

DATATEC LIMITED

Incorporated in the Republic of South Africa

Registration number: 1994/005004/06

JSE Share code: DTC

ISIN: ZAE000017745

("Datatec", the "Company" or the "Group")

Provisional audited results for year ended 28 February 2022 - cash dividend with scrip alternative of \$15 million

Datatec Limited, the international information and communications technology (ICT) group, today publishes its Provisional audited results for the year ended 28 February 2022 ("the Period" or "FY22") on the Stock Exchange News Service ("SENS") which are available on www.datatec.com and via the JSE link: <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/DTC/FY22.pdf>

Highlights

	Audited year ended 28 February 2022 "FY22"	Audited year ended 28 February 2021 "FY21"	% Movement
Revenue (US\$ million)	4 636.8	4 109.5	12.8%
Gross profit (US\$ million)	770.4	690.5	11.6%
EBITDA (US\$ million)	154.5	118.6	30.3%
Adjusted** EBITDA (US\$ million)	177.0	152.5	16.0%
Underlying* earnings per share (US cents)	18.7	13.6	37.5%
Earnings per share (US cents)	16.7	1.3	1184.6%
Headline earnings per share (US cents)	16.2	1.8	800.0%
Dividend (SA cents)	111	100	11.0%
Net asset value per share (US\$ million)	263.7	293.2	-10.1%

- Strong operational execution in all divisions driving improved financial performance
- Sustained demand for networking, cyber security and cloud infrastructure
- Growth in recurring software and annuity services
- Continuing supply chain issues increasing backlog
- Final dividend of \$15m (7 US cents per share) bringing total for FY22 to \$85m including special dividend

Enquiries

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Commentary

Jens Montanana, Chief Executive of Datatec, commented:

"The Group delivered a strong operational and financial performance across all divisions during FY22 despite global semiconductor shortages and ongoing supply chain constraints which have resulted in a growing backlog.

"We have continued to benefit from the successful positioning of our businesses to take full advantage of technology demand for networking, security and cloud infrastructure with an increased software and services mix driving higher recurring income.

"Unlocking value for shareholders remains a priority through our ongoing Strategic Review process. During the year we paid a special dividend of \$70 million and are now declaring a final dividend of US\$15 million for FY22.

"Whilst we see continued demand for our products and services across the world, and have positioned our operations to take full advantage of this, the supply chain headwinds compounded by various factors, including the war in Ukraine, lockdowns in China and global inflationary pressures will impact our performance in FY23."

STRATEGIC OVERVIEW

Datatec's strategy is to improve shareholder returns over the medium term through a combination of corporate and business development actions aimed at enhancing the competitiveness and profitability of its subsidiaries and operating divisions.

As previously announced, the Board engaged Lazard & Co. Limited to assist with a comprehensive evaluation of strategic options and initiatives (the "Strategic Review") to unlock and maximise shareholder value going forward. The Strategic Review seeks to address the persistent gap between Datatec's valuation and the inherent value of its underlying assets whilst also ensuring that the Group is positioned to take full advantage of the positive market dynamics for its technology solutions and services.

The Board will continue to consider potential options including, but not limited to, private equity participation, joint ventures, international listings, divisional asset unbundling and other value-creation structures.

From an operational perspective, the Group achieved a strong performance in the year ended 28 February 2022 ("FY22") as it continued to benefit from increased networking, cloud usage and cyber security trends. Datatec's positioning enabled all divisions to deliver robust revenue and profit growth.

The supply chain issues, and global semiconductor shortage created extended lead times on certain hardware product deliveries in FY22 which impeded revenue and resulted in significantly higher closing backlog (sales orders waiting to be fulfilled) in both Logicalis and Westcon International. Whilst an improvement in the situation was expected, further supply chain disruptions resulting from Covid-19-related lockdowns in China, the Russian invasion of Ukraine and spiralling energy costs have already had an adverse impact on the current financial year.

Overall, the Group's businesses have successfully repositioned away from many forms of traditional hardware to software, subscriptions and services with growing annuity revenue. The Group continues to focus on supporting the digitisation trends and the requirements for increased cyber security.

Dividends

Following the sale of Westcon Americas to SYNEX in September 2017, Datatec advanced funds to Westcon International (the part of the Westcon business retained in the Group with a minority interest held by SYNEX) to fund working capital as the business restructured. During H1 FY22, Westcon International repaid approximately US\$70 million of intercompany loans to Datatec. Thereafter, US\$70 million was returned to shareholders in the form of a special cash dividend with a scrip distribution alternative in November 2021.

The Group's policy is to maintain a three times cover relative to underlying* earnings when declaring ordinary dividends. Accordingly, the Board has declared a final dividend for FY22 of 111 RSA cents per share equivalent to 7 US cents per share, in total US\$15 million, with the customary form of a cash dividend with a scrip distribution alternative.

GROUP RESULTS

All divisions delivered solid performances with strong revenue and bottom-line growth. This is despite South America suffering most from supply chain constraints.

There were no restructuring costs incurred in FY22 (FY21: US\$22.4 million of restructuring costs).

Revenue

Group revenue was US\$4.6 billion in FY22, up by 12.8% on the US\$4.1 billion revenue recorded in FY21. (In constant currency**, Group revenue increased by 11.8%).

Supply chain delays had a marked effect on slowing the sales process from order to delivery causing a notable increase in the quantum of open, unfulfilled sales orders, termed "backlog" at the year end. Open product orders at the end of FY22 were approximately US\$1 224 million compared with US\$467 million for FY21.

	FY22	FY21
Product backlog	US\$' million	US\$' million
Logicalis	400	206
Westcon International	824	261
Datatec Group	1 224	467

The Group's gross margin in FY22 was 16.6% compared to 16.8% in FY21. Gross profit was US\$770.4 million (FY21: US\$690.5 million).

Overall operating costs were US\$615.9 million (FY21: US\$571.9 million). Restructuring costs of US\$22.4 million were included in the prior period relating to fundamental reorganisations and Covid-19-related restructuring. There were no such restructuring costs in FY22.

Operating costs included US\$1.9 million of foreign exchange gains (FY21: losses of US\$7.9 million). Foreign exchange gains consisted of unrealised foreign exchange gains of US\$0.5 million (FY21 losses: US\$0.3 million) and realised foreign exchange gains of US\$1.4 million (FY21: losses US\$7.6 million). Unrealised foreign exchange differences are excluded from underlying* earnings per share.

EBITDA was US\$154.5 million (FY21: US\$118.6 million) an increase of 30% and EBITDA margin was 3.3% (FY21: 2.9%).

The share-based payment charge under IFRS 2 included in operating expenses was \$22.5 million, almost double the equivalent charge in FY21 of US\$11.5 million which reflects the increasing valuations of the divisions' cash-settled share-based payment plans, particularly Westcon International and Analysys Mason. To be more in line with international peers, the Group is now presenting the Adjusted** figure for EBITDA excluding share-based payment charges as well as restructuring costs. On this basis, Adjusted** EBITDA in FY22 was US\$177.0 (FY21: US\$152.5 million) and Adjusted** EBITDA margin was 3.8% (FY21: 3.7%).

Depreciation and amortisation increased to US\$72.4 million (FY21: US\$68.6 million) and operating profit was US\$82.1 million, 64% up on FY21 (FY21: US\$50.0 million).

The net interest charge increased to US\$31.3 million (FY21: US\$25.7 million) mainly due to increased interest rates in Latin America and profit before tax more than doubled to US\$50.9 million (FY21: US\$25.2 million).

A tax charge of US\$10.6 million (FY21: US\$19.5 million) has arisen on the pre-tax profits. The effective tax rate of 20.8% has benefited from an increase in UK tax losses recognised as deferred tax assets, part of which arose from the increase in the UK corporation tax rate enacted earlier in the year. The effective tax rate reduced as profits grew and the profit mix continued to improve. As at 28 February 2022, there are estimated tax loss carry forwards of US\$231.2 million with an estimated future tax benefit of US\$57.2 million, of which US\$36.3 million has been recognised as a deferred tax asset.

Underlying* earnings per share were 18.7 US cents (FY21: 13.6 US cents). Headline earnings per share were 16.2 US cents (FY21: 1.8 US cents). Earnings per share were 16.7 US cents (FY21: 1.3 US cents).

DIVISIONAL SUMMARY

Logicalis

Logicalis is the largest contributor to the Group in terms of profitability. The division also has the widest geographical exposure and Datatec intends to continue to develop and grow Logicalis globally, both organically and through acquisitions.

Logicalis revenue increased by 14.2% to US\$1,656.0 million compared to US\$1,449.5 million revenue for FY21. EBITDA increased by 12.9% to US\$92.5 million (FY21: US\$81.9 million).

Westcon International

Westcon International revenue increased by 11.8% to US\$2,890.4 million (FY21: US\$2,585.7 million) due to strong demand for network infrastructure, remote access solutions with enhanced cybersecurity for flexible working and virtual office environments and unified collaboration. In constant currency***, revenue improved by 10.0%. EBITDA increased by 52.0% to US\$68.1 million (FY21: US\$44.8 million).

Management Consulting

Analysys Mason revenue increased by 23.5% to US\$90.4 million (FY21: US\$73.2 million). EBITDA increased by 8.8% to US\$11.1 million (FY21: US\$10.2 million).

Cash and net debt

The Group generated US\$95.7 million of cash from operations during FY22 (FY21: cash generated of US\$234.4 million) and ended the period with a net debt of US\$130.1 million (FY21: US\$60.9 million). Excluding lease liabilities, net debt would have been US\$35.7 million (FY21: net cash of US\$53.4 million).

Liquidity and borrowing facilities

The Group continues to closely monitor the outlook for liquidity in its divisions to ensure that sufficient cash will continue to be generated to settle liabilities as they fall due.

Logicalis is supported by a corporate facility of US\$155.0 million, covering all operations outside Latin America, comprising a rolling credit facility to fund working capital requirements and an acquisition facility. The Latin America region is supported separately via a number of uncommitted overdraft facilities and short-term lending arrangements.

Westcon International has an invoice assignment facility of EUR390.6 million (recently increased from EUR275.0 million) for its European subsidiaries, as well as an extended payables facility of US\$65.7 million. Westcon International has a securitisation facility of US\$100.0 million for its Asia-Pacific facilities (up from US\$80 million in the prior year). In addition, Westcon International utilises accounts receivable facilities in the Middle East (US\$15.0 million) and Indonesia (US\$11.0 million) as well as overdraft facilities in Europe (EUR4.0 million) and Africa (US\$1.0 million), a securitisation facility in South Africa (ZAR250.0 million) and a line of credit in Singapore (US\$1.2 million) to finance the business.

CURRENT TRADING AND OUTLOOK

The underlying trends in our industry remain positive and our businesses are well positioned to benefit from continuing demand for software and services in networking, cyber security and cloud infrastructure. This is further evidenced by increased order intake and backlog.

However, headwinds from semiconductor shortages, compounded by various factors, including the war in Ukraine, Covid-19 lockdowns in China and global inflationary pressures will continue to disrupt global supply chains for the foreseeable future. This is expected to especially impact Logicalis in Latin America during the first half of the current financial year as macroeconomic challenges are compounded by these severe supply chain constraints.

Datatec's strong financial position provides a firm foundation to support growth and new initiatives as most economies start to recover and supply chain constraints ease over time. The board is focussed on driving shareholder value and implementing opportunities arising from the Strategic Review.

SUBSEQUENT EVENTS

Acquisitions

Effective 30 April 2022, Access Markets International (AMI) Partners, Inc. a 100% owned subsidiary of Analysys Mason Limited acquired 100% of the membership interests in Northern Sky Research, LLC ("NSR"). NSR is based in the US and specialises in research and consulting services to the space and satellite sector.

On 1 March 2022, Logicalis acquired the remaining 30% of the issued share capital from the non-controlling interest in Logicalis Portugal, a Cisco systems integrator and managed services business in Portugal, for a deferred consideration of US\$5.4 million payable in September 2022.

IFRS 5 Disposal group

Subsequent to the year end, the board has classified its management consultancy division, Analysys Mason, as a disposal group held for sale as the IFRS 5 criteria have been met.

Analysys Mason is included in the "Corporate and Management Consulting" segment of the Group.

The proposed sale is in terms of a process initiated by the Board pursuant to its Strategic Review and a transaction is expected to occur within 12 months from the date of these financial statements. Shareholders will be advised of any developments in this regard.

BOARD CHANGES

Ms Deepa Sita joined the Board as an independent non-executive director of the Company with effect from 1 March 2022 as previously announced.

The following changes to the functions of Directors have also taken place during FY22 and to date as previously announced.

With effect from 1 March 2021, Johnson Njeke, independent non-executive director of the Company, was appointed to the Social & Ethics Committee.

With effect from 1 March 2022:

- Maya Makanjee, independent non-executive director of the Company, became Chair of the Board in succession to Stephen Davidson;
- Maya Makanjee stepped down as Chair of the Remuneration and Social and Ethics Committees and remained a member of both committees;
- Maya Makanjee became Chair of the Nominations Committee in succession to Stephen Davidson who remained a member of the committee;
- Deepa Sita became a member of the Remuneration Committee;
- Stephen Davidson was appointed Chair of the Remuneration and Social and Ethics Committees.

CASH DIVIDEND AND SCRIP DISTRIBUTION ALTERNATIVE

INTRODUCTION

Notice is hereby given that the Board of Datatec has declared a final distribution for the year ended 28 February 2022, by way of a cash dividend of 111 ZAR cents per Datatec ordinary share ("Cash Dividend") payable to the ordinary shareholders (the "Shareholders"), which will be in proportion to their ordinary shareholding in Datatec at the close of business on the record date, being Friday, 15 July 2022.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive new, fully paid ordinary Datatec shares in proportion to their ordinary shareholding on the record date as an alternative to the cash dividend (the "Scrip Distribution"). The Cash Dividend has been declared and paid out of Datatec's distributable retained profits. A dividend withholding tax of 20% will be applicable in respect of the Cash Dividend to all shareholders not exempt therefrom after deduction of which, the net Cash Dividend is 88.8 ZAR cents per share.

The new ordinary shares will, pursuant to the Scrip Distribution, not be subject to a dividend withholding tax, and the issue price of the Scrip Distribution (which will equal the volume weighted average price ("VWAP") of Datatec's ordinary shares traded on the JSE for the 30-day trading day period ending on Monday, 4 July 2022) will be settled by way of a capitalisation of Datatec's distributable retained profits.

The Company's total number of issued ordinary shares as at 24 May 2022 is 216,957,874. Datatec's income tax reference number is 9999/493/71/2.

TERMS OF THE CASH DIVIDEND AND SCRIP DISTRIBUTION

The Shareholders will be entitled to receive the Cash Dividend of 111 ZAR cents per ordinary Datatec Share in respect of their shareholding as at the close of trading on the JSE at the close of business on the record date, being Friday, 15 July 2022, in proportion to their ordinary shareholding in Datatec and to the extent that such Shareholders have not elected to receive the Scrip Distribution alternative in respect of all or a part of their shareholding.

Shareholders will, however, be entitled to elect to receive a Scrip Distribution of new, fully paid Datatec ordinary shares in respect of their shareholding in Datatec as at the record date, being Friday, 15 July 2022, in respect of all or part of their ordinary shareholding, instead of the Cash Dividend.

The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (subject to their election thereto) will be determined by reference to such Shareholder's ordinary shareholding in Datatec (at the close of business on the record date, being Friday, 15 July 2022) in relation to the ratio that 111 ZAR cents bears to the VWAP of a Datatec ordinary share traded on the JSE during the 30-day trading period ending on Monday, 4 July 2022, provided that, where the application of this ratio gives rise to a fraction of an ordinary share, the rounding principles will be applied. Where a Shareholder's entitlement to new Datatec ordinary shares calculated in accordance with the above formula gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded down to the nearest whole number, resulting in allocations of whole ordinary shares and a cash payment for the fraction. The applicable cash payment will be determined with reference to the VWAP of an ordinary Datatec share traded on the JSE on Wednesday, 13 July 2022, (being the day on which Datatec ordinary shares begin trading 'ex' the entitlement to receive the Cash Dividend or the Scrip Distribution alternative), discounted by 10%.

Details of the ratio will be announced on the Stock Exchange News Service of the JSE ("SENS") in accordance with the timetable below.

CIRCULAR AND SALIENT DATES

A circular providing shareholders with full information on the Cash Dividend or Scrip Distribution alternative, including a Form of Election to elect to receive the Scrip Distribution alternative will be posted to Shareholders on or about Thursday, 2 June 2022. The salient dates of events thereafter are as follows:

EVENT	2022
Audited financial results of Datatec for the year ended 28 February 2022 and declaration of Cash Dividend with Scrip Distribution alternative announced on SENS on	Tuesday, 24 May
Audited financial results of Datatec for the year ended 28 February 2022 and declaration of Cash Dividend with Scrip Distribution alternative published in the South African press on	Wednesday, 25 May
Distribution of Circular announced on SENS on	Thursday, 2 June
Circular and Form of Election (grey) distributed on	Thursday, 2 June
Distribution of Circular announcement published in the South African press on	Friday, 3 June
Announcement released on SENS in respect of the ratio applicable to the Scrip Distribution alternative, based on the 30-day VWAP ending on Monday, 4 July 2022, by 11h00 on	Tuesday, 5 July
Announcement published in the South African press of the ratio applicable to the Scrip Distribution alternative, based on the 30-day VWAP ending on Monday, 4 July 2022, on	Wednesday, 6 July
Last day to trade in order to be eligible for the Cash Dividend and the Scrip Distribution alternative	Tuesday, 12 July
Shares trade "ex" the Cash Dividend and the Scrip Distribution alternative on	Wednesday, 13 July
Listing and trading of maximum possible number of shares on the JSE in terms of the Scrip Distribution alternative from the commencement of business on	Wednesday, 13 July
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the VWAP of a Share traded on the JSE on Wednesday, 13 July 2022, discounted by 10%, by 11h00 on	Thursday, 14 July
Last day to elect to receive the Scrip Distribution alternative instead of the Cash Dividend, Forms of Election (grey) to reach the Transfer Secretaries by 12h00 on	Friday, 15 July
Record Date in respect of the Cash Dividend and the Scrip Distribution alternative	Friday, 15 July
Cash Dividend payments made, CSDP/broker accounts credited/updated on	Monday, 18 July

Announcement relating to the results of the Cash Dividend and the Scrip Distribution alternative released on SENS on	Monday, 18 July
Announcement relating to the results of the Cash Dividend and the Scrip Distribution alternative published in the South African press on	Tuesday, 19 July
JSE listing of shares in respect of the Scrip Distribution alternative adjusted to reflect the actual number of ordinary shares issued in terms of the Scrip Distribution alternative at the commencement of business on or about	Tuesday, 19 July

All times provided are South African local times. The above dates and times are subject to change. Any material change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Wednesday, 13 July 2022 and Friday, 15 July 2022, both days inclusive. If Datatec maintains a certificated register, then the register will be closed from Wednesday, 13 July 2022 to Friday, 15 July 2022, both days inclusive.

FRACTIONS

Where a Shareholder's entitlement to new Datatec ordinary shares calculated in accordance with the below formula gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded down to the nearest whole number, resulting in allocations of whole ordinary shares and a cash payment for the fraction.

The applicable cash payment will be determined with reference to the VWAP of a Datatec ordinary Share traded on the JSE on Wednesday, 13 July 2022, (being the day on which a Datatec ordinary Share begins trading 'ex' the entitlement to receive the Cash Dividend or the Scrip Distribution alternative), discounted by 10%. For illustrative purposes, the VWAP of a Datatec ordinary Share traded on the JSE on Wednesday, 13 July 2022 is assumed to be 3700 ZAR cents. The basis for the applicable cash payment would therefore be 3330 ZAR cents (3700 ZAR cents discounted by 10%).

The basis for the applicable cash payment will be announced on SENS on Thursday, 14 July 2022, by 11h00.

Example of fractional entitlement:

This example assumes that a Shareholder holds 100 Datatec ordinary shares at the close of business on the record date (being Friday, 15 July 2022) and elects to receive the Scrip Distribution alternative in respect of all of their shareholding.

New ordinary share entitlement = $100 \times 2.63158 \%$

= 2 new ordinary Scrip Distribution shares. The rounding provision described above is then applied and the shareholder will receive:

2 Scrip Distribution shares in respect of the 100 shares held and a cash payment for the fractional entitlement based on the 3330 ZAR cents noted above of $3330 \times 0.63158 = 2103.1614$ ZAR cents. This fractional entitlement payment will not be subject to Dividend Withholding Tax ("DWT").

TAX IMPLICATIONS

The Cash Dividend is likely to have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take. In terms of the Income Tax Act 58 of 1962 ("the Income Tax Act"), the Cash Dividend will, unless exempt, be subject to DWT. South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 88.8 ZAR cents per share. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any Double Tax Agreement ("DTA") between South Africa and their country of residence.

The Scrip Distribution alternative and cash paid for a fraction of a Share will not be subject to DWT in terms of the Income Tax Act. The subsequent disposal of Datatec ordinary shares obtained as a result of the Scrip Distribution is likely to have Income Tax or Capital Gains Tax ("CGT") implications. Where any future disposals of shares obtained as a result of the Scrip Distribution are effected, the expenditure incurred in respect of such shares will be deemed to be nil in terms of the Income Tax Act.

FOREIGN SHAREHOLDERS

The distribution of this Circular, and the rights to receive the Scrip Distribution shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Shareholders will not be entitled to receive the Scrip Distribution shares, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend alternative. Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Scrip Distribution, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

Payment of the Cash Dividend and the Scrip Distribution alternative is subject to approval by the Financial Surveillance Department of the South African Reserve Bank. An announcement will be published on SENS as soon as this approval is received.

DISCLAIMER

This announcement may contain statements regarding the future financial performance of the Group which may be considered to be forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty, and although the Group has taken reasonable care to ensure the accuracy of the information presented, no assurance can be given that such expectations will prove to have been correct.

The Group has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. It is important to note, that:

(i) unless otherwise indicated, forward-looking statements indicate the Group's expectations and have not been reviewed or reported on by the Group's external auditors;
(ii) actual results may differ materially from the Group's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate;
(iii) the Group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements; and
(iv) the Group disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, other than as required by the JSE Limited Listings Requirements.

On behalf of the Board

M Makanjee
Chair

JP Montanana
Chief Executive Officer

IP Dittrich
Chief Financial Officer

24 May 2022

DIRECTORS

M Makanjee (Chair), # JP Montanana (CEO), IP Dittrich (CFO), # SJ Davidson, o JF McCartney, # CRK Medlock, MJN Njeke, o E Singh-Bushell, DS Sita
o American #British

Short form announcement

The contents of this short form announcement are the responsibility of the Board of Directors of the Company. Shareholders are advised that this short form announcement represents a summary of the information contained in the full announcement, published on SENS via the JSE link and on Datatec's website <https://www.datatec-reports.co.za/annual-2022/index.php> on 24 May 2022, and does not contain full or complete details of the financial results.

While the short-form announcement itself is not audited but extracted from audited results, the full set of audited consolidated financial statements and unmodified audit opinion with the key audit matters from PwC is available for inspection at the registered offices of the Company and at <https://www.datatec-reports.co.za/annual-2022/index.php>

Any investment decisions by investors and/or Shareholders should be based on consideration of the full announcement as a whole and Shareholders are encouraged to review the full announcement, which is available as set out above. The full announcement is also available for inspection at the registered office of the Company at no charge during normal business hours from 24 May 2022 to 24 June 2022 and at the offices of Datatec's sponsor, Rand Merchant Bank (a division of FirstRand Bank Limited). Copies of the full announcement may be requested from info@datatec.com.

The JSE link is as follows: <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/DTC/FY22.pdf>

* Excluding impairments of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation of acquired intangible assets, unrealised foreign exchange movements, acquisition-related adjustments, fair value movements on acquisition-related financial instruments, restructuring costs relating to fundamental reorganisations and the taxation effect on all of the aforementioned.

** Adjusted EBITDA excludes share-based payments and restructuring costs.

*** The pro forma constant currency and Adjusted EBITDA information, which is the responsibility of the Datatec directors, presents the Group's revenue for the current reporting period had it been translated at the average foreign currency exchange rates of the prior reporting period as well as EBITDA had restructuring costs and share-based payment charges not been incurred. This information is for illustrative purposes only and because of its nature, may not fairly present the Group's results. To determine the revenue in constant currency terms, the current financial reporting period's monthly revenues in local currency have been converted to US dollars at the average monthly exchange rates prevailing over the same period in the prior period.

Registered office: Third Floor, Sandown Chambers, Sandown Village Office Park, 81 Maude Street, Sandown

Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)

Transfer secretaries: Computershare Investor Services (Pty) Ltd