DATATEC

Driving Technology

Notice of 2023 Annual General Meeting and summarised Group results for the year ended 28 February 2023

Our three core divisions

1. Westcon Comstor

Partner Success. It's what we do.

WESTCON INTERNATIONAL

Value-added technology distributor of industry-leading solutions

Goes to market under the Westcon and Comstor brands

Westcon International's portfolio of market-leading vendors includes Cisco, Palo Alto, Check Point, CrowdStrike, Extreme Networks, Zscaler, Broadcom, F5, Juniper, Proofpoint and Tenable

Over **3 500** employees

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2. LOGICALIS

Architects of Change

LOGICALIS INTERNATIONAL

International solutions provider of digital services

Customer advocate with some of the world's leading technology companies including Cisco, Microsoft, Oracle, HPE, Palo Alto, NetApp and VMware

Operates in Europe, North America, Asia-Pacific and Africa

Over **4 000** employees

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3. LOGICALIS

Architects of Change

LOGICALIS LATIN AMERICA

International solutions provider of digital services

Customer advocate with some of the world's leading technology companies including Cisco, IBM, Microsoft, Fortinet, NetScout, HPE, NetApp and VMware

Operates across South America, Mexico and the Caribbean

Over **3 000** employees

DATATEC LIMITED
Incorporated in the Republic of South Africa

Registration number: 1994/005004/06
Share code JSE: DTC
ISIN: ZAE000017745
("Datatec", the "Company" or the "Group")

Registered office: 3rd Floor, Sandown Chambers
Sandown Village Office Park, 81 Maude Street, Sandton

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Chair's letter to shareholders

DEAR SHAREHOLDER

On behalf of the Board of Directors, we invite you to attend Datatec's Annual General Meeting (AGM) on Thursday, 27 July 2023 at 14:00 South African time.

As in the prior years, this meeting will be conducted entirely by electronic communication with shareholder participation and voting expected to be online through the use of a virtual meeting platform provided by The Meeting Specialists.

This booklet contains the Notice of the Annual General Meeting (Notice) and relevant supporting documentation for voting at the AGM, including a summary of the audited results for the financial year ended 28 February 2023, which were published on 23 May 2023.

The AGM is an important event and is the Board's opportunity to engage in open and constructive dialogue with our shareholders. Your virtual attendance and participation during the AGM would be appreciated. However, if you are unable to attend, we would encourage you to participate in voting by means of the proxy form according to the instructions provided. You are also welcome to forward any questions you would like to address to the members of the Board in advance of the meeting to **ir@datatec.com**. These will be answered on the day of the meeting or emailed to you directly. These questions should reach us by no later than 25 July 2023.

The Notice sets out the business to be conducted during the AGM and is accompanied by explanatory notes setting out the reasons for all the proposed ordinary and special resolutions. The Board unanimously supports all the resolutions being put forward for consideration and approval and looks forward to your favourable vote in respect of these resolutions.

Should you require a full printed version of the FY23 Integrated and Annual Report, please contact our office on +27 11 233 1000 or email **ir@datatec.com** and we will arrange for a copy to be sent to you. The report is also available to view and download on the Company's website at **www.datatec.com**.

We look forward to engaging with you during the virtual meeting on 27 July 2023.

Yours faithfully

Maya Makanjee
Chair

June 2023

Notice of Annual General Meeting

Datatec Limited

(Incorporated in the Republic of South Africa)
Registration number: 1994/005004/06
Share code: DTC
ISIN: ZAE000017745
("Datatec" or "the Company" or "the Group")

Notice is hereby given that the annual general meeting ("Meeting") of shareholders of Datatec will be held at 14:00 on Thursday, 27 July 2023. This Meeting will be conducted entirely by electronic communication with shareholder participation and voting expected to be online through the use of a virtual meeting platform (the "Virtual Meeting Platform") provided by The Meeting Specialists Proprietary Limited ("TMS" or the "Scrutineers").

The board of directors ("the Board"), in accordance with section 63(2)(a) of the Companies Act, No 71 of 2008, as amended ("Companies Act") and the company's Memorandum of Incorporation ("MoI"), have resolved to convene the Meeting entirely by electronic communication. Please see below for further details regarding the electronic participation instructions and guidelines, and should you have any further questions, please send an email to **ir@datatec.com**.

The Meeting will be held for the purpose of: (i) considering the following business to be transacted and voting on the resolutions, with or without modification, in the manner required by the Companies Act, as read with the Listings Requirements of the JSE Limited ("JSE") ("Listings Requirements"), and (ii) deal with such other business as may lawfully be dealt with at the Meeting:

1. Presentation of annual financial statements

"To present Datatec's audited annual financial statements for the year ended 28 February 2023, including the directors' report, the Audit, Risk and Compliance Committee report, and Group audited annual financial statements for the year ended 28 February 2023; all of which are contained from pages 59 to 184 of the Annual Report."

2. The Social and Ethics Committee report

"Please refer to page 6 of the Annual Report for the Social and Ethics Committee report. The Chair of the Social and Ethics Committee is available to report to the shareholders at the Meeting".

3. Re-election of director

Ordinary resolution number 1

"Resolved that Mr JP Montanana, who retires in terms of the MoI and who offers himself for re-election, be and is hereby re-elected as a director of the Company."

Please refer to page 15 for Mr Montanana's brief *curriculum vitae*. On behalf of the Board, the Chair confirms that, on the basis of the annual evaluation of the Board and of the performance of individual directors, the performance and commitment of Mr Montanana throughout his period of office was highly satisfactory.

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

Notice of Annual General Meeting continued

4. Re-election of director

Ordinary resolution number 2

"Resolved that Mr SJ Davidson, who retires in terms of the MoI and who offers himself for re-election, be and is hereby re-elected as a director of the Company for a term of one year from the date of the Meeting."

The Company is seeking a final re-appointment for Mr Davidson for one year until his retirement from the Board at the 2024 Annual General Meeting of the Company.

Please refer to page 16 for Mr Davidson's brief *curriculum vitae*. On behalf of the Board, the Chair confirms that, on the basis of the annual evaluation of the Board and of the performance of individual directors, the performance and commitment of Mr Davidson throughout his period of office was highly satisfactory.

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

5. Election of director

Ordinary resolution number 3

"Resolved that Mr LC Rapparini, who has been appointed by the Board on 1 September 2022, be and is hereby elected as a director of the Company."

On behalf of the Board, the Chair confirms that Mr Rapparini's extensive experience and expertise in finance and internal audit will make a significant contribution to Datatec.

Please refer to page 19 for Mr Rapparini's brief *curriculum vitae*. On behalf of the Board, the Chair confirms that the performance and commitment of Mr Rapparini throughout his period of office was highly satisfactory.

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

6. Reappointment of independent auditors

Ordinary resolution number 4

"Resolved that PricewaterhouseCoopers Incorporated, and Mr Deon Storm as the designated auditor, as recommended by the current Audit, Risk and Compliance Committee of the Company, be reappointed, as auditors of the Company from the conclusion of this Meeting until the conclusion of the next Meeting."

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

7. Election of Audit, Risk and Compliance Committee members

Ordinary resolution number 5

"Resolved that the members of the Audit, Risk and Compliance Committee be elected to serve with effect from the conclusion of this Meeting to the commencement of the next Meeting to be held in 2024 by separate election to the committee of the following independent non-executive directors:

5.1 Mr MJN Njeke;
5.2 Ms DS Sita;
5.3 Mr CRK Medlock."

Please refer to pages 17 and 18 for Mr Njeke's, Ms Sita's and Mr Medlock's brief *curricula vitae*. On behalf of the Board, the Chair confirms that each candidate for election to the Audit, Risk and Compliance Committee has the relevant knowledge and experience to discharge their role effectively and that the performance of each candidate in the service of the Audit, Risk and Compliance Committee to the date of this notice has been highly satisfactory.

In order for each of the above resolutions to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

8. Non-binding advisory votes on Remuneration Policy and Remuneration Implementation

Ordinary resolution number 6

"Resolved that the Remuneration Policy of the Company as reflected on pages 19 to 26 of the Annual Report, be and is hereby endorsed through a non-binding advisory vote as recommended by the Report on Corporate Governance for South Africa, 2016 ("King IV")."

Ordinary resolution number 7

"Resolved that the Remuneration Implementation Report of the Company as reflected on pages 27 to 36 of the Annual Report, be and is hereby endorsed through a non-binding advisory vote as recommended by King IV."

Explanatory note on ordinary resolutions number 6 and 7

In terms of principle 14 of King IV, the Company's remuneration policy and remuneration implementation report should be tabled to shareholders for separate non-binding advisory votes at the Meeting. These votes enable shareholders to express their views on the remuneration policies adopted by the Company and on the implementation thereof. Shareholders are requested to endorse the Company's remuneration policy set out in the Annual Report.

9. Approval of amendments to the rules of the Datatec Conditional Share Plan 2017 ("CSP")

Ordinary resolution number 8

"Resolved that the Company approves the amendments made to the Conditional Share Plan 2017 to ensure compliance with Schedule 14 of the JSE Listing Requirements, which can be summarised as follows:

1. Clause 2.1.39 has been inserted to define 'Special Dividends';
2. The fixed number of Shares settled to any single Participant, as disclosed in clause 4.2.1 of the CSP rules, be amended to not exceed 6,000,000 Shares. This number equates to approximately 2.67% of the Company's issued share capital as at 28 February 2023;
3. Inclusion of the definition 'Special Dividends' in clause 4.4.2 of the CSP rules to comply with 14.3(b) of the JSE Listings Requirements to provide that in the event of a special dividend by the Company, the Board shall, without requiring the approval of shareholders of the Company in a general meeting, adjust the maximum number of Shares which a Participant may receive in terms of the CSP so as to ensure that Participants are given entitlement to the same proportion of the equity capital of the Company as that to which he was previously entitled prior to the occurrence of the relevant event."

Reason for ordinary resolution number 8

When the Company pays a special dividend, significant value is transferred to ordinary shareholders but not to CSP unit holders whose future interest in Datatec shares is conditional upon meeting performance conditions. In order to preserve the economic value of the CSP units, a modification is made to increase the number of granted but non-yet vested awards at the time the special dividend is paid. The reason for and the effect of this resolution is to apply the same logic to the limit contained in the CSP Rules on the fixed number of Shares which may be settled to any single Participant over the lifetime of the CSP.

Adopting the amendments to the CSP rules will allow the CSP to continue to provide Participants with incentive to advance the Company's interests and promote the alignment of interests between such employees and the shareholders of the Company.

The JSE has provided formal approval of the amendments to the CSP rules.

Copies of the CSP rules are available for inspection from the date of this notice of annual general meeting until the conclusion of this Meeting convened in terms thereof at the registered office of the Company.

In terms of the JSE Listings Requirements, the approval of a 75% majority of the votes cast by Shareholders present or represented by proxy and entitled to vote at this Meeting, is required for this ordinary resolution number 8 to become effective, but excluding the votes attaching to all Shares subject to the CSP Rules.

10. Approval of non-executive directors' fees

Special resolution number 1

"Resolved that the Board and committee fees for non-executive directors for the financial year ending 29 February 2024, as recommended by the Remuneration Committee and set out in the note below, be and are hereby authorised, in accordance with the provisions of the Companies Act, and that the Company may continue to pay directors' fees at the annual rates specified in the note below for the period from 28 February 2023 until the Company's 2024 Meeting.

Directors' fees:

- Chair of the Board: US$224 338 (total fee inclusive of all committee and subsidiary board work);
- Non-executive director's fee: US$70 872;
- Chair of the Audit, Risk and Compliance Committee: US$35 425;
- Member of the Audit, Risk and Compliance Committee: US$17 713;
- Chair of the Social and Ethics Committee: US$11 808;
- Member of the Social and Ethics Committee: US$5 904;
- Chair of the Remuneration Committee: US$17 713;
- Member of the Remuneration Committee: US$8 862;
- Member of the Nominations Committee: US$5 904; and
- Chair of Trustees of the Datatec Educational and Technology Foundation: US$13 356."

Reason for special resolution number 1

The Companies Act requires shareholder approval of non-executive directors' fees prior to payment of such fees. The fees have been increased by 6% from the levels approved at the previous Meeting having remained at their previous level for two years.

In terms of the Companies Act, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at this Meeting must be cast in favour of this resolution for it to be adopted.

11. Authority to provide financial assistance to any group company

Special resolution number 2

"Resolved that, to the extent required by sections 44 and/or 45 of the Companies Act, the Board may, subject to the provisions of the Companies Act, the Company's MoI and the Listings Requirements, authorise the Company to provide direct or indirect financial assistance to any related or inter-related (as defined in the Companies Act) company or corporation of the Company, on terms and conditions which the directors may determine, commencing on the date of passing of this resolution and ending at the next Meeting."

Reason for special resolution number 2

In terms of the Companies Act, the Board may authorise the Company to provide any financial assistance in terms of sections 44 and/or 45 of the Companies Act to any related or inter-related company or corporation of the Company, subject to certain requirements set out in the Companies Act, including the Company meeting the solvency and liquidity test. This general authority would greatly assist the Company *inter alia* with making inter-company loans to Group companies as well as granting letters of support and guarantees in appropriate circumstances. The existence of a general shareholder authority would avoid the need to refer each instance to members for approval which might impede the negotiations and add time and expense. If approved, this general authority will expire at the next Meeting.

Notification

Written notice in terms of section 45(5) of the Companies Act of any such resolution by the Board shall be given to all shareholders of the Company and any trade union representing its employees:

- within 10 business days after the Board adopts the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds one-tenth of 1% (one percent) of the Company's net worth at the time of the resolution; or
- within 30 business days after the end of the financial year, in any other case.

Subject to the approval of this special resolution, the Board will pass a similar financial assistance resolution on or after the date of this Meeting.

In terms of the Companies Act, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the Meeting must be cast in favour of this resolution for it to be adopted.

Notice of Annual General Meeting continued

12. General authority to repurchase shares

Special resolution number 3

"Resolved that the Board be authorised by way of a general authority given as a renewable mandate, to facilitate the acquisition by the Company and/or a subsidiary of the Company of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MoI, the provisions of the Companies Act and the Listings Requirements, when applicable and provided that:

a. an announcement giving such details as may be required in terms of the Listings Requirements be released on the Stock Exchange News Service when the Company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the shares of the Company in issue as at the time the general authority was granted and for each 3% (three percent) in aggregate of the initial number of shares acquired thereafter;
b. the authorisation granted above shall remain in force from the date of passing of this special resolution for a period of 15 (fifteen) months or until the next Meeting, whichever period is shorter;
c. at any point in time, the Company will only appoint one agent to effect any repurchase(s) on its behalf;
d. the Company or its subsidiary shall not repurchase securities during a prohibited period as defined in paragraph 3.67 of the Listings Requirements unless the repurchase is done in accordance with the provisions of the Listings Requirements, including, but not limited to, a repurchase programme being in place, where dates and quantities of shares to be traded during the prohibited period are fixed (not subject to any variation) and full details of the programme being disclosed to the JSE in writing prior to the commencement of the prohibited period, as required and the Company having instructed an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
e. the repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
f. the repurchase by the Company of its own securities above may not exceed 20% (twenty percent) of the Company's issued ordinary share capital in the aggregate in any one financial year, as at the beginning of the financial year, or in the case of acquisition by any of the Company's subsidiaries, 10% (ten percent) of such issued ordinary share capital in the aggregate if such shares are to be held as treasury shares;
g. any such general repurchase will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 to the extent that section 48(8) is applicable in relation to that particular repurchase);
h. any such repurchases are subject to exchange control approval at that point in time;
i. in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the Company or a subsidiary of the Company; and

j. a resolution has been passed by the Board confirming that the Board has authorised the general repurchase, that the Company has passed the solvency and liquidity test as required by the Companies Act and since the test was done there have been no material changes to the financial position of the Group."

At least 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the Meeting must be cast in favour of this resolution in terms of the Listings Requirements in order for it to be adopted.

Additional disclosure

For purposes of considering Special Resolution Number 3 and in terms of the Listings Requirements, the information below has been included in the Annual and Report, in which this notice of Meeting is included, at the places indicated:

- Major shareholders (refer page 21); and
- Share capital of the Company (refer page 127 of the Annual Report).

The Company will not commence a general repurchase of shares as contemplated above unless the following can be met:

- the Company and the Group will be able to repay its debts in the ordinary course of business for a period of 12 (twelve) months following the date of the general repurchase;
- the Company and the Group's assets will be in excess of the liabilities of the Company and the Group for a period of 12 (twelve) months after the date of the general repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the general repurchase; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the repurchase.

Any decision by the Board involving a repurchase by the Company of more than 5% (five percent) of the issued shares of any class will be subject to the requirements of sections 48, 114 and 115 of the Companies Act, including the distribution of a circular to the shareholders of the Company in compliance with the Companies Act and the Listings Requirements, seeking the approval of the shareholders for such repurchase.

Reason and effect

The reason and effect for Special Resolution Number 3 is to authorise the Company and/or its subsidiary company by way of a general authority to acquire its own issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above.

Statement of Board's intention

The Board has no current plans to repurchase shares but would like the flexibility to use the shareholder authority which this resolution would provide to undertake a repurchase if circumstances arise in future which would render such a repurchase beneficial to the Company having regard to prevailing circumstances, market conditions as well as the Company's liquidity requirements.

Directors' responsibility statement

The directors, whose names are given on page 197 of the Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to Special Resolution Number 3 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by the Listings Requirements.

Material changes

There have been no material changes in the affairs or financial position of the Company and/or the Group since the date of signature of the audit report up to the date of this notice.

13. Authority to sign all documents required

Ordinary resolution number 9

Any director of the Company or the Company Secretary shall be and is hereby authorised to sign all documents and perform all acts which may be required to give effect to such Ordinary Resolutions Number 1 to 8 and Special Resolutions Number 1 to 3 passed at the Meeting."

In order for this resolution to be adopted, the support of more than 50% (fifty percent) of votes cast by shareholders present or represented by proxy at the Meeting is required.

14. To transact such other business as may be transacted at an annual general meeting

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the Company for the purposes of being entitled to receive this notice of the Meeting is Thursday, 15 June 2023.

Voting and proxies

Record date and proxies

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the Company for the purposes of being entitled to attend and vote at the Meeting is Friday, 14 July 2023. Accordingly, the last day to trade for the purposes of being entitled to attend and vote at the Meeting is Tuesday, 11 July 2023.

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the Meeting (in each case via the Virtual Meeting Platform) and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a shareholder of the Company. Proxy forms must be forwarded to reach the registered office of the Company or The Meeting Specialists Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 or posted to The Meeting Specialists Proprietary Limited at PO Box 62043, Marshalltown, 2107, South Africa or emailed to **proxy@tmsmeetings.co.za**, so as to be received by them, for administrative purposes, by no later than 14:00, on Tuesday, 25 July 2023. Any forms of proxy not lodged by this time may be emailed to **proxy@tmsmeetings.co.za** prior to the commencement of the Meeting.

Proxy forms must only be completed by shareholders who have dematerialised their shares with "own name" registration or who have not dematerialised their shares.

Every member attending the Meeting personally or by proxy and entitled to vote at the Meeting of the Company shall have one vote only irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, who are unable to attend the Meeting but wish to be represented thereat, should contact their Central Securities Depository Participant ("CSDP") or broker (as the case may be) in the manner and time stipulated in their agreement entered into by such shareholder and the CSDP or broker (as the case may be) to furnish the CSDP or broker (as the case may be) with their voting instructions and in the event that such shareholders wish to attend the Meeting, to obtain the necessary authority to do so. Such shareholders who wish to attend the meeting in person (via the Virtual Meeting Platform) must obtain the necessary letter of representation from their CSDP or broker.

Shares held by a share trust or scheme will not have their votes at meetings taken into account for the purposes of resolutions proposed in terms of the Listings Requirements.

Electronic participation in the 2023 meeting

All shareholders who wish to attend the meeting are required to participate in the Meeting by way of electronic participation, and are required to send a notice in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the Scrutineers, at The Meeting Specialists Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 or post to The Meeting Specialists Proprietary Limited at PO Box 62043, Marshalltown, 2107, South Africa email or email **proxy@tmsmeetings.co.za**. The written notification must be received by the Scrutineers at least 48 hours prior to the Meeting (being Tuesday, 25 July 2023) for the Scrutineers to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the Scrutineers to provide the shareholder (or representative or proxy) with details on how to access the Meeting by means of electronic participation. The written notification should contain the following:

- a certified copy of the shareholder's identification document or passport if the shareholder is an individual;
- a certified copy of a resolution of letter of representation given by the holder if the shareholder is a company or juristic person, and certified copies of identity document or passports of the persons who passed the resolution; and
- a valid email address and/or telephone number.

Participants who have complied with the notice requirement above, will be contacted between Wednesday 26 July 2023 and Thursday 27 July 2023, and provided the relevant connection details as well as the passcodes through which they or their proxy/ies can participate via electronic communication and of the process for participation via a unique link to the email/cellphone number provided in the notification.

Notice of Annual General Meeting continued

It is recommended that shareholders log into the online platform at least 15 minutes prior to the scheduled start time for the meeting. Should shareholders require assistance with accessing the online platform, they can call the following helpline: +2781 711 4255.

Shareholders will be able to view a live webcast of the Meeting, ask directors questions online in written format or orally and submit your votes in real time if the shareholder has not already voted through their CSDP or broker.

The cost of accessing any means of electronic participation provided by the Company will be borne by the Company.

By order of the Board

SP Morris
For and on behalf of
Datatec Management Services (Pty) Ltd
Company Secretary

Sandton

28 June 2023

Form of proxy

Datatec Limited
(Incorporated in the Republic of South Africa)
Registration number: 1994/005004/06
JSE code: DTC
ISIN: ZAE000017745
("the Company")

Please note that this proxy form is only for use by members who have not dematerialised their ordinary shares or who have dematerialised their ordinary shares and registered them with own name registration.

I/We

Telephone number:

Cell phone number:

Email:

of

being a member/members of the above mentioned Company, hereby appoint:

or failing him/her,

the Chair of the Annual General Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 14:00 on Thursday, 27 July 2023 and at any adjournment of that meeting.

Signed at this day of 2023

Signature

Please indicate with an "X" in the appropriate space on the right how you wish your votes to be cast. If you return this form duly signed, without any specific direction, the proxy shall be entitled to vote as he/she thinks fit.

No.	Type		In favour of resolution	Against resolution	Abstain from voting
3.	O1	Re-election of JP Montanana			
4.	O2	Re-election of SJ Davidson			
5.	O3	Election of LC Rapparini			
6.	O4	Reappointment of independent auditors			
7.	O5	Election of Audit, Risk and Compliance Committee			
		5.1 Election of MJN Njeke			
		5.2 Election of DS Sita			
		5.3 Election of CRK Medlock			
8A.	O6	Non-binding advisory vote on Remuneration Policy			
8B.	O7	Non-binding advisory vote on Remuneration Implementation			
9.	O8	Approval of amendments to the rules of the Datatec Conditional Share Plan 2017			
10.	S1	Approval of non-executive directors' fees			
11.	S2	Authority to provide financial assistance to any Group company			
12.	S3	General authority to repurchase shares			
13.	O9	Authority to sign all documents required			

O = Ordinary S = Special

Notes to the form of proxy

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered member of the Company.
2. Every member attending the Annual General Meeting personally or by proxy and entitled to vote at the Annual General Meeting of the Company shall, have one vote only irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.
3. Members registered in their own name are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Investor Services Proprietary Limited as their Central Securities Depository Participant ("CSDP") with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own names.

Instructions on signing and lodging the form of proxy:

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided overleaf, with or without deleting "the chair of the Annual General Meeting", but any such deletion must be initialled by the member. Should this space be left blank, the proxy will be exercised by the chair of the Annual General Meeting. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that member, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she thinks fit in respect of all the member's exercisable votes. A member or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the member or by his/her proxy.
3. To be valid, the completed forms of proxy must be lodged with The Meeting Specialists Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 or posted to The Meeting Specialists Proprietary Limited at PO Box 62043, Marshalltown, 2107, South Africa or emailed to proxy@tmsmeetings.co.za, or call The Meeting Specialists on +27 11 520 7952/0/1, so as to be received by them, for administrative purposes, by no later than 14:00, on Tuesday, 25 July 2023. Any forms of proxy not lodged by this time must be received by the chair of the Annual General Meeting in a timely manner.
4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the chair of the Annual General Meeting.
5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

   The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.

   The chair of the Annual General Meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a member wishes to vote.

   Members who have dematerialised their shares must inform their CSDP or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the necessary authorisation to attend or provide their CSDP or broker with their voting instructions should they not wish to attend the Annual General Meeting in person.

   In terms of section 58 of the Companies Act, 2008 ("the Companies Act"):

   - a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
   - a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
   - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
   - any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
   - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by:
     (a) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
     (b) delivering a copy of the revocation instrument to the proxy and to the Company; and
   - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the Memorandum of Incorporation of the Company, or the instrument appointing the proxy, provides otherwise.

Board of directors

Maya Makanjee

Independent
non-executive Chair

Age: 61
Appointed to the Board:
1 November 2018

Skills, expertise and experience:
Maya is an independent non-executive director with executive experience in the telecommunications, financial services, consulting and fast-moving consumer goods industries. She has held directorships in human resources, marketing communication, corporate affairs and reputation management, strategy, and business re-engineering and has extensive experience in Southern African Development Community ("SADC") countries, as well as in some markets in Asia.

She was previously an executive director of Tiger Brands Limited, Vodacom (Pty) Ltd, Nestlé South Africa (Pty) Ltd and SABMiller (Africa and Asia), Chair of the Vodacom Foundation South Africa and a board member of World Wide Fund for Nature. Maya holds a Master of Business Leadership (cum laude) degree from the University of South Africa, a Bachelor of Commerce degree from the University of KwaZulu- Natal in Durban and a Bachelor of Fine Arts degree in Dance from the University of Mumbai.

Other directorships:
– Non-executive director of AIG South Africa
– Non-executive director of Mpact Limited
– Non-executive director of Truworths International Limited

Committees:
N R S

Jens Montanana

Chief Executive Officer

Age: 62
Appointed to the Board:
6 October 1994

Skills, expertise and experience:
Jens is the founder and Chief Executive Officer ("CEO") of Datatec, which he established in 1986.

Between 1989 and 1993, Jens also served as Managing Director and Vice-President of US Robotics (UK) Limited, a wholly owned subsidiary of US Robotics, Inc. which was acquired by 3Com in 1997. In 1993, he co-founded US start-up Xedia Corporation, which was subsequently sold to Lucent Corporation in 1999.

In 1994, Datatec listed on the JSE and Jens held the role of Chair as well as CEO until 2001, when Datatec established an independent non- executive Chair role. Jens chairs the boards of Datatec's divisional parent companies, Logicalis International Limited, Logicalis Latin America and Westcon International Limited.

Other directorships:
– Chairman of Corero plc (AIM London)

Ivan Dittrich

Chief Financial Officer

Age: 50
Appointed to the Board:
30 May 2016

Skills, expertise and experience:
Ivan re-joined Datatec in May 2016 from Vodacom, where he had been Group Chief Financial Officer ("CFO") from June 2012 to July 2015. Prior to that, he held a number of senior executive positions over a 13-year period at Datatec, including Group CFO from May 2008 to June 2012.

Ivan qualified as a Chartered Accountant (South Africa) at Deloitte South Africa and also worked for PricewaterhouseCoopers in London. He completed the Oxford Advanced Management and Leadership programme at Saïd Business School.

Stephen Davidson

Independent non-executive director

Age: 67
Appointed to the Board:
1 February 2007

Skills, expertise and experience:
Stephen was previously Vice-Chair, Investment Banking, at WestLB Panmure and Chief Executive and Finance Director of Telewest Communications plc.

He has a first-class Honours degree in Mathematics and Statistics from the University of Aberdeen.

Other directorships:
- Non-executive Chair of Actual Experience plc (AIM London)
- Non-executive Chair of PRS for Music
- Non-executive director at MCB Group Ltd
- Non-executive director Calnex Solutions plc

Committees:
N R S

John McCartney

Independent non-executive director

Age: 70
Appointed to the Board:
16 July 2007

Skills, expertise and experience:
John served as a non-executive director of Datatec from May 1998 to September 2002 and was then reappointed in July 2007. He was formerly President and Chief Operations Officer of US Robotics, Inc., which he joined in 1984, as well as President of 3Com Corporation's Client Access Unit.

Other directorships:
- Non-executive Chair of Huron Consulting Group (NASDAQ)
- Non-executive director EQT, Corp (NASDAQ)

Committees:
N

Rick Medlock

Independent non-executive director

Age: 63
Appointed to the Board:
1 January 2020

Skills, expertise and experience:
Rick has been working in the technology, media and telecommunications sector for more than 30 years, specialising in fast-growing, globally focused technology companies, private equity- backed investments and initial public offerings ("IPOs").

He was the CFO of Synamedia after assisting with its buy-out from Cisco in October 2018.

Prior to that, Rick was the CFO of Worldpay from 2015 to 2018. During that period, Worldpay transitioned from the largest ever European private equity IPO to a US$30 billion merger in January 2018, becoming the largest payments processor in the world listed on the NYSE. Prior to Worldpay, Rick held a succession of CFO roles at Misys, Inmarsat plc and NDS Group plc.

Rick is a Fellow of the Institute of Chartered Accountants in England and Wales and has an MA degree in Economics from the University of Cambridge.

Other directorships:
- Smith + Nephew plc (Audit Committee Chair and non-executive director)
- Deliveroo Holdings plc (Audit Chair and non- executive director)
- BluJay Solutions Ltd (Chair)

Committees:
A

Board of directors continued

Johnson Njeke

Independent non-executive director

Age: 64
Appointed to the Board:
1 September 2016

Skills, expertise and experience:
Johnson was a Partner of PricewaterhouseCoopers from 1990 to 1994. In 1994 he co-founded Kagiso Trust Investments. He was the Managing Director of the Kagiso group until 2010. He is currently the Executive Chair of Silver Unicorn Coal and Minerals (Pty) Ltd.

He is a past Chair of the South African Institute of Chartered Accountants ("SAICA") and its Education Committee. He has served in a number of prominent advisory roles for both the public and private sector.

Johnson has a Bachelor of Commerce degree and a Bachelor of Accounting Science (Honours) degree, and qualified as a Chartered Accountant (South Africa).

Other directorships:
- Executive Chair of Silver Unicorn Coal and Minerals (Pty) Ltd
- Non-executive director of Delta Property Fund
- Trustee and Chair of Hollard Foundation Trust
- Non-executive director of Motus Holdings Limited
- Non-executive director of Clicks Group Limited
- Non-executive director of 4 Africa Exchange (Pty) Ltd

Committees:
A R S

Deepa Sita

Independent non-executive director

Age: 46
Appointed to the Board:
1 March 2022

Skills, expertise and experience:
Deepa Sita is an executive director and CFO of Tiger Brands Limited and has excellent experience in a wide range of executive roles as a CFO including Masswarehouse (a division of Massmart Holdings Limited) and the Gordon Institute of Business Science (GIBS), University of Pretoria.

Deepa is a Chartered Accountant (South Africa) and holds a Master of Business Administration ("MBA") (cum laude) from Gordon Institute of Business Science ("GIBS"), University of Pretoria and a Bachelor of Commerce Accounting (Honours) degree from the University of Johannesburg.

Other directorships:
- Executive director and CFO of Tiger Brands Limited

Committees:
A R

Luis Rapparini

Independent non-executive director

Age: 58
Appointed to the Board:
1 September 2022

Skills, expertise and experience:
Luis has extensive experience as a finance and internal audit executive developed over his career with British American Tobacco (BAT), Raízen and Royal Dutch Shell working in local, regional and global positions, with wide exposure to national and international investors.

He was Chief Financial and Investor Relations Officer of Raízen, a joint venture start-up, where he played a fundamental role in the significant growth of the business whilst building robust governance in a complex environment. Thereafter, he joined Royal Dutch Shell as Chief Audit Officer, heading internal audit and reporting directly to the audit committee.

He holds a Master of Business Administration ("MBA") Finance, from the Pontifícia Universidade Católica do Rio de Janeiro, Brazil as well as post-graduate degree in Information Technology and a Bachelor of Civil Engineering from the same University.

Luis is Chair of the audit committee of Datatec's subsidiary, Logicalis Latin America.

Other directorships:
– CCR SA
– OceanPact SA
– Rumo SA
– Compass SA

Committees:
R

Committee key

A ARCC
S Social and Ethics Committee
R Remuneration Committee
N Nominations Committee
Chair of Committee

Shares and shareholders

Stock exchange performance	1 March 2022 to 28 February 2023	1 March 2021 to 28 February 2022
Shares traded as a percentage of issued shares (%)		
Total number of shares traded ('000)	**60 811**	51 590
Shares traded as a percentage of issued shares (%)	**27.79**	25.16
Total value of shares traded (R million)	**2 373**	1 685
JSE Limited prices (SA cents)		
Closing	**3 403**	3 660
High	**4 876**	4 365
Low	**2 800**	2 355
JSE Limited prices adjusted for special dividends: R12.50 in December 2022 and R5.12 in November 2021 (SA cents)		
Closing	**3 403**	1 898
High	**3 626**	2 603
Low	**1 550**	593
Public/non-public shareholding		
Percentage non-public shareholders	**36.54%**	37.40%
Percentage public shareholders	**63.46%**	62.60%

Listed below are analyses of holdings extracted from the register of ordinary shareholders at 28 February 2023:

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	–	–	4	15.16	4	15.16
Shareholders over 10%	1	20.05	–	–	1	20.05
Treasury	1	1.33	–	–	1	1.33
Total non-public	2	21.38	4	15.16	6	36.54
Public	5 016	48.61	291	14.85	5 307	63.46
Total	5 018	69.99	295	30.01	5 313	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 2023:

	Number of ordinary shares	Percentage of issued shares
Government Employees Pension Fund (PIC)	45 092 788	20.05
Jens Montanana (Director)	31 832 429	14.15
M&G Group *	13 594 291	6.04
Sanlam Group *	11 370 642	5.06
Old Mutual Group *	11 345 684	5.04

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

Black people and black female economic interest and voting rights

An analysis of black beneficiation through mandated investment schemes invested in Datatec as at 28 February 2023:

	Number of ordinary shares	Percentage of issued shares
Total mandated investments identified	136 176 883	60.55
Voting rights deemed to be held by black people on a flow-through basis	59 626 799	26.51
Voting rights deemed to be held by black women on a flow-through basis	29 543 792	13.14
Economic interest deemed to be held by black people on a flow-through basis	33 670 578	14.97
Economic interest deemed to be held by black women on a flow-through basis	17 226 396	7.66

Listed below are analyses of holdings extracted from the register of ordinary shareholders at 28 February 2022:

	Shareholders in SA		Shareholders other than in SA		Total shareholders	
Shareholder type	Number	Percentage of shares	Number	Percentage of shares	Number	Percentage of shares
Directors	–	–	4	15.10	4	15.10
Shareholders over 10%	1	22.05	–	–	1	22.05
Treasury	1	0.25	–	–	1	0.25
Total non-public	2	22.30	4	15.10	6	37.40
Public	4 285	46.15	264	16.45	4 549	62.60
Total	4 287	68.45	268	31.55	4 555	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 2022:

	Number of ordinary shares	Percentage of issued shares
Government Employees Pension Fund (PIC)	47 849 229	22.05
Jens Montanana (director)	30 641 963	14.12
Sanlam Group*	12 601 913	5.81
Old Mutual Group*	11 717 298	5.40
M&G Group*	10 956 842	5.05

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

Black people and black female economic interest and voting rights

An analysis of black beneficiation through mandated investment schemes invested in Datatec as at 28 February 2022:

	Number of ordinary shares	Percentage of issued shares
Total mandated investments identified	133 084 279	61.34
Voting rights deemed to be held by black people on a flow-through basis	54 435 886	25.09
Voting rights deemed to be held by black women on a flow-through basis	28 979 601	13.36
Economic interest deemed to be held by black people on a flow-through basis	35 292 519	16.27
Economic interest deemed to be held by black women on a flow-through basis	18 008 080	8.30

Shareholders' diary

2023 Annual General Meeting	27 July 2023
Reports	
Interim results (half-year to August 2023)	October 2023
Announcement of FY24 annual results	May 2024
FY24 Annual Report	June 2024
FY24 Integrated Report	June 2024

Highlights

Excellent Westcon International performance

Solid results from Logicalis International

Logicalis Latin America **turnaround in H2**

Strong operating cash generation

Special dividend of ZAR2.7 billion paid on **successful sale** of Analysys Mason

FY23 **final dividend declared** of ZAR439 million, based on UEPS (adjusted for IFRS 2 charges) of 29.5 US cents (FY22: 27.4 US cents)

UEPS materially impacted by exceptionally high IFRS 2 charge of US$53 million (FY22: US$15 million from **continuing operations**)

	Audited year ended 28 February 2023 "FY23"	Audited year ended 28 February 2022 "FY22"	% movement
Continuing revenue (US$ million)	**5 143.1**	4 546.4	13
Continuing gross profit (US$ million)	**744.5**	729.8	2
Continuing adjusted** EBITDA (US$ million)	**180.2**	158.9	13
Combined^ underlying* earnings per share (US cents)	**7.9**	18.7	(58)
Continuing net debt (US$ million)	**106.6**	133.7	(20)

Continuing excludes the results of the Analysys Mason discontinued operations. The prior years have been re-presented to show comparative results from discontinued operations in accordance with IFRS 5.

^ *Combined includes the results of the Analysys Mason discontinued operations.*

* *Underlying earnings per share excludes the following: 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, one-off tax items impacting EBITDA, costs relating to acquisitions, integration and corporate actions, and the taxation effect of all of the aforementioned.*

** *Adjusted EBITDA excludes restructuring costs, share-based payments, one-off tax items impacting EBITDA and acquisition, integration and corporate actions costs.*

Commentary

Datatec is an international ICT solutions and services group operating in more than 50 countries across North America, Latin America, Europe, Africa, Middle East and Asia-Pacific. Through its core divisions, the Group offers Technology Distribution (Westcon International) and Integration & Managed Services (Logicalis International and Logicalis Latin America).

JENS MONTANANA, CHIEF EXECUTIVE OF DATATEC, COMMENTED:

“The Group delivered a strong operational performance during FY23 benefiting from continuing trends in networking and cyber security.

Westcon International delivered another excellent financial performance. The significant performance improvements in recent years have driven an increased valuation of the division resulting in a high once-off accounting charge for FY23 relating to its share-based remuneration plan which materially impacted all of the earnings metrics.

Logicalis International’s results were solid and Logicalis Latin America had a much improved second half, with improvement of its supply chain.

During the year, we successfully concluded the disposal of Analysys Mason and unlocked significant value for shareholders in line with the ongoing strategic review process. A special dividend of R2.7 billion was distributed in addition to which we are now declaring a final ordinary dividend of R439 million for FY23.

We continue to see consistent demand for our technology solutions and services across the world. With supply chain issues abating and backlogs reducing, our operations remain well-positioned in their markets.”

Commentary continued

STRATEGIC OVERVIEW

Datatec's goal 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.

The Group's Strategic Review continues 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.

In September 2022, Datatec sold its Analysys Mason ("AM") division, which entailed the disposal of its 71.2% shareholding in AM in accordance with the terms announced on 30 June 2022, representing another significant liquidity event for shareholders. The proceeds were distributed to shareholders by means of a special dividend (see following page).

Datatec has split its investment in Logicalis Group into two divisions: Logicalis International (all markets outside Latin America) and Logicalis Latin America. This new organisational structure is reflected in the FY23 results with Logicalis International and Logicalis Latin America reported as separate segments.

During FY23, Datatec engaged a leading corporate advisory firm to develop new executive long-term incentives schemes for its subsidiaries to better align divisional executive management remuneration with Datatec shareholders. The developed management incentive plans focused on maximising shareholder value, designed to achieve strong equity value creation alignment and engage key management in the businesses as shareholders with their own money invested alongside Datatec. Divisional leadership teams will be able to invest in their businesses at fair value in the form of "sweet equity".

An intermediate holding company is required in which Datatec will hold both a fixed return instrument (loan note) and ordinary equity and management will hold a minority equity participation.

The new management incentive plan for Logicalis International was implemented on 3 March 2023 and Westcon International's management incentive plan is expected to be implemented during the second quarter of FY24. The divisional management teams will only realise their investment at the same time as Datatec does through future value realisation events.

The executive directors of Datatec will not participate in these new divisional management incentive plans.

From an operational perspective, the Group delivered a strong performance during FY23 despite continuing to experience global supply chain headwinds which affected Datatec's businesses to varying degrees. Operations in Latin America were impacted the most, but the business experienced a notable recovery in the second half of FY23. Logicalis International achieved strong results while Westcon International delivered another excellent performance.

Demand for networking, cyber security products and solutions using cloud infrastructure remained strong whilst software and services contributions continued to grow as part of the overall mix.

Material disposal

Effective 27 September 2022, Datatec sold its 71.2% shareholding in AM which had been held by its 100%-owned subsidiary Datatec PLC. Datatec PLC received its portion of the consideration on completion, comprising approximately GBP128 million in cash. A further amount of GBP7.1 million comprising deferred loan notes will be receivable three years after the completion of the transaction. There was provision for an earn-out payment of up to GBP7.1 million (Datatec's portion), with reference to an EBITDA target of the Analysys Mason Group for the financial year ending 28 February 2023 that has not been achieved.

Dividends

The initial consideration Datatec PLC received on completion of the sale of AM, was approximately GBP128 million in cash and GBP7.1 million in deferred loan notes (payable three years after completion). On 11 October 2022, the Board declared a GBP135.1 million special dividend to shareholders by way of a cash dividend with scrip alternative of 1 250 ZAR cents per Datatec ordinary share. All transaction-related costs were absorbed by the Company in order to maximise this distribution to shareholders.

On 23 May 2023, the Board declared a final dividend for FY23 of 195 ZAR cents per share equivalent to 10 US cents per share, in total ZAR439 million, with the customary form of a cash dividend with a scrip distribution alternative. This dividend was calculated by normalising FY23 underlying* earnings per share by excluding all share-based payment charges and applying the Group's dividend cover policy of three times to underlying* earnings.

DIVISIONAL SUMMARY

Segment changes

Logicalis is now presented as two segments namely, Logicalis International and Logicalis Latin America (of which the Group owns 65%).

Westcon International

Despite significant supply chain disruptions, Westcon International's revenue increased by 18.3% to US$3.42 billion (FY22: US$2.89 billion) due to strong demand for network infrastructure, remote access solutions with enhanced cyber security and unified collaboration for flexible working and virtual office environments. In constant currency***, revenue improved by 25.4%. EBITDA decreased by 28.9% to US$48.4 million (FY22: US$68.1 million). Adjusted** EBITDA increased by 21.0% to US$95.1 million (FY22: US$78.6 million).

Logicalis International

Logicalis International's revenue increased by 8.7% to US$1.23 billion (FY22: US$1.13 billion). EBITDA decreased by 21.2% to US$50.5 million (FY22: US$64.0 million). Adjusted** EBITDA increased by 2.0% to US$66.2 million (FY22: US$64.9 million). In constant currency***, revenue improved by 16.0%.

Logicalis Latin America

Logicalis Latin America's revenue decreased by 6.1% to US$491.0 million (FY22: US$522.7 million). EBITDA decreased to US$21.2 million (FY22: US$28.5 million). Adjusted** EBITDA decreased by 10.8% to US$24.9 million (FY22: US$27.9 million). In constant currency***, revenue improved by 1.2%.

Alignment of underlying* earnings per share with peer reporting

The definition of underlying* earnings per share has been changed prospectively from FY23 to better align with international peer reporting. The calculation now excludes normalisation adjustments relating to one-off tax items impacting EBITDA, and costs relating to acquisitions, integration and corporate actions.

CURRENT TRADING AND OUTLOOK

We continue to see good momentum in demand for our technology solutions and services across the world. With the semiconductor shortage now easing, our operations remain well-positioned to service customers in their respective markets as we continue to actively manage supply chain headwinds.

The Group has been able to mitigate rising interest rates through strong working capital management and by reducing debt levels.

All divisions are expected to deliver improved performance in FY24 and the Board remains focused on driving shareholder value in the context of its Strategic Review.

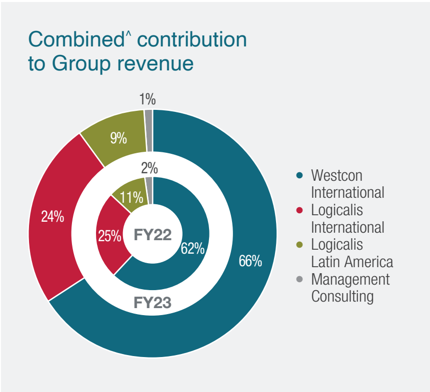
Commentary continued

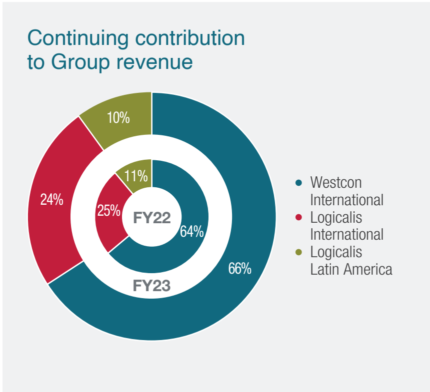
GROUP RESULTS

Revenue

Group combined^ revenue was US$5.2 billion in FY23, up by 12.0% on the US$4.6 billion revenue recorded in FY22.

Group continuing revenue was US$5.1 billion in FY23, up by 13.1% compared to the US$4.5 billion revenue recorded in FY22 (on a continuing basis). In constant currency***, Group continuing revenue increased by 20.3%. These are included in the combined^ revenues as shown below.





^ *Including Analysys Mason discontinued operations.*

US$'000	Combined^ FY23	Continuing FY23	Discontinued Operations FY23	Combined FY22	Continuing FY22	Discontinued Operations FY22
REVENUE						
Westcon International	**3 420.6**	**3 420.6**	**–**	2 890.4	2 890.4	–
Logicalis International	**1 231.5**	**1 231.5**	**–**	1 133.3	1 133.3	–
Logicalis Latin America	**491.0**	**491.0**	**–**	522.7	522.7	–
Corporate and Management Consulting	**51.8**	**–**	**51.8**	90.4	–	90.4
Datatec Group Total	**5 194.9**	**5 143.1**	**51.8**	4 636.8	4 546.4	90.4
REVENUE BY GEOGRAPHY						
North America	**427.0**	**419.3**	**7.7**	357.9	349.1	8.8
Latin America	**491.6**	**491.0**	**0.6**	523.7	522.7	1.0
Europe	**2 590.6**	**2 559.4**	**31.2**	2 329.8	2 271.0	58.8
Asia-Pacific	**1 200.6**	**1 194.2**	**6.4**	1 022.3	1 010.7	11.6
MEA	**485.1**	**479.2**	**5.9**	403.1	392.9	10.2
Datatec Group Total	**5 194.9**	**5 143.1**	**51.8**	4 636.8	4 546.4	90.4
GROSS PROFIT						
Westcon International	**328.7**	**328.7**	**–**	319.0	319.0	–
Logicalis International	**306.3**	**306.3**	**–**	304.3	304.3	–
Logicalis Latin America	**109.5**	**109.5**	**–**	106.5	106.5	–
Corporate and Management Consulting	**21.7**	**–**	**21.7**	40.6	–	40.6
Datatec Group Total	**766.2**	**744.5**	**21.7**	770.4	729.8	40.6
EBITDA						
Westcon International	**48.4**	**48.4**	**–**	68.1	68.1	–
Logicalis International	**50.5**	**50.5**	**–**	64.0	64.0	–
Logicalis Latin America	**21.2**	**21.2**	**–**	28.5	28.5	–
Corporate and Management Consulting	**(15.1)**	**(21.8)**	**6.7**	(6.1)	(17.2)	11.1
Datatec Group Total	**105.0**	**98.3**	**6.7**	154.5	143.4	11.1
ADJUSTED EBITDA						
Westcon International	**95.1**	**95.1**	**–**	78.6	78.6	–
Logicalis International	**66.2**	**66.2**	**–**	64.9	64.9	–
Logicalis Latin America	**24.9**	**24.9**	**–**	27.9	27.9	–
Corporate and Management Consulting	**3.5**	**(6.0)**	**9.5**	5.6	(12.5)	18.1
Datatec Group Total	**189.7**	**180.2**	**9.5**	177.0	158.9	18.1

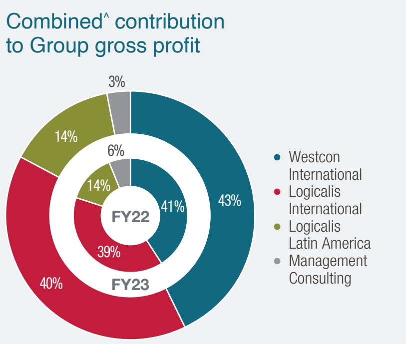
Supply chain delays had a marked effect on slowing the sales process from order to delivery, causing a notable increase in the quantum of open, unfulfilled sales orders, termed "backlog" at the recent period end. Open product orders at the end of FY23 were approximately US$1.2 billion (FY22: US$1.2 billion).

^ *Including Analysys Mason discontinued operations.*

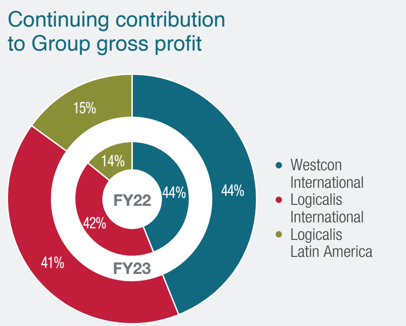
Commentary continued

Product backlog (US$ million)	FY23	FY22
Westcon International	**768**	818
Logicalis International	**271**	261
Logicalis Latin America	**140**	139
Datatec Group	**1 179**	1 218

The Group's continuing gross margin in FY23 was 14.5% (FY22: 16.1%). Continuing gross profit was US$744.5 million (FY22: 729.8 million). The significant strengthening of the US Dollar compared to the Pound Sterling and Euro during much of FY23 had a significant negative impact on gross margins in Westcon Europe, largely offset by realised and unrealised foreign exchange gains on hedging contracts. This was less pronounced in the second half.



^ *Including Analysys Mason discontinued operations*



Overall continuing operating costs were US$646.2 million (FY22: US$586.4 million). Restructuring costs of US$15.2 million were included in FY23 relating to fundamental reorganisations in Logicalis International and Logicalis Latin America. There were no restructuring costs in FY22.

Continuing operating costs included US$15.3 million of foreign exchange gains (FY22: gains of US$2.1 million). Foreign exchange gains consisted of unrealised foreign exchange losses of US$8.8 million (FY22: gains of US$0.6 million) and realised foreign exchange gains of US$24.1 million (FY22: gains of US$1.5 million). Unrealised foreign exchange differences are excluded from underlying* earnings per share. The unrealised foreign exchange losses arose mainly in Westcon Europe on open positions of forward exchange contracts ("FECs"). The FECs hedge the net open working capital position of the business, as well as the open order backlog, which constituted the majority of the unrealised variances.

Continuing EBITDA was US$98.3 million (FY22: US$143.4 million) and continuing EBITDA margin was 1.9% (FY22: 3.2%).

The continuing share-based payment charge under IFRS 2 included in operating expenses was US$52.6 million, more than triple the equivalent charge in FY22 of US$15.5 million which reflects the increasing valuations of the divisions' cash-settled share-based payment plans, particularly Westcon International.

The share-based payment charge in FY23 was exceptionally high and will be substantially lower in future years.

To be more in line with international peers, the Group is now presenting the adjusted** figure for EBITDA excluding share-based payments, restructuring costs, one-off tax items impacting EBITDA, and acquisition, integration and corporate actions costs. On this basis, continuing adjusted** EBITDA in FY23 was US$180.2 million (FY22: US$158.9 million) and continuing adjusted** EBITDA margin was 3.5% (FY22: 3.5%).

Continuing depreciation and amortisation remained flat at US$68.2 million (FY22: US$68.5 million) and continuing operating profit was US$18.5 million (FY22: US$75.0 million).

The continuing net interest charge increased to US$38.1 million (FY22: US$31.1 million) mainly due to increased interest rates, resulting in loss before tax of US$20.0 million (FY22: US$44.0 million profit before tax). Operating profit includes US$8.0 million of impairment of right-of-use assets, US$2.9 million from Logicalis International and US$3.4 million from Westcon International related to property restructuring initiatives.

A combined^ tax charge of US$14.8 million (FY22: US$10.6 million) has arisen on the combined^ pre-tax profits which include the tax exempt profit on disposal of the Analysys Mason division. Excluding the discontinued business, the effective tax rate was -66.7%. This is a result of low or nil tax credits arising on the losses of certain operations (including limited tax credits on the IFRS 2 charges in FY23) and the high local tax rates applied to certain profitable operations. As at 28 February 2023, there are estimated tax loss carry forwards relating to the continuing businesses of US$236.5 million with an estimated future tax benefit of US$59.3 million, of which US$38.5 million has been recognised as a deferred tax asset.

Withholding taxes

As at 28 February 2022, 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 has made in relation to the purchase of vendor software and maintenance services which have been resold to customers during the six years ended 31 December 2020. Westcon KSA strongly disagrees with the tax authority's assessments issued on 22 June 2021 and has submitted the necessary appeals. Following an unsuccessful attempt to utilise the alternative dispute resolution procedures the matter is now proceeding to court. The ongoing litigation with the KSA tax authorities is likely to continue beyond the next financial year end. A liability has been recognised for a possible liability in this regard.

As at 28 February 2023, withholding tax liabilities for the Group totalled US$20.0 million (FY22: US$7.3 million), which includes the liability for the Westcon KSA matter described above.

Combined^ underlying* earnings per share were 7.9 US cents (FY22: 18.7 US cents). Combined^ headline loss per share was -9.3 US cents (FY22: headline earnings: 16.2 US cents). Combined^ earnings per share were 36.9 US cents (FY22: 16.7 US cents).

Cash and net debt

On a combined^ basis, the Group generated US$173.4 million of cash from operations during FY23 (FY22: US$96.7 million) and ended the period with a continuing net debt of US$106.6 million (FY22: US$133.7 million). Excluding lease liabilities, net debt would have been US$34.2 million on a continuing basis (FY22: net debt of US$45.3 million).

Commentary continued

US$'000	Year ended 28 February 2023	Year ended 28 February 2022
Cash resources	**584.7**	453.9
Bank overdrafts	**(196.4)**	(166.6)
Short-term interest-bearing liabilities and short-term leases	**(407.9)**	(299.5)
Long-term interest-bearing liabilities and long-term leases	**(87.0)**	(117.9)
Combined^ net debt	**(106.6)**	(130.1)
Continuing net debt	**(106.6)**	(133.7)

^ *Including Analysys Mason discontinued operations*

Continuing excludes the results of the Analysys Mason discontinued operations. The prior years have been re-presented to show comparative results from discontinued operations in accordance with IFRS 5.

Liquidity and borrowing facilities

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

Westcon International has an invoice assignment facility of EUR390.6 million for its European subsidiaries, as well as an extended payables facility of US$105.0 million. Westcon International has a securitisation facility of US$120.0 million for its Asia-Pacific facilities. 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) and a securitisation facility in South Africa (ZAR250.0 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 continues to monitor the funding needs of its individual operations and works closely with various financial institutions to ensure adequate liquidity.

The Group has performed covenant projections for the next 12 months to confirm that banking covenants are expected to be met.

Acquisitions

Logicalis International

Effective 1 March 2022, Logicalis International Limited, a wholly owned subsidiary of Logicalis Group Limited increased its shareholding in Logicalis Portugal S.A by 30%, resulting in Logicalis Portugal S.A. being a wholly owned subsidiary. The acquisition was for a deferred consideration payment of US$4.4 million based on the EBITDA for the two financial years ended 28 February 2022. The purchase price was paid on 1 September 2022.

On 4 August 2022, Logicalis UK Limited acquired Q Associates Ltd, a leading provider of IT consultancy and advisory services around data management, data protection, compliance and information security for US$6.7 million.

On 27 October 2022, the Datatec Group increased its stake in Cirrus Participações S.A. ("Kumulus") from 32.57% effective shareholding to 48.87% for BRL17 million (approximately US$ 3.4 million). One of the minority shareholders sold his 2.44% shareholding in Kumulus in December 2022 resulting in the Datatec Group's effective shareholding after these transactions reaching 51.31%.

Analysys Mason (subsequently disposed of)

On 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.

Refer to page 66 for further information on the acquisitions made during the period.

DIVISIONAL REVIEWS

Westcon International

Westcon International's unique international market access delivered strong growth and financial performance in all strategic regions, representing a resilient footprint against several macroeconomic risks that persist. Westcon International remains focused on delivering outstanding financial and operating performance while accelerating its transformation into the world's leading, data driven technology provider and specialist distributor of cyber security and networking solutions.

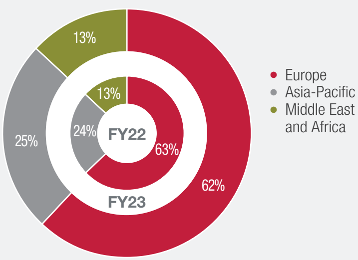
Despite significant supply chain disruptions, Westcon International's revenue increased by 18.3% to US$3.42 billion (FY22: US$2.89 billion) due to strong demand for network infrastructure, remote access solutions, enhanced cyber security and unified collaboration for flexible working and virtual office environments. In constant currency***, revenue improved by 25.4%.

Westcon International's hardware and software backlog remained elevated because of the semiconductor shortage and supply chain constraints. Backlog at the end of FY23 was approximately US$768 million (FY22: US$818 million).

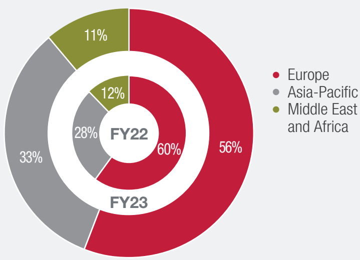
Westcon International's gross profit increased by 3.0% to US$328.7 million (FY22: US$319.0 million) and the gross margins decreased to 9.6% (FY22: 11.0%). This decrease in gross margin is largely due to the rapid strengthening of the US Dollar against the Euro and Pound Sterling in the first half of FY23 which had a significant negative impact on gross margins in Europe throughout FY23. These negative impacts were partially offset by benefits of foreign exchange hedging gains reported in operating expenses. Realised foreign exchange gains of US$17.5 million (foreign exchange gains FY22: US$2.2 million) were generated and unrealised foreign exchange losses were US$7.0 million (foreign exchange gains FY22: US$2.6 million).

The unrealised foreign exchange variances arose mainly in Westcon Europe on open positions of Forward Exchange Contracts "FECs". The FECs hedge the net open working capital position of the business, as well as the open order backlog, which constituted the majority of the unrealised variances.

Westcon International revenue % contribution by geography



Westcon International gross profit % contribution by geography



Commentary continued

Operating costs increased by 11.7% to US$280.3 million (FY22: US$250.9 million) due to the impact of the net foreign exchange gains of US$10.5 million (FY22: US$4.8 million gain) discussed above which were offset by share-based payment charges of US$36.3 million (FY22: US$10.5 million). Excluding both foreign exchange gains and share-based payment charges, operating costs increased 3.8% or US$9.3 million.

EBITDA decreased by 28.8% to US$48.4 million (FY22: US$68.1 million) primarily due to a US$25.8 million increase in share-based compensation expense.

Adjusted** EBITDA increased by 21.0% from US$78.6 million in FY22 to US$95.1 million with higher results in Europe, MEA and Asia-Pacific. Adjusted** EBITDA margin increased to 2.8% (FY22: 2.7%).

Net working capital days increased to 23 days (FY22: 15 days) due to a combination of higher days sales outstanding and a reduction in inventory turns partially offset by an improvement in days payable outstanding, mainly as a result of extra payment days received from Cisco. Net debt decreased US$16.6 million to US$68.4 million (FY22: US$85.0 million).

US$'000	Year ended 28 February 2023	Year ended 28 February 2022
Cash resources	**332.3**	204.5
Bank overdrafts	**(7.1)**	(7.5)
Short-term interest-bearing liabilities and short-term leases	**(361.9)**	(243.5)
Long-term interest-bearing liabilities and long-term leases	**(31.7)**	(38.5)
Net debt	**(68.4)**	(85.0)

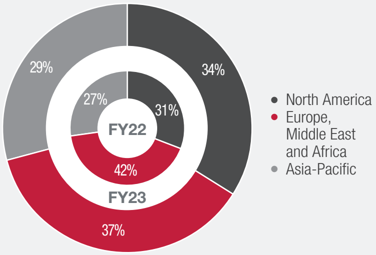
Westcon International will continue to prioritise financial and operating performance while investing in advanced systems and business automation which are accelerating its transformation into the world's leading, data driven technology provider and specialist distributor of cyber security and networking solutions.

Logicalis International

Logicalis International's revenue increased by 8.7% to US$1.23 billion compared to US$1.13 billion revenue for FY22.

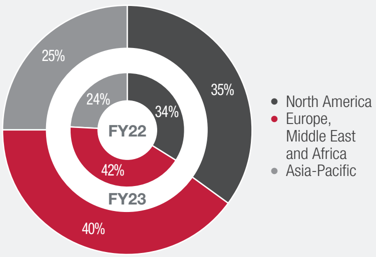
Revenue contribution by geography is shown below:

Logicalis International revenue % contribution by geography



Logicalis International's gross profit contribution by geography is shown below:

Logicalis International gross profit % contribution by geography



Logicalis International had a strong order intake during FY23. Shipment delays as a result of the global supply chain issues resulted in backlog remaining high throughout the year. Logicalis International's product backlog at the end of FY23 was approximately US$271.0 million (FY22: US$261 million). In constant currency***, revenue improved by 16.0%.

Logicalis International gross margin was 24.9% (FY22: 26.9%). The underlying gross margin percentage was impacted by product and services mix in FY23. Logicalis International gross profit was US$306.3 million (FY22: US$304.3 million).

Operating costs increased to US$255.8 million (FY22: US$240.3 million). The FY23 increase principally reflects the costs incurred for restructuring initiatives as a result of the separation of Logicalis into Logicalis International and Logicalis Latin America in addition to other rationalisation decisions across local regional operations.

EBITDA decreased by 21.0% to US$50.5 million (FY22: US$64.0 million), with a corresponding EBITDA margin of 4.1% (FY22: 5.6%). Adjusted** EBITDA increased to US$66.2 million (FY22: US$64.9 million), with a corresponding adjusted** EBITDA margin of 5.4% (FY22: 5.7%). Adjusted** EBITDA excluded restructuring costs of US$12.5 million and one-off tax items impacting EBITDA of US$2.6 million.

Operating profit was US$6.6 million (FY22: US$27.9 million) and was impacted by restructuring costs of US$12.5 million and impairments relating to right-of-use assets and capitalised development costs totalling US$6.5 million as a result of the restructuring actions taken during the year.

The net interest charge increased by US$4.4 million to US$11.9 million, reflecting the impact of a higher interest base rate environment on borrowings.

Net debt improved to US$88.0 million (FY22: $110.9 million).

Commentary continued

US$'000	Year ended 28 February 2023	Year ended 28 February 2022
Cash resources	**117.6**	95.2
Bank overdrafts	**(142.1)**	(127.1)
Short-term interest-bearing liabilities and short-term leases	**(31.8)**	(37.7)
Long-term interest-bearing liabilities and long-term leases	**(31.7)**	(41.3)
Net debt	**(88.0)**	(110.9)

Logicalis International continues to develop its capabilities within cloud, IoT, software, security, data management and intelligent networks in support of its strategy to provide full life-cycle solutions around IT infrastructure to its customers.

The future will likely involve hybrid workplaces for part-time office and remote workers. Preparing and planning for this environment will be essential in providing a better digital experience for customers, partners and employees.

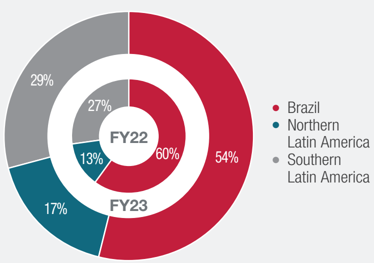
Logicalis International remains confident about the long-term prospects for the industry and its positioning within it. Over the short term, macroeconomic conditions are expected to remain uncertain.

Logicalis Latin America

Logicalis Latin America generated revenue of US$491.0 million (FY22: US$522.7 million).

Revenue contribution by geography is shown below:

Logicalis Latin America revenue % contribution by geography

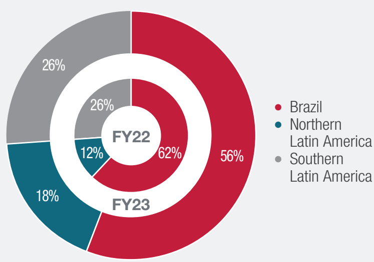


Logicalis Latin America had a lower order intake during FY23. As expected, the business was most impacted by supply chain delays as referred to in Datatec's FY22 results. The business recovered well in the second half of FY23 with some easing in supply constraints. Logicalis Latin America's product backlog at the end of FY23 was approximately US$140.0 million (FY22: US$139.0 million).

Logicalis Latin America's gross margin was 22.3% (FY22: 20.4%). Underlying gross margin percentage remained solid with the headline increase caused by the better mix of services delivered in FY23. Logicalis Latin America's gross profit was up 2.8% to US$109.5 million (FY22: US$106.5 million). In constant currency***, revenue improved by 1.2%.

Logicalis Latin America's gross profit contribution by geography is shown below:

Logicalis Latin America gross profit % contribution by geography



Operating costs increased to US$88.3 million (FY22: US$78.0 million). The FY23 increase reflects restructuring costs of US$2.2 million and US$2.1 million of Brazil IPO cost write-offs.

EBITDA decreased to US$21.2 million (FY22: US$28.5 million), with a corresponding EBITDA margin of 4.3% (FY22: 5.5%). Adjusted** EBITDA decreased by 10.8% to US$24.9 million (FY22: US$27.9 million), with a corresponding adjusted** EBITDA margin of 5.1% (FY22: 5.3%). Adjusted** EBITDA excluded restructuring costs of US$2.2 million, Brazil IPO cost write-offs of US$2.1 million, share-based payments costs of US$0.5 million and once-off tax items credits of US$1.1 million.

Operating profit was US$13.8 million (FY22 profit: US$21.0 million).

The net interest charge decreased by US$2.4 million, reflecting the lower volume of borrowing and factoring required for working capital in Brazil as a result of reduced volumes.

The decrease in net debt compared to FY22 was driven primarily by decreased volume of business, reducing working capital requirements.

US$'000	Year ended 28 February 2023	Year ended 28 February 2022
Cash resources	**56.8**	32.0
Bank overdrafts	**(47.2)**	(31.9)
Short-term interest-bearing liabilities and short-term leases	**(13.8)**	(14.4)
Long-term interest-bearing liabilities and long-term leases	**(21.0)**	(26.1)
Net debt	**(25.2)**	(40.4)

The market drivers and outlook for Logicalis Latin America are consistent with those provided for Logicalis International above. In addition, Logicalis Latin America is continuing to improve its customer diversification.

Corporate and Management Consulting

The disposal of Analysys Mason was concluded on 27 September 2022. The FY23 results of Analysys Mason are disclosed as discontinued operations and US$7.1 million is included in profit from discontinued operations in accordance with IFRS 5.

The Corporate segment includes the net operating costs of the Datatec head office entities which were US$30.4 million (FY22: US$18.1 million). Corporate costs include the remuneration of the Board and head office staff, including share-based payments, as well as consulting fees and audit fees. The increase in corporate costs is mainly as a result of increased share-based payment charges of US$15.4 million in FY23 (FY22: US$4.7 million). In FY23, foreign exchange gains were US$8.6 million (FY22: foreign exchange gains of US$1.0 million).

As at 28 February 2023, Datatec head office entities held cash of US$78.0 million (FY22: US$103.1 million) of which US$16.4 million (FY22: US$30.8 million) is held in South Africa and subject to the South African Reserve Bank regulations. These cash balances decreased by US$15.1 million from 28 February 2022 mainly as a result of settlement of share-based payment schemes (shares purchased in the market), the cash portion of the FY22 final dividend paid to shareholders of Datatec and the Analysys Mason transaction-related costs that were absorbed by the Company.

Commentary continued

SUBSEQUENT EVENTS

Increased shareholding in subsidiaries

Effective 3 March 2023, Logicalis Spain, SL, a wholly owned subsidiary of Logicalis International Limited increased its shareholding in Audea Seguridad de la Informacion, SL by 2.3% to 72.3%.

Effective 21 April 2023, Logicalis Spain, SL increased its shareholding in Audea Seguridad de la Informacion, SL by 13.85% to 86.15%.

Management incentive plan – Logicalis International

Logicalis International implemented the Logicalis International Long Term Incentive Plan (LILTIP) in March 2023 following a corporate restructuring. A fixed return instrument was issued to Datatec PLC in addition to its ordinary equity. The Logicalis International Executive Leadership team, being 18 individuals, invested 5.4% of the ordinary equity of the new structure with the same rights as Datatec's ordinary shares in Logicalis International. A further 0.9% of the ordinary equity is available for purchase by management to allow for changes to the management team up to a total limit of 6.3%.

There were no other material subsequent events.

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 2023, by way of a cash dividend of 195 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, 14 July 2023.

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 156 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, 3 July 2023 less the amount of the Cash Dividend) 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 Monday, 22 May 2023 is 224 916 537. Datatec's income tax reference number is 9999/493/71/2.

Terms of the Cash Dividend and Scrip Distribution

Shareholders will be entitled to receive a Cash Dividend of 195 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, 14 July 2023, 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, 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 on an "*ex*-dividend" basis by reference to such Shareholder's ordinary shareholding in Datatec (at the close of business on the Record Date, being Friday, 14 July 2023) in relation to the ratio that 195 ZAR cents bears to the VWAP of a Datatec ordinary share traded on the JSE during the 30-day trading period ending on Monday, 3 July 2023 less the amount of the Cash Dividend of 195 ZAR cents per share, provided that, where the application of this ratio gives rise to a fraction of an ordinary share, the rounding principles will be applied.

Example of Scrip Distribution entitlement:

This example assumes that a Shareholder holds 100 Datatec ordinary shares at the close of business on the Record Date, being Friday, 14 July 2023, and elects to receive the Scrip Distribution Alternative in respect of all of such ordinary shares, and that the VWAP of Datatec's ordinary shares traded on the JSE for the 30-day trading period ending Monday, 3 July 2023 is 3800 ZAR cents per ordinary share.

New ordinary share entitlement =

$$\frac{100 \text{ x } 195 \text{ ZAR cents}}{(3800\text{-}195) \text{ ZAR cents}} = 5.40915$$

Scrip Distribution shares per 100 ordinary shares held, subject to the rounding principles described below. This would result in a Shareholder with 100 Datatec ordinary shares receiving a new ordinary share entitlement of 5 Scrip Distribution shares and a cash payment for the fraction.

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, 12 July 2023, (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 Scrip Distribution ratio and the cash payment for the fraction will be announced on the Stock Exchange News Service ("SENS") of the JSE in accordance with the timetable on the following page.

Commentary continued

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, 1 June 2023. The salient dates of events thereafter are as follows:

Event	2023
Audited financial results of Datatec for the year ended 28 February 2023 and declaration of Cash Dividend with Scrip Distribution alternative announced on the SENS on	Tuesday, 23 May
Audited financial results of Datatec for the year ended 28 February 2023 and declaration of Cash Dividend with Scrip Distribution alternative published in the South African press on	Wednesday, 24 May
Record Date for Shareholders to be registered in the Company's securities register in order to be entitled to receive this Circular	Friday, 26 May
Distribution of Circular announced on SENS on	Thursday, 1 June
Circular and Form of Election (grey) distributed on	Thursday, 1 June
Distribution of Circular announcement published in the South African press on	Friday, 2 June
Announcement released on SENS in respect of the ratio applicable to the Scrip Distribution alternative, based on the 30-day VWAP "ex" the Cash Dividend ending on Monday, 3 July 2023, by 11h00 on	Tuesday, 4 July
Announcement published in the South African press of the ratio applicable to the Scrip Distribution alternative, based on the 30-day VWAP "ex" the Cash Dividend ending on Monday, 3 July 2023, on	Wednesday, 5 July
Last day to trade in order to be eligible for the Cash Dividend and the Scrip Distribution alternative	Tuesday, 11 July
Shares trade "ex" the Cash Dividend and the Scrip Distribution Alternative on	Wednesday, 12 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, 12 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, 12 July 2023, discounted by 10%, by 11h00 on	Thursday, 13 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, 14 July
Record Date in respect of the Cash Dividend and the Scrip Distribution alternative	Friday, 14 July
Cash Dividend payments made, CSDP/broker accounts credited/updated on	Monday, 17 July
Announcement relating to the results of the Cash Dividend and the Scrip Distribution alternative released on SENS on	Monday, 17 July
Announcement relating to the results of the Cash Dividend and the Scrip Distribution alternative published in the South African press on	Tuesday, 18 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 trade on or about	Tuesday, 18 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, 12 July 2023 and Friday, 14 July 2023, both days inclusive. If Datatec maintains a certificated register, then the register will be closed from Wednesday, 12 July 2023 and Friday, 14 July 2023, both days inclusive.

Fractions

Where a Shareholder's entitlement to new Datatec ordinary shares 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, 12 July 2023, (being the day on which Datatec ordinary shares 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, 12 July 2023 is assumed to be 3600 ZAR cents. The basis for the applicable cash payment would therefore be 3240 ZAR cents (3600 ZAR cents discounted by 10%).

The basis for the applicable cash payment will be announced on SENS on Thursday, 13 July 2023, by 11h00.

Example of fractional entitlement:

Continuing the example above in which a Shareholder who holds 100 Datatec ordinary shares receives an entitlement of 5.40915 new ordinary Scrip Distribution shares: the rounding provision described above would mean that the Shareholder will receive 5 Scrip Distribution shares in respect of the 100 shares held and a cash payment for the fractional entitlement based on the 3240 ZAR cents noted above of 3240 x 0.40915 = 1326 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 156 ZAR cents per share. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on the applicability of any Double Tax Agreement ("DTA") between South Africa and their country of tax 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. Recipients of the fractional amount may be subject to income tax or capital gains tax, depending on their particular circumstances. 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 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 as noted above.

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

23 May 2023

* *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, unrealised foreign exchange movements, 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.*

** *Adjusted EBITDA excludes restructuring costs, share-based payments, one-off tax items impacting EBITDA and acquisition, integration and corporate actions costs.*

*** *The pro forma constant currency, adjusted EBITDA and underlying earnings 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, share-based payments, one-off tax items impacting EBITDA and acquisition, integration and corporate actions costs not been incurred. Underlying earnings include the adjustments indicated above. 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. Refer to page 77 for more information on the calculation of constant currency information.*

DIRECTORS

M Makanjee (Chair), JP Montanana# (CEO), IP Dittrich (CFO), SJ Davidson#, JF McCartney°, CRK Medlock#, MJN Njeke, LC Rapparini^, DS Sita

° *American*
British
^ *Brazilian*

Independent auditor's report on the summary consolidated financial statements

for the year ended 28 February 2023

To the shareholders of Datatec Limited

Opinion

The summary consolidated financial statements of Datatec Limited, contained in the accompanying provisional report, which comprise the summary consolidated statement of financial position as at 28 February 2023, the summary consolidated statements of comprehensive income, changes in total equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Datatec Limited for the year ended 28 February 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the basis of preparation to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 23 May 2023. That report also includes communication of 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 year.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in the basis of preparation to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: BW Niebuhr
Registered Auditor
Johannesburg, South Africa

23 May 2023

Basis of preparation

The provisional summarised consolidated financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") in effect for the Group at 28 February 2023 and further comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, at a minimum contain the requirements of IAS 34 Interim Financial Reporting, as well as the requirements of the Companies Act 71 of 2008 of South Africa and the JSE Limited's Listings Requirements.

The preparation of these summarised financial statements and consolidated annual financial statements from which these summarised financial statements were derived from for FY23 was supervised by the Chief Financial Officer, Mr Ivan Dittrich, CA(SA).

Accounting policies

The accounting policies applied in the preparation of these summarised consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

Adoption of amendments to existing standards and interpretations

The Group adopted the following amendments to existing standards and interpretations, which did not have a material impact on the consolidated annual financial statements.

Applicable standard or note	Amendment	Effective reporting period
IFRS 16	Covid-19-related Rent Concessions beyond 30 June 2021	1 April 2021
IFRS 9 and IFRS 16	Annual Improvements to IFRS Standards 2018–2020	1 January 2022
IAS 16	Proceeds before Intended Use	1 January 2022
IAS 37	Onerous Contracts–Cost of Fulfilling a Contract	1 January 2022

New standards, amendments to existing standards and interpretations that are not yet effective and have not yet been early adopted

Applicable standard or note	Amendment	Effective reporting period
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 8	Definition of Accounting Estimates	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	The effective date has been postponed indefinitely

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 2023, are being evaluated for the impact of these pronouncements. Other than the IAS 12 amendment, the accounting standards, amendments to issued standards and interpretations are not expected to have a material impact.

Critical judgements

The results of the Group have many areas where key assumptions concerning the future, and other key areas of estimation could have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial period.

The results contain sources of critical judgements in the following areas:

- judgement in recognising revenue that contains the agent vs principal (net vs gross revenue);
- judgement in determining lease terms;
- judgement in recognition of revenue from multi-year contracts;
- judgements in determining if financial assets should be derecognised; and
- judgement in determining the starting point of the tax rate reconciliation.

Key sources of estimation uncertainty

The results of the Group have many areas where key assumptions concerning the future, and other key areas of estimation could have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial period.

The results contain sources of estimation and uncertainty in the following areas:

- estimates made in determining the recoverable amount of goodwill included in the statement of financial position;
- estimates made in determining the valuation of Westcon International for calculation of the Equity Appreciation Plan IFRS 2 charge;
- estimates made in determining the probability of future taxable income justifying the recognition of deferred tax assets;
- estimates made in determining uncertain tax positions;
- estimates made in determining the fair value of share-based payment expenses arising from various share incentive schemes in the Group;
- estimates made in determining the level of provision required for obsolete inventory;
- estimates made in determining the amount or timing relating to restructuring, legal claims, pension and dilapidation obligations; and
- estimates made when measuring the expected credit losses.

Going concern

The directors have reviewed the future profit and cash flow projections in conjunction with the current economic climate as well as banking facilities in place to support all the operations, in order to express an opinion on the adequacy of working capital and the ability to continue as a going concern for the foreseeable future. These projections covered future financial performance, solvency and liquidity for a period of 12 months from the date of the release of these results. The directors have concluded that the Group will continue to be a going concern for the foreseeable future and therefore the results have been prepared on a going concern basis.

Basis of preparation continued

Independent auditor's report

The independent auditor, PricewaterhouseCoopers Inc, has issued its unmodified audit opinions on the consolidated annual financial statements and on these summarised consolidated financial statements for the year ended 28 February 2023 in accordance with International Standards on Auditing. These summarised consolidated financial statements have been derived from the audited consolidated annual financial statements and are consistent in all material respects, with the Group's consolidated annual financial statements. The consolidated annual financial statements and the auditor's unmodified reports on the consolidated annual financial statements and on these summarised consolidated financial statements are available for inspection at the Company's registered office.

The auditor's reports do not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the reports together with the accompanying financial information from the Company's registered office.

The full set of consolidated annual financial statements and unmodified audit opinion with their key audit matters from PricewaterhouseCoopers Inc. is available for inspection as its registered offices and at https://www.datatec.com/annual-results.php. Any reference to future financial performance included in this announcement has not been audited or reported on by the Company's auditor.

Summary consolidated statement of comprehensive income

for the year ended 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Re-presented^ Year ended 28 February 2022
Continuing operations		
Revenue*	**5 143 125**	4 546 398
Cost of sales	**(4 398 618)**	(3 816 630)
Gross profit	**744 507**	729 768
Operating costs	**(573 986)**	(568 948)
Net impairment of financial assets	**(4 477)**	(1 898)
Restructuring costs	**(15 157)**	–
Share-based payments	**(52 641)**	(15 465)
Operating profit before interest, tax, depreciation and amortisation ("EBITDA")	**98 246**	143 457
Depreciation of property, plant and equipment	**(16 298)**	(17 505)
Depreciation of right-of-use assets	**(28 565)**	(31 741)
Amortisation of capitalised development expenditure	**(9 058)**	(7 432)
Amortisation of acquired intangible assets and software	**(14 213)**	(11 804)
Impairment of property, plant and equipment, right-of-use assets and capitalised development expenditure	**(11 620)**	–
Operating profit	**18 492**	74 975
Interest income	**8 484**	2 264
Finance costs	**(46 574)**	(33 315)
Share of equity-accounted investment earnings/(losses)	**882**	(427)
Acquisition-related fair value adjustments	**38**	567
Other income/(expenses)	**21**	(27)
Loss on disposal of investments	**(1 392)**	–
(Loss)/profit before taxation	**(20 049)**	44 037
Taxation	**(13 375)**	(9 470)
(Loss)/profit for the year from continuing operations	**(33 424)**	34 567

Summary consolidated statement of comprehensive income continued

for the year ended 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Re-presented^ Year ended 28 February 2022
Discontinued operations		
Profit for the year from discontinued operations	**116 967**	5 766
Profit for the year	**83 543**	40 333
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss	**(10 539)**	(4 986)
Exchange differences arising on translation to presentation currency	**(18 256)**	(3 664)
Translation of equity loans net of tax effect	**1 800**	(627)
Recycling of reserves due to loss of control and other items	**5 917**	(695)
Total comprehensive income for the year	**73 004**	35 347
Profit attributable to:		
Owners of the parent	**80 334**	33 902
Continuing operations	**74 804**	29 109
Discontinued operations	**5 530**	4 793
Non-controlling interests	**3 209**	6 431
Continuing operations	**1 687**	5 458
Discontinued operations	**1 522**	973
	83 543	40 333
Total comprehensive income attributable to:		
Owners of the parent	**70 623**	25 249
Non-controlling interests	**2 381**	10 098
	73 004	35 347
Earnings/(loss) per share ("EPS") (US cents)		
Basic	**36.9**	16.7
Continuing operations	**(16.1)**	14.3
Discontinued operations	**53.0**	2.4
Diluted basic	**36.9**	16.2
Continuing operations	**(16.1)**	13.9
Discontinued operations	**53.0**	2.3

* *Included in revenue is US$12.6 million of revenue (FY22: US$25.4 million) from acquisitions in the current year from the date of control.*

^ *The prior year has been re-presented to show comparative results from discontinued operations in accordance with IFRS 5.*

Summary consolidated statement of financial position

as at 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Assets		
Non-current assets	**610 565**	613 155
Goodwill	**245 375**	262 606
Property, plant and equipment	**33 054**	32 517
Right-of-use assets	**56 248**	80 639
Capitalised development expenditure	**31 723**	29 351
Acquired intangible assets and software	**16 086**	28 132
Investments	**6 457**	13 454
Deferred tax assets	**80 331**	69 951
Finance lease receivables	**12 681**	20 573
Other non-current assets, contract assets and contract costs	**128 610**	75 932
Current assets	**3 015 700**	2 399 078
Investments	**4 677**	–
Inventories	**411 059**	309 227
Trade receivables	**1 508 470**	1 223 824
Prepaid expenses and other receivables	**276 555**	223 135
Contract assets and contract costs	**202 566**	156 058
Current tax assets	**19 390**	23 030
Finance lease receivables	**8 300**	9 878
Cash resources	**584 683**	453 926
Total assets	**3 626 265**	3 012 233

Summary consolidated statement of financial position continued

as at 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Equity and liabilities		
Equity attributable to equity holders of the parent	**472 009**	563 430
Stated capital	**138 091**	148 859
Non-distributable reserves	**124 970**	105 628
Foreign currency translation reserve	**(147 110)**	(138 306)
Share-based payments reserve	**10 458**	9 465
Distributable reserves	**345 600**	437 784
Non-controlling interests	**60 331**	67 516
Total equity	**532 340**	630 946
Non-current liabilities	**224 284**	229 112
Long-term interest-bearing liabilities	**41 624**	56 440
Lease liabilities	**45 412**	61 523
Liability for share-based payments	**1 602**	7 676
Acquisition-related liabilities	**1 061**	4 056
Deferred tax liabilities	**29 366**	28 096
Deferred revenue	**27 415**	21 464
Provisions	**8 860**	8 913
Other liabilities	**68 944**	40 944
Current liabilities	**2 869 641**	2 152 175
Trade and other payables~	**2 071 975**	1 526 163
Short-term interest-bearing liabilities	**380 862**	266 617
Lease liabilities	**27 005**	32 870
Deferred revenue	**160 806**	134 638
Provisions	**12 904**	7 254
Acquisition-related liabilities	**2 803**	39
Current tax liabilities	**16 924**	18 035
Bank overdrafts	**196 362**	166 559
Total equity and liabilities	**3 626 265**	3 012 233

~ *Includes short-term liability for share-based payments of US$63.5 million (FY22: US$18.9 million).*

Summary consolidated statement of changes in total equity

for the year ended 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Balance at the beginning of the year	**630 946**	640 621
Transactions with equity holders of the parent		
Comprehensive income	**70 623**	25 249
Dividend – out of distributable reserves	**(172 478)**	(82 996)
Dividend – scrip	**18 079**	39 860
Deferred bonus warrant/deferred bonus plan shares	**(864)**	(2 747)
Treasury shares purchased	**(5 957)**	(4 279)
Share-based payments (vested)/paid	**(44)**	266
Charge and settlement for equity-settled share-based payments	**6 131**	4 228
Net movement in non-controlling interests	**(6 004)**	693
Disposal of subsidiary	**(907)**	–
Transactions with non-controlling interests		
Comprehensive income	**2 381**	10 098
Acquisitions of subsidiaries	**–**	412
Disposal of subsidiary	**(9 444)**	–
Net movement in non-controlling interests	**1 109**	1 249
Dividend to non-controlling interests	**(1 231)**	(1 708)
Balance at the end of the year	**532 340**	630 946

Summary consolidated statement of cash flows

for the year ended 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Profit before taxation – combined operations	**98 383**	50 935
Non-cash items	**93 226**	122 584
Operating profit before working capital changes	**191 609**	173 519
Working capital changes	**(25 542)**	(83 791)
Increase in inventories	**(109 055)**	(66 806)
Increase in receivables	**(347 606)**	(96 647)
Increase in payables	**484 124**	89 254
Increase in contract assets and contract costs	**(89 989)**	(27 051)
Increase in deferred revenue	**36 984**	17 459
Decrease in other non-current assets	**754**	–
Decrease in finance lease receivables	**6 585**	6 984
Cash generated from operations	**173 406**	96 712
Net finance costs paid+~	**(38 596)**	(31 265)
Taxation paid	**(24 182)**	(26 282)
Net cash inflow from operating activities	**110 628**	39 165
Cash outflow for acquisitions	**(15 992)**	(6 610)
Settlement of Siticom acquisition-related option	**–**	(5 853)
Settlement of deferred purchase consideration	**–**	(1 962)
Outflow of restricted cash	**–**	(8 709)
Inflow of restricted cash	**–**	5 767
Proceeds on disposal of investments	**4 425**	1 943
Inflow from investments (Angola government bonds)	**2 598**	–
Loan to associate	**–**	(1 000)
Dividend received from investments	**989**	225
Additions to equity-accounted investments	**(3 432)**	(1 123)
Net proceeds on disposal of Analysys Mason	**128 390**	–
Disposal-related costs	**(4 600)**	–
Additions to property, plant and equipment	**(18 326)**	(11 084)
Additions to capitalised development expenditure	**(15 425)**	(11 701)
Additions to software	**(2 918)**	(2 056)
Proceeds on disposal of property, plant and equipment	**760**	572
Net cash inflow/(outflow) from investing activities	**76 469**	(41 591)

US$'000	**Audited Year ended 28 February 2023**	Audited Year ended 28 February 2022
Dividend paid to shareholders	**(154 399)**	(43 136)
Dividends paid to non-controlling interests	**(1 231)**	(1 708)
Treasury shares purchased	**(7 725)**	(6 150)
Settlement of deferred purchase consideration	**(4 402)**	–
Loan repayment from associate	**1 007**	–
Overdrafts repayable on demand under certain conditions~	**(2 316)**	7 082
Repayment of lease liabilities – principal	**(33 872)**	(36 121)
Proceeds from short-term liabilities	**136 201**	42 647
Repayment of short-term liabilities	**(10 118)**	(28 609)
Proceeds from long-term liabilities	**58 296**	84 882
Repayment of long-term liabilities	**(72 757)**	(82 564)
Net cash outflow from financing activities	**(91 316)**	(63 677)
Net increase/(decrease) in cash and cash equivalents	**95 781**	(66 103)
Cash and cash equivalents at the beginning of the year	**415 973**	478 772
Translation differences on cash and cash equivalents	**1 032**	3 304
Cash and cash equivalents at the end of the year – combined operations (refer to notes 9 and 12)	**512 786**	415 973

+ *Finance costs include US$6.0 million (FY22: US$5.3 million) of finance costs related to finance leases that are included in cash flows from operating activities.*

~ *Finance costs include US$18.4 million (FY22: US$12.8 million) interest on bank overdrafts repayable on demand under certain conditions. These finance costs are included in cash flows from operating activities.*

1. Determination of headline (loss)/earnings

for the year ended 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Determination of headline (loss)/earnings		
Reconciliation of attributable profit to headline (loss)/earnings		
Profit attributable to the equity holders of the parent	**80 334**	33 902
Headline earnings adjustments	**(100 569)**	(894)
Impairment of property, plant and equipment, right-of-use assets and capitalised development expenditure	**11 620**	–
Profit on disposal of investments	**(111 438)**	–
Loss/(profit) on disposal of property, plant and equipment, right-of-use assets and intangible assets	**422**	(82)
Realised foreign exchange gains on equity loans settled	**–**	(1 174)
Tax effect	**(794)**	33
Non-controlling interests	**(379)**	329
Headline (loss)/earnings	**(20 235)**	33 008
Continuing operations – Re-presented^	**(23 451)**	28 215
Discontinued operations – Re-presented^	**3 216**	4 793

^ *The prior year has been re-presented to show comparative results from continuing and discontinued operations in accordance with IFRS 5.*

2. Salient financial features

for the year ended 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Re-presented^ Year ended 28 February 2022
Headline (loss)/earnings	**(20 235)**	33 008
Continuing operations	**(23 451)**	28 215
Discontinued operations	**3 216**	4 793
Headline (loss)/earnings per share (US cents)		
Headline	**(9.3)**	16.2
Continuing operations	**(10.8)**	13.9
Discontinued operations	**1.5**	2.3
Diluted headline	**(9.3)**	15.8
Continuing operations	**(10.8)**	13.5
Discontinued operations	**1.5**	2.3
Net asset value		
Net asset value per share (US cents)	**214.9**	263.7
Key ratios		
Gross margin (%) – continuing operations	**14.5**	16.1
EBITDA margin (%) – continuing operations	**1.9**	3.2
Effective tax rate (%) – continuing operations	**(66.7)**	21.5
Exchange rates		
Average Rand/US$ exchange rate	**16.8**	15.0
Closing Rand/US$ exchange rate	**18.4**	15.4
Number of shares issued (millions)		
Issued	**225**	217
Issued (excluding treasury shares and shares held by participants under deferred bonus plan)	**220**	214
Weighted average	**218**	203
Diluted weighted average	**227**	209

^ *The prior year has been re-presented to show comparative results from continuing and discontinued operations in accordance with IFRS 5.*

3. Goodwill reconciliation
as at 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Net book value	**245 375**	262 606
At the beginning of the year	**262 606**	255 536
Arising on acquisition of subsidiaries	**18 699**	12 199
Disposal of discontinued operations	**(25 566)**	–
Translation and other movements	**(10 364)**	(5 129)
Balance at the end of the year	**245 375**	262 606
Goodwill at cost	**245 375**	262 606
Per cash-generating unit:	**245 375**	262 606
Logicalis International – Re-presented#	**209 707**	203 545
Logicalis Latin America– Re-presented#	**35 668**	35 831
Management Consulting	**–**	23 230

\# *The Logicalis segment previously reported in the prior period is now being reported as two management segments, Logicalis Latin America and Logicalis International (representing the Logicalis business outside of Latin America). The ultimate Logicalis holding company, Logicalis Group Limited, and its associated costs, is now included in the "Corporate and Management Consulting" segment. Comparative results have been re-presented.*

4. Capital expenditure and commitments
as at 28 February 2023

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Capital expenditure incurred in the current period (including capitalised development expenditure)	**36 669**	24 841
Capital commitments at the end of the year	**37 854**	43 977

5. Financial instruments
as at 28 February 2023

The table below sets out the Group's classification of each class of financial instrument at their fair values. The carrying amounts of these financial instruments approximates their fair values, therefore no fair value disclosures are provided. The different fair value levels are described below.

- 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 – inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. Financial instruments continued

as at 28 February 2023

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages qualified third-party valuers to perform the valuation.

US$'000	Level	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Financial assets			
Financial assets at amortised cost			
Gross trade accounts receivable		**1 536 212**	1 250 584
Less: Expected credit loss allowances		**(27 742)**	(26 760)
Bonds		**4 677**	7 276
Loans granted to third parties and other long-term assets due		**87 059**	54 661
Finance lease receivables		**20 981**	30 451
Sundry receivables		**46 269**	29 999
Cash resources		**584 683**	453 926
Financial assets at fair value through profit or loss			
Derivative financial assets	2	**5 080**	2 153
		2 257 219	1 802 290
Financial liabilities			
Financial liabilities at amortised cost			
Trade payables		**1 515 478**	1 113 072
Other payables and other financial liabilities		**297 666**	223 751
Other non-current liabilities		**68 944**	–
Long-term interest-bearing liabilities*		**62 774**	81 769
Lease liabilities*		**72 417**	94 393
Short-term interest-bearing liabilities		**359 712**	241 288
Bank overdrafts		**196 362**	166 559
Financial liabilities at fair value through profit or loss			
Acquisition-related liabilities	3	**3 864**	4 095
Derivative financial liabilities	2	**8 802**	2 052
		2 586 019	1 926 979

* *Includes current portion of long-term liabilities.*

There were no transfers between level 1 and level 2 during the period for recurring fair value measurements.

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.

6. Additional risk disclosures

as at 28 February 2023

There have been no material changes to the Group's concentration of credit risk or the maturity analysis of its financial liabilities since the year end.

There is one customer in Latin America, with a gross value of US$75.7 million, which represents approximately 5% of the total balance of trade receivables (FY22: US$64.4 million (over 5%)).

Collections from customers during FY23 have remained in line with historic norms. Management has concluded that the likelihood of material expected credit losses is low.

The following table details the credit risk profile of trade receivables based on the Group's provision matrix.

Days past due

	Audited Year ended 28 February 2023					
US$'000	**North America**	**Latin America**	**Europe**	**Asia-Pacific**	**MEA**	**Total**
Datatec Group Total						
Current	60 749	125 311	746 423	229 392	99 622	1 261 497
1-30 days past due	14 917	12 887	50 427	35 400	20 228	133 859
31-60 days past due	3 324	10 622	17 716	15 254	5 814	52 730
61-90 days past due	2 224	1 737	11 184	4 681	3 903	23 729
91-120 days past due	937	1 342	2 857	2 157	2 988	10 281
Over 120 days past due	3 322	9 066	15 436	5 571	20 721	54 116
Gross trade receivables	85 473	160 965	844 043	292 455	153 276	1 536 212
Expected credit loss allowance	–	(619)	(7 902)	(3 392)	(15 829)	(27 742)
Net trade receivables	85 473	160 346	836 141	289 063	137 447	1 508 470
Westcon International						
Current	–	–	626 226	178 756	97 025	902 007
1 – 30 days past due	–	–	29 617	20 132	19 372	69 121
31 – 60 days past due	–	–	16 038	11 325	5 617	32 980
61 – 90 days past due	–	–	10 695	2 752	3 835	17 282
91 – 120 days past due	–	–	1 909	1 962	2 973	6 844
Over 120 days past due	–	–	15 333	1 792	20 673	37 798
Gross trade receivables	–	–	699 818	216 719	149 495	1 066 032
Expected credit loss allowance	–	–	(7 269)	(1 056)	(15 802)	(24 127)
Net trade receivables	–	–	692 549	215 663	133 693	1 041 905

US$'000	North America	Latin America	Europe	Asia-Pacific	MEA	Total
	Audited Year ended 28 February 2023					
Logicalis International						
Current	60 749	–	120 197	50 636	2 597	234 179
1 – 30 days past due	14 917	–	20 810	15 268	856	51 851
31 – 60 days past due	3 324	–	1 678	3 929	197	9 128
61 – 90 days past due	2 224	–	489	1 929	68	4 710
91 – 120 days past due	937	–	948	195	15	2 095
Over 120 days past due	3 322	–	103	3 779	48	7 252
Gross trade receivables	85 473	–	144 225	75 736	3 781	309 215
Expected credit loss allowance	–	–	(633)	(2 336)	(27)	(2 996)
Net trade receivables	85 473	–	143 592	73 400	3 754	306 219
Logicalis Latin America						
Current	–	125 311	–	–	–	125 311
1 – 30 days past due	–	12 887	–	–	–	12 887
31 – 60 days past due	–	10 622	–	–	–	10 622
61 – 90 days past due	–	1 737	–	–	–	1 737
91 – 120 days past due	–	1 342	–	–	–	1 342
Over 120 days past due	–	9 066	–	–	–	9 066
Gross trade receivables	–	160 965	–	–	–	160 965
Expected credit loss allowance	–	(619)	–	–	–	(619)
Net trade receivables	–	160 346	–	–	–	160 346
Corporate and Management Consulting						
Current	–	–	–	–	–	–
1 – 30 days past due	–	–	–	–	–	–
31 – 60 days past due	–	–	–	–	–	–
61 – 90 days past due	–	–	–	–	–	–
91 – 120 days past due	–	–	–	–	–	–
Over 120 days past due	–	–	–	–	–	–
Gross trade receivables	–	–	–	–	–	–
Expected credit loss allowance	–	–	–	–	–	–
Net trade receivables	–	–	–	–	–	–

6. Additional risk disclosures continued

as at 28 February 2023

The past due receivables ageing categories above are shown gross, before taking into account expected credit loss allowances. US$27.1 million (FY22: US$ 26.2 million) expected credit losses have been allocated to the US$64.4 million (FY22: US$43.8 million) over 90 days past due receivables, resulting in a net over 90 days past due receivables balance of US$37.3 million (FY22: US$17.6 million). 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.

	Audited Year ended 28 February 2022					
US$'000	North America	Latin America	Europe	Asia-Pacific	MEA	Total
Datatec Group Total						
Current	72 233	115 848	599 579	173 409	108 068	1 069 137
1 – 30 days past due	14 594	9 737	42 915	18 664	10 053	95 963
31 – 60 days past due	7 104	8 779	9 795	5 601	1 181	32 460
61 – 90 days past due	1 608	1 379	4 639	416	1 212	9 254
91 – 120 days past due	1 699	867	1 379	1 464	(566)	4 843
Over 120 days past due	5 323	2 819	8 120	5 680	16 985	38 927
Gross trade receivables	102 561	139 429	666 427	205 234	136 933	1 250 584
Expected credit loss allowance	(185)	(629)	(7 428)	(3 281)	(15 237)	(26 760)
Net trade receivables	102 376	138 800	658 999	201 953	121 696	1 223 824
Westcon International						
Current	–	–	492 045	136 335	103 469	731 849
1 – 30 days past due	–	–	29 049	11 485	8 751	49 285
31 – 60 days past due	–	–	6 891	3 373	854	11 118
61 – 90 days past due	–	–	2 484	(460)	461	2 485
91 – 120 days past due	–	–	1 322	698	(603)	1 417
Over 120 days past due	–	–	7 823	941	16 236	25 000
Gross trade receivables	–	–	539 614	152 372	129 168	821 154
Expected credit loss allowance	–	–	(6 836)	(883)	(14 883)	(22 602)
Net trade receivables	–	–	532 778	151 489	114 285	798 552
Logicalis International – Re-presented#						
Current	70 716	–	96 996	36 142	2 556	206 410
1 – 30 days past due	14 336	–	13 143	7 043	764	35 286
31 – 60 days past due	7 064	–	2 463	2 021	173	11 721
61 – 90 days past due	1 608	–	1 112	798	12	3 530
91 – 120 days past due	1 699	–	45	763	30	2 537
Over 120 days past due	5 292	–	279	4 739	34	10 344
Gross trade receivables	100 715	–	114 038	51 506	3 569	269 828
Expected credit loss allowance	(154)	–	(592)	(2 398)	(41)	(3 185)
Net trade receivables	100 561	–	113 446	49 108	3 528	266 643

US$'000	North America	Latin America	Europe	Asia-Pacific	MEA	Total
	Audited Year ended 28 February 2022					
Logicalis Latin America – Re-presented#						
Current	–	115 807	–	–	–	115 807
1 – 30 days past due	–	9 687	–	–	–	9 687
31 – 60 days past due	–	8 779	–	–	–	8 779
61 – 90 days past due	–	1 298	–	–	–	1 298
91 – 120 days past due	–	867	–	–	–	867
Over 120 days past due	–	2 819	–	–	–	2 819
Gross trade receivables	–	139 257	–	–	–	139 257
Expected credit loss allowance	–	(629)	–	–	–	(629)
Net trade receivables	–	138 628	–	–	–	138 628
Corporate and Management Consulting						
Current	1 517	41	10 538	932	2 043	15 071
1 – 30 days past due	258	50	723	136	538	1 705
31 – 60 days past due	40	–	441	207	154	842
61 – 90 days past due	–	81	1 043	78	739	1 941
91 – 120 days past due	–	–	12	3	7	22
Over 120 days past due	31	–	18	–	715	764
Gross trade receivables	1 846	172	12 775	1 356	4 196	20 345
Expected credit loss allowance	(31)	–	–	–	(313)	(344)
Net trade receivables	1 815	172	12 775	1 356	3 883	20 001

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.

\# *The Logicalis segment previously reported in the prior period is now being reported as two management segments, Logicalis Latin America and Logicalis International (representing the Logicalis business outside of Latin America). The ultimate Logicalis holding company, Logicalis Group Limited, and its associated costs, is now included in the "Corporate and Management Consulting" segment. Comparative results have been re-presented.*

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, amongst other things, mean that the facility may be repayable on demand.

6. Additional risk disclosures continued

as at 28 February 2023

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$200.0 million. As at 28 February 2023, US$10.5 million has 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.

Westcon International has an invoice assignment facility of EUR390.6 million for its European subsidiaries, as well as an extended payables facility of US$105.0 million. Westcon International has a securitisation facility of US$120.0 million for its Asia-Pacific facilities. 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), and a securitisation facility in South Africa (ZAR250.0 million) to finance the business.

The Group continues to monitor the funding needs of its individual operations and works closely with various financial institutions to ensure adequate liquidity.

The Group has performed covenant projections for the next 12 months to confirm that banking covenants are expected to be met.

7. Summarised segmental analysis

for the year ended 28 February 2023

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: Management Consulting provides strategic, trusted advisory, modelling and market intelligence services to the TMT industries. Analysys Mason was disposed of during the year and its results are disclosed as discontinued operations. Corporate includes Group head office companies, including the ultimate Logicalis holding company, Logicalis Group Limited and its associated costs, and Group consolidation adjustments.

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.

The segmental report has been updated in the current and prior year to reflect significant expenses identified in EBITDA. The regional analysis of EBITDA is no longer presented. Following the change to management reporting segments, EBITDA is now only reviewed per operating division by the chief operating decision maker.

During FY23 and FY22, there were no customers that individually accounted for over 10% of the Group's revenue. There is one customer in Logicalis Latin America which accounts for over 10% of Logicalis Latin America's revenue (US$180.7 million).

Sales and purchases between Group companies are concluded on normal commercial terms in the ordinary course of business. The inter-group sales of goods and provision of services for the period ended 28 February 2023 amounted to US$71.1 million (FY22: US$53.4 million). During the year, the Group made sales totalling US$74.9 million (FY22: US$49.0 million) and received management fees of US$0.3 million (FY22: US$0.3 million) from its associate Esource Resources, LLC, which was disposed of during the current year. No amounts due to or from this entity are disclosed as it no longer meets the definition of a related party at 28 February 2023.

7. Summarised segmental analysis continued

for the year ended 28 February 2023

US$'000	Westcon International Audited Year ended 28 February 2023	Westcon International Audited Year ended 28 February 2022	Logicalis International Audited Year ended 28 February 2023	Logicalis International Audited Re-presented# Year ended 28 February 2022
Revenue	**3 420 569**	2 890 439	**1 231 517**	1 133 265
Revenue from product sales	**3 338 944**	2 810 644	**755 236**	667 917
Revenue from sales of hardware	**2 018 852**	1 679 219	**569 783**	479 743
Revenue from sales of software*	**1 318 914**	1 115 401	**186 301**	188 266
Revenue from vendor resold services and product maintenance sales	**70 417**	68 554	**–**	–
Inter-segmental revenue	**(69 239)**	(52 530)	**(848)**	(92)
Revenue from services	**69 986**	69 527	**194 292**	179 861
Revenue from professional services	**70 555**	70 258	**194 292**	179 861
Inter-segmental revenue	**(569)**	(731)	**–**	–
Revenue from annuity services	**11 639**	10 268	**281 989**	285 487
Revenue from cloud services	**–**	–	**108 954**	46 593
Revenue from software services*	**11 760**	10 310	**–**	–
Revenue from other annuity services	**–**	–	**173 035**	238 894
Inter-segmental revenue	**(121)**	(42)	**–**	–
Significant expenses included in EBITDA:				
Staff costs	**(199 892)**	(199 367)	**(199 625)**	(192 418)
Share-based payments	**(36 284)**	(10 523)	**(463)**	(899)
Restructuring costs	**–**	–	**(12 504)**	–
EBITDA	**48 459**	68 071	**50 466**	64 048
Reconciliation of operating profit/(loss) to profit/(loss) for the year				
Operating profit/(loss)	**21 741**	43 562	**6 595**	27 862
Interest income	**1 117**	546	**1 329**	441
Finance costs	**(20 341)**	(11 825)	**(13 197)**	(7 861)
Share of equity-accounted investment earnings/(losses)	**–**	–	**409**	452
Acquisition-related fair value adjustments	**–**	–	**38**	567
Other income/(expenses)	**21**	(27)	**–**	–
Loss on disposal of investment	**–**	–	**(1 392)**	–
Profit/(loss) before taxation	**2 538**	32 256	**(6 218)**	21 461
Taxation	**(6 271)**	(1 413)	**(1 264)**	(6 659)
(Loss)/profit for the year from continuing operations	**(3 733)**	30 843	**(7 482)**	14 802
Profit for the year from discontinued operations	**–**	–	**–**	–
(Loss)/profit for the year	**(3 733)**	30 843	**(7 482)**	14 802
Assets and liabilities				
Total assets	**1 935 153**	1 443 308	**1 087 569**	976 807
Total liabilities	**1 845 555**	1 325 785	**865 704**	745 551

* *Includes software as a service revenues.*

^ *The prior year has been re-presented to show comparative results from discontinued operations in accordance with IFRS 5.*

\# *The Logicalis segment previously reported in the prior period is now being reported as two management segments, Logicalis Latin America and Logicalis International (representing the Logicalis business outside of Latin America) to understand the factors affecting the underlying performance of the respective businesses and to align with the Group's strategic objectives. The ultimate Logicalis holding company, Logicalis Group Limited, and its associated costs, is now included in the "Corporate and Management Consulting" segment. Comparative results have been re-presented.*

Logicalis Latin America		Corporate and Management Consulting		Datatec Group Total	
Audited Year ended 28 February 2023	Audited Re-presented# Year ended 28 February 2022	**Audited Year ended 28 February 2023**	Audited Re-presented^# Year ended 28 February 2022	**Audited Year ended 28 February 2023**	Audited Re-presented^ Year ended 28 February 2022
491 039	522 694	**–**	–	**5 143 125**	4 546 398
275 417	340 977	**–**	–	**4 369 597**	3 819 538
186 814	245 063	**(47 144)**	(40 970)	**2 728 305**	2 363 055
88 970	95 914	**(23 175)**	(11 393)	**1 571 010**	1 388 188
–	–	**(135)**	(259)	**70 282**	68 295
(367)	–	**70 454**	52 622	**–**	–
61 506	50 245	**–**	–	**325 784**	299 633
61 506	50 245	**(569)**	(731)	**325 784**	299 633
–	–	**569**	731	**–**	–
154 116	131 472	**–**	–	**447 744**	427 227
1 400	995	**–**	–	**110 354**	47 588
–	–	**(121)**	(42)	**11 639**	10 268
152 716	130 477	**–**	–	**325 751**	369 371
–	–	**121**	42	**–**	–
(55 170)	(51 319)	**(2 690)**	(2 595)	**(457 377)**	(445 699)
(504)	645	**(15 390)**	(4 688)	**(52 641)**	(15 465)
(2 189)	–	**(464)**	–	**(15 157)**	–
21 156	28 486	**(21 835)**	(17 148)	**98 246**	143 457
13 802	21 016	**(23 646)**	(17 465)	**18 492**	74 975
2 454	635	**3 584**	642	**8 484**	2 264
(12 935)	(13 525)	**(101)**	(104)	**(46 574)**	(33 315)
(645)	(1 613)	**1 118**	734	**882**	(427)
–	–	**–**	–	**38**	567
–	–	**–**	–	**21**	(27)
–	–	**–**	–	**(1 392)**	–
2 676	6 513	**(19 045)**	(16 193)	**(20 049)**	44 037
(1 391)	(1 748)	**(4 449)**	350	**(13 375)**	(9 470)
1 285	4 765	**(23 494)**	(15 843)	**(33 424)**	34 567
–	–	**116 967**	5 766	**116 967**	5 766
1 285	4 765	**93 473**	(10 077)	**83 543**	40 333
507 688	390 930	**95 855**	201 188	**3 626 265**	3 012 233
354 665	241 162	**28 001**	68 789	**3 093 925**	2 381 287

8. Acquisitions made during the year

as at 28 February 2023

The following table sets out the assessment of the fair value of assets and liabilities acquired in the acquisitions made by the Group.

US$'000	Audited Year ended 28 February 2023 Q Associates	Northern Sky Research	Total	Audited Year ended 28 February 2022 Total
Net assets acquired				
Non-current assets	**1 268**	**–**	**1 268**	2 605
Current assets	**9 175**	**1 125**	**10 300**	10 905
Non-current liabilities	**(886)**	**–**	**(886)**	(4 813)
Current liabilities	**(14 889)**	**(482)**	**(15 371)**	(7 251)
Net assets acquired	**(5 332)**	**643**	**(4 689)**	1 446
Intangible assets	**3 543**	**–**	**3 543**	6 683
Goodwill	**8 464**	**10 235**	**18 699**	12 199
Non-controlling interests recognised	**–**	**–**	**–**	(404)
Fair value of acquisitions	**6 675**	**10 878**	**17 553**	19 924
Purchase consideration				
Funds received from non-controlling interests	**–**	**–**	**–**	(5 355)
Earn-out liability	**–**	**–**	**–**	1 159
Acquisition-related liabilities	**–**	**1 926**	**1 926**	9 337
Cash	**6 675**	**8 952**	**15 627**	14 783
Total consideration	**6 675**	**10 878**	**17 553**	19 924
Cash outflow for acquisitions				
Net cash resources acquired	**952**	**(587)**	**365**	(2 818)
Funds received from non-controlling interests	**–**	**–**	**–**	(5 355)
Cash consideration paid	**6 675**	**8 952**	**15 627**	14 783
Net cash outflow for acquisitions	**7 627**	**8 365**	**15 992**	6 610

During the period ended 28 February 2023, the Datatec Group made the following acquisitions:

On 4 August 2022, Logicalis International acquired Q Associates Ltd, a leading provider of IT consultancy and advisory services around data management, data protection, compliance and information security.

The acquisition adds complementary capabilities to Logicalis UK and Ireland's core expertise in digital infrastructure, networking and cloud, enabling a broader portfolio of best-in-class solutions and services for customers operating in the digital-enabled world. Q Associates provides technology solutions to UK universities and research councils, government security services and home office departments and commercial clients across major industry sectors, including finance, legal, transportation and energy. Q Associates holds advanced technical accreditations with many of the world's leading technology vendors, including Microsoft, NetApp, Oracle, IBM and Rubrik.

On 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.

NSR was disposed of as part of the sale of Analysys Mason in September.

As a result of these acquisitions, goodwill and other intangible assets increased provisionally by US$18.7 million and US$3.5 million respectively. None of the goodwill recognised is expected to be deductible for income tax purposes.

All trade receivables acquired are measured at amortised cost. The carrying value of trade receivables balances approximates their fair value, therefore no fair value disclosures are provided. All identifiable intangible assets have been recognised and accounted for at fair value.

The revenue and EBITDA from continuing operations included from these acquisitions in FY23 were US$12.6 million and US$0.8 million loss, respectively. Loss after tax included from these acquisitions was US$1.3 million. The revenue and EBITDA from discontinued operations included from these acquisitions in FY23 were US$1.6 million and US$0.4 million, respectively. Profit after tax included from these acquisitions was US$0.4 million.

Had the acquisition dates been 1 March 2022, the revenue and EBITDA from continuing operations would have been approximately US$21.6 million and US$1.3 million loss, respectively. Loss after tax would have been approximately US$2.2 million. Revenue and EBITDA from discontinued operations would have been approximately US$2.3 million and US$0.6 million, respectively. Profit after tax from discontinued operations would have been approximately US$0.6 million.

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

9. Cash and cash equivalents

for the year ended 28 February 2023

US$'000	**Audited Year ended 28 February 2023**	Audited Year ended 28 February 2022
Cash and cash equivalents at the end of the year		
Cash resources per the statement of financial position	**584 683**	453 926
Bank overdrafts unconditionally repayable on demand	**(71 897)**	(37 953)
Cash and cash equivalents (per the statement of cash flows)	**512 786**	415 973
Bank overdrafts repayable on demand under certain conditions	**(124 465)**	(128 606)
Net cash resources	**388 321**	287 367

10. Additional statement of financial position disclosures

for the year ended 28 February 2023

Multi-year contracts

Included in other non-current assets is US$72.3 million (FY22: US$43.9 million) of amounts receivable for multi-year contracts. These multi-year contracts relate to 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$79.5 million (FY22: US$41.8 million)) is included in trade receivables. Amounts owing for purchases related to these multi-year contracts have been recognised in other liabilities (long-term portion of US$68.7 million (FY22: US$40.6 million)) and trade and other payables (short-term portion of US$75.5 million (FY22: US$37.9 million)).

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

Share-based payments

The short-term portion of share-based payments (included in trade and other payables) has increased as a result of the increasing valuations of the divisions' cash-settled share-based payment plans, particularly Weston International. US$61.0 million of the total US$63.5 million short-term portion of share-based payments relates to the Westcon International Equity Appreciation Plan and the Westcon International SAR scheme. The share-based payment charge in FY23 was exceptionally high and will be substantially lower in future years.

Withholding taxes

As at 28 February 2022, 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 has made in relation to the purchase of vendor software and maintenance services which have been resold to customers during the six years ended 31 December 2020. Westcon KSA strongly disagrees with the tax authority's assessments issued on 22 June 2021 and has submitted the necessary appeals. Following an unsuccessful attempt to utilise the alternative dispute resolution procedures, the matter is now proceeding to court. The ongoing litigation with the KSA tax authorities is likely to continue beyond the next financial year end. A liability has been recognised for a possible liability in this regard.

As at 28 February 2023, withholding tax liabilities for the Group totalled US$20.0 million (FY22: US$7.3 million), which includes the liability for the Westcon KSA matter described above.

11. Contingent liabilities

for the year ended 28 February 2023

Datatec and its subsidiaries have issued, in the ordinary course of business, guarantees and letters of comfort to third parties in respect of finance and trading facilities, performance commitments to customers and lease commitments.

At 28 February 2022, Logicalis Latin America reported a contingent liability in respect of a possible tax liability at its subsidiary in Brazil. This related to an April 2012 tax assessment issued by a Brazilian state tax authority stating that PromonLogicalis should have paid a higher rate of state tax on its equipment sales up to October 2010 than actually paid. During this year, favourable administrative Court ruling was obtained and the state tax authority confirmed that the tax assessment was cancelled. This decision is final, and no further action is required. This is therefore no longer considered to be a contingent liability.

Logicalis International has a contingent tax liability at its Indonesian subsidiary PT. Packet Systems Indonesia. The Indonesian Tax Authority has raised withholding tax assessments in relation to purchases of vendor software and warranties which have been resold to customers. Withholding tax notices have been issued for each month in the calendar year 2016 and the first two months of the calendar year 2018. Objections have been filed by the company in respect of these periods with the Indonesian Tax Court.

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.

12. Discontinued operations

for the year ended 28 February 2023

Contribution of discontinued operations

On 27 September 2022, Datatec completed the sale of its management consultancy division, Analysys Mason with the disposal of its effective 71.2% shareholding. The sale is in terms of a process initiated by the Board pursuant to its Strategic Review in order to unlock shareholder value. Analysys Mason is disclosed as a disposal group in terms of IFRS 5.

The contribution of discontinued operations included in the Group's results until disposal is as follows:

US$'000	**Audited Analysys Mason Year ended 28 February 2023**	Audited Analysys Mason Year ended 28 February 2023
Revenue	**51 751**	90 384
Cost of sales	**(30 060)**	(49 756)
Gross profit	**21 691**	40 628
Operating costs	**(12 348)**	(22 452)
Net impairment of financial assets	**22**	(48)
Share-based payments	**(2 626)**	(7 052)
Operating profit before interest, tax, depreciation and amortisation ("EBITDA")	**6 739**	11 076
Depreciation of property, plant and equipment	**(127)**	(448)
Depreciation of right-of-use assets	**(468)**	(2 102)
Amortisation of acquired intangible assets and software	**(296)**	(1 370)
Operating profit	**5 848**	7 156
Interest income	**16**	6
Finance costs	**(262)**	(265)
Profit on disposal of investment	**2 915**	–
Profit before taxation	**8 517**	6 897
Taxation	**(1 465)**	(1 131)
Profit for the year from discontinued operations	**7 052**	5 766
Profit attributable to:		
Owners of the parent	**5 530**	4 793
Non-controlling interests	**1 522**	973
	7 052	5 766

The statement of financial position at the disposal date is as follows:

US$'000	Audited Period ended 27 September 2022	Audited Year ended 28 February 2022
Assets		
Non-current assets	**35 960**	37 675
Goodwill	**25 566**	23 230
Property, plant and equipment	**863**	899
Right-of-use assets	**4 383**	5 507
Acquired intangible assets and software	**2 573**	3 503
Investments	**–**	1 654
Deferred tax assets	**2 575**	2 834
Other non-current assets	**–**	48
Current assets	**38 722**	53 216
Trade receivables	**14 191**	20 001
Prepaid expenses and other receivables	**3 094**	3 351
Contract assets and contract costs	**12 627**	10 692
Current tax assets	**116**	144
Cash resources	**8 694**	19 028
Total assets	**74 682**	90 891
Equity and liabilities		
Equity attributable to equity holders of the parent	**34 566**	35 253
Non-controlling interests	**(469)**	2 394
Total equity	**34 097**	37 647
Non-current liabilities	**4 861**	15 072
Long-term interest-bearing liabilities	**–**	7 649
Lease liabilities	**2 923**	3 901
Liability for share-based payments	**–**	2 355
Acquisition-related liabilities	**831**	–
Deferred tax liabilities	**839**	824
Other liabilities	**268**	343
Current liabilities	**35 724**	38 172
Trade and other payables	**26 909**	28 327
Lease liabilities	**1 170**	2 087
Deferred revenue	**5 065**	6 277
Acquisition-related liabilities	**831**	–
Current tax liabilities	**1 749**	1 481
Total equity and liabilities	**74 682**	90 891

12. Discontinued operations continued

for the year ended 28 February 2023

Cash flows from discontinued operations

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Net cash inflow from operating activities	**3 593**	8 700
Net cash outflow from investing activities	**(12 943)**	(861)
Net cash outflow from financing activities	**(9 800)**	(5 264)
Net (decrease)/increase in cash and cash equivalents	**(19 150)**	2 575
Opening cash	**19 028**	16 453
Translation differences	**122**	–
Cash and cash equivalents at the end of the year – discontinued operations	**–**	19 028
Cash and cash equivalents at the end of the year – continuing operations	**512 786**	396 945
Cash and cash equivalents at the end of the year – combined operations	**512 786**	415 973

Gain on disposal of subsidiary

US$'000	Audited Year ended 28 February 2023
Consideration received	**137 084**
Deferred loan note	**7 603**
Goodwill derecognised	**(25 566)**
Other net assets disposed of	**(9 000)**
Non-controlling interest derecognised	**9 444**
Release of share-based payment reserve	**907**
Cumulative loss on disposal group reclassified from equity on loss of control of subsidiary	**(5 957)**
Transaction-related costs incurred on the disposal	**(4 600)**
	109 915

Gain on disposal of subsidiary continued

US$'000	Audited Year ended 28 February 2023	Audited Year ended 28 February 2022
Profit for the year from discontinued operations		
Profit for the year – disposal group	**7 052**	5 766
Gain on disposal of subsidiary	**109 915**	–
	116 967	5 766

Net cash inflow on disposal of subsidiary

US$'000	Audited Year ended 28 February 2023
Consideration received in cash	**137 084**
Less: Cash and cash equivalent balances disposed of	**(8 694)**
Transaction-related costs incurred on the disposal	**(4 600)**
Net cash flow on disposal of subsidiary	**123 790**

13. Subsequent events
for the period ended 28 February 2023

Increased shareholding in subsidiaries

Effective 3 March 2023, Logicalis Spain, SL, a wholly owned subsidiary of Logicalis International Limited increased its shareholding in Audea Seguridad de la Informacion, SL by 2.3% to 72.3%. Effective 21 April 2023, Logicalis Spain, SL increased its shareholding in Audea Seguridad de la Informacion, S.L by 13.85% to 86.15%.

Dividend declared

On 23 May 2023, the Board declared a final dividend for FY23 of 195 ZAR cents per share, equivalent to 10 US cents per share or in total US$22.5 million with the customary form of a cash dividend with a scrip distribution alternative.

Management incentive plan – Logicalis International

Logicalis International implemented the Logicalis International Long Term Incentive Plan ("LILTIP") in March 2023 following a corporate restructuring.

A fixed return instrument was issued to Datatec PLC in addition to its ordinary equity. The Logicalis International Executive Leadership team, being 18 individuals, invested 5.4% of the ordinary equity in the new structure with the same economic rights as Datatec's ordinary shares in Logicalis International. A further 0.9% of the ordinary equity is available for purchase by management to allow for changes to the management team up to a total limit of 6.3%.

There were no other material subsequent events.

14. Going concern
as at 28 February 2023

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

Solvency

The Board determined that the Group is solvent as at 28 February 2023, with net assets of US$472.0 million (FY22: US$563.4 million) and tangible net assets of US$178.8 million (FY22: US$243.3 million). The Group is expected to remain solvent over the next 12 months.

Liquidity

Financing facilities entered into in recent years, as well as the strong operating cash flow generated during FY23, significantly enhanced the Group's liquidity position.

The Group performed covenant projections to confirm that banking covenants are unlikely to be breached for the next 12 months. Trade receivables and inventory are of a sound quality and adequate provisions 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 the Group's consolidated annual financial statements.

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 its consolidated annual financial statements on a going concern basis.

15. *Pro forma* supplementary information

for the year ended 28 February 2023

Pro forma supplementary financial information is included to illustrate i) the effects of the translation of foreign operations on the Group ii) the effects of share-based payments, restructuring costs, one-off tax items impacting EBITDA, and acquisition, integration and corporate actions costs on EBITDA and iii) the effects of normalisation adjustments impacting headline earnings ("underlying earnings"). The *pro forma* adjustments to EBITDA and underlying earnings are to align with international peer reporting.

Pro forma financial information is included for the Group's revenue for the current reporting period had it been translated at the average foreign currency exchange rates (simple average) of the prior reporting period ("constant currency").

Pro forma financial information is included for EBITDA. The Group has adjusted its EBITDA to exclude share-based payments, restructuring costs, one-off tax items impacting EBITDA, and acquisition, integration and corporate actions costs ("adjusted EBITDA").

Pro forma underlying earnings information is also presented. 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, unrealised foreign exchange movements, 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.

This supplementary information constitutes *pro forma* information in terms of the JSE Listings Requirements. The *pro forma* financial information has been compiled for illustrative purposes only and is the responsibility of the Datatec directors. Due to the nature of this information, it may not fairly present the Group's financial position, changes in equity and results of operations or cash flows.

The *pro forma* information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on *Pro Forma* Information by SAICA. The Group's external auditor, PricewaterhouseCoopers Inc., has issued an unmodified assurance report, in terms of ISAE 3420 Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information in a Prospectus on 23 May 2023. Refer to the pages following this note for their unmodified reporting accountant's report thereon.

Effects of the translation of foreign operations

To determine the revenues in constant currency terms, the current financial reporting period's monthly revenues in local currency have been converted to US Dollar at the average monthly exchange rates prevailing over the same period in the prior year. The average exchange rates of the Group's material currencies are listed below:

Average exchange rates	Year ended 28 February 2023	Year ended 28 February 2022
British Pound/US Dollar	1.21	1.37
Euro/US Dollar	1.04	1.16
US Dollar/Brazilian Real	5.13	5.37
US Dollar/Australian Dollar	1.45	1.35
US Dollar/Singapore Dollar	1.38	1.35
US Dollar/South African Rand	16.79	15.01

Constant currency financial information

	Year ended 28 February 2023		
US$'000	Revenue	*Pro forma* revenue	Constant currency % change
Datatec Group	5 143 125	5 468 878	20.3
Westcon International	3 420 569	3 625 509	25.4
Logicalis International	1 231 517	1 314 656	16.0
Logicalis Latin America	491 039	528 713	1.2

15. *Pro forma* supplementary information continued

for the year ended 28 February 2023

Adjusted EBITDA

To determine adjusted EBITDA, share-based payments, restructuring costs, one-off tax items impacting EBITDA, and acquisition, integration and corporate actions costs have been excluded. After a review of the key financial metrics of Datatec's international peers at a Board strategy meeting, the Group is now presenting adjusted EBITDA excluding one-off tax items impacting EBITDA, and acquisition, integration and corporate actions costs. This is in order to be more in line with international peer reporting. This change has been applied prospectively. While the comparatives are unadjusted, these items were not material in the prior year.

US$'000	**Year ended 28 February 2023**	Re-presented^ Year ended 28 February 2022
EBITDA	**98 246**	143 457
Share-based payments	**52 641**	15 465
Restructuring costs	**15 157**	–
One-off tax items impacting EBITDA*	**11 863**	–
Acquisition, integration and corporate actions costs*	**2 275**	–
Adjusted EBITDA	**180 182**	158 922

* *Based on information underlying the consolidated annual financial statements for the year ended 28 February 2023.*

^ *The prior year has been re-presented to show comparative results from continuing and discontinued operations in accordance with IFRS 5.*

Underlying earnings

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, unrealised foreign exchange movements, 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.

As stated above, the exclusion of one-off tax items impacting EBITDA, and acquisition, integration and corporate actions costs is in order to be more in line with international peer reporting. This change has been applied prospectively. While the comparatives are unadjusted, these items were not material in the prior year.

US$'000	Year ended 28 February 2023	Year ended 28 February 2022
Reconciliation of headline (loss)/earnings to underlying earnings		
Headline (loss)/earnings	**(20 235)**	33 008
Underlying earnings adjustments	**37 374**	5 075
Unrealised foreign exchange losses/(gains)	**9 115**	(470)
Acquisition-related fair value adjustments	**38**	(567)
Restructuring costs	**15 157**	–
Amortisation of acquired intangible assets	**11 886**	10 100
One-off tax items impacting EBITDA*	**11 863**	–
Acquisition, integration and corporate actions costs*	**2 318**	–
Tax effect	**(7 258)**	(3 009)
Non-controlling interests	**(5 745)**	(979)
Underlying earnings	**17 139**	38 083
Continuing operations – Re-presented^	**13 311**	32 471
Discontinued operations – Re-presented^	**3 828**	5 612
Underlying earnings per share (US cents)		
Underlying	**7.9**	18.7
Continuing operations	**6.1**	16.0
Discontinued operations	**1.8**	2.7
Diluted underlying	**7.6**	18.2
Continuing operations	**5.9**	15.5
Discontinued operations	**1.7**	2.7

^ *The prior year has been re-presented to show comparative results from discontinued operations in accordance with IFRS 5.*
* *Based on information underlying the consolidated annual financial statements for the year ended 28 February 2023.*

Report on the assurance engagement on the compilation of *pro forma* financial information included in the annual financial results

for the year ended 28 February 2023

To the Directors of Datatec Limited

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Datatec Limited (the "Company") by the directors. The *pro forma* financial information is set out on pages 60 to 63 of the 2023 Annual Financial Results (the "2023 Financial Results"). The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Limited (JSE) Listings Requirements and described in the 2023 Financial Results.

The *pro forma* supplementary financial information has been compiled by the directors is included to demonstrate the effects of the translation of foreign operations on the Company as well as the effects of share-based payments, restructuring costs, one-off tax items impacting EBITDA, and acquisition, integration and corporate actions costs on EBITDA. *Pro forma* underlying earnings information is also presented. The *pro forma* adjustments to EBITDA and underlying earnings are to align with international peer reporting. Adjusted EBITDA excludes share-based payments, restructuring costs, one-off tax items impacting EBITDA, and acquisition, integration and corporate actions costs. Underlying earnings exclude normalisation adjustments: 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, one-off tax items impacting EBITDA, costs relating to acquisitions, integration and corporate actions, and the taxation effect on all of the aforementioned. As part of this process, information about the Company's financial performance has been extracted by the directors from the Company's financial statements for the year ended 28 February 2023, on which an audit report has been published.

Directors' responsibility[1]

The directors of the Company are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the 2023 financial results.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. 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).*

[1] *The examination of controls over the maintenance and integrity of the Company's website is beyond the scope assurance engagement on the compilation of pro forma financial information included in the 2023 financial results. Accordingly, we accept no responsibility for any changes that may have occurred to the 2023 financial results since they were initially presented on the website.*

The firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in 2023 Financial Results based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information is solely to present selected financial data on a constant currency basis, and the determination of adjusted EBITDA and underlying earnings. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Report on the assurance engagement on the compilation of *pro forma* financial information included in the annual financial results continued

for the year ended 28 February 2023

Reporting accountant's responsibility continued

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in the 2023 financial results.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: BW Niebuhr
Registered Auditor
Johannesburg, South Africa

23 May 2023

Administration

Registered offices

Datatec Limited
3rd Floor
Sandown Chambers
Sandown Village Office Park
81 Maude Street
Sandown, 2196 South Africa
Tel +27 (0) 11 233 1000
Email: ir@datatec.co.za

Datatec plc
1st Floor, Bush House North West Wing
London
WC2B 4PJ
United Kingdom
Tel +44 (0) 207 395 9000

Company Secretary

Datatec Management Services (Pty) Ltd
(Managing Director – SP Morris)

Office – UK
1st Floor, Bush House North West Wing
London
WC2B 4PJ
United Kingdom
Tel +44 (0) 207 395 9000

Office – USA
660 White Plains Road
Tarrytown
New York 10591
USA
Tel +1 914 829 7000

Sponsor

Pallidus Exchange Services Proprietary Limited
Die Groenhuis
38 Garsfontein Road
Waterkloof
Pretoria, 0145
South Africa

Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa
Private Bag X9000, Saxonwold, 2132

Corporate law advisers and consultants

Bowman Gilfillan Inc.
11 Alice Lane
Sandton, 2196
South Africa

Auditors

PricewaterhouseCoopers
4 Lisbon Lane
Waterfall City
Jukskei View, 2090
South Africa

Principal bankers – SA

The Standard Bank of South Africa Limited
Corporate and Investment Banking
30 Baker Street
Rosebank, 2196
South Africa

Principal bankers – UK

HSBC U.K. Bank plc
26 Broad Street
Reading
Berkshire
RG1 2B

Company information

Datatec Limited
Incorporated in the Republic of South Africa

Registration number: 1994/005004/06
Share code JSE: DTC
ISIN: ZAE000017745
("Datatec", the "Company" or the "Group")

Registered office: 3rd Floor, Sandown Chambers
Sandown Village Office Park, 81 Maude Street, Sandton

Bastion

DATATEC

Driving Technology

www.datatec.com

www.westconcomstor.com

www.logicalis.com