

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

SHORT-FORM ANNOUNCEMENT: ABRIDGED SUMMARISED CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2022, CASH AND SPECIAL DIVIDEND DECLARATION AND NOTICE OF ANNUAL GENERAL MEETING.

	Change	Audited year ended 28 Feb 22 R'000	Audited year ended 28 Feb 21 R'000
Highlights from Statement of Comprehensive Income:			
Revenue	11%	74,743	67 316
Profit before Other income and expenses	4%	39,882	38,505
Earnings after tax	26%	16,354	12,946
Earnings and diluted earnings per share (cents)	26%	10.5	8.3

Highlights from Statement of Financial Position:

Total assets	13%	84,307	74,741
Cash and cash equivalents	-4%	47,345	49,261
Equity	12%	70,348	62,773
Total liabilities	19%	13,959	11,698

Highlights from Statement of Changes in Equity:

Dividends paid during the year	49%	11,657	7,800
Ordinary dividend per share declared (cents)	88%	6.2	3.3
Special dividend per share declared (cents)		10.0	-
Net asset value per share at end of period (cents)	12%	45.1	40.2
Headline earnings per share (cents)	26%	10.5	8.3
Diluted headline earnings per share (cents)	26%	10.5	8.3

Notes to the statements:

RECONCILIATION OF HEADLINE EARNINGS

Earnings as per statement of comprehensive income	16 354	12 946
Profit on sale of property, plant and equipment	-	(72)
Headline earnings	16 354	12 874
Headline earnings per share (cents)	10.5	8.3

Operational Review

I am pleased to present our results for the full year ended 28 February 2022 ("the current reporting period"), which continue to be underpinned by a high portion of recurring revenue, a robust balance sheet and strong cash flows. In context of the exceptionally challenging trading conditions in which we operate, together with the extreme pressure on the local economy, I am particularly pleased with our performance and humbled by the tremendous support that we have received through this challenging time from our staff, customers, suppliers, vendor partners and shareholders.

Financial

Revenue increased by 11% to R74.7 million compared to R67.3 million in the previous corresponding reporting period ("the prior reporting period"), of which a healthy 79.8% is of a recurring nature and includes turnover from both product subscription sales, and from our various Managed Security Service subscription offerings. Profit before other income and expenses ("gross profit") increased by a relatively modest 3.6% to R39.9 million during the current reporting period compared to R38.5 million in the prior reporting period, which was somewhat lower than expected due to the inclusion of several larger low-margin projects completed and recognised during the current reporting period.

Operating expenditure decreased by a pleasing 13.8% to R21.1 million compared to R24.5 million in the prior reporting period, but if the effect of the R2.8 million swing in the revaluation of our foreign currency reserve from a loss of R1.2 million in the prior reporting period to a profit of R1.6 million in the current reporting period was to be excluded, the decrease in operating expenditure would have only been 9.6%, which is in line with managements anticipated result and illustrates their continued focus on managing expenditure within the group.

On a less pleasing note, the share of profits from our equity-accounted investment ("DataProof") declined by 32.4% to R1.6 million compared to R2.4 million in the prior reporting period, this despite a substantial increase in turnover. While this decline is unfortunate in the short term, management remain confident about their prospects as they continue to pivot the business into a more sustainable and scalable entity that can achieve above average growth, especially in their cyber security division.

Earnings increased to R16.4 million compared to R12.9 million in the prior reporting period, which represents a very satisfying increase of 26.3% in headline and earnings per share to 10.5 cents from 8.3 cents achieved in the prior reporting period; and total comprehensive income increased by 48.6% to R19.2 million compared to R12.9 million in the prior reporting period, which increase beyond earnings is due to the fair value revaluation of our owner-occupied property in Sandton.

Distribution

During the current reporting period an interim dividend of R6.7 million for the half year ended 31 August 2021 was declared and paid to shareholders, representing a cash distribution of 4.3 cents per share. With the realisation of earnings of 10.5 cents per share for the current reporting period, we are now pleased to declare a final ordinary dividend to shareholders for the year ended 28 February 2022 of 6.2 cents per share, as well as a special dividend of 10.0 cents per share, which is subject to the South African Reserve Bank ("SARB") approval. Both the ordinary and special dividend will be subject to the dividend tax legislation. The reason for declaring the special dividend, payable from income reserves is to reduce the unnecessarily high level of cash in the business, which came about when we decided to forgo a final dividend for the year ended 29 February 2020 in order to preserve the strength of our balance sheet through those uncertain times.

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

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

Declaration date	Friday,	27 May 2022
Last day to trade	Tuesday,	19 July 2022
Shares trade ex-dividend	Wednesday,	20 July 2022
Record date	Friday,	22 July 2022
Payment date	Monday,	25 July 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 20 July 2022 and Friday, 22 July 2022, both days inclusive.

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

- This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves.
- The South African dividend tax (DT) rate is 20%.
- The DT to be withheld by the company in respect of the ordinary dividend amounts to 1.24 cents per share.
- The net ordinary dividend payable to shareholders who are not exempt from DT is therefore 4.96 cents per share, while a gross ordinary dividend of 6.2 cents per share is payable to those shareholders who are exempt from DT.
- The DT to be withheld by the company in respect of the special dividend amounts to 2.0 cents per share.
- The net special dividend payable to shareholders who are not exempt from DT is therefore 8.0 cents per share, while a gross special dividend of 10.0 cents per share is payable to those shareholders who are exempt from DT.
- The issued share capital of the company at the declaration date comprises 170 592 593 ordinary shares.
- The company's income tax reference number is 9340/150/71/4.

The salient dates for the special dividend will be announced once we have received the approval from SARB.

Market and prospects

While our journey to reaching and exceeding our former turnover and profitability levels is likely to be somewhat tougher and longer than initially anticipated, I am particularly encouraged by the depth and complexity of security solutions making their way into our growing sales pipeline, especially noting a sense of excitement within our customer base and prospects of our recently onboarded 'next generation' security technologies and evolving Managed Security Service offerings that now include more advanced threat detection and incident response service deliverables.

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

Conclusion

On behalf of the board, I would like to take this opportunity to thank the ISA team for their continued dedication and hard work. My appreciation is also extended to my colleagues on the board for their wise counsel and valuable input. Finally, I thank all stakeholders, customers and vendors for their support, and I look forward to meeting shareholders at the Annual General Meeting to be held on Thursday, 30 June 2022.

Shareholders are advised that the integrated annual report has been distributed to shareholders and will be available on the company's website at www.isa.co.za.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of ISA ("AGM") will be held at 10:00 on Thursday, 30 June 2022 through electronic participation.

The salient information pertaining to the AGM is set out below:

Issuer name	ISA Holdings Limited
Type of instrument	Ordinary shares
ISIN number	ZAE000067344
JSE code	ISA
Meeting type	Annual General Meeting
Meeting venue	Virtual
Record date - to determine which shareholders are entitled to receive the notice	Friday, 20 May 2022
Publication/Electronic distribution date	Friday, 27 May 2022
Last day to trade - last day to trade to determine eligible shareholders that may attend, speak and vote at the AGM	Tuesday, 21 June 2022
Record date - record date to determine eligible Shareholders that may attend, speak and vote at the AGM	Friday, 24 June 2022
Meeting deadline date - (for administrative purposes), forms of proxy for the AGM to be lodged	10:00 on Monday, 27 June 2022
Virtual AGM date	10:00 on Thursday, 30 June 2022
Publication of results	Thursday, 30 June 2022
Website link	www.isaholdings.co.za

Shareholders who wish to participate electronically at the Annual General Meeting are required to contact JSE Investor Services at meetfax@jseinvestorservices.co.za; or alternatively contact JSE Investor Services' offices on +27 86 154 6572 as soon as possible, but in any event, for administrative purposes only, by no later than 10:00 on Monday, 27 June 2022.

SHORT-FORM ANNOUNCEMENT

The content of this short-form announcement is the responsibility of the directors of the company. The short-form announcement contains only a summary of the information in the Abridged Summarised Consolidated Audited Results for the year ended 28 February 2022 ("Full Announcement") which is available at: <https://senspdf.jse.co.za/documents/2022/jse/isse/isa/ye22.pdf> and is also published on the company's website at <https://www.isa.co.za/sens/SENS-20220527-01.pdf>, and accordingly does not contain full or complete details. Any investment decisions by investors or shareholders should be based on the consideration of the Full Announcement.

The information in this short-form announcement has been extracted from the Full Announcement, but the short-form announcement itself has not been reviewed or audited by the company's auditors.

The abridged summarised consolidated audited results have been extracted from the annual financial statements for the year ended 28 February 2022 which was audited by Mahdi Meyer Steyn Chartered Accountants Inc, who expressed an unmodified audit opinion. The key audit matters addressed in the auditor's report relate to the change in accounting policy and revenue recognition. A copy of their audit report and the group annual financial statements are

available for inspection at the company's registered office, Block 9 Pinewood Office Park, 33 Riley Road, Woodmead 2191 and on the company's website at www.isa.co.za

Copies of the short-form announcement and the Full Announcement will be available for inspection at the registered offices of ISA or the Designated Adviser, Merchantec Capital, during business hours. These announcements may also be obtained at no cost on request from the Company Secretary who is contactable on +27 11 325 6363 or isa@acorim.co.za

For and on behalf of the board,

Clifford Katz
Chief Executive Officer
Johannesburg
27 May 2022

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

Non-executive

* Independent non-executive

Designated Adviser: Merchantec Capital

www.isaholdings.co.za