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SUMMARISED CONSOLIDATED AUDITED
ANNUAL FINANCIAL STATEMENTS

AND NOTICE OF ANNUAL GENERAL MEETING
FOR THE YEAR ENDED 31 MARCH 2020

Letter to shareholders

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LETTER TO SHAREHOLDERS

Dear Shareholder

Notice of Annual General Meeting (AGM) and Proxy

The document accompanying this letter is our detailed Notice of the AGM for the PBT Group Limited to be held entirely by electronic communication on Friday, 21 August 2020 at 10:00. We have also included the summarised consolidated audited annual financial statements with explanatory notes and commentary, a proxy form, a form of election and an electronic participation application form. These documents comply with the requirements of the Companies Act, Act 71 of 2008, (as amended) (the Act) and the JSE Limited (JSE) Listings Requirements.

Copies of the full Integrated Annual Report (Integrated Report), incorporating a full set of consolidated audited annual financial statements, will only be mailed to shareholders on request. Should you wish to receive a printed copy of the Integrated Report, please forward an e-mail request to anastassia.sousa@pbtgroup.co.za. The Integrated Report is available for download on our website at <https://www.pbtgroup.co.za/financial-information/>

Yours sincerely,



Anastassia Sousa
Company Secretary

17 July 2020

NOTICE OF ANNUAL GENERAL MEETING

For the year ended 31 March 2020

NOTICE IS HEREBY GIVEN that the next Annual General Meeting (AGM) of the shareholders of the Company will be held entirely by electronic communication, on 21 August 2020 at 10:00, to conduct the undermentioned business and for the undermentioned ordinary and special resolutions to be proposed:

PBT Group appointed The Meeting Specialist Proprietary Limited (TMS) to remotely host the AGM on an interactive electronic platform, in order to facilitate remote participation and voting by shareholders. TMS will also act as scrutineers.

The reason for conducting the AGM through electronic communication is due to the health and legal restrictions resulting from COVID-19.

Kindly note that, in terms of section 63(1) of the Companies Act, No. 71 of 2008, as amended (Companies Act), AGM participants (including proxies) will be required to provide identification to the reasonable satisfaction of the Chairman if they are not known to the Chairman before being entitled to participate in or vote at the AGM as more fully detailed in this Notice. Forms of identification that will be accepted include certified copies of valid identity documents, driver's licences and passports. If in doubt as to whether any document will be regarded as satisfactory proof of identification, AGM participants should contact the Transfer Secretaries for guidance.

Presentation of audited financial statements

The consolidated audited annual financial statements of the Company, including the reports of the Directors, the Audit and Risk Committee and the independent auditor, for the year ended 31 March 2020, will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act. The complete set of consolidated audited annual financial statements, together with the Directors' and independent auditor's reports are set out on pages 31 to 37 of the Company's Integrated Report for the year ended 31 March 2020 (Integrated Report) as well as the Audit and Risk Committee Report as set out on pages 28 and 29 and the Remuneration Policy and Implementation Report as set out on pages 20 and 21 thereof.

Ordinary resolutions

To consider and, if deemed fit, pass the undermentioned Ordinary Resolutions Numbers 1 to 8 with or without modification in the manner required by the Companies Act, as read with the JSE Listings Requirements (Listings Requirements).

In order to be adopted:

- Ordinary Resolutions Numbers 1, 2, 3, 4, 6, 7 and 8 require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting; and
- Ordinary Resolution Number 5 requires the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting.

1. Ordinary Resolution Number One THE REAPPOINTMENT OF THE INDEPENDENT AUDITOR AND DESIGNATED AUDITOR

To reappoint, as recommended by the Company's Audit and Risk Committee, the firm BDO South Africa Inc. as independent auditors, and Imtiaaz Hashim as the individual designated auditor of the Company for the ensuing period terminating on the conclusion of the next AGM of the Company.

2. Ordinary Resolution Number Two THE REAPPOINTMENT OF NON-EXECUTIVE DIRECTORS

To re-elect the following Non-Executive Directors who, in terms of the Company's Memorandum of Incorporation (MOI), retire by rotation at the AGM, but, being eligible, offer themselves for re-election.

- 2.1 Cheree Dyers; and
- 2.2 Tony Taylor.

Brief biographies of the aforementioned Non-Executive Directors are included on pages 52 and 53 of this document.

The appointments numbered 2.1 and 2.2 constitute separate ordinary resolutions and will be considered by separate votes.

3. Ordinary Resolution Number Three **RATIFICATION OF APPOINTMENT OF DIRECTORS**

To ratify the appointment of the following Executive Directors, who were appointed to the Board of Directors (Board) during the year, in terms of the Company's MOI:

- 3.1 Bianca Pieters – Chief Financial Officer; and
- 3.2 Elizna Read – Chief Executive Officer.

Mrs Pieters and Mrs Read were appointed to the Board on 31 March 2020.

Brief biographies of the aforementioned Directors are included on page 52 of this document.

The appointments numbered 3.1 and 3.2 constitute separate ordinary resolutions and will be considered by separate votes.

4. Ordinary Resolution Number Four **THE APPOINTMENT OF THE AUDIT AND RISK COMMITTEE FOR THE ENSUING YEAR**

To elect the following Directors, who are eligible and offer themselves for election, to the Audit and Risk Committee for the ensuing year, as recommended by the Board of the Company in accordance with section 94(2) of the Companies Act:

- 4.1 Arthur Winkler (Chairman);
- 4.2 Cheree Dyers, subject to the approval of Ordinary Resolution Number 2.1; and
- 4.3 Tony Taylor, subject to the approval of Ordinary Resolution Number 2.2.

Brief biographies of the aforementioned Non-Executive Directors are included on pages 52 and 53 of this document.

The appointments numbered 4.1 to 4.3 constitute separate ordinary resolutions and will be considered by separate votes.

5. Ordinary Resolution Number Five **GENERAL AUTHORITY TO ISSUE SECURITIES FOR CASH**

To authorise the Directors of the Company, by way of a general authority, to allot and issue for cash any or all of its authorised but unissued ordinary shares and to issue any options/convertible securities that are convertible into an existing class of equity securities in the share capital of the Company as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements, the Companies Act and the MOI of the Company, and provided further that:

- (a) the approval shall be valid until the date of the next AGM, provided it shall not extend beyond 15 (fifteen) months from the date of this resolution;
- (b) the number of ordinary shares issued for cash shall, in any 1 (one) financial year in the aggregate, not exceed 30 026 563 shares, being 30% (thirty percent) of the Company's issued shares as at the date of this Notice, excluding treasury shares;
- (c) after the Company has issued shares in terms of this general authority representing, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company will publish an announcement containing full details of the issue, including the effects of the issue on the net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, and diluted earnings and headline earnings per share;
- (d) in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount at which such shares may be issued will be 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the Company's shares have not traded in such 30 (thirty)-business-day period;
- (e) any shares issued under this authority during the period contemplated in paragraph (a) above, must be deducted from the number in paragraph (b) above;
- (f) in the event of a subdivision or consolidation of issued shares during the period contemplated in paragraph (a) above, the existing authority must be adjusted accordingly to represent the same allocation ratio;
- (g) any such issue will only be made to public shareholders as defined in the Listings Requirements and not to related parties; and
- (h) the shares, which are the subject of the issue for cash, will be of a class already in issue or, where this is not the case, will be limited to such shares or rights that are convertible to a class already in issue.

EXPLANATORY NOTE:

The reason for this ordinary resolution is, and the effect thereof will be, to authorise the Directors to allot and

NOTICE OF ANNUAL GENERAL MEETING [CONTINUED]

issue, for cash, any of the Company's unissued ordinary shares, as they in their discretion deem fit, subject to the applicable provisions of the Listings Requirements, the Companies Act, the MOI and this resolution.

As mentioned above, in terms of the Listings Requirements, this ordinary resolution requires the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting.

6. Ordinary Resolution Number Six DIRECTORS' OR GROUP COMPANY SECRETARY'S AUTHORITY TO IMPLEMENT RESOLUTIONS

To authorise each and every Director of the Company and/or the Company Secretary to do all such things and sign all documents and take all such actions as they consider necessary to give effect to and implement the ordinary and special resolutions as set out in this Notice.

7. Ordinary Resolution Number Seven NON-BINDING ADVISORY VOTE ON THE REMUNERATION POLICY OF THE COMPANY AND THE IMPLEMENTATION OF THE REMUNERATION POLICY OF THE COMPANY

To endorse, by way of non-binding votes:

7.1 the Company's Remuneration Policy detailed on page 20 of the Company's Integrated Report; and

7.2 the Company's Remuneration Implementation Report detailed on page 21 of the Company's Integrated Report.

The Ordinary Resolutions numbered 7.1 and 7.2 constitute separate ordinary resolutions and will be considered by separate votes.

In accordance with Principle 14 of the King Report on Corporate Governance for South Africa, 2016 (King IV™), the Company's Remuneration Policy and Remuneration Implementation Report are tabled for consideration by shareholders. These votes enable shareholders to express their views on the remuneration policies adopted by the Company and on the implementation thereof.

Ordinary Resolution Numbers 7.1 and 7.2 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements; however, the Board will take the outcome of the votes on these resolutions into consideration when considering amendments to the Company's Remuneration Policy. Should either of the resolutions, or both, be opposed

by 25% (twenty-five percent) or more of the total number of votes exercisable by shareholders present or represented by proxy at the AGM, the Board will issue an invitation, included in the announcement to shareholders advising of the results of the AGM, to be published on SENS on 21 August 2020, to those shareholders who voted against the applicable resolution to engage with the Company at a meeting scheduled for this purpose.

8. Ordinary Resolution Number Eight GENERAL PAYMENTS

To resolve that, in terms of the MOI and subject to the provisions of the Companies Act and the Listings Requirements, the Board shall be entitled, from time to time, to pay by way of a reduction of share premium, capital distributions to shareholders of the Company in lieu of a dividend. Such distributions shall be made pro rata to all shareholders and shall be amounts equal to the amounts which the Board would have declared and paid out of profits of the Company as interim and final dividends in respect of the financial year ending 31 March 2020. This authority shall not extend beyond the date of the AGM following the date of the AGM at which this resolution is being proposed, or 15 (fifteen) months from the date of the resolution, whichever period is shorter.

It is the intention of the Company and/or any of its subsidiaries to utilise the general authority to make a general payment to shareholders, if at some future date the cash resources of the Company are in excess of its requirements. In this regard, the Board will take account of, inter alia, appropriate capitalisation structures for the Company as well as the long-term cash needs of the Company and will ensure that any such payments are in the interests of shareholders.

The method by which the Company intends to make general payments to shareholders in terms of a general authority and the date on which such payments will take place has not yet been determined.

SPECIAL RESOLUTIONS

To consider and, if deemed fit, pass the undermentioned Special Resolutions Numbers 1 to 5, with or without modification in the manner required by the Companies Act, as read with the Listings Requirements. In order to be adopted these resolutions require the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting:

1. Special Resolution Number One FINANCIAL ASSISTANCE

“To authorise the Directors of the Company, in terms of section 45 of the Act, to cause the Company to provide any direct or indirect financial assistance to any Director or Prescribed Officer of the Company, or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated company or corporation, or to a person (as defined in the Act) related to any such company (including the Company), corporation, Director, Prescribed Officer or member (to the extent, if any, necessary in law) in so far as any Director or Prescribed Officer thereof is a participant thereof.

EXPLANATORY NOTE:

The reason for this special resolution is, and the effect thereof will be, to grant the Directors of the Company the authority to cause the Company to provide financial assistance to any Director or Prescribed Officer of the Company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company (including the Company), corporation, Director, Prescribed Officer or member, as contemplated in section 45 of the Act.

2. Special Resolution Number Two FINANCIAL ASSISTANCE FOR SUBSCRIPTION OF SECURITIES

To authorise the Directors of the Company, in terms of section 44 of the Act, to provide direct or indirect financial assistance by way of loans, guarantees, the provision of security or otherwise to any person (as defined in the Act), for the purposes of, or in connection with, the subscription of any option, or any securities (as defined in the Act), issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company.

EXPLANATORY NOTE:

The reason for this special resolution is, and the effect thereof will be, to grant the Directors of the Company the authority to cause the Company to provide direct or indirect financial assistance to any person as contemplated in section 44 of the Act.

3. Special Resolution Number Three GENERAL AUTHORITY TO REPURCHASE SHARES

To authorise the Company (or one of its subsidiaries) to repurchase, or purchase, as the case may be, ordinary shares issued by the Company on such terms and

conditions and in such amounts as the Directors of the Company may from time to time determine, but subject always to the provisions of sections 46 and 48 of the Act, the Listings Requirements and the following limitations:

- 3.1 that the repurchase of shares be effected through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- 3.2 that this authority shall not extend beyond 15 (fifteen) months from the date of this resolution or the date of the next AGM, whichever is the earlier date;
- 3.3 that authorisation thereto is given by the Company's MOI;
- 3.4 that an announcement be made giving such details as may be required in terms of the Listings Requirements when the Company (or a subsidiary or subsidiaries collectively) has cumulatively repurchased 3% (three percent) of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter;
- 3.5 at any 1 (one) time, the Company (or any subsidiary) may only appoint 1 (one) agent to effect any repurchase on behalf of the Company or any subsidiary (as the case may be);
- 3.6 the repurchase of shares by the Company or its subsidiaries will not take place during a prohibited period as defined by the Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and this programme has been submitted to the JSE in writing. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of and uninfluenced by, the Company, prior to commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- 3.7 the repurchase of shares shall not, in the aggregate, in any 1 (one) financial year, exceed 20% (twenty percent) of the Company's issued share capital at the time this authority is given, provided that a subsidiary of the Company (or subsidiaries of

NOTICE OF ANNUAL GENERAL MEETING [CONTINUED]

the Company collectively) shall not hold in excess of 10% (ten percent) of the number of shares issued by the Company;

3.8 the repurchase of shares may not be made at a price greater than 10% (ten percent) above the weighted average traded price of the market value of the shares as determined over the 5 (five) business days immediately preceding the date on which the transaction was effected; and

3.9 prior to entering the market to proceed with the repurchase, the Board shall have passed a resolution that it has authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity tests as set out in section 4 of the Act and confirming that, since the tests were performed, there had been no material changes to the financial position of the Group.

EXPLANATORY NOTE:

The reason for this special resolution is, and the effect thereof will be, to grant, in terms of the provisions of the Act and the Listings Requirements, and subject to the terms and conditions embodied in the said special resolution, a general authority to the Directors to approve the acquisition by the Company of its own shares, or by a subsidiary (or subsidiaries) of the Company of the Company's shares, which authority shall be used by the Directors at their discretion during the course of the period so authorised.

STATEMENT OF DIRECTORS

As at the date of this report, the Company's Directors undertake that, after considering the effect of the maximum repurchase permitted, they will not implement any such repurchase unless the provisions of sections 4 and 48 of the Act will be complied with and for a period of 12 (twelve) months after such general repurchase:

- (i) the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- (ii) the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, recognised and measured in accordance with International Financial Reporting Standards;
- (iii) the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes;
- (iv) the working capital resources of the Company and the Group will be adequate for ordinary business purposes; and

(v) the Company and the Group have complied with the applicable provisions of the Act and the Listings Requirements.

4. Special Resolution Number Four SPECIFIC AUTHORITY TO REPURCHASE AND CANCEL TREASURY SHARES

To authorise the Company to repurchase 2 200 000 PBT Group Limited ordinary shares currently held in treasury by the Company's wholly owned subsidiary, Stricklands Tetra Cape Proprietary Limited, (wholly owned subsidiary having the meaning ascribed thereto in the Act), subject to the provisions (to the extent applicable) of the Act, as amended, and in accordance with the Listings Requirements and the MOI of the Company and that authority is hereby granted to the Board of Directors of the Company to repurchase the shares as aforesaid and to cancel such shares in accordance with the applicable provisions of the Act.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER FOUR

The reason for Special Resolution Number 4 is to grant the Board of Directors of the Company the specific authority to repurchase 2 200 000 ordinary shares in PBT Group Limited from Stricklands Tetra Cape Proprietary Limited.

The effect of Special Resolution Number 4 is that the Directors of the Company will be granted the specific authority to repurchase and cancel 2 200 000 ordinary shares in PBT Group Limited and the purchase price shall be discharged by a cash payment from cash on hand and will result in a reduction in the number of shares in issue after cancellation of the repurchased shares.

STATEMENT OF DIRECTORS

As at the date of this report, the Company's Directors confirm that, after considering the effect of the specific repurchase, they have authorised the specific repurchase and have ascertained and resolved that the provisions of sections 4 and 48 of the Act will be complied with and for a period of 12 (twelve) months after such specific repurchase:

- (i) the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- (ii) the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, recognised and measured in accordance with International Financial Reporting Standards;

- (iii) the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes;
- (iv) the working capital resources of the Company and the Group will be adequate for ordinary business purposes; and
- (v) the Company and the Group have complied with the applicable provisions of the Act and the Listings Requirements.

DISCLOSURES REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS

In terms of the Listings Requirements the following disclosures are required with reference to the repurchase of the Company's shares as set out in Special Resolutions Numbers 3 and 4 above:

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on pages 52 and 53 of this report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all information required by law and the Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in this report, there have been no material changes in the affairs, financial or trading position of the Group since the signature date of this report and the posting date thereof.

The following further disclosures required in terms of the Listings Requirements are set out in accordance with the reference pages in this document of which this Notice forms part:

- major shareholders of the Company (refer to pages 54 and 55); and
- share capital (refer to page 35);
- Directors (refer to pages 52 and 53); and
- Directors' interest in the Company's shares (refer to page 55).

5. Special Resolution Number Five

AUTHORITY TO PAY NON-EXECUTIVE DIRECTORS' FEES

To authorise that the Non-Executive Directors' fees paid for the period ended 31 March 2020 as set out in note 20 Non-Executive Directors' emoluments on page 85 of this document, be and are hereby approved.

Further, to authorise that the Non-Executive Directors' fees payable for the period 1 April 2020 to 31 March 2021 be and are hereby approved:

Rand	2021	2020
Director		
Tony Taylor (Chairman)	221 328	208 800
Cheree Dyers	184 440	174 000
Herman Steyn	184 440	174 000
Arthur Winkler	184 440	174 000

Additional fees are paid to Non-Executive Directors for meeting attendance as follows:

Rand	2021	2020
Board meetings	12 190	11 500
Audit and Risk Committee (per meeting)	6 360	6 000
Remuneration and Nomination Committee (per meeting)	6 360	6 000
Social and Ethics Committee (per meeting)	6 360	6 000

EXPLANATORY NOTE:

The reason for this special resolution is, and the effect thereof will be, to grant the Company the authority to pay fees to Non-Executive Directors for their services as Directors in terms of section 66 of the Companies Act. Furthermore, in terms of the Act and King IV™, remuneration payable to Non-Executive Directors should be approved by shareholders in advance or within the previous 2 (two) years.

To transact such other business (if any) as may be transacted at an AGM

ENTITLEMENT TO ATTEND AND VOTE AT THE AGM IN PERSON OR BY PROXY

- Equity securities held by a share trust or scheme will not have their votes at the AGM taken into account for the purposes of resolutions passed in terms of the Listings Requirements.
- Unlisted securities (if applicable) and shares held as treasury shares may not vote.

NOTICE OF ANNUAL GENERAL MEETING [CONTINUED]

CERTIFICATED AND DEMATERIALISED SHAREHOLDERS WITH “OWN NAME” REGISTRATION

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote in his/her place. The proxy need not be a member of the Company. In light of the COVID-19 virus outbreak, it is requested that proxy forms be forwarded so as to reach the Transfer Secretaries by no later than 10:00 on Wednesday, 19 August 2020, so as to assist the Company to timeously verify the identity of the shareholders and their proxies who wish to participate by electronic communication at the AGM. Proxy forms may be presented at any time prior to or at the AGM, but not later than 08:00 on the day of the meeting in accordance with the instructions therein, by e-mailing those proxy forms to TMS at proxy@tmsmeetings.co.za.

Should proxy forms be presented at the Company's Transfer Secretaries these must be completed and received at least 48 (forty-eight) hours before the commencement

of the AGM (excluding weekends and public holidays). Presentation of suitable identification by the proxy when registering his/her attendance on the day of the AGM will be required.

DEMATERIALISED SHAREHOLDERS, OTHER THAN WITH “OWN NAME” REGISTRATION

Shareholders who have already dematerialised their shares other than with “own name” registration, must advise their Central Securities Depository Participant (CSDP) or broker of their voting instructions if they are unable to attend the AGM but wish to be represented thereat. This should be done by the cut-off time stipulated by their CSDP or broker. If, however, such members wish to attend the AGM in person, then they will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP or broker.

PARTICIPATION IN THE MEETING

The Board has determined the following salient dates in respect of the AGM:

	2020
Record date to receive the Notice of Annual General Meeting	Friday, 10 July
Date of posting the Notice of Annual General Meeting	Friday, 17 July
Last date to trade to be eligible to vote	Tuesday, 11 August
Record date to be eligible to attend, participate and vote at the Annual General Meeting	Friday, 14 August
For administrative purposes, preferable date by which forms of proxy for the Annual General Meeting are requested to be lodged, by 10:00 on	Wednesday, 19 August
Annual General Meeting at 10:00	Friday, 21 August
Results of Annual General Meeting published on SENS on	Friday, 21 August

On a poll, every shareholder participating in person or represented by proxy or by letter of representation and entitled to vote shall be entitled to that proportion of the total votes in the Company which is the aggregate amount of the nominal value of all shares issued by the Company.

This Notice of AGM includes the attached proxy form.

ELECTRONIC PARTICIPATION

Shareholders who wish to electronically participate in and/or vote at the AGM are required to complete the Electronic Participation Application Form inserted with this document and e-mail same to TMS at proxy@tmsmeetings.co.za and contact them on +27 11 520 7950/1/2 as soon as possible, but in any event no later than 10:00 on Wednesday, 19 August 2020. Shareholders are strongly encouraged to submit votes by proxy before the meeting. If shareholders wish to participate in the AGM, they should instruct their CSDP or broker to issue them with the necessary letter of representation to participate in the AGM, in the manner stipulated in their custody agreement. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker, to accommodate such requests.

TMS will assist shareholders with the requirements for electronic participation in, and/or voting at the AGM. TMS is further obliged to validate (in correspondence with PBT Group and, in particular, the Transfer Secretaries, Link Market Services

South Africa Proprietary Limited (Link) and shareholders' CSDPs) each such shareholder's entitlement to participate in and/or vote at the AGM, before providing him/her/it with the necessary means to access the AGM and/or the associated voting platform.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the JSE, PBT Group and/or TMS. None of the JSE, PBT Group or TMS can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the AGM.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the AGM. Shareholders are strongly encouraged to submit votes by proxy in advance of the AGM to Link, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) South Africa, e-mail meetfax@linkmarketservices.co.za or facsimile 086 674 2450 by no later than 10:00 on Wednesday, 19 August 2020.

Kindly ensure that TMS is copied when submitting all completed proxy forms and/or letters of representation to Link.

Please forward all relevant information to the below-mentioned:

The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square
2 Gwen Lane
Sandown
South Africa
2196

Attention: Michael Wenner, Farhana Adam or Izzy van Schoor
Tel: +27 11 520 7950/1/2
E-mail: michael.wenner@tmsmeetings.co.za
E-mail: farhana.adam@tmsmeetings.co.za
E-mail: izzy.vanschoor@tmsmeetings.co.za
E-mail: proxy@tmsmeetings.co.za

As required in terms of section 63(1) of the Companies Act, before any person may attend or participate in the AGM, that person must present reasonably satisfactory identification and the presiding person at the meeting must be reasonably

satisfied that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. So as to comply with this verification procedure set out in section 63(1) of the Companies Act, shareholders wishing to participate electronically in the AGM are required to deliver written notice to TMS or Link by e-mail to meetfax@linkmarketservices.co.za or proxy@tmsmeetings.co.za by no later than 10:00 on Wednesday, 19 August 2020 that they wish to participate via electronic communication at the AGM (the electronic notice). For the electronic participation to be valid, it must contain:


- if the shareholder is an individual, a certified copy of his/her original identity document and/or passport and/or driver's licence;
- if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- a valid e-mail address and/or mobile telephone number (the contact e-mail address/number).

SHAREHOLDER RIGHTS

In terms of section 58 of the Companies Act, shareholders have rights to be represented by proxy, as herewith stated.

1. At any time, a shareholder of the Company may appoint any individual, including an individual who is not a shareholder of the Company, as a proxy to:
 - (a) participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60, provided that the shareholder may appoint more than 1 (one) proxy to exercise voting rights attached to different shares held by the shareholder.
2. A proxy appointment:
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for:
 - (i) 1 (one) year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).

NOTICE OF ANNUAL GENERAL MEETING [CONTINUED]

3. Except to the extent that the MOI of the Company provides otherwise:
 - (a) a shareholder of the Company may appoint 2 (two) or more persons concurrently as proxies, and may appoint more than 1 (one) proxy to exercise voting rights attached to different securities held by the shareholder;
 - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
 4. Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy and to the Company.
 5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
 6. If the instrument appointing a proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by this Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to:
 - (a) the shareholder; or
 - (b) the proxy or proxies, if the shareholder has:
 - (i) directed the Company to do so, in writing; and
 - (ii) paid any reasonable fee charged by the Company for doing so.
 7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI, or the instrument appointing the proxy, provides otherwise.
 8. If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument for appointing a proxy:
 - (a) the invitation must be sent to every shareholder which is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - (b) the invitation, or form of instrument supplied by the Company for the purpose of appointing a proxy, must:
 - (i) bear a reasonably prominent summary of the rights established by this section;
 - (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
 - (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
 - (c) the Company must not require that the proxy appointment be made irrevocable; and
 - (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
 9. Subsection (8)(b) and (d) does not apply if the Company merely supplies a generally available standard form of proxy appointment on request by a shareholder.
- By order of the Board
- 
Anastassia Sousa
Company Secretary
- Cape Town
17 July 2020



SUMMARISED CONSOLIDATED AUDITED
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Notice of AGM

Notice is hereby given that the next AGM of the shareholders of the Company will be held entirely by electronic communication, on 21 August 2020 at 10:00, to consider and, if deemed fit, to pass with or without modification all of the ordinary and special resolutions set out in the Notice of AGM included in this report.

Friday, 10 July 2020

Record date to receive the Notice of Annual General Meeting

Friday, 17 July 2020

Date of posting the Notice of Annual General Meeting

Tuesday, 11 August 2020

Last date to trade to be eligible to vote

Friday, 14 August 2020

Record date to be eligible to attend, participate and vote at the Annual General Meeting

Wednesday, 19 August 2020

For administrative purposes, preferable date by which forms of proxy for the Annual General Meeting are requested to be lodged, by 10:00

Friday, 21 August 2020

Annual General Meeting at 10:00

Friday, 21 August 2020

Results of Annual General Meeting published on SENS

Introduction

Shareholders are advised that the Shareholder Booklet, containing the Notice of Annual General Meeting (AGM), will be dispatched to shareholders on Friday, 17 July 2020.

In addition, the Integrated Annual Report (Integrated Report), incorporating the Consolidated Audited Annual Financial Statements for the year ended 31 March 2020 and the Abridged Consolidated Audited Annual Financial Statements (Abridged results) will be available on the Company's and the JSE's website from Friday, 17 July 2020:

Integrated Report:

COMPANY'S WEBSITE:

<https://www.pbtgroup.co.za/shareholder-information/>

JSE WEBSITE:

<https://senspdf.jse.co.za/documents/2020/JSE/ISSE/PBGE/IAR2020.pdf>

Abridged Results:

COMPANY'S WEBSITE:

<https://www.pbtgroup.co.za/shareholder-information/>

JSE WEBSITE:

<https://senspdf.jse.co.za/documents/2020/JSE/ISSE/PBGE/ABR2020.pdf>

Electronic copies of the Integrated Report and Abridged results can also be requested from the Company Secretary via e-mail at the following address: anastassia.sousa@pbtgroup.co.za from Friday, 17 July 2020.

Audit opinion

This abridged report is extracted from audited information but is not itself audited. The financial statements from which these results were extracted were audited by BDO South Africa Inc. and their unmodified opinion is included in the Consolidated Audited Annual Financial Statements which can be found in the Integrated Report. Electronic copies can be requested from the Company Secretary via e-mail from Friday, 17 July 2020. The Directors take full responsibility for the preparation of this abridged report and confirm that the financial information has been correctly extracted from the underlying annual financial statements.

PBT Group is pleased to report its results for the period under review. As our year-end was at 31 March 2020, these results have not been materially impacted by the devastating effect of the COVID-19 pandemic on the South African and world economies. Although our business model suits remote working, the possible effect on our results for the next reporting period is largely unknown. We are grateful for a good start to the new financial year and for satisfactory cash conversion during April and May 2020. Our statement of financial position is strong and we are confident that we can weather the storm.

Business activities and Group results

In 2019 PBT Group funded Spalding Investments 10 Proprietary Limited, a BEE and staff-owned company, by subscribing for preference shares to the value of R16.5 million in the company. As the only surety for this investment is the underlying investment in PBT Group Limited, this investment has been eliminated from the consolidated statement of financial position. Similarly, the preference dividend of R1.2 million received has been eliminated from the consolidated statement of profit or loss and other comprehensive income. The total shareholding of 10 373 282 is treated as treasury shares for accounting purposes.

The earnings per share and headline earnings per share have been reflected as a split between continuing and discontinued operations.

- Total profit after tax from continuing operations for the period was R46.0 million (March 2019: R33.7 million).
- The profit before tax for continuing operations for the period was R66.0 million (March 2019: R50.7 million).
- Headline earnings per share was 30.79 cents per share (March 2019: 19.17 cents per share, post 1-for-10 share consolidation).
- Headline earnings per share for continuing operations was 30.79 cents per share (March 2019: 18.18 cents per share, post 1-for-10 share consolidation).
- Headline earnings per share for discontinued operations was 0.00 cents per share (March 2019: 0.99 cents per share, post 1-for-10 share consolidation).
- Earnings per share was 30.65 cents per share (March 2019: 25.32 cents per share, post 1-for-10 share consolidation).
- Earnings per share for continuing operations was 30.65 cents per share (March 2019: 17.97 cents per share, post 1-for-10 share consolidation).
- Earnings per share for discontinued operations was 0.00 cents per share (March 2019: 7.35 cents per share, post 1-for-10 share consolidation).

PBT Group (South Africa) Proprietary Limited is currently in a dispute with SARS concerning a penalty raised by them regarding an audit of the 2018 tax return. To this end a provision of R2.7 million was raised, negatively affecting EPS and HEPS by 2.77 cents per share.

On 23 March 2020 PBT Group successfully concluded a pro rata tender offer to shareholders and repurchased a total of 5 384 214 shares, representing 4.99999% of the total issued share capital of the Company at the date the tender offer was concluded for a total consideration of R11.6 million. The weighted average number of shares in issue (net of treasury shares) for the 12 months ended 31 March 2020 was 96 616 230 (March 2019: 124 063 076).

Impact of IFRS 16 on the financial results

On 1 April 2019 the new IFRS 16 Leases (IFRS 16) standard was adopted by the Group. IFRS 16 replaces IAS 17 Leases (IAS 17) and the most prominent changes on the Group's financial results are detailed as follows. The new standard requires leases to be capitalised as right-of-use assets and subsequently depreciated over their useful lives. Correspondingly, a lease liability is also required to be raised and the subsequent interest expense is recognised under finance costs. As at 31 March 2020 IFRS 16 resulted in an additional R18.2 million of assets being brought onto the statement of financial position, together with an additional R19.6 million of liabilities. Operating expenses increased by R1.1 million as a result of reversing the rental payments (as per IAS 17) and recognising depreciation and interest expense (as per IFRS 16).

South Africa, Australia, Europe and the United Kingdom

During the period under review consolidated revenue increased by 14.3% from R588.4 million to R672.5 million. This is a very pleasing result and confirms the underlying growth in demand for our services.

Despite an increase in profitability, the operations in Australia remain subdued with revenue 16% lower than the 2019 financial year at AUD5.0 million. We are continuing to explore additional avenues for revenue growth.

We are pleased to report increased momentum in our expansion into the United Kingdom and Europe (including Ireland). A number of strategic partnerships have been formed with satisfactory client engagements resulting therefrom. Although revenue increased by 137% to Euro 1.6 million in comparison to the 2019 financial year, a loss of Euro 0.1 million was made due to the high cost of establishment in this region.

SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

Business model

Reflecting on the financial period relevant to this report, PBT Group's business model has been slightly adjusted to accommodate and complement the range of new technology stacks released during the mentioned period related to our data specialisation. Although data remains our focus, we have initiated a series of accelerators applicable to most of these technology stacks to enhance our services. This is another strategy which will enable PBT Group to position itself as a differentiator in the market of data specialisation. The impact of the added acceleration approach reflects some minor adjustments, but remains very much aligned with our approach over the last 20 years as well as our intended strategic direction.

The acceleration approach during this period was taken for various reasons, but mainly in consideration of new technology releases, faster throughput on delivery, as well as cost-efficiencies to our clients. Another important reason is that, although data explosion has continued, numerous clients not only have to absorb the new data platforms, but many of them are also in a process of migration – whether on premise, cloud, or a hybrid thereof. The business demand for access to data is increasing rapidly and new techniques and approaches are inevitable. The PBT Group accelerators are being developed to perform ingestion from source to target, code generation and mapping, as well as cater for a data quality framework and functionality to supplement the migration process. Such accelerators are easy to deploy and enable the data specialists to rather focus on data than the underlying technology. Furthermore, the accelerators can also be used to integrate to well-known platforms such as Azure, Cloudera, GCP and AWS. Alteryx and Dataiku have also been part of our acceleration stack. The accelerators have been a result of data engineering techniques and practices gained over a 20-year period, which positions us well in a competitive market. This also addresses the high demand in skills required to perform certain data preparation, enabling more capacity to handle additional business requirements, thereby assisting our client to gain a critical data advantage with competitive pricing.

During this period it was again proven and acknowledged in the industry that the value of artificial intelligence (AI) and most analytical models can only be enabled through proper data engineering, PBT Group's core business. The accelerators supplement our services to differentiate ourselves from our competitors, whilst not having to sacrifice our technology agnostic approach. We are generally well positioned to meet the increasing demands.

Whilst in the process of assembling the accelerators to enhance our data services, our application development competency also expanded unexpectedly. The open-source approach to create the accelerators and enable ease of integration, configuration and platform independency, required specialised application development and not only data skills. Our application development team has not only achieved great results internally, but also client facing. The team participated in the very successful development of a mobile application. The application is being used extensively in the financial sector and more phases of enhancements are in the planning phase. The experience gained from this also enables PBT Group to establish new opportunities in the data services market – COVID-19 data being one example and client behaviour another.

PBT Group has maintained a sound business strategy that is based on a solutions approach in adding value to our clients.

The strategic objectives that underpin PBT Group's ongoing success are:

Be technology agnostic

PBT Group has throughout its existence remained technology agnostic. As data integrators we have adopted and adjusted to many technology stacks over the years in alignment with our clients, whilst remaining objective. This has enabled us to always assist with a true client solutions approach, rather than a technology approach. We view technology as an enabler, not a solution. We believe that our clients support this trust and objectivity.

Specialise in data

Data specialisation remains the basis of PBT Group as an organisation. Data explosion has been an ongoing phenomenon. It started off with the internet, but has truly gained momentum with the introduction of social media, mobile technology and the Internet of Things (IoT) (millions of devices, from cars to fridges, are connected and continuously generate petabytes of data). Data has therefore become central to every single business aspect, e.g. recruitment, procurement, finance, marketing, strategy and planning. Client engagement and retention is no longer possible without near real-time access to data. The ongoing evolution of technology enables the harnessing of big data and significant progression in more advanced analytical techniques resulting in AI. AI, when applied effectively, in turn is transforming and adding value in many industries. However, at the heart of it all is data, and this will not change in the foreseeable future.

Worldwide expansion

PBT Group is continuing to build our consultant base on experience obtained over more than two decades to maintain world-class standards. We are now competing internationally with operations in Melbourne (Australia), Dublin (Ireland), London (United Kingdom) and Amsterdam (the Netherlands). Through partnerships, successful projects and our traditional high-quality delivery, all the mentioned markets are now set to expand within the next 18 to 24 months, depending on the impact of the unexpected pandemic of COVID-19.

Big data/data lake

The term big data, now often referred to in the context of a data lake, originated from the accessibility to unstructured data, to differentiate it from other/structured data. A data lake is becoming the norm rather than the exception and it might soon become “just data” again. A large component of PBT Group’s consulting base has been part of the industry that gave rise to the term big data. The telecommunication companies were the first to generate millions of records of data every second. The social media phenomenon further opened the door for petabytes of unstructured data in the form of videos, pictures and text to be generated continuously. They were also the first to realise the potential of analysing the data. Connectivity is what defined big data. Being part of this process allowed PBT Group to gain valuable experience and is assisting greatly in many data lake initiatives.

Cloud

With the advent of the big data and data lake concepts, the move to the cloud was inevitable. More and more data required scalable infrastructure which was not financially viable within a decentralised model. Cloud environments allow businesses to focus on core differentiators whilst being able to outsource standard components and availing infrastructure in a short period of time. PBT Group has aligned itself with all the main cloud contenders and is, at the same time, exploring analytics as a service in the cloud.

Business analytics

As per our previous report this aspect is unchanged and remains a huge component of PBT Group’s success in the data solutions we implement, as well as consulting services rendered. The ultimate objective of obtaining, cleaning and structuring data is to analyse it in a way that provides actionable insight that can drive an increase in business value. PBT Group has a solid understanding of this concept and has a matured methodology to execute and align with developing technologies in this space. These

include, but are not limited to, advanced analytics, machine learning, cognitive computing, data lakes and geographical information systems.

Train and mentor potential candidates

PBT Group was involved with the first internship programme specialising in data training in the South African market. During a 15-year period this programme has produced many highly skilled individuals, some of whom have achieved strategic positions in the marketplace. The success of this programme is unprecedented and tremendous talent has been uncovered.

Best-of-breed methodologies

Even though PBT Group has remained technology agnostic, it is constantly aligning itself with best-of-breed methodologies. PBT Group has established competency centres within the Company that refine methodologies such as Ralph Kimball, as well as agile or hybrid processes, to achieve the most appropriate balance between best practice and practical implementation.

PBT Group provides leadership in the data management space and has positioned itself well to meet, or even exceed, the growth potential that is projected for this sector. It has shown consistent growth through tough economic times as it proactively adjusted its strategy to cater for envisaged challenges and to benefit from an extremely volatile market.

Directors

On 30 March 2020 the Board received and accepted the resignations of the CEO, Mr Pierre de Wet and FD, Mr Murray Louw from their positions as Executive Directors. The Board has appointed Mrs Elizna Read as the CEO and Mrs Bianca Pieters as the CFO of the Company with effect from 31 March 2020.

Governance

PBT Group remains committed to sound corporate governance principles, including integrity, transparency and accountability, and we subscribe to the Code of Corporate Practices and Conduct as set out in King IV.

Distributions

The Company’s distribution policy is to consider an interim and a final distribution in respect of each financial year. At its discretion, the Board of Directors may consider a special distribution, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board of Directors may also elect not to pay distributions.

SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

On Friday, 3 July 2020, the Board of Directors resolved to declare a final distribution of 11 cents per PBT ordinary share for the year ended 31 March 2020. The total distribution will equate to R11.3 million. Each shareholder will be able to elect to receive the distribution as either a dividend as defined by the Income Tax Act, Act 58 of 1962 or as a capital reduction distribution in respect of all or a part of their PBT shareholding. If no election is made the default option will be that a dividend will be paid to such shareholders. An Election Form (for use by certificated shareholders) is included with the Notice of Annual General Meeting of PBT Group as distributed to shareholders on Friday, 17 July 2020. The Notice of Annual General Meeting can be found in the Shareholder booklet or Integrated Annual Report.

The implications of the elections above are as follows:

- A gross dividend of 11 cents per PBT ordinary share from income reserves will be subject to dividend withholding tax at a rate of 20%. Consequently, a net final dividend of 8.8 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the

South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively the “regulated intermediary”) on behalf of the shareholders. However, all shareholders choosing this option should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption.

- A capital reduction distribution of 11 cents per PBT ordinary share is not subject to dividend withholding tax as the distribution is paid out of capital reserves. As the distribution will be regarded as a return of capital and may therefore have potential capital gains tax consequences, shareholders are advised to consult their tax advisers regarding the impact of the distribution.

As at the date of declaration of the distribution there were 102 288 545 PBT ordinary shares in issue. The Company’s income tax reference number is 9725148713.

In compliance with the Companies Act the Directors confirm and have resolved that the Company will satisfy the solvency and liquidity test immediately after the payment of the distribution.

In accordance with the provisions of Strate Proprietary Limited, the electronic settlement and custody system used by the JSE Limited, the relevant dates for the distribution are as follows:

Friday, 17 July 2020

Election period opens

Tuesday, 4 August 2020

Last day to trade “cum distribution”

Wednesday, 5 August 2020

First trading day “ex distribution”

Friday, 7 August 2020

Record date

Friday, 7 August 2020

Dividend/election period closes by 12:00

Tuesday, 11 August 2020

Payment date

No share certificates may be dematerialised or rematerialised between Wednesday, 5 August 2020 and Friday, 7 August 2020, both days inclusive. Only the shareholders recorded in the Company’s share register as at record date are entitled to receive the distribution declared.

Payments for certificated shareholders will be transferred electronically to their bank accounts on the payment date. Shareholders who hold dematerialised shares will have their accounts at their CSDP or stockbroker credited on Tuesday, 11 August 2020.

Acknowledgements

We would like to take this opportunity to sincerely thank our clients for their continuing support, our staff, management and our Board of Directors for their hard work and input during the 2020 financial year.



Tony Taylor
Chairman



Elizna Read
Chief Executive Officer

SUMMARISED CONSOLIDATED AUDITED STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

Rand	Notes	GROUP	
		2020	2019
ASSETS			
Non-current assets			
Plant and equipment		3 224 012	4 247 142
Right-of-use assets	3	18 145 257	–
Goodwill	4	135 666 420	135 666 420
Intangible assets		214 470	244 626
Loans receivable	6	7 294 734	6 458 606
Investments at fair value	7	44 774 653	26 868 915
Deferred tax asset		2 518 870	2 891 191
		211 838 416	176 376 900
Current assets			
Loans receivable		1 354 994	1 295 275
Trade and other receivables		102 908 261	112 075 437
Current tax receivable		753 287	521 042
Cash and cash equivalents		66 277 822	31 079 809
		171 294 364	144 971 563
Total assets		383 132 780	321 348 463
EQUITY AND LIABILITIES			
Equity			
<i>Equity attributable to equity holders of parent</i>			
Share capital	8	503 830 445	3 490 921
Foreign currency translation reserve		12 767 031	4 979 890
Share-based payment reserve		295 723	32 147
Capital distribution reserve	10	(507 891 687)	–
Equity revaluation reserve		13 578 185	470 363
Treasury shares	9	(20 110 716)	–
Retained income		276 024 222	247 931 820
		278 493 203	256 905 141
Non-controlling interest		19 394 722	13 854 001
Total equity		297 887 925	270 759 142
LIABILITIES			
Non-current liabilities			
Lease liabilities	3	14 201 166	–
Deferred tax liability		149 851	1 615 464
		14 351 017	1 615 464
Current liabilities			
Trade and other payables	16	62 295 591	46 096 082
Lease liabilities		5 346 423	–
Current tax payable		3 158 737	2 777 895
Bank overdraft		93 087	99 880
		70 893 838	48 973 857
Total liabilities		85 244 855	50 589 321
Total equity and liabilities		383 132 780	321 348 463

SUMMARISED CONSOLIDATED AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2020

Rand	Notes	GROUP	
		2020	2019
Continuing operations			
Revenue	11	672 504 313	588 414 409
Cost of sales		(505 203 208)	(440 865 367)
Gross profit		167 301 105	147 549 042
Other operating income		1 134 341	1 272 869
Other operating gains/(losses)		159 593	(497 750)
Movement in credit loss allowances		(1 015 921)	4 752 726
(Loss)/gain on exchange movements		(289 398)	1 152 300
Impairment loss		–	(38 367)
Other operating expenses		(102 166 602)	(106 048 629)
Operating profit		65 123 118	48 142 191
Investment income		2 868 442	3 812 254
Finance costs		(1 985 419)	(1 208 747)
Profit before taxation		66 006 141	50 745 698
Taxation		(20 002 100)	(17 097 985)
Profit from continuing operations		46 004 041	33 647 713
Discontinued operations			
Profit from discontinued operations		–	9 113 855
Profit for the year		46 004 041	42 761 568
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on valuation of investments in equity instruments		13 107 822	470 363
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		7 787 141	(7 929 281)
Other comprehensive income/(loss) for the year net of taxation		20 894 963	(7 458 918)
Total comprehensive income for the year		66 899 004	35 302 650
Profit attributable to:			
Owners of the parent			
From continuing operations		29 608 521	22 299 599
From discontinued operations		–	9 113 855
		29 608 521	31 413 454
Non-controlling interest			
From continuing operations		16 395 520	11 348 114
		46 004 041	42 761 568
Total comprehensive income attributable to:			
Owners of the parent		50 503 484	23 954 536
Non-controlling interest		16 395 520	11 348 114
		66 899 004	35 302 650
Earnings per share (cents)			
From continuing operations			
Basic earnings per share	17	30.65	17.97
Diluted earnings per share	17	30.65	17.97
From discontinued operations			
Basic earnings per share	17	–	7.35
Diluted earnings per share	17	–	7.35

SUMMARISED CONSOLIDATED AUDITED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

Rand	Notes	Share capital	Foreign currency translation reserve	Share-based payment reserve	Capital distribution reserve
GROUP					
Balance at 1 April 2018		65 358 941	12 909 171	–	–
Profit for the year		–	–	–	–
Other comprehensive income		–	(7 929 281)	–	–
Total comprehensive income for the year		–	(7 929 281)	–	–
Shares repurchased from dissenting shareholders		(3 343 931)	–	–	–
Specific repurchase of shares		(42 708 858)	–	–	–
Share-based payment shares included as treasury shares		(16 500 000)	–	–	–
Dividend		–	–	–	–
Share-based payment		–	–	32 147	–
Adjustment to share capital following the discontinued operations		684 769	–	–	–
Total contributions by and distributions to owners of Group recognised directly in equity		(61 868 020)	–	32 147	–
Opening balance as previously reported		3 490 921	4 979 890	32 147	–
Change in accounting policy - IFRS 16	2	–	–	–	–
Balance at 1 April 2019 as restated		3 490 921	4 979 890	32 147	–
Profit for the year		–	–	–	–
Other comprehensive income		–	7 787 141	–	–
Total comprehensive income for the year		–	7 787 141	–	–
Share-based payment		–	–	263 576	–
Shares repurchased		(2 499 906)	–	–	–
Capital distribution		–	–	–	(11 731 761)
Reallocation of capital distributions	10	496 159 926	–	–	(496 159 926)
Reallocation to treasury shares	9	18 255 565	–	–	–
Shares repurchased - tender offer		(11 576 060)	–	–	–
Treasury shares purchased		–	–	–	–
Dividend		–	–	–	–
Purchase of additional shares in subsidiary		–	–	–	–
Total contributions by and distributions to owners of Group recognised directly in equity		500 339 524	–	263 576	(507 891 687)
Balance at 31 March 2020		503 830 445	12 767 031	295 723	(507 891 687)
Notes		8			10

Equity revaluation reserve	Treasury shares	Total reserves	Retained income	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
–	–	12 909 171	216 518 366	294 786 478	6 915 887	301 702 365
–	–	–	31 413 454	31 413 454	11 348 114	42 761 568
470 363	–	(7 458 918)	–	(7 458 918)	–	(7 458 918)
470 363	–	(7 458 918)	31 413 454	23 954 536	11 348 114	35 302 650
–	–	–	–	(3 343 931)	–	(3 343 931)
–	–	–	–	(42 708 858)	–	(42 708 858)
–	–	–	–	(16 500 000)	–	(16 500 000)
–	–	–	–	–	(4 410 000)	(4 410 000)
–	–	32 147	–	32 147	–	32 147
–	–	–	–	684 769	–	684 769
–	–	32 147	–	(61 835 873)	(4 410 000)	(66 245 873)
470 363	–	5 482 400	247 931 820	256 905 141	13 854 001	270 759 142
–	–	–	(120 918)	(120 918)	–	(120 918)
470 363	–	5 482 400	247 810 902	256 784 223	13 854 001	270 638 224
–	–	–	29 608 521	29 608 521	16 395 520	46 004 041
13 107 822	–	20 894 963	–	20 894 963	–	20 894 963
13 107 822	–	20 894 963	29 608 521	49 503 484	16 395 520	66 899 004
–	–	263 576	–	263 576	–	263 576
–	–	–	–	(2 499 906)	–	(2 499 906)
–	–	(11 731 761)	–	(11 731 761)	–	(11 731 761)
–	–	(496 159 926)	–	–	–	–
–	(18 255 565)	(18 255 565)	–	–	–	–
–	–	–	–	(11 576 060)	–	(11 576 060)
–	(1 855 151)	(1 855 151)	–	(1 855 151)	–	(1 855 151)
–	–	–	–	–	(12 250 000)	(12 250 000)
–	–	–	(1 395 201)	(1 395 201)	1 395 201	–
–	(20 110 716)	(527 738 827)	(1 395 201)	(28 794 504)	(10 854 799)	(39 649 303)
13 578 185	(20 110 716)	(501 361 464)	276 024 222	277 493 203	19 394 722	297 887 925

SUMMARISED CONSOLIDATED AUDITED STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

Rand	Notes	GROUP	
		2020	2019
Cash flows from operating activities			
Cash generated from operations		102 124 509	36 526 175
Interest income		2 360 028	3 812 254
Finance costs		(1 982 703)	(1 208 747)
Tax paid		(20 899 771)	(13 637 077)
Cash flows of discontinued operations		–	1 089 358
Net cash from operating activities		81 602 063	26 581 963
Cash flows from investing activities			
Purchase of plant and equipment		(894 904)	(1 144 278)
Sale of plant and equipment		1 771	77 477
Purchase of intangible assets		(339 491)	(304 255)
Purchase of investments at fair value		(10 000 000)	–
Proceeds from investments at fair value		10 345 398	–
Proceeds from loans receivable		1 102 500	–
Advances of loans receivable		(2 262 039)	(2 732 215)
Net cash flows of discontinued operations		–	(937 176)
Net cash from investing activities		(2 046 765)	(5 040 447)
Cash flows from financing activities			
Share-based payment advance		–	(16 500 000)
Shares repurchased	8, 9	(4 355 058)	–
Shares repurchased from dissenting shareholders	8	–	(3 343 931)
Dividend paid to non-controlling interests		(12 250 000)	(4 410 000)
Capital distribution		(11 731 761)	–
Shares repurchased – tender offer		(11 576 060)	–
Repayment of lease liabilities		(4 453 751)	–
Net cash flows of discontinued operations		–	(351 378)
Net cash from financing activities		(44 366 630)	(24 605 309)
Total cash movement for the year		35 188 668	(3 063 793)
Cash at the beginning of the year		30 979 929	34 050 659
Effect of exchange rate movement on cash balances		16 138	(6 937)
Total cash at the end of the year		66 184 735	30 979 929

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. Statement of compliance

1.1 Basis of preparation

The summarised consolidated audited annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these summarised consolidated audited annual financial statements and the Companies Act, Act 71 of 2008 of South Africa, as amended.

These summarised consolidated audited annual financial statements comply with the requirements of 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 and contain the information required by IAS 34 Interim Financial Reporting.

The summarised consolidated audited annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the Group's and Company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

The summarised consolidated audited annual financial statements were prepared under the supervision of the Chief Financial Officer, Bianca Pieters CA (SA).

1.2 Significant judgements and sources of estimation uncertainty

The preparation of summarised consolidated audited annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Loan granted to BEE and staff company

The accounting of the loan advanced to Spalding Investments 10 Proprietary Limited, taking into account the terms of the shareholders' agreement and the preference share agreement, required judgement and resulted in a conclusion that the transaction value is treated as the grant of an option and should be presented as treasury shares.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

The historical credit loss rates for trade receivables and loans receivable have been very low. Management has made the judgement taking into account forward-looking indicators and the current COVID-19 pandemic. The expected credit loss rates have been adjusted to take into account the possible effect of COVID-19. Refer to note 14 Going concern and note 15 Events after the reporting period for more information.

Fair value estimation

Investments of the Group are either measured at fair value or disclosure is made of their fair values.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted).
- Level 2: Observable direct or indirect inputs other than Level 1 inputs.
- Level 3: Unobservable inputs (i.e. not derived from market data).

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

There is great uncertainty about the valuation of the investment in Zuuse Limited. PBT Group has a minority interest and Zuuse Limited is not listed which requires an assessment to be based on information gathered from Zuuse Limited's management and the quarterly updates that are sent to shareholders. The revenue multiple is used to assess the value after taking into consideration that PBT Group only has a minority interest and that Zuuse Limited is still in a start-up phase.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 7 Investments at fair value and note 13 Fair value information.

Impairment testing - goodwill

The recoverable amount of the cash-generating units has been determined based on a value-in-use calculation. Key assumptions applied to determine the recoverable amount of the cash-generating units, using the value-in-use calculation relating to sales growth rates, working capital requirements and capital expenditure.

The following assumptions were utilised:

Weighted average cost of capital: 15.78% (2019: 16.37%)

Terminal growth rate: 5.00% (2019: 5.50%)

Number of years: 4 years (2019: 4 years)

No reasonable possible change is expected in a key assumption used in the value-in-use calculation that would change the value-in-use to be lower than the carrying value of goodwill.

In light of the current COVID-19 pandemic, the possible effect that it will have on the profitability of the Company in the next 12 months was taken into account. Refer to note 14 Going concern and note 15 Events after the reporting period for more information. Even when taking into account the COVID-19 risks, the value-in-use calculation is still considerably higher than the carrying value.

Taxation

Estimates are required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

The deferred tax assets (arising mainly from assessed losses) in two subsidiaries of the Group were not recognised in either the current or prior year as management does not expect that there will be future taxable income in either of these entities.

IFRIC 23 Uncertainty Over Income Tax Treatments

An estimation is made in terms of IFRIC 23 Uncertainty Over Income Tax Treatments on any amounts where there is uncertainty about the value of the specific tax item. PBT estimated an amount to be included in the current financial statements for a penalty imposed on one of the subsidiary companies. In such a circumstance an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 Income Taxes based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

2. Changes in accounting policy

The summarised consolidated audited annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on a basis consistent with the prior year, except for the adoption of the following new or revised standards.

Application of IFRIC 23 Uncertainty Over Income Tax Treatments

This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes (IAS 12) when there is uncertainty over income tax treatments. In such a circumstance an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

The Group adopted IFRIC 23 Uncertainty Over Income Tax Treatments for the first time in its annual financial statements for the year ended 31 March 2020. No changes to the opening balance retained earnings were required.

Application of IFRS 16 Leases

In the current year the Group has adopted IFRS 16 Leases (IFRS 16) (as issued by the International Accounting Standards Board (IASB) in January 2016) with the date of initial application being 1 April 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases: Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases, and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low-value assets. The impact of the adoption of IFRS 16 on the consolidated annual financial statements is described below.

The Group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 April 2019.

Leases previously classified as operating leases

The Group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate at the date of initial application; and
- recognised right-of-use assets measured on a lease-by-lease basis, at the carrying amount (as if IFRS 16 applied from commencement date but was discounted at the incremental borrowing rate at the date of initial application).

The Group applied IAS 36 Impairment of Assets to consider if these right-of-use assets are impaired as at the date of initial application.

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease-by-lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the Group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 1 April 2019 were treated as short-term leases, with remaining lease payments recognised as an expense on a straight-line basis; and
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.

Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16

The incremental borrowing rate applied to lease liabilities on 1 April 2019 was 10.25%.

Rand	2019
Operating lease commitment at 31 March 2019 as previously disclosed	23 322 632
Effect of discounting lease commitments using the incremental borrowing rate at 1 April 2019	(5 320 189)
Less recognition exemption for:	
Short-term leases	(132 300)
Lease liability as at 1 April 2019	17 870 143

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

The following table shows the adjustments recognised in opening retained income on adoption of IFRS 16 for each line item of the financial statements affected:

Rand	Adjustments	31 March 2019 As originally presented	IFRS 16	1 April 2019 As restated
Non-current assets				
Right-of-use asset	(a)	–	17 557 706	17 557 706
Deferred tax asset	(b)	2 891 191	47 024	2 938 215
Equity				
Retained earnings	(c)	247 931 820	(120 918)	247 810 902
Non-current liabilities				
Lease liability	(d)	–	14 695 548	14 695 548
Current liabilities				
Trade and other payables	(e)	37 699 855	(144 495)	37 555 360
Lease liability	(d)	–	3 174 595	3 174 595

Notes:

The nature of the adjustments resulting from the adoption of IFRS 16 are described below:

- (a) The right-of-use asset was initially recognised at its carrying amount as if the standard has been applied since the lease commencement date, in accordance with IFRS 16C8(b)(i). The carrying amount presented above is the sum of the cost of the right-of-use asset less the related accumulated depreciation as at 1 April 2019.
- (b) The recognition of the right-of-use asset and lease liability, together with the reversal of the operating lease smoothing liability, gave rise to a deductible temporary difference and the recognition of an additional deferred tax asset.
- (c) The impact of the application of IFRS 16 as at 1 April 2019 resulted in an adjustment being required against retained earnings.
- (d) The lease liability was initially recognised on a present value basis, by discounting the minimum lease payments over the term of the lease. The lease liability has been split between the current and non-current portions and presented as such on the statement of financial position.
- (e) This adjustment relates to the reversal of the operating lease smoothing liability included under trade and other payables.

Rand	2020
Impact on the statement of comprehensive income as at 31 March	
Increase in depreciation expense	5 592 269
Decrease in operating lease expense	(6 395 370)
Increase in operating profit	(803 101)
Increase in finance costs	1 941 619
Decrease in profit before tax for the year	1 138 518
Impact on earnings per share and diluted earnings per share as at 31 March	
Earnings per share (cents)	
– Continuing operations	(0.87)
Diluted earnings per share (cents)	
– Continuing operations	(0.87)

3. Leases

Nature of leasing activities

The Group leases a number of properties in the jurisdiction from which it operates. The lease contracts provide for rental payments to increase annually by fixed percentages. Therefore, there are no leases with variable payments and as a result neither the right-of-use asset nor the lease liability on the statement of financial position are susceptible to changes. For this reason no sensitivity analysis has been disclosed.

Rand	Buildings
Right-of-use assets	
At 1 April 2019	17 557 707
Additions	6 263 447
Depreciation	(5 592 270)
Modification to lease terms	(707 451)
Foreign exchange movements	623 824
	18 145 257

There are no lease contracts in the Company and therefore only disclosure on Group level is presented.

Rand	GROUP	
	2020	2019
Other disclosures		
Expenses on short-term leases included in operating expenses	3 384 794	–

Rand	Buildings
Lease liabilities	
At 1 April 2019	17 870 143
Additions	6 263 447
Interest expense	1 941 619
Modification to lease terms	(760 238)
Lease payments	(6 395 370)
Foreign exchange movements	627 988
	19 547 589

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

3. Leases (continued)

Rand	GROUP	
	2020	2019
Split between non-current and current portions		
Non-current liabilities	14 201 166	–
Current liabilities	5 346 423	–
	19 547 589	–
Comparative information for operating leases under IAS 17		
Minimum lease payments due		
– within one year	–	4 963 171
– in second to fifth year inclusive	–	18 359 461
	–	23 322 632
Future cash outflows from lease payments		
Year ending:		
31 March 2021	6 990 720	–
31 March 2022	6 371 195	–
31 March 2023	5 390 938	–
31 March 2024	4 460 634	–
	23 213 487	–

The Group has elected to apply the modified retrospective adoption method when transitioning to IFRS 16 and as such no comparative figures are required to be disclosed in this note.

The Board has considered the impact of COVID-19 on its accounting for leases in terms of IFRS 16 Leases.

There have been no significant changes in the right of use conveyed to the Group in terms of its lease contracts as a result of the COVID-19 pandemic. Therefore no lease modifications have arisen as there have been no changes to the scope of any lease contracts and no changes to the consideration for lease contracts.

As discussed in detail in note 15 Events after the reporting period the government-imposed lockdown only impacted the Group for three working days before year-end. The Board considered the impairment of the right-of-use asset as at 31 March 2020 and is satisfied that the Group is still receiving the beneficial use of the buildings that it leases, despite the short-term lockdown as imposed by the government and, as such, no indication of impairment exists.

Since there have been no changes in the Group's obligations in terms of its lease contracts as a result of COVID-19, there has been no derecognition of any part of the lease liability as at 31 March 2020.

4. Goodwill

Rand	2020			2019		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
GROUP						
Goodwill	285 572 420	(149 906 000)	135 666 420	285 572 420	(149 906 000)	135 666 420

Reconciliation of goodwill

Rand	2020			2019		
	Opening balance	Impairment loss	Total	Opening balance	Impairment loss	Total
GROUP						
Goodwill	135 666 420	–	135 666 420	135 666 420	–	135 666 420

The goodwill on the statement of financial position arose from the reverse acquisition of PBT Group Limited by the Prescient Holdings Group of companies (Prescient Holdings) effective 1 September 2012. According to IFRS 3 Business Combinations, PBT Group Limited was treated as the accounting acquiree and goodwill on the PBT Group of companies arose as a result. With the 2012 goodwill calculation and allocation, the PBT Group of companies was seen as a separate cash-generating unit (CGU).

In terms of IFRS the Group performs an annual impairment test on goodwill based on CGUs. As the PBT Group of companies are still seen as a separate CGU, the recoverable amount of PBT Group to which goodwill is allocated has been determined based on the value-in-use calculation which uses cash flow projections on financial forecasts. The 2020 financial year goodwill figure has not been impaired as the recoverable amount was considerably higher than the goodwill figure.

Management based its cash flow projections on historical information and in light of the current COVID-19 pandemic the possible effect that it will have on the profitability of the Company in the next 12 months was taken into account. Refer to note 14 Going concern and note 15 Events after the reporting period for more information. Even when taking into account the COVID-19 risks, the value-in-use calculation is still considerably higher than the carrying value and no impairment is necessary on the goodwill figure. A steady and prudent revenue growth rate was used for years two to four starting from 2022. For year one, being 2021, the possible effect of COVID-19 was taken into account.

The discount rate (based on the weighted average cost of capital for the Group) used to calculate the value-in-use figure is 15.78% (2019: 16.40%) and the terminal growth rate 5.0% (2019: 5.5%).

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

5. Investments in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly, through subsidiaries.

	Number of ordinary shares held		% holding	
	2020	2019	2020	2019
GROUP COMPANIES				
BI-Blue Consulting Proprietary Limited	1 000	1 000	100	100
CyberPro Consulting Proprietary Limited	51	51	51	51
Halliard International (BVI) Limited (previously Stadia International (BVI) Limited)	1 000	1 000	100	100
PBT Group (Australia) Proprietary Limited	11 000	11 000	100	100
PBT Group (South Africa) Proprietary Limited	100	100	100	100
PBT Group (UK) Limited	100	–	100	–
PBT Group Europe Besloten Vennootschap	1 000	1 000	100	100
PBT Group International Besloten Vennootschap	1 000	1 000	100	100
PBT Infosight Proprietary Limited	100	100	100	100
PBT Insurance Technologies Proprietary Limited	5 500 000	5 500 000	100	100
PBT Technology Services (MEA) Proprietary Limited	100	100	100	100
PBT Technology Services Proprietary Limited	100	100	100	100
PBT Technology Services Ireland Limited	100	100	100	100
Stricklands Tetra Cape Proprietary Limited	100	100	100	100
Technique Business Intelligence Software Proprietary Limited	1 000	700	100	70
	% holding		Carrying amount	
Rand	2020	2019	2020	2019
COMPANY				
Halliard International (BVI) Limited (previously Stadia International (BVI) Limited)	–	100	–	26 636 292
PBT Group (Australia) Proprietary Limited	100	100	6 793 144	6 793 144
PBT Group (South Africa) Proprietary Limited	100	100	88 760 904	88 760 904
PBT Group International Besloten Vennootschap	100	100	46 567 779	17 430
			142 121 827	122 207 770
Cumulative impairment of investment in PBT Group (South Africa) Proprietary Limited	–	–	(18 990 044)	(18 990 044)
			123 131 783	103 217 726

Taking into consideration the COVID-19 pandemic, management assessed the value of the investment in subsidiaries and no impairment was applicable on any of the subsidiaries.

Please refer to note 14 Going concern and note 15 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

5. Investments in subsidiaries (continued)

Country of incorporation

All the entities are incorporated in South Africa except for:

Halliard International (BVI) Limited – incorporated in the British Virgin Islands;

PBT Group (Australia) Proprietary Limited – incorporated in Australia;

PBT Group (UK) Limited – incorporated in the United Kingdom;

PBT Group Europe Besloten Vennootschap – incorporated in the Netherlands;

PBT Group International Besloten Vennootschap – incorporated in the Netherlands; and

PBT Technology Services Ireland Limited – incorporated in Ireland.

Changes during the year

Halliard International (BVI) Limited

On 30 September 2019 PBT Group Limited transferred its 100% investment in Halliard International (BVI) Limited (previously Stadia International (BVI) Limited) to PBT Group International Besloten Vennootschap at its carrying value at that date. The reason for the transfer is PBT Group's intention to eventually hold all international entities under one international holding company.

Changes in ownership interest

On 31 March 2020 PBT Group Limited acquired an additional 30% shareholding in Technique Business Intelligence Software Proprietary Limited for no consideration. This increased the total percentage shareholding from 70% to 100%. This transaction did not result in a change in control of the subsidiary and therefore the transaction was recognised directly in equity.

Other changes

PBT Group International Besloten Vennootschap

During the year PBT Group Limited capitalised loans receivable from PBT Group International Besloten Vennootschap, PBT Group Europe Besloten Vennootschap, PBT Technology Services Ireland and Halliard International (BVI) Limited against its investment in PBT Group International.

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

5. Investments in subsidiaries (continued)

In terms of IFRS 12 Disclosure of Interests in Other Entities paragraph 12 the following information needs to be disclosed for a material subsidiary with non-controlling interests material to the Group:

CyberPro Consulting Proprietary Limited (CyberPro) is a material subsidiary with non-controlling interests material to the Group. CyberPro's principal place of business is in Gauteng and the Western Cape. PBT holds a 51% share in the company. The profit allocated to the CyberPro non-controlling interest is R16.5 million (2019: R11.3 million) and the accumulated non-controlling interest at year-end is R19.4 million (2019: R15.1 million). The total dividend paid to the non-controlling interest for the year ended 31 March 2020 is R12.3 million.

Summarised financial information of non-controlling interests

Rand

	2020	2019
STATEMENT OF FINANCIAL POSITION		
Non-current assets	2 615 741	1 540 695
Current assets	63 850 398	42 515 757
Total assets	66 466 139	44 056 452
Non-current liabilities	2 034 472	1 513 603
Current liabilities	24 850 500	11 498 754
Total liabilities	26 884 972	13 012 357
Net assets	39 581 167	31 044 095
Accumulated non-controlling interests	19 394 722	15 103 949
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Revenue	281 178 922	194 872 192
Operating profit	44 118 797	31 764 362
Profit before taxation	44 481 823	32 103 629
Profit for the year	33 568 540	23 356 175
Total comprehensive income for the year	33 568 540	23 356 175
STATEMENT OF CASH FLOWS		
Cash flows from operating activities	36 314 558	10 494 335
Cash flows from investing activities	(1 090 166)	(720 798)
Cash flows from financing activities	(25 356 297)	(8 580 000)
Net increase in cash and cash equivalents	9 868 095	1 193 537

6. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

Rand	GROUP	
	2020	2019
PBT Insurance Technologies Employees	5 115 320	4 723 230
The unsecured loan bears interest at prime (2019: prime minus 2%) and has no fixed terms of repayment. No capital repayments are required in the next 12 months.		
Enterprise and supplier development loans	3 012 524	2 537 400
The unsecured loans bear no interest. Current loans to the value of R1.7 million are repayable within one year. The non-current loan of R1.3 million has no fixed term of repayment and no capital repayments are required in the next 12 months.		
Bonds	521 884	493 251
	8 649 728	7 753 881
Split between non-current and current portions		
Non-current assets	7 294 734	6 458 606
Current assets	1 354 994	1 295 275
	8 649 728	7 753 881
Exposure to credit risk		
Reconciliation of loss allowances		
Opening balance	177 764	86 145
Increase in provision for expected credit loss allowance	463 912	91 619
Closing balance	641 676	177 764

Taking into consideration the COVID-19 pandemic, management has assessed if it will have an impact on its business model for financial assets as per paragraph 4.1.1(a) of IFRS 9 Financial Instruments. The business model that is currently being accounted for is "hold to collect". Management has come to the conclusion that it will not be necessary to change its business model and will continue to account for loans receivable as "hold to collect".

Please refer to note 14 Going concern and note 15 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

The loans as stated above are all in stage 1 as we do not believe that there has been a significant increase in credit risk since initial recognition. The possible effect of COVID-19 had been taken into account and adjustments have been made to the expected credit loss allowance value. The probability of default on the enterprise development loans have been increased from 5% to 20% as we believe that these small businesses will face significant headwinds from the effects of COVID-19 on the economy.

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

7. Investments at fair value

Investments held by the Group which are measured at fair value are as follows:

Rand	GROUP	
	2020	2019
Equity investments at fair value through profit or loss	118 726	124 729
Equity investments at fair value through other comprehensive income	44 655 927	26 744 186
	44 774 653	26 868 915
Fair value through profit or loss		
All Claims Proprietary Limited	118 726	124 729
Equity investments at fair value through other comprehensive income		
Zuuse Limited	44 655 927	26 744 186
	44 774 653	26 868 915
Split between non-current and current portions		
Non-current assets	44 774 653	26 868 915

Fair value information

Refer to note 13 Fair value information for details of valuation policies and processes.

Equity instruments at fair value through other comprehensive income

The investment in Zuuse Limited is not held for trading, it is held for long-term strategic purposes and has therefore been designated as at fair value through other comprehensive income.

During the financial year Zuuse Limited issued more shares which diluted PBT's minority shareholding from 10.6% to 8.0% at 31 March 2020.

In light of the current COVID-19 pandemic, the possible effect is still unknown and a risk factor has been applied to calculate the fair value of this investment.

8. Share capital

	GROUP	
	2020	2019
Authorised		
200 000 000 ordinary shares of no par value	–	–
Reconciliation of number of shares issued		
Reported as at the beginning of the period	136 418 749	1 669 250 950
Repurchase of shares	(34 130 204)	(332 234 286)
Repurchase of shares	(28 745 990)	(27 171 369)
Tender offer shares repurchased	(5 384 214)	–
Specific repurchased shares	–	(305 062 917)
Share consolidation	–	(1 227 769 230)
Fraction rate shares	–	(54)
	102 288 545	109 247 380
Treasury shares held by a wholly owned subsidiary of the Group	(2 200 000)	(1 300 418)
Opening balance	(1 300 418)	(1 300 418)
Repurchased during the current year	(899 582)	–
Shares held by BEE and staff company (Spalding Investments 10 Proprietary Limited) treated as treasury shares	(10 373 282)	(10 373 282)
Number of shares as at date of report	89 715 263	97 573 680

97 711 455 unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

Rand	GROUP	
	2020	2019
Issued		
Ordinary shares of no par value	503 830 445	3 490 921
Issued share capital reconciliation:		
As previously published	3 490 921	3 490 921
Reallocation to treasury shares (refer to note 9)	18 255 565	–
Reallocation of prior capital distributions (refer to note 10)	496 159 925	–
Repurchase of shares	(2 499 907)	–
Shares repurchased – tender offer	(11 576 060)	–
Issued as at 31 March	503 830 445	3 490 921

During the period 1 574 621 shares were repurchased in accordance with the general authority to repurchase shares granted at the Annual General Meeting held on 2 August 2019 and subsequently cancelled and delisted. The average purchase price per share was R1.59 per share.

During the year it was decided to account for all capital distributions through a separate reserve called the capital distribution reserve. All future capital distributions will be accounted for directly in this reserve and prior capital distributions were transferred to the reserve in the current year for consistency. The reason for accounting for capital distributions directly in a separate reserve is to better reflect the value of the share capital. All capital distributions since the reverse listing in 2012 was included in the transfer to the reserve.

Previously all treasury shares were included in the share capital figure. Treasury shares will now be shown in separate reserve called the “treasury shares”.

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

Rand	GROUP	
	2020	2019
9. Treasury shares		
Opening balance	-	-
Reallocation of treasury shares	18 255 565	-
Treasury shares purchased	1 855 151	-
Closing balance	20 110 716	-
Treasury shares movement during the period		
Opening balance as at 1 April	11 673 700	13 004 180
Share consolidation	-	(11 703 762)
Shares held by BEE and staff company (Spalding Investments 10 Proprietary Limited) treated as treasury shares	-	10 373 282
Treasury shares purchased by a subsidiary in the Group	899 582	-
	12 573 282	11 673 700
10. Capital distribution reserve		
Opening balance	-	-
Capital distribution during the financial year	11 731 762	-
Reallocation of prior capital distributions from share capital - 2018	26 206 633	-
Reallocation of prior capital distributions from share capital - 2017	469 953 292	-
Closing balance	507 891 687	-

Please refer to note 8 Share capital for the explanation and the reconciliation between share capital and the capital distribution reserve.

11. Revenue

Rand	GROUP	
	2020	2019
Revenue from contracts with customers		
Sale of goods	4 895 623	3 395 635
Rendering of services	667 608 690	585 018 774
	672 504 313	588 414 409
Disaggregation of revenue from contracts with customers		
The Group has disaggregated revenue into various categories in the following table which is intended to:		
<ul style="list-style-type: none"> • depict the nature, amount and timing of revenue; and • enable users to understand the various types of counterparties that the Group provides services to. 		
Contract type		
Fixed price contracts	103 439 150	121 383 350
Projects	4 509 169	24 403 240
Software licences	4 895 623	3 395 635
Time and material	542 763 055	421 969 573
Usage-based licences	16 897 316	17 262 611
	672 504 313	588 414 409
Contract counterparties		
Energy	46 445 564	13 422 800
Financial services	457 405 962	289 071 318
Information technology	33 244 865	99 958 858
Medical	34 250 522	29 656 057
Retail	41 607 174	45 010 492
Services	8 172 249	22 012 498
Telecommunications	51 377 977	89 282 386
	672 504 313	588 414 409
Timing of revenue recognition		
<i>At a point in time</i>		
Sale of goods	4 895 623	3 395 635
<i>Over time</i>		
Rendering of services	667 608 690	585 018 774
Total revenue from contracts with customers	672 504 313	588 414 409

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

11. Revenue (continued)

The Board has considered the impact of COVID-19 on its accounting for revenue in terms of IFRS 15 Revenue from Contracts with Customers.

The Group does not have any contracts with customers that contain elements of variable consideration which require judgement and, as such, no reassessments were necessary to be made as a result of COVID-19.

The Group has not applied any judgements in allocating the transaction price to the performance obligations and, as such, no reassessments were necessary to be made as a result of COVID-19.

As at 31 March 2020 no contract renegotiations due to COVID-19 implications occurred and, therefore, no contract modifications in terms of IFRS 15 have arisen.

In order for a contract to exist in terms of IFRS 15, it must be probable that the Group will collect the consideration to which it is entitled in exchange for the services that will be transferred to the customer. COVID-19 is seen as an event that may significantly affect the customer's ability to pay the consideration when it is due. The Board has considered this criteria on all its customers and is satisfied that, due to the nature of the Group's customers, the ability to collect consideration from customers is probable and, therefore, the criteria for a contract to exist is met.

Please refer to note 14 Going concern and note 15 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

12. Related parties

Relationships

Subsidiaries

BI-Blue Consulting Proprietary Limited
CyberPro Consulting Proprietary Limited
Halliard International (BVI) Limited (previously Stadia International (BVI) Limited)
PBT Group (South Africa) Proprietary Limited
PBT Group (UK) Limited
PBT Group Europe Besloten Vennootschap
PBT Group International Besloten Vennootschap
PBT Infosight Proprietary Limited
PBT Insurance Technologies Proprietary Limited
PBT Technology Services (MEA) Proprietary Limited
PBT Technology Services Ireland Limited
PBT Technology Services Proprietary Limited
Stricklands Tetra Cape Proprietary Limited
Technique Business Intelligence Software Proprietary Limited

Members of key management

NA Freddy
JC du Toit
MN Engelbrecht
NJ Viljoen
W Viljoen
M Visser
HB Vosloo
H Woest

Company owned solely by employees

Spalding Investments 10 Proprietary Limited

12. Related parties (continued)

Rand	GROUP	
	2020	2019
Related party balances		
<i>Loan accounts - owing by related parties</i>		
JC du Toit	460 018	416 343
MN Engelbrecht	348 218	329 391
NJ Viljoen	460 018	416 343
W Viljoen	2 587 706	2 445 930
M Visser	460 018	416 343
HB Vosloo	390 994	413 185
H Woest	460 018	416 343
<i>Amounts included in trade and other receivables regarding related parties</i>		
NA Freddy	–	20 786
Related party transactions		
Interest received from related parties		
JC du Toit	43 675	26 005
MN Engelbrecht	34 222	7 393
NJ Viljoen	43 675	26 005
W Viljoen	225 408	149 389
M Visser	43 675	26 005
HB Vosloo	42 809	23 185
H Woest	43 675	26 005
Compensation to Directors and other key management		
Short-term employee benefits	34 680 356	27 765 511

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

13. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Exposure in Rand	Notes	GROUP	
		2020	2019
Levels of fair value measurements			
Level 3			
Recurring fair value measurements			
Equity investments at fair value through other comprehensive income	11		
Zuuse Limited		44 655 927	26 744 186
Financial assets at fair value through profit or loss	11		
All Claims Proprietary Limited		118 726	124 729
Total		44 774 653	26 868 915

Fair value reconciliation

Valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more inputs are unobservable and have a significant effect on the instrument's valuation.

Financial assets recognised at fair value through profit or loss

For the investment classified as an asset held at fair value through profit or loss, the net asset value is management's best judgement to be the fair value.

Equity instruments at fair value through other comprehensive income

The "revenue multiple" method was used to calculate the fair value of the investment as at year-end. A size discount of 15% (2019: 13%) was used as the entity is still small comparative to its peers and it is still in a start-up phase. A minority and marketability discount of 30% (2019: 20%) was applied as the Group only owns a minority stake in the equity of the company and the shares are not freely traded on a stock market. The investment in Zuuse Limited was diluted further with the company issuing more shares and therefore the minority and marketability discount was increased. A revenue multiple of 6.5 (2019: 6.5) was used before taking into account the discounts applied.

The inputs used in the assessment are from information gathered from management at Zuuse Limited. This includes historical and forecasted information. Quarterly updates are sent to shareholders to keep them informed of the business. During the financial year Zuuse Limited issued more shares which diluted PBT Group's shareholding from 10.6% to 8.0% at 31 March 2020.

In light of the current COVID-19 pandemic, the possible effect is still unknown and a risk factor has been applied to calculate the fair value of this investment.

The below illustrates what the effect on the value of the investment, measured at fair value through other comprehensive income, will be when the revenue multiple is increased or decreased by 10%. All other variables remain constant.

- At 31 March 2020, if the revenue multiple used increased by 10%, then the value of the investment would be R49.0 million.
- At 31 March 2020, if the revenue multiple used decreased by 10%, then the value of the investment would be R36.9 million.

13. Fair value information (continued)

Reconciliation of assets measured at Level 3

Rand	Fair value through other comprehensive income	Fair value through profit or loss	Total
Fair value reconciliation			
Opening balance as at 1 April 2018	23 598 877	124 729	23 723 606
Gains or losses for the period recognised in profit or loss*	–	–	–
Gains or losses for the period recognised in other comprehensive income#	3 145 309	–	3 145 309
Closing balance as at 31 March 2019	26 744 186	124 729	26 868 915
Gains or losses for the period recognised in profit or loss*	–	(12 170)	(12 170)
Gains or losses for the period recognised in other comprehensive income#	17 911 741	6 167	17 917 908
Closing balance as at 31 March 2020	44 655 927	118 726	44 774 653

* Gains and losses recognised in profit or loss are included in other operating gains on the statement of comprehensive income.

Gains and losses recognised in other comprehensive income are included in gains on valuation of investments in equity instruments and exchange differences on translation of foreign operations on the statement of comprehensive income.

14. Going concern

The first positive case of COVID-19 in South Africa, where the majority of PBT Group's operations are based, was reported on 5 March 2020. Various stages of lockdown have been implemented since, resulting in the majority of PBT Group employees having worked remotely since 26 March 2020.

PBT Group has extensively analysed and evaluated the business' ability to continue as a going concern for the next financial year and foreseeable future. All indications are that this will indeed be the case.

In order to reach this conclusion, the three business segments were analysed separately. These segments have different risk profiles.

In South Africa, business experienced minimal impact during the first two months post year-end. Most of our clients operate in essential services industries and advanced technologies facilitate the unhindered remote delivery of services by our highly skilled consultants to these clients. This segment's cash flow remains strong, mainly due to the Group's ability to continue collecting payments from its high-quality clients. A large portion of the South African business operates on a low-risk basis where the risk of non-billability is shared with consultants. The momentum in digital transformation at PBT Group's clients remain high and is increasing due to the new operating environment brought about by COVID-19. Ongoing demand for PBT Group's services should support its business. Although the Group's cash position and business operations are strong, for prudence's sake we are in discussions with our bankers to secure an additional overdraft as an extra margin of safety.

In Australia, PBT Group provides services in critical industries and no contract terminations are anticipated. Additional comfort is provided by the very strong cash position on the ungeared statement of financial position. This cash is also available to be deployed in other segments of the Group, if needed.

Our Europe (including the United Kingdom) segment is in a similarly strong cash position and also has an ungeared statement of financial position. This surplus cash is also available for deployment in other areas if the need arises. This business is still in a development phase and has achieved pleasing success to date, with good prospects going forward.

From a liability perspective, PBT Group does not have any liabilities with external financial institutions that need to be serviced. The only liabilities of the Group are lease liabilities as well as normal operating trade and other payables.

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

15. Events after the reporting period

COVID-19

PBT Group was in the fortunate position to smoothly transition from working from the office to working from home, resulting in minimal business disruption.

In South Africa lockdown commenced during the last week of our financial year-end, being 31 March 2020, thus having almost zero effect on the 2020 year-end results.

Despite the positive first two months post year-end, we do anticipate that the effect of COVID-19 will have an impact on our 2021 figures. Clients are cautious in proceeding with non-essential projects and we foresee that budget cuts will result in low or non-increases in client rates, as well as non-renewal of contracts that are not business critical.

When the first cases of COVID-19 were reported by the end of February in the Netherlands and the United Kingdom, PBT Group's clients immediately implemented precautionary measurements, resulting in all consultants in the region working from home since the beginning of March 2020. By the end of March all reports indicated that productivity was kept to standard and even increased in delivery in certain situations.

As in South Africa, PBT Group's European business was not affected by COVID-19 up until the financial year-end, 31 March 2020. We have noticed that our European clients have been taking precautionary measures since, in order to mitigate the potential risk of the ramifications and repercussions on businesses resulting from this global pandemic. Many of the larger corporates went into a contract hiring freeze during April to May 2020. Projects and budgets were put on hold and reassessed and prioritised according to relevance and importance.

On the positive side, PBT Group Europe consultants have assisted some of the largest international clients to take control of their planning and forecasting of products in their supply chain. This ensures that productivity is kept to standard and efficient throughout the pandemic crisis. Most of PBT Group's European projects and services are critical for the daily business processes which they are reliant on.

Since the beginning of June 2020 COVID-19 restrictions were relaxed in the Netherlands and the United Kingdom and specific consultants are allowed to work onsite again with prudence, meticulous monitoring of COVID-19 development and, of course, strict adherence to health and safety regulations. We are seeing an increase in hiring of contractors in the Netherlands since the beginning of June 2020, especially in the financial industry. The prospective impact of the pandemic on PBT Group Europe's clients' businesses is still uncertain.

We do not foresee any impact on labour shortage due to illness during this period. With the majority of our consultants still providing services remotely, the risk of contracting and/or spreading the virus amongst employees is low.

The possible effects on the statement of financial position and statement of profit or loss and other comprehensive income are discussed below:

Statement of financial position

Below are the specific risks that PBT Group is closely monitoring:

Assets

Risk areas included in the following line items on the face of the statement of financial position:

- loans receivable;
- trade and other receivables; and
- cash and cash equivalents (liquidity risk).

Loans receivable

One of the enterprise development loans runs the risk of not being fully paid back. The loan is invested into a fund which provides loans to black South African-owned businesses focusing on information and communications technology (ICT). It is fair to assume that these start-up businesses will face severe headwinds due to the COVID-19 pandemic which may result in non-performing loans in the fund.

Trade and other receivables

The risk for trade and other receivables is that clients will not be in the position to pay their outstanding debts. Up until the date of signing this report, we have not experienced any difficulties and clients are paying timeously. Nevertheless, PBT Group took into consideration that the spread of the virus and the economic effect thereof is still relatively in the early stages and might increase significantly in the coming period. As such, the expected credit loss (ECL) allowance has been adjusted to take this into account.

Cash and cash equivalents (liquidity risk)

The possibility that trade and other receivables might not be in the position to pay their debts will have a direct impact on our cash flow situation in the future (liquidity risk). To that effect, PBT Group has engaged with our bankers to secure an additional overdraft facility as an extra margin of safety should the situation arise that our positive cash balance is not sufficient to meet our financial obligations.

15. Events after the reporting period (continued)

Liabilities

Risk areas included in the following line items on the face of the statement of financial position:

- trade and other payables.

Trade and other payables

The risk is that PBT Group might not be in the position to pay its trade and other payables timeously. This risk is mitigated as far as possible with the increased overdraft facilities as mentioned under cash and cash equivalents. Up until the date of signing this report, PBT Group has been comfortable in honouring its trade and other payables.

Statement of profit or loss and other comprehensive income

Below are the specific risks that PBT Group is monitoring closely:

- revenue; and
- profit.

Revenue and profit

PBT Group's risk for revenue is that clients might delay or cancel projects in order to save on their costs. This will have a direct effect on PBT Group's revenue figure. We anticipate that clients will be sensitive to rate increases and a number of clients have requested discounts. Currently this is manageable and will not significantly impact profitability and will be off-set against future new business. As a services company, PBT Group's cost of sales mainly comprises salaries paid to consultants. As PBT Group endeavours to keep our employees on board, a possible negative effect on the revenue will have a direct impact on our gross profit and eventually on our bottom-line profit.

No other items in the statement of profit or loss will be significantly affected by the COVID-19 virus pandemic.

Distribution declared after reporting period and recognised as a liability

On Friday, 3 July 2020, the Board of Directors resolved to declare a final distribution of 11 cents per PBT ordinary share for the year ended 31 March 2020. The total distribution will equate to R11.3 million. Each shareholder will be able to elect to receive the distribution as either a dividend as defined by the Income Tax Act, Act 58 of 1962 or as a capital reduction distribution. If no election is made the default option will be that a dividend will be paid to such shareholders. An Election Form (for use by certificated shareholders) is included with the Notice of Annual General Meeting of PBT Group and the Directors' Report, containing details of the distribution, which was distributed to shareholders on Friday, 17 July 2020.

The implications of the elections above are as follows:

- A gross dividend of 11 cents per PBT ordinary share from income reserves will be subject to dividend withholding tax at a rate of 20%. Consequently, a net final dividend of 8.8 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively the "regulated intermediary") on behalf of the shareholders. However, all shareholders choosing this option should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption.
- A capital reduction distribution of 11 cents per PBT ordinary share is not subject to dividend withholding tax as the distribution is paid out of capital reserves. As the distribution will be regarded as a return of capital and may therefore have potential capital gains tax consequences, shareholders are advised to consult their tax advisers regarding the impact of the distribution.

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

16. Comparative figures

Certain prior-period comparative figures have been reclassified for consistency with the current-year presentation of the consolidated and separate annual financial statements. These reclassifications had no effect on the reported results of operations.

The effects of the reclassifications are as follows:

	Adjustments	31 March 2019 As originally presented	Reclassifi- cation	31 March 2019 As restated
GROUP				
Statement of financial position				
Trade and other payables	(a)	(37 699 855)	(8 396 227)	(46 096 082)
Payroll-related accruals	(a)	(8 396 227)	8 396 227	–
Reserves	(b)	5 482 400	(5 482 400)	–
Foreign currency translation reserve	(b)	–	4 979 890	4 979 890
Share-based payment reserve	(b)	–	32 147	32 147
Equity revaluation reserve	(b)	–	470 363	470 363
COMPANY				
Statement of financial position				
Share capital	(c)	2 018 815 262	2 176 752	2 020 992 014
Accumulated loss	(c)	(1 796 992 655)	(2 176 752)	(1 799 169 407)

(a) The amount relating to payroll-related accruals has been reclassified from a separate line item on the face of the statement of financial position to trade and other payables.

(b) Reserves, which were previously combined as one line item on the face of the statement of financial position, have been reclassified into separate line items.

(c) There was a reclassification between equity accounts to the value of R2.2 million on 1 April 2018. The total amount is insignificant to the Group and had no effect on the total equity amount.

17. Earnings per share and headline earnings per share

Cents	2020	2019
Basic earnings per share	30.65	25.32
Continuing operations	30.65	17.97
Discontinued operations	–	7.35
Diluted earnings per share	30.65	25.32
Continuing operations	30.65	17.97
Discontinued operations	–	7.35
The calculation of basic earnings per share as at 31 March 2020 was based on the profit attributable to ordinary shareholders of R29.6 million (March 2019: R31.4 million) and a weighted average of ordinary shares outstanding of 96 616 230 (March 2019: 124 063 076).		
Diluted basic earnings and headline earnings per share are equal to basic earnings and headline earnings per share.		
Weighted average number of ordinary shares		
Ordinary shares at 1 April	136 418 749	1 669 250 950
Share consolidation	–	166 925 095
Effect of treasury shares held	(29 429 237)	(42 521 023)
Shares held by BEE company included as treasury shares	(10 373 282)	(340 996)
	96 616 230	124 063 076

17. Earnings per share and headline earnings per share (continued)

Reconciliation of earnings and headline earnings per share

Rand	GROUP			
	2020		2019	
	Gross	Net	Gross	Net
Continuing operations				
Profit attributable to equity holders of the parent		29 608 521		22 299 599
Losses on disposal of assets	173 635	125 017	348 153	250 670
Impairments of assets	13 886	9 998	38 367	27 624
Headline earnings		29 743 536		22 577 893
Discontinued operations				
Profit attributable to equity holders of the parent		-		9 113 855
Restatement to fair value of discontinued operations	-	-	12 842 435	12 842 435
Release of foreign currency translation reserve to the statement of profit or loss	-	-	(20 723 419)	(20 723 419)
		-		1 232 871

Cents	GROUP	
	2020	2019
Headline earnings per share		
Continuing operations	30.79	18.18
Discontinued operations	-	0.99
Diluted headline earnings per share		
Continuing operations	30.79	18.18
Discontinued operations	-	0.99
Distributions		
Interim capital reduction distribution	12.00	-
Final distribution	11.00	-

Headline earnings per share has been calculated in accordance with Circular 01/2019 issued by the South Africa Institute of Chartered Accountants.

18. Material change statement

The Directors report that there have been no material changes to the affairs, financial or trading position of the Company and Group since 31 March 2020 to the date of posting of this report, other than disclosed in this report.

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

19. Segment report

The reportable segments for the current financial year are according geographical areas, namely South Africa, Australia and Europe.

- South Africa includes consulting and implementation of data, information management software and healthcare administration services in the Republic of South Africa.
- Australia includes consulting and implementation of data, information management software and healthcare administration services in Australia.
- Europe includes consulting and implementation of data and information management software in Europe.

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses such as goodwill impairments and the effects of share-based payments.

Rand	South Africa		Australia	
	2020	2019	2020	2019
Continuing operations				
Revenues from external customers	594 000 286	476 915 874	50 668 278	60 041 772
Other income	65 858	240 903	–	–
Interest revenue	2 734 977	3 260 745	75 630	112 129
Cost of sales*	(440 539 872)	(357 439 158)	(42 936 552)	(52 173 460)
Depreciation and amortisation	(6 335 650)	(1 403 862)	(486 540)	(49 918)
Impairments	–	(38 367)	–	–
Operating expenses	(74 840 550)	(75 314 699)	(4 509 966)	(6 071 290)
Interest expense	(1 726 988)	(852 465)	(86 983)	(88)
Income tax expense	(18 070 843)	(12 127 336)	(845 393)	(553 765)
Profit/(loss) for the year	55 287 217	33 241 634	1 878 474	1 305 380
Discontinued operations				
Revenues from external customers	–	–	–	–
Other income	–	–	–	–
Interest revenue	–	–	–	–
Foreign currency reserve released	–	–	–	–
Depreciation and amortisation	–	–	–	–
Impairments	–	–	–	–
Operating expenses	–	–	–	–
Interest expense	–	–	–	–
Income tax expense	–	–	–	–
Profit/(loss) for the year	–	–	–	–

* An insignificant amount was reclassified between segments in the prior year in order to better reflect the cost of sales per segment as per IFRS 8:25.

	Europe		Other		Total	
	2020	2019	2020	2019	2020	2019
	27 835 749	10 324 203	–	41 132 560	672 504 313	588 414 409
	–	–	1 068 483	1 031 966	1 134 341	1 272 869
	–	–	57 835	439 380	2 868 442	3 812 254
	(20 749 700)	(5 463 019)	(977 084)	(25 789 730)	(505 203 208)	(440 865 367)
	(880 583)	–	–	(1 779 291)	(7 702 772)	(3 233 070)
	–	–	–	–	–	(38 367)
	(8 095 841)	(4 258 924)	(6 753 898)	(17 138 499)	(94 200 254)	(102 783 412)
	(169 475)	–	(1 973)	(356 193)	(1 985 419)	(1 208 747)
	(90 823)	(38 713)	(995 041)	(4 378 171)	(20 002 100)	(17 097 985)
	(2 150 672)	563 547	(7 601 677)	(6 837 978)	47 413 342	28 272 584
	–	–	–	4 816 394	–	4 816 394
	–	–	–	1 096 511	–	1 096 511
	–	–	–	27 898	–	27 898
	–	–	–	20 723 419	–	20 723 419
	–	–	–	(19 196)	–	(19 196)
	–	–	–	(12 842 435)	–	(12 842 435)
	–	–	–	(4 385 212)	–	(4 385 212)
	–	–	–	(366 150)	–	(366 150)
	–	–	–	62 626	–	62 626
	–	–	–	9 113 855	–	9 113 855

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

19. Segment report (continued)

Rand	South Africa		Australia	
	2020	2019	2020	2019
GROUP				
Revenues from external customers	594 000 286	476 915 874	50 668 278	60 041 772
Other income	65 858	240 903	–	–
Interest revenue	2 734 977	3 260 745	75 630	112 129
Foreign currency reserve released	–	–	–	–
Cost of sales*	(440 539 872)	(357 439 158)	(42 936 552)	(52 173 460)
Depreciation and amortisation	(6 335 650)	(1 403 862)	(486 540)	(49 918)
Impairments	–	(38 367)	–	–
Operating expenses	(74 840 550)	(75 314 699)	(4 509 966)	(6 071 290)
Interest expense	(1 726 988)	(852 465)	(86 983)	(88)
Income tax expense	(18 070 843)	(12 127 336)	(845 393)	(553 765)
Profit/(loss) for the year	55 287 217	33 241 634	1 878 474	1 305 380
Continuing operations				
Segment assets**	138 241 299	120 003 612	31 209 602	26 105 076
Intangible assets	214 470	221 872	–	–
Total assets	138 455 769	120 225 485	31 209 602	26 105 076
Segment liabilities	(63 510 944)	(35 286 857)	(9 225 931)	(7 160 215)
Discontinued operations				
Segment assets**	–	–	–	–
Intangible assets	–	–	–	–
Total assets	–	–	–	–
Segment liabilities	–	–	–	–
GROUP				
Segment assets**	138 241 299	120 003 612	31 209 602	26 105 076
Intangible assets	214 470	221 872	–	–
Total assets	138 455 769	120 225 485	31 209 602	26 105 076
Segment liabilities	(63 510 944)	(35 286 857)	(9 225 931)	(7 160 215)

* An insignificant amount was reclassified between segments in the prior year in order to better reflect the cost of sales per segment as per IFRS 8:25.

** Goodwill is not managed as part of segment assets and has therefore been excluded.

	Europe		Other		Total	
	2020	2019	2020	2019	2020	2019
	27 835 749	10 324 203	–	45 948 954	672 504 313	593 230 803
	–	–	1 068 483	2 128 477	1 134 341	2 369 380
	–	–	57 835	467 278	2 868 442	3 840 152
	–	–	–	20 723 419	–	20 723 419
	(20 749 700)	(5 463 019)	(977 084)	(25 789 730)	(505 203 208)	(440 865 367)
	(880 583)	–	–	(1 798 487)	(7 702 772)	(3 252 266)
	–	–	–	(12 842 435)	–	(12 880 802)
	(8 095 841)	(4 258 924)	(6 753 898)	(21 523 711)	(94 200 254)	(107 168 624)
	(169 475)	–	(1 973)	(722 343)	(1 985 419)	(1 574 897)
	(90 823)	(38 713)	(995 041)	(4 315 545)	(20 002 100)	(17 035 358)
	(2 150 672)	563 547	(7 601 677)	2 275 878	47 413 342	37 386 440
	25 678 285	5 286 300	52 122 704	34 042 428	247 251 890	185 437 417
	–	–	–	22 754	214 470	244 626
	25 678 285	5 286 300	52 122 704	34 065 182	247 466 360	185 682 043
	(4 225 386)	(361 008)	(8 282 593)	(7 781 242)	(85 244 855)	(50 589 321)
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	25 678 285	5 286 300	52 122 704	34 042 428	247 251 890	185 437 417
	–	–	–	22 754	214 470	244 626
	25 678 285	5 286 300	52 122 704	34 065 182	247 466 360	185 682 043
	(4 225 386)	(361 008)	(8 282 593)	(7 781 242)	(85 244 855)	(50 589 321)

NOTES TO THE SUMMARISED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

19. Segment report (continued)

Rand	2020	2019
Reconciliation of reportable segment revenue		
Total consolidated income for reportable segments	672 504 313	593 230 803
Elimination of discontinued operations	–	(4 816 394)
Consolidated total income	672 504 313	588 414 409
Reconciliation of profit before taxation		
Total consolidated profit before taxation for reportable segments	67 415 442	54 421 798
Less share-based payment expense	(263 576)	(32 147)
Add other operating gains/(losses)	159 593	(497 750)
Add (losses)/gains on exchange differences	(289 398)	1 152 300
Add movement in credit loss allowances	(1 015 921)	4 752 726
Elimination of discontinued operations	–	(9 051 229)
Consolidated profit before taxation	66 006 141	50 745 697
Reconciliation of assets		
Total assets for reportable segments	195 343 656	151 616 861
Goodwill	135 666 420	135 666 420
Assets for other segments	52 122 704	34 065 182
Consolidated total assets	383 132 780	321 348 464
Reconciliation of liabilities		
Total liabilities for reportable segments	(76 962 262)	(42 808 079)
Liabilities for other segments	(8 282 593)	(7 781 242)
Consolidated total liabilities	(85 244 855)	(50 589 321)

19. Segment report (continued)

Information about customers

Included in revenue from external customers is revenue from one customer which represents more than 10% of the total revenue from external customers:

	2020		2019	
	%	Rand	%	Rand
Customer A	11	75 358 674	6	34 038 154

The revenue from customer A was derived in the South Africa reportable segment.

Other disclosures

Revenue to external customers disclosed in the other reporting segment includes revenue from services rendered in PBT Technology Services (MEA) Proprietary Limited. In the prior year management no longer considered the Middle East/Africa region to be a reportable segment.

DIRECTORATE

ELIZNA READ

CHIEF EXECUTIVE OFFICER

Age 41

Appointed March 2020

Elizna joined PBT Group shortly after its inception in 2000 and has served in several managerial positions, thereby garnering extensive knowledge about all aspects of the Group's business. She was appointed as the Human Resources Director of PBT Group in 2008, promoted to Operations Director in 2014, followed by another promotion to Chief Operations Officer in April 2018. She was appointed as Chief Executive Officer of the Group in March 2020.



BIANCA PIETERS

CHIEF FINANCIAL OFFICER

Age 36

Appointed March 2020

Bianca qualified as a CA (SA) in early 2010. She joined PBT Group in 2010 as the Group Accountant and Company Secretary when PBT listed on the JSE via the Wooltru reverse listing. Together with the CFO and CEO, she has been responsible for all financial functions of the Group and also fulfilled the role of Corporate Governance Manager since April 2017.



TONY TAYLOR

LEAD INDEPENDENT NON-EXECUTIVE CHAIRMAN

Age 73

Appointed March 2017

Tony graduated in 1967 with a BA in Social Anthropology at the University of Witwatersrand. He started his career at Edgars in 1968 and held management and Director positions at several major retail companies up to 2009. Since 2009 Tony is an Executive of Pepkor Retail and is also a Non-Executive Director of Truworths.





CHEREE DYERS
INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 46
Appointed March 2017

Cheree holds a Bachelor of Business Science (Marketing) and a Bachelor of Commerce from the University of Cape Town. She is a CA (SA) and a CFA Charter holder. Following the completion of her articles at KPMG, Cheree joined the Prescient Group in 2005 where she has held various leadership positions. Currently she is the CEO of Prescient Investment Management. Cheree has vast experience in the financial industry and brings a wealth of business acumen to the Board and its audit and governance structures.



ARTHUR WINKLER
INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 43
Appointed May 2017

Arthur qualified as a Chartered Accountant having graduated from the University of Cape Town. He completed his articles at Moores Rowland where he remained as an Audit Manager until joining Wooltru as Company Secretary. He joined the Trematon Group in 2008 where he currently fills the role of Executive Director and Chief Financial Officer of the Group.



HERMAN STEYN
NON-EXECUTIVE DIRECTOR

Age 59
Appointed December 2012

Herman has been involved in the investment management industry since 1985, having held senior management positions in several asset management companies. He began his career in investments after studying a BBusSc degree majoring in Actuarial Science, Statistics and Economics at the University of Cape Town. Herman completed his BBusSc (Honours) in 1984 and in 1998 founded Prescient Investment Management. Herman was Director and CEO of Prescient, a position he remained in until March 2017. Since then Herman is Executive Chairman of Prescient. He continues to serve on the PBT Group Board as Non-Executive Director.

SHAREHOLDER PROFILE

During the 2020 financial year no new shares were issued. As at 31 March 2020 the total shares in issue were 102 288 545 (2019: 109 247 380).

Distribution of shareholders

Number of shares held	Number of shareholders	Percentage	Number of shares	Percentage
1 - 10 000	1 155	88.24	1 106 498	1.08
10 001 - 100 000	80	6.11	2 893 419	2.83
100 001 - 1 000 000	59	4.51	18 429 739	18.02
1 000 001 - 10 000 000	11	0.84	30 910 045	30.22
Greater than 10 000 000	4	0.31	48 948 844	47.85
	1 309	100.00	102 288 545	100.00
Individuals	1 135	86.71	20 286 034	19.83
Nominees and trusts	75	5.73	5 984 715	5.85
Close corporations	16	1.22	124 677	0.12
Other corporate bodies	60	4.58	57 796 610	56.50
Banks	4	0.31	16 727 743	16.35
Insurance companies	2	0.15	40 044	0.04
Pension funds and medical aid schemes	3	0.23	40 693	0.04
Collective investment schemes and mutual funds	14	1.07	1 288 029	1.26
Total	1 309	100.00	102 288 545	100.00

Public and non-public shareholders

	Number of shareholders	Number of shares	Percentage of total issued shares
Shareholders holding greater than 10% of issued share capital	2	27 073 282	26.47
Directors and prescribed officers	7	24 512 783	23.96
Public shareholders	1 300	50 702 480	49.57
	1 309	102 288 545	100.00

Major shareholders

	Ordinary shares	Percentage of total issued share capital
The shareholders, other than directors, who are directly or indirectly beneficially interested in 5% or more of the Group's issued share capital at 31 March 2020 are as follows:		
Clearstream Banking SA Luxembourg	16 700 000	16.33
Rocklands Group Holdings Proprietary Limited	5 849 544	5.72
The shareholders, which are associates of directors and which hold 5% or more of the Group's issued share capital at 31 March 2020 are as follows:		
Poppy Ice Trading 23 Proprietary Limited	11 000 000	10.75
FISC Investment Management Proprietary Limited	10 875 562	10.63
Spalding Investments 10 Proprietary Limited*	10 373 282	10.14

* Spalding Investments 10 Proprietary Limited (Spalding) is a BEE and staff company in which Elizna Read and Bianca Pieters collectively hold a 51.61% interest. Both directors consequently have an indirect beneficial interest in PBT Group Limited via their interest in their associate company, Spalding. Please refer to note 8 Share capital on page 35 and note 19 Share-based payments on page 74 of the Integrated Annual Report for more information on the transaction.

Directors' holdings

The Directors' holdings at 31 March were as follows:

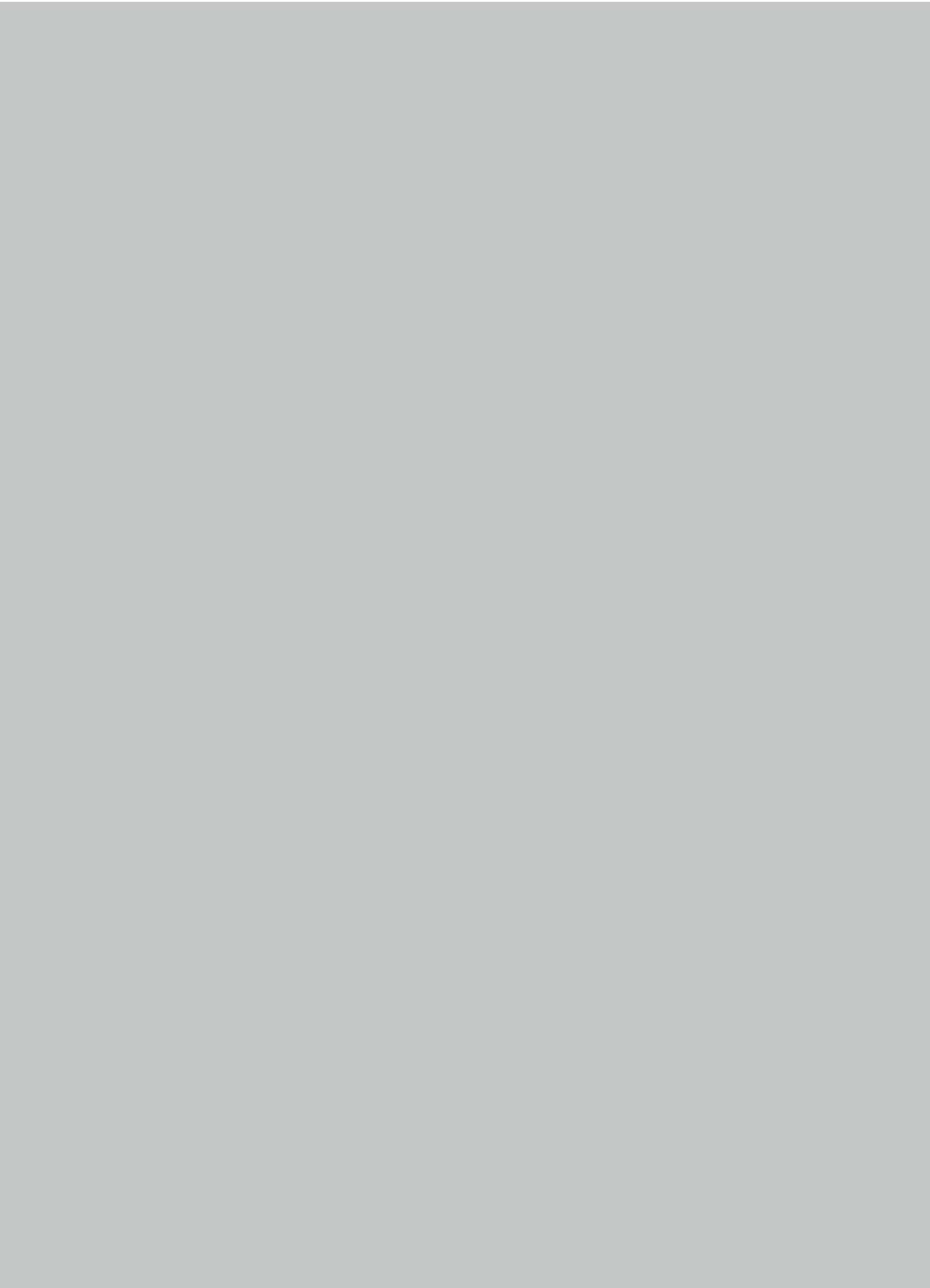
	Direct number of shares	Percentage	Indirect number of shares	Percentage
2020				
Tony Taylor	96 479	0.09	–	0.00
Elizna Read	532 560	0.52	4 350 086	4.25
Bianca Pieters	379	0.00	1 003 866	0.98
Cheree Dyers	198 426	0.19	5 610 000	5.48
Herman Steyn	170 132	0.17	10 875 562	10.63
Pierre de Wet	–	0.00	5 390 000	5.27
Murray Louw	128 924	0.13	1 510 321	1.48
	1 126 900	1.11	28 739 835	28.09
2019				
Tony Taylor	96 479	0.09	–	0.00
Pierre de Wet	–	0.00	5 390 000	4.93
Murray Louw	–	0.00	367 611	0.34
Cheree Dyers	198 426	0.18	5 610 000	5.14
Herman Steyn	170 132	0.16	10 875 562	9.95
	465 037	0.43	22 243 173	20.36

The Board of Directors has assessed the independence of each Board member, being Executive, Non-Executive or Independent Non-Executive. The Board is cognisant of the fact that each member has a duty to act with independence of mind in the best interest of the organisation.

The PBT Board believes they have the necessary knowledge, skill, experience, diversity and independence to fully discharge its governance role and responsibilities. Further to that, the Board believes that the independent designation for the Independent Non-Executive Directors are appropriate taking into consideration the indicators as set out in King IV together with other indicators holistically and on a substance-over-form basis.

GENERAL INFORMATION

Country of incorporation	South Africa
Nature of business and principal activities	Information management and data analytics services
Directors	Tony Taylor (Independent Non-Executive Chairman) Elizna Read (Chief Executive Officer) Bianca Pieters (Chief Financial Officer) Cheree Dyers (Independent Non-Executive Director) Herman Steyn (Non-Executive Director) Arthur Winkler (Independent Non-Executive Director)
Audit and Risk Committee	Arthur Winkler (Chairman) Cheree Dyers Tony Taylor
Remuneration and Nomination Committee	Cheree Dyers (Chairman) Herman Steyn Tony Taylor Arthur Winkler
Social and Ethics Committee	Cheree Dyers (Chairman) Elizna Read Tony Taylor
Company Secretary	Anastassia Sousa PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa
Registered office	PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa
Postal address	PO Box 276, Century City, 7446, South Africa
Registration number	1936/008278/06
Auditors	BDO South Africa Incorporated
Sponsor	Sasfin Capital (a Member of the Sasfin Group)
Transfer Secretaries	Link Market Services South Africa Proprietary Limited PO Box 4844, Johannesburg, 2000, South Africa 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001, South Africa
JSE share code	PBG
ISIN	ZAE000256319
Website	www.pbtgroup.co.za





www.pbtgroup.co.za

FORM OF PROXY



PBT GROUP LIMITED
 (Incorporated in the Republic of South Africa)
 (Registration number: 1936/008278/06)
 JSE share code: PBG ISIN: ZAE000256319
 ("PBT Group" or "the Company" or "the Group")

FOR USE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY TO BE HELD ENTIRELY BY ELECTRONIC COMMUNICATION ON 21 AUGUST 2020, AND AT ANY ADJOURNMENT THEREOF

THIS FORM OF PROXY IS ONLY FOR USE BY:

- shareholders who hold their shares in certificated form; and
- shareholders who hold dematerialised shares with "own name" registration.

Other shareholders must give their voting instructions to their CSDP or broker (see note 8).

In light of the COVID-19 virus outbreak, it is required that proxy forms be forwarded so as to reach the Transfer Secretaries by no later than 10:00 on Wednesday, 19 August 2020, so as to assist the Company to timeously verify the identity of shareholders and their proxies who wish to participate by electronic communication at the AGM. If shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration and who are entitled to participate in and vote at the AGM do not deliver the proxy forms to the Transfer Secretaries, they will nevertheless be entitled to lodge the form of proxy in respect of the AGM immediately prior to the AGM, but not later than 08:00 on the day of the meeting in accordance with the instructions therein, by e-mailing those proxy forms to TMS at proxy@tmsmeetings.co.za.

Each shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy (who need not be a shareholder of the Company) to attend, participate in and speak and vote in place of that shareholder at the AGM, and at any adjournment thereafter.

Please note the following:

- the appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the AGM;
- the appointment of the proxy is revocable; and
- you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company.

Please note that any shareholder of the Company that is a company may authorise any person to act as its representative at the AGM.

Please also note that section 63(1) of the Act requires that persons wishing to participate in the AGM (including the aforementioned representative) provide satisfactory identification before they may so participate.

I/We (full name in block letters) _____

of (please print address) _____

being the registered holder/s of _____ ordinary shares hereby appoint

1. _____ whom failing

2. _____ whom failing

3. the Chairman of the AGM, as my/our proxy to act for me/us and on my/our behalf at the AGM of the Company to be held on Friday, 21 August 2020 and at any adjournment thereof as follows:

		Number of shares		
		For	Against	Abstain
Ordinary Resolution Number 1	Reappointment of the independent auditor and designated auditor of the Company			
Ordinary Resolution Number 2.1	Reappointment of Cheree Dyers as Non-Executive Director			
Ordinary Resolution Number 2.2	Reappointment of Tony Taylor as Non-Executive Director			
Ordinary Resolution Number 3.1	Appointment of Bianca Pieters as Chief Financial Officer			
Ordinary Resolution Number 3.2	Appointment of Elizna Read as Chief Executive Officer			
Ordinary Resolution Number 4.1	Reappointment of Arthur Winkler as Audit and Risk Committee member			
Ordinary Resolution Number 4.2	Reappointment of Cheree Dyers as Audit and Risk Committee member			
Ordinary Resolution Number 4.3	Reappointment of Tony Taylor as Audit and Risk Committee member			
Ordinary Resolution Number 5	General authority to issue securities for cash			
Ordinary Resolution Number 6	Directors' or Group Company Secretary's authority to implement resolutions			
Ordinary Resolution Number 7.1	Endorsement of Remuneration Policy			
Ordinary Resolution Number 7.2	Implementation of Remuneration Policy			
Ordinary Resolution Number 8	General payments			
Special Resolution Number 1	Financial assistance			
Special Resolution Number 2	Financial assistance for subscription of securities			
Special Resolution Number 3	General authority to repurchase shares			
Special Resolution Number 4	Specific authority to repurchase and cancel treasury shares			
Special Resolution Number 5	Authority to pay Non-Executive Directors' fees			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote (see note 2).

This proxy shall be valid only until the AGM of the shareholders of the Company to be held on Friday, 21 August 2020 and any adjournment thereof.

Signed at _____ on _____ 20_____.

Signature _____

(Authority of signatory to be attached if applicable - see note 5)

Assisted by me (where applicable - see note 10) _____ Telephone number _____

Please also read the notes overleaf.

NOTES TO THE PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided with or without deleting "the Chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy form will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
3. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of votes cast and in respect of which any abstention is recorded may not exceed the total votes exercisable by the shareholder or his/her proxy.
4. Any deletion, alteration or correction to this form of proxy must be initialled by the signatory/ies, but any such alteration or correction will only be validly made if it is accepted by the Chairperson.
5. Documentary evidence establishing the authority of a person signing this form of proxy in the representative capacity must be attached to this form of proxy unless previously recorded by the Company.
6. Forms of proxy must be delivered to Link Market Services South Africa Proprietary Limited before a proxy may exercise any voting rights at the AGM by returning them to Link Market Services South Africa Proprietary Limited, to be received on or before 10:00 on Wednesday, 19 August 2020. Forms can be posted or e-mailed. E-mail to meetfax@linkmarketservices.co.za or post to Link Market Services South Africa Proprietary Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), or if not so received by 10:00 on Wednesday, 19 August 2020, by e-mailing it to TMS at proxy@tmsmeetings.co.za at any time before the commencement of the AGM but not later than 08:00 on the day of the AGM.
7. The completion and lodging of this form of proxy by certificated members and dematerialised members with "own name" registration will not preclude the shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, in which case the appointment of any proxy will be suspended to the extent that the shareholder chooses to act in person in the exercise of his/her voting rights at the AGM.
8. Dematerialised shareholders, other than with "own name" registration, must advise their Central Securities Depository Participant (CSDP) or broker of their voting instructions if they are unable to attend the AGM, but wish to be represented thereat. This should be done by the cut-off time stipulated by their CSDP or broker. If, however, such members wish to attend the AGM electronically, then they will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP or broker.
9. A form of proxy shall be deemed to include the right to demand or join in demanding a poll.
10. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.

Registered office

2 Mews Close
Waterford Mews
Century City
7441

Postal address

PO Box 276
Century City
7446
Tel: 021 551 0937

Transfer secretaries

Link Market Services South Africa Proprietary Limited
19 Ameshoff Street, Braamfontein, 2001
PO Box 4844
Johannesburg, 2000

FORM OF ELECTION



PBT GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1936/008278/06)
JSE share code: PBG ISIN: ZAE000256319
("PBT Group" or "the Company" or "the Group")

(FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

PART A: FORM OF ELECTION (TO BE COMPLETED BY ALL CERTIFICATED SHAREHOLDERS)

If you do not wish to receive the default option as described in the Letter to Stakeholders, being a dividend from income reserves, you must complete this Form of Election.

By completing this form, you confirm that you are the rightful shareholder of the relevant PBT Group ordinary shares (PBT Shares), that you have full legal capacity to contract, that you are in possession of the Letter to Stakeholders and that you understand the implications of the elections offered to you in the Letter to Stakeholders to which this form is attached.

	PBT Group Limited dividend from income reserves	PBT Group Limited capital reduction distribution
Election - Election regarding the PBT Group Limited distribution <i>(insert the number of PBT Shares that you wish to apply to each of the options)</i>		

Notes

1. Elections made as part of this form are irrevocable and may not be withdrawn once submitted.
2. The Form of Election must only be used by certificated shareholders.
3. All dematerialised shareholders are reminded that the onus is on them to communicate with their Central Securities Depository Participant (CSDP) or broker.
4. Forms of election should be lodged with or mailed to:
Link Market Services South Africa Proprietary Limited
13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001
PO Box 4844
Johannesburg, 2000
specialprojects@linkmarketservices.co.za
To be received by no later than 12:00 on 7 August 2020.
5. Any alteration or correction made to this Form of Election, other than the deletion of alternatives, must be initialled by the signatory/ies.

Signed at _____ on _____ 2020.

Signature _____

Assisted by (if applicable) _____

Address _____

Telephone number _____

Cell phone number _____

PART B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM

FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF PBT GROUP WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS

Full name of registered shareholder												
Identity number of person signing this form												
Your shareholder number (if known)												
E-mail address												
Cell phone number												
Office phone number												
Home phone number												

REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS

PLEASE NOTE: We cannot accept banking details in the name of a third party

Name of bank account holder			
Name of South African Bank			
Name of bank branch		Bank account number	
Bank branch code		Account type <input type="checkbox"/> Cheque <input type="checkbox"/> Transmission <input type="checkbox"/> Savings	
I/We hereby authorise			
Link Market Services South Africa Proprietary Limited and/or PBT to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous reinvestment instructions.			
Signature of shareholder		Day	Month
Year			
If you are signing this form in a representative capacity, please indicate which capacity (see notes below)			
<p>BANK VERIFICATION</p> <p>I/We confirm that the above information about the abovementioned shareholder's account at this Bank is correct</p> <p>Signed on behalf of Bank</p> <p>THIS MUST BE COMPLETED BY YOUR BANK</p>		<p>BANK STAMP HERE</p>	

THIS FORM MUST BE SIGNED AND ACCOMPANIED BY AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT. (COPIES OF CERTIFIED COPIES WILL NOT BE ACCEPTED).

PLEASE BE ADVISED THAT FACSIMILE/ELECTRONIC COPIES WILL NOT BE ACCEPTED.

Notes

- Any alteration to this Election Form must be signed in full and not merely initialled.
- No receipt will be issued for documents lodged, unless specifically requested. Persons requiring receipts must prepare a receipt and forward it together with their Documents of Title surrendered.
- If this Election Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Election Form (unless it has already been noted by the Company or its Transfer Secretaries). If the power of attorney is not yet noted by the Company or its Transfer Secretaries, the original document will have to be provided in order to process the election.
- Where the certificated shareholder is a company, close corporation or other juristic person, unless it has already been registered with the Company or its Transfer Secretaries, a certified copy of the directors or members or other resolution authorising the signing of this Election Form must be submitted with this Election Form, unless this requirement is waived by PBT Group.
- Note 4 above does not apply in the case of a form bearing a JSE broker's stamp.
- A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
- Where there are joint holders of any shares, only that holder whose name stands first in the Register in respect of those shares need to sign this Election Form.
- Certificated shareholders who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing PART B: Direct Credit – Bank Account Details attached hereto and returning same to the Transfer Secretaries for the cash payment of the fraction portion.

ELECTRONIC PARTICIPATION APPLICATION FORM



PBT GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1936/008278/06)
JSE share code: PBG ISIN: ZAE000256319
("PBT Group" or "the Company" or "the Group")

ELECTRONIC PARTICIPATION IN THE PBT GROUP ANNUAL GENERAL MEETING (AGM)

1. Shareholders or their proxies who wish to participate in the AGM via electronic communication (Participants), must deliver the Electronic Participation Application Form below to TMS via e-mail to proxy@tmsmeetings.co.za.
2. Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote/s counted at the AGM, must provide TMS with the information requested below.
3. Each Participant, who has complied with the requirements below, will be contacted between Wednesday, 19 August 2020 and Thursday, 20 August 2020 via e-mail/mobile with a unique link to allow them to participate in the virtual meeting.
4. The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
5. The cut-off time, for administrative purposes, to participate in the meeting will be 10:00 on Wednesday, 19 August 2020.
6. The Participant's unique link will be forwarded to the e-mail/cell number provided in the Electronic Participation Application Form below.

Name and surname of shareholder _____

Name and surname of shareholder representative (if applicable) _____

ID Number _____

E-mail Address _____

Cell Number _____

Telephone Number _____

Name of CSDP or Broker _____
(if shares are held in dematerialised format)

SCA Number or Broker Account Number _____

Number of Shares _____

Signature _____ Date _____

Terms and conditions for participation at the PBT Group Annual General Meeting (AGM) via electronic communication

1. The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the AGM is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
2. The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies PBT Group, the JSE Limited and TMS against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against PBT Group, the JSE Limited and TMS, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the AGM.
3. Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote/s counted at the AGM, must act in accordance with the requirements set out above.
4. Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
5. The application will only be deemed successful if the Electronic Participation Application Form has been completed and fully signed by the Participant and e-mailed to TMS at proxy@tmsmeetings.co.za.

Shareholder's name _____

Signature _____ Date _____