Registration number: 1994/005004/06

DATATEC LIMITED

AUDITED FINANCIAL STATEMENTS

for the year ended 29 February 2024

Datatec Limited annual financial statements

for the year ended 29 February 2024

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Officers and professional advisors
for the year ended 29 February 2024

Directors
SJ Davidson
IP Dittrich
M Makanjee
JF McCartney (retired 27 July 2023)
CRK Medlock
JP Montanana
MNJ Njeke
LC Rapparini
DS Sita
SJ Everaet (appointed 2 October 2023)

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

Registered office
3rd floor, Sandown Chambers
Sandown Village Office Park
81 Maude Street
Sandown
Sandton, 2196
South Africa

Public Officer
SL Prozesky

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

Investec Corporate & Institutional Banking
100 Grayston Drive
Sandown
Sandton, 2196
South Africa

Auditor
PricewaterhouseCoopers Inc.
4 Lisbon Lane
Jukskei View, 2090
Johannesburg

Directors' responsibility statement

for the year ended 29 February 2024

The directors are responsible for the preparation and fair presentation of the annual financial statements of Datatec Limited, ("Company") comprising the statement of financial position at 29 February 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and the notes to the annual financial statements which include other explanatory notes, in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards") and the requirements of the South African Companies Act 71 of 2008 ("the Companies Act").

In terms of the Companies Act, the directors are required to prepare annual financial statements that fairly present the state of affairs and business of the Company at the end of the financial year and of the results for that year. The annual financial statements for the year ended 29 February 2024 are prepared in accordance with IFRS Accounting Standards of the International Accounting Standards Board, Interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, and the Companies Act, and incorporate transparent and responsible disclosure together with appropriate accounting policies. These annual financial statements were compiled under the supervision of Ivan Dittrich CA(SA), the Chief Financial Officer ("CFO").

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these annual financial statements.

These annual financial statements have been audited in compliance with the requirements of the Companies Act. The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

The directors have made an assessment of the ability of the Company to continue as a going concern and believe that the Company has adequate resources to continue in operation for the foreseeable future and accordingly these annual financial statements have been prepared on a going concern basis.

Approval of the annual financial statements

The annual financial statements of Datatec Limited as identified in the first paragraph were approved and authorised by the Board of Directors on 24 May 2024 and signed by:

JP Montanana
Chief Executive Officer

Authorised director
26 May 2024

IP Dittrich
Chief Financial Officer

Authorised director
26 May 2024

Certificate by Company Secretary
for the year ended 29 February 2024

In terms of section 88(2)(e) of the South African Companies Act 71 of 2008, I certify that for the year ended 29 February 2024 Datatec Limited has filed with the Commissioner of the CIPC all such returns as are required of a public company in terms of the Act. Further, that such returns are true, correct and up to date.

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

Audit, Risk and Compliance Committee report

for the year ended 29 February 2024

The information below constitutes the report of the Audit, Risk and Compliance Committee ("ARCC" or "the Committee").

The ARCC comprises three independent non-executive directors: Johnson Njeke (Chairman), Deepa Sita and Rick Medlock. Curricula vitae for these directors are in the Group annual financial statements together with their relevant skills and suitable experience.

The following officers are invited to attend all meetings of the ARCC:

- Chair of the Board, Maya Makanjee;
- Chief Executive Officer, Jens Montanana;
- Chief Financial Officer, Ivan Dittrich;
- Chief Risk Officer, Simon Morris; and
- Chief Audit Executive, Marcos Bedendo (Internal Audit).

The external and internal auditor have unrestricted access to the ARCC and also meet with the Committee members, without management present, at least once a year. The external audit partner is invited to attend all ARCC meetings throughout the year.

The Committee meets at least four times a year. In the year under review and subsequently up to the date of this report, the Committee has met seven times, with all members in attendance. The Chairman of the Committee reports on the Committee's activities at each Board meeting.

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board. The charter is reviewed annually to confirm compliance with the King IV™ Code and the Companies Act and to ensure the incorporation of best practice developments. The charter is available at www.datatec.com.

The Committee is satisfied that it has met and complied with its legal and regulatory responsibilities for the year under review and to the date of this report with respect to its terms of reference as set out in its charter.

In terms of the Companies Act and the JSE Listings Requirements, the Committee has considered and satisfied itself of the appropriateness of the expertise and experience of Mr Dittrich. Further, the Committee considers the appropriateness of the expertise and adequacy of resources of the Company's finance function and the experience of senior management in the finance function and the risk management organisation. For the year under review, the Committee is satisfied that the Company has established appropriate financial reporting procedures and controls, and that those procedures and controls are operating effectively.

The Committee is responsible for approving the external auditor's fees and oversees the Company's policy and controls that address the acceptance of non-audit services by the external auditor and the nature and extent of such services rendered during the financial year. This contributes to maintaining the external auditor's independence. The Committee reviews the activities and effectiveness of the Company's internal audit function and annually reviews the internal audit charter and recommends it to the Board. The ARCC receives reports from the Chief Audit Executive at each of its meetings and reviews the progress of the internal audit programme, results and findings from internal audit work and actions taken by management to resolve issues in a timely manner.

The Committee assists the Board in reviewing the risk management process and significant risks facing the Company. The Committee reviews the Company's risk strategy with the executive directors and senior management and oversees the Company's use of recognised risk management and internal control models and frameworks to maintain a sound system of risk management and internal control. Combined assurance processes are in place throughout the Company to provide the Committee with internal management assurance and external assurance from a range of assurance providers including the internal auditor. The ARCC is satisfied that the appropriate processes are in place, including effective combined assurance, to enable the Board to make an objective assessment of the Company's system of internal controls and risk management.

The Committee is tasked with reviewing the annual financial statements. The ARCC recommended the annual financial statements for the year ended 29 February 2024 for approval to the Board. The Board has subsequently approved the annual financial statements which will be published on the Company's website and presented at the forthcoming Annual General Meeting.

Audit, Risk and Compliance Committee report continued

for the year ended 29 February 2024

Going concern

The Board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future. Refer to the directors' report for further information on going concern for the Company.

Key sources of estimation uncertainty and critical judgements

The financial performance and statement of financial position presented in the annual financial statements point to areas where key assumptions concerning the future, and other key areas of estimation included in the Company's annual financial statements, pose a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

These are outlined in the notes to the audited annual financial statements. The Committee has considered in particular the qualitative and quantitative aspects of information presented in the statement of financial position and other notes that contain sources of estimation and uncertainty in the following areas:

- Estimates made in determining the recoverable amount of intercompany balances and investments included in the statement of financial position (disclosed in Note 5 - Investments in subsidiaries and intercompany balances).
- Estimates made in determining equity-settled share-based payment expenses.

In making its assessment in each of these areas, the Committee examined the external auditor's report and questioned senior management in arriving at their conclusions. Based on their review of the underlying issues and assumptions, the Committee considers the accounting treatment of these to be appropriate.

MJN Njeke
Audit, Risk and Compliance Committee Chairman
Sandton
26 May 2024

Directors' report
for the year ended 29 February 2024

Company profile

Datatec Limited (the "Company"), a South African company with registration number 1994/005004/06, is the ultimate parent company of the Datatec Group ("the Group"). The Company's shares are listed on the JSE Limited with share code DTC and ISIN ZAE000017745. The Group is an international information and communications technology ("ICT") business with operations in over 50 countries.

Company financial results

Management fee income increased to ZAR81 million in 2024 (2023: ZAR74 million). The Company made a profit of ZAR15 million in 2024 (2023: Profit ZAR2,599 million) with positive cash balances of ZAR202 million in 2024 (2023: ZAR302 million). The Company was in a positive net asset position for both 2024 and 2023.

Stated share capital

Authorised stated share capital

The authorised stated share capital of the Company as at 29 February 2024 and 28 February 2023 is 400,000,000 ordinary shares.

Issued stated share capital

As at 29 February 2024, the issued stated capital, excluding treasury shares and shares held throughout the period for equity-settled share schemes, amounted to ZAR2,269,013.83 divided into 226,901,383 ordinary shares (28 February 2023: ZAR2,196,533.16 divided into 219,653,316 ordinary shares).

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new ordinary shares are recognised in equity as a deduction of equity. If ordinary shares are purchased for cancellation the consideration paid, including any directly attributable incremental external costs (net of tax), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Stated share capital changes during the year

2023 Final year end dividend and scrip distribution alternative

A cash dividend with a scrip distribution alternative was declared on 23 May 2023 based on the final 2023 financial results. In terms of the scrip distribution alternative, 4,606,140 new ordinary shares were issued to shareholders who elected to receive the scrip distribution shares, resulting in a capitalisation of the distributable retained profits of the Company of ZAR167,745,093. 61,8% of the shareholders elected to receive the gross cash dividend of 195 ZAR cents per ordinary share resulting in a total gross cash dividend of ZAR270,841,488 which was paid out of the distributable retained profits of the Company.

Share issue expenses in the current year amounted to ZAR0.2 million (2023: ZAR0.3 million).

Treasury shares

During the year the Company purchased 548,362 Datatec Limited shares to the value of ZAR22.2 million to be held as treasury shares for use in the settlement of employee share-based remuneration plans. As at 29 February 2024 the Company holds 574,145 of its own shares as treasury shares.

Escrow shares

A total of 358,394 Datatec ordinary shares to the value of ZAR13,4 million were acquired on the open market for the participants of the Deferred Bonus Warrant scheme ("DBW") during the year. These shares are held in escrow for the benefit of the participants but are accounted for in the annual financial statements of the Company.

Dividend policy

The Company's policy is to maintain a fixed three times cover relative to the Datatec Group's underlying earnings when declaring ordinary dividends.

Investments and subsidiaries

Financial information relating to the Company's investments and interests in subsidiaries is disclosed in Note 5 - Investments in subsidiaries and intercompany balances.

Directors' report continued

for the year ended 29 February 2024

Directors

All directors are subject to election by shareholders at the first opportunity after their appointment. Subsequently, the terms of the Company's Memorandum of Association require one-third of all directors to retire annually (ensuring each director retires at least once every three years) when they may offer themselves for re-election by shareholders.

Going concern

The Board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future. The Company's annual financial statements have accordingly been prepared on a going concern basis.

Events occurring subsequent to the year-end

Dividend declared

On 27 May 2024, the Board declared a final dividend for FY24 of 130 ZAR cents per share (approximately 7 US cents per share) totalling US$16.2 million with the customary form of a cash dividend with a scrip distribution alternative.

There were no other events that occurred subsequent to the reporting date that require disclosure or adjustment to these annual financial statements.

Independent auditor's report

To the Shareholders of Datatec Limited

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Datatec Limited (the Company) as at 29 February 2024, and its separate financial performance and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Datatec Limited's separate financial statements set out on pages 10 to 54 comprise:

- the Company statement of financial position as at 29 February 2024;
- the Company statement of comprehensive income for the year then ended;
- the Company statement of changes in equity for the year then ended;
- the Company statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa.

We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. 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).*

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Datatec Audited Group Consolidated Annual Financial Statements 2024" and "Datatec Limited Audited Financial Statements for the year ended 29 February 2024", which includes the Directors' Report, the Audit, Risk and Compliance Committee Report and the Certificate by Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the documents titled "Datatec Integrated Report 2024" and "Datatec Annual Report 2024", which are expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the separate financial statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Datatec Limited for 4 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D Storm
Registered Auditor
Johannesburg, South Africa
26 May 2024

Company accounting policies

for the year ended 29 February 2024

Basis of accounting and reporting

The audited annual financial statements as set out on pages 10 to 54 have been prepared on the historical cost basis apart from those assets and liabilities referred to that are measured at fair value, as explained in the accounting policies below. Significant details of the Company's accounting policies are set out below and are consistent with those applied in the previous year, except for the adoption of new and amended standards as set out below.

Accounting policies for which no choice is permitted in terms of IFRS® Accounting Standards ("IFRS Accounting Standards") have been included only if management considers that the disclosure will assist users in understanding the financial statements as a whole, after considering the materiality of the item being discussed. Accounting policies which are not applicable from time to time have been removed, but will be included if the type of transaction occurs in future or becomes material.

These financial statements comply with the IFRS Accounting Standards of the International Accounting Standards Board, Interpretations issued by the IFRS Interpretations Committee, the JSE Listings Requirements, the Companies Act of South Africa as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

Adoption of amendments to existing standards

The Company adopted the following amendments to existing standards and interpretations which are effective for the first time:

Applicable standard or note	Amendment	Amendment application	Effective reporting period
IAS 1 *Presentation of Financial Statements* and IFRS *Practice Statement 2*	Disclosure of Accounting Policies	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.	1 January 2023
IAS 8 *Accounting Policies, Changes in Accounting Estimates and Error*	Definition of Accounting Estimates	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	
IAS 12 *Income Taxes*	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	
IAS 12 *Income Taxes – Pillar Two Model Rules*	The deferred tax exemption and disclosure	The amendments give temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements.	
IFRS 17 *Insurance Contracts*	Replacement of IFRS 4 *Insurance Contracts*	IFRS 17 replaces IFRS 4.	

The Company has adopted the amendment to IAS 12 Income Taxes ("IAS 12") as it relates to the disclosure of deferred tax assets and deferred tax liabilities arising from a single transaction. The Company has assessed that the impact of this amendment is limited to the deferred taxes raised on leased assets accounted for in accordance with IFRS 16 Leases ("IFRS16").The Company previously disclosed deferred taxes raised on right-of-use assets and lease liabilities on a net basis. Following the amendments, the Company has disclose a deferred tax asset in relation to its lease liabilities separate from the deferred tax liability in relation to its right-of-use assets in its annual financial statements. The comparative note disclosure has been restated in accordance with the revised requirements.

There is no resultant impact on the statement of financial position as these balances qualify for offset in terms of IAS 12. Further, there is no impact on the opening retained earnings as at 1 March 2023 as a result of the amendment.

The application of all the other amendments to the existing standards and the interpretation had no material impact on the disclosures or amounts recognised in the Company's annual financial statements.

Company accounting policies continued

for the year ended 29 February 2024

New or revised accounting standards and amendments to existing standards not yet effective

At the date of authorisation of these annual financial statements, the following new or revised accounting standards and amendments to existing standards applicable to the Company were in issue but not yet effective:

Applicable standard or note	Amendment	Amendment application	Effective reporting period
IAS 1 *Presentation of Financial Statement*	Classification of Liabilities as Current or Non-current	The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.	1 January 2024
IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*	Supplier Finance Arrangements	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	1 January 2024
IAS 21 *The Effects of Changes in Foreign Exchange Rates*	Lack of Exchangeability	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
IFRS 16 *Leases*	Lease Liability in a Sale and Leaseback	The amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2025

The Company 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 Company but not yet effective at 29 February 2024, are being evaluated for the impact of these pronouncements, the accounting standards, amendments to issued standards and interpretations are not expected to have a material impact.

Key sources of estimation and critical judgements

In the application of the Company's accounting policies described below, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key areas of estimation included in the Company's annual financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- Estimates made in determining the recoverable amount of intercompany balances and investments included in the statement of financial position (disclosed in Note 5 -Investments in subsidiaries and intercompany balances).

The Company continually assesses the carrying value of its intercompany loan receivable balances and investments recognised as part of historical acquisitions. This requires an estimation of the value in use, based on estimated future cash flows and discount rates relating to the investments. Estimates are made in determining the expected credit losses for intercompany loan receivables.

- Estimates made in determining equity-settled share-based payment expenses.

The Company recognises equity-settled share-based payment expenses from its various share incentive schemes and exercises judgement when calculating these expenses. Expenses are generally based on the fair values of awards granted to employees. Fair value is measured using appropriate valuation and option pricing models, where applicable. The vesting periods applicable to the various schemes are determined in accordance with the standard where the vesting period is determined to be the period over which an employee renders the service to which the equity-settled share-based allocation relates.

Foreign currency transactions

Transactions and balances

Transactions in currencies other than the functional currency are initially recorded at the rates of exchange ruling on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in currencies other than the functional currencies are translated at the rates prevailing at the reporting date. Profits and losses arising on exchange are dealt with in the statement of comprehensive income.

Functional and presentation currencies

The annual financial statements are presented in Rands (ZAR) which is the Company's functional and presentation currency. Amounts are rounded to the nearest million with the exception of the number of ordinary shares and treasury shares.

Office furniture and equipment

All office furniture and equipment has been measured at cost less accumulated depreciation and any recognised impairment loss. Depreciation is calculated based on cost using the straight-line method over the estimated useful lives of the assets less their residual value. Estimation of the useful economic life includes an assessment of the expected rate of technological developments and the intensity at which assets are expected to be used based on historic usage of similar office furniture and equipment. Revision of the useful life is considered annually and if there are significant changes to the initial usage assumptions.

The basis of depreciation provided on office furniture and equipment is as follows:

	Useful lives
Office furniture and equipment	5 years
Computer equipment	3 years
Leasehold improvements	Shorter of useful life/Period of the lease

Software purchased to support the Company's back-office, accounting and customer relationship functions, that forms an integral part of hardware, is included in computer equipment and is depreciated over its expected useful life.

All assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An impairment review of office furniture and equipment is carried out when there is an indication that these may be impaired by comparing the carrying amount thereof to its recoverable amount. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of office furniture and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss in the statement of comprehensive income.

Leasing

Leases as a lessee

Right-of-use assets

The Company leases various items of office furniture and equipment, and buildings. Rental contracts are typically entered into for fixed periods but may have extension options. The Company assesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option and accordingly determine the lease term. Lease terms are negotiated on an individual basis and contain a range of terms and conditions.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Items of low value have been determined based on the nature of the assets. Similar items are categorised and assessed to determine whether such items are considered to be low value. Low-value items include assets such as laptops and phones. The assessment of 'low value' for a leased asset is to be made on the basis of the value of an asset when it is (or was) new, regardless of whether the actual asset being leased is new. Additionally, the assessment is made regardless of whether the leased asset is material to the lessee.

The right-of-use asset is measured initially at cost, and subsequently at cost less any accumulated depreciation and impairment losses. Impairment losses are determined in accordance with IAS 36 Impairment of Assets ("IAS 36") (refer to impairment policy below). Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Lease liabilities

The lease liability is measured initially at the present value of the minimum future lease payments, discounted at the Company's incremental borrowing rate, unless the rate implicit in the lease is readily determinable. The lease liability is subsequently increased by lease finance charges and decreased by lease payments made. Lease finance charges are amortised over the duration of the underlying leases, using the effective interest method. Incremental borrowing rates have been determined based on country-specific factors.

Impairment

At each reporting date, or more frequently when an indication of impairment exists, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value-in-use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately and are reflected in profit or loss in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but will never exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss in the statement of comprehensive income.

Investments in subsidiaries

Investments in subsidiaries are initially measured at cost and are assessed for indicators of impairment at the end of each reporting period. Investment in subsidiaries are subsequently measured at cost less accumulated impairment losses. Investments in subsidiaries are derecognised on date of disposal and the difference between the carrying amount and consideration received is recognised in profit and loss in the statement of comprehensive income.

Financial instruments

Recognition, classification, measurement and derecognition

The Company determines the classification of financial assets and liabilities at initial recognition. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments, and are initially measured at fair value, net of directly attributable transaction cost, unless the instrument is classified as at fair value through profit or loss. For instruments classified at fair value through profit or loss attributable transaction costs are immediately expensed.

At initial recognition the Company considers the appropriate classification of financial instruments as either:
- At amortised cost, or
- At fair value through profit or loss.

The Company does not classify any financial instruments as at fair value through other comprehensive income.

The subsequent measurement of financial instruments will depend on their classification at recognition:
- Amortised cost - These instruments are measured at amortised cost using the effective interest rate method.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- 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 are 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 are inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent that it is available for its level 2 financial instruments.

The Company has no financial instruments measured at fair value.

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred. Financial liabilities are derecognised when the obligation is extinguished.

Financial instruments (continued)

Recognition, classification, measurement and derecognition (continued)

Expected credit losses

Expected credit losses are recognised on the following items:
- Debt instruments at amortised cost;
- Financial guarantee contracts;
- Intercompany loan receivables;
- Accounts receivables measured at amortised cost; and
- Cash and cash equivalents.

These assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

The Company's approach to determine credit losses varies according to the asset type, past bad debt experience and the potential to incorporate forward looking information.

The general expected credit loss approach requires that the Company assess the credit risk of an instrument and determine whether there has been a significant increase in credit risk since initial recognition. Where the associated credit risk has not increased significantly since initial recognition, expected credit losses are measured as the 12 month expected credit losses. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses.

The Company measures expected credit losses on financial assets at the reporting date as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract in place with the relevant counterparty and the cash flows that the Company expects to receive).

No changes in the estimation techniques or significant assumptions used in measuring expected credit losses were made during the reporting period.

No significant changes in the gross carrying amount of financial instruments were noted in the reporting period.

Significant increase in credit risk

An assessment of whether or not the credit risk on a financial asset has increased significantly is performed at each reporting date. When making such an assessment an entity shall use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

Write-off

When the Company has no reasonable expectation of recovery of a debt, the amount is written off.

Foreign exchange gains and losses

For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the statement of comprehensive income.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the period of the instrument. Effectively this method determines the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Intercompany loan receivables and payables

Intercompany loan receivables and payables are initially recorded at fair value, net of direct issue costs, and are subsequently measured at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Intercompany loan receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, ("IFRS 9") which requires a loss allowance to be recognised for all exposures to credit risk.

Financial instruments (continued)

Financial guarantee contracts

Financial guarantee contracts are accounted for in accordance with IFRS 9. These contracts are issued to subsidiaries to assist them with securing funding and requires the Company to make specified payments to reimburse the holder for a loss that the holder incurs because the specified debtor (other subsidiary within the Datatec Group) fails to make a payment when it is due under the terms of the debt instrument it has entered into with a third party.

In accordance with the standard the Company measures financial guarantee contracts:
- Initially at fair value; and
- Subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under IFRS 9 and the amount initially recognised, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Management has assessed the value of the potential financial guarantee liabilities arising from these guarantees and have concluded the balance to be immaterial in both the current and prior financial year.

Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost and include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less, and are measured at amortised cost using the effective interest method. Cash and cash equivalents is included in the statement of cash flows (refer to Note 14 - Cash and cash equivalents).

Cash and cash equivalents are subject to the impairment provisions of IFRS 9 which requires a loss allowance to be recognised for all exposures to credit risk. The Company does not recognise expected credit losses on cash and cash equivalents due to the assessment that it is immaterial.

Trade and other payables

Trade and other payables, are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded as the proceeds are received, net of the direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Interest received

Interest received mainly arises from bank and other deposits. Interest received is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit assets, interest received is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Taxation

The tax expense in the statement of comprehensive income represents the sum of the current tax and deferred tax. Current taxation comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment of tax payable for previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's annual financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also dealt with in other comprehensive income or equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for a business combination.

Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Where offsetting does not apply the Company separate discloses the deferred tax asset and deferred tax liability.

Revenue recognition

The Company has a dual purpose that of being the holding Company as well as the management service company. Revenue is measured at the transaction price of the consideration received or receivable. Revenue is represented by management fees charged and interest received from intercompany loans and is recognised as services are rendered.

Dividends received from subsidiary companies are recognised as revenue when the right to receive payment is established. These dividends are also classified as operating activities in the Company's statement of cash flows.

Finance costs

Finance costs include the borrowing costs on bank overdrafts, trade finance and finance leases which are recognised as an expense in profit or loss on an accrual basis using the effective interest method.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. The Company recognises a liability for the amount expected to be paid if it has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The Company issues equity-settled share-based incentives to certain employees.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based and service vesting conditions) on grant date. The fair value determined at the grant date of the equity-settled share-based payments is recognised on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that are expected to vest, and adjusted for the effect of non-market based and service vesting conditions. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. Fair value is measured by use of appropriate actuarial models. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and exercise behavioural considerations.

Where the Company's shares have been allocated to participants employed in other subsidiary entities the Company increases (debit) the value of its investment in the relevant entity with a value equal to the share-based payment expense raised in the underlying entity in accordance with IFRS 2 Share-based payments ("IFRS 2") against the share-based payment reserve.

When these shares vest the Company will purchase the number of shares vesting (for all employees within the Datatec Group) from the market and recover the calculated value relating to those shares vesting of employees employed in other group entities from those entities.

The amount recovered from the group entities is accounted for against the carrying amount of the investment in subsidiary in the Company.

Where the amount recovered from the group entities exceeds that of the carrying amount of the investment in subsidiary recognised in the Company in relation to the vesting, the excess is recognised as a net capital distribution from the relevant group entity to the Company in the statement of comprehensive income as part of other income.

Deferred bonus warrant scheme ("DBW")

The deferred short-term incentive ("STI") is in the form of shares which are held in escrow for the benefit of participants. The Company co-investment is awarded as SARs. The SARs are awarded at market value using the same price applicable to purchase the deferred shares. The mandatory deferral percentage in the DBW (if the bonus exceeds 50% of target) is 20%. The maximum deferral percentage is 50%. The number of SARs awarded each year is based on an actuarial calculation of their value relative to the current share price.

A holding period of two additional years follows the vesting period of four years for the share element. The SARs are subject to a four-year exercise period commencing on the vesting date and are subject to a two-year holding period post vesting. No prospective performance conditions apply, but performance is an entry qualification requirement. Further performance alignment via share price appreciation before the SARs will be exercisable.

Dividends accrue on the shares purchased by participants using their STI. These dividends must be taken in the form of shares (provided the Company offers a scrip alternative) while the shares are held in escrow to the end of the holding period. No dividends accrue on the SARs during the exercise period. The DBW is non-dilutive to shareholders as it is settled by purchasing shares in the market.

In the case of termination an executive will retain all the shares which he/she had deferred into the DBW and will retain a portion of the SARs which have been granted but not yet vested. The proportion will be determined pro rata, relative to the time of the vesting period which has elapsed up to the termination date. The terminated executive will continue to hold the reduced number of awards until the vesting date when they will vest along with the other grants in accordance with the rules of the scheme and be exercised within one year. SARs which have vested but not been exercised at the termination date must be exercised within one year thereof.

All unvested (deferred shares and SARs) and vested but unexercised SARs will be forfeited. In addition, such executives will be required to repay all dividends (pre-tax value) earned from the award date on the shares.

Leave pay

The Company accrues in full the employees' rights to annual leave entitlement in respect of past service. This is expensed over the period the services are rendered.

Dividends declared

Dividends declared are recognised upon board approval of the declaration.

Company statement of comprehensive income

for the year ended 29 February 2024

	Notes	2024 ZAR'm	2023 ZAR'm
Revenue	1	**105**	2 626
Operating costs		**(92)**	(143)
Net impairment reversals on intercompany balances	2	*****	*
Impairment reversal on investment in subsidiary		**–**	58
Foreign exchange gains and losses		**14**	71
Depreciation		**(2)**	(2)
Share-based payment expenses		**(7)**	(6)
Loss on disposal of investments	17	**(24)**	—
Operating (loss)/ income	2	**(6)**	2 604
Other income^		**22**	—
Interest received	3	**18**	42
Finance costs		**(1)**	(1)
Profit before taxation		**33**	2 645
Taxation		**(18)**	(46)
Total comprehensive income for the year		**15**	2 599

^ *In 2024 the Company received a deemed dividend of ZAR22.2 million from other group entities (ZAR 11.8 million from Datatec PLC and ZAR 10.4 million from Datatec International Services FZE). This deemed dividend represents the amount recovered from the group entities which exceeded that of the carrying amount of the investment in subsidiary recognised in the Company in relation to the vesting of a Datatec Group share-based payment grant in the current year. This deemed dividend is disclosed as Other Income in the current year.*

Company statement of financial position

as at 29 February 2024

	Notes	2024 ZAR'm	2023 ZAR'm
ASSETS			
Non-current assets		**5 610**	5 652
Office furniture and equipment		**1**	1
Right-of-use assets	6	**6**	7
Intercompany loans	5.2	**295**	369
Investments in subsidiaries	5.1	**5 308**	5 275
Current assets		**229**	368
Accounts receivable		**2**	2
Intercompany receivables	5	**25**	6
Cash and cash equivalents	14	**202**	302
Non-current asset held for sale	10	*****	58
Total assets		**5 839**	6 020
EQUITY AND LIABILITIES			
Equity attributable to equity holder		**5 776**	5 959
Stated capital	8	**2 830**	2 597
Non-distributable reserves		**213**	213
Share-based payment reserve		**238**	230
Distributable reserves		**2 495**	2 919
Non-current liabilities		**37**	36
Deferred tax liability	4	**30**	28
Lease liabilities	7	**7**	8
Current liabilities		**26**	25
Accounts payable	9	**17**	22
Intercompany payables	5.2	*****	*
Lease liabilities	7	**1**	1
Current tax liability	13	**8**	2
Total equity and liabilities		**5 839**	6 020

* *Less than ZAR500 000*

Company statement of changes in equity

for the year ended 29 February 2024

	Stated capital ZAR'm	Non-distributable reserves ZAR'm	Share-based payment reserve ZAR'm	Distributable reserves ZAR'm	Total equity ZAR'm
Balance at 1 March 2022	2 381	213	58	3 333	5 985
Total comprehensive income for the year	—	—	—	2 599	2 599
Net movement in treasury shares	(80)	—	—	—	(80)
DBW escrow shares purchased	(17)	—	—	—	(17)
Capital distributions	313	—	—	(3 013)	(2 700)
Share-based payments	–	–	172	–	172
Balance at 28 February 2023	2 597	213	230	2 919	5 959
Total comprehensive income for the year	—	—	—	15	15
Treasury shares purchased	(22)	—	—	—	(22)
DBW escrow shares purchased	(13)	—	—	—	(13)
Capital distributions	168	—	—	(439)	(271)
Share-based payments vested	100	—	(114)	—	(14)
Share-based payments granted	—	—	122	—	122
Balance at 29 February 2024	2 830	213	238	2 495	5 776

Non-distributable reserves relates to the translation of reserves recognised in the recording of changes in holdings of previously held subsidiaries.

The share-based payment reserve is used to accrue for the associated IFRS 2- share-based payment expenses and recording of the vestings associated with the Company's share-based payment schemes.

Distributable reserves represents the accumulated profit of the Company available for distribution to shareholders.

Company statement of cash flows

for the year ended 29 February 2024

	Notes	2024 ZAR'm	2023 ZAR'm
Cash flow from operating activities			
Cash generated (utilised in)/generated from operations	12	**(33)**	1
Interest received		**18**	42
Interest paid		**(1)**	(1)
Dividend received		*****	2 534
Taxation paid	13	**(10)**	(13)
Net cash (outflow)/inflow from operating activities		**(26)**	2 563
Cash flow from investing activities			
Payment received from subsidiaries due to recharge of share based payment schemes		**89**	10
Proceeds on disposal of investments	17	**140**	–
Loans advanced to subsidiaries		**(1)**	(1)
Loans repaid by subsidiaries		*****	10
Net cash inflow from investing activities		**228**	19
Cash flow from financing activities			
Payment of cash portion of scrip distribution		**(271)**	(2 700)
Repayment of lease liabilities	16	**(1)**	(1)
Payment for treasury shares purchased		**(35)**	(132)
Net cash outflow from financing activities		**(307)**	(2 833)
Net decrease in cash and cash equivalents		**(105)**	(251)
Cash and cash equivalents at the beginning of the year	14	**302**	553
Translation differences on cash and cash equivalents		**5**	—
Cash and cash equivalents at the end of the year	14	**202**	302

* *Less than ZAR500 000*

Notes to the company annual financial statements

for the year ended 29 February 2024

	2024 ZAR'm	2023 ZAR'm
1. REVENUE		
Revenue from contracts with customers		
Management fees	**81**	74
Revenue other than from contracts with customers		
Interest received on intercompany loans	**24**	18
Dividend received	*****	2 534
	105	2 626

* *Less than ZAR500 000*

Datatec Limited's main trade and source of income is management services that it delivers to its subsidiaries. It has a dual purpose that of being the holding company as well as the management services company. Interest received from intercompany loans are considered to have been earned in the ordinary course of business activities and should therefore be disclosed as part of revenue.

During 2023 the Company received a dividend of ZAR2,534 million (US$140 million) from Datatec PLC, a subsidiary of the Company. The dividend relates to the proceeds received from the sale of Analysys Mason.

	2024 ZAR'm	2023 ZAR'm
2. OPERATING (LOSS)/INCOME		
Operating (loss)/income is arrived at after taking into account the following items:		
Auditors' remuneration (PricewaterhouseCoopers Inc.)		
Audit fees - Current year	**9**	7
- Other services	**1**	1
Auditors' remuneration	**10**	8
Foreign exchange gains and losses		
Realised	**(2)**	(28)
Unrealised (-)	**(12)**	(43)
	(14)	(71)
Depreciation	**2**	2
Fees for services	**12**	4
Secretarial	**2**	2
Technical	**1**	1
Consulting	**8**	–
Taxation	**1**	1
Staff costs	**16**	11
Share-based payment expenses	**7**	6
Impairments losses recognised on intercompany balances	*****	*
Impairment reversal on investment in subsidiary	**–**	(58)
Loss on disposal of investments	**24**	—
Directors' emoluments^	**23**	20
Directors travel	**8**	7
Non-executive emoluments - fees	**15**	13

* *Less than ZAR500 000*
^ *Full details of directors' emoluments are provided in Note 20 - Key management personnel and directors' emoluments.*
(-) *Unrealised foreign exchange gains and losses for financial instruments (excluding cash and cash equivalents as disclosed on the statement of financial position) that have a different currency than the entity's functional currency, are determined as follows:*
– *Financial assets and liabilities that have open positions at the end of a period/reporting date are translated to the entity's functional currency at the rates prevailing for that period end/reporting date;*
– *The unrealised foreign exchange gains and losses are accounted for in the statement of comprehensive income;*
– *Foreign exchange gains and losses are considered unrealised until maturity or settlement date of the financial instrument, at which point the entire foreign exchange gain or loss is classified as realised;and*
– *Foreign exchange gains and losses on cash and cash equivalents are considered to be realised and accounted for in the statement of comprehensive income.*

	2024 ZAR'm	2023 ZAR'm
3. INTEREST RECEIVED		
Financial institutions	**18**	42
	18	42

	2024 ZAR'm	2023 ZAR'm
4. TAXATION		
Taxation charge		
Current taxation- Current year	**(10)**	(19)
Current taxation- Prior year	**(6)**	(1)
Deferred tax- Current year	**(2)**	(10)
Deferred tax- Prior year	**	(16)
	(18)	(46)
Reconciliation of taxation rate to profit before taxation	**%**	%
South African statutory tax rate	**27.0**	28.0
Non-deductible impairments	**0.2**	(0.6)
Dividend received	*	(26.3)
Non-taxable intercompany deemed dividend	**(18.2)**	—
Disallowable expenses^	**9.1**	*
Share-based payment expenses	**(3.0)**	*
Prior year adjustment	**18.2**	0.6
Non-deductible legal and consulting expenses	**3.0**	—
Loss on disposal of investments	**18.2**	—
Effective tax rate	**54.5**	1.7

** Less than 0.05%*
*** Less than ZAR500 000*
^ Included in disallowable expenses are acquisition cost, entertaining expenses, donations, gifts and other expenses not deductible for tax purposes.

The Company has an estimated capital loss of approximately ZAR267 million as at 29 February 2024 (2023: ZAR267 million). Included in the ZAR267 million is a ZAR41 million capital loss, which arose on the disposal of an investment to Logicalis Limited (UK) (a subsidiary of the Datatec Group). The ZAR41 million has thus been ringfenced. No deferred tax asset has been recognised on this capital loss as it is not probable that there will be sufficient future taxable profit against which the loss or credit carried forward can be utilised.

4. TAXATION (continued)

Movement in deferred tax assets/(liabilities)

	2024 ZAR'm	2023 Restated** ZAR'm
Deferred tax assets/(liabilities)		
Movement of gross deferred tax assets		
At the beginning of the year	**8**	24
Credit/(charge) to profit and loss	*****	(16)
	8	8
Analysis of gross deferred tax assets		
Expense accruals and similar items	**6**	6
IFRS 16 leases liabilities	**2**	2
	8	8
Movement of gross deferred tax liabilities		
At the beginning of the year	**(36)**	(26)
Charge to profit and loss	**(2)**	(10)
	(38)	(36)
Analysis of gross deferred tax liabilities		
Unrealised foreign exchange gains on intercompany loans	**(36)**	(34)
IFRS 16 right-of-use assets	**(2)**	(2)
	(38)	(36)
Reconciliation between gross and net deferred tax balances		
Gross deferred tax assets	**8**	8
Gross deferred tax liabilities	**(38)**	(36)
	(30)	(28)

* *Less than ZAR500 000*

** *Effective for annual reporting periods beginning on or after 1 January 2023, IAS 12 was amended for the recognition and disclosure of deferred taxes recognised on IFRS 16. The Company has now adopted these changes retrospectively and has, as a result, restated its Deferred tax note for comparative purposes. The effect of this restatement is to increase the 2023 gross deferred tax liabilities by ZAR8 million (2022: increase of ZAR24 million) with gross deferred tax assets increasing by the same amount.*

Following the initial announcement by the Finance Minister, on 24 February 2021 that the corporate income tax rate will change from 28% to 27%, the Minister of Finance further announced on 23 February 2022 that this change is effective for years of assessment ending on or after 31 March 2023. The rate change should be regarded as substantively enacted. In terms of IAS 12, deferred tax is measured at the tax rates that are expected to apply to the reporting period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. The corporate income tax rate change is only applicable to the Company for the 2024 financial year and the rate change for measuring deferred tax is already applicable. No adjustment has been made to the deferred tax rate as the impact is negligible.

	Loan denomination	2024 ZAR'm	2023 ZAR'm
5. INVESTMENTS IN SUBSIDIARIES AND INTERCOMPANY BALANCES			
5.1 Investments in subsidiaries			
Unlisted shares			
Opening balance at beginning of the year		**5 275**	5 098
Net IFRS 2 related cost capitalised to investments in subsidiaries		**33**	177
Reversal of impairment loss		**—**	58
Reclassification to Non-current asset held for sale		*****	(58)
Closing balance at end of the year		**5 308**	5 275
5.2. Intercompany loan receivables			
Long-term intercompany loan receivables		**309**	383
Expected credit losses of intercompany loans		**(14)**	(14)
Net long-term intercompany loan receivables		**295**	369
Short-term intercompany loan receivables		**8**	8
Short-term intercompany receivables		**24**	5
Short-term intercompany payables		*****	*
Expected credit losses of intercompany loans		**(7)**	(7)
Net short-term intercompany loan receivables		**25**	6
Amounts due by subsidiary companies			
Long-term intercompany loans receivable		**309**	383
- Datatec Management Services (Pty) Ltd	ZAR	**14**	14
- Logicalis Group Limited**	USD	**295**	263
- WestconGroup SA (Pty) Ltd***	ZAR	**—**	106
Short-term intercompany receivables		**32**	13
- Datatec PLC	USD	**24**	5
- LGLP (Pty) Ltd	ZAR	**1**	1
- Logicalis SA (Pty) Ltd	ZAR	*****	—
- Westcon Emerging Markets Group (Pty) Ltd	ZAR	**7**	7
Short-term intercompany payables		*****	*
- Logicalis Group SA (Pty) Ltd	ZAR	*****	*
		341	396
Expected credit losses		**(21)**	(21)
Net amounts owing by subsidiaries		**320**	375

* *Less than ZAR500 000*

** *This loan bears interest at 2.5% plus SOFR (Secured Overnight Financing Rate) (2023: 2.5% plus SOFR (Secured Overnight Financing Rate)) and is repayable on demand.*

*** *This loan bears interest at JIBAR plus 2%. (2023: JIBAR plus 2%). Refer to Note 17 - loss on disposal of investments.*

Management has no intention to call on any of the long-term intercompany loans for a period of 12 months from the date of signing the statutory financial statements of the Company for the year ended 29 February 2024. The remainder of the long-term intercompany loans receivable are subject to no interest and there are no fixed repayment terms. Based on management's assessment on the expected credit losses of the loans above, Westcon Emerging Markets Group (Pty) Ltd was fully provided for. A movement in the expected credit loss provision for the current year of ZAR0.2 million (additional impairment loss) (2023: ZAR0.4 million additional impairment loss) is reflected in profit and loss. No other expected credit losses have been noted.

	2024 ZAR'm Cost	2024 ZAR'm Accumulated depreciation	2024 ZAR'm Net book value	2023 ZAR'm Cost	2023 ZAR'm Accumulated depreciation	2023 ZAR'm Net book value
6. RIGHT-OF-USE ASSETS						
Office furniture and equipment	*	*	*	*	*	*
Buildings	10	(4)	6	10	(3)	7
	10	(4)	6	10	(3)	7

** Less than ZAR500 000*

Movement of right-of-use assets ZAR'm	Office furniture and equipment	Buildings	Total
Balance at 1 March 2022	*	8	8
Depreciation	*	(1)	(1)
Balance at 28 February 2023	*	7	7
Depreciation	*	(1)	(1)
Balance at 29 February 2024	*	6	6

** Less than ZAR500 000*

	2024 ZAR'm	2023 ZAR'm
7. LEASE LIABILITIES		
Non-current	7	8
Current	1	1
	8	9

The Company leases its office building and office furniture and equipment.

- The effective date of the property lease was 1 December 2019. The lease has an option to extend for an additional 5 years. It is highly likely that the Company will elect to exercise this option. The principal amount of ZAR10 million was discounted using an incremental borrowing rate of 9.25%.
- Office furniture and equipment is leased for a fixed period of 3 years with an annual escalation of 15%.

	2024 ZAR'm	2023 ZAR'm
8. STATED CAPITAL		
Authorised share capital	**4**	4
400,000,000 (2023: 400,000,000) ordinary shares of R0,01 each		
Issued share capital	**2**	2
226,901,383 (2023: 219,653,316) fully paid up ordinary shares of R0,01 each		
Share premium	**2 828**	2 595
	2 830	2 597

Reconciliation of treasury shares	Number of shares	Number of shares
Opening balance	**3 000 000**	549 867
Treasury shares purchased	**548 362**	3 039 802
Treasury shares used to settle share schemes that vested	**(2 974 217)**	(589 669)
Closing balance	**574 145**	3 000 000

Reconciliation of issued shares	Number of shares	Number of shares
Issued shares at the beginning of the year, including treasury shares and DBP and DBW shares held throughout the year	**224 916 537**	216 957 874
Shares issued	**4 606 140**	7 958 663
Treasury shares	**(574 145)**	(3 000 000)
DBW shares purchased during the year	**(358 394)**	(356 656)
DBP and DBW shares held throughout the year	**(1 688 755)**	(1 906 565)
Balance at end of the year	**226 901 383**	219 653 316

A cash dividend with a scrip distribution alternative was declared on 23 May 2023, based on the final 2023 financial results. In terms of the scrip distribution alternative, 4,606,140 (2023: 7,958,663) new ordinary shares were issued during the year ended 29 February 2024 to shareholders who elected to receive the scrip distribution shares, resulting in a capitalisation of the distributable retained profits of the Company of ZAR167,745,093. 61.8% of the shareholders elected to receive the gross cash dividend of 195 ZAR cents per ordinary share resulting in a total gross cash dividend of ZAR270,841,488 which was paid out of the distributable retained profits of the Company.

Treasury shares

As at 29 February 2024, the Company held 574,145 (ZAR23 million)) (2023: 3,000,000 treasury shares (ZAR100 million)) shares as treasury shares. These treasury shares were set off against stated capital in 2024.

Movement in Company treasury shares during the year:

	2024 ZAR'm	2023 ZAR'm
Opening balance	**107**	27
Purchased	**22**	101
Utilised for settlements	**(100)**	(21)
Closing balance	**29**	107

Datatec Deferred Bonus Warrants Scheme ("DBW") - Escrow shares

A total of 358,394 (2023: 356,656) Datatec Limited ordinary shares to the value of ZAR13.4 million (2023: ZAR16.5 million) were acquired on the open market for the participants of the DBW scheme during the year. These shares are held in escrow for the benefit of the participants but are accounted for in the books of Datatec Limited.

Share issue expenses in the current year amounted to ZAR0.2 million (2023: ZAR0.3 million).

	2024 ZAR'm	2023 ZAR'm
9. ACCOUNTS PAYABLE		
Other payables and accruals*	**17**	22
	17	22

* *Includes employee benefit accruals for head office staff.*

	2024 ZAR'm	2023 ZAR'm
10. NON-CURRENT ASSETS HELD FOR SALE		
1 044 Ordinary shares Westcon Emerging Markets Group (Pty) Ltd	-	58
4 219 Class A Preference shares Westcon Group SA (Pty) Ltd	-	*
1 Ordinary share LGLP (Pty) Ltd	*	–
	*	58

* *Less than ZAR500 000*

During the 2023 financial year management of the Company announced their intention to sell both its 90% shareholding (1 044 ordinary shares) in one if its subsidiaries, Westcon Emerging Markets Group (Pty) Ltd ("WEMG") as well as the 4 219 Class A Preference shares it held in Westcon Group SA (Pty) Ltd, ("WGSA") to one of its indirect subsidiaries Westcon Group European Operations Limited. The sale of these investments were concluded in the first quarter of the 2024 financial year (See Note 17 - Loss on disposal of investments).

During the 2024 financial year management of the Company announced their intention to sell one if its subsidiaries, LGLP (Pty) Ltd to one of its indirect subsidiaries Logicalis International Limited in the 2025 financial year.

11. FINANCIAL INSTRUMENTS

11.1 Financial risk management objectives

The Company's senior management is responsible for monitoring and managing the financial risks relating to the operations of the Company. This is achieved through the use of internal risk analysis which analyse exposures by likelihood and magnitude of risks. These risks include market risk (including currency and interest risk), credit risk and liquidity risk.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. When appropriate, management reports regularly to the Group's Audit, Risk and Compliance committee.

The Company's financial instruments consist mainly of cash and cash equivalents, subsidiary company loans and receivables, leases and accounts payable.

	29 February 2024 ZAR'm	28 February 2023 ZAR'm
Categories of financial instruments		
Financial assets	**522**	677
Cash and cash equivalents	**202**	302
Intercompany loans	**295**	369
Intercompany receivables	**25**	6
Financial liabilities	**22**	28
Lease liabilities	**8**	9
Other payables	**14**	19
Intercompany payables	*****	*

* *Less than ZAR500 000*

The carrying values of financial instruments approximate their fair values.

11.2 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its stakeholders. The Company's overall strategy with respect to the debt and equity balance remains unchanged from 2023.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders, comprising issued capital (Note 8 - Stated capital), reserves and retained earnings.

11.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

11. FINANCIAL INSTRUMENTS (continued)

11.3 Credit risk management (continued)

Intercompany loans

In terms of intercompany loans, the Company assesses the expected credit losses ("ECLs"), defined as the contractual cash flows and the cash flows that are expected to be received associated with its assets at amortised cost.

a. During this process, the probability of the non-payment of the loan is assessed. This is done by reviewing the terms of repayment as per the loan contract versus payment history as well as future looking information where applicable. In assessing the expected credit loss, the cash flow forecasts and the probability of it realising as well as their current financial position, are also taken into account. The Company also considers each entity's Net Asset Value (excluding the balance due to the Company) during this assessment. In accordance with IFRS 9 these loans were classified as either Credit risk Stages 1, 2 or 3 based on this initial assessment.

   These stages are defined as follows:
   Credit risk Stage 1: No history of default with no significant increase in credit risk from initial recognition. Only expected credit losses within 12 months of the reporting date are calculated.

   Credit risk Stage 2: Significant increase in credit risk from initial recognition. ECLs over the lifetime of the financial asset must be recognised. Under IFRS 9 there is a rebuttable resumption that there is a significant increase in credit risk if a contractual repayment is more than 30 days past its due date. ECLs are recognised on a lifetime basis.

   Credit risk Stage 3: Objective evidence of impairment as defined under IFRS 9. ECLs are recognised on a lifetime basis.

   Where deemed appropriate certain intercompany loans of the Company were classified as Stage 1 resulting in ECLs to be calculated on the balances due as at 29 February 2024. None of the loans were classified as Stage 2 or 3 during the current year's assessment. The above evaluation of credit risk and subsequent classification of financial instruments are done at inception and on an annual basis thereafter to determine whether there has been a significant change in credit risk. No significant changes in credit risk were noted in the current financial year. Following this classification a 12 month-ECL was calculated for each of these balances using the following methodology:

   Outstanding balance at year end x adjusted probability of default x loss given default.

b. The carrying amount of intercompany loan balances recorded in the financial statements (see Note 5 - Investments in subsidiaries and intercompany balances), which is net of impairment losses, represents the Company's maximum exposure to credit risk.

c. Management provides expected credit losses in full on intercompany balances not fully recoverable.

d. No significant changes were made to the estimation techniques and underlying assumptions used to calculated these ECLs in the current year.

During the year expected credit losses for intercompany loans were remeasured resulting in a higher expected credit loss of ZAR0.2 million (2023: ZAR0.4 million higher expected credit loss). Management has provided for in full for this movement. No material expected credit losses is required for the other financial assets.

Cash and Cash equivalents

The credit risk on liquid funds is limited because the counterparties are banks with appropriate credit ratings, BB-, assigned by international or recognised credit rating agencies. Furthermore, there has been no material change to the Company's exposure to credit risks or the manner in which it manages and measures the risk.

Guarantees

Datatec Limited has issued various financial guarantees to third parties, refer to Note 11.4.1 – Contingent liabilities and guarantees of the financial statements. The Company's potential exposure based on the utilisation of these at the end of the financial year that could be called upon on demand in the event of default is ZAR216 million (2023: ZAR304 million). The potential financial guarantee liabilities were calculate by multiplying the exposure as at 29 February 2024 with a probability default rate adjusted for entity specific risks and mitigating factors.

11. FINANCIAL INSTRUMENTS (continued)

11.3 Credit risk management (continued)

The following table provides information regarding the credit risk exposure of the financial assets within the Company:

	Total	BB-/BB	Internally rated/ assessed
At 29 February 2024			
Financial assets	**522**	**202**	**320**
Cash and cash equivalents	**202**	**202**	**–**
Intercompany loans	**295**	**–**	**295**
Intercompany receivables	**25**	**–**	**25**
At 28 February 2023			
Financial assets	677	302	375
Cash and cash equivalents	302	302	–
Intercompany loans	369	–	369
Intercompany receivables	6	–	6

11.4 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity requirements. ZAR 317 million of the total assets relate to gross intercompany receivables which are repayable on demand. Should the Company require funds, it has the ability to call on these loans in order to settle payables that may become due, if required. The Company's intention, however, remains not to call on the loans within the next 12 months, and as a result these loans remain classified as non-current at the reporting date.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities and by continuously monitoring forecast and actual cash flows.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables represents undiscounted cash flows and would therefore not necessarily agree to the statement of financial position.

ZAR'm	0-1 year	1-2 years	3-5 years	>5 years	Total
At 29 February 2024					
Lease liabilities	**(1)**	**(1)**	**(2)**	**(4)**	**(8)**
Intercompany payables	*****	**-**	**-**	**-**	*****
Other Payables	**(14)**	**-**	**-**	**-**	**(14)**
	(15)	**(1)**	**(2)**	**(4)**	**(22)**
At 28 February 2023					
Lease liabilities	(1)	(1)	(3)	(4)	(9)
Intercompany payables	*	-	-	-	*
Other Payables	(19)	-	-	-	(19)
	(20)	(1)	(3)	(4)	(28)

* *Less than ZAR500 000*

There has been no material change in the nature of the Company's exposure to liquidity risks or the manner in which it manages and measures the risk

11. FINANCIAL INSTRUMENTS (continued)

11.4 Liquidity risk management (continued)

11.4.1 Contingent liabilities and guarantees

Datatec Limited has, in the ordinary course of business, issued guarantees and letters of comfort to third parties in respect of trading facilities and lease commitments and to banks that provide facilities to subsidiaries. Management has assessed the value of the potential financial guarantee liabilities arising as a result of the below items listed and have concluded the balance to be immaterial.

See below listing of guarantees and letters of comfort issued by the Company:

On behalf of	In favour of	Nature	2024 ZAR'm	2023 ZAR'm
Westcon Southern Africa Holdings (Pty) Ltd	The Standard Bank of South Africa Limited	Bank Guarantee	**30**	30
Westcon Comztek/Westcon Namibia/ Westcon Kenya	Microsoft Ireland Operations Limited	Guarantee	**276**	265
Westcon Comztek/Westcon Namibia/ Westcon Kenya	The Standard Bank of South Africa Limited	Guarantee	**31**	29
Westcon SA/Westcon Comztek/ Comztek Holdings	GE Capital Bank - Novated to Wells Fargo	Guarantee	**345**	331
Westcon Southern Africa Holdings (Pty) Ltd	Any Potential Creditor	Letter of Support	**–**	32
Datatec Limited	The Standard Bank of South Africa Limited	Lease Guarantee	*****	*
Logicalis SA (Pty) Ltd	The Standard Bank of South Africa Limited	FEC Guarantee	**3**	3
WestconGroup SA (Pty) Ltd	Investec Bank Limited	FEC Guarantee	**10**	10

* *Less than ZAR500 000*

11.5 Market risk management

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. There has been no material change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

11.5.1 Foreign exchange risk management

The Company operates in the global business environment and undertakes many transactions denominated in foreign currencies which exposes it to the risk of fluctuating exchange rates. The Company is exposed to the risk of fluctuating exchange rates and actively seeks to manage this exposure, within approved policy parameters. The Company on occasion enters into forward foreign exchange contracts ("FEC's") to hedge the exchange rate risk arising on transactions denominated in foreign currency. No foreign exchange contracts were entered into in the current financial year.

Foreign currency sensitivity analysis

The Company has financial assets and liabilities which are denominated in USD. Differences arising on the translation of these foreign currency denominated financial assets and liabilities are recognised in the statement of comprehensive income as foreign exchange gains and/or losses.

The sensitivity rate that represents management's assessment of the possible change in foreign exchange rates is 10% (Further devaluation of the South African Rand). Management estimates that a 10% movement represents a reasonable average year-on-year movement in the ZAR/USD exchange rate. The following table details the Company's sensitivity to a 10% change in the USD currency. The sensitivity analysis includes loans to subsidiary companies where the denomination of the instrument is in a currency other than the currency of the lender or the borrower and is derived from year-end management accounts. The analysis assumes that all other variable factors remain constant.

11. FINANCIAL INSTRUMENTS (continued)

11.5 Market risk management (continued)

ZAR'm	Profit or loss gain/(loss)	Equity gain/(loss)
29 February 2024	**16**	**32**
28 February 2023	10	26

11.5.2 Interest rate risk management

The Company is exposed to interest rate risk as it lends funds at floating interest rates. The interest rate characteristics of new loan receivables and the refinancing of existing loan receivables are positioned according to expected movements in interest rates and defined risk appetite.

The Company's exposure to interest rates on financial liabilities are detailed in the liquidity risk management section of this note (See Note 11.4 - Liquidity risk management).

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for all instruments at the reporting date. The sensitivity below sets out the sensitivity of the Company's variable rate financial assets and liabilities to movements in the applicable interest rate based on an average outstanding asset or liability calculated for the year. Management estimates that a 10% movement in interest rates will have a notable impact on profit/(loss).

The applicable increase or decrease that represents management's assessment of the reasonably possible change in interest rates, is a 10% increase in the applicable variable interest rates and is dependent on the location of the intercompany loans.

Gain/(loss)	2024 ZAR'm	2023 ZAR'm
Profit/(loss) before tax	**0.4**	0.5

Notes to the company annual financial statements continued

for the year ended 29 February 2024

	2024 ZAR 'm	2023 ZAR 'm
12. CASH (UTILISED IN)/GENERATED FROM OPERATIONS		
Profit before taxation	**33**	2 645
Adjusted for:		
Foreign exchange gains and losses	**(17)**	(43)
Share-based payments - equity settled	**7**	6
Depreciation	**2**	2
Interest accrued	**(21)**	(8)
Interest received	**(18)**	(42)
Finance costs	**1**	1
Dividend received	*****	(2 534)
Other income	**(22)**	—
Loss on disposal of investments	**24**	—
Impairments losses recognised on intercompany balances	*****	*
Reversal of impairments on loans and investments	**–**	(58)
Operating loss before working capital changes	**(11)**	(31)
Working capital changes:		
(Increase)/decrease in intercompany receivables	**(18)**	41
Increase in accounts receivable	*****	(1)
Decrease in accounts payable	**(4)**	(8)
	(33)	1

**Less than ZAR500 000*

	2024 ZAR 'm	2023 ZAR 'm
13. TAXATION PAID		
Amounts payable/(receivable) at the beginning of the year	**2**	(5)
Charge to profit and loss (excluding deferred tax)	**16**	20
Amount payable at the end of the year	**(8)**	(2)
	10	13
14. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	**202**	302
	202	302

Datatec Limited has general short-term banking facilities amounting to ZAR30 million (2023: ZAR30 million) with The Standard Bank of South Africa Limited, bearing interest at the South African prime interest rate (11.75% as at 29 February 2024 and 10.75% as at 28 February 2023). As at 29 February 2024, ZAR0.9 million was drawn (2023: ZAR nil).

Datatec Limited also has access to an uncommitted lending facility amounting to ZAR30 million (2023: ZAR30 million) with Investec Bank Limited in South Africa, bearing interest at the South African prime interest rate (11.75% as at 29 February 2024 and 10.75% as at 28 February 2023). As at 29 February 2024, ZAR nil was drawn (2023: ZAR nil).

Notes to the company annual financial statements continued

for the year ended 29 February 2024

	2024 ZAR'm	2023 ZAR'm
15. RELATED PARTIES		
Datatec Limited provides loans in the ordinary course of business to its subsidiary companies in the Group. The balances and terms of these loans are disclosed in Note 5 - Investments in subsidiaries and intercompany balances. Datatec Limited also provides management services to its subsidiaries. Management fees received are reflected in the statement of comprehensive income.		
Related party transactions		
Dividend received		
- Datatec PLC^	–	2 534
Management fees received		
- Datatec Management Services (Pty) Ltd^	*	*
- Datatec PLC^	81	74
Insurance received/(paid)		
- Datatec PLC^	(2)	(16)
- WestconGroup SA (Pty) Ltd+	1	1
- Logicalis Group SA (Pty) Ltd+	1	*
Settlements for share-based remuneration plans		
- Datatec International Services FZE^	48	7
- Datatec PLC^	41	4
Other Recharges		
- Datatec International Services FZE^	–	*
- Datatec PLC^	(10)	(41)
- Logicalis Group SA (Pty) Ltd+	–	(1)
Interest received on intercompany loans		
- Datatec PLC^	2	–
- Logicalis Group Limited+	21	10
- WestconGroup SA (Pty) Ltd+	1	8

** Less than ZAR500 000*
^ Subsidiary of the Company
+ Indirect subsidiary of the Company

16. CASH FLOW ADDITIONAL NOTES

ZAR'm	Opening balance at the beginning of the year	Finance cash outflows	Finance cost and other charges	Closing balance at the end of year
Lease liabilities				
2024	**9**	**(1)**	*****	**8**
2023	10	(1)	*	9

* *Less than ZAR500 000*

17. LOSS ON DISPOSAL OF INVESTMENTS

On 4 April 2023 Westcon Group European Operations Limited, an entity in the Datatec Group acquired the following equity instruments from Datatec Limited for a consideration of ZAR140 million. This purchase price was split as follows:

1. ZAR58 million 1 044 Ordinary shares of Westcon Emerging Markets Group Proprietary Limited
2. ZARnil 4 219 Class A Preference shares in Westcon Group SA (Pty) Ltd
3. ZAR82 million 2 119 Class B Preference shares in Westcon Group SA (Pty) Ltd

During 2024 Westcon Group SA (Pty) Ltd issued 2 119 class B preference shares to Datatec Limited whereby which it settled its current outstanding loan balance at the time with Datatec Limited. The outstanding loan balance as at 28 February 2023 was ZAR106 million. A resultant loss on disposal of ZAR24 million was recognised in 2024 on the disposal of these investments.

18. SUBSEQUENT EVENTS

Dividend declared

On 27 May 2024, the Board declared a final dividend for FY24 of 130 ZAR cents per share (approximately 7 US cents per share) totalling US$16.2 million with the customary form of a cash dividend with a scrip distribution alternative.

There were no other events that occurred subsequent to the reporting date that require disclosure or adjustment to these annual financial statements.

19. GOING CONCERN

The Board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future. The Company's financial statements have accordingly been prepared on a going concern basis.

The Company 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.

20. KEY MANAGEMENT PERSONNEL AND DIRECTORS' EMOLUMENTS

The key management personnel of Datatec Limited is both executive directors (JP Montanana and IP Dittrich). A full breakdown of their compensation is given in the tables below. Executive and non-executive directors' emoluments are US$ based and approved by the Remuneration Committee of the Datatec Group. These emoluments are paid by other companies within the Datatec Group. Emoluments for Executive Directors are disclosed in USD $ as supplementary information as described by IAS 21 The Effects of Changes in Foreign Exchange Rates to satisfy the requirements of the South African Companies Act.

Directors' emoluments

The following tables set out the remuneration of individual directors who held office during 2024 and 2023.

	2024						
	Guaranteed package						
	Basic salary US$'000	Pension US$'000	Other benefits* US$'000	Fees US$'000	STI US$'000	LTI US$'000	Total US$'000
Executive directors							
JP Montanana	**1 272**	**214**	**50**	**—**	**2 796**	**1 764**	**6 096**
IP Dittrich	**562**	**84**	**39**	**—**	**670**	**623**	**1 978**
Total executive directors	**1 834**	**298**	**89**	**—**	**3 466**	**2 387**	**8 074**
Non-executive directors							
SJ Davidson	**—**	**—**	**—**	**101**	**—**	**—**	**101**
S Everaet (appointed 3 October 2023)	**—**	**—**	**—**	**30**	**—**	**—**	**30**
M Makanjee	**—**	**—**	**—**	**238**	**—**	**—**	**238**
JF McCartney (retired 27 July 2023)	**—**	**—**	**—**	**32**	**—**	**—**	**32**
CRK Medlock	**—**	**—**	**—**	**89**	**—**	**—**	**89**
MJN Njeke	**—**	**—**	**—**	**121**	**—**	**—**	**121**
LC Rapparini **	**—**	**—**	**—**	**194**	**—**	**—**	**194**
DS Sita	**—**	**—**	**—**	**103**	**—**	**—**	**103**
Total non-executive directors	**—**	**—**	**—**	**908**	**—**	**—**	**908**
Total directors' emoluments	**1 834**	**298**	**89**	**908**	**3 466**	**2 387**	**8 982**

	2023						
	Guaranteed package						
	Basic salary US$'000	Pension US$'000	Other benefits* US$'000	Fees US$'000	STI US$'000	LTI*** US$'000	Total US$'000
Executive directors							
JP Montanana	1 200	214	49	—	1 609	8 856	11 928
IP Dittrich	530	84	50	—	385	4 097	5 146
Total executive directors	1 730	298	99	—	1 994	12 953	17 074
Non-executive directors							
SJ Davidson	—	—	—	100	—	—	100
M Makanjee	—	—	—	224	—	—	224
JF McCartney	—	—	—	72	—	—	72
CRK Medlock	—	—	—	84	—	—	84
MJN Njeke	—	—	—	114	—	—	114
LC Rapparini (appointed 1 September 2022) **	—	—	—	138	—	—	138
E Singh-Bushell (resigned 27 July 2022)	—	—	—	45	—	—	45
DS Sita (appointed 1 March 2022)	—	—	—	86	—	—	86
Total non-executive directors	—	—	—	863	—	—	863
Total directors' emoluments	1 730	298	99	863	1 994	12 953	17 937

Other benefits include private medical insurance, permanent health insurance, life assurance and fuel for private vehicle.
***Fees paid to LC Rapparini in both the current and prior year includes fees paid to him for services rendered to Logicalis LATAM. The total fees paid to non-executive directors will therefore not agree to the fees disclosed in Note 3 - Operating profit.*
****The Westcon International Equity Appreciation Plan was settled in July 2024 and is included in the LTI disclosures of the directors in 2023.*

20. KEY MANAGEMENT PERSONNEL AND DIRECTORS' EMOLUMENTS (continued)

All non-executive fees as shown in the tables above excludes VAT. There has been no change in the directors holding office from 29 February 2024 up to the date of approval of these financial statements.

Conditional Share Plan ("CSP")

Grants were made under the CSP in 2024 and 2023 including the following awards to directors:

CSP	Grant date	28 February 2023	Number of awards - movement in 2024: Granted	Vested	Lapsed	29 February 2024	Fair value of awards: On grant US$'000	On grant as % of base pay	On vesting US$'000	29 February 2024 US$'000	28 February 2023 US$'000
JP Montanana	1-Jun-20	1 256 488	—	(1 256 488)	—	—	1 086	95 %	2 290	—	2 256
	1-Jun-21	834 034	—	—	—	834 034	1 094	91 %		1 764	998
	1-Jun-22	713 605	—	—	—	713 605	1 261	105 %		1 006	854
	1-Jun-23	—	1 008 933	—	—	1 008 933	1 908	150 %		1 422	—
		2 804 127	1 008 933	(1 256 488)	—	2 556 572				4 192	4 108
IP Dittrich	1-Jun-20	443 518	—	(443 518)	—	—	383	76 %	808	—	796
	1-Jun-21	294 692	—	—	—	294 692	387	73 %		623	353
	1-Jun-22	252 142	—	—	—	252 142	446	84 %		355	302
	1-Jun-23	—	356 490	—	—	356 490	674	120 %		503	—
		990 352	356 490	(443 518)	—	903 324				1 481	1 451

Deferred Bonus Warrants ("DBW") – 2023

Under the terms of the DBW plan, the executive directors must defer a minimum of 20% of their bonus and may elect to defer up to 50%. Executive directors deferred part of their 2023 bonuses under the terms of the DBW. The deferred part of the 2023 bonus was used to purchase Datatec "Bonus Shares" which will be held in escrow until vesting. In accordance with the Policy, an equal co-investment from the Company was applied to the deferred bonus amount in the form of a grant of Share Appreciation Rights (SARs) whose expected value based on an actuarial calculation is equal to the STI deferred. The Company's co-investment in the SARs is not disclosed in the LTI element shown in the directors' remuneration table. Refer to the tables below:

DBW	2024 grant date	Amount of bonus deferred %	Amount of bonus deferred US$'000	Bonus shares purchased US$'000	SARs granted US$'000	Fair value of awards on grant US$'000
JP Montanana	1-Jun-23	29.4 %	473	473	473	946
IP Dittrich	1-Jun-23	22.1 %	85	85	85	170

DBW	2023 grant date	Amount of bonus deferred %	Amount of bonus deferred US$'000	Bonus shares purchased US$'000	SARs granted US$'000	Fair value of awards on grant US$'000
JP Montanana	15-Aug-22	24.2 %	624	624	624	1 248
IP Dittrich	15-Aug-22	20.0 %	124	124	124	247

20. KEY MANAGEMENT PERSONNEL AND DIRECTORS' EMOLUMENTS (continued)

				Number of awards - movement in 2024			Fair value of awards		
DBW SARs	Grant date	Grant Price ZAR	28 February 2023	**Granted**	**Vested**	**29 February 2024**	On grant US$'000	**29 February 2024 US$'000**	28 February 2023 US$'000
JP Montanana	15-Aug-22	27.75	1 411 860	**—**	**—**	**1 411 860**	624	**943**	408
	1-Jun-23	36.36	—	**1 000 000**	**—**	**1 000 000**	822	**668**	—
			1 411 860	**1 000 000**	**—**	**2 411 860**		**1 611**	408
IP Dittrich	15-Aug-22	27.75	279 701	**—**	**—**	**279 701**	124	**187**	81
	1-Jun-23	36.36	—	**180 212**	**—**	**180 212**	148	**120**	—
			279 701	**180 212**	**—**	**459 913**		**307**	81

Westcon International Equity Appreciation Plan ("WI – EAP")

During 2019, Datatec executive directors received one-off awards of units in the Westcon International EAP. The Westcon International EAP crystallised in 2024 based on the valuation of the business as at 1 March 2023 and participants were paid the capped amounts as at 28 February 2023 as stipulated in the table below:

						Fair value of awards at 28 February 2023*	
Westcon EAP	Grant date (FY19)	Number of awards	Fair value of awards on grant US$'000	**Grant fair value as a % of base pay**	Fair value of awards at 29 February 2024 US$'000	Pre-cap US$'000	Capped US$'000
JP Montanana	14-Mar-18	30 000	—	**— %**	—	8 614	6 600
IP Dittrich	14-Mar-18	15 000	—	**— %**	—	4 307	3 300

* *The fair value of the EAP units as at 28 February 2023 was US$ 287.15, however this value is capped at US$ 224.49 per unit in terms of additional restrictions imposed by the Datatec Group Remuneration Committee.*

Directors' interests in shares

Directors' interests in the ordinary shares of the Company at 29 February 2024 and 28 February 2023 are shown below:

	2024				2023			
	Direct	**Indirect**	**Associates**	**Total**	Direct	Indirect	Associates	Total
Executive directors								
JP Montanana	**500 000**	**36 505 480**	**—**	**37 005 480**	500 000	31 332 429	—	31 832 429
IP Dittrich	**1 213 729**	**—**	**—**	**1 213 729**	969 224	—	—	969 224
Non-executive directors								
SJ Davidson	**—**	**—**	**11 001**	**11 001**	—	—	11 001	11 001
JF McCartney (retired 27 July 2023)	**—**	**—**	**—**	**—**	—	1 278 877	—	1 278 877
	1 713 729	**36 505 480**	**11 001**	**38 230 210**	1 469 224	32 611 306	11 001	34 091 531

Of Mr Montanana's shareholding, 3 000 000 (2023: 1 000 000) shares have been pledged as security for certain equity funding transactions.

Directors' interests in ordinary shares of the Company shown above are unchanged from 29 February 2024 to the date of this report. Non-executive directors not shown in the above tables did not hold any Datatec shares in either year. Shares held by executive directors in relation to the DBP and DBW (which are forfeited if they resign from the Company) are included in the above table.

21. SHARE-BASED PAYMENTS

Group long-term incentives ("LTI") comprises share-based remuneration plans which are equity-settled. The plans in operation are:

- Conditional share plan ("CSP") – a performance share plan in which Datatec shares vest three years after grant date subject to performance conditions;
- Deferred Bonus Warrant scheme ("DBW") – a portion of a participant's short-term incentive ("STI") i.e. bonus is deferred and used to purchase Datatec shares called "bonus shares" which are held in escrow. The Company matches the value of this deferral with a grant of share appreciation rights ("SARs"). The bonus shares together with the SARs collectively form the DBW which vests three years after grant date and is forfeitable in the event of the participant resigning from Datatec prior to vesting.

Prior to the initiation of the DBW in 2022 (2023 financial year) another bonus deferral plan was in operation:

- Deferred bonus plan ("DBP") – a portion of the bonus was deferred and the Company contributed a co-investment. Both of these components were in the form of Datatec shares which vest after three years and are forfeitable in the event of the participant resigning from Datatec prior to vesting.

21. SHARE-BASED PAYMENTS (continued)

Further details of these Group plans are given in the table below. In addition, the divisions of the Group operate a number of cash-settled share-based remuneration plans which are explained below.

Group plans – structural overview

	Deferred Bonus Plan (discontinued)	Conditional Share Plan	Deferred Bonus Warrants
Instrument	The deferred STI (deferred shares) and the Company co-investment shares are awarded as restricted shares with voting and dividend rights.	Conditional rights to shares subject to performance vesting conditions.	The deferred STI is in the form of shares which will be held in escrow for the benefit of participants. The Company co-investment is awarded as SARs. The SARs will be awarded at market value using the same price applicable to purchase the deferred shares.
Eligibility	Executive directors (CEO and CFO) and two senior Group executives, provided the minimum STI levels are achieved as indicated above.	Executive directors and Group executives and staff.	Executive directors (CEO and CFO) and two senior Group executives, provided the minimum STI levels are achieved as indicated above.
Allocation levels	The minimum participation level for executives in the DBP was on a sliding scale with a 20% mandatory investment between 50% of target and on target bonus and 33% for above on-target bonus. The maximum proportion of annual bonus which participants may defer into the DBP was 75%.	The quantum of awards is based on annual base salary and the face value of awards which is the current Datatec share price (using a 30-day volume-weighted average price) as follows: • CEO – 150% x base salary; • CFO – 120% x base salary; and	The mandatory deferral percentage in the DBW (if the bonus exceeds 50% of target) is 20%. The maximum deferral percentage is 50%. The number of SARs to be awarded is based on an actuarial calculation of their value relative to the current share price.
Performance period	One year, aligned with the STI performance as explained above.	Three years.	One year, aligned with the STI performance as explained above.
Vesting period	Three years.	Three years.	Three years.
Accrual period for IFRS 2 purposes	Three years.	Three years.	Four years.
Additional holding period	For the STI and co-investment share elements, a holding period of two additional years follows the vesting period of three years.		A holding period of two additional years follows the vesting period of three years for the share element. The SARs are subject to a four-year exercise period commencing on the vesting date and are subject to a two-year holding period post vesting.
Performance conditions	No prospective performance conditions apply, but performance is an entry qualification requirement.	Performance conditions apply to the grants and the conditional awards are held for a performance period of three years. At the end of the three-year performance period the performance conditions are tested and if met, awards vest on a sliding scale between 50% at threshold and 100% at the upper target.	No prospective performance conditions apply, but performance is an entry qualification requirement.

21. SHARE-BASED PAYMENTS (continued)

Group plans – structural overview (continued)

	Deferred Bonus Plan (discontinued)	Conditional Share Plan	Deferred Bonus Warrants
Plan and individual limits	The maximum number of co-investment shares which can be delivered to any individual participant in the DBP is 1.6 million shares. The maximum number of new shares which can be issued to participants to settle obligations under the DBP is 3.2 million shares.	The maximum number of shares which can be delivered to any individual participant in the CSP is 6.0 million shares. The maximum number of new shares which can be issued to participants to settle obligations under the CSP is 7.4 million shares.	The DBW is non-dilutive to shareholders as it is settled by purchasing shares in the market. No plan or individual limit is therefore in place.
Termination of employment provisions	If an executive director resigns from the Company or is terminated for fault, eg dismissal on grounds of misconduct, proven poor performance, dishonest or fraudulent conduct ("bad leaver"), all unvested LTI awards are forfeited. This includes shares in the DBP (both the employee's deferred STI element and the co-investment from the Company) and DBW (both the employee's deferred STI element and the co-investment from the Company awarded in the form of SARs) within the three-year vesting period for DBP and DBW. In addition, such executives will be required to repay all dividends (pre-tax value) earned from the award date under the DBP and DBW. If termination is at the Company's instigation and not for fault ("good leaver"), the executive will retain a portion of LTI share incentive awards which have been granted but have not yet vested. The proportion will be determined pro rata, relative to the time of the vesting period which has elapsed up to the termination date, and in the case of the CSP, will be adjusted based on the extent to which performance conditions have been met. The terminated executive will continue to hold the reduced amount of awards until the vesting date, when they will vest along with the other grants, in accordance with the rules of the scheme, if the relevant performance conditions are satisfied.		

21. SHARE-BASED PAYMENTS (continued)

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
The Group plans provide for a grant price equal or approximately equal to the market price at the date of the grant.				
Datatec Group schemes (equity-settled)				
Datatec Conditional Share Plan 2017 ("CSP")		**ZAR**		ZAR
Outstanding at the beginning of year	**6 933**	**26.33**	5 031	28.09
Granted during the year	**2 335**	**36.36**	1 257	29.09
Forfeited/lapsed during the year	**(18)**	**32.64**	(1 033)	33.05
Vested and exercised during the year - share price on exercise ZAR38.03 (2023: ZAR36.06)	**(2 974)**	**24.52**	(344)	33.05
Modification in respect of Special Dividend	**—**	**—**	2 022	24.80
Outstanding at the end of the year	**6 276**	**31.05**	6 933	26.33
At 29 February 2024, the CSP awards had a weighted average remaining contractual life of 1.3 years (2023: 1.1 years).				
Datatec Deferred Bonus Plan 2017 ("DBP")		**ZAR**		ZAR
Outstanding at the beginning of year	**1 906**	**27.59**	2 776	29.30
Vested during the year	**(574)**	**24.12**	(870)	33.05
Forfeitable shares at the end of the year	**1 332**	**29.09**	1 906	27.59
Participants in the DBP defer a portion of their pre-tax bonus to which an equal Company co-investment is added and used to purchase Datatec shares which the participants hold under the terms of the DBP. These shares are all forfeitable if the participant leaves the employment of the Group within a three-year vesting period (from date of grant). At 29 February 2024, the weighted average remaining life of the awards until the end of the vesting period was 0.1 years (2023: 0.4 years).				
Datatec Deferred Bonus Warrants Scheme ("DBW") Bonus Shares		**ZAR**		ZAR
Outstanding at the beginning of year	**357**	**39.19**	—	—
Granted during the year	**358**	**36.36**	357	39.19
Forfeitable at end of year	**715**	**37.77**	357	39.19
Datatec Deferred Bonus Warrants Scheme ("DBW")Share Appreciation Rights (SARs)		**ZAR**		ZAR
Outstanding at the beginning of year	**1 955**	**27.76**	—	—
Co-investment Share Appreciation Rights	**1 434**	**36.36**	1 385	39.19
Modified in respect of Special Dividend	**—**	**—**	570	(11.43)
Outstanding at end of year	**3 389**	**31.40**	1 955	27.76
Participants in the DBW defer a portion of their pre-tax bonus (bonus shares). In addition, the Company allocates to the participants an equal Company co-investment in the form of Share Appreciation Rights. The portion of pre-tax bonus deferred are used to purchase Datatec shares which the participants hold under the terms of the DBW. These shares are all forfeitable if the participant leaves the employment of the Group within the three-year period from date of grant after which the shares vest. At 29 February 2024, the weighted average remaining life of the awards until the end of the vesting period was 1.7 years (2023 2.3 years).				

21. SHARE-BASED PAYMENTS (continued)

The CSP awards granted in 2024 are conditional on a market condition as well as the completion of a three-year service period. This is consistent with the conditions attached to the CSP grant made in 2023. The fair value of the CSP grant in 2024 was calculated using the Monte Carlo Simulation pricing model as it best captures the path-dependent nature and specific features of these awards in order to determine the extent that the market vesting condition is achieved, and hence the number of awards that will vest, by assessing the evolution of Datatec's total shareholder return ("TSR") share price.

The DBW awards granted in 2024 are conditional upon completion of a three-year service period with no performance conditions because they represent re-investment of STI bonuses already earned. The fair value of the DBW awards, referred to as the "unconditional" fair value, is equal to the underlying share price of Datatec shares at the grant date. The key data used for the valuation of the Datatec CSP, DBP and DBW bonus share awards is shown in the table below:

	2024			2023		
	CSP	**DBW (SARs)**	**DBW (bonus shares)**	CSP	DBW (SARs)	DBW (bonus shares)
Grant date	**1 June 2023**	**1 June 2023**	**1 June 2023**	11 July 2022	12 August 2022	12 August 2022
Vesting date	**1 June 2026**	**1 June 2026**	**1 June 2026**	1 June 2025	30 June 2025	30 June 2025
Employment period	**23 May 2023 to 23 May 2026**	**1 March 2022 to 28 February 2026**	**1 March 2022 to 18 February 2026**	24 May 2022 to 24 May 2025	1 March 2021 to 28 February 2025	1 March 2021 to 28 February 2025
Share price at grant date (closing price)	**R39.00**	**N/A**	**R39.00**	R43.60	N/A	R44.66
Risk-free rate (nominal annual compounded continuously)	**8.80%**	**9.75%**	**8.80%**	7.74%	8.08%	7.18%
Dividend yield	**3.79%**	**3.97%**	**3.79%**	2.55%	1.98%	1.51%
Volatility – determined using equally-weighted historical volatility method	**41.20%**	**43.27%**	**N/A**	54.74%	42.33%	N/A
Fair value (of one unit)	**R39.00**	**R16.60**	**R39.00**	R27.39	R20.90	R44.66

Notes to the company annual financial statements continued

for the year ended 29 February 2024

22. SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 29 February 2024	As at 28 February 2023
Incorporated in Africa					
Clarotech Consulting (Pty) Ltd*		I	South Africa	**–**	69.93
Clarotech Holdings (Pty) Ltd*		I	South Africa	**–**	69.93
Datatec Management Services (Pty) Ltd*		O	South Africa	**100.00**	100.00
LGLP (Pty) Ltd		O	South Africa	**100.00**	100.00
Logicalis SA (Pty) Ltd	6	I	South Africa	**66.25**	69.93
Limitada		I	Angola	**94.74**	100.00
Mars Investment Holdings (Pty) Ltd	6	I	South Africa	**39.75**	41.96
Mars Network and Risk Services (Pty) Ltd	6	I	South Africa	**39.75**	41.96
Mars Technologies (Pty) Ltd	6	I	South Africa	**39.75**	41.96
Standfull Trading (Pty) Ltd*		O	South Africa	**–**	100.00
Westcon Africa (Kenya) Limited		D	Kenya	**87.50**	92.10
Westcon Africa (Mauritius) Limited		D	Mauritius	**87.50**	92.10
Westcon Africa (Morocco) SARL		D	Morocco	**87.50**	92.10
Westcon Africa (Uganda) Limited		D	Uganda	**87.50**	92.10
Westcon Africa Angola Limited		D	Angola	**87.50**	92.10
Westcon Africa Distribution (Nigeria) Limited		D	Nigeria	**87.50**	92.10
Westcon Africa Namibia (Pty) Ltd*		D	Namibia	**–**	90.00
Westcon Africa Tanzania Limited*		D	Tanzania	**87.50**	92.10
Westcon Africa Tunisia Limited	2	D	Tunisia	**42.87**	
Westcon Africa Zambia Limited*		D	Zambia	**65.62**	69.08
Westcon Egypt LLC*		D	Egypt	**87.50**	92.10
Westcon Emerging Markets Group (Pty) Ltd	2	D	South Africa	**78.75**	90.00
Westcon Group Egypt LLC*		D	Egypt	**87.50**	92.10
Westcon Group Shared Services (Pty) Ltd	2	D	South Africa	**78.75**	90.00
Westcon Namibia Distribution (Pty) Ltd	2	D	Namibia	**47.24**	54.00
Westcon Southern Africa Holdings (Pty) Ltd*	2	D	South Africa	**47.24**	54.00
WestconGroup SA (Pty) Ltd	2	D	South Africa	**38.50**	44.01
Incorporated in UK and Europe					
Audea Formación S.L.		I	Spain	**81.62**	70.00
Audea Seguridad de la Información S.L.	9	I	Spain	**81.62**	70.00
Datatec Financial Services Holdings Limited		D	United Kingdom	**100.00**	100.00
Datatec Financial Services Limited		D	United Kingdom	**100.00**	100.00
Datatec Group Finance Limited*		O	United Kingdom	**100.00**	100.00
Datatec PLC		O	United Kingdom	**100.00**	100.00
DX Net Limitada*		I	Portugal	**–**	51.00
ITUMA GmbH	8	I	Germany	**48.32**	51.00
Kumulus International Holdings Limited*	13	I	United Kingdom	**100.00**	
Logicalis Channel Islands Limited		I	Channel Islands	**94.74**	100.00
Logicalis Global Operations Centre S.A*		I	Portugal	**–**	100.00
Logicalis GmbH		I	Germany	**94.74**	100.00
Logicalis Group Finance Limited		I	United Kingdom	**94.74**	100.00
Logicalis Group Limited	11	I	United Kingdom	**100.00**	100.00
Logicalis Guernsey Limited		I	Channel Islands	**94.74**	100.00
Logicalis International Group Holding Limited	5	I	United Kingdom	**94.74**	100.00
Logicalis International Limited		I	United Kingdom	**94.74**	100.00

22. SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 29 February 2024	As at 28 February 2023
Incorporated in UK and Europe (continued)					
Logicalis Ireland Limited		I	Ireland	**94.74**	100.00
Logicalis Jersey Limited		I	Channel Islands	**94.74**	100.00
Logicalis Networks GmbH	8	I	Germany	**94.74**	100.00
Logicalis Portugal S.A		I	Portugal	**94.74**	100.00
Logicalis Siticom GmbH	7	I	Germany	**94.74**	90.00
Logicalis Solutions Limited		I	Ireland	**94.74**	100.00
Logicalis Spain, S.L.	9	I	Spain	**94.74**	100.00
Logicalis Technical Services Limited*		I	Ireland	**94.74**	100.00
Logicalis Technology Limited		I	Ireland	**94.74**	100.00
Logicalis UK Limited	10	I	United Kingdom	**94.74**	100.00
Mason Advisory Limited	14	C	United Kingdom	**80.00**	42.50
Orange Networks GmbH		I	Germany	**94.74**	100.00
PromonLogicalis Latin America Limited	11	I	United Kingdom	**68.42**	65.00
Q Associates Limited*	10	I	United Kingdom	**94.74**	100.00
Rebura GmbH	3	D	Switzerland	**87.50**	—
Rebura Holdings Limited	3	D	United Kingdom	**87.50**	—
Rebura Limited	3	D	United Kingdom	**87.50**	—
Risk4All S.L.		I	Spain	**51.01**	43.75
Siticom GmbH	7	I	Germany	**94.74**	90.00
Two Ten Degrees Limited	10	I	United Kingdom	**94.74**	100.00
Virtualization Limitada*		I	Portugal	**—**	75.00
Westcon Denmark ApS		D	Denmark	**87.50**	92.10
Westcon Group Africa Operations Limited	1	D	United Kingdom	**87.50**	92.10
Westcon Group Austria GmbH		D	Austria	**87.50**	92.10
Westcon Group European Operations Limited	3	D	United Kingdom	**87.50**	92.10
Westcon Group Germany GmbH		D	Germany	**87.50**	92.10
Westcon Group Italia S.R.L.		D	Italy	**87.50**	92.10
Westcon Group Middle East Holdings Limited		D	United Kingdom	**87.50**	92.10
Westcon Group Netherlands BV		D	Netherlands	**87.50**	92.10
Westcon Group Norway AS		D	Norway	**87.50**	92.10
Westcon Group Poland Sp. Z.O.O.		D	Poland	**87.50**	92.10
Westcon Group Portugal, Sociedade Unipessoal, Limitada		D	Portugal	**87.50**	92.10
Westcon International Group Holdings Limited	1	D	United Kingdom	**87.50**	92.10
Westcon International Limited	1	D	United Kingdom	**92.10**	92.10
WGEO Switzerland GmbH		D	Switzerland	**87.50**	92.10

22. SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 29 February 2024	As at 28 February 2023
Incorporated in US and Canada					
Active Symbols, Inc.*		C	USA	–	100.00
Canada WGIT Services, Inc.		D	Canada	**87.50**	92.10
Datatec Financial Services, Inc.		D	USA	**100.00**	100.00
EyeAlike, Inc.*		C	USA	–	72.40
Kumulus USA Inc*	13	I	USA	**100.00**	–
Logicalis South America, Inc.		I	USA	**68.42**	65.00
Logicalis US Holdings, Inc.		I	USA	**94.74**	100.00
Logicalis, Inc.		I	USA	**94.74**	100.00
Nubeliu I LLC.*		I	USA	**68.42**	65.00
Nubeliu II LLC.*		I	USA	**68.42**	65.00
Nubeliu Limited*		I	Cayman Islands	**68.42**	65.00
PLLAL International LLC		I	USA	**68.42**	65.00
Global Deployment Solutions LLC	1	D	USA	**87.50**	46.05
WG Services, Inc.		D	USA	**87.50**	92.10
Incorporated in Latin America					
C2 Mining Solutions S.A.C.		I	Peru	**68.42**	65.00
Coasin Chile S.A.		I	Chile	**68.42**	65.00
Logicalis Andina Bolivia LAB. Limitada		I	Bolivia	**68.42**	65.00
Logicalis Andina S.A.C.		I	Peru	**68.42**	65.00
Logicalis Argentina S.A.		I	Argentina	**68.42**	65.00
Logicalis Chile S.A.		I	Chile	**68.42**	65.00
Logicalis Colombia S.A.S		I	Colombia	**68.42**	65.00
Logicalis Ecuador S.A.		I	Ecuador	**68.42**	65.00
Logicalis Inc. S.A.*		I	Uruguay	**68.42**	65.00
Logicalis Latin America Holding S.A.	11	I	Brazil	**68.42**	65.00
Logicalis Mexico, S. de R.L. de C.V.		I	Mexico	**68.42**	65.00
Logicalis Paraguay S.A.		I	Paraguay	**68.42**	65.00
Logicalis Puerto Rico Inc.		I	Puerto Rico	**68.42**	65.00
Logicalis República Dominicana S.A.S		I	Dominican Republic	**68.42**	65.00
Logicalis Uruguay S.A.		I	Uruguay	**68.42**	65.00
NubeliU Argentina S.R.L		I	Argentina	**68.42**	65.00
NubeliU Consultoria e Licenciamento de Software Limitada	12	I	Brazil	–	65.00
PromonLogicalis Tecnologia e Participações Limitada		I	Brazil	**68.42**	65.00
PTLS Serviços de Tecnologia e Assessoria Técnica Limitada	12	I	Brazil	**68.42**	65.00
WeService Serviços e Tecnologia Limitada		I	Brazil	**68.42**	65.00

22. SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 29 February 2024	As at 28 February 2023
Incorporated in Australia and New Zealand					
Corporate Network Integration Pty Ltd*		I	Australia	**–**	100.00
Datatec Financial Services (NZ) Limited		D	New Zealand	**100.00**	100.00
Datatec Financial Services Pty Ltd		D	Australia	**100.00**	100.00
Logicalis Australia Holdings Pty Ltd		I	Australia	**94.74**	100.00
Logicalis Australia Pty Ltd		I	Australia	**94.74**	100.00
Westcon Group NZ Limited		D	New Zealand	**87.50**	92.10
Westcon Group Pty Ltd		D	Australia	**87.50**	92.10
Incorporated in British Virgin Islands					
Datatec International Holdings Limited*		O	British Virgin Islands	**–**	100.00
NetStar Group Holding Limited		I	British Virgin Islands	**94.74**	100.00
Incorporated in Asia					
iZeno (Thailand) Company Limited		I	Thailand	**60.97**	65.00
iZeno Incorporated		I	Philippines	**61.58**	65.00
iZeno Private Limited		I	Singapore	**61.58**	65.00
iZeno Sdn Bhd		I	Malaysia	**61.58**	65.00
Logicalis Asia Pacific MSC Sdn. Bhd.		I	Malaysia	**94.74**	100.00
Logicalis Hong Kong Limited		I	Hong Kong	**94.74**	100.00
Logicalis Malaysia Sdn. Bhd.		I	Malaysia	**94.74**	100.00
Logicalis Pte. Limited (Xiamen)		I	China	**94.74**	100.00
Logicalis Shanghai Limited		I	China	**94.74**	100.00
Logicalis Singapore Pte. Limited		I	Singapore	**94.74**	100.00
Logicalis Vietnam Company Limited		I	Vietnam	**94.74**	100.00
PT iZeno Teknologi Indonesia		I	Indonesia	**60.97**	64.35
PT Westcon International Indonesia		D	Indonesia	**87.50**	92.10
PT. Packet Systems Indonesia		I	Indonesia	**50.69**	53.50
PT. Westcon Solutions		D	Indonesia	**87.50**	92.10
Westcon Group (Thailand) Co. Limited		D	Thailand	**87.49**	92.10
Westcon Group (Vietnam) Co. Limited		D	Vietnam	**87.50**	92.10
Westcon Group Pte. Limited		D	Singapore	**87.49**	92.10
Westcon Solutions (HK) Limited		D	Hong Kong	**87.50**	92.10
Westcon Solutions (M) Sdn. Bhd.		D	Malaysia	**87.50**	92.10
Westcon Solutions (Shanghai) Limited		D	China	**87.50**	92.10
Westcon Solutions IMH Pte. Limited		D	Singapore	**87.50**	92.10
Westcon Solutions Philippines Inc.		D	Philippines	**87.49**	92.09
Westcon Solutions Pte. Limited		D	Singapore	**87.50**	92.10
WestconComstor International (India) Private Limited		D	India	**87.50**	92.10

22. SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 29 February 2024	As at 28 February 2023
Incorporated in Middle East					
Datatec International Services FZE		O	United Arab Emirates	**100.00**	100.00
Westcon Africa FZCO*		D	United Arab Emirates	**87.50**	92.10
Westcon Comstor Trading LLC		D	Kingdom of Saudi Arabia	**87.50**	—
Westcon Doha LLC	4	D	Qatar	**42.87**	45.13
Westcon Kuwait Company for Communications, Equipment, Accessories and Spare Parts WLL	4	D	Kuwait	**42.87**	45.13
Westcon LLC		D	Oman	**87.50**	92.10
Westcon Middle East Bahrain WLL	4	D	Bahrain	**86.62**	91.18
Westcon Middle East Equipments Trading LLC	4	D	United Arab Emirates	**42.87**	45.13
Westcon Middle East FZE		D	United Arab Emirates	**87.50**	92.10
Westcon Saudi Company LLC	4	D	Kingdom of Saudi Arabia	**65.62**	69.08
Equity-accounted associates and joint ventures					
Cirrus Participações S.A.	15	I	Brazil	**60.41**	51.31
Saleslogics Serviços em Inteligência de Negócios Empresariais e Informática Ltda.	15	I	Brazil	**60.41**	33.35
Kumulus Serviços em Cloud Computing e Database Ltda	15	I	Brazil	**60.41**	51.31

* *Entities disclosed include dormant entities, entities in the process of deregistration and entities being liquidated.*

Trading and dormant entities have been disclosed above.
C – Consulting Services
D – Distribution
I – ICT Solutions
O – Other holdings

22. SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS (continued)

Subsidiary companies

The subsidiary companies listing above illustrates the effective percentage shareholding of Datatec in its trading subsidiaries. There are subsidiaries within the Group that have non-controlling interests and a number of these subsidiaries hold further investments that also have non-controlling interests. These entities are controlled by the Group and consolidated.

Westcon International

Note 1

Westcon International was 90% owned by Datatec following the sale of Westcon Americas to SYNNEX Corporation ("SYNNEX") together with 10% of Westcon International in FY18. In June 2020, Datatec PLC increased its shareholding in Westcon International to 92.1% as a result of a capitalisation transaction, resulting in a reduction of the minority interest of SYNNEX from 10% to 7.9%.

During FY24, Westcon Group Africa Operations Limited transferred its 100% owned subsidiary NOXS UK Limited to Westcon International Limited ("WIL"). NOXS UK Limited was renamed as Westcon International Group Holdings Limited ("WIGHL"). Subsequent to this, WIL transferred its 6 directly held subsidiaries to WIGHL, and sold 5% of its holding in WIGHL to management of Westcon International during FY24. As a result of the above, the 100%-owned subsidiaries of Westcon International now have a 87.5% effective holding by the Datatec Group.

Westcon International Group Holdings Limited increased its shareholding in Westcon GDS LLC from 50% to 100% and subsequently changed the entity name to Global Deployment Solutions LLC.

Note 2

Datatec PLC, a 100%-owned subsidiary of Datatec Limited, owns 92.1% of Westcon International Limited, who owns 95% of WIGHL, who owns 90% of Westcon Emerging Markets Group Proprietary Limited ("WEMG") and WEMG holds 59.995% of the shares of Westcon Southern Africa Holdings Proprietary Limited and 100% of the shares in Westcon Group Shared Services Proprietary Limited. WEMG controls Westcon Southern Africa Holdings Proprietary Limited.

WEMG made a capital investment in Ascension Fund No 5 LLP, the BBBEE partner of Westcon Southern Africa Holdings Proprietary Limited. WEMG has control over the fund. This fund is consolidated in the Datatec Group financial statements.

Westcon Southern Africa Holdings Proprietary Limited holds 81.5% of the shares in WestconGroup SA Proprietary Limited and 100% of the shares in Westcon Namibia Distribution Proprietary Limited and controls both these entities.

WEMG, Westcon Southern Africa Holdings Proprietary Limited and WestconGroup SA Proprietary Limited are consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Westcon Africa Tunisia was incorporated on the 18 September 2023 with a 49% shareholding. The shareholding requirement is mandated by Tunisia Law but Westcon Group Africa Operations Limited has control by virtue of a shareholders agreement.

Note 3

During 2024, Westcon Group European Operations Limited, acquired 100% of the shares of Rebura Holding Limited, which in turn owns 100% of Rebura Limited and Rebura GmbH, a UK and Swiss entity respectively. From the acquisition date the results of Rebura have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Note 4

Westcon Doha and Westcon Kuwait are 100% consolidated as the minority shareholders have no rights to obtain a share of profits. Westcon has full management control in terms of their shareholder agreements of these entities.

Westcon Middle East Equipments Trading LLC, Westcon Saudi Company LLC and Westcon Middle East Bahrain WLL are 100% consolidated as Westcon has full control over these entities in terms of the shareholder agreements.

22. SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS (continued)

Logicalis International

Note 5

In 2023 Logicalis Group Limited incorporated Logicalis International Group Holding Limited. ("LIGHL"), a company registered in the UK. During the year, Logicalis Group Limited transferred the entire share capital of Logicalis International Limited to LIGHL.

As at 29 February 2024, Logicalis Group Limited owns 94.74% of Logicalis International Group Holding Limited after selling 5.26% of its shareholding to the management of Logicalis International during 2024.

As a result of the above, the 100%-owned subsidiaries of Logicalis International Group Holding Limited now have a 94.74% effective holding by the Datatec Group.

Note 6

In 2021, Logicalis SA (Pty) Ltd disposed of 40% of its investment in Mars Investment Holdings Proprietary Limited as part of a BBBEE deal. Mars Investment Holdings Proprietary Limited owns 100% of Mars Technologies Proprietary Limited and Mars Network and Risk Services Proprietary Limited. In 2023, Logicalis International Limited disposed of 30% of its shareholding in Logicalis South Africa as part of a BBBEE deal.

Note 7

Logicalis Siticom GmbH increased its shareholdings in Siticom GmbH to 100% from 90%.

Note 8

Logicalis Networks GmbH business owns 51% of the shares in ITUMA GmbH and it is consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Note 9

In 2024, Logicalis Spain, S.L. increased its shareholding in Audea Seguridad de la Informacion, S.L. by 2.3% and 13.85% respectively to an effective shareholding of 86.15% as at 29 February 2024.

Note 10

During 2024, the trade and assets of Q Associates were transferred up to Logicalis UK Limited, a 100% owned subsidiary of Logicalis International Limited. This resulted in Two Ten Degrees Limited being a wholly owned subsidiary of Logicalis UK Limited.in 2024.

Logicalis Latin America

Note 11

Datatec PLC, a 100%-owned subsidiary of Datatec Limited, owns 100% of the issued share capital of Logicalis Group Limited which owned 65% of Logicalis Latin America Holding S.A prior to the share repurchase. In September 2023, Logicalis Latin America Holding repurchased 5.0% of its shares from Promon S.A for subsequent cancellation. This resulted in an effective shareholding of 68.42% (2023: 65.0%) for Logicalis Group Limited and current shareholding of 31.58% (2023: 35.0%) for Promon S.A.

Logicalis Latin America Holdings S.A., that owns 100% of Promon Logicalis Latin America Limited ("PLLAL"). PLLAL further owns a number of entities across Latin America that are controlled and consolidated by PLLAL.

Note 12

Nubeliu Consultoria e Licenciamento de Software Limitada merged into PTLS Serviços de Tecnologia e Assessoria Técnica Limitada.

Corporate

Note 13

In 2024 Logicalis Group Limited incorporated Kumulus International Holdings Limited, a UK registered entity who in turn incorporated Kumulus USA Inc, a US registered entity.

Note 14

Datatec PLC increased its shareholding in Mason Advisory Limited on 1 December 2023 acquiring an additional 40% from the management team, taking its interest to a majority shareholding of 80%. From acquisition date the results of Mason Advisory Limited have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

22. SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS (continued)

Subsidiary companies (continued)

Note 15: Equity-accounted associates and joint ventures

In June 2023 and August 2023, Logicalis Group Limited purchased 2.93% and 3.17% respectively of Cirrus Participações S.A.C. in Brazil ("Cirrus") from the minority shareholders. In June, Logicalis Group Limited subscribed for new shares in Cirrus. PromonLogicalis Latin America Limited did not partake in the subscription and decreased its holding in Cirrus to 35.63% (2023: 37.05%). As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Cirrus of 60.4% (2023: 51.31%). In July 2023, Cirrus increased its shareholding from 65% to 100% in Saleslogics Servicos em Inteligência de Negócios Empresariais e Informática Limitada and continues to own 100% of Kumulus Servicos em Cloud Computing e Database Limitada respectively.