

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

RESULTS ANNOUNCEMENT: UNAUDITED CONDENSED RESULTS FOR THE SIX MONTHS ENDED  
 31 AUGUST 2024

	Change	Unaudited six months ended 31 Aug 24 R'000	Unaudited six months ended 31 Aug 23 R'000	Audited year ended 29 Feb 24 R'000
Highlights from Statement of Comprehensive Income				
Turnover	-8%	45,118	49,137	100,797
Profit before other income and expenses	8%	24,854	23,091	48,941
Profit after tax	10%	13,199	11,946	29,539
Earnings per share (cents)	10%	8.5	7.7	18.9
Highlights from Statement of Financial Position				
Total assets	5%	82,553	78,324	86,447
Cash and cash equivalents	-25%	22,453	29,992	30,057
Equity	2%	58,648	57,280	62,921
Total liabilities	14%	23,905	21,044	23,526
Dividends and distribution				
Ordinary dividend per share declared for the period (cents)	-100%	-	7.7	18.9
Ordinary dividend per share paid during the period (cents)	81%	11.2	6.2	13.9
Net asset value per share at end of period (cents)	2%	37.6	36.7	40.3
Headline earnings per share (cents)*	10%	8.5	7.7	18.9
Diluted headline earnings per share (cents)*	10%	8.5	7.7	18.9

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

Operational Review

I am pleased to present our results for the six months ended 31 August 2024  
 ("the current reporting period"), which continue to be underpinned by a high  
 proportion of recurring revenue, a robust balance sheet and strong cash  
 flows. Despite the challenging trading conditions in which we operate,  
 overall performance remains satisfactory.

Turnover unfortunately decreased by 8% during the current reporting period to  
 R45.1 million compared to R49.1 million in the previous corresponding

reporting period ("the prior reporting period"). 86% is subscription derived and includes a healthy mix of products, subscriptions and our Managed Security Service offerings that feature MSS Pulse, our internally developed security infrastructure management, monitoring and reporting platform. This decrease in turnover can largely be attributed to the timing differences on a few larger contracts, when viewed against the prior reporting period. However, management continued to focus on developing their offerings with a view of attracting new customers and uncovering additional revenue generating opportunities within their existing customer base. These product development initiatives are expected to yield more pleasing and predictable revenue growth rates over time.

Despite the decline in turnover, profit before other income and expenses increased by a pleasing 8% during the current reporting period to R24.8 million, representing a gross margin of 55% compared to 47% in the prior reporting period. This increase in gross margin is largely attributed to a subtle shift in our revenue composition, including an increased proportion of more higher margin services compared to the prior reporting period. Operating expenditure increased by 10% to R15.5 million compared to R14.1 million in the prior reporting period, which increase is largely due to payroll inflation rather than any fundamental changes in the business itself.

On another positive note, our share of profits from our equity-accounted investment ("DataProof") increased by 25% to R5.5 million from R4.4 million in the prior reporting period. DataProof continues to deliver strong results and is beginning to be recognised as a strong contender in security information and event management within the cybersecurity industry, especially in the public sector.

Total comprehensive income attributable to equity shareholders for the current reporting period increased to R13.2 million from R11.9 million in the prior reporting period, representing a 10% increase in headline and earnings per share to 8.5 cents, from 7.7 cents in the prior reporting period.

Trade and other receivables decreased by 18% to R14.0 million from R17.1 million, while trade and other payables increased by 13% to R22.5 million from R20.0 million in the prior reporting period. Management is not overly concerned with these changes, as they are largely a factor of deal and supplier settlement timing and product mix structuring, as opposed to any fundamental change in cash management practices of the business.

Cash and cash equivalents decreased by 25% to R22.5 million in the current reporting period, from R30.0 million in the prior reporting period, this after the final dividend of R17.5 million that was paid to shareholders during the current reporting period. Management points out that DataProof continues to accumulate their cash while considering several capital allocation options available to them at this time, and as such has not declared a dividend to ISA, which would have bolstered our cash position.

#### Distribution

A final dividend totalling R17.5 million was declared and paid to shareholders during the period under review, representing a gross distribution of 11.2 cents per share. The board has not declared an interim dividend, as their current cash reserves are needed to fund our operations and anticipated short-term growth trajectory.

#### RESULTS ANNOUNCEMENT

This results announcement is the responsibility of the directors of the Company. This results announcement does not include full or complete details of the unaudited condensed results for the six months ended 31 August 2024

("Results") released on SENS on 8 November 2024. The Results, as published on SENS, can be found on the Company's website at:  
<https://www.isa.co.za/sens/SENS - 20241108-01.pdf>  
and on the JSE's cloudlink at:  
<https://senspdf.jse.co.za/documents/2024/jse/isse/isa/interim24.pdf>

Any investment decisions by investors or shareholders should be based on the consideration of the Results as a whole. None of the information in this announcement has been reviewed or reported on by the Company's auditors.

#### SPECIAL THANKS

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

For and on behalf of the board,

Clifford Katz  
Chief Executive Officer

Johannesburg  
8 November 2024

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

Designated Adviser: Merchantec Capital

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