

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 CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED
 31 AUGUST 2023 AND CASH DIVIDEND DECLARATION

	Change	Unaudited six months ended 31 Aug 23 R'000	Unaudited six months ended 31 Aug 22 R'000	Audited year ended 28 Feb 23 R'000
Highlights from Statement of Comprehensive Income				
Turnover	42%	49,137	34,715	75,581
Profit before other income and expenses	22%	23,091	18,973	39,809
Profit after tax	27%	11,946	9,389	21,872
Earnings per share (cents)	27%	7.7	6.0	14.0

Highlights from Statement of
 Financial Position

Total assets	21%	78,324	64,995	76,171
Cash and cash equivalents	-11%	29,992	33,736	31,971
Equity	5%	57,280	54,466	57,814
Total liabilities	100%	21,044	10,531	18,357

Dividends and distribution

Ordinary dividend per share declared for the period (cents)	27%	7.7	6.0	14.0
Ordinary dividend per share Paid during the period (cents)	29%	8.0	6.2	12.2
Special dividend per share Paid during the period (cents)	-100%	-	10.0	10.0

Net asset value per share at end of period (cents)	5%	36.7	34.9	37.1
Headline earnings per share (cents)*	27%	7.7	6.0	14.0
Diluted headline earnings per share (cents)*	27%	7.7	6.0	14.0

* 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 2023
 ("the current reporting period"), which continue to be underpinned by a high
 proportion 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 42% during the current reporting period to R49.1 million compared to R34.7 million in the previous corresponding reporting period ("the prior reporting period"), of which 89% 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 22% during the current reporting period to R23.1 million, representing a gross margin of 47% compared to 55% in the prior reporting period. This reduction in gross margin is largely due to the recognition of a couple of low margin 'product sales' during the current reporting period that excluded any higher margin services.

Operating expenditure increased by 12% to R14.1 million compared to R12.6 million in the prior reporting period, which increase is largely attributed to recruitment, additional headcount and payroll related expenses.

Our share of profits from DataProof, our equity-accounted investment, increased by a pleasing 25% to R4.4 million from R3.5 million in the prior reporting period, with notable successes coming from their cybersecurity business unit. While their records management business unit has been struggling to maintain momentum of late, in part due to a few critical system failures and staffing challenges, which are in the process of being addressed, they are certainly building a formidable business and reputation around their cybersecurity service offerings, notably those related to their 24/7 SOC incident and event monitoring.

Total comprehensive income attributable to equity shareholders for the current reporting period increased to R11.9 million from R9.4 million in the prior reporting period, representing a pleasing 27% increase in headline and earnings per share to 7.7 cents, from 6.0 cents in the prior reporting period.

Management has taken note of the higher trade receivable and trade payable balances recorded at the close of the current reporting period, but are not overly concerned with these high levels as they are largely a factor of customer deal and supplier settlement timing and product mix structuring, as opposed to any fundamental change in cash management practices of the business.

Cash and cash equivalents decreased by 11% to R30.0 million in the current reporting period, from R33.7 million in the prior reporting period, this after the final dividend of R12.5 million that was paid to shareholders during the current reporting period. The reason for the decrease is largely attributable to the higher trade receivables, as well as not having received an interim dividend from DataProof during the current reporting period, as was the case in the prior reporting period. DataProof are currently preserving their cash reserves while considering several capital allocation options available to them at this time.

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 2023 of 7.7 cents per share, which will be subject to the dividend tax legislation.

The salient dates will be as follows:

Declaration date	Friday, 10 November 2023
Last day to trade	Tuesday, 5 December 2023
Shares trade ex-dividend	Wednesday, 6 December 2023
Record date	Friday, 8 December 2023
Payment date	Monday, 11 December 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 December 2023 and Friday, 8 December 2023, 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 1.54 cents per share.
- The net ordinary dividend payable to shareholders who are not exempt from DT is therefore 6.16 cents per share, while a gross ordinary dividend of 7.7 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/2023/jse/isse/isa/interim23.pdf> and is also published on the Company's website at <https://www.isa.co.za/sens/SENS - 20231110-01.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
10 November 2023

Directors: CS Katz (Chief Executive Officer), PJG Green (Chief Technical Officer), P Mogoboya (Financial Director), AJ Naidoo#, DC Seaton*, N Maphothi*, O Seku* (Chairperson)
Non-executive
* Independent non-executive

Designated Adviser: Merchantec Capital

www.isaholdings.co.za