



Driving Technology



30 YEARS OF CREATING VALUE

Audited Group consolidated
annual financial statements
2025

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30 YEARS ON THE JSE.
30 YEARS OF CREATING VALUE.

www.datatec.com

Directors' responsibility statement

for the year ended 28 February 2025

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 28 February 2025, 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 28 February 2025 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 26 May 2025 and signed on its behalf by:

JP Montanana
Chief Executive Officer
Authorised director
26 May 2025

IP Dittrich
Chief Financial Officer
Authorised director
26 May 2025

CEO and CFO responsibility statement

for the year ended 28 February 2025

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

- the annual financial statements set out on pages 3 to 126, fairly present in all material respects the financial position, financial performance and cash flows of Datatec Group in terms of IFRS Accounting Standards;
- 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;
- 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;
- 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;
- 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
- we are not aware of any fraud involving directors.

JP Montanana
Chief Executive Officer

Authorised director

26 May 2025

IP Dittrich
Chief Financial Officer

Authorised director

26 May 2025

Certificate by Company Secretary

for the year ended 28 February 2025

In terms of section 88(2)(e) of the South African Companies Act 71 of 2008, I certify that for the year ended 28 February 2025, 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 2025

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 28 February 2025, and its consolidated financial performance and 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 126 comprise:

- the consolidated statement of financial position as at 28 February 2025;
- 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



Final materiality

US\$18.1 million, which represents 0.5% of consolidated revenue.

Group audit scope

We performed full scope audits on the three components that were deemed significant due to their size and/or risk, in addition to the full scope audit of the Company.

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.

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

Independent auditor's report continued

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Consolidated financial statements	
<i>Final materiality</i>	US\$18.1 million.
<i>How we determined it</i>	0.5% of consolidated revenue.
<i>Rationale for the materiality benchmark applied</i>	We chose consolidated revenue as the benchmark for materiality as it is a stable indicator of the Group's performance and market share, when compared to other relevant benchmarks such as consolidated profit before tax. Consolidated revenue is also a key driver of the Group's business and a primary performance indicator for stakeholders. We set the benchmark threshold at 0.5%, considering factors such as the intended users, distribution of the financial statements, and the level of external debt.

Group audit scope

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

Our 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. The remaining components were deemed inconsequential, with no further audit procedures nor targeted risk assessment procedures performed at these components.

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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In terms of ISA 701 *Communicating key audit matters in the independent auditor's report*/the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of goodwill arising from business combinations</p> <p>As at 28 February 2025, the Group recognised goodwill with a carrying amount of US\$274.2 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 CGU is determined based on an analysis of the fair value less cost to sell basis, an evaluation of fair value from comparable company's market approach, and the market transactions method to ensure the reasonableness of the recoverable amount. The recoverable amounts are compared to the corresponding net asset value, including goodwill. The fair value less costs to sell is based on a discounted cash flow calculation, with key assumptions including future earnings, discount rates and growth rates.</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"> the significant judgement and assumptions applied by management in determining the recoverable amounts of the segmental CGUs; the magnitude of the goodwill balance in relation to the consolidated financial statements; and the audit effort expended in this area, including our use of experts <p>Refer to the following accounting policies and notes to the Group consolidated annual financial statements for details on this key audit matter:</p> <ul style="list-style-type: none"> Group accounting policies - Goodwill; Critical accounting judgements and key sources of estimation – Key sources of estimation uncertainty; and Note 7: Goodwill 	<p>Our audit addressed this key audit matter as follows:</p> <ul style="list-style-type: none"> We tested the mathematical accuracy of the valuation models used by management and no material differences were noted. 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. We evaluated the independence, objectivity and competence of management's experts with reference to their professional qualifications. 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 independently sourced and calculated inputs to the forecasts as further explained in the procedures below. We further compared the budgets included in the business plans to the budgets approved by the board of directors and noted no material differences. <p>Using our valuations expertise, we performed the following procedures:</p> <ul style="list-style-type: none"> 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; Using our independently calculated discount rates for each material CGU, we performed a stress test on the impairment calculations by applying our calculated discount rates to the CGUs to assess whether there is an impairment, noting no material indications of possible impairments to be recognised; and 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. <p>We applied independently sourced and calculated inputs to management's forecasts 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 did not result in the identification of a material impairment.</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. Based on the sensitivity analysis performed, we concurred with management's view that no material impairments were identified.</p>

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Datatec Audited Group Consolidated Annual Financial Statements 2025" and the document titled "Datatec Limited Audited Financial Statements for the year ended 28 February 2025", which include(s) 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 2025" and "Datatec Annual Report 2025", 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Datatec Limited for 5 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: D Storm
Registered Auditor
Johannesburg, South Africa
26 May 2025

Audit, Risk and Compliance Committee report

for the year ended 28 February 2025

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 Colin Jones.

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, Sean Meisel (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.

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 Logicalis International and by Luis Rapparini in the case of Logicalis 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 28 February 2025 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.

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Audit, Risk and Compliance Committee report continued

for the year ended 28 February 2025

Going concern

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

Retrospective application of a voluntary change in accounting policy

Westcon International, in its capacity as a distributor, sells software licences to customers and its vendors continuously change the way in which they bring their products and services to market. There is a significant amount of judgement involved in determining whether Westcon International acts as a principal or agent with regard to these arrangements. Westcon International has revisited the revenue recognition assessment for these arrangements. Westcon International now arranges access to the software from the vendor on behalf of the customer. Based on the reassessment and in line with changes in peer reporting, the Group concludes that Westcon International has repositioned to act as an agent in these types of arrangements and has applied a voluntary change in accounting policy in accordance with the requirements of IAS 8 Accounting policies, Changes in Accounting Estimates and Errors ("IAS 8") for the revenue recognised from the sale of software which is now being accounted for on a net basis. Refer to Note 1 for disclosure.

Key sources of estimation uncertainty and key judgements

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 and judgements 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 2025

Directors' report

for the year ended 28 February 2025

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, Kumulus trading entities and Group consolidation adjustments. Management Consulting comprises Mason Advisory Limited.

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 28 February 2025 and 29 February 2024 is R4 000 000, made up of 400 000 000 ordinary shares.

Issued stated capital

As at 28 February 2025, the issued share capital, excluding treasury shares and shares held throughout the period for equity-settled share schemes, amounted to R2 361 184.69, divided into 236 184 688 ordinary shares (29 February 2024: R2 269 013.83, divided into 226 901 383 ordinary shares). Of the issued share capital, 3 774 605 shares are held by the Company in treasury (FY24: 574 145).

Dividend policy

The Group is changing its dividend policy to maintain a two-times cover relative to underlying* earnings when declaring ordinary dividends (previously three-times cover).

Dividends paid in FY25

On 27 May 2024, the Board declared a final cash dividend with a scrip distribution alternative for FY24 of 130 ZAR cents per share (approximately 7 US cents per share), amounting to ZAR298.4 million.

In October 2024, the Board declared an interim dividend with a scrip distribution alternative for FY25 of 75 ZAR cents per share (approximately 4 US cents per share), totalling ZAR174.9 million.

Financial results

The Group recorded a profit after tax for the year ended 28 February 2025 of US\$69.3 million (FY24: US\$50.9 million profit after tax).

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 28 February 2025.

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 28 February 2025 of US\$520.9 million (FY24: US\$501.2 million) and tangible net assets of US\$186.6 million (FY24: US\$165.6 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, 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 28 February 2025

Liquidity

Westcon International has an invoice assignment facility of EUR391 million for its European subsidiaries, as well as an extended payables facility of US\$138.0 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\$25.0 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 (ZAR300.0 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 FY25 with net debt of US\$52.1 million compared to FY24 (US\$123.1 million), (refer Note 31.2).

Trade receivables are of 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 is disclosed in Note 12 and interests in subsidiaries are contained in Note 42 to the consolidated annual financial statements.

Increased shareholding in subsidiaries

In April 2024, the Group, through its 100%-owned subsidiary Logicalis Group Limited, purchased an additional 7.04% of Cirrus Participações S.A.C. in Brazil ("Kumulus") from the minority shareholders. As the Group owns 68.4% of Promon Logicalis Latin America Limited, this resulted in an effective shareholding in Kumulus of 67.4%. The Group has consolidated the results of Kumulus and its 100%-owned subsidiaries, Saleslogics Servicos em Inteligência de Negócios Empresariais e Informática Limitada and Kumulus Servicos em Cloud Computing e Database Limitada from the acquisition date in the current period based on control as defined in terms of IFRS 10. Kumulus was equity-accounted during FY24.

During September 2024, Logicalis Group Limited provided an amount of US\$1.57 million to Kumulus as part of a recapitalisation. The net impact on the Group's effective shareholding amounted to an increase of 4.59% comprising an increase of 12.29% for Logicalis Group Limited and a decrease of 7.70% of the shareholding held by PromonLogicalis Latin America Limited.

In December 2024 Logicalis Group Limited purchased a further 3.11% from the minority shareholders for US\$0.30 million. As at 28 February 2025, the Group owns 68.4% of Promon Logicalis Latin America Limited, which resulted in a current effective shareholding in Kumulus of 77.58%.

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.

Management incentive plans

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.

Share repurchase programme

Datatec also announced that the share repurchase programme commenced on 28 November 2024 in accordance with the authority received at its last Annual General Meeting. The shares that have been repurchased shall be cancelled as issued shares in due course and will revert to authorised but unissued share capital status.

OTC registration

As part of its initiatives, Datatec broadened its investor relations programme during FY25 and was admitted to the OTCQX trading platform in the US to increase international investor access.

Events occurring subsequent to the year-end

Increased shareholding in subsidiaries

In March 2025, Logicalis Group Limited, purchased an additional 6.3% shareholding in Kumulus from the minority shareholders for an amount of US\$0.5 million. As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Kumulus of 83.9% subsequent to year-end.

Dividend declared

On 26 May 2025, the Board declared a final dividend for FY25 of 200 ZAR cents per share equivalent to approximately 11 US cents per share totalling US\$26 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 Annual General Meeting ("AGM") of shareholders of Datatec will be held as a virtual meeting at 14:00 South African time on Thursday, 31 July 2025.

Registered office

15th Floor, The Leonardo, 75 Maude Street, Sandown, Sandton 2146.

Group accounting policies

for the year ended 28 February 2025

Basis of accounting and reporting

The consolidated annual financial statements as set out on pages 12 to 126 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 and the change in accounting policy for the recognition of the sale of software revenue in Westcon International as outlined in Note 1.

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")	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 2024. These amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these amendments.	1 January 2024
IAS 7 <i>Statement of Cash Flows</i> ("IAS 7") and IFRS 7 <i>Financial Instruments: Disclosures</i> ("IFRS 7")	Disclosure of 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
IFRS 16 <i>Leases</i> ("IFRS 16")	Accounting for sale and leaseback transactions after the date of the transaction	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 2024

The Group has adopted the amendments to IAS 7 and IFRS 7 as it relates to the supplier finance arrangements during the current financial year. The Group has assessed that the amendments impact the Group accounting policies, consolidated statement of financial position, the consolidated statement of cash flows as well as the notes to the consolidated annual financial statements. There is no resultant impact on the statement of comprehensive income or statement of changes in equity as a result of the amendments. Refer to Note 25 for further disclosures. In line with the transition requirements contained in IAS 7 paragraph 63(a), the Group has not restated comparative information previously presented for the supplier finance arrangements.

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.

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 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 9 <i>Financial Instruments</i> ("IFRS 9") and IFRS 7	Classification and measurement of financial instruments	These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities and assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion. The amendments also add new disclosures for certain instruments with contractual terms that can change cash flows and makes updates to the disclosures for equity instruments designated at fair value through other comprehensive income.	1 January 2026
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.	1 January 2026
Annual improvements to IFRS – Volume 11	2024 amendments to existing accounting standards	The amendment contains annual improvements which are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards.	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	New accounting standard on presentation and disclosure in financial statements	The new standard focus on updates to the statement of profit or loss, specifically the structure thereof, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 aims to replace the above requirements previously set out in IAS 1.	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> ("IFRS 19")	New accounting standard working alongside other IFRS accounting standards	Voluntary standard for eligible subsidiaries to apply reduced disclosure requirements in IFRS 19.	1 January 2027

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 28 February 2025, are being evaluated for the impact of these pronouncements. Other than the newly published IFRS 18 *Presentation and Disclosure in Financial Statements* standard, the other newly published accounting standards and amendments to issued standards and interpretations are not expected to have a material impact.

Critical accounting judgements and key sources of estimation uncertainty

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.

Group accounting policies continued

for the year ended 28 February 2025

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.

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 consolidated 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 annual 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 and liabilities 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 when providing for ECLs 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 ECL, 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 trade receivables are removed from the ECL buckets when modelling the remainder of the trade receivables.

– 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 trade receivable 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 vendor resold services and product maintenance sales and certain sales of software, as well as of cloud and software services.

For vendor resold services and product 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 evaluates each arrangement of software licence sales 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 evidence across the balance of the control indicators 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.

Following recent changes in peer reporting, the Group has re-assessed the judgement for software licence sales as to whether Westcon International is primarily responsible for delivery. We consider the performance obligation has evolved for Westcon International as vendors have begun to deliver the solutions and therefore taken on the primary responsibility for fulfilling the promise. As such, we consider that Westcon International is an agent in these arrangements and this represents a change in accounting policy. The prior year results have been restated accordingly. For Logicalis, the primary responsibility can be with the vendor or with the Group depending on the nature of the arrangements (including bundled arrangements) which is unchanged and, therefore, the accounting for this remains the same as previous years. Refer to Note 1.

Group accounting policies continued

for the year ended 28 February 2025

Multi-year contract revenue recognition

The Group enters into multi-year contract arrangements, predominantly for the sale of software licences, SaaS 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 *Revenue from Contracts with Customers* ("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 offset exists.

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 included in the lease term if it is reasonably certain that the lease will be extended (or not terminated).

Judgement 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 accounting 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 Dollars 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 Dollars, including the holding company, is performed as follows:

- assets and liabilities are translated at the closing rate ruling at the date of each statement of financial position.
- 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.
- 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 Dollars at the closing exchange rates. The exchange differences arising on this translation are recognised directly in equity and accumulated in non-distributable reserves.

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

	Average US\$ exchange rates 2025	Closing US\$ exchange rates 2025	Average US\$ exchange rates 2024	Closing US\$ exchange rates 2024
British Pound/US\$	1.27	1.26	1.25	1.26
Euro/US\$	1.07	1.04	1.08	1.08
US\$/Brazilian Real	5.60	5.89	4.94	4.97
US\$/Australian Dollar	1.53	1.60	1.52	1.54
US\$/Singapore Dollar	1.34	1.35	1.34	1.35
US\$/South African Rand	18.33	18.71	18.62	19.18

The consolidated annual 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 in line with the requirements of IFRS 10 *Consolidated Financial Statements* ("IFRS 10").

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.

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. 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.

Group accounting policies continued

for the year ended 28 February 2025

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:

	Useful lives (years)
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.

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 the 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.

Leases 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 *Intangible Assets* ("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 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.

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 28 February 2025

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.

	Useful lives (years)
Trademarks, 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 consolidated annual 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 annual 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.

Financial instruments

Financial instruments are valued at either:

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

The Group initially recognises derivative instruments as either non-designated derivatives or designated cash flow hedge derivatives, where an effective hedge relationship has been established.

Derivative instruments are recognised at fair value at the date a derivative contract is entered into and subsequently remeasured to their fair value at each reporting date.

For non-designated derivatives subsequent fair value measurement is recognised immediately in profit and loss.

In the case of designated cash flow hedge derivatives the Group recognises the effective portion of the fair value changes in the cash flow hedge reserve in other comprehensive income. Amounts in the cash flow hedge are subsequently reclassified to profit and loss as part of cost of sales.

(Refer to Note 31 for a detailed description of the Group's hedging strategy).

Group accounting policies continued

for the year ended 28 February 2025

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 consolidated annual 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 accounting policies and the calculation of the loss allowance are provided below.

Cash resources

Cash resources are initially measured at fair value. 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).

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 *Income Taxes* ("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 expected credit loss allowance 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 ECLs, 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.

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 ECL for the trade receivables and contract assets.
- The ECL 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 ECL, 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 a 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 trade receivables 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 and a specific allowance is used when there is 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.

Group accounting policies continued

for the year ended 28 February 2025

- **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 customer 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.

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 substantially transferred all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor substantially retains 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 substantially retains 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 International and Logicalis Latin America enter 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. Refer to Note 23.

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 Notes 15 and 24. Westcon recognises a separate financial liability on the consolidated statement of financial position for the amounts advanced by the funder, less any amounts already repaid. In the consolidated 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.

d. Derecognition of financial liabilities

The Group derecognises a financial liability (or a part of a financial liability) from its consolidated statement of financial position when, and only when, it is extinguished - i.e. when the obligation specified in the contract is discharged or cancelled, or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Prepayments

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. These items are all measured at amortised cost.

Other receivables

Other receivables include accrued income and claims/refunds due for other tax as well as rebates due (from vendors according to vendor rebate programmes). 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 and costs, 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 taxation expense in the consolidated statement of comprehensive income represents the sum of the current taxation and deferred taxation. 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.

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.

Group accounting policies continued

for the year ended 28 February 2025

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.

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.

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.

Revenue from sales of software

Revenue from sales of software represents the resale of software licencing for Westcon International, Logicalis International and Logicalis Latin America and SaaS related to Logicalis International and Logicalis Latin America. The Group's performance obligation is met when the software licence(s) is passed over to the customer (this may be, for instance, when licence keys are handed to the customer 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 licencing 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 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 for example supply chain management, professional, education and other support services. These services are levied on a fixed fee or time and materials basis.

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.

Group accounting policies continued

for the year ended 28 February 2025

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 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 in applying accounting policies for the judgements applied in deciding whether the Group is acting as an agent or a principal.

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.

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

The deferred bonus warrant ("DBW") consists of a short-term incentive ("STI") in the form of shares which are held in escrow for the benefit of participants. The Company co-investment is awarded as share appreciation rights ("SARs"). The SARs are awarded at market value using the same price applicable to purchase the deferred shares.

Executive directors (CEO and CFO) and two senior Group executives participate in this scheme, 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.

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

In the case of termination ("good leaver"), an 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.

In the case of termination ("bad leaver"), all unvested awards are forfeited. This includes the bonus shares (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. In addition, such executives will be required to repay all dividends (pre-tax value) earned from the award date under the DBW. 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.

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

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

The Group includes EBITDA and EBITDA margin because these 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.

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 28 February 2025

	Note	2025 US\$'000	2024 Restated* US\$'000
Revenue[^]	1	3 639 673	3 992 413
Cost of sales [^]		(2 729 354)	(3 130 177)
Gross profit		910 319	862 236
Operating costs	3	(657 487)	(670 290)
Net impairment of financial assets and contract assets	16,19	(4 921)	(3 130)
Restructuring costs	3	(10 837)	(2 950)
Share-based payments	2	(15 765)	(8 277)
Operating profit before interest, tax, depreciation and amortisation ("EBITDA")		221 309	177 589
Depreciation of property, plant and equipment	3	(14 673)	(16 307)
Depreciation of right-of-use assets	3	(25 568)	(27 938)
Amortisation of capitalised development expenditure	3	(10 709)	(10 444)
Amortisation of acquired intangible assets and software	3	(10 469)	(6 540)
Impairment of property, plant and equipment, right-of-use assets and capitalised development expenditure		(660)	—
Operating profit	3	159 230	116 360
Interest income	4	17 608	13 749
Finance costs	4	(74 540)	(68 715)
Share of equity-accounted investment earnings	12.1	—	251
Acquisition-related fair value adjustments		—	(143)
Other income		362	62
Fair value gain on investments	12.1	1 342	14 901
Profit before taxation		104 002	76 465
Taxation	5	(34 720)	(25 527)
Profit for the year		69 282	50 938
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss		(19 910)	(3 240)
Exchange differences arising on translation to presentation currency		(25 073)	(675)
Translation of equity loans		(350)	55
Tax effects of other comprehensive income		99	(167)
Movement on cash flow hedge		5 319	(2 485)
Other items		95	32
Total comprehensive income for the year		49 372	47 698
Profit attributable to:			
Owners of the parent		59 179	45 801
Non-controlling interests		10 103	5 137
		69 282	50 938
Total comprehensive income attributable to:			
Owners of the parent		40 323	41 528
Non-controlling interests		9 049	6 170
		49 372	47 698
Earnings per share (US cents)			
Basic	6.2	25.7	20.4
Diluted	6.3	24.9	19.7

[^] Refer to Note 1.

* Included in revenue is US\$2.1million (FY24: US\$10.7 million) from acquisitions made in the current year from the date of control.

Consolidated statement of financial position

as at 28 February 2025

	Note	2025 US\$'000	2024 Restated [†] US\$'000	2023 Restated [†] US\$'000
Assets				
Non-current assets*		926 418	748 153	621 117
Goodwill	7	274 212	280 512	245 375
Property, plant and equipment	8	31 587	35 823	33 054
Right-of-use assets	9	70 711	55 991	56 248
Capitalised development expenditure	10.1	32 096	33 704	31 723
Acquired intangible assets and software	10.2	27 880	21 405	16 086
Investments	12	1 500	4 515	6 457
Deferred tax assets	13	82 058	83 907	80 331
Finance lease receivables	14	27 360	32 048	12 681
Other non-current assets and contract assets*	19.1,19.2	379 014	200 248	139 162
Current assets*		3 046 870	2 885 183	3 005 148
Investments	12	1 001	3 959	4 677
Inventories	15	269 788	324 868	411 059
Trade receivables	16	1 632 973	1 488 867	1 508 470
Prepaid expenses*	17	168 247	171 663	186 107
Other receivables	18	171 120	84 274	79 896
Contract assets	19.2	178 061	207 049	202 566
Current tax assets	33	32 909	25 981	19 390
Finance lease receivables	14	8 658	9 487	8 300
Cash resources	36	584 113	569 035	584 683
Total assets		3 973 288	3 633 336	3 626 265
Equity and liabilities				
Equity attributable to equity holders of the parent		520 938	501 233	472 009
Stated capital	20	155 683	145 395	138 091
Foreign currency translation reserve		(172 958)	(148 509)	(147 110)
Non-distributable reserves		124 410	127 350	124 970
Share-based payments reserve		9 020	10 598	10 458
Cash flow hedge reserve		2 834	(2 485)	—
Distributable reserves		401 949	368 884	345 600
Non-controlling interests		73 669	67 911	60 331
Total equity		594 607	569 144	532 340
Non-current liabilities*		438 136	268 586	255 033
Long-term interest-bearing liabilities	21	36 369	39 138	41 624
Lease liabilities	22	53 363	45 548	45 412
Liability for share-based payments		11 420	4 291	1 602
Liabilities under supplier finance arrangements	25	2 336	—	—
Acquisition-related liabilities		143	143	1 061
Deferred tax liabilities	13	26 331	24 398	29 366
Deferred revenue	27	51 379	43 387	27 415
Provisions	26	9 405	9 076	8 860
Other liabilities*	19.3	247 390	102 605	99 693
Current liabilities*		2 940 545	2 795 606	2 838 892
Trade and other payables*	23	2 186 023	1 983 036	2 041 226
Short-term interest-bearing liabilities	24	308 022	402 256	380 862
Lease liabilities	22	29 255	26 243	27 005
Liabilities under supplier finance arrangements	25	13 527	—	—
Deferred revenue	27	152 711	157 900	160 806
Provisions	26	21 645	14 240	12 904
Acquisition-related liabilities		—	1 081	2 803
Current tax liabilities	33	36 003	31 873	16 924
Bank overdrafts	28	193 359	178 977	196 362
Total equity and liabilities		3 973 288	3 633 336	3 626 265

[†] Refer to Note 19.3.

Consolidated statement of changes in equity

for the year ended 28 February 2025

	Stated capital US\$'000	Foreign currency translation reserve US\$'000	Non- distributable reserves US\$'000
Balance at 1 March 2023	138 091	(147 110)	124 970
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 on translation of equity loan	—	(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	—	—	—
Balance at 29 February 2024	145 395	(148 509)	127 350
Total comprehensive (loss)/income recognised for the year	—	(24 449)	—
Profit attributable to the owners of the parent	—	—	—
Profit attributable to the non-controlling interests	—	—	—
Translation of equity loans	—	(350)	—
Movement on cash flow hedge	—	—	—
Tax effects of other comprehensive income	—	99	—
Exchange differences arising on translation to presentation currency	—	(24 198)	—
Other items	—	—	—
Translation of stated capital**	2 770	—	(2 770)
Increase in non-controlling shareholding	—	—	(172)
Disposals of subsidiaries	—	—	—
DBW shares*** granted during the year	(1 326)	—	—
DBP shares*** vested during the year	2 805	—	—
Treasury shares	(8 228)	—	—
Shares purchased under share repurchase program	(4 093)	—	—
Share-based payments vested	4 572	—	—
Dividend to non-controlling interests	—	—	—
Dividend to shareholders	13 788	—	—
Increase in non-controlling shareholding - divisional management incentive plans	—	—	2
Charge and settlement for equity-settled share-based payments	—	—	—
Balance at 28 February 2025	155 683	(172 958)	124 410

** 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.

There were 3 774 605 treasury shares held by the Company as 28 February 2025 (FY24: 574 145 treasury shares). Refer to Note 20 for a reconciliation of the number of shares. Share issue expenses for the year were immaterial in FY25. These were accounted for in equity and are reflected as part of the dividend to shareholders.

*** During FY25, 0.7 million shares (FY24: 0.4 million shares) to the value of US\$1.3 million (FY24: US\$0.7 million) were purchased as treasury shares and issued to the DBW scheme participants (refer to Note 2). During FY25, 1.3 million shares to the value of US\$2.8 million vested (FY24: US\$0.8 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.

+ Cash flow hedge reserve

Included in the movement on the cash flow hedge is US\$1.8 million that was recycled from the cash flow hedge reserve to profit or loss (net debit to profit or loss) as well as US\$3.5 million credited to unrealised foreign exchange gains and losses.

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
10 458	—	345 600	472 009	60 331	532 340
(421)	(2 485)	45 833	41 528	6 170	47 698
—	—	45 801	45 801	—	45 801
—	—	—	—	5 137	5 137
—	—	—	55	—	55
—	(2 485)	—	(2 485)	—	(2 485)
—	—	—	(167)	—	(167)
(421)	—	—	(1 708)	1 033	(675)
—	—	32	32	—	32
—	—	—	—	—	—
—	—	—	(785)	2 185	1 400
—	—	—	(717)	—	(717)
(797)	—	—	—	—	—
—	—	—	(1 183)	—	(1 183)
—	—	—	(3 992)	(4 621)	(8 613)
(4 985)	—	—	92	—	92
—	—	—	—	(2 823)	(2 823)
—	—	(22 549)	(13 925)	—	(13 925)
—	—	—	1 863	6 669	8 532
6 343	—	—	6 343	—	6 343
10 598	(2 485)	368 884	501 233	67 911	569 144
179	5 319	59 274	40 323	9 049	49 372
—	—	59 179	59 179	—	59 179
—	—	—	—	10 103	10 103
—	—	—	(350)	—	(350)
—	5 319	—	5 319	—	5 319
—	—	—	99	—	99
179	—	—	(24 019)	(1 054)	(25 073)
—	—	95	95	—	95
—	—	—	—	—	—
—	—	—	(172)	(213)	(385)
—	—	—	—	478	478
—	—	—	(1 326)	—	(1 326)
(2 807)	—	—	(2)	—	(2)
—	—	—	(8 228)	—	(8 228)
—	—	—	(4 093)	—	(4 093)
(4 570)	—	—	2	—	2
—	—	—	—	(3 767)	(3 767)
—	—	(26 209)	(12 421)	—	(12 421)
—	—	—	2	211	213
5 620	—	—	5 620	—	5 620
9 020	2 834	401 949	520 938	73 669	594 607

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

* Dividends paid to shareholders in FY25

During FY25, the Board declared a final FY24 dividend of 130 ZAR cents to shareholders in the form of a cash dividend with scrip distribution alternative. The result of the shareholder election was that 3 696 764 fully paid new ordinary shares were issued to shareholders who did not elect to receive the cash dividend. A total cash dividend of US\$8.9 million has been paid to shareholders who retained the default cash dividend. The total distribution to shareholders was US\$16.2 million of which the scrip portion was US\$7.3 million. During H2 of FY25, the Board declared an interim FY25 dividend of 75 ZAR cents to shareholders in the form of a cash dividend with scrip distribution alternative. The result of the shareholder election was that 2 965 247 fully paid new ordinary shares were issued to shareholders who did not elect to receive the cash dividend. A total cash dividend of US\$3.5 million has been paid to shareholders who retained the default cash dividend. The total distribution to shareholders was US\$10.0 million of which the scrip portion was US\$6.5 million.

Consolidated statement of cash flows

for the year ended 28 February 2025

	Note	2025 US\$'000	2024 US\$'000
Cash flow from operating activities			
Cash generated from operations	32	286 813	175 570
Interest income		16 953	13 234
Finance costs ^{^/-}		(73 723)	(68 699)
Taxation paid	33	(40 338)	(27 108)
Net cash inflow from operating activities		189 705	92 997
Cash flow from investing activities			
Cash outflow for acquisitions	38	(1 439)	(17 568)
Proceeds on disposal of investments	38.3	471	—
Inflow from investments (Angola government bonds)	12.2	3 959	4 678
Outflow from investments (Angola government bonds)	12.2	(2 501)	(3 959)
Additions to equity-accounted investments	12.1	—	(1 318)
Additions to property, plant and equipment	34	(12 087)	(20 772)
Additions to capitalised development expenditure	10.1	(10 428)	(12 479)
Additions to software	10.2	(3 856)	(6 260)
Proceeds on disposal of property, plant and equipment and software		200	1 204
Net cash outflow from investing activities		(25 681)	(56 474)
Cash flow from financing activities			
Dividends paid to shareholders		(12 421)	(13 925)
Dividends paid to non-controlling interests		(3 767)	(2 823)
Treasury shares purchased under share repurchase programme		(4 093)	—
Treasury shares purchased for employee-based remuneration plans		(9 554)	(1 900)
Decrease in non-controlling shareholding	39	—	(8 613)
Settlement of deferred purchase consideration	38.2	(1 085)	(2 852)
Net movement in non-controlling shareholding		—	(407)
Net proceeds from management incentive plans		990	8 533
Overdrafts repayable on demand under certain conditions	35.2	(17 807)	1 195
Repayment of lease liability – principal	35.2	(28 150)	(30 714)
Repayment of supplier finance arrangements	35.2	(18 284)	—
Proceeds from short-term liabilities	35.2	26 439	31 878
Repayment of short-term liabilities	35.2	(102 738)	(15 409)
Proceeds from long-term liabilities	35.2	39 089	77 672
Repayment of long-term liabilities	35.2	(52 477)	(71 164)
Net cash outflow from financing activities		(183 858)	(28 529)
Net (decrease)/increase in cash and cash equivalents		(19 834)	7 994
Cash and cash equivalents at the beginning of the year	36	515 539	512 786
Translation differences on cash and cash equivalents	35.1	1 063	(5 241)
Cash and cash equivalents at the end of the year	36	496 768	515 539

[^] Finance costs include US\$5.3 million (FY24: US\$6.9 million) of finance costs related to finance leases that are included in cash flows from operating activities. Refer to Note 4.

⁻ Finance costs include US\$5.8 million (FY24: US\$17.4 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 28 February 2025

	2025 US\$'000	2024 Restated US\$'000
1. Revenue		
Revenue from product sales[^]	2 752 434	3 129 488
Revenue from sales of hardware	2 317 695	2 690 945
Revenue from sales of software ^{*/^}	353 976	348 121
Revenue from vendor resold services and product maintenance sales	80 763	90 422
Timing of revenue from product sales[^]	2 752 434	3 129 488
At a point in time [^]	2 752 434	3 129 488
Revenue from services	398 864	369 173
Revenue from professional and other services	398 864	369 173
Timing of revenue from services	398 864	369 173
At a point in time	38 608	11 042
Over time	360 256	358 131
Revenue from annuity services	488 375	493 752
Revenue from cloud services	109 986	69 675
Revenue from software services [*]	30 240	32 789
Revenue from other annuity services	348 149	391 288
Timing of revenue from annuity services	488 375	493 752
At a point in time	84 085	76 109
Over time	404 290	417 643
	3 639 673	3 992 413

[^] Line item has been restated.

^{*} Includes software as a service revenues.

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

Retrospective application of a voluntary change in accounting policy IFRS 15 Revenue recognition – Westcon International sales of software

Revenue from sales arrangements where the Group acts as an agent is recognised on a net basis and the commission or gross profit earned on these contracts is recognised as revenue. Where the Group is deemed to be acting as a principal, revenue is recognised on a gross basis. 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.

Westcon International, one of the Group's operating segments, in its capacity as a distributor, sells software licences to customers. Westcon International's vendors continuously change the way in which they bring their products and services to market and there is a significant amount of judgement involved in determining whether Westcon International acts as a principal or agent with regard to these arrangements. Westcon International has revisited the revenue recognition assessment for these arrangements.

In its reassessment, Westcon International concluded that the performance obligation has evolved and changed gradually over time as vendors have begun to deliver the solutions and therefore taken on the primary responsibility of fulfilling this promise, and that Westcon International now arranges access to the software from the vendor on behalf of the customer.

Based on the reassessment, and in line with changes in peer reporting, the Group concludes that Westcon International has repositioned to act as an agent in these types of arrangements and has applied a voluntary change in accounting policy in accordance with the requirements of IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors* ("IAS 8") for the revenue recognised from the sale of software which is now being accounted for on a net basis. The Group believes the change in accounting policy provides more reliable and relevant information to the users of the financial statements, enhancing comparability within the market.

As part of the reassessment, the Group concluded that the revenue recognition applied to the sales of software by Logicalis International as well as Logicalis Latin America remains appropriate, as the primary responsibility can be with the vendor or with the Group depending on the nature of the arrangements (including bundled arrangements). The accounting policy for the Logicalis businesses is therefore unchanged.

As a result, the Group has restated its consolidated statement of comprehensive income to reflect 100% of the commissions or gross profits earned by Westcon International for acting as an agent in sale of software arrangements, as revenue. This has resulted in a decrease in revenue and a corresponding decrease in cost of sales in the previous financial year.

Notes to the Group consolidated annual financial statements

continued

for the year ended 28 February 2025

1. Revenue (continued)

The amount of the restatement for the 2024 financial year is shown in the table below:

	2024	2024	2024
	As previously presented	Total restatement	Restated
	US\$'000	US\$'000	US\$'000
Revenue	5 457 947	(1 465 534)	3 992 413
Cost of sales	(4 595 711)	1 465 534	(3 130 177)
Gross profit	862 236	—	862 236

The restatement has no impact on gross profit or items below gross profit in the consolidated statement of comprehensive income. In addition, there was no impact on earnings or earnings per share. Further, the restatement has no impact on the consolidated statement of financial position or consolidated statement of cash flows. Despite revenue being disclosed on a net basis, the Group has a contractual right to the gross amount of cash related to the gross revenues and therefore, for any amounts remaining unpaid at the period end, the Group continues to present these amounts as gross trade receivables and trade payables in the consolidated statement of financial position.

Refer to Note 37.2 for further disclosure of the impact of the restatement on the segmental results.

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.

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.

Current Group plans – structural overview

	Conditional share plan	Deferred bonus warrants
Instrument	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.
Eligibility	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.
Allocation levels	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"> • CEO – 150% x base salary; • CFO – 120% x base salary; and • Datatec Group executives and staff – range from 50% to 100% of base salary. 	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.
Performance period	Three years.	One year, aligned with the STI performance as explained above.
Vesting period	Three years.	Three years.
Accrual period for IFRS 2 purposes	Three years.	Four years.
Additional holding period		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.
Performance conditions	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

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2. Share-based payments (continued)

Group plans – structural overview (continued)

	Conditional share plan	Deferred bonus warrants
Plan and individual limits	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.
Termination of employment provisions - "bad leaver"	If an executive director resigns from the Company or is terminated for fault, i.e. dismissal on grounds of misconduct, proven poor performance, dishonest or fraudulent conduct ("bad leaver"), all unvested LTI awards are forfeited. This includes DBW bonus shares (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. In addition, such executives will be required to repay all dividends (pre-tax value) earned from the award date under the DBW.	
Termination of employment provisions - "good leaver"	If termination is at the Company's instigation and not for fault ("good leaver"), the following will apply to the executive director / employee who is a participant in the LTI plans: The participant will retain a portion of CSP 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. 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, if the relevant performance conditions are satisfied.	The participant will retain all the DBW Bonus Shares which have not yet vested because these were earned in a prior year and represent a part of a previous bonus which has been deferred. The participant will retain a portion of the DBW SARs which 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. 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, if the relevant performance conditions are satisfied.

2. Share-based payments (continued)

The Group plans provide for a grant price equal or approximately equal to the market price at the date of the grant.

Datatec Group schemes (equity-settled)

Datatec Conditional Share Plan 2017 ("CSP")

	2025 Number of shares ('000)	Weighted average grant price ZAR	2024 Number of shares ('000)	Weighted average grant price ZAR
Outstanding at the beginning of the year	6 276	31.05	6 933	26.33
Granted during the year	2 366	36.99	2 335	36.36
Forfeited/lapsed during the year	(108)	35.93	(18)	32.64
Vested and exercised during the year – share price on exercise ZAR39.00 (FY24: ZAR38.03)	(2 184)	28.49	(2 974)	24.52
Outstanding at the end of the year	6 350	34.07	6 276	31.05

At 28 February 2025, the CSP awards had a weighted average remaining contractual life of 1.3 years (FY24: 1.3 years).

Datatec Deferred Bonus Plan 2017 ("DBP")

	2025 Number of shares ('000)	Weighted average grant price ZAR	2024 Number of shares ('000)	Weighted average grant price ZAR
Outstanding at the beginning of the year	1 332	29.09	1 906	27.59
Vested during the year	(1 332)	29.09	(574)	24.12
Forfeitable shares at the end of the year	–	29.09	1 332	29.09

The final grant under the DBP vested during the year. There are no outstanding units at the end of the year and the scheme is now terminated.

Datatec Deferred Bonus Warrants Scheme ("DBW") Bonus Shares

	2025 Number of shares ('000)	Weighted average grant price ZAR	2024 Number of shares ('000)	Weighted average grant price ZAR
Outstanding at the beginning of the year	715	37.77	357	39.19
Granted during the year	661	36.99	358	36.36
Forfeitable at the end of the year	1 376	37.40	715	37.77

Datatec Deferred Bonus Warrants Scheme ("DBW") Share Appreciation Rights (SARs)

	2025 Number of shares ('000)	Weighted average grant price ZAR	2024 Number of shares ('000)	Weighted average grant price ZAR
Outstanding at the beginning of the year	3 389	31.40	1 955	27.76
Co-investment SARs	1 983	36.99	1 434	36.36
Outstanding at the end of the year	5 372	33.46	3 389	31.40

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 SARs. The portion of pre-tax bonus deferred is 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 28 February 2025, the weighted average remaining life of the awards until the end of the vesting period was 1.4 years (FY24 1.7 years).

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for the year ended 28 February 2025

2. Share-based payments (continued)

Datatec Group schemes (equity-settled) (continued)

The CSP awards granted in FY25 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 FY24. The fair value of the CSP grant in FY25 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 FY25 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 and DBW, bonus share and SARs, awards are shown in the table below:

	2025			2024		
	CSP	DBW (SARs)	DBW (bonus shares)	CSP	DBW (SARs)	DBW (bonus shares)
Grant date	18 June 2024	7 June 2024	7 June 2024	1 June 2023	1 June 2023	1 June 2023
Vesting date	1 June 2027	1 June 2027	1 June 2027	1 June 2026	1 June 2026	1 June 2026
Employment period	27 May 2024 to 27 May 2027	1 March 2023 to 28 February 2027	1 March 2023 to 28 February 2027	23 May 2023 to 23 May 2026	1 March 2022 to 28 February 2026	1 March 2022 to 18 February 2026
Share price at grant date (closing price)	ZAR37.55	N/A	ZAR38.12	ZAR39.00	N/A	ZAR39.00
Risk-free rate (nominal annual compounded continuously)	7.78%	9.14%	8.02%	8.80%	9.75%	8.80%
Dividend yield	4.62%	4.46%	4.47%	3.79%	3.97%	3.79%
Volatility – determined using equally-weighted historical volatility method	35.43%	42.61%	N/A	41.20%	43.27%	N/A
Fair value (of one unit)	ZAR37.55	ZAR15.02	ZAR38.12	ZAR39.00	ZAR16.60	ZAR39.00

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. 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.

	2025		2024	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
Logicalis International CSP		US\$		US\$
Outstanding at the beginning of the year	777	4.61	1 416	4.56
Exercised during the year – share price on exercise US\$5.57 (FY24: US\$4.92)	(526)	4.61	(76)	4.49
Lapsed/forfeited during the year	(221)	4.57	(563)	4.51
Outstanding at the end of the year	30	4.85	777	4.61
Exercisable at the end of the year	30	4.85	171	4.73
The Logicalis International CSP awards outstanding at 28 February 2025 comprised grant prices in the range US\$4.57 to US\$4.92 (FY24: US\$4.49 to US\$4.92). At 28 February 2025, the CSP awards had a weighted average remaining contractual life of 0.7 years (FY24: 2.9 years).				
Logicalis LATAM CSP		US\$		US\$
Outstanding at the beginning of the year	498	5.52	330	6.62
Granted during the year	258	3.76	224	4.36
Exercised during the year – share price on exercise US\$7.18 (FY24: US\$7.41)	(19)	7.18	(3)	7.41
Lapsed/forfeited during the year	(82)	6.32	(53)	7.41
Outstanding at the end of the year	655	4.68	498	5.52
Exercisable at the end of the year	58	7.53	24	8.01
The Logicalis LATAM CSP awards outstanding at 28 February 2025 comprised grant prices in the range US\$3.76 to US\$8.87 (FY24: US\$4.36 to US\$7.18). At 28 February 2025, the CSP awards had a weighted average remaining contractual life of 4.4 years (FY24: 4.5 years).				

Westcon International, Logicalis International and Logicalis LATAM Share Appreciation Rights

The Westcon International 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).

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.

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for the year ended 28 February 2025

	2025		2024	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
2. Share-based payments (continued)				
Subsidiary schemes (cash-settled) (continued)				
Westcon International SAR Scheme		US\$		US\$
Outstanding at the beginning of the year	2 557	2.37	2 350	1.25
Granted during the year	345	3.63	2 557	2.37
Exercised during the year	—	—	(2 350)	1.25
Forfeited/lapsed during the year	(75)	2.37	—	—
Outstanding at the end of the year	2 827	2.52	2 557	2.37
Exercisable at the end of the year	—	—	—	—
The Westcon International SARs outstanding at 28 February 2025 comprises grant prices in the range of US\$2.37 and US\$5.85. (FY24 US\$2.37) and had a weighted average remaining contractual life of 0.4 years (FY24: 1.3 years).				
Logicalis International "Old" SAR Scheme		US\$		US\$
Outstanding at the beginning of the year	440	4.55	952	4.50
Exercised during the year – share price on exercise US\$5.57 (FY24: US\$4.35)	(185)	4.54	(151)	4.35
Forfeited/lapsed during the year	(211)	4.57	(361)	4.51
Outstanding at the end of the year	44	4.54	440	4.55
Exercisable at the end of the year	44	4.54	60	4.45
The Logicalis SARs outstanding at 28 February 2025 comprised grant prices in the range of US\$4.49 to US\$4.67 (FY24: US\$3.70 to US\$4.57) and had a weighted average remaining contractual life of 2.9 years (FY24: 4.2 years).				
Logicalis LATAM SAR Scheme		US\$		US\$
Outstanding at the beginning of the year	672	5.26	440	6.38
Granted during the year	337	4.10	340	4.36
Forfeited/lapsed during the year	(102)	3.80	(108)	6.86
Outstanding at the end of the year	907	4.80	672	5.26
Exercisable at the end of the year	126	7.24	30	6.03
The Logicalis LATAM SARs outstanding at 28 February 2025 comprised grant prices in the range of US\$3.76 to US\$7.41 (FY24: US\$4.36 to US\$7.18) and had a weighted average remaining contractual life of 6.1 years (FY24: 5.5 years).				
Logicalis International SAR Scheme		US\$		US\$
Outstanding at the beginning of the year	1 032	1.00	—	—
Granted during the year	176	1.00	1 032	1.00
Exercised during the year – share price on exercise US\$2.56	(23)	1.00	—	—
Forfeited/lapsed during the year	(94)	1.00	—	—
Outstanding at the end of the year	1 091	1.00	1 032	1.00
Exercisable at the end of the year	—	—	—	—
The Logicalis International SARs outstanding at 28 February 2025 comprised of a grant price of US\$1.00 and had a weighted average remaining contractual life of 5.2 years (FY24: 6.0 years).				

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, the 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 on the previous page, fall into the following ranges:

	2025		2024	
	1 June 2024	1 June 2024	1 June 2023	1 June 2023
Grant date	1 June 2024	1 June 2024	1 June 2023	1 June 2023
Vesting date	1 June 2027	1 June 2027	1 June 2026	1 June 2026
Risk-free rate	3.67%	3.67%	3.84%	5.27%
Expected life (years)	4.00	7.00	3.00	7.00
Dividend yield	0.00%	0.00%	0.00%	0.64%
Volatility of subsidiary	42.20%	42.20%	0.00%	43.91%

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.

	2025	2024
	US\$'000	US\$'000
Expense in respect of equity-settled schemes	5 620	6 343
Expense in respect of cash-settled schemes	10 145	1 934
	15 765	8 277

Settlements of US\$5.0 million have been made relating to cash-settled schemes for the year ended 28 February 2025 (FY24: US\$5.8 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.

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for the year ended 28 February 2025

	2025 US\$'000	2024 US\$'000
3. Operating profit		
Operating profit is arrived at after taking into account the following items:		
Operating costs		
Auditors' remuneration	7 680	6 625
PricewaterhouseCoopers Inc. and member firms	6 444	5 952
Audit fees – current year	6 039	5 637
Audit fees – prior year	388	215
Other services	17	100
Other auditors – Audit fee	1 236	673
Fees for professional services	25 560	28 961
Administrative and managerial	2 352	2 324
Consulting	18 758	21 147
Accounting and advisory	4 450	5 490
Foreign exchange (gains)/losses	(595)	21 666
Staff costs	501 605	493 649
Retirement benefit contributions	15 960	13 164
Staff costs	485 645	480 485
Directors' emoluments*	6 166	4 860
Executive directors	5 260	3 952
Salaries	2 205	2 227
Bonuses	2 771	1 464
Benefits	284	261
Non-executive directors' emoluments – fees	906	908
Short-term lease payments	2 554	2 866
Low-value assets payments	570	592
Variable lease payments	1 041	1 741
Net loss on disposal of property, plant and equipment, right-of-use assets and software	572	1 477
Travel	14 356	14 103
Software licences	27 926	26 118
Insurance	11 898	11 374
Marketing and entertainment	12 436	17 673
Acquisition, integration and corporate actions costs	1 596	3 642
All other operating costs	44 122	34 943
Total operating costs	657 487	670 290

[©] Additional staff costs information included on the following page. .

* 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.

	2025 US\$'000	2024 US\$'000
3. Operating profit (continued)		
Staff costs		
Staff costs included in cost of sales	291 221	292 463
Staff costs included in operating costs	501 605	493 649
Total staff costs	792 826	786 112
Restructuring costs		
Restructuring costs	10 837	2 950
Restructuring costs relate to fundamental reorganisations in Westcon International, Logicalis Latin America and Corporate. (FY24: Restructuring costs relate to fundamental reorganisations in Logicalis International and Logicalis Latin America.)		
Depreciation and amortisation[†]		
Depreciation: Property, plant and equipment	14 673	16 307
Office furniture, equipment and motor vehicles	1 238	1 529
Computer equipment	11 224	11 228
Leasehold improvements	2 080	3 256
Land and buildings	131	294
Depreciation: Right-of-use assets	25 568	27 938
Office furniture, equipment and motor vehicles	5 086	5 231
Computer equipment	865	1 598
Land and buildings	19 617	21 109
Amortisation	21 178	16 984
Amortisation of software	3 405	2 941
Amortisation of capitalised development expenditure	10 709	10 444
Amortisation of acquired intangible assets	7 064	3 599
Total depreciation and amortisation	61 419	61 229

[†] No depreciation or amortisation is allocated to cost of sales. Depreciation and amortisation primarily relate to the operating function of the Group.

Note

Included in operating profit as part of costs of sales are net gains on derivative instruments of US\$15.0 million in the current year (FY24: US\$5.6 million net loss on derivative instruments). Refer to Note 31 for a detailed description of the Group's hedging strategy.

	2025 US\$'000	2024 US\$'000
4. Net finance costs		
Finance costs		
Lease liabilities	(5 303)	(6 937)
Bank overdrafts and long-term liabilities*	(69 237)	(61 778)
	(74 540)	(68 715)
Interest income		
Bank and other deposits	13 572	11 716
Other	4 036	2 033
	17 608	13 749
Net finance costs	(56 932)	(54 966)

* Includes interest on bank overdrafts repayable on demand of US\$6.8 million (FY24: US\$6.7 million).

Notes to the Group consolidated annual financial statements

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	2025 US\$'000	2024 US\$'000
5. Taxation		
5.1 Taxation charge		
South African normal taxation:		
Current taxation – current year	825	698
Current taxation – prior year	426	276
Deferred taxation – current year	(1 779)	(69)
Deferred taxation – prior year	10	44
South African tax	(518)	949
Foreign taxation:		
Current taxation – current year	34 375	33 927
Current taxation – prior year	1 699	1 439
Deferred taxation – current year	(2 572)	(12 057)
Deferred taxation – rate adjustment	–	(31)
Deferred taxation – prior year	1 736	1 300
Foreign tax	35 238	24 578
Total taxation charge	34 720	25 527

	2025 %	2024 %	2025 US\$'000	2024 US\$'000
5.2 Reconciliation of taxation rate to profit before taxation				
Profit before tax			104 002	76 465
South African statutory tax rate	27.0	27.0	28 081	20 646
Reconciling items expected to reoccur:				
Equity-accounted earnings ⁽¹⁾	–	–	–	(27)
Intra-group management fees ⁽²⁾	3.3	3.8	3 366	2 938
Non-deductible property, plant and equipment, inventory and other asset impairments ⁽³⁾	0.6	0.4	650	295
Other non-deductible expenses and permanent differences ⁽⁴⁾	3.1	3.7	3 201	2 819
Share-based payments ⁽⁵⁾	0.1	–	103	36
Exempt profits/incentives ⁽⁶⁾	(1.5)	(2.5)	(1 548)	(1 902)
Non-recoverable withholding taxes ⁽⁷⁾	0.6	1.9	662	1 487
Tax arising on dividend flows ⁽⁸⁾	0.1	(0.6)	137	(485)
Tax loss utilised/recognised ⁽⁹⁾	(9.1)	(12.6)	(9 512)	(9 628)
Foreign taxation rate differential ⁽¹⁰⁾	(1.3)	(0.3)	(1 338)	(254)
Tax losses and other deferred tax assets not recognised ⁽¹¹⁾	7.2	13.3	7 462	10 150
Rate adjustment ⁽¹²⁾	–	–	–	(31)
Prior year adjustments ⁽¹³⁾	3.7	4.0	3 871	3 059
Reconciling items that are not expected to reoccur:				
Non-taxable profits on disposal ⁽¹⁴⁾	(0.2)	–	(233)	–
Acquisition-related adjustments ⁽¹⁵⁾	(0.2)	(4.7)	(182)	(3 576)
Effective taxation rate	33.4	33.4	34 720	25 527

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% (FY24: 27%) 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.

- (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 negative foreign tax rate differential reflects the fact that the group is now earnings most of its profits in jurisdictions with a tax rate lower than the South African tax rate.
- (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 profit on disposal of shares for which no taxation arises.
- (15) Includes fair value adjustments arising on the purchase of a controlling interest in an associated company.

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	2025 US\$'000	2024 US\$'000
5. Taxation (continued)		
5.3 Taxation charge/(credit) by region:		
North America	7 189	4 836
Latin America	413	(1 186)
Europe	13 714	5 535
Asia-Pacific	11 683	13 134
Middle East and Africa	1 721	3 208
Total taxation charge	34 720	25 527
5.4 Unutilised tax losses		
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:	217 770	244 802
Future tax relief at a blended tax rate of 25.5% (FY24: 25.1%) is US\$55.6 million (FY24: US\$61.3 million). Deferred tax assets of US\$43.2 million (FY24: US\$45.1 million) have been recognised in respect of a portion of these losses as set out in Note 13.	55 633	61 337
5.5 Global minimum taxation		
The Group is within the scope of the OECD Pillar II model rules and the relevant legislation was enacted in South Africa during the year. 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. It is anticipated that the majority of jurisdictions in which the Group operates are likely to fall within the transitional CBCR safe harbour rules which will apply to the Group's financial years ending 28 February 2027. Where jurisdictions fall outside of these safe harbours it is expected that the top-up tax arising will not be material. This is due to the operational substance the Group has in most of the jurisdictions in which it has a presence which provides a substance-based income exclusion that reduces the profits to which a top-up tax can apply. For the year ended 28 February 2025 the estimated top up tax has been calculated to be immaterial.		

	2025 US\$'000	2024 US\$'000
6. Earnings per share		
6.1 Reconciliation of attributable profit to headline (loss)/earnings		
Total profit for the year attributable to equity holders of the parent	59 179	45 801
Total headline earnings adjustments	(485)	(13 884)
Impairment of property, plant and equipment, capitalised development expenditure and right-of-use assets		
– Gross	660	–
– Tax effect	–	–
– Non-controlling interests	(38)	–
Fair value gain on previously recognised equity-accounted investment		
– Gross	(726)	(14 901)
– Tax effect	–	–
– Non-controlling interests	–	–
Gain on disposal of investments		
– Gross	(616)	–
– Tax effect	–	–
– Non-controlling interests	36	–
Net loss on disposal of property, plant and equipment, software and right-of-use assets		
– Gross	572	1 477
– Tax effect	(147)	(279)
– Non-controlling interests	(98)	(181)
Net gain on derecognition of lease liabilities and right-of-use assets		
– Gross	(128)	–
– Tax effect	–	–
– Non-controlling interests	–	–
Total headline earnings	58 694	31 917

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	2025 US cents	2024 US cents
6. Earnings per share (continued)		
6.2 Earnings per share		
Basic earnings per share	25.7	20.4
Headline earnings per share	25.5	14.2
<p>The earnings metrics above are calculated on the weighted average number of shares in issue during the year of 229 851 484 (FY24: 224 799 363), after the deduction of the weighted average number of treasury shares and shares relating to the DBP and DBW of 1 196 719 (FY24: 1 956 082).</p>		
<p>As at 28 February 2025, the Group held 3 774 605 (FY24: 574 145) shares as treasury shares (refer to Note 20). There were 989 264 (FY24: 846 822) weighted average treasury shares. As at 28 February 2025, there were 1 375 987 (1 196 719 weighted average) shares relating to the DBW (FY24: 2 047 149 (1 956 082 weighted average) shares relating to the DBP and DBW).</p>		
6.3 Diluted earnings per share		
Diluted basic earnings per share	24.9	19.7
Diluted headline earnings per share	24.7	13.7

	2025 Number of shares	2024 Number of shares
6.4 Issued and weighted average number of shares		
Issued shares at the beginning of year	229 522 677	224 916 537
<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 interim dividend	2 218 058	2 856 814
Issue of shares for a script distribution special dividend	658 041	—
Treasury shares granted for deferral of bonus in relation to the DBW bonus shares	(1 196 719)	(623 983)
Treasury shares relating to DBP shares held throughout the period	—	(1 332 099)
Treasury shares relating to DBP shares that have vested in the current financial year	(361 309)	(171 084)
Treasury shares relating to CSP shares purchased and vested during the year	(795 980)	(846 822)
Treasury shares relating to share repurchase program purchased during the year	(193 284)	—
Weighted average number of shares	229 851 484	224 799 363
6.5 Weighted and diluted weighted average number of shares		
Weighted average number of shares	229 851 484	224 799 363
<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	7 307 328	7 827 133
Potential share issue related to scrip dividend	351 232	403 820
Diluted weighted average number of shares	237 510 044	233 030 316

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.

7. Goodwill

Net book value

At the beginning of the year
 Arising on acquisition of subsidiaries (Note 38.1)
 IFRS 3 measurement period adjustment*
 Translation and other movements

Balance at the end of the year

Goodwill at cost

Per cash-generating unit:

Logicalis International
 Corporate and Management Consulting
 Westcon International
 Logicalis Latin America

	2025 US\$'000	2024 US\$'000
Net book value	274 212	280 512
At the beginning of the year	280 512	245 375
Arising on acquisition of subsidiaries (Note 38.1)	6 334	34 607
IFRS 3 measurement period adjustment*	(10 264)	—
Translation and other movements	(2 370)	530
Balance at the end of the year	274 212	280 512
Goodwill at cost	274 212	280 512
Per cash-generating unit:	274 212	280 512
Logicalis International	208 627	210 292
Corporate and Management Consulting	27 063	30 992
Westcon International	4 155	3 543
Logicalis Latin America	34 367	35 685

* The IFRS 3 measurement period adjustment relates to the separately identifiable customer relationships (After taking into account the tax impact) acquired as part of the Mason Advisory Limited acquisition during the year ended 29 February 2024. Refer Note 10.

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 Westcon International, Logicalis International and Logicalis Latin America CGUs and compared to the corresponding net asset value, including goodwill. An internal valuation was prepared for Kumulus and an external valuation was obtained for Mason Advisory Group Limited (constituting the goodwill in the Corporate and Management Consulting CGU). The recoverable amount of each CGU is determined based on an analysis of the fair value less cost to sell basis, an evaluation of fair value from comparable company’s market approach, and the market transactions method to ensure the reasonableness of the recoverable amount. The recoverable amounts are compared to the corresponding net asset value, including goodwill. 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. EBITDA is adjusted for tax to arrive at post-tax cash flows which are then used in the discounted cash flow calculation. 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 lower revenue growth rate in FY25 for Logicalis Latin America compared to FY24 is primarily attributable to a reduced open backlog at the start of FY25 as well as a lower performance achieved in the Brazilian market compared to budget.

The revenue growth rate for Corporate and Management Consulting decreased in FY25 compared to FY24 mainly as a result of the decrease in the UK government spend resulting in less revenue recognised.

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.

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7. Goodwill (continued)

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

	Corporate and Management Consulting		
	Logicalis International	Logicalis Latin America	Corporate and Management Consulting
2025			
Discount rate	13.5%	18.0%	11.4%
Revenue growth rate in discrete period	2.2% - 10.0%	3.8% - 8.2%	5.0% - 8.2%
Terminal growth rate	2.2%	3.8%	2.0%
2024			
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%

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.

	2025			2024		
	Cost US\$'000	Accumulated depreciation US\$'000	Net book value US\$'000	Cost US\$'000	Accumulated depreciation US\$'000	Net book value US\$'000
8. Property, plant and equipment						
Office furniture, equipment and motor vehicles	15 448	(11 581)	3 867	15 227	(11 270)	3 957
Computer equipment	106 321	(85 728)	20 593	108 246	(83 470)	24 776
Leasehold improvements	22 438	(16 938)	5 500	22 102	(16 826)	5 276
Land and buildings	2 470	(843)	1 627	2 563	(749)	1 814
	146 677	(115 090)	31 587	148 138	(112 315)	35 823

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	Computer equipment	Leasehold improvements	Land and buildings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 March 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
Subsidiaries acquired	69	57	168	—	294
Subsidiaries disposed	(9)	(7)	—	—	(16)
Additions	1 511	7 231	3 238	107	12 087
Disposals	(89)	(175)	(148)	(2)	(414)
Amounts written off	(1)	(2)	—	—	(3)
Transfers	(208)	1 699	(937)	(90)	464
Translation movement	(125)	(1 762)	(17)	(71)	(1 975)
Depreciation	(1 238)	(11 224)	(2 080)	(131)	(14 673)
Balance at 28 February 2025	3 867	20 593	5 500	1 627	31 587

* Less than US\$1 000.

	2025			2024		
	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
9. Right-of-use assets						
Office furniture, equipment and motor vehicles	29 926	(19 099)	10 827	26 657	(18 010)	8 647
Computer equipment	14 777	(12 857)	1 920	12 944	(11 374)	1 570
Land and buildings	123 117	(65 153)	57 964	118 088	(72 314)	45 774
	167 820	(97 109)	70 711	157 689	(101 698)	55 991

Movement of right-of-use assets	Office furniture, equipment and motor vehicles	Computer equipment	Land and buildings ⁺	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 March 2023	7 952	1 089	47 207	56 248
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)
Balance at 29 February 2024	8 647	1 570	45 774	55 991
Subsidiaries acquired	—	21	125	146
Subsidiaries disposed	—	—	(39)	(39)
Additions	7 937	911	33 335	42 183
Disposals	(574)	(15)	(627)	(1 216)
Amounts written off	(2)	—	(263)	(265)
Impairments [^]	—	—	(661)	(661)
Transfers	130	307	431	868
Translation and other movements	(225)	(9)	(494)	(728)
Depreciation	(5 086)	(865)	(19 617)	(25 568)
Balance at 28 February 2025	10 827	1 920	57 964	70 711

⁺ Includes leasehold improvements.

[^] Logicalis International Limited incurred additional costs relating to a vacant leased property which is fully impaired, the additional cost were capitalised and impaired during the year.

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	2025 US\$'000	2024 US\$'000
10. Intangible assets		
10.1 Capitalised development expenditure		
Capitalised development expenditure only relates to Westcon International. Included in amounts capitalised below, was US\$1.3 million (FY24: US\$1.8 million) of SAP-related capitalised development expenditure. 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").		
Net book value	32 096	33 704
At the beginning of the year	33 704	31 723
Amounts capitalised	10 428	12 479
Disposals	(20)	—
Translation and other movements	(1 307)	(54)
Amortisation	(10 709)	(10 444)
Balance at the end of the year	32 096	33 704
Capitalised development expenditure at cost	83 891	78 556
Accumulated amortisation and impairment	(51 795)	(44 852)
10.2 Acquired intangible assets and software		
10.2.1 Trademarks, customer and vendor relationships		
Net book value	18 910	11 918
At the beginning of the year	11 918	10 053
Arising on acquisition of subsidiaries	450	5 422
Translation and other movements	(80)	42
IFRS 3 measurement period adjustment	13 686	—
Amortisation	(7 064)	(3 599)
Balance at the end of the year	18 910	11 918
Acquired intangible assets at cost	33 345	25 268
Accumulated amortisation and impairment	(14 435)	(13 350)
The IFRS 3 measurement period adjustment relates to the fair value of separately identifiable customer relationships acquired as part of the Mason Advisory Limited acquisition for which provisional amounts were recognised during the year-ended 29 February 2024. In line with the requirements of IFRS 3, the Group finalised the assessment of the provisional amounts within one year from the acquisition date, being 1 December 2023, and recognised the separately identifiable assets and related deferred tax liability (Refer Note 13) by means of a net decrease in goodwill. Refer Note 7.		
10.2.2 Software		
Net book value	8 970	9 487
At the beginning of the year	9 487	6 033
Subsidiaries acquired	13	—
Additions	3 856	6 260
Disposals	(1)	(2)
Transfers	(24)	—
Translation and other movements	(956)	137
Amortisation	(3 405)	(2 941)
Balance at the end of the year	8 970	9 487
Software at cost	24 147	23 174
Accumulated amortisation	(15 177)	(13 687)
There are no intangible assets with indefinite useful lives.		
Total acquired intangible assets and software	27 880	21 405

	2025 US\$'000	2024 US\$'000
11. Capital commitments		
Contractual commitments authorised	15 838	16 927
Property, plant and equipment	4 281	4 463
Intangible assets	11 557	12 464
Capital expenditure not contractually committed	15 017	14 175
Total capital commitments	30 855	31 102

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.

As at year-end, the Group does not have any equity-accounted investments. None of these equity-accounted associates were considered to be material to the Group in the prior year.

Details of the Group's investments are:

	Country of incorporation and principal place of business	Nature of business	Effective ownership		Carrying value	
			2025 %	2024 %	2025 US\$'000	2024 US\$'000
Equity-accounted:						
Cirrus Participações S.A ("Kumulus")*	Brazil	ICT Solutions	77.6	60.4	—	4 497

* 27.93% (FY24: 35.63%) is owned by PromonLogicalis Latin America Limited.

Kumulus

In FY25, the Group, through its 100%-owned subsidiary Logicalis Group Limited purchased additional shareholding in Kumulus from the minority shareholders. Kumulus was equity-accounted during FY24 and is now a subsidiary of the Group. Refer to Note 38.1.

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	2025 US\$'000	2024 US\$'000
12. Investments (continued)		
12.1 Equity-accounted investments (continued)		
Carrying amount	—	4 497
Total share of equity-accounted investment earnings/(losses)		
Cirrus Participações S.A	—	(461)
Mason Advisory Limited	—	712
	—	251
12.2 Bonds (Angola government bonds)		
ISIN: AOUGDEIS24A8	1 500	—
Long-term portion	1 500	—
ISIN: AOUGDXKG17A3	—	3 959
ISIN: AOTNX0827L17	1 001	—
Short-term portion	1 001	3 959

Westcon International

The Angolan government bonds are indexed to the US Dollar. The amount of US\$1.0 million (FY24: US\$4.0 million) is fixed and the Kwanza equivalent of this will mature in July 2025. 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\$3.9 million matured. Of this US\$2.5 was reinvested in Angolan government bonds with a coupon rate of between 5% and 8.25% which will mature between 27 July 2025 and 15 September 2029.

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.

	2025 US\$'000	2024 US\$'000
12.3 Total investments		
Equity-accounted investments	—	4 497
Other investments	—	18
Bonds	2 501	3 959
Total investments	2 501	8 474
Long-term portion	1 500	4 515
Short-term portion	1 001	3 959
	2 501	8 474

	2025 US\$'000	2024 US\$'000
13. Deferred tax assets/(liabilities)		
13.1 Movement of gross deferred tax assets		
At the beginning of the year	110 376	95 723
(Credit)/charge to profit and loss	(670)	15 148
Translation and other movements	(4 207)	(495)
	105 499	110 376
Analysis of gross deferred tax assets		
Capital allowances	6 660	6 387
Expense accruals and similar items	30 484	32 739
Effect of tax losses*	43 152	45 118
Intangible assets	2 389	3 565
IFRS 16 lease liabilities	17 858	19 836
Other individually immaterial temporary differences	4 956	2 731
	105 499	110 376
13.2 Movement of gross deferred tax liabilities		
At the beginning of the year	(50 867)	(44 758)
Charge/(credit) to profit and loss	3 275	(4 335)
Arising on acquisition of subsidiaries	(153)	(1 398)
Translation and other movements	(2 027)	(376)
	(49 772)	(50 867)
Analysis of gross deferred tax liabilities		
Capital allowances	(837)	(880)
Goodwill	(21 351)	(20 712)
Intangible assets	(6 744)	(5 165)
IFRS 16 right-of-use assets	(15 274)	(16 947)
Other individually immaterial temporary differences	(5 566)	(7 163)
	(49 772)	(50 867)
13.3 Reconciliation between gross and net deferred tax balances		
Gross deferred tax assets	105 499	110 376
Gross deferred tax liabilities	(49 772)	(50 867)
	55 727	59 509
The deferred tax after appropriate netting within entities is reflected in the balance sheet as follows:		
Net deferred tax assets	82 058	83 907
Net deferred tax liabilities	(26 331)	(24 398)
	55 727	59 509

* Deferred tax assets recognised in relation to tax losses total US\$43.2 million (FY24: US\$45.1 million). Of this, US\$11.4 million (FY24: US\$41.9 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\$9.1 million (FY24: US\$11.0 million) relating to entities that were loss making in both the current and prior year. This includes losses relating to Chile, the UK, Germany and South Africa which can be carried forward indefinitely against their own future profits. Estimated tax losses carried forward include US\$1.4 million (FY24: US\$2.3 million) relating to Argentina that expire by 28 February 2029. (FY24: 28 February 2029). 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\$12.4 million (FY24: US\$16.2 million) on assessed/estimated tax losses have not been recognised at 28 February 2025 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.

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	2025		2024	
	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
14. Finance lease receivables				
Current portion receivable within one year	9 914	8 658	10 708	9 487
Receivable within one and two years	7 718	6 758	9 068	8 135
Receivable within two and three years	6 664	5 942	6 698	5 991
Receivable within three and four years	5 240	4 763	5 646	5 138
Receivable within four and five years	4 640	4 349	4 348	4 012
Receivable after five years	5 685	5 548	9 055	8 772
	39 861	36 018	45 523	41 535
Less: unearned finance income	(3 843)	—	(3 988)	—
Present value of minimum lease assets	36 018	36 018	41 535	41 535
Current portion		8 658		9 487
Long-term portion		27 360		32 048
Finance lease receivables		36 018		41 535

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 0% and 7.80% (FY24 between 1.10% and 14.44%). These leases are repayable at various dates between June 2025 and April 2032. At 28 February 2025, US\$32.0 million (FY24: US\$37.3 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% (FY24 between 0.30% and 9.01%). These leases are repayable at various dates between April 2026 and December 2028. At 28 February 2025, US\$3.5 million (FY24: US\$3.6 million) was receivable.

Corporate

One of Corporate's European subsidiaries has entered into a finance lease, bearing interest at 2.65% (FY24 2.65%). This lease is repayable at December 2028. At 28 February 2025, US\$0.5 million (FY24: US\$0.6 million) was receivable.

The majority of the exposure, US\$32.5 million (FY24: US\$38.0 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.

	2025	2024
	US\$'000	US\$'000
15. Inventories		
Merchandise for resale	264 114	327 623
Spares/maintenance inventory	11 734	10 437
Work-in-progress	18 672	13 279
	294 520	351 339
Inventory provisions	(24 732)	(26 471)
	269 788	324 868

Obsolete inventory amounting to US\$1.6 million was written off during FY25 (FY24: US\$1.1 million).

During the year, inventories of US\$2.2 billion (FY24: US\$2.6 billion) were recognised as part of cost of sales. There were no inventories encumbered as at 28 February 2025 (FY24: US\$Nil).

Westcon International has certain inventory return arrangements with its major vendors to reduce the risk of technological obsolescence. Refer Note 25 for the details of the arrangements. Amounts outstanding under these arrangements are included in trade payables (refer Note 23).

	2025	2024
	US\$'000	US\$'000
16. Trade receivables		
16.1 Total trade receivables		
Trade receivables	1 664 483	1 518 347
Expected credit loss allowance	(31 510)	(29 480)
	1 632 973	1 488 867

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 the last three years across all classes of trade receivables is 0.09% (FY24: 0.12%). 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. 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.

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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
2025						
Datatec Group Total						
Current	85 730	95 786	882 823	245 350	117 771	1 427 460
1 – 30 days past due	9 031	10 672	46 683	46 002	18 065	130 453
31 – 60 days past due	2 509	4 195	(207)	10 462	10 742	27 701
61 – 90 days past due	936	1 992	2 142	4 389	3 691	13 150
91 – 120 days past due	713	1 504	2 234	1 864	711	7 026
Over 120 days past due	1 082	11 572	13 856	8 807	23 376	58 693
Gross trade receivables	100 001	125 721	947 531	316 874	174 356	1 664 483
Expected credit loss allowance	(788)	(1 785)	(9 274)	(3 234)	(16 429)	(31 510)
Net trade receivables	99 213	123 936	938 257	313 640	157 927	1 632 973
Expected credit loss allowance %	0.79	1.42	0.98	1.02	9.42	1.89
Total trade receivables over 90 days past due	1 795	13 076	16 090	10 671	24 087	65 719
Expected credit loss allowance allocated to over 90 days past due	(454)	(1 672)	(8 473)	(3 200)	(16 399)	(30 198)
Over 90 days past due expected credit loss allowance %	25.29	12.79	52.66	29.99	68.08	45.95
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	57.61	93.67	91.36	98.95	99.82	95.84
Westcon International						
Current	609	–	786 606	197 711	116 564	1 101 490
1 – 30 days past due	19	–	34 864	34 681	16 594	86 158
31 – 60 days past due	22	–	(2 582)	7 788	10 030	15 258
61 – 90 days past due	–	–	1 671	3 266	3 377	8 314
91 – 120 days past due	–	–	1 967	1 125	689	3 781
Over 120 days past due	167	–	13 219	4 463	23 340	41 189
Gross trade receivables	817	–	835 745	249 034	170 594	1 256 190
Expected credit loss allowance	–	–	(8 335)	(1 254)	(16 390)	(25 979)
Net trade receivables	817	–	827 410	247 780	154 204	1 230 211
Expected credit loss allowance %	–	–	1.00	0.50	9.61	2.07
Total trade receivables over 90 days past due	167	–	15 186	5 588	24 029	44 970
Expected credit loss allowance allocated to over 90 days past due	–	–	(7 847)	(1 232)	(16 387)	(25 466)
Expected credit loss allowance % over 90 days past due	–	–	51.67	22.05	68.20	56.63
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	–	–	94.15	98.25	99.98	98.03

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
2025						
Logicalis International						
Current	85 121	–	91 284	47 639	1 207	225 251
1 – 30 days past due	9 012	–	11 800	11 321	1 471	33 604
31 – 60 days past due	2 487	–	2 358	2 674	712	8 231
61 – 90 days past due	936	–	358	1 123	314	2 731
91 – 120 days past due	713	–	250	739	22	1 724
Over 120 days past due	915	–	637	4 344	36	5 932
Gross trade receivables	99 184	–	106 687	67 840	3 762	277 473
Expected credit loss allowance	(788)	–	(939)	(1 980)	(39)	(3 746)
Net trade receivables	98 396	–	105 748	65 860	3 723	273 727
Expected credit loss allowance %	0.79	–	0.88	2.92	1.04	1.35
Total trade receivables over 90 days past due	1 628	–	887	5 083	58	7 656
Expected credit loss allowance allocated to over 90 days past due	(454)	–	(626)	(1 968)	(12)	(3 060)
Expected credit loss allowance % over 90 days past due	27.89	–	70.57	38.72	20.69	39.97
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	57.61	–	66.67	99.39	30.77	81.69
Logicalis Latin America						
Current	–	95 786	–	–	–	95 786
1 – 30 days past due	–	10 409	–	–	–	10 409
31 – 60 days past due	–	4 186	–	–	–	4 186
61 – 90 days past due	–	1 992	–	–	–	1 992
91 – 120 days past due	–	1 504	–	–	–	1 504
Over 120 days past due	–	11 553	–	–	–	11 553
Gross trade receivables	–	125 430	–	–	–	125 430
Expected credit loss allowance	–	(1 733)	–	–	–	(1 733)
Net trade receivables	–	123 697	–	–	–	123 697
Expected credit loss allowance %	–	1.38	–	–	–	1.38
Total trade receivables over 90 days past due	–	13 057	–	–	–	13 057
Expected credit loss allowance allocated to over 90 days past due	–	(1 672)	–	–	–	(1 672)
Expected credit loss allowance % over 90 days past due	–	12.81	–	–	–	12.81
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	–	96.48	–	–	–	96.48

Notes to the Group consolidated annual financial statements

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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
2025						
Corporate and Management Consulting						
Current	—	—	4 933	—	—	4 933
1 – 30 days past due	—	263	19	—	—	282
31 – 60 days past due	—	9	17	—	—	26
61 – 90 days past due	—	—	113	—	—	113
91 – 120 days past due	—	—	17	—	—	17
Over 120 days past due	—	19	—	—	—	19
Gross trade receivables	—	291	5 099	—	—	5 390
Expected credit loss allowance	—	(52)	—	—	—	(52)
Net trade receivables	—	239	5 099	—	—	5 338
Expected credit loss allowance %	—	17.87	—	—	—	0.96
Total trade receivables over 90 days past due	—	19	17	—	—	36
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.

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
2024						
Datatec Group Total						
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
Gross trade receivables	102 677	134 881	856 153	282 888	141 748	1 518 347
Expected credit loss allowance	(205)	(1 325)	(8 418)	(3 039)	(16 493)	(29 480)
Net trade receivables	102 472	133 556	847 735	279 849	125 255	1 488 867
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)
Expected credit loss allowance % over 90 days past due*	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
Westcon International						
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
Gross trade receivables	159	—	723 615	218 819	137 943	1 080 536
Expected credit loss allowance	—	—	(7 535)	(854)	(16 465)	(24 854)
Net trade receivables	159	—	716 080	217 965	121 478	1 055 682
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

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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
2024						
Logicalis International						
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
Gross trade receivables	102 518	—	126 717	64 069	3 805	297 109
Expected credit loss allowance	(205)	—	(883)	(2 185)	(28)	(3 301)
Net trade receivables	102 313	—	125 834	61 884	3 777	293 808
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
Logicalis Latin America						
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
Gross trade receivables	—	134 881	—	—	—	134 881
Expected credit loss allowance	—	(1 325)	—	—	—	(1 325)
Net trade receivables	—	133 556	—	—	—	133 556
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

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
2024						
Corporate and Management Consulting						
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	—	—	—	—	—	—
Gross trade receivables	—	—	5 821	—	—	5 821
Expected credit loss allowance	—	—	—	—	—	—
Net trade receivables	—	—	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	—	—	—	—	—	—

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 2023	—	(619)	(7 902)	(3 392)	(15 829)	(27 742)
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
Balance at 29 February 2024	(205)	(1 325)	(8 418)	(3 039)	(16 493)	(29 480)
Impairment losses recognised on trade receivables	(785)	(1 030)	(2 697)	(1 249)	(529)	(6 290)
Impairment losses reversed	—	346	1 752	592	4	2 694
Bad debt write-offs	202	108	358	280	153	1 101
Arising on acquisition of subsidiaries	—	(46)	—	—	—	(46)
Net exchange gains and losses	—	162	(269)	182	436	511
Balance at 28 February 2025	(788)	(1 785)	(9 274)	(3 234)	(16 429)	(31 510)

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

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	2025 US\$'000	2024 Restated [*] US\$'000
17. Prepaid expenses		
Prepaid vendor maintenance*	95 385	95 347
Prepaid expenses on multi-year contracts	6 548	18 032
Prepaid commissions	7 950	8 241
Prepaid licencing	12 710	9 977
Prepaid taxes	2 522	4 031
Prepaid project costs	8 492	4 247
Prepaid insurance	5 341	4 261
Sundry prepayments (individually immaterial)*	29 299	27 527
	168 247	171 663

^{*} Refer to Note 19.3.

	2025 US\$'000	2024 US\$'000
18. Other receivables		
Rebates due	32 389	23 987
Tax receivables	20 594	16 625
Restricted cash	3 753	4 250
Derivative financial assets	45 135	8 481
Purchase consideration receivable	—	10 142
Sundry receivables*	69 249	20 789
	171 120	84 274

^{*} Includes notes and deposits held, a loan receivable, an amount due receivable from a financial institution due to an incorrect payment, and a number of immaterial receivables.

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

	2025 US\$'000	2024 Restated [^] US\$'000
19. Other non-current assets and contract assets and other liabilities		
19.1 Other non-current assets		
Other non-current assets		
Security deposits	1 727	1 530
Notes receivable*	216	10 074
Other [^]	2 352	3 495
Prepaid expenses on multi-year contracts ^{***}	38 328	21 270
Amounts receivable for multi-year contracts ^{***}	210 403	117 841
	253 026	154 210
Non-current contract assets	125 988	46 038
Other non-current assets	379 014	200 248

^{*} Includes US\$Nil (FY24: US\$9.9 million) million term note receivable recognised on disposal of Analysys Mason in Datatec PLC. The term note is due in the next financial year and has been reclassified to other receivables. Refer Note 18.

^{**} Relates to prepaid cost of sales for multi-year contracts in Westcon International, Logicalis International and Logicalis Latin America.

^{***} 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\$220.8 million (FY24: US\$104.3 million)) is included in trade receivables.

[^] Refer below for the FY24 restatement.

Expected credit losses for the year were US\$0.4 million (FY24: US\$Nil).

19.2 Contract assets

Non-current	125 988	46 038
Non-current contract assets	125 988	46 038
Current	178 061	207 049
Current contract assets	178 061	207 049
Total contract assets	304 049	253 087
Changes during the year:		
At the beginning of the year	253 087	244 117
Arising from new contracts in the current year [†]	347 295	295 372
Changes due to business combinations	148	—
Amounts recognised during the year in relation to new contracts and those included in the contract asset balance at the beginning of the year [†]	(295 020)	(284 347)
Change in the time frame for a right to consideration to become unconditional	(184)	36
Transfers	12 088	—
Impairment losses recognised	(867)	(155)
Reversal of impairment losses	26	490
Translation and other movements	(12 524)	(2 426)
Total contract assets	304 049	253 087

[†] These lines have been disaggregated to reflect the gross movements for FY24.

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19. Other non-current assets and contract assets and liabilities (continued)

19.2 Contract assets (continued)

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\$0.9 million (FY24: US\$0.1 million).

	2025 US\$'000	2024 US\$'000
19.3 Other liabilities		
Amounts payable for multi-year contracts***	247 146	102 253
Other	244	352
Other liabilities	247 390	102 605

*** The short-term portion of amounts owing for purchases related to these multi-year contracts have been recognised in trade and other payables.

Retrospective restatement of consolidated statement of financial position

In the prior years, certain non-current assets and non-current liabilities relating to Logicalis International's multi-year contracts were incorrectly classified and disclosed as current assets and current liabilities. The non-current asset has now been reclassified from prepaid expenses to other non-current assets and contract assets with the non-current liability being reclassified from trade and other payables to other liabilities.

The error has been corrected in accordance with the requirements of IAS 8 by restating each of the affected financial statement line items for the prior years as follows:

Consolidated statement of financial position (extract) as at 1 March 2023

	2023		
	As previously presented US\$'000	Total restatement US\$'000	Restated US\$'000
Non-current assets	610 565	10 552	621 117
Other non-current assets and contract assets	128 610	10 552	139 162
Current assets	3 015 700	(10 552)	3 005 148
Prepaid expenses	196 659	(10 552)	186 107
Total assets	3 626 265	—	3 626 265
Non-current liabilities	224 284	30 749	255 033
Other liabilities	68 944	30 749	99 693
Current liabilities	2 869 641	(30 749)	2 838 892
Trade and other payables	2 071 975	(30 749)	2 041 226
Total equity and liabilities	3 626 265	—	3 626 265

19. Other non-current assets and contract assets and liabilities (continued)

Consolidated statement of financial position (extract) as at 29 February 2024

	2024		
	As previously presented US\$'000	Total restatement US\$'000	Restated US\$'000
Non-current assets	741 075	7 078	748 153
Other non-current assets and contract assets	193 170	7 078	200 248
Current assets	2 892 261	(7 078)	2 885 183
Prepaid expenses	178 741	(7 078)	171 663
Total assets	3 633 336	—	3 633 336
Non-current liabilities	234 612	33 974	268 586
Other liabilities	68 631	33 974	102 605
Current liabilities	2 829 580	(33 974)	2 795 606
Trade and other payables	2 017 010	(33 974)	1 983 036
Total equity and liabilities	3 633 336	—	3 633 336

The restatement due to error has no impact on the consolidated statement of comprehensive income, the consolidated statement of equity or the consolidated statement of cash flows. In addition, there was no impact on earnings or earnings per share.

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	2025 US\$'000	2024 US\$'000
20. Stated capital		
Authorised share capital		
400,000,000 (FY24: 400,000,000) ordinary shares of ZAR0.01 each		
Issued share capital		
236,184,688 (FY24: 226,901,383) fully paid ordinary shares excluding treasury, shares purchased as part of the share repurchase program, DBP and DBW shares		
Stated capital	155 683	145 395
	155 683	145 395
	Number of shares	Stated capital US\$'000
Balance at 1 March 2023	219 653 316	138 091
Issue of shares for a scrip distribution FY23 final 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)
Balance at 29 February 2024	226 901 383	145 395
Issue of shares for a scrip distribution interim and final FY24 dividend	6 662 011	13 788
Treasury shares granted to deferred DBW shares	(660 937)	(1 326)
Treasury shares relating to DBP shares that have vested in the current financial year	1 332 099	2 805
Treasury shares purchased	(3 809 547)	(8 228)
Shares purchased under share repurchase program	(1 574 605)	(4 093)
Treasury shares issued to settle share schemes that vested	2 183 692	4 572
Effects of foreign currency translation	—	2 770
Balance at 28 February 2025	231 034 096	155 683
	Number of shares	Treasury shares US\$'000
Reconciliation of treasury shares		
Balance as at 1 March 2024	574 145	2 121
Treasury shares purchased	3 809 547	8 228
Shares purchased under share repurchase program	1 574 605	4 093
Treasury shares used to settle share schemes that vested	(2 183 692)	(4 572)
Balance at 28 February 2025	3 774 605	9 870

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

During the year ended 28 February 2025, 6 662 011 (FY24: 4 606 140) shares were issued as a scrip distribution to shareholders. As at 28 February 2025, the Group held 3 774 605 (FY24: 574 145) shares as treasury shares. These treasury shares were set off against stated capital in FY25. During FY25, 1 574 605 of these treasury shares were purchased as part of the share repurchase programme.

As at 28 February 2025, there were 1 375 987 shares (FY24: 2 047 149 shares) relating to the DBP and DBW (refer to Note 2). This includes 660 937 shares used for participants in the DBW in the current year (FY24: 358 394 shares used for the DBP) less 1 332 099 shares (FY24: 574 466) 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.

	2025 US\$'000	2024 US\$'000
21. Long-term interest-bearing liabilities		
Total long-term interest-bearing liabilities		
Secured loans	43 187	30 775
Westcon International	10 799	10 556
Logicalis International	32 388	20 219
Unsecured loans	6 784	37 149
Westcon International	235	658
Logicalis International	689	5 024
Logicalis Latin America	5 860	31 467
	49 971	67 924
Less: Current portion included in short-term interest-bearing liabilities (Note 24)	(13 602)	(28 786)
Long-term portion	36 369	39 138
Repayable between one and two years	13 765	33 720
Repayable between two and three years	19 299	3 176
Repayable between three and four years	1 865	1 636
Repayable between four and five years	1 428	601
Repayable after five years	12	5
	36 369	39 138

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

Secured loans and other long-term liabilities

2025							Total capital amount outstanding US\$'000
Principal amount (loan currency)	Principal amount US\$'000	Currency	Interest rate	Final repayment date	Repayment terms		
Secured							43 187
Westcon International							10 799
180	141	SGD	6.40%	May 2030*	Monthly instalments	111	
200 000	10 688	ZAR	Three month JIBAR + 2.61%	March 2027*	Full capital repayable every three years, interest paid quarterly	10 688	
Logicalis International							32 388
18 820	19 527	EUR	6.47%	December 2027*	Monthly instalments	16 800	
8 942	9 278	EUR	6.52%	April 2030*	Monthly instalments	4 263	
2 930	3 040	EUR	6.89%	April 2029*	Bi-annual instalments	2 995	
2 271	2 356	EUR	6.14%	November 2029*	Bi-annually instalments	2 196	
2 609	2 707	EUR	3.00%	July 2028*	Quarterly instalments	1 397	
38 133	39 567	EUR	Between 0.87% and 6.14%	Between June 2025 and February 2031*	Bi-annually and monthly instalments	4 737	
Unsecured							6 784
Westcon International							235
1 305	1 354	EUR	—%	August 2025*	Quarterly instalments	235	
Logicalis International							689
5 300	5 499	EUR	4.76%	April 2025*	Monthly instalments	276	
1 016	635	AUD	3.60%	March 2025*	Annual instalments	212	
Various	302	Various	Between 0.10% and 9.30%	Between September 2026 and October 2027*	Quarterly and annual instalments	201	
Logicalis Latin America							5 860
14 913	14 913	US\$	1.82%	May 2025*	Quarterly instalments	731	
914	914	US\$	3.42%	June 2025*	Quarterly instalments	99	
589	589	US\$	3.42%	April 2026*	Quarterly instalments	104	
269	269	US\$	1.82%	April 2026*	Quarterly instalments	92	
20 000	3 398	BRL	15.50%	July 2028*	Monthly instalments	2 053	
30 525	5 186	BRL	14.73%	December 2026*	Bi-annual instalments	2 593	
363 876	378	CLP	8.04%	June 2026*	Annual instalments	188	

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

One of the Westcon International long-term interest-bearing liabilities is secured by trade receivables to the value of US\$21.1 million (FY24: US\$22.4 million). Refer to Note 31.4.

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\$32.4 million (FY24: US\$20.2 million).

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

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

Secured loans and other long-term liabilities (continued)

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

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

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	2025 US\$'000	2024 US\$'000
22. Lease liabilities		
Non-current	53 363	45 548
Current	29 255	26 243
	82 618	71 791
Current portion repayable within one year	29 255	26 243
Repayable between one and two years	20 375	16 977
Repayable between two and three years	13 645	11 912
Repayable between three and four years	8 881	7 459
Repayable between four and five years	5 259	4 631
Repayable between five and ten years	5 203	4 569
	82 618	71 791

2025							Principal amount US\$'000	Total capital amount outstanding US\$'000
Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date				
Westcon International								35 933
North America	US\$	Land and buildings	4.50%	December 2029	595	534		
Europe	Various	Land and buildings, office furniture, equipment and motor vehicles	Between 3.50% and 5.00%	Between December 2029 and December 2034	28 713	23 241		
Asia-Pacific	Various	Land and buildings	Between 1.78% and 11.00%	December 2035	10 808	8 929		
MEA	Various	Land and buildings and motor vehicles	Between 5.00% and 22.00%	Between May 2026 and February 2031	4 001	3 229		
Logicalis International								35 783
North America	US\$	Land and buildings and equipment	Between 0.00% and 7.50%	Between July 2025 and May 2030	15 373	10 187		
Europe	EUR and GBP	Land and buildings, computer equipment, office furniture, equipment and motor vehicles	Between 0.00% and 8.00%	Between March 2025 and April 2033	32 225	12 980		
Asia-Pacific	Various	Land and buildings, computer equipment, office furniture and motor vehicles	Between 3.00% and 9.81%	Between April 2025 and January 2030	16 238	11 731		
MEA	ZAR	Land and buildings, computer equipment and motor vehicles	Between 9.00% and 13.75%	Between August 2026 and December 2027	1 641	885		
Logicalis Latin America								8 321
Latin America	Various	Land and buildings, equipment and computer equipment	Between 0.39% and 16.80%	Between March 2025 and June 2029	13 347	8 321		
Corporate								2 580
Europe	US\$ and GBP	Land and buildings and computer equipment	Between 2.49% and 2.65%	Between March 2025 and December 2028	2 435	1 842		
MEA	ZAR	Land and buildings and equipment	Between 11.25% and 11.49%	Between October 2027 and March 2035	739	738		

22. Lease liabilities (continued)

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

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.

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	2025 US\$'000	2024 Restated* US\$'000
23. Trade and other payables		
Trade payables	1 670 503	1 509 890
VAT/sales tax	79 739	69 553
Derivative financial liabilities [~]	19 777	8 220
Sundry payables and accruals ⁺	414 398	392 871
Short-term portion of share-based payments	1 606	2 502
	2 186 023	1 983 036

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

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

^{*} Refer to Note 19.3.

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. Included in trade payables is US\$320.7 million (FY24: US\$251.9 million) of payables under supplier finance arrangements. Refer to Note 25.

Withholding taxes

As at 28 February 2025, 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 made in relation to the purchase of vendor software and maintenance services which were resold to customers during the six years ended 31 December 2020. Following an unsuccessful attempt to utilise the alternative dispute resolution procedures, the matter proceeded to a final court hearing on 29 September 2024. The written ruling disagreed with the Tax Authority's categorisation of the relevant arrangements and they now must revise their assessment of the tax liability. There remains some ambiguity as to how the ruling will be interpreted by the Tax Authority for the calculation of such an assessment. A liability has been recognised for a possible exposure in this regard.

As at 28 February 2025, withholding tax liabilities for the Group totalled US\$22.5 million (FY24: US\$23.5 million), which includes the liability for the Westcon KSA matter described above.

	2025 US\$'000	2024 US\$'000
24. Short-term interest-bearing liabilities		
Unsecured short-term funding – Logicalis International	–	1 855
Unsecured short-term funding – Logicalis International	–	593
Unsecured short-term funding – Logicalis International	–	40
Unsecured short-term funding – Logicalis Latin America	191	–
Secured short-term funding – Westcon International	196 537	282 449
Secured short-term funding – Westcon International	81 254	87 989
Secured short-term funding – Westcon International	16 438	–
Secured short-term funding – Logicalis Latin America	–	544
Current portion of other long-term liabilities (Note 21)	13 602	28 786
	308 022	402 256

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

Unsecured loans

As at 28 February 2025, the loans with lenders have been settled in full by Logicalis International's subsidiaries.

One of Logicalis Latin America's subsidiaries has entered into a funding arrangement with a lender, bearing interest at 8.04%. This liability is repayable in June 2026. At 28 February 2025, US\$0.2 million was outstanding (FY24: US\$Nil million).

Secured loans

Some of Westcon International's subsidiaries have entered into various arrangements with a lender, up to a maximum of US\$405.3 million (EUR390.6 million) (FY24: US\$422.2 million (EUR390.6 million)), bearing interest at three-month EURIBOR + 0.9%, three-month US SOFR + 0.9%, CHF SARON +0.9% and three-month GBP SONIA + 0.9%. As at 28 February 2025, and consistent with 29 February 2024, there were no restrictions against the gross available facilities. These are rolling facilities and at 28 February 2025, US\$196.5 million (FY24: US\$282.4 million) was outstanding. The net availability on this facility is US\$208.8 million (FY24: US\$139.8 million). US\$549.2 million (FY24: US\$705.8 million) of trade receivables are pledged as collateral for this facility. Refer to Note 31.4.

One of Westcon International's subsidiaries has entered into various arrangements with a lender of US\$130.0 million, bearing interest at 1.60% above bank base rate. The maximum facility is US\$130.0 million. As at 28 February 2025, there were restrictions of US\$16.0 million (FY24: US\$38.4million). These are rolling facilities and at 28 February 2025, US\$81.3 million (FY24: US\$88.0 million) was outstanding. The net availability of this facility, after taking into account restrictions and the amount outstanding, was US\$32.7 million (FY24: US\$3.6 million). US\$134.3 million (FY24: US\$136.8 million) of trade receivables are pledged as collateral for this facility. Refer to Note 31.4.

Some of Westcon International's subsidiaries have entered into various arrangements with a lender, up to a maximum of US\$138.0 million (FY24: US\$71.5 million), bearing interest at 3.25% for European facilities, 8.52% for American facilities and 6.97% for Australian facilities. As at 28 February 2025, and consistent with 29 February 2024, there were no restrictions against the gross available facilities. These are rolling facilities and at 28 February 2025, US\$16.4 million (FY24: US\$Nil million) was outstanding. The net availability on this facility is US\$121.6 million (FY24: US\$71.5 million). No trade receivables are pledged as collateral for this facility.

One of Logicalis Latin America's subsidiaries has entered into funding arrangements with various lenders. The outstanding amounts have been settled in full by the subsidiary.

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25. Liabilities under supplier finance arrangements

Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts the Group owes its suppliers and the Group agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the Group with extended payment terms, or the Group's suppliers with early payment terms, compared to the related invoice payment due date.

The Group, through its subsidiaries, enters into supplier finance arrangements that have been classified as trade payables as well as those where the arrangement has substantially modified the trade payable, such that it is considered as a new arrangement with the trade payable being derecognised and a new financial liability being recognised.

Consistent with IAS 7 paragraph 63(a) of the transition requirements of the amendment, the Group only presents the financial information as at 28 February 2025.

Arrangements where a new financial liability is recognised

Prior to the amendments to IAS 7 and IFRS 7, where the derecognition criteria of the trade payable was met, the Group derecognised the trade payable and disclosed the liabilities under supplier finance arrangements within "interest-bearing liabilities" on the consolidated statement of financial position. The cash flow arising from the supplier finance arrangements was disclosed within cash flow from financing activities. The cash inflow was disclosed within "proceeds from long-term liabilities" or "repayment of short-term liabilities" and the cash outflow within "repayments from long-term liabilities" or "repayment from short-term liabilities" on the consolidated statement of cash flows.

Following the amendments, the Group has disclosed "liabilities under supplier finance arrangements" separate from "interest-bearing liabilities" in its consolidated statement of financial position. The Group further disclosed the cash outflows arising from supplier finance arrangements separately under cash flow from financing activities in the consolidated statement of cash flows.

A summary of the Group's supplier finance arrangements classified as separate financial liabilities have been included below:

Logicalis International

Certain subsidiaries in Logicalis International have inventory purchase financing arrangements with finance providers for specified vendors' purchases which extends payment terms beyond the vendors' normal payment terms.

Region	Currency	Range of payment due dates under supplier finance arrangement	Facility limit US\$'000	Carrying amount of liabilities under supplier finance arrangements US\$'000
			23 675	15 863
Asia-Pacific	US\$, SGD and MYR	Various	10 211	10 199
Europe	EUR and GBP	Quarterly and annual instalments	13 464	5 664
* The amount due within 12 months is included in in the carrying amount disclosed above.				
Non-current liabilities				2 336
Current liabilities				13 527
Liabilities under supplier finance arrangements				15 863

Arrangements which remain classified and disclosed as part of trade and other payables

For supplier finance arrangements where the derecognition criteria of the trade payable was not met, the Group continues to disclose the arrangements as part of trade and other payables on the consolidated statement of financial position with the cash flows arising from the arrangements being disclosed in cash flow from operating activities, "working capital changes" on the consolidated statement of cash flows.

A summary of the Group's supplier finance arrangements classified as trade and other payables have been included below:

Logicalis International

Certain subsidiaries in Logicalis International have inventory purchase financing arrangements with finance providers 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.

25. Liabilities under supplier finance arrangements (continued)

Region	Currency	Range of payment due dates under supplier finance arrangement	Range of payment due dates for trade payables not part of supplier finance arrangements	Facility limit US\$'000	Carrying amount of liabilities under supplier finance arrangements US\$'000
				131 878	20 723
US	US\$	90 days after invoice date. Interest charged on facility used	0 - 60 days after invoice date. No interest charged	123 600	19 345
Europe	US\$ and EUR	Various	Various	8 278	1 378

Logicalis Latin America

Certain subsidiaries in Logicalis Latin America have an inventory purchase financing arrangement with a finance provider 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.

Region	Currency	Range of payment due dates under supplier finance arrangement	Range of payment due dates for trade payables not part of supplier finance arrangements	Facility limit US\$'000	Carrying amount of liabilities under supplier finance arrangements US\$'000
				98 112	24 608
Latin America	US\$ and MXN	90 - 180 days after invoice date*	90 days after invoice date	98 112	24 608

* Extended payment terms begin at 90+ days up to US\$98.1 million (FY24: US\$89.0 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\$118.1 million (FY24: US\$109.0).

Westcon International

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

Region	Currency	Range of payment due dates under supplier finance arrangement	Range of payment due dates for trade payables not part of supplier finance arrangements	Facility limit US\$'000	Carrying amount of liabilities under supplier finance arrangements US\$'000
				641 500	275 359
Asia-Pacific	US\$	0% interest on invoices outstanding for up to 90 days, Adjusted One Month Term SOFR for every 30 days extension thereafter	30 days after date of invoice. No interest charged	100 000	31 365
Europe	US\$	Between 30 and 60 days after invoice date. No interest charged	Between 0 and 30 days after date of invoice. No interest charged	378 470	176 074
MEA	US\$	Various	Various	163 030	67 920
Liabilities under supplier finance arrangements classified as trade and other payables					320 690

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	Restructuring	Legal claims and costs	VAT/sales tax	Pension obligations	Dilapidations/asset retirement obligations	Onerous contracts	Other	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
26. Provisions								
Balance at 1 March 2024	6 960	1 067	2 593	3 934	4 132	1 603	3 027	23 316
Arising on acquisition of subsidiaries	—	—	—	—	—	—	520	520
Amounts added	20 422	3 863	369	859	799	313	153	26 778
Utilised	(9 287)	(119)	(28)	(223)	(477)	(322)	(2 234)	(12 690)
Amounts reversed	(1 921)	(3 082)	—	(212)	(99)	—	(520)	(5 834)
Translation and other	(644)	(109)	40	(257)	(12)	(47)	(11)	(1 040)
Balance at 28 February 2025	15 530	1 620	2 974	4 101	4 343	1 547	935	31 050
Expected maturity:								
Within one year	15 530	846	2 974	802	929	135	429	21 645
Between two to five years	—	763	—	857	717	1 412	482	4 231
More than five years	—	11	—	2 442	2 697	—	24	5 174
	15 530	1 620	2 974	4 101	4 343	1 547	935	31 050

	2025 US\$'000	2024 US\$'000
Long-term portion	9 405	9 076
Short-term portion	21 645	14 240
	31 050	23 316

Restructuring provisions include expected costs for certain restructuring activities of the Group where the details have already been announced to affected parties. The timing of restructuring provisions is fairly certain in the majority of instances and is expected to be settled within 12 months. There is minimal uncertainty with regards to the amounts but some provisions are subject to final agreement.

Legal claims and costs are provisions for anticipated settlements including costs for various legal matters that the Group is defending. There is uncertainty regarding the timing of legal claims as the finalisation of certain lawsuits cannot be determined. There is some uncertainty regarding the amounts but best estimates have been provided by both in-house and external legal counsel of the Group.

VAT/Sales tax provisions relate to provisions for potential taxes in foreign jurisdictions and external tax consultants are being utilised to investigate these exposures.

Pension obligations relate to a pension scheme operated by Logicalis International and Logicalis Latin America, for which full defined benefit pension disclosure has not been disclosed due to it not being material. The timing of pension obligations is uncertain and is determined by external actuaries. The uncertainty relates to assumptions include discount rates, retirement ages and estimates of growth in retirement funding.

Dilapidations and asset retirement obligations relate to provisions where the Group is expected to restore certain leased property and assets to their original condition. The timing of some dilapidations/asset retirement obligations is fairly certain and based on the lease agreement end dates but there is uncertainty regarding one dilapidation obligation. There is uncertainty with regard to the amounts as they are subject to the properties' conditions, the position and behaviour of the landlord and the local rates prevailing at the time.

Onerous contracts consist of projects in progress in which the costs of meeting the obligations under the contract exceed the economic benefits expected to be received. Some uncertainty exists over the timing and amount of onerous contracts. These have been determined using management's best estimate of the duration and costs to complete the relevant projects.

Other provisions include asset vendor credits and other provisions which are individually insignificant.

	2025 US\$'000	2024 US\$'000
27. Deferred revenue		
Non-current	51 379	43 387
Current	152 711	157 900
	204 090	201 287
Changes during the year:		
At the beginning of the year	201 287	188 221
Changes due to new contracts and revenue recognised that was included in the contract liability balance at the beginning of the year*	284 741	255 218
Arising on acquisition of subsidiaries	233	641
Change in estimation of transaction price	—	(646)
Change in the time frame for a right to consideration to become unconditional	623	(61)
Amounts recognised during the year	(276 173)	(244 585)
Translation and other movements	(6 621)	2 499
	204 090	201 287

* The current year amount includes US\$130.3 million (FY24: 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 28 February 2025, 62.8% (FY24: 60.0%) 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.

	2025 US\$'000	2024 US\$'000
28. Bank overdrafts		
Bank overdrafts unconditionally repayable on demand (Note 36)	87 345	53 496
Logicalis International	41 463	24 562
Logicalis Latin America	45 315	28 934
Corporate and Management Consulting	567	—
Bank overdrafts repayable on demand under certain conditions (Note 36)	106 014	125 481
Westcon International	10 550	8 603
Logicalis International	95 464	116 878
	193 359	178 977

Region	Facility currency	2025		Overdraft US\$'000
		Facility limit US\$'000	Interest rate	
Westcon International				10 550
Bank overdrafts repayable on demand under certain conditions				10 550
UAE	US\$	25 000	Emirates Interbank Offered Rate ("EIBOR") (three-month) + 2.50% (6.70% as at 28 February 2025)	6 238
Indonesia	US\$	11 000	For IDR drawings, bank best lending rate minus 5.20% (10.80% average as at 28 February 2025)	4 312

Only facilities that have been drawn at 28 February 2025 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\$41.2 million (FY24: US\$31.3 million). US\$10.6 million (FY24: US\$8.6 million) was drawn at year-end. As at 28 February, there were restrictions of US\$Nil (FY24: US\$Nil). The net availability of the facilities is US\$30.6 million (FY24: US\$22.7 million). The net availability does not include any cash sources in Westcon International. US\$Nil (FY24: US\$Nil) of trade receivables are pledged as collateral against bank overdrafts.

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28. Bank overdrafts (continued)

Region	Facility currency	2025		Overdraft US\$'000
		Facility limit US\$'000	Interest rate	
Logicalis International				136 927
Bank overdrafts unconditionally repayable on demand				41 463
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	41 463
Bank overdrafts repayable on demand under certain conditions				95 464
UK	US\$	115 000	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"> This facility is in place for a four-year term and will be renegotiated in November 2026. The facility includes leverage and interest cover covenants which are tested quarterly. 	90 523
South Africa	ZAR	3 762	11.00% as at 28 February 2025	3 762
Indonesia	US\$	12 500	For IDR drawings, bank best lending rate minus 5.85%. For US\$ drawings, bank best lending rate minus 7.25% (8.00% average as at 28 February 2025) <ul style="list-style-type: none"> This facility has no specified maturity date. 	1 179

* 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 28 February 2025 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, amount to total facilities of US\$139.5 million (FY24: US\$140.6 million). Furthermore, there are US\$136.9 million in overdrafts (FY24: US\$141.4 million) at year-end. No restrictions apply to the facilities. The net availability of all facilities, excluding unlinked overdrafts is US\$44.0 million (FY24: US\$23.3 million). The net availability does not include any cash sources in Logicalis International.

28. Bank overdrafts (continued)

Region	Facility currency	2025		Overdraft US\$'000
		Facility limit US\$'000	Interest rate	
Logicalis Latin America				45 315
Bank overdrafts unconditionally repayable on demand				45 315
Brazil	BRL	14 504	Fixed rate of 15.65%	14 504
Brazil	US\$	7 828	Fixed rate of 8.10%	7 828
Brazil	US\$	4 085	Fixed rate of 8.00%	4 085
Brazil	BRL	3 598	CDI (Interbank deposit rate) + 3.29% (15.14% at 28 February 2025)	3 598
Chile	US\$	1 000	Fixed rate of 9.06%	802
Chile	US\$	17 000	Fixed rate of 9.06%	5 492
Brazil	BRL	30 582	CDI (Interbank deposit rate) + 2.32% (15.47% at 28 February 2025)	7 934
Argentina	ARS	8 587	Fixed rate of 47.00%	1 072

Only facilities that have been drawn at 28 February 2025 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\$210.2 million (FY24: US\$151.0 million). US\$45.3 million of overdrafts (FY24: US\$28.9 million) at year-end. No restrictions apply to the facilities. The net availability of all facilities is US\$164.9 million (FY24: US\$122.1 million). The net availability does not include any cash sources in Logicalis Latin America.

Region	Facility currency	2025		Overdraft US\$'000
		Facility limit US\$'000	Interest rate	
Corporate and Management Consulting				
Bank overdrafts unconditionally repayable on demand				567
Brazil	BRL and US\$	738	Various	567

Only facilities that have been drawn at 28 February 2025 have been included in the table above. There are US\$0.6 million of overdrafts (FY24: US\$Nil million) at year-end. No restrictions apply to the facilities. The net availability of all facilities is US\$0.2 million (FY24: US\$Nil million). The net availability does not include any cash sources in Corporate and Management Consulting.

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28. Bank overdrafts (continued)

2024				
Region	Facility currency	Facility limit US\$'000	Interest rate	Overdraft US\$'000
Westcon International				8 603
Bank overdrafts repayable on demand under certain conditions				8 603
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
Logicalis International				141 440
Bank overdrafts unconditionally repayable on demand				24 562
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	24 163
Indonesia	IDR	6 400	9.00% as at 29 February 2024	399
Bank overdrafts repayable on demand under certain conditions				116 878
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	113 108
			<ul style="list-style-type: none"> • This facility matures in November 2026 after a four-year term. • The facility includes leverage and interest cover covenants which are tested quarterly. 	
South Africa	ZAR	3 678	11.00% as at 29 February 2024	3 678
South Africa	ZAR	104	Prime plus 6.2% (17.00% as at 29 February 2024)	92
			<ul style="list-style-type: none"> • This facility has no specified maturity date. 	

* 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.

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

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

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.

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 28 February 2025, the inter-group sales of goods and provision of services amounted to US\$26.3 million (FY24: US\$36.9 million - Restated refer to Note 1), 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.

	2025 US\$'000	2024 US\$'000
Key management personnel compensation:		
Short-term employee benefits	9 590	8 270
Post-employment benefits	291	304
Share-based payments	1 885	183
	11 766	8 757

Key management personnel compensation comprises the compensation of 12 (FY24: 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.

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30. Related-party transactions (continued)

Directors' emoluments

The following tables set out the remuneration of individual directors who held office during FY25 and FY24.

	2025						
	Guaranteed package						
	Basic salary US\$'000	Pension US\$'000	Other benefits* US\$'000	Fees US\$'000	STI US\$'000	LTI US\$'000	Total US\$'000
Executive directors							
JP Montanana	1 310	214	47	—	3 079	3 517	8 167
IP Dittrich	579	87	40	—	738	990	2 434
Total executive directors	1 889	301	87	—	3 817	4 507	10 601
Non-executive directors							
SJ Davidson (retired 31 July 2024)	—	—	—	42	—	—	42
S Everaet	—	—	—	87	—	—	87
CR Jones (appointed 3 June 2024)	—	—	—	68	—	—	68
M Makanjee	—	—	—	245	—	—	245
CRK Medlock (retired 31 July 2024)	—	—	—	38	—	—	38
MJN Njeke	—	—	—	122	—	—	122
LC Rapparini **	—	—	—	188	—	—	188
DS Sita	—	—	—	116	—	—	116
Total non-executive directors	—	—	—	906	—	—	906
Total directors' emoluments	1 889	301	87	906	3 817	4 507	11 507

	2024						
	Guaranteed package						
	Basic salary US\$'000	Pension US\$'000	Other benefits* US\$'000	Fees US\$'000	STI US\$'000	LTI US\$'000	Total US\$'000
Executive directors							
JP Montanana	1 272	214	50	—	2 796	1 764	6 096
IP Dittrich	562	84	39	—	670	623	1 978
Total executive directors	1 834	298	89	—	3 466	2 387	8 074
Non-executive directors							
SJ Davidson	—	—	—	101	—	—	101
S Everaet	—	—	—	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
Total non-executive directors	—	—	—	908	—	—	908
Total directors' emoluments	1 834	298	89	908	3 466	2 387	8 982

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

** Fees paid to LC Rapparini include: Datatec NED fees US\$82 000 (FY24: US\$ 80 000) paid by the Company plus Logicalis LATAM ARCC Chair and Board committee fees US\$106 000 (FY24: US\$114 000) paid by Logicalis LATAM. The total fees paid to non-executive directors will therefore not agree to the fees disclosed in Note 3.

There has been no change in the directors holding office from 28 February 2025 up to the date of approval of these financial statements.

30. Related-party transactions (continued)

Conditional Share Plan ("CSP")

Grants were made under the CSP in FY25 and FY24 including the following awards to directors:

CSP	Grant date	29 February 2024	Number of awards - movement in 2025				Fair value of awards				
			Granted	Vested	Lapsed	28 February 2025	On grant US\$'000	On grant as % of base pay	On vesting US\$'000	28 February 2025	29 February 2024
										US\$'000	US\$'000
JP Montanana	1-Jun-21	834 034	—	(834 034)	—	—	1 094	91	1 733	—	1 764
	1-Jul-22	713 605	—	—	—	713 605	1 261	105	—	1 884	1 006
	1-Jun-23	1 008 933	—	—	—	1 008 933	1 908	150	—	1 776	1 422
	18-Jun-24	—	976 415	—	—	976 415	1 965	150	—	1 718	—
		2 556 572	976 415	(834 034)	—	2 698 953				5 378	4 192
IP Dittrich	1-Jun-21	294 692	—	(294 692)	—	—	387	73	612	—	623
	1-Jul-22	252 142	—	—	—	252 142	446	84	—	666	355
	1-Jun-23	356 490	—	—	—	356 490	674	120	—	627	503
	18-Jun-24	—	344 999	—	—	344 999	694	120	—	607	—
		903 324	344 999	(294 692)	—	953 631				1 900	1 481

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 FY24 bonuses under the terms of the DBW. The deferred part of the FY24 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 in the year of grant but instead the fair value of the SARs is included in LTI in the financial year prior to their vesting date. Refer to the tables below:

DBW	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	22.1 %	624	624	624	1 248
	1-Jun-23	29.4 %	473	473	473	946
	7-June-24	36.0 %	1 006	1 006	1 006	2 012
IP Dittrich	15-Aug-22	20.0 %	124	124	124	248
	1-Jun-23	22.1 %	85	85	85	170
	7-June-24	20.0 %	134	134	134	268

DBW SARs	Grant date	Grant price ZAR	29 February 2024	Number of awards - movement in 2025				Fair value of awards		
				Granted	Vested	Lapsed	28 February 2025	On grant US\$'000	28 February 2025	29 February 2024
									US\$'000	US\$'000
JP Montanana	15-Aug-22	27.75	1 411 860	—	—	—	1 411 860	624	1 633	943
	1-Jun-23	36.36	1 000 000	—	—	—	1 000 000	473	697	668
	7-Jun-24	36.99	—	1 500 000	—	—	1 500 000	1 006	996	—
			2 411 860	1 500 000	—	—	3 911 860		3 326	1 611
IP Dittrich	15-Aug-22	27.75	279 701	—	—	—	279 701	124	324	187
	1-Jun-23	36.36	180 212	—	—	—	180 212	85	126	120
	7-Jun-24	36.99	—	199 812	—	—	199 812	134	133	—
			459 913	199 812	—	—	659 725		583	307

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30. Related-party transactions (continued)

Directors' interests in the ordinary shares of the Company at 28 February 2025 and 29 February 2024 are shown below:

	2025				2024			
	Direct	Indirect	Associates	Total	Direct	Indirect	Associates	Total
Executive directors								
JP Montanana	500 000	41 419 666	—	41 919 666	500 000	36 505 480	—	37 005 480
IP Dittrich	1 310 197	—	—	1 310 197	1 213 729	—	—	1 213 729
Non-executive directors								
SJ Davidson*	—	—	—	—	—	—	11 001	11 001
	1 810 197	41 419 666	—	43 229 863	1 713 729	36 505 480	11 001	38 230 210

* Retired 31 July 2024.

Of Mr Montanana's shareholding, 4 733 334 (FY24: 3 000 000) shares have been pledged as security for certain equity funding transactions.

Directors' interests in ordinary shares of the Company shown above are unchanged from 28 February 2025 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.

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 FY25, 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, supplier finance arrangements (Note 25), 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:

	2025 US\$'000	2024 US\$'000
Long-term interest-bearing liabilities	36 369	39 138
Short-term interest-bearing liabilities	308 022	402 256
Lease liabilities – long-term	53 363	45 548
Lease liabilities – short-term	29 255	26 243
Supplier finance arrangements – long-term	2 336	—
Supplier finance arrangements – short-term	13 527	—
Cash resources	(584 113)	(569 035)
Bank overdrafts	193 359	178 977
Net debt	52 118	123 127
Total equity attributable to the parent	520 938	501 233
Gearing ratio: debt-to-equity ratio	10%	25%
31.3 Categories of financial instruments		
Financial assets		
Financial assets at fair value through profit or loss	29 199	8 099
Financial assets at fair value – designated as cash flow hedges	15 936	382
Financial assets at amortised cost	2 571 169	2 305 877
Financial liabilities		
Financial liabilities at fair value through profit or loss	12 742	1 971
Financial liabilities at fair value – designated as cash flow hedges	7 035	6 249
Financial liabilities at amortised cost	2 812 302	2 562 327

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.

Notes to the Group consolidated annual financial statements

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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.

In the current and prior year no single customer balance exceeded 5% of the total trade receivables balance of the Group at the end of the financial year. 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:

	North America	Latin America	Europe	Asia-Pacific	MEA	Total	
Level	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
2025							
Financial assets at amortised cost							
Bonds	—	—	—	—	2 501	2 501	
Finance lease receivables	—	3 528	32 490	—	—	36 018	
Loans granted to third parties and other long-term assets due	1 071	—	180 590	28 219	4 189	214 069	
Gross trade accounts receivable	100 001	125 721	947 531	316 874	174 356	1 664 483	
Less: Expected credit loss allowances	(788)	(1 785)	(9 274)	(3 234)	(16 429)	(31 510)	
Sundry receivables	7 718	13 450	72 520	4 923	2 884	101 495	
Cash resources	50 866	67 453	192 187	218 561	55 046	584 113	
Financial assets at fair value through profit or loss							
Derivative financial assets not designated as hedging instruments	2	—	1 888	27 112	199	—	29 199
Derivative financial assets at fair value – designated as cash flow hedges							
	2	—	15 936	—	—	15 936	
Maximum on-balance sheet exposure	158 868	210 255	1 459 092	565 542	222 547	2 616 304	
Financial guarantees	—	—	—	—	—	—	
Contract assets	102 925	45 301	101 486	54 096	241	304 049	

31. Financial instruments (continued)

31.4 Credit risk management (continued)

	North America	Latin America	Europe	Asia-Pacific	MEA	Total	
Level	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
2024							
Financial assets at amortised cost							
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	
Financial assets at fair value through profit or loss							
Derivative financial assets not designated as hedging instruments	2	—	120	7 063	603	313	8 099
Derivative financial assets at fair value – designated as cash flow hedges							
	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	82 972	56 476	65 322	47 524	793	253 087	

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

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for the year ended 28 February 2025

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\$21.1 million of trade receivables are pledged as collateral against long-term interest-bearing liabilities and US\$683.5 million of trade receivables have been assigned against short-term interest-bearing liabilities (FY24: US\$22.4 million collateral against long-term interest-bearing liabilities and US\$842.6 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\$609.4 million of credit insurance is held over trade receivables (FY24: US\$550.7 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 28 February 2025, US\$Nil 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.

31. Financial instruments (continued)

31.5 Liquidity risk management (continued)

Westcon International has an invoice assignment facility of EUR391 million for its European subsidiaries, as well as an extended payables facility of US\$138.0 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\$25.0 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 (ZAR300.0 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.

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31. Financial instruments (continued)

31.5 Liquidity risk management (continued)

	0 – 1 year Level	1 – 2 years	2 – 5 years	After 5 years	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2025					
Financial liabilities at amortised cost					
Long-term interest-bearing liabilities	15 430	16 425	28 654	189	60 698
Other non-current liabilities	—	139 926	97 636	14 416	251 978
Lease liabilities	33 396	23 877	31 035	5 702	94 010
Liabilities under supplier finance arrangements	13 527	2 309	27	—	15 863
Trade payables	1 670 503	—	—	—	1 670 503
Other payables and other financial liabilities*	258 178	—	—	—	258 178
Short-term interest-bearing liabilities	294 420	—	—	—	294 420
Bank overdrafts	193 359	—	—	—	193 359
Financial liabilities at fair value through profit or loss					
Acquisition-related liabilities	3	—	143	—	143
Derivative financial liabilities not designated as hedging instruments	2	12 742	—	—	12 742
Derivative financial liabilities at fair value – designated as cash flow hedges					
	2	7 035	—	—	7 035
	2 498 590	182 680	157 352	20 307	2 858 929
Financial guarantees/commitments	—	—	—	—	—
2024 Restated[^]					
Financial liabilities at amortised cost					
Long-term interest-bearing liabilities	28 786	33 720	5 413	5	67 924
Other non-current liabilities	—	68 495	33 279	831	102 605
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*	257 670	—	—	—	257 670
Short-term interest-bearing liabilities	373 470	—	—	—	373 470
Bank overdrafts	178 977	—	—	—	178 977
Financial liabilities at fair value through profit or loss					
Acquisition-related liabilities	3	1 081	143	—	1 224
Derivative financial liabilities not designated as hedging instruments	2	1 971	—	—	1 971
Derivative financial liabilities at fair value – designated as cash flow hedges					
	2	6 249	—	—	6 249
	2 384 337	119 320	62 709	5 405	2 571 771
Financial guarantees/commitments	—	—	—	—	—

* Other payables per Note 23 of US\$515.5 million (FY24: Restated US\$473.1 million) less VAT/sales tax of US\$79.7 million (FY24: US\$69.6 million), short-term portion of share-based payments of US\$1.6 million (FY24 US\$2.5 million), sundry accruals and payables which are not financial liabilities of US\$156.2 million (FY24: US\$135.2 million), and derivative financial liabilities which are disclosed separately of US\$19.8 million (FY24: US\$8.2 million).

[^] Refer to Note 19.3.

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\$52.5 million (FY24: US\$42.9 million). A 10% movement will result in a US\$5.3 million (FY24: US\$4.3 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

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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\$22.3 million (FY24: US\$34.2 million). A 10% movement will result in a US\$2.2 million movement (FY24: US\$3.4 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\$34.5 million (FY24: US\$17.9 million). A 10% movement will result in a US\$3.5 million movement (FY24: US\$1.8 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\$13.0 million (FY24: US\$21.2 million). A 10% movement will result in a US\$1.3 million movement (FY24: US\$2.1 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\$1.8 million (FY24: 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.

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.

The Group held the following currency derivative contracts at year end:

	2025		2024	
	Notional value US\$'000	Carrying value US\$'000	Notional value US\$'000	Carrying value US\$'000
Assets				
Derivatives designated as cash flow hedges	1 071 756	15 936	1 201 114	382
Derivatives not designated as hedging instruments	1 044 236	27 184	2 350 893	6 913
	2 115 992	43 120	3 552 007	7 295
Liabilities				
Derivatives designated as cash flow hedges	469 818	(7 035)	670 493	(6 249)
Derivatives not designated as hedging instruments	497 233	(12 742)	391 530	(1 971)
	967 051	(19 777)	1 062 023	(8 220)

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). The Group also enters into interest rate derivative instruments (swaps) from time to time to navigate exposure to variable interest rates. These interest rate derivatives are disclosed as part of "derivatives financial assets and liabilities not designated as hedging instruments" at the end of the financial year. FY25 financial asset of US\$ 2.0 million (FY24: 1.2 million asset).

The analyses below set 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 28 February 2025 would decrease by a net amount of US\$4.91 million (FY24: US\$4.89 million decrease).

Westcon International

- profit for the year ended 28 February 2025 would decrease by a net amount of US\$4.03 million (FY24: US\$3.76 million decrease).

Logicalis International

- profit for the year ended 28 February 2025 would decrease by a net amount of US\$0.90 million (FY24: US\$0.90 million decrease).

Logicalis Latin America

- profit for the year ended 28 February 2025 would increase by a net amount of US\$0.03 million (FY24: US\$0.23 million decrease).

Corporate

- profit for the year ended 28 February 2025 would increase by a net amount of US\$0.00 million (FY24: US\$0.04 million decrease).

Notes to the Group consolidated annual financial statements

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for the year ended 28 February 2025

	Note	2025 US\$'000	2024 US\$'000
32. Cash generated from operations			
Profit before taxation		104 002	76 465
Adjustment for:			
Unrealised foreign exchange (gains)/losses		(26 744)	15 928
Share-based payments	2	15 765	8 277
Share of equity-accounted investment earnings	12.1	—	(251)
Depreciation and amortisation	3	61 419	61 229
Loss on disposal of property, plant and equipment and software		215	440
Loss on disposal of right-of-use asset		357	1 037
Net movement in provisions	26	14 257	12 674
Net movements on expected credit loss allowances		4 921	3 130
Acquisition-related fair value adjustments	38.2	—	143
Movement in inventory provision		(1 514)	4 877
Cash payments to settle share-based payment obligations		(5 008)	(59 344)
Non-cash movement on multi-year contracts		8 697	4 273
Restructuring costs		9 951	2 950
Profit on disposal of investment	38.3	(616)	—
Net gain on derecognition of right-of-use assets and lease liabilities		(128)	—
Impairment of right-of-use assets	9	661	—
Fair value gain on equity-accounted investment	38.1	(726)	(14 901)
Interest income	4	(17 608)	(13 749)
Finance costs*	4	74 540	68 715
Non-cash movement on unrealised foreign exchange hedge		(10 810)	7 401
Other non-cash items		(10 300)	(11 515)
Operating profit before working capital changes		221 331	167 779
Working capital changes:		81 612	29 583
Decrease in inventories		51 512	41 419
(Increase)/decrease in receivables		(131 162)	35 089
Increase/(decrease) in payables		211 570	(45 057)
Increase in contract assets		(64 131)	(11 425)
Increase in deferred revenue		13 823	9 557
Decrease/(increase) in finance lease receivables		4 523	(19 195)
Increase in other non-current assets		(20 653)	(2 597)
		286 813	175 570

* Includes non-cash accruals.

	2025 US\$'000	2024 US\$'000
33. Taxation paid		
Net taxation (liability)/asset at the beginning of the year	(5 892)	2 466
Subsidiaries acquired	(12)	7
Subsidiaries disposed	27	—
Charge to profit and loss from continued operations (excluding deferred tax)	(37 325)	(36 340)
Other movements and translation differences	(230)	867
Net taxation liability at the end of the year	3 094	5 892
	(40 338)	(27 108)
Net taxation		
Current tax assets	32 909	25 981
Current tax liability	(36 003)	(31 873)
	(3 094)	(5 892)

	2025 US\$'000	2024 US\$'000
34. Additions to property, plant and equipment		
Maintenance of operations:		
Office furniture, equipment and motor vehicles	1 322	1 522
Computer equipment	5 197	10 304
Leasehold improvements	2 524	2 182
Land and buildings	107	155
Expansion of operations:		
Office furniture, equipment and motor vehicles	189	896
Computer equipment	2 034	5 690
Leasehold improvements	714	23
	12 087	20 772

	2025 US\$'000	2024 US\$'000
35. Cash flow additional notes		
35.1 Translation difference on cash and cash equivalents		
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.	1 063	(5 241)

Notes to the Group consolidated annual financial statements

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for the year ended 28 February 2025

35. Cash flow additional notes (continued)

35.2 Reconciliation of liabilities arising from financing activities

Note	Opening balance as at 1 March 2024	Financing cash inflows*	Financing cash outflows*	Operating cash outflows	Non-cash changes			Closing balance as at 28 February 2025
					Acquisition of subsidiary	New leases	Foreign currency and other changes	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2025								
Acquisition-related liabilities	38.2	(1 224)	—	1 085	—	—	(4)	(143)
Long-term interest-bearing liabilities**	21	(67 924)	(39 089)	52 477	4 927	—	(362)	(49 971)
Unsecured loans		(37 149)	(11 121)	38 248	1 049	—	2 189	(6 784)
Secured loans		(30 775)	(27 968)	14 229	3 878	—	(2 551)	(43 187)
Lease liabilities*** /****	22	(71 791)	—	28 150	5 303	(148)	(41 135)	(2 996)
Bank overdrafts repayable on demand under certain conditions~	28	(125 481)	—	17 807	15 797	—	(14 137)	(106 014)
Supplier finance arrangements ^	25	—	—	18 284	1 356	—	(35 503)	(15 863)
Short-term interest-bearing liabilities	24	(373 470)	(26 439)	102 738	39 545	—	(36 795)	(294 421)

* 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\$13.6 million – refer to Note 21).
 *** The non-cash movement in leases include finance cost related to finance leases of US\$5.3 million (refer to Note 4), foreign currency and other movements.
 **** Includes current portion (US\$29.3 million – refer to Note 22).
 ^ The non-cash movement in supplier finance arrangements includes finance cost of US\$1.4 million, foreign currency and other movements. This includes a current portion of US\$13.5 million – refer to Note 25.
 ~ Cash flows include US\$5.3 million interest related to lease liabilities and US\$15.8 million interest on bank overdrafts repayable on demand under certain conditions these are included in cash flows from operating activities.

Note	Opening balance as at 1 March 2023	Financing cash inflows*	Financing cash outflows*	Operating cash outflows	Non-cash changes			Closing balance as at 29 February 2024
					Acquisition of subsidiary	New leases	Foreign currency and other changes	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2024								
Acquisition-related liabilities	38.2	(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)
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.

36. Cash and cash equivalents at the end of the year

Note	2025 US\$'000	2024 US\$'000
Cash resources	584 113	569 035
Bank overdrafts unconditionally repayable on demand	(87 345)	(53 496)
Cash and cash equivalents (per the statement of cash flows)	496 768	515 539
Bank overdrafts repayable on demand under certain conditions	(106 014)	(125 481)
Net cash resources	390 754	390 058
Bank overdrafts unconditionally repayable on demand	(87 345)	(53 496)
Bank overdrafts repayable on demand under certain conditions	(106 014)	(125 481)
Total bank overdrafts	(193 359)	(178 977)

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, the consolidated results of Kumulus, and Group consolidation adjustments. The Group has consolidated the results of Kumulus from the acquisition date in the current period based on control as defined in terms of IFRS 10 Consolidated Financial Statements ("IFRS 10"). Management Consulting comprises Mason Advisory Limited (which was equity-accounted until December 2024).

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.

During the current and prior year, there were no customers that individually accounted for over 10% of the Group's revenue.

Notes to the Group consolidated annual financial statements

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37. Segmental report (continued)

	Westcon International		Logicalis International		Logicalis Latin America		Corporate and Management Consulting		Datatec Group Total	
	2025 US\$'000	2024 Restated^ US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 Restated^ US\$'000	2025 US\$'000	2024 Restated^ US\$'000
37.1 Condensed statement of comprehensive income										
Revenue	1 969 179	2 219 654	1 176 079	1 250 203	455 111	512 920	39 304	9 636	3 639 673	3 992 413
Total revenue	1 992 377	2 255 463	1 177 330	1 251 216	455 114	513 743	14 852	(28 009)	3 639 673	3 992 413
Inter-segmental	(23 198)	(35 809)	(1 251)	(1 013)	(3)	(823)	24 452	37 645	—	—
Gross profit	441 178	403 430	357 206	338 560	103 654	117 877	8 281	2 369	910 319	862 236
North America	(22)	10	124 888	117 338	—	—	—	—	124 866	117 348
Latin America	—	—	—	—	103 654	117 877	1 406	—	105 060	117 877
Europe	252 463	234 472	140 348	134 535	—	—	6 875	2 369	399 686	371 376
Asia-Pacific	135 736	118 693	89 876	85 804	—	—	—	—	225 612	204 497
MEA	53 001	50 255	2 094	883	—	—	—	—	55 095	51 138
Significant expenses included in EBITDA:										
Staff costs	(226 513)	(212 431)	(207 302)	(210 194)	(59 652)	(66 402)	(8 137)	(4 622)	(501 604)	(493 649)
Share-based payments	(7 243)	794	(2 402)	(2 390)	(500)	(338)	(5 620)	(6 343)	(15 765)	(8 277)
Restructuring costs	(6 308)	—	—	—	(3 530)	(2 950)	(999)	—	(10 837)	(2 950)
EBITDA	136 334	120 955	89 999	66 523	19 378	11 528	(24 402)	(21 417)	221 309	177 589
Depreciation and amortisation	(26 038)	(24 711)	(23 421)	(27 400)	(8 548)	(8 825)	(3 412)	(293)	(61 419)	(61 229)
Impairment of property, plant and equipment, right-of-use assets and capitalised development expenditure	—	—	(660)	—	—	—	—	—	(660)	—
Operating profit/(loss)	110 296	96 244	65 918	39 123	10 830	2 703	(27 814)	(21 710)	159 230	116 360
Interest income	5 044	3 647	6 474	2 879	4 199	5 381	1 891	1 842	17 608	13 749
Finance costs	(42 316)	(40 890)	(19 280)	(16 325)	(12 452)	(11 359)	(492)	(141)	(74 540)	(68 715)
Share of equity-accounted investment earnings/(losses)	—	—	—	—	—	(206)	—	457	—	251
Acquisition-related fair value adjustments	—	—	—	(143)	—	—	—	—	—	(143)
Other income	2	2	—	—	—	—	360	60	362	62
Profit/(loss) on disposal of investment	—	—	616	—	—	—	726	14 901	1 342	14 901
Profit/(loss) before taxation	73 026	59 003	53 728	25 534	2 577	(3 481)	(25 329)	(4 591)	104 002	76 465
Taxation	(15 455)	(11 642)	(17 138)	(12 800)	(930)	(142)	(1 197)	(943)	(34 720)	(25 527)
Profit/(loss) for the year	57 571	47 361	36 590	12 734	1 647	(3 623)	(26 526)	(5 534)	69 282	50 938

^ Refer to Note 1.

Notes to the Group consolidated annual financial statements

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37. Segmental report (continued)

37.2 Revenue

Revenue from product sales

Revenue from sales of hardware

Revenue from sales of software*

Revenue from vendor resold services and product maintenance sales

Inter-segmental revenue

Nature of revenue from product sales

Principal

Agent

Inter-segmental

Timing of revenue from product sales

At a point in time

Over time

Inter-segmental

Revenue from services

Revenue from professional and other services

Inter-segmental revenue

Nature of revenue from services

Principal

Agent

Inter-segmental

Timing of revenue from services

At a point in time

Over time

Inter-segmental

Revenue from annuity services

Revenue from cloud services

Revenue from software services*

Revenue from other services

Inter-segmental revenue

Nature of revenue from annuity services

Principal

Agent

Inter-segmental

Timing of revenue from annuity services

At a point in time

Over time

Inter-segmental

Westcon International 2025					
North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2 087	—	1 151 046	529 273	286 773	1 969 179
2 075	—	1 073 320	494 536	278 603	1 848 534
1 991	—	945 577	469 844	256 901	1 674 313
69	—	75 076	27 109	13 775	116 029
15	—	55 407	17 232	7 945	80 599
—	—	(2 740)	(19 649)	(18)	(22 407)
2 075	—	1 073 320	494 536	278 603	1 848 534
1 991	—	945 577	469 844	256 901	1 674 313
84	—	130 483	44 341	21 720	196 628
—	—	(2 740)	(19 649)	(18)	(22 407)
2 075	—	1 073 320	494 536	278 603	1 848 534
2 075	—	1 076 060	514 185	278 621	1 870 941
—	—	—	—	—	—
—	—	(2 740)	(19 649)	(18)	(22 407)
2	—	64 795	19 815	5 793	90 405
2	—	65 017	20 179	5 793	90 991
—	—	(222)	(364)	—	(586)
2	—	64 795	19 815	5 793	90 405
2	—	65 017	20 179	5 793	90 991
—	—	—	—	—	—
—	—	(222)	(364)	—	(586)
2	—	64 795	19 815	5 793	90 405
—	—	—	—	—	—
2	—	65 017	20 179	5 793	90 991
—	—	(222)	(364)	—	(586)
10	—	12 931	14 922	2 377	30 240
—	—	—	—	—	—
10	—	12 966	15 061	2 408	30 445
—	—	—	—	—	—
—	—	(35)	(139)	(31)	(205)
10	—	12 931	14 922	2 377	30 240
—	—	—	—	—	—
10	—	12 966	15 061	2 408	30 445
—	—	(35)	(139)	(31)	(205)
10	—	12 931	14 922	2 377	30 240
10	—	12 966	15 061	2 408	30 445
—	—	—	—	—	—
—	—	(35)	(139)	(31)	(205)

* Includes software as a service revenues.

^ Refer to Note 1.

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 2024 Restated^

North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
7	—	1 341 716	544 112	333 819	2 219 654
7	—	1 261 062	515 070	325 947	2 102 086
2	—	1 147 259	486 687	306 381	1 940 329
—	—	53 708	39 914	11 709	105 331
5	—	67 869	15 675	7 932	91 481
—	—	(7 774)	(27 206)	(75)	(35 055)
7	—	1 261 062	515 070	325 947	2 102 086
2	—	1 147 259	486 687	306 381	1 940 329
5	—	121 577	55 589	19 641	196 812
—	—	(7 774)	(27 206)	(75)	(35 055)
7	—	1 261 062	515 070	325 947	2 102 086
7	—	1 268 836	542 276	326 022	2 137 141
—	—	—	—	—	—
—	—	(7 774)	(27 206)	(75)	(35 055)
—	—	58 876	20 282	5 621	84 779
—	—	59 171	20 728	5 626	85 525
—	—	(295)	(446)	(5)	(746)
—	—	58 876	20 282	5 621	84 779
—	—	59 171	20 728	5 626	85 525
—	—	(295)	(446)	(5)	(746)
—	—	58 876	20 282	5 621	84 779
—	—	—	—	—	—
—	—	59 171	20 728	5 626	85 525
—	—	(295)	(446)	(5)	(746)
—	—	21 778	8 760	2 251	32 789
—	—	—	—	—	—
—	—	21 786	8 744	2 267	32 797
—	—	—	—	—	—
—	—	(8)	16	(16)	(8)
—	—	21 778	8 760	2 251	32 789
—	—	21 786	8 744	2 267	32 797
—	—	—	—	—	—
—	—	(8)	16	(16)	(8)

Notes to the Group consolidated annual financial statements

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for the year ended 28 February 2025

37. Segmental report (continued)

37.2 Revenue (continued)

Revenue from product sales

Revenue from sales of hardware

Revenue from sales of software*

Revenue from vendor resold services and product maintenance sales

Inter-segmental revenue

Nature of revenue from product sales

Principal

Agent

Inter-segmental

Timing of revenue from product sales

At a point in time

Over time

Inter-segmental

Revenue from services

Revenue from professional and other services

Inter-segmental revenue

Nature of revenue from services

Principal

Agent

Inter-segmental

Timing of revenue from services

At a point in time

Over time

Inter-segmental

Revenue from annuity services

Revenue from cloud services

Revenue from software services*

Revenue from other services

Inter-segmental revenue

Nature of revenue from annuity services

Principal

Agent

Inter-segmental

Timing of revenue from annuity services

At a point in time

Over time

Inter-segmental

Logicalis International					
2025					
North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
366 968	—	441 616	354 332	13 163	1 176 079
255 968	—	193 393	201 392	3 893	654 646
213 926	—	127 697	146 590	3 803	492 016
42 383	—	66 486	54 802	210	163 881
—	—	—	—	—	—
(341)	—	(790)	—	(120)	(1 251)
255 968	—	193 393	201 392	3 893	654 646
231 327	—	155 802	198 605	3 930	589 664
24 982	—	38 381	2 787	83	66 233
(341)	—	(790)	—	(120)	(1 251)
255 968	—	193 393	201 392	3 893	654 646
256 309	—	194 183	201 392	4 013	655 897
—	—	—	—	—	—
(341)	—	(790)	—	(120)	(1 251)
46 226	—	97 825	54 451	1 127	199 629
46 226	—	97 825	54 451	1 127	199 629
—	—	—	—	—	—
46 226	—	97 825	54 451	1 127	199 629
45 232	—	97 314	54 401	1 127	198 074
994	—	511	50	—	1 555
—	—	—	—	—	—
46 226	—	97 825	54 451	1 127	199 629
994	—	511	50	—	1 555
45 232	—	97 314	54 401	1 127	198 074
—	—	—	—	—	—
64 774	—	150 398	98 489	8 143	321 804
33 631	—	12 855	53 830	1 802	102 118
—	—	—	—	—	—
31 143	—	137 543	44 659	6 341	219 686
—	—	—	—	—	—
64 774	—	150 398	98 489	8 143	321 804
43 064	—	137 706	82 833	7 742	271 345
21 710	—	12 692	15 656	401	50 459
—	—	—	—	—	—
64 774	—	150 398	98 489	8 143	321 804
21 710	—	12 692	15 656	401	50 459
43 064	—	137 706	82 833	7 742	271 345
—	—	—	—	—	—

* 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					
2024					
North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
386 543	—	491 531	354 518	17 611	1 250 203
280 599	—	245 850	202 489	6 003	734 941
242 727	—	169 935	151 570	5 716	569 948
38 022	—	76 687	50 934	363	166 006
—	—	—	—	—	—
(150)	—	(772)	(15)	(76)	(1 013)
280 599	—	245 850	202 489	6 003	734 941
262 365	—	227 391	200 389	5 777	695 922
18 384	—	19 231	2 115	302	40 032
(150)	—	(772)	(15)	(76)	(1 013)
280 599	—	245 850	202 489	6 003	734 941
280 749	—	246 622	202 504	6 079	735 954
—	—	—	—	—	—
(150)	—	(772)	(15)	(76)	(1 013)
42 466	—	103 608	54 325	1 702	202 101
42 466	—	103 608	54 325	1 702	202 101
—	—	—	—	—	—
42 466	—	103 608	54 325	1 702	202 101
41 819	—	102 862	54 312	1 702	200 695
647	—	746	13	—	1 406
—	—	—	—	—	—
42 466	—	103 608	54 325	1 702	202 101
647	—	746	13	—	1 406
41 819	—	102 862	54 312	1 702	200 695
—	—	—	—	—	—
63 478	—	142 073	97 704	9 906	313 161
33 893	—	11 442	18 147	1 451	64 933
—	—	—	—	—	—
29 585	—	130 631	79 557	8 455	248 228
—	—	—	—	—	—
63 478	—	142 073	97 704	9 906	313 161
46 198	—	129 173	85 175	9 906	270 452
17 280	—	12 900	12 529	—	42 709
—	—	—	—	—	—
63 478	—	142 073	97 704	9 906	313 161
17 280	—	12 900	12 529	—	42 709
46 198	—	129 173	85 175	9 906	270 452
—	—	—	—	—	—

Notes to the Group consolidated annual financial statements

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for the year ended 28 February 2025

37. Segmental report (continued)

37.2 Revenue (continued)

Revenue from product sales

Revenue from sales of hardware
Revenue from sales of software*
Revenue from vendor resold services and product maintenance sales
Inter-segmental revenue

Nature of revenue from product sales

Principal

Agent

Inter-segmental

Timing of revenue from product sales

At a point in time

Over time

Inter-segmental

Revenue from services

Revenue from professional and other services
Inter-segmental revenue

Nature of revenue from services

Principal

Agent

Inter-segmental

Timing of revenue from services

At a point in time

Over time

Inter-segmental

Revenue from annuity services

Revenue from cloud services
Revenue from software services*
Revenue from other services
Inter-segmental revenue

Nature of revenue from annuity services

Principal

Agent

Inter-segmental

Timing of revenue from annuity services

At a point in time

Over time

Inter-segmental

Logicalis Latin America 2025					
North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
—	455 111	—	—	—	455 111
—	249 254	—	—	—	249 254
—	173 550	—	—	—	173 550
—	75 707	—	—	—	75 707
—	—	—	—	—	—
—	(3)	—	—	—	(3)
—	249 254	—	—	—	249 254
—	247 724	—	—	—	247 724
—	1 533	—	—	—	1 533
—	(3)	—	—	—	(3)
—	249 254	—	—	—	249 254
—	249 257	—	—	—	249 257
—	—	—	—	—	—
—	(3)	—	—	—	(3)
—	68 090	—	—	—	68 090
—	68 090	—	—	—	68 090
—	—	—	—	—	—
—	68 090	—	—	—	68 090
—	68 090	—	—	—	68 090
—	—	—	—	—	—
—	68 090	—	—	—	68 090
—	—	—	—	—	—
—	68 090	—	—	—	68 090
—	—	—	—	—	—
—	137 767	—	—	—	137 767
—	7 868	—	—	—	7 868
—	—	—	—	—	—
—	129 899	—	—	—	129 899
—	—	—	—	—	—
—	137 767	—	—	—	137 767
—	134 381	—	—	—	134 381
—	3 386	—	—	—	3 386
—	—	—	—	—	—
—	137 767	—	—	—	137 767
—	3 386	—	—	—	3 386
—	134 381	—	—	—	134 381
—	—	—	—	—	—

* 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.

Logicalis Latin America 2024

North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
—	512 920	—	—	—	512 920
—	292 461	—	—	—	292 461
—	215 343	—	—	—	215 343
—	77 941	—	—	—	77 941
—	—	—	—	—	—
—	(823)	—	—	—	(823)
—	292 461	—	—	—	292 461
—	287 461	—	—	—	287 461
—	5 823	—	—	—	5 823
—	(823)	—	—	—	(823)
—	292 461	—	—	—	292 461
—	293 284	—	—	—	293 284
—	—	—	—	—	—
—	(823)	—	—	—	(823)
—	72 657	—	—	—	72 657
—	72 657	—	—	—	72 657
—	—	—	—	—	—
—	72 657	—	—	—	72 657
—	72 657	—	—	—	72 657
—	—	—	—	—	—
—	72 657	—	—	—	72 657
—	—	—	—	—	—
—	72 657	—	—	—	72 657
—	—	—	—	—	—
—	147 802	—	—	—	147 802
—	4 742	—	—	—	4 742
—	—	—	—	—	—
—	143 060	—	—	—	143 060
—	—	—	—	—	—
—	147 802	—	—	—	147 802
—	147 191	—	—	—	147 191
—	611	—	—	—	611
—	—	—	—	—	—
—	147 802	—	—	—	147 802
—	611	—	—	—	611
—	147 191	—	—	—	147 191
—	—	—	—	—	—

Notes to the Group consolidated annual financial statements

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for the year ended 28 February 2025

37. Segmental report (continued)

37.2 Revenue (continued)

Revenue from product sales

Revenue from sales of hardware

Revenue from sales of software*

Revenue from vendor resold services and product maintenance sales

Inter-segmental revenue

Nature of revenue from product sales

Principal

Agent

Inter-segmental

Timing of revenue from product sales

At a point in time

Over time

Inter-segmental

Revenue from services

Revenue from professional and other services

Inter-segmental revenue

Nature of revenue from services

Principal

Agent

Inter-segmental

Timing of revenue from services

At a point in time

Over time

Inter-segmental

Revenue from annuity services

Revenue from cloud services

Revenue from software services*

Revenue from other services

Inter-segmental revenue

Nature of revenue from annuity services

Principal

Agent

Inter-segmental

Timing of revenue from annuity services

At a point in time

Over time

Inter-segmental

Corporate and Management Consulting					
2025					
North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
—	2 251	37 053	—	—	39 304
—	—	—	—	—	—
(341)	(3)	(2 994)	(18 722)	(124)	(22 184)
—	—	(386)	(1 241)	(14)	(1 641)
—	—	(150)	314	—	164
341	3	3 530	19 649	138	23 661
—	—	—	—	—	—
(341)	(3)	(2 994)	(18 722)	(124)	(22 184)
—	—	(536)	(927)	(14)	(1 477)
341	3	3 530	19 649	138	23 661
—	—	—	—	—	—
(341)	(3)	(3 530)	(19 649)	(138)	(23 661)
—	—	—	—	—	—
341	3	3 530	19 649	138	23 661
—	3 687	37 053	—	—	40 740
—	3 687	36 831	(364)	—	40 154
—	—	222	364	—	586
—	3 687	37 053	—	—	40 740
—	3 687	36 831	(364)	—	40 154
—	—	—	—	—	—
—	—	222	364	—	586
—	3 687	37 053	—	—	40 740
—	—	37 053	—	—	37 053
—	3 687	(222)	(364)	—	3 101
—	—	222	364	—	586
—	(1 436)	—	—	—	(1 436)
—	—	—	—	—	—
—	—	(35)	(139)	(31)	(205)
—	(1 436)	—	—	—	(1 436)
—	—	35	139	31	205
—	(1 436)	—	—	—	(1 436)
—	—	(35)	(139)	(31)	(205)
—	(1 436)	—	—	—	(1 436)
—	—	35	139	31	205

* Refer to Note 1.

* Includes software as a service revenues.

Corporate and Management Consulting

2024 Restated[^]

North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
—	—	9 636	—	—	9 636
—	—	—	—	—	—
(150)	(823)	(7 946)	(25 638)	(118)	(34 675)
—	—	(333)	(797)	(27)	(1 157)
—	—	(267)	(786)	(6)	(1 059)
150	823	8 546	27 221	151	36 891
—	—	—	—	—	—
(150)	(823)	(7 946)	(25 638)	(119)	(34 676)
—	—	(600)	(1 583)	(32)	(2 215)
150	823	8 546	27 221	151	36 891
—	—	—	—	—	—
(150)	(823)	(8 546)	(27 221)	(151)	(36 891)
—	—	—	—	—	—
150	823	8 546	27 221	151	36 891
—	—	9 636	—	—	9 636
—	—	9 341	(446)	(5)	8 890
—	—	295	446	5	746
—	—	9 636	—	—	9 636
—	—	9 341	(446)	(5)	8 890
—	—	—	—	—	—
—	—	—	—	—	—
—	—	295	446	5	746
—	—	9 636	—	—	9 636
—	—	9 636	—	—	9 636
—	—	(295)	(446)	(5)	(746)
—	—	295	446	5	746
—	—	—	—	—	—
—	—	—	—	—	—
—	—	(8)	16	(16)	(8)
—	—	—	—	—	—
—	—	8	(16)	16	8
—	—	—	—	—	—
—	—	(8)	16	(16)	(8)
—	—	—	—	—	—
—	—	8	(16)	16	8

Notes to the Group consolidated annual financial statements

continued
for the year ended 28 February 2025

37. Segmental report (continued)

37.2 Revenue (continued)

Revenue from product sales

Revenue from sales of hardware

Revenue from sales of software*

Revenue from vendor resold services and product maintenance sales

Inter-segmental revenue

Nature of revenue from product sales

Principal

Agent

Inter-segmental

Timing of revenue from product sales

At a point in time

Over time

Inter-segmental

Revenue from services

Revenue from professional and other services

Inter-segmental revenue

Nature of revenue from services

Principal

Agent

Inter-segmental

Timing of revenue from services

At a point in time

Over time

Inter-segmental

Revenue from annuity services

Revenue from cloud services

Revenue from software services*

Revenue from other services

Inter-segmental revenue

Nature of revenue from annuity services

Principal

Agent

Inter-segmental

Timing of revenue from annuity services

At a point in time

Over time

Inter-segmental

Datatec Group Total 2025					
North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
369 055	457 362	1 629 715	883 605	299 936	3 639 673
258 043	249 254	1 266 713	695 928	282 496	2 752 434
215 576	173 547	1 070 280	597 712	260 580	2 317 695
42 452	75 707	141 176	80 670	13 971	353 976
15	—	55 257	17 546	7 945	80 763
—	—	—	—	—	—
258 043	249 254	1 266 713	695 928	282 496	2 752 434
232 977	247 721	1 098 385	649 727	260 707	2 489 517
25 066	1 533	168 328	46 201	21 789	262 917
—	—	—	—	—	—
258 043	249 254	1 266 713	695 928	282 496	2 752 434
258 043	249 254	1 266 713	695 928	282 496	2 752 434
—	—	—	—	—	—
46 228	71 777	199 673	74 266	6 920	398 864
46 228	71 777	199 673	74 266	6 920	398 864
—	—	—	—	—	—
46 228	71 777	199 673	74 266	6 920	398 864
45 234	71 777	199 162	74 216	6 920	397 309
994	—	511	50	—	1 555
—	—	—	—	—	—
46 228	71 777	199 673	74 266	6 920	398 864
994	—	37 564	50	—	38 608
45 234	71 777	162 109	74 216	6 920	360 256
—	—	—	—	—	—
64 784	136 331	163 329	113 411	10 520	488 375
33 631	7 868	12 855	53 830	1 802	109 986
10	—	12 931	14 922	2 377	30 240
31 143	128 463	137 543	44 659	6 341	348 149
—	—	—	—	—	—
64 784	136 331	163 329	113 411	10 520	488 375
43 064	132 945	137 706	82 833	7 742	404 290
21 720	3 386	25 623	30 578	2 778	84 085
—	—	—	—	—	—
64 784	136 331	163 329	113 411	10 520	488 375
21 720	3 386	25 623	30 578	2 778	84 085
43 064	132 945	137 706	82 833	7 742	404 290
—	—	—	—	—	—

* Refer to Note 1.

* Includes software as a service revenues.

Datatec Group Total 2024 Restated^

North America	Latin America	Europe	Asia-Pacific	MEA	Total
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
386 550	512 920	1 842 883	898 630	351 430	3 992 413
280 606	292 461	1 506 912	717 559	331 950	3 129 488
242 579	214 520	1 309 248	612 619	311 979	2 690 945
38 022	77 941	130 062	90 051	12 045	348 121
5	—	67 602	14 889	7 926	90 422
—	—	—	—	—	—
280 606	292 461	1 506 912	717 559	331 950	3 129 488
262 217	286 638	1 366 704	661 438	312 039	2 889 036
18 389	5 823	140 208	56 121	19 911	240 452
—	—	—	—	—	—
280 606	292 461	1 506 912	717 559	331 950	3 129 488
280 606	292 461	1 506 912	717 559	331 950	3 129 488
—	—	—	—	—	—
—	—	—	—	—	—
42 466	72 657	172 120	74 607	7 323	369 173
42 466	72 657	172 120	74 607	7 323	369 173
—	—	—	—	—	—
42 466	72 657	172 120	74 607	7 323	369 173
41 819	72 657	171 374	74 594	7 323	367 767
647	—	746	13	—	1 406
—	—	—	—	—	—
42 466	72 657	172 120	74 607	7 323	369 173
647	—	10 382	13	—	11 042
41 819	72 657	161 738	74 594	7 323	358 131
—	—	—	—	—	—
63 478	147 802	163 851	106 464	12 157	493 752
33 893	4 742	11 442	18 147	1 451	69 675
—	—	21 778	8 760	2 251	32 789
29 585	143 060	130 631	79 557	8 455	391 288
—	—	—	—	—	—
63 478	147 802	163 851	106 464	12 157	493 752
46 198	147 191	129 173	85 175	9 906	417 643
17 280	611	34 678	21 289	2 251	76 109
—	—	—	—	—	—
63 478	147 802	163 851	106 464	12 157	493 752
17 280	611	34 678	21 289	2 251	76 109
46 198	147 191	129 173	85 175	9 906	417 643
—	—	—	—	—	—

Notes to the Group consolidated annual financial statements

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37. Segmental report (continued)

	Westcon International		Logicalis International		Logicalis Latin America		Corporate and Management Consulting		Datatec Group Total	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 Restated* US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 Restated* US\$'000
37.3 Condensed statement of financial position										
Total assets	2 278 874	1 974 130	1 153 345	1 095 145	432 860	463 608	108 209	100 453	3 973 288	3 633 336
Non-current assets (Excl. financial instruments and deferred tax assets)*	94 197	71 926	400 925	318 199	66 640	58 496	39 668	36 444	601 430	485 065
North America	79 150	79 976	135 407	137 032	—	—	1	1	214 558	217 009
Latin America	—	—	—	—	66 640	58 496	6 412	—	73 052	58 496
Europe	(2 319)	(17 453)	218 830	143 088	—	—	32 311	36 039	248 822	161 674
Asia-Pacific	11 883	7 749	45 785	36 902	—	—	—	—	57 668	44 651
MEA	5 483	1 654	903	1 177	—	—	944	404	7 330	3 235
Net cash resources	311 145	319 916	13 067	(17 654)	21 970	45 042	44 572	42 754	390 754	390 058
North America	9 164	8 171	41 638	35 589	—	—	—	—	50 802	43 760
Latin America	—	—	—	—	21 970	45 042	(399)	—	21 571	45 042
Europe	98 307	126 307	(70 606)	(80 891)	—	—	32 564	24 559	60 265	69 975
Asia-Pacific	168 260	137 601	44 809	30 421	—	—	—	—	213 069	168 022
MEA	35 414	47 837	(2 774)	(2 773)	—	—	12 407	18 195	45 047	63 259
Inventories	218 265	264 290	36 071	37 888	15 087	22 393	365	297	269 788	324 868
North America	549	649	1 156	3 251	—	—	—	—	1 705	3 900
Latin America	—	—	—	—	15 087	22 393	—	—	15 087	22 393
Europe	138 741	134 172	13 501	8 159	—	—	365	297	152 607	142 628
Asia-Pacific	53 947	99 903	21 298	25 414	—	—	—	—	75 245	125 317
MEA	25 028	29 566	116	1 064	—	—	—	—	25 144	30 630
Trade receivables	1 230 211	1 055 682	273 727	293 808	123 697	133 556	5 338	5 821	1 632 973	1 488 867
North America	817	159	98 396	102 313	—	—	—	—	99 213	102 472
Latin America	—	—	—	—	123 697	133 556	239	—	123 936	133 556
Europe	827 410	716 080	105 748	125 834	—	—	5 099	5 821	938 257	847 735
Asia-Pacific	247 780	217 965	65 860	61 884	—	—	—	—	313 640	279 849
MEA	154 204	121 478	3 723	3 777	—	—	—	—	157 927	125 255
Total liabilities	(2 126 066)	(1 848 353)	(920 392)	(872 545)	(303 441)	(318 943)	(28 782)	(24 351)	(3 378 681)	(3 064 192)
Trade and other payables*	(1 519 624)	(1 290 681)	(472 260)	(490 789)	(179 321)	(188 085)	(14 818)	(13 481)	(2 186 023)	(1 983 036)
North America	(6 565)	(1 300)	(178 764)	(179 191)	—	—	—	—	(185 329)	(180 491)
Latin America	—	—	—	—	(179 321)	(188 085)	(656)	—	(179 977)	(188 085)
Europe	(1 004 409)	(785 102)	(187 459)	(206 668)	—	—	(9 070)	(13 478)	(1 200 938)	(1 005 248)
Asia-Pacific	(346 570)	(349 005)	(102 702)	(99 919)	—	—	—	—	(449 272)	(448 924)
MEA	(162 080)	(155 274)	(3 335)	(5 011)	—	—	(5 092)	(3)	(170 507)	(160 288)
Short-term interest-bearing liabilities	(294 482)	(381 214)	(12 489)	(16 151)	(1 051)	(4 891)	—	—	(308 022)	(402 256)
North America	—	—	—	(2 630)	—	—	—	—	—	(2 630)
Latin America	—	—	—	—	(1 051)	(4 891)	—	—	(1 051)	(4 891)
Europe	(213 210)	(282 683)	(12 180)	(11 282)	—	—	—	—	(225 390)	(293 965)
Asia-Pacific	(81 272)	(88 103)	(309)	(2 239)	—	—	—	—	(81 581)	(90 342)
MEA	—	(10 428)	—	—	—	—	—	—	—	(10 428)
Number of employees at the end of the year*	3 738	3 595	4 304	4 346	2 957	3 208	220	120	11 219	11 269

* Includes both permanent employees and contractors.

* Refer to Note 19.3.

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38. Acquisition of subsidiary, acquisition-related liabilities and disposal of subsidiary

38.1 Acquisition of subsidiary

In April 2024, the Group, through its 100%-owned subsidiary Logicalis Group Limited, purchased an additional 7.04% of Cirrus Participações S.A.C. in Brazil ("Kumulus") from the minority shareholders. As the Group owns 68.4% of Promon Logicalis Latin America Limited, this resulted in an effective shareholding in Kumulus of 67.4%. The Group has consolidated the results of Kumulus and its 100%-owned subsidiaries, Saleslogics Servicos em Inteligência de Negócios Empresariais e Informática Limitada and Kumulus Servicos em Cloud Computing e Database Limitada from the acquisition date in the current period based on control as defined in terms of IFRS 10. Kumulus was equity-accounted during FY24. Immediately prior to this acquisition, the Group owned 60.41% of Kumulus. Prior to this acquisition, the Group did not have control over Kumulus and its subsidiary entities under the IFRS 10 model because it did not have the ability to significantly affect the activities of the other entity nor did it have the right to receive variable returns.

The following table sets out the take-on values of assets and liabilities on the date that control was obtained.

	2025 Fair value on acquisition US\$'000
Assets acquired	2 031
Non-current assets	452
Current assets	1 579
Liabilities acquired	(3 223)
Current liabilities	(3 223)
Net liabilities acquired	(1 192)
Goodwill	6 334
Acquired intangible asset (Net of tax)	297
Non-controlling interests recognised	388
Fair value of acquisition	5 827
Net overdraft acquired	825
Fair value of previously held interest	(5 213)
Net cash outflow for acquisition	1 439

The above acquisition represents the subsidiary acquired during the year.

During September 2024, Logicalis Group Limited provided an amount of US\$1.57 million to Kumulus as part of a recapitalisation. The net impact on the Group's effective shareholding amounted to an increase of 4.59% comprising an increase of 12.29% for Logicalis Group Limited and a decrease of 7.70% of the shareholding held by PromonLogicalis Latin America Limited.

In December 2024 Logicalis Group Limited purchased a further 3.11% from the minority shareholders for US\$0.30 million. As at 28 February 2025, the Group owns 68.4% of Promon Logicalis Latin America Limited, which resulted in a current effective shareholding in Kumulus of 77.58%.

As a result of the acquisition, goodwill and other intangible assets increased by US\$7.4 million and US\$0.5 million respectively.

The revenue and EBITDA loss from operations included from this acquisition in FY25 was US\$2.3 million and US\$0.8 million respectively. Profit after tax included from this acquisitions was US\$0.3 million.

The initial amounts of acquisition accounting for the acquisition have been finalised at the date of the finalisation of these consolidated annual financial statements.

38. Acquisition of subsidiary, acquisition-related liabilities and disposal of subsidiary (continued)

38.1 Acquisition of subsidiary (continued)

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 receivable 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.

38.2 Acquisition-related liabilities

	2025 US\$'000	2024 US\$'000
Long-term portion	143	143
Short-term portion	—	1 081
	143	1 224

38.3 Disposal of subsidiary

In February 2025, the Group, through its subsidiary Logicalis SA (Pty) Ltd disposed of the remaining 60% investment in Mars Investment Holdings Proprietary Limited, reducing the Datatec Group shareholding from 39.75% to Nil%.

The following table sets out the values of assets and liabilities on the date that control was lost.

	2025 US\$'000
Assets disposed	534
Non-current assets	121
Current assets	413
Liabilities disposed	(394)
Current liabilities	(394)
Net assets disposed (fair value of disposal)	140

* At the date of disposal, the Group had no goodwill recognised in relation to the disposal group.

	2025 US\$'000
Gain on disposal of subsidiary	780
Consideration received	780
Cash and cash equivalents	492
Deferred sales proceeds	288
Net assets disposed of	(140)
Cumulative gain reclassified from equity on loss of control of subsidiary	(2)
Transaction-related costs incurred on the disposal	(22)
Gain on disposal of subsidiary	616

	2025 US\$'000
Net cash inflow on disposal of subsidiary	492
Consideration received in cash and cash equivalents	492
Less: Cash and cash equivalent balances disposed of	(22)
Plus: Bank overdraft disposed of	1
Net cash inflow on disposal of subsidiary	471

Notes to the Group consolidated annual financial statements

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for the year ended 28 February 2025

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	
		2025	2024	2025	2024
		%	%	US\$'000	US\$'000
PT. Packet Systems Indonesia	Indonesia	46.5	46.5	14 903	14 015
PromonLogicalis Latin America Limited	UK	31.6	31.6	35 716	35 196
Westcon International Limited	UK	7.9	7.9	17 220	14 898

Reconciliation of accumulated non-controlling interests – Datatec Group

	Opening balance as at 1 March 2024	(Loss)/profit for the year	Dividends paid	Translation and other movements	Closing balance as at 28 February 2025
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	PT. Packet Systems Indonesia	14 015	2 632	(815)	(929)
Logicalis Latin America Holdings Limited	35 196	520	—	—	35 716
Westcon International Limited	14 898	4 454	(2 132)	—	17 220

Summarised information in respect of the above subsidiaries is shown below as at 28 February 2025 and 29 February 2024. 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	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Non-current assets	6 144	4 676	71 637	65 631	342 848	210 501
Current assets	59 037	58 163	335 979	372 256	1 949 925	1 780 305
Non-current liabilities	(4 188)	(2 114)	(39 931)	(52 491)	(241 548)	(117 084)
Current liabilities	(28 911)	(30 577)	(267 206)	(269 884)	(1 894 125)	(1 738 758)
Equity attributable to equity holders of the parent	(32 082)	(30 148)	(101 065)	(116 098)	(151 058)	(128 231)
Non-controlling interests	—	—	586	586	(6 042)	(6 733)
Revenue [^]	89 747	91 299	455 114	513 744	1 987 079	2 267 743
Operating profit before finance costs, depreciation and amortisation ("EBITDA")	8 111	6 753	19 378	11 528	122 696	110 925
Profit/(loss) for the year	5 694	4 509	1 977	(3 263)	45 878	36 860
Dividends paid to non-controlling interest	815	941	—	192	2 132	—
Net cash inflow/(outflow)	1 459	4 272	(23 034)	(37 120)	(4 539)	(6 435)
Net cash (outflow)/inflow from operating activities	3 702	6 375	13 993	(58 638)	155 595	(23 692)
Net cash inflow/(outflow) from investing activities	(275)	(59)	(6 525)	10 460	(40 594)	29 429
Net cash inflow/(outflow) from financing activities	(1 968)	(2 044)	(30 502)	11 058	(119 540)	(12 172)

[^] Refer to Note 1.

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

40. Subsequent events

Increased shareholding in subsidiaries

In March 2025, Logicalis Group Limited, purchased an additional 6.3% shareholding in Kumulus from the minority shareholders for an amount of US\$0.5 million. As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Kumulus of 83.9% subsequent to year-end.

Dividend declared

On 26 May 2025, the Board declared a final dividend for FY25 of 200 ZAR cents per share (approximately 11 US cents per share) totalling US\$26 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 28 February 2025 of US\$520.9 million (FY24: US\$501.2 million) and tangible net assets of US\$186.6 million (FY24: US\$165.6 million). The Group is expected to remain solvent over the next 12 months.

Liquidity

Westcon International has an invoice assignment facility of EUR391 million for its European subsidiaries, as well as an extended payables facility of US\$138.0 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\$25.0 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 (ZAR300.0 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 FY25 with net debt of US\$52.1 million compared to FY24 (US\$123.1 million), (refer Note 31.2).

Trade receivables are of 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.

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42. Subsidiaries and equity-accounted investments

Subsidiaries and equity-accounted investments	Note	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 28 February 2025	As at 29 February 2024
Incorporated in Africa					
Datatec Management Services (Pty) Ltd*		O	South Africa	100.00	100.00
LGLP (Pty) Ltd	5	O	South Africa	94.38	100.00
Logicalis SA (Pty) Ltd		I	South Africa	66.00	66.25
Logicalis Soluções – Prestação de Serviços (SU) Limitada		I	Angola	94.38	94.74
Mars Investment Holdings (Pty) Ltd	6	I	South Africa	—	39.75
Mars Network and Risk Services (Pty) Ltd	6	I	South Africa	—	39.75
Mars Technologies (Pty) Ltd	6	I	South Africa	—	39.75
Westcon Africa (Kenya) Limited		D	Kenya	87.50	87.50
Westcon Africa (Mauritius) Limited		D	Mauritius	87.50	87.50
Westcon Africa (Morocco) SARL		D	Morocco	87.50	87.50
Westcon Africa (Uganda) Limited*		D	Uganda	87.50	87.50
Westcon Africa Angola Limited		D	Angola	87.50	87.50
Westcon Africa Distribution (Nigeria) Limited		D	Nigeria	87.50	87.50
Westcon Africa Tanzania Limited*		D	Tanzania	87.50	87.50
Westcon Africa Tunisia Limited	2	D	Tunisia	42.87	42.87
Westcon Africa Zambia Limited**		D	Zambia	—	65.62
Westcon Egypt LLC		D	Egypt	87.50	87.50
Westcon Emerging Markets Group (Pty) Ltd	2	D	South Africa	78.75	78.75
Westcon Group Egypt LLC		D	Egypt	87.50	87.50
Westcon Group Shared Services (Pty) Ltd	2	D	South Africa	78.75	78.75
Westcon Namibia Distribution (Pty) Ltd	2	D	Namibia	47.24	47.24
Westcon Southern Africa Holdings (Pty) Ltd*	2	D	South Africa	47.24	47.24
WestconGroup SA (Pty) Ltd	2	D	South Africa	38.50	38.50
Incorporated in UK and Europe					
Audea Formación S.L.		I	Spain	81.31	81.62
Audea Seguridad de la Información S.L.		I	Spain	81.31	81.62
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
Datatec PLC		O	United Kingdom	100.00	100.00
ITUMA GmbH	8	I	Germany	48.13	48.32
Kumulus Europe Unipessoal, Lda	11	I	Portugal	100.00	100.00
Kumulus International Holdings Limited	11	I	United Kingdom	100.00	100.00
Logicalis Channel Islands Limited		I	Channel Islands	94.38	94.74
Logicalis GmbH		I	Germany	94.38	94.74
Logicalis Group Finance Limited		I	United Kingdom	94.38	94.74
Logicalis Group Limited		I	United Kingdom	100.00	100.00
Logicalis Guernsey Limited		I	Channel Islands	94.38	94.74
Logicalis International Group Holding Limited	5	I	United Kingdom	94.38	94.74

42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Note	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 28 February 2025	As at 29 February 2024
Incorporated in UK and Europe (continued)					
Logicalis International Limited		I	United Kingdom	94.38	94.74
Logicalis Ireland Limited		I	Ireland	94.38	94.74
Logicalis Jersey Limited		I	Channel Islands	94.38	94.74
Logicalis Networks GmbH	8	I	Germany	94.38	94.74
Logicalis Portugal S.A		I	Portugal	94.38	94.74
Logicalis Siticom GmbH	7	I	Germany	—	94.74
Logicalis Solutions Limited		I	Ireland	94.38	94.74
Logicalis Spain, S.L.		I	Spain	94.38	94.74
Logicalis Technical Services Limited**		I	Ireland	—	94.74
Logicalis Technology Limited		I	Ireland	94.38	94.74
Logicalis UK Limited		I	United Kingdom	94.38	94.74
Mason Advisory Group Holdings Limited	12	C	United Kingdom	75.00	—
Mason Advisory Group Limited	12	C	United Kingdom	80.00	—
Mason Advisory Limited	12	C	United Kingdom	75.00	80.00
Orange Networks GmbH	7	I	Germany	94.38	94.74
Paratira Limited*	13	I	United Kingdom	100.00	—
PromonLogicalis Latin America Limited		I	United Kingdom	68.42	68.42
Q Associates Limited*		I	United Kingdom	94.38	94.74
Rebura GmbH*		D	Switzerland	87.50	87.50
Rebura Holdings Limited		D	United Kingdom	87.50	87.50
Rebura Limited		D	United Kingdom	87.50	87.50
Risk4All S.L.		I	Spain	50.82	51.01
Siticom GmbH	7	I	Germany	94.38	94.74
Two Ten Degrees Limited		I	United Kingdom	94.38	94.74
Westcon Denmark ApS		D	Denmark	87.50	87.50
Westcon Group Africa Operations Limited		D	United Kingdom	87.50	87.50
Westcon Group Austria GmbH		D	Austria	87.50	87.50
Westcon Group European Operations Limited		D	United Kingdom	87.50	87.50
Westcon Group Germany GmbH		D	Germany	87.50	87.50
Westcon Group Italia S.R.L.		D	Italy	87.50	87.50
Westcon Group Middle East Holdings Limited		D	United Kingdom	87.50	87.50
Westcon Group Netherlands BV		D	Netherlands	87.50	87.50
Westcon Group Norway AS		D	Norway	87.50	87.50
Westcon Group Poland Sp. Z.O.O.		D	Poland	87.50	87.50
Westcon Group Portugal, Sociedade Unipessoal, Limitada		D	Portugal	87.50	87.50
Westcon International Group Holdings Limited		D	United Kingdom	87.50	87.50
Westcon International Limited		D	United Kingdom	92.10	92.10
WGEO Switzerland GmbH		D	Switzerland	87.50	87.50

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42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Note	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 28 February 2025	As at 29 February 2024
Incorporated in US and Canada					
Canada WGIT Services, Inc.		D	Canada	87.50	87.50
Datatec Financial Services, Inc.		D	USA	100.00	100.00
Kumulus USA Inc	11	I	USA	100.00	100.00
Logicalis South America, Inc.		I	USA	68.42	68.42
Logicalis US Holdings, Inc.		I	USA	94.38	94.74
Logicalis, Inc.		I	USA	94.38	94.74
Nubeliu I LLC.**		I	USA	—	68.42
Nubeliu II LLC.**		I	USA	—	68.42
Nubeliu Limited*		I	Cayman Islands	68.42	68.42
PLLAL International LLC		I	USA	68.42	68.42
Global Deployment Solutions LLC		D	USA	87.50	87.50
WG Services, Inc.		D	USA	87.50	87.50
Incorporated in Latin America					
C2 Mining Solutions S.A.C.		I	Peru	68.42	68.42
Cirrus Participações S.A.	14	I	Brazil	77.58	60.41
Coasin Chile S.A.		I	Chile	68.42	68.42
Kumulus Serviços em Cloud Computing e Database Ltda	14	I	Brazil	77.58	60.41
Logicalis Andina Bolivia LAB. Limitada		I	Bolivia	68.42	68.42
Logicalis Andina S.A.C.		I	Peru	68.42	68.42
Logicalis Argentina S.A.		I	Argentina	68.42	68.42
Logicalis Chile S.A.		I	Chile	68.42	68.42
Logicalis Colombia S.A.S		I	Colombia	68.42	68.42
Logicalis Ecuador S.A.		I	Ecuador	68.42	68.42
Logicalis Inc. S.A.*		I	Uruguay	68.42	68.42
Logicalis Latin America Holding S.A.		I	Brazil	68.42	68.42
Logicalis Mexico, S. de R.L. de C.V.		I	Mexico	68.42	68.42
Logicalis Paraguay S.A.		I	Paraguay	68.42	68.42
Logicalis Puerto Rico Inc.		I	Puerto Rico	68.42	68.42
Logicalis República Dominicana S.A.S		I	Dominican Republic	68.42	68.42
Logicalis Uruguay S.A.		I	Uruguay	68.42	68.42
Nubeliu Argentina S.R.L		I	Argentina	68.42	68.42
PromonLogicalis Tecnologia e Participações Limitada		I	Brazil	68.42	68.42
PTLS Serviços de Tecnologia e Assessoria Técnica Limitada		I	Brazil	68.42	68.42
Saleslogics Serviços em Inteligência de Negócios Empresariais e Informática Ltda.	14	I	Brazil	77.58	60.41
WeService Serviços e Tecnologia Limitada		I	Brazil	68.42	68.42

42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Note	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 28 February 2025	As at 29 February 2024
Incorporated in Australia and New Zealand					
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	94.38	94.74
Logicalis Australia Pty Ltd		I	Australia	94.38	94.74
Westcon Group NZ Limited		D	New Zealand	87.50	87.50
Westcon Group Pty Ltd		D	Australia	87.50	87.50
Incorporated in British Virgin Islands					
NetStar Group Holding Limited		I	British Virgin Islands	94.38	94.74
Incorporated in Asia					
iZeno (Thailand) Company Limited	9	I	Thailand	29.89	60.97
iZeno (Thailand) Holding Company Limited	9	I	Thailand	29.89	—
iZeno Inc.		I	Philippines	61.35	61.58
iZeno Private Limited	9	I	Singapore	61.35	61.58
iZeno Sdn Bhd		I	Malaysia	61.35	61.58
Logicalis Asia Pacific MSC Sdn. Bhd.		I	Malaysia	94.38	94.74
Logicalis Hong Kong Limited		I	Hong Kong	94.38	94.74
Logicalis Malaysia Sdn. Bhd.		I	Malaysia	94.38	94.74
Logicalis Pte. Limited (Xiamen)		I	China	94.38	94.74
Logicalis Shanghai Limited		I	China	94.38	94.74
Logicalis Singapore Pte. Limited		I	Singapore	94.38	94.74
Logicalis Vietnam Company Limited		I	Vietnam	94.38	94.74
PT iZeno Teknologi Indonesia		I	Indonesia	60.97	60.97
PT Westcon International Indonesia		D	Indonesia	87.50	87.50
PT Packet Systems Indonesia		I	Indonesia	50.49	50.69
PT. Westcon Solutions		D	Indonesia	87.50	87.50
Westcon Group (Thailand) Co. Limited		D	Thailand	87.49	87.49
Westcon Group (Vietnam) Co. Limited		D	Vietnam	87.50	87.50
Westcon Group Pte. Limited		D	Singapore	87.49	87.49
Westcon Solutions (HK) Limited		D	Hong Kong	87.50	87.50
Westcon Solutions (M) Sdn. Bhd.		D	Malaysia	87.50	87.50
Westcon Solutions (Shanghai) Limited		D	China	87.50	87.50
Westcon Solutions IMH Pte. Limited		D	Singapore	87.50	87.50
Westcon Solutions Philippines Inc.		D	Philippines	87.49	87.49
Westcon Solutions Pte. Limited		D	Singapore	87.50	87.50
WestconComstor International (India) Private Limited		D	India	87.50	87.50

Notes to the Group consolidated annual financial statements

continued
for the year ended 28 February 2025

42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Note	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 28 February 2025	As at 29 February 2024
Incorporated in Middle East					
Datatec International Services FZE		O	United Arab Emirates	100.00	100.00
Westcon Africa FZCO*		D	United Arab Emirates	87.50	87.50
Westcon Comstor Trading LLC		D	Kingdom of Saudi Arabia	87.50	87.50
Westcon Doha LLC	3	D	Qatar	42.87	42.87
Westcon Kuwait Company for Communications, Equipment, Accessories and Spare Parts WLL	3	D	Kuwait	42.87	42.87
Westcon LLC		D	Oman	87.50	87.50
Westcon Middle East Bahrain WLL	4	D	Bahrain	86.62	86.62
Westcon Middle East Equipments Trading LLC	4	D	United Arab Emirates	42.87	42.87
Westcon Middle East FZE		D	United Arab Emirates	87.50	87.50
Westcon Saudi Company LLC	4	D	Kingdom of Saudi Arabia	65.62	65.62

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

** Entities disclosed include entities that have been dissolved/deregistered.

Trading and dormant entities have been disclosed above.

C – Consulting Services
D – Distribution
I – ICT Solutions
O – Other holdings

42. Subsidiaries and equity-accounted investments (continued)

Subsidiary companies

The subsidiary companies listing on the previous page 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 ("SYNNEX") 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%.

Note 2

Datatec PLC, a 100%-owned subsidiary of Datatec Limited, owns 92.1% of Westcon International Limited, who owns 95% of Westcon International Group Holdings Limited ("WIGHL"), who owns a 100% of Westcon Group European Operations Limited, 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 Broad-Based Black Economic Empowerment ("BBBEE") partner of Westcon Southern Africa Holdings Proprietary Limited. WEMG has control over the fund.

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. As a result, Westcon Africa Tunisia is 100% consolidated as Westcon has full management control.

Note 3

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 the shareholder agreements of these entities.

Note 4

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 28 February 2025

42. Subsidiaries and equity-accounted investments (continued)

Logicalis International

Note 5

LGLP Proprietary Limited ("LGLP") made a capital investment in Ascension Fund No 15 LLP, the BBBEE partner of Logicalis SA Proprietary Limited. LGLP has control over the fund.

During FY25, the management of Logicalis International increased their shareholding in Logicalis International Group Holding Limited ("LIGHL") from 5.26% to a net holding of 5.62%. As a result, the Datatec Group now have a 94.38% effective holding (Which includes treasury shares held by LIGHL) in LIGHL. The effective holding of the Datatec Group in the non-wholly owned subsidiaries held by the 100%-owned subsidiaries also decreased.

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 owned 100% of Mars Technologies Proprietary Limited and Mars Network and Risk Services Proprietary Limited. In FY25, Logicalis SA (Pty) Ltd disposed of the remaining 60% investment in Mars Investment Holdings Proprietary Limited, reducing the Datatec Group shareholding from 39.75% to Nil%.

Note 7

In FY25 the Datatec Group merged Logicalis Siticom GmbH, a 100%-owned subsidiary of the Group, into Orange Networks GmbH. As a result of the merger, Siticom GmbH is now a 100%-owned subsidiary of Orange Networks GmbH.

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 FY25, iZeno Private Limited incorporated iZeno (Thailand) Holding Company Limited, a company registered in Thailand which now holds the investment in iZeno (Thailand) Company Limited. Subsequent to the incorporation, iZeno Private Limited sold 51.28% of the ordinary shareholding in iZeno (Thailand) Holding Company Limited to a local partner in Thailand. This resulted in a 48.72% shareholding held by iZeno Private Limited. However, based on control as defined in terms of IFRS 10, the Group consolidates iZeno (Thailand) Holding Company Limited in its annual financial statements.

Note 10

In FY25, Datatec Limited transferred its 100% shareholding in LGLP (Pty) Ltd to Logicalis International Limited who, after the transaction, owns a 100% of the shareholding in LGLP (Pty) Ltd.

Corporate

Note 11

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. During FY25, Kumulus International Holdings Limited incorporated Kumulus Europe Unipessoal, Lda, an entity registered in Portugal.

Note 12

During FY25, two intermediate holding companies called MAGL and MAGHL were inserted 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. As part of the corporate restructuring the Mason Advisory Limited shareholding held by MAGHL increased to 100%.

Note 13

During FY25, Logicalis Group Limited incorporated Paratira Limited, a UK registered entity.

Note 14

In FY25, the Group, through its 100%-owned subsidiary Logicalis Group Limited, purchased additional shareholding in Kumulus from the minority shareholders. Kumulus was equity-accounted during FY24. Refer to Note 38.1.

Equity-accounted investments

As at 28 February 2025, the Group does not have an interest in any equity-accounted investments.

Annexure 1 – Changes to the Board

for the year ended 28 February 2025

Changes to the Board and committees

During the year ended 28 February 2025 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:

- Colin Jones was appointed as an independent non-executive director of the Company and member of the Audit, Risk and Compliance Committee ("ARCC") with effect from 3 June 2024;
- Stephen Davidson and Rick Medlock retired from the Board at the Annual General Meeting on 31 July 2024; and
- Sabine Everaet stood down from the ARCC on 3 June 2024 and took over as Chair of the Social and Ethics Committee on 31 July 2024.

Annexure 2 – Shares and shareholders

for the year ended 28 February 2025

Listed below are analyses of holdings extracted from the register of ordinary shareholders at 28 February 2025:

Shareholder type	Shareholders in SA		Shareholders other than in SA		Total shareholders	
	Number	Percentage of shares	Number	Percentage of shares	Number	Percentage of shares
Directors	—	—	2	18.30	2	18.30
Shareholders over 10%	1	16.47	—	—	1	16.47
Treasury	1	1.60	—	—	1	1.60
Total non-public	2	18.07	2	18.30	4	36.37
Public	5 471	51.16	292	12.47	5 763	63.63
Total	5 473	69.23	294	30.77	5 767	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 28 February 2025:

	Number of ordinary shares	Percentage of issued shares
Jens Montanana (Director)	41 919 666	18.04
Government Employees Pension Fund (PIC)	38 901 878	16.74
M&G Group – various funds*	13 922 546	5.99

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



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www.westconcomstor.com

www.logicalis.com

www.la.logicalis.com

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