ALTRON

ANNUAL RESULTS

FOR THE YEAR ENDED
28 FEBRUARY

2021

ANNUAL RESULTS

for the year ended 28 February 2021

ALTRON

DISCLAIMER

ALTRON

This report contains forward-looking statements that relate to Altron's future operations and performance. Such statements are not intended to be interpreted as guarantees of future performance, achievements, financial or other results. They rely on future circumstances, some of which are beyond management's control, and the outcomes implied by these statements could potentially be materially different from future results. No assurance can be given that forward-looking statements will be accurate; thus, undue reliance should not be placed on such statements. Altron does not undertake any obligations to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this report or to reflect the occurrence of unanticipated events.

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ALTRON

MTETO NYATI

Welcome and Overview

ALTRON

KEY PRIORITIES FOR FY21:

- Managing through the crisis
- Unlocking shareholder value
- Altron 2.0 strategic path

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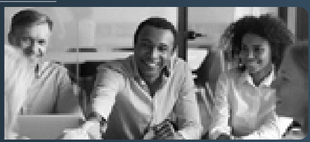
MANAGING THE CRISIS

ALTRON

ROBUST AND ENGAGED BOARD = PROACTIVE AND DECISIVE DECISION MAKING

PROTECTING THE BUSINESS

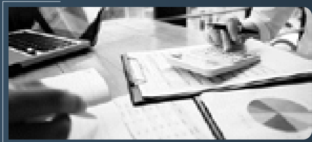


- Employee wellbeing
- Strict safety measures
- Cloud readiness enabled remote working

DRIVING SUSTAINABILITY

- Actioned difficult decisions = 650FTE impacted
- Strict cost management
- ROIC driving capital allocation

SECURING FUNDING & LIQUIDITY



- Strong balance sheet and healthy debt levels
- Added additional funding lines as precaution
- Capex scaled back

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ALTRON

KEY PRIORITIES FOR FY21:

Managing through the crisis

Unlocking shareholder value

Altron 2.0 strategic path

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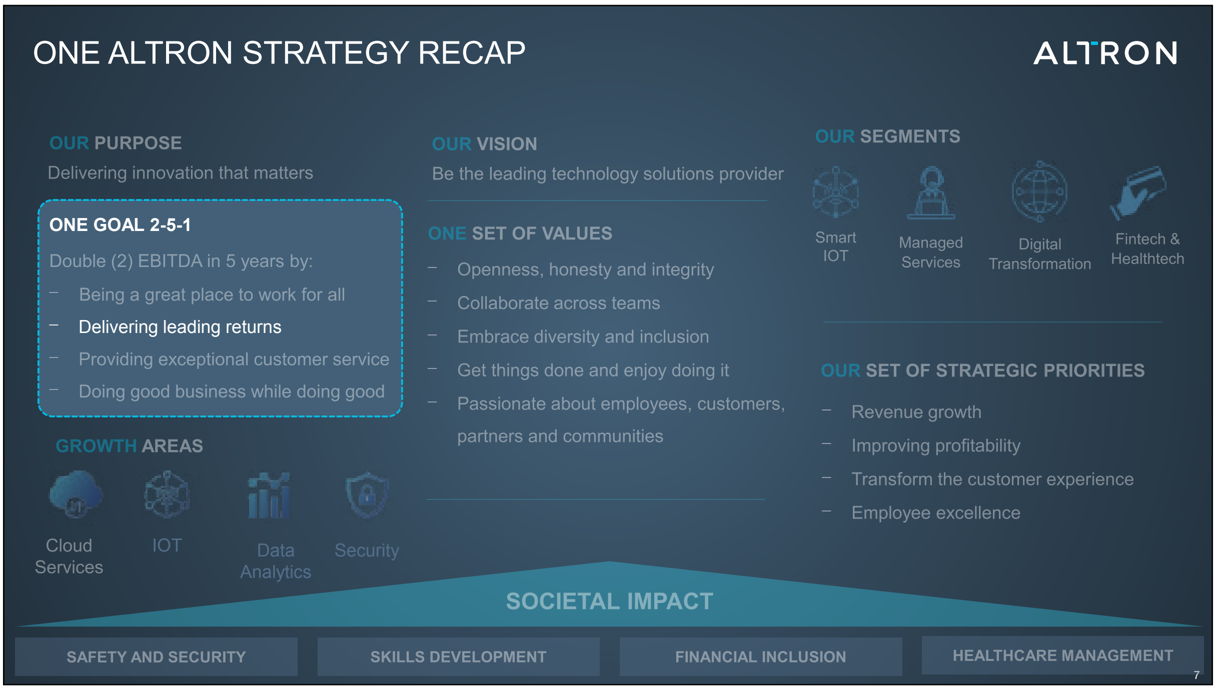
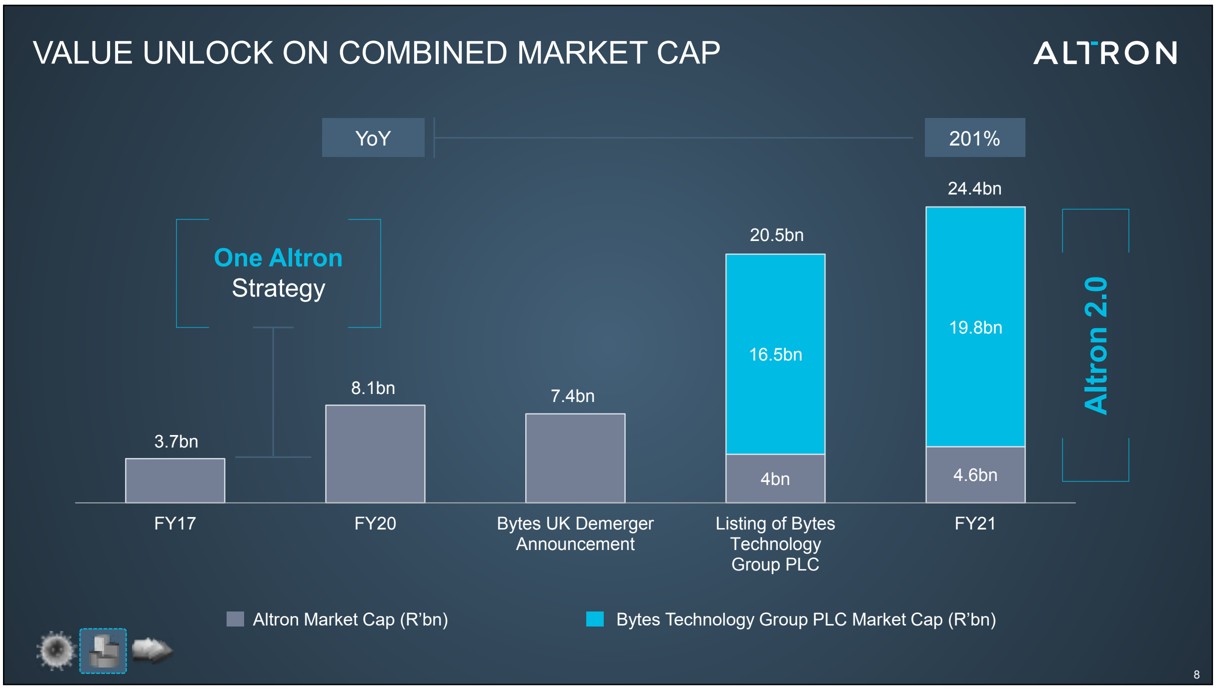
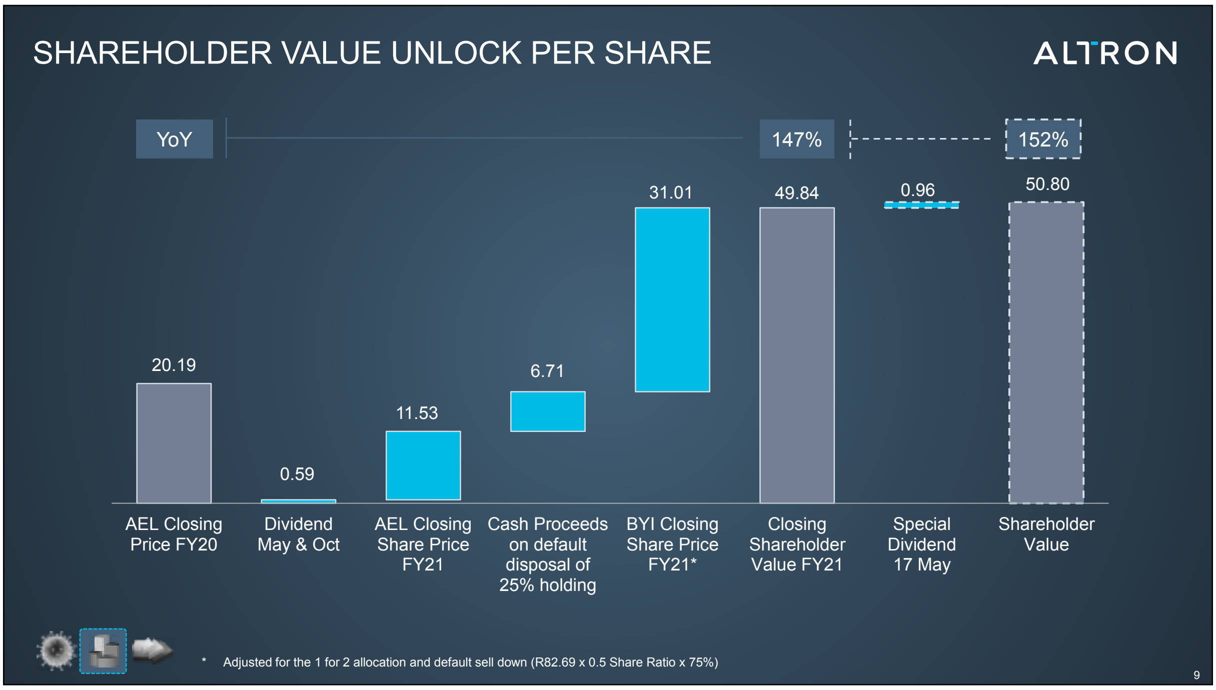

ONE ALTRON STRATEGY RECAP
ALTRON
OUR PURPOSE
Delivering innovation that matters
ONE GOAL 2-5-1
Double (2) EBITDA in 5 years by:
– Being a great place to work for all
– Delivering leading returns
– Providing exceptional customer service
– Doing good business while doing good
GROWTH AREAS
Cloud Services
IOT
Data Analytics
Security
OUR VISION
Be the leading technology solutions provider
ONE SET OF VALUES
– Openness, honesty and integrity
– Collaborate across teams
– Embrace diversity and inclusion
– Get things done and enjoy doing it
– Passionate about employees, customers, partners and communities
OUR SEGMENTS
Smart IOT
Managed Services
Digital Transformation
Fintech & Healthtech
OUR SET OF STRATEGIC PRIORITIES
– Revenue growth
– Improving profitability
– Transform the customer experience
– Employee excellence
SOCIETAL IMPACT
SAFETY AND SECURITY
SKILLS DEVELOPMENT
FINANCIAL INCLUSION
HEALTHCARE MANAGEMENT
7


VALUE UNLOCK ON COMBINED MARKET CAP
ALTRON
YoY
201%
One Altron Strategy
3.7bn
8.1bn
7.4bn
20.5bn
16.5bn
4bn
24.4bn
19.8bn
4.6bn
Altron 2.0
FY17
FY20
Bytes UK Demerger Announcement
Listing of Bytes Technology Group PLC
FY21
Altron Market Cap (R'bn)
Bytes Technology Group PLC Market Cap (R'bn)
8


SHAREHOLDER VALUE UNLOCK PER SHARE
ALTRON
YoY
147%
152%
20.19
0.59
11.53
6.71
31.01
49.84
0.96
50.80
AEL Closing Price FY20
Dividend May & Oct
AEL Closing Share Price FY21
Cash Proceeds on default disposal of 25% holding
BYI Closing Share Price FY21*
Closing Shareholder Value FY21
Special Dividend 17 May
Shareholder Value
* Adjusted for the 1 for 2 allocation and default sell down (R82.69 x 0.5 Share Ratio x 75%)
9


VALUE UNLOCK VS MARKET
ALTRON
100
120
185
204
547
600
500
400
300
200
100
-
100/100
102/114
93/109
84/98
87/129
FY17
FY18
FY19
FY20
FY21
JSE All Share Index Growth (Base: 100)
J203 Mid Cap Index Growth (Base: 100)
AEL + BYI Share Price Growth (Base: 100)
10

ALTRON

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Key Highlights

HIGHLIGHTS | GROUP

ALTRON

REVENUE*	R15.5bn	- 7.5%
EBITDA*	R1.7bn	- 6.3%
HEPS*	136cps	- 21.8%
EPS*	3270cps	>1000%
NET DEBT : EBITDA	0.0x	+ 0.5x
WORKING CAPITAL**	R1.7bn	+ 735m
ROIC***	16%	- 340 bps

* Includes Bytes UK's results for c. 9,5 months prior to demerger

** Excludes Bytes UK's working capital post demerger

*** Includes Bytes UK's results and average balance sheet for c. 9,5 months prior to demerger

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HIGHLIGHTS | CONTINUING OPERATIONS

ALTRON

REVENUE*	EBITDA*	HEPS*
R7.4bn	R1.0bn	31cps
+ 0.2%	- 8.5%	- 18.5%

CAPEX*	OPERATING FREE CASH FLOW*	WORKING CAPITAL*	ROIC*
R496m	R612m	R1.0bn	5.8%
+ R22m	> 600 %	- R230m	- 450 bps

FINAL DIVIDEND : 15cps

* Prior year restated to remove the impact of Bytes UK and Discontinued Ops

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HY21 OUTLOOK FEEDBACK

ALTRON

	KPI	TARGETS	PERFORMANCE
H2 OUTLOOK	**BYTES UK DEMERGER**	Unlock shareholder value	• IPO on 17th of December 2020 • Value unlock of 152%
	COST SAVINGS	R80m of cost savings	• Cost / Revenue = 120bps reduction
	COT COLLECTION	Collect outstanding R309m relating to COT broadband	• COT condonement application Jan 2021
	POWERTECH DISPOSAL	Collect R50m payment from Powertech disposal	• R50m received
ALTRON 2.0	**REDUCE DEBT**	Reduce Altron 2.0 debt	• Debt : EBITDA = 0.0X
	STRATEGY	Communicate Altron 2.0 strategy	• Capital Markets Day hosted Feb 2021

Achieved In Progress

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ALTRON

ANDREW HOLDEN

Operational Performance

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COVID-19 IMPACT ON OPERATIONS

ALTRON

NEGATIVELY IMPACTED			POSITIVELY IMPACTED	
MEDIUM TERM	SHORT TERM	RECOVERED	RESILIENT	BENEFICIARIES
Subdued performance beyond reporting period	*Expected recovery Within 12 months*	*Operational activity recovered to normal levels*	*No material impact*	*Increased demand for product offering*
Altron Document Solutions **Altron People Solutions**	**Altron Systems Integration** **Altron Arrow**	**Altron Fintech** **Altron HealthTech**	**Altron Netstar** **Altron Nexus** **Altron Managed Solutions**	**Altron Security** **Altron Karabina**
• Held for Sale • Low margin • High working capital demand	• Customer large scale investments delayed	• Lockdown lost revenue • Volumes normalized • High margin	• New vehicle sales down 29% • High annuity base	• Remote connectivity vulnerabilities • Accelerated digital transformation

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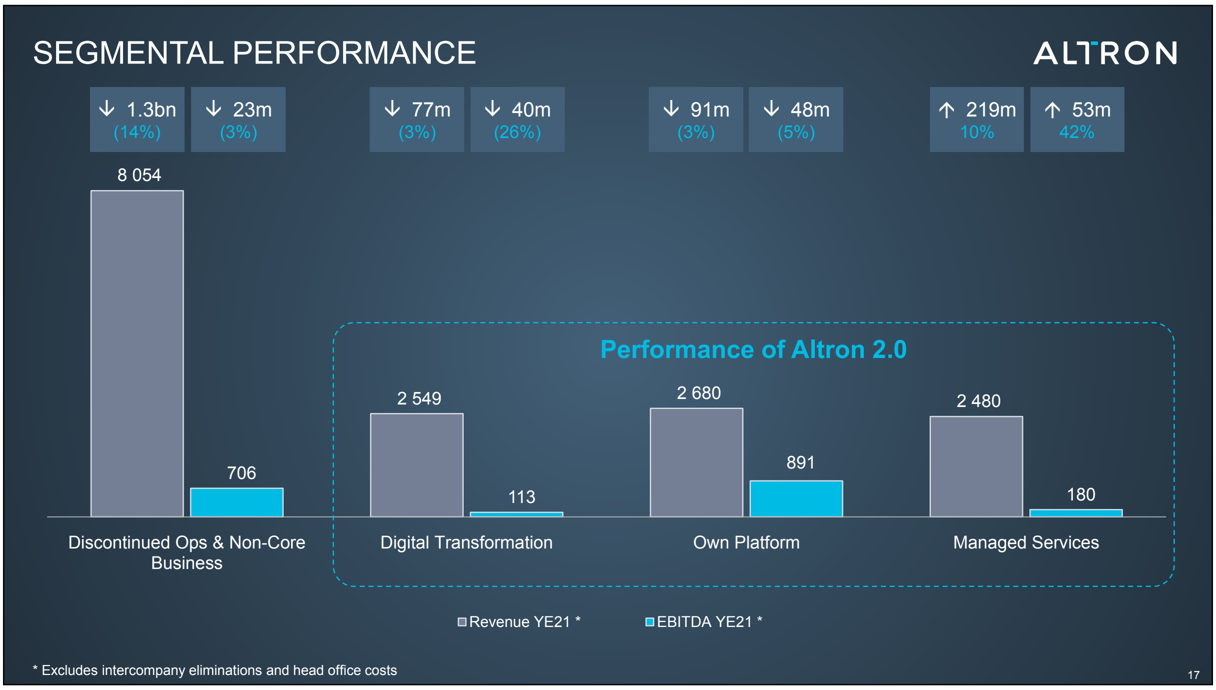
SEGMENTAL PERFORMANCE
ALTRON
↓ 1.3bn (14%)
↓ 23m (3%)
↓ 77m (3%)
↓ 40m (26%)
↓ 91m (3%)
↓ 48m (5%)
↑ 219m 10%
↑ 53m 42%
8 054
706
Performance of Altron 2.0
2 549
113
2 680
891
2 480
180
Discontinued Ops & Non-Core Business
Digital Transformation
Own Platform
Managed Services
Revenue YE21 *
EBITDA YE21 *
* Excludes intercompany eliminations and head office costs
17


ALTRON
CEDRIC MILLER
Financial Results
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DELIVERING ON STRATEGY | REVENUE GROWTH

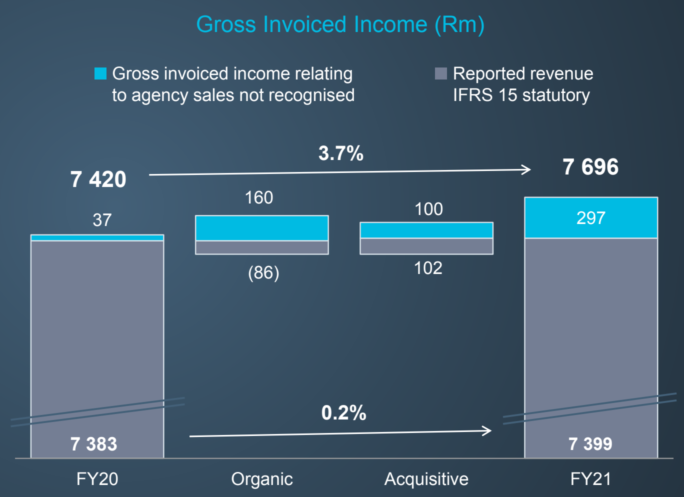
ALTRON

Continuing Operations

ALTRON

Grossed invoiced income per head R1.45m (+7.1%)

New acquisition performing in line with investment case



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SUMMARISED INCOME STATEMENT

ALTRON

Continuing Operations

Year ended 28 February R'million	Statutory FY21	Normalised FY21	Statutory FY20**	Normalised FY20**	% Change (Statutory)	% Change (Normalised)
Revenue	7 399	7 696*	7 382	7 420*	-	4
EBITDA	1 007	1 007	1 100	1 100	(8)	(8)
EBITDA margin (%)	13.6	13.1	14.9	14.8		
Net interest expenses (excl ROU)	132	132	208	208	(37)	(37)
Headline earnings	115	115	141	141	(18)	(18)
HEPS (cents)	31	31	38	38	(18)	(18)
Dividend (cents)	48		55			
Special Dividend (17 May) (cents)	96		-			
Dividend in Specie (cents)	2 854		-			
Total Dividend (cents)	2 998		55		> 5 000	

* Includes gross agency revenue for Altron Karabina, Altron Systems Integration and Altron Security
** Prior year restated to remove the impact of Bytes UK and Discontinued Ops

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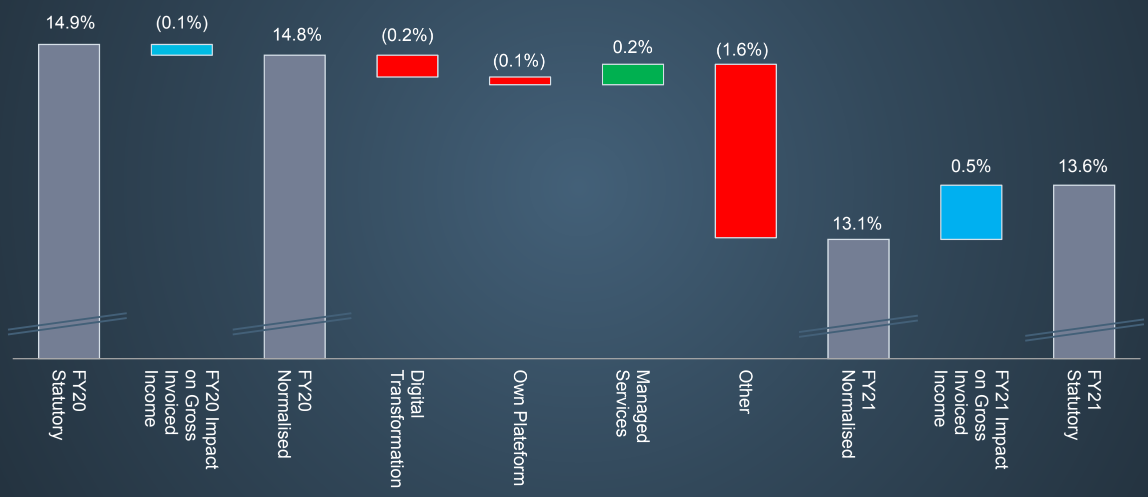
NORMALISED EBITDA MARGIN ANALYSIS

ALTRON

Continuing Operations



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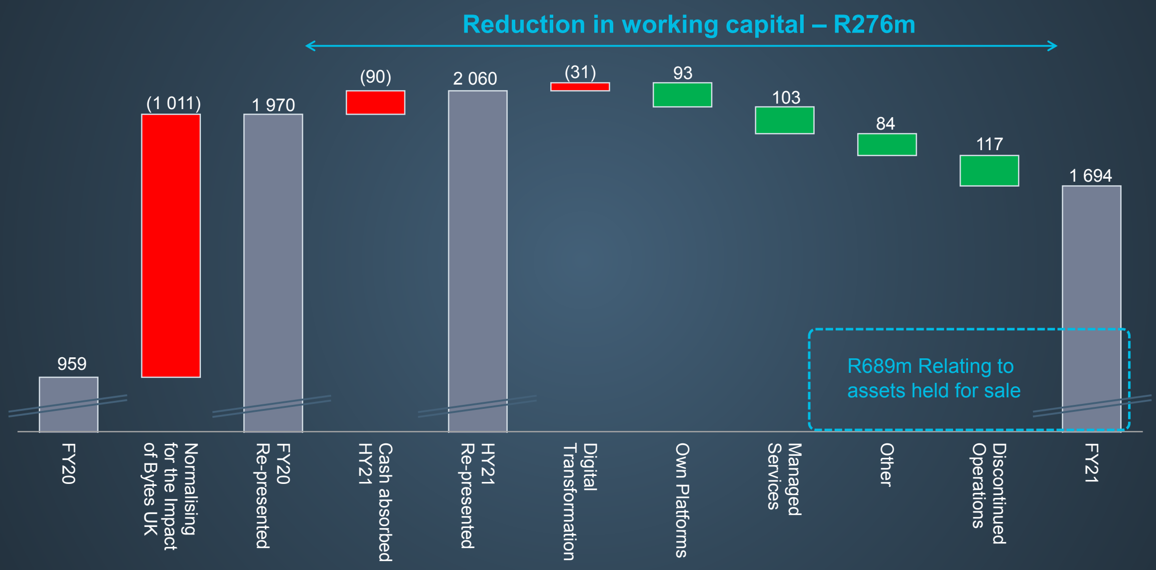
WORKING CAPITAL ANALYSIS (Rm)

ALTRON



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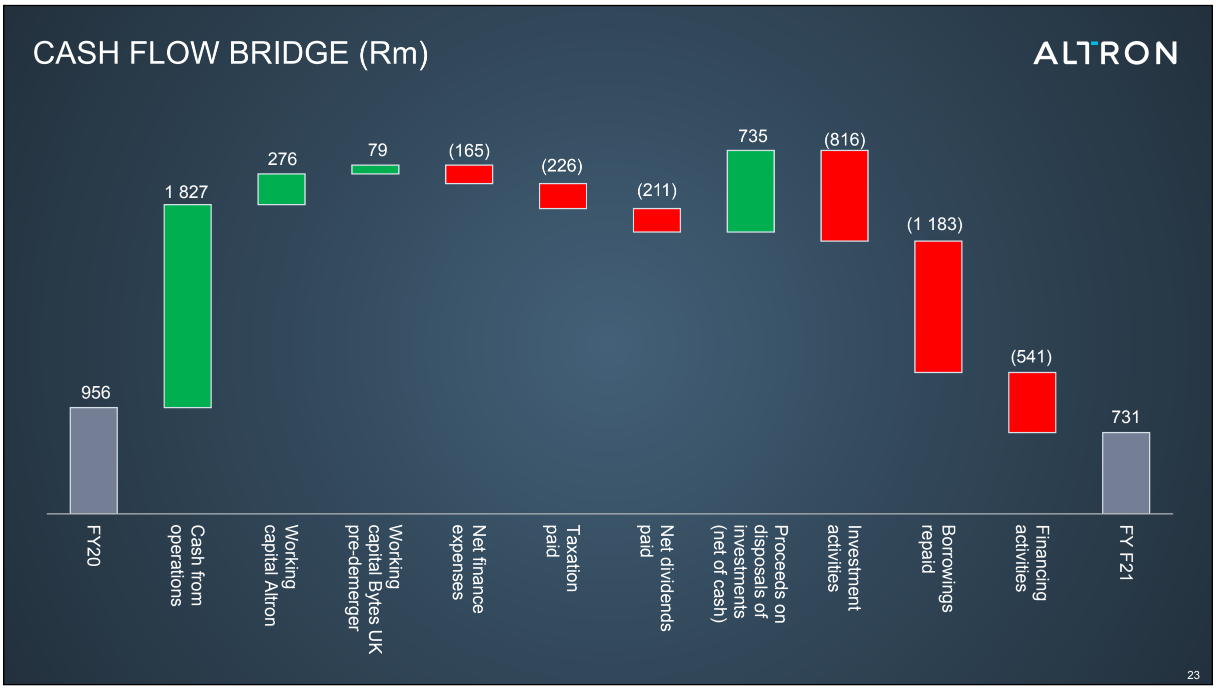
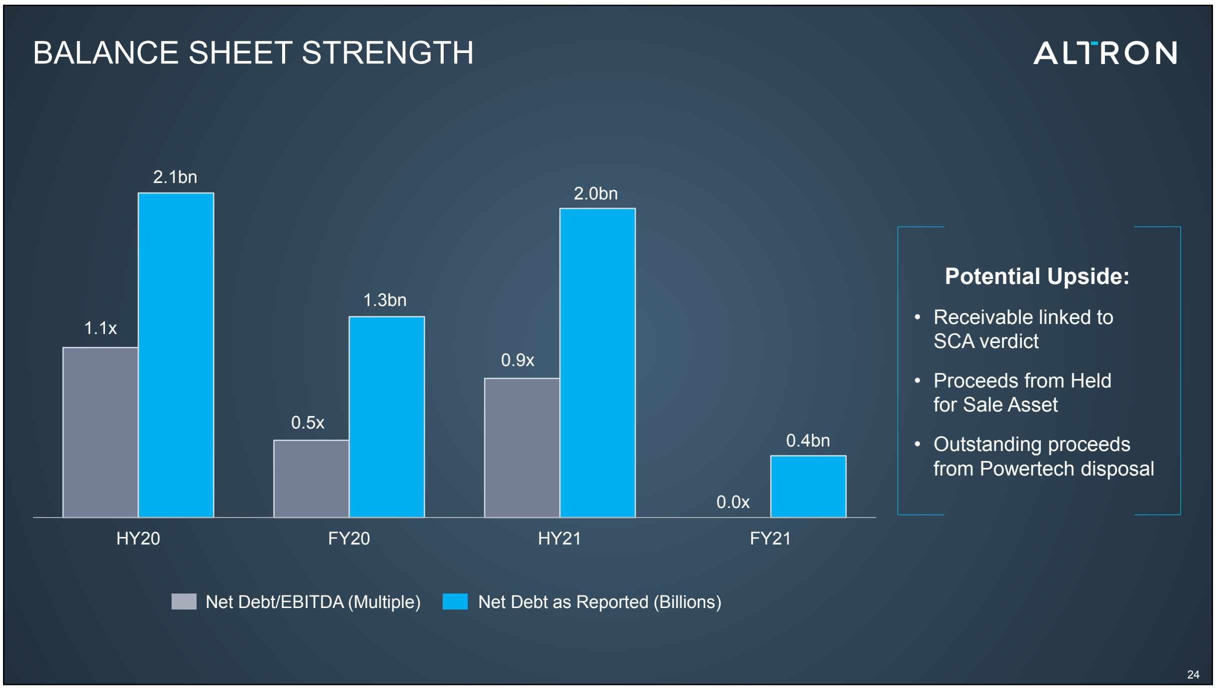

CASH FLOW BRIDGE (Rm)
ALTRON
956
1 827
276
79
(165)
(226)
(211)
735
(816)
(1 183)
(541)
731
FY20
Cash from operations
Working capital Altron
Working capital Bytes UK pre-demerger
Net finance expenses
Taxation paid
Net dividends paid
Proceeds on disposals of investments (net of cash)
Investment activities
Borrowings repaid
Financing activities
FY F21
23


BALANCE SHEET STRENGTH
ALTRON
1.1x
2.1bn
0.5x
1.3bn
0.9x
2.0bn
0.0x
0.4bn
HY20
FY20
HY21
FY21
Net Debt/EBITDA (Multiple)
Net Debt as Reported (Billions)
Potential Upside:
• Receivable linked to SCA verdict
• Proceeds from Held for Sale Asset
• Outstanding proceeds from Powertech disposal
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Outlook


STATUS OF HELD FOR SALE ASSETS
ALTRON
Assets Held for Sale
• Altron Documents Solutions
• Altron People Solutions
• Altron Arrow
Status Update
• Disposal process running concurrently
• Credible non-binding indicative offers shortlisted
• Engagement with shortlisted parties ongoing
• Receipt of binding offers expected May/June 2021
26

ALTRON

KEY PRIORITIES FOR FY21:

Managing through the crisis

Unlocking shareholder value

Altron 2.0 strategic path

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ALTRON 2.0 STRATEGY

ALTRON

OUR PURPOSE

Delivering innovation that matters

OUR GOAL

Triple Operating Income in 5 Years

- Be an employer of choice
- Best in class customer service
- Leading shareholder returns in ICT sector
- Net debt : EBITDA of 1
- A responsible ESG company

OUR GROWTH AREAS

Cloud Services | Data | Security | Automation

OUR VISION

The highly differentiated technology solutions provider

ONE SET OF VALUES

- Openness, honesty and integrity
- Collaborate across teams
- Embrace diversity and inclusion
- Get things done and enjoy doing it
- Passionate about employees, customers, partners and communities

OUR SEGMENTS

Managed Services | Digital Transformation | Platforms

OUR STRATEGIC PRIORITIES

- Profitable Revenue Growth
- Cash and Financial Management
- Empowered Employees
- Improve Customer Experience

SOCIETAL IMPACT

SAFETY AND SECURITY | FINANCIAL INCLUSION | HEALTHCARE MANAGEMENT

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OWN PLATFORMS | OPERATIONAL PERFORMANCE

ALTRON

	NETSTAR	FINTECH	HEALTHTECH
ANNUITY INCOME	91%	77%	99%
ROIC	18%	55%	73%
GROSS MARGINS	62%	52%	89%

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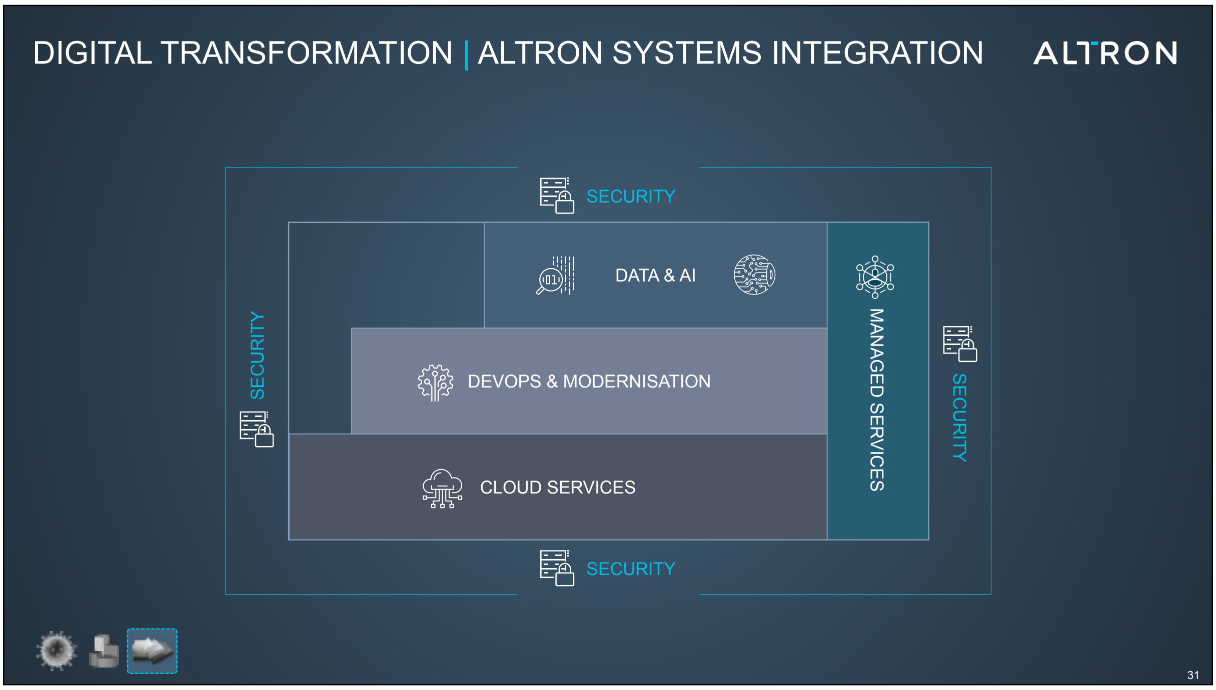
DIGITAL TRANSFORMATION | GROWTH EXPECTATIONS

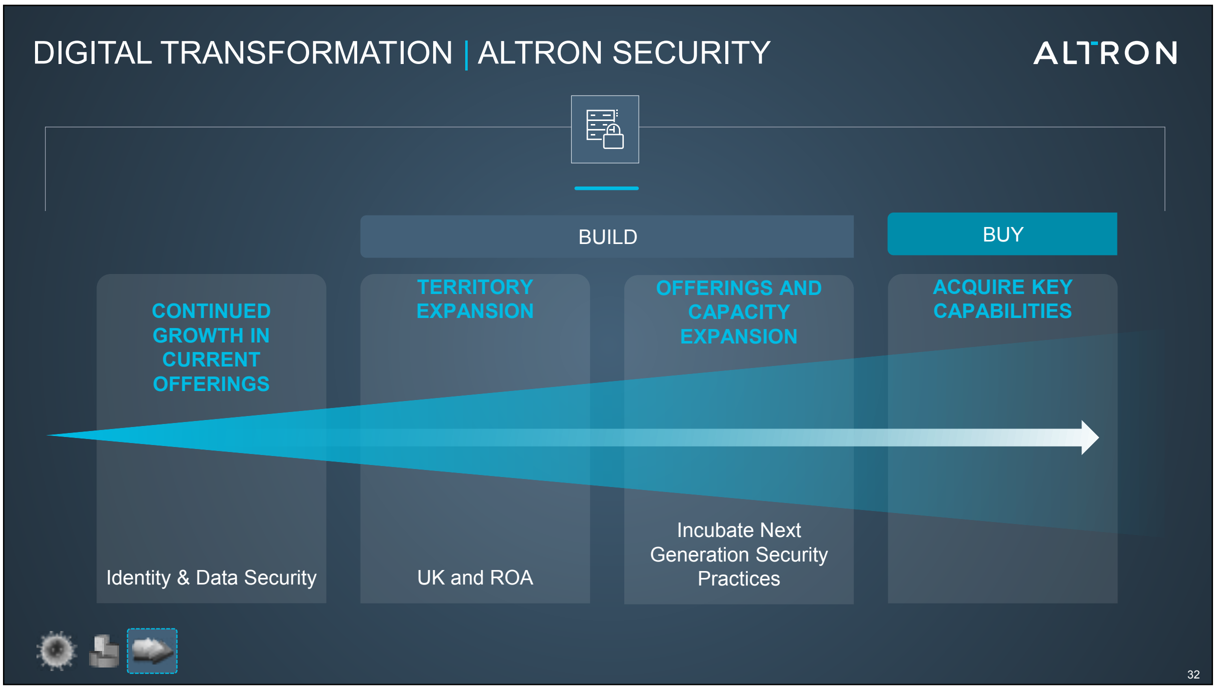
ALTRON

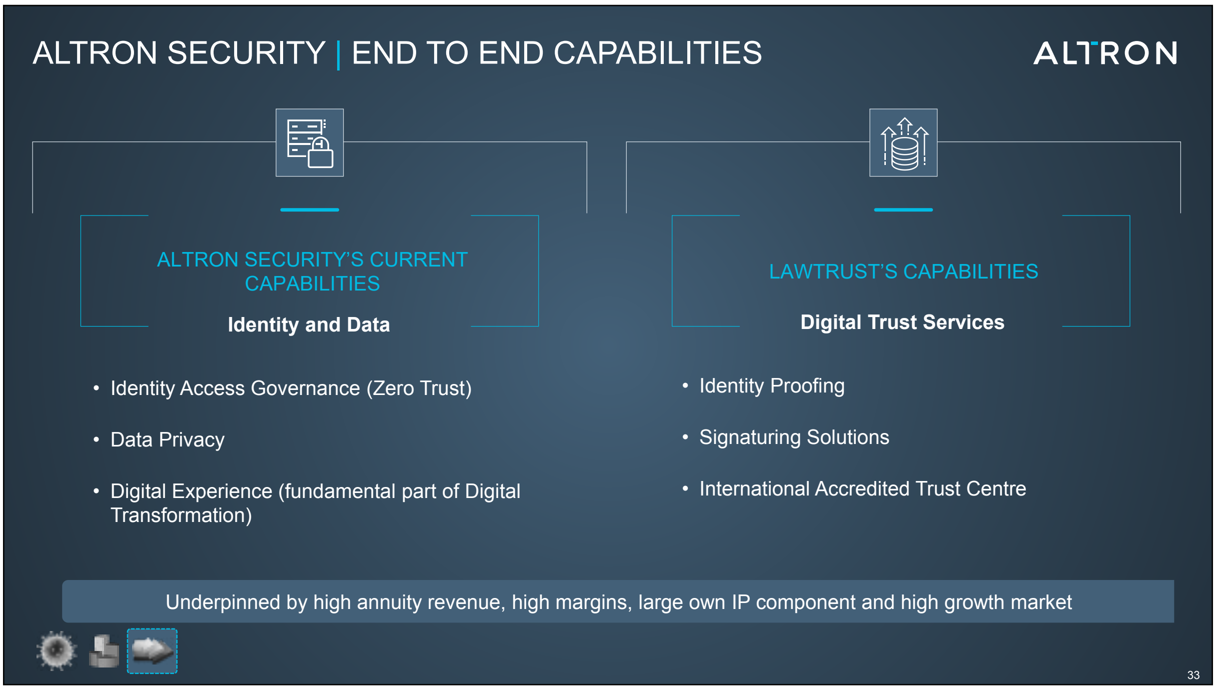
	Cloud Services	Security	Data	Managed Services
GROWTH* 2020-2025	SA CAGR: 16.6% ROA CAGR: 25.1%	SA CAGR: 12.4% ROA CAGR: 11%	SA CAGR: 13.2% ROA CAGR: 17.8%	SA CAGR: 7.9% ROA CAGR: 11.7%
OPPORTUNITY*	SA Market Opportunity: R16.5bn ROA Spend: R7.8bn	SA Market Opportunity: R9.8bn ROA Spend: R10bn	SA Market Opportunity: R5bn ROA Spend: R1.8bn	SA Market Opportunity: R48.7bn ROA Spend: R15.1bn

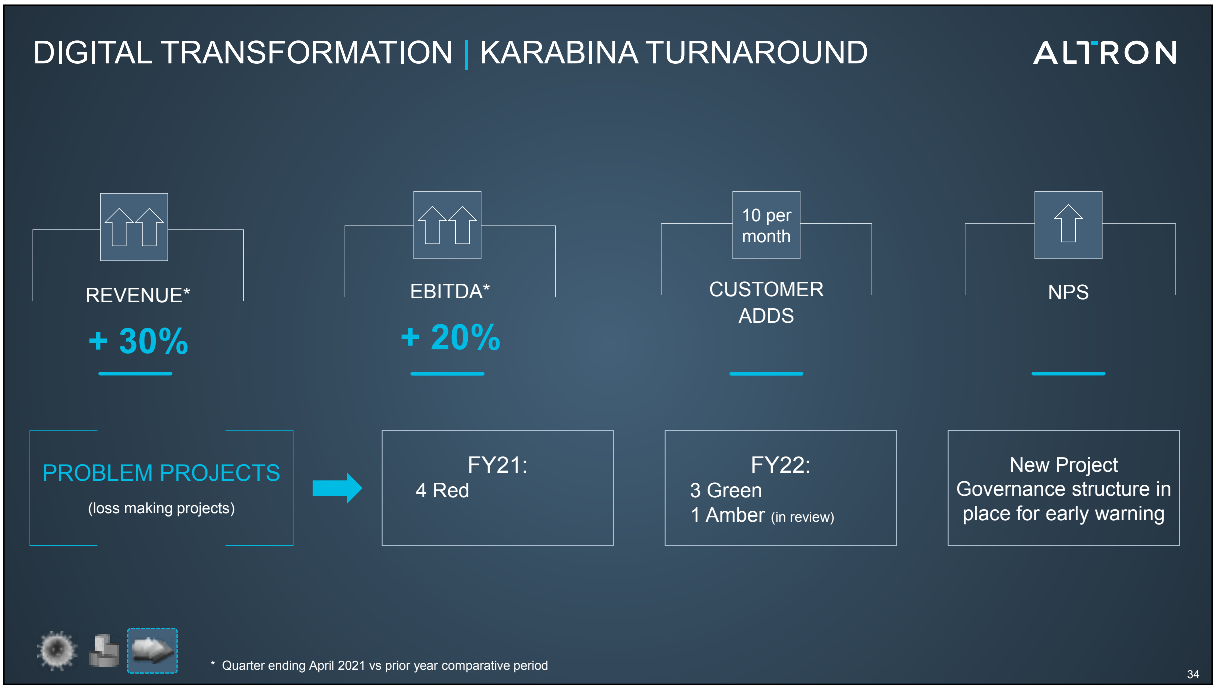
* Growth rates and opportunities obtained from Gartner, BMI-T and Accenture reports *(late 2020)*

30


DIGITAL TRANSFORMATION | ALTRON SYSTEMS INTEGRATION
ALTRON
SECURITY
DATA & AI
DEVOPS & MODERNISATION
CLOUD SERVICES
MANAGED SERVICES
SECURITY
SECURITY
SECURITY
31


DIGITAL TRANSFORMATION | ALTRON SECURITY
ALTRON
BUILD
BUY
CONTINUED GROWTH IN CURRENT OFFERINGS
TERRITORY EXPANSION
OFFERINGS AND CAPACITY EXPANSION
ACQUIRE KEY CAPABILITIES
Identity & Data Security
UK and ROA
Incubate Next Generation Security Practices
32


ALTRON SECURITY | END TO END CAPABILITIES
ALTRON
ALTRON SECURITY'S CURRENT CAPABILITIES
Identity and Data
Identity Access Governance (Zero Trust)
Data Privacy
Digital Experience (fundamental part of Digital Transformation)
LAWTRUST'S CAPABILITIES
Digital Trust Services
Identity Proofing
Signaturing Solutions
International Accredited Trust Centre
Underpinned by high annuity revenue, high margins, large own IP component and high growth market
33


DIGITAL TRANSFORMATION | KARABINA TURNAROUND
ALTRON
REVENUE*
+ 30%
EBITDA*
+ 20%
10 per month
CUSTOMER ADDS
NPS
PROBLEM PROJECTS
(loss making projects)
FY21:
4 Red
FY22:
3 Green
1 Amber (in review)
New Project Governance structure in place for early warning
* Quarter ending April 2021 vs prior year comparative period
34

ALTRON 2.0 HEAD OFFICE COSTS

ALTRON

FY21
R235m

FY22
~ R150m

FY24
< R100m

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FUTURE CAPITAL ALLOCATION CONSIDERATIONS

ALTRON

CASH GENERATION

Non-Operational Cash Flows
- Working capital release from disposals
- Proceeds from previous disposals
- COT collection

Altron 2.0 Operational Cash Flows
- Low working capital demand
- Faster growing segments
- Higher margin Operations
- Lower debt levels

ACQUISITIONS
- Within growth areas
- Capital light
- High annuity
- Own IP
- ROIC to be shareholder accretive
- Hard currency exposure desirable

DEBT POSITION
- Efficient capital structure
- Partly (30%) debt funded
- Debt : EBITDA < 1

CAPITAL EFFICIENCY
- Dividend cover = 2.5 x HE Continuing Operations
- Considerations around special dividends / share buy-backs

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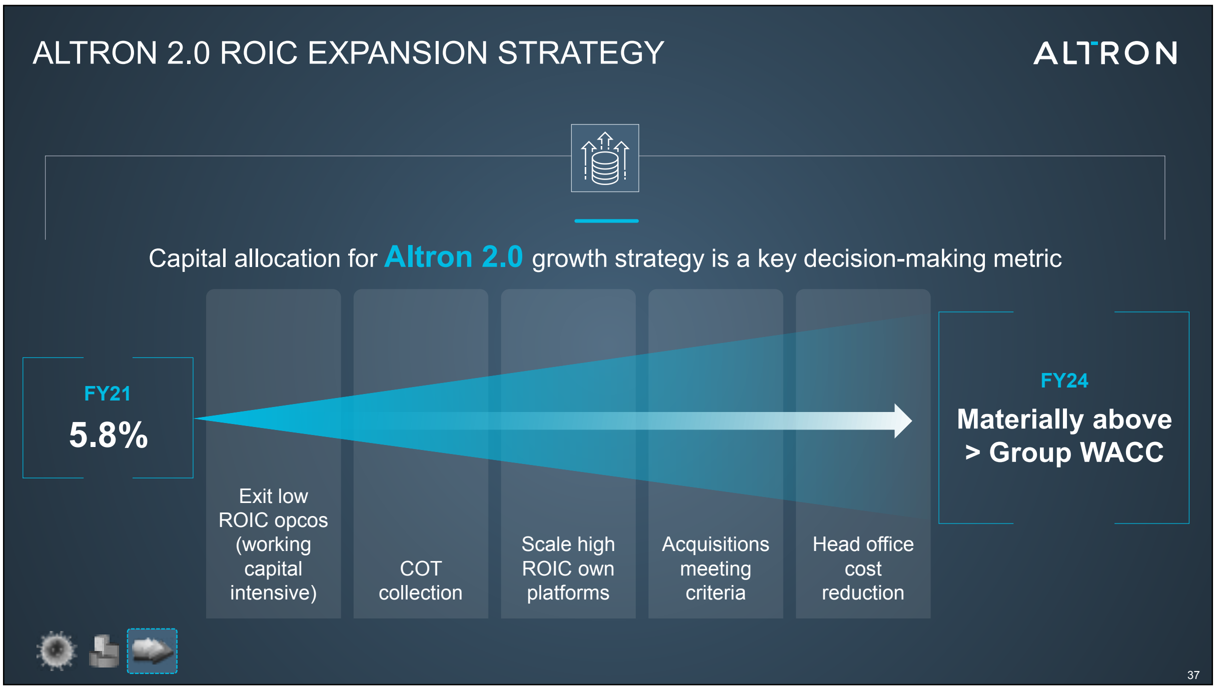
ALTRON 2.0 ROIC EXPANSION STRATEGY
ALTRON
Capital allocation for Altron 2.0 growth strategy is a key decision-making metric
FY21
5.8%
Exit low ROIC opcos (working capital intensive)
COT collection
Scale high ROIC own platforms
Acquisitions meeting criteria
Head office cost reduction
FY24
Materially above > Group WACC
37


ALTRON
FY 2022
PRIORITIES
Disposals of Non-Core Assets
• Altron Document Solutions
• Altron People Solutions
• Altron Arrow
Value Unlock
• Explore further unlock opportunities
• Head office cost reduction
• ROIC improvement
Expansion
• Embed recent acquisitions
• Altron Security (offerings & geographical expansion)
• Netstar (geographical expansion)
Maintain Performance Track Record
• Accelerate Altron Systems Integration growth
• Sustain Altron Karabina turnaround
• Netstar's operational improvement
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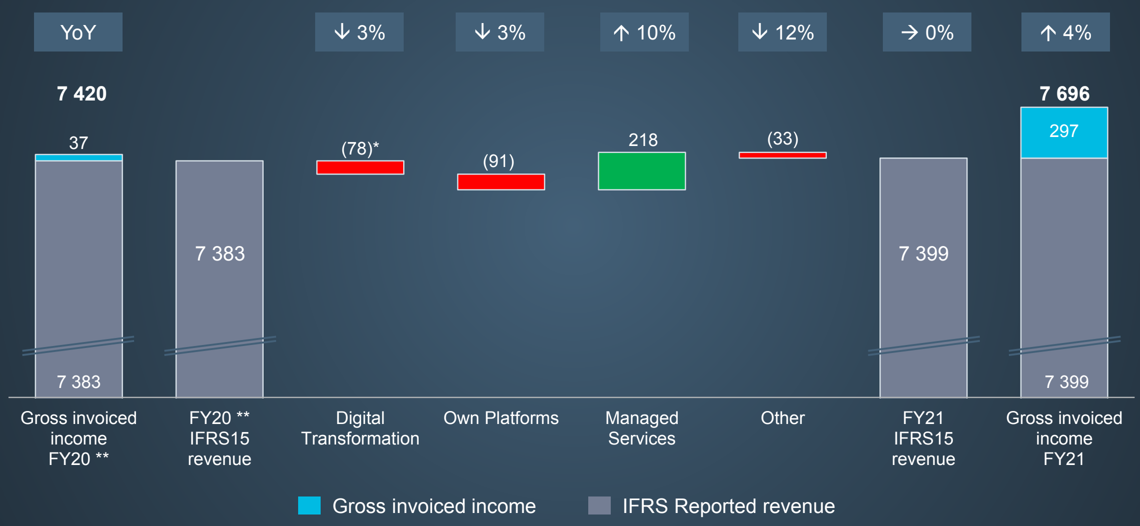
ANNEXURE

REVENUE MOVEMENTS BY SEGMENT (Rm)

Continuing Operations



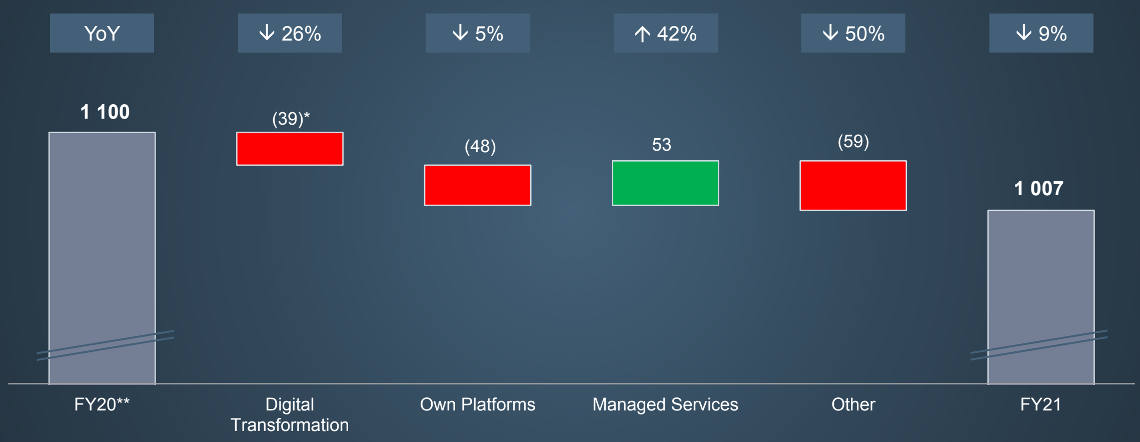
* Includes the acquisition of Ubusha

** Restated for the operations classified as held for sale

EBITDA MOVEMENT BY SEGMENT (Rm)

ALTRON

Continuing Operations



* Includes the acquisition of Ubusha
** Restated for the operations classified as held for sale

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HEALTHY DEBT LEVELS

ALTRON

Rm		FY21	HY21	FY20
Net debt as reported		**453**	1 983	1 336
Less: NAV of disposal group		(890)		
Less: Deferred disposal receipts		(102)		
Less: Outstanding receivable relating to CoT		(309)		
Add: Special dividend declared		355		
Adjusted net debt (including deferred disposal receipts)		**(493)**		
Covenant ratios	**Covenant**			
Net debt : Attributable EBITDA	< 2.0x	**0.0x**	0.9x	0.5x
Attributable EBITDA interest cover	> 3.5x	**14.7x**	10.6x	9.7x

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SUMMARISED GROUP BALANCE SHEET

ALTRON

Year ended 28 February 2021 R'million	Statutory FY21	Statutory FY20*	Normalised FY20**	% Change* (Statutory)	% Change** (Normalised)	Normalised Commentary
Total non-current assets	3 773	4 550	3 527	*(17)*	*7*	• Acquisition of Ubusha in FY21 • Close out of SLI hedge
Total Current assets	6 612	9 063	5 265	*(27)*	*26*	• Reclassification of non-current assets into held for sale
Total assets	**10 385**	**13 613**	**8 792**	***(24)***	***18***	
Total Equity	4 866	3 751	2 785	*30*	*74*	
Total non-current liabilities	1 764	2 502	2 436	*(29)*	*(28)*	• Reclassification of non-current liabilities into held for sale
Total current liabilities	3 755	7 360	3 560	*(49)*	*5*	
Total equity and liabilities	**10 385**	**13 613**	**8 792**	***(24)***	***18***	
Net debt	453	1 336	2 404	*(66)*	*(81)*	
NAV per share (cents)	1 289	1 062	1 062	*21*	*21*	• Net shares in issue – 370m (PY 371m)

* Comparative information has been restated for reclassification of held-for-sale assets
** Prior year restated to remove the impact of Bytes UK

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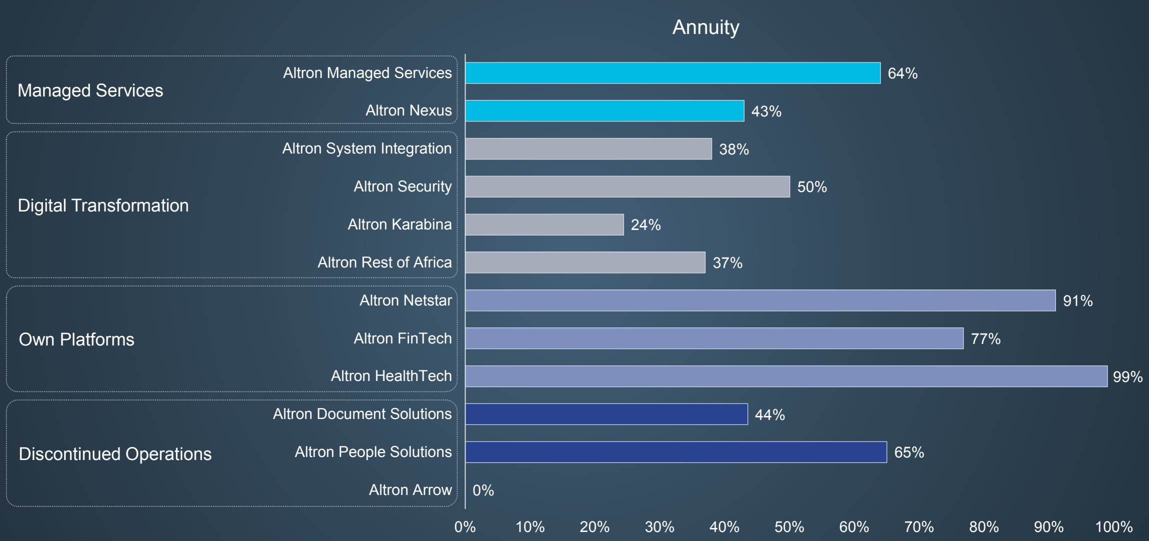
ANNUITY PERCENTAGE BY OPERATING COMPANY

ALTRON



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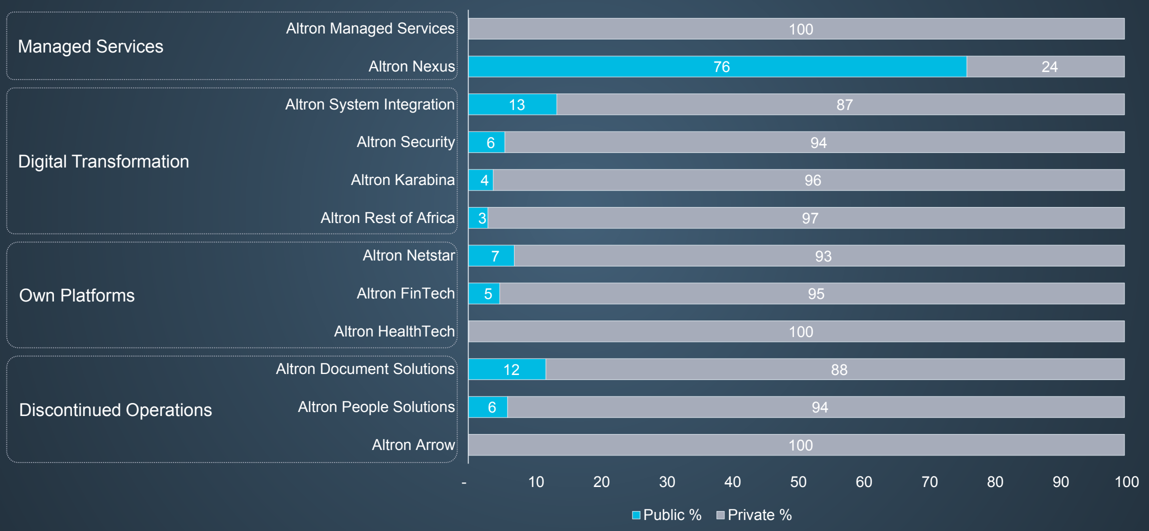
PRIVATE VS PUBLIC REVENUE CONTRIBUTION

ALTRON



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DISCONTINUED OPERATIONS OVERVIEW

ALTRON

		Bytes UK *(Circa 9.5 months FY21)*	Altron Document Solutions	Altron People Solutions	Altron Arrow	Total
			• Remote working ↓ in page prints • Delayed decision making • Restructuring took headcount ↓ 22% • Profitable in 2nd half • Future is a rest one – i.e. size of print market ↓ 20% to 30%	• Face to face training = Nil • Outbound BPO heavily impacted • Social distancing in workplace limited revenue • Restructured business & reduced premises • Changed management • Good headwinds at end FY21	• Contract manufacturing impacted during L5 and L4 • Restructured business • Turned profitable in 2nd half • Longer recovery time on revenue, however with business right sized = similar profit % to pre COVID	
REVENUE	**FY21**	**6 381**	**1 007**	**291**	**375**	**8 054*** (14%)
	FY20	6 993	1 477	392	463	**9 330***
EBITDA	**FY21**	**710**	**(2)**	**(30)**	**16**	**582*** (20%)
	FY20	613	88	22	16	**729***

* Totals include UK demerger costs and previously classified discontinued operations

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ALTRON MANAGED SERVICES

ALTRON

		Altron Nexus	Altron Managed Solutions	Total
		• Benefited from government contracts secured in PY • Focused on good governance (EY brought on board to manage sub-contractors and improved on-boarding of SMMEE's • Won Supreme Court of Appeal TT vs CoT • CoT failed to lodge appeal within prescribed time frame • CoT applied for condonement for appeal • Continued focus on balanced portfolio of revenue (public vs private) – invested in sales capacity • Continue to drive annuity revenue	• Benefited from secure annuity contracts mostly in banking and retail • Banking solutions play largely into the digitised space i.e. moving customers out of the retail space into other mediums e.g. High end ATMS Cash recyclers etc • Failing to address some of the underlying $ based costs in this business had a negative impact • acceptable annuity business • Needs to focus on the new way of work (hybrid model) i.e. how do cost effectively deliver same quality of service when working from home	
REVENUE	**FY21**	**1 026**	**1 454**	**2 480**
				10%
	FY20	868	1 393	**2 261**
EBITDA	**FY21**	**83**	**97**	**180**
				42%
	FY20	24	103	**127**

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OWN PLATFORM

ALTRON

		Netstar	Healthtech	Fintech	Total
		• Fairly stable during pandemic despite new car sales severely depressed • Slight uptick in voluntary churn • Good cost savings achieved • Moved entire platform to the cloud • Re modelled retentions • Three main focus area. Grow and convert the Toyota offerings, Customers digital experiences and churn, Offshore expansion	• Benefited from secure transactional services (PMA and switching) • During L5&L4 many GP's didn't practice over 400 practices permanently shut their doors • Still a good underlying business with transaction volume approaching what they were pre covid • Drive top line revenue – therefore re-organisation of sales capability • Focus on expansion of the eco/platform , public or offshore	• Benefited from secure transactional services • During L5&L4 Unsecured lending not seen as essential services – therefore didn't trade • Still a good underlying business with transaction volume back to pre covid by October/November last year • Continue to drive own merchant acquiring for 2nd and 3rd tier retailers. Introducing Android based payment terminals. Moving from Aedo to DebiCheck • Focus on expansion of the eco/platform offshore	
REVENUE	**FY21**	**1 549**	**314**	**817**	**2 680**
					(3%)
	FY20	1 541	321	909	**2 771**
EBITDA	**FY21**	**602**	**180**	**109**	**891**
					(5%)
	FY20	611	213	115	**939**

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DIGITAL TRANSFORMATION

ALTRON

Altron Systems Integration

- Revenue impacted by big capital projects delayed by customers seeking to preserve cash and ensure future strategies are relevant
- Doubtful debt provisions to the tune of R28m
- Introduced Tighter credit vetting to reduce risk
- Realigned workforce midway through the year, will feel positive affects in FY22
- Entering into the FY22 year with healthy pipeline
- Focus on Cloud, Data, ITO and DevOps

Altron Karabina

- Revenue YoY growth
- LSP profitable
- Unfavourable pricing structures on some of the projects negatively impacted (Subsequently fixed)
- Realigned workforce midway through the year, will feel positive affects in FY22
- Entering into the year with healthy pipeline
- Focus on Cloud, Data, ITO and DevOps

Altron Security

- Good acquisition, moved everybody virtual worked very well
- Integrated well, light touch from Group
- Living up to investment case
- Greenfield investment into the UK
- Formulated way of work within Altron (Security omni-present) – Resulted in a good collaborative environment – already showing benefits
- If approved, we will integrate Lawtrust into Altron Security

		Altron Systems Integration	Altron Karabina	Altron Security	Total	
REVENUE	**FY21**	**1 914**	**215**	**102**	**2 549***	(3%)
	FY20	2 076	177	-	**2 626***	
EBITDA	**FY21**	**74**	**5**	**40**	**113***	(26%)
	FY20	125	2	-	**153***	

* Totals include AROA performance

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CONTENTS

ALLIED ELECTRONICS CORPORATION LIMITED
(Registration number 1947/024583/06)
(Incorporated in the Republic of South Africa)
Share code: AEL
ISIN: ZAE000191342

ANNUAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2021 AND FINAL DIVIDEND ANNOUNCEMENT

HIGHLIGHTS – CONTINUING OPERATIONS

- Gross invoiced income up 4%* to R7.7 billion
- Earnings before interest tax and depreciation (EBITDA) was down 8% to R1 billion
- Cash generated from operations up 31% to R2.2 billion
- HEPS decreased by 18% to 31 cents
- Shareholder value unlocked by 152%
- Operating free cash flow of R612 million up by > 600%

R millions	February 2021	February 2020**	Change %
Gross invoiced income	**7 696**	7 420	4
Revenue	**7 399**	7 383	0
EBITDA	**1 007**	1 100	(8)
Operating profit before capital items	**342**	456	(25)
Net profit after tax	**68**	122	(44)
Cash generated from operations	**2 220**	1 695	31
Earnings per share	**23**	41	(44)
Headline earnings per share	**31**	38	(18)
Dividend per share	**2 998 cents**	55 cents	> 5 000

* Gross invoiced income represents the total invoiced revenue to customers, including cloud-based sales (and related licences). This differs from statutory reported revenue, because in terms of IFRS 15, the group acts as an agent on these transactions and therefore recognises margin only as revenue

** The prior year has been restated to account for operations classified as discontinued that are held for sale during the 2021 financial year.

MTETO NYATI, GROUP CHIEF EXECUTIVE COMMENTED:

Initiated in FY18, One Altron's central aims were to dispose of non-core assets, engage in acquisitions within our targeted growth areas, and to achieve the financial goals of doubling EBITDA within five years, deliver leading returns for our shareholders, provide exceptional customer service, be a great place to work for all and to do good while doing good business.

At the start of FY21, we were ahead of schedule in delivering on the financial goals and beginning to construct our next five-year strategy when Covid-19 and its associated lockdown restrictions changed everything about doing business. It was also at this time when the board decided on the Bytes UK demerger.

With the demerger of a significant business within the group and a need to adapt to changed market conditions, it became untenable to continue with One Altron for its final two years and the Altron 2.0 strategy roadmap was developed.

THE BYTES UK DEMERGER

At the end of FY20, the Board reviewed the sum-of-the-parts (SOTP) analysis of the Group and, when compared with the group's market capitalisation, it became clear that the Bytes UK business was not being fairly valued by the market. After an extensive review of the SOTP exercise the Board decided on a demerger of Bytes UK from the Group.

Our business case indicated an initial listing at £450 million minimum while the actual listing value achieved was £650 million. Bytes UK is now valued at around R24 billion on the London Stock Exchange, while Altron's market capitalisation is around R4.6 billion. Given that when we announced the intention of the demerger our total Market Capitalisation was R7.5 billion and that Bytes UK contributed around a third of our profits, our shareholders have been well rewarded.

TAKING ALTRON FORWARD

The onset of the Covid-19 pandemic and the Bytes UK demerger created the conditions for demonstrating the resilience of our strategic direction and validated the choices we had made in pursuing certain growth areas.

However, it also meant that we needed to make final the decision to dispose of some business units which had long been profitable and integral divisions of the Group, but which no longer aligned with our future direction.

The first of these is Altron Document Solutions, the largest Xerox distributor globally and Xerox partner for Africa, which suffered from a reduction in print volumes during lockdown restrictions. The second is Altron People Solutions, which operates in IT-related training and business process outsourcing. The business was similarly affected by social distancing and lockdown measures. Finally, Altron Arrow, which distributes electronic components, was able to remove costs relatively quickly under lockdown, but ultimately will not form part of Altron 2.0.

We have identified four key high-growth areas in the information technology sector. These are automation (DevOps), cloud services, data and security. This is where Altron 2.0 segment of digital transformation operates. Bytes UK's growth is at the back of cloud computing trend. Given that South Africa lags behind UK on the same trend by three to four years, we believe Altron will reap the benefits of early positioning in the cloud space through Altron Karabina and Altron Systems Integration.

Our recent acquisition (pending competition commission approval) in the cybersecurity space, LawTrust, will create the largest security services provider in Africa when combined with Ubusha to form Altron Security.

OUR PERFORMANCE

I do not hesitate to proclaim this as the most difficult and challenging year I have encountered as a business leader. As I have alluded to above, some of our divisions struggled under lockdown restrictions. Despite the sensible rationale behind lockdowns, lost sales have inevitably affected our financial results.

However, some of our business units enjoyed growth in a challenging year – among them Altron Security (Ubusha), which recorded a significant improvement from the prior year and has contributed positively to our results. Ubusha delivered ahead of its acquisition business case in a Covid-19 environment. Likewise, Altron Karabina benefited from corporate South Africa's almost instantaneous embrace of Microsoft remote productivity solutions.

On a net basis, we had a tough year. For the first time in four years our revenue was down year on year and our headline earnings per share declined double digit. The cost reduction measures we took across a number of our operations though have positioned us well for the future.

We were, like all companies, forced to institute remote working arrangements for 50% of our staff, which we were able to complete with minimal disruption to productivity and processes. The health and well-being of our employees led our list of priorities during lockdown, which necessitated an elevated volume of communications and changes to shore up the group's balance sheet.

Our employees demonstrated a truly remarkable level of selflessness and loyalty by contributing their leave to a pool which could be allocated to avoid anyone being forced to take unpaid leave during lockdown, while our leadership elected to forego half of their bonuses earned during the prior year. Regrettably, we also had to make the difficult decision to roll back salary increases and, ultimately, let some of our colleagues go in order to ensure the long-term sustainability of the group.

Ultimately, while many companies fell victim to the economic ravages induced by the pandemic, Altron continues to provide jobs for more than 7 000 employees and we did our best to minimise job losses.

FINANCIAL OVERVIEW

Continuing operations

Revenue of R7.4 billion remained flat compared to the prior year against the backdrop of a challenging year due to the global pandemic. The impact of IFRS 15 on agency revenue results in only the margins being recognised as revenue. The Gross Invoiced Income of R7.696 billion has increased by R276 million from the prior year's R7.420 billion. This includes agency revenue of R297 million which has grown from the prior year's R37 million.

EBITDA decreased by 8% to R1 billion. EBITDA performance was negatively impacted by weak market conditions and liquidity pressures resulting in low client confidence levels that have led to large-scale investment projects being delayed. EBITDA was further impacted by margin pressures, with customers requiring reduced pricing/discounts due to Covid-19. Due to lower revenues being recorded in several operations, businesses were restructured to minimise the future impact on profitability, which drove a severance cost within the financial year's results.

Continuing operations' EBITDA was negatively impacted by R51 million as a result of Altron Systems Integration's subdued performance due to large-scale investment projects being delayed by clients to preserve liquidity, smaller hardware projects with lower margins were concluded in place of larger capex rollouts, impacting product mix and gross margin. Altron Rest of Africa's results deteriorated by R32 million as a result of difficult trading conditions across Africa, notably Kenya and Mozambique.

The EBITDA margin on statutory revenue decreased to 13.6% compared to 14.9% in the prior year. Within a South African context, the group generates 85% of its revenue from the private sector and 15% from the public sector.

The net interest expense (excluding right-of-use interest) decreased by 37% due to lower levels of debt after reducing facilities by R1,792 billion, which was further benefited by the decrease in interest rates.

Discontinued operations

During the financial year, our Altron Documents Solutions, Altron People Solutions, Altron Arrow and Bytes UK were classified as assets held for sale. The latter was demerged with a successful IPO on the London Stock Exchange its primary listing and the Johannesburg Stock Exchange as its secondary listing. The discontinued operations recorded an EBITDA of R706 million, which is a decrease of R23 million. This decrease resulted from the Bytes UK business being included within our numbers for *circa* 9.5 months before demerged from Altron. The other assets classified as held for sale were impacted the hardest due to the lockdown restrictions, social distancing and working from home, which had a negative impact on their results for the financial year.

CASH MANAGEMENT

The group's overall net debt reduced to R453 million (including deferred disposal receipts) against R1.3 billion at the end of FY20, indicative of strong cash generations during the year. Cash generated from operations increased by 31% from R1.7 billion in the prior year to R2.2 billion. Net interest paid was R165 million (including the right-of-use interest) while tax and net dividends paid were R226 million and R211 million respectively for the year under review.

The group utilised a net amount of R81 million on investment activities for the financial year. Included in this amount was the proceeds received as a result of the Bytes UK demerger R735 million and its associated transaction costs of R124 million. R252 million related to the acquisition of Ubusha ("Altron Security"). A large portion relates to hardware in Netstar, PPE is mainly driven by the new Altron Campus and investments into intangible assets.

Net outflow from financing activities of R1.7 billion predominantly relates to net long-term borrowings paid down to the value of R1.2 billion. The majority of the remaining balance relates to lease repayments of R451 million.

DIVIDEND

The Board remains committed to maintaining Altron's dividend cover of 2.5 times headline earnings on continuing operations. It is recommended that the final dividend payment be calculated on the current continuing operations. The dividend is recommended to be based on the current operations movement in headline earnings per share from August 2020 (re-presented to reflect Bytes UK, Altron Document Solutions, Altron People Solutions and Altron Arrow which has been classified in discontinued operations to February 2021).

Based on the review of the results which considers the current impact of Covid-19, in addition to the estimates of the longer-term effects of the pandemic, the Group remains solvent and liquid for the next 12 months.

As such, a final cash dividend of 15 cents per share (12 cents net of 20% dividend withholding tax) has been declared for the financial year ended 28 February 2021, payable to shareholders recorded in the register of the company at the close of business on the record date appearing below.

The Board has confirmed by resolution that the solvency and liquidity test as contemplated by the Companies Act, No. 71 of 2008, as amended, has been duly considered, applied and satisfied. This is a dividend as defined in the Income Tax Act, No. 58 of 1962 and is payable from income reserves. The income tax number of the Company is 9725149711. The number of ordinary shares in issue at the date of this declaration is 401 883 022, including 32 287 469 treasury shares.

The salient dates applicable to the dividend are as follows:

Dividend dates

Last day to trade *cum* dividend	Tuesday, 1 June 2021
Commence trading *ex*-dividend	Wednesday, 2 June 2021
Record date	Friday, 4 June 2021
Payment date	Monday, 7 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 June 2021 and Friday, 4 June 2021.

DIRECTORATE

During the financial year, our Board continued to provide valuable input to the group in realising Altron's vision and mission through the steadfast implementation of the One Altron strategy. Dr Phumla Mnganga was appointed as a member of Altron's Remuneration and Nomination Committee in February 2021.

OUTLOOK

We are excited about Altron 2.0. It is a strategy that positions Altron as a highly differentiated technology services provider in growth areas of automation, cloud computing, data and security. Altron 2.0 will be characterised by high annuity revenue, own intellectual property and capital light operations. We will continue to seek expansion opportunities offshore, particularly in hard currency countries.

KEY FOCUS AREAS FY22

- Concluding the disposal of the three operations which are no longer aligned to the revised strategy.
- Explore opportunities to further unlock value for the operations that fall within Altron 2.0. We will partner with relevant financial and legal advisors to help us execute on this plan.
- Accelerate growth of our digital transformation segment that is housing Altron Karabina, Altron Systems Integration and Altron Security. Altron Security will lead the integration of the newly acquired LawTrust. Altron Security is also establishing a local presence in the United Kingdom where its offerings are in demand.
- The performance of Altron Karabina under its new leadership.

FURTHER INFORMATION

This short-form announcement is the responsibility of the directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement accessible from Monday, 17 May 2021 on the Company's website at: https://www.altron.com/app/uploads/2021/5/altronresults17may2021.pdf and on SENS on the JSE website https://senspdf.jse.co.za/documents/2021/jse/isse/aele/YE21.pdf

The full announcement is also available at our registered office for inspection, at no charge, during office hours. Copies of the full announcement may be requested by contacting Ms NS Morgan on telephone +27 11 645 3672, or email: nicole.morgan@altron.com.

Any forecast financial information contained in this announcement is the responsibility of the directors and has not been reviewed or reported on by the external auditors.

The independent auditor's audit reports by PricewaterhouseCoopers Inc. do not report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the independent auditor's engagement they should obtain a copy of the unqualified independent auditor's audit reports on the summary consolidated financial statements and the consolidated annual financial statements together with the accompanying financial information from Altron's registered office or can be downloaded from the company's website: www.altron.com/investors/reports-results/

The directors of Altron take full responsibility for the preparation of this preliminary report and the financial information has been correctly extracted from the underlying audited financial statements.

Any investment decisions made by investors and/or shareholders should be based on consideration of the full annual financial results as a whole and investors and/or shareholders are encouraged to review the full annual financial results at www.altron.com/investors/reports-results/

The key audit matters (pursuant to IAS 701) can be viewed via the full independent auditor's audit report and the annual financial statements at www.altron.com/investors/reports-results/

For and on behalf of the Board.

MJ Leeming
Chairman

M Nyati
Chief Executive

C Miller
Chief Financial Officer

Registered office:

Altron Campus, 20 Woodlands Drive, Woodlands Office Park, Woodmead, Gauteng, South Africa, 2191

Sponsor:

Investec Bank Limited

Transfer secretaries:

Computershare Investor Services Proprietary Limited , 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Directors:

MJ Leeming (Chairman), M Nyati (Chief Executive)*, C Miller (Chief Financial Officer)*, AC Ball, BW Dawson, BJ Francis, GG Gelink, P Mnganga, S Sithole (Zimbabwean), SW van Graan, RE Venter

* Executive

NS Morgan
Group Company Secretary

17 May 2021

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2021

The audited summary consolidated financial statements have been independently audited by the group's external auditor. The audited summary consolidated financial statements have been prepared by the Altron finance staff and was supervised by Mr Cedric Miller CA(SA), Chief Financial Officer. The results were made available on 17 May 2021.

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2021

To the Shareholders of Allied Electronics Corporation Limited

OPINION

The summary consolidated financial statements of Allied Electronics Corporation Limited, set out on pages 36 to 72 of the Altron Annual Results for the year ended 28 February 2021, which comprise the summary consolidated balance sheet as at 28 February 2021, the summary consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Allied Electronics Corporation Limited for the year ended 28 February 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 3 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 16 May 2021. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in note 3 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: **AM Motaung**
Registered Auditor

Johannesburg
16 May 2021

SUMMARY CONSOLIDATED BALANCE SHEET

as at 28 February 2021

R millions	Notes	28 February 2021	29 February 2020 Restated*
ASSETS			
Non-current assets		**3 773**	4 550
Property, plant and equipment		**422**	597
Goodwill and other intangible assets		**1 382**	1 996
Right-of-use assets		**1 013**	524
Equity-accounted investments		**47**	58
Financial assets at amortised cost		**–**	191
Financial assets at fair value through profit or loss		**–**	117
Financial assets at fair value through other comprehensive income		**–**	21
Finance lease assets		**–**	237
Contract costs capitalised		**241**	163
Capital rental devices		**264**	297
Trade and other receivables		**–**	121
Contract assets		**–**	11
Defined benefit asset		**253**	83
Deferred taxation		**151**	134
Current assets		**6 612**	9 063
Inventories		**763**	1 252
Trade and other receivables	5.3	**2 411**	5 726
Financial assets at fair value through profit and loss		**10**	25
Contract assets		**160**	205
Taxation receivable		**17**	32
Restricted cash		**–**	13
Cash and cash equivalents		**1 381**	1 810
		4 742	9 063
Assets classified as held-for-sale	12	**1 870**	–
Total assets		**10 385**	13 613
EQUITY AND LIABILITIES			
Total equity		**4 866**	3 751
Share capital and share premium		**936**	2 871
Retained earnings		**6 776**	3 552
Other reserves		**(2 948)**	(2 479)
Attributable to Altron shareholders		**4 764**	3 944
Non-controlling interests		**102**	(193)
Non-current liabilities		**1 764**	2 502
Loans**		**602**	1 707
Contract liabilities		**181**	349
Lease liabilities***		**971**	391
Deferred taxation		**10**	55
Current liabilities		**3 755**	7 360
Loans**		**60**	493
Lease liabilities***		**108**	181
Bank overdrafts		**650**	854
Provisions		**10**	14
Trade and other payables		**1 931**	4 325
Financial liabilities at fair value through profit or loss		**5**	3
Contract liabilities		**327**	1 380
Taxation payable		**26**	110
		3 117	7 360
Liabilities classified as held-for-sale	12	**638**	–
Total equity and liabilities		**10 385**	13 613

* Comparative information has been restated for equity accounted investment no longer considered to be held for sale and the reclassfication of property plant and equipment to intangible assets (note 17)

** Loans include finance lease liabilities recognised prior to the adoption of IFRS 16 leases

*** Lease liabilities arising on adoption of IFRS 16

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2021

R millions	Notes	% Change	28 February 2021	29 February 2020 Restated*
CONTINUING OPERATIONS				
Revenue	15	0%	**7 399**	7 383
Other income			**51**	87
Operating costs excluding capital items			**(6 443)**	(6 370)
Earnings before interest, taxation, depreciation, amortisation, capital items and equity accounted losses (EBITDA before capital items)**		(8%)	**1 007**	1 100
Depreciation and amortisation			**(665)**	(644)
Operating profit before capital items		(25%)	**342**	456
Capital items	6		**(23)**	1
Operating profit			**319**	457
Finance income			**64**	90
Finance expense			**(244)**	(345)
Share of loss of equity-accounted investees, net of taxation			**(41)**	(30)
Profit before taxation			**98**	172
Taxation			**(30)**	(50)
Profit for the period from continuing operations			**68**	122
DISCONTINUED OPERATIONS				
Revenue	15		**8 054**	9 330
Other income			**19**	16
Operating costs excluding capital items			**(7 367)**	(8 617)
Earnings before interest, taxation, depreciation, amortisation and capital items (EBITDA before capital items)**			**706**	729
Depreciation and amortisation			**(79)**	(101)
Operating profit before capital items		(0%)	**627**	628
Capital items including demerger cost	6		**11 547**	(4)
Operating profit			**12 174**	624
Finance income			**22**	26
Finance expense			**(7)**	(5)
Profit before taxation			**12 189**	645
Taxation			**(115)**	(139)
Profit for the period from discontinued operations			**12 074**	506
Profit for the period from total operations			**12 142**	628

* Comparative information has been restated for the discontinued operations (note 12) and for equity accounted investment no longer considered to be held-for-sale (note 17)

** The group presents in its consolidated statement of comprehensive income earnings before interest, taxation, depreciation, amortisation, capital items and equity accounted losses from associates. This represents the contribution by the group from its revenue after deducting the associated employee costs and materials and services consumed expenses. This also includes other income earned; and finance lease interest income that is considered to be revenue for the group

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

for the year ended 28 February 2021

R millions		% Change	28 February 2021	29 February 2020 Restated*
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Remeasurement of net defined benefit asset/obligation			**164**	(112)
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences in respect of foreign operations***			**78**	81
Realisation of foreign currency translation differences upon disposal of foreign operations***			**(277)**	–
Other comprehensive loss for the period, net of taxation			**(35)**	(31)
Total comprehensive income for the period			**12 107**	597
Net profit/(loss) attributable to:				
Non-controlling interests			**(12)**	(20)
Non-controlling interests from continuing operations			**(18)**	(28)
Non-controlling interests from discontinued operations			**6**	8
Altron equity holders			**12 154**	648
Altron equity holders from continuing operations			**86**	150
Altron equity holders from discontinued operations			**12 068**	498
Net profit for the period			**12 142**	628
Total comprehensive income attributable to:				
Non-controlling interests			**(12)**	(20)
Non-controlling interests from continuing operations			**(18)**	(28)
Non-controlling interests from discontinued operations			**6**	8
Altron equity holders			**12 119**	617
Altron equity holders from continuing operations			**283**	53
Altron equity holders from discontinued operations			**11 836**	564
Total comprehensive income for the period			**12 107**	597
Basic earnings per share from continuing operations	**(cents)**	(51%)	**23**	41
Diluted earnings per share from continuing operations	**(cents)**	(53%)	**23**	40
Basic earnings per share from discontinued operations	**(cents)**	>100%	**3 247**	133
Diluted earnings per share from discontinued operations	**(cents)**	>100%	**3 213**	133
Basic earnings per share from total operations	**(cents)**	>100%	**3 270**	174
Diluted earnings per share from total operations	**(cents)**	>100%	**3 236**	173

* Comparative information has been restated for the discontinued operations (note 12) and for equity accounted investment no longer considered to be held-for-sale (note 17)

*** This component of other comprehensive income is not subject to tax

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2021

R millions	Notes	28 February 2021	29 February 2020
Cash flows from operating activities			
Cash generated from operations		**2 220**	1 695
Interest received		**159**	166
Dividends received from equity accounted investees and other investments		**9**	2
Interest paid		**(324)**	(397)
Taxation paid		**(226)**	(169)
Dividends paid, including to non-controlling interests		**(220)**	(274)
		1 618	1 023
Cash flows utilised in investing activities			
Acquisition of subsidiaries and businesses net of cash	10.1	**(252)**	(37)
Proceeds on the disposal of subsidiaries and businesses net of cash	11	**735**	164
Cash outflow on demerger costs		**(124)**	–
Proceeds on disposal of property, plant and equipment and intangible assets		**34**	57
Acquisition of intangible assets		**(97)**	(50)
Acquisitions of property, plant and equipment		**(237)**	(208)
Cash outflow from other investing activities		**(191)**	(196)
Cash inflow from other investing activities		**51**	–
		(81)	(270)
Cash flows used in financing activities			
Loans advanced		**–**	700
Loans repaid		**(1 183)**	(267)
Acquisition of non-controlling interests	10.2	**(84)**	–
Lease payments*		**(182)**	(168)
Settlement of finance leases**		**(269)**	(286)
		(1 718)	(21)
Net (decrease)/increase in cash and cash equivalents		**(181)**	732
Net cash and cash equivalents at the beginning of the year		**956**	200
Effect of exchange rate fluctuations on cash held		**29**	24
Net cash classified as held-for-sale	12	**(73)**	–
Net cash and cash equivalents at the end of the period		**731**	956

* Principal lease payments in relation to leases recognised on adoption of IFRS 16
** Principal lease payments in relation to leases prior to the adoption of IFRS 16

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2021

R millions	Notes	Share capital and premium	Treasury shares	Reserves	Retained earnings*
		Attributable to Altron shareholders			
Balance at 28 February 2019		3 165	(299)	(2 479)	3 148
Adjustment on reclassification of held-for-sale asset	17	–	–	–	27
Restated total equity at the beginning of the year		**3 165**	**(299)**	**(2 479)**	**3 175**
Total comprehensive income for the year					
Profit for the year		–	–	–	648
Other comprehensive income					
Foreign currency translation differences in respect of foreign operations		–	–	81	–
Remeasurement on net defined benefit asset		–	–	(112)	–
Other comprehensive income		–	–	(31)	–
Total comprehensive income for the year		–	–	(31)	648
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends to equity holders		–	–	–	(271)
Issue of share capital		5	–	(5)	–
Share-based payment transactions		–	–	31	–
Contributions by and distributions to owners		5	–	26	(271)
Changes in ownership interests in subsidiaries					
Acquisition of operations					
Changes in ownership		–	–	5	–
Changes in ownership interests in subsidiaries		–	–	5	–
Transactions with owners, recorded directly in equity		5	–	31	(271)
Balance at 29 February 2020		**3 170**	**(299)**	**(2 479)**	**3 552**
Total comprehensive income for the year		–	–	–	–
Profit for the year		–	–	–	12 154
Other comprehensive income					
Foreign currency translation differences in respect of foreign operations		–	–	78	–
Remeasurement on net defined benefit asset		–	–	164	–
Realisation of foreign currency translation differences upon disposal of operations		–	–	(277)	–
Other comprehensive income		–	–	(35)	–
Total comprehensive income for the year		–	–	(35)	12 154
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends to equity holders		–	–	–	(219)
Issue of share capital		49	–	(49)	–
Treasury shares acquired	13.2	–	(131)	–	–
Treasury shares disposed	13.2	–	42	–	–
Loss on treasury shares	13.2	–	–	–	(6)
Dividend *in specie* to equity holders	11	–	–	–	(8 705)
Return of capital	11	(2 061)	166	–	–
Share-based payment transactions		–	–	34	–
Total contributions by and distributions to owners		(2 012)	77	(15)	(8 930)
Changes in ownership interests in subsidiaries					
Disposal of operations		–	–	(27)	–
Changes in shareholding of subsidiaries		–	–	(392)	–
Total changes in ownership interests in subsidiaries		–	–	(419)	–
Transactions with owners, recorded directly in equity		(2 012)	77	(434)	(8 930)
Balance at 28 February 2021		**1 158**	**(222)**	**(2 948)**	**6 776**

Dividends per share 15 cents (final) and 33 cents (interim) (2020: 26 cents (final) and 29 cents (interim)). A dividend *in specie* per share of 2 854 cents (note 11) and a further 96 cents special dividend (note 14.4).

* Comparative information has been restated for equity accounted investment no longer considered to be held-for-sale (note 17)

	Attributable to Altron shareholders		
	Total*	Non-controlling interests*	Total equity*
	3 535	(162)	3 373
	27	(9)	18
	3 562	**(171)**	**3 391**
	648	(20)	628
	81	–	81
	(112)	–	(112)
	(31)	–	(31)
	617	(20)	597
	(271)	(3)	(274)
	–	–	–
	31	–	31
	(240)	(3)	(243)
	–	1	1
	5	–	5
	5	1	6
	(235)	(2)	(237)
	3 944	**(193)**	**3 751**
	12 154	(12)	12 142
	78	–	78
	164	–	164
	(277)	–	(277)
	(35)	–	(35)
	12 119	(12)	12 107
	(219)	(1)	(220)
	–	–	–
	(131)	–	(131)
	42	–	42
	(6)	–	(6)
	(8 705)	–	(8 705)
	(1 895)	–	(1 895)
	34	–	34
	(10 880)	(1)	(10 881)
	(27)	–	(27)
	(392)	308	(84)
	(419)	308	(111)
	(11 299)	307	(10 992)
	4 764	**102**	**4 866**

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2021

1. INDEPENDENT AUDIT

The summary consolidated financial statements have been derived from the audited consolidated financial statements. The directors of the company take full responsibility for the preparation of the summary consolidated financial statements and that the financial information has been correctly derived and are consistent in all material respects with the underlying audited consolidated financial statements. The summary consolidated financial statements for the year ended 28 February 2021 have been audited by our independent auditors, PricewaterhouseCoopers Inc. who have expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the consolidated financial statements from which the summary consolidated financial statements were derived. A copy of the auditors' report on the group financial statements is available for inspection at the company's registered office or can be downloaded from the company's website: www.altron.com/investors/reports-results/ together with the financial statements identified in the auditors' report.

2. GENERAL INFORMATION

Altron is a leading ICT business, operating in a number of geographies. Its principal subsidiaries are Altron TMT Proprietary Limited (which includes various operating divisions); Netstar Proprietary Limited and the balance of the Netstar group (including its Australian operations); Altron Nexus Proprietary Limited and the Altron Rest of Africa operations. During the course of the current financial year Bytes Technology Group Limited ("Bytes UK") was successfully unbundled from the Altron Group.

3. BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary financial statements and the requirements of the Companies Act applicable to summary financial statements. The summary financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (APC) and the Financial Pronouncements as issued by the Financial Reporting Standard Council (FRSC), and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements, apart from restatements. The summary consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 28 February 2021, which have been prepared in accordance with IFRS. A copy of the auditors' report on the group financial statements is available for inspection at the company's registered office or can be downloaded from the company's website: www.altron.com/investors/reports-results/ together with the financial statements identified in the auditors' report.

This report was compiled under the supervision of Mr Cedric Miller CA (SA), Chief Financial Officer.

4. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of the summary consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements except as described below.

The Group has early adopted the IFRS 16 amendment for the first time in its annual financial statements ended 28 February 2021; with the date of initial application of 1 March 2020. Rent concessions received did not affect prior periods presented and therefore the comparative information for 2020 did not require restatement and continued to be reported under the previous accounting policies in accordance with the lease modification principles in IFRS 16.

A number of new standards and/or interpretations are effective from 1 March 2020. These had no material effect on the Group's or Company's financial statements.

5. IMPACT OF THE COVID-19 PANDEMIC

On 11 March 2020, the World Health Organisation ("WHO") officially declared the novel coronavirus, Covid-19, a global pandemic. Governments across the world have taken extreme measures to curb the spread of the virus. The unprecedented deterioration of the global economic outlook caused by the rapid spread of Covid-19, and the extreme measures implemented by various governments has exacerbated South Africa's economic and fiscal challenges. The various economies to which the group is exposed are and have been expected to be impacted by these measures, however the group's particular industry is likely to see some benefit from the new way of doing business.

Altron's flexible workforce solutions were tested by the sudden onset of the Covid-19 pandemic, which required the group to take several important steps to secure the health and safety of its employees. The group established a crisis management structure to ensure effective decision-making and information sharing, and implemented contingency measures to ensure that client service was uninterrupted. All employees have been provided with information on reporting and action procedures in the event of incidents and the group continues to be proactive in managing staff health risks. The effects of Covid-19 together with critical risks impacting the local economy, which include continued volatility in global financial markets, sudden interruptions in capital inflows, the reliability of electricity supply and SOE uncertainties, have a direct impact on financial risk. The financial risks directly impacting the group primarily include exchange rate volatility and credit risk.

Despite the challenges brought on by Covid-19 and the weak and uncertain economic environment, the group remains focussed on improving profitability, maintaining a healthy liquidity position and debt levels as well as improving working capital management. Management took early precautionary action and implemented cost cutting strategies to counter the expected reduction in revenue, these include postponing cash absorbing projects and where possible decreasing variable costs. As part of the cost cutting strategy, employee costs were also reduced by freezing salary increases and head counts followed by retrenchments of over 600 people across the group.

While the group's operations continue to focus on delivering solutions that meet customer needs in a changing environment, the effects of Covid-19 are felt in varying degrees across the group's operations. The following highlights the direct and indirect impact of the Covid-19 pandemic:

5.1 OPERATIONAL IMPACT

A number of our operations were unfortunately negatively impacted during the period under review as discussed below:

- Altron Document Solutions was materially impacted by the Covid-19 pandemic, which resulted in widespread remote working, whereby printers in corporate offices remained largely idle. The reduced printing volumes resulted in a reduction in revenue which was insufficient to cover its cost base leading to an EBITDA loss for the reporting period.
- Altron People Solutions was impacted by the inability to carry out classroom-style training during the lockdown and social distancing protocols thereafter. Business Process Outsourcing also operated with reduced staff which negatively impacted revenue leading to an EBITDA loss.
- With over 2 700 shopfronts impacted, transaction volumes diminished by 47% as the micro-lending industry was not deemed an essential service during levels 5 and 4, which directly affected the revenues of Altron Fintech.
- The private medical industry has been negatively impacted with over 300 practice closures as people have been limiting their visits to medical practitioners for minor illnesses and specialists and dentists could not perform elective surgery, which has seen a sharp decrease in the number of transaction switches within the medical space.
- In contrast, the Altron Bytes UK operations (Bytes UK) experienced a significant increase in urgent customer requirements driven by "work from home" software solutions resulting in an increase in revenue. As disclosed in note 11, Bytes UK was disposed of effective 17 December 2020 and therefore classified as discontinued operations in the current reporting period.

5. IMPACT OF THE COVID-19 PANDEMIC CONTINUED

5.1 OPERATIONAL IMPACT continued

- The group's total net foreign exchange losses recognised in the income statement for total operations amounted to R26 million as at 28 February 2021.
- The group reclassified joint arrangement investment in CBI-Electric Telecom Cables Proprietary Limited ("CBI") from held-for-sale to an equity accounted joint arrangement, as the held-for-sale criteria are no longer met. The outlook for CBI remains uncertain, due to a limited order book, significant margin degradation due to competition and declining volumes all contributing to weak cash flow forecasts over the short to medium term. These factors together with the substantial loss to date have resulted in the management of CBI impairing the carrying amount of its property, plant and equipment by R147 million which is included in the group's share of equity accounted losses. Accordingly the investment has been reduced to Rnil. Refer to note 17.

5.2 IMPACT ON LIQUIDITY RISK

The group's net debt position of R453 million (29 February 2020: R1.3 billion) reduced as a result of the cash proceeds received on the Bytes UK demerger (note 11). The group has focussed on managing liquidity and maintaining healthy debt levels. Altron's liquidity has proven to be resilient during the Covid-19 period and all commitments were honoured from existing resources. Liquidity proved to be well managed with no covenants and limits being breached during the current reporting period. The group is mindful of protecting its cash flow, and the move to consolidating our businesses at a centralised campus is close to finalisation.

Capital management

Altron's capital management is partially restricted by covenants provided to lenders in respect of borrowing obligations. In accordance with the debt structure of the group, the group's net debt to attributable EBITDA (as defined by the common terms agreement ("CTA")) ratio is limited to 2 and attributable EBITDA (as defined in the CTA) divided by the net finance charge is limited to a minimum 3.5 times.

In the event that these covenants are not met, the lenders would be able to request immediate repayment. Altron has complied with the required covenants at 28 February 2021. The compliance with these ratios is summarised in the table below.

Financial covenant ratio	Covenant level	Calculated ratio at 28 February 2021
Net debt divided by attributable EBITDA	Ratio not exceeding 2 times	0.0
Attributable EBTIDA divided by net finance charges	Ratio not less than 3.5 times	14.70

There were no changes in the group's approach to capital management during the year.

5. IMPACT OF THE COVID-19 PANDEMIC CONTINUED

5.2 IMPACT ON LIQUIDITY RISK continued

The group's net debt may be calculated as follows:

R millions	GROUP 28 February 2021	GROUP 29 February 2020
Long-term loans	**602**	1 707
Short-term loans	**60**	493
Long-term loans included in held-for-sale liabilities (note 12)	**246**	
Short-term loans included in held-for-sale liabilities (note 12)	**219**	
Total loans	**1 127**	2 200
	674	864
Total net cash	**731**	956
Cash included in held-for-sale assets (note 12)	**73**	–
Less cash held on behalf of merchants	**(130)**	(92)
Net debt as reported	**453**	1 336

5.3 IMPACT ON CREDIT RISK

Cash and cash equivalents

The group has assessed the potential impairment on cash balances. The nature of the bank balances are largely short term in nature. Given the significant actions taken by central banks to improve liquidity through monetary and fiscal interventions, the group's expected credit losses (ECLs) on cash balances remained immaterial.

Trade and other receivables

The group generally deals with a widespread customer base. The decrease in trade and other receivables balance is mainly as a result of the disposal of the Bytes UK operations. Expected credit loss ratios have increased since February 2020 year-end to account for the impact of Covid 19. The group has increased expected credit loss ratios by applying the contraction in GDP as a guide. In addition, debtors balances were analysed and high risk debtors were identified with reference to aging and the expected credit loss ratios were increased accordingly.

As disclosed in note 9, the group has a gross balance outstanding from Thobela Telecoms (RF) Proprietary Limited ("Thobela") of R309 million (February 2020: R309 million). Management have estimated the expected credit loss provision in relation to the balances outstanding from Thobela at the reporting date using a weighted probability analysis of the expected cash flows to be received under a number of scenarios, which included estimates as to the probability of the various outcomes resulting in an ECL of R10 million at 28 February 2021 (2020: R40 million).

5. IMPACT OF THE COVID-19 PANDEMIC CONTINUED

5.3 IMPACT ON CREDIT RISK continued

The following table reflects the impact on credit risk by removing the impact of the amounts outstanding from Thobela:

R millions	28 February 2021	29 February 2020	Movement
Gross financial assets at amortised cost*	**2 828**	4 454	
Exclude Thobela	**(309)**	(309)	
Trade receivables gross carrying amount excluding Thobela	**2 519**	4 145	(39%)
Expected credit loss allowance	**152**	127	
Exclude Thobela	**(10)**	(40)	
Expected credit loss allowance excluding Thobela	**142**	87	63%
Average expected credit loss ratio	**5.64%**	2.10%	354bps
**** Reconciliation to trade and other receivables as reported***			
Trade and other receivables as reported	***2 411***	*5 726*	
Less non-financial assets included in trade and other receivables	***(458)***	*(1 426)*	
Contract assets	***160***	*216*	
Current portion of finance lease assets	***(221)***	*(189)*	
Trade and other receivables classified as held-for-sale (note 12)	***744***	*–*	
Contract assets classified as held-for-sale (note 12)	***40***	*–*	
Financial assets at amortised cost net of impairment losses	***2 676***	*4 327*	
Impairment losses	***152***	*127*	
Gross financial assets at amortised cost	***2 828***	*4 454*	

While the group is not immune to the fragile economic backdrop, it remains focused on managing the risks brought about by Covid-19. However, the global acceleration of digital transformation has resulted in increased consumer demand for digital solutions creating new opportunities for the group.

6. CAPITAL ITEMS

R millions	28 February 2021	29 February 2020
Continuing operations		
Net profit on disposal of property, plant and equipment	**–**	21
Reversal of provision related to East Africa disposal	**12**	–
Impairment of right-of-use assets	**(18)**	–
Lease modifications and terminations	**1**	–
Foreign currency translation reserve recycling to profit and loss on deregistration of foreign dormant operations	**–**	1
Capital rental devices written off	**(18)**	(21)
	(23)	1
Discontinued operations		
Gain on disposal of subsidiary net of demerger costs (note 11)	**11 725**	–
Impairment of goodwill	**–**	(5)
Net profit on disposal of property, plant and equipment	**–**	3
Impairment of property, plant and equipment	**(4)**	–
Profit on closure of cell captive	**2**	–
Profit on non-current financial assets at amortised cost	**–**	2
Foreign currency translation reserve recycling to profit and loss on deregistration of foreign dormant operations	**5**	(4)
Impairment of held-for-sale disposal groups	**(181)**	–
	11 547	(4)
Total	**11 524**	(3)

		28 February 2021	29 February 2020 Restated*
7. EARNINGS PER SHARE			
Headline earnings per share from continuing operations	**(cents)**	**31**	38
Headline earnings per share from discontinued operations	**(cents)**	**105**	136
Headline earnings per share from total operations	**(cents)**	**136**	174
Diluted headline earnings per share from continuing operations	**(cents)**	**31**	38
Diluted headline earnings per share from discontinued operations	**(cents)**	**104**	134
Diluted headline earnings per share from total operations	**(cents)**	**134**	172
7.1 RECONCILIATION BETWEEN ATTRIBUTABLE EARNINGS AND HEADLINE EARNINGS FROM TOTAL OPERATIONS	**(R millions)**		
Earnings attributable to shareholders		**12 154**	648
Capital items (before demerger costs) – gross		**(11 648)**	3
Impairment of non-financial assets in a joint venture		**18**	-
Tax effect of capital items		**(16)**	(3)
Non-controlling interest in capital items		**(4)**	(4)
Headline earnings		**504**	644
Headline earnings per share from total operations	**(cents)**	**136**	174
7.2 RECONCILIATION BETWEEN ATTRIBUTABLE EARNINGS AND HEADLINE EARNINGS FROM CONTINUING OPERATIONS	**(R millions)**		
Earnings attributable to shareholders		**86**	150
Capital items		**23**	(1)
Impairment of non-financial assets in a joint venture		**18**	–
Tax effect of capital items		**(10)**	(4)
Non-controlling interest in capital items		**(2)**	(4)
Headline earnings		**115**	141
Headline earnings per share from continuing operations	**(cents)**	**31**	38
7.3 RECONCILIATION BETWEEN ATTRIBUTABLE EARNINGS AND HEADLINE EARNINGS FROM DISCONTINUED OPERATIONS	**(R millions)**		
Earnings attributable to shareholders		**12 068**	498
Capital items (before demerger costs) – gross		**(11 671)**	4
Tax effect of capital items		**(6)**	1
Non-controlling interest in capital items		**(2)**	–
Headline earnings		**389**	503
Headline earnings per share from discontinued operations	**(cents)**	**105**	136
7.4 RECONCILIATION OF WEIGHTED AVERAGE NUMBER OF SHARES		**Number of shares**	Number of shares
Issued shares at the beginning of the year (A ordinary and N ordinary shares)		**399 580 510**	399 380 572
Effect of own shares (note 13.2)		**(29 463 651)**	(28 180 081)
Effect of shares issued during the year		**1 528 886**	32 872
Weighted average number of shares		**371 645 745**	371 233 363
7.5 RECONCILIATION BETWEEN NUMBER OF SHARES USED FOR EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE			
Weighted average number of shares		**371 645 745**	371 233 363
Dilutive options		**3 994 879**	3 128 314
Weighted average number of shares (diluted)		**375 640 624**	374 361 677

* Comparative information has been restated for the discontinued operations (note 12) and for equity accounted investment no longer considered to be held-for-sale (note 17)

7. EARNINGS PER SHARE CONTINUED

			28 February 2021	29 February 2020 Restated*
7.6	**RECONCILIATION BETWEEN EARNINGS AND DILUTED EARNINGS**	**(R millions)**		
	Earnings attributable to shareholders		**12 154**	648
	Diluted earnings		**12 154**	648
7.7	**RECONCILIATION BETWEEN HEADLINE EARNINGS AND DILUTED HEADLINE EARNINGS**	**(R millions)**		
	Headline earnings		**504**	644
	Diluted headline earnings		**504**	644
	Diluted headline earnings per share from total operations	**(cents)**	**134**	172
7.8	**RECONCILIATION BETWEEN HEADLINE EARNINGS AND DILUTED HEADLINE EARNINGS FROM CONTINUING OPERATIONS**	**(R millions)**		
	Headline earnings		**115**	141
	Diluted headline earnings		**115**	141
	Diluted headline earnings per share from continuing operations	**(cents)**	**31**	38
7.9	**RECONCILIATION BETWEEN HEADLINE EARNINGS AND DILUTED HEADLINE EARNINGS FROM DISCONTINUED OPERATIONS**	**(R millions)**		
	Headline earnings		**389**	503
	Diluted headline earnings		**389**	503
	Diluted headline earnings per share from discontinued operations	**(cents)**	**104**	134

* Comparative information has been restated for the discontinued operations (note 12) and for equity accounted investment no longer considered to be held-for-sale (note 17)

8. FAIR VALUES AND RISK MANAGEMENT

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amounts of these financial assets and liabilities are considered to be a reasonable approximation of fair value.

28 February 2021	**Carrying amount**		**Fair value**			
R millions	**Designated at fair value**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value						
Preference share investment in Technologies Acceptances Receivables Proprietary Limited*	**21**	**21**	**–**	**–**	**21**	**21**
Forward exchange contracts	**10**	**10**	**–**	**10**	**–**	**10**
	31	**31**	**–**	**10**	**21**	**31**
Financial liabilities measured at fair value						
Forward exchange contracts	**(5)**	**(5)**	**–**	**(5)**	**–**	**(5)**
	(5)	**(5)**	**–**	**(5)**	**–**	**(5)**

* Classified as held-for-sale refer to note 12

29 February 2020	**Carrying amount**		**Fair value**			
R millions	**Designated at fair value**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value						
Preference share investment in Technologies Acceptances Receivables Proprietary Limited	21	21	–	–	21	21
Cash collateral – Share linked incentive hedge ("SLI")	117	117	117	–	–	117
Forward exchange contracts	25	25	–	25	–	25
	163	163	117	25	21	163
Financial liabilities measured at fair value						
Forward exchange contracts	(3)	(3)	–	(3)	–	(3)
	(3)	(3)	–	(3)	–	(3)

The carrying amounts of financial assets that are not subsequently measured at fair value, i.e. finance lease assets are considered to approximate the fair value.

8. FAIR VALUES AND RISK MANAGEMENT CONTINUED

The carrying amount of financial liabilities that are not subsequently measured at fair value, i.e. financial liabilities at amortised cost are considered to approximate the fair value.

The different levels as disclosed in the table above have been defined as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Measurement of fair values

Cash collateral – Share linked incentive ("SLI") hedge

The group's valuation of its SLI hedge is based on the group's share price (Level 1 financial asset measured at fair value). The group settled its SLI hedge on 26 August 2020 resulting in an increase of 5.8 million treasury shares. The group recognised a gain of R14 million on valuation of the shares. Refer to note 13.2.

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Forward exchange contracts	*Market comparison technique:* The fair value of foreign exchange contracts are marked-to-market by comparing the contracted forward rate to the present value of the current forward rate of an equivalent contract with the same maturity date	Not applicable	Not applicable
Preference share in Technologies Acceptances Receivables Proprietary Limited	The dividend growth model was used to determine the fair value of the preference share using the historic dividends that were received from the investment.	Discount rate of 14.04% (February 2020: 14.2%) Annual perpetuity growth 0% (February 2020: 0%)	The estimated fair value would increase/(decrease) if: • the discount rate was lower/(higher) by 1% then the value would increase/(decrease) by R2 million; and • the annual perpetuity growth rate was higher/(lower) by 1% then the value would increase/(decrease) by R2 million.

Transfers

There were no transfers between levels 1, 2 or 3 of the fair value hierarchy for the period ended 28 February 2021 and the year ended 29 February 2020.

9. RELATED PARTY TRANSACTIONS

The group has a related-party relationship with, associates, joint ventures and key management.

R millions	28 February 2021	29 February 2020
Transactions		
Sale of goods and services to joint venture	**1**	1
Key management remuneration	**55**	82
Balances		
Thobela Telecoms – joint venture (Trade receivables)	**309**	309
Thobela Telecoms – joint venture (Investment loan)	**48**	23

10. ACQUISITION OF SUBSIDIARIES AND CHANGES IN OWNERSHIP

10.1 SIGNIFICANT ACQUISITION OF SUBSIDIARIES

Acquisition of Ubusha Technologies Proprietary Limited ("Ubusha")

Effective 1 March 2020, Altron, through its wholly-owned subsidiary, Altron TMT SA Group, acquired the entire issued share capital of Gydan Investments (RF) Proprietary Limited, the holding company of Ubusha Technologies Proprietary Limited ("Ubusha"), including, *inter alia*, its primary subsidiary, Ubusha.

The acquisition significantly enhances Altron's existing capability in the IT security market. Through Ubusha, Altron will strengthen its capabilities and will now be able to offer customers a securely managed identity profile for their clients across devices, platforms and locations.

The purchase price is approximately R367 million, of which R259 million was paid upfront and the remainder is payable over two years, with no targets attached to the payment of the remaining balance.

Goodwill of R290 million has been recognised on the acquisition of Ubusha which relates to the expected future synergies flowing from the Group's intention to increase its footprint in security offerings into new markets and customer segments.

The acquisition contributed revenue of R102 million and net profit after tax of R14 million to the group during the year ended 28 February 2021.

10. ACQUISITION OF SUBSIDIARIES AND CHANGES IN OWNERSHIP CONTINUED

10.1 SIGNIFICANT ACQUISITION OF SUBSIDIARIES continued

The acquired balances at the effective date were as follows:

R millions	Recognised values	Fair value adjustments	Carrying amount
Intangible assets on acquisition	–	56	56
Deferred tax	–	(16)	(16)
Trade and other receivables	37	–	37
Net cash acquired	16	–	16
Trade and other payables	(28)	–	(28)
Total net assets on acquisition	25	40	65
Goodwill on acquisition			290
Total consideration*			355
Less: Treasury shares utilised to settle transaction (note 13.2)			(36)
Less: Deferred purchase consideration			(96)
Cash paid			223
Less: Cash and cash equivalents in subsidiary acquired			(16)
Cash paid in relation to Ubusha			207
Other acquisitions not material to the group			15
Cash paid in relation to current year acquisitions			222
Contingent consideration paid relating to prior year acquisition			30
Cash paid in relation to current year acquisitions			252

* Included in the total purchase consideration of R367 million is the deferred purchase consideration of R108 million, which has been present valued to R96 million resulting in the consideration in the table above reflecting R355 million

10.2 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Altron Nexus Proprietary Limited ("Nexus")

On 30 June 2020, the group acquired 25% plus 1 share of the issued shares of Nexus for R30 million bringing the group's total share to 100%. Immediately prior to the purchase, the carrying amount of the existing non-controlling interest in Nexus was R178 000.

The group recognised a decrease in non-controlling interests of R178 000 and a decrease in equity attributable to owners of the parent of R30 million.

Netstar Proprietary Limited ("Netstar")

On 17 June 2020, the group acquired an additional 5% share of the issued shares of Netstar for R4 million. Immediately prior to the purchase, the carrying amount of the existing non-controlling interest in Netstar was negative R253 million. The group recognised a decrease in the negative non-controlling interests of R51 million and a decrease in equity attributable to owners of the parent of R55 million.

On 30 October 2020, the group acquired an additional 20% plus one share of the issued shares of Netstar for R50 million bringing the group's total share to 100%. Immediately prior to the purchase, the carrying amount of the existing non-controlling interest in Netstar was negative R200 million. The group recognised a decrease in the negative non-controlling interests of R200 million and a decrease in equity attributable to owners of the parent of R250 million.

Altech UEC South Africa Proprietary Limited ("UEC")

On 25 August 2020, the group acquired 25% + 1 share of the issued shares of UEC for a nominal amount bringing the group's total share to 100%. Immediately prior to the purchase, the carrying amount of the existing non-controlling interest in UEC was negative R57 million. The group recognised a decrease in non-controlling interests of R57 million and a decrease in equity attributable to owners of the parent of R57 million.

The effect of the above transactions on premium/discount on non-controlling equity transactions reserve during the year is summarised as follows:

	28 February 2021			
R millions	Nexus	Netstar	UEC	Total
Carrying amount of non-controlling interests acquired	–	(251)	(57)	(308)
Consideration paid to non-controlling interests	(30)	(54)	–	(84)
Excess of consideration paid recognised in reserves (premium/discount on non-controlling equity transactions)	(30)	(305)	(57)	(392)

11. DISPOSAL OF SUBSIDIARIES AND BUSINESSES

Demerger and separate listing of Altron´s United Kingdom ("UK") subsidiary, Bytes Technology Group Limited ("Bytes UK")

As part of its strategic review, the Board assessed each of the business units within the Altron group, to identify opportunities which have the potential to unlock further value for shareholders and to streamline operations. The Board concluded that the true value of Bytes UK, a wholly-owned subsidiary of Altron, is not reflected in the Company´s share price. This business has increasingly developed a growth trajectory and strategic levers that are different to the rest of the Group and operates in a different geographical capital market with a highly rated peer group. Consequently upon successful completion of required formalities which included obtaining shareholder and board approval on 1 December 2020 and 29 October 2020 respectively, the Altron group demerged its shareholding in Bytes Technology Group Limited (now named Bytes Technology Limited) ("Bytes UK") with effect from 17 December 2020.

The demerger of Bytes UK was implemented on the following basis:

- The separation of Bytes UK from Altron occurred by way of a disposal by Altron of all its shares in Bytes UK to a wholly-owned subsidiary of the newly established Bytes UK HoldCo, Bytes Technology Group Plc Limited in consideration for 220 506 494 convertible notes.
- The convertible notes and the demerger transaction were conditional on fulfilment of the suspensive conditions and would lapse and be cancelled if the suspensive conditions were not fulfilled. When the suspensive conditions are fulfilled, the transaction and the issue of the convertible notes would become effective. On the effective date, the convertible notes was accounted for at fair value through profit or loss in accordance with the requirements of IFRS 9. The convertible notes are non-interest bearing. In terms of the conditions of the transaction, on the effective date, the convertible notes received were distributed to shareholders of the Altron Group as a dividend *in specie* to be accounted for at fair value in accordance with the requirements of IFRIC 17.
- Bytes Technology Group Plc was admitted to the London Stock Exchange and the Johannesburg Stock Exchange on 17 December 2020, which fulfilled the final suspensive condition of the convertible notes and the demerger transaction and as a result, the convertible notes became effective at its fair value of R11 854 million on this date calculated at the IPO offer price of £2.70 and converted at the prevailing exchange rate.
- At the effective date, of the 220 506 494 convertible notes received as consideration, 200 877 173 were distributed by way of a dividend *in specie* to Altron Ordinary Shareholders, in the ratio of 0.5 convertible note for every 1 Altron Ordinary Share held. The convertible notes were therefore distributed at the same value they were acquired which was considered to be the fair value on date of distribution.
- The fair value of the 200 877 173 convertible notes distributed on the effective date was R10 799 million, of which R8 738 million was distributed out of reserves and R2 061 million was distributed out of share capital at a rate of R5.13 per share as resolved by the Board. In addition, dividends tax of R670 million was settled on behalf of shareholders.
- As a result of the 32 287 469 treasury shares held, the group was entitled to 16 143 735 convertible notes which were fully sold down on the effective date realising proceeds of R867 million of which R166 million represents a return of capital (note 13).
- Altron retained 19 629 321 of the convertible notes, which were fully sold down on the effective date at a fair value of R1 055 million in order to settle the dividends tax of R670 million which arose on the distribution of the dividend *in specie*, which was settled by Altron as an agent on behalf of their shareholders from the R1 055 million received. At the time of the distribution, Altron had estimated that 9% of the convertible notes would be sufficient to settle the dividends tax.
- The actual liability for the dividends tax was only determined post Altron receiving the declarations from Shareholders in terms of section 64FA of the Income Tax Act 58 of 1962.
- Subsequent to receiving the declarations from Shareholders and settling SARS, Altron has determined that it overestimated the dividends tax liability, which was concluded to be R670 million and subsequently settled.

Altron therefore has additional cash on its balance sheet as a result of the Bytes UK demerger. The intention of the demerger was to create and return value to Shareholders. As such the Altron board of directors has resolved to pay said cash to Shareholders in the form of a special dividend.

Refer to note 14 for the subsequent dividend declaration.

11. DISPOSAL OF SUBSIDIARIES AND BUSINESSES CONTINUED

The gain on disposal of Bytes UK is calculated as follows:

R millions	GROUP 28 February 2021
Non-current assets	**(893)**
Property, plant and equipment	**(168)**
Right-of-use assets	**(23)**
Goodwill and other intangible assets	**(702)**
Current assets	**(4 436)**
Inventories	**(12)**
Trade and other receivables	**(3 842)**
Cash and cash equivalents	**(582)**
Non-current liabilities	**62**
Lease liabilities	**28**
Deferred tax	**34**
Current-liabilities	**4 958**
Trade and other payables	**4 935**
Other	**23**
Net asset value of Bytes UK derecognised previously consolidated at 17 December 2020	**(309)**
Foreign currency translation reserve recycled at 17 December 2020	**277**
Share-based payment reserve at 17 December 2020	**27**
Fair value of the convertible notes received	**11 854**
Gain on demerger of Bytes UK (before demerger costs)	**11 849**
Demerger costs	**(124)**
Gain on demerger of Bytes UK (net of demerger costs)	**11 725**
Proceeds received on disposal	
Net asset value	**309**
Foreign currency translation reserve recycled at 17 December 2020	**(277)**
Share-based payment reserve at 17 December 2020	**(27)**
Gain on demerger of Bytes UK (before demerger costs)	**11 849**
Proceeds before declaration of dividend *in specie*	**11 854**
Dividend *in specie**	**(9 406)**
Return of capital at R5.13 per share (note 13)	**(2 061)**
Proceeds received net of dividend declared	**387**
Proceeds received UK demerger transaction as a result of treasury shares held**	**867**
Total proceeds received on Bytes UK demerger	**1 254**
Other disposals not material to the group	**45**
Proceeds receivable at the beginning of the year	**150**
Proceeds receivable at the end of the year	**(132)**
Total proceeds received on disposals	**1 317**
Less cash disposed	**(582)**
Proceeds on the disposal of subsidiaries and businesses net of cash	**735**
**** Total dividend in specie declared***	***(9 406)***
Less Dividend received as a result of treasury shares	***701***
Dividend declared as per consolidated statement of changes in equity	***(8 705)***
***** Proceeds received from the UK demerger transaction as a result of treasury shares held***	
Dividend received as a result of 32 287 469 treasury shares held on 17 December 2020	***701***
Return of capital at R5.13 per treasury share held (note 13)	***166***
Proceeds received relating to treasury shares held	***867***

* *The dividends tax was paid by the group on behalf of its shareholders on declaration of the dividend in specie in relation to the shares transferred as embodied in the related transactional agreements. The dividends tax paid has been included in the dividend in specie and the proceeds on disposal have been reflected net of the dividends tax paid due to the group acting as a conduit on behalf of shareholders in relation to the dividends tax paid*

12. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

Restatement of comparative information

In prior years the decision was taken to dispose of the Powertech group and the Multimedia group, and as a result, these businesses were classified as discontinued operations. The relevant requirements of IFRS 5 were met for this classification at the time. The disposals of the assets and liabilities held-for-sale were completed during the previous financial years, except for the investment held in CBI-Electric Telecom Cables (CBI) which forms part of the Powertech Group. Accordingly, the investment continued to be classified as held-for-sale as the investment in CBI does not align with the group's strategy and future outlook. During the current year, it was concluded that the held-for-sale criteria are no longer met and as a result the investment has been equity accounted as from the date of its classification as held-for-sale. Refer to note 17 for more detailed disclosures on the restatement of prior period comparatives.

Assets and liabilities classified as held-for-sale and discontinued operations during the current year

The Altron group previously communicated the group's intention to focus on its core operations and its deliberations around potential businesses to be disposed of. Effective 31 August 2020, the board therefore resolved that the Altron People Solutions ("APS"), Altron Document Solutions ("ADS") and Altron Arrow ("Arrow") operations do not form part of the group's core business and as a result will be disposed of. Management is currently actively marketing these investments at an appropriate fair value and are in current negotiations with potential buyers. The sale of these entities is expected to be completed in the next 12 months. The board further resolved from the date of the resolution, that these operations be classified as discontinued operations in accordance with IFRS 5 as the classification criteria have been met.

In addition, included in results from discontinued operations are the results of the Bytes UK operations as well as the Bytes Conference Centre. The Bytes UK demerger transaction was completed during the current financial year (note 11) and the Bytes Conference Centre has been deregistered. These operations represent a separate geographical area and a major line of business, respectively, that have been disposed of at year end.

Financial performance and cash flow information

The comparative consolidated statement of comprehensive income has been restated for the classification of Bytes UK, Bytes Conference Centre, APS, ADS and Arrow as discontinued operations in the current reporting period. As disclosed above and in note 17, comparative information has been restated for the investment in CBI as held-for-sale criteria are no longer met.

12. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS CONTINUED

R millions	GROUP 28 February 2021	GROUP 29 February 2020 Restated*
Net assets of business held-for-sale:		
Assets classified as held-for-sale		
Property, plant and equipment	56	–
Intangible assets and goodwill	44	–
Right-of-use assets	52	–
Financial assets at amortised cost	169	–
Financial assets at fair value through other comprehensive income	21	–
Finance lease assets	245	–
Non-current assets	587	–
Inventories	426	–
Trade and other receivables	744	–
Contract assets	40	–
Cash and cash equivalents	73	–
Current assets	1 283	–
Assets classified as held-for-sale	1 870	–
Loans	246	–
Lease liabilities	43	–
Deferred taxation	2	–
Non-current liabilities	291	–
Loans	219	–
Lease liabilities	17	–
Provisions	1	–
Trade and other payables	84	–
Contract liabilities	24	–
Taxation payable	2	–
Current liabilities	347	–
Liabilities classified as held-for-sale	638	–

* Comparative information has been restated for equity accounted investment no longer considered to be held-for-sale (note 17)

12. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS CONTINUED

Breakdown of disposal groups held-for-sale:

R millions	Altron Document Solutions	Altron People Solutions	Altron Arrow	Impairments	Total
	28 February 2021				
Assets classified as held-for-sale	**1 590**	**211**	**250**	**(181)**	**1 870**
Non-current assets	641	106	21	(181)	587
Current assets	949	105	229	–	1 283
Liabilities classified as held-for-sale	**491**	**82**	**65**	**–**	**638**
Non-current liabilities	263	26	2	–	291
Current liabilities	228	56	63	–	347

Cash flows utilised in discontinued operations:

R millions	28 February 2021	29 February 2020
Net cash utilised in operating activities	206	303
Net cash utilised in investing activities	(38)	7
Net cash utilised in financing activities	(284)	(306)
Net cash flow for the year	**(116)**	4

13. SIGNIFICANT EVENTS AND TRANSACTIONS

13.1 CREDIT RISK CONCENTRATION RISK

Altron Nexus Proprietary Limited ("Nexus") holds a jointly controlled interest in Thobela which is the vehicle to which the City of Tshwane Metropolitan Municipality awarded the tender for the provision of a municipal broadband network project on 9 June 2015. Nexus was in turn contracted by Thobela to complete the building and implementation of the City of Tshwane Project. Judgment was handed down in relation to the previously pending legal matter on 16 July 2019 in favour of the City of Tshwane ("COT") pursuant to an application brought by the COT to review and set aside the tender process which was initially lodged on 22 August 2017.

On 5 October 2020, the SCA ruled in favour of Nexus and the other appellants with costs and upheld the appeal with costs and overturned the High Court decision with the effect that the Build, Operate, and Transfer ("BOT") Agreement is valid and binding. The COT notified Nexus and the appellants in writing that the COT did not intend to appeal the SCA judgment and allowed the due date to file an appeal to lapse. Consequently, the COT entered into discussions with Nexus around a possible settlement, with a revised scope and payment of all amounts due.

Following a change in the provincial government, the COT revised its decision and filed an application for condonement as well as an application for an appeal against the SCA judgment in the Constitutional Court on 19 January 2021. Nexus and Thobela filed opposing affidavits against both applications, and the matter is currently on the Roll for matters waiting directions set down for the Constitutional Court's term.

Taking these events into account, the group estimated the expected credit loss provision in relation to the balances outstanding from Thobela at the reporting date, using a weighted probability analysis of the expected cash flows to be received under a number of scenarios, which included estimates as to the probability of the various outcomes.

Through consultation with Senior Counsel, management have been guided to the conclusion that there is a high probable outcome of success in relation to the matter being settled through the recovery of the BOT agreement. In addition, any potential loss is further mitigated through Nexus's right to collect the equipment that has been installed due to amounts owing being outstanding.

13. SIGNIFICANT EVENTS AND TRANSACTIONS CONTINUED

13.2 ALTRON GROUP TREASURY SHARES

Shares utilised in the acquisition of the Ubusha Technologies Proprietary Limited ("Ubusha") transaction
The group utilised 1 683 025 of its treasury shares to discharge R36 million (note 10.1) of its upfront purchase price. At the date of the transaction, the treasury shares were carried at a cost of R42 million. A loss of R6 million has been recognised directly in equity.

Settlement of cash collateral – Share Linked Incentive (SLI) hedge
On 26 August 2020, the group settled its SLI hedge. The group had the settlement option in terms of the agreement to receive cash or the physical settlement of shares. The group elected to receive shares and as a result the number of treasury shares increased by 5 790 413. The SLI hedge was classified as a non-current financial asset at fair value through profit or loss. A gain of R14 million was recognised on the date of the transaction based on the group's share price.

The effect of the above transaction on the number and value of treasury shares may be summarised as follows:

	Value R millions	Number of shares
Balance at 29 February 2020	299	28 180 081
Shares disposed during the year	(42)	(1 683 025)
Acquired on settlement of Share linked incentive (SLI) hedge	131	5 790 413
Return of capital#	(166)	–
Balance at 28 February 2021	222	32 287 469

As part of the Bytes UK demerger transaction, the Altron Board resolved that an amount of R5.13 per Altron Ordinary Share results in a return of share capital of Altron in relation to the distribution (refer to note 11)

14. EVENTS AFTER REPORTING PERIOD

14.1 ACQUISITION OF LAWTRUST

Altron TMT SA Group Proprietary Limited ("TMTSAG") a wholly-owned subsidiary of the Altron Group has entered into an agreement with Etion Limited ("Etion"), a South African public company listed on the Johannesburg Stock Exchange in terms of which Etion will sell and TMTSAG will acquire 100% of the issued shares in Law Trusted Third Party Services Proprietary Limited ("Lawtrust"). Lawtrust is a digital trust services and cyber information security solutions provider, and provides services to over 500 clients in the private and public sectors.

Acquisition consideration
The acquisition consideration of R245 million, subject to certain adjustments, is payable by TMTSA to Etion as follows:

- A payment of R185 million on the effective date of the transaction.
- R30 million (subject to the potential adjustment relating Lawtrust's net debt and working capital as at the Effective Date) to be paid to Etion within 10 business days of the certification or determination of the closing accounts in accordance with the Agreement.
- R30 million to be paid to Etion on the first anniversary of the Effective Date less any legitimate warranty, indemnity and other potential claims under the Agreement.

Given that the transaction is subject to various outstanding conditions which include but are not limited to obtaining Etion shareholder and regulatory approval at the date of this report, no further initial accounting for business combinations has been performed.

14. EVENTS AFTER REPORTING PERIOD CONTINUED

14.2 RESIGNATION OF PRESCRIBED OFFICER

The Altron Group announced on 30 April 2021 that Mr Andrew Holden, Altron's Chief Operating Officer has tendered his resignation effective from 31 May 2021. Mr Holden's resignation applies to all his roles and responsibilities within the Altron Group and its affiliates effective from 31 May 2021.

14.3 INCREASE AND EXTENSION OF LONG-TERM DEBT FACILITY

Subsequent to year-end, the Altron Group amended its existing common terms agreement ("CTA") in terms of its long-term debt financing with the banks. The current revolving credit facility of R550 million was increased by an additional R300 million on 23 April 2021 and the tenor was extended by an additional 12 months to 31 August 2023. There were no other changes to the CTA and the R300 million additional facility remains undrawn at the date of this report.

14.4 DIVIDENDS DECLARED

Declaration of special dividend

As part of the Bytes UK demerger transaction (note 11), Altron retained approximately 9% of the Convertible Notes in order to settle the dividends tax which arose on the distribution of the dividend *5*. At the time of the distribution, Altron had estimated that 9% of the Convertible Notes would be sufficient to settle the dividends tax, however, the actual liability for the dividends tax was only determined post Altron receiving the declarations from Shareholders in terms of section 64FA of the Income Tax Act. 58 of 1962.

Subsequent to receiving the declarations from Shareholders and settling SARS, Altron has determined that it overestimated the dividends tax liability. Altron therefore has additional cash on its balance sheet as a result of the Bytes UK demerger. The intention of the demerger was to create and return value to Shareholders. As such the Altron board of directors has resolved to pay said cash to Shareholders in the form of a special dividend.

Accordingly, a gross special dividend of 96 cents per Altron Ordinary Share, payable out of income reserves, was declared on 22 April 2021 and was subject to South African Reserve Bank ("SARB") approval which was obtained on 19 April 2021.

Declaration of final dividend

The board declared a final dividend of 15 cents per share on 14 May 2021.

The directors are not aware of any other events after the reporting period that will have an impact on financial position, *performance or cash flows of the group.*.

15. REVENUE BY SEGMENT

The Altron group is a diversified group which derives its revenues and profits from a variety of sources.

Segmentation is based on the group's internal organisation and reporting of revenue based upon internal accounting presentation.

Revenue by reportable segment is disaggregated by major product/service and geographic region below.

28 February 2021

Continuing operations

R millions

Revenue by product	Altron Managed Solutions	Altron Nexus	Managed Services	Altron Systems Integration	Altron Security	Altron Karabina
Project related revenue	–	553	**553**	458	–	192
Over time	–	553	**553**	458	–	192
Sale of goods and related services	**533**	**144**	**677**	**524**	**–**	**–**
At a point in time	533	90	**623**	491	–	–
Over time	–	54	**54**	33	–	–
Maintenance, support and outsource services	**921**	**329**	**1 250**	**588**	**68**	**7**
Over time	921	329	**1 250**	588	68	7
Training and skills management	**–**	**–**	**–**	**–**	**–**	**3**
Over time	–	–	**–**	–	–	3
Software, cloud and licences, including software assurance services	**–**	**–**	**–**	**43**	**34**	**–**
At a point in time	–	–	**–**	39	34	–
Over time	–	–	**–**	4	–	–
Software application and development	**–**	**–**	**–**	**247**	**–**	**13**
Over time	–	–	**–**	247	–	13
Switching and other transactional services	**–**	**–**	**–**	**54**	**–**	**–**
Over time	–	–	**–**	54	–	–
Total revenue from contracts with customers	1 454	1 026	**2 480**	1 914	102	215
Rental finance income	–	–	**–**	–	–	–
Total revenue	1 454	1 026	**2 480**	1 914	102	215
Revenue by geographic region						
South Africa	1 262	985	**2 247**	1 761	102	193
Rest of Africa	192	41	**233**	75	–	–
Total Africa	1 454	1 026	**2 480**	1 836	102	193
Europe	–	–	**–**	72	–	–
Rest of world	–	–	**–**	6	–	22
Total international	–	–	**–**	78	–	22
Total revenue	1 454	1 026	**2 480**	1 914	102	215

	Altron Rest of Africa	Digital Trans-formation	Netstar	FinTech	HealthTech	Own Platforms	Corporate and consolidation and other international operations	Continuing operations
	3	653	–	–	–	–	(51)	1 155
	3	653	–	–	–	–	(51)	1 155
	193	717	1 549	173	1	1 723	(97)	3 020
	193	684	124	161	1	286	(97)	1496
	–	33	1 425	12	–	1 437	–	1 524
	93	756	–	155	–	155	(125)	2 036
	93	756	–	155	–	155	(125)	2 036
	–	3	–	–	–	–	–	3
	–	3	–	–	–	–	–	3
	29	106	–	36	155	191	(5)	292
	–	73	–	36	155	191	(5)	259
	29	33	–	–	–	–	–	33
	–	260	–	–	–	–	–	260
	–	260	–	–	–	–	–	260
	–	54	–	453	158	611	(32)	633
	–	54	–	453	158	611	(32)	633
	318	2 549	1 549	817	314	2 680	(310)	7 399
	–	–	–	–	–	–	–	–
	318	2 549	1 549	817	314	2 680	(310)	7 399
	11	2 067	1 293	772	310	2 375	(200)	6 489
	266	341	3	43	4	50	(119)	505
	277	2 408	1 296	815	314	2 425	(319)	6 994
	6	78	–	2	–	2	9	89
	35	63	253	–	–	253	–	316
	41	141	253	2	–	255	9	405
	318	2 549	1 549	817	314	2 680	(310)	7 399

15. REVENUE BY SEGMENT CONTINUED

28 February 2021

Discontinued operations

R millions

Revenue by product	Altron Document Solutions	Altron People Solutions	Altron Arrow	Bytes Technology Group UK
Project related revenue	–	–	–	323
Over time	–	–	–	323
Sale of goods and related services	555	65	374	410
At a point in time	400	28	374	409
Over time	155	37	–	1
Maintenance, support and outsource services	325	–	–	12
Over time	325	–	–	12
Training and skills management	–	226	–	32
Over time	–	226	–	32
Software, cloud and licences, including software assurance services	28	–	1	5 604
At a point in time	1	–	1	2 945
Over time	27	–	–	2 659
Software application and development	–	–	–	–
Over time	–	–	–	–
Switching and other transactional services	–	–	–	–
Over time	–	–	–	–
Total revenue from contracts with customers	908	291	375	6 381
Rental finance income	99	–	–	–
Total revenue	1 007	291	375	6 381
Revenue by geographic region				
South Africa	916	291	368	–
Rest of Africa	91	–	2	–
Total Africa	1 007	291	370	–
Europe	–	–	–	6 350
Rest of world	–	–	5	31
Total international	–	–	5	6 381
Total revenue	1 007	291	375	6 381

Other	Discontinued operations
–	323
–	323
–	1 404
–	1 211
–	193
–	337
–	337
–	258
–	258
–	5 633
–	2 947
–	2 686
–	–
–	–
–	–
–	–
–	7 955
–	99
–	8 054
–	1 575
–	93
–	1 668
–	6 350
–	36
–	6 386
–	8 054

15. REVENUE BY SEGMENT CONTINUED

The Altron group is a diversified group which derives its revenues and profits from a variety of sources.

Segmentation is based on the group's internal organisation and reporting of revenue based upon internal accounting presentation.

Revenue by reportable segment is disaggregated by major product / service and geographic region below.

29 February 2020

Continuing operations

R millions

Revenue by product	Altron Managed Solutions	Altron Nexus	Managed Services	Altron Systems Integration	Altron Karabina
Project related revenue	–	244	**244**	577	154
Over time	–	244	**244**	577	154
Sale of goods and related services	548	175	**723**	725	–
At a point in time	548	116	**664**	665	–
Over time	–	59	**59**	60	–
Maintenance, support and outsource services	845	449	**1 294**	471	9
Over time	845	449	**1 294**	471	9
Training and skills management	–	–	**–**	1	1
Over time	–	–	**–**	1	1
Software, cloud and licences, including software assurance services	–	–	**–**	59	13
At a point in time	–	–	**–**	57	–
Over time	–	–	**–**	2	13
Software application and development	–	–	**–**	170	–
Over time	–	–	**–**	170	–
Switching and other transactional services	–	–	**–**	73	–
Over time	–	–	**–**	73	–
Total revenue from contracts with customers	1 393	868	**2 261**	2 076	177
Rental finance income	–	–	**–**	–	–
Total revenue	1 393	868	**2 261**	2 076	177
Revenue by geographic region					
South Africa	1 274	832	**2 106**	1 965	177
Rest of Africa	119	36	**155**	76	–
Total Africa	1 393	868	**2 261**	2 041	177
Europe	–	–	**–**	31	–
Rest of world	–	–	**–**	4	–
Total international	–	–	**–**	35	–
Total revenue	1 393	868	**2 261**	2 076	177

Altron Rest of Africa	Digital Transformation	Netstar	FinTech	HealthTech	Own Platforms	Corporate and consolidation and other international operations	Continuing operations
14	745	–	–	–	–	(65)	924
14	745	–	–	–	–	(65)	924
244	969	1 541	251	1	1 793	(125)	3 360
244	909	147	241	1	389	(120)	1 842
–	60	1 394	10	–	1 404	(5)	1 518
115	595	–	149	9	158	(66)	1 981
115	595	–	149	9	158	(66)	1 981
–	2	–	–	–	–	17	19
–	2	–	–	–	–	17	19
–	72	–	18	141	159	(2)	229
–	57	–	18	141	159	(2)	214
–	15	–	–	–	–	–	15
–	170	–	–	–	–	–	170
–	170	–	–	–	–	–	170
–	73	–	491	170	661	(34)	700
–	73	–	491	170	661	(34)	700
373	2 626	1 541	909	321	2 771	(275)	7 383
–	–	–	–	–	–	–	–
373	2 626	1 541	909	321	2 771	(275)	7 383
7	2 149	1 351	869	318	2 538	(155)	6 638
295	371	5	37	3	45	(19)	552
302	2 520	1 356	906	321	2 583	(174)	7 190
8	39	–	3	–	3	(101)	(59)
63	67	185	–	–	185	–	252
71	106	185	3	–	188	(101)	193
373	2 626	1 541	909	321	2 771	(275)	7 383

15. REVENUE BY SEGMENT CONTINUED

29 February 2020

Discontinued operations

R millions

Revenue by product	Altron Document Solutions	Altron People Solutions	Altron Arrow	Bytes Technology Group UK
Project related revenue	–	–	–	233
Over time	–	–	–	233
Sale of goods and related services	916	29	463	450
At a point in time	837	6	463	439
Over time	79	23	–	11
Maintenance, support and outsource services	463	–	–	80
Over time	463	–	–	80
Training and skills management	–	363	–	37
Over time	–	363	–	37
Software, cloud and licenses, including software assurance services	30	–	–	6 193
At a point in time	20	–	–	3 535
Over time	10	–	–	2 658
Total revenue from contracts with customers	1 409	392	463	6 993
Rental finance income	68	–	–	–
Total revenue	1 477	392	463	6 993
Revenue by geographic region				
South Africa	1 387	380	457	–
Rest of Africa	90	2	–	1
Total Africa	1 477	382	457	1
Europe	–	1	–	6 954
Rest of world	–	9	6	38
Total international	–	10	6	6 992
Total revenue	1 477	392	463	6 993

Other	Discontinued operations
–	**233**
–	**233**
5	**1 863**
–	**1 745**
5	**118**
–	**543**
–	**543**
–	**400**
–	**400**
–	**6 223**
–	**3 555**
–	**2 668**
5	**9 262**
–	**68**
5	**9 330**
5	**2 229**
–	**93**
5	**2 322**
–	**6 955**
–	**53**
–	**7 008**
5	**9 330**

16. REPORTING SEGMENTS

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. The group determines and presents operating segments based on the information that is internally provided to the group's executive committee, who is the group's chief operating decision-makers (CODM). An operating segment's operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the group's headquarters).

Segment analysis

The measures presented below are those that the CODM of the group monitors on an ongoing basis. The segmental information has been prepared to highlight the continuing and discontinued operating segments. This provides more insight into revenue, earnings before interest, tax, depreciation and amortisation and equity accounted losses before capital items (EBITDA before capital items), operating profit before capital items and depreciation disclosed in the statement of comprehensive income.

The segment revenues, earnings before interest, tax, depreciation, amortisation and capital items (EBITDA before capital items) and operating profit before capital items generated by each of the group's segments are summarised as follows:

	Revenue			EBITDA before capital items		
R millions	28 February 2021	29 February 2020	Growth	28 February 2021	29 February 2020	Growth
Altron Managed Solutions	**1 454**	1 393	4%	**97**	103	(6%)
Altron Nexus	**1 026**	868	18%	**83**	24	246%
Managed Services	**2 480**	2 261		**180**	127	
Altron Systems Integration	**1 914**	2 076	(8%)	**74**	125	(41%)
Altron Security	**102**	–		**40**	–	
Altron Rest of Africa	**318**	373	(15%)	**(6)**	26	(123%)
Altron Karabina	**215**	177	21%	**5**	2	150%
Digital Transformation	**2 549**	2 626		**113**	153	
Netstar	**1 549**	1 541	1%	**602**	611	(1%)
FinTech	**817**	909	(10%)	**180**	213	(15%)
HealtTech	**314**	321	(2%)	**109**	115	(5%)
Own Platforms	**2 680**	2 771		**891**	939	
Corporate and consolidation and other international operations	**(310)**	(275)	(13%)	**(177)**	(119)	(49%)
Other	**(310)**	(275)		**(177)**	(119)	
Continuing operations	**7 399**	7 383	0%	**1 007**	1 100	(8%)

16. REPORTING SEGMENTS CONTINUED

R millions	Revenue 28 February 2021	Revenue 29 February 2020	Revenue Growth	EBITDA before capital items 28 February 2021	EBITDA before capital items 29 February 2020	EBITDA before capital items Growth
Altech Multimedia	–	–	–	5	(7)	171%
Altech Autopage	–	–	–	11	2	450%
Powertech Group	–	–	–	–	(1)	100%
Bytes Conference Centre	–	5	(100%)	(4)	(4)	
Altron Document Solutions	1 007	1 477	(32%)	(2)	88	(102%)
Altron People Solutions	291	392	(26%)	(30)	22	(236%)
Altron Arrow	375	463	(19%)	16	16	
Bytes Technology Group UK	6 381	6 993	(9%)	710	613	16%
Discontinued Operations	**8 054**	9 330	(14%)	**706**	729	(3%)
Total	**15 453**	16 713	(8%)	**1 713**	1 829	(6%)

Segment EBITDA before capital items can be reconciled to operating profit before capital items as follows:

R millions	28 February 2021	29 February 2020
EBITDA before capital items	**1 713**	1 829
Reconciling items:		
Depreciation – Property, plant and equipment	**(159)**	(167)
Depreciation – Right-of-use assets	**(185)**	(195)
Amortisation	**(144)**	(132)
Amortisation of costs incurred to acquire contracts and capital rental devices	**(256)**	(251)
Total operating profit before capital items	**969**	1 084
Discontinued operations profit before capital items	**(627)**	(628)
Continuing operations profit before capital items	**342**	456

Revenues/EBITDA before capital items/operating profit from segments below the quantitative thresholds are attributable to smaller operating segments of the Altron group.
None of those segments have met any of the quantitative thresholds for determining reportable segments for the reportable periods.

Quantitative thresholds have been calculated based on totals for the Altron group and not per sub-group.

17. RESTATEMENT OF COMPARATIVE INFORMATION

Investment in CBI-Electric Telecom Cables Proprietary Limited ("CBI") previously classified as held-for-sale

CBI is a joint venture within the Altron Group. The group participates in this joint venture through its subsidiary Powertech Telecom Cables, which was part of the Powertech group.

During the 2016 financial year, the decision was taken to dispose of various assets within the Powertech group and, as a result, the respective businesses were classified as discontinued operations and the relating assets and liabilities as held-for-sale. The relevant requirements of IFRS 5 were met for this classification at the time. The disposals of assets and liabilities held-for-sale were finally completed during the 2019 financial year, except for the investment held in CBI which remained as held-for-sale at the end of the 2020 financial year.

Management's intention is to continuously engage with potential buyers and actively market the investment at a reasonable fair value despite the delays caused by the current economic environment and the effects of Covid-19 which are beyond the group's control. The investment in CBI does not align to the group's strategy and future outlook and therefore management remains committed to recovering this asset through sale.

Due to the lack of potential buyers in a declining market, the conditions in paragraph B1(c) of IFRS 5, for an exception to the one-year requirement in paragraph 8 of the standard to apply, are not met. The investment has therefore ceased to be classified as held for sale. The restatement is in line with the requirements of *IAS 28 Investments in Associates and Joint Ventures* and not as a result of a prior period error.

When an investment, or a portion of an investment, in an associate or a joint venture previously classified as held for sale no longer meets the criteria to be classified as so, it shall be accounted for using the equity method retrospectively as from the date of its initial classification as held for sale.

Financial statements for the periods since classification as held for sale shall be amended accordingly. CBI was initially recognised as held-for-sale in the 2017 financial year. During the 2018 and 2019 financial years, the group recognised an impairment loss in respect of the investment in CBI based on the determination of the fair value less cost to sell of the investment in accordance with IFRS 5 Non-current Assets Held for Sale and discontinued operations.

Evidence of impairment of the previously recognised held-for-sale asset was present in the 2018 and 2019 financial year and was recorded in terms of IFRS 5. The group's share of equity accounted profit has declined since 2017. The outlook for CBI therefore remains uncertain. Management received a formal offer in the 2019 financial year.

An impairment test was therefore performed at this point by comparing the carrying amount to the recoverable amount through the most recent offer which represented fair value less cost to sell. The fair value is considered to be level 3 in the fair value hierarchy. The impairment losses recognised in terms of IAS 36 amounting to R83 million, the reversal of the historical impairment recognised under IFRS 5 amounting to R89 million and the cumulative equity accounted losses from the initial date of classification as held for sale amounting to R21 million, has been included as part of the 2020 opening retained income.

The impact of the restated values on each of the affected financial statement line items may be summarised in the table below. A third balance sheet has not been presented in accordance with IAS 1 Presentation of Financial Statements as the impact of the retrospective restatement on the information in the statement of financial position on 1 March 2019 was considered immaterial.

	29 February 2020		
R millions	As previously reported	Adjustments	Restated
Balance sheet			
(Extract)			
Non-current assets			
Equity-accounted investments	15	43	58
Current assets			
Assets classified as held-for-sale	55	(55)	–
Total assets		(12)	
Total equity			
Retained earnings		5	
Balance at 28 February 2019	3 148	27	3 175
Profit for the year	670	(22)	648
Non-controlling interests		(17)	
Balance at 28 February 2019	(162)	(9)	(171)
Profit for the year	(12)	(8)	(20)
		(12)	
Income statement			
(Extract)			
Share of loss of equity-accounted investees, net of taxation	–	(30)	(30)
Profit before taxation	202	(30)	172
Profit for the year from continuing operations	152	(30)	122
Net profit for the year	658	(30)	628
Net profit attributable to:			
Non-controlling interests	(12)	(8)	(20)
Non-controlling interests from continuing operations	(20)	(8)	(28)
Non-controlling interests from discontinued operations	8	–	8
Altron equity holders	670	(22)	648
Altron equity holders from continuing operations	172	(22)	150
Altron equity holders from discontinued operations	498	–	498
Net profit for the year	658	(30)	628

17. RESTATEMENT OF COMPARATIVE INFORMATION CONTINUED

Correction of prior year accounting treatment

Software incorrectly classified as property, plant and equipment

During the current year, the Group undertook a detailed review of software classified as property, plant and equipment. Upon conclusion of this process, the Group identified specific purchased software that was incorrectly classified as property plant and equipment upon initial recognition.

The purchase of licences and software relating to cloud-based business application platforms as well as other specialised cloud-based software was found to not be an integral part of its related hardware and as a result should have been treated as an intangible asset.

The above has been corrected by updating each of the affected financial statement line items for the prior period as noted below. The corrections did not have an impact on opening retained income and therefore, only the impact on 2020 is disclosed.

	29 February 2020		
R millions	As previously reported	Adjustments	Restated
Balance sheet			
(Extract)			
Non-current assets			
Property, plant and equipment	648	(51)	597
Intangible assets and goodwill	1 945	51	1 996
Notes to the consolidated financial statements			
(Extract)			
Property, Plant and Equipment			
IT equipment and software			
Cost			
Balance at 28 February 2019	765	(58)	707
Additions at cost	108	(30)	78
Balance at 29 February 2020	836	(88)	748
Accumulated depreciation and impairment losses			
Balance at 28 February 2019	553	(26)	527
Depreciation for the year	100	(11)	89
Balance at 29 February 2020	607	(37)	570
Carrying amount at 29 February 2020	229	(51)	178
Intangible assets and goodwill			
Cost			
Balance at 28 February 2019	158	58	216
Additions at cost	–	30	30
Balance at 29 February 2020	92	88	180
Accumulated amortisation and impairment losses			
Balance at 28 February 2019	69	26	95
Amortisation for the year	20	11	31
Balance at 29 February 2020	45	37	82
Carrying amount at 29 February 2020	47	51	98
Operating profit before capital items			
Depreciation and amortisation			
Depreciation on property, plant and equipment	167	(11)	156
Amortisation of intangible assets and goodwill	132	11	143

SUPPLEMENTARY INFORMATION

for the year ended 28 February 2021

(TOTAL OPERATIONS – UNAUDITED)

R millions	28 February 2021	29 February 2020 Restated*
Depreciation and amortisation	**744**	745
Net foreign exchange (loss)/profit	**(26)**	(2)
Cash flow movements		
Capital expenditure (including intangibles)	**334**	258
Net movement on capital rental devices	**(33)**	4
Additions	**150**	207
Written off during the year	**(18)**	(21)
Amortisation for the year	**(165)**	(182)
Capital commitments	**69**	187
Contingent liabilities		
There were no contingent liabilities identified as at 28 February 2021		
Weighted average number of shares (millions)	**372**	371
Diluted average number of shares (millions)	**376**	374
Shares in issue at end of period (millions)	**370**	371
Ratios (total operations)		
EBITDA margin	**11.1%**	10.9%
ROCE averaged	**16.5%**	20.1%
ROIC	**16.1%**	19.4%
ROE (continuing operations)	**11.7%**	18.0%
ROA	**14.2%**	10.7%
RONA	**12.9%**	14.1%
Current ratio	**1.8:1**	1.2:1
Acid test ratio	**1.6:1**	1.1:1

* *Comparative information has been restated for equity accounted investment no longer considered to be held-for-sale (note 17)*

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