contingent liabilities assumed.

Non-controlling shareholders are treated as equity participants; therefore, all acquisitions of non-controlling interests or disposals by the Group of its interests in subsidiaries, where control is maintained subsequent to the disposal, are accounted for as equity transactions. Consequently, the difference between the fair value of the consideration transferred and the carrying amount of a non-controlling interest purchased or disposed of, is recorded in equity. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity.

## Group accounting policies continued

for the year ended 29 February 2024

Changes in the Group's ownership interests in subsidiaries that do not result in variations in the Group's control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent. Additionally, the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income is transferred within equity between foreign currency translation reserve and non-controlling interest.

### Foreign currency transactions

The Group operates in various countries with various functional currencies. Transactions in currencies other than the functional currency are initially recorded at the rates of exchange ruling on the dates of the transactions. At each reporting date, assets and liabilities denominated in currencies other than the functional currency are translated at the rates prevailing at the reporting date. Profits and losses arising on such translations are recognised in profit or loss, except for unrealised profits or losses on exchange arising from equity loans, which are accumulated in the foreign currency translation reserve until the loan is derecognised, at which time it is reclassified to profit or loss. The equity loans are included in the net investments of foreign operations. Foreign exchange differences on taxes are accounted for in other comprehensive income in the statement of comprehensive income and included in foreign gains/losses.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation, and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

### Property, plant and equipment

#### Owned assets

All property, plant and equipment have been measured at cost less accumulated depreciation and any recognised impairment loss except land, which is shown at cost less any recognised impairment loss. Depreciation is calculated based on cost using the straight-line method over the estimated useful lives of the assets less their residual value. Estimation of the useful economic life includes an assessment of the expected rate of technological developments and the intensity at which assets are expected to be used based on historic usage of similar property, plant and equipment. Revision of the useful life is considered annually and if there are significant changes to the initial usage assumptions.

The basis of depreciation provided on property, plant and equipment is as follows:

	<b>Useful lives (years)</b>
Office furniture and equipment	2 – 6
Motor vehicles	2 – 4
Computer equipment	2 – 6
Buildings	20
Leasehold improvements	Shorter of useful life/period of the lease

Land and buildings comprise mainly warehouses and offices. Software purchased to support the Group's back office, accounting and customer relationship functions that are an integral part of the hardware, is included in computer equipment and is depreciated over its expected useful life.

All assets' residual values and useful lives are reviewed at each reporting date and any changes to these estimates are accounted for on a prospective basis.

### Leasing

#### Leases as a lessee

##### Right-of-use assets

The Group leases various property, plant and equipment. Rental contracts are typically entered into for fixed periods but may have extension options. The Group assesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option and accordingly determine the lease term. Lease terms are negotiated on an individual basis and contain a range of terms and conditions.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

## Group accounting policies continued

for the year ended 29 February 2024

Items of low value have been determined based on the nature of the assets. Similar items are categorised and assessed to determine whether such items are considered to be low value. Low-value items include assets such as laptops and phones. The assessment of 'low value' for a leased asset is to be made on the basis of the value of an asset when it is (or was) new, regardless of whether the actual asset being leased is new. Additionally, the assessment is made regardless of whether the leased asset is material to the lessee.

The right-of-use asset is measured initially at cost, and subsequently at cost less any accumulated depreciation and impairment losses. Impairment losses are determined in accordance with IAS 36 *Impairment of Assets* ("IAS 36") (refer to impairment policy below). Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

### Lease liabilities

The lease liability is measured initially at the present value of the future lease payments, discounted at the Group's incremental borrowing rate, unless the rate implicit in the lease is readily determinable. The lease liability is subsequently increased by lease finance charges and decreased by lease payments made. Lease finance charges are amortised over the duration of the underlying leases, using the effective interest method. Incremental borrowing rates have been determined based on country-specific factors, and vary across the Group.

### Lease as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the lease, which is determined by discounting the gross investment in the lease at the interest rate implicit in the lease or the entities' cost of borrowing. The gross investment in the lease is the aggregate of the minimum lease payments accruing to the lessor. Finance lease income is allocated to accounting periods using the effective interest rate method.

### Capitalised development expenditure

An intangible asset arising from internal development (or from the development phase of an internal project) is recognised only if the Group can demonstrate all of the conditions as described in IAS 38.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends and has sufficient resources to complete the development and to use the asset. The expenditure that is capitalised includes the cost of internal and external labour charges. Expenditure that enhances or extends the performance of intangible assets beyond their original specifications is recognised as a capital improvement and is capitalised to the original cost of the assets.

Capitalised development assets are amortised using the straight-line method over their useful lives, which generally do not exceed seven years. The estimation of useful lives of capitalised development assets is based on the term of the initial software licences or expectations about the future use after considering technological developments.

All other expenditure on research activities is recognised as an expense in the period in which it is incurred.

The Group assesses whether cloud computing arrangements including software licences should be capitalised on a case-by-case basis. In circumstances where the Group does not have control over the software and therefore does not have the power to obtain the future economic benefit from the resource, the costs related to the cloud computing arrangement are expensed rather than capitalised. However, if the Group has control over the software and can obtain future economic benefits from it, then it will be capitalised, in accordance with IAS 38 *Intangible Assets* ("IAS 38").

### Other intangible assets

Other intangible assets include those intangible assets acquired and identified as part of a business combination, and software acquired separately. An intangible asset acquired in a business combination is recognised separately when it meets the recognition criteria in terms of IAS 38. Intangible assets acquired as part of a business combination are capitalised at fair value on the acquisition date, whereas purchased intangible assets are capitalised at cost.

Other intangible assets are amortised using the straight-line method over their useful lives. Factors considered in estimating the useful life of an intangible asset include:

- legal, regulatory or contractual provisions that may limit or extend the useful life;
- the effects of obsolescence, demand, competition, and other economic factors;
- the expected useful lives of related assets;
- the expected use of the intangible asset by the Company;
- the level of maintenance expenditures expected;
- the expected retention period of customers; and
- the expected completion date of the backlog projects.

## Group accounting policies continued

for the year ended 29 February 2024

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

	<b>Useful lives (years)</b>
Trademarks, marketing, customer and vendor relationships	Maximum of 10
Software	2 – 6

Intangible assets which do not meet the criteria listed above are recognised as expenses in the period in which they are incurred.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

### Goodwill

Goodwill represents the excess consideration transferred for an acquisition over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. For the purpose of impairment testing, goodwill is allocated to each of the Group's CGUs expected to benefit from the synergies of the business combination and is measured and managed at an operating segment level. Goodwill is carried at cost less accumulated impairment losses.

The Group annually reviews the carrying amounts of goodwill for impairments. The recoverable amounts of the goodwill are estimated in order to determine the extent, if any, of the impairment loss. Impairment tests are conducted annually or more frequently when an indication of impairment exists on goodwill attributed to the CGUs. An impairment loss is recognised in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its value-in-use and its fair value less costs of disposal. In assessing value-in-use and fair value less costs of disposal, the estimated future cash flows associated with budgeted and forecast results are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the recoverable amount of goodwill, the Group obtains external valuations to support the impairment test of the CGU. Determining whether goodwill is impaired requires an estimate of the recoverable amount of the CGUs to which goodwill has been allocated. The recoverable amount calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The impairment review is therefore conducted by reference to a discounted cash flow model applied to the underlying CGU, including the carrying value of goodwill, to ensure that the business remains profitable and cash-generative, and that it supports the ongoing recognition of the goodwill.

If the recoverable amount of the CGU is less than the CGU's carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata, based on the carrying amount of each asset in the unit.

### Investments in associates and joint ventures

The results and assets and liabilities of associates and joint ventures are incorporated in the Group's financial statements using the equity method of accounting, and are recognised initially at cost.

The Group's investment in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of post-acquisition accumulated profits or losses of associated companies and joint ventures in the carrying amount of the investments.

### Impairment

At each reporting date, or more frequently when an indication of impairment exists, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether 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. The recoverable amount is the higher of fair value less costs to sell and value-in-use.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately in profit or loss.

### Inventories

Inventories, comprising spares/maintenance inventory, finished goods and merchandise for resale, are measured at the lower of cost and net realisable value and are valued mainly on the weighted average cost basis.

Contract work-in-progress is recognised over time according to the percentage of work completed, which aligns to the percentage of the performance obligation performed over time as tracked by reference to the milestones for each contract.

## Group accounting policies continued

for the year ended 29 February 2024

### Financial instruments

Financial instruments are valued at either:

- at fair value through profit and loss ("FVTPL"); or
- at amortised cost.

The Group determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Group's business model for managing financial assets and their contractual cash flow characteristics. Financial liabilities are measured at amortised cost unless they are required to be measured at FVTPL (such as derivatives).

#### a. Classification and measurement

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments, and are initially measured at fair value. In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, the inputs are described as follows:

- level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2 are inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- level 3 are inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent that it is available for its level 2 financial instruments.

#### Foreign exchange gains and losses

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the operating costs line item;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the operating costs line item unless they form part of the Group's approach to managing foreign exchange gains and losses which, when realised, are recognised in profit or loss in the cost of sales line item; and
- For financial assets and liabilities designated in a cash flow hedge accounting relationship, exchange differences are recognised in other comprehensive income and then to the profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

#### Derivative instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk and interest rate risk, including forward exchange contracts, interest rate swap agreements and foreign currency options. Further details of derivative financial instruments are disclosed in Note 31.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Other derivatives are presented as current assets or current liabilities.

#### Bonds

Bonds with a fixed maturity date are classified as financial assets at amortised cost and are measured using the effective interest method.

#### Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided below.

#### Cash resources

Cash resources are initially measured at amortised cost. Cash resources include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less, and are measured at amortised cost using the effective interest method. Cash resources are included in cash and cash equivalents in the statement of cash flows (refer to Note 36).

## Group accounting policies continued

for the year ended 29 February 2024

### **Borrowings**

Borrowings are initially recorded at fair value, net of direct issue costs, and are subsequently measured at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

### **Bank overdrafts**

Bank overdrafts are initially recorded at fair value, net of direct issue costs, and are subsequently measured at amortised cost using the effective interest method and are accounted for as financial liabilities. All bank overdrafts are presented in current liabilities on the statement of financial position (refer to Note 28).

Cash flows on bank overdrafts repayable on demand under certain conditions are classified as financing activities in the statement of cash flows (refer to Note 36). Cash flows on bank overdrafts are reported on a net basis in the statement of cash flows as the receipts and payments are large amounts with quick turnover and short maturities.

Bank overdrafts that are unconditionally repayable on demand are classified as cash and cash equivalents in the statement of cash flows (refer to Note 36).

### **Trade and other payables**

Trade and other payables (excluding the short-term portion of share-based payments), are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

### **Other receivables**

Financial assets, other than those that are disclosed above, are measured at amortised cost using the effective interest method.

### **Acquisition-related liabilities**

Acquisition-related liabilities represent purchase considerations owing in respect of acquisitions. The purchase considerations are to be settled with the vendors in cash or shares on achievement of agreed performance criteria. The amounts owing are interest free.

Acquisition-related liabilities are classified as financial liabilities designated at fair value through profit or loss except where the option portion is fixed, in which case they are classified as financial liabilities at amortised cost.

They are classified as level 3 financial instruments, whose fair value measurements are derived from inputs that are unobservable for the liabilities. Movements are presented in the statement of comprehensive income as acquisition-related fair value adjustments. Refer to Note 25.

### **Equity instruments**

Equity instruments issued by the Company are recorded as the proceeds are received, net of the direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

### **Interest income**

Interest income mainly arises from bank and other deposits. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

## **b. Impairment of financial assets**

The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss.

The simplified approach has been applied to trade receivables and contract assets as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of trade receivables and contract assets. The Group assesses, on a forward-looking basis, the ECL, defined as the contractual cash flows and the cash flows that are expected to be received associated with its assets at amortised cost.

### **Trade receivable and contract assets**

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due for Logicalis International and Logicalis Latin America. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

## Group accounting policies continued

for the year ended 29 February 2024

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

During this process, the probability of the non-payment of the trade receivables and contract assets is assessed.

- This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets.
- The expected credit loss model applies a percentage based on an assessment of historical default rates and certain forward-looking information, against receivables and contract assets that are grouped into certain age brackets.
- In assessing the expected credit loss, the location of customers as well as their global presence is considered in the calculation. Typically, when these customers are in default it is due to disputes over the provision of a good or service, or billing technicalities, and not due to a credit risk due to an inability to settle their accounts.
- The forward-looking information that is incorporated includes:
  - emerging or anticipated changes in the macroeconomic environment where a customer is located; for example, geographies where there are sensitive fluctuations to foreign currency rates and/or where the customer debt is in a volatile currency; and
  - anticipated changes in the ownership or management of a customer which is in default, or where long-term relationships with customer management are likely to be compromised.

This method for calculating a provision is further supplemented by a specific review against higher value and aged trade receivables where there are other more specific risk factors identified from publicly available information such as insolvency proceedings. Other specific risk factors considered in this assessment are the age past due of the receivable, the probability of default by reference to past experience, the extent to which the customer is engaging in discussions to settle the debt, or conversely, whether there is an ongoing dispute as well as the macroeconomic environment of the geography/market in which the customer is located.

For trade receivables, which are reported net, such ECLs are recorded in a separate ECL account, with the profit or loss being recognised within profit from operating activities in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated ECL.

Factors which are considered for each of the operating segments are as follows:

### • For Logicalis International

- A loss allowance is recognised for all trade receivables, in accordance with IFRS 9, and is monitored at the end of each reporting period. To measure the ECLs, the trade receivables have been grouped based on shared credit risk characteristics and into common ageing buckets. The historic loss rates are calculated for each ageing category from current to two years. The calculated historic loss rates are adjusted for identified forward-looking factors per ageing bucket for each risk category.
- Management may make further adjustments to the ECL to consider specific event risk where there is uncertainty in respect of the model's ability to capture conditions due to inherent limitations of modelling; for example, when a trade receivable has been placed under liquidation and proceedings are at a stage that a reliable estimate of non-recoverability can be made. These specifically identified debtors are removed from the ECL buckets when modelling the remainder of the trade receivables.

### • For Logicalis Latin America

- A loss allowance is recognised for all trade receivables, in accordance with IFRS 9, and is monitored monthly and at the end of each reporting period. To measure the ECLs, the trade receivables are analysed on an individual basis, specific allowance is used when there is an objective evidence.
- The customer credit data is analysed on a monthly basis in order to use this information for the estimation of ECL on a monthly and annual basis, or whenever relevant events or situations related to credit risk so warrant.

### • For Westcon International

- In measuring ECLs, past experience is considered to be the most significant predictor to determine historic write-off rates for trade receivables that reach different ageing categories that fall past due. For higher value receivables which are lower volume, the receivable is reviewed independently for recoverability. In making this assessment, management considers age past due, the geography in which the customer resides, and the knowledge of the customer's situation based on the Group's discussions and dealings with particular customers. Further to the above assessments, the Group considers forward-looking information, such as known changes in the macroeconomic environment of customers located in a certain geography or the deterioration in the Group's relationship or discussions with a particular customer.

### Write-off policy

When the debtor is in severe financial difficulty and there is no prospect of recovering the debt, and every effort to collect a customer receivable balance has been exhausted, the balance is written off with approval required through the matrix of authorities defined by each operating segment. A write-off will only be approved if there is no realistic prospect of recovery; for example, when a customer is in liquidation or subject to bankruptcy proceedings.

## Group accounting policies continued

for the year ended 29 February 2024

### c. Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the financial asset to the extent of its continuing involvement in the financial asset, and an associated liability for amounts it may have to pay. 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.

Logicalis Group Limited enters into various invoice factoring arrangements with third-party finance houses. Where the arrangement signed with the third party is without recourse, the account receivable and related debt are derecognised.

Westcon International has a significant invoice assignment with recourse facility with a funder that provides working capital secured against the assignment of certain trade receivables to the funder. In these arrangements, the trade receivables are not derecognised because the substantial risks and rewards of ownership are retained by Westcon International. In particular, Westcon International continues to incur the risk of default and any credit losses by a customer, including the withdrawal of funding where a customer invoice falls more than 60 days past the due date. Westcon International retains the control of the customer relationship and all credit collection activity. The funder is unable to sell the receivable unilaterally. Refer to Note 24. Westcon recognises a separate financial liability on the statement of financial position for the amounts advanced by the funder, less any amounts already repaid. In the statement of cash flows, the cash receipts from customers are accounted for in operating activities and the cash flows relating to the facility are reflected in cash flows from financing activities.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### Other receivables

Other receivables include prepayments, accrued income and claims/refunds due for other tax as well as rebates due (from vendors according to vendor rebate programmes). Prepayments mainly represent prepaid vendor costs on services that are recognised over time where the cost of providing the service is deferred over the same time period. Accrued income arises on certain contracts where a deferred timetable for billing a customer has been agreed. These items are all measured at amortised cost.

### Provisions

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring and not associated with the ongoing activities of the entity.

Provisions for dilapidations and asset retirement obligations are recognised when the Group has a present obligation to return modified or utilised assets to a specified standard. Provisions for dilapidations and asset retirement obligations are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value using the entities' cost of borrowing where the effect is material. Provisions for legal claims, VAT/sales tax, onerous contracts and other provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

### Taxation

The tax expense in the statement of comprehensive income represents the sum of the current tax and deferred tax. Current taxation comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment of tax payable for previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's consolidated annual financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In certain jurisdictions, goodwill relating to business combinations is tax deductible. Deferred tax liabilities for taxable temporary differences relating to goodwill are recognised to the extent they do not arise from the initial recognition of goodwill.

## Group accounting policies continued

for the year ended 29 February 2024

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying value of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited 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 deferred tax is also dealt with in other comprehensive income or equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for a business combination.

The measurement of deferred tax liabilities and assets reflects the tax 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 tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### Revenue

The Group's revenues result primarily from the sale of various technology products and services.

#### Recognition

Revenue is recognised based on the completion of performance obligations and an assessment of when control, over the specified good or service being provided, is transferred to the customer in accordance with IFRS 15. The following indicators are used by the Group in determining when control has passed to the customer:

- the Group has a right to payment for the product or service;
- the customer has legal title to the product;
- the Group has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product or service.

The Group has standard terms and conditions for customer sales that are tailored to suit individual contracts. A contract is therefore deemed to be in place upon submission of a purchase order (or evidence of buying request) from the customer. Alternatively, fulfilment of an order by the Group is deemed to represent a contract per the standard terms and conditions. The contract in place with the customer per the above will include a sales price that is fixed or readily determinable.

Products sold by the Group are delivered via shipment from the Group's facilities, drop shipment directly from the vendor, or by electronic delivery of keys for software products. In the case of drop shipments from the vendor to its customers, the Group is generally responsible for negotiating the price both with the vendor and customer, payment to the vendor, establishing payment terms with the customer, product returns, and has risk of loss if the customer does not make payment. As the principal with the customer, the Group recognises revenue upon product shipment.

#### Measurement

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group provides volume rebates and other discounts to certain customers which are considered variable consideration. Sales are recorded net of such discounts, rebates and returns, which historically have not been material. Tariffs are included in sales as the Group has enforceable rights to additional consideration to cover the cost of tariffs. Other taxes imposed by governmental authorities on the Group's revenue-producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

Contracts are assessed individually to determine whether the products and services are distinct; i.e. the product or service is separately identifiable from the other promises in the contract with the customer and whether the customer can benefit from the goods or services either on its own or together with other resources that are readily available. The consideration is allocated between the goods and services in a contract based on management's best estimate of the standalone selling prices of the goods and services.

## Group accounting policies continued

for the year ended 29 February 2024

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, and only the passage of time is required before payment is due. Payment terms are on a customer-by-customer basis, but there are no financing components or, where there are, these are accounted for separately based on the financing component, which can be separately established. Discounts are agreed with suppliers and passed on to a client; this is treated as a reduction in both the cost of the item and, consequently, to the standalone selling price of that item.

When a contract results in payments received from customers in advance of fulfilling the performance obligation, a contract liability is recognised. Similarly, when the performance obligation has been fulfilled and the customers have not been invoiced, a contract asset is recognised.

### Types of revenue

The Group principally generates revenue from providing the following goods and services:

Revenue from product sales:

- Revenue from sales of hardware
- Revenue from sales of software
- Revenue from vendor resold services and product maintenance sales

Revenue from services:

- Revenue from professional services
- Revenue from other services

Revenue from annuity services:

- Revenue from cloud services
- Revenue from software services
- Revenue from other services

In recognising revenue, the practical expedient in IFRS 15, paragraph 63 is applied as at inception in contracts with customers the period between the recognition of revenue and expected payment date is always less than one year.

### Revenue from product sales

#### **Revenue from sales of hardware**

Revenue is recognised at a point in time when control passes to the customer, being when the goods are delivered to the customer per the chosen shipment method.

Included in revenue from product sales is Westcon International, Logicalis International and Logicalis Latin America's vendor maintenance revenue. A customer purchases a maintenance or service package from Westcon International, Logicalis International and Logicalis Latin America that is delivered over time directly by the vendor. Westcon International, Logicalis International and Logicalis Latin America have no obligation to the customer in terms of the service or maintenance once the sale has been made. These revenues are recognised at a point in time, and on a net basis, as Westcon International, Logicalis International and Logicalis Latin America act as agents and have no further obligations to the customer once the sale has been made. The commission or gross profit earned on these sales is recognised as revenue. The maintenance package is sold alongside the hardware/software purchased by the vendor and is therefore considered as an integral part of the product.

#### **Revenue from sales of software**

Revenue from sales of software represents the resale of software licensing and SaaS related to Logicalis International and Logicalis Latin America. The Group's performance obligation is met as the software licence(s) is passed over to the client (this may be, for instance, when licence keys are handed to the client or when a contract representing the licence is assigned dependent on the applicable deal), and as such, revenue is recognised at a point in time where the right to access the licensing product has transferred to the customer.

#### **Revenue from vendor resold services and product maintenance sales**

The Group sells maintenance contracts on behalf of its vendors which are accounted for on a net basis because the Group is acting as an agent. The commission or gross profit earned on these sales is recognised as revenue.

A maintenance package is sold alongside hardware or software products. The Group's responsibility is to arrange for the provision of the specified service by the original equipment manufacturer/vendor, and the Group does not control the specified service before it is transferred to the customer. Westcon International, Logicalis International and Logicalis Latin America therefore has no obligation to the customer in terms of the service or maintenance once the sale has been made and revenue is recognised at a point in time once the maintenance contract start date is initiated.

### Revenue from services

#### **Revenue from professional and other services**

The Group earns revenue from professional service contracts with customers. These include supply chain management, professional, education and other support services. These services are levied on a fixed fee or time and materials basis.

## Group accounting policies continued

for the year ended 29 February 2024

Support and embedded support services provide remote or on-site support to customers over a contract term which may include sparing or advanced hardware replacement. In most cases, revenue is recognised over time on a straight-line basis to represent the fulfilment of the service over the contractual period. In some cases, revenue is recognised on a milestone basis if the support contract is incident/ticket/pay-as-you-go based.

For professional services, revenue is recognised at a point in time when the service is complete, or at multiple points in time where the service is milestone based. In these contracts, customers gain immediate use of the output of the service once the professional service has been rendered.

Where recorded revenue exceeds amounts invoiced to clients, the excess is classified as contract assets and where recorded revenue is less than the amounts invoiced to clients, the difference is classified as contract liabilities.

### **Revenue from annuity services**

#### ***Revenue from cloud services***

Cloud services are recognised over time when acting as principal in a manner reflecting the delivery of the service and at a point in time when acting as an agent, depending on the nature and scope of the contract.

#### ***Revenue from software services***

The Group sells cloud computing solutions which include IaaS and SaaS related to Westcon International. The Group recognises revenue for cloud computing solutions at the time of delivery, being the point in time when control passes, and on a net basis as the Group is acting as an agent in the transaction.

#### ***Software application and development***

The Group sells software application and development to its customers based on requirements set by the customers in each respective contract. The Group recognises the revenue on a principal basis over time using the input method, i.e., costs incurred as a percentage of the total estimated costs. When a contract results in payment received from customers in advance of fulfilling the performance obligation, a contract liability is recognised, similarly, when the performance obligation has been fulfilled and the customers have not been invoiced, a contract asset is recognised.

#### ***Revenue from other annuity services***

The Group provides annuity services to perform the specified service over a specified period of time. The specified service would comprise a single series of services that are transferred to the client over the agreed period. Annuity services performed by the Group relate primarily to the provision of managed IT and cloud and in-house maintenance services, and are recognised as the customer simultaneously receives and consumes the benefit of the services provided. Annuity services are recognised over time and equally over the life of the annuity service.

Included in revenue from annuity services is Logicalis International and Logicalis Latin America's vendor resold services as the revenue stream is directly related to the generation of recurring revenue.

### **Net revenue vs gross revenue recognition**

Revenue from sales arrangements where the Group acts as agent (primarily vendor-provided services and maintenance agreements) is recognised on a net basis and the commission or gross profit earned on these contracts is recognised as revenue.

When deciding on the most appropriate basis for presenting revenue or related costs, both the legal form and the substance of the agreement between the Group and the counterparty are reviewed to determine each party's respective role in the transaction. Refer to critical judgements for the judgements applied in deciding whether the Group is acting as an agent or a principal.

### **Dividend income**

Dividend income is recognised when the right to receive payment is established and is included as part of revenue in the statement of comprehensive income.

Upon receipt of dividend income, the Group has elected to present the cash flow as part of its investing activities.

### **Finance costs**

Finance costs include the borrowing costs on bank overdrafts and trade finance, finance leases and debt issuance costs which are recognised in profit or loss using the effective interest method.

## Group accounting policies continued

for the year ended 29 February 2024

### Share-based payments

The Group issues equity-settled and cash-settled share-based incentives to certain employees.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, and adjusted for the effect of non-market-based vesting conditions. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

For cash-settled share-based payments, the liability for the fair value of all unexercised share rights which are expected to vest is determined initially at grant date and then revalued at each reporting date and amortised over the applicable vesting period.

Fair value is measured by independent experts using appropriate pricing models. The expected life used in the models has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and exercise behavioural considerations.

### Deferred bonus warrants ("DBW")

The Deferred Bonus Warrant ("DBW") has replaced the previous Deferred Bonus Plan ("DBP") and the co-investment by the Company now takes the form of share appreciation right ("SARs").

The deferred short-term incentive scheme ("STI") is in the form of shares which will be held in escrow for the benefit of participants. The Company co-investment is awarded as SARs. The SARs will be awarded at market value using the same price applicable to purchase the deferred shares.

Executive directors (CEO and CFO) and two senior Group executives, provided the minimum STI levels are achieved as indicated above. The mandatory deferral percentage in the DBW (if the bonus exceeds 50% of target) is 20%. The maximum deferral percentage is 50%. The number of SARs to be awarded is based on an actuarial calculation of their value relative to the current share price.

### Four years vesting period

A holding period of two additional years will follow the vesting period of three years for the share element. The SARs are subject to a four-year exercise period commencing on the vesting date and will be subject to a two-year holding period post vesting.

No prospective performance conditions apply, but performance is an entry qualification requirement. Further performance alignment via share price appreciation before the SARs will be exercisable.

Dividends will accrue on the shares purchased by participants using their STI and these dividends must be taken in the form of shares (provided the Company offers a scrip alternative) while the shares are held in escrow to the end of the holding period. No dividends will accrue on the SARs during the exercise period.

The new DBW will be non-dilutive to shareholders as it will be settled by purchasing shares in the market.

The executive will retain all the shares which he had deferred into the DBW and will retain a portion of the SARs which have been granted but not yet vested. The proportion will be determined pro rata, relative to the time of the vesting period which has elapsed up to the termination date. The terminated executive will continue to hold the reduced number of awards until the vesting date when they will vest along with the other grants in accordance with the rules of the scheme and be exercised within one year. SARs which have vested but not been exercised at the termination date must be exercised within one year thereof.

All unvested (deferred shares and SARs) and vested but unexercised SARs are forfeited. In addition, such executives will be required to repay all dividends (pre-tax value) earned from the award date on the shares.

### Pension scheme arrangements

Certain subsidiaries of the Group make contributions to various defined contribution retirement plans on behalf of employees, in accordance with the local practice in the country of operation. These contributions are charged against profit or loss as incurred.

The Group has no liability to these defined contribution retirement plans other than the payment of its share of the contribution in terms of the agreement with the funds and employees concerned, which differs from country to country.

## Group accounting policies continued

for the year ended 29 February 2024

### Related parties

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. For the purposes of defining related party transactions with key management.

Key management has been defined as directors and the Group's Executive Committee and includes close members of their families and entities controlled or jointly controlled by these individuals.

### Use of non-IFRS financial measures

The Group uses certain measures to assess the financial performance of the business. Certain of these measures are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. The non-IFRS measure is EBITDA. An explanation of the relevance of the measure, and a reconciliation of this measure to the most directly comparable measure in prior period, is provided below and in the relevant notes.

### EBITDA

The Group includes EBITDA and EBITDA margin because they are key measures that the Company's management and Board of directors use to understand and evaluate its core operating performance and trends.

EBITDA is a core metric in the annual budget; and is used to develop short and long-term operational plans.

EBITDA is defined as operating profit before finance interest, tax, depreciation and amortisation.

The Group calculates EBITDA margin as EBITDA divided by total revenue. All further references made to EBITDA will be in accordance with the definition stated above.

# Consolidated statement of comprehensive income

for the year ended 29 February 2024

	Note	2024 US\$'000	2023 US\$'000
<b>Continuing operations</b>			
<b>Revenue*</b>	1	5 457 947	5 143 125
Cost of sales		(4 595 711)	(4 398 618)
<b>Gross profit</b>		862 236	744 507
Operating costs	3	(670 290)	(573 986)
Net impairment of financial assets and contract assets	16.2, 19.2	(3 130)	(4 477)
Restructuring costs	3	(2 950)	(15 157)
Share-based payments	2	(8 277)	(52 641)
<b>Operating profit before interest, tax, depreciation and amortisation ("EBITDA")</b>		177 589	98 246
Depreciation of property, plant and equipment	3	(16 307)	(16 298)
Depreciation of right-of-use assets	3	(27 938)	(28 565)
Amortisation of capitalised development expenditure	3	(10 444)	(9 058)
Amortisation of acquired intangible assets and software	3	(6 540)	(14 213)
Impairment of property, plant and equipment, right-of-use assets and capitalised development expenditure		—	(11 620)
<b>Operating profit</b>	3	116 360	18 492
Interest income	4	13 749	8 484
Finance costs	4	(68 715)	(46 574)
Share of equity-accounted investment earnings	12.1	251	882
Acquisition-related fair value adjustments		(143)	38
Other income		62	21
Fair value gain on investments/(loss) on disposal of investments	12.1	14 901	(1 392)
<b>Profit/(loss) before taxation</b>		76 465	(20 049)
Taxation	5.1	(25 527)	(13 375)
<b>Profit/(loss) for the year from continuing operations</b>		50 938	(33 424)
<b>Discontinued operations</b>			
Profit for the year from discontinued operations		—	116 967
<b>Profit for the year</b>		50 938	83 543
<b>Other comprehensive (loss)/income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences arising on translation to presentation currency		(675)	(18 256)
Translation of equity loans		55	2 492
Tax effects of other comprehensive income		(167)	(692)
Movement on cash flow hedge		(2 485)	—
Other items		32	5 917
<b>Total comprehensive income for the year</b>		47 698	73 004
<b>Profit attributable to:</b>			
<b>Owners of the parent</b>			
Continuing operations		45 801	74 804
Discontinued operations		—	5 530
<b>Non-controlling interests</b>		5 137	3 209
Continuing operations		5 137	1 687
Discontinued operations		—	1 522
<b>Total comprehensive income attributable to:</b>		50 938	83 543
Owners of the parent		41 528	70 623
Non-controlling interests		6 170	2 381
		47 698	73 004
<b>Earnings/(loss) per share (US cents)</b>			
<b>Basic</b>			
Continuing operations	6.2	20.4	36.9
Discontinued operations		—	53.0
<b>Diluted</b>			
Continuing operations	6.3	19.7	36.9
Discontinued operations		—	53.0

\* Included in revenue is US\$10.7million (FY23: US\$12.6 million) from acquisitions made in the current year from the date of control.

# Consolidated statement of financial position

as at 29 February 2024

	Note	2024 US\$'000	2023 US\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	7	280 512	245 375
Property, plant and equipment	8	35 823	33 054
Right-of-use assets	9	55 991	56 248
Capitalised development expenditure	10.1	33 704	31 723
Acquired intangible assets and software	10.2	21 405	16 086
Investments	12	4 515	6 457
Deferred tax assets	13	83 907	80 331
Finance lease receivables	14	32 048	12 681
Other non-current assets and contract assets	19	193 170	128 610
		<b>2 892 261</b>	3 015 700
<b>Current assets</b>			
Investments	12	3 959	4 677
Inventories	15	324 868	411 059
Trade receivables	16	1 488 867	1 508 470
Prepaid expenses	17	178 741	196 659
Other receivables	18	84 274	79 896
Contract assets	19	207 049	202 566
Current tax assets	33	25 981	19 390
Finance lease receivables	14	9 487	8 300
Cash resources	36	569 035	584 683
		<b>3 633 336</b>	3 626 265
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>			
Stated capital	20	145 395	138 091
Foreign currency translation reserve		(148 509)	(147 110)
Non-distributable reserves		127 350	124 970
Share-based payments reserve		10 598	10 458
Cash flow hedge reserve		(2 485)	—
Distributable reserves		368 884	345 600
		<b>67 911</b>	60 331
<b>Non-controlling interests</b>			
		<b>569 144</b>	532 340
<b>Total equity</b>			
<b>Non-current liabilities</b>			
Long-term interest-bearing liabilities	21	39 138	41 624
Lease liabilities	22	45 548	45 412
Liability for share-based payments		4 291	1 602
Acquisition-related liabilities	25	143	1 061
Deferred tax liabilities	13	24 398	29 366
Deferred revenue	27	43 387	27 415
Provisions	26	9 076	8 860
Other liabilities	19.1	68 631	68 944
		<b>2 829 580</b>	2 869 641
<b>Current liabilities</b>			
Trade and other payables	23	2 017 010	2 071 975
Short-term interest-bearing liabilities	24	402 256	380 862
Lease liabilities	22	26 243	27 005
Deferred revenue	27	157 900	160 806
Provisions	26	14 240	12 904
Acquisition-related liabilities	25	1 081	2 803
Current tax liabilities	33	31 873	16 924
Bank overdrafts	28	178 977	196 362
		<b>3 633 336</b>	3 626 265
<b>Total equity and liabilities</b>			

# Consolidated statement of changes in equity

for the year ended 29 February 2024

	Stated capital US\$'000	Foreign currency translation reserve US\$'000	Non- distributable reserves US\$'000
Balance at 1 March 2023	148 859	(138 306)	105 628
Total comprehensive (loss)/income recognised for the year	—	(8 804)	—
Profit attributable to the owners of the parent	—	—	—
Profit attributable to the non-controlling interests	—	—	—
Translation of equity loans	—	2 492	—
Tax on translation of equity loan	—	(692)	—
Exchange differences arising on translation to presentation currency	—	(16 561)	—
Recycling of reserves to reserves due to loss of control and other items	—	5 957	—
Translation of stated capital**	(25 346)	—	25 346
Disposals of subsidiaries	—	—	—
DBW shares*** granted during the year	(864)	—	—
DBP shares*** vested during the year	2 013	—	—
Treasury shares purchased	—	—	—
Share repurchases	(5 957)	—	—
Share-based payments vested	1 307	—	—
Dividend to non-controlling interests	—	—	—
Dividend to shareholders*	18 079	—	—
Increase in non-controlling shareholding	—	—	(6 004)
Charge and settlement for equity-settled share-based payments	—	—	—
<b>Balance at 28 February 2023</b>	<b>138 091</b>	<b>(147 110)</b>	<b>124 970</b>
Total comprehensive (loss)/income recognised for the year	—	(1 399)	—
Profit attributable to the owners of the parent	—	—	—
Profit attributable to the non-controlling interests	—	—	—
Translation of equity loans	—	55	—
Movement on cash flow hedge +	—	—	—
Tax effects of other comprehensive income	—	(167)	—
Exchange differences arising on translation to presentation currency	—	(1 287)	—
Other items	—	—	—
Translation of stated capital**	(5 294)	—	5 294
Increase in non-controlling shareholding	—	—	(785)
DBW shares*** granted during the year	(717)	—	—
DBP shares*** vested during the year	797	—	—
Treasury shares	(1 183)	—	—
Decrease in non-controlling shareholding	—	—	(3 992)
Share-based payments vested	5 077	—	—
Dividend to non-controlling interests	—	—	—
Dividend to shareholders*	8 624	—	—
Increase in non-controlling shareholding - divisional management incentive plans	—	—	1 863
Charge and settlement for equity-settled share-based payments	—	—	—
<b>Balance at 29 February 2024</b>	<b>145 395</b>	<b>(148 509)</b>	<b>127 350</b>

\*\* Non-distributable reserves relate to the translation of stated capital of the parent company and reserves recognised in the recording of changes in holdings of subsidiaries (changes in the holdings of subsidiaries that do not result in loss of control) amongst other items.

Foreign currency translation reserve includes the translation of subsidiaries and the parent company into presentation currency.

## Transactions in FY24

There were 574 145 treasury shares held by the Company as 29 February 2024 (FY23: 3 000 000 treasury shares). Refer to Note 20 for a reconciliation of the number of shares.

\*\*\* During FY24, 0.4 million shares (FY23: 0.4 million shares) to the value of US\$0.7 million (FY23: US\$0.9 million) were purchased as treasury shares and issued to the DBW scheme participants (refer to Note 2). During FY24, 0.6 million shares to the value of US\$0.8 million vested (FY23: US\$2.0 million DBP shares vested). DBP and DBW shares are considered to be treasury shares for the Group and are added back to the Group's stated capital until the vesting conditions are met.

Share issue expenses for the year were immaterial in FY24. These were accounted for in equity and are reflected as part of the dividend to shareholders.

Share-based payments reserve US\$'000	Cash flow hedge reserve US\$'000	Distributable reserves US\$'000	Equity attributable to equity holders of the parent US\$'000	Non-controlling interests US\$'000	Total US\$'000
9 465	—	437 784	563 430	67 516	630 946
(867)	—	80 294	70 623	2 381	73 004
—	—	80 334	80 334	—	80 334
—	—	—	—	3 209	3 209
—	—	—	2 492	—	2 492
—	—	—	(692)	—	(692)
(867)	—	—	(17 428)	(828)	(18 256)
—	—	(40)	5 917	—	5 917
—	—	—	—	—	—
(907)	—	—	(907)	(9 444)	(10 351)
—	—	—	(864)	—	(864)
(2 013)	—	—	—	—	—
—	—	—	—	—	—
—	—	—	(5 957)	—	(5 957)
(1 351)	—	—	(44)	—	(44)
—	—	—	—	(1 231)	(1 231)
—	—	(172 478)	(154 399)	—	(154 399)
—	—	—	(6 004)	1 109	(4 895)
6 131	—	—	6 131	—	6 131
<b>10 458</b>	<b>—</b>	<b>345 600</b>	<b>472 009</b>	<b>60 331</b>	<b>532 340</b>
<b>(421)</b>	<b>(2 485)</b>	<b>45 833</b>	<b>41 528</b>	<b>6 170</b>	<b>47 698</b>
—	—	<b>45 801</b>	<b>45 801</b>	—	<b>45 801</b>
—	—	—	—	<b>5 137</b>	<b>5 137</b>
—	—	—	<b>55</b>	—	<b>55</b>
—	<b>(2 485)</b>	—	<b>(2 485)</b>	—	<b>(2 485)</b>
—	—	—	<b>(167)</b>	—	<b>(167)</b>
<b>(421)</b>	—	—	<b>(1 708)</b>	<b>1 033</b>	<b>(675)</b>
—	—	<b>32</b>	<b>32</b>	—	<b>32</b>
—	—	—	—	—	—
—	—	—	<b>(785)</b>	<b>2 185</b>	<b>1 400</b>
—	—	—	<b>(717)</b>	—	<b>(717)</b>
<b>(797)</b>	—	—	—	—	—
—	—	—	<b>(1 183)</b>	—	<b>(1 183)</b>
—	—	—	<b>(3 992)</b>	<b>(4 621)</b>	<b>(8 613)</b>
<b>(4 985)</b>	—	—	<b>92</b>	—	<b>92</b>
—	—	—	—	<b>(2 823)</b>	<b>(2 823)</b>
—	—	<b>(22 549)</b>	<b>(13 925)</b>	—	<b>(13 925)</b>
—	—	—	<b>1 863</b>	<b>6 669</b>	<b>8 532</b>
<b>6 343</b>	—	—	<b>6 343</b>	—	<b>6 343</b>
<b>10 598</b>	<b>(2 485)</b>	<b>368 884</b>	<b>501 233</b>	<b>67 911</b>	<b>569 144</b>

**\* Dividends paid to shareholders in FY24**

During FY24, the Board declared a final FY23 dividend of 195 ZAR cents to shareholders in the form of a cash dividend with scrip distribution alternative.

The result of the shareholder election was that 4 606 140 fully paid new ordinary shares were issued to shareholders who did not elect to receive the cash dividend. A total cash dividend of US\$13.9 million has been paid to shareholders who retained the default cash dividend. The total distribution to shareholders was US\$22.5 million of which the scrip portion was US\$8.6 million.

**+ Cash flow hedge reserve**

Included in the movement on the cash flow hedge is US\$11.9 million that was recycled from the cash flow hedge reserve to profit or loss (net debit to profit or loss) as well as US\$14.3 million credited to unrealised foreign exchange gains and losses.

# Consolidated statement of cash flows

for the year ended 29 February 2024

	Note	2024 US\$'000	2023* US\$'000
<b>Cash flow from operating activities</b>			
Cash generated from operations	32	175 570	173 406
Interest income		13 234	8 240
Finance costs <sup>^/-</sup>		(68 699)	(46 836)
Taxation paid	33	(27 108)	(24 182)
<b>Net cash inflow from operating activities</b>		<b>92 997</b>	110 628
<b>Cash flow from investing activities</b>			
Cash outflow for acquisitions	38	(17 568)	(15 992)
Proceeds on disposal of investments	12.1	—	4 425
Inflow from investments (Angola government bonds)		4 678	2 598
Outflow from investments (Angola government bonds)		(3 959)	—
Dividends received from investments	12.1	—	989
Additions to equity-accounted investments	12.1	(1 318)	(3 432)
Net proceeds on disposal of Analysys Mason		—	128 390
Disposal-related costs		—	(4 600)
Additions to property, plant and equipment	34	(20 772)	(18 326)
Additions to capitalised development expenditure	10.1	(12 479)	(15 425)
Additions to software	10.2	(6 260)	(2 918)
Proceeds on disposal of property, plant and equipment and software		1 204	760
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(56 474)</b>	76 469
<b>Cash flow from financing activities</b>			
Dividends paid to shareholders		(13 925)	(154 399)
Dividends paid to non-controlling interests		(2 823)	(1 231)
Treasury shares purchased		(1 900)	(7 725)
Decrease in non-controlling shareholding	39	(8 613)	—
Settlement of deferred purchase consideration	25	(2 852)	(4 402)
Net movement in non-controlling shareholding		(407)	—
Loan repayment from associate		—	1 007
Proceeds from divisional management incentive plans		8 533	—
Overdrafts repayable on demand under certain conditions	35.2	1 195	(2 316)
Repayment of lease liability – principal	35.2	(30 714)	(33 872)
Proceeds from short-term liabilities	35.2	31 878	136 201
Repayment of short-term liabilities	35.2	(15 409)	(10 118)
Proceeds from long-term liabilities	35.2	77 672	58 296
Repayment of long-term liabilities	35.2	(71 164)	(72 757)
<b>Net cash outflow from financing activities</b>		<b>(28 529)</b>	(91 316)
Net increase in cash and cash equivalents		7 994	95 781
Cash and cash equivalents at the beginning of the year	36	512 786	415 973
Translation differences on cash and cash equivalents	35.1	(5 241)	1 032
<b>Cash and cash equivalents at the end of the year</b>	36	<b>515 539</b>	512 786

\* Prior year comparative figures include both continuing and discontinued operations.

<sup>^</sup> Finance costs include US\$6.9 million (FY23: US\$6.0 million) of finance costs related to finance leases that are included in cash flows from operating activities. Refer to Note 4.

<sup>-</sup> Finance costs include US\$17.4 million (FY23: US\$18.4 million) interest on bank overdrafts repayable on demand under certain conditions. These finance costs are included in cash flows from operating activities.

# Notes to the Group consolidated annual financial statements

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>1. Revenue</b>		
<b>Revenue from product sales</b>	<b>4 595 022</b>	4 369 597
Revenue from sales of hardware	2 690 945	2 728 305
Revenue from sales of software*	1 813 655	1 571 010
Revenue from vendor resold services and product maintenance sales	90 422	70 282
<b>Timing of revenue from product sales</b>	<b>4 595 022</b>	4 369 597
At a point in time	4 595 022	4 369 597
<b>Revenue from services</b>	<b>369 173</b>	325 784
Revenue from professional services	369 173	325 784
<b>Timing of revenue from services</b>	<b>369 173</b>	325 784
At a point in time	11 042	1 800
Over time	358 131	323 984
<b>Revenue from annuity services</b>	<b>493 752</b>	447 744
Revenue from cloud services	69 675	110 354
Revenue from software services*	32 789	11 639
Revenue from other annuity services	391 288	325 751
<b>Timing of revenue from annuity services</b>	<b>493 752</b>	447 744
At a point in time	76 109	48 651
Over time	417 643	399 093
	<b>5 457 947</b>	5 143 125

\* Includes software as a service revenues.

The revenue categories above are consistent with the revenue information presented in the segmental report in Note 37.

## 2. Share-based payments

Group long-term incentives ("LTI") comprises share-based remuneration plans which are equity-settled. The plans in operation are:

- Conditional share plan ("CSP") – a performance share plan in which Datatec shares vest three years after grant date subject to performance conditions;
- Deferred Bonus Warrant scheme ("DBW") – a portion of a participant's short-term incentive ("STI") i.e. bonus is deferred and used to purchase Datatec shares called "bonus shares" which are held in escrow. The Company matches the value of this deferral with a grant of share appreciation rights ("SARs"). The bonus shares together with the SARs collectively form the DBW which vests three years after grant date and is forfeitable in the event of the participant resigning from Datatec prior to vesting.

Prior to the initiation of the DBW in 2022 (FY23) another bonus deferral plan was in operation:

- Deferred bonus plan ("DBP") – a portion of the bonus was deferred and the Company contributed a co-investment. Both of these components were in the form of Datatec shares which vest after three years and are forfeitable in the event of the participant resigning from Datatec prior to vesting.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 2. Share-based payments (continued)

Further details of these Group plans are given in the table below.

In addition, the divisions of the Group operate a number of cash-settled share-based remuneration plans which are explained below.

### Group plans – structural overview

	Deferred Bonus Plan (discontinued)	Conditional Share Plan	Deferred Bonus Warrants
<b>Instrument</b>	The deferred STI (deferred shares) and the Company co-investment shares are awarded as restricted shares with voting and dividend rights.	Conditional rights to shares subject to performance vesting conditions.	The deferred STI is in the form of shares which will be held in escrow for the benefit of participants. The Company co-investment is awarded as SARs. The SARs will be awarded at market value using the same price applicable to purchase the deferred shares.
<b>Eligibility</b>	Executive directors (CEO and CFO) and two senior Group executives, provided the minimum STI levels are achieved as indicated above.	Executive directors and Group executives and staff.	Executive directors (CEO and CFO) and two senior Group executives, provided the minimum STI levels are achieved as indicated above.
<b>Allocation levels</b>	The minimum participation level for executives in the DBP was on a sliding scale with a 20% mandatory investment between 50% of target and on target bonus and 33% for above on-target bonus. The maximum proportion of annual bonus which participants may defer into the DBP was 75%.	The quantum of awards is based on annual base salary and the face value of awards which is the current Datatec share price (using a 30-day volume-weighted average price) as follows: <ul style="list-style-type: none"> <li>• CEO – 150% x base salary;</li> <li>• CFO – 120% x base salary; and</li> <li>• Datatec Group executives and staff – range from 50% to 100% of base salary.</li> </ul>	The mandatory deferral percentage in the DBW (if the bonus exceeds 50% of target) is 20%. The maximum deferral percentage is 50%. The number of SARs to be awarded is based on an actuarial calculation of their value relative to the current share price.
<b>Performance period</b>	One year, aligned with the STI performance as explained above.	Three years.	One year, aligned with the STI performance as explained above.
<b>Vesting period</b>	Three years.	Three years.	Three years.
<b>Accrual period for IFRS 2 purposes</b>	Three years	Three years.	Four years
<b>Additional holding period</b>	For the STI and co-investment share elements, a holding period of two additional years follows the vesting period of three years.		A holding period of two additional years follows the vesting period of three years for the share element. The SARs are subject to a four-year exercise period commencing on the vesting date and are subject to a two-year holding period post vesting.
<b>Performance conditions</b>	No prospective performance conditions apply, but performance is an entry qualification requirement.	Performance conditions apply to the grants and the conditional awards are held for a performance period of three years. At the end of the three-year performance period the performance conditions are tested and if met, awards vest on a sliding scale between 50% at threshold and 100% at the upper target.	No prospective performance conditions apply, but performance is an entry qualification requirement.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 2. Share-based payments (continued)

### Group plans – structural overview (continued)

	Deferred Bonus Plan (discontinued)	Conditional Share Plan	Deferred Bonus Warrants
<b>Plan and individual limits</b>	The maximum number of co-investment shares which can be delivered to any individual participant in the DBP is 1.6 million shares. The maximum number of new shares which can be issued to participants to settle obligations under the DBP is 3.2 million shares.	The maximum number of shares which can be delivered to any individual participant in the CSP is 6.0 million shares. The maximum number of new shares which can be issued to participants to settle obligations under the CSP is 7.4 million shares.	The DBW is non-dilutive to shareholders as it is settled by purchasing shares in the market. No plan or individual limit is therefore in place.
<b>Termination of employment provisions</b>	If an executive director resigns from the Company or is terminated for fault, eg dismissal on grounds of misconduct, proven poor performance, dishonest or fraudulent conduct (“bad leaver”), all unvested LTI awards are forfeited. This includes shares in the DBP (both the employee’s deferred STI element and the co-investment from the Company) and DBW (both the employee’s deferred STI element and the co-investment from the Company awarded in the form of SARs) within the three-year vesting period for DBP and DBW. In addition, such executives will be required to repay all dividends (pre-tax value) earned from the award date under the DBP and DBW. If termination is at the Company’s instigation and not for fault (“good leaver”), the executive will retain a portion of LTI share incentive awards which have been granted but have not yet vested. The proportion will be determined <i>pro rata</i> , relative to the time of the vesting period which has elapsed up to the termination date, and in the case of the CSP, will be adjusted based on the extent to which performance conditions have been met. The terminated executive will continue to hold the reduced amount of awards until the vesting date, when they will vest along with the other grants, in accordance with the rules of the scheme, if the relevant performance conditions are satisfied.		

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
<b>2. Share-based payments (continued)</b>				
The Group plans provide for a grant price equal or approximately equal to the market price at the date of the grant.				
<b>Datatec Group schemes (equity-settled)</b>				
<b>Datatec Conditional Share Plan 2017 ("CSP")</b>		ZAR		ZAR
Outstanding at the beginning of year	6 933	26.33	5 031	28.09
Granted during the year	2 335	36.36	1 257	29.09
Forfeited/lapsed during the year	(18)	32.64	(1 033)	33.05
Vested and exercised during the year – share price on exercise ZAR38.03 (FY23: ZAR36.06)	(2 974)	24.52	(344)	33.05
Modification in respect of Special Dividend	–	–	2 022	24.80
<b>Outstanding at the end of the year</b>	<b>6 276</b>	<b>31.05</b>	<b>6 933</b>	<b>26.33</b>
At 29 February 2024, the CSP awards had a weighted average remaining contractual life of 1.3 years (FY23: 1.1 years).				
<b>Datatec Deferred Bonus Plan 2017 ("DBP")</b>		ZAR		ZAR
Outstanding at the beginning of year	1 906	27.59	2 776	29.30
Vested during the year	(574)	24.12	(870)	33.05
<b>Forfeitable shares at the end of the year</b>	<b>1 332</b>	<b>29.09</b>	<b>1 906</b>	<b>27.59</b>
Participants in the DBP defer a portion of their pre-tax bonus to which an equal Company co-investment is added and used to purchase Datatec shares which the participants hold under the terms of the DBP. These shares are all forfeitable if the participant leaves the employment of the Group within a three-year vesting period (from date of grant). At 29 February 2024, the weighted average remaining life of the awards until the end of the vesting period was 0.3 years (FY23: 0.4 years).				
<b>Datatec Deferred Bonus Warrants Scheme ("DBW") Bonus Shares</b>		ZAR		ZAR
Outstanding at the beginning of year	357	39.19	–	–
Granted during the year	358	36.36	357	39.19
<b>Forfeitable at end of year</b>	<b>715</b>	<b>37.77</b>	<b>357</b>	<b>39.19</b>
<b>Datatec Deferred Bonus Warrants Scheme ("DBW") Share Appreciation Rights (SARs)</b>		ZAR		ZAR
Outstanding at the beginning of year	1 955	27.76	–	–
Co-investment Share Appreciation Rights	1 434	36.36	1 385	39.19
Modified in respect of Special Dividend	–	–	570	(11.43)
<b>Outstanding at end of year</b>	<b>3 389</b>	<b>31.40</b>	<b>1 955</b>	<b>27.76</b>
Participants in the DBW defer a portion of their pre-tax bonus (bonus shares). In addition, the Company allocates to the participants an equal Company co-investment in the form of Share Appreciation Rights. The portion of pre-tax bonus deferred are used to purchase Datatec shares which the participants hold under the terms of the DBW. These shares are all forfeitable if the participant leaves the employment of the Group within the three-year period from date of grant after which the shares vest. At 29 February 2024, the weighted average remaining life of the awards until the end of the vesting period was 1.7 years (FY23 2.3 years).				

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 2. Share-based payments (continued)

### Datatec Group schemes (equity-settled) (continued)

The CSP awards granted in FY24 are conditional on a market condition as well as the completion of a three-year service period. This is consistent with the conditions attached to the CSP grant made in FY23. The fair value of the CSP grant in FY24 was calculated using the Monte Carlo Simulation pricing model as it best captures the path-dependent nature and specific features of these awards in order to determine the extent that the market vesting condition is achieved, and hence the number of awards that will vest, by assessing the evolution of Datatec's total shareholder return ("TSR") share price.

The DBW awards granted in FY24 are conditional upon completion of a three-year service period with no performance conditions because they represent re-investment of STI bonuses already earned. The fair value of the DBW awards, referred to as the "unconditional" fair value, is equal to the underlying share price of Datatec shares at the grant date. The key data used for the valuation of the Datatec CSP, DBP and DBW bonus share awards is shown in the table below:

	2024			2023		
	CSP	DBW (SARs)	DBW (bonus shares)	CSP	DBW (SARs)	DBW (bonus shares)
Grant date	<b>1 June 2023</b>	<b>1 June 2023</b>	<b>1 June 2023</b>	11 July 2022	12 August 2022	12 August 2022
Vesting date	<b>1 June 2026</b>	<b>1 June 2026</b>	<b>1 June 2026</b>	1 June 2025	30 June 2025	30 June 2025
Employment period	<b>23 May 2023 to 23 May 2026</b>	<b>1 March 2022 to 28 February 2026</b>	<b>1 March 2022 to 18 February 2026</b>	24 May 2022 to 24 May 2025	1 March 2021 to 28 February 2025	1 March 2021 to 28 February 2025
Share price at grant date (closing price)	<b>R39.00</b>	<b>N/A</b>	<b>R39.00</b>	R43.60	N/A	R44.66
Risk-free rate (nominal annual compounded continuously)	<b>8.80%</b>	<b>9.75%</b>	<b>8.80%</b>	7.74%	8.08%	7.18%
Dividend yield	<b>3.79%</b>	<b>3.97%</b>	<b>3.79%</b>	2.55%	1.98%	1.51%
Volatility – determined using equally-weighted historical volatility method	<b>41.20%</b>	<b>43.27%</b>	<b>N/A</b>	54.74%	42.33%	N/A
Fair value (of one unit)	<b>R39.00</b>	<b>R16.60</b>	<b>R39.00</b>	R27.39	R20.90	R44.66

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 2. Share-based payments (continued)

### Subsidiary schemes (cash-settled)

#### Logicalis International and Logicalis Latin America

#### Logicalis International and PromonLogicalis Latin America Limited ("Logicalis LATAM") Conditional Share Plans ("CSP")

Logicalis LATAM operates a CSP for the most senior tier of management with similar terms to the Datatec CSP but cash-settled and based on the Logicalis LATAM share price as determined by annual independent valuations. Logicalis International operated a CSP under the same principles which was discontinued in FY22. Awards of conditional shares are granted annually to participants. After a three-year performance period the CSP awards will vest as follows:

- 25% of each participant's award is subject only to an employment condition and will vest, provided the participant remains in the employment of Logicalis International or Logicalis LATAM at the end of the three-year period since grant.
- The remaining 75% of each participant's award is subject to performance conditions:
  - One-third (i.e. 25% of the total award) based on Logicalis International or Logicalis LATAM share price growth;
  - One-third (i.e. 25% of the total award) based on net income per share growth;
  - One-third (i.e. 25% of the total award) based on return on invested capital ("ROIC").

Each performance condition has a threshold level at which 50% vesting will occur and a target level for 100% vesting.

Between the threshold and target, vesting will be calculated by linear interpolation.

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
<b>Logicalis International CSP</b>		US\$		US\$
Outstanding at the beginning of the year	1 416	4.56	1 909	4.65
Granted during the year	—	—	—	—
Exercised during the year – share price on exercise US\$4.92 (FY23: US\$5.08)	(76)	4.49	(74)	4.92
Lapsed/forfeited during the year	(563)	4.51	(419)	4.92
<b>Outstanding at the end of the year</b>	<b>777</b>	<b>4.61</b>	1 416	4.56
Exercisable at the end of the year	171	4.73	105	4.88
The Logicalis International CSP awards outstanding at 29 February 2024 comprised grant prices in the range US\$4.49 to US\$4.92 (FY23: US\$4.49 to US\$4.92). At 29 February 2024, the CSP awards had a weighted average remaining contractual life of 2.9 years (FY23: 3.7 years).				
<b>Logicalis LATAM CSP</b>		US\$		US\$
Outstanding at the beginning of the year	330	6.62	274	7.84
Granted during the year	224	4.36	144	5.67
Exercised during the year – share price on exercise US\$7.41 (FY23: US\$8.87)	(3)	7.41	(15)	8.87
Lapsed/forfeited during the year	(53)	7.41	(73)	8.87
<b>Outstanding at the end of the year</b>	<b>498</b>	<b>5.52</b>	330	6.62
Exercisable at the end of the year	24	8.01	10	8.87
The Logicalis LATAM CSP awards outstanding at 29 February 2024 comprised grant prices in the range US\$4.36 to US\$7.18 (FY23: US\$5.67 to US\$8.87). At 29 February 2024, the CSP awards had a weighted average remaining contractual life of 4.5 years (FY23: 4.5 years).				

#### Logicalis International and Logicalis LATAM Share Appreciation Right ("SARs")

Logicalis International and Logicalis LATAM also operate SARs schemes for senior managers who do not participate in the CSP. Logicalis International discontinued its old SAR scheme in FY22 and commenced a new SAR scheme in FY24.

Half the SARs grant is subject to an earnings growth performance condition and the other half is subject only to an employment condition. All rights lapse if not exercised by the end of the seventh year after grant.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
<b>2. Share-based payments (continued)</b>				
<b>Subsidiary schemes (cash-settled) (continued)</b>				
<b>Logicalis, Logicalis International and Logicalis Latin America (continued)</b>				
<b>Logicalis International "Old" SAR Scheme</b>		US\$		US\$
Outstanding at the beginning of the year	952	4.50	1 472	4.54
Granted during the year	—	—	—	—
Exercised during the year – share price on exercise US\$4.35 (FY23: US\$5.08)	(151)	4.35	(139)	3.70
Forfeited/lapsed during the year	(361)	4.51	(381)	4.92
<b>Outstanding at the end of the year</b>	<b>440</b>	<b>4.55</b>	<b>952</b>	<b>4.50</b>
Exercisable at the end of the year	60	4.45	30	3.70
The Logicalis SARs outstanding at 29 February 2024 comprised grant prices in the range of US\$3.70 to US\$4.57 (FY23: US\$3.70 to US\$4.57) and had a weighted average remaining contractual life of 4.2 years (FY23: 4.7 years).				
<b>Logicalis LATAM SAR Scheme</b>		US\$		US\$
Outstanding at the beginning of the year	440	6.38	439	7.57
Granted during the year	340	4.36	209	5.67
Exercised during the year (share price on exercise FY23: US\$8.87)	—	—	(14)	5.08
Forfeited/lapsed during the year	(108)	6.86	(194)	8.39
<b>Outstanding at the end of the year</b>	<b>672</b>	<b>5.26</b>	<b>440</b>	<b>6.38</b>
Exercisable at the end of the year	30	6.03	39	5.83
The Logicalis LATAM SARs outstanding at 29 February 2024 comprised grant prices in the range of US\$4.36 to US\$7.18 (FY23: US\$5.08 to US\$7.41) and had a weighted average remaining contractual life of 5.5 years (FY23: 5.3 years).				
<b>Logicalis International SAR Scheme</b>		US\$		US\$
Outstanding at the beginning of the year	—	—	—	—
Granted during the year	1 032	1.00	—	—
<b>Outstanding at the end of the year</b>	<b>1 032</b>	<b>1.00</b>	<b>—</b>	<b>—</b>
Exercisable at the end of the year	—	—	—	—
The Logicalis International SARs outstanding at 29 February 2024 comprised of a grant price of US\$1.00 and had a weighted average remaining contractual life of 6.0 years.				

**Westcon International**

**Westcon International Equity Appreciation Plan ("EAP")**

The Westcon International EAP was implemented in FY19 for senior management in order to incentivise value generation. Participants were awarded a once-off grant of "Units", whose value was linked to the value of Westcon International above a notional base value which was estimated to be US\$125 million (the "Hurdle").

If Westcon International was not sold within five years of the start of the scheme on 1 March 2018, the EAP rules provided for the business to be valued by an independent valuer with the EAP set to pay out to participants on the basis of that valuation. A valuation of the business was undertaken to determine its value at 28 February 2023. The external valuation was calculated by an independent third party using the discounted cash flow approach. A sum-of-the-parts methodology was applied where the equity value of each of the operating regions within Westcon International was calculated and combined to arrive at the valuation to be used for the purpose of the scheme.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 2. Share-based payments (continued)

### Subsidiary schemes (cash-settled) (continued)

#### Westcon International (continued)

#### Westcon International Equity Appreciation Plan ("EAP") (continued)

The following consolidated weighted key assumptions were applied:

- Compounded annual growth rate through the forecast period: 5.52%
- Weighted average cost of capital: 13.89%
- Terminal growth rate: 2.21%
- Risk-free rate: 4.19%
- Inflation rate: 2.19%
- Country risk premium: 1.29%
- Tax rate: 24.08%

In addition to the Westcon International management participants, the Datatec executive directors participated in the Westcon EAP as shown in Note 30 to these financial statements with the corresponding cash-settled share-based payment liability included in Note 23.

The Westcon International EAP crystallised in FY24 based on the valuation of the business as at 1 March 2023 of US\$488.44 million.

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
		US\$		US\$
Outstanding at the beginning of the year	148	1.25	148	1.25
Exercised during the year	(148)	1.25	—	—
Forfeited/lapsed during the year	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>—</b>	<b>—</b>	<b>148</b>	<b>1.25</b>
All EAP awards vested during FY24.				

#### Westcon International SAR Scheme

Prior to the FY24 SARs allocations, allocations were made in FY19 and with some further awards being made in FY20 to additional participants. The FY24 SARs scheme allocations have an exercise price of US\$ 2.37 (FY23 US\$ 1.25). The SARs vests after two years without performance conditions and thereafter may be exercised over the following three years (a maximum of one-third per year).

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
		US\$		US\$
Outstanding at the beginning of the year	2 350	1.25	2 384	1.25
Granted during the year	2 557	2.37	—	—
Exercised during the year	(2 350)	1.25	—	—
Forfeited/lapsed during the year	—	—	(34)	—
<b>Outstanding at the end of the year</b>	<b>2 557</b>	<b>2.37</b>	<b>2 350</b>	<b>1.25</b>
At 29 February 2024, the SAR awards had a remaining contractual life of 2.3 years (FY23: 0.3 years).				

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 2. Share-based payments (continued)

### Valuation models

The fair value of CSP and Performance Share awards, referred to as the “unconditional” fair value, is equal to the underlying share price of subsidiary shares at the grant date. Where awards have optionality, as is the case for SARs and the Westcon International EAP, fair value is measured by the use of Black-Scholes-Merton or binomial tree models.

The main inputs into the models used by subsidiaries, in addition to those recorded above, fall into the following ranges:

	2024		2023	
	1 June 2023	1 June 2023	1 June 2022	1 June 2022
Grant date	1 June 2023	1 June 2023	1 June 2022	1 June 2022
Vesting date	1 June 2026	1 June 2026	1 June 2025	1 June 2025
Risk-free rate	3.84%	5.27%	3.72%	5.07%
Expected life (years)	3.00	7.00	3.00	7.00
Dividend yield	0.00%	0.64%	0.00%	1.57%
Volatility of subsidiary	0.00%	43.91%	0.00%	42.06%

The expected life used in the models has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and employee attrition. Expected volatility of subsidiaries has been determined by reference to peer group data.

	2024 US\$'000	2023 US\$'000
<b>Expense in respect of equity-settled schemes</b>	<b>6 343</b>	6 943
Datatec Limited	6 343	6 943
Subsidiaries	—	—
<b>Expense in respect of cash-settled schemes</b>	<b>1 934</b>	45 698
Datatec Limited	—	8 447
Subsidiaries	1 934	37 251
	<b>8 277</b>	52 641

Settlements of US\$5.8 million have been made relating to equity-settled schemes for the year ended 29 February 2024 (FY23: US\$3.4 million). No share-based payment charges have been allocated to cost of sales. Share-based payments primarily relate to the operating function of the Group.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>3. Operating profit</b>		
Operating profit is arrived at after taking into account the following items:		
<b>Operating costs</b>		
<b>Auditors' remuneration</b>	<b>6 625</b>	6 235
PricewaterhouseCoopers Inc.	<b>5 952</b>	5 531
Audit fees – current year	<b>5 637</b>	5 258
Audit fees – prior year	<b>215</b>	193
Other services	<b>100</b>	80
Other auditors - Audit fee	<b>673</b>	704
<b>Fees for professional services</b>	<b>28 961</b>	23 363
Administrative and managerial	<b>2 324</b>	1 994
Consulting	<b>21 147</b>	14 574
Accounting and advisory	<b>5 490</b>	6 795
<b>Foreign exchange losses/(gains)<sup>(1)</sup></b>	<b>21 666</b>	(15 287)
Realised	<b>5 738</b>	(24 056)
Unrealised	<b>15 928</b>	8 769
<b>Staff costs</b>	<b>493 649</b>	457 377
Retirement benefit contributions	<b>13 164</b>	13 569
Staff costs	<b>480 485</b>	443 808
<b>Directors' emoluments*</b>	<b>4 860</b>	5 154
Executive directors	<b>3 952</b>	4 401
Salaries	<b>2 227</b>	2 083
Bonuses	<b>1 464</b>	2 104
Benefits	<b>261</b>	214
Non-executive directors' emoluments – fees	<b>908</b>	753
Short-term lease payments	<b>2 866</b>	3 261
Low-value assets payments	<b>592</b>	759
Variable lease payments	<b>1 741</b>	431
Net loss on disposal of property, plant and equipment, right-of-use assets and software	<b>1 477</b>	422
Travel <sup>***</sup>	<b>14 103</b>	10 111
Software licences <sup>***</sup>	<b>26 118</b>	20 685
Insurance <sup>***</sup>	<b>11 374</b>	9 986
Marketing and entertainment <sup>***</sup>	<b>17 673</b>	12 615
Acquisition, integration and corporate actions costs <sup>***</sup>	<b>3 642</b>	2 275
All other operating costs <sup>***</sup>	<b>34 943</b>	36 599
<b>Total operating costs</b>	<b>670 290</b>	573 986

<sup>®</sup> Additional staff costs information included below.

\* Long-term incentives for executive directors are included in the share-based payments charge reflected in Note 2. Full details of directors' emoluments are provided in Note 30.

\*\* Includes credit insurance.

\*\*\* Prior year other operating costs has been re-presented to separately disclose individually material items.

<sup>(1)</sup> Unrealised foreign exchange gains and losses for financial instruments (excluding cash resources and bank overdrafts as disclosed on the statement of financial position) that have a different currency than the entity's functional currency, are determined as follows:

– Financial assets and liabilities that have open positions at the end of a period/reporting date are translated to the entity's functional currency at the rates prevailing for that period end/reporting date;

– The unrealised foreign exchange gains and losses are accounted for in the statement of comprehensive income;

– Foreign exchange gains and losses are considered unrealised until maturity or settlement date of the financial instrument, at which point the entire foreign exchange gain or loss is classified as realised;

– Foreign exchange gains and losses on cash and cash equivalents are considered to be realised and accounted for in the statement of comprehensive income.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>3. Operating profit (continued)</b>		
<b>Staff costs</b>		
Staff costs included in cost of sales	292 463	261 107
Staff costs included in operating costs	493 649	457 377
<b>Total staff costs</b>	<b>786 112</b>	718 484
<b>Restructuring costs</b>		
Restructuring costs	2 950	15 157
Restructuring costs relate to fundamental reorganisations in Logicalis International and Logicalis Latin America.		
<b>Depreciation and amortisation<sup>~</sup></b>		
<b>Depreciation: Property, plant and equipment</b>	<b>16 307</b>	16 298
Office furniture, equipment and motor vehicles	1 529	1 940
Computer equipment	11 228	10 460
Leasehold improvements	3 256	3 790
Land and buildings	294	108
<b>Depreciation: Right-of-use assets</b>	<b>27 938</b>	28 565
Office furniture, equipment and motor vehicles	5 231	5 164
Computer equipment	1 598	2 284
Land and buildings	21 109	21 117
<b>Amortisation</b>	<b>16 984</b>	23 271
Amortisation of software	2 941	2 584
Amortisation of capitalised development expenditure	10 444	9 058
Amortisation of acquired intangible assets	3 599	11 629
<b>Total depreciation and amortisation</b>	<b>61 229</b>	68 134

<sup>~</sup> No depreciation or amortisation is allocated to cost of sales. Depreciation and amortisation primarily relate to the operating function of the Group.

	2024 US\$'000	2023 US\$'000
<b>4. Net finance costs</b>		
<b>Finance costs</b>		
Lease liabilities	(6 937)	(5 896)
Bank overdrafts and long-term liabilities*	(61 778)	(40 678)
	<b>(68 715)</b>	(46 574)
<b>Interest income</b>		
Bank and other deposits	11 716	7 672
Other	2 033	812
	<b>13 749</b>	8 484
<b>Net finance costs</b>	<b>(54 966)</b>	(38 090)

\* Includes interest on bank overdrafts repayable on demand of US\$6.7 million (FY23: US\$1.8 million).

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>5. Taxation</b>		
<b>5.1 Taxation charge</b>		
<b>South African normal taxation</b>		
Current taxation – current year	698	1 154
Current taxation – prior year	276	126
Deferred taxation – current year	(69)	(156)
Deferred taxation – prior year	44	966
South African tax	949	2 090
<b>Foreign taxation:</b>		
Current taxation – current year	33 927	24 537
Current taxation – prior year	1 439	1 108
Deferred taxation – current year	(12 057)	(13 590)
Deferred taxation – rate adjustment	(31)	(124)
Deferred taxation – prior year	1 300	(646)
Foreign tax	24 578	11 285
<b>Total taxation charge</b>	<b>25 527</b>	<b>13 375</b>

	2024 %	2023 %	2024 US\$'000	2023 US\$'000
<b>5.2 Reconciliation of taxation rate to profit before taxation</b>				
Profit/(loss) before tax			76 465	(20 049)
South African statutory tax rate	27.0	28.0	20 646	(5 614)
<b>Reconciling items expected to reoccur:</b>				
Equity-accounted earnings <sup>(1)</sup>	—	0.5	(27)	(96)
Intra-group management fees <sup>(2)</sup>	3.8	(18.4)	2 938	3 687
Non-deductible property, plant and equipment, inventory and other asset impairments <sup>(3)</sup>	0.4	(1.2)	295	245
Other non-deductible expenses and permanent differences <sup>(4)</sup>	3.7	(22.5)	2 819	4 507
Share-based payments <sup>(5)</sup>	—	0.1	36	(14)
Exempt profits/incentives <sup>(6)</sup>	(2.5)	5.1	(1 902)	(1 019)
Non-recoverable withholding taxes <sup>(7)</sup>	1.9	(3.0)	1 487	592
Tax arising on dividend flows <sup>(8)</sup>	(0.6)	—	(485)	5
Tax loss utilised/recognised <sup>(9)</sup>	(12.6)	16.7	(9 628)	(3 344)
Foreign taxation rate differential <sup>(10)</sup>	(0.3)	(30.5)	(254)	6 112
Tax losses and other deferred tax assets not recognised <sup>(11)</sup>	13.3	(30.6)	10 150	6 127
Rate adjustment <sup>(12)</sup>	—	0.6	(31)	(124)
Prior year adjustments <sup>(13)</sup>	4.0	(7.8)	3 059	1 554
<b>Reconciling items that are not expected to reoccur:</b>				
Other non-recurring costs <sup>(14)</sup>	—	(3.7)	—	757
Acquisition-related adjustments <sup>(15)</sup>	(4.7)	—	(3 576)	—
<b>Effective taxation rate</b>	<b>33.4</b>	<b>(66.7)</b>	<b>25 527</b>	<b>13 375</b>

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 5. Taxation (continued)

### 5.2 Reconciliation of taxation rate to profit before taxation (continued)

#### Notes to the Group tax rate reconciliation:

The tax rate reconciliation uses the 27% (FY23: 28%) South African statutory tax rate as a starting point. The Group operates in over 50 countries and the head office is based in South Africa. Datatec Limited is listed on the JSE and the majority of the Group's shareholders are based in South Africa. If a weighted average tax rate were to be used, the starting point would change every year making comparability difficult. The South African statutory tax rate is therefore deemed to be the most appropriate starting point. This is a key judgement applied by management. The negative effective taxation rate arising in the prior year reflects the fact that a tax charge has arisen on a loss before taxation.

- (1) Arises as the net profit after taxation from equity-accounted investments is presented as a single line item in the Group's profit before taxation.
- (2) Arises as a result of the imputation of income for tax purposes where certain management fees are not billed to the entities benefiting from the services provided.
- (3) Relates to property, plant and equipment depreciation, inventory and work-in-progress write-offs and other asset impairments not deductible for tax purposes.
- (4) Includes entertaining expenses, donations, gifts, disallowed interest, disallowed legal expenses, disallowed customs duty costs, the impact of foreign exchange movements and controlled foreign company taxation.
- (5) Reflects the differing tax treatments of share-based payments which varies across jurisdictions, and the associated current or deferred tax credits arising which often do not directly correspond to the expenses booked in the accounts.
- (6) Relates to profits arising that are not chargeable to taxation and tax credits or additional tax deductions given in relation to certain types of expenditure.
- (7) Represents tax deducted on cross-border commercial payments that cannot be recovered directly from a tax authority or offset against other income tax liabilities.
- (8) Reflects the net tax benefit obtained as a result of intra-group dividends which have no net impact on the consolidated statement of comprehensive income.
- (9) Relates to the utilisation or recognition of tax losses and other timing differences that have not previously been recognised as a deferred tax asset.
- (10) The tax reconciliation starts by applying the 27% South African tax rate to the profits arising in the year. The Group has earned profits in jurisdictions with significantly higher statutory tax rates such as Brazil at 34% (FY23: 34%) and has also incurred losses in jurisdictions with significantly lower statutory tax rates such as the UK at 24.5% (FY23: 19%). This line item reflects the additional taxation of these profits and the reduced tax benefit of these losses.
- (11) Relates to those timing differences that arise in the year for which a deferred tax asset has not been recognised, typically because of the uncertainty that future taxable income will be available against which deductible temporary differences can be utilised.
- (12) Refers to changes in the carrying value of deferred tax assets and liabilities as a result of a change in local statutory rates of taxation.
- (13) Reflects changes to the current and deferred tax recorded in relation to prior accounting periods.
- (14) Relates to acquisition costs or aborted acquisition costs that are not deductible for tax purposes.
- (15) Includes fair value adjustments arising on the purchase of a controlling interest in an associated company.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>5. Taxation (continued)</b>		
<b>5.3 Taxation charge/(credit) by region:</b>		
North America	4 836	(141)
Latin America	(1 186)	534
Europe	5 535	3 578
Asia-Pacific	13 134	5 682
Middle East and Africa	3 208	3 722
<b>Total taxation charge</b>	<b>25 527</b>	<b>13 375</b>
<b>5.4 Unutilised tax losses</b>		
Certain subsidiaries had tax losses at the end of the financial year that are available to reduce their future taxable income and are estimated to be:		
Future tax relief at a blended tax rate of 25.1% (FY23: 25.1%) is US\$61.3 million (FY23: US\$59.3 million). Deferred tax assets of US\$45.1 million (FY23: US\$38.5 million) have been recognised in respect of a portion of these losses as set out in Note 13.	<b>244 802</b>	236 478
	<b>61 337</b>	59 295

## 5.5 Global minimum taxation

The Group is within the scope of the OECD Pillar II model rules. Legislation has already been substantively enacted in the UK such that it will be effective for the Group's financial reporting year ended 28 February 2025. As such no current tax liability arises in this reporting period. Legislation is not yet enacted in South Africa. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar II taxes as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation the Group will be liable to pay top up tax for the difference between the GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group is establishing systems to collect the large amount of data necessary to enable preparation of the detailed calculations required and to comply with all reporting obligations. However, from the work carried out to date it is clear that the majority of jurisdictions in which the Group operates are likely to fall within the transitional CBCR safe harbour rules. Where jurisdictions fall outside of these safe harbours we expect the top up tax arising to be not material. This is due to the operational substance the Group has in most of the jurisdictions in which it operates which provide a substance based income exclusion thereby reducing the profits to which a top up tax can apply.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>6. Earnings per share</b>		
<b>6.1 Reconciliation of attributable profit to headline (loss)/earnings</b>		
<b>Total profit for the year attributable to equity holders of the parent</b>	<b>45 801</b>	80 334
Profit/(loss) for the year from continuing operations	45 801	(35 111)
Profit for the year from discontinued operations	—	115 445
<b>Total headline earnings adjustments</b>	<b>(13 884)</b>	(100 569)
Impairment of property, plant and equipment, capitalised development expenditure and right-of-use assets		
– Gross	—	11 620
– Tax effect	—	(1 394)
– Non-controlling interests	—	(345)
Fair value gain on previously recognised investment in associate		
– Gross	<b>(14 901)</b>	—
– Tax effect	—	—
– Non-controlling interests	—	—
Gain on disposal of investments		
– Gross	—	(111 438)
– Tax effect	—	600
– Non-controlling interests	—	—
Loss on disposal of property, plant and equipment, software and right-of-use assets		
– Gross	<b>1 477</b>	422
– Tax effect	<b>(279)</b>	*
– Non-controlling interests	<b>(181)</b>	(34)
<b>Total headline earnings/(loss)</b>	<b>31 917</b>	(20 235)

\* Less than US\$1 000.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US cents	2023 US cents
<b>6. Earnings per share (continued)</b>		
<b>6.2 Earnings per share</b>		
<b>Basic earnings per share</b>	<b>20.4</b>	36.9
Continuing operations	<b>20.4</b>	(16.1)
Discontinued operations	—	53.0
<b>Headline earnings/(loss) per share</b>	<b>14.2</b>	(9.3)
Continuing operations	<b>14.2</b>	(10.8)
Discontinued operations	—	1.5
<p>The earnings metrics above are calculated on the weighted average number of shares in issue during the year of 224 799 363 (FY23: 217 983 895), after the deduction of the weighted average number of treasury shares and shares relating to the DBP and DBW of 1 956 082 (FY23: 2 098 084).</p> <p>As at 29 February 2024, the Group held 574 145 (FY23: 3 000 000) shares as treasury shares (refer to Note 20). There were 846 822 (FY23: 372 261) weighted average treasury shares. As at 29 February 2024, there were 2 047 149 (1 956 082 weighted average) shares relating to the DBP and DBW (FY23: 2 263 221 (2 098 084 weighted average) shares relating to the DBP and DBW).</p>		
<b>6.3 Diluted earnings per share</b>		
<b>Diluted basic earnings per share</b>	<b>19.7</b>	36.9
Continuing operations	<b>19.7</b>	(16.1)
Discontinued operations	—	53.0
<b>Diluted headline earnings/(loss) per share</b>	<b>13.7</b>	(9.3)
Continuing operations	<b>13.7</b>	(10.8)
Discontinued operations	—	1.5

	2024 Number of shares	2023 Number of shares
<b>6.4 Issued and weighted average number of shares</b>		
<b>Issued shares at the beginning of year</b>	<b>224 916 537</b>	216 957 874
<p>The weighted average number of shares is calculated by weighting the number of outstanding shares for the period in the financial year during which they were in issue:</p>		
Issue of shares for a script distribution final dividend	<b>2 856 814</b>	2 951 178
Issue of shares for a script distribution special dividend	—	764 562
Treasury shares granted for deferral of bonus in relation to the DBW bonus shares	<b>(623 983)</b>	(191 519)
Treasury shares relating to DBP shares held throughout the period	<b>(1 332 099)</b>	(1 906 565)
Treasury shares relating to DBP shares that have vested in the current financial year	<b>(171 084)</b>	(219 374)
Treasury shares relating to CSP shares purchased and vested during the year	<b>(846 822)</b>	(372 261)
<b>Weighted average number of shares</b>	<b>224 799 363</b>	217 983 895
<b>6.5 Weighted and diluted weighted average number of shares</b>		
<b>Weighted average number of shares</b>	<b>224 799 363</b>	217 983 895
<p>The diluted earnings metrics above are calculated using the weighted average number of shares in issue during the year, taking into account the dilutive effect of:</p>		
Shares related to share-based payment schemes	<b>7 827 133</b>	8 603 341
Potential share issue related to scrip dividend	<b>403 820</b>	—
<b>Diluted weighted average number of shares</b>	<b>233 030 316</b>	226 587 236

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the year and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2023 Headline Earnings issued by the South African Institute of Chartered Accountants ("SAICA") as amended from time to time and as required by the JSE Limited.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>7. Goodwill</b>		
<b>Net book value</b>	<b>280 512</b>	245 375
At the beginning of the year	<b>245 375</b>	262 606
Arising on acquisition of subsidiaries (Note 38)	<b>34 607</b>	18 699
Disposal of discontinued operations	—	(25 566)
Translation and other movements	<b>530</b>	(10 364)
<b>Balance at the end of the year</b>	<b>280 512</b>	245 375
Goodwill at cost	<b>280 512</b>	245 375
<b>Per cash-generating unit:</b>	<b>280 512</b>	245 375
Logicalis International	<b>210 292</b>	209 707
Corporate and Management Consulting	<b>30 992</b>	—
Westcon International	<b>3 543</b>	—
Logicalis Latin America	<b>35 685</b>	35 668

## Goodwill impairment assessment

The Group completed its annual impairment tests, which are performed at the segmental cash-generating unit (“CGU”) level. Goodwill has been allocated for impairment testing purposes to each of the CGUs.

External valuations are obtained for the Logicalis International and Logicalis Latin America CGUs and compared to the corresponding net asset value, including goodwill. An internal valuation was prepared for Mason Advisory Limited (constituting the goodwill in the Corporate and Management Consulting CGU). The recoverable amount of each CGU is determined based on a fair value less cost to sell basis, which is compared to values arising from a comparable company’s market approach and a market transactions method to ensure the reasonableness of the recoverable amount. The fair value less cost to sell is based on discounted cash flow calculations and is a level 3 fair value measurement, and further includes the following key assumptions:

**Future earnings:** Cash flow forecasts are prepared and derived from the most recent financial budgets for the next three years which are approved by management. EBITDA is considered a reliable indicator of operational performance and is considered a key assumption in the estimation of forecast future financial performance. Cash flows are extrapolated for a further two- to six-year period with estimated annual growth reducing gradually, to a rate which is considered not to exceed the long-term market growth in perpetuity used to calculate the terminal value.

**Discount rates:** Estimated discount rates used are post-tax rates of return that reflect current market assessments of the time value of money and the risks specific to the CGU to which goodwill is attributable.

**Growth rates:** Growth rates are based on budgeted figures and management estimates/assumptions in respect of the two- to six-year cash flow projections, a terminal growth rate and a discount rate. The growth rates are based on industry growth forecasts.

The higher revenue growth rate for Logicalis Latin America in FY23 was as a result of the business recovering from the Covid-19 period, the alleviation of the global supply chain constraints and resulting decline in extended lead times. In FY24 Logicalis Latin America’s revenue increased compared to FY23, however this growth was negatively impacted by the continuing devaluation of the Argentinian Peso and reduced demand in Brazil.

**Expected changes to selling prices and direct costs:** Changes in selling prices and direct costs are based on past practices and reasonable expectations of future changes in the market.

As a result of the impairment analyses, it was concluded that no impairments were required to be recorded in the current year.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 7. Goodwill (continued)

The table below contains the key assumptions that were used in the fair value less cost to sell calculations:

	Logicalis International	Logicalis Latin America	Corporate and Management Consulting
<b>2024</b>			
Discount rate	13.5%	18.3%	14.1%
Revenue growth rate in discrete period	2.3% - 7.7%	3.9% - 13.5%	5% - 16.1%
Terminal growth rate	2.3%	3.9%	2.5%
<b>2023</b>			
Discount rate	13.5%	18.0%	-
Revenue growth rate in discrete period	2.0% - 11.1%	7.5% - 28.9%	-
Terminal growth rate	2.0%	3.2%	-

The directors believe that a possible change in the key assumptions, on which recoverable amounts are based, would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGUs.

	2024			2023		
	Cost US\$'000	Accumulated depreciation US\$'000	Net book value US\$'000	Cost US\$'000	Accumulated depreciation US\$'000	Net book value US\$'000
<b>8. Property, plant and equipment</b>						
Office furniture, equipment and motor vehicles	15 227	(11 270)	3 957	19 772	(15 691)	4 081
Computer equipment	108 246	(83 470)	24 776	100 888	(80 689)	20 199
Leasehold improvements	22 102	(16 826)	5 276	35 384	(28 574)	6 810
Land and buildings	2 563	(749)	1 814	2 440	(476)	1 964
	<b>148 138</b>	<b>(112 315)</b>	<b>35 823</b>	158 484	(125 430)	33 054

A register of land and buildings is maintained at the registered office of the applicable entities and may be inspected by shareholders or their duly authorised agents.

The fair value of property, plant and equipment approximates its net book value.

Movement of property, plant and equipment	Office furniture, equipment and motor vehicles US\$'000	Computer equipment US\$'000	Leasehold improvements US\$'000	Land and buildings US\$'000	Total US\$'000
Balance at 1 March 2022	5 074	16 165	9 764	1 514	32 517
Subsidiaries acquired	54	350	—	567	971
Disposal of discontinued operations	(115)	(501)	(247)	—	(863)
Additions	1 684	14 966	1 605	71	18 326
Disposals	(487)	(212)	(81)	—	(780)
Impairments	(4)	—	(63)	—	(67)
Transfers	17	(18)	1	*	*
Translation and other movements	(179)	(25)	(341)	(80)	(625)
Depreciation – continuing operations	(1 940)	(10 460)	(3 790)	(108)	(16 298)
Depreciation – discontinued operations	(23)	(66)	(38)	—	(127)
Balance at 28 February 2023	4 081	20 199	6 810	1 964	33 054
Subsidiaries acquired	20	164	—	—	184
Additions	2 418	15 994	2 205	155	20 772
Disposals	(991)	(486)	(165)	(1)	(1 643)
Translation and other movements	(42)	133	(318)	(10)	(237)
Depreciation	(1 529)	(11 228)	(3 256)	(294)	(16 307)
Balance at 29 February 2024	3 957	24 776	5 276	1 814	35 823

\* Less than US\$1 000.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024			2023		
	Cost US\$'000	Accumulated depreciation and impairment US\$'000	Net book value US\$'000	Cost US\$'000	Accumulated depreciation and impairment US\$'000	Net book value US\$'000
<b>9. Right-of-use assets</b>						
Office furniture, equipment and motor vehicles	26 657	(18 010)	8 647	22 641	(14 689)	7 952
Computer equipment	12 944	(11 374)	1 570	12 547	(11 458)	1 089
Land and buildings	118 088	(72 314)	45 774	112 521	(65 314)	47 207
	<b>157 689</b>	<b>(101 698)</b>	<b>55 991</b>	147 709	(91 461)	56 248

	Office furniture, equipment and motor vehicles US\$'000	Computer equipment US\$'000	Land and buildings <sup>+</sup> US\$'000	Total US\$'000
<b>Movement of right-of-use assets</b>				
Balance at 1 March 2022	8 578	2 899	69 162	80 639
Subsidiaries acquired	—	—	297	297
Disposal of discontinued operations	—	(84)	(4 299)	(4 383)
Additions	4 985	621	18 699	24 305
Disposals	(208)	(5)	(2 946)	(3 159)
Revaluations	—	—	(224)	(224)
Impairments	(38)	—	(7 952)	(7 990)
Transfers	—	—	(851)	(851)
Translation and other movements	(178)	(58)	(3 117)	(3 353)
Depreciation – continuing operations	(5 164)	(2 284)	(21 117)	(28 565)
Depreciation – discontinued operations	(23)	—	(445)	(468)
<b>Balance at 28 February 2023</b>	<b>7 952</b>	<b>1 089</b>	<b>47 207</b>	<b>56 248</b>
Additions	5 959	2 072	23 914	31 945
Disposals	(142)	—	(2 831)	(2 973)
Translation and other movements	109	7	(1 407)	(1 291)
Depreciation	(5 231)	(1 598)	(21 109)	(27 938)
<b>Balance at 29 February 2024</b>	<b>8 647</b>	<b>1 570</b>	<b>45 774</b>	<b>55 991</b>

<sup>+</sup> Includes leasehold improvements.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>10. Intangible assets</b>		
<b>10.1 Capitalised development expenditure</b>		
Included in amounts capitalised below, was US\$1.8 million (FY23: US\$1.4 million) of SAP-related capitalised development expenditure for Westcon International. Capitalised expenditures related to SAP are functionality modifications/enhancements made to the existing SAP platform. Non-SAP-related expenditure included modifications/enhancements to Westcon International's digital platforms and to previously built cloud platforms as well as the development of new Application Programming Interfaces ("APIs"). The closing net book value of US\$33.7 million consists of US\$33.7 million (FY23: US\$31.6 million) relating to Westcon International and US\$nil million (FY23: US\$0.1 million) relating to Logicalis International.		
<b>Net book value</b>	<b>33 704</b>	31 723
At the beginning of the year	<b>31 723</b>	29 351
Amounts capitalised	<b>12 479</b>	15 425
Impairments	—	(3 563)
Translation and other movements	<b>(54)</b>	(432)
Amortisation	<b>(10 444)</b>	(9 058)
<b>Balance at the end of the year</b>	<b>33 704</b>	31 723
Capitalised development expenditure at cost	<b>78 556</b>	66 227
Accumulated amortisation and impairment	<b>(44 852)</b>	(34 504)
Capitalised development assets are amortised using the straight-line method over their useful lives, which generally do not exceed seven years.		
<b>10.2 Acquired intangible assets and software</b>		
<b>10.2.1 Trademarks, customer and vendor relationships</b>		
<b>Net book value</b>	<b>11 918</b>	10 053
At the beginning of the year	<b>10 053</b>	21 483
Arising on acquisition of subsidiaries	<b>5 422</b>	3 543
Disposal of discontinued operations	—	(2 094)
Translation and other movements	<b>42</b>	(992)
Amortisation – continuing operations	<b>(3 599)</b>	(11 629)
Amortisation – discontinued operations	—	(258)
<b>Balance at the end of the year</b>	<b>11 918</b>	10 053
Acquired intangible assets at cost	<b>25 268</b>	20 121
Accumulated amortisation and impairment	<b>(13 350)</b>	(10 068)
Acquired intangible assets are amortised using the straight-line method over their useful lives, which generally do not exceed 10 years.		
<b>10.2.2 Software</b>		
<b>Net book value</b>	<b>9 487</b>	6 033
At the beginning of the year	<b>6 033</b>	6 649
Disposal of discontinued operations	—	(479)
Additions	<b>6 260</b>	2 918
Disposals	<b>(2)</b>	(34)
Translation and other movements	<b>137</b>	(399)
Amortisation – continuing operations	<b>(2 941)</b>	(2 584)
Amortisation – discontinued operations	—	(38)
<b>Balance at the end of the year</b>	<b>9 487</b>	6 033
Software at cost	<b>23 174</b>	19 142
Accumulated amortisation	<b>(13 687)</b>	(13 109)
Software is amortised using the straight-line method over their useful lives, which ranges from two to six years.		
There are no intangible assets with indefinite useful lives.		
<b>Total acquired intangible assets and software</b>	<b>21 405</b>	16 086

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>11. Capital commitments</b>		
Contractual commitments authorised	16 927	20 119
Property, plant and equipment	4 463	6 398
Intangible assets	12 464	13 721
Capital expenditure not contractually committed	14 175	17 735
<b>Total capital commitments</b>	<b>31 102</b>	<b>37 854</b>

This expenditure will be incurred in the ensuing year and will be financed from existing cash resources and available borrowing facilities.

## 12. Investments

### 12.1 Equity-accounted investments

The investments comprise associates that are equity-accounted. An assessment of control is performed to determine whether the Group has the practical ability to direct the relevant activities unilaterally. In making the judgement, the relative size and dispersion of other vote holders, potential voting rights held by them or others and rights from other contractual arrangements were considered. After the assessment, the Group concluded that it did not have a controlling interest to direct the relevant activities of the equity-accounted investments.

None of these equity-accounted associates are considered to be material to the Group.

Details of the Group's investments are:

	Country of incorporation and principal place of business	Nature of business	Effective ownership		Carrying value	
			2024 %	2023 %	2024 US\$'000	2023 US\$'000
<b>Equity-accounted:</b>						
Cirrus Participações S.A ('Kumulus')*	Brazil	ICT Solutions	60.4	51.3	4 497	3 639
Mason Advisory Limited	UK	Management Consulting	80.0	42.5	—	2 800
					<b>4 497</b>	<b>6 439</b>

\*35.63% (FY23: 37.05%) is owned by PromonLogicalis Latin America Limited.

Datec PLC increased its shareholding in Mason Advisory Limited from 42.5% to 80% effective 1 December 2023 by acquiring additional shares in Mason Advisory Limited from its management team. From acquisition date the results of Mason Advisory Limited have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10 *Consolidated Financial Statements* ("IFRS 10"). As a result of this a fair value gain of US\$14.9 million has been recognised in the consolidated statement of comprehensive income in the current financial year. Refer Note 38.

In June 2023 and August 2023, Logicalis Group Limited purchased 2.93% and 3.17% respectively of Cirrus Participações S.A.C. in Brazil from the minority shareholders for a total consideration of US\$1.3 million. In June, Logicalis Group Limited subscribed for new shares in Cirrus. PromonLogicalis Latin America Limited did not partake in the subscription and decreased its holding in Cirrus to 35.63% (FY23: 37.05%). As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Cirrus of 60.4% (FY23: 51.31%). In July 2023, Cirrus increased its shareholding from 65% to 100% in Saleslogics Servicos em Inteligência de Negócios Empresariais e Informática Limitada and continues to own 100% of Kumulus Servicos em Cloud Computing e Database Limitada respectively. Refer Note 40 for subsequent increased shareholding in Cirrus.

The Group does not have control over Cirrus Participações S.A. and its subsidiary entities under the IFRS 10 model because it does not have the ability to significantly affect the activities of the other entity nor does it have the right to receive variable returns.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>12. Investments (continued)</b>		
<b>12.1 Equity-accounted investments (continued)</b>		
Carrying amount	4 497	6 439
<b>Total share of equity-accounted investment earnings/(losses)</b>		
Esource Resources, LLC.	(254)	409
Cirrus Participações S.A	(207)	(645)
Mason Advisory Limited	712	1 118
	<b>251</b>	882
<b>12.2 Bonds (Angola government bonds)</b>		
ISIN: AOUGDXKG17A3	3 959	4 677
<b>Short-term portion</b>	<b>3 959</b>	4 677

## Westcon International

The Angolan government bonds are indexed to the US Dollar. The amount of US\$4.0 million (FY23: US\$4.7 million) is fixed and the Kwanza equivalent of this will mature in August 2024. The prevailing National Bank of Angola official US Dollar rate at the maturity date will be used for conversion.

During the year, bonds worth US\$4.7 million matured. Of this US\$4.0 million was reinvested in Angolan government bonds with a coupon rate of 7.0% which will mature on 31 August 2024.

The bonds are recognised as level 1 financial instruments for the purposes of the IFRS 13 fair value hierarchy disclosure and are valued using quoted market rates.

Expected credit losses in respect of the bonds are considered to be negligible. There have been no defaults by the Angolan government on bond maturity in the past and the National Bank of Angola has been settling bonds as they fall due.

	2024 US\$'000	2023 US\$'000
<b>12.3 Total investments</b>		
Equity-accounted investments	4 497	6 439
Other investments	18	18
Bonds	3 959	4 677
<b>Total investments</b>	<b>8 474</b>	11 134
Long-term portion	4 515	6 457
Short-term portion	3 959	4 677
	<b>8 474</b>	11 134

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 Restated* US\$'000
<b>13. Deferred tax assets/(liabilities)</b>		
<b>13.1 Movement of gross deferred tax assets</b>		
At the beginning of the year	95 723	88 970
Credit to profit and loss	15 148	10 617
Disposal of discontinued operations	—	(2 575)
Translation and other movements	(495)	(1 289)
	<b>110 376</b>	95 723
<b>Analysis of gross deferred tax assets</b>		
Capital allowances	6 387	4 693
Expense accruals and similar items	32 739	29 093
Effect of tax losses**	45 118	38 489
Intangible assets	3 565	3 910
IFRS16 lease liabilities*	19 836	17 291
Other individually immaterial temporary differences	2 731	2 247
	<b>110 376</b>	95 723
<b>13.2 Movement of gross deferred tax liabilities</b>		
At the beginning of the year	(44 758)	(47 115)
(Charge)/credit to profit and loss	(4 335)	2 933
Charge to other comprehensive income	—	(897)
Arising on acquisition of subsidiaries	(1 398)	(886)
Disposal of discontinued operations	—	839
Translation and other movements	(376)	368
	<b>(50 867)</b>	(44 758)
<b>Analysis of gross deferred tax liabilities</b>		
Capital allowances	(880)	(726)
Goodwill	(20 712)	(22 549)
Intangible assets	(5 165)	(2 146)
IFRS 16 right of use assets*	(16 947)	(15 392)
Other individually immaterial temporary differences	(7 163)	(3 945)
	<b>(50 867)</b>	(44 758)
<b>13.3 Reconciliation between gross and net deferred tax balances</b>		
Gross deferred tax assets	110 376	95 723
Gross deferred tax liabilities	(50 867)	(44 758)
	<b>59 509</b>	50 965
<b>The deferred tax after appropriate netting within entities is reflected in the balance sheet as follows:</b>		
Net deferred tax assets	83 907	80 331
Net deferred tax liabilities	(24 398)	(29 366)
	<b>59 509</b>	50 965

\* Effective for annual reporting periods beginning on or after 1 January 2023, IAS 12 was amended for the recognition and disclosure of deferred taxes recognised on IFRS16 leased assets. The Group has now adopted these changes retrospectively and has, as a result, restated its Deferred tax note for comparative purposes. The effect of this restatement is to increase the FY23 gross deferred tax liabilities by US\$15.4 million (FY22: increase of US\$19.0 million) with gross deferred tax assets increasing by the same amount.

\*\* Deferred tax assets recognised in relation to tax losses total US\$45.1 million (FY23: US\$38.5 million). Of this, US\$41.9 million (FY23: US\$34.6 million) have been recognised in respect of entities that were loss making in either the current year or prior year and included within this amount is US\$1.0 million (FY23: US\$12.9 million) relating to entities that were loss making in both the current and prior year. This includes losses relating to Chile, the UK and South Africa which can be carried forward indefinitely against their own future profits. Estimated tax losses carried forward include US\$2.3 million (FY23: US\$2.3 million) relating to Argentina that expire by 28 February 2029. (FY23: 28 February 2028). The deferred tax assets recognised are based on the future taxable profits derived from the approved budgets of the relevant entities. The approved budgets of these entities indicate a return to profitability in the short term with the budget periods spanning over the medium term which has resulted in some assessed losses not having had deferred tax assets recognised. These budgets are aligned with ongoing management actions to restore profitability in these jurisdictions. Assessed losses are being utilised largely in line with forecasts.

Potential deferred tax assets of US\$16.2 million (FY23: US\$20.8 million) on assessed/estimated tax losses have not been recognised at 29 February 2024 as management does not believe that it is probable that taxable profit will be available in the foreseeable future against which these losses can be utilised. The majority of these tax losses can be carried forward indefinitely.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024		2023	
	Minimum lease payments US\$'000	Present value of minimum lease payments US\$'000	Minimum lease payments US\$'000	Present value of minimum lease payments US\$'000
<b>14. Finance lease receivables</b>				
Current portion receivable within one year	10 708	9 487	8 704	8 300
Receivable within one and two years	9 068	8 135	6 809	6 627
Receivable within two and three years	6 698	5 991	4 219	4 167
Receivable within three and four years	5 646	5 138	1 458	1 407
Receivable within four and five years	4 348	4 012	410	305
Receivable after five years	9 055	8 772	177	175
	45 523	41 535	21 777	20 981
Less: unearned finance income	(3 988)	—	(796)	—
<b>Present value of minimum lease assets</b>	<b>41 535</b>	<b>41 535</b>	20 981	20 981
Current portion		9 487		8 300
Long-term portion		32 048		12 681
<b>Finance lease receivables</b>		<b>41 535</b>		20 981

Leases are provided to customers as part of financing for large product deals. In order to manage the risk associated with rights retained in the underlying assets, penalty clauses are included in contracts whereby customers are required to pay off the remainder of the value of the products should they exit the lease contract.

The carrying value of finance lease receivables approximates fair value, therefore no fair value disclosures are provided.

#### Logicalis International

One of Logicalis International's subsidiaries in Europe has entered into various finance leases, bearing interest between 1.1% and 14.44% (FY23 between 0.60% and 14.42%). These leases are repayable at various dates between September 2024 and January 2031. At 29 February 2024, US\$37.3 million (FY23: US\$19.0 million) was receivable.

#### Logicalis Latin America

One of Logicalis's Latin American subsidiaries has entered into various finance leases, bearing interest between 0.30% and 9.01% (FY23 between 0.30% and 8.70%). These leases are repayable at various dates between April 2026 and June 2028. At 29 February 2024, US\$3.6 million (FY23: US\$1.2 million) was receivable.

#### Corporate

One of Corporate's European subsidiaries has entered into a finance lease, bearing interest at 2.65% (FY23 2.65%). This lease is repayable at December 2028. At 29 February 2024, US\$0.6 million (FY23: US\$0.8 million) was receivable.

The majority of the exposure, US\$38.0 million (FY23: US\$19.6 million) is in Europe (refer to Note 31.4), this is all with one customer that has an external credit rating of A1 that has no history of default. Expected credit losses for the year are negligible.

## Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>15. Inventories</b>		
Merchandise for resale	327 623	398 446
Spares/maintenance inventory	10 437	8 873
Work-in-progress	13 279	25 351
	<b>351 339</b>	432 670
Inventory provisions	<b>(26 471)</b>	(21 611)
	<b>324 868</b>	411 059

In the FY24 reporting period there was an obsolete inventory reversal amounting to US\$1.1 million compared to the FY23: US\$0.2 million, that was written off during the year.

During the year, inventories of US\$2.6 billion (FY23: US\$2.7 billion) were recognised as part of cost of sales. There were no inventories encumbered as at 29 February 2024 (FY23: US\$nil).

Westcon International has certain inventory return arrangements with its major vendors to reduce the risk of technological obsolescence.

Westcon International's European and Middle Eastern subsidiaries have an inventory purchase financing agreement with a financing company for a specific vendor's purchases for a maximum availability of US\$563.8 million (FY23: US\$593.8 million) which currently extends payment terms to 60 days (FY23: 90 days). The agreement may be cancelled at any time with a 90-day notice by either Westcon International or the vendor. As at 29 February 2024, US\$172 million (FY23: US\$289.3 million) was outstanding and is included in trade payables (refer to Note 23). Purchases within 0 to 30 days are described as unfunded and are also included in trade payables (refer to Note 23). The funded availability limit of US\$563.8 million is treated as a group limit which is transferable for usage by the subsidiaries.

Westcon International's Asia-Pacific subsidiaries have an inventory purchase financing agreement for purchases with a vendor for a maximum of US\$100.0 million (FY23: US\$100.0 million) which extends payment terms from 30 days to 90 days. The agreement may be cancelled at any time with a 90-day notice by either Westcon International or the vendor. As at 29 February 2024, US\$38.7 million (FY23: US\$68.6 million) was outstanding and is included in trade payables (refer to Note 23). The facility is based on usage between three subsidiaries, namely Singapore, Indonesia and Philippines.

Westcon International's South African subsidiary has an inventory purchase financing agreement with a financing company for a specific vendor's purchases for a maximum availability of US\$26.5 million (FY23: US\$26.5 million) which extends payment terms from 30 days to 90 days. The agreement may be cancelled at any time with a 30-day notice by either Westcon International or the vendor. As at 29 February 2024, US\$5.6 million (FY23: US\$8.3 million) was outstanding and is included in trade payables (refer to Note 23).

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>16. Trade receivables</b>		
<b>16.1 Total trade receivables</b>		
Trade receivables	1 518 347	1 536 212
Expected credit loss allowance	(29 480)	(27 742)
	<b>1 488 867</b>	1 508 470

All trade receivables represent financial assets of the Group and are measured at amortised cost.

The carrying value of trade receivables balances approximates their fair value, therefore no fair value disclosures are provided.

The weighted average write-off rate over recent years across all classes of trade receivables is 0.12% (FY23: 0.47%).

The Group therefore has sufficient expected credit loss allowances. The weighted average write-off rate has been calculated using trade receivables write-offs as a percentage of the gross trade receivables using a simple weighting over the last three years. Please refer to "Write-off policy" in the Financial Instruments section of the accounting policies for more information on write-offs.

Management has concluded that the likelihood of material expected credit losses is low.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

16. Trade receivables (continued)

16.2 Trade receivables credit risk

The following table details the credit risk profile of trade receivables based on the Group's provision matrix.

Days past due	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>2024</b>						
<b>Datatec Group Total</b>						
Current	80 146	101 277	760 796	210 772	95 231	1 248 222
1 – 30 days past due	14 816	10 540	55 815	39 277	13 388	133 836
31 – 60 days past due	3 763	7 952	16 891	12 832	7 790	49 228
61 – 90 days past due	1 484	3 292	4 390	8 130	2 141	19 437
91 – 120 days past due	963	2 012	5 246	4 177	2 150	14 548
Over 120 days past due	1 505	9 808	13 015	7 700	21 048	53 076
<b>Gross trade receivables</b>	<b>102 677</b>	<b>134 881</b>	<b>856 153</b>	<b>282 888</b>	<b>141 748</b>	<b>1 518 347</b>
Expected credit loss allowance	(205)	(1 325)	(8 418)	(3 039)	(16 493)	(29 480)
<b>Net trade receivables</b>	<b>102 472</b>	<b>133 556</b>	<b>847 735</b>	<b>279 849</b>	<b>125 255</b>	<b>1 488 867</b>
Expected credit loss allowance (%)	0.20	0.98	0.98	1.07	11.64	1.94
Total trade receivables over 90 days past due	2 468	11 820	18 261	11 877	23 198	67 624
Expected credit loss allowance allocated to over 90 days past due	(205)	(1 299)	(7 698)	(3 000)	(16 284)	(28 486)
Over 90 days past due expected credit loss allowance (%)	8.31	10.99	42.16	25.26	70.20	42.12
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	100.00	98.04	91.45	98.72	98.73	96.63
<b>Westcon International</b>						
Current	157	—	643 301	169 127	92 937	905 522
1 – 30 days past due	2	—	45 683	28 302	12 193	86 180
31 – 60 days past due	—	—	12 925	9 807	7 534	30 266
61 – 90 days past due	—	—	4 060	5 117	2 116	11 293
91 – 120 days past due	—	—	4 631	3 592	2 123	10 346
Over 120 days past due	—	—	13 015	2 874	21 040	36 929
<b>Gross trade receivables</b>	<b>159</b>	<b>—</b>	<b>723 615</b>	<b>218 819</b>	<b>137 943</b>	<b>1 080 536</b>
Expected credit loss allowance	—	—	(7 535)	(854)	(16 465)	(24 854)
<b>Net trade receivables</b>	<b>159</b>	<b>—</b>	<b>716 080</b>	<b>217 965</b>	<b>121 478</b>	<b>1 055 682</b>
Expected credit loss allowance (%)	—	—	1.04	0.39	11.94	2.30
Total trade receivables over 90 days past due	—	—	17 646	6 466	23 163	47 275
Expected credit loss allowance allocated to over 90 days past due	—	—	(7 096)	(859)	(16 278)	(24 233)
Expected credit loss allowance (%) over 90 days past due	—	—	40.21	13.28	70.28	51.26
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	—	—	94.17	100.59	98.86	97.50

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 16. Trade receivables (continued)

### 16.2 Trade receivables credit risk (continued)

Days past due (continued)	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>2024</b>						
<b>Logicalis International</b>						
Current	79 989	—	111 964	41 645	2 294	235 892
1 – 30 days past due	14 814	—	9 988	10 975	1 195	36 972
31 – 60 days past due	3 763	—	3 955	3 025	256	10 999
61 – 90 days past due	1 484	—	208	3 013	25	4 730
91 – 120 days past due	963	—	602	585	27	2 177
Over 120 days past due	1 505	—	—	4 826	8	6 339
<b>Gross trade receivables</b>	<b>102 518</b>	<b>—</b>	<b>126 717</b>	<b>64 069</b>	<b>3 805</b>	<b>297 109</b>
Expected credit loss allowance	(205)	—	(883)	(2 185)	(28)	(3 301)
<b>Net trade receivables</b>	<b>102 313</b>	<b>—</b>	<b>125 834</b>	<b>61 884</b>	<b>3 777</b>	<b>293 808</b>
Expected credit loss allowance (%)	0.20	—	0.70	3.41	0.74	1.11
Total trade receivables over 90 days past due	2 468	—	602	5 411	35	8 516
Expected credit loss allowance allocated to over 90 days past due	(205)	—	(602)	(2 141)	(6)	(2 954)
Expected credit loss allowance (%) over 90 days past due	8.31	—	100.00	39.57	17.14	34.69
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	100.00	—	68.18	97.99	21.43	89.49
<b>Logicalis Latin America</b>						
Current	—	101 277	—	—	—	101 277
1 – 30 days past due	—	10 540	—	—	—	10 540
31 – 60 days past due	—	7 952	—	—	—	7 952
61 – 90 days past due	—	3 292	—	—	—	3 292
91 – 120 days past due	—	2 012	—	—	—	2 012
Over 120 days past due	—	9 808	—	—	—	9 808
<b>Gross trade receivables</b>	<b>—</b>	<b>134 881</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>134 881</b>
Expected credit loss allowance	—	(1 325)	—	—	—	(1 325)
<b>Net trade receivables</b>	<b>—</b>	<b>133 556</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>133 556</b>
Expected credit loss allowance (%)	—	0.98	—	—	—	0.98
Total trade receivables over 90 days past due	—	11 820	—	—	—	11 820
Expected credit loss allowance allocated to over 90 days past due	—	(1 299)	—	—	—	(1 299)
Expected credit loss allowance (%) over 90 days past due	—	10.99	—	—	—	10.99
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	—	98.04	—	—	—	98.04

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 16. Trade receivables (continued)

### 16.2 Trade receivables credit risk (continued)

Days past due (continued)	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>2024</b>						
<b>Corporate and Management Consulting</b>						
Current	—	—	5 531	—	—	5 531
1 – 30 days past due	—	—	144	—	—	144
31 – 60 days past due	—	—	11	—	—	11
61 – 90 days past due	—	—	122	—	—	122
91 – 120 days past due	—	—	13	—	—	13
Over 120 days past due	—	—	—	—	—	—
<b>Gross trade receivables</b>	—	—	5 821	—	—	5 821
Expected credit loss allowance	—	—	—	—	—	—
<b>Net trade receivables</b>	—	—	5 821	—	—	5 821
Expected credit loss allowance (%)	—	—	—	—	—	—
Total trade receivables over 90 days past due	—	—	13	—	—	13
Expected credit loss allowance allocated to over 90 days past due	—	—	—	—	—	—
Expected credit loss allowance (%) over 90 days past due	—	—	—	—	—	—
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	—	—	—	—	—	—

The past due receivables ageing categories above are shown gross, before taking into account expected credit loss allowances. Where there are no expected credit loss allowances, the balances are deemed to be recoverable and there are either payment plans in place with the relevant customers or discussions with the customers are ongoing to resolve the payment of the outstanding balances.

Where applicable, negative amounts represent credits on accounts that have not yet been applied/cleared due to timing of customer approvals as well as payments received in advance.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 16. Trade receivables (continued)

### 16.2 Trade receivables credit risk (continued)

Days past due (continued)	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>2023</b>						
<b>Datatec Group Total</b>						
Current	60 749	125 311	746 423	229 392	99 622	1 261 497
1 – 30 days past due	14 917	12 887	50 427	35 400	20 228	133 859
31 – 60 days past due	3 324	10 622	17 716	15 254	5 814	52 730
61 – 90 days past due	2 224	1 737	11 184	4 681	3 903	23 729
91 – 120 days past due	937	1 342	2 857	2 157	2 988	10 281
Over 120 days past due	3 322	9 066	15 436	5 571	20 721	54 116
<b>Gross trade receivables</b>	<b>85 473</b>	<b>160 965</b>	<b>844 043</b>	<b>292 455</b>	<b>153 276</b>	<b>1 536 212</b>
Expected credit loss allowance	—	(619)	(7 902)	(3 392)	(15 829)	(27 742)
<b>Net trade receivables</b>	<b>85 473</b>	<b>160 346</b>	<b>836 141</b>	<b>289 063</b>	<b>137 447</b>	<b>1 508 470</b>
Expected credit loss allowance (%)*	—	0.38	0.94	1.16	10.33	1.81
Total trade receivables over 90 days past due*	4 259	10 408	18 293	7 728	23 709	64 397
Expected credit loss allowance allocated to over 90 days past due*	—	(608)	(7 436)	(3 228)	(15 810)	(27 082)
Expected credit loss allowance (%) over 90 days past due*	—	5.84	40.65	41.77	66.68	42.05
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables*	—	98.22	94.10	95.17	99.88	97.62
<b>Westcon International</b>						
Current	—	—	626 226	178 756	97 025	902 007
1 – 30 days past due	—	—	29 617	20 132	19 372	69 121
31 – 60 days past due	—	—	16 038	11 325	5 617	32 980
61 – 90 days past due	—	—	10 695	2 752	3 835	17 282
91 – 120 days past due	—	—	1 909	1 962	2 973	6 844
Over 120 days past due	—	—	15 333	1 792	20 673	37 798
<b>Gross trade receivables</b>	<b>—</b>	<b>—</b>	<b>699 818</b>	<b>216 719</b>	<b>149 495</b>	<b>1 066 032</b>
Expected credit loss allowance	—	—	(7 269)	(1 056)	(15 802)	(24 127)
<b>Net trade receivables</b>	<b>—</b>	<b>—</b>	<b>692 549</b>	<b>215 663</b>	<b>133 693</b>	<b>1 041 905</b>
Expected credit loss allowance (%)*	—	—	1.04	0.49	10.57	2.26
Total trade receivables over 90 days past due*	—	—	17 242	3 754	23 646	44 642
Expected credit loss allowance allocated to over 90 days past due*	—	—	(7 053)	(1 043)	(15 801)	(23 897)
Expected credit loss allowance (%) over 90 days past due*	—	—	40.91	27.78	66.82	53.53
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables*	—	—	97.03	98.77	99.99	99.05

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 16. Trade receivables (continued)

### 16.2 Trade receivables credit risk (continued)

Days past due (continued)	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>2023</b>						
<b>Logicalis International</b>						
Current	60 749	—	120 197	50 636	2 597	234 179
1 – 30 days past due	14 917	—	20 810	15 268	856	51 851
31 – 60 days past due	3 324	—	1 678	3 929	197	9 128
61 – 90 days past due	2 224	—	489	1 929	68	4 710
91 – 120 days past due	937	—	948	195	15	2 095
Over 120 days past due	3 322	—	103	3 779	48	7 252
<b>Gross trade receivables</b>	<b>85 473</b>	<b>—</b>	<b>144 225</b>	<b>75 736</b>	<b>3 781</b>	<b>309 215</b>
Expected credit loss allowance	—	—	(633)	(2 336)	(27)	(2 996)
<b>Net trade receivables</b>	<b>85 473</b>	<b>—</b>	<b>143 592</b>	<b>73 400</b>	<b>3 754</b>	<b>306 219</b>
Expected credit loss allowance (%)*	—	—	0.44	3.08	0.71	0.97
Total trade receivables over 90 days past due*	4 259	—	1 051	3 974	63	9 347
Expected credit loss allowance allocated to over 90 days past due*	—	—	(383)	(2 185)	(9)	(2 577)
Expected credit loss allowance (%) over 90 days past due*	—	—	36.44	54.98	14.29	27.57
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables*	—	—	60.51	93.54	33.33	86.01
<b>Logicalis Latin America</b>						
Current	—	125 311	—	—	—	125 311
1 – 30 days past due	—	12 887	—	—	—	12 887
31 – 60 days past due	—	10 622	—	—	—	10 622
61 – 90 days past due	—	1 737	—	—	—	1 737
91 – 120 days past due	—	1 342	—	—	—	1 342
Over 120 days past due	—	9 066	—	—	—	9 066
<b>Gross trade receivables</b>	<b>—</b>	<b>160 965</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>160 965</b>
Expected credit loss allowance	—	(619)	—	—	—	(619)
<b>Net trade receivables</b>	<b>—</b>	<b>160 346</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>160 346</b>
Expected credit loss allowance (%)*	—	0.38	—	—	—	0.38
Total trade receivables over 90 days past due*	—	10 408	—	—	—	10 408
Expected credit loss allowance allocated to over 90 days past due*	—	(608)	—	—	—	(608)
Expected credit loss allowance (%) over 90 days past due*	—	5.84	—	—	—	5.84
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables*	—	98.22	—	—	—	98.22

\* The prior year has been re-presented to show additional comparative information.

There were no trade receivables in the Corporate and Management Consulting segment in FY23, therefore no comparative information has been provided.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 16. Trade receivables (continued)

### 16.3 Reconciliation of the expected credit loss allowance account

	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
Balance at 1 March 2022	(185)	(629)	(7 428)	(3 281)	(15 237)	(26 760)
Impairment losses recognised on trade receivables – continuing operations	—	(669)	(1 497)	(2 217)	(1 854)	(6 237)
Impairment losses recognised on trade receivables – discontinued operations	—	—	(558)	—	(43)	(601)
Impairment losses reversed – continuing operations	154	756	1 082	203	20	2 215
Impairment losses reversed – discontinued operations	—	—	558	—	65	623
Bad debt write-offs	27	(108)	(113)	1 608	347	1 761
Disposal of discontinued operations	—	—	—	—	208	208
Net exchange gains and losses	4	31	54	295	665	1 049
<b>Balance at 28 February 2023</b>	<b>—</b>	<b>(619)</b>	<b>(7 902)</b>	<b>(3 392)</b>	<b>(15 829)</b>	<b>(27 742)</b>
Impairment losses recognised on trade receivables	(376)	(809)	(2 512)	(132)	(1 499)	(5 328)
Impairment losses reversed	—	36	1 454	340	33	1 863
Bad debt write-offs	171	11	554	77	10	823
Net exchange gains and losses	—	56	(12)	68	792	904
<b>Balance at 29 February 2024</b>	<b>(205)</b>	<b>(1 325)</b>	<b>(8 418)</b>	<b>(3 039)</b>	<b>(16 493)</b>	<b>(29 480)</b>

Expected credit losses on trade receivables relate to the operating function of the Group.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>17. Prepaid expenses</b>		
Prepaid vendor maintenance	99 480	107 914
Prepaid expenses on multi-year contracts	18 032	31 938
Prepaid commissions	8 241	10 426
Prepaid licencing	9 977	5 365
Prepaid taxes	4 031	4 453
Prepaid project costs	4 247	4 096
Prepaid insurance	4 261	3 565
Sundry prepayments (individually immaterial)	30 472	28 902
	<b>178 741</b>	196 659

	2024 US\$'000	2023 US\$'000
<b>18. Other receivables</b>		
Rebates due	23 987	24 630
Tax receivables	16 625	20 703
Restricted cash	4 250	8 702
Derivative financial assets~	8 481	5 080
Purchase consideration receivable	10 142	—
Sundry receivables*~	20 789	20 781
	<b>84 274</b>	79 896

~ The prior year has been re-presented to show disaggregated comparative information.

\* Includes notes and deposits held, and a number of immaterial receivables.

Expected credit losses have been assessed. No material expected credit losses have been noted.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>19. Other non-current assets and contract assets</b>		
<b>19.1 Other non-current assets</b>		
<b>Other non-current assets</b>		
Security deposits	1 530	1 976
Notes receivable*	10 074	12 003
Other	550	824
Prepaid expenses on multi-year contracts**	17 137	—
Amounts receivable for multi-year contracts***	117 841	72 256
	<b>147 132</b>	87 059
<b>Non-current contract assets</b>	<b>46 038</b>	41 551
<b>Other non-current assets</b>	<b>193 170</b>	128 610
<p>* Includes US\$9.9 million term note receivable recognised on disposal of Analysys Mason in Datatec PLC.</p> <p>** Relates to prepaid cost of sales for multi-year contracts in Westcon International.</p> <p>*** Relates to multi-year contracts in Westcon International where performance obligations have already been fulfilled. The amounts due to Westcon International are unconditional and the contracts are non-cancellable. The short-term portion (US\$104.3 million (FY23: US\$79.5 million)) is included in trade receivables. Amounts owing for purchases related to these multi-year contracts have been recognised in other liabilities (long-term portion of US\$68.6 million (FY23: US\$68.7 million)) and trade and other payables (short-term portion of US\$102.0 million (FY23: US\$75.5 million)).</p> <p>Expected credit losses have been assessed. No material expected credit losses have been noted.</p>		
<b>19.2 Contract assets</b>		
<b>Non-current</b>	<b>46 038</b>	41 551
Non-current contract assets	46 038	41 551
<b>Current</b>	<b>207 049</b>	202 566
Current contract assets	207 049	202 566
<b>Total contract assets</b>	<b>253 087</b>	244 117
<b>Changes during the year:</b>		
At the beginning of the year	244 117	177 329
Amounts recognised during the year	11 025	99 849
Change in the time frame for a right to consideration to become unconditional	36	(9 561)
Impairment losses recognised	(155)	(455)
Reversal of impairment losses	490	—
Translation and other movements	(2 426)	(23 045)
<b>Total contract assets</b>	<b>253 087</b>	244 117

Amounts relating to contract assets are balances due where products have been sold and services have been performed with contractual payment terms based on performance or time-based milestones. Once these milestones have been reached, customers are invoiced and reclassified to trade receivables. The contract asset amount represents the full remaining amount due under the contract adjusted for risk of loss components.

Expected credit losses for the year were US\$0.1 million (FY23: US\$0.5 million).

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>20. Stated capital</b>		
<b>Authorised share capital</b>		
400,000,000 (FY23: 400,000,000) ordinary shares of ZAR0.01 each		
<b>Issued share capital</b>		
226,901,383 (FY23: 219,653,316) fully paid ordinary shares excluding treasury, DBP and DBW shares		
<b>Stated capital</b>	<b>145 395</b>	138 091
	<b>145 395</b>	138 091

	Number of shares	Stated capital US\$'000
Balance at 1 March 2023	213 631 099	148 859
Issue of shares for a scrip distribution FY22 final dividend	4 787 467	10 247
Issue of shares for a scrip distribution special dividend	3 171 196	7 832
Treasury shares granted to deferred DBW shares	(356 656)	(864)
Treasury shares relating to DBP shares that have vested in the current financial year	870 343	2 013
Treasury shares purchased	(3 039 802)	(5 957)
Treasury shares issued to settle share schemes that vested	589 669	1 307
Effects of foreign currency translation	—	(25 346)
<b>Balance at 28 February 2023</b>	<b>219 653 316</b>	<b>138 091</b>
Issue of shares for a scrip distribution final FY23 dividend	4 606 140	8 624
Treasury shares granted to deferred DBW shares	(358 394)	(717)
Treasury shares relating to DBP shares that have vested in the current financial year	574 466	797
Treasury shares purchased	(548 362)	(1 183)
Treasury shares issued to settle share schemes that vested	2 974 217	5 077
Effects of foreign currency translation	—	(5 294)
<b>Balance at 29 February 2024</b>	<b>226 901 383</b>	<b>145 395</b>

	Number of shares	Treasury shares US\$'000
<b>Reconciliation of treasury shares</b>		
Balance as at 1 March 2023	3 000 000	6 015
Treasury shares purchased	548 362	1 183
Treasury shares used to settle share schemes that vested	(2 974 217)	(5 077)
<b>Balance at 29 February 2024</b>	<b>574 145</b>	<b>2 121</b>

Stated capital is in the Rand denominated accounts of the holding company and is translated into US Dollar each year in the Group accounts in accordance with the accounting policy.

During the year ended 29 February 2024, 4 606 140 (FY23: 7 958 663) shares were issued as a scrip distribution to shareholders.

As at 29 February 2024, the Group held 574 145 (FY23: 3 000 000) shares as treasury shares. These treasury shares were set off against stated capital in FY24.

As at 29 February 2024, there were 2 047 149 shares (FY23: 2 263 221 shares) relating to the DBP and DBW (refer to Note 2). This includes 358 394 shares used for participants in the DBW in the current year (FY23: 356 656 shares used for the DBP) less 574 466 shares (FY23: 870 343) that vested in the current financial year and left the restrictions of the DBP. The DBP and DBW shares between grant and vesting (i.e. while forfeitable) are set off against stated capital.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>21. Long-term interest-bearing liabilities</b>		
<b>21. Total long-term interest-bearing liabilities</b>		
Secured loans	30 775	25 434
Westcon International	10 556	12 252
Logicalis International	20 219	13 182
Unsecured loans	37 149	37 340
Westcon International	658	912
Logicalis International	5 024	12 788
Logicalis Latin America	31 467	23 640
	<b>67 924</b>	62 774
Less: Current portion included in short-term interest-bearing liabilities (Note 24)	<b>(28 786)</b>	(21 150)
<b>Long-term portion</b>	<b>39 138</b>	41 624
Repayable between one and two years	33 720	34 688
Repayable between two and three years	3 176	5 688
Repayable between three and four years	1 636	954
Repayable between four and five years	601	219
Repayable after five years	5	75
	<b>39 138</b>	41 624

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

**21. Long-term interest-bearing liabilities (continued)**

**21.1 Secured loans and other long-term liabilities**

Principal amount (loan currency)	Principal amount US\$'000	Currency	Interest rate	Final repayment date	Repayment terms	2024 Total capital amount outstanding US\$'000
<b>Secured</b>						<b>30 775</b>
<b>Westcon International</b>						<b>10 556</b>
180	141	SGD	6.40%	August 2024*	Monthly instalments	<b>128</b>
200 000	10 428	ZAR	Three month JIBAR + 2,9%	September 2024*	Full capital repayable every three years, interest paid quarterly	<b>10 428</b>
<b>Logicalis International</b>						<b>20 219</b>
8 942	9 665	EUR	6.52%	April 2030*	Monthly instalments	<b>7 980</b>
7 896	7 896	US\$	5.30%	May 2024*	Annual instalments	<b>2 630</b>
2 609	2 820	EUR	3.00%	July 2028*	Quarterly instalments	<b>1 908</b>
12 747	13 777	EUR	3.00%	June 2025*	Monthly instalments	<b>1 795</b>
5 340	5 772	EUR	2.00%	June 2026*	Monthly instalments	<b>1 166</b>
23 061	24 925	EUR	1.0% to 3.6%	Between September 2024 and June 2028*	Monthly instalments	<b>4 740</b>
<b>Unsecured</b>						<b>37 149</b>
<b>Westcon International</b>						<b>658</b>
1 100	1 189	EUR	0.0%	August 2025*	Annual instalments	<b>561</b>
761	494	AU\$	5.00%	January 2025*	Monthly instalments	<b>97</b>
<b>Logicalis International</b>						<b>5 024</b>
2 782	3 006	EUR	5.97%	November 2025*	Quarterly instalments	<b>1 810</b>
1 492	1 613	EUR	4.20%	May 2025*	Annual instalments	<b>1 094</b>
Various	4 510	Various	Interest free to 4.06%	Between April 2024 and March 2027*	Monthly, quarterly, bi-annually and annual instalments	<b>2 120</b>
<b>Logicalis Latin America</b>						<b>31 467</b>
40 000	8 048	BRL	13.47%	May 2025*	Bullet payment on 14 May 2025	<b>8 265</b>
35 000	7 042	BRL	13.65%	May 2025*	Bullet payment on 21 May 2025	<b>7 506</b>
30 000	6 036	BRL	13.65%	March 2025*	Bullet payment on 27 March 2025	<b>6 645</b>
14 913	14 913	US\$	2.00%	May 2025*	Quarterly instalments	<b>3 857</b>
20 000	4 024	BRL	13.55%	July 2028*	Annual instalments	<b>3 437</b>
Various	9 107	Various	1.63% to 5.00%	Between April 2024 and April 2026*	Quarterly and monthly instalments	<b>1 757</b>

\* The amount due within 12 months is included in current portion of long-term liabilities.

One of the Westcon International liabilities is secured by trade receivables to the value of US\$22.4 million (FY23: US\$22.1 million).

Logicalis International's secured loans are asset-backed loans. These loans are secured against the value of the computer equipment they relate to, which is equal to the total capital outstanding, amounting to US\$ 20.2 million.

The carrying value of long-term liabilities approximates their fair value, therefore no fair value disclosures are provided.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 21. Long-term interest-bearing liabilities (continued)

### 21.1 Secured loans and other long-term liabilities

Principal amount (loan currency)	Principal amount US\$'000	Currency	Interest rate	Final repayment date	Repayment terms	2023 Total capital amount outstanding US\$'000
<b>Secured</b>						25 434
<b>Westcon International</b>						12 252
250 000	13 576	ZAR	three-month JIBAR + 2.9%	September 2024	Full capital repayable every three years, interest paid quarterly	12 218
180	141	SGD	5.19%	August 2024*	Monthly instalments	34
<b>Logicalis International</b>						13 182
12 747	13 523	EUR	2.99%	June 2025*	Monthly instalments	3 124
5 340	5 665	EUR	2.03%	June 2026*	Monthly instalments	1 608
1 003	1 064	EUR	3.60%	June 2028*	Monthly instalments	1 051
31 263	33 166	EUR	0.63% – 4.16%	Between April 2023 and June 2028*	Monthly instalments	7 399
<b>Unsecured</b>						37 340
<b>Westcon International</b>						912
1 100	1 305	EUR	0.0%	August 2025*	Annual instalments	701
667	450	AU\$	5.00%	January 2025*	Monthly instalments	211
<b>Logicalis International</b>						12 788
7 896	7 896	US\$	5.25%	May 2024	Annual instalments	5 128
2 782	2 951	EUR	5.97%	November 2025*	Quarterly instalments	2 711
Various	10 451	Various	Interest-free – 5.30%	Between May 2023 and June 2026*	Monthly, quarterly, bi-annual and annual instalments	4 949
<b>Logicalis Latin America</b>						23 640
14 913	14 913	US\$	1.80%	May 2025*	Quarterly instalments	6 843
25 000	4 807	BRL	16.45%	March 2024*	Bullet payment on 18 March 2024	5 564
25 000	4 807	BRL	5.51%	September 2024*	Bullet payment on 23 September 2024	4 945
5 308	5 308	US\$	1.82%	Between June and November 2024*	Quarterly instalments	2 511
5 108	5 108	US\$	1.82%	September 2023*	Quarterly instalments	1 290
Various	5 160	Various	1.63% – 17.14%	Between April 2024 and April 2026*	Monthly, quarterly and per semester	2 487

\* The amount due within 12 months is included in current portion of long-term liabilities.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>22. Lease liabilities</b>		
Non-current	45 548	45 412
Current	26 243	27 005
	<b>71 791</b>	72 417
Current portion repayable within one year	26 243	27 005
Repayable between one and two years	16 977	17 935
Repayable between two and three years	11 912	10 036
Repayable between three and four years	7 459	6 985
Repayable between four and five years	4 631	4 648
Repayable between five and ten years	4 569	5 808
	<b>71 791</b>	72 417

Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date	Principal amount US\$'000	2024 Total capital amount outstanding US\$'000
<b>Westcon International</b>						<b>27 212</b>
North America	US\$	Land and buildings	4.50%	November 2024	1 483	<b>251</b>
Europe	Various	Land and buildings, office furniture and equipment, and motor vehicles	Between 3.50% and 5.00%	Between November 2027 and September 2031	46 472	<b>20 741</b>
Asia-Pacific	Various	Land and buildings, office furniture and equipment	Between 1.79% and 9.50%	Between November 2024 and September 2027	11 658	<b>5 188</b>
MEA	Various	Land and buildings and motor vehicles	Between 4.50% and 22.00%	Between May 2025 and March 2028	5 333	<b>1 032</b>
<b>Logicalis International</b>						<b>33 919</b>
North America	US\$	Computer equipment, equipment and land, and buildings	Between 0.00% and 7.50%	Between April 2024 and May 2030	18 639	<b>9 480</b>
Europe	EUR and GBP	Office furniture, equipment, motor vehicles, computer equipment and land and buildings	Between 0.00% and 14.50%	Between March 2024 and April 2033	34 945	<b>16 045</b>
Asia-Pacific	Various	Office furniture, computer equipment, leasehold improvements, and land, and buildings	Between 0.00% and 13.00%	Between April 2024 and January 2029	16 434	<b>7 510</b>
MEA	ZAR	Land and buildings, computer equipment and motor vehicles	Between 8.00% and 14.00%	Between April 2024 and December 2027	1 911	<b>884</b>
<b>Logicalis Latin America</b>						<b>7 841</b>
Latin America	Various	Land and buildings, equipment and computer equipment	Between 0.27% and 15.30%	Between March 2024 and June 2028	14 423	<b>7 841</b>
<b>Corporate</b>						<b>2 819</b>
Europe	US\$ and GBP	Land and buildings and computer equipment	Between 2.49% and 2.65%	Between March 2025 and December 2028	2 424	<b>2 405</b>
MEA	ZAR	Equipment and land and buildings	9.25%	Between December 2023 and November 2030	528	<b>414</b>

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 22. Lease liabilities (continued)

Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date	Principal amount US\$'000	2023 Total capital amount outstanding US\$'000
<b>Westcon International</b>						29 790
North America	US\$	Land and buildings	4.50%	September 2029	2 965	1 767
Europe	Various	Land and buildings, office furniture and equipment and motor vehicles	Between 3.50% and 5.00%	Between January 2026 and September 2031	41 288	20 229
Asia-Pacific	Various	Land and buildings and office furniture and equipment	Between 1.79% and 8.50%	Between January 2025 and May 2027	11 498	5 992
MEA	Various	Land and buildings and motor vehicles	Between 5.00% and 13.50%	Between February 2025 and February 2026	4 546	1 802
<b>Logicalis International</b>						32 508
North America	US\$	Computer equipment, equipment and land and buildings	Between 3.61% and 7.00%	Between April 2023 and May 2030	26 600	10 332
Europe	EUR and GBP	Office furniture, equipment, motor vehicles, computer equipment and land and buildings	Between 0.20% and 7.50%	Between March 2023 and January 2030	28 186	14 223
Asia-Pacific	Various	Office furniture, equipment, computer equipment, leasehold improvements and land and buildings	Between 0.00% and 10.60%	Between April 2023 and June 2027	20 934	6 757
MEA	ZAR	Land and buildings and motor vehicles	Between 8.00% and 10.75%	Between April 2024 and December 2027	1 830	1 196
<b>Logicalis Latin America</b>						7 108
Latin America	Various	Land and buildings	Between 0.00% and 44.00%	Between March 2023 and November 2027	15 066	7 108
<b>Corporate</b>						3 011
Europe	US\$	Land and buildings	2.65%	December 2028	2 541	2 525
MEA	ZAR	Equipment and land and buildings	9.25%	Between December 2023 and November 2030	551	486

Generally, these lease contracts are entered into for fixed periods but may have extension options.

The Group's lease arrangements include immaterial variable lease payments.

Short-term leases (lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease, refer to Note 3.

No residual value guarantees have been provided. The residual value risk of leased assets is not significant, because of the existence of secondary markets for these assets.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>23. Trade and other payables</b>		
Trade payables	1 509 890	1 515 478
VAT/sales tax	69 553	39 458
Sundry payables and accruals*	435 065	453 577
Short-term portion of share-based payments	2 502	63 462
	<b>2 017 010</b>	<b>2 071 975</b>

\* Includes accruals for products costs, commissions, customer rebates, withholding tax, payroll taxes, other taxes and a number of individually immaterial accruals and payables.

The short-term portion of share-based payments has decreased. In FY23, there was an increase as a result of the increasing valuations of the divisions' cash-settled share-based payment plans, particularly Westcon International. US\$nil (FY23: US\$61.0 million) of the total US\$3.4 million (FY23: US\$63.5 million) short-term portion of share-based payments relates to the Westcon International EAP and the Westcon International SAR scheme. Refer to Note 2.

The carrying value of trade and other payables approximates their fair value, therefore no fair value disclosures are provided.

Trade accounts payable will be settled in the normal course of business.

## Withholding taxes

As at 28 February 2022, Westcon International had a contingent liability in respect of a possible withholding tax obligation at its subsidiary in the Kingdom of Saudi Arabia, Westcon Saudi Company LLC ("Westcon KSA"). This relates to payments Westcon KSA has made in relation to the purchase of vendor software and maintenance services which have been resold to customers during the six years ended 31 December 2020. Westcon KSA strongly disagrees with the tax authority's assessments issued on 22 June 2021 and has submitted the necessary appeals. Following an unsuccessful attempt to utilise the alternative dispute resolution procedures, the matter is now proceeding to court. The ongoing litigation with the KSA tax authorities is likely to continue beyond the next financial year-end. A liability has been recognised for a possible exposure in this regard.

As at 29 February 2024, withholding tax liabilities for the Group totalled US\$23.5 million (FY23: US\$20.0 million), which includes the liability for the Westcon KSA matter described above.

## Inventory purchase financing arrangements

Certain subsidiaries in Logicalis International and Logicalis Latin America have four inventory purchase financing agreements with financing companies for specified vendors' purchases which extends payment terms beyond the vendors' normal payment terms. Purchases within the normal vendor credit terms are described as unfunded and are included in trade payables:

### Logicalis International

- Logicalis United States: Extended payment terms begin at 90 days+ for a maximum of US\$95.6 million (FY23: 60+ days for a maximum of US\$85.0 million). At 29 February 2024, US\$9.3 million was utilised (FY23: US\$7.4 million).
- Logicalis United States: Extended payment terms begin at 75+ days for a maximum of US\$28.0 million (FY23: US\$28.0 million). At 29 February 2024, US\$12.5 million was utilised (FY23: US\$1.3 million).
- Logicalis United Kingdom: Extended payment terms are between 60 and 90 days for a maximum of US\$20.0 million (FY23: US\$nil). At 29 February 2024, US\$0.6 million was utilised (FY23: US\$nil).

### Logicalis Latin America

- Extended payment terms begin at 90+ days up to US\$89.0 million (FY23: US\$125.0 million). There is an additional limit of US\$20.0 million that can be accessed for a period of up to 30 days, thus a total maximum of US\$109.0 million. At 29 February 2024, US\$13.2 million was utilised (FY23: US\$13.9million).

Details of Westcon International's inventory purchase financing arrangements can be found in Note 15. Amounts outstanding under these arrangements are included in trade payables.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>24. Short-term interest-bearing liabilities</b>		
Unsecured short-term funding – Logicalis International	1 855	3 693
Unsecured short-term funding – Logicalis International	593	—
Unsecured short-term funding – Logicalis International	40	—
Unsecured short-term funding – Logicalis International	—	1 286
Unsecured short-term funding – Logicalis Latin America	—	2 112
Secured short-term funding – Westcon International	282 449	269 053
Secured short-term funding – Westcon International	87 989	81 624
Secured short-term funding – Logicalis Latin America	544	1 944
Current portion of other long-term liabilities (Note 21)	28 786	21 150
	<b>402 256</b>	<b>380 862</b>

The carrying value of short-term interest-bearing liabilities approximates their fair value, therefore no fair value disclosures are provided.

## Unsecured loans

One of Logicalis International's subsidiaries has entered into various loans with a lender, between US\$0.5 million and US\$2.1 million, bearing interest between 4.00% and 4.30%. These liabilities are repayable between May and September 2024. At 29 February 2024, US\$1.9 million was outstanding (FY23: US\$3.7 million).

One of Logicalis International's subsidiaries has entered into various loans with a lender for US\$1.3 million bearing interest between 0.15% and 2.61%. These liabilities are repayable between July and August 2024. At 29 February 2024, US\$0.6 million was outstanding (FY23: US\$nil).

One of Logicalis International's subsidiaries has entered into a loan with a lender for US\$0.2 million bearing interest at 2.75%. This liability is repayable by April 2024. At 29 February 2024, US\$0.04 million was outstanding (FY23: US\$nil).

## Secured loans

Some of Westcon International's subsidiaries have entered into various arrangements with a lender, up to a maximum of US\$422.2 million (EUR390.6 million) (FY23: US\$414.4 million (EUR390.6 million)), bearing interest at three-month EURIBOR + 0.9%, three-month US LIBOR + 0.9%, CHF SARON +0.9% and three-month GBP TSRR + 0.9%. As at 29 February 2024, there were restrictions of US\$nil (FY23: US\$nil) against the gross available facilities. These are rolling facilities and at 29 February 2024, US\$282.4 million (FY23: US\$269.1 million) was outstanding. The net availability on this facility is US\$139.8 million (FY23: US\$145.3 million).

One of Westcon International's subsidiaries has entered into various arrangements with a lender of US\$130.0 million, bearing interest at 1.50% above bank base rate. The maximum facility is US\$130.0 million. As at 29 February 2024, there were restrictions of US\$38.4 million (FY23: US\$8.6 million). These are rolling facilities and at 29 February 2024, US\$88.0 million (FY23: US\$81.6 million) was outstanding. The net availability of this facility, after taking into account restrictions and the amount outstanding, was US\$3.6 million (FY23: US\$29.8 million).

One of Logicalis Latin America's subsidiaries has entered into funding arrangements with various lenders, between US\$0.04 million and US\$0.6 million each, bearing interest between 2.00% and 11.00%. These loans are repayable between March and May 2024. At 29 February 2024, US\$0.5 million (FY23: US\$1.9 million) was outstanding. The liability is secured by invoices to the value of US\$0.5 million (FY23: US\$1.9 million).

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>25. Acquisition-related liabilities</b>		
Long-term portion	143	1 061
Short-term portion	1 081	2 803
	<b>1 224</b>	<b>3 864</b>

Acquisition-related liabilities represent purchase considerations owing in respect of acquisitions. The purchase considerations are to be settled with the vendors in cash or shares on achievement of agreed performance criteria. The amounts owing are interest-free.

Acquisition-related liabilities are classified as financial liabilities designated at fair value through profit or loss. They are classified as level 3 financial instruments, whose fair value measurements are derived from inputs that are unobservable for the liability. Movements are presented in the statement of comprehensive income as acquisition-related fair value adjustments.

### Logicalis International

On 1 June 2021, Logicalis Networks GmbH, acquired Siticom GmbH a leading 5G integrator based in Germany, for a consideration of EUR6.2 million (US\$7.4 million). At the acquisition date there were two options for Logicalis International to repurchase this minority stake for an agreed amount of up to EUR8.8 million (approximately US\$9.3 million), the second option of US\$2.9 million was settled in FY24. A potential maximum earn out of EUR1.0 million (equivalent of US\$1.1 million), subject to certain performance conditions, is outstanding as at 29 February 2024. As at 29 February 2024, US\$0.1 million relates to Logicalis International BBBEE scheme in South Africa.



Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>27. Deferred revenue</b>		
Non-current	43 387	27 415
Current	157 900	160 806
	<b>201 287</b>	188 221
Changes during the year:		
At the beginning of the year	188 221	156 102
Changes due to new contracts and revenue recognised that was included in the contract liability balance at the beginning of the year*	255 218	204 905
Changes due to business combinations	641	8 037
Change in estimation of transaction price	(646)	(933)
Disposal of discontinued operations	—	(5 065)
Other adjustments	(399)	378
Change in the time frame for a right to consideration to become unconditional	(61)	(5 404)
Amounts recognised during the year	(244 585)	(162 969)
Translation and other movements	2 898	(6 830)
	<b>201 287</b>	188 221

\*The current year amount includes US\$114.5 million recognised as revenue during the year that was included in the deferred revenue opening balance

Deferred revenue relates to payments received from customers where there is still a commitment to complete the performance obligation. As at 29 February 2024, 60% of unsatisfied performance obligations are expected to be recognised within the next 12 months. Revenue is only recognised once the performance obligation has been satisfied/partially satisfied.

	2024 US\$'000	2023 US\$'000
<b>28. Bank overdrafts</b>		
<b>Bank overdrafts unconditionally repayable on demand</b>	53 496	71 897
Logicalis International	24 562	27 258
Logicalis Latin America	28 934	44 639
<b>Bank overdrafts repayable on demand under certain conditions (Note 36)</b>	125 481	124 465
Westcon International	8 603	7 108
Logicalis International	116 878	114 817
Logicalis Latin America	—	2 540
	<b>178 977</b>	196 362

Region	Facility currency	Facility limit		2024
		US\$'000	Interest rate	Overdraft US\$'000
<b>Westcon International</b>				<b>8 603</b>
<b>Bank overdrafts repayable on demand under certain conditions</b>				<b>8 603</b>
UAE	US\$	15 000	Emirates Interbank Offered Rate ("EIBOR") (three-month) + 2.50% (7.74% as at 29 February 2024).	7 967
Indonesia	US\$	3 000	For IDR drawings, bank best lending rate minus 5.20% (10.80% average as at 29 February 2024).	636

Only facilities that have been drawn at 29 February 2024 have been included in the table above. There are further facilities available to be drawn upon, which together with the outstanding facilities above, amounts to total facilities of US\$31.3 million (FY23: US\$31.2 million). US\$8.6 million (FY23: US\$7.1 million) was drawn at year-end. As at 29 February, there were restrictions of US\$nil (FY23: US\$nil). The net availability of the facilities is US\$22.7 million (FY23: US\$24.1 million). The net availability does not include any cash sources in Westcon International. US\$nil (FY23: US\$nil) of trade receivables are pledged as collateral against bank overdrafts.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

28. Bank overdrafts (continued)

Region	Facility currency	Facility limit		2024
		US\$'000	Interest rate	Overdraft US\$'000
<b>Logicalis International</b>				<b>141 440</b>
<b>Bank overdrafts unconditionally repayable on demand</b>				<b>24 562</b>
UK, Channel Islands and Germany	Various	–*	Interest rates vary based on the amounts drawn down. This is not an additional facility. This overdraft is offset by cash in a pooling agreement.	<b>24 163</b>
Indonesia	IDR	6 400	9.00% as at 29 February 2024.	<b>399</b>
<b>Bank overdrafts repayable on demand under certain conditions</b>				<b>116 878</b>
UK	Various	115 693	SOFR**, SONIA**, BBSW**, EURIBOR** and SORA** (dependent on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage.  <ul style="list-style-type: none"> <li>This facility matures in November 2026 after a four-year term.</li> <li>The facility includes leverage and interest cover covenants which are tested quarterly.</li> </ul>	<b>113 108</b>
South Africa	ZAR	3 678	11.00% as at 29 February 2024.	<b>3 678</b>
South Africa	ZAR	104	Prime plus 6.2% (17.00% as at 29 February 2024).  <ul style="list-style-type: none"> <li>This facility has no specified maturity date.</li> </ul>	<b>92</b>

\* The total facility limit applies to an account with cash pooling.

\*\* SOFR – Secured Overnight Financing Rate.

SONIA – Sterling Overnight Interbank Average Rate.

BBSW – Bank Bill Swap Rate.

EURIBOR – Euro Interbank Offered Rate.

SORA – Singapore Overnight Rate Average.

Only facilities that have been drawn at 29 February 2024 have been included in the table above. There are further facilities available, which together with the drawn facilities above on all Logicalis International bank overdrafts, excluding unlinked overdrafts, amounts to total facilities of US\$140.6 million (FY23: US\$132.7 million). Furthermore, there are US\$141.4 million of overdrafts (FY23: US\$142.1 million) at year-end. No restrictions apply to the facilities. The net availability of all facilities, excluding unlinked overdrafts is US\$23.3 million (FY23: US\$14.3 million). The net availability does not include any cash sources in Logicalis International.

Region	Facility currency	Facility limit		2024
		US\$'000	Interest rate	Overdraft US\$'000
<b>Logicalis Latin America</b>				<b>28 934</b>
<b>Bank overdrafts unconditionally repayable on demand</b>				<b>28 934</b>
Brazil	BRL	12 054	CDI (Interbank deposit rate) + 2.70% (13.85% at 29 February 2024)	<b>12 054</b>
Brazil	US\$	6 004	This is a fixed rate of 8.10%.	<b>6 004</b>
Brazil	US\$	4 026	This is a fixed rate of 8.00%.	<b>4 026</b>
Brazil	BRL	608	CDI (Interbank deposit rate) + 3.29% (13.55% at 29 February 2024).	<b>608</b>
Chile	US\$	1 000	This is a fixed rate of 10.09%.	<b>794</b>
Chile	US\$	14 000	This is a fixed rate of 10.28%.	<b>5 448</b>

Only facilities that have been drawn at 29 February 2024 have been included in the table above. There are further facilities available, which together with the drawn facilities above on all Logicalis Latin America bank overdrafts, amounts to total facilities of US\$151.0 million (FY23: US\$83.6 million). US\$28.9 million of overdrafts (FY23: US\$47.2 million) at year-end. No restrictions apply to the facilities. The net availability of all facilities is US\$122.1 million (FY23: US\$36.4 million). The net availability does not include any cash sources in Logicalis Latin America.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

28. Bank overdrafts (continued)

Region	Facility currency	Facility limit US\$'000	Interest rate	2023 Overdraft US\$'000
<b>Westcon International</b>				7 108
<b>Bank overdrafts repayable on demand under certain conditions</b>				7 108
UAE	US\$	15 000	EIBOR (three-month) + 2.25% (7.14% as at 28 February 2023).	5 388
Indonesia	US\$	11 000	For IDR drawings, bank best lending rate minus 5.20% (9.00% average as at 28 February 2023).	1 720
<b>Logicalis International</b>				142 075
<b>Bank overdrafts unconditionally repayable on demand</b>				27 258
UK and Channel Islands	Various	–*	Interest rates vary based on the amounts drawn down. This is not an additional facility. This overdraft is offset by cash in a pooling agreement.	23 660
South Africa	ZAR	3 801	10.00% as at 28 February 2023.	3 598
<b>Bank overdrafts repayable on demand under certain conditions</b>				114 817
UK	Various	115 559	SOFR**, SONIA**, BBSW**, EURIBOR** and SORA** (dependent on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage.  <ul style="list-style-type: none"> <li>• This facility matures in November 2026 after a four-year term.</li> <li>• The facility includes EBITDA and interest cover covenants which are tested quarterly.</li> </ul>	114 771
South Africa	ZAR	109	Prime plus 6.2% (17.00% as at 28 February 2023).  <ul style="list-style-type: none"> <li>• This facility has no specified maturity date.</li> </ul>	46

\* The total facility limit applies to an account with cash pooling.

\*\* SOFR – Secured Overnight Financing Rate. SONIA – Sterling Overnight Interbank Average Rate. BBSW – Bank Bill Swap Rate. EURIBOR – Euro Interbank Offered Rate. SORA – Singapore Overnight Rate Average.

Region	Facility currency	Facility limit US\$'000	Interest rate	2023 Overdraft US\$'000
<b>Logicalis Latin America</b>				47 179
<b>Bank overdrafts unconditionally repayable on demand</b>				44 639
Brazil	BRL	8 323	CDI (Interbank deposit rate) + 3.55% (17.00% at 28 February 2023).	8 323
Brazil	US\$	12 277	Fixed rate of 8.00%.	6 765
Brazil	US\$	6 034	Fixed rate of 8.00%.	6 034
Brazil	BRL	5 401	Fixed rate of 3.00%.	5 401
Brazil	BRL	4 331	Fixed rate of 6.00%.	4 331
Brazil	BRL	4 106	CDI (Interbank deposit rate) + 2.85% (4.00% at 28 February 2023).	4 106
Brazil	BRL	2 536	Fixed rate of 3%.	2 536
Brazil	BRL	2 206	CDI (Interbank deposit rate) + 3.95% (18.00% at 28 February 2023).	2 206
Brazil	BRL	918	CDI (Interbank deposit rate) + 3.49% (17.00% at 28 February 2023).	918
Chile	US\$	14 000	Interest free.	3 093
Chile	US\$		* Fixed rate of 11.00%.	926
<b>Bank overdrafts repayable on demand under certain conditions</b>				2 540
Chile	US\$	2 540	Fixed rate of 8.00%.	2 540

\* The total facility limit applies to an account with cash pooling.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 29. Contingent liabilities, guarantees and litigation

Datatec and its subsidiaries have issued, in the ordinary course of business, guarantees to third parties in respect of finance and trading facilities and guarantees for lease commitments.

As at 28 February 2023, Logicalis International had a contingent liability in respect of a possible withholding tax obligation at its subsidiary in Indonesia, PT. Packet Systems Indonesia ("PSI"). The Indonesian Tax Authority had raised withholding tax assessments in relation to purchases of vendor software and warranties which have been resold to customers. Withholding tax notices have been issued for each month in the calendar year 2016 and the first two months of the calendar year 2018. Objections had been filed by the company in respect of these periods with the Indonesian Tax Court. During the current financial year, the Indonesian Tax Court concluded on the objections which resulted in PSI recognising a charge of US\$1.8 million and settled the respective payment notices issued by the Indonesian Tax Authority. As at 29 February 2024 there is no contingent liability.

The Group has certain contingent liabilities resulting from litigation and claims. Management believes, after taking legal advice where appropriate on the probable outcome of these contingencies, that none of these contingencies will materially affect the financial position or the results of operations of the Group.

## 30. Related-party transactions

Sales and purchases between Group companies are concluded on normal commercial terms in the ordinary course of business. For the year ended 29 February 2024, the inter-group sales of goods and provision of services amounted to US\$51.3 million (FY23: US\$71.1 million), which are eliminated on consolidation. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

	2024 US\$'000	2023 US\$'000
<b>Key management personnel compensation:</b>		
Short-term employee benefits	8 270	8 257
Post-employment benefits	304	284
Share-based payments	183	14 181
	<b>8 757</b>	22 722

Key management personnel compensation comprises the compensation of 12 (FY23: 12) senior executives of the Group's divisions. The remuneration of Datatec's executive directors is included in Note 3 and in the tables on the following page. There were no prescribed officers in the Company.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

**30. Related-party transactions (continued)**

**Directors' emoluments**

The following tables set out the remuneration of individual directors who held office during FY24 and FY23.

	2024						
	Guaranteed package				STI	LTI	Total
	Basic salary	Pension	Other benefits*	Fees			
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
<b>Executive directors</b>							
JP Montanana	1 272	214	50	—	2 796	1 764	6 096
IP Dittrich	562	84	39	—	670	623	1 978
<b>Total executive directors</b>	<b>1 834</b>	<b>298</b>	<b>89</b>	<b>—</b>	<b>3 466</b>	<b>2 387</b>	<b>8 074</b>
<b>Non-executive directors</b>							
SJ Davidson	—	—	—	101	—	—	101
S Everaet (appointed 3 October 2023)	—	—	—	30	—	—	30
M Makanjee	—	—	—	238	—	—	238
JF McCartney (retired 27 July 2023)	—	—	—	32	—	—	32
CRK Medlock	—	—	—	89	—	—	89
MJN Njeke	—	—	—	121	—	—	121
LC Rapparini **	—	—	—	194	—	—	194
DS Sita	—	—	—	103	—	—	103
<b>Total non-executive directors</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>908</b>	<b>—</b>	<b>—</b>	<b>908</b>
<b>Total directors' emoluments</b>	<b>1 834</b>	<b>298</b>	<b>89</b>	<b>908</b>	<b>3 466</b>	<b>2 387</b>	<b>8 982</b>

	2023						
	Guaranteed package				STI	LTI ***	Total
	Basic salary	Pension	Other benefits*	Fees			
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
<b>Executive directors</b>							
JP Montanana	1 200	214	49	—	1 609	8 856	11 928
IP Dittrich	530	84	50	—	385	4 097	5 146
<b>Total executive directors</b>	<b>1 730</b>	<b>298</b>	<b>99</b>	<b>—</b>	<b>1 994</b>	<b>12 953</b>	<b>17 074</b>
<b>Non-executive directors</b>							
SJ Davidson	—	—	—	100	—	—	100
M Makanjee	—	—	—	224	—	—	224
JF McCartney	—	—	—	72	—	—	72
CRK Medlock	—	—	—	84	—	—	84
MJN Njeke	—	—	—	114	—	—	114
LC Rapparini (appointed 1 September 2022) **	—	—	—	138	—	—	138
E Singh-Bushell (resigned 27 July 2022)	—	—	—	45	—	—	45
DS Sita (appointed 1 March 2022)	—	—	—	86	—	—	86
<b>Total non-executive directors</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>863</b>	<b>—</b>	<b>—</b>	<b>863</b>
<b>Total directors' emoluments</b>	<b>1 730</b>	<b>298</b>	<b>99</b>	<b>863</b>	<b>1 994</b>	<b>12 953</b>	<b>17 937</b>

\* Other benefits include private medical insurance, permanent health insurance, life assurance and fuel for private vehicle.

\*\* Fees paid to LC Rapparini in both the current and prior year includes fees paid to him for services rendered to Logicalis LATAM. The total fees paid to non-executive directors will therefore not agree to the fees disclosed in Note 3 - Operating profit.

\*\*\* The Westcon International Equity Appreciation Plan was settled in July 2024 and is included in the LTI disclosures of the directors in 2023.

Note that the non-executive directors' fees shown above excludes VAT.

There has been no change in the directors holding office from 29 February 2024 up to the date of approval of these financial statements.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

**30. Related-party transactions (continued)**

**Conditional Share Plan (“CSP”)**

Grants were made under the CSP in FY24 and FY23 including the following awards to directors:

CSP	Grant date	28 February 2023	Number of awards - movement in 2024				Fair value of awards				
			Granted	Vested	Lapsed	29 February 2024	On grant US\$'000	On grant as % of base pay	On vesting US\$'000	29 February 2024 US\$'000	28 February 2023 US\$'000
JP Montanana	1-Jun-20	1 256 488	—	(1 256 488)	—	—	1 086	95	2 290	—	2 256
	1-Jun-21	834 034	—	—	—	834 034	1 094	91	—	1 764	998
	1-Jun-22	713 605	—	—	—	713 605	1 261	105	—	1 006	854
	1-Jun-23	—	1 008 933	—	—	1 008 933	1 908	150	—	1 422	—
		2 804 127	1 008 933	(1 256 488)	—	2 556 572				4 192	4 108
IP Dittrich	1-Jun-20	443 518	—	(443 518)	—	—	383	76	808	—	796
	1-Jun-21	294 692	—	—	—	294 692	387	73	—	623	353
	1-Jun-22	252 142	—	—	—	252 142	446	84	—	355	302
	1-Jun-23	—	356 490	—	—	356 490	674	120	—	503	—
		990 352	356 490	(443 518)	—	903 324				1 481	1 451

**Deferred Bonus Warrants (“DBW”)**

Under the terms of the DBW plan, the executive directors must defer a minimum of 20% of their bonus and may elect to defer up to 50%. Executive directors deferred part of their FY23 bonuses under the terms of the DBW. The deferred part of the FY23 bonus was used to purchase Datatec “Bonus Shares” which will be held in escrow until vesting. In accordance with the policy, an equal co-investment from the Company was applied to the deferred bonus amount in the form of a grant of Share Appreciation Rights (SARs) whose expected value based on an actuarial calculation is equal to the STI deferred. The Company’s co-investment in the SARs is not disclosed in the LTI element shown in the directors’ remuneration table. Refer to the tables below:

DBW	FY24 grant date	Amount of bonus deferred		Bonus shares purchased US\$'000	SARs granted US\$'000	Fair value of awards on grant US\$'000
		%	US\$'000			
JP Montanana	1-Jun-23	29.4	473	473	473	946
IP Dittrich	1-Jun-23	22.1	85	85	85	170

DBW	FY23 grant date	Amount of bonus deferred		Bonus shares purchased US\$'000	SARs granted US\$'000	Fair value of awards on grant US\$'000
		%	US\$'000			
JP Montanana	15-Aug-22	24.2	624	624	624	1 248
IP Dittrich	15-Aug-22	20.0	124	124	124	248

DBW SARs	Grant date	Grant price ZAR	28 February 2023	Number of awards - movement in 2024				Fair value of awards		
				Granted	Vested	Lapsed	29 February 2024	On grant US\$'000	29 February 2024 US\$'000	28 February 2023 US\$'000
JP Montanana	15-Aug-22	27.75	1 411 860	—	—	—	1 411 860	624	943	408
	1-Jun-23	36.36	—	1 000 000	—	—	1 000 000	822	668	—
			1 411 860	1 000 000	—	—	2 411 860		1 611	408
IP Dittrich	15-Aug-22	27.75	279 701	—	—	—	279 701	124	187	81
	1-Jun-23	36.36	—	180 212	—	—	180 212	148	120	—
			279 701	180 212	—	—	459 913		307	81

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 30. Related-party transactions (continued)

### Westcon International Equity Appreciation Plan ("WI – EAP")

During FY19, Datatec executive directors received one-off awards of units in the Westcon International EAP. The Westcon International EAP crystallised in FY24 based on the valuation of the business as at 1 March 2023 and participants were paid the capped amounts as at 28 February 2023 as stipulated in the table below:

Westcon EAP	Grant date (FY19)	Number of awards	Fair value of awards on grant US\$'000	Grant fair value as a % of base pay	Fair value of awards at 29 February 2024 US\$'000	Fair value of awards at 28 February 2023*	
						Pre-cap US\$'000	Capped US\$'000
JP Montanana	14-Mar-18	30 000	—	—	—	8 614	6 600
IP Dittrich	14-Mar-18	15 000	—	—	—	4 307	3 300

\* The fair value of the EAP units as at 28 February 2023 was US\$287.15, however this value is capped at US\$224.49 per unit in terms of additional restrictions imposed by the Datatec Group Remuneration Committee. Participants were paid the capped amount in FY24.

### Directors' interests in shares

Directors' interests in the ordinary shares of the Company at 29 February 2024 and 28 February 2023 are shown below:

	2024				2023			
	Direct	Indirect	Associates	Total	Direct	Indirect	Associates	Total
<b>Executive directors</b>								
JP Montanana	500 000	36 505 480	—	37 005 480	500 000	31 332 429	—	31 832 429
IP Dittrich	1 213 729	—	—	1 213 729	969 224	—	—	969 224
<b>Non-executive directors</b>								
SJ Davidson	—	—	11 001	11 001	—	—	11 001	11 001
JF McCartney (retired 27 July 2023)	—	—	—	—	—	1 278 877	—	1 278 877
	<b>1 713 729</b>	<b>36 505 480</b>	<b>11 001</b>	<b>38 230 210</b>	<b>1 469 224</b>	<b>32 611 306</b>	<b>11 001</b>	<b>34 091 531</b>

Of Mr Montanana's shareholding, 3 000 000 (FY23: 1 000 000) shares have been pledged as security for certain equity funding transactions.

Directors' interests in ordinary shares of the Company shown above are unchanged from 29 February 2024 to the date of this report. Non-executive directors not shown in the above tables did not hold any Datatec shares in either year. Shares held by executive directors in relation to the DBP and DBW (which are forfeited if they resign from the Company) are included in the above table.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 31. Financial instruments

### 31.1 Financial risk management objectives

The management of financial risks relating to the operations of the Group is in line with the Group's decentralised business model with oversight through divisional audit, risk and compliance committee meetings. This is achieved through the use of internal risk analyses which analyse exposures by likelihood and magnitude of risks. These risks include market risk (including currency and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by matching assets and liabilities as far as possible or using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's internal policies applicable at subsidiary level. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

When appropriate, management reports regularly to the Group's Audit, Risk and Compliance Committee.

The Group's financial assets and liabilities consist mainly of net cash resources, accounts receivable, accounts payable, borrowings and leases.

### 31.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy with respect to the debt and equity balance remains unchanged from FY24, with particular focus placed on the management of overall net debt. The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 21 and 24, bank overdrafts (Note 28), leases disclosed in Note 22, net cash resources (Note 36) and equity attributable to equity holders of the parent, comprising issued capital (Note 20), reserves and retained earnings.

#### Gearing ratio

The Group's capital structure is reviewed on at least a semi-annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the year-end was as follows:

	2024 US\$'000	2023 US\$'000
Long-term interest-bearing liabilities	39 138	41 624
Short-term interest-bearing liabilities	402 256	380 862
Lease liabilities – long-term	45 548	45 412
Lease liabilities – short-term	26 243	27 005
Cash resources	(569 035)	(584 683)
Bank overdrafts	178 977	196 362
<b>Net debt</b>	<b>123 127</b>	106 582
Total equity attributable to the parent	501 233	472 009
<b>Gearing ratio: debt-to-equity ratio</b>	<b>25%</b>	23%
<b>31.3 Categories of financial instruments</b>		
<b>Financial assets</b>		
Financial assets at fair value through profit or loss	8 099	5 080
Financial assets at fair value – designated as cash flow hedges	382	—
Financial assets at amortised cost	2 305 877	2 252 139
<b>Financial liabilities</b>		
Financial liabilities at fair value through profit or loss	1 971	8 802
Financial liabilities at fair value – designated as cash flow hedges	6 249	—
Financial liabilities at amortised cost	2 562 327	2 573 353

There were no transfers between level 1 and level 2 during the year for recurring fair value measurements.

Financial assets and liabilities at fair value – designated as cash flow hedges are included in Other receivables (see Note 18) as part of derivative financial assets and Trade and other payables (see Note 23) as part of sundry payables and accruals respectively. The Group did not have any derivative financial instruments designated as cash flow hedges in the prior year.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 31. Financial instruments (continued)

### 31.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of accounts receivable and, where possible and appropriate, credit insurance cover is purchased. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

There is one customer in Latin America, with a gross value of US\$42.6 million, which represents over 5% of the total balance of trade receivables (FY23: US\$75.7 million). There has not been any change in the credit quality of this receivable and the amount is considered recoverable. The majority of the balance receivable is current and this receivable therefore presents a low credit risk. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with appropriate credit ratings assigned by international or recognised credit rating agencies.

Concentration risk is monitored and addressed by management on an ongoing basis.

The carrying amount of financial assets recorded in the financial statements (see Note 31.3), which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. Further information on the concentration of credit risk is detailed in the following table:

	Level	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>2024</b>							
<b>Financial assets at amortised cost</b>							
Bonds		—	—	—	—	3 959	3 959
Finance lease receivables		—	3 556	37 979	—	—	41 535
Loans granted to third parties and other long-term assets due		—	—	126 635	18 185	2 694	147 514
Gross trade accounts receivable		102 678	134 881	856 153	282 888	141 747	1 518 347
Less: Expected credit loss allowances		(205)	(1 325)	(8 418)	(3 039)	(16 493)	(29 480)
Sundry receivables		8 969	6 071	31 506	5 249	3 172	54 967
Cash resources		43 774	73 975	207 232	169 058	74 996	569 035
<b>Financial assets at fair value through profit or loss</b>							
Derivative financial assets not designated as hedging instruments	2	—	120	7 063	603	313	8 099
<b>Derivative financial assets at fair value - designated as cash flow hedges</b>	2	—	—	382	—	—	382
Maximum on-balance sheet exposure		155 216	217 278	1 258 532	472 944	210 388	2 314 358
Financial guarantees		—	—	—	—	—	—
Contract assets and contract costs		82 972	56 476	65 322	47 524	793	253 087

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 31. Financial instruments (continued)

### 31.4 Credit risk management (continued)

	Level	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>2023</b>							
<b>cost</b>							
Bonds		—	—	—	—	4 677	4 677
Finance lease receivables		—	1 214	19 612	155	—	20 981
Loans granted to third parties and other long-term assets due		326	—	71 561	13 795	1 377	87 059
Gross trade accounts receivable		85 473	160 965	844 043	292 455	153 276	1 536 212
Less: Expected credit loss allowances		—	(619)	(7 902)	(3 392)	(15 829)	(27 742)
Sundry receivables		6 975	13 329	15 729	7 519	2 717	46 269
Cash resources		35 627	56 810	297 553	128 599	66 094	584 683
<b>Financial assets at fair value through profit or loss</b>							
Derivative financial assets not designated as hedging instruments	2	—	649	3 277	1 154	—	5 080
Maximum on-balance sheet exposure		128 401	232 348	1 243 873	440 285	212 312	2 257 219
Financial guarantees		—	—	—	—	—	—
Contract assets and contract costs		88 395	59 577	43 289	52 191	665	244 117

The carrying values of loans granted to third parties, other long-term assets due and sundry receivables balances approximates their fair value, therefore no fair value disclosures are provided.

The internal risk rating of loans granted to third parties and other long-term assets due and other receivables is “low credit risk” and these financial assets are considered to be performing.

The external credit ratings of the Group’s main banks range from lower medium grade to high grade. The external credit risk ratings of bonds is B- stable. There have been no defaults by the Angolan government on bond maturity in the past and the National Bank of Angola has been settling bonds as they fall due.

When measuring expected credit losses, the Group uses publicly available, reasonable forward-looking information. Expected credit losses are based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

For trade receivables, finance lease receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit losses. The Group determines the expected credit losses on these items by using a provision matrix, which takes into consideration the payment profiles of these receivables over a period of 12 months in preceding financial years, the Group’s historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group considers forward-looking information such as known changes in the macroeconomic environment of customers located in a certain geography, the deterioration in the Group’s relationship or discussions with a particular customer. Consideration of these factors enables an estimation of future expected credit losses to be made. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. A default on a receivable occurs when the receivable fails to make contractual payments when they fall due.

The Group’s trade receivables share similar risk characteristics by nature. The default percentages on outstanding trade receivables are determined based on the geographical regions of the trade receivables.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Group recognises lifetime expected credit losses for trade receivables, which are estimated using a provision matrix. This matrix takes into consideration the payment profiles of trade receivables over a period of up to two years in preceding financial years, the Group’s historical credit loss experience, adjusted for factors that are specific to the receivables including insurance held and other securities in place, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 31. Financial instruments (continued)

### 31.4 Credit risk management (continued)

The Group considers forward-looking information such as known changes in the macroeconomic environment of customers located in a certain geography, the deterioration in the Group's relationship or discussions with a particular customer. Consideration of these factors enables an estimation of future expected credit losses to be made. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Particular focus is placed on higher value and aged trade receivables where there are other more specific risk factors. The concentration of credit risk in each of the Group's geographic segments is limited due to the customer base being large and geographically diverse. Accordingly, the directors believe that no further credit loss allowance is required.

Management has concluded that the likelihood of material expected credit losses is low.

Expected credit losses for finance lease receivables and contract assets are negligible. Note 16 includes further details on the loss allowance for trade receivables. There has been no change in the estimation techniques or significant assumptions made during the year in assessing the credit losses for these financial assets.

US\$22.4 million of trade receivables are pledged as collateral against long-term interest-bearing liabilities and US\$842.6 million of trade receivables have been assigned against short-term interest-bearing liabilities (FY23: US\$22.1 million collateral against long-term interest-bearing liabilities and US\$742.5 million of trade receivables assigned against short-term interest-bearing liabilities). Refer to Note 21.1 and Note 24.

There has not been any deterioration or changes in the collateral policies during the year, nor are there any financial instruments for which a loss allowance has not been recognised because of the collateral. The Group does not hold any collateral over its trade receivables balances.

Before accepting any new customer, use is made of local external credit agencies where necessary, to assess the potential customer's credit quality and to define credit limits by customer. All significant customers are vetted by an external credit agency where possible. Limits attributed to customers are reviewed regularly. In certain instances, customers with low credit ratings are investigated further and requests for collateral are made. Credit guarantees are sought for receivables over a certain credit limit. The Group makes use of credit insurance in many of its geographies.

US\$550.7 million of credit insurance is held over trade receivables (FY23: US\$617.0 million). No material expected credit losses have been recognised for any financial assets, other than trade receivables. The Group does not consider there to be any significant credit risk, which has not been adequately provided for at the reporting date.

Furthermore, there has been no material change to the Group's exposure to credit risks or the manner in which it manages and measures the risk.

### 31.5 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities and by continuously monitoring forecast and actual cash flows.

The Group is dependent on its bank overdrafts and trade finance facilities to operate. These facilities generally consist of either a fixed term or fixed period and may be repayable on demand and are secured against the assets of the company to which the facility is made available. These facilities contain certain covenants including financial covenants such as minimum liquidity, maximum leverage and pre-tax earnings coverage. In certain circumstances, if these covenants are violated and a waiver is not obtained for such violation, this may, among other things, mean that the facility may be repayable on demand. Included in Note 28 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Logicalis International is supported by a corporate facility of US\$135.0 million, covering all its operations comprising an acquisition facility and a rolling credit facility to fund working capital requirements. Logicalis, Inc. a subsidiary operating in the United States, has a receivables purchase agreement. This agreement qualifies as a transfer of risks and rewards to the buyer and therefore permits the company to derecognise the relating accounts receivable. There is a finance cost to this company which is based on the individual customer's credit score and credit term of the customer invoices selected for sale. There is an agreed list of customers, each with an individual credit limit which, when combined totals US\$200 million. As at 29 February 2024, US\$0 million had been utilised.

Logicalis Latin America is supported separately via a number of uncommitted overdraft facilities and short-term lending arrangements and is predominantly sourced via Tier 1 banks in Brazil as it is the largest territory in the region.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 31. Financial instruments (continued)

### 31.5 Liquidity risk management (continued)

Westcon International has an invoice assignment facility of €390.6 million for its European subsidiaries, as well as an extended payables facility of US\$71.5 million. Westcon International has a securitisation facility of US\$130.0 million for its Asia-Pacific facilities. In addition, Westcon International utilises accounts receivable facilities in the Middle East (US\$15.0 million) and Indonesia (US\$11.0 million) as well as overdraft facilities in Europe (€4.0 million) and Africa (US\$1.0 million), and a securitisation facility in South Africa (ZAR200.0 million).

The Group continues to monitor the funding needs of its individual operations and works closely with various financial institutions to ensure adequate liquidity.

All externally imposed covenants have been complied with during the financial year. The Group has performed covenant projections for the next 12 months to confirm that banking covenants are expected to be met.

The following tables detail the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Level	0-1 year US\$'000	1-2 years US\$'000	2-5 years US\$'000	After 5 years US\$'000	Total US\$'000
<b>2024</b>						
<b>Financial liabilities at amortised cost</b>						
Long-term interest-bearing liabilities		28 786	33 720	5 413	5	67 924
Other non-current liabilities		—	47 467	20 333	831	68 631
Lease liabilities		26 243	16 962	24 017	4 569	71 791
Trade payables		1 509 890	—	—	—	1 509 890
Other payables and other financial liabilities*		291 644	—	—	—	291 644
Short-term interest-bearing liabilities		373 470	—	—	—	373 470
Bank overdrafts		178 977	—	—	—	178 977
<b>Financial liabilities at fair value through profit or loss</b>						
Acquisition-related liabilities	3	1 081	143	—	—	1 224
Derivative financial liabilities not designated as hedging instruments	2	1 971	—	—	—	1 971
<b>Derivative financial assets at fair value - designated as cash flow hedges</b>						
	3	6 249	—	—	—	6 249
		<b>2 418 311</b>	<b>98 292</b>	<b>49 763</b>	<b>5 405</b>	<b>2 571 771</b>
Financial guarantees/commitments		—	—	—	—	—
<b>2023</b>						
<b>Financial liabilities at amortised cost</b>						
Long-term interest-bearing liabilities		21 150	24 178	17 371	75	62 774
Other non-current liabilities		—	40 998	27 946	—	68 944
Lease liabilities		27 005	17 935	21 669	5 808	72 417
Trade payables		1 515 478	—	—	—	1 515 478
Other payables and other financial liabilities*		297 666	—	—	—	297 666
Short-term interest-bearing liabilities		359 712	—	—	—	359 712
Bank overdrafts		196 362	—	—	—	196 362
<b>Financial liabilities at fair value through profit or loss</b>						
Acquisition-related liabilities	3	2 803	1 061	—	—	3 864
Derivative financial liabilities not designated as hedging instruments	2	8 802	—	—	—	8 802
		<b>2 428 978</b>	<b>84 172</b>	<b>66 986</b>	<b>5 883</b>	<b>2 586 019</b>
Financial guarantees/commitments		—	—	—	—	—

\* Other payables per Note 23 of US\$507.1 million (FY23: US\$556.5 million) less VAT/sales tax of US\$69.6 million (FY23: US\$39.5 million), short-term portion of share-based payments of US\$2.5 million (FY23 US\$63.5 million), sundry accruals and payables which are not financial liabilities of US\$135.2 million (FY23: US\$147.0 million), and derivative financial liabilities which are disclosed separately of US\$8.2 million (FY23: US\$8.8 million).

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 31. Financial instruments (continued)

### 31.5 Liquidity risk management (continued)

The Group continues to actively monitor its exposure to liquidity risks and the manner in which it manages and measures the risk, particularly the inherent counterparty risk which may arise through the Group's dealings with financial institutions.

### 31.6 Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see Note 31.7) and interest rates (see Note 31.8). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risk, including:

- forward foreign exchange contracts ("FECs") to hedge the exchange rate risk arising on transactions denominated in foreign currency; and
- interest rate swaps to mitigate the risk of rising interest rates.

There has been no material change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

### 31.7 Foreign exchange risk management

The Group operates in the global business environment and undertakes many transactions denominated in foreign currencies which exposes it to the risk of fluctuating exchange rates. The day-to-day management of foreign currency exchange risk is performed on a decentralised basis, within approved policy parameters and through the use of derivative instruments. These instruments primarily comprise FECs and zero cost collars. FECs require a future purchase or sale of foreign currency at a specified price. The Group does not trade in FECs for speculative purposes.

Fluctuations in exchange rates also affect the translation of the profits of subsidiaries whose functional currency is not the US Dollar. The most significant other currencies in which the Group trades are the Pound Sterling, the Euro, the Brazilian Real, the Australian Dollar and the South African Rand.

#### 31.7.1 Foreign currency exposure analysis

The Group's operating companies operate in the global business environment and undertakes many transactions denominated in foreign currencies. Westcon International is exposed to the risk of fluctuating exchange rates and seeks to actively manage this exposure, within approved policy parameters and through the use of derivative instruments. These instruments primarily comprise forward exchange and option contracts. Forward exchange contracts require a future purchase or sale of foreign currency at a specified price. Option-based contracts offer protection beyond a certain level, or provide exposure beyond a certain level in return for premiums which enhance the level available in the market.

The Group's operating companies have financial assets and liabilities that are denominated in multiple currencies, in many instances currencies other than their functional currencies. Differences arising from the translation of these foreign currency denominated financial assets and liabilities are recognised in the statement of comprehensive income as foreign exchange gains and/or losses.

To determine the exposures and movements referenced below, financial assets and liabilities are split between items denominated in functional currency and items not denominated in functional currency across the different entities and regions across the Group. The net balance of items that are not denominated in functional currency and that are not hedged represents the net foreign exchange exposure in each division. The applicable change that represents management's assessment of the reasonably possible change in foreign exchange rates, is 10%. Foreign exchange rates in the Group vary due to the large number of geographic locations and fluctuate more in certain regions due to economic uncertainty, particularly in emerging markets. Therefore, 10% has been chosen for the sensitivity analyses as it represents a reasonable average year-on-year movement in the exchange rates across the various regions in the Group.

#### Westcon International

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of Westcon International. In addition, the foreign exchange gains and losses in the statement of comprehensive income were reviewed to identify the regions with potential exposures. Where no natural hedges occur, Westcon International is adequately hedged in most regions. The total exposure is US\$42.9 million (FY23: US\$54.5 million). A 10% movement will result in a US\$4.3 million (FY23: US\$5.5 million) movement in the statement of comprehensive income. Westcon International's most significant exposures are to the US Dollar, British Pound and Euro.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 31. Financial instruments (continued)

### 31.7 Foreign exchange risk management (continued)

#### 31.7.1 Foreign currency exposure analysis (continued)

##### Logicalis International

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of Logicalis International. In addition the foreign exchange gains and losses in the statement of comprehensive income were reviewed to identify the regions with potential exposures. The total exposure is US\$34.2 million (FY23: US\$36.1 million). A 10% movement will result in a US\$3.4 million movement (FY23: US\$3.6 million) in the statement of comprehensive income. Logicalis International's largest exposures are to the US Dollar and Euro.

##### Logicalis Latin America

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of Logicalis Latin America. In addition the foreign exchange gains and losses in the statement of comprehensive income were reviewed to identify the regions with potential exposures. The total exposure is US\$17.9 million (FY23: US\$56.1 million). A 10% movement will result in a US\$1.8 million movement (FY23: US\$5.6 million) in the statement of comprehensive income. Logicalis Latin America's largest exposures are to the US Dollar, Argentinian Peso and Brazilian Real.

##### Corporate

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of the Corporate segment. The total exposure, mostly to the British Pound and South African Rand, is US\$21.2 million (FY23: US\$18.5 million). A 10% movement will result in a US\$2.1 million movement (FY23: US\$1.9 million) in the statement of comprehensive income.

#### 31.7.2 Forward foreign exchange and option contracts

It is the policy of the Group to enter into FECs and options to cover certain specific foreign currency payments and receipts based on the known exposure generated. The Group also enters into FECs and options to manage the risk associated with anticipated sales and purchase transactions, with FECs ranging up to approximately six months and with cover up to 100% of the anticipated exposure generated. Obligations under open FEC contracts are detailed in Notes 31.4 and 31.5, as derivative financial assets/liabilities at fair value through profit or loss (for derivatives not designated as hedging instruments) or derivative assets/ liabilities at fair value - designated as cash flow hedges.

The effective portion of the gain or loss on those contracts which are designated as cash flow hedges of forecast or firmly committed foreign currency purchases and sales is recognised in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Income Statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. US\$11.9 million was recycled from the cash flow hedge reserve to profit or loss (net debit to profit or loss) during the current year. Where derivative contracts are used to hedge forecast transactions, the Group designates the change in fair value relating to only the spot component as the hedging instrument. A dynamic risk management approach is applied with designations revised on a monthly basis in order to allow for the management of costs of hedging. The hedged cash flows and hedging derivatives share the same spot risks which have historically dominated the change in value of future foreign currency cash flows, therefore an economic relationship is expected to exist while maintaining a hedge ratio of 1:1 between the items.

A high degree of hedge effectiveness is expected provided counterparty non-performance risks remain low and the amount of the forecasted cash flows remains higher than the designated hedged amount. Hedge effectiveness is assessed using the hypothetical derivative method. The ineffective portion relating to foreign currency derivative contracts is recognised within the operating expenses line item. No hedge ineffectiveness was recognised in the current year.

The fair value of cash flow hedge-designated option contracts is divided into:

- Intrinsic value- which is determined by the difference between the strike price and the current market price of the underlying; and
- Time value- which is the residual value of the option and reflects the volatility of the price of the underlying and the time remaining to maturity.

The Group designates the intrinsic value of eligible foreign currency options for cash flow hedge accounting purposes. The intrinsic value of designated foreign currency options is initially deferred in the cash flow hedge reserve and released to profit or loss at the same time and in the same line item as the hedged cash flow. Changes in the time value of such options are recognised immediately in profit or loss within the operating expenses line item.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 31. Financial instruments (continued)

### 31.7 Foreign exchange risk management (continued)

#### 31.7.2 Forward foreign exchange and option contracts (continued)

The effect of cash flow hedge accounting on:

- the statement of financial position are shown in Note 31.3;
- the statement of comprehensive income and statement of changes in equity are shown in the statement of change in equity.

### 31.8 Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates and defined risk appetite (see Note 31.5).

#### Interest rate sensitivity analyses

The analyses below sets out the sensitivity of the Group's variable rate financial assets and liabilities to movements in the applicable interest rates based on an average outstanding asset or liability exposed to variable interest rates calculated for the year across the various entities and regions across the Group. The applicable increase or decrease that represents management's assessment of the reasonably possible change in interest rates, is a 10% increase in the applicable variable interest rates. Interest rates in the Group vary due to the large number of geographic locations.

Interest rates fluctuate more in certain regions due to economic uncertainty, particularly in emerging markets. Therefore, 10% has therefore been chosen for the sensitivity analyses as it represents a reasonable average expected change in interest rates across the various regions in the Group.

#### Interest rate sensitivity analyses

##### Datatec Group

- profit for the year ended 29 February 2024 would decrease by a net amount of US\$4.89 million (FY23: US\$2.73 million decrease).

##### Westcon International

- profit for the year ended 29 February 2024 would decrease by a net amount of US\$3.76 million (FY23: US\$1.72 million decrease).

##### Logicalis International

- profit for the year ended 29 February 2024 would decrease by a net amount of US\$0.90 million (FY23: US\$0.72 million decrease).

##### Logicalis Latin America

- profit for the year ended 29 February 2024 would decrease by a net amount of US\$0.23 million (FY23: US\$0.34 million decrease).

##### Corporate

- profit for the year ended 29 February 2024 would increase by a net amount of US\$0.04 million (FY23: US\$0.05 million decrease).

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	Note	2024 US\$'000	2023* US\$'000
<b>32. Cash generated from operations</b>			
<b>Profit before taxation</b>		<b>76 465</b>	98 383
<b>Adjustment for:</b>			
Unrealised foreign exchange losses	3	<b>15 928</b>	9 115
Share-based payments	2	<b>8 277</b>	55 267
Share of equity-accounted investment earnings	12.1	<b>(251)</b>	(882)
Depreciation and amortisation	3	<b>61 229</b>	69 025
Loss on disposal of property, plant and equipment and software		<b>440</b>	55
Loss on disposal of right-of-use asset		<b>1 037</b>	367
Net movement in provisions	26	<b>12 674</b>	16 791
Net movements on expected credit loss allowances		<b>3 130</b>	4 455
Acquisition-related fair value adjustments	25	<b>143</b>	(38)
Movement in inventory provision		<b>4 877</b>	(1 043)
Cash payments to settle share-based payment obligations		<b>(59 344)</b>	—
Non-cash movement on multi-year contracts		<b>4 273</b>	272
Profit on disposal of Analysys Mason		—	(109 915)
Profit on disposal of investment	12.1	—	(2 915)
Fair value gain on equity-accounted investment		<b>(14 901)</b>	—
Loss on disposal of investment	12.1	—	1 392
Impairment of right-of-use assets	9	—	7 990
Impairment of capitalised development expenditure	10.1	—	3 563
Interest income	4	<b>(13 749)</b>	(8 500)
Finance costs**	4	<b>68 715</b>	46 836
Non-cash movement on unrealised foreign exchange hedge		<b>7 401</b>	—
Other non-cash items		<b>(8 565)</b>	1 391
<b>Operating profit before working capital changes</b>		<b>167 779</b>	191 609
<b>Working capital changes:</b>		<b>29 583</b>	(25 542)
Decrease/(Increase) in inventories		<b>41 419</b>	(109 055)
Decrease/(Increase) in receivables		<b>35 089</b>	(347 606)
(Decrease)/Increase in payables		<b>(45 057)</b>	484 124
Increase in contract assets and contract costs		<b>(11 425)</b>	(89 989)
Increase in deferred revenue		<b>9 557</b>	36 984
(Increase)/decrease in finance lease receivables		<b>(19 195)</b>	6 585
(Increase)/decrease in other non-current assets		<b>(2 597)</b>	754
		<b>175 570</b>	173 406

\* Prior year comparative figures include both continuing and discontinued operations.  
\*\* Includes non-cash accruals.

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
<b>33. Taxation paid</b>		
Net taxation asset at the beginning of the year	2 466	4 995
Subsidiaries acquired	7	(14)
Disposal of discontinued operations	—	1 633
Charge to profit and loss from continued operations (excluding deferred tax)	(36 340)	(26 925)
Charge to profit and loss for discontinued operations (excluding deferred tax)	—	(1 465)
Other movements and translation differences	867	60
Net taxation liability/(asset) at the end of the year	5 892	(2 466)
	<b>(27 108)</b>	<b>(24 182)</b>
<b>Net taxation</b>		
Current tax assets	25 981	19 390
Current tax liability	(31 873)	(16 924)
	<b>(5 892)</b>	<b>2 466</b>
<b>34. Additions to property, plant and equipment</b>		
<b>Maintenance of operations:</b>		
Office furniture, equipment and motor vehicles	1 522	1 305
Computer equipment	10 304	11 118
Leasehold improvements	2 182	476
Land and buildings	155	71
<b>Expansion of operations:</b>		
Office furniture, equipment and motor vehicles	896	379
Computer equipment	5 690	3 848
Leasehold improvements	23	1 129
	<b>20 772</b>	<b>18 326</b>
<b>35. Cash flow additional notes</b>		
<b>35.1 Translation difference on cash and cash equivalents</b>		
Translation differences on cash and cash equivalents are calculated on the combined cash resources and bank overdrafts that are unconditionally repayable on demand of companies that hold cash in currencies other than the US Dollar.	<b>(5 241)</b>	1 032

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

35. Cash flow additional notes (continued)

35.2 Reconciliation of liabilities arising from financing activities

	Note	Non-cash changes							Closing balance as at 29 February 2024 US\$'000
		Opening balance as at 1 March 2023 US\$'000	Financing cash inflows* US\$'000	Financing cash outflows* US\$'000	Operating cash outflows US\$'000	Acquisition of subsidiary US\$'000	New leases US\$'000	Foreign currency and other changes US\$'000	
<b>2024</b>									
Acquisition-related liabilities	25	(3 864)	—	2 852	—	—	—	(212)	(1 224)
Long-term interest-bearing liabilities**	21	(62 774)	(77 672)	71 164	1 450	—	—	(92)	(67 924)
Unsecured loans		(37 340)	(50 306)	50 582	203	—	—	(288)	(37 149)
Secured loans		(25 434)	(27 366)	20 582	1 247	—	—	196	(30 775)
Lease liabilities***/*	22	(72 417)	—	30 714	6 937	(27)	(32 263)	(4 735)	(71 791)
Bank overdrafts repayable on demand under certain conditions~	28	(124 465)	—	(1 195)	17 406	—	—	(17 227)	(125 481)
Short-term interest-bearing liabilities	24	(359 712)	(31 878)	15 409	37 069	—	—	(34 358)	(373 470)

\* The cash flows from bank loans and other borrowings make up the net amount of proceeds and repayments in terms of short-term and long-term liabilities in the Group statement of cash flows under financing liabilities.

\*\* Includes current portion (US\$28.8 million – refer to Note 21).

\*\*\* The non-cash movement in leases include finance cost related to finance leases of US\$6.9 million (refer to Note 4), new leases of US\$32.3 million, foreign currency and other movements.

\*\*\*\* Includes current portion (US\$26.2 million – refer to Note 22).

~ Cash flows include US\$6.9 million interest related to lease liabilities and US\$17.4 million interest on bank overdrafts repayable on demand under certain conditions these are included in cash flows from operating activities.

	Note	Non-cash changes							Closing balance as at 28 February 2023 US\$'000	
		Opening balance as at 1 March 2022 US\$'000	Financing cash inflows* US\$'000	Financing cash outflows* US\$'000	Operating cash outflows US\$'000	Acquisition of subsidiary US\$'000	New leases US\$'000	Disposal of discontinued operations US\$'000		Foreign currency and other changes US\$'000
<b>2023</b>										
Acquisition-related liabilities	25	(4 095)	—	4 402	—	(4 894)	—	831	(108)	(3 864)
Long-term interest-bearing liabilities**	21	(81 769)	(58 296)	72 757	4 307	(69)	—	—	296	(62 774)
Unsecured loans		(38 203)	(41 147)	41 106	2 198	(69)	—	—	(1 225)	(37 340)
Secured loans		(43 566)	(17 149)	31 651	2 109	—	—	—	1 521	(25 434)
Lease liabilities***/*	22	(94 393)	—	33 872	5 896	—	(18 712)	4 093	(3 173)	(72 417)
Bank overdrafts repayable on demand under certain conditions~	28	(128 606)	—	2 316	18 406	—	—	—	(16 581)	(124 465)
Short-term interest-bearing liabilities	24	(241 288)	(136 201)	10 118	16 292	—	—	—	(8 633)	(359 712)

\* The cash flows from bank loans and other borrowings make up the net amount of proceeds and repayments in terms of short-term and long-term liabilities in the Group statement of cash flows under financing liabilities.

\*\* Includes current portion (US\$21.2 million – refer to Note 21).

\*\*\* The non-cash movement in leases include finance cost related to finance leases of US\$6.0 million (refer to Note 4), of which US\$5.9 million relates to continued operations, new leases of US\$18.7 million, foreign currency and other movements.

\*\*\*\* Includes current portion (US\$27.0 million – refer to Note 22).

~ Cash flows include US\$6.0 million interest related to lease liabilities and US\$18.4 million interest on bank overdrafts repayable on demand under certain conditions these are included in cash flows from operating activities.

## Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	Note	2024 US\$'000	2023 US\$'000
<b>36. Cash and cash equivalents at the end of the year</b>			
Cash resources		569 035	584 683
Bank overdrafts unconditionally repayable on demand	28	(53 496)	(71 897)
<b>Cash and cash equivalents (per the statement of cash flows)</b>		<b>515 539</b>	512 786
Bank overdrafts repayable on demand under certain conditions	28	(125 481)	(124 465)
<b>Net cash resources</b>		<b>390 058</b>	388 321
Bank overdrafts unconditionally repayable on demand		(53 496)	(71 897)
Bank overdrafts repayable on demand under certain conditions		(125 481)	(124 465)
<b>Total bank overdrafts</b>	28	<b>(178 977)</b>	(196 362)

### 37. Segmental report

For management's internal purposes, the Group is currently organised into four operating divisions which are the basis on which the Group reports its primary segmental information.

Principal activities are as follows:

- Westcon International: Value-added technology distributor of industry-leading solutions. Provides class-leading cyber security, network infrastructure, unified collaboration products, data centre solutions, channel support services and financing/leasing solutions for ICT customers;
- Logicalis International and Logicalis Latin America: International solutions providers of digital services; and
- Corporate and Management Consulting: Corporate includes Group head office companies, including the ultimate Logicalis holding company, Logicalis Group Limited and its associated costs, and Group consolidation adjustments. Management Consulting comprises Mason Advisory Limited in the current year as well as Analysys Mason which was disposed of during FY23, whose results are disclosed as discontinued operations in the prior year comparatives.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

The segmental report has been updated in the current and prior year to reflect significant expenses identified in EBITDA.

During FY24 and FY23, there were no customers that individually accounted for over 10% of the Group's revenue. There is one customer in Logicalis Latin America (US\$81.9 million) which accounts for over 10% of Logicalis Latin America's revenue (FY23: US\$180.7 million).

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

**37. Segmental report (continued)**

	<b>Westcon International</b>	
	<b>2024</b>	2023
	<b>US\$'000</b>	US\$'000
<b>37.1 Condensed statement of comprehensive income</b>		
<b>Revenue</b>	<b>3 685 188</b>	3 420 569
Total revenue	<b>3 734 650</b>	3 490 498
Inter-segmental	<b>(49 462)</b>	(69 929)
<b>Gross profit</b>	<b>403 430</b>	328 700
North America	<b>10</b>	119
Latin America	<b>—</b>	—
Europe	<b>234 472</b>	184 891
Asia-Pacific	<b>118 693</b>	107 123
MEA	<b>50 255</b>	36 567
<b>Significant expenses included in EBITDA:</b>		
Staff costs	<b>(212 431)</b>	(199 892)
Share-based payments	<b>794</b>	(36 284)
Restructuring costs	<b>—</b>	—
<b>EBITDA</b>	<b>120 955</b>	48 459
Depreciation and amortisation	<b>(24 711)</b>	(23 367)
Impairment of property, plant and equipment, right-of-use assets and capitalised development expenditure	<b>—</b>	(3 351)
<b>Operating profit</b>	<b>96 244</b>	21 741
Interest income	<b>3 647</b>	1 117
Finance costs	<b>(40 890)</b>	(20 341)
Share of equity-accounted investment earnings/(losses)	<b>—</b>	—
Acquisition-related fair value adjustments	<b>—</b>	—
Other income	<b>2</b>	21
Profit/(loss) on disposal of investment	<b>—</b>	—
<b>Profit/(loss) before taxation</b>	<b>59 003</b>	2 538
Taxation	<b>(11 642)</b>	(6 271)
<b>Profit/(loss) for the year from continuing operations</b>	<b>47 361</b>	(3 733)
Profit for the year from discontinued operations	<b>—</b>	—
<b>Profit/(loss) for the year</b>	<b>47 361</b>	(3 733)

Logicalis International		Logicalis Latin America		Corporate and Management Consulting		Datatec Group Total	
2024	2023	2024	2023	2024	2023	2024	2023
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1 250 203	1 231 517	512 920	491 039	9 636	—	5 457 947	5 143 125
1 251 216	1 232 365	513 743	491 406	(41 662)	(71 144)	5 457 947	5 143 125
(1 013)	(848)	(823)	(367)	51 298	71 144	—	—
338 560	306 318	117 877	109 489	2 369	—	862 236	744 507
117 338	106 269	—	—	—	—	117 348	106 388
—	—	117 877	109 489	—	—	117 877	109 489
134 535	119 436	—	—	2 369	—	371 376	304 327
85 804	77 000	—	—	—	—	204 497	184 123
883	3 613	—	—	—	—	51 138	40 180
(210 194)	(199 625)	(66 402)	(55 170)	(4 622)	(2 690)	(493 649)	(457 377)
(2 390)	(463)	(338)	(504)	(6 343)	(15 390)	(8 277)	(52 641)
—	(12 504)	(2 950)	(2 189)	—	(464)	(2 950)	(15 157)
66 523	50 466	11 528	21 156	(21 417)	(21 835)	177 589	98 246
(27 400)	(37 293)	(8 825)	(7 354)	(293)	(120)	(61 229)	(68 134)
—	(6 578)	—	—	—	(1 691)	—	(11 620)
39 123	6 595	2 703	13 802	(21 710)	(23 646)	116 360	18 492
2 879	1 329	5 381	2 454	1 842	3 584	13 749	8 484
(16 325)	(13 197)	(11 359)	(12 935)	(141)	(101)	(68 715)	(46 574)
—	409	(206)	(645)	457	1 118	251	882
(143)	38	—	—	—	—	(143)	38
—	—	—	—	60	—	62	21
—	(1 392)	—	—	14 901	—	14 901	(1 392)
25 534	(6 218)	(3 481)	2 676	(4 591)	(19 045)	76 465	(20 049)
(12 800)	(1 264)	(142)	(1 391)	(943)	(4 449)	(25 527)	(13 375)
12 734	(7 482)	(3 623)	1 285	(5 534)	(23 494)	50 938	(33 424)
—	—	—	—	—	116 967	—	116 967
12 734	(7 482)	(3 623)	1 285	(5 534)	93 473	50 938	83 543

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

37. Segmental report (continued)

	Westcon International					
	2024					
	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>37.2 Revenue</b>	9	—	2 258 894	949 362	476 923	3 685 188
<b>Revenue from product sales</b>	9	—	2 178 240	920 320	469 051	3 567 620
Revenue from sales of hardware	2	—	1 147 259	486 687	306 381	1 940 329
Revenue from sales of software*	2	—	974 451	454 984	155 081	1 584 518
Revenue from vendor resold services and product maintenance sales	5	—	67 869	15 675	7 932	91 481
Inter-segmental revenue	—	—	(11 339)	(37 026)	(343)	(48 708)
<b>Nature of revenue from product sales</b>	9	—	2 178 240	920 320	469 051	3 567 620
Principal	4	—	2 121 710	941 671	461 462	3 524 847
Agent	5	—	67 869	15 675	7 932	91 481
Inter-segmental	—	—	(11 339)	(37 026)	(343)	(48 708)
<b>Timing of revenue from product sales</b>	9	—	2 178 240	920 320	469 051	3 567 620
At a point in time	9	—	2 189 579	957 346	469 394	3 616 328
Over time	—	—	—	—	—	—
Inter-segmental	—	—	(11 339)	(37 026)	(343)	(48 708)
<b>Revenue from services</b>	—	—	58 876	20 282	5 621	84 779
Revenue from professional services	—	—	59 171	20 728	5 626	85 525
Inter-segmental revenue	—	—	(295)	(446)	(5)	(746)
<b>Nature of revenue from services</b>	—	—	58 876	20 282	5 621	84 779
Principal	—	—	59 171	20 728	5 626	85 525
Agent	—	—	—	—	—	—
Inter-segmental	—	—	(295)	(446)	(5)	(746)
<b>Timing of revenue from services</b>	—	—	58 876	20 282	5 621	84 779
At a point in time	—	—	—	—	—	—
Over time	—	—	59 171	20 728	5 626	85 525
Inter-segmental	—	—	(295)	(446)	(5)	(746)
<b>Revenue from annuity services</b>	—	—	21 778	8 760	2 251	32 789
Revenue from cloud services	—	—	—	—	—	—
Revenue from software services*	—	—	21 786	8 744	2 267	32 797
Revenue from other services	—	—	—	—	—	—
Inter-segmental revenue	—	—	(8)	16	(16)	(8)
<b>Nature of revenue from annuity services</b>	—	—	21 778	8 760	2 251	32 789
Principal	—	—	—	—	—	—
Agent	—	—	21 786	8 744	2 267	32 797
Inter-segmental	—	—	(8)	16	(16)	(8)
<b>Timing of revenue from annuity services</b>	—	—	21 778	8 760	2 251	32 789
At a point in time	—	—	21 786	8 744	2 267	32 797
Over time	—	—	—	—	—	—
Inter-segmental	—	—	(8)	16	(16)	(8)

\* Includes software as a service revenues.

Vendor resold services in Westcon International is included in revenue from product sales as the revenue stream is directly related to the sales of product.

Westcon International 2023					
North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
119	—	2 117 922	841 209	461 319	3 420 569
—	—	2 064 492	820 832	453 620	3 338 944
—	—	1 276 471	445 675	296 706	2 018 852
—	—	771 913	394 633	152 368	1 318 914
—	—	48 646	14 143	7 628	70 417
—	—	(32 538)	(33 619)	(3 082)	(69 239)
—	—	2 064 492	820 832	453 620	3 338 944
—	—	2 048 384	840 308	449 074	3 337 766
—	—	48 646	14 143	7 628	70 417
—	—	(32 538)	(33 619)	(3 082)	(69 239)
—	—	2 064 492	820 832	453 620	3 338 944
—	—	2 097 030	854 451	456 702	3 408 183
—	—	—	—	—	—
—	—	(32 538)	(33 619)	(3 082)	(69 239)
119	—	46 348	17 421	6 098	69 986
119	—	46 686	17 627	6 123	70 555
—	—	(338)	(206)	(25)	(569)
119	—	46 348	17 421	6 098	69 986
119	—	46 686	17 627	6 123	70 555
—	—	—	—	—	—
—	—	(338)	(206)	(25)	(569)
119	—	46 348	17 421	6 098	69 986
—	—	—	—	—	—
119	—	46 686	17 627	6 123	70 555
—	—	(338)	(206)	(25)	(569)
—	—	7 082	2 956	1 601	11 639
—	—	—	—	—	—
—	—	7 110	2 956	1 694	11 760
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)
—	—	7 082	2 956	1 601	11 639
—	—	—	—	—	—
—	—	7 110	2 956	1 694	11 760
—	—	(28)	—	(93)	(121)
—	—	7 082	2 956	1 601	11 639
—	—	7 110	2 956	1 694	11 760
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)

Notes to the Group consolidated annual financial statements continued  
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37. Segmental report (continued)

	Logicalis International					
	2024					
	North America	Latin America	Europe	Asia-Pacific	MEA	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>37.2 Revenue (continued)</b>	<b>386 543</b>	<b>—</b>	<b>491 531</b>	<b>354 518</b>	<b>17 611</b>	<b>1 250 203</b>
<b>Revenue from product sales</b>	<b>280 599</b>	<b>—</b>	<b>245 850</b>	<b>202 489</b>	<b>6 003</b>	<b>734 941</b>
Revenue from sales of hardware	242 727	—	169 935	151 570	5 716	569 948
Revenue from sales of software*	38 022	—	76 687	50 934	363	166 006
Revenue from vendor resold services and product maintenance sales	—	—	—	—	—	—
Inter-segmental revenue	(150)	—	(772)	(15)	(76)	(1 013)
<b>Nature of revenue from product sales</b>	<b>280 599</b>	<b>—</b>	<b>245 850</b>	<b>202 489</b>	<b>6 003</b>	<b>734 941</b>
Principal	262 365	—	227 391	200 389	5 777	695 922
Agent	18 384	—	19 231	2 115	302	40 032
Inter-segmental	(150)	—	(772)	(15)	(76)	(1 013)
<b>Timing of revenue from product sales</b>	<b>280 599</b>	<b>—</b>	<b>245 850</b>	<b>202 489</b>	<b>6 003</b>	<b>734 941</b>
At a point in time	280 749	—	246 622	202 504	6 079	735 954
Over time	—	—	—	—	—	—
Inter-segmental	(150)	—	(772)	(15)	(76)	(1 013)
<b>Revenue from services</b>	<b>42 466</b>	<b>—</b>	<b>103 608</b>	<b>54 325</b>	<b>1 702</b>	<b>202 101</b>
Revenue from professional services	42 466	—	103 608	54 325	1 702	202 101
Inter-segmental revenue	—	—	—	—	—	—
<b>Nature of revenue from services</b>	<b>42 466</b>	<b>—</b>	<b>103 608</b>	<b>54 325</b>	<b>1 702</b>	<b>202 101</b>
Principal	41 819	—	102 862	54 312	1 702	200 695
Agent	647	—	746	13	—	1 406
Inter-segmental	—	—	—	—	—	—
<b>Timing of revenue from services</b>	<b>42 466</b>	<b>—</b>	<b>103 608</b>	<b>54 325</b>	<b>1 702</b>	<b>202 101</b>
At a point in time	647	—	746	13	—	1 406
Over time	41 819	—	102 862	54 312	1 702	200 695
Inter-segmental	—	—	—	—	—	—
<b>Revenue from annuity services</b>	<b>63 478</b>	<b>—</b>	<b>142 073</b>	<b>97 704</b>	<b>9 906</b>	<b>313 161</b>
Revenue from cloud services	33 893	—	11 442	18 147	1 451	64 933
Revenue from software services*	—	—	—	—	—	—
Revenue from other services	29 585	—	130 631	79 557	8 455	248 228
Inter-segmental revenue	—	—	—	—	—	—
<b>Nature of revenue from annuity services</b>	<b>63 478</b>	<b>—</b>	<b>142 073</b>	<b>97 704</b>	<b>9 906</b>	<b>313 161</b>
Principal	46 198	—	129 173	85 175	9 906	270 452
Agent	17 280	—	12 900	12 529	—	42 709
Inter-segmental	—	—	—	—	—	—
<b>Timing of revenue from annuity services</b>	<b>63 478</b>	<b>—</b>	<b>142 073</b>	<b>97 704</b>	<b>9 906</b>	<b>313 161</b>
At a point in time	17 280	—	12 900	12 529	—	42 709
Over time	46 198	—	129 173	85 175	9 906	270 452
Inter-segmental	—	—	—	—	—	—

\* Includes software as a service revenues.

Vendor resold services in Logicalis International is included in revenue from annuity services as the revenue stream is directly related to the generation of recurring revenue.

Logicalis International					
2023					
North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
419 175	—	441 483	352 996	17 863	1 231 517
282 656	—	259 892	208 157	4 531	755 236
223 872	—	205 494	136 250	4 167	569 783
58 784	—	55 189	71 907	421	186 301
—	—	—	—	—	—
—	—	(791)	—	(57)	(848)
282 656	—	259 892	208 157	4 531	755 236
273 858	—	256 071	203 997	4 588	738 514
8 798	—	4 612	4 160	—	17 570
—	—	(791)	—	(57)	(848)
282 656	—	259 892	208 157	4 531	755 236
282 656	—	260 683	208 157	4 588	756 084
—	—	—	—	—	—
—	—	(791)	—	(57)	(848)
40 524	—	104 272	46 988	2 508	194 292
40 524	—	104 272	46 988	2 508	194 292
—	—	—	—	—	—
40 524	—	104 272	46 988	2 508	194 292
39 516	—	103 709	46 985	2 508	192 718
1 008	—	563	3	—	1 574
—	—	—	—	—	—
40 524	—	104 272	46 988	2 508	194 292
1 008	—	563	3	—	1 574
39 516	—	103 709	46 985	2 508	192 718
—	—	—	—	—	—
95 995	—	77 319	97 851	10 824	281 989
58 168	—	23 736	25 913	1 137	108 954
—	—	—	—	—	—
37 827	—	53 583	71 938	9 687	173 035
—	—	—	—	—	—
95 995	—	77 319	97 851	10 824	281 989
79 935	—	65 104	93 750	10 824	249 613
16 060	—	12 215	4 101	—	32 376
—	—	—	—	—	—
95 995	—	77 319	97 851	10 824	281 989
16 060	—	12 215	4 101	—	32 376
79 935	—	65 104	93 750	10 824	249 613
—	—	—	—	—	—

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

37. Segmental report (continued)

	Logicalis Latin America					Total US\$'000
	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	
<b>37.2 Revenue (continued)</b>	—	512 920	—	—	—	512 920
<b>Revenue from product sales</b>	—	292 461	—	—	—	292 461
Revenue from sales of hardware	—	215 343	—	—	—	215 343
Revenue from sales of software*	—	77 941	—	—	—	77 941
Revenue from vendor resold services and product maintenance sales	—	—	—	—	—	—
Inter-segmental revenue	—	(823)	—	—	—	(823)
<b>Nature of revenue from product sales</b>	—	292 461	—	—	—	292 461
Principal	—	287 461	—	—	—	287 461
Agent	—	5 823	—	—	—	5 823
Inter-segmental	—	(823)	—	—	—	(823)
<b>Timing of revenue from product sales</b>	—	292 461	—	—	—	292 461
At a point in time	—	293 284	—	—	—	293 284
Over time	—	—	—	—	—	—
Inter-segmental	—	(823)	—	—	—	(823)
<b>Revenue from services</b>	—	72 657	—	—	—	72 657
Revenue from professional services	—	72 657	—	—	—	72 657
Inter-segmental revenue	—	—	—	—	—	—
<b>Nature of revenue from services</b>	—	72 657	—	—	—	72 657
Principal	—	72 657	—	—	—	72 657
Agent	—	—	—	—	—	—
Inter-segmental	—	—	—	—	—	—
<b>Timing of revenue from services</b>	—	72 657	—	—	—	72 657
At a point in time	—	—	—	—	—	—
Over time	—	72 657	—	—	—	72 657
Inter-segmental	—	—	—	—	—	—
<b>Revenue from annuity services</b>	—	147 802	—	—	—	147 802
Revenue from cloud services	—	4 742	—	—	—	4 742
Revenue from software services*	—	—	—	—	—	—
Revenue from other services	—	143 060	—	—	—	143 060
Inter-segmental revenue	—	—	—	—	—	—
<b>Nature of revenue from annuity services</b>	—	147 802	—	—	—	147 802
Principal	—	147 191	—	—	—	147 191
Agent	—	611	—	—	—	611
Inter-segmental	—	—	—	—	—	—
<b>Timing of revenue from annuity services</b>	—	147 802	—	—	—	147 802
At a point in time	—	611	—	—	—	611
Over time	—	147 191	—	—	—	147 191
Inter-segmental	—	—	—	—	—	—

\* Includes software as a service revenues.

Vendor resold services in Logicalis Latin America is included in revenue from annuity services as the revenue stream is directly related to the generation of recurring revenue.



Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

37. Segmental report (continued)

		Corporate and Management Consulting					
		2024					
		North America	Latin America	Europe	Asia-Pacific	MEA	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>37.2</b>	<b>Revenue (continued)</b>	—	—	9 636	—	—	9 636
	<b>Revenue from product sales</b>	—	—	—	—	—	—
	Revenue from sales of hardware	(150)	(823)	(7 946)	(25 638)	(118)	(34 675)
	Revenue from sales of software*	—	—	(3 898)	(10 617)	(295)	(14 810)
	Revenue from vendor resold services and product maintenance sales	—	—	(267)	(786)	(6)	(1 059)
	Inter-segmental revenue	150	823	12 111	37 041	419	50 544
	<b>Nature of revenue from product sales</b>	—	—	—	—	—	—
	Principal	(150)	(823)	(11 844)	(36 255)	(414)	(49 486)
	Agent	—	—	(267)	(786)	(5)	(1 058)
	Inter-segmental	150	823	12 111	37 041	419	50 544
	<b>Timing of revenue from product sales</b>	—	—	—	—	—	—
	At a point in time	(150)	(823)	(12 111)	(37 041)	(419)	(50 544)
	Over time	—	—	—	—	—	—
	Inter-segmental	150	823	12 111	37 041	419	50 544
	<b>Revenue from services</b>	—	—	9 636	—	—	9 636
	Revenue from professional services	—	—	9 341	(446)	(5)	8 890
	Inter-segmental revenue	—	—	295	446	5	746
	<b>Nature of revenue from services</b>	—	—	9 636	—	—	9 636
	Principal	—	—	9 341	(446)	(5)	8 890
	Agent	—	—	—	—	—	—
	Inter-segmental	—	—	295	446	5	746
	<b>Timing of revenue from services</b>	—	—	9 636	—	—	9 636
	At a point in time	—	—	9 636	—	—	9 636
	Over time	—	—	(295)	(446)	(5)	(746)
	Inter-segmental	—	—	295	446	5	746
	<b>Revenue from annuity services</b>	—	—	—	—	—	—
	Revenue from cloud services	—	—	—	—	—	—
	Revenue from software services*	—	—	(8)	16	(16)	(8)
	Revenue from other services	—	—	—	—	—	—
	Inter-segmental revenue	—	—	8	(16)	16	8
	<b>Nature of revenue from annuity services</b>	—	—	—	—	—	—
	Principal	—	—	—	—	—	—
	Agent	—	—	(8)	16	(16)	(8)
	Inter-segmental	—	—	8	(16)	16	8
	<b>Timing of revenue from annuity services</b>	—	—	—	—	—	—
	At a point in time	—	—	(8)	16	(16)	(8)
	Over time	—	—	—	—	—	—
	Inter-segmental	—	—	8	(16)	16	8

\* Includes software as a service revenues.

Corporate and Management Consulting  
2023

North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
—	—	—	—	—	—
—	—	—	—	—	—
—	(367)	(20 213)	(23 630)	(2 934)	(47 144)
—	—	(12 789)	(10 216)	(170)	(23 175)
—	—	(327)	227	(35)	(135)
—	367	33 329	33 619	3 139	70 454
—	—	—	—	—	—
—	(367)	(33 002)	(33 846)	(3 104)	(70 319)
—	—	(327)	227	(35)	(135)
—	367	33 329	33 619	3 139	70 454
—	—	—	—	—	—
—	(367)	(33 329)	(33 619)	(3 139)	(70 454)
—	—	—	—	—	—
—	367	33 329	33 619	3 139	70 454
—	—	—	—	—	—
—	—	(338)	(206)	(25)	(569)
—	—	338	206	25	569
—	—	—	—	—	—
—	—	(338)	(206)	(25)	(569)
—	—	—	—	—	—
—	—	338	206	25	569
—	—	—	—	—	—
—	—	—	—	—	—
—	—	(338)	(206)	(25)	(569)
—	—	338	206	25	569
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)
—	—	—	—	—	—
—	—	28	—	93	121
—	—	—	—	—	—
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)
—	—	28	—	93	121
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)
—	—	—	—	—	—
—	—	28	—	93	121

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

37. Segmental report (continued)

	Datatec Group Total					
	2024					
	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
<b>37.2 Revenue (continued)</b>	386 552	512 920	2 760 061	1 303 880	494 534	5 457 947
<b>Revenue from product sales</b>	280 608	292 461	2 424 090	1 122 809	475 054	4 595 022
Revenue from sales of hardware	242 579	214 520	1 309 248	612 619	311 979	2 690 945
Revenue from sales of software*	38 024	77 941	1 047 240	495 301	155 149	1 813 655
Revenue from vendor resold services and product maintenance sales	5	—	67 602	14 889	7 926	90 422
Inter-segmental revenue	—	—	—	—	—	—
<b>Nature of revenue from product sales</b>	280 608	292 461	2 424 090	1 122 809	475 054	4 595 022
Principal	262 219	286 638	2 337 257	1 105 805	466 825	4 458 744
Agent	18 389	5 823	86 833	17 004	8 229	136 278
Inter-segmental	—	—	—	—	—	—
<b>Timing of revenue from product sales</b>	280 608	292 461	2 424 090	1 122 809	475 054	4 595 022
At a point in time	280 608	292 461	2 424 090	1 122 809	475 054	4 595 022
Over time	—	—	—	—	—	—
Inter-segmental	—	—	—	—	—	—
<b>Revenue from services</b>	42 466	72 657	172 120	74 607	7 323	369 173
Revenue from professional services	42 466	72 657	172 120	74 607	7 323	369 173
Inter-segmental revenue	—	—	—	—	—	—
<b>Nature of revenue from services</b>	42 466	72 657	172 120	74 607	7 323	369 173
Principal	41 819	72 657	171 374	74 594	7 323	367 767
Agent	647	—	746	13	—	1 406
Inter-segmental	—	—	—	—	—	—
<b>Timing of revenue from services</b>	42 466	72 657	172 120	74 607	7 323	369 173
At a point in time	647	—	10 382	13	—	11 042
Over time	41 819	72 657	161 738	74 594	7 323	358 131
Inter-segmental	—	—	—	—	—	—
<b>Revenue from annuity services</b>	63 478	147 802	163 851	106 464	12 157	493 752
Revenue from cloud services	33 893	4 742	11 442	18 147	1 451	69 675
Revenue from software services*	—	—	21 778	8 760	2 251	32 789
Revenue from other services	29 585	143 060	130 631	79 557	8 455	391 288
Inter-segmental revenue	—	—	—	—	—	—
<b>Nature of revenue from annuity services</b>	63 478	147 802	163 851	106 464	12 157	493 752
Principal	46 198	147 191	129 173	85 175	9 906	417 643
Agent	17 280	611	34 678	21 289	2 251	76 109
Inter-segmental	—	—	—	—	—	—
<b>Timing of revenue from annuity services</b>	63 478	147 802	163 851	106 464	12 157	493 752
At a point in time	17 280	611	34 678	21 289	2 251	76 109
Over time	46 198	147 191	129 173	85 175	9 906	417 643
Inter-segmental	—	—	—	—	—	—

\* Includes software as a service revenues.

Datatec Group Total 2023					
North America	Latin America	Europe	Asia- Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
419 294	491 039	2 559 405	1 194 205	479 182	5 143 125
282 656	275 417	2 324 384	1 028 989	458 151	4 369 597
223 872	186 447	1 461 752	558 295	297 939	2 728 305
58 784	88 970	814 313	456 324	152 619	1 571 010
—	—	48 319	14 370	7 593	70 282
—	—	—	—	—	—
282 656	275 417	2 324 384	1 028 989	458 151	4 369 597
273 858	272 611	2 271 453	1 010 459	450 558	4 278 939
8 798	2 806	52 931	18 530	7 593	90 658
—	—	—	—	—	—
282 656	275 417	2 324 384	1 028 989	458 151	4 369 597
282 656	275 417	2 324 384	1 028 989	458 151	4 369 597
—	—	—	—	—	—
—	—	—	—	—	—
40 643	61 506	150 620	64 409	8 606	325 784
40 643	61 506	150 620	64 409	8 606	325 784
—	—	—	—	—	—
40 643	61 506	150 620	64 409	8 606	325 784
39 635	61 280	150 057	64 406	8 606	323 984
1 008	226	563	3	—	1 800
—	—	—	—	—	—
40 643	61 506	150 620	64 409	8 606	325 784
1 008	226	563	3	—	1 800
39 635	61 280	150 057	64 406	8 606	323 984
—	—	—	—	—	—
95 995	154 116	84 401	100 807	12 425	447 744
58 168	1 400	23 736	25 913	1 137	110 354
—	—	7 082	2 956	1 601	11 639
37 827	152 716	53 583	71 938	9 687	325 751
—	—	—	—	—	—
95 995	154 116	84 401	100 807	12 425	447 744
79 935	149 480	65 104	93 750	10 824	399 093
16 060	4 636	19 297	7 057	1 601	48 651
—	—	—	—	—	—
95 995	154 116	84 401	100 807	12 425	447 744
16 060	4 636	19 297	7 057	1 601	48 651
79 935	149 480	65 104	93 750	10 824	399 093
—	—	—	—	—	—

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

37. Segmental report (continued)

	Westcon International	
	2024 US\$'000	2023 US\$'000
<b>37.3 Condensed statement of financial position</b>		
<b>Total assets</b>	<b>1 974 130</b>	1 935 153
<b>Non-current assets (Excl. financial instruments and deferred tax assets)</b>	<b>71 926</b>	63 075
North America	79 976	32 609
Latin America	—	—
Europe	(17 453)	39 620
Asia-Pacific	7 749	8 018
MEA	1 654	(17 172)
<b>Net cash resources</b>	<b>319 916</b>	325 192
North America	8 171	14 611
Latin America	—	—
Europe	126 307	169 326
Asia-Pacific	137 601	104 148
MEA	47 837	37 107
<b>Inventories</b>	<b>264 290</b>	311 427
North America	649	—
Latin America	—	—
Europe	134 172	150 774
Asia-Pacific	99 903	109 017
MEA	29 566	51 636
<b>Trade receivables</b>	<b>1 055 682</b>	1 041 905
North America	159	—
Latin America	—	—
Europe	716 080	692 549
Asia-Pacific	217 965	215 663
MEA	121 478	133 693
<b>Total liabilities</b>	<b>(1 848 353)</b>	(1 845 555)
<b>Trade and other payables</b>	<b>(1 290 681)</b>	(1 323 795)
North America	(1 300)	(12 702)
Latin America	—	—
Europe	(785 102)	(806 272)
Asia-Pacific	(349 005)	(339 161)
MEA	(155 274)	(165 660)
<b>Short-term interest-bearing liabilities</b>	<b>(381 214)</b>	(352 402)
North America	—	—
Latin America	—	—
Europe	(282 683)	(269 288)
Asia-Pacific	(88 103)	(81 757)
MEA	(10 428)	(1 357)
<b>Number of employees at the end of the year*</b>	<b>3 595</b>	3 502

\* Includes both permanent employees and contractors.

Logicalis International		Logicalis Latin America		Corporate and Management Consulting		Datatec Group Total	
2024	2023	2024	2023	2024	2023	2024	2023
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1 095 145	1 087 569	463 608	507 688	100 453	95 855	3 633 336	3 626 265
311 121	306 390	58 496	54 143	36 444	6 886	477 987	430 494
135 232	134 096	—	—	1	1	215 209	166 706
—	—	58 496	54 143	—	—	58 496	54 143
138 559	132 535	—	—	36 039	6 380	157 145	178 535
36 349	38 210	—	—	—	—	44 098	46 228
981	1 549	—	—	404	505	3 039	(15 118)
(17 654)	(24 525)	45 042	9 631	42 754	78 023	390 058	388 321
35 589	21 016	—	—	—	—	43 760	35 627
—	—	45 042	9 631	—	—	45 042	9 631
(80 891)	(65 134)	—	—	24 559	54 930	69 975	159 122
30 421	22 731	—	—	—	—	168 022	126 879
(2 773)	(3 138)	—	—	18 195	23 093	63 259	57 062
37 888	58 446	22 393	41 186	297	—	324 868	411 059
3 251	7 535	—	—	—	—	3 900	7 535
—	—	22 393	41 186	—	—	22 393	41 186
8 159	12 898	—	—	297	—	142 628	163 672
25 414	35 147	—	—	—	—	125 317	144 164
1 064	2 866	—	—	—	—	30 630	54 502
293 808	306 219	133 556	160 346	5 821	—	1 488 867	1 508 470
102 313	85 473	—	—	—	—	102 472	85 473
—	—	133 556	160 346	—	—	133 556	160 346
125 834	143 592	—	—	5 821	—	847 735	836 141
61 884	73 400	—	—	—	—	279 849	289 063
3 777	3 754	—	—	—	—	125 255	137 447
(872 545)	(865 704)	(318 943)	(354 665)	(24 351)	(28 001)	(3 064 192)	(3 093 925)
(524 763)	(529 053)	(188 085)	(199 539)	(13 481)	(19 588)	(2 017 010)	(2 071 975)
(207 988)	(179 295)	—	—	—	(3 505)	(209 288)	(195 502)
—	—	(188 085)	(199 539)	—	—	(188 085)	(199 539)
(211 104)	(221 793)	—	—	(13 478)	(9 875)	(1 009 684)	(1 037 940)
(100 660)	(122 685)	—	—	—	—	(449 665)	(461 846)
(5 011)	(5 280)	—	—	(3)	(6 208)	(160 288)	(177 148)
(16 151)	(17 628)	(4 891)	(10 832)	—	—	(402 256)	(380 862)
(2 630)	(2 499)	—	—	—	—	(2 630)	(2 499)
—	—	(4 891)	(10 832)	—	—	(4 891)	(10 832)
(11 282)	(9 949)	—	—	—	—	(293 965)	(279 237)
(2 239)	(5 180)	—	—	—	—	(90 342)	(86 937)
—	—	—	—	—	—	(10 428)	(1 357)
4 346	4 260	3 208	3 229	120	18	11 269	11 009

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

**38. Acquisitions of subsidiaries and increased investment in associate**

**38.1 Acquisitions of subsidiary and increased investment in associate**

Subsidiaries acquired	Date of Acquisition	Proportion of shares acquired
Mason Advisory Limited ("Mason Advisory")	1 December 2023	40%*
Rebura Limited ("Rebura")	18 January 2024	100 %

\* Immediately prior to this acquisition the Group owned 40.09% of Mason Advisory Limited.

	2024 Rebura Fair value on acquisition US\$'000	2024 Mason Advisory Fair value on acquisition US\$'000	2024 Total Fair value on acquisition US\$'000	2023 Total Fair value on acquisition US\$'000
<b>Non-current assets</b>	<b>5 438</b>	<b>168</b>	<b>5 606</b>	4 811
Property, plant and equipment	16	168	184	971
Right-of-use assets	—	—	—	297
Acquired intangible assets	5 422	—	5 422	3 543
<b>Current assets</b>	<b>6 281</b>	<b>11 914</b>	<b>18 195</b>	10 300
Inventories	—	—	—	133
Contract work in progress	—	738	738	—
Trade and other receivables	4 143	6 155	10 298	9 187
Current tax assets	—	7	7	—
Cash resources	2 138	5 014	7 152	980
<b>Non-current liabilities</b>	<b>(1 356)</b>	<b>(51)</b>	<b>(1 407)</b>	(886)
Lease liabilities – long-term	—	(9)	(9)	—
Deferred taxation liabilities	(1 356)	(42)	(1 398)	(886)
<b>Current liabilities</b>	<b>(6 368)</b>	<b>(5 410)</b>	<b>(11 778)</b>	(15 371)
Trade and other payables	(3 208)	(4 751)	(7 959)	(5 373)
Short-term interest-bearing liabilities	(3 160)	—	(3 160)	(69)
Lease liabilities - short-term	—	(18)	(18)	—
Deferred revenue	—	(641)	(641)	(8 570)
Current tax liabilities	—	—	—	(14)
Bank overdrafts	—	—	—	(1 345)
	<b>3 995</b>	<b>6 621</b>	<b>10 616</b>	(1 146)
Goodwill on acquisition	3 615	30 992	34 607	18 699
Non-controlling interests recognised	—	(1 324)	(1 324)	—
<b>Fair value of acquisition</b>	<b>7 610</b>	<b>36 289</b>	<b>43 899</b>	17 553
Net cash acquired	(2 138)	(5 014)	(7 152)	365
Earn-out liability	(1 077)	—	(1 077)	(1 926)
Fair value of previously held investment in associate	—	(18 102)	(18 102)	—
<b>Net cash outflow for acquisitions</b>	<b>4 395</b>	<b>13 173</b>	<b>17 568</b>	15 992
<b>Cash paid</b>	<b>6 533</b>	<b>18 187</b>	<b>24 720</b>	15 627
<b>Net cash acquired</b>	<b>(2 138)</b>	<b>(5 014)</b>	<b>(7 152)</b>	365

The above acquisitions represent the subsidiaries acquired during the year.

**Mason Advisory**

Datatec PLC increased its shareholding in Mason Advisory Limited from 42.5% to 80% effective 1 December 2023 by acquiring additional shares in Mason Advisory Limited from its management team for a consideration of US\$18.2 million. From acquisition date the results of Mason Advisory Limited have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Mason Advisory is a leading consulting firm supporting large corporate and small private organisations, government departments and other public bodies. Mason Advisory has over 100 employees with skills in operating model and organisational design, sourcing, architecture, service management, cybersecurity, data and programme/business change delivery. Mason Advisory focusses on corporate clients, providing support in Business Transformation, Technical Transformation and Strategic Change Delivery.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## Westcon International

On 18 January 2024, Westcon Group European Operations Limited ("WGEO"), a 100% owned subsidiary of Westcon International Group Holdings Limited ("WIGHL"), acquired 100% of Rebura Holdings Limited ("Rebura"). WGEO purchased Rebura for US\$7.6 million, of which US\$6.5 million was paid in cash at completion. The remaining US\$1.1 million will be paid one year after the acquisition date, subject to certain conditions. Rebura is an award-winning Amazon Web Services ("AWS") advanced consulting partner and solution provider. This acquisition will strengthen Westcon International's cloud capabilities and channel-focused services offering and enable their partners to provide a comprehensive suite of AWS solutions to their customers. Rebura specialises in supporting AWS cloud migrations as well as SaaS and DevOps capabilities across the UK, Nordics and central Europe.

As a result of both of these acquisitions, goodwill and other intangible assets increased by US\$34.6 million and US\$5.4 million respectively.

The revenue and EBITDA profit from operations included from these acquisitions in FY24 were US\$10.7 million and US\$1.4 million respectively. Profit after tax included from these acquisitions was US\$1.0 million.

Had the acquisitions' dates been 1 March 2023, the revenue and EBITDA profit from operations would have been approximately US\$38.5 million and US\$3.1 million respectively. Profit after tax would have been approximately US\$2.6 million.

The initial amounts of acquisition accounting for all of the acquisitions have not been finalised at the date of the finalisation of these consolidated financial statements.

None of the goodwill raised on the aforementioned acquisitions will be deductible for tax purposes.

All trade receivables acquired are measured at amortised cost. The carrying value of trade receivables balances approximates its fair value, therefore no fair value disclosures are provided.

All identifiable intangible assets have been recognised and accounted for at fair value.

Non-controlling interests in the acquiree are initially measured at the non-controlling shareholders' proportion of the net identifiable assets acquired and liabilities and contingent liabilities assumed.

Acquisition-related costs, included in operating costs, for the year amounted to US\$0.3 million (FY23: US\$0.1 million).

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 39. Non-wholly owned subsidiaries with material non-controlling interests

	Country of incorporation and principal place of business	Ownership rights and voting rights held by non-controlling interests		Accumulated non-controlling interests – Datatec Group	
		2024 %	2023 %	2024 US\$'000	2023 US\$'000
PT. Packet Systems Indonesia	Indonesia	46.5	46.5	14 015	13 268
PromonLogicalis Latin America Limited	UK	31.6	35.0	35 196	41 244
Westcon International Limited	UK	7.9	7.9	14 898	6 711

### Reconciliation of accumulated non-controlling interests – Datatec Group

	Opening balance as at 1 March 2023	(Loss)/profit for the year	Dividends paid	Translation and other movements	Closing balance as at 29 February 2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
PT. Packet Systems Indonesia	13 268	2 093	(941)	(405)	14 015
Logicalis Latin America Holdings Limited	41 244	(1 235)	(192)	(4 621)	35 196
Westcon International Limited	6 711	3 160	—	5 027	14 898

Summarised information in respect of the above subsidiaries is shown below as at 29 February 2024 and 28 February 2023. This information pertains to the statutory entities listed and not the Group's interest in these entities except where stated. The summarised financial information below represents amounts before inter-group eliminations.

	PT. Packet Systems Indonesia		Logicalis Latin America Holding S.A.		Westcon International Limited	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Non-current assets	4 676	4 961	65 631	53 855	210 501	177 630
Current assets	58 163	67 445	372 256	418 917	1 780 305	1 742 860
Non-current liabilities	(2 114)	(2 051)	(52 491)	(28 397)	(117 084)	(114 194)
Current liabilities	(30 577)	(41 882)	(269 884)	(322 235)	(1 738 758)	(1 703 685)
Equity attributable to equity holders of the parent	(30 148)	(28 533)	(116 098)	(122 500)	(128 231)	(107 430)
Non-controlling interests	—	—	586	(394)	(6 733)	4 819
Revenue	91 299	93 649	513 744	491 406	3 733 277	3 323 728
Operating profit before finance costs, depreciation and amortisation ('EBITDA')	6 753	6 883	11 528	14 289	110 925	8 898
Profit/(loss) for the year	4 509	4 130	(3 263)	1 168	36 860	(14 833)
Dividends paid to non-controlling interest	941	—	192	—	—	—
Net cash inflow/(outflow)	4 272	476	(37 120)	11 748	(6 435)	119 760
Net cash (outflow)/inflow from operating activities	6 375	2 822	(58 638)	27 639	(23 692)	28 865
Net cash inflow/(outflow) from investing activities	(59)	(175)	10 460	(8 958)	29 429	(14 170)
Net cash inflow/(outflow) from financing activities	(2 044)	(2 171)	11 058	(6 933)	(12 172)	105 065

There are no other material non-controlling interests within the Group.

During FY24 Logicalis Latin America Holding repurchased 5.0% of its shares from Promon S.A for subsequent cancellation for an amount of US\$8.6 million. This resulted in an effective shareholding of 68.42% (FY23: 65.0%) for Logicalis Group Limited and current shareholding of 31.58% (FY23: 35.0%) for Promon S.A.

Westcon International implemented the Westcon International Long-Term Incentive Plan ("WILTIP") on 1 September 2023 following a corporate restructuring. An intermediate holding company called Westcon International Group Holdings Limited ("WIGHL") was inserted and is owned by Westcon International Ltd ("WIL"). The Westcon International senior management purchased 5.0% of the ordinary equity of WIGHL and WIL holds the remaining 95%. A fixed return equity instrument (loan note) was also issued to WIL. Datatec continues to own a 92.1% shareholding in WIL with TD Synnex as the minority shareholder.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 40. Subsequent events

### Increased shareholding in subsidiaries

In April 2024, Logicalis Group Limited purchased 7.04% of Cirrus Participações S.A.C. in Brazil ("Cirrus") from the minority shareholders. As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Cirrus of 67.4%. The Group will consolidate the results of Cirrus from this date in the FY25 financial year.

### Management Incentive plan - Mason Advisory

Mason Advisory implemented the Mason Advisory Long-Term Incentive Plan ("MALTIP") on 9 April 2024 following a corporate restructuring. Two intermediate holding companies Mason Advisory Group Ltd ("MAGL") and Mason Advisory Group Holdings Ltd ("MAGHL") were inserted in the Group structure. Management purchased shares in MAGHL constituting 6.25% of the ordinary equity and MAGL holds the remaining 93.75%. Datatec owns an 80.0%. MAGHL also issued a fixed return instrument to MAGL.

### Dividend declared

On 27 May 2024, the Board declared a final dividend for FY24 of 130 ZAR cents per share (approximately 7 US cents per share) totalling US\$16.2 million with the customary form of a cash dividend with a scrip distribution alternative.

There were no other material subsequent events.

## 41. Going concern

The Board has satisfied itself that the Group has adequate resources to continue in operation for the foreseeable future.

The Group's financial statements have accordingly been prepared on a going concern basis.

The Group currently has no need to undertake a capital restructuring and key executive management is in place. The Board is not aware of any material non-compliance with statutory or regulatory requirements and there are no pending legal proceedings other than in the normal course of business or as disclosed in the consolidated annual financial statements.

### Solvency

The Board has determined that the Group is solvent with net assets at 29 February 2024 of US\$501.2 million (FY23: US\$472.0 million) and tangible net assets of US\$165.6 million (FY23: US\$178.8 million). The Group is expected to remain solvent over the next 12 months.

### Liquidity

Westcon International has an invoice assignment facility of EUR390.6 million for its European subsidiaries, as well as an extended payables facility of US\$71.5 million. Westcon International has a securitisation facility of US\$130.0 million for its Asia-Pacific facilities. In addition, Westcon International utilises accounts receivable facilities in the Middle East (US\$15.0 million) and Indonesia (US\$11.0 million) as well as overdraft facilities in Europe (EUR4.0 million) and Africa (US\$1.0 million), and a securitisation facility in South Africa (ZAR200.0 million).

Logicalis International is supported by a corporate facility of US\$135 million, covering all its operations, comprising a rolling credit facility to fund working capital requirements and an acquisition facility.

Logicalis Latin America is supported separately via a number of uncommitted overdraft facilities and short-term lending arrangements and is predominantly sourced via Tier 1 banks in Brazil as it is the largest territory in the region.

The Group performed covenant projections to confirm that banking covenants are unlikely to be breached for the next 12 months.

The Group ended FY24 with net debt of US\$123.1 million compared to FY23 (US\$106.6 million), refer Note 31.2.

Trade receivables are of a sound quality and adequate expected credit losses have been recorded.

The Group's forecasts and projections of its current and expected financial performance show that the Group is expected to operate within the levels of its banking facilities for at least 12 months from the authorisation date of these consolidated annual financial statements.

### Conclusion

The Group's projections show that the Group has sufficient capital and liquidity to continue to meet its short-term obligations, and as a result, it is appropriate to prepare these annual financial statements on a going concern basis.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 42. Subsidiaries and equity-accounted investments

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
<b>Incorporated in Africa</b>					
Clarotech Consulting (Pty) Ltd*		I	South Africa	—	69.93
Clarotech Holdings (Pty) Ltd*		I	South Africa	—	69.93
Datatec Management Services (Pty) Ltd*		O	South Africa	100.00	100.00
LGLP (Pty) Ltd		O	South Africa	100.00	100.00
Logicalis SA (Pty) Ltd	6	I	South Africa	66.25	69.93
Logicalis Soluções – Prestação de Serviços (SU) Limitada		I	Angola	94.74	100.00
Mars Investment Holdings (Pty) Ltd	6	I	South Africa	39.75	41.96
Mars Network and Risk Services (Pty) Ltd	6	I	South Africa	39.75	41.96
Mars Technologies (Pty) Ltd	6	I	South Africa	39.75	41.96
Standfull Trading (Pty) Ltd*		O	South Africa	—	100.00
Westcon Africa (Kenya) Limited		D	Kenya	87.50	92.10
Westcon Africa (Mauritius) Limited		D	Mauritius	87.50	92.10
Westcon Africa (Morocco) SARL		D	Morocco	87.50	92.10
Westcon Africa (Uganda) Limited		D	Uganda	87.50	92.10
Westcon Africa Angola Limited		D	Angola	87.50	92.10
Westcon Africa Distribution (Nigeria) Limited		D	Nigeria	87.50	92.10
Westcon Africa Namibia (Pty) Ltd*		D	Namibia	—	90.00
Westcon Africa Tanzania Limited*		D	Tanzania	87.50	92.10
Westcon Africa Tunisia Limited	2	D	Tunisia	42.87	—
Westcon Africa Zambia Limited*		D	Zambia	65.62	69.08
Westcon Egypt LLC*		D	Egypt	87.50	92.10
Westcon Emerging Markets Group (Pty) Ltd	2	D	South Africa	78.75	90.00
Westcon Group Egypt LLC*		D	Egypt	87.50	92.10
Westcon Group Shared Services (Pty) Ltd	2	D	South Africa	78.75	90.00
Westcon Namibia Distribution (Pty) Ltd	2	D	Namibia	47.24	54.00
Westcon Southern Africa Holdings (Pty) Ltd*	2	D	South Africa	47.24	54.00
WestconGroup SA (Pty) Ltd	2	D	South Africa	38.50	44.01
<b>Incorporated in UK and Europe</b>					
Audea Formación S.L.		I	Spain	81.62	70.00
Audea Seguridad de la Información S.L.	9	I	Spain	81.62	70.00
Datatec Financial Services Holdings Limited		D	United Kingdom	100.00	100.00
Datatec Financial Services Limited		D	United Kingdom	100.00	100.00
Datatec Group Finance Limited*		O	United Kingdom	100.00	100.00
Datatec PLC		O	United Kingdom	100.00	100.00
DX Net Limitada*		I	Portugal	—	51.00
ITUMA GmbH	8	I	Germany	48.32	51.00
Kumulus International Holdings Limited*	13	I	United Kingdom	100.00	—
Logicalis Channel Islands Limited		I	Channel Islands	94.74	100.00
Logicalis Global Operations Centre S.A*		I	Portugal	—	100.00
Logicalis GmbH		I	Germany	94.74	100.00
Logicalis Group Finance Limited		I	United Kingdom	94.74	100.00
Logicalis Group Limited	11	I	United Kingdom	100.00	100.00
Logicalis Guernsey Limited		I	Channel Islands	94.74	100.00
Logicalis International Group Holding Limited	5	I	United Kingdom	94.74	100.00
Logicalis International Limited		I	United Kingdom	94.74	100.00

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

**42. Subsidiaries and equity-accounted investments (continued)**

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
<b>Incorporated in UK and Europe (continued)</b>					
Logicalis Ireland Limited			Ireland	94.74	100.00
Logicalis Jersey Limited			Channel Islands	94.74	100.00
Logicalis Networks GmbH	8		Germany	94.74	100.00
Logicalis Portugal S.A			Portugal	94.74	100.00
Logicalis Siticom GmbH	7		Germany	94.74	90.00
Logicalis Solutions Limited			Ireland	94.74	100.00
Logicalis Spain, S.L.	9		Spain	94.74	100.00
Logicalis Technical Services Limited*			Ireland	94.74	100.00
Logicalis Technology Limited			Ireland	94.74	100.00
Logicalis UK Limited	10		United Kingdom	94.74	100.00
Mason Advisory Limited	14		United Kingdom	80.00	42.50
Orange Networks GmbH			Germany	94.74	100.00
PromonLogicalis Latin America Limited	11		United Kingdom	68.42	65.00
Q Associates Limited*	10		United Kingdom	94.74	100.00
Rebura GmbH	3		Switzerland	87.50	—
Rebura Holdings Limited	3		United Kingdom	87.50	—
Rebura Limited	3		United Kingdom	87.50	—
Risk4All S.L.	9		Spain	51.01	43.75
Siticom GmbH	7		Germany	94.74	90.00
Two Ten Degrees Limited	10		United Kingdom	94.74	100.00
Virtualization Limitada*			Portugal	—	75.00
Westcon Denmark ApS			Denmark	87.50	92.10
Westcon Group Africa Operations Limited	1		United Kingdom	87.50	92.10
Westcon Group Austria GmbH			Austria	87.50	92.10
Westcon Group European Operations Limited	3		United Kingdom	87.50	92.10
Westcon Group Germany GmbH			Germany	87.50	92.10
Westcon Group Italia S.R.L.			Italy	87.50	92.10
Westcon Group Middle East Holdings Limited			United Kingdom	87.50	92.10
Westcon Group Netherlands BV			Netherlands	87.50	92.10
Westcon Group Norway AS			Norway	87.50	92.10
Westcon Group Poland Sp. Z.O.O.			Poland	87.50	92.10
Westcon Group Portugal, Sociedade Unipessoal, Limitada			Portugal	87.50	92.10
Westcon International Group Holdings Limited	1		United Kingdom	87.50	92.10
Westcon International Limited	1		United Kingdom	92.10	92.10
WGEO Switzerland GmbH			Switzerland	87.50	92.10

Notes to the Group consolidated annual financial statements continued  
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42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
<b>Incorporated in US and Canada</b>					
Active Symbols, Inc.*		C	USA	—	100.00
Canada WGIT Services, Inc.		D	Canada	87.50	92.10
Datatec Financial Services, Inc.		D	USA	100.00	100.00
EyeAlike, Inc.*		C	USA	—	72.40
Kumulus USA Inc*	13	I	USA	100.00	—
Logicalis South America, Inc.		I	USA	68.42	65.00
Logicalis US Holdings, Inc.		I	USA	94.74	100.00
Logicalis, Inc.		I	USA	94.74	100.00
Nubeliu I LLC.*		I	USA	68.42	65.00
Nubeliu II LLC.*		I	USA	68.42	65.00
Nubeliu Limited*		I	Cayman Islands	68.42	65.00
PLLAL International LLC		I	USA	68.42	65.00
Global Deployment Solutions LLC	1	D	USA	87.50	46.05
WG Services, Inc.		D	USA	87.50	92.10
<b>Incorporated in Latin America</b>					
C2 Mining Solutions S.A.C.		I	Peru	68.42	65.00
Coasin Chile S.A.		I	Chile	68.42	65.00
Logicalis Andina Bolivia LAB. Limitada		I	Bolivia	68.42	65.00
Logicalis Andina S.A.C.		I	Peru	68.42	65.00
Logicalis Argentina S.A.		I	Argentina	68.42	65.00
Logicalis Chile S.A.		I	Chile	68.42	65.00
Logicalis Colombia S.A.S		I	Colombia	68.42	65.00
Logicalis Ecuador S.A.		I	Ecuador	68.42	65.00
Logicalis Inc. S.A.*		I	Uruguay	68.42	65.00
Logicalis Latin America Holding S.A.	11	I	Brazil	68.42	65.00
Logicalis Mexico, S. de R.L. de C.V.		I	Mexico	68.42	65.00
Logicalis Paraguay S.A.		I	Paraguay	68.42	65.00
Logicalis Puerto Rico Inc.		I	Puerto Rico	68.42	65.00
Logicalis República Dominicana S.A.S		I	Dominican Republic	68.42	65.00
Logicalis Uruguay S.A.		I	Uruguay	68.42	65.00
NubeliU Argentina S.R.L		I	Argentina	68.42	65.00
NubeliU Consultoria e Licenciamento de Software Limitada	12	I	Brazil	—	65.00
PromonLogicalis Tecnologia e Participações Limitada		I	Brazil	68.42	65.00
PTLS Serviços de Tecnologia e Assessoria Técnica Limitada	12	I	Brazil	68.42	65.00
WeService Serviços e Tecnologia Limitada		I	Brazil	68.42	65.00

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
<b>Incorporated in Australia and New Zealand</b>					
Corporate Network Integration Pty Ltd*			I Australia	—	100.00
Datatec Financial Services (NZ) Limited			D New Zealand	100.00	100.00
Datatec Financial Services Pty Ltd			D Australia	100.00	100.00
Logicalis Australia Holdings Pty Ltd			I Australia	94.74	100.00
Logicalis Australia Pty Ltd			I Australia	94.74	100.00
Westcon Group NZ Limited			D New Zealand	87.50	92.10
Westcon Group Pty Ltd			D Australia	87.50	92.10
<b>Incorporated in British Virgin Islands</b>					
Datatec International Holdings Limited*			O British Virgin Islands	—	100.00
NetStar Group Holding Limited			I British Virgin Islands	94.74	100.00
<b>Incorporated in Asia</b>					
iZeno (Thailand) Company Limited			I Thailand	60.97	65.00
iZeno Incorporated			I Philippines	61.58	65.00
iZeno Private Limited			I Singapore	61.58	65.00
iZeno Sdn Bhd			I Malaysia	61.58	65.00
Logicalis Asia Pacific MSC Sdn. Bhd.			I Malaysia	94.74	100.00
Logicalis Hong Kong Limited			I Hong Kong	94.74	100.00
Logicalis Malaysia Sdn. Bhd.			I Malaysia	94.74	100.00
Logicalis Pte. Limited (Xiamen)			I China	94.74	100.00
Logicalis Shanghai Limited			I China	94.74	100.00
Logicalis Singapore Pte. Limited			I Singapore	94.74	100.00
Logicalis Vietnam Company Limited			I Vietnam	94.74	100.00
PT iZeno Teknologi Indonesia			I Indonesia	60.97	64.35
PT Westcon International Indonesia			D Indonesia	87.50	92.10
PT. Packet Systems Indonesia			I Indonesia	50.69	53.50
PT. Westcon Solutions			D Indonesia	87.50	92.10
Westcon Group (Thailand) Co. Limited			D Thailand	87.49	92.10
Westcon Group (Vietnam) Co. Limited			D Vietnam	87.50	92.10
Westcon Group Pte. Limited			D Singapore	87.49	92.10
Westcon Solutions (HK) Limited			D Hong Kong	87.50	92.10
Westcon Solutions (M) Sdn. Bhd.			D Malaysia	87.50	92.10
Westcon Solutions (Shanghai) Limited			D China	87.50	92.10
Westcon Solutions IMH Pte. Limited			D Singapore	87.50	92.10
Westcon Solutions Philippines Inc.			D Philippines	87.49	92.09
Westcon Solutions Pte. Limited			D Singapore	87.50	92.10
WestconComstor International (India) Private Limited			D India	87.50	92.10

Notes to the Group consolidated annual financial statements continued  
for the year ended 29 February 2024

42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
<b>Incorporated in Middle East</b>					
Datatec International Services FZE		O	United Arab Emirates	100.00	100.00
Westcon Africa FZCO*		D	United Arab Emirates	87.50	92.10
Westcon Comstor Trading LLC		D	Kingdom of Saudi Arabia	87.50	—
Westcon Doha LLC	4	D	Qatar	42.87	45.13
Westcon Kuwait Company for Communications, Equipment, Accessories and Spare Parts WLL	4	D	Kuwait	42.87	45.13
Westcon LLC		D	Oman	87.50	92.10
Westcon Middle East Bahrain WLL	4	D	Bahrain	86.62	91.18
Westcon Middle East Equipments Trading LLC	4	D	United Arab Emirates	42.87	45.13
Westcon Middle East FZE		D	United Arab Emirates	87.50	92.10
Westcon Saudi Company LLC	4	D	Kingdom of Saudi Arabia	65.62	69.08
<b>Equity-accounted associates and joint ventures</b>					
Cirrus Participações S.A.	15	I	Brazil	60.41	51.31
Saleslogics Serviços em Inteligência de Negócios Empresariais e Informática Ltda.	15	I	Brazil	60.41	33.35
Kumulus Serviços em Cloud Computing e Database Ltda	15	I	Brazil	60.41	51.31

\*Entities disclosed include dormant entities, entities in the process of deregistration and entities being liquidated.

Trading and dormant entities have been disclosed above.

C – Consulting Services

D – Distribution

I – ICT Solutions

O – Other holdings

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 42. Subsidiaries and equity-accounted investments (continued)

### Subsidiary companies

The subsidiary companies listing above illustrates the effective percentage shareholding of the Datatec Group in its trading subsidiaries. There are subsidiaries within the Group that have non-controlling interests and a number of these subsidiaries hold further investments that also have non-controlling interests. These entities are controlled by the Group and consolidated.

### Westcon International

#### Note 1

Westcon International was 90% owned by Datatec following the sale of Westcon Americas to SYNEX Corporation ("SYNEX") together with 10% of Westcon International in FY18. In June 2020, Datatec PLC increased its shareholding in Westcon International to 92.1% as a result of a capitalisation transaction, resulting in a reduction of the minority interest of SYNEX from 10% to 7.9%.

During FY24, Westcon Group Africa Operations Limited transferred its 100% owned subsidiary NOXS UK Limited to Westcon International Limited ("WIL"). NOXS UK Limited was renamed as Westcon International Group Holdings Limited ("WIGHL"). Subsequent to this, WIL transferred its 6 directly held subsidiaries to WIGHL, and sold 5% of its holding in WIGHL to management of Westcon International during FY24. As a result of the above, the 100%-owned subsidiaries of Westcon International now have a 87.5% effective holding by the Datatec Group.

Westcon International Group Holdings Limited increased its shareholding in Westcon GDS LLC from 50% to 100% and subsequently changed the entity name to Global Deployment Solutions LLC.

#### Note 2

Datatec PLC, a 100%-owned subsidiary of Datatec Limited, owns 92.1% of Westcon International Limited, who owns 95% of WIGHL, who owns 90% of Westcon Emerging Markets Group Proprietary Limited ("WEMG") and WEMG holds 59.995% of the shares of Westcon Southern Africa Holdings Proprietary Limited and 100% of the shares in Westcon Group Shared Services Proprietary Limited. WEMG controls Westcon Southern Africa Holdings Proprietary Limited.

WEMG made a capital investment in Ascension Fund No 5 LLP, the BBBEE partner of Westcon Southern Africa Holdings Proprietary Limited. WEMG has control over the fund. This fund is consolidated in the Datatec Group financial statements and no non-controlling interest is recognised.

Westcon Southern Africa Holdings Proprietary Limited holds 81.5% of the shares in WestconGroup SA Proprietary Limited and 100% of the shares in Westcon Namibia Distribution Proprietary Limited and controls both these entities.

WEMG, Westcon Southern Africa Holdings Proprietary Limited and WestconGroup SA Proprietary Limited are consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Westcon Africa Tunisia was incorporated on the 18 September 2023 with a 49% shareholding. The shareholding requirement is mandated by Tunisia Law but Westcon Group Africa Operations Limited has control by virtue of a shareholders agreement.

#### Note 3

During FY24, Westcon Group European Operations Limited, acquired 100% of the shares of Rebura Holding Limited, which in turn owns 100% of Rebura Limited and Rebura GmbH, a UK and Swiss entity respectively. From the acquisition date the results of Rebura have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

#### Note 4

Westcon Doha and Westcon Kuwait are 100% consolidated as the minority shareholders have no rights to obtain a share of profits. Westcon has full management control in terms of their shareholder agreements of these entities.

Westcon Middle East Equipments Trading LLC, Westcon Saudi Company LLC and Westcon Middle East Bahrain WLL are 100% consolidated as Westcon has full control over these entities in terms of the shareholder agreements.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 42. Subsidiaries and equity-accounted investments (continued)

### Logicalis International

#### Note 5

In FY23, Logicalis Group Limited incorporated Logicalis International Group Holding Limited. ("LIGHL"), a company registered in the UK. During the 2023 financial year, Logicalis Group Limited transferred the entire share capital of Logicalis International Limited to LIGHL.

As at 29 February 2024, Logicalis Group Limited owns 94.74% of Logicalis International Group Holding Limited after selling 5.26% of its shareholding to the management of Logicalis International during FY24.

As a result of the above, the 100%-owned subsidiaries of Logicalis International Group Holding Limited now have a 94.74% effective holding by the Datatec Group.

#### Note 6

In FY21, Logicalis SA (Pty) Ltd disposed of 40% of its investment in Mars Investment Holdings Proprietary Limited as part of a BBBEE deal. Mars Investment Holdings Proprietary Limited owns 100% of Mars Technologies Proprietary Limited and Mars Network and Risk Services Proprietary Limited. In FY23, Logicalis International Limited disposed of 30% of its shareholding in Logicalis South Africa as part of a BBBEE deal.

#### Note 7

Logicalis Siticom GmbH increased its shareholdings in Siticom GmbH to 100% from 90%.

#### Note 8

Logicalis Networks GmbH business owns 51% of the shares in ITUMA GmbH and it is consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

#### Note 9

In FY24, Logicalis Spain, S.L. increased its shareholding in Audea Seguridad de la Informacion, S.L. by 2.3% and 13.85% respectively to an effective shareholding of 86.15% as at 29 February 2024.

Risk4All is 62.5% owned by Audea Seguridad. Log Spain increased its Shareholding in Audea Seguridad during the year, which in turn increased the effective holding in Risk4All.

#### Note 10

During FY24, the trade and assets of Q Associates were transferred up to Logicalis UK Limited, a 100% owned subsidiary of Logicalis International Limited. This resulted in Two Ten Degrees Limited being a wholly owned subsidiary of Logicalis UK Limited in FY24.

### Logicalis Latin America

#### Note 11

Datatec PLC, a 100%-owned subsidiary of Datatec Limited, owns 100% of the issued share capital of Logicalis Group Limited which owned 65% of Logicalis Latin America Holding S.A prior to the share repurchase. In September 2023, Logicalis Latin America Holding repurchased 5.0% of its shares from Promon S.A for subsequent cancellation. This resulted in an effective shareholding of 68.42% (FY23: 65.0%) for Logicalis Group Limited and current shareholding of 31.58% (FY23: 35.0%) for Promon S.A.

Logicalis Latin America Holdings S.A., that owns 100% of Promon Logicalis Latin America Limited ("PLLAL"). PLLAL further owns a number of entities across Latin America that are controlled and consolidated by PLLAL.

#### Note 12

Nubeliu Consultoria e Licenciamento de Software Limitada merged into PTLIS Serviços de Tecnologia e Assessoria Técnica Limitada.

### Corporate

#### Note 13

In FY24 Logicalis Group Limited incorporated Kumulus International Holdings Limited, a UK registered entity who in turn incorporated Kumulus USA Inc, a US registered entity.

#### Note 14

Datatec PLC increased its shareholding in Mason Advisory Limited on 1 December 2023 acquiring an additional 40% from the management team, taking its interest to a majority shareholding of 80%. From acquisition date the results of Mason Advisory Limited have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

# Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

## 42. Subsidiaries and equity-accounted investments (continued)

### Subsidiary companies (continued)

#### Note 15: Equity-accounted associates and joint ventures

In June 2023 and August 2023, Logicalis Group Limited purchased 2.93% and 3.17% respectively of Cirrus Participações S.A.C. in Brazil ("Cirrus") from the minority shareholders. In June, Logicalis Group Limited subscribed for new shares in Cirrus. PromonLogicalis Latin America Limited did not partake in the subscription and decreased its holding in Cirrus to 35.63% (FY23: 37.05%). As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Cirrus of 60.4% (FY23: 51.31%). In July 2023, Cirrus increased its shareholding from 65% to 100% in Saleslogics Servicos em Inteligência de Negócios Empresariais e Informática Limitada and continues to own 100% of Kumulus Servicos em Cloud Computing e Database Limitada respectively.

Refer to Note 12 for material equity-accounted investments and joint ventures.

# Annexure 1 — Changes to the Board

for the year ended 29 February 2024

## Changes to the Board and committees

During the year ended 29 February 2024 and to the date of publication of these financial statements, the following changes to the Board and to the roles of the independent non-executive directors have taken place as previously announced on SENS:

### Board changes:

- John McCartney retired from the Board at the Annual General Meeting on 27 July 2023.
- Sabine Everaet joined the Board as an independent non-executive director of the Company with effect from 2 October 2023.

### Changes to the functions of directors:

On 1 August 2023, Deepa Sita succeeded Stephen Davidson as Chair of the Remuneration Committee. The following changes in the committee roles of independent non-executive directors took effect from 1 March 2024:

- Sabine Everaet joined the Audit, Risk and Compliance Committee and the Social and Ethics Committee.
- Johnson Njeke joined the Nominations Committee and stood down from the Remuneration Committee.
- Deepa Sita joined the Nominations Committee.

# Annexure 2 — Shares and shareholders

for the year ended 29 February 2024

Listed below are analyses of holdings extracted from the register of ordinary shareholders at 29 February 2024:

Shareholder type	Shareholders in SA		Shareholders other than in SA		Total shareholders	
	Number	Percentage of shares	Number	Percentage of shares	Number	Percentage of shares
<b>Directors</b>	—	—	3	16.66	3	16.66
Shareholders over 10%	1	17.11	—	—	1	17.11
Treasury	1	0.25	—	—	1	0.25
<b>Total non-public</b>	2	17.36	3	16.66	5	34.02
Public	4 988	47.26	292	18.72	5 280	65.98
<b>Total</b>	4 990	64.62	295	35.38	5 285	100.00

The following are the principal beneficial shareholders whose holding directly or indirectly in the Company total more than 5% of the issued share capital as at 29 February 2024:

	Number of ordinary shares	Percentage of issued shares
Government Employees Pension Fund (PIC)	39 286 227	17.11
Jens Montanana (Director)	37 005 480	16.12
M&G Group – various funds*	14 204 293	6.19
Old Mutual Investment Group – various funds*	13 138 690	5.73

\* Shareholdings are aggregates of several legal entities owned by the same overall group which individually are less than 5%.



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