

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

SHORT-FORM UNAUDITED CONDENSED RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST
 2022 AND CASH DIVIDEND DECLARATION

	Change	Unaudited six months ended 31 Aug 22 R'000	Unaudited six months ended 31 Aug 21 R'000	Audited year ended 28 Feb 22 R'000
Highlights from Statement of Comprehensive Income				
Turnover	9%	34,715	31,810	74,743
Profit before other income and expenses	4%	18,973	18,264	39,882
Profit after tax	40%	9,389	6,693	16,354
Earnings per share (cents)	40%	6.0	4.3	10.5

Highlights from Statement of
Financial Position

Total assets	-21%	64,995	82,156	84,307
Cash and cash equivalents	-31%	33,736	48,819	47,345
Equity	-15%	54,466	64,318	70,348
Total liabilities	-41%	10,531	17,838	13,959

Dividends and distribution

Ordinary dividend per share declared for the period (cents)	40%	6.0	4.3	10.5
Ordinary dividend per share Paid during the period (cents)	88%	6.2	3.3	7.6
Special dividend per share Paid during the period (cents)	100%	10.0	-	-

Net asset value per share at end of period (cents)	-15%	34.9	41.2	45.1
Headline earnings per share (cents)*	40%	6.0	4.3	10.5
Diluted headline earnings per share (cents)*	40%	6.0	4.3	10.5

* There have been no reconciling items that would result in a change to the
Headline earnings per share and the Diluted headline earnings per share.

Operational Review

I am pleased to present our results for the six months ended 31 August 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. Despite the challenging trading conditions in which we operate, together with the continued pressure on the local economy, overall performance remains satisfactory.

Turnover increased by 9% during the current reporting period to R34.7 million compared to the previous corresponding reporting period ("the prior reporting period"), of which 92% is subscription derived and includes a healthy mix of products, subscriptions and our Managed Security Service offerings that feature MSS Pulse, our internally developed security infrastructure management and monitoring platform. The high proportion of subscription derived turnover in the current reporting period is indicative of the trend in terms of which customers are showing a preference for subscribing to consumption-based security solutions which offer a heightened level of flexibility and scalability that is difficult to achieve in the traditional procurement model where companies would purchase hardware and software assets complemented with an array of value-added services offered by the local reseller community. This trend is likely to continue for the foreseeable future and we anticipate maintaining a strong proportion of subscription derived turnover in our revenue mix.

Profit before other income and expenses increased by 4% during the current reporting period to R18.9 million, representing a gross margin of 55% compared to 57% in the prior reporting period. This moderate reduction in gross margin is due to the increased proportion of revenue from lower-margin products and subscription sales recognised during the current reporting period.

Operating expenditure including the revaluation of foreign cash balances increased by 8% to R11.7 million compared to R10.8 million in the prior reporting period.

Most notable and significant during this reporting period is the spectacular increase in our share of profits from DataProof, our equity-accounted investment, which grew to R3.5 million in the current reporting period from R603 000 in the prior reporting period. DataProof has performed exceptionally well in both of its main operating areas, with sizeable wins in their highly specialised and profitable cybersecurity business unit, and substantial improvement in output and productivity from their records management team.

Total comprehensive income attributable to equity shareholders for the current reporting period increased to R9.4 million from R6.7 million in the prior reporting period, representing a pleasing 40% increase in headline and earnings per share to 6.0 cents from 4.3 cents in the prior reporting period.

Property, plant and equipment increased by 40% in the current reporting period to R13.3 million compared to R9.5 million in the prior reporting period, which is largely a result of the fair value revaluation adjustment to our property that was implemented towards the end of the last financial year.

Trade and other receivables decreased by 41% and trade payables decreased by 46% at the close of the current reporting period, which was largely as a factor of deal and creditor settlement timing as opposed to any fundamental change in cash management practices of the business. Cash and cash equivalents decreased by 31% to R33.7 million in the current reporting period, from R48.8 million in the prior reporting period, this after the final and special dividend of R25.3 million was paid to shareholders during the current reporting period. Of this cash reserve, 54% is held in hard currencies (Dollars and Pounds) with the balance held in Rands.

Dividend Declaration

I am pleased to announce that the board of directors of ISA ("the board") has declared an interim dividend to shareholders for the six months ended 31 August 2022 of 6.0 cents per share, which will be subject to the dividend tax legislation.

The salient dates will be as follows:

Declaration date	Friday, 11 November 2022
Last day to trade	Tuesday, 6 December 2022
Shares trade ex-dividend	Wednesday, 7 December 2022
Record date	Friday, 9 December 2022
Payment date	Monday, 12 December 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 December 2022 and Friday, 9 December 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 1.20 cents per share.
- The net ordinary dividend payable to shareholders who are not exempt from DT is therefore 4.80 cents per share, while a gross ordinary dividend of 6.0 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.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement ("Full Announcement") and 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 Full Announcement is available at: <https://senspdf.jse.co.za/documents/2022/jse/isse/isa/interim22.pdf>

and is also published on the Company's website at https://www.isa.co.za/sens/SENS_20221111_01.pdf

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

SPECIAL THANKS

On behalf of the board, I would like to take this opportunity to thank the ISA team for their continued dedication and hard work. My appreciation is also extended to my colleagues on the board for their wise counsel and valuable input, as well as to all stakeholders, customers and vendors for their support.

For and on behalf of the board,

Clifford Katz
Chief Executive Officer

Johannesburg
11 November 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