AUDITED RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

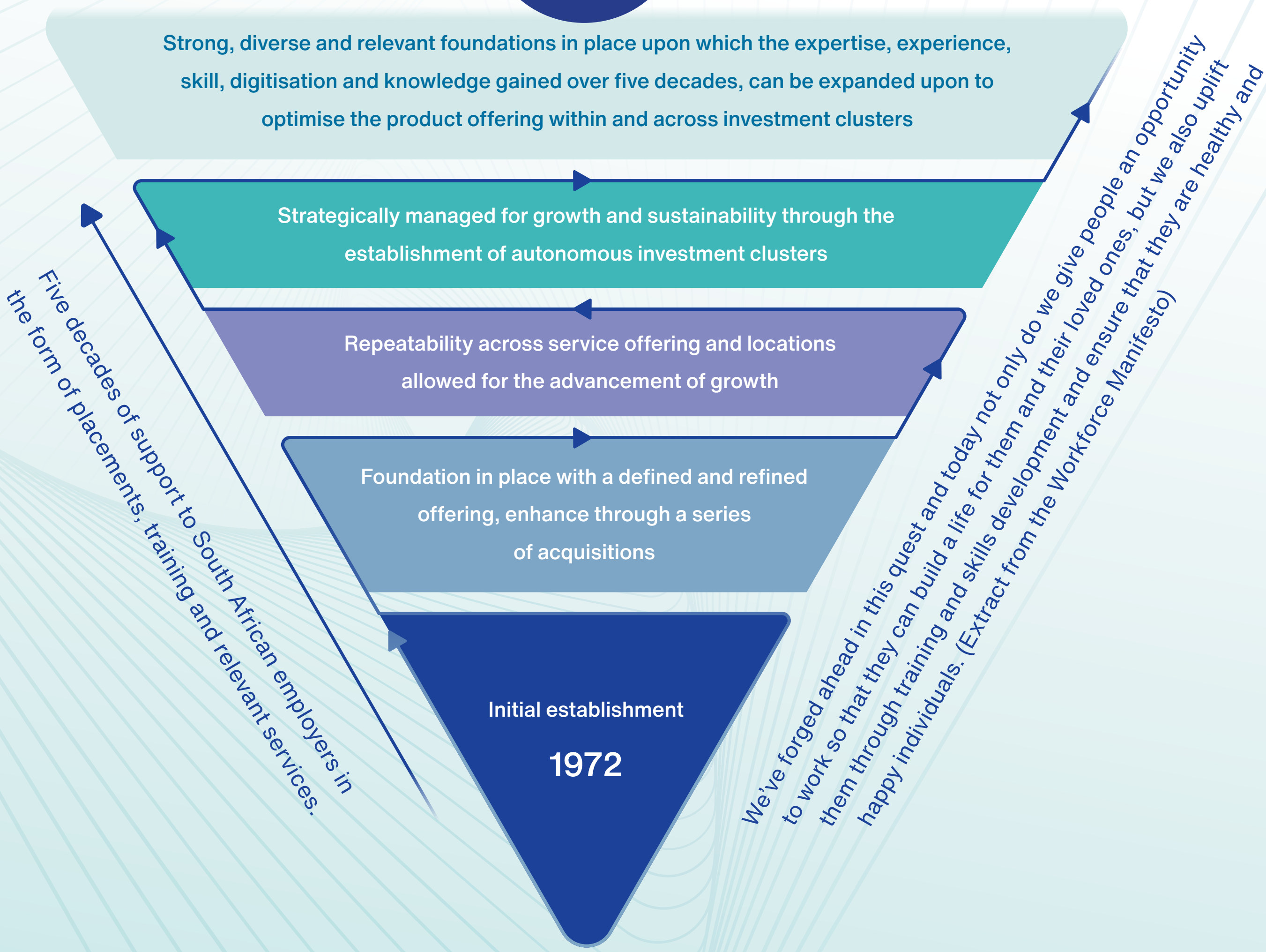
workforce
HOLDINGS LIMITED

Uplifting people.
Growing business.

(Incorporated in the Republic of South Africa)
(Registration number 2006/018145/06) JSE code: WKF ISIN: ZAE000087847 ("Workforce" or "the group" or "the company")

#NEWDIMENSIONS

CELEBRATING 50 Years



The theme for this year is #newdimensions, in acknowledgement of our drive for constructive change and development while we evolve and mature with the times. By ensuring we remain true to our mandate of uplifting people and growing business, our growth will provide both practical and constructive direction.

#newdimensions supports the diverse structure of brands, services, products, and expertise Workforce has built over five decades and points towards the future growth of our offerings, always ensuring that we remain relevant to our customers by creating profit with a purpose.

CELEBRATING 50 YEARS

Although this reporting period is "technically" for our 49th year, the 2022 calendar year marks 50 years since the group was established.

WHERE WE OPERATE

South America

32
trading brands in the group

6
active branches beyond our borders

102
branches in South Africa

Operational in
5
countries outside of South Africa

OUR POSITIVE IMPACT

EMPOWERMENT

Level 1 B-BBEE

40% Black women

51% Black ownership

OUR PEOPLE

1 319
Permanent staff employed

59%
Women

72%
"Black"

36%
"Youth"

OUR POSITIVE IMPACT

102 013	Average number of payslips processed monthly
39 938	Training instances
19 534	Learners on learnership programmes
70	Registered learnerships
74	Learners on the Bachelor of Business Administration ("BBA") degree
105 942	Medical examinations conducted
56 508	Funeral and medical policies issued
37 605	Average weekly assignees

WHAT WE DO

Investment clusters	Brands and offerings
STAFFING AND OUTSOURCING	This investment cluster's services extend beyond Staffing and Outsourcing to turnkey, tailor-made outsourcing solutions, including all aspects of human capital management such as payroll, industrial relations, human resources and functional outsourcing. Our contractors are at the core of our success, which is why we provide them with access to competitive benefits, career growth opportunities, skills development and invaluable experience, ultimately providing greater benefit to our valued clients.
RECRUITMENT*	Our companies source, attract and recruit talent through vast professional networks, supported by expertise and technology. This is achieved through a cohesive working relationship with our clients and further enhanced through our specialisation in industry-specific placements.
AFRICA*	Offering the full array of Workforce's employee management services, the Africa cluster serves all industries across the African continent. By recruiting from local communities and partnering with local staffing and recruitment companies, Workforce Africa offers staffing, training, healthcare, and financial services. Workforce Africa combines the expertise of the different investment clusters in the group and provides these products and services into Africa, where there is a great need.

- Temporary employment services ("TES")
- Risk mitigation through insurance and client driven solutions
- Functional outsourcing
- Short and long-term hires
- Payroll and other systems management
- HR and IR consulting services
- Turnkey staffing solutions
- Import and export of skills required to close skills gaps
- COIDA and UIF claims support

- Specialised staffing solutions
- Executive search/ headhunting
- Map and attract permanent recruitment
- Temporary employment services
- Short and long-term hires
- Payroll management
- HR and IR consulting services
- Disability solutions
- Call centre

** The results for Recruitment and Africa are included in the Staffing and Outsourcing cluster results.*

- Entire suite of Workforce services and products

Investment clusters

Brands and offerings

TRAINING AND EDUCATION

The Training and Education cluster expanded through the acquisition of specialised training and education providers, which operate in the fields of management training, learnerships, internships and specialised compliance training. We aim to improve trainees' employability and the earning capability of employed people to earn more in the shortest time possible with our training solutions. KBC and Prisma focus on training and on-boarding in the mining industry. The cluster also focuses on the training of nurses by Allmed and cyber security training through Cyber. Chartall Business College ("Chartall") is a registered training provider and offers degrees in Business Administration and specialises in Financial Advisory and Intermediary Services ("FAIS") training for the banking industry.

HEALTHCARE

The Healthcare cluster has specific focus areas – the first is providing occupational healthcare services encompassing workplace employee health management, high-risk compliance and extending to comprehensive corporate wellness solutions across all industry sectors. These services are delivered by 72 onsite clinics at various clients, all of which provide primary care, Covid-19 prevention and occupational healthcare; six walk-in occupational health centres nationally; and nine mobile units providing occupational health screening.

Employee wellness programmes ("EWPs") is a further focus area, which considers a wide range of employee needs, providing wellness programmes that support both the organisation and staff via a 24-hour call-centre and 300 affiliate psychologists/social workers nationally.

Primary healthcare services help reduce unnecessary time off work and loss of earnings that result from employees who need to travel to off-site primary healthcare facilities for the treatment of minor ailments or chronic conditions.

The cluster also provides a complete range of healthcare personnel solutions for public and private hospitals and clinics, retirement and frail-care establishments and carers for old-age and/or home-based care.

FINANCIAL SERVICES

The Financial Services cluster provides financial services, lifestyle benefit packages and support services to employees of the group, as well as insurance products including low-cost medical insurance and funeral insurance, both to the group and external customers.

- Learnerships
- Short courses
- Skills programmes
- Online/digital courses
- SETA accredited
- SAQA and NQF aligned
- All divisions are registered and accredited
- Compliance and apprenticeships training
- Contractor onboarding and induction
- FET and HET offering
- SETA and QCTO accredited
- Behaviour change management training

- Occupational healthcare services
- Mobile screening
- On-site clinics
- Employee wellness programmes
- Medical surveillance programmes
- Management of chronic and acute conditions
- Temporary, contract, emergency and permanent placings
- Medical staff recruitment
- Placing nurses and medical professionals
- Home-based care

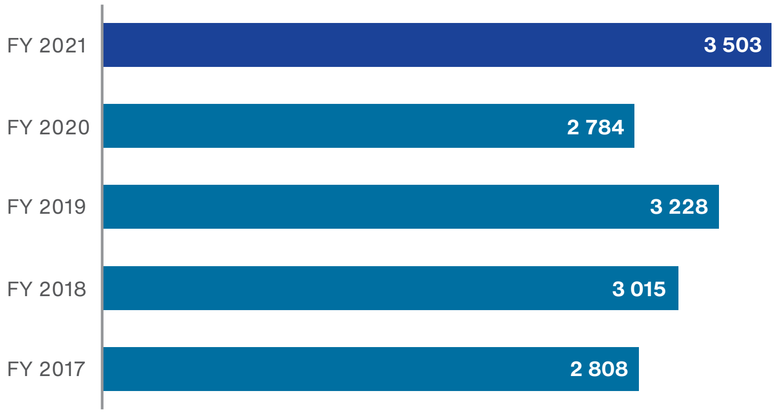
- Funeral cover
- Day-to-day medical insurance
- Hospital cover
- Responsible lending services
- Affordable optometry and glasses programme
- Wide range of financial products
- Debt collection services

KEY NUMBERS

The impact of the Covid-19 pandemic through a continuation of partial lockdowns, a ban on alcohol sales, which impacted the glass and hospitality industries in particular, generally weak economic indicators resulting in poor indicators and confidence, and the unrest and looting in KwaZulu-Natal and Gauteng in July 2021 affected the business.

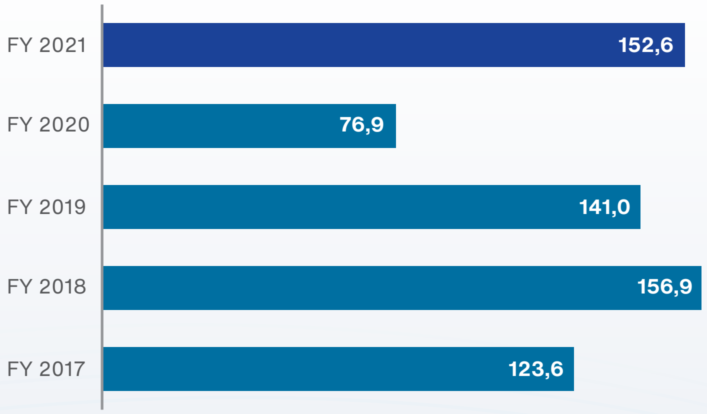
The financial scorecard is showing resilience due to the diversified investment cluster positioning of the business, as well as the adaptability of the business to ensure it remains relevant in brands, products and services to all the people it supports.

Revenue (Rm)



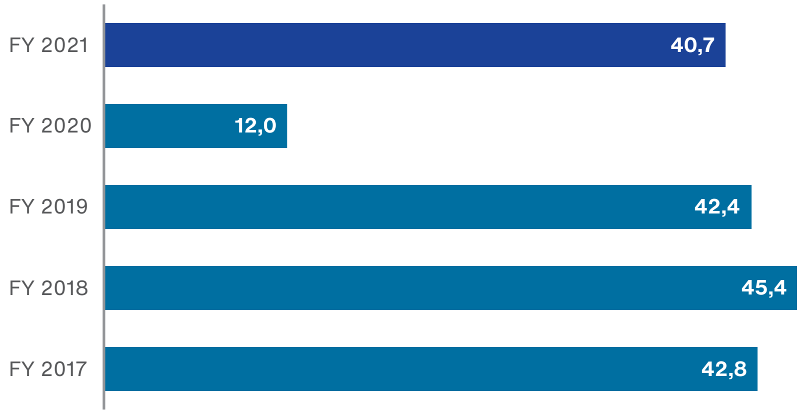
Revenue improved by 29,6% year on year

EBITDA (Rm)



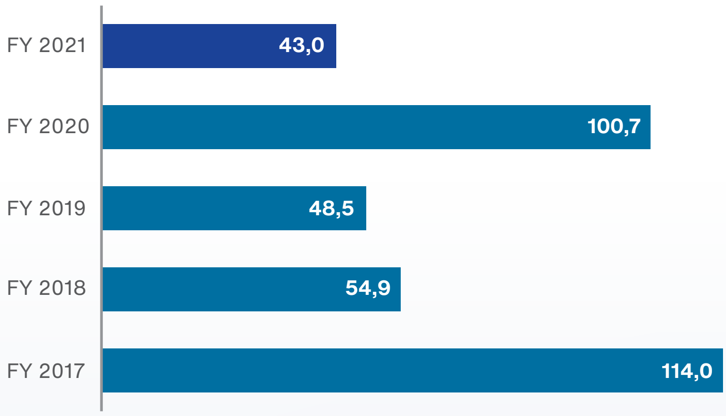
The 98,4% improvement in EBITDA was significant and attributable to a general recovery in revenue with results buoyed by R40,8 million of a special Employment tax incentive ("ETI") extended by government due to Covid-19

HEPS (cents)



The improved HEPS to pre-Covid-19 levels is indeed pleasing and demonstrates the resilience of the investment cluster diversification

Cash generated from operating activities* (Rm)



On a normalised basis cash generation was acceptable and supported an investment back into debtors due to increased activity

* *Normalised for the SARS/VAT loan and includes an investment in debtors due to increased activity.*

Days outstanding

Over the five-year period, days outstanding have improved by 7 days

COMMENTARY

OPERATING ENVIRONMENT – DEALING WITH A TRULY GLOBAL CHANGE EVENT

Despite having to deal with the challenges Covid-19 presented, the pandemic provided a unique opportunity to assess the way forward for the group. We now find ourselves in a position where a strong and meaningful foundation is in place, and not by chance, but rather by design. For five decades we worked through phases to reach the stage where Workforce is now, becoming a mature business that has learnt how to deal with and adapt to operating under challenging circumstances, particularly given the South African context.

While the pandemic created a global impetus for organisations to learn to adapt to overcome adversity, for Workforce it cemented our knowledge, learnings, and a high level of expertise in our diversified space.

The 2021 financial year should be viewed as a story of recovery in financial metrics, culminating in a much-improved result from the previous financial year, taking Workforce back to 2019 levels and in some instances, even exceeding those results. This recovery across most metrics for the investment clusters is testament to the solid foundation that is in place at Workforce, which is of course supported by product and brand diversification.

FINANCIAL PERFORMANCE

It is a pleasure to report improved results from the comparative year under review. The 2021 financial performance was impacted by the elements mentioned above, supported by a strong recovery in the latter half of the year, which increased revenue to R3,5 billion compared to revenue of R2,7 billion in the previous year.

The improvement in EBITDA to R152,7 million represents an increase of 98,4% on the prior year and 8% higher than the R141,0 million of EBITDA produced in 2019. These numbers are indicative of a robust performance from the Staffing and Outsourcing and Training and Education investment clusters.

Unfortunately, at an EBITDA level, the results from the Financial Services and Healthcare clusters detracted somewhat from the results. However, overall, the results are attributable to the diversified structure Workforce has in place. Headline earnings per share ("HEPS") improved significantly by 239,0% to 40,7 cents per share compared to 12,0 cents per share in 2020.

PERFORMANCE OF INVESTMENT CLUSTERS

In summary, the performance of the investment clusters is pleasing and at a high level the following should be noted:

- Staffing and Outsourcing once again improved their results, and it should be remembered that within the results there is an amount of R38 million in 2021 attributable to the emergency tax relief under the ETI. If this amount is excluded from the cluster's overall performance, it remains a 20% better contribution from the 2019 financial year;
- Training and Education, though vastly improved from 2020, has not been able to return to 2019 levels, due to economic hinderances and disruptions in training programmes due to Covid-19;
- Financial Services was particularly hard hit by Covid-19 for the past two years, the unrests that took place in 2021 and a generally depressed economy; and
- Healthcare's performance improved from 2019 through benefiting from Covid-19, albeit that the 2021 performance is slightly lower than that of the 2020 financial year.

As the main contributing investment cluster, the Staffing and Outsourcing cluster experienced a good year, with revenue increasing by 28% to R2,7 billion (2020: R2,2 billion) and EBITDA improving by 48% to R188,2 million (2020: R127,4 million). The cluster contributed 72% to EBITDA of the group. All the businesses within the cluster showed recovery, and in most instances, a return to profitability. As a whole, the cluster experienced a stronger second half, reflecting the seasonal nature of the sector, with trading patterns starting to reflect a return to normality.

The restructuring of the Recruitment cluster*, initiated during the previous financial year, and which involved separating generalist recruitment services from niche, more specialist revenue streams, proved to be successful. New services such as "map and attract" proved to be particularly effective during the year under review, generating good revenue for the cluster. The "blue collar" revenue stream also showed improvement, resulting in Workforce being appointed as the preferred service provider to a large petrochemical company. In addition, there was a focus on aligning the newer brands in the portfolio, including OTB, TeleResources and Accotech, to these models, not only making it easier for clients to understand the brands, but also attracting more tender business, which in the Covid-19 years all but disappeared.

The Training and Education cluster delivered a good performance for the year under review, building on the strong performance of the first six months. Improvements to both online and blended service solutions, and the restructuring of several businesses, together with a reduction of Covid-19 lockdowns, resulted in improved revenue of 34%, while EBITDA increased by 56%. The cluster contributed 17% to EBITDA of the group. The cluster still lags from the 2019 base, but the group is confident that the parameters in place will come to fruition in the coming year.

The Financial Services cluster experienced an improved performance compared to 2020, but still lags the result produced in 2109. Highlights for the current year include the acquisition of GetSavvi, a health insurance company, in the Essential Employee Benefits ("EEB") business, and a generally improved lending environment based on economic recovery. This resulted in an increase in revenue of 48% to R80,8 million (2020: R54,6 million) and a reduced EBITDA loss of R12,4 million (2020: R55,0 million) The cluster contributed 2% to revenue of the group. This cluster was impacted by the unrest, poor economic conditions and job losses due to the lockdowns – all these factors impacting people's ability to repay loans, with a cautious hesitance on the cluster to reopen loans too quickly.

The Healthcare cluster experienced revenue growth of 6% compared to the previous financial year, which was organic in nature, with the cluster contributing 9% of revenue to the group. EBITDA was down to R41,6 million (2020: R49,6 million). Despite this reduction, the overall EBITDA result for 2021 is 44% higher than EBITDA achieved in 2019. As a result the cluster contributed 16% to group EBITDA. Strict cash preservation measures remain in place.

During the first six months of the year, the Africa investment cluster continued to be impacted by Covid-19, particularly as travel restrictions affected the opening of new markets in Africa. However, activity gradually improved as the continent's economies started to pick up again, with business across all the countries the cluster operates in showing signs of recovery, with improved results across the countries in which there are operations.

* *The results for Recruitment and Africa are included in the Staffing and Outsourcing cluster results.*

TAXATION

The group's positive tax charge arises primarily from the income derived from the ETI programme not being taxable, and the learnership allowances claimed in terms of section 12H of the Income Tax Act. For the period, the tax credit amounts to R15,4 million (2020: R27,7 million). The gross ETI for the year amounted to R91,3 million (2020: R96,1 million) , however of this, R40,8 million (2020: R55,6 million) was as a result of extended non-recurring ETI claims applicable to the respective years. A special ETI, allocated by government to support the depressed economic conditions as a result of the extended Covid-19 lockdowns, from August to November added an additional R40,8 million to the normal ETI dispensation.

CASH

The business effectively generated cash flow from operating activities of R43 million, after taking into account a VAT payment deferral granted during 2020 due to Covid-19, which had to be paid back in 2021. Higher trading levels caused an increase in trade receivables to the amount of R148 million.

Days sales outstanding remained unaltered from 2020 levels at a healthy 46 days.

Workforce remains a going concern, with sufficient liquidity to ensure ongoing. The group is well positioned to benefit from improved economic conditions going forward as the economy returns to a level of normality.

ACQUISITIONS AND DIVERSIFICATION

The quick and robust adoption of technology to support digitisation to train, recruit, communicate and interact with customers and assignees has been of tremendous benefit to the group. Our technology is also continually enhanced to ensure ongoing relevance and efficient to customers.

Acquisitions remain a fundamental part of Workforce's growth and these, together with organic growth, will ensure that our theme of #newdimensions truly supports Workforce's future through ensuring relevance in the services we provide and in the products we supply.

CAPITAL ALLOCATION

The diversification of revenue and product streams through the cluster structure continues to be a focus of the group. In addition to this, the acquisition of cash generative businesses to bolster the clusters will continue. The effective use of the ETI, coupled with funding, ensures that Workforce has the necessary cash resources to undertake acquisitive growth and to ensure clusters are at critical mass to make meaningful future contributions. This is supported by funders to close any gaps in funding that might arise. Shareholders are reminded that it is Workforce's intention to replace the ETI with earnings by driving organic and acquisitive growth to become less reliant on these incentives.

No dividend was declared considering current economic circumstances.

GEARING

Workforce has a debt-to-equity ratio of 0,39 compared to the previous year of 0,35. The slight increase, compared to the previous year, is mainly due to the increase in working capital levels as a result of the normalisation of business activities.

HUMAN CAPITAL AND SOCIAL DEVELOPMENT

During the year under review, we provided employment to 1 319 permanent employees and deployed on average 37 605 weekly assignees to our clients on an outsourced basis. On a monthly basis we processed on average 102 013 payslips. Impacts such as these on the South African workforce should not be underestimated.

Being a responsible corporate, we have also indicated our contribution and support to the United Nations Social Development Goals of:

OUTLOOK

The Russian invasion of the Ukraine is likely to strike a devastating blow to global growth if the war is permitted to escalate. There is no doubt this will have an impact on the South African economy too, but it feels too early to assess what impact this will have on Workforce.

The outlook for the coming financial year is certainly more attractive than has been the case for the past two years, with the investment clusters coming to terms with a digitised operating environment, allowing technology to support the delivery of services in a much more ambitious way than in previous years.

Thanks to the focus on cost structures in previous years, there is now a lean cost base in place. Similarly to Workforce having gotten "its house in order", many of South Africa's corporates have done the same, and our 50-year history, matched by our size, experience and knowledge, places the group in a stronger position now to penetrate the market even further.

Finally, there will be a greater focus across the group on delivering improved margins in the coming financial year to ensure that our success retains momentum.

JR Macey
Independent Chairman

RS Katz
Chief Executive Officer

W van Wyk
Group Financial Director

30 March 2022

GROUP STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Notes	2021 R'000	2020 R'000
Assets			
Non-current assets		**494 700**	448 525
Right-of-use assets	3	**46 768**	57 126
Property, plant and equipment		**27 505**	20 651
Goodwill	4	**253 412**	215 780
Intangible assets		**68 986**	77 325
Deferred tax assets	6	**91 123**	71 012
Financial assets		**6 906**	6 631
Current assets		**962 546**	851 308
Financial assets		**21 154**	–
Trade and other receivables		**854 866**	765 459
Consumables		**3 917**	3 907
Taxation		**3 653**	2 675
Cash and cash equivalents		**78 956**	79 267
Total assets		**1 457 246**	1 299 833
Equity and liabilities			
Equity		**831 767**	734 242
Equity attributable to owners of the parent		**825 933**	730 564
Stated capital		**234 051**	234 051
Treasury shares		**(13 563)**	(13 075)
Foreign exchange differences on translation of foreign operations		**(3 507)**	(2 444)
Equity-settled employee benefits reserve		**9 995**	5 555
Retained earnings		**598 957**	506 477
Non-controlling interests		**5 834**	3 678
Non-current liabilities		**70 410**	70 730
Financial liabilities		**29 887**	21 026
Lease liabilities		**36 946**	47 313
Deferred tax liabilities		**3 577**	2 391
Current liabilities		**555 069**	494 861
Trade and other payables		**216 561**	226 616
Financial liabilities		**321 660**	253 807
Lease liabilities		**16 848**	14 438
Total equity and liabilities		**1 457 246**	1 299 833

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Notes	2021 R'000	2020 R'000
Revenue	5	**3 503 798**	2 778 034
Cost of sales		**(2 708 511)**	(2 132 608)
Gross profit		**795 287**	645 426
Other income		**3 345**	7 340
Operating costs		**(645 991)**	(575 887)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")		**152 641**	76 879
Fair value adjustments		**5 212**	(3 883)
Depreciation and amortisation		**(55 772)**	(47 598)
Finance income		**1 537**	745
Finance costs		**(23 220)**	(18 503)
Profit before taxation		**80 398**	7 640
Taxation	7	**15 437**	27 731
Profit after tax		**95 835**	35 370
Other comprehensive income after tax			
Items that are reclassified to profit or loss:			
Foreign translations loss		**(1 063)**	(2 140)
Exchange differences on translating foreign operations		**(1 063)**	(2 140)
Total comprehensive income for the year		**94 772**	33 230
Profit for the year attributable to:			
Owners of the parent		**93 679**	31 244
Non-controlling interests		**2 156**	4 126
		95 835	35 370
Total comprehensive income attributable to:			
Owners of the parent		**92 616**	29 104
Non-controlling interests		**2 156**	4 126
		94 772	33 230
Earnings per share (cents per share)	8		
Basic earnings per share		**41,6**	13,9
Diluted earnings per share		**41,6**	13,9

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Attributable to owners of the parent							
	Share capital and premium R'000	Treasury shares R'000	Foreign currency translation reserve R'000	Equity-settled employee benefits reserve R'000	Retained earnings R'000	Total R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 January 2020	234 051	(13 075)	(304)	5 529	469 124	695 325	(448)	694 877
Recognition of share-based payments	–	–	–	6 802	–	6 802	–	6 802
Issue of ordinary shares under share option plan	–	–	–	(6 776)	6 776	–	–	–
Payment of dividends	–	–	–	–	(667)	(667)	–	(667)
Total comprehensive income for the year	–	–	(2 140)	–	31 244	29 104	4 126	33 230
Balance at 1 January 2021	**234 051**	**(13 075)**	**(2 444)**	**5 555**	**506 477**	**730 564**	**3 678**	**734 242**
Buy-back of shares	**–**	**(488)**	**–**	**4 440**	**–**	**3 952**	**–**	**3 952**
Payment of dividends	**–**	**–**	**–**	**–**	**(1 199)**	**(1 199)**	**–**	**(1 199)**
Total comprehensive income for the year	**–**	**–**	**(1 063)**	**–**	**93 679**	**92 616**	**2 156**	**94 772**
Balance at 31 December 2021	**234 051**	**(13 563)**	**(3 507)**	**9 995**	**598 957**	**825 933**	**5 834**	**831 767**

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

	Notes	2021 R'000	2020 R'000
Cash generated from operations before net working capital changes		**118 043**	43 696
Cash generated from operations	9.1	**140 112**	61 346
Finance income		**1 537**	745
Finance costs		**(17 064)**	(14 602)
Taxation paid	9.2	**(6 542)**	(3 793)
Increase/(decrease) in net working capital	9.3	**(147 330)**	129 087
Cash flows from operating activities		**(29 287)**	172 783
Cash flows from investing activities		**(17 707)**	(27 924)
Property, plant and equipment acquired		**(15 606)**	(8 830)
Proceeds on disposal of property, plant and equipment		**–**	293
Dividend income		**1 000**	644
Intangible assets acquired		**(1 708)**	(6 196)
Loan advanced		**(127 669)**	–
Repayment of loans advanced		**147 200**	–
Payment of contingent consideration for business combinations		**(24 030)**	(13 953)
Cash acquired on business combination		**3 106**	118
Cash flows from financing activities		**46 683**	(114 600)
Repayment of borrowings		**(7 101)**	(90 778)
Proceeds from borrowings		**80 953**	10 000
Payment of lease liabilities		**(18 472)**	(25 741)
Payment for buy-back of shares		**(488)**	–
Payment of existing contingent consideration on business combinations		**(7 010)**	(7 415)
Dividends paid		**(1 199)**	(666)
Net change in cash and cash equivalents		**(311)**	30 259
Cash and cash equivalents at the beginning of the year		**79 267**	49 008
Cash and cash equivalents at the end of the year		**78 956**	79 267

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL INFORMATION

Workforce is a holding company incorporated in South Africa. The registered address and principal place of business is disclosed under corporate information in the integrated annual report. The principal activities of the group are human capital solutions that include temporary employment services, permanent placement recruitment, training and skills development, contractor on-boarding, healthcare and wellness, disability solutions, financial services, lifestyle benefits and business process outsourcing solutions.

2. BASIS OF PREPARATION

The annual financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value. The preparation of the annual financial statements was supervised by the Financial Director, W van Wyk, CA(SA). The annual financial statements are presented in South African Rand ("ZAR"), the functional currency of the group and company and all amounts are rounded to the nearest thousand, except when otherwise indicated. The audited results for the year ended 31 December 2021 have been prepared in accordance with the JSE Limited Listings Requirements ("Listings Requirements") for condensed financial results and the requirements of the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act"). The Listings Requirements require financial reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and also that they as a minimum contain the information required by IAS 34: *Interim Financial Reporting*. The accounting policies applied in the preparation of the audited results for year ended 31 December 2021 are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous audited consolidated annual financial statements.

These financial statements are extracted from audited information, but is not itself audited. The directors take full responsibility for the preparation of the financial results announcement and confirm that the financial information has been correctly extracted from the underlying annual financial statements. Crowe JHB are the group's auditors and the unqualified report of the auditor is available for inspection at the company's registered office.

3. RIGHT-OF-USE ASSET AND LEASE LIABILITIES

	2021			2020		
	Cost R'000	**Accumulated depreciation R'000**	**Carrying value R'000**	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Property	**89 766**	**(48 952)**	**40 814**	103 403	(51 660)	51 743
Motor vehicles	**11 320**	**(5 366)**	**5 954**	13 809	(8 426)	5 383
	101 086	**(54 318)**	**46 768**	117 212	(60 086)	57 126

The carrying value of right-of-use assets can be reconciled as follows:

	Property R'000	Motor vehicles R'000	Total R'000
Carrying value at 1 January 2020	22 576	5 607	28 183
Additions	45 203	3 607	48 810
Depreciation	(16 036)	(3 831)	(19 867)
Carrying value at 1 January 2021	51 743	5 383	57 126
Additions	6 258	5 513	11 771
Disposals	–	(1 256)	(1 256)
Depreciation	(17 187)	(3 686)	(20 873)
Carrying value at 31 December 2021	**40 814**	**5 954**	**46 768**

3. RIGHT-OF-USE ASSET AND LEASE LIABILITIES (continued)

The table below describes the nature of the group's leasing activities by type of right-of-use asset recognised on the statement of financial position:

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with options to purchase	Number of leases with variable payments linked to an index	Number of leases with termination options
Right-of-use asset							
Property	42	12 to 72 months	12 months	42	–	–	42
Motor vehicles	71	12 to 36 months	36 months	71	–	–	71

Depreciation on right-of-use assets and property, plant and equipment are included in "Depreciation and amortisation" in the statement of comprehensive income.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 December 2021 is as follows:

	Within a year	2 to 3 years	3 to 6 years
Minimum lease payments due			
31 December 2021			
Lease payments	21 764	32 752	9 625
Finance charges	(4 916)	(5 055)	(376)
Net present values	**16 848**	**27 697**	**9 249**
31 December 2020			
Lease payments	19 363	31 801	25 489
Finance charges	(4 925)	(7 490)	(2 487)
Net present values	14 438	24 311	23 002

4. GOODWILL

		2021 R'000	2020 R'000
Carrying value at beginning of the year		215 780	192 993
Acquired through business combination (see note 13)		37 632	21 587
Carrying value at end of the year		**253 412**	214 580
Staff outsourcing cash-generating units	– Workforce Staffing	4 275	4 275
	– RecruitCo (formally Telebest Holdings)	31 190	31 190
	– OpenSource Intelligence Solutions	17 067	–
	– Allmed Healthcare Professionals	5 815	5 815
	– Quyn Group	39 134	39 134
	– Gcubed	652	652
	– Day-Click	885	885
	– Oxyon Human Capital Solutions	8 977	8 977
Financial services cash-generating units	– GetSavvi Group	20 565	–
Training and Education cash-generating units	– Prisma Training Solutions	21 221	21 221
	– KBC Holdings	22 331	22 331
	– Talent Factor	1 763	1 763
	– Dyna Group	56 750	56 750
	– Chartall Group	22 787	22 787
		253 412	215 780

4. GOODWILL (continued)

The recoverable amount of the above cash-generating units are determined based on value-in-use calculations. The key assumptions for the value-in-use calculations are discount rates, growth rates and expected cash flows. Management estimates discount rates using rates that reflect current market assumptions of the time value of money and the risk specific to the industry. A discount rate of 18,4% (2020: 17,6%) was used, as all cash-generating units share similar risk characteristics.

Long-term growth rates are based on long-term inflation expectations for South Africa. Sales growth rates, gross margins, operating costs and working capital are derived from historical data and approved forecasts.

The following sales growth rates have been used for the budget periods:

	Average sales growth rates for budget period
Workforce Staffing	5,0%
RecruitCo (formally Telebest Holdings)	6,5%
Allmed Healthcare Professionals	5,0%
Quyn Group	44,7%
Gcubed	5,0%
OpenSource Group	5,0%
Day-Click	5,0%
Oxyon Human Capital Solutions	5,0%
GetSavvi Group	5,0%
Prisma Training Solutions	5,0%
KBC Holdings	7,2%
Talent Factor	5,0%
Dyna Group	5,0%
Uni Education Group	5,0%

Operations of several of the cash-generating units were severely affected as a result of Covid-19. These cash-generating units experienced decreases in turnover and earnings during the prior period. These cash-generating units have largely returned to normal capacity over the current financial period.

The Quyn Group has forecast higher growth of approximately 44,7% due to the commencement of a significant contract during the 2022 financial year. The Quyn Group will be providing staffing for a large infrastructure build project.

Management has performed a sensitivity analysis on the effect of changes of certain key assumptions on the recoverable amounts of the goodwill. The table below sets out the key assumptions and related sensitivities.

	Value %	Stressed value %	Potential impairment R'000
RecruitCo			
Budget period growth rate	6,5	5,0	29 000
Gross profit margins	22,0	20,0	31 000
Discount rate	18,4	20,0	6 200
Quyn Group			
Budget period growth rate	44,7	40,0	37 000
Gross profit margins	13,4	12,0	23 200
Discount rate	18,4	20,0	2 000
KBC Holdings			
Budget period growth rate	7,2	5,0	19 000
Gross profit margins	65,0	62,0	7 300
Discount rate	18,4	20,0	–

The other cash-generating units have not been included in the table above as the sensitivity analysis did not result in any potential impairment.

5. REVENUE

Set out below is the disaggregation of the group's revenue:

Types of services	Staffing and outsourcing R'000	Training and education R'000	Financial services R'000	Healthcare R'000	Total R'000
31 December 2021					
Staffing solutions	**2 724 333**	**–**	**–**	**–**	**2 724 333**
Placements fees	**36 082**	**–**	**–**	**–**	**36 082**
Accredited courses, education and training	**–**	**331 994**	**–**	**–**	**331 994**
Funeral cover and lending services	**–**	**–**	**47 421**	**–**	**47 421**
Medical cover, healthcare, wellness programmes and health risk assessments	**–**	**–**	**–**	**330 628**	**330 628**
	2 760 415	**331 994**	**47 421**	**330 628**	**3 470 358**
31 December 2020					
Staffing solutions	2 142 735	–	–	–	2 142 735
Placements fees	22 648	–	–	–	22 648
Accredited courses, education and training	–	247 017	–	–	247 017
Funeral cover and lending services	–	–	54 633	–	54 633
Medical cover, healthcare, wellness programmes and health risk assessments	–	–	–	311 002	311 002
	2 165 383	247 017	54 633	311 002	2 778 034

6. DEFERRED TAX ASSETS AND LIABILITIES

	2021 R'000	2020 R'000
Balance at the beginning of the year	**68 621**	39 339
Acquired through business combinations	**(2 074)**	(3 999)
Movement per statement of comprehensive income	**20 999**	33 281
Balance at the end of the year	**87 546**	68 621

Deferred tax balances are presented in the statement of financial position as follows:

	2021 R'000	2020 R'000
Deferred tax assets	**91 123**	71 012
Deferred tax liabilities	**(3 577)**	(2 391)
	87 546	68 621

6. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Deferred tax assets/(liabilities) arise from the following:

	Opening balance R'000	Charge to profit or loss R'000	Acquired through business combination R'000	Charge to other compre-hensive income R'000	Charge direct to equity R'000	Closing balance R'000
2021						
Temporary differences						
Property, plant and equipment and intangible assets	(10 350)	(3 594)	–	–	–	(13 944)
Intangible assets – acquired through business combination	(13 436)	13 436	(2 074)	–	–	(2 074)
Right-of-use assets	1 296	(1 296)	–	–	–	–
ECL impairment allowances	12 093	3 441	–	–	–	15 534
Financial assets at fair value	(696)	377	–	–	–	(319)
Equity share-based payments	1 548	(1 548)	–	–	–	–
Provision for leave	4 704	5 459	–	–	–	10 163
Income received in advance	7 888	6 381	–	–	–	14 269
Unearned initiation fee	(581)	1 393	–	–	–	812
Prepaid expenses	(1 574)	288	–	–	–	(1 286)
Fair value through profit and loss	(646)	177	–	–	–	(469)
Tax losses	68 375	(3 515)	–	–	–	64 860
	68 621	20 999	(2 074)	–	–	87 546

	Opening balance R'000	Charge to profit or loss R'000	Acquired through business combination R'000	Charge to other compre-hensive income R'000	Charge direct to equity R'000	Closing balance R'000
2020						
Temporary differences						
Property, plant and equipment	(813)	160	–	–	–	(653)
Intangible assets	(9 295)	(402)	–	–	–	(9 697)
Intangible assets – acquired through business combination	(12 126)	(1 310)	–	–	–	(13 436)
Right-of-use assets	–	1 296	–	–	–	1 296
ECL impairment allowances	20 446	(8 353)	–	–	–	12 093
Financial assets at fair value	(696)	–	–	–	–	(696)
Equity share-based payments	1 548	–	–	–	–	1 548
Provision for leave	3 217	1 487	–	–	–	4 704
Income received in advance	1 224	6 664	–	–	–	7 888
Unearned initiation fee	–	(581)	–	–		(581)
Prepaid expenses	(1 169)	(405)	–	–	–	(1 574)
Fair value through other comprehensive income	(444)	(202)	–	–	–	(646)
Tax losses	37 447	30 928				68 375
	39 339	29 282	–	–	–	68 621

6. DEFERRED TAX ASSETS AND LIABILITIES (continued)

The net movement in deferred tax balances was an increase in deferred tax assets of R18 925. This is mainly due to increases in deferred tax assets arising from tax losses in the group. The tax losses are driven by tax allowances claimed by the group for learnership contracts and by trading losses. Management expects sufficient future taxable income to be realised in order to utilise these tax losses. The tax allowances available for learnerships are currently set to expire with all learnerships registered on or before 31 March 2024. The learnership deduction for the current period amounted to approximately R49 million (2020: R39 million), without these tax deductions the group would have generated taxable income.

Unrecognised deductible temporary differences pertaining to tax losses amounted to R13,9 million (2020: R10 million).

7. TAXATION

Taxation recognised in profit and loss

	2021 R'000	2020 R'000
Current tax		
Current year	(5 161)	(1 551)
Deferred tax		
Current year	20 999	29 282
Prior year	(401)	–
	15 437	27 731
Estimated tax losses of subsidiaries of the group for utilisation against future taxable income:		
Tax losses	277 905	244 196
	231 643	244 196

Reconciliation between accounting profit and tax expense

	2021 R'000	2020 R'000
Accounting profit	80 398	7 640
Tax at the applicable tax rate of 28% (2020: 28%)	22 511	2 139
Tax effect of adjustments on taxable income		
Non-taxable income		
Learnership tax allowances	(13 933)	(10 814)
Employment tax incentive	(25 574)	(20 200)
Dividend received	(280)	(360)
Non-deductible expenses		
Non-operating and capital items	343	7
IFRS adjustments	1 496	1 497
	(15 437)	(27 731)

The proposed decrease in the South African tax rate from 28% to 27% announced by the Minister of finance in the February 2021 Budget Speech is not contained in any of the 2021/2022 Tax Bills. It can therefore not be said to have been substantively enacted as at 31 December 2021 and has therefore not been taken into account for purposes of financial reporting.

8. EARNINGS PER SHARE

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2021	2020
Profit attributable to equity shareholders of the parent company (R'000)	93 679	31 244
Weighted average number of ordinary shares in issue ('000)	225 376	225 492
Diluted weighted average number of shares in issue ('000)	225 376	225 492
Basic earnings per share (cents)	41,6	13,9
Diluted earnings per shares (cents)	41,6	13,9

The weighted average number of ordinary shares for the purpose of diluted earnings per share equals to the weighted average number of ordinary shares used in the calculation of basic earnings per share.

Headline earnings per share

The earnings used in the calculation of headline earnings per share are as follows:

	Gross of tax 2021	Net of tax 2021	Gross of tax 2020	Net of tax 2020
Profit attributable to equity shareholders of the parent company (R'000)	–	93 679	–	31 244
Adjusted for:				
Loss/(gain) on disposal of property, plant and equipment (R'000)	(1 568)	(1 129)	1 058	762
Impairments of intangibles (R'000)	–	–	1 217	1 217
Gain on bargain purchase (R'000)	(777)	(777)	(6 226)	(6 226)
Total headline earnings (R'000)	–	91 773	–	26 997
Weighted average number of shares in issue ('000)	–	225 376	–	225 492
Diluted earnings per shares (cents)			–	–
Headline earnings per share (cents)	–	40,7	–	12,0
Diluted headline earnings per share (cents)	–	40,7	–	12,0

9. NOTES TO THE CASH FLOWS

9.1 Cash generated from operations

	2021 R'000	2020 R'000
Profit before taxation	80 398	7 640
Interest income	(1 537)	(745)
Dividend income	(1 000)	(628)
Finance costs	17 064	14 602
Adjusted for non-cash items:		
Gain on bargain purchase	(777)	(6 226)
Gain on disposal of property, plant and equipment	27	120
Impairment of intangible assets	–	1 217
Depreciation and amortisation of non-financial assets	55 772	47 598
Additions of internally generated software	(8 000)	–
(Gain)/loss arising on financial liability at fair value through profit or loss	(5 212)	3 883
Foreign exchange differences on translation of foreign operations	–	–
Expense recognised in respect of equity-settled share-based payment	4 440	6 802
Other non-cash items	(1 063)	(12 916)
	140 112	61 346

9. NOTES TO THE CASH FLOWS (continued)

9.2 Taxation paid

	2021 R'000	2020 R'000
Charged to profit or loss	15 437	27 731
Adjusted for deferred tax	(21 001)	(31 922)
Movement in taxation balance	(978)	395
	(6 542)	(3 796)

9.3 Working capital changes

	2021 R'000	2020 R'000
Change in trade and other receivables	(122 610)	72 536
Change in consumables	(10)	322
Change in trade and other payables	(24 710)	56 229
	(147 330)	129 087

9.4 Changes in liabilities arising from financing activities

	1 January 2021	Cash flows	Additions	Cash flow not included in financing activities	Non-cash flows	31 December 2021
Lease liabilities	61 751	(18 472)	10 515	–	–	53 794
Borrowings	246 778	(7 101)	80 953	–	(5 251)	315 379
Contingent consideration	28 055	(7 010)	49 859	(24 030)	(10 706)	36 168
	336 584	(32 583)	141 327	(24 030)	(13 505)	407 793

	1 January 2020	Cash flows	Additions	Cash flow not included in financing activities	Non-cash flows	31 December 2020
Lease liabilities	32 568	(25 741)	54 924	–	–	61 751
Borrowings	344 568	(80 778)	–	–	(17 012)	246 778
Contingent consideration	15 007	(7 415)	34 416	(13 953)	–	28 055
	392 143	(113 934)	89 340	(13 953)	(17 012)	336 584

10. SEGMENT REPORTING

The group segment reporting is as follows:

- Staffing and outsourcing (includes recruitment and Africa) – comprising temporary employment services, functional outsourcing, permanent recruitment, executive search, specialist staffing, payroll management, HR and IR consulting and turnkey staffing solutions.
- Training and education – comprising accredited short courses, skills programmes, full qualifications, learnerships and apprenticeship programmes, adult education training and contractor on-boarding.
- Financial services – comprising death and disability cover, funeral cover, hospital cover, day-to-day medical insurance and financial and mobile products and services.
- Healthcare – comprising recruitment and placement of medical professionals for hospitals and frail-care homes, primary and occupational healthcare services, employee health and wellness programmes and health risk assessment.

These segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

Segment information can be analysed as follows for the reporting periods under review:

	Staffing and outsourcing R'000	Training and education R'000	Financial services R'000	Healthcare R'000	Shared services and central costs R'000	Eliminations R'000	Total R'000
2021							
Segment revenues	2 760 415	331 994	80 761	330 628	–	–	3 503 798
Inter-segment revenue	(27 309)	(17 341)	–	(3 809)	–	48 459	–
Cost of sales	(2 283 303)	(156 824)	(24 296)	(242 734)	(1 354)	–	(2 708 511)
Inter-segment cost of sales	27 309	–	–	–	–	(27 309)	–
Gross margin	477 112	157 829	56 465	84 085	(1 354)	21 150	795 287
Operating costs	(289 217)	(132 509)	(69 898)	(46 379)	(107 988)	–	(645 991)
Inter-segment operating costs	–	17 341	–	3 809	–	(21 150)	–
Other income	271	308	1 000	124	865	777	3 345
EBITDA	188 166	42 969	(12 433)	41 639	(108 477)	777	152 641
Fair value adjustment	(1 962)	(2 066)	(1 352)	–	10 592	–	5 212
Depreciation and amortisation	(10 931)	(7 914)	(2 118)	(1 793)	(23 012)	(10 004)	(55 772)
Finance income	245	197	723	7	365	–	1 537
Finance costs	(10 746)	(1 483)	(1 512)	(2 143)	(7 336)	–	(23 220)

	Staffing and outsourcing R'000	Training and Education R'000	Financial services R'000	Healthcare R'000	Shared Services and Central costs R'000	Eliminations R'000	Total R'000
Segment profit/(loss) before tax	164 772	31 703	(16 692)	37 710	(127 868)	(9 227)	80 398
Capital expenditure	2 636	5 964	1 345	1 491	5 969	7 308	24 713
Segment total assets	160 055	197 932	286 315	41 703	993 752	(222 511)	1 457 246
Segment total liabilities	(94 242)	(85 325)	(54 511)	(27 893)	(374 679)	11 171	(625 479)
Net segment assets/ (liabilities)	65 813	112 607	231 804	13 810	619 073	(211 340)	831 767

10. SEGMENT REPORTING (continued)

	Staffing and outsourcing R'000	Training and Education R'000	Financial services R'000	Healthcare R'000	Shared Services and Central costs R'000	Eliminations R'000	Total R'000
2020							
Segment revenues	2 164 843	247 017	54 633	311 002	540	–	2 778 034
Inter-segment revenue	21 008	6 076	–	2 951	–	(30 035)	–
Cost of sales	(1 808 255)	(99 380)	(18 782)	(225 830)	19 639	–	(2 132 608)
Inter-segment cost of sales	(21 008)	–	–	–	–	21 008	–
Gross margin	356 588	153 713	35 851	88 122	20 179	(9 027)	645 425
Operating costs	(235 956)	(119 555)	(91 938)	(36 140)	(92 297)	–	(575 887)
Inter-segment operating costs	–	(6 602)	–	(2 425)	–	9 027	–
Other income	6 727	8	1 060	11	(465)	–	7 340
EBITDA	127 359	27 563	(55 028)	49 568	(72 583)	–	76 878
Fair value adjustments	–	(3 321)	(629)	–	66	–	(3 884)
Depreciation and amortisation	(12 561)	(6 283)	(1 926)	(2 001)	(13 766)	(11 060)	(47 597)
Finance income	260	333	59	8	84	–	745
Finance costs	(3 412)	(1 034)	(1 085)	(1 278)	(11 695)	–	(18 503)
Segment profit/(loss) before tax	111 646	17 259	(58 608)	46 297	(97 894)	(11 060)	7 640
Capital expenditure	9 393	8 999	179	448	11 856	–	30 875
Segment total assets	441 070	158 923	255 635	66 101	629 940	(251 836)	1 299 833
Segment total liabilities	(59 944)	(111 371)	(376 205)	(36 006)	2 678	15 257	(565 591)
Net segments assets/ (liabilities)	381 126	47 552	(120 570)	30 095	632 618	(236 579)	734 242

Geographical information

The group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are immaterial.

Information about major customers

No single customers contributed 10% or more to the group's revenue in either 2021 or 2020.

11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of financial assets held by the group:

	2021 R'000	2020 R'000
Financial assets at amortised costs	**938 738**	848 867
Trade and other receivables	**859 782**	769 600
Cash and cash equivalents	**78 956**	79 267
Financial assets at fair value through profit and loss	**6 906**	6 631
Investment in cell captive	**1 827**	2 476
Quoted equity shares	**5 079**	4 155
Total	**945 644**	855 498
Total current	**938 738**	848 867
Total non-current	**6 906**	6 631
Set out below is an overview of financial liabilities held by the group		
Financial liabilities at amortised costs		
Trade and other payables	**155 420**	179 121
Interest-bearing borrowings	**247 580**	196 349
Loan on treasury shares	**7 965**	8 329
Financial liabilities at fair value through profit and loss		
Contingent consideration	**36 168**	28 055
Current	**13 675**	16 474
Non-current	**22 493**	11 581
Total	**447 133**	411 854
Total current	**416 675**	391 944
Total non-current	**30 458**	19 910

11.1 Fair value measurement

Fair values

The following table provides the fair value measurement hierarchy of the group's financial assets and financial liabilities.

Trade and other receivables, trade and other payables, and cash and cash equivalents all have carrying amounts which approximate fair values due to the short maturity of these instruments.

Borrowings and the current portion of borrowings have carrying amounts which approximate fair values as the impact of credit risk is included in the measurement of carrying amounts.

- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

11.1 Fair value measurement (continued)

	Date of valuation	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
As at 31 December 2021					
Financial assets					
Quoted equity shares	31 December 2021	5 079	5 079	–	–
Cell captive	31 December 2021	1 827	–	–	1 827
Financial liabilities					
Loan from Simgarvin Proprietary Limited	31 December 2021	7 965	–	–	7 965
Contingent consideration relating to business acquisition of The OpenSource Group	31 December 2021	(12 095)	–	–	(12 095)
Contingent consideration relating to business acquisition of the GetSavvi Group	31 December 2021	(10 398)	–	–	(10 398)
As at 31 December 2020					
Financial assets					
Quoted equity shares	31 December 2020	4 155	4 155	–	–
Cell captive	31 December 2020	2 476	–	–	2 476
Financial liabilities					
Loan from Simgarvin Proprietary Limited	31 December 2020	8 329			8 329
Contingent consideration relating to business acquisition of Uni Education Group (Proprietary) Limited	31 December 2020	(18 557)	–	–	(18 557)
Contingent consideration relating to business acquisition of Dyna Group	31 December 2020	(9 498)	–	–	(9 498)

Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Quoted bid prices in active market	N/A	N/A
Net asset value is used as a valuation where the underlying assets and liabilities have been assessed to represent the fair value of the investment. Due to the nature of the investment, specifically the significant composition of liquid assets and liabilities, the net value is seen to be the most appropriate representation of fair value.	Fair values of the cell captive's assets and liabilities.	A 2% increase or decrease in the fair value of the underlying assets and liabilities should not result in a change in the fair value.
Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the group.	A risk adjusted discount rate of 6,9%.	A 2% increase in the discount rate used while holding all other variables constant would decreased/increase the fair value of the loan by R554 005 (2020: R574 700).
Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the group. Discount rate of 17,5% determined using the capital asset pricing model. Probability adjusted profits with ranges of R5 million to R17,6 million.	Discount rate of 17,5% determined using the capital asset pricing model.	A 2% increase or decrease in the discount rate used while holding all other variables constant would decrease/ increase the fair value by R2 177 000. A slight change in the probability adjusted profits in isolation would not result in a significant change in fair value.
Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the group. Discount rate of 17,5% determined using the capital asset pricing model. Probability adjusted profits with ranges of R5 million to R10 million.	Discount rate of 17,5% determined using the capital asset pricing model.	A 2% increase or decrease in the discount rate used while holding all other variables constant would decrease/ increase the fair value of the loan by R1 715 670. A slight change in the probability adjusted profits in isolation would not result in a significant change in fair value.
As above	As above	As above
As above	As above	As above
As above	As above	As above
As above	As above	As above
As above	As above	As above

11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

11.1 Fair value measurement (continued))

	Investment in cell captive R'000	Contingent consideration R'000	Total R'000
As at 31 December 2021			
Opening balance	**2 720**	**28 055**	**30 775**
Gain/(loss) in profit or loss*	**(893)**	**6 485**	**5 592**
Additions	**–**	**49 859**	**49 859**
Release on liability	**–**	**(48 261)**	**(48 261)**
	1 827	**36 168**	**37 965**
As at 31 December 2020			
Opening balance	3 105	15 007	18 112
Gain/(loss) in profit or loss*	(385)	5 345	4 960
Additions	–	29 189	29 189
Release on liability	–	(21 486)	(21 486)
Closing balance	2 720	28 055	30 775

* *Change in unrealised gains or losses included in profit or loss.*

12. RELATED PARTY TRANSACTIONS

12.1 Transactions with related parties

During the year, the group entities entered into the following arm's length transactions with related parties that are not members of the group:

		2021 R'000	2020 R'000
Wellington Property Investments Proprietary Limited		**10 197**	10 470
Relationship	Director has significant influence		
Type and term of transaction	The operating lease is extended with a five-year term beginning 1 September 2020 at an annual escalation of 8% and is paid monthly		
Vunani Capital Proprietary Limited		**453**	945
Relationship	Shareholder		
Type and term of transaction	Designated advisors' fees paid in terms of service level agreement		
Hunts Attorneys		**185**	1 079
Relationship	Director with an interest in a legal practice – RS Katz		
Type and term of transaction	Disbursements for all cost related to litigation, commercial and labour legal work and advice on group's behalf		

12. RELATED PARTY TRANSACTIONS (continued)

12.1 Transactions with related parties (continued))

		2021 R'000	2020 R'000
Guardrisk Insurance Company Limited			
Relationship	Cell captive arrangement		
Type and term of transaction	Insurance premium paid monthly to cell captive in line with policy	351	389
Monte Legal Consultants Proprietary Limited			
Relationship	Shareholder		
Type and term of transaction	Advisor's fees in terms of business acquisitions	655	–

12.2 Related party loans

Amounts due from/(payable to) related parties are as follows:

		2021 R'000	2020 R'000
Simgarvan Investments Proprietary Limited			
Relationship	Company controlled by a director of the group	(7 965)	(8 329)
Hunts Attorneys			
Relationship	Director with an interest in a legal practice – RS Katz	162	162

The loans above are interest-free, have no fixed terms of repayment and are unsecured.

13. BUSINESS COMBINATION

13.1 Business acquired – OpenSource Group

	Principal activity	Date of acquisition	Portion of business acquired %	Consideration transferred R'000
2021				
OpenSource Intelligent Solutions Proprietary Limited ("OIS") and OpenSource International Limited ("OpenSource International") (collectively "the OpenSource Group").	The OpenSource Group is a provider of contract and permanent recruitment services to users of the SAP Resource Planning software system	1 January 2021	100	24 209
				24 209

Workforce has obtained control of the above mentioned entities by acquiring 100% of the equity and voting rights in OIS and OpenSource International with effect from 1 January 2021. OIS and OpenSource International were acquired in order to grow and diversify Workforce's staffing and recruitment segment by providing highly skilled staff into a niche and specialised market segment.

13. BUSINESS COMBINATION (continued)

13.1 Business acquired – OpenSource Group (continued)

	Total R'000
Consideration transferred	
Cash	10 325
Contingent consideration	13 884
Total	24 209
Contingent consideration	
Second payment	2 912
Third payment	2 522
Fourth payment	3 663
Top-up payment	1 269
Total additional amount	10 366
Interest raised on future payments	3 518
	13 884

Under the contingent consideration arrangement for the OpenSource Group, Workforce is obliged to pay an amount of up to R3 441 775 (inclusive of future interest) subject to the OpenSource Group achieving an agreed upon after tax profit for the 12 months ending 31 December 2021 and an amount of up to R3 441 775 (inclusive of future interest) subject to the OpenSource Group achieving an agreed upon after tax profit for the 12 months ending 31 December 2022. Future interest is derived by discounting the contingent considerations that are contractually payable. Should the after tax profit for the 24-month period ending 31 December 2022 exceed R8 227 993, a first additional payment of up to R5 000 000 (inclusive of future interest) may also be payable. In the event that after tax profit for the 12 months ending 31 December 2023 exceeds R4 900 496, a second additional payment of up to R2 000 000 (inclusive of future interest) will also become payable. All these payments are calculated using agreed upon formulae which reduce the contingent consideration in the event that contractually agreed after tax profits are not achieved. The directors believe that these payments are probable.

	Total R'000
Assets acquired and liabilities recognised at the date of acquisition	
Non-current assets	5 252
Property, plant and equipment	572
Intangible assets	4 680
Current assets	7 743
Trade and other receivables	5 354
Cash and cash equivalents	2 389
Current liabilities	(9 604)
Trade and other payables	(8 294)
Deferred tax liabilities	(1 310)
Total	3 391

Property, plant and equipment has been valued according to the replacement cost method. Intangible assets comprise client relationships and restraint agreements, these have been valued using a cost approach method. The value captures the cost to the group of ensuring the employees stay loyal and do not compete with the group. The receivables acquired (principally trade receivables) in this transaction with a fair value of R5 354 375 for OIS is equivalent to the gross contractual amount as reflected in OIS's books of account. All contractual cash flows are expected to be collected.

13. BUSINESS COMBINATION (continued)

13.1 Business acquired – OpenSource Group (continued)

Cash and cash equivalents are deemed to be at fair value. Current liabilities are short-term in nature and represent the amount expected to be paid out to settle the liabilities.

	Total R'000
Net cash outflow on acquisition of subsidiaries	
Consideration to be paid in cash	10 325
Less: Cash and cash equivalent balances acquired	(2 389)
Total	7 936
Goodwill arising on acquisition	
Consideration transferred	24 209
Less: Fair value of identifiable net assets acquired	(3 391)
Less: Interest raised on future payments	(3 751)
Goodwill arising on acquisition	17 067

Goodwill arises on the acquisition of the OpenSource Group because the cost of the combination includes a control premium. In addition, the consideration paid for the combination effectively includes amounts in relation to the benefit of the expected synergies, revenue growth and future market share. Such benefits may be achieved by virtue of OIS having access to Workforce's client base as well as from Workforce's ability to assist OIS by providing additional working capital funding, allowing OIS to take on larger scale clients and projects. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill in the OpenSource Group acquisition is expected to be deductible for tax purposes.

13.2 Business acquired – GetSavvi Group

	Date of acquisition	Portion of business acquired %	Consideration transferred R'000
2021			
The GetSavvi Group	1 June 2021	100	25 650
			25 650

Workforce has obtained control of GetSavvi Health Proprietary Limited, GetSavvi Consult Proprietary Limited and Arnocure Proprietary Limited by acquiring 100% of the equity and voting rights in these entities and it has acquired 50% of the equity and voting rights in FeelBetterFast Proprietary Limited (collectively "the GetSavvi Group"). The GetSavvi Group was acquired with effect from 1 June 2021 in order to broaden Workforce's short-term health insurance offering as well as to bring specialised skills and intellectual property into the company.

	Total R'000
Consideration transferred	
Cash	13 705
Contingent consideration	11 945
Total	25 650
Contingent consideration	
Second payment	2 564
Third payment	2 292
First top-up payment	4 738
Total additional amount	9 594
Interest raised on future payments	2 351
	11 945

13. BUSINESS COMBINATION (continued)

13.2 Business acquired – GetSavvi Group (continued)

Under the contingent consideration arrangement for the GetSavvi Group, Workforce is obliged to pay an amount of up to R2 936 679 (inclusive of future interest) subject to the GetSavvi Group achieving an agreed upon profit before tax for the 12 months ending 31 May 2022 and an amount of up to R2 936 679 (inclusive of future interest) subject to the GetSavvi Group achieving an agreed upon profit before tax for the 12 months ending 31 May 2023. Future interest is derived by discounting the contingent considerations that are contractually payable. Should the profit before tax for the 24-month period ending 31 May 2023 exceed R15 481 525, an additional payment of up to R6 071 811 (inclusive of future interest) may also be payable. All these payments are calculated using contractually agreed upon formulae whereby the contingent considerations are reduced or increased subject to the agreed upon profit before tax targets being missed or exceeded. The directors believe that these payments are probable.

	Total R'000
Assets acquired and liabilities recognised at the date of acquisition	
Non-current assets	**2 873**
Property, plant and equipment	154
Intangible assets	2 719
Current assets	**7 288**
Trade and other receivables	6 571
Cash and cash equivalents	717
Non-current liabilities	
Deferred tax liabilities	(766)
Current liabilities	
Trade and other payables	(6 361)
Total	**3 034**

Property, plant and equipment has been valued according to the replacement cost method. Intangible assets comprise client relationships and restraint agreements, these have been valued using a cost approach method by an independent valuation expert, adopting the relevant International Accounting Standards. The value captures the cost to the group of ensuring the employees stay loyal and do not compete with the group. The receivables acquired (principally trade receivables and loan receivables) in this transaction with a fair value of R6 665 049 for the GetSavvi Group is equivalent to the gross contractual amount and are based on the value as reflected in the reviewed books of account as at the effective date of the business combination. All contractual cash flows are expected to be collected.

Cash and cash equivalents are deemed to be at fair value. Current liabilities are short-term in nature and represent the amount expected to be paid out to settle the liabilities.

Net cash outflow on acquisition of subsidiaries	
Consideration to be paid in cash	13 705
Less: Cash and cash equivalent balances acquired	(717)
Total	12 988
Goodwill arising on acquisition	
Consideration transferred	25 650
Less: Fair value of identifiable net assets acquired	(3 034)
Less: Interest raised on future payments	(2 351)
Goodwill arising on acquisition	20 265

13. BUSINESS COMBINATION (continued)

13.2 Business acquired – GetSavvi Group (continued)

Goodwill arises on the acquisition of the GetSavvi Group because the cost of the combination includes a control premium. In addition, the consideration paid for the combination effectively includes amounts in relation to the benefit of the expected synergies, revenue growth and future market share. It is anticipated that these benefits will arise from the utilisation of certain of the GetSavvi Group's systems, software in certain of Workforce's business and from Workforce being able to draw off the expertise and experience of the GetSavvi Group's management team. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill in the GetSavvi Group acquisition is expected to be deductible for tax purposes.

Impact of acquisitions on the results of the group

As per IFRS 3 requirements, had the above acquisition occurred on 1 January 2021, the revenue and profit before tax would have been R2 675 366 and R587 756 respectively. The above figures have been extracted without amendment from the management accounts of the GetSavvi Group.

14. DIVIDENDS

No dividends were declared relating to the period under review.

15. SUBSEQUENT EVENT

The Russian invasion of the Ukraine is likely to strike a devastating blow to global growth if the war is permitted to escalate and if no negotiated settlement is reached soon. Although it is too early to tell with any certainty what impact this will have on Workforce, the following could potentially be impacted:

- The fuel price and this will negatively impact industries and businesses down stream.
- There are certain sectors that could benefit such as commodities, mining, industrial machinery used in mining, etc.
- Some business may be negatively affected, for example the Training and Education cluster with training initiatives being postponed, and our Financial Services business could be negatively impacted.
- Have a severe social impact in that the cost of getting to work and cost of living of our contractors may be severely impacted.
- A negatively impacted economy may have an adverse impact on the demand for temporary staffing. Uncertainty in economic demand however often results in an increase in the demand for our services, which may counter any decline in our economy.

NOTICE OF ANNUAL GENERAL MEETING

Workforce Holdings Limited
Incorporated in the Republic of South Africa
(Registration number: 2006/018145/06)
Share code: WKF ISIN: ZAE000087847
("Workforce" or "the company" or "the group")

As a result of the impact of the Covid-19 pandemic and restrictions placed on public gatherings, the annual general meeting will be held in electronic format only.

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant, or other professional adviser immediately.

Notice is hereby given that the annual general meeting of the company's shareholders will be held via Microsoft Teams on Friday, 27 May 2022 at 10:00 ("annual general meeting" or "AGM").

PURPOSE

The purpose of the meeting is to transact the business set out in this notice of annual general meeting ("annual general meeting notice") by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions hereunder.

RECORD DATE, ATTENDANCE AND VOTING

	2022
Record date in order to be eligible to receive the annual general meeting notice	Friday, 25 March
Annual general meeting notice distributed to shareholders	Thursday, 31 March
Last date to trade in order to be eligible to vote at the annual general meeting	Tuesday, 17 May
Record date in order to be eligible to vote at the annual general meeting	Friday, 20 May
Last day to lodge forms of proxy for the annual general meeting (by 10:00) for administration purposes	Wednesday, 25 May
Annual general meeting (at 10:00)	Friday, 27 May
Results of the annual general meeting released on SENS	Friday, 27 May

- Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which is set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.
- The instrument appointing a proxy and the authority (if any) under which it is signed must reach the company's transfer secretaries at the address given below by not later than 10:00 on Wednesday, 25 May 2022.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting in person will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and the CSDP or broker in the manner and time stipulated therein.
- Shareholders present in person, by proxy or by the authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.
- In terms of the Companies Act (Act 71 of 2008), as amended ("the Companies Act"), any shareholder or proxy who intends to attend or participate at the annual general meeting must include identification documents together with the application form included as Appendix A to this notice of AGM to attend and participate electronically. A green bar-coded identity document or identity card issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the annual general meeting as sufficient forms of identification.

AGENDA

Presentation and consideration of the annual financial statements of the company, including the reports of the auditors and directors and the audit and risk committee for the year ended 31 December 2021 as set out in the company's integrated annual report, of which this annual general meeting notice forms part; and to consider and, if deemed fit, approve, with or without modification, the following special and ordinary resolutions:

In accordance with regulation 43(5)(c) of the Companies Act, the chairperson of the social and ethics committee or, in her absence, any member of the committee, will present the social and ethics report to shareholders at the AGM.

Note:
For any of the ordinary resolutions numbers 1 to 10, excluding ordinary resolution number 9, to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

For ordinary resolution number 9 to be adopted, more than 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

For any of the special resolutions numbers 1 to 3 to be adopted, at least 75% of the voting rights exercised on each such special resolution must be exercised in favour thereof.

ORDINARY BUSINESS

1. Ordinary resolution number 1: Re-election of Shelley Thomas

"Resolved that Shelley Thomas, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering herself for re-election, be and is hereby re-elected as a director."

An abbreviated *curriculum vitae* in respect of Shelley Thomas may be viewed on page 71 of the integrated annual report of which this annual general meeting notice forms part.

The remuneration and nominations committee has considered Shelley Thomas's past performance, contribution to the company and her independence and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Shelley Thomas be re-elected as a director of the company.

2. Ordinary resolution number 2: Re-election of Inshaaf Ross

"Resolved that Inshaaf Ross, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering herself for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of Inshaaf Ross may be viewed on page 71 of the integrated annual report of which this annual general meeting notice forms part.

The remuneration and nominations committee has considered Inshaaf Ross's past performance and contribution to the company and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Inshaaf Ross be re-elected as a director of the company.

Reason for ordinary resolutions numbers 1 and 2

The reason for ordinary resolutions numbers 1 and 2 is that article 36 of the memorandum of incorporation of the company and, to the extent applicable, the Companies Act requires that one-third of the non-executive directors rotate at the annual general meeting and, If eligible, may offer themselves for re-election as directors.

3. Ordinary resolution number 3: Confirmation of the reappointment of the auditors

"Resolved that the reappointment of Crowe JHB (previously Horwath Leveton Boner) as independent auditors of the company for the ensuing year (the designated auditor being Gary Kartsounis) on the recommendation of the company's audit and risk committee, be approved."

Reason for ordinary resolution number 3

The reason for ordinary resolution number 3 is that the company, being a public listed company, must have its annual financial statements audited and such auditor must be appointed or reappointed each year at the annual general meeting of the company as required by the Companies Act.

4. Ordinary resolution number 4: Reappointment of Kyansambo Vundla as member and chairman of the audit and risk committee

"Resolved that Kyansambo Vundla be re-elected as a member and chairman of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated *curriculum vitae* in respect of Kyansambo Vundla may be viewed on page 71 of the integrated annual report of which this annual general meeting notice forms part.

5. Ordinary resolution number 5: Reappointment of John Macey as a member of the audit and risk committee

"Resolved that John Macey be elected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated *curriculum vitae* in respect of John Macey may be viewed on page 70 of the integrated annual report of which this annual general meeting notice forms part.

6. Ordinary resolution number 6: Reappointment of Shelley Thomas as a member of the audit and risk committee

"Resolved that, subject to the passing of ordinary resolution number 1, Shelley Thomas be re-elected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated *curriculum vitae* in respect of Shelley Thomas may be viewed on page 71 of the integrated annual report of which this annual general meeting notice forms part.

Reason for ordinary resolutions numbers 4 to 6

The reason for ordinary resolutions numbers 4 to 6 (inclusive) is that the company, being a public listed company, must appoint an audit committee as prescribed by sections 66(2) and 94(2) of the Companies Act, which also requires that the members of such audit committee be appointed, or reappointed, as the case may be, at each annual general meeting of a company.

7. Ordinary resolution number 7: Endorsement of the remuneration policy and implementation report

Ordinary resolution 7.1

"Resolved that the company's remuneration policy, as set out in the remuneration report on page 75 of the integrated annual report of which this notice forms part, be and is hereby approved by way of a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance."

Ordinary resolution 7.2

"Resolved that the implementation report, as set out on page 78 of the integrated annual report of which this notice forms part, be and is hereby endorsed as a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance."

Reason for ordinary resolutions numbers 7.1 and 7.2

The reason for ordinary resolutions numbers 7.1 and 7.2 are that King IV™ recommends that the remuneration policy and implementation report of the company be endorsed through separate non-binding advisory votes by shareholders at the annual general meeting of a company. Failure to pass these resolutions will not have legal consequences relating to existing arrangements. However, the board of directors of the company ("the board") will take the outcome of the vote into consideration when assessing the company's remuneration policy and implementation report.

8. Ordinary resolution number 8: Placing unissued shares under directors' control

"Resolved that the unissued shares in the company, limited to 15% of the number of shares in issue at 31 March 2022, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE ("JSE"), save that the aforementioned 15% limitation shall not apply to any shares issued in terms of a rights offer."

Reason for ordinary resolution number 8

The reason for ordinary resolution number 8 is that the board requires authority from shareholders in terms of article 3 of its memorandum of incorporation to issue shares in the company. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required, *inter alia*, in terms of capital raising exercises, and to maintain a healthy capital adequacy ratio that may be required from time to time. This general authority is subject to the restriction that it is limited to 15% of the number of shares in issue at 31 March 2022.

9. Ordinary resolution number 9: General authority to issue shares, and to sell treasury shares, for cash

"Resolved that the directors of the company and any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to allot and issue, or to issue any options in respect of, any of its authorised but unissued ordinary shares in the capital of the company placed under their control and/or to sell or otherwise dispose of or transfer, or issue any options in respect of ordinary shares in the capital of the company purchased by subsidiaries of the company, for cash, as they in their discretion may deem fit, without restriction, subject to the Companies Act, the memorandum of incorporation of the company and the provisions of the Listings Requirements of the JSE, and subject to the provision that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 15% of the issued share capital as at the date of this annual general meeting notice (net of treasury shares being 225 492 279 ordinary shares), provided that:

- the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date of this resolution ("issue period");
- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over 30 (thirty) business days prior to the date that the issue is agreed in writing between the company and the parties subscribing for the securities and in respect of the issue of options and convertible securities the impact on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, included supporting information (if any), of the intended use of the funds, will be published when the company has issued securities representing, on a cumulative basis within the earlier of the company's next annual general meeting or the expiry of the issue period, 5% (five percent) or more of the number of securities in issue prior to the issue;
- the general issues of shares for cash in aggregate in the issue period may not exceed 15% of the company's issued share capital (number of securities) of that class (net of treasury shares), as at the date of this notice, being 225 492 279 securities;
- in the event of a subdivision or consolidation of issued shares during the issue period, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30-business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties;
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- whenever the company wishes to use repurchased shares, held as treasury stock by a subsidiary of the company, such use must comply with the Listings Requirements of the JSE as if such use was a fresh issue of ordinary shares."

Reason for ordinary resolution number 9

For listed entities wishing to issue shares, it is necessary for the board not only to obtain the prior authorisation of the shareholders as may be required in terms of their memorandum of incorporation contemplated in ordinary resolution number 8 above, but it is also necessary to obtain the prior authorisation of shareholders in accordance with the Listings Requirements of the JSE. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares in compliance with the Listings Requirements of the JSE. The authority granted in terms of this ordinary resolution number 9 must accordingly be read together with authority granted in terms of ordinary resolution number 8 above and any exercise thereof will be subject to the conditions contained in this ordinary resolution number 9.

Note:

In terms of the Listings Requirements of the JSE, this resolution requires the approval of more than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote at this annual general meeting.

10. Ordinary resolution number 10: Authority to action

"Resolved that any one director of the company and/or the company secretary is hereby authorised to do all such things and sign all such documents as deemed necessary to implement the ordinary and special resolutions as set out in this notice convening the annual general meeting at which these resolutions will be considered."

The reason for ordinary resolution number 10

The reason for ordinary resolution number 10 is to ensure that the resolutions voted favourably upon are duly implemented through the delegation of powers provided for in terms of article 29 of the company's memorandum of incorporation.

Special business

11. Special resolution number 1: Remuneration of non-executive directors

"Resolved that the remuneration payable to the non-executive directors be approved on the following basis, effective 1 January 2022:

	Recommended remuneration	
Category	**2022**	2021
Board chairman	**R408 312 annual retainer* R17 002 per meeting attended**	R408 312 annual retainer* R16 040 per meeting attended
Board member	**R53 689 annual retainer R17 002 per meeting attended**	R50 650 annual retainer R16 040 per meeting attended
Ad hoc fee	**R2 362 per hour**	R2 250 per hour
Audit and risk committee		
Chairman	**R16 070 per meeting attended**	R15 160 per meeting attended
Member	**R14 288 per meeting attended**	R13 480 per meeting attended
Remuneration and nominations committee		
Chairman	**R16 070 per meeting attended**	R15 160 per meeting attended
Member	**R14 288 per meeting attended**	R13 480 per meeting attended
Social, ethics and transformation committee		
Chairman	**R16 070 per meeting attended**	R15 160 per meeting attended
Member	**R14 288 per meeting attended**	R13 480 per meeting attended
Investment committee		
Chairman	**R16 070 per meeting attended**	R15 160 per meeting attended
Member	**R14 288 per meeting attended**	R13 480 per meeting attended

* *The chairman will not receive any fees for meetings attended.*

Reasons for and effect of special resolution number 1

The reason for the proposed special resolution is to comply with section 66(9) of the Companies Act, which requires the approval of directors' fees prior to the payment of such fees.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting.

12. Special resolution number 2: Financial assistance to related and inter-related companies

"Resolved that the board be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 2), to authorise the group to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the board may deem fit to any related or inter-related company of the group ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the board may determine."

Reason for and effect of special resolution number 2

The reason for and the effect of special resolution number 2 is to provide general authority to the board for the group to grant direct or indirect financial assistance to any company forming part of the group, including in the form of loans or the guaranteeing of their debts.

13. Special resolution number 3: Authority to repurchase shares by the company

"Resolved as a special resolution that the company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the company and the Listings Requirements of the JSE, namely that:

- the general repurchase of the shares may only be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue at the time this general authority is granted ("initial number") containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position or required shareholder spread of the group;
- the general repurchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE for five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf; and
- the company and its subsidiaries may not effect a repurchase during any prohibited period as defined in paragraph 3.67 of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of paragraph 5.72(h) of the Listings Requirements of the JSE.

Reason and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to grant the directors a general authority in terms of its memorandum of incorporation and the Listings Requirements of the JSE for the acquisition by the company and/or its subsidiaries of shares issued by it on the basis reflected in the special resolution.

In terms of the Listings Requirements of the JSE any general repurchase by the company and/or its subsidiaries must, *inter alia*, be limited to a maximum of 20% of the company's issued share capital in any one financial year of that class at the time the authority is granted.

Other business

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

INFORMATION RELATING TO THE SPECIAL RESOLUTIONS

1. General authority to purchase shares

The directors of the company or its subsidiaries will only utilise the general authority to repurchase shares of the company and/or the subsidiary as set out in special resolution number 3 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the group position would not be compromised as to the following:

- the group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this annual general meeting and for a period of 12 months after the repurchase;
- the consolidated assets of the group will at the time of the annual general meeting and at the time of making such determination be in excess of the consolidated liabilities of the group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the group;
- the ordinary capital and reserves of the group after the purchase will remain adequate for the purpose of the business of the group for a period of 12 months after the annual general meeting and after the date of the share repurchase; and
- the working capital available to the group after the repurchase will be sufficient for the group's requirements for a period of 12 months thereafter and the directors have passed a resolution authorising the repurchase, resolving that the company has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the group.

2. Other disclosures in terms of section 11.26 of the Listings Requirements of the JSE

For the purposes of considering special resolution number 3, and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the integrated annual report, in which this notice of annual general meeting is included, at the places indicated:

- major shareholders (page 150); and
- share capital of the company (page 123).

3. Direct or indirect financial assistance

For purposes of special resolution number 2, the board will only utilise the general authority bestowed upon them to provide direct or indirect financial assistance related to inter-related companies to the extent that the directors, after considering the amount of financial assistance to be granted, are of the opinion that:

- Immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as defined in the Companies Act, 2008, as amended);
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and
- all conditions or restrictions regarding the granting of financial assistance as set out in the company's memorandum of incorporation have been satisfied and the board has passed a resolution authorising the grant of the said financial assistance ("the board resolution") under their general authority so granted, the company which will then provide written notice of the board resolution to all shareholders:
  - within 10 days after adoption of the board resolution, if the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution(s) during the financial year, exceeds one-tenth of 1% of the company's net worth at the time of the board resolution; or
  - within 30 business days after the end of the financial year, in any other case.

4. Litigation statement

The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.

5. Responsibility statement

The directors, whose names are reflected on page 70 of this integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 3 and certify that to the best of their knowledge and belief there are no facts in relation to this special resolution that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that the notice contains all information required by law and the Listings Requirements of the JSE.

6. Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report up to the date of this notice.

By order of the board

Sirkien van Schalkwyk
Company secretary

30 March 2022

FORM OF PROXY

Workforce Holdings Limited
Incorporated in the Republic of South Africa
(Registration number: 2006/018145/06)
Share code: WKF ISIN: ZAE000087847
("Workforce" or "the company" or "the group")

FORM OF PROXY – for use by certificated and "own-name" dematerialised shareholders only at the annual general meeting of shareholders to be held entirely by electronic format via Microsoft Teams on Friday, 27 May 2022 at 10:00 ("the annual general meeting") and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the annual general meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend the annual general meeting in person or by proxy and vote. If they do not wish to attend the annual general meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These ordinary shareholders must not use this form of proxy.

I/We (please print name in full)

of (address)

being a shareholder/s of Workforce Holdings Limited, holding shares in the company, hereby appoint:

1. or, failing him/her,

2. or, failing him/her,

3. or failing him/her,

4. the chairman of the annual general meeting, as my proxy to vote for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf.

My/our proxy shall vote as follows:

	Number of shares		
	In favour of	**Against**	**Abstain**
To consider the presentation of the annual financial statements for the year ended 31 December 2021			
Ordinary resolution number 1: To re-elect Shelley Thomas as director			
Ordinary resolution number 2: To re-elect Inshaaf Ross as director			
Ordinary resolution number 3: Confirmation of auditor's reappointment			
Ordinary resolution number 4: Reappointment of Kyansambo Vundla as chairman of the audit and risk committee			
Ordinary resolution number 5: Reappointment of John Macey to the audit and risk committee			
Ordinary resolution number 6: Reappointment of Shelley Thomas to the audit and risk committee			
Ordinary resolution number 7: 7.1 Endorsement of remuneration policy			
Ordinary resolution number 7: 7.2 Endorsement of the implementation report			
Ordinary resolution number 8: Placing of unissued shares under the directors' control			
Ordinary resolution number 9: General authority to issue shares, and to sell treasury shares, for cash			
Ordinary resolution number 10: Authority to action			
Special resolution number 1: Remuneration of non-executive directors			
Special resolution number 2: Financial assistance to related and inter-related companies			
Special resolution number 3: General authority to the company to repurchase shares			

(indicate instruction to proxy by way of a cross in the space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this day of 2022

Signature

NOTES TO PROXY

1. The form of proxy must only be completed by shareholders who hold ordinary shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the annual general meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of Workforce) of the shareholder's choice in the space provided, with or without deleting "the chairman of the meeting". The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the chairman of the annual general meeting.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the chairman of the annual general meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the annual general meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
12. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy; or
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. For administrative purposes only, forms of proxy should be lodged with or mailed to JSE Investor Services.

Hand deliveries to:	Postal deliveries to:
13th Floor, Rennie House	PO Box 4844
19 Ameshoff Street	Johannesburg
Braamfontein	2000
Johannesburg	

    to be received by no later than 10:00 on Wednesday, 25 May 2022 (or 48 (forty-eight) hours before any adjournment of the AGM which date, if necessary, will be notified on SENS).
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:
    - a proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting;
    - a proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy;
    - the appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder;
    - the appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph; and
    - if the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.

Attention is also drawn to the "Notes to proxy".

- The completion of a form of proxy does not preclude any shareholder from attending the annual general meeting.

APPENDIX 1

Electronic participation form

As a result of the Covid-19 outbreak, it will be required to participate in the annual general meeting via electronic means, rather than physically. Shareholders' attention is also drawn to the guidance from authorities regarding the need for social distancing, and therefore we urge shareholders to submit their votes via proxy.

Shareholders or their duly appointed proxy(ies) that wish to participate in the annual general meeting via electronic means ("Participant(s)") are requested to deliver written notice in the form of Appendix 1 to the notice of annual general meeting ("Appendix 1") to the company's transfer secretary, JSE Investor Services by delivering the duly completed Appendix 1 to:

13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, or posting it to PO Box 4844, Johannesburg, 2000 (at the risk of the Participant), or by email to meetfax@jseinvestorservices.co.za so as to be received by JSE Investor Services by no later than 10:00 on Tuesday, 25 May 2022.

Participants participating via electronic means will still need to submit completed proxy forms in order for their votes to be counted. The company shall, by no later than 14:00 on Thursday, 26 May 2022, notify Participants that have delivered valid notices in the form of Appendix 1, by email of the relevant details through which Participants can participate electronically.

PARTICIPATION IN THE ANNUAL GENERAL MEETING VIA ELECTRONIC COMMUNICATION

CAPITALISED TERMS USED IN THIS FORM SHALL BEAR THE MEANINGS ASCRIBED THERETO IN THE NOTICE OF AGM TO WHICH THIS PARTICIPATION FORM IS ATTACHED

Shareholders or their duly appointed proxy(ies) that wish to participate in the annual general meeting via electronic communication (Participants), must apply to JSE Investor Services, by delivering the duly completed form to:

13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, or posting it to PO Box 4844, Johannesburg, 2000 (at the risk of the Participant), or by email to meetfax@jseinvestorservices.co.za so as to be received by JSE Investor Services by no later than 10:00 on Wednesday, 25 May 2022. JSE Investor Services will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

Important notice

The company shall, by no later than 14:00 on Thursday, 26 May 2022, notify Participants that have delivered valid notices in the form of this form, by email of the relevant details through which Participants can participate electronically.

APPLICATION FORM

Full name of Participant:

ID number:

Email address:

Cell number:

Telephone number: (code) (number)

Name of CSDP or broker (if shares are held in dematerialised format):

Contact number of CSDP/broker:

Contact person of CSDP/broker:

Number of shares certificate (if applicable):

Signature:

Date:

Terms and conditions for participation in the annual general meeting via electronic communication

1. The cost of electronic participation in the annual general meeting is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies Workforce against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participants via the electronic services to the annual general meeting.
3. Participants should note that they will not be able to vote during the annual general meeting. Should Participants wish to vote, they should, in accordance with the instructions included in the notice of annual general meeting, as may be applicable, either:
   3.1 complete the proxy form and return it to JSE Investor Services; or
   3.2 contact their CSDP or broker.
4. The application to participate in the annual general meeting electronically will only be deemed successful if this application form has been completed and signed by the Participant.
5. Workforce cannot guarantee there will not be a break in electronic communication that is beyond the control of the company.

Participant's name

Signature Date

NOTES

NOTES

NOTES

NOTES

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

RS Katz
WP van Wyk

NON-EXECUTIVE DIRECTORS

JR Macey (Chairman) (Independent)
I Ross (Independent)
S Thomas (Independent)
KN Vundla (Independent)
S Naidoo

COMPANY SECRETARY

S van Schalkwyk

DESIGNATED ADVISOR

Merchantec Capital

REGISTERED OFFICE

11 Wellington Road
Parktown 2193
PO Box 11137
Johannesburg
2000

BUSINESS ADDRESS

11 Wellington Road
Parktown 2193
PO Box 11137
Johannesburg
2000

TRANSFER SECRETARIES

JSE Investor Services
13th Floor
19 Ameshoff street
Braamfontein
2001

COMMERCIAL BANKERS

ABSA Business Bank

COMPANY REGISTRATION NUMBER

2006/018145/06

WEBSITE ADDRESS

www.workforce.co.za

MANIFESTO

We believe a job is not just a job; it is a life-changing opportunity for an individual.

A job is a path to a quality life for the individual and a valuable investment for the stakeholder.

Our business has always been about people and how to change people's lives for the better. We've spent years learning about our industry and the people we work with; client, candidate and stakeholder. We've always been on a quest to uplift people, not just giving them an opportunity to work, but also ensuring that they have the tools to be productive through training, healthcare, employee benefits and lifestyle products. We've forged ahead in this quest and today not only do we give people an opportunity to work so that they can build a life for them and their loved ones, but we also uplift them through training and skills development and ensure that they are healthy and happy individuals.

But this is a never-ending quest because there are always more lives to be changed, more value to gain from investing in people.

We are here to stay, because while we strive to make an impact we want that impact to be sustainable. At our heart, we are many, all working towards a common goal, working together and supporting each other in every endeavour.

And we are here to uplift people and grow our business in the process.

Uplifting people. **Growing** business.

We want Workforce to stand for "upliftment and growth" – let it build over time. That is what the name Workforce Holdings becomes synonymous with.

workforce® HOLDINGS LIMITED

www.workforce.co.za