# UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

PBT group
DATA SPECIALISTS

# CONTENTS

# HALF-YEAR REVIEW

| Rand | | % Change | HY2023 | HY2022 | FY2022 | FY2021 | FY2020 | FY2019 |
|---|---|---|---|---|---|---|---|---|
| Revenue | (Rm) | 14.5% | 536.5 | 468.7 | 975.7 | 789.0 | 672.5 | 588.4 |
| EBITDA | (Rm) | 3.2% | 65.2 | 63.2 | 138.6 | 98.3 | 72.8 | 51.4 |
| Profit after tax | (Rm) | 5.5% | 43.8 | 41.6 | 92.3 | 65.3 | 46.0 | 33.6 |
| Cash generated from operations | (Rm) | (56.3%) | 28.3 | 64.7 | 135.8 | 92.1 | 102.1 | 36.5 |
| Normalised headline earnings | (Rm) | 2.5% | 34.7 | 33.9 | 78.5 | 45.8 | 31.2 | 22.6 |
| Headline earnings | (Rm) | 1.8% | 29.7 | 29.2 | 69.3 | 44.3 | 29.7 | 22.6 |
| Normalised headline earnings per share* (NHEPS) | (cents) | (0.8%) | 33.02 | 33.30 | 75.56 | 46.10 | 29.17 | 18.20 |
| Headline earnings per share (HEPS) | (cents) | (3.5%) | 35.78 | 37.09 | 82.89 | 50.59 | 30.79 | 18.20 |
| Distribution per share (DPS) | (cents) | 0% | 25.0 | 25.0 | 57.0 | 38.0 | 23.0 | 0.0 |
| Distribution cover | (NHEPS/DPS) | | 1.32 | 1.33 | 1.33 | 1.21 | 1.27 | 0.00 |
| Special distribution paid | (cents) | | 30.0 | – | – | – | – | – |
| Cash and cash equivalents (net of borrowings) | (Rm) | | (10.5) | 29.9 | 49.8 | 52.5 | 67.0 | 31.0 |
| Weighted average number of ordinary shares | (m) | 5.5% | 83.0 | 78.7 | 83.5 | 87.5 | 96.6 | 124.1 |
| Normalised weighted average number of ordinary shares | (m) | 3.3% | 105.1 | 101.7 | 103.8 | 99.3 | 107.0 | 124.4 |
| End of period issued ordinary shares (net of treasury shares) | (m) | 28.5% | 89.7 | 69.8 | 83.7 | 85.1 | 89.7 | 97.6 |
| End of period issued ordinary shares | (m) | (1.0%) | 105.0 | 106.0 | 105.9 | 99.1 | 102.3 | 109.2 |

*Note: Figures are rounded.*
*Note: FY = 12 months ended 31 March; HY = 6 months ended 30 September.*
* *Normalised headline earnings adjusts for the impact of IFRS 2. This is a more accurate reflection of the underlying earnings generated by PBT Group. Please refer throughout this report and the 2022 Integrated Report for more detail.*

## HOW PBT GROUP EARNS REVENUE

A services and solutions-based business.

### CLIENT ENGAGEMENT MODEL

1

**Consulting Services**

- Providing relevant expertise as a professional service.
- Billing largely per consulting hour on time and material basis.

2

**Projects**

- Engaging a team in collaboration with a client to deliver a solution via a formalised project.
- Billing based on predefined artefacts/ scope.

3

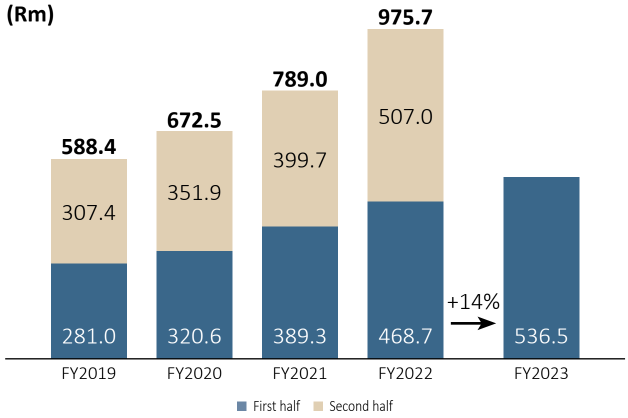
**Managed Services and Solutions**

- Providing a predefined service as a managed service.
- Billing fixed for monthly service.

# FINANCIAL HIGHLIGHTS

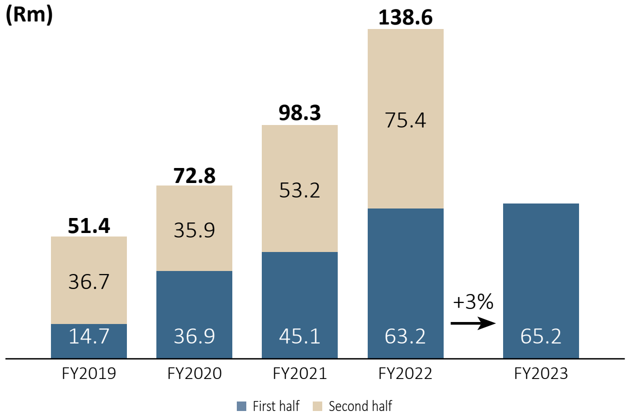
## Revenue

(Rm)



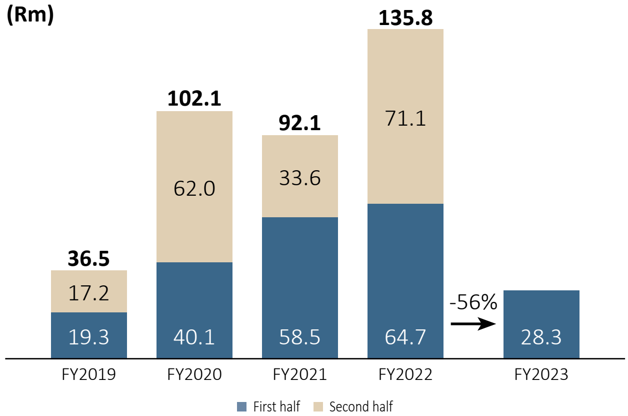

## EBITDA

(Rm)




## Cash generated from operations

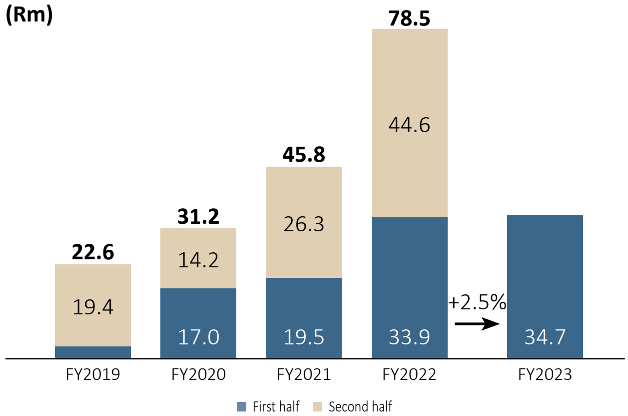
(Rm)




*Refer to note 10.*

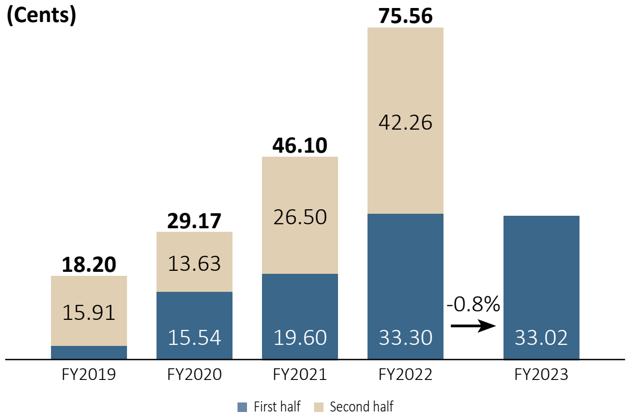
## Normalised headline earnings*

(Rm)



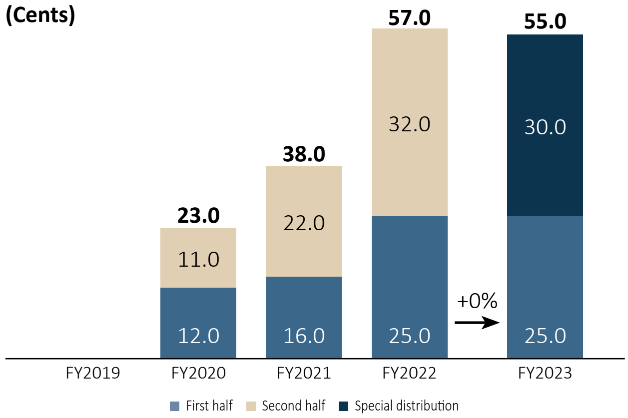

## Normalised headline earnings per share*

(Cents)




## Distribution per share

(Cents)




*Note: FY = 12 months ended 31 March; HY = 6 months ended 30 September.*

* *Normalised headline earnings adjusts for the impact of IFRS 2. This is a more accurate reflection of the underlying earnings generated by PBT Group. Please refer throughout this report and the 2022 Integrated Report for more detail.*

# ABOUT US

## Core competencies

PBT Group consists of a **core operational business** and of **non-core assets**.

## CORE BUSINESS

A data specialist and software services and solutions provider.

### Data and analytics

- Advisory and strategic
- Data architecture
- Data modelling
- Data engineering
- Analytics and visualisation
- Data migration
- On premise/in cloud

### Software development

- Application and software development
- Cloud and DevOps
- SQA and testing
- Mobile and web development, user interface (UI) and user experience (UX)

### Insurance technologies

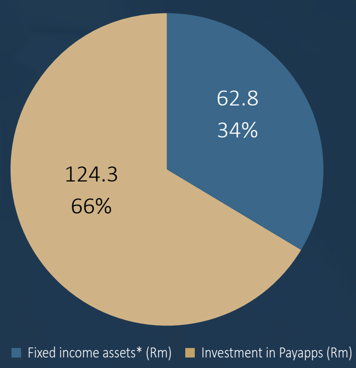
- Software solutions specific to the healthcare sector

Revenue is derived from South Africa (92%), Australia (5%), and Europe and the United Kingdom (3%).

## NON-CORE ASSETS

Valued at R187.1 million or R1.78 per share.

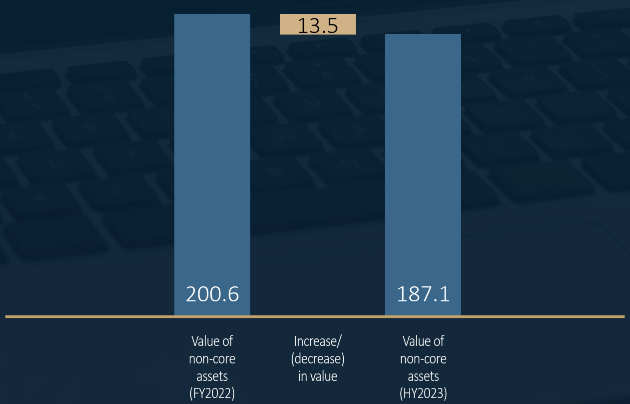
Our strategy is to sell the non-core assets over time and return the proceeds to shareholders via cash distributions/share repurchases.



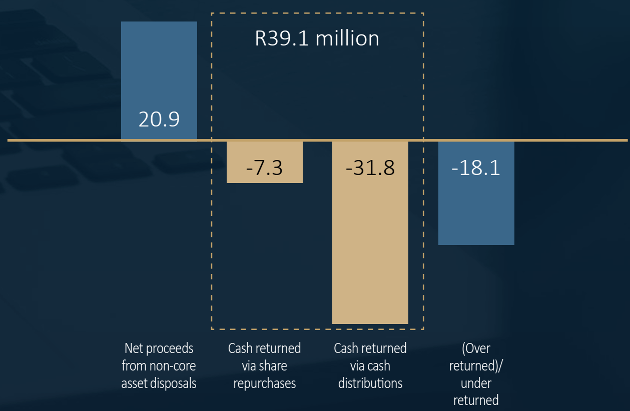

*Note: Figures are rounded.*
** Security is PBT Group Limited shares.*

## Progress on non-core asset disposals and returns to shareholders

**Movement in non-core assets (Rm)**




**Non-core asset disposals and returns to shareholders (Rm)**




*Note: FY = 12 months ended 31 March; HY = 6 months ended 30 September.*

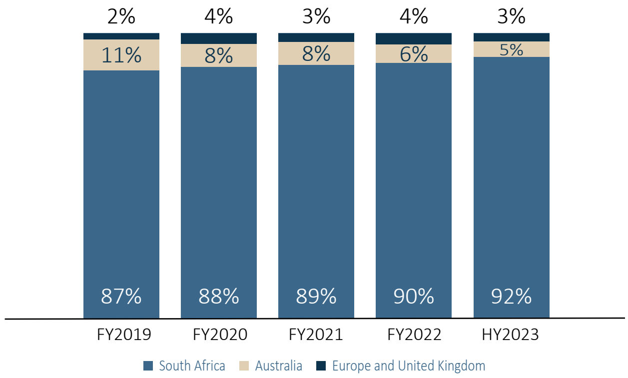
# ABOUT US

(continued)

## REVENUE EARNED BY

### Geographic area

**As a % of Group revenue**




*Note: Figures are rounded.*
*FY = 12 months ended 31 March; HY = 6 months ended 30 September.*

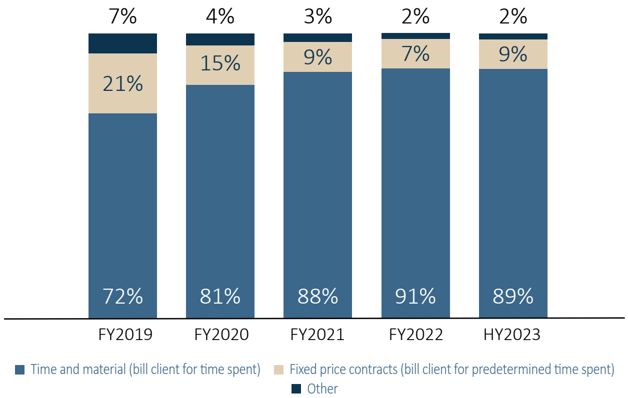
**South Africa**
- Revenue increased by 16% to R491.1 million (HY2022: R423.1 million).
- EBITDA increased by 10% to R69.6 million (HY2022: R63.2 million).

**Australia**
- Revenue decreased by 9% to R27.7 million (HY2022: R30.5 million) (constant currency: -14%).
- EBITDA decreased by 83% to R0.6 million (HY2022: R3.5 million) (constant currency: -84%).

**Europe and United Kingdom**
- Revenue increased by 18% to R17.6 million (HY2022: R15.0 million) (constant currency: +19%).
- EBITDA decreased by 66% to R1.0 million (HY2022: R3.0 million) (constant currency: -66%).

### Type

**As a % of Group revenue**

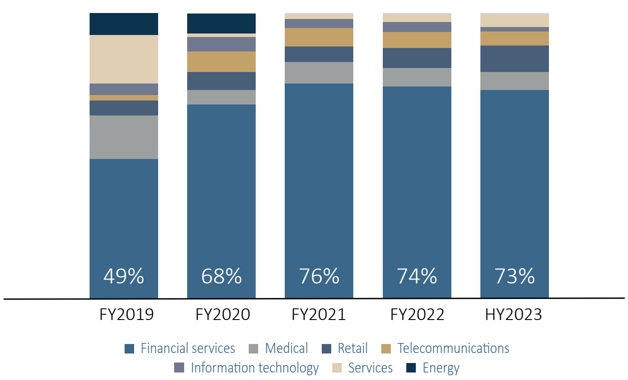



*Note: Figures are rounded.*
*FY = 12 months ended 31 March; HY = 6 months ended 30 September.*

- 98% of revenue is earned from low-risk time and material contracts, where clients are billed for actual time spent.
- Contracts mostly span over 12 months, after which it is typically renewed.

### Industries

**As a % of Group revenue**

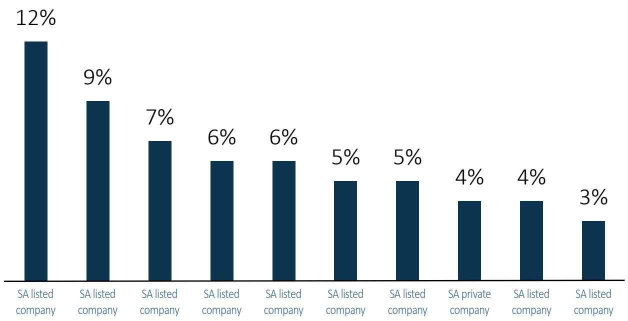



*Note: Figures are rounded.*
*FY = 12 months ended 31 March; HY = 6 months ended 30 September.*

- The bulk of revenue is earned from financial services clients. Driven by digital transformation.
- Most consultants are interchangeable between industries. Reduces risk of non-billable hours.

## Top 10 clients

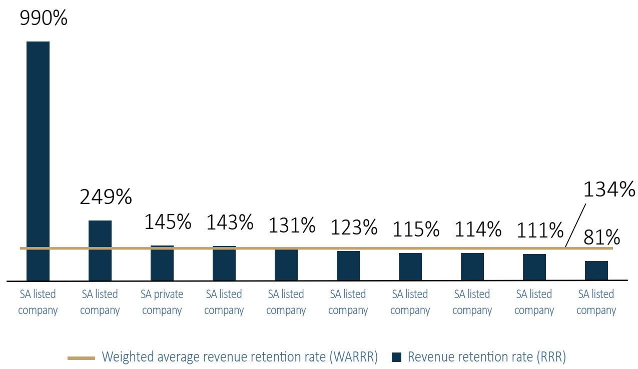
**As a % of Group revenue**




- Mostly Johannesburg Stock Exchange (JSE) listed A-grade clients. Low counterparty risk.
- Revenue earned from top 10 clients accounts for c. 61% of Group revenue.

*Note: Figures are rounded.*

**12-month revenue retention rate by top ten clients**




- Retained all top 10 clients (RRR > 0%).
- On average, achieved growth within client accounts (WARRR = 134%).

*Note: Figures are rounded.*
*FY = 12 months ended 31 March; HY = 6 months ended 30 September.*
*RRR calculation: HY2023 client revenue divided by HY2022 same client revenue.*
*WARR calculation: Sum of HY2023 top 10 clients' revenue divided by sum of HY2022 same clients' revenue.*

## CAPITAL ALLOCATION STRATEGY

### Organic expansion

- Secure new clients.
- Growth within client accounts.
- Organic expansion is **a focus area**.

### Distributions

- Substantial portion of earnings is paid as cash distributions.

### Share repurchases

- Thorough understanding of PBT Group's business.
- No integration risk.
- Earn an immediate return on capital invested.
- Disciplined approach.

### Acquisitive expansion

- Last acquisition was in 2012.
- Will consider strategic acquisitions but this is **not a focus area**.

**High** — **Priority ranking** — **Low**

# COMMENTARY

PBT Group is pleased to share its interim results for the period ending 30 September 2022. The demand for our services remains high and prospects across the Group are positive, despite the global economic slowdown.

We continue to put strong emphasis on cross-skilling our consultants to new technologies and methodologies, and are gearing towards an even stronger drive to upskilling youth to create job opportunities, whilst continuing to service the ever-growing and evolving data and analytics landscape.

## BUSINESS ACTIVITIES AND GROUP RESULTS

### Financial results highlights

- Revenue increased by 14.5% to **R536.5 million** (September 2021: R468.7 million).
- EBITDA increased by 3.2% to **R65.2 million** (September 2021: R63.2 million).
- Profit after taxation increased by 5.5% to **R43.8 million** (September 2021: R41.6 million).
- Cash generated from operations decreased by 56.3% to **R28.3 million** (September 2021: R64.7 million).
- Headline earnings increased by 1.8% to **R29.7 million** (September 2021: R29.2 million).
- Normalised headline earnings increased by 2.5% to **R34.7 million** (September 2021: R33.9 million).
- Earnings per share (EPS) decreased by 3.5% to **35.79 cents per share** (September 2021: 37.09* cents per share).
- Headline earnings per share (HEPS) decreased by 3.5% to **35.78 cents per share** (September 2021: 37.09* cents per share).
- Normalised headline earnings per share (NHEPS) decreased by 0.8% to **33.02 cents per share** (September 2021: 33.30 cents per share).
- Special cash distribution of **30 cents per share** paid during the period.
- Ordinary cash distribution of **25 cents per share** declared (September 2021: 25 cents per share).

* *Restated. Refer below and to note 15 Comparative figures.*

*All percentages are based on the full figures as stated in the annual financial statements.*

**PBT Group's financial performance was driven by:**

- Continued organic revenue growth of 14.5% and EBITDA growth of 3.2%.
- Revenue from the South African segment, which constitutes 92% of total Group revenue, increased by 16% which resulted in a 10% EBITDA increase for this segment.
- PBT Group received net proceeds from non-core asset disposals totalling R20.9 million and returned R39.1 million to shareholders via a special distribution of R31.8 million (30 cents per share) and share repurchases of R7.3 million.
- Higher than usual operating costs primarily due to increased incentives paid to the sales team during June 2022, based on the success of the 2022 financial year. These incentives are paid annually and will not repeat in the second half of the 2023 financial year.
- Although revenue increased by 18% in the European and United Kingdom segment, EBITDA from the combined international segments decreased, which weighed on the Group's profitability.
- Slower cash conversion of earnings, primarily due to slower trade receivable collections and increased revenue. The collection rate has largely returned to normal levels post the reporting period. More than R115.3 million of the R136.9 million outstanding debtors for the South African segment at period-end, were collected as at the date of this announcement.
- PBT Group management is confident that the slower conversion of earnings was temporary and is therefore comfortable to declare an interim distribution of 25 cents per share.

### NORMALISED HEADLINE EARNINGS

The purpose of the normalised EPS and HEPS is to reverse the accounting effect of IFRS 2 Share-based Payments, which the Board considers to have a material effect on the Group's financial statements.

IFRS 2 creates an unavoidable decrease in the weighted average number of ordinary shares (WANOS) for the periods in which certain assets are treated as treasury shares and will result in an increase in WANOS for the periods in which those same assets are no longer treated as treasury shares. As a result the implementation of IFRS 2 initially inflates the EPS and HEPS figures; however, over time, the impact on EPS and HEPS is reversed as WANOS increases. This effect is purely due to accounting standards which management feels is not a true reflection of the business and its earnings. Management is of the opinion that the impact of IFRS 2 on the EPS and HEPS figures is purely non-cash accounting adjustments, and does not consider the presented EPS and HEPS to be a true reflection of the earnings of the business. Therefore, a normalised EPS and HEPS is presented.

The normalised headline earnings attributable to ordinary shareholders is adjusted to:

- Include the preference dividends earned on the preference share investments with Yonex Investments Proprietary Limited (Yonex), Ayson Proprietary Limited (Ayson) and PBT Foundation Proprietary Limited (PBT Foundation). It must be noted that Spalding Investments 10 Proprietary Limited (Spalding) voluntarily redeemed its preference shares in full during the 2022 financial year and, as a result, PBT will no longer receive preference dividends from this investment. However, an IFRS 2 Share-based payment expense will still be recognised each financial year, up to year 7 in terms of the preference share agreement, at which point all the service conditions will be met;
- Include interest earned from a loan to Pulsent OH GP Proprietary Limited (Pulsent OH); and
- Exclude the IFRS 2 Share-based Payment expense for the transactions with Spalding, Yonex, Ayson, Pulsent OH and PBT Foundation.

The effect of other accounting standards, such as IFRS 9 Financial Instruments and IFRS 16 Leases, were considered in the determination of the normalised EPS and HEPS calculation, but due to the fact that these accounting standards do not create an irregular change on EPS and HEPS, they were not taken into account in the calculation of normalised earnings and HEPS.

As a result, the Board is of the view that a normalised EPS and HEPS, which removes the accounting effect of IFRS 2, is a more accurate reflection of after-tax earnings and after-tax earnings per share that will be more comparable over the years for the periods that the B-BBEE transactions have an IFRS 2 effect.

## Share-based payment transactions

### PULSENT OH GP PROPRIETARY LIMITED (PULSENT OH)

On 23 July 2021 the Company entered into a binding subscription agreement with Pulsent OH in terms of which Pulsent OH subscribed for 6 900 000 ordinary shares in the capital of the Company (Subscription Shares) at R4.50 per share for a total amount of R31.1 million (Subscription Amount). These shares were issued on 26 July 2021, in terms of the Company's general authority to issue shares for cash.

Pulsent OH funded R12.4 million, being 40% of the Subscription Amount, utilising its own resources, whereas the balance of the Subscription Amount was funded by way of vendor finance. The vendor finance was provided by PBT Technology Services Proprietary Limited (PBT Technology Services), a wholly owned subsidiary of PBT Group, which accordingly funded 60% of the Subscription Amount by advancing a loan to Pulsent OH. Pulsent OH's obligation under such loan is secured by a pledge and cession *in securitatem debit*i of 100% of the PBT Group ordinary shares subscribed for by Pulsent OH in terms of this transaction, as well as certain related claims.

As the only security for the repayment of the loan is the 6 900 000 PBT shares with no other recourse, the transaction is treated as a share-based payment transaction under IFRS 2 and the loan is treated as the issue of an option to the B-BBEE party. The loan is not recognised as an asset, but instead treated as treasury shares held by a subsidiary company. The WANOS is decreased with the full weighted 6 900 000 PBT shares and the R12.4 million funding received (being 40% of the newly issued share capital) included in the share-based payment reserve.

On 27 September 2022 Pulsent OH secured external funding of R22.5 million, guaranteed by PBT Group Limited, in order to fully settle its outstanding legal loan balance as well as acquiring an additional 1.1 million PBT shares. As a result, Pulsent OH currently holds a total of 8 million PBT shares.

By settling the legal loan balance in full, Pulsent OH has fully exercised its in-substance option over the 6.9 million PBT shares and these shares revert back to issued share capital for accounting purposes. The increase in share capital has the effect of increasing the WANOS proportionally, which will decrease the EPS and HEPS as expected and explained above. The full effect of this increase in share capital on the WANOS figure will only be seen over a 12-month period, when the reverted shares are fully weighted.

### SPALDING INVESTMENTS PROPRIETARY LIMITED

During the 2022 financial year Spalding Investments Proprietary Limited voluntarily fully redeemed their preference shares, which were treated as treasury shares for accounting purposes. As the voluntary redemption occurred during the 2022 financial year, the full effect on the WANOS figure will only be seen during the current 2023 financial year, when all the shares are fully weighted.

As with Pulsent OH, the effect of the treasury shares reverting back to issued shares is that the WANOS will increase with the weighted shares and the EPS and HEPS will decrease.

### SUMMARY OF IFRS 2 EFFECT FOR CURRENT PERIOD

The effect of IFRS 2 on the Group's financial statements is summarised as follows:

- IFRS 2 expense which decreased the Group's profits by R2.7 million;
- a total number of 15.3 million treasury shares were taken into account;
- investments in preference shares of R68.5 million are not treated as assets, which results in the total assets disclosed in the consolidated statement of financial position for September 2022 being understated by R68.5 million; and
- WANOS decreased by 22.1 million shares which, as a result, increased EPS and HEPS for the period.

## Increase in black ownership, repayment of Pulsent OH loan and PBT Group Limited providing a guarantee

As stated above, Pulsent OH secured external funding of R22.5 million in order to fully settle its outstanding loan owing to PBT Technology Services Proprietary Limited, and also acquired an additional 1.1 million PBT shares and now holds a total of 8 million shares.

As security for the timeous discharge by Pulsent OH of its obligations in terms of their funding of R22.5 million, PBT Group agreed to furnish the external financing party with a written guarantee to the value of R22.5 million.

The guarantee provided falls within the ambit of IFRS 9 Financial Instruments, more specifically financial guarantee contracts, and therefore it is to be classified as a financial liability at fair value through profit or loss. PBT placed a fair value of R0.07 million on the financial liability, which amount was based on a calculation of the potential cash outflows from PBT, in the event that Pulsent OH fails to comply with its repayment terms. Refer to note 8 Financial guarantee contract for more information.

## Restatement

During the 2022 financial year the treatment of the redemptions of preference shares and repayments of the loan treated as treasury shares were amended. This amendment had an impact on the treasury share value, the number of treasury shares and the EPS, DEPS, HEPS and DHEPS figures. Previously each redemption of preference shares and/or repayment of loan decreased the treasury share value as well as the number of treasury shares. Due to the fact that the full number of PBT shares held as collateral for the outstanding preference shares and debt will only cease to be collateral once the preference shares are redeemed in full and the loan repaid in full, the treasury shares cannot be reduced by the redemptions and loan repayments that already took place. Therefore, the September 2021 interim treasury share value and number of shares are restated to reflect the full number of PBT shares held as collateral until such time as the preference shares are redeemed in full and/or the loan is repaid in full. The EPS, DEPS, HEPS and DHEPS figures were also restated as the WANOS decreased due to this amendment. The restatement is not material and can be viewed in note 15 Comparative figures.

## Borrowings

On 12 May 2022 PBT Technology Services Proprietary Limited (PBT Technology Services) issued 20 Notes, each to the value of R1.5 million, for a total amount equating to R30 million, to Southchester Investment Managers Proprietary Limited. The loan is guaranteed by PBT Group Limited and is limited to the amount of R30 million together with any accrued interest outstanding in terms of the subscription agreement signed by PBT Technology Services. On 27 September 2022 PBT Technology Services repaid R22.5 million , resulting in an outstanding balance of R7.5 million.

## Share repurchases

During the period 965 317 shares were repurchased in accordance with the general authority to repurchase shares for an average price per share of R7.52. All repurchased shares were subsequently cancelled and delisted.

## Going concern

PBT Group is a focused, profitable, cash-generative business that operates in a growing industry. PBT Group continuously analyses its business and also prepares forward-looking cash flow forecasts based on the expected performance of the business.

Based on the above, PBT Group believes that it has adequate financial resources to continue in operation and will continue as a going concern for the foreseeable future. Accordingly, the unaudited condensed consolidated interim results have been prepared on a going concern basis.

The Directors are not aware of any material changes that may adversely impact the Company. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

## REVIEW OF OPERATIONS

The Group's performance for the first half of the 2023 financial year has been in line with our expectations, given the fact that the ever-changing data and analytics landscape is unfolding mostly in line with strategic initiatives as reflected in our previous financial report, with technology currently setting the trend for related professional services.

### South Africa

The trend mostly initiated by the COVID-19 pandemic is continuing, as companies are moving from on-premise to cloud-based alternatives at great pace. As previously stated, this has resulted in a quest for people far exceeding the supply to execute on these initiatives. As a result of the shortage in cloud computing skills, especially data related, many companies have turned towards technology. In short, a quicker way to get them from A to B with perceivably less human effort. However, applicable skills will still be required to deploy and incorporate the relevant technology to apply and to service the required business demand. As with reskilling from on-premise to cloud, the same principles apply to the new technology stacks, although the current situation has caused a slight slowdown in services as many companies are adapting their modernised data architecture to incorporate the relevant fast-track technologies. Thus, this almost relates to a technology selection reset period. The aftermath should in all probability result in another professional services burst for capacity once technology selections have been completed. Therefore, to some extent the shortage of skills should initially increase, at least for the short to midrange period, as a result of technology adoption.

Whilst the PBT Cloud training is in full swing with initial focus on Microsoft Azure, Amazon Web Services (AWS) and Google Cloud Platform (GCP), this has been extended to incorporate the IBM and Cloudera platforms. The training in the complementary technologies such as Informatica, WhereScape and Snowflake has commenced with great intensity in anticipation of the abovementioned technology uptake. As training takes shape, the Group's more than 20 years' depth and experience in the data world remains relevant and serves as a great base to adopt to the new world of technologies and cloud platforms. During the past six months PBT Group has completed projects in most of the abovementioned technologies and platforms. Among these were an end-to-end data warehouse solution using Snowflake technology for an international automotive and manufacturing company based in South Africa. Success was also achieved within various components of data projects at a leading insurance firm using Informatica's data quality component, WhereScape, for automation purposes and various Cloudera tech utilities. A PBT team has also been instrumental in a complex IFRS 17 project at yet another insurance company, using various technology stacks and applying data principles and techniques to contribute to another successful phase of the project. As a result, PBT Group is earmarked to partner with the client for subsequent phases. Another milestone has successfully been achieved in the establishment of a data platform for a subsidiary of a prominent European financial institution based in the Western Cape, using the full Microsoft technology stack. The experience gained from these projects is ploughed back into the training programme to the benefit of our full consultant base. Data virtualisation and data vault is being applied where and when needed on selective projects. PBT Group has also recently incorporated an accelerator training platform, all contributing to fast-track the unique and purposeful upskilling of our staff to address current and future demands. It remains PBT Group's focus to train and address the skills shortage in the market through the enablement of local skills and talent.

As a result of the current shortage in skills, remuneration expectations have seen a much higher staff turnover than before. Despite this, we have been able to replace where needed and still maintained a steady growth, on par with projections for the half-year. New clients have been added to an already impressive list during the past six months. Local economics and the European energy crisis remain a concern, but is not expected to cause a significant decline in demand for data and analytics services in the region. Our expectation is that the outcome of the PBT Academy training should realise in an increase in revenue. As a company we remain specialised and we are constantly creating capacity to stay focused and ahead of the trend to maintain the quality of the PBT Group offering to the market.

The pipeline for the South African region remains steady, including all functional areas of professional services related to data and analytics, such as solutions architecture, business analysis, data analysis, visualisation and data engineering. Coupled with the technology alignment and various cloud migrations in an advanced stage of being realised, the region is looking forward to the remainder of the financial year.

### Europe and the United Kingdom

PBT Group (UK) has been impacted directly by the European energy crisis. Clients are putting projects on hold or delaying new initiatives. In the United Kingdom we have experienced a number of projects being delayed and/or put on hold during the past six months. However, our sales team has been fortunate to replace these with additional revenue streams through cross-selling, or initiating projects earlier, some of which were intended to realise later in the financial year. This resulted in our revenue remaining steady, but the expected growth is slightly impacted. Despite challenging conditions, new clients have been onboarded during this period with projects aligned to our planned cloud and technology stack strategies, in this case Microsoft Azure and Informatica. All these projects are progressing well and are expected to roll over into the next six months of the financial

# COMMENTARY

(continued)

year, with additional potential clients and projects already having been lined up. Despite challenging circumstances within the region, the United Kingdom remains an important focus area for the Group, and as technology alignment and partnerships are starting to settle, the future in this region remains promising.

PBT Group Europe has experienced steady revenue growth during the reporting period, especially in the Netherlands and Benelux regions, despite it facing similar economic challenges. New clients were added to the existing client base, contributing to the increase in revenue for the region. The business is also well diversified through various sectors such as food distribution, retail, supply chain management, pharmaceuticals as well as the financial sector. The application and exposure to technology in applying our data skills is in line with our longer-term strategy. Mostly cloud complementary technologies such as Microsoft Azure and Informatica are being used within projects. The initiative at a leading client in the United States, as mentioned in our 2022 Integrated Report, has shown steady growth where PBT Group Europe is the chosen adviser to the business relating to most data and analytics projects in the organisation. Although the progress is slow, the potential for future projects is significant. Again, the technology stack aligns with our core competencies, which include full stack Microsoft, Azure Data Factory, Synapse and Power BI.

## Australia

Australia continues to be a challenging environment to operate in, due to a combination of a residual skills shortage from the pause in migration due to COVID-19 and increasing salary expectations putting a strain on staff retention. This has driven the need to diversify revenue streams, including increased investment into the RulesLab (70% subsidiary of PBT Group Australia) product suite, and strengthening our data analytics capability locally to mirror the success of the wider Group. The ability to expand our analytics capability is largely due to the restart of migration allowing PBT Australia to sponsor international recruitment, leveraging Australia's global reputation to attract high-value talent.

The client base has remained stable over the last six months, with most of our consultants engaged in long-term projects with minimal staff turnover. This covers a range of industries including insurance, health-tech and state government departments. The business sees continued opportunity in the health-tech sector as a growth area with both our existing client base as well as prospective clients. The next six months should also see the financial benefit of the significant investment in the specialist Ophthalmology data capability, with a strong pipeline of work for hospitals in the United Kingdom and a growing number of prospects in Europe, Australia and New Zealand.

State government continues to be a strong source of project work, particularly for our project management and business analysis practice in Victoria and there is an increasing number of opportunities in the analytics space in this sector across Victoria, New South Wales, Tasmania and Western Australia.

A number of recent high-profile data breaches have renewed focus among Australian businesses and government on data security and data governance, and this will likely be an area of focused spending over the next months and years. Strengthening the data and analytics capability puts us in a strong position to capitalise on this as a market focus over the next twelve months.

***

There are many reasons for PBT Group to be excited about the future. This relates to all regions, as the base has been established. Investment in the leading complementary technology stacks, projects within all three leading cloud platforms, as well as a unique training strategy to address the ever-increasing skills shortage, puts us in a position to become a global leader in our field of speciality.

## DISTRIBUTIONS

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

On Monday, 21 November 2022 the Board of Directors resolved to declare an interim distribution of 25 cents per PBT ordinary share for the period ended 30 September 2022. The total distribution will equate to R26.2 million. Each shareholder will be able to elect to receive the distribution as either a dividend as defined by the Income Tax Act, Act 58 of 1962 or as a capital reduction distribution. If no election is made, the default option will be that a dividend will be paid to such shareholders. An election form (for use by certificated shareholders) is included in the Interim Results booklet, containing details of the distribution, which was published on 30 November 2022. The Form of Election is also available for download on the Company's website: https://www.pbtgroup.co.za/investor-relations/.

The implications of the elections above are as follows:

- A gross dividend of 25 cents per PBT ordinary share from income reserves will be subject to dividend withholding tax at a rate of 20%. Consequently, a net final dividend of 20 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively the "regulated intermediary") on behalf of the shareholders. However, all shareholders choosing this option should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption.
- A capital reduction distribution of 25 cents per PBT ordinary share is not subject to dividend withholding tax as the distribution is paid out of capital reserves. As the distribution will be regarded as a return of capital and may therefore have potential capital gains tax consequences, shareholders are advised to consult their tax advisers regarding the impact of the distribution.

As at the date of declaration of the distribution there were 104 950 000 PBT ordinary shares in issue. The company's income tax reference number is 9725148713.

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

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

| | |
|---|---|
| Election period opens | Wednesday, 30 November 2022 |
| Last day to trade "cum distribution" | Tuesday, 20 December 2022 |
| First trading day "ex distribution" | Wednesday, 21 December 2022 |
| Record date | Friday, 23 December 2022 |
| Election period closes by 12:00 on | Friday, 23 December 2022 |
| Payment date | Tuesday, 27 December 2022 |

No share certificates may be dematerialised or rematerialised between Wednesday, 21 December 2022, and Friday, 23 December 2022, both days inclusive. Only the shareholders recorded in the Company's share register as at record date are entitled to receive the distribution declared.

Payments for certificated shareholders will be transferred electronically to their bank accounts on the payment date. Shareholders who hold dematerialised shares will have their accounts at their CSDP or stockbroker credited on Tuesday, 27 December 2022.

## CHANGES TO THE BOARD OF DIRECTORS

There were no changes to the Board during the period and to date of this report.

## FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements with respect to the financial condition and results of the operations of PBT Group that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. These may relate to future prospects, opportunities and strategies. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may differ from those anticipated. By consequence, none of the forward-looking statements have been reviewed or reported on by the Group's auditors.

**Tony Taylor**
Chairman

**Elizna Read**
Chief Executive Officer

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 September 2022

| Rand | Notes | Unaudited as at 30 September 2022 | Unaudited as at 30 September 2021 | Audited as at 31 March 2022 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Plant and equipment | | **3 337 361** | 2 959 581 | 3 034 739 |
| Right-of-use assets | | **7 929 065** | 13 492 098 | 10 503 196 |
| Goodwill | | **135 668 135** | 135 668 135 | 135 668 135 |
| Intangible assets | | **175 513** | 212 670 | 195 843 |
| Loans receivable | | **9 064 059** | 7 489 257 | 7 522 257 |
| Investments at fair value | 2 | **124 270 667** | 93 898 669 | 116 891 982 |
| Deferred tax asset | | **5 210 760** | 3 925 827 | 4 829 074 |
| | | **285 655 560** | 257 646 237 | 278 645 226 |
| **Current assets** | | | | |
| Loans receivable | | **2 544 850** | 1 751 000 | 2 544 850 |
| Trade and other receivables | 10 | **180 656 540** | 121 698 917 | 142 133 510 |
| Current tax receivable | | **1 254 745** | 525 220 | 33 079 |
| Cash and cash equivalents | 10 | **25 224 842** | 40 890 328 | 50 021 351 |
| | | **209 680 977** | 164 865 465 | 194 732 790 |
| **Total assets** | | **495 336 537** | 422 511 702 | 473 378 016 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| *Equity attributable to equity holders of the parent* | | | | |
| Share capital | 3 | **521 617 424** | 516 908 555 | 516 459 160 |
| Treasury shares | 4 | **(68 524 982)** | (114 509 982)* | (87 154 982) |
| Capital distribution reserve | | **(554 027 811)** | (524 528 723) | (534 216 011) |
| Equity revaluation reserve | | **100 296 287** | 65 449 199* | 100 296 287 |
| Share-based payment reserve | 5 | **7 072 029** | 37 790 107* | 18 923 981 |
| Foreign currency translation reserve | | **6 681 747** | 8 226 090* | (1 767 617) |
| Retained income | | **329 581 670** | 315 344 680 | 336 029 061 |
| Total equity attributable to owners of the Company | | **342 696 364** | 304 679 926 | 348 569 879 |
| Non-controlling interests | 6 | **19 550 191** | 15 659 160 | 17 409 984 |
| **Total equity** | | **362 246 555** | 320 339 086 | 365 979 863 |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Borrowings | 7 | **5 084 048** | 1 718 127 | – |
| Lease liabilities | | **4 162 778** | 9 926 713 | 7 010 129 |
| Deferred tax liability | | **327 506** | 154 035 | 103 589 |
| Financial guarantee contract | 8 | **71 598** | – | – |
| | | **9 645 930** | 11 798 875 | 7 113 718 |
| **Current liabilities** | | | | |
| Trade and other payables | | **85 451 376** | 74 311 173 | 87 150 193 |
| Borrowings | 7 | **3 202 808** | – | – |
| Lease liabilities | | **5 802 631** | 5 803 134 | 5 735 344 |
| Current tax payable | | **1 522 938** | 958 401 | 7 172 520 |
| Bank overdraft | 10 | **27 464 299** | 9 301 033 | 226 378 |
| | | **123 444 052** | 90 373 741 | 100 284 435 |
| **Total liabilities** | | **133 089 982** | 102 172 616 | 107 398 153 |
| **Total equity and liabilities** | | **495 336 537** | 422 511 702 | 473 378 016 |

* *Refer to note 15 Comparative figures.*

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2022

| Rand | Notes | Unaudited Six months ended 30 September 2022 | Unaudited Six months ended 30 September 2021 | Audited for the year ended 31 March 2022 |
|---|---|---|---|---|
| Revenue | 9 | 536 497 981 | 468 689 458 | 975 676 666 |
| Cost of sales | | (405 555 787) | (348 932 366) | (729 196 117) |
| **Gross profit** | | 130 942 194 | 119 757 092 | 246 480 549 |
| Other operating income | | 179 803 | 212 597 | 878 002 |
| Other operating losses | | (909 881) | (102 559) | (2 242 752) |
| Movement in credit loss allowances | | 83 613 | 248 664 | 1 227 242 |
| Share-based payment expense | 5 | (2 676 964) | (3 347 529) | (5 668 771) |
| Other operating expenses | | (62 442 525) | (53 585 101) | (102 073 863) |
| **Earnings before interest, taxation, depreciation and amortisation** | | 65 176 240 | 63 183 164 | 138 600 407 |
| Depreciation: Plant and equipment | | (770 375) | (650 519) | (1 429 021) |
| Depreciation: Right-of-use assets | | (2 618 099) | (3 203 101) | (6 222 654) |
| Amortisation: Intangible assets | | (27 428) | (49 543) | (66 646) |
| **Operating profit** | | 61 760 337 | 59 280 001 | 130 882 086 |
| Investment income | | 1 053 054 | 774 962 | 1 287 245 |
| Finance costs | | (1 651 657) | (1 183 934) | (1 929 655) |
| Borrowings | | (984 256) | (71 402) | (71 402) |
| Lease liabilities | | (517 961) | (740 004) | (1 424 930) |
| Other | | (149 440) | (372 528) | (433 323) |
| **Profit before taxation** | | 61 161 734 | 58 871 029 | 130 239 677 |
| Taxation | | (17 314 796) | (17 313 323) | (37 932 935) |
| **Profit for the period/year** | | 43 846 938 | 41 557 706 | 92 306 742 |
| **Other comprehensive income:** | | | | |
| **Items that will not be reclassified to profit or loss:** | | | | |
| Gains on valuation of investments in equity instruments | 2 | – | – | 34 847 088 |
| Exchange differences on translating foreign operations | | 11 446 731 | – | (4 115 878)* |
| | | 11 446 731 | | 30 731 210 |
| **Items that may be reclassified to profit or loss:** | | | | |
| Exchange differences on translating foreign operations | | (2 997 367) | (521 373) | (6 399 202)* |
| **Other comprehensive income/(loss) for the period/year net of taxation** | | 8 449 364 | (521 373) | 24 332 008 |
| **Total comprehensive income for the period/year** | | 52 296 302 | 41 036 333 | 116 638 750 |
| **Profit attributable to:** | | | | |
| Owners of the parent | | 29 722 693 | 29 200 669 | 67 210 292 |
| Non-controlling interest | | 14 124 245 | 12 357 037 | 25 096 450 |
| | | 43 846 938 | 41 557 706 | 92 306 742 |
| **Total comprehensive income attributable to:** | | | | |
| Owners of the parent | | 38 172 057 | 28 679 296 | 91 542 300 |
| Non-controlling interest | | 14 124 245 | 12 357 037 | 25 096 450 |
| | | 52 296 302 | 41 036 333 | 116 638 750 |
| **Earnings per share (cents)** | | | | |
| Basic earnings per share | 14 | 35.79 | 37.09* | 80.44 |
| Diluted basic earnings per share | 14 | 32.61 | 32.49* | 72.89 |
| **Headline earnings per share (cents)** | | | | |
| Basic headline earnings per share | 14 | 35.78 | 37.09* | 82.89 |
| Diluted headline earnings per share | 14 | 32.03 | 32.49* | 75.13 |

* *Refer to note 15 Comparative figures.*

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2022

| Rand | Share capital | Treasury shares | Foreign currency translation reserve | Share-based payment reserve |
|---|---|---|---|---|
| **GROUP** | | | | |
| **Balance at 1 April 2021** | 498 402 315 | (27 355 000) | 8 747 463 | 835 210 |
| Profit for the period | – | – | – | – |
| Other comprehensive income | – | – | (521 373) | – |
| **Total comprehensive income for the period** | – | – | (521 373) | – |
| ***Pulsent OH GP/PBT Direct*** | | | | |
| Issue of shares | 31 050 000 | – | – | – |
| Share-based payment shares included in treasury shares | – | (18 630 000) | – | – |
| Reclassification between share capital and share-based payment reserve | (12 420 000) | – | – | 12 420 000 |
| Share-based payment | – | – | – | 2 108 916 |
| ***B-BBEE ownership/Staff entities*** | | | | |
| Share-based payment shares included as treasury shares – Yonex | – | (65 700 000) | – | – |
| Share-based payment shares included as treasury shares – PBT Foundation | – | (2 824 982) | – | – |
| Redemption of preference share investment – Spalding | – | – | – | 21 187 368 |
| Share-based payment | – | – | – | 1 238 613 |
| ***General*** | | | | |
| Shares repurchased | (123 760) | – | – | – |
| Distributions** | – | – | – | – |
| **Total contributions by and distributions to owners of the Company recognised directly in equity** | 18 506 240 | (87 154 982) | – | 36 954 897 |
| **Balance at 30 September 2021** | 516 908 555 | (114 509 982)* | 8 226 090* | 37 790 107* |
| **Balance at 1 October 2021** | 516 908 555 | (114 509 982)* | 8 226 090* | 37 790 107* |
| Profit for the period | – | – | – | – |
| Other comprehensive income | – | – | (9 993 707) | – |
| **Total comprehensive income for the period** | – | – | (9 993 707) | – |
| ***Pulsent OH GP/PBT Direct*** | | | | |
| Share-based payment | – | – | – | – |
| ***B-BBEE ownership/Staff entities*** | | | | |
| Reduction of treasury shares due to redemption of preference share investment – Spalding | – | 27 355 000 | – | (21 187 368) |
| Share-based payment | – | – | – | 2 321 242 |
| ***General*** | | | | |
| Shares repurchased | (449 395) | – | – | – |
| Purchase of additional shares in subsidiary | – | – | – | – |
| Distributions** | – | – | – | – |
| **Total contributions by and distributions to owners of the Company recognised directly in equity** | (449 395) | 27 355 000 | – | (18 866 126) |
| **Balance at 31 March 2022** | 516 459 160 | (87 154 982) | (1 767 617) | 18 923 981 |
| Notes | 3 | 4 | | 5 |

* *Refer to note 15 Comparative figures.*

** *PBT Group allowed shareholders to elect to receive the distributions declared as either a dividend or a capital reduction, as such the distribution was partly paid out of retained earnings and partly out of the capital distribution reserve.*

| Capital distribution reserve | Equity revaluation reserve | Retained income | Total attributable to equity holders of the Group | Non-controlling interest | Total equity |
|---|---|---|---|---|---|
| (516 922 283) | 65 449 199 | 294 731 602 | 323 888 506 | 14 188 404 | 338 076 910 |
| – | – | 29 200 669 | 29 200 669 | 12 357 037 | 41 557 706 |
| – | – | – | (521 373) | – | (521 373) |
| – | – | 29 200 669 | 28 679 296 | 12 357 037 | 41 036 333 |
| – | – | – | 31 050 000 | – | 31 050 000 |
| – | – | – | (18 630 000) | – | (18 630 000) |
| – | – | – | – | – | – |
| – | – | – | 2 108 916 | – | 2 108 916 |
| – | – | – | (65 700 000) | – | (65 700 000) |
| – | – | – | (2 824 982) | – | (2 824 982) |
| – | – | – | 21 187 368 | – | 21 187 368 |
| – | – | – | 1 238 613 | – | 1 238 613 |
| – | – | – | (123 760) | – | (123 760) |
| (7 606 440) | – | (8 587 591) | (16 194 031) | (10 886 281) | (27 080 312) |
| (7 606 440) | – | (8 587 591) | (47 887 876) | (10 886 281) | (58 774 157) |
| (524 528 723) | 65 449 199* | 315 344 680 | 304 679 926 | 15 659 160 | 320 339 086 |
| (524 528 723) | 65 449 199* | 315 344 680 | 304 679 926 | 15 659 160 | 320 339 086 |
| – | – | 38 009 623 | 38 009 623 | 12 739 413 | 50 749 036 |
| – | 34 847 088 | – | 24 853 381 | – | 24 853 381 |
| – | 34 847 088 | 38 009 623 | 62 863 004 | 12 739 413 | 75 602 417 |
| – | – | – | – | – | – |
| – | – | – | 6 167 632 | – | 6 167 632 |
| – | – | – | 2 321 242 | – | 2 321 242 |
| – | – | – | (449 395) | – | (449 395) |
| – | – | (4 035 226) | (4 035 226) | (964 774) | (5 000 000) |
| (9 687 288) | – | (13 290 016) | (22 977 304) | (10 023 815) | (33 001 119) |
| (9 687 288) | – | (17 325 242) | (18 973 051) | (10 988 589) | (29 961 640) |
| (534 216 011) | 100 296 287 | 336 029 061 | 348 569 879 | 17 409 984 | 365 979 863 |

6

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2022 (continued)

| Rand | Share capital | Treasury shares | Foreign currency translation reserve | Share-based payment reserve |
|---|---|---|---|---|
| **GROUP** | | | | |
| **Balance at 1 April 2022** | 516 459 160 | (87 154 982) | (1 767 617) | 18 923 981 |
| Profit for the period | – | – | – | – |
| Other comprehensive income | – | – | 8 449 364 | – |
| **Total comprehensive income for the period** | – | – | 8 449 364 | – |
| ***Pulsent OH GP/PBT Direct*** | | | | |
| Reclassification between share capital and share-based payment reserve | 12 420 000 | – | – | (12 420 000) |
| Transfer between reserves | – | – | – | (2 108 916) |
| Reduction of treasury shares due to redemption of preference share investment – Pulsent OH | – | 18 630 000 | – | – |
| ***B-BBEE ownership/Staff entities*** | | | | |
| Share-based payment | – | – | – | 2 676 964 |
| ***General*** | | | | |
| Shares repurchased | (7 261 736) | – | – | – |
| Distributions | – | – | – | – |
| **Total contributions by and distributions to owners of the Company recognised directly in equity** | 5 158 264 | 18 630 000 | – | (11 851 952) |
| **Balance at 30 September 2022** | 521 617 424 | (68 524 982) | 6 681 747 | 7 072 029 |
| Notes | 3 | 4 | | 5 |

| Capital distribution reserve | Equity revaluation reserve | Retained income | Total attributable to equity holders of the Group | Non-controlling interest | Total equity |
|---|---|---|---|---|---|
| (534 216 011) | 100 296 287 | 336 029 061 | 348 569 879 | 17 409 984 | 365 979 863 |
| – | – | 29 722 693 | 29 722 693 | 14 124 245 | 43 846 938 |
| – | – | – | 8 449 364 | – | 8 449 364 |
| – | – | 29 722 693 | 38 172 057 | 14 124 245 | 52 296 302 |
| – | – | – | – | – | – |
| – | – | 2 108 916 | – | – | – |
| – | – | (6 296 537) | 12 333 463 | – | 12 333 463 |
| – | – | – | 2 676 964 | – | 2 676 964 |
| – | – | – | (7 261 736) | – | (7 261 736) |
| (19 811 800) | – | (31 982 463) | (51 794 263) | (11 984 038) | (63 778 301) |
| (19 811 800) | – | (36 170 084) | (44 045 572) | (11 984 038) | (56 029 610) |
| (554 027 811) | 102 296 287 | 329 581 670 | 342 696 364 | 19 550 191 | 362 246 555 |

6

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the six months ended 30 September 2022

| Rand | Notes | **Unaudited Six months ended 30 September 2022** | Unaudited Six months ended 30 September 2021 | Audited for the year ended 31 March 2022 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Cash generated from operations | 10 | **28 252 085** | 64 668 331* | 135 778 563 |
| Interest income | | **849 217** | 603 972 | 1 038 329 |
| Finance costs | | **(667 401)** | (1 157 133) | (1 859 908) |
| Tax paid | | **(24 257 005)** | (20 915 404) | (35 787 007) |
| **Net cash from operating activities** | | **4 176 896** | 43 199 766 | 99 169 977 |
| **Cash flows from investing activities** | | | | |
| Purchase of plant and equipment | | **(1 065 306)** | (673 239) | (1 534 416) |
| Proceeds from disposal of plant and equipment | | **12 000** | 2 500 | 13 500 |
| Purchase of intangible assets | | **–** | (17 636) | (17 636) |
| Repayment of loans receivable | | **1 094 616** | 174 600 | 852 175 |
| Advances of loans receivable | | **(2 000 000)** | – | (1 308 000) |
| **Net cash from investing activities** | | **(1 958 690)** | (513 775) | (1 994 377) |
| **Cash flows from financing activities** | | | | |
| Issue of shares | | **–** | 12 420 000 | 12 420 000 |
| Shares repurchased | 3 | **(7 261 736)** | (123 760) | (573 155) |
| Capital distribution | | **(19 811 800)** | (7 606 440) | (17 293 728) |
| Dividend paid | | **(31 982 463)** | (8 587 591)* | (14 996 667) |
| Dividend paid to non-controlling interests | | **(11 399 996)** | (10 000 000) | (21 736 164) |
| Share-based payment advance – Yonex Investments Proprietary Limited | 5 | **–** | (65 700 000) | (65 700 000) |
| Redemptions of preference share investment and repayment of loan | | **12 333 463** | 18 362 386* | 18 362 386 |
| Repayment of lease liabilities | | **(2 827 610)** | (3 016 347) | (6 031 046) |
| Proceeds from borrowings | 7 | **30 000 000** | – | – |
| Repayment of borrowings | 7 | **(23 281 438)** | (9 000 000) | (9 000 000) |
| Acquisition of additional shares in existing subsidiary | | **–** | – | (5 000 000) |
| **Net cash from financing activities** | | **(54 231 580)** | (73 251 752) | (109 548 373) |
| **Total cash movement for the period** | | **(52 013 374)** | (30 565 761) | (12 372 774) |
| Cash at the beginning of the period | | **49 794 973** | 62 273 695 | 62 273 695 |
| Effect of exchange rate movements on cash balances | | **(21 056)** | (118 639) | (105 948) |
| **Cash at the end of the period** | 10 | **(2 239 457)** | 31 589 295 | 49 794 973 |

* *Refer to note 15 Comparative figures.*

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2022

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

**Reporting entity**

PBT Group Limited is a holding company domiciled in South Africa, listed on the Johannesburg Stock Exchange Limited (JSE Limited) under the category Technology: Software and Computer Services. The unaudited condensed consolidated interim results of the company comprise the company and its subsidiaries (together referred to as the "Group" or "PBT Group").

**Basis of preparation**

The unaudited condensed consolidated interim results have been prepared in accordance with IAS 34 Interim Financial Reporting, the requirements of the JSE Limited Listings Requirements for interim reports and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, Act 71 of 2008 of South Africa, as amended.

The accounting policies and methods of computation applied in the preparation of these unaudited condensed consolidated interim results are in terms of the International Financial Reporting Standards (IFRS) and are consistent with those applied in the previous consolidated annual financial statements. The Group has not chosen to early adopt any new standards or interpretations and it is deemed unlikely that these new standards or interpretations will have a material impact on the results.

The condensed consolidated interim results have not been audited or reviewed by the Group's external auditors, BDO South Africa Incorporated.

These unaudited condensed consolidated interim results have been prepared in accordance with the going concern basis, under the supervision of the Chief Financial Officer, Bianca Pieters (CA) SA.

The unaudited condensed consolidated interim results are presented in Rand, which is the Group's functional and presentation currency.

The Board of Directors approved these unaudited condensed consolidated interim results on 21 November 2022.

**Judgements and estimates**

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

In preparing these unaudited condensed consolidated interim results, significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 31 March 2022.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2022 (continued)

## 2. INVESTMENTS AT FAIR VALUE

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

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Equity investments at fair value through other comprehensive income** | | | |
| Payapps Limited (previously Zuuse Limited) | **124 270 667** | 93 898 669 | 116 891 982 |
| **Split between non-current and current portions** | | | |
| Non-current assets | **124 270 667** | 93 898 669 | 116 891 982 |

**Equity instruments at fair value through other comprehensive income**
***Payapps Limited (Payapps) (previously Zuuse Limited)***
As at 30 September 2022 PBT Group, through its wholly owned subsidiary, Halliard International Besloten Vennootschap, owns 9 566 667 shares, equating to a 5.81% shareholding (September 2021: 5.81%; March 2022: 5.81%) in Payapps. Payapps is a leading global provider of construction payment management Software as a Service (SaaS) solutions to the global construction and building operations sector. Furthermore, it provides facilities management solutions and asset life cycle management solutions. During the 2022 financial year the investment in Payapps was transferred from PBT Group International Besloten Vennootschap to a newly incorporated wholly owned subsidiary, Halliard International Besloten Vennootschap. For more information please visit www.payappscompany.com.

There was no change in the number of Payapps shares held by PBT Group during the year. No additional investment was made into Payapps. The increased value of Payapps as at 30 September 2022 is due to foreign exchange differences on translating the investment to presentation currency.

PBT Group considers its investment in Payapps as non-core to its operations and not held for trading. The investment is therefore designated as at fair value through other comprehensive income. No dividends were received relating to this investment in the current or prior periods.

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

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

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

Level 3: Unobservable inputs for the asset or liability.

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Levels of fair value measurements** | | | |
| **Level 3** | | | |
| **Recurring fair value measurements** | | | |
| **Equity investments at fair value through other comprehensive income** | | | |
| Payapps Limited (previously Zuuse Limited) | **124 270 667** | – | 116 891 982 |
| **Level 2** | | | |
| **Recurring fair value measurements** | | | |
| **Equity investments at fair value through other comprehensive income** | | | |
| Payapps Limited (previously Zuuse Limited) | **–** | 93 898 669 | – |

## 2. INVESTMENTS AT FAIR VALUE (CONTINUED)

**Valuation process**

The internal finance department performs the fair value computations of investments, reporting to the CEO and CFO, on a six-monthly basis. The valuation computations are discussed with the Audit and Risk Committee, in accordance with the Group's reporting governance.

In determining the fair value of the investment, PBT Group regularly evaluates the valuation technique used to determine the fair value based on available information. PBT Group takes into account information that will provide the most accurate value of the investment and if the valuation technique used will be able to be applied for future periods. Depending on the type of information available, observable inputs or unobservable inputs, PBT Group will transfer the investment measured at fair value between Level 2 and Level 3 of the fair value hierarchy accordingly.

**Description of valuation technique and inputs**

During the period ended 30 September 2021 the Group applied a valuation technique, being a transactions-based approach, which was considered the most recent available information at that time. As such transactions in the sale of Payapps ordinary shares on a secondary market during January and March 2021, at a price of AUD1.00, allowed PBT Group to reference said price per Payapps share, and provide for a 10% profit share fee, payable on realisation, to the promoters of PBT Group's investment in Payapps, when determining the fair value. These inputs used where "inputs other than quoted prices that are observable" and the fair value category for this investment was categorised as a Level 2 investment during the 30 September 2021 financial period.

**Changes to the valuation technique**

During the financial year ended 31 March 2022, the Group considered the latest information available in order to assess the fair value of its investment in Payapps. During said financial year, no transactions in the sale of Payapps ordinary shares on the secondary market occurred. As such management reassessed which valuation technique should be applied to calculate the fair value of the investment in Payapps. It was determined that a revenue multiple method is the best valuation technique, given the most recent information available to the Group.

In calculating the fair value PBT Group assumed the same implicit price-to-revenue multiple, implied by the AUD1.00 secondary market transactions as mentioned above (an observable input), and increased that base by the annual revenue growth rate of Payapps (an unobservable input). The annual revenue growth rate is based on the latest audited annual revenue figures. All non-recurring income was excluded when calculating the growth rate. A 10% (September 2021: 10%; March 2022: 10%) profit share fee, payable on realisation, to the promoters of PBT Group's investment in Payapps was also provided for (an unobservable input).

Due to the change in PBT Group's valuation technique in the prior financial year, the investment transferred from Level 2 to Level 3 of the fair value hierarchy.

For the current period ended 30 September 2022, management reassessed the valuation technique and concluded that the revenue multiple method is still the best valuation technique that will provide the most accurate value of the investment. As such, the investment in Payapps remains a Level 3 investment in the fair value hierarchy.

**Quantitative information about fair value measurements using significant unobservable inputs**

| Description | Valuation technique | Unobservable input | Range |
|---|---|---|---|
| Payapps Limited (previously Zuuse Limited) | **Revenue multiple approach** | **Revenue growth rate** | **19% to 29%** |

**Sensitivity analysis**

PBT Group believes that the valuation approach used to value Payapps is fair, however, valuation multiples for businesses fluctuate and are driven by, amongst other factors, investor sentiment, interest rates and the economic environment, none of which PBT Group and Payapps have control over. As such, there is variability in the fair value of Payapps.

The significant unobservable input used in the fair value measurement of Payapps is the revenue growth rate. Significant increases (decreases) in this input in isolation would result in a significantly higher (lower) fair value measurement.

It should also be noted that there is a foreign exchange risk associated with this investment, on translation of the investment into Rand, as the investment is held in a Euro-denominated subsidiary.

## 2. INVESTMENTS AT FAIR VALUE (CONTINUED)

**Reconciliation of assets measured at Level 3**

| Rand | Fair value through other comprehensive income |
|---|---|
| **Fair value reconciliation** | |
| **Opening balance as at 1 October 2021** | – |
| Transfer into Level 3 (a) (b) | 93 532 292 |
| Gains or losses for the period recognised in other comprehensive income | |
| – Fair value gain (c) | 34 847 088 |
| – Foreign exchange revaluation loss (d) | (11 487 398) |
| **Closing balance as at 31 March 2022** | 116 891 982 |
| **Opening balance as at 1 April 2022** | 116 891 982 |
| Gains or losses for the period recognised in other comprehensive income | |
| – Foreign exchange revaluation loss (d) | 7 378 685 |
| **Closing balance as at 30 September 2022** | 124 270 667 |

(a) Transferred from Level 2 to Level 3 because of a lack of observable market data, as there was no trading of Payapps shares in the secondary market for a period of time.

(b) The Group's policy is to recognise transfers into and transfers out of Level 3 as at the end of the reporting period. Thereafter, a calculation of the fair value of the investment is performed and a resulting fair value gain or loss is recognised on the last day of the reporting period.

(c) Included in gains on valuation of investments in equity instruments on the face of the statement of profit or loss and other comprehensive income.

(d) Included in exchange differences on translation of foreign operations on the face of the statement of profit or loss and other comprehensive income.

## 3. SHARE CAPITAL

| Number of shares | Notes | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|---|
| **Authorised** | | | | |
| 200 000 000 ordinary shares of no par value | | – | – | – |
| **Reconciliation of number of shares in issue** | | | | |
| Shares in issue at the beginning of the period | | 105 915 317 | 99 100 000 | 99 100 000 |
| Issue of ordinary shares | 5 | – | 6 900 000 | 6 900 000 |
| Repurchase of shares | | (965 317) | (28 000) | (84 683) |
| | | 104 950 000 | 105 972 000 | 105 915 317 |
| *Less: Treasury shares* | | | | |
| Shares held by B-BBEE and staff companies treated as treasury shares | | (15 272 000) | (36 172 000) | (22 172 000) |
| Spalding Investments 10 Proprietary Limited | | | | |
| Opening balance | | – | (14 000 000) | (14 000 000) |
| Reduction of treasury shares due to redemption of preference share investment | 5 | – | – | 14 000 000 |
| Yonex Investments Proprietary Limited | | | | |
| Opening balance | 5 | (14 600 000) | – | – |
| Shares purchased and treated as treasury shares | | – | (14 600 000) | (14 600 000) |
| PBT Foundation Proprietary Limited | | | | |
| Opening balance | | (672 000) | – | – |
| Shares purchased and treated as treasury shares | 5 | – | (672 000) | (672 000) |
| Pulsent OH GP Proprietary Limited* | | | | |
| Opening balance | | (6 900 000) | – | – |
| Shares issued and treated as treasury shares | 5 | – | (6 900 000) | (6 900 000) |
| Reduction of treasury shares due to repayment of loan amount | | 6 900 000 | – | – |
| **Number of shares as at date of the report** | | 89 678 000 | 69 800 000 | 83 743 317 |

* *Pulsent OH GP Proprietary Limited in its capacity as the general partner of the PBT Direct GP Partnership* en commandite*, the latter in its capacity as general partner of the PBT Direct Partnership* en commandite.

95 050 000 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

| Rand | Notes | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|---|
| **Issued** | | | | |
| Ordinary shares of no par value | | 521 617 424 | 516 908 555 | 516 459 160 |
| **Issued share capital reconciliation** | | | | |
| As previously published | | 516 459 160 | 498 402 315 | 498 402 315 |
| Newly issued ordinary shares | 5 | – | 31 050 000 | 31 050 000 |
| Reclassification from/(to) share-based payment reserve | 5 | 12 420 000 | (12 420 000) | (12 420 000) |
| Repurchase of shares | | (7 261 736) | (123 760) | (573 155) |
| **Issued as at date of the report** | | 521 617 424 | 516 908 555 | 516 459 160 |

**Repurchase of shares – general authority**

During the period 965 317 shares were repurchased in accordance with the general authority to repurchase shares granted at the Annual General Meeting held on 6 August 2021 and 19 August 2022, and subsequently cancelled and delisted. The average purchase price per share was R7.52 per share.

## 4. TREASURY SHARES

Treasury shares represent shares held by a subsidiary within the Group and shares held by various B-BBEE and staff vehicles. Refer to note 5 Share-based payments.

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| Opening balance as at the beginning of the period | 87 154 982 | 27 355 000 | 27 355 000 |
| Treasury shares purchased | – | 87 154 982 | 87 154 982 |
| Pulsent OH GP Proprietary Limited | – | 18 630 000 | 18 630 000 |
| Yonex Investments Proprietary Limited | – | 65 700 000 | 65 700 000 |
| PBT Foundation Proprietary Limited | – | 2 824 982 | 2 824 982 |
| Reduction of treasury shares due to redemption of preference share investment | (18 630 000) | – | (27 355 000) |
| Spalding Investments 10 Proprietary Limited | | | |
| Cash received by subsidiary – Pulsent subscription | – | – | (18 362 386) |
| Cash movement – from dividends received which reduced Group distributions | – | – | (6 880 939) |
| Non-cash movement | – | – | (2 111 675) |
| Pulsent OH GP Proprietary Limited | | | |
| Settlement via cash received – external | (11 820 973) | – | – |
| Settlement via dividends received | (6 809 027) | – | – |
| **Closing balance** | **68 524 982** | **114 509 982** | **87 154 982** |
| **Reconciliation of number of treasury shares movement during the period** | | | |
| ***Treasury shares movement during the year*** | | | |
| Opening balance as at the beginning of the period | 22 172 000 | 14 000 000 | 14 000 000 |
| Treasury shares purchased | – | 22 172 000 | 22 172 000 |
| – Shares issued to B-BBEE partner and treated as treasury shares – Pulsent OH GP Proprietary Limited | – | 6 900 000 | 6 900 000 |
| – Shares acquired by B-BBEE and staff company and treated as treasury shares – Yonex Investments Proprietary Limited | – | 14 600 000 | 14 600 000 |
| – Shares acquired by B-BBEE partner and treated as treasury shares – PBT Foundation Proprietary Limited | – | 672 000 | 672 000 |
| Reduction of treasury shares | (6 900 000) | – | (14 000 000) |
| – Due to redemption of preference share investment (Spalding Investments 10 Proprietary Limited) | – | – | (14 000 000) |
| – Due to repayment of loan (Pulsent OH GP Proprietary Limited) | (6 900 000) | – | – |
| | 15 272 000 | 36 172 000 | 22 172 000 |

## 5. SHARE-BASED PAYMENTS

### 5.1 Reconciliation of share-based payment reserve

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| Opening balance | **18 923 981** | 835 210 | 835 210 |
| Share-based payment expense | **2 676 964** | 3 347 529 | 5 668 771 |
| Reclassification between share capital and share-based payment reserve – Pulsent OH | **(12 420 000)** | 12 420 000 | 12 420 000 |
| Reclassification between retained earnings and share-based payment reserve – Pulsent OH | **(2 108 916)** | – | – |
| Partial redemption of preference shares (i.e. other than from distributions received) accounted for in reserves – Spalding* | **–** | 21 187 368 | – |
| Closing balance | **7 072 029** | 37 790 107 | 18 923 981 |

* *During the September 2021 period only a portion of the Spalding preference shares were redeemed and therefore this was accounted for in share-based payment reserve until the total amount of Spalding preference shares were redeemed in full. As at 31 March 2022 the total amount of Spalding preference shares were redeemed in full and therefore the total redemption was accounted for in treasury shares.*

The PBT Group entered into a number of transactions resulting in PBT Group becoming a black-owned company during the 2022 financial year. The terms of each of the transactions were explained in the 2022 Integrated Report. Below is an explanation of any changes in the transactions during the interim period ended September 2022.

### 5.2 Pulsent OH GP Proprietary Limited (Pulsent OH)

***Terms of the transaction***

On 23 July 2021 the Company entered into a binding subscription agreement with Pulsent OH in terms of which Pulsent OH subscribed for 6 900 000 ordinary shares in the capital of the Company (Subscription Shares) at R4.50 per share for a total amount of R31.1 million **(a)** (Subscription Amount). These shares were issued on 26 July 2021, in terms of the Company's general authority to issue shares for cash.

Pulsent OH funded R12.4 million **(c)**, being 40% of the Subscription Amount, utilising its own resources, whereas the balance of R18.6 million **(b)** of the Subscription Amount was funded by way of vendor finance. The vendor finance was provided by PBT Technology Services Proprietary Limited (PBT Technology Services), a wholly owned subsidiary of PBT Group, which accordingly funded 60% of the Subscription Amount by advancing a loan to Pulsent OH. Pulsent OH's obligation under such loan is secured by a pledge and cession *in securitatem debiti* of 100% of the PBT Group ordinary shares subscribed for by Pulsent OH in terms of this transaction, as well as certain related claims.

***Repayment***

The dividends that Pulsent OH has received from its investment in PBT are utilised to repay the interest and part capital where the dividends received are in excess of the interest payable.

***Accounting treatment of the transaction***

The transaction is in the scope of IFRS 2 because the consideration received appears to be less than the fair value of the shares issued. Pulsent OH is not able to receive the full economic risks and rewards of the 40% cash-funded shares until the loan on the remaining 60% shares has been fully repaid. Also, Pulsent OH's exposure is limited to the cash paid. Therefore, for accounting purposes the transaction has been treated as an "in-substance option" over 6.9 million shares, with the 40% cash payment representing the option premium which was reclassified in 2022 from share capital to the share-based payment reserve. **(c)** As the only security for the repayment of the loan was the underlying PBT shares with no other recourse, the loan is not recognised as an asset but instead treated as treasury shares held by a subsidiary company. **(b)**

On 27 September 2022 Pulsent OH secured external funding of R22.5 million, guaranteed by PBT Group Limited, in order to fully settle its outstanding legal loan balance as well as acquiring an additional 1.1 million PBT shares to hold a total of 8 million shares. Refer to note 8 Financial guarantee contract for more information about the guarantee.

By settling the legal loan balance in full, Pulsent OH has fully exercised its in-substance option over the 6.9 million PBT shares. The option premium of R12.4 million has been reclassified from the share-based payment reserve to share capital **(e)** and the 6.9 million PBT shares reverted back to issued share capital **(d)(g)** for accounting purposes. The balance of the share-based payment reserve relating to Pulsent OH (being the share-based payment expense of R2.1 million recognised in the 2022 financial year) **(f)** has been reclassified to retained earnings.

On settlement of the loan above, total capital repayments of R6.3 million that was previously accounted for as a reduction of distributions paid by PBT has been credited to retained earnings.

## 5. SHARE-BASED PAYMENTS (CONTINUED)

**Effect on annual financial statements**

**5.3 IFRS 2 expense for the period**

The following share-based payment expense is accounted for in the statement of comprehensive income and presented as a separate line item:

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| Equity settled | | | |
| – Pulsent OH GP Proprietary Limited (once-off) | – | 2 108 916 | 2 108 916 |
| – Spalding Investments 10 Proprietary Limited | 400 239 | 400 588 | 798 640 |
| – Yonex Investments Proprietary Limited | 2 188 948 | 302 619 | 2 138 511 |
| – PBT Foundation Proprietary Limited (once-off) | – | 447 629 | 447 629 |
| – Ayson Proprietary Limited | 87 777 | 87 777 | 175 075 |
| | 2 676 964 | 3 347 529 | 5 668 771 |

**5.4 Quantitative summary – Rand values**

Below is a quantitative summary of all the above transactions and only represents current-period movement.

| Rand | | Share capital | Treasury shares | Retained earnings | Share-based payment reserve | Distributions |
|---|---|---|---|---|---|---|
| **GROUP** | | | | | | |
| **2022 financial year** | | | | | | |
| **Issue of shares** | | | | | | |
| ***Pulsent OH*** | | | | | | |
| **1 April 2021 to 30 September 2021** | | | | | | |
| Issue of shares | (a) | 31 050 000 | – | – | – | – |
| Transaction treated as an issue of an option | | | | | | |
| – Via loan from subsidiary | (b) | – | (18 630 000) | – | – | – |
| – Cash portion | (c) | (12 420 000) | – | – | 12 420 000 | – |
| Repayment of loan by way of dividends paid by PBT Group Limited | | – | – | – | – | (1 518 000) |
| Share-based payment expense | | – | – | – | 2 108 916 | – |
| | | 18 630 000 | (18 630 000) | – | 14 528 916 | (1 518 000) |
| **1 October 2021 to 31 March 2022** | | | | | | |
| Opening balance | | 18 630 000 | (18 630 000) | – | 14 528 916 | (1 518 000) |
| Repayment of loan by way of dividends paid by PBT Group Limited | | – | – | – | – | (1 725 000) |
| | | 18 630 000 | (18 630 000) | – | 14 528 916 | (3 243 000) |
| **2023 financial year** | | | | | | |
| **1 April 2022 to 30 September 2022** | | | | | | |
| Opening balance | (d) | 18 630 000 | (18 630 000) | – | 14 528 916 | |
| Reclassification between share-based payment reserve and share capital | (e) | 12 420 000 | – | – | (12 420 000) | – |
| Reclassification between share-based payment reserve and retained earnings | (f) | – | – | 2 108 916 | (2 108 916) | – |
| Reduction of share-based payment shares included as treasury shares | (g) | – | 18 630 000 | (6 296 537) | – | – |
| Repayment of loan by way of dividends paid by PBT Group Limited | | – | – | – | – | (4 278 000) |
| **Total movement on statement of changes in equity** | | 31 050 000 | – | (4 187 621) | – | (4 278 000) |

## 6. NON-CONTROLLING INTEREST

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

CyberPro Consulting Proprietary Limited (CyberPro) is a material subsidiary with NCI material to the Group. CyberPro's principal place of business is in Gauteng and the Western Cape. PBT holds a direct 58% share (September 2021: 56%; March 2022: 58%) in the company. Due to the impact of the Ayson Proprietary Limited (Ayson) preference share agreement (explained further below), the effective shareholding in the company is 58.36% (September 2021: 57.52%; March 2022: 58.78%).

On 1 July 2020 CyberPro entered into a preference share agreement to the value of R4.5 million with Ayson, a B-BBEE company, which used the proceeds to purchase 2.65% interest in the ordinary shares in CyberPro from a non-controlling shareholder. As the only security for the preference share investment is the underlying CyberPro shares, with no recourse, the transaction is treated as the issue of an option to the B-BBEE company and the preference share investment is not recognised as an asset but instead as an adjustment to share capital in CyberPro and an adjustment to NCI in the PBT Group financial statements. As these NCI shares are treated as unissued in CyberPro, this has resulted in an effective increase in the Group's shareholding. As at 30 September 2022 Ayson has redeemed R3.5 million of the R4.5 million preference shares, which resulted in a portion of the CyberPro shares that are treated as unissued to revert back to "issued". At the interim period the effective shareholding in CyberPro is 58.36%. A share-based payment expense of R0.09 million (September 2021: R0.09 million; March 2022: R0.18 million) was recognised during the period in respect of this arrangement.

**Summarised financial information of a subsidiary with a material non-controlling interest**

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **STATEMENT OF FINANCIAL POSITION** | | | |
| Non-current assets | 4 937 546 | 5 019 933 | 5 218 455 |
| Current assets | 98 174 443 | 71 888 182 | 85 116 948 |
| **Total assets** | 103 111 989 | 76 908 115 | 90 335 403 |
| Non-current liabilities | 1 113 066 | 2 819 841 | 727 087 |
| Current liabilities | 50 160 345 | 30 332 239 | 42 394 833 |
| **Total liabilities** | 51 273 411 | 33 152 080 | 43 121 920 |
| **Net assets** | 51 838 578 | 43 756 035 | 47 213 483 |
| **Carrying amount of non-controlling interests** | 19 706 608 | 15 801 097 | 17 561 121 |
| **STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** | | | |
| Revenue | 277 211 430 | 233 881 047 | 485 462 003 |
| Earnings before interest, taxation, depreciation and amortisation | 46 356 194 | 42 001 361 | 85 737 660 |
| Operating profit | 45 964 595 | 41 655 823 | 85 031 731 |
| Profit before taxation | 46 282 353 | 41 721 317 | 85 288 816 |
| Taxation | (12 350 060) | (12 625 881) | (24 819 413) |
| **Profit for the period/year** | 33 932 293 | 29 095 436 | 60 469 403 |
| **Total comprehensive income for the period/year** | 33 932 293 | 29 095 436 | 60 469 403 |
| **Profit allocated to non-controlling interest** | 14 130 774 | 12 359 741 | 25 108 212 |
| **STATEMENT OF CASH FLOWS** | | | |
| Cash generated from operations | 9 073 266 | 37 513 884 | 79 387 361 |
| Cash flows from operating activities | (7 579 443) | 22 522 278 | 57 131 643 |
| Cash flows from investing activities | (65 485) | (96 721) | (3 761 711) |
| Cash flows from financing activities | (20 331 453) | (24 279 328) | (47 753 145) |
| **Net increase in cash and cash equivalents** | (27 976 381) | (1 853 771) | 5 616 787 |
| **Dividend paid to non-controlling interest*** | 11 983 168 | 10 886 280 | 23 799 097 |

* *A portion of the dividend declared by CyberPro to its shareholder Ayson has been retained by CyberPro and converted to borrowings. This is a non-cash movement of R1.2 million (September 2021: R1 million; March 2022: R2.24 million). The dividend paid in cash to the non-controlling interest was R11.4 million (September 2021: R10 million; March 2022: R21.8 million).*

*As per the preference share agreement between CyberPro and Ayson, all dividends received by Ayson are required to be utilised to repay preference dividends and preference shares to CyberPro until the full outstanding preference share amount is redeemed. The preference shares are only redeemable after three years and therefore any excess cash above the preference dividends payable by Ayson was loaned back to CyberPro, which added additional security for the payment of the outstanding amount.*

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2022 (continued)

## 7. BORROWINGS

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Held at amortised cost** | | | |
| ***Southchester Investment Managers Proprietary Limited*** | 7 702 808 | – | – |
| During the current period loan notes to the value of R30 million were issued to PBT Technology Services Proprietary Limited. The loan is secured by PBT Group Limited and bears interest at the prime overdraft rate. The loan is repayable in instalments of R1.5 million plus interest. In September 2022, R22.5 million of these loan notes were early repaid. | | | |
| ***Ayson Proprietary Limited*** | 584 048 | 1 718 127 | – |
| Interest accrues daily at a rate of 72% of the South African prime lending rate and capitalised monthly. | | | |
| | 8 286 856 | 1 718 127 | – |
| **Split between non-current and current portions** | | | |
| Non-current liabilities | 5 084 048 | 1 718 127 | – |
| Current liabilities | 3 202 808 | – | – |
| | 8 286 856 | 1 718 127 | – |
| **Reconciliation of borrowings** | | | |
| **Opening balance** | – | 9 805 048 | 9 805 048 |
| *Cash movements* | | | |
| Proceeds from borrowings | 30 000 000 | – | – |
| Repayment of borrowings | (22 500 000) | (9 000 000) | (9 000 000) |
| Interest paid | (781 438) | (71 401) | (71 401) |
| *Non-cash movements* | | | |
| Interest accrued | 984 255 | 98 200 | 140 607 |
| Loan raised during the period* | 1 160 039 | 886 280 | 2 058 581 |
| Repayments of loan | (576 000) | – | (2 932 835) |
| **Closing balance** | 8 286 856 | 1 718 127 | – |

* *A portion of the dividend declared by CyperPro Consulting Proprietary Limited (CyberPro) to its shareholder Ayson Proprietary Limited (Ayson) has been retained by CyberPro and converted to borrowings. This is a non-cash movement.*

*As per the preference share agreement between Ayson and CyberPro (refer to note 5 Share-based payments), all dividends received by Ayson are required to be utilised to repay preference dividends and preference shares to CyberPro until the full outstanding preference share amount is redeemed.*

## 8. FINANCIAL GUARANTEE CONTRACT

On 27 September 2022 Pulsent OH secured external funding of R22.5 million, guaranteed by PBT Group Limited, in order to fully settle its outstanding legal loan balance as well as acquiring an additional 1.1 million PBT shares to hold a total of 8 million shares. Refer to note 5 Share-based payments for more information about the settlement of the loan.

The funds that PBT Technology Services Proprietary Limited received from the settlement of the Pulsent OH loan, together with internal cash resources, were utilised towards repayment of R22.5 million of the R30 million notes issued to Southchester Investment Managers Proprietary Limited. Refer to note 7 Borrowings.

As security for the timeous discharge by Pulsent OH of its obligations in terms of their funding of R22.5 million, PBT Group Limited has agreed to furnish the external financing party with a written guarantee to the value of R22.5 million.

**Terms of the guarantee**

- Pulsent OH and PBT Group Limited has entered into a written pledge and cession agreement, in terms of which Pulsent OH shall pledge and cede *in securitatem debiti* to and in favour of PBT Group Limited the 8 million PBT shares (Applicable Shares) and certain related claims as security for the timeous discharge by Pulsent OH of its obligations to PBT Group Limited.
- Pulsent undertakes that, upon receipt of any distributions in respect of the Applicable Shares, at least 90% of the after-tax proceeds of such distributions will be applied in the repayment of the outstanding amount of the external funding.
- PBT Group Limited's liability in terms of this guarantee is restricted to the aggregate amount of R22.5 million together with any accrued interest outstanding.

**Accounting treatment of the transaction**

The guarantee provided falls within the ambit of IFRS 9 Financial Instruments, specifically financial guarantee contracts to be classified as a financial liability at fair value through profit or loss.

The guarantee has been initially recognised at fair value on 27 September 2022 and will thereafter be recognised at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

**Calculation of the fair value**

In calculating the fair value, the following assumptions and elements included in the contract were used:

- at least 90% of the distributions received by Pulsent from its investment in PBT Group Limited will be utilised to settle the loan by Pulsent OH to the external financing party, which will reduce the risk of non-payment;
- an estimation of future distributions that will be paid by PBT Group Limited;
- the present value of possible future cash outflows based on the repayment terms of the funding provided to Pulsent OH after deduction of distributions, discounted at prime as per the contracts; and
- the "probability of default" and "loss given default" percentages applied to the present fair value of the possible future cash outflows.

As the transaction took place on 27 September 2022 and no changes were noted up to interim period-end, the fair value as at 30 September 2022 was taken as equal to the calculated value as at 27 September 2022.

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Reconciliation** | | | |
| **Financial liability at fair value through profit or loss** | | | |
| Opening balance | – | – | – |
| Recognition of guarantee at fair value | 71 598 | – | – |
| Closing balance | 71 598 | – | – |
| **Recognised in profit or loss** | | | |
| Operating expense | | | |
| – Financial guarantee expense | 71 598 | – | – |
| | 71 598 | – | – |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2022 (continued)

## 9. REVENUE

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Revenue from contracts with customers** | | | |
| Sale of goods | **27 473** | 141 835 | 3 536 274 |
| Rendering of services | **536 470 508** | 468 547 623 | 972 140 392 |
| | **536 497 981** | 468 689 458 | 975 676 666 |

**Disaggregation of revenue from contracts with customers**
The Group has disaggregated revenue into various categories as shown below which is intended to:

- depict the nature, amount and timing of revenue;
- enable users to understand the manner in which the underlying contract types are billed to customers; and
- enable users to understand the various types of counterparties that the Group provides services to.

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Contract type** | | | |
| Fixed price contracts* | **47 615 619** | 36 336 951 | 72 246 765 |
| Projects | **1 716 322** | 1 370 447 | 1 318 255 |
| Software licences | **27 473** | 141 835 | 3 536 274 |
| Time and material | **479 645 832** | 423 871 387 | 884 462 779 |
| Usage-based licences | **7 492 736** | 6 968 838 | 14 112 593 |
| | **536 497 981** | 468 689 458 | 975 676 666 |
| **Contract counterparties** | | | |
| Energy | **891 300** | 1 242 600 | 2 255 726 |
| Financial services | **391 876 739** | 349 598 527 | 725 475 326 |
| Information technology | **9 485 208** | 16 798 812 | 35 197 741 |
| Medical | **33 582 961** | 32 615 329 | 65 102 930 |
| Retail | **48 688 132** | 28 900 923 | 65 610 038 |
| Services | **25 204 964** | 14 341 894 | 26 402 420 |
| Telecommunications | **26 768 677** | 25 191 374 | 55 632 485 |
| | **536 497 981** | 468 689 458 | 975 676 666 |
| **Timing of revenue recognition** | | | |
| *At a point in time* | | | |
| Sale of goods | **27 473** | 141 835 | 3 536 274 |
| *Over time* | | | |
| Rendering of services | **536 470 508** | 468 547 623 | 972 140 392 |
| **Total revenue from contracts with customers** | **536 497 981** | 468 689 458 | 975 676 666 |

* *Fixed price contracts are billed monthly at a fixed amount as per the contract. The amount is based on a fixed number of hours of an underlying resource. Fixed price contracts are different to project contracts, where the latter is only billed once a specific project milestone is reached.*

## 10. CASH GENERATED FROM OPERATIONS

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| Profit before taxation | **61 161 734** | 58 871 029 | 130 239 677 |
| ***Adjustments for*** | | | |
| Depreciation | **3 388 474** | 3 853 621 | 7 651 675 |
| Amortisation | **27 428** | 49 543 | 66 646 |
| Gains on disposals of plant and equipment | **(11 996)** | (2 301) | (13 290) |
| Loss on disposal of subsidiary | **26 521** | – | – |
| Losses on foreign exchange | **895 356** | 104 860 | 2 256 042 |
| Interest income | **(1 053 054)** | (774 962) | (1 287 245) |
| Finance costs | **1 651 657** | 1 183 932 | 1 929 655 |
| Net impairments and movements in credit loss allowances | **(83 613)** | (248 664) | (1 227 242) |
| Share-based payment expense | **2 676 964** | 3 347 529 | 5 668 771 |
| Translation of foreign currency items | **1 173 643** | (839 833) | (989 346) |
| ***Changes in working capital*** | | | |
| Trade and other receivables | **(38 710 689)** | (5 516 283) | (26 023 965) |
| Trade and other payables | **(2 890 340)** | 4 639 861 | 17 507 185 |
| | **28 252 085** | 64 668 331 | 135 778 563 |

Cash generated from operations before working capital changes increased by 6.6% for the six months ended September 2022 compared to September 2021. However, growing revenue in the South African region, particularly towards the end of the current reporting period, coupled by the impact of a slowdown in the collection rate of debtors, has resulted in a decrease in overall cash generated from operations by 56%. The Group had a net overdraft position as at 30 September 2022.

PBT actively monitors its working capital and cash flow projections. As a result, over R115.3 million of the R136.9 million outstanding debtors for the South African segment at period-end, were collected as at the date of this publication. Despite the decrease in cash generated from operations, PBT management remains positive about its cash outlook for the foreseeable future.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2022 (continued)

## 11. RELATED PARTIES

**Relationships**

***Subsidiaries***

All Claims Proprietary Limited
CyberPro Consulting Proprietary Limited
Halliard International Besloten Vennootschap
PBT Academy Proprietary Limited
PBT Consulting Proprietary Limited
PBT Group (Australia) Proprietary Limited
PBT Group (South Africa) Proprietary Limited
PBT Group (UK) Limited
PBT Group Europe Besloten Vennootschap
PBT Group International Besloten Vennootschap
PBT Innovation Proprietary Limited
PBT Insurance Technologies Proprietary Limited
PBT Technology Services Proprietary Limited
Technique Business Intelligence Software Proprietary Limited

***Members of key management***

GJ Botha
JC du Toit
MN Engelbrecht
NJ Viljoen
W Viljoen
M Visser
HB Vosloo
H Woest

***Companies owned by employees and B-BBEE partners***

Ayson Proprietary Limited
Pulsent OH GP Proprietary Limited
Spalding Investments 10 Proprietary Limited
Yonex Investments Proprietary Limited

***Entities in which management has significant influence***

PBT Foundation Proprietary Limited

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Related party balances** | | | |
| ***Loan accounts owing by/(to) related parties*** | | | |
| Ayson Proprietary Limited | (584 048) | (1 718 127) | – |
| Ayson Proprietary Limited | 1 400 000 | 1 000 000 | 1 400 000 |
| ECL allowance: Ayson Proprietary Limited | (14 000) | (10 000) | (14 000) |
| PBT Insurance Technologies Employees: | | | |
| JC du Toit | 470 490 | 511 786 | 525 055 |
| MN Engelbrecht | 224 818 | 330 539 | 313 679 |
| NJ Viljoen | – | 511 786 | – |
| W Viljoen | 2 335 487 | 2 532 973 | 2 469 472 |
| M Visser | – | 457 902 | 469 358 |
| HB Vosloo | 145 175 | 321 840 | 272 740 |
| H Woest | 430 652 | 474 155 | 486 147 |
| ECL allowance: PBT IT staff loans | (46 244) | 51 747 | (46 244) |
| The outstanding balances listed above are unsecured and will be settled in cash in the ordinary course of business. No guarantees or defaults on these loan balances have been recognised. | | | |
| GJ Botha | 2 032 610 | – | – |
| ECL allowance: GJ Botha | (60 978) | – | – |
| The outstanding balance is secured and will be settled in cash in the ordinary course of business. No guarantees or defaults on these loan balances have been recognised. | | | |

## 11. RELATED PARTIES (CONTINUED)

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Financial guarantee amounts regarding related parties** | | | |
| Pulsent OH GP Proprietary Limited (refer to note 8 Financial guarantee contract) | **71 598** | – | – |
| **Amounts included in treasury shares regarding related parties** | | | |
| Pulsent OH GP Proprietary Limited | **–** | 18 630 000 | 18 630 000 |
| Spalding Investments 10 Proprietary Limited | **–** | 27 355 000 | – |
| PBT Foundation Proprietary Limited | **2 824 982** | 2 824 982 | 2 824 982 |
| Yonex Investments Proprietary Limited | **65 700 000** | 65 700 000 | 65 700 000 |
| **Amounts included in share-based payment reserve regarding related parties** | | | |
| Ayson Proprietary Limited | **394 279** | 219 204 | 306 502 |
| Pulsent OH GP Proprietary Limited | **–** | 14 528 916 | 14 528 916 |
| PBT Foundation Proprietary Limited | **447 629** | 447 629 | 447 629 |
| Spalding Investments 10 Proprietary Limited | **1 902 662** | 1 104 371 | 1 502 423 |
| Yonex Investments Proprietary Limited | **4 327 459** | 302 619 | 2 138 511 |
| **Related party transactions** | | | |
| ***Dividends (paid to)/received from related parties*** | | | |
| Pulsent OH GP Proprietary Limited | **(4 278 000)** | (1 518 000) | (3 243 000) |
| Spalding Investments 10 Proprietary Limited | **(17 732 000)** | (3 080 000) | (6 580 000) |
| Yonex Investments Proprietary Limited | **–** | (3 212 000) | (6 862 000) |
| ***Interest (paid to)/received from related parties*** | | | |
| Ayson Proprietary Limited | **(9)** | (26 799) | (69 205) |
| JC du Toit | **20 435** | 17 600 | 30 869 |
| MN Engelbrecht | **11 139** | 11 765 | 19 905 |
| NJ Viljoen | **–** | 17 600 | 13 734 |
| W Viljoen | **89 015** | 76 622 | 103 121 |
| M Visser | **15 459** | 15 747 | 27 202 |
| HB Vosloo | **9 234** | 12 496 | 18 596 |
| H Woest | **19 505** | 16 305 | 28 297 |
| ***Share-based payment expense*** | | | |
| Ayson Proprietary Limited | **87 777** | 87 777 | 175 075 |
| Pulsent OH GP Proprietary Limited | **–** | 2 108 916 | 2 108 916 |
| PBT Foundation Proprietary Limited | **–** | 447 629 | 447 629 |
| Spalding Investments 10 Proprietary Limited | **400 239** | 400 588 | 798 640 |
| Yonex Investments Proprietary Limited | **2 188 948** | 302 619 | 2 138 511 |
| ***Compensation to Directors and other key management*** | | | |
| Short-term employee benefits | **26 498 422** | 19 467 994 | 39 468 718 |

## 12. GOING CONCERN

PBT Group is a focused, profitable, cash-generative business that operates in a growing industry. PBT Group continuously analyses its business and also prepares forward-looking cash flow forecasts based on the expected performance of the business.

Based on the above, PBT Group believes that it has adequate financial resources to continue in operation and will continue as a going concern for the foreseeable future. Accordingly, the unaudited condensed consolidated interim results have been prepared on a going concern basis.

The Directors are not aware of any material changes that may adversely impact the Company. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

## 13. EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant matter or circumstance arising after the reporting period up to the date of this report, not otherwise dealt with below.

### Distribution declaration

On Monday, 21 November 2022 the Board of Directors resolved to declare an interim distribution of 25 cents per PBT ordinary share for the period ended 30 September 2022. The total distribution will equate to R26.2 million. Each shareholder will be able to elect to receive the distribution as either a dividend as defined by the Income Tax Act, Act 58 of 1962 or as a capital reduction distribution. If no election is made, the default option will be that a dividend will be paid to such shareholders. An election form (for use by certificated shareholders) is included in the Interim Results booklet, containing details of the distribution, which was published on Wednesday, 30 November 2022. The Form of Election is also available for download on the Company's website: https://www.pbtgroup.co.za/investor-relations/.

The implications of the elections above are as follows:

- A gross dividend of 25 cents per PBT ordinary share from income reserves will be subject to dividend withholding tax at a rate of 20%. Consequently, a net final dividend of 20 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Services by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively the "regulated intermediary") on behalf of the shareholders. However, all shareholders choosing this option should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption.
- A capital reduction distribution of 25 cents per PBT ordinary share is not subject to dividend withholding tax as the distribution is paid out of capital reserves. As the distribution will be regarded as a return of capital, and may therefore have potential capital gains tax consequences, shareholders are advised to consult their tax advisers regarding the impact of the distribution.

## 14. EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

| | | GROUP | | |
|---|---|---|---|---|
| | | **30 September 2022** | 30 September 2021 | 31 March 2022 |
| **Earnings per share** | | | | |
| Basic earnings per share | (cents) | **35.79** | 37.09* | 80.44 |
| Diluted earnings per share | (cents) | **32.61** | 34.96* | 72.89 |
| Net asset value per share | (Rand) | **3.27** | 2.88 | 3.29 |
| **Basic earnings per share** | | | | |
| The calculation of basic earnings per share was based on the following: | | | | |
| Profit attributable to ordinary shareholders | (Rand) | **29 722 693** | 29 200 669 | 67 210 292 |
| Weighted average number of ordinary shares outstanding | (Number of shares) | **83 036 481** | 78 723 212* | 83 542 437 |
| **Diluted basic earnings per share** | | | | |
| The calculation of diluted basic earnings per share is based on the following: | | | | |
| Profit attributable to ordinary shareholders | (Rand) | **29 722 693** | 29 200 669 | 67 210 292 |
| Diluted weighted average number of shares | (Number of shares) | **91 137 937** | 89 862 044* | 92 205 159 |
| Weighted average number of ordinary shares outstanding | (Number of shares) | **83 036 481** | 78 723 212* | 83 542 437 |
| Dilutive effect of options due to the IFRS 2 treatment on the preference share investment (refer to note 5) | (Number of shares) | **8 101 456** | 11 138 832 | 8 662 722 |

Options are dilutive when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period. The amount of the dilution is the average market price of ordinary shares during the period minus the issue price. The transactions as mentioned in note 3 Share capital and note 5 Share-based payments are treated as options for accounting purposes. A calculation has therefore been performed to determine what the dilutive effect of these options are on earnings per share.

| | | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|---|
| **Net asset value per share** | | | | |
| The calculation of net asset value per share is based on the following: | | | | |
| Total equity attributable to ordinary shareholders | (Rand) | **342 696 360** | 304 679 926 | 348 569 879 |
| Ordinary shares in issue at year-end | (Number of shares) | **104 950 000** | 105 972 000 | 105 915 317 |
| **Weighted average number of ordinary shares** | | | | |
| Ordinary shares at the beginning of the period | | **83 542 438** | 87 509 609 | 87 509 609 |
| Effect of share repurchased, delisted and cancelled | | **(882 227)** | (199 430) | (213 422) |
| Effect of general issue of shares for cash | | **2 155 068** | 2 601 639 | 4 744 932 |
| Shares held by B-BBEE companies included as treasury shares | | **(1 778 798)** | (11 188 606)* | (8 498 681) |
| | | **83 036 481** | 78 723 212* | 83 542 438 |

** Restated. Refer to note 15 Comparative figures.*

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2022 (continued)

## 14. EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE (CONTINUED)

**Headline earnings and diluted headline earnings per share**

**Reconciliation between earnings and headline earnings per share**

| | 30 September 2022 | | 30 September 2021 | | 31 March 2022 | |
|---|---|---|---|---|---|---|
| Rand | Gross | Net | Gross | Net | Gross | Net |
| Profit attributable to equity holders of the parent | | 29 722 693 | | 29 200 669 | | 67 202 339 |
| (Profit)/Losses on disposal of assets | (11 996) | (8 757) | (2 500) | (1 800) | (13 290) | (9 569) |
| Release of FCTR to the statement of profit or loss | – | – | – | – | 2 057 469 | 2 057 469 |
| **Headline earnings** | | 29 713 936 | | 29 198 869 | | 69 250 239 |

| Cents | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Headline earnings and diluted headline earnings per share** | | | |
| Headline earnings per share | 35.78 | 37.09* | 82.89 |
| Diluted headline earnings per share | 32.03 | 34.96* | 75.13 |
| **Distributions** | | | |
| Interim distribution | 25.00 | 25.00 | 25.00 |
| Final distribution | – | – | 32.00 |
| Special distribution paid | 30.00 | – | – |
| Special distribution declared | 30.00 | – | – |

* *Restated. Refer to note 15 Comparative figures.*

Headline earnings per share has been calculated in accordance with Circular 01/2021 issued by the South African Institute of Chartered Accountants.

## 15. COMPARATIVE FIGURES

**Restatement**

Certain prior-period comparative figures have been restated as follows:

| | 30 September 2021 As originally presented | Reclassification | 30 September 2021 As currently presented |
|---|---|---|---|
| **Statement of profit or loss and other comprehensive income** | | | |
| ***Earnings per share (cents)*** | | | |
| Basic earnings per share | 34.96 | 2.13 | 37.09 |
| Diluted earnings per share | 33.06 | 1.90 | 34.96 |
| ***Headline earnings per share (cents)*** | | | |
| Basic headline earnings per share | 34.96 | 2.13 | 37.09 |
| Diluted headline earnings per share | 33.06 | 1.90 | 34.96 |

## 15. COMPARATIVE FIGURES (CONTINUED)

**Reclassification**

Certain prior-period comparative figures have been reclassified as follows:

| Rand | Adjustments | 30 September 2021 As originally presented | Reclassification | 30 September 2021 As currently presented |
|---|---|---|---|---|
| **Statement of financial position and statement of changes in equity** | | | | |
| Foreign currency translation reserve | (a) | **(1 247 734)** | **9 473 824** | **8 226 090** |
| Equity revaluation reserve | (a) | **74 923 023** | **(9 473 824)** | **65 449 199** |
| Treasury shares | (b) | **86 851 307** | **27 658 675** | **114 509 982** |
| Distribution | (b) (i) | **15 058 898** | **(6 471 307)** | **8 587 591** |
| Share-based payment reserve | (b) (ii) | **(16 602 739)** | **(21 187 368)** | **(37 790 107)** |
| **Statement of cash flows** | | | | |
| Cash generated from operations | (b) | **63 955 024** | **713 307** | **64 668 331** |
| Distribution | (b) (i) | **(15 058 898)** | **6 471 307** | **(8 587 591)** |
| Redemptions of preference share investment and repayment of loan | (b) | **25 547 000** | **(7 184 614)** | **18 362 386** |

| | | 31 March 2022 As originally presented | Reclassification | 31 March 2022 As currently presented |
|---|---|---|---|---|
| **Statement of profit or loss and other comprehensive income** | | | | |
| ***Items that will not be reclassified to profit or loss*** | | | | |
| Exchange differences on translating foreign operations | (c) | – | (4 115 878) | (4 115 878) |
| ***Items that may be reclassified to profit or loss*** | | | | |
| Exchange differences on translating foreign operations | (c) | (10 515 080) | 4 115 878 | (6 399 202) |

(a) This is a reversal of the reclassification as presented in the 30 September 2021 interim results. This reversal is solely between equity accounts and therefore it does not have an impact on the financial position of the Group. Furthermore, there is no impact on the EPS, HEPS, DEPS and DHEPS figures.

(b) During the period ended 30 September 2021 a number of the preference shares issued by Spalding, treated as treasury shares, were redeemed. These redemptions were previously disclosed as a reduction in treasury shares in the statement of changes in equity. However, due to the fact that these redemptions were only a partial redemption of the total number of preference shares, the redemption amount should not have been disclosed as a reduction of treasury shares. Therefore, the redemptions paid from distributions received by Spalding have been reclassified from treasury shares to distributions (i) and redemptions from cash (i.e. those other than from distributions received) have been reclassified from treasury shares to a share-based payment reserve (ii).

This reclassification is solely between equity accounts and therefore it does not have an impact on the financial position of the Group.

(c) The exchange differences arising from the translation from assets designated at fair value through other comprehensive income has been reclassified to items that will not be reclassified to profit or loss, in terms of the accounting treatment of the underlying assets. This reclassification is for improved disclosure purposes. There is no impact on the EPS, HEPS, DEPS and DHEPS figures.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2022 (continued)

## 16. SEGMENT REPORT

The reportable segments for the current and prior financial years are based on geographical areas, namely South Africa, Australia, and Europe and United Kingdom.

- South Africa includes consulting and implementation of data, management information software and healthcare administration services in the Republic of South Africa.
- Australia includes consulting and implementation of data, management information software and healthcare administration services in Australia.
- Europe and United Kingdom includes consulting and implementation of data, and management information software in Europe and the United Kingdom.
- Non-operating subsidiaries, including PBT Group Limited stand-alone entity, make up the Other operating segment.

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

Management reassessed the manner in which its segments are reported and as such there were non-material reclassifications made between segments for the prior periods presented.

| | South Africa | | | Australia | | |
|---|---|---|---|---|---|---|
| Rand | **30 September 2022** | 30 September 2021 | 31 March 2022 | **30 September 2022** | 30 September 2021 | 31 March 2022 |
| Intersegment revenue | **8 462 896** | 6 955 420 | 17 878 899 | **–** | – | – |
| Revenues from external customers | **491 137 183** | 423 149 097 | 884 484 414 | **27 720 096** | 30 532 162 | 59 037 366 |
| Total segment revenue | **499 600 079** | 430 104 517 | 902 363 313 | **27 720 096** | 30 532 162 | 59 037 366 |
| Earnings before interest, taxation depreciation and amortisation | **69 614 018** | 63 224 837 | 142 099 224 | **597 031** | 3 477 060 | 5 340 486 |
| Segment profit/(loss) before tax | **66 012 948** | 59 959 599 | 135 698 047 | **198 591** | 3 099 666 | 4 501 395 |
| Segment assets* | **201 125 321** | 154 105 002 | 191 383 851 | **15 944 614** | 20 666 430 | 15 860 121 |
| Segment liabilities | **(118 625 871)** | (80 372 874) | (92 577 606) | **(8 154 856)** | (9 728 480) | (8 734 842) |

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

| | Europe | | | Other | | |
|---|---|---|---|---|---|---|
| Rand | **30 September 2022** | 30 September 2021 | 31 March 2022 | **30 September 2022** | 30 September 2021 | 31 March 2022 |
| Intersegment revenue | **–** | – | – | **–** | – | – |
| Revenues from external customers | **17 640 702** | 15 008 200 | 32 154 886 | **–** | – | – |
| Total segment revenue | **17 640 702** | 15 008 200 | 32 154 886 | **–** | – | – |
| Earnings before interest, taxation depreciation and amortisation | **1 025 605** | 3 023 901 | 3 882 667 | **(2 557 182)** | (3 341 207) | (6 132 333) |
| Segment profit/(loss) before tax | **1 007 453** | 2 353 904 | 2 764 587 | **(2 554 027)** | (3 340 714) | (6 134 716) |
| Segment assets* | **14 590 880** | 111 803 034 | 13 416 686 | **128 007 587** | 269 100 | 117 049 224 |
| Segment liabilities | **(3 533 831)** | (9 244 308) | (3 003 156) | **(2 775 424)** | (2 826 955) | (3 082 551) |

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

## 16. SEGMENT REPORT (CONTINUED)

| Rand | Intersegment eliminations 30 September 2022 | 30 September 2021 | 31 March 2022 | Total 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|---|---|---|
| Intersegment revenue | (8 462 896) | (6 955 420) | (17 878 899) | – | – | – |
| Revenues from external customers | – | – | – | 536 497 981 | 468 689 458 | 975 676 666 |
| Total segment revenue | (8 462 896) | (6 955 420) | (17 878 899) | 536 497 981 | 468 689 458 | 975 676 666 |
| Earnings before interest, taxation depreciation and amortisation | – | – | – | 68 679 472 | 66 384 590 | 145 190 044 |
| Segment profit/(loss) before tax | – | – | – | 64 664 966 | 62 072 454 | 136 829 314 |
| Segment assets* | – | – | – | 359 668 402 | 286 843 566 | 337 709 881 |
| Segment liabilities | – | – | – | (133 089 982) | (102 172 616) | (107 398 155) |

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

| Rand | 30 September 2022 | 30 September 2021 | 31 March 2022 |
|---|---|---|---|
| **Reconciliation of earnings before interest, taxation, depreciation and amortisation** | | | |
| Total consolidated earnings before interest, taxation, depreciation and amortisation for reportable segments | 68 679 472 | 66 384 590 | 145 190 044 |
| Reconciling items: | | | |
| Share-based payment expense | (2 676 964) | (3 347 529) | (5 668 771) |
| Other operating (losses)/gains | (909 881) | 2 301 | (2 242 752) |
| Gains/(losses) on exchange differences | – | (104 860) | – |
| Movement in credit loss allowances | 83 613 | 248 664 | 1 321 885 |
| **Consolidated earnings before interest, taxation, depreciation and amortisation** | 65 176 240 | 63 183 164 | 138 600 407 |
| **Reconciliation of profit before taxation** | | | |
| Total consolidated profit before taxation for reportable segments | 64 664 966 | 62 072 454 | 136 829 314 |
| Reconciling items: | | | |
| Share-based payment expense | (2 676 964) | (3 347 529) | (5 668 771) |
| Other operating (losses)/gains | (909 881) | 2 301 | (2 242 752) |
| Gains/(losses) on exchange differences | – | (104 860) | – |
| Movement in credit loss allowances | 83 613 | 248 664 | 1 321 885 |
| **Consolidated profit before taxation** | 61 161 734 | 58 871 029 | 130 239 677 |

# GLOSSARY

| | |
|---|---|
| B-BBEE | Broad-based Black Economic Empowerment |
| BEE | Black Economic Empowerment |
| Board | the Board of Directors of the Company |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| Companies Act | South African Companies Act, Act 71 of 2008 (as amended) |
| CSDP | Central Securities Depository Participant |
| ECL | Expected Credit Losses |
| EBITDA | Earnings before interest, taxation, depreciation and amortisation |
| IAS | International Accounting Standards |
| IFRS | International Financial Reporting Standards |
| JSE | the stock exchange operated by the JSE Limited |
| Listings Requirements | the Listings Requirements of the JSE |
| OCI | Other Comprehensive Income |
| PBT Group | PBT Group Limited |
| Pulsent OH GP Proprietary Limited | Pulsent OH GP Proprietary Limited in its capacity as the general partner of the PBT Direct GP Partnership *en commandite*, the latter in its capacity as general partner of the PBT Direct Partnership *en commandite* |
| SENS | Stock Exchange News Service |

# FORM OF ELECTION

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

**(FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)**

**INTERIM DISTRIBUTION DECLARATION**
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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

If you do not wish to receive a dividend from income reserves, being the default option as described in the Letter to Stakeholders, but wish to receive a capital reduction distribution, you must complete this form of election.

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

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

**Notes**

1. Elections made in terms of this form are irrevocable and may not be withdrawn once submitted.
2. The Form of Election must only be used by certificated shareholders.
3. All dematerialised shareholders are reminded that the onus is on them to communicate with their Central Securities Depository Participant (CSDP) or broker and furnish them with instructions.
4. Forms of Election should be lodged with or mailed to:
   JSE Investor Services Proprietary Limited
   13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001
   PO Box 4844
   Johannesburg, 2000
   specialprojects@jseinvestorservices.co.za

   **To be received by no later than 12:00 on Friday, 23 December 2022.**
5. Any alteration or correction made to this Form of Election, other than the deletion of alternatives, must be initialled by the signatory/ies.

Signed at ______________________________ on ______________________ 2022.

Signature ____________________________________________

Assisted by (if applicable) ____________________________________________

Address ____________________________________________

Telephone number ____________________________________________

Cell phone number ____________________________________________

**PART B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM**

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

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

**REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS**

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

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

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

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

**Notes**

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

# GENERAL INFORMATION

| | |
|---|---|
| Country of incorporation | South Africa |
| Nature of business and principal activities | Information management and data analytics services |
| Directors | Tony Taylor (Independent Non-Executive Chairman)<br>Elizna Read (Chief Executive Officer)<br>Bianca Pieters (Chief Financial Officer)<br>Cheree Dyers (Independent Non-Executive Director)<br>Pule Taukobong (Non-Executive Director)<br>Arthur Winkler (Independent Non-Executive Director) |
| Audit and Risk Committee | Arthur Winkler (Chairman)<br>Cheree Dyers<br>Tony Taylor |
| Remuneration and Nomination Committee | Cheree Dyers (Chairman)<br>Tony Taylor<br>Arthur Winkler |
| Social and Ethics Committee | Cheree Dyers (Chairman)<br>Tony Taylor<br>Elizna Read |
| Company Secretary | Anastassia Sousa<br>PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa |
| Investor relations | Francois de Wet<br>francois.dewet@pbtgroup.nl<br>+31 6 59 35 36 25 |
| Registered office | PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa |
| Postal address | PO Box 276, Century City, 7446, South Africa |
| Registration number | 1936/008278/06 |
| Auditors | BDO South Africa Incorporated |
| Sponsor | Questco Corporate Advisory Proprietary Limited |
| Transfer Secretaries | JSE Investor Services Proprietary Limited<br>PO Box 4844, Johannesburg, 2000, South Africa<br>13th Floor, 19 Ameshoff Street, Braamfontein, 2001, South Africa |
| JSE share code | PBG |
| ISIN | ZAE000256319 |
| Website | www.pbtgroup.co.za |

PBT group
DATA SPECIALISTS

www.pbtgroup.co.za