

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")

SHORT FORM ANNOUNCEMENT

ABRIDGED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 "(ABRIDGED RESULTS") DISTRIBUTION OF INTEGRATED ANNUAL REPORT ("INTEGRATED REPORT") AND SHAREHOLDER BOOKLET NOTICE OF ANNUAL GENERAL MEETING ("AGM") B-BBEE ANNUAL COMPLIANCE REPORT DISTRIBUTION DECLARATION

INTRODUCTION

PBT Group provides data and analytics solutions and services that capitalise on data-driven insights, to make well-timed, intuitive business decisions that consistently position our clients ahead of the curve.

PBT Group takes ownership of clients' challenges – transforming their data into tangible assets that greatly assist in streamlining operations as well as their predictive and analytical capabilities.

Technological integration is a key enabler in providing clients with custom-made solutions or services in support of their organisational objectives. As a technology agnostic data specialist organisation, PBT Group is best positioned to optimise clients' operations without allowing product or technology to limit their options.

HIGHLIGHTS

- Solid organic revenue growth as a result of continued demand for our services.
- Accelerated growth in Europe and United Kingdom.
- Excellent cash conversion of earnings mainly due to improved working capital management.
- Revenue from continuing operations increased by 14.3% to R672.5 million (2019: R588.4 million).
- Gross profit margin broadly consistent at 24.9% (2019: 25.1%).
- Operating profit increased by 35.3% to R65.1 million (2019: R48.1 million).
- Cash generated from operations of R102.1 million (2019: R36.5 million).
- Profit before tax increased by 30.0% to R66.0 million (2019: R50.7 million).
- Strong Statement of financial position with no long-term liabilities, apart from the IFRS 16 Leases liability.
- Cash and cash equivalents of R66.2 million (2019: R31.0 million).
- Earnings per share from continuing operations increased by 70.6% to 30.65 cents per share (2019: 17.97 cents per share).
- Headline earnings per share from continuing operations increased by 69.4% to 30.79 cents per share (2019: 18.18 cents per share).
- Interim capital reduction distribution of 12 cents per share and a final distribution of 11 cents per share declared for a total distribution of 23 cents per share for the financial year.
- 5 384 214 shares repurchased at 215 cents per share on 23 March 2020 by way of a successful Tender Offer.

AUDITORS: UNMODIFIED AUDIT OPINION

The consolidated annual financial statements of PBT Group for the year ended 31 March 2020 have been audited by BDO South Africa Inc. The following is an extract of the Key Audit Matters as presented in the Independent Auditor's Report.

Valuation of Goodwill (Consolidated financial statements)

Description	Audit response
<p>At 31 March 2020, goodwill comprises 35% of total assets as per the statement of financial position.</p> <p>In terms of IAS 36 Impairment of Assets, management is required to annually test goodwill for impairment.</p> <p>We have determined this is a key audit matter due to the judgement required by board in preparing a 'value-in-use' model to satisfy the impairment test. Forecasting future cash flows and applying an appropriate discount rate, inherently involves a high degree of estimation, uncertainty and judgement applied by management.</p> <p>Management is aware of the uncertainty regarding future cash flows as a result of COVID-19. Therefore, management based its cash flow projections on historical information as well as the possible effect that COVID-19 will have on the profitability of the company within the next 12 months.</p>	<p>Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review.</p> <p>These procedures included, amongst others:</p> <ul style="list-style-type: none">- Assessing the design and implementation of key controls in the goodwill impairment process performed by management.- Reviewing and assessing the model used for compliance with IAS 36 Impairment of Assets- Verifying the mathematical accuracy and methodology appropriateness of the underlying model calculations.- Involving our internal valuation specialist to assess the reasonability of the inputs by comparing the key growth rate assumptions to historical results, economic and industry forecasts, and assessing the discount rate by reference to the cost of capital of the Group.- Comparing actual results to the 2020 financial year forecast included in the prior year to assess the accuracy of management's forecasting capabilities.- Past forecasts were compared to current forecasts to further assess management's forecasting capabilities.- Performing sensitivity analysis to assess the effect of reasonably possible changes in key assumptions. <p>We also focused on the adequacy and completeness of the disclosure in the financial statements in terms of IAS 36 Impairment of Assets.</p>

BDO South Africa Inc expressed an unmodified audit opinion on the consolidated annual financial statements. Full details of the auditor's opinion can be found in the Independent Auditor's Report presented in the full Abridged Results announcement. (please see link below).

INTEGRATED ANNUAL REPORT AND DISTRIBUTION OF SHAREHOLDER BOOKLET

Shareholders of the Company are hereby advised that the Company's Abridged Results and Integrated Report, incorporating the consolidated audited annual financial statements of the Company for the year ended 31 March 2020 were published and made available on the websites of the JSE Limited and the Company and that a Shareholder Booklet containing the Notice of AGM was distributed to shareholders today, 17 July 2020.

NOTICE OF AGM

Notice is hereby given that the AGM of the shareholders of PBT Group will be held entirely by electronic communication, on 21 August 2020 at 10:00, to transact the business as set out in the Notice of AGM contained in the Shareholder Booklet which was distributed to shareholders today, 17 July 2020.

The date on which shareholders must be recorded as such in the share register of the Company to be eligible to vote at the AGM is Friday 14 August 2020, with the last day to trade being Tuesday, 11 August 2020.

B-BBEE ANNUAL COMPLIANCE REPORT

In accordance with paragraph 16.21 (g) and Appendix 1 to Section 11 of the JSE Limited Listings Requirements, notice is hereby given that the Company's annual compliance report in terms of section 13G(2) of the B-BBEE Act, as submitted to the Broad Based Black Economic Empowerment Commission, is available on PBT's website at <https://www.pbtgroup.co.za/corporate-governance/>

DISTRIBUTION DECLARATION

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 dividend, 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.

On Friday, 3 July 2020, the Board of Directors resolved to declare a final distribution of 11c 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 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 Shareholder Booklet including the Notice of Annual General Meeting of PBT Group, containing details of the distribution, which was distributed to shareholders today.

The implications of the elections above are as follows:

- A gross dividend of 11c 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 8.8c 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 Services by a nominee company, stockbroker or Central Securities Depository Participant ("CSDP") (collectively '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 11c 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:

Election period opens	Friday, 17 July 2020
Last day to trade 'cum distribution'	Tuesday, 4 August 2020
First trading day 'ex distribution'	Wednesday, 5 August 2020
Record date	Friday, 7 August 2020
Dividend / election period closes by 12:00 on	Friday, 7 August 2020
Payment date	Tuesday, 11 August 2020

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.

This short-form announcement is the responsibility of the Directors of the Company. These are extracts from the consolidated audited annual financial statements for the year ended 31 March 2020 and is therefore a summary of the information in the Abridged Results announcement and does not contain full or complete details of the financial results.

Any investment decision by investors and/or shareholders should be based on consideration of the full Abridged Results announcement as a whole, the Integrated Report and Shareholder Booklet. Shareholders are encouraged to review these documents which are available on the following websites:

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 these documents can also be requested from the Company Secretary at no charge via e-mail at the following address: anastassia.sousa@pbtgroup.co.za.

By order of the board:
Tony Taylor
Non-Executive Chairman

Elizna Read
Chief Executive Officer

17 July 2020
Cape Town

Sponsor
Sasfin Capital (a member of the Sasfin Group)