

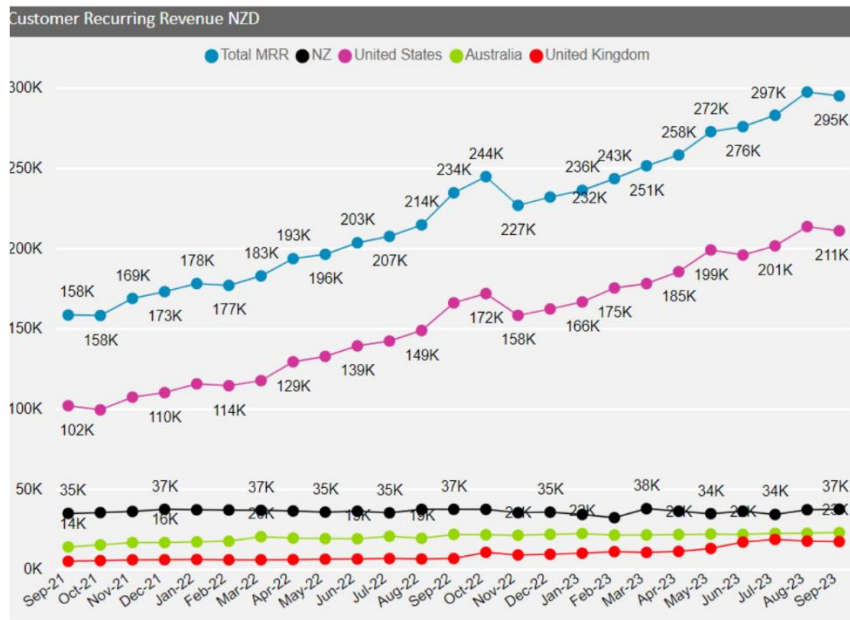


October 30th, 2023

Dear Datagate Shareholders,

I hope that you are fairing well in these challenging times the world is going through.

I'm pleased to report that Datagate has continued to stay on-track towards our goal of growth and profitability during the July-September quarter, and the outlook for next quarter and foreseeable future is very positive. Our MRR growth is tracking ahead of budget and in the month of August we achieved the milestone of our first profitable month, returning positive EBITDA of NZ \$14K.



At the end of the July-September quarter, Datagate reached **NZ \$3.53M ARR**.

Our monthly EBITDA results are trending upwards as projected, with August being our first ever month that we achieved a positive result.

Our EBITDA outlook for the next quarter remains positive with several large new customers coming on stream with Datagate.

Decision to Not Raise New Capital

We are still comfortable with our decision to not raise new capital this year. This is the first year in Datagate's history that we have not needed new capital. We believe that current market conditions are not ideal for raising capital, and as long as Datagate continues growing fast towards profitability, we do not expect to raise new capital.

October 2023 – our best month so far for new sales

With 18 new orders so far, this month of October has already become our best month ever in terms of the quantity of new Datagate sales, and the month is not completed as at the time of writing this report.

Global MSP Industry Continues to Grow

Datagate's upward trajectory is underpinned by adding new customers who are predominantly Managed Service Providers (MSPs). Market research suggests the MSP market is growing at a CAGR of 13.1%, worldwide, and in the United States. Our in-market experience in working directly with MSPs backs this up.



Telecommunications is a significant segment of MSP business, and when MSPs provide telecom services, they require a specialized billing solution such as Datagate. MSPs are dominating the Unified Communications as a Service (UCaaS) market, and that segment of MSP activity is growing at 15.1% CAGR according to Grand View Research.

Overall Datagate is tracking well, and we are excited for the future of the business.

Thank you for your ongoing support of Datagate. If you have any questions, please contact me at mark.loveys@datagate-i.com

Thanks & Regards

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