

SUMMARISED AUDITED  
CONSOLIDATED ANNUAL  
FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 MARCH 2023



# SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (SUMMARISED RESULTS)

for the year ended 31 March 2023

## INTRODUCTION

Shareholders are advised that the Company's Integrated Annual Report for the year ended 31 March 2023, including its Audited Consolidated Annual Financial Statements (2023 AFS) and notice of Annual General Meeting (AGM notice) will be published on or before 7 July 2023.

The AGM notice together with a summary of the 2023 AFS will be dispatched to shareholders on or before 7 July 2023.

These financial statements have been prepared under the supervision of the Chief Financial Officer, Bianca Pieters CA (SA).

## AUDIT OPINION

These Summarised Results are not audited but are extracted from the 2023 AFS, which were audited by BDO South Africa Inc, who expressed an unmodified audit opinion thereon. A copy of the auditor's report is available at the following link:

<https://www.pbtgroup.co.za/investor-relations/>

The Directors take full responsibility for the preparation of these Summarised Results and confirm that the financial information herein has been correctly extracted from the underlying audited annual financial statements.

## BUSINESS ACTIVITIES AND GROUP RESULTS

### Financial results highlights

- Revenue increased by 11.8% to **R1.1 billion** (2022: R975.7 million)
- Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 2.5% to **R142.0 million** (2022: R138.6 million)
- Profit after taxation increased by 6.7% to **R98.5 million** (2022: R92.3 million)
- Cash generated from operations increased by 1.5% to **R137.7 million** (2022: R135.8 million)
- Headline earnings decreased by 0.9% to **R68.6 million** (2022: R69.3 million)
- Normalised headline earnings decreased by 1.8% to **R77.1 million** (2022: R78.5 million)
- Earnings per share (EPS) decreased by 3.6% to **77.54 cents** per share (2022: 80.44 cents per share)
- Headline earnings per share (HEPS) decreased by 6.3% to **77.69 cents** per share (2022: 82.89 cents per share)
- Normalised headline earnings per share (NHEPS) decreased by 0.9% to **74.88 cents** per share (2022: 75.56 cents per share)
- Total special cash distribution of **60 cents** per share paid during the period
- Declared an additional special cash distribution of **150 cents** per share in April 2023 from the proceeds of the Payapps sale which was finalised in the 2023 financial year
- Interim ordinary cash distribution of **25 cents** per share declared and paid (2022: 25 cents per share)
- Final ordinary cash distribution of **33 cents** per share declared (2022: 32 cents per share)
- Total ordinary cash distribution for the 2023 financial year of **58 cents** per share, a 1.8% increase compared to the previous year (2022: 57 cents per share)

All percentages are based on the full figures as stated in the Annual Financial Statements.

# SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (SUMMARISED RESULTS) [CONTINUED]

for the year ended 31 March 2023

## FINANCIAL REVIEW

### Financial Year 2019 (FY2019) to Financial Year 2023 (FY2023)

We would like to share some of our achievements over the past five years. Since the start of FY2019, we have returned R400.5 million to shareholders through distributions and share repurchases\*. Simultaneously, our market capitalisation has increased from c. R250 million to c. R890 million. Combining the increase in market capitalisation and the cash returns, our total shareholder return over the past five years stands at 40% per annum. Since FY2019, revenue increased organically from R588.4 million to a record of R1.1 billion, a four-year compounded annual growth rate (CAGR) of 17%, demonstrating our ability to capture market opportunities and drive top-line expansion. In conjunction with our revenue growth, our EBITDA increased from R51.4 million to a record of R142.0 million, a four-year CAGR of 29%, highlighting our commitment to operational efficiency and effective cost management. Furthermore, our normalised HEPS increased from 18.2 cents per share to 74.9 cents per share, a four-year CAGR of 42%.

We are dedicated to maximising shareholder value and will continue to focus on sustainable organic growth and prioritising cash returns to shareholders.

### FY2023 Group review

FY2023 was another successful year from a high FY2022 base. We achieved organic revenue growth of 11.8% to R1.1 billion and EBITDA growth of 2.5% to R142.0 million, both record figures. We executed our strategy to dispose of our non-core assets and returned net proceeds to shareholders in the form of R220.2 million or R2.10 per share in special distributions\* and R10 million in the form of share repurchases. PBT Group is now further streamlined and is solely focused on professional services. We continue to generate healthy cash flows, enabling us to declare a final ordinary dividend of 33 cents per share (R34.5 million) for a total FY2023 ordinary dividend of 58 cents per share (R60.8 million), an increase of 1.8% compared to the previous year. Looking ahead, the challenging economic environment can result in our clients delaying projects and budget commitments being pushed out. We are also facing inflationary cost pressures, which can impact our profit margins. These challenges can be a hurdle to near-term growth. However, the demand for our services remains strong and we are optimistic about our longer-term future as a focused professional services business.

### FY2023 Segmental review

Our South African segment (comprising 92% of Group revenue) had another good year with revenue increasing by 13.5% to R1.0 billion and EBITDA increasing by 8.3% to R147.8 million. The EBITDA margin contraction was attributable to higher-than-usual non-billability due to the cancellation of two large-scale projects (consultants were subsequently redeployed) and general cost pressures.

Our European and United Kingdom (UK) segment (comprising 3% of Group revenue) delivered a satisfactory performance with revenue increasing by 15.3% to R37.0 million and EBITDA increasing by 1.3% to R6.3 million. The EBITDA margin contraction was mainly because of sales team incentives paid in FY2023 for the first time in the European and UK segment. The comparative FY2022 EBITDA figure did not have sales team incentive costs in the base. We continue to see the potential for servicing European and UK clients from South Africa at higher than Group average gross profit margins by making use of the gap between earning higher Euro/Great British Pound revenue with a lower Rand cost base. We now also have a fully-fledged sales team on the ground in Europe and the UK which is expected to facilitate growth.

Our Australian segment (comprising 5% of Group revenue) struggled and, although a small part of the Group, the segment negatively impacted the Group's overall results. Revenue decreased by 15.3% to R50 million and EBITDA swung by R8.6 million from a positive R5.3 million to a negative R3.3 million. We are taking steps to reduce non-billability and prioritise breaking even and returning to profitability.

## REVIEW OF OPERATIONS

### SOUTH AFRICA (92% of Group revenue)

#### DATA AND ANALYTICS, INSURANCE TECHNOLOGIES AND SOFTWARE DEVELOPMENT

##### PBT TECHNOLOGY SERVICES AND CYBERPRO CONSULTING

Growth within PBT Group's data and analytics division has been reasonably slow during the second half of the 2023 financial year. Although services are still in demand, software development projects have taken preference, in which division we have experienced positive growth.

Cross-skilling and investment in cloud-related training and technologies were uninterrupted and should position the Company well for the future in our clients' ongoing quest to move from on premise to the cloud.

Project delays relating to data and analytics have had a negative impact on the business with some projects being delayed by as much as 12 months. This has had a direct impact on the expected growth for this division. The South African segment also had to sustain the cancellation of two large-scale projects during the period under review, one being a strategic client decision and the other purely based on budgetary constraints. This resulted in the need to redeploy a fairly large number of consultants over a short space of time. Successful redeployment was achieved by our resilient sales and support team, highlighting how we as an organisation can handle potential risk situations efficiently. The presales team contributed significantly during this period. Altogether, the storm was weathered, but unfortunately our targets were impacted.

\* Includes the R156.9 million special distribution declared in April 2023 from the proceeds of the Payapps sale that was finalised in FY2023.

Another factor that impacted on our performance over the past six months was our clients' outlook on economies worldwide. While most of PBT Group's client engagements were extended for 12-month periods, client rate increases were very tight. Simultaneously, the high demand from our consultant base with regards to expected remuneration, given the general shortage of skills in our industry, resulted in a decrease in the expected profit margins. Although a tough six months have resulted in flat growth for the data and analytics division, the strategic initiatives and investment in our consultant base remained on track and should realise into a true competitive advantage. Clients are currently in a flux of "do as much as you can with existing available capacity" for data and analytics components of the business, with spending being focused on software development where revenue is directly generated. It is our view that the demand for data and analytics services will rise again, as it is a cornerstone of digitalisation.

Traditionally, software development services are transactional by nature, such as point-of-sale and client product offerings, mostly custom built. As these services are principally related to revenue-generating activities for our clients, the demand has remained high. This division has exceeded all expectations due to a highly efficient and well-managed team.

The software development division is currently one of the leading suppliers of quality software development consultants in South Africa, hence contributing significantly to the growth of PBT Group's revenue during the financial year. This trend is expected to continue for the foreseeable future, especially in the South African market where cost sensitivity will remain, considering the cost of off-the-shelf software.

PBT Group is a key player in an initiative with a leading retail company enabling data to be utilised end to end by the client's data consumer, all on the Google Cloud Platform (GCP). This initiative includes ingestion of large data volumes, as well as translating, modelling and consumption of the data. There are also a substantial number of PBT Group consultants involved in the Artificial Intelligence (AI) component of this initiative. From a future cloud perspective, the 12 months' experience gained will most certainly be capitalised on.

PBT Group has been instrumental in contributing to various successful initiatives related to Amazon Web Services (AWS) within a leading South African financial institution. Besides the retail component of this organisation, various new products have been launched, all financially related. As a result, large-scale data migration was required from on premise to the cloud. One such product was a mobile offering where PBT Group's years of mobile data experience was utilised successfully. Within AWS, PBT consultants have been utilising most of the AWS technology stack such as S3 and Redshift enablement through usage of Python, Glue and PostgreSQL. Foundational to the latter remains the well-established data principles of data modelling, data analysis

and data engineering, the core of the PBT Group's data offering. Through these initiatives PBT Group has again gained invaluable experience on yet another cloud platform in our journey to be the leading cloud data specialist company.

Another achievement during the period under review was the data and analytics portal for a leading international financial institution based in the Western Cape. This self-service Business Intelligence (BI) portal provides the client's users with a single point of entry for accessing all their reports and dashboards. This platform serves as a collaboration and information-sharing mechanism amongst the client's analytics community. Furthermore, the team has built a metadata management tool which allows business stakeholders to manage business metadata, such as the business glossary, as well as creating and maintaining data required for operational and reporting needs. The Data and Analytics (D&A) chatbot developed by PBT Group is embedded in the D&A portal and answers questions based on the business glossary containing business terms and definitions pertinent to the client. Anybody within this client's community can ask a question related to business content, or a specific business term definition. The bot will identify the term and answer with the relevant business glossary definition, as well as providing synonyms if available. All of this was developed within the Microsoft technology stack, adding immense value to the client, and earmarked for expansion into the wider PBT Group client base.

We are well positioned to excel in our aspirations to become the leading cloud data and analytics company. This is based on the abovementioned successes within the most widely used cloud platforms being AWS, Azure and GCP. Over and above the projects and use cases, the PBT Cloud Academy is in full swing and this investment is expected to be a key advantage to PBT Group's future focus area.

## **INSURANCE TECHNOLOGIES**

### **PBTit**

During the past financial year, PBT Insurance Technologies (PBTit) has demonstrated resilience in the challenging operating environment of healthcare insurance in South Africa.

The industry, historically marked by its slow pace, extended sales cycles and steadily diminishing target market, has faced numerous challenges. Despite these obstacles, PBTit has not only managed to sustain its existing client base, but has also observed remarkable organic growth among them for the new benefit year.

We have also successfully secured new opportunities in the managed care and health insurance sectors, which present promising potential for future revenue expansion.

PBTit's focus remains steadfast on preserving robust strategic relationships with our existing clientèle, while also pursuing new opportunities that align with our current service offerings. We are looking forward to a promising 2024 financial year for PBTit.

# SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (SUMMARISED RESULTS) [CONTINUED]

for the year ended 31 March 2023

## EUROPE AND THE UNITED KINGDOM (3% of Group revenue)

### DATA AND ANALYTICS

#### PBT GROUP EUROPE AND PBT GROUP (UK)

Despite an initial setback in the region directly related to the energy crisis, PBT Group (UK) has recovered reasonably. With the economy in this region remaining under pressure, the completion of two strategic projects is important to us as a Group from a technology perspective.

Strategically we have set ourselves up to focus on Microsoft Azure as a cloud platform within the region, and Informatica as a tool to be utilised for various data components, complementing most cloud platforms. PBT Group completed projects in both these technology stacks during the past six months. An Azure migration was successfully productionised using various Azure utilities such as Azure Data Factory and Synapse, whilst applying our analytics and modelling depth. Delivery management played a significant role in this project. Most importantly, the exposure to add another project on our Microsoft Azure cloud platform use case list is of significant future value.

PBT Group was instrumental in the migration of a leading UK food distribution company's on premise Informatica environment to Informatica in the cloud. A PBT Group consultant was the team lead, interacting with both business and IT to complete this project successfully, whilst PBT Group project management also received accolades from both the partner as well as the client.

During the past six months a new client was introduced, with promising prospects for the future, especially in the Microsoft Azure technology stack. Being a first for PBT Group in the energy sector in Europe, work has commenced, and certain components have been productionised on their journey to move to the cloud. We see ourselves and our UK partner as part of this journey, with great potential for all involved.

The PBT Group (UK) office has also deployed our own Presales and Technology Director commencing at the onset of the 2024 financial year, whilst already having been actively involved with a migration project at the UK National Health Service during the previous six months. We are therefore already positioned to engage the UK client base, directly or through partnerships. The UK region remains a significant focus for PBT Group, especially due to the success within the strategic technology stacks starting to materialise and the services model being well embraced.

The deployment of individual consultants remains a challenge for PBT Group Europe, especially in the Netherlands, due to the preference for Dutch-speaking consultants. Cost has become a definite factor within our client base, especially during the past six months. However, the team has succeeded in maintaining a steady revenue stream during the period, whilst at the same time positioning PBT Group well at key clients, both with and without

local partners. An important event during this period was the deployment of one of PBT Group's most experienced consultants in the heart of the data ecosystem at a multinational client without any partner involvement. This provides future opportunities within this client from a revenue perspective, but also technology-wise, as it is a full Microsoft Azure environment, using Azure Data Factory, Synapse and Power BI. The importance of this must be emphasised, as it also contributes to other opportunities within the region, with Microsoft Azure being as dominant in Europe as AWS is in South Africa. This also improves our position in the Benelux, as our partner in Belgium is predominantly a Microsoft services provider, and the reference to this European client and associated use case is invaluable. Various new clients are in the presales phase. Although economic challenges remain with us, the team is actively seeking new opportunities and therefore remains optimistic about the region's future.

## AUSTRALIA (5% of Group revenue)

### DATA AND ANALYTICS, INSURANCE TECHNOLOGIES AND SOFTWARE DEVELOPMENT

#### PBT GROUP AUSTRALIA

The Australian segment has experienced several major challenges during the second half of the financial year with a key health technology client moving away from consulting services in favour of insourcing. This has been coupled with a general reduction in spend and hesitancy among private and government clients to invest in technology, particularly as the end of the Australian tax year approaches in June.

The skills shortage and spike in resource demands we experienced through COVID-19 and the beginning of this financial year has markedly reduced with the broader IT job market showing significant slowdown, which has reflected in our ability to secure new sales opportunities. As a result, PBT Group Australia has carried a substantial number of non-billable consultants for the first time in many years during the second half of the financial year.

While the short-term prospects have been quiet, the team has focused on pivoting to closer align us with the core Group, renewing the focus on data engineering as the core of the business. This has involved analysing the skill sets required in the business going forward. Some key appointments have been made in this space to enable growth.

We continue to see the benefits of working without geographic restrictions with a continued pipeline of data migration work for UK clients through our partner Toukan Labs, as well as an increasing number of clients for RulesLab based in southern Africa, both being serviced from Australia.

South African and Australian management are closely aligned with a view of addressing some of the immediate challenges faced in Australia, prioritising a return to profitability.

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

### Share-based payment transactions

Refer to the Normalised earnings report for more detailed information.

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

In the 2022 financial year the Company entered into a binding subscription agreement with Pulsent OH in terms of which Pulsent OH subscribed for 6.9 million ordinary shares in the capital of the Company (Subscription Shares) at R4.50 per share for a total amount of R31.1 million (Subscription Amount).

Pulsent OH funded R12.4 million, being 40% of the Subscription Amount, utilising its own resources, whereas the balance of the Subscription Amount was funded by PBT Technology Services Proprietary Limited (PBT Technology Services), a wholly owned subsidiary of PBT Group, by advancing a loan to Pulsent OH.

As the only security for the repayment of the loan was the 6.9 million PBT shares with no other recourse, the transaction was treated as a share-based payment transaction under IFRS 2 and the loan was treated as the issue of an option to the B-BBEE party.

During the current financial year Pulsent OH secured external funding of R30 million, guaranteed by PBT Group Limited, in order to fully settle its outstanding legal loan balance, as well as acquiring an additional 1.1 million PBT shares.

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

#### **SPALDING INVESTMENTS 10 (RF) PROPRIETARY LIMITED (SPALDING)**

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

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

#### **KAPPA INVESTMENTS PROPRIETARY LIMITED (KAPPA)**

During the 2023 financial year PBT Technology Services funded Kappa, a staff-owned company, by way of a loan to the value of R8.8 million. As the only security for this loan is the underlying shares in PBT Group, this loan has been treated as treasury shares for accounting purposes instead of an asset. The interest received by PBT Group has also been eliminated from the consolidated statement of profit or loss and other comprehensive income. Refer to note 9 Share-based payments for more information.

#### **SUMMARY OF IFRS 2 EFFECT FOR CURRENT PERIOD**

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

- IFRS 2 expense decreased the Group's profits by R5.3 million.
- A total number of 1.7 million treasury shares were taken into account.
- Investments in preference shares of R11.6 million are not treated as assets, which results in the total assets disclosed in the consolidated statement of financial position being understated by this figure.
- WANOS decreased by 14.6 million shares which, as a result, increased EPS and HEPS for the period.

Please refer to page 19 for the Normalised Earnings Information.

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

As stated above, Pulsent OH secured external funding of R30 million in order to fully settle its outstanding loan owing to PBT Technology Services, and also acquired an additional 1.1 million PBT shares.

As security for the timeous discharge by Pulsent OH of its obligations in terms of their funding of R30 million, PBT Group agreed to furnish the external financing party with a written guarantee to the value of R30 million.

The guarantee provided falls within the ambit of IFRS 9 Financial Instruments, more specifically financial guarantee contracts and, therefore, it is to be classified as a financial liability at amortised cost. PBT placed a fair value of R0.002 million on the financial liability, which amount was based on a calculation of the potential cash outflows from PBT, in the event that Pulsent OH fails to comply with its repayment terms. Refer to note 10 Financial guarantee contracts for more information.

# SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (SUMMARISED RESULTS) [CONTINUED]

for the year ended 31 March 2023

## Borrowings

During May 2022 PBT Technology Services issued 20 notes, each to the value of R1.5 million, for a total amount equating to R30 million, to Southchester Investment Managers Proprietary Limited. The loan was guaranteed by PBT Group Limited and was limited to the amount of R30 million together with any accrued interest outstanding in terms of the subscription agreement signed by PBT Technology Services. The full balance was repaid by 31 March 2023. Please refer to note 24 in the full Annual Financial Statements for more information.

## Sale of investment in preference shares in Yonex Investments Proprietary Limited

During December 2022 PBT Group (South Africa) Proprietary Limited, a 100% subsidiary within the Group, concluded a transaction whereby it sold 100% of its investment in preference shares in Yonex Investments Proprietary Limited to a third-party financial institution for a total amount of R53.3 million. The sale of these preference shares is in line with PBT Group's strategy to dispose of its non-core assets and to return the proceeds to shareholders via special cash distributions and share repurchases. Please refer to note 9 Share-based payments.

## General repurchase

During the period 1 325 317 shares were repurchased in accordance with the general authority to repurchase shares granted at the Annual General Meeting held on 6 August 2021 and 19 August 2022, of which 965 317 were subsequently cancelled and delisted. On 5 April 2023 the remaining 360 000 shares were delisted. The average purchase price was R7.55 per share.

## Events after reporting period

### SPECIAL DIVIDEND

On 6 April 2023 the Board authorised PBT Group Limited to declare a special capital reduction distribution of 75 cents per PBT ordinary share and a special dividend distribution of 75 cents per PBT ordinary share (collectively "the Distribution"). The total Distribution of R1.50 per PBT ordinary share equated to R156.9 million. The Board applied the solvency and liquidity test. The Board, after considering all reasonably foreseeable financial circumstances of PBT Group Limited, concluded that the Company will satisfy the solvency and liquidity test immediately after the payment of the Distribution. Please refer to the SENS announcement released on 11 April 2023.

### GOING CONCERN

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

Please refer to note 38 Financial instruments and risk management – Capital management in the full Annual Financial Statements for the Group's externally imposed capital requirements. Management is satisfied that the Group will meet its externally imposed capital requirements.

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

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

## GOVERNANCE

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

## DISTRIBUTIONS

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

On Friday, 23 June 2023, the Board of Directors resolved to declare a capital reduction distribution of 16.50 cents per PBT ordinary share and a dividend distribution of 16.50 cents per PBT ordinary share (collectively "the Distribution"). The total Distribution will equate to R34.5 million.

The implications of the elections above are as follows:

- A gross dividend of 16.50 cents per PBT ordinary share from income reserves will be subject to dividend withholding tax at a rate of 20%. Consequently, a net final dividend of 13.20 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively "regulated intermediary") on behalf of the shareholders. However, all shareholders choosing this option should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption.
- A capital reduction distribution of 16.50 cents per PBT ordinary share is not subject to dividend withholding tax as the distribution is paid out of capital reserves. As the Distribution will be regarded as a return of capital and may therefore have potential capital gains tax consequences, shareholders are advised to consult their tax advisers regarding the impact of the Distribution.

As at the date of declaration of the Distribution there were 104 590 000 PBT ordinary shares in issue. The company's income tax reference number is 9725148713.

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

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

Last day to trade "cum distribution"	Tuesday, 18 July 2023
First trading day "ex distribution"	Wednesday, 19 July 2023
Record date	Friday, 21 July 2023
Payment date	Monday, 24 July 2023

No share certificates may be dematerialised or rematerialised between Wednesday, 19 July 2023, and Friday, 21 July 2023, both days inclusive. Only the shareholders recorded in the Company's share register as at record date are entitled to receive the Distribution declared.

Payments for certificated shareholders will be transferred electronically to their bank accounts on the payment date. Shareholders who hold dematerialised shares will have their accounts at their CSDP or stockbroker credited on Monday, 24 July 2023.

## CHANGES TO THE BOARD OF DIRECTORS

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

## ACKNOWLEDGEMENTS

Amidst a tough economic climate, our dedicated sales, management and support team have continued to do us proud. Along with our specialist consultants, we remain a force to be reckoned with. We are grateful for each individual's performance and contribution towards our ongoing success.

We would also like to thank our clients for their ongoing support, and our Board of Directors for their expertise and professional guidance during the 2023 financial year.



**Tony Taylor**  
Chairman



**Elizna Read**  
Chief Executive Officer

# ABOUT US

PBT Group has a staff complement of 930, of which the vast majority are highly skilled and professional consultants. We have established strategic alliances with recognised local and international vendors. Our consultants have a sincere commitment to providing the highest levels of service and the most appropriate solutions to our clients.

PBT Group maintains a technology and cloud agnostic approach, enabling it to deliver real and sustainable value to clients who represent a variety of industries including, amongst others, finance, insurance, telecommunications, retail and medical healthcare.

PBT Group is a streamlined and focused professional services business.

## CORE BUSINESS

A data specialist and software services and solutions provider.



### Data and analytics

- Advisory and Strategic
- Data Architecture
- Data Modelling
- Data Engineering
- Analytics and Visualisation
- Data Migration
- On premise/in Cloud



### Software development

- Application and Software Development
- Cloud and DevOps
- SQA and Testing
- Mobile and Web Development, User Interface (UI) and User Experience (UX)



### Insurance technologies

- Software Solutions specific to the healthcare sector

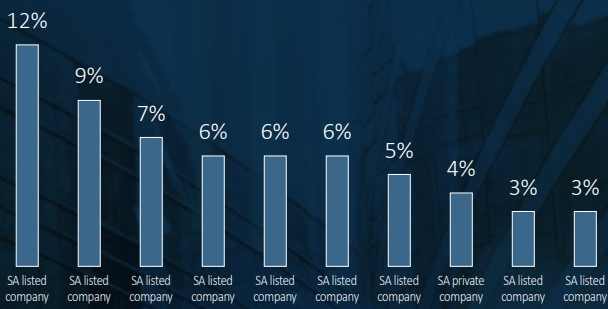
Revenue is derived from South Africa (92%), Australia (5%), and Europe and the United Kingdom (3%).

## NON-CORE ASSETS

In FY2023 we successfully disposed of our non-core assets and returned the proceeds to our shareholders. As a result, PBT Group is now streamlined and **solely** focused on its core professional services business.

## Top 10 clients

Revenue earned by top 10 clients as a % of Group revenue



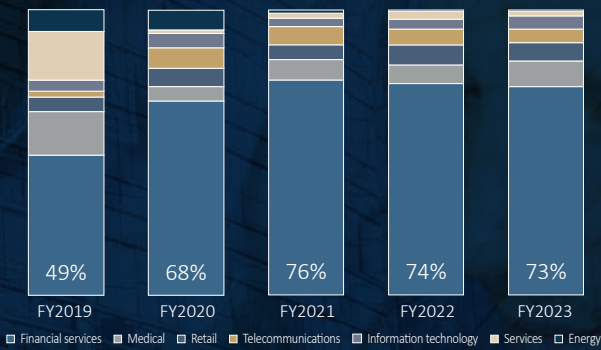
\* Percentages are rounded.

### Comments

- Mostly Johannesburg Stock Exchange (JSE) listed A-grade clients. Low counterparty risk.
- Revenue earned from the top 10 clients accounts for c. 61% of Group revenue. Although listed as a single client, we service various and distinct business units within a client, providing diversification.

## Client industries

Revenue earned by client industry as a % of Group revenue



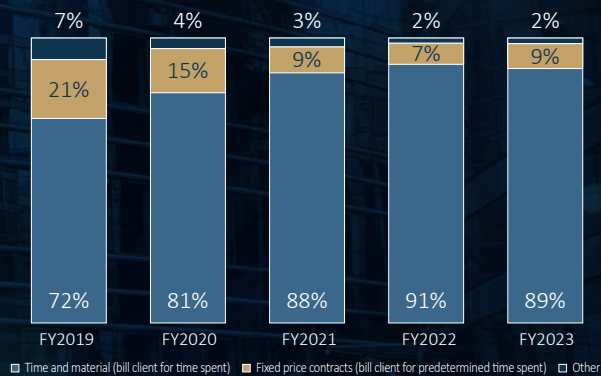
\* Percentages are rounded.

### Comments

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

## Revenue contracts

Revenue earned by contract type as a % of Group revenue



\* Percentages are rounded.

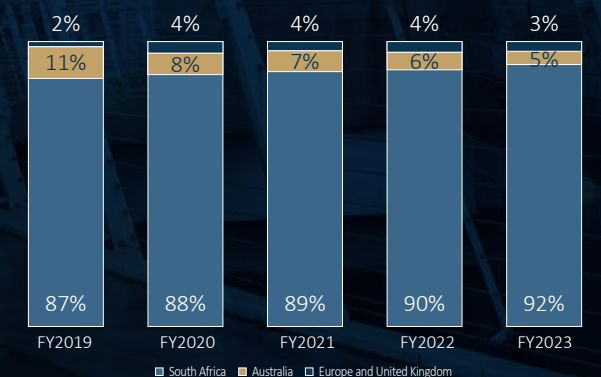
Note: Fixed price contracts are billed monthly at a fixed amount as per the contract. The amount is based on a fixed number of hours of an underlying resource. Fixed price contracts are different to project contracts, where the latter is only billed once a specific project milestone is reached.

### Comments

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

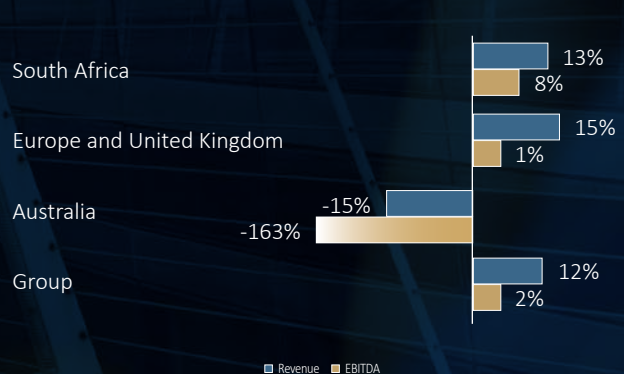
## Segmental review

Revenue earned by geographic area as a % of Group revenue



\* Percentages are rounded.

Year-on-year growth rates by geographic area



\* Percentages are rounded.

## ABOUT US [CONTINUED]



### Our Vision

To be the preferred data and analytics solutions and services provider to our global client base through strong partnerships, innovation and domain expertise.



### Our Mission

To ensure the long-term success of business clients through the effective organisation, interpretation and publishing of company intelligence.



### Our Values

Integrity, quality, professionalism, accountability, teamwork, respect, ethics and trust.





### Our People

We have a staff complement of 930. The vast majority are highly skilled consultants who continuously deliver quality solutions and services in all of the Group's operations.



### Our Commitment

PBT Group recognises the importance of transformation and the creation of sustainable BEE in the South African business landscape, consistently striving to meet and improve on guidelines related to social responsibility and empowerment.



### Our Listing

PBT Group is listed on the JSE under the Software and Computer Services Sector.

# GLOBAL FOOTPRINT

The Group's global client base includes many internationally recognised organisations, built on well-established relationships and extends to a variety of industries, including financial services, insurance, telecommunications, retail and medical healthcare.

Amsterdam, The Netherlands

London, The United Kingdom

Cape Town and Johannesburg, South Africa

Melbourne, Australia



*Global expertise,  
local wisdom.*

# BUSINESS MODEL

## HOW PBT GROUP EARNS REVENUE

A services and solutions-based business

### CLIENT ENGAGEMENT MODELS

1

#### Consulting Services

Providing relevant expertise as a professional service.

Billing largely per consulting hour on time and material basis.

2

#### Projects

Engaging a team in collaboration with a client to deliver a solution via a formalised project.

Billing based on predefined artefacts/scope.

3

#### Managed Services and Solutions

Providing a predefined service as a managed service.

Billing fixed for monthly service.



## SERVICES



### Advisory and Strategic

- Data strategy
- Modernisation
- Readiness programme
- Blueprint architecture
- Business analysis
- Project management



### Application and Software Development

- Custom line-of-business systems
- System integration
- Microservice and API development



### Cloud and DevOps

- Cloud agnostic data specialists
- Best practice cloud application and data architecture
- DevOps specialists
- Containerisation and DevOps disciplines



### Analytics and Visualisation

- Business intelligence
- Self-service analytics
- Visualisation
- Storytelling
- Data science
- Smart analytics



### Mobile, Web, UI and UX

- Web development
- Mobile application development
- Native and hybrid as well as full range of UI, UX and CX disciplines



### SQA and Testing

- Manual testing
- Automation testing
- Software quality assurance as part of modern software development



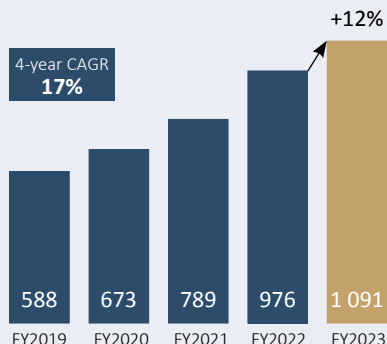
### Data Engineering

- Data architecture
- Data modelling
- Data lake
- Data streaming
- ETL/ELT
- Data warehouse
- Data wrangling

# FINANCIAL HIGHLIGHTS

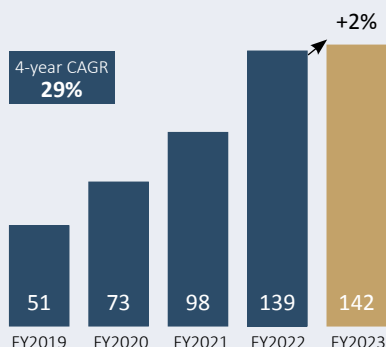
## Revenue

R million



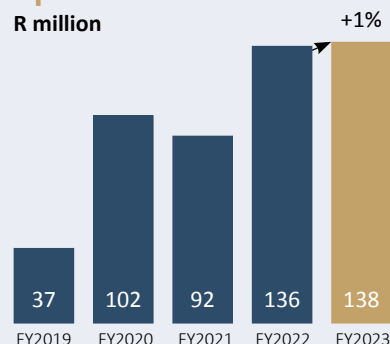
## EBITDA

R million



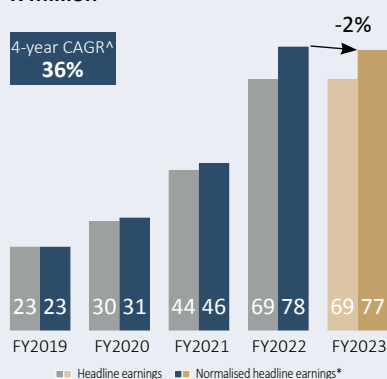
## Cash generated from operations

R million



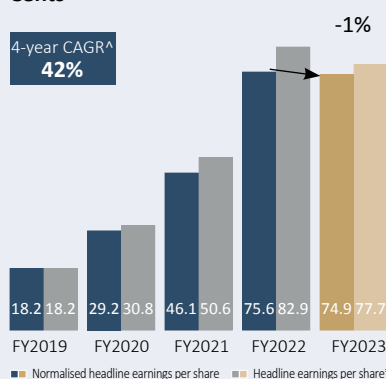
## Earnings

R million



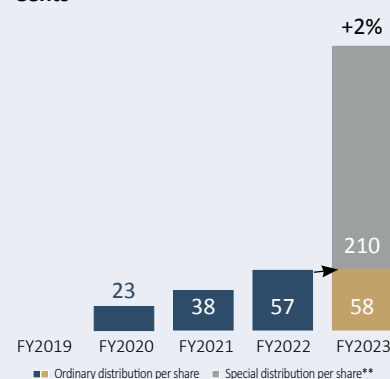
## Earnings per share

Cents



## Distribution per share

Cents



Note: FY = 12 months ended 31 March and CAGR = 5-year compound annual growth rate.

^ Refers to the normalised figure.

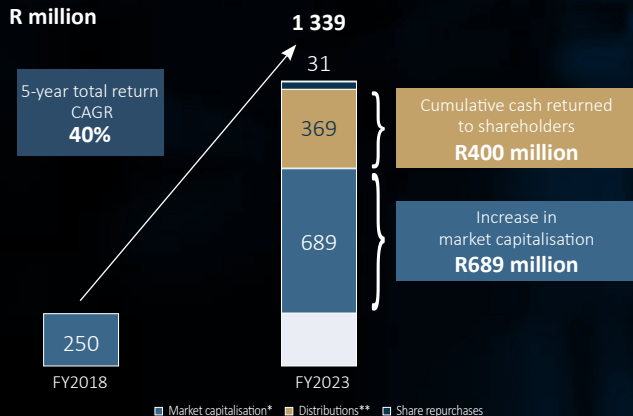
\* Normalised headline earnings adjusts for the impact of IFRS 2. This is a more accurate reflection of the underlying earnings generated by PBT Group. Please refer throughout this report for more detail.

\*\* Includes the 150 cents per share special distribution declared in April 2023 from the Payapps sale proceeds finalised in FY2023.

## FIVE-YEAR TOTAL SHAREHOLDER RETURN

Total shareholder return is measured as the increase in market capitalisation plus distributions and share repurchases.

R million



Note: figures are rounded.

FY = 12 months ended 31 March.

CAGR = Compound annual growth rate.

\* FY2018 used a PBT Group share price of R1.50 as at 31 March 2018 and FY2023 used an ex-special distribution share price of R8.98 as at 10 May 2023.

\*\* Includes the R156.9 million special distribution declared in April 2023 from the proceeds of the Payapps sale that was finalised in FY2023. Excludes the declared final FY2023 ordinary distribution.

## FIVE-YEAR REVIEW

		Year-on-year change (2023 – 2022)	FY2023	FY2022	FY2021	FY2020	FY2019
Revenue	(ZARm)	11.8%	1 091.0	975.7	789.0	672.5	588.4
EBITDA	(ZARm)	2.5%	142.0	138.6	98.3	72.8	51.4
Profit after tax	(ZARm)	6.7%	98.5	92.3	65.3	46.0	33.6
Cash generated from operations	(ZARm)	1.5%	137.7	135.8	92.1	102.1	36.5
Normalised headline earnings*	(ZARm)	(1.8%)	77.1	78.5	45.8	31.2	22.6
Headline earnings	(ZARm)	(0.9%)	68.6	69.3	44.3	29.7	22.6
Normalised headline earnings per share (NHEPS)	(ZAR cents)	(0.9%)	74.88	75.56	46.10	29.17	18.20
Headline earnings per share (HEPS)	(ZAR cents)	(6.3%)	77.69	82.89	50.59	30.79	18.20
Ordinary distribution per share (DPS)	(ZAR cents)	1.8%	58.0	57.0	38.0	23.0	–
Distribution cover	(NHEPS/DPS)		1.29	1.33	1.21	1.27	–
Special distribution per share paid	(ZAR cents)		2.10				
Weighted average number of ordinary shares	(Million)	5.7%	88.3	83.5	87.5	96.6	124.1
Normalised weighted average number of ordinary shares	(Million)	(0.9%)	102.9	103.8	99.3	107.0	124.4
End of period issued ordinary shares	(Million)	(1.0%)	104.6	105.9	99.1	102.3	109.2

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

\*\* Includes the 150 cents per share special distribution declared in April 2023 from the Payapps sale proceeds finalised in FY2023.

Note: figures are rounded.  
FY = 12 months ended 31 March.

## CAPITAL ALLOCATION STRATEGY



### Organic expansion

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



### Distributions

- Substantial portion of earnings is paid as cash distributions.



### Share repurchases

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



### Acquisitive expansion

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

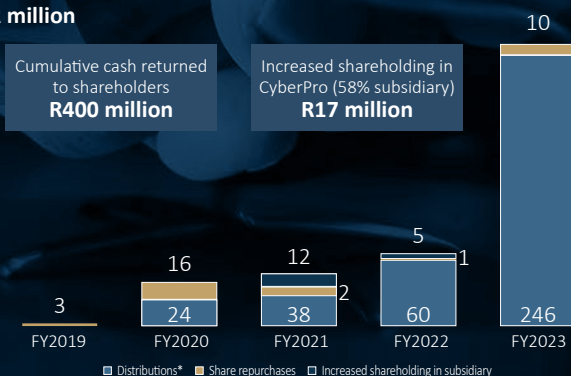
High

Priority ranking

Low

Where capital was allocated over the past five years. PBT Group's market capitalisation was c. R250 million at the beginning of FY2019.

R million



Note: figures are rounded.  
FY = 12 months ended 31 March.  
CAGR = Compound annual growth rate.

\* Includes the R156.9 million special distribution declared in April 2023 from the proceeds of the Payapps sale that was finalised in FY2023. Excludes the declared final FY2023 ordinary distribution.

\* Percentages are rounded.

# SUMMARISED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

Rand	Notes	GROUP	
		2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		4 124 130	3 034 739
Right-of-use assets		5 388 921	10 503 196
Goodwill	2	135 668 135	135 668 135
Intangible assets		192 051	195 843
Loans receivable		9 449 279	7 522 257
Investments at fair value	4	–	116 891 982
Deferred tax		6 709 951	4 829 074
		<b>161 532 467</b>	<b>278 645 226</b>
<b>Current assets</b>			
Loans receivable		2 544 850	2 544 850
Trade and other receivables		156 812 921	142 133 510
Current tax receivable		486 547	33 079
Cash and cash equivalents		220 902 161	50 021 351
		<b>380 746 479</b>	<b>194 732 790</b>
<b>Total assets</b>		<b>542 278 946</b>	<b>473 378 016</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Equity attributable to equity holders of parent</i>			
Share capital	5	518 868 085	516 459 160
Treasury shares	6	(11 624 982)	(87 154 982)
Capital distribution reserve	7	(595 883 374)	(534 216 011)
Equity revaluation reserve	8	–	100 296 287
Share-based payment reserve	9	9 656 422	18 923 981
Foreign currency translation reserve		22 763 958	(1 767 617)
Retained income/(Accumulated loss)		456 933 097	336 029 061
		<b>400 713 206</b>	<b>348 569 879</b>
Non-controlling interest	3	21 777 096	17 409 984
<b>Total equity</b>		<b>422 490 302</b>	<b>365 979 863</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans from Group companies		–	–
Lease liabilities		1 851 429	7 010 129
Deferred tax		40 024	103 589
Financial guarantee contracts	10	24 316	–
		<b>1 915 769</b>	<b>7 113 718</b>
<b>Current liabilities</b>			
Trade and other payables		90 390 536	87 150 193
Lease liabilities		5 170 081	5 735 344
Current tax payable		4 664 091	7 172 520
Promoters' fee payable	11	17 450 775	–
Bank overdraft		197 392	226 378
		<b>117 872 875</b>	<b>100 284 435</b>
<b>Total liabilities</b>		<b>119 788 644</b>	<b>107 398 153</b>
<b>Total equity and liabilities</b>		<b>542 278 946</b>	<b>473 378 016</b>

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

for the year ended 31 March 2023

Rand	Notes	GROUP	
		2023	2022
Revenue	12	1 090 958 700	975 676 666
Cost of sales		(829 009 803)	(729 196 117)
<b>Gross profit</b>		<b>261 948 897</b>	<b>246 480 549</b>
Other operating income		3 773 824	878 002
Other operating (losses)/gains		(817 667)	(2 242 752)
Gain on disposal of investment in subsidiary		(26 521)	–
Movement in credit loss allowances		(581 134)	1 227 242
Share-based payment expense		(5 261 357)	(5 668 771)
Other operating expenses		(117 013 632)	(102 073 863)
<b>Earnings before interest, taxation, depreciation and amortisation</b>		<b>142 022 410</b>	<b>138 600 407</b>
Depreciation: Plant and equipment		(1 857 813)	(1 429 021)
Depreciation: Right-of-use assets		(5 168 106)	(6 222 654)
Amortisation: Intangible assets		(51 089)	(66 646)
<b>Operating profit</b>		<b>134 945 402</b>	<b>130 882 086</b>
Investment income		2 423 338	1 287 245
Finance costs		(2 380 782)	(1 929 654)
Borrowings		(1 127 894)	(71 402)
Lease liabilities		(907 512)	(1 424 930)
Other		(345 376)	(433 322)
<b>Profit before taxation</b>		<b>134 987 958</b>	<b>130 239 677</b>
Taxation		(36 517 008)	(37 932 935)
<b>Profit for the year</b>		<b>98 470 950</b>	<b>92 306 742</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains on valuation of investments in equity instruments		14 224 792	34 847 088
<b>Items that may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		24 531 575	(10 515 080)
<b>Other comprehensive income for the year net of taxation</b>		<b>38 756 367</b>	<b>24 332 008</b>
<b>Total comprehensive income for the year</b>		<b>137 227 317</b>	<b>116 638 750</b>
<b>Profit attributable to:</b>			
Owners of the parent		68 480 391	67 210 292
Non-controlling interest		29 990 559	25 096 450
		<b>98 470 950</b>	<b>92 306 742</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		107 236 758	91 542 300
Non-controlling interest		29 990 559	25 096 450
		<b>137 227 317</b>	<b>116 638 750</b>
<b>Earnings per share (cents)</b>			
Basic earnings per share	17	77.54	80.44
Diluted basic earnings per share	17	70.69	72.89

# SUMMARISED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

Rand	Notes	Share capital	Treasury shares	Capital distribution reserve
<b>GROUP</b>				
<b>Balance at 1 April 2021</b>		498 402 315	(27 355 000)	(516 922 283)
Profit for the year		–	–	–
Other comprehensive income		–	–	–
<b>Total comprehensive income for the year</b>		–	–	–
<b>Pulsent OH GP/PBT Direct</b>	9			
Issue of shares		31 050 000	–	–
Share-based payment shares included as treasury shares		–	(18 630 000)	–
Reclassification between share capital and share-based payment reserve		(12 420 000)	–	–
Share-based payment		–	–	–
<b>B-BBEE ownership/Staff entities</b>	9			
Reduction of share-based payment shares included as treasury shares – Spalding		–	27 355 000	–
Share-based payment shares included as treasury shares – Yonex		–	(65 700 000)	–
Share-based payment shares included as treasury shares – PBT Foundation		–	(2 824 982)	–
Share-based payment		–	–	–
<b>General</b>				
Shares repurchased		(573 155)	–	–
Distributions		–	–	(17 293 728)
Purchase of additional shares in subsidiary		–	–	–
<b>Total contributions by and distributions to owners of Group recognised directly in equity</b>		18 056 845	(59 799 982)	(17 293 728)
<b>Balance at 1 April 2022</b>		516 459 160	(87 154 982)	(534 216 011)
Profit for the year		–	–	–
Other comprehensive income		–	–	–
<b>Total comprehensive income for the year</b>		–	–	–
<b>Pulsent OH GP/PBT Direct</b>	9			
Reclassification between share-based payment reserve and retained earnings		–	–	–
Reclassification between share capital and share-based payment reserve		12 420 000	–	–
Reduction of share-based payment shares included as treasury shares		–	18 630 000	–
<b>B-BBEE ownership/Staff entities</b>	9			
Share-based payment		–	–	–
Reduction of share-based payment shares included as treasury shares		–	65 700 000	–
Reduction of share-based payment advance in subsidiary		–	–	–
Share-based payment shares included as treasury shares		–	(8 800 000)	–
<b>General</b>				
Shares repurchased		(10 011 075)	–	–
Distributions		–	–	(61 667 363)
Transfer between reserves – Reclassification of equity revaluation to retained earnings		–	–	–
<b>Total contributions by and distributions to owners of Group recognised directly in equity</b>		2 408 925	75 530 000	(61 667 363)
<b>Balance at 31 March 2023</b>		518 868 085	(11 624 982)	(595 883 374)
Notes		5	6	7

Equity revaluation reserve	Share-based payment reserve	Foreign currency translation reserve	Retained income	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
65 449 199	835 210	8 747 463	294 731 602	323 888 506	14 188 404	338 076 910
–	–	–	67 210 292	67 210 292	25 096 450	92 306 742
34 847 088	–	(10 515 080)	–	24 332 008	–	24 332 008
34 847 088	–	(10 515 080)	67 210 292	91 542 300	25 096 450	116 638 750
–	–	–	–	31 050 000	–	31 050 000
–	–	–	–	(18 630 000)	–	(18 630 000)
–	12 420 000	–	–	–	–	–
–	2 108 916	–	–	2 108 916	–	2 108 916
–	–	–	–	27 355 000	–	27 355 000
–	–	–	–	(65 700 000)	–	(65 700 000)
–	–	–	–	(2 824 982)	–	(2 824 982)
–	3 559 855	–	–	3 559 855	–	3 559 855
–	–	–	–	(573 155)	–	(573 155)
–	–	–	(21 877 607)	(39 171 335)	(20 910 096)	(60 081 431)
–	–	–	(4 035 226)	(4 035 226)	(964 774)	(5 000 000)
–	18 088 771	–	(25 912 833)	(66 860 927)	(21 874 870)	(88 735 797)
100 296 287	18 923 981	(1 767 617)	336 029 061	348 569 879	17 409 984	365 979 863
–	–	–	68 480 391	68 480 391	29 990 559	98 470 950
14 224 792	–	24 531 575	–	38 756 367	–	38 756 367
14 224 792	–	24 531 575	68 480 391	107 236 758	29 990 559	137 227 317
–	(2 108 916)	–	2 108 916	–	–	–
–	(12 420 000)	–	–	–	–	–
–	–	–	(6 296 537)	12 333 463	–	12 333 463
–	5 261 357	–	–	5 261 357	–	5 261 357
–	–	–	(12 399 570)	53 300 430	–	53 300 430
–	–	–	–	–	1 611 000	1 611 000
–	–	–	–	(8 800 000)	–	(8 800 000)
–	–	–	–	(10 011 075)	–	(10 011 075)
–	–	–	(45 510 243)	(107 177 606)	(27 234 447)	(134 412 053)
(114 521 079)	–	–	114 521 079	–	–	–
(114 521 079)	(9 267 559)	–	52 423 645	(55 093 431)	(25 623 447)	(80 716 878)
–	9 656 422	22 763 958	456 933 097	400 713 206	21 777 096	422 490 302

8

9

3

# SUMMARISED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

Rand	Notes	GROUP	
		2023	2022
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	13	137 749 261	135 778 563
Interest income received		1 944 921	1 038 329
Finance costs paid		(2 361 269)	(1 859 908)
Tax (paid)/received		(41 269 900)	(35 787 007)
<b>Net cash inflow from operating activities</b>		<b>96 063 013</b>	<b>99 169 977</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(2 931 959)	(1 534 416)
Proceeds from disposal of plant and equipment		12 827	13 500
Purchase of intangible assets		(37 330)	(17 636)
Repayments of loans receivable		3 432 486	852 175
Advances of loans receivable		(4 934 000)	(1 308 000)
Proceeds from disposal of investments at fair value	4	171 090 201	–
<b>Net cash inflow/(outflow) from investing activities</b>		<b>166 632 225</b>	<b>(1 994 377)</b>
<b>Cash flows from financing activities</b>			
Issue of shares	5	–	12 420 000
Shares repurchased	5	(10 011 075)	(573 155)
Dividends paid to non-controlling interests	3	(25 500 000)	(21 736 164)
Capital distribution	7	(61 667 363)	(17 293 728)
Dividends paid		(45 510 243)	(14 996 667)
Share-based payment advanced – Kappa	9	(8 800 000)	–
Share-based payment advance – Yonex	9	–	(65 700 000)
Share-based payment advance repaid – Yonex	6	53 300 430	–
Reduction of treasury shares due to redemption of preference share investment and repayment of loan	6	12 333 463	18 362 386
Payments of lease liabilities		(5 782 056)	(6 031 046)
Proceeds of borrowings		30 000 000	–
Repayment of borrowings		(30 147 312)	(9 000 000)
Acquisition of additional shares in a subsidiary from non-controlling interest	3	–	(5 000 000)
<b>Net cash outflow from financing activities</b>		<b>(91 784 156)</b>	<b>(109 548 374)</b>
<b>Total cash movement for the year</b>			
		<b>170 911 082</b>	<b>(12 372 774)</b>
Cash and cash equivalents at the beginning of the year		49 794 973	62 273 695
Effect of exchange rate movement on cash balances		(1 286)	(105 948)
<b>Total cash at the end of the year</b>		<b>220 704 769</b>	<b>49 794 973</b>

# NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

## 1. STATEMENT OF COMPLIANCE

### 1.1 Basis of preparation

The summarised consolidated financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations issued and effective at the time of preparing these consolidated financial statements and the Companies Act of South Africa, as amended and contains the information as required by IAS 34 Interim Financial Reporting.

These summarised consolidated financial statements comply with the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

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

These accounting policies are consistent with the previous period.

### 1.2 Significant judgements and sources of estimation uncertainty

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

#### Critical judgements in applying accounting policies

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

*Preference share investment in Spalding Investments 10 (RF) Proprietary Limited, Ayson Proprietary Limited, Yonex Investments (RF) Proprietary Limited, PBT Foundation Proprietary Limited and Kappa Investments Proprietary Limited – B-BBEE and staff companies*

The accounting of the preference share investment and funding provided in the B-BBEE and staff companies, taking into account the terms of the shareholders' agreement, the preference share agreement and loan agreement, required judgement as to whether the transactions fell into the ambit of IFRS 2 Share-based Payments. The key

judgement PBT Group made related to option accounting under IFRS 2 and resulted in a conclusion that the transaction value is treated as the grant of an option. Refer to note 9 Share-based payments. This resulted in an IFRS 2 option expense being recognised and the underlying shares were accounted for as treasury shares.

During 2023 Ayson voluntarily redeemed its remaining preference shares issued to CyberPro Consulting Proprietary Limited. Yonex Investments (RF) Proprietary Limited sold its outstanding preference shares to a third-party financial institution during the current financial year and as a result have no further preference shares issued to PBT Group. Refer to note 9 Share-based payments for further information.

#### Control considerations

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

The accounting of the loan advanced to Pulsent OH during the 2022 financial year to purchase ordinary shares in PBT Group required judgement as to whether control is present in terms of IFRS 10 Consolidated Financial Statements and whether Pulsent OH should be consolidated into the Group or not.

Control elements in terms of IFRS 10 Consolidated Financial Statements were therefore evaluated to determine whether control exists.

It was concluded that control over Pulsent OH does not exist. The following considerations were made:

- PBT Group had no involvement or influence in the design of the legal entity or ownership structure associated with Pulsent OH. The structure is fully independent and for the benefit of various B-BBEE shareholders not related to the PBT Group.
- PBT Group does not hold any shares of any class and does not have any voting rights or potential voting rights in respect of Pulsent OH.
- PBT Group does not have the right to appoint any Directors of Pulsent OH.

PBT Group's only interest or exposure to Pulsent OH was the vendor finance provided in the prior year, in respect of 60% of the shares subscribed for in the transaction described in note 9 and subsequently the guarantee provided.

##### *Yonex Investments (RF) Proprietary Limited (Yonex)*

As Yonex is a special purpose vehicle entity set up by the Group for share-based payment/B-BBEE purposes, judgement was required to determine whether PBT Group controls Yonex in terms of IFRS 10 Consolidated Financial Statements and whether Yonex should be consolidated into the Group or not.

Control elements in terms of IFRS 10 Consolidated Financial Statements were therefore evaluated to determine whether control exists, resulting in Yonex being consolidated. It was concluded that control over Yonex does not exist.

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

for the year ended 31 March 2023

The following considerations were made:

- PBT Group does not hold any shares of any class and does not have any voting rights or potential voting rights in respect of Yonex.
- PBT Group does not have the right to appoint any Directors of Yonex.
- PBT Group is not exposed to variable returns and does not have any rights to any variable returns from Yonex.

#### *Ayson Investments Proprietary Limited (Ayson)*

As Ayson voluntarily redeemed its entire investment in preference shares issued to CyberPro Consulting Proprietary Limited during 2023, judgement was required to determine whether PBT Group controls Ayson in terms of IFRS 10 Consolidated Financial Statements and whether Ayson should be consolidated into the Group or not.

Control elements in terms of IFRS 10 Consolidated Financial Statements were therefore evaluated to determine whether control exists, resulting in Ayson being consolidated. It was concluded that control over Ayson does not exist. The following considerations were made:

- PBT Group does not hold any shares of any class and does not have any voting rights or potential voting rights in respect of Ayson.
- PBT Group does not have the right to appoint any Directors of Ayson.
- PBT Group is not exposed to variable returns and does not have any rights to any variable returns from Ayson.

#### *Spalding Investments 10 (RF) Proprietary Limited (Spalding)*

As Spalding voluntarily redeemed its entire investment in preference shares issued to PBT Group Limited during 2022, judgement was required to determine whether PBT Group controls Spalding in terms of IFRS 10 Consolidated Financial Statements and whether Spalding should be consolidated into the Group or not.

Control elements in terms of IFRS 10 Consolidated Financial Statements were therefore evaluated to determine whether control exists, resulting in Spalding being consolidated. It was concluded that control over Spalding does not exist.

The following considerations were made:

- PBT Group does not hold any shares of any class and does not have any voting rights or potential voting rights in respect of Spalding.
- PBT Group does not have the right to appoint any Directors of Spalding.
- PBT Group is not exposed to variable returns and does not have any rights to any variable returns from Spalding.

#### **Key sources of estimation uncertainty**

##### *Impairment testing – Goodwill*

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

The following assumptions were utilised:

Pre-tax discount rate: 20.88% (2022: 21.96%)

Share premium: 5.20% (2022: 5.40%)

Terminal growth rate: 5.00% (2022: 5.00%)

Number of years: 5 years (2022: 5 years)

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

##### *Taxation*

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

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

The deferred tax assets (arising mainly from assessed losses) in four (2022: four) subsidiaries of the Group were not recognised in either the current or prior year as management does not expect that there will be future taxable income in either of these entities.

##### *IFRIC 23 Uncertainty Over Income Tax Treatments*

An estimation is made in terms of IFRIC 23 Uncertainty Over Income Tax Treatments on any amounts where there is uncertainty about the value of the specific tax item. PBT estimated an amount to be included in the current and prior financial statements for a penalty imposed on one of the subsidiary companies. A range of possible outcomes were considered. The estimation was based on the most likely amount of the outcome.

## 2. GOODWILL

Rand	GROUP					
	2023			2022		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	285 574 135	(149 906 000)	135 668 135	285 574 135	(149 906 000)	135 668 135

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

No reconciliation of goodwill has been presented as there has been no movement during the periods presented.

### Impairment testing

The Group performs an annual impairment test on goodwill. The recoverable amount of PBT Group to which goodwill is allocated has been determined based on the value-in-use (VIU) calculation. The VIU is calculated by discounting the projected cash flows of PBT Group (discounted cash flow (DCF) approach) for a five-year period as approved by management. The 2023 financial year goodwill figure has not been impaired as the recoverable amount was considerably higher than the goodwill figure. The key assumptions would have to change considerably in order for the carrying amount of goodwill to exceed the recoverable amount.

The Group's cash flow forecasts were based on the sales pipeline, demand/supply dynamics of the Group's services and the general economic environment as a whole.

The following key assumptions were used for the VIU calculations:

#### Discount rates

The discount rate, being the weighted average cost of capital (WACC) of 16.15% (2022: 15.39%) is calculated using a capital asset pricing model (CAPM) approach and included a small share premium of 5.20% (2022: 5.40%). The pre-tax discount rate used in the VIU figures is 20.72% (2022: 21.96%).

#### Terminal growth rates

A terminal growth rate of 5% (2022: 5%) has been used which is in line with inflation and real GDP growth.

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

for the year ended 31 March 2023

## 3. INVESTMENTS IN SUBSIDIARIES

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

	% holding	
	2023	2022
<b>GROUP COMPANIES</b>		
<b>South Africa</b>		
PBT Academy Proprietary Limited	100%	100%
CyberPro Consulting Proprietary Limited	58%	58%
PBT Group (South Africa) Proprietary Limited	100%	100%
PBT Innovation Proprietary Limited	100%	100%
PBT Insurance Technologies Proprietary Limited	100%	100%
PBT Consulting Proprietary Limited	100%	100%
PBT Technology Services Proprietary Limited	100%	100%
Technique Business Intelligence Software Proprietary Limited	100%	100%
<b>The Netherlands</b>		
Halliard International Besloten Vennootschap	100%	100%
PBT Group Europe Besloten Vennootschap	100%	100%
PBT Group International Besloten Vennootschap	100%	100%
<b>United Kingdom</b>		
PBT Group (UK) Limited	100%	100%
<b>Australia</b>		
All Claims Proprietary Limited	70%	70%
PBT Group (Australia) Proprietary Limited	100%	100%
<b>Ireland</b>		
PBT Technology Services Ireland Limited	–	100%
<b>Special purpose entities*</b>		
PBT Foundation Trust	–	–
PBT Foundation Proprietary Limited	–	–

\* On 24 November 2021, 100% of the investment in PBT Foundation Proprietary Limited was sold to the PBT Foundation Trust (the Trust). The trustees of the Trust are Directors and employees of PBT Group and accordingly it was concluded that the Group controls the Trust and therefore also PBT Foundation Proprietary Limited. Both entities are incorporated in South Africa.

### 3. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

#### Changes during the year

##### **Sale of PBT Technology Services Ireland Limited**

On 1 April 2022 PBT Group (South Africa) Proprietary Limited sold 100% of its investment in PBT Technology Services Ireland Limited for a total consideration of €1 387.

##### **Change in ownership interest in subsidiaries**

There were no changes to ownership interests in subsidiaries in the current financial year. In the prior year PBT Group (South Africa) Proprietary Limited acquired a further 2% interest in CyberPro Consulting Proprietary Limited, an existing subsidiary of the Company, for a purchase price of R5 million.

The schedule below shows the effect on the equity attributable to owners of the parent for the prior-year change in ownership interest in a subsidiary, that did not result in a loss of control.

Rand	GROUP		
	Retained earnings	Non-controlling interest	Total
<b>2022</b>			
Purchase of additional shares in subsidiary	(4 035 227)	(964 773)	(5 000 000)

##### **Subsidiaries with material non-controlling interests**

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

CyberPro Consulting Proprietary Limited (CyberPro) is a material subsidiary with NCI material to the Group. CyberPro's principal place of business is in Gauteng and the Western Cape. PBT holds a direct 58% (2022: 58%) share in the company. Due to the impact of the Ayson Proprietary Limited (Ayson) preference share agreement (explained further below), the effective shareholding in the company was previously impacted. In the prior year the effective shareholding was 58.78%. During the 2023 financial year Ayson redeemed 100% of the outstanding preference shares and the shareholding in CyberPro reverted back to the 58%.

During the 2021 financial year CyberPro entered into a preference share agreement to the value of R4.5 million with Ayson, a B-BBEE company, which used the proceeds to purchase 2.65% interest in the ordinary shares in CyberPro from a non-controlling shareholder. As the only security for the preference share investment was the underlying CyberPro shares, with no recourse, the transaction was treated as the issue of an option to the B-BBEE company and the preference share investment was not recognised as an asset but instead as an adjustment to share capital in CyberPro and an adjustment to NCI in the PBT Group financial statements. In the prior years the NCI shares were treated as unissued in CyberPro and resulted in an effective increase in the Group's shareholding. Refer to note 9 Share-based payments for more information.

During the 2023 financial year Ayson redeemed the remaining R2.2 million (2022: R2.3 million) of the R4.5 million preference shares, therefore as at 31 March 2023 there were no remaining preference shares. This resulted in the remaining portion of the CyberPro shares that were treated as unissued to revert back to "issued". A share-based payment expense of R0.18 million (2022: R0.18 million) was recognised during the period in respect of this arrangement.

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

for the year ended 31 March 2023

## 3. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

The summarised financial information is provided prior to intercompany eliminations.

Rand	CyberPro Consulting Proprietary Limited	
	2023	2022
<b>STATEMENT OF FINANCIAL POSITION</b>		
Non-current assets	5 967 418	5 218 455
Current assets	89 836 858	85 116 948
<b>Total assets</b>	<b>95 804 276</b>	<b>90 335 403</b>
Non-current liabilities	–	727 087
Current liabilities	40 320 612	42 394 833
<b>Total liabilities</b>	<b>40 320 612</b>	<b>43 121 920</b>
<b>Total net assets</b>	<b>55 483 664</b>	<b>47 213 483</b>
<b>Carrying amount of non-controlling interest</b>	<b>21 936 811</b>	<b>17 559 873</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Revenue	581 546 372	485 462 003
Earnings before interest, taxation, depreciation and amortisation	97 911 676	85 737 660
Operating profit	97 136 959	85 031 731
<b>Profit before taxation</b>	<b>97 583 295</b>	<b>85 288 816</b>
Taxation	(26 153 806)	(24 819 413)
<b>Profit for the year</b>	<b>71 429 489</b>	<b>60 469 403</b>
<b>Total comprehensive income for the year</b>	<b>71 429 489</b>	<b>60 469 403</b>
<b>Profit allocated to non-controlling interest</b>	<b>30 000 385</b>	<b>25 108 212</b>
<b>STATEMENT OF CASH FLOWS</b>		
Cash generated from operations	75 495 438	79 387 361
Cash flows from operating activities	48 490 811	57 131 643
Cash flows from investing activities	(1 132 771)	(828 876)
Cash flows from financing activities	(63 920 374)	(50 685 981)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(16 562 334)</b>	<b>5 616 786</b>
<b>Dividend paid to non-controlling interest*</b>	<b>27 300 000</b>	<b>23 799 097</b>

\* A portion of the dividend declared by CyberPro to its shareholder Ayson has been retained by CyberPro and converted to borrowings. This is a non-cash movement of R1.87 million (2022: R2.1 million). The dividend paid in cash to the non-controlling interest was R25.5 million (2022: R21.7 million).

As per the preference share agreement between CyberPro and Ayson, all dividends received by Ayson are required to be utilised to repay preference dividends and preference shares to CyberPro until the full outstanding preference share amount is redeemed. The preference shares are only redeemable after three years and therefore any excess cash above the preference dividends payable by Ayson was loaned back to CyberPro, which added additional security for the payment of the outstanding amount. Ayson has amended its Memorandum of Incorporation during the 2022 financial year in order to allow for the early redemption of preference shares. As such, the majority of the loan to CyberPro was utilised towards redemption of preference shares.

#### 4. INVESTMENTS AT FAIR VALUE

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

Rand	GROUP	
	2023	2022
Equity investments at fair value through other comprehensive income	–	116 891 982
<b>Equity investments at fair value through other comprehensive income</b>		
Payapps Limited	–	116 891 982
<b>Split between non-current and current portions</b>		
Non-current assets	–	116 891 982

##### Fair value information

Refer to note 15 Fair value information for details of valuation policies and processes.

##### Equity instruments at fair value through other comprehensive income

###### **Payapps Limited**

PBT Group, through its wholly-owned subsidiary Halliard International Besloten Vennootschap (Haliard), owned 9 566 667 shares in Payapps Limited (Payapps). On 28 March 2023 Halliard entered into agreements to dispose of its entire shareholding in Payapps for a net consideration of R153.6 million (AUD12.9 million). The disposal was made in favour of existing shareholders in Payapps, being Australian buyers consisting of IFM Growth Partners, LP, and entities affiliated with Leigh Jasper. Refer to the SENS announcement released on 28 March 2023 for more information.

The net amount attributable to the shareholders of PBT Group is after all transaction costs and taxes which is a premium to the 31 March 2022 fair value of R116.9 million.

The effective date of the disposal was 31 March 2023, i.e. the date upon which the Conditions Precedent were fulfilled.

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

The investment in Payapps was recorded as a financial asset and, as such, no profits were recorded in PBT Group's financial statements. Fair value adjustments were recognised through OCI in the statement of profit or loss and OCI, and reclassified to retained earnings upon disposal of the investment.

A liability of R17.5 million was raised for the 10% profit share fee payable to the promoters of PBT Group's investment in Payapps. Refer to note 11 Promoters' fee payable and note 14 Related parties.

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

for the year ended 31 March 2023

## 5. SHARE CAPITAL

	Notes	GROUP	
		2023	2022
Number of shares			
<b>Authorised</b>			
200 000 000 ordinary shares of no par value		–	–
<b>Reconciliation of number of shares in issue</b>			
Shares in issue as at the beginning of the year		105 915 317	99 100 000
Issue of ordinary shares	9	–	6 900 000
Repurchase of shares		(1 325 317)	(84 683)
Shares in issue at the end of the year		104 590 000	105 915 317
Shares held by B-BBEE and staff companies treated as treasury shares	9	(1 712 000)	(22 172 000)
Spalding Investments 10 Proprietary Limited			
– Opening balance		–	(14 000 000)
– Reduction of treasury shares due to redemption of preference share investment		–	14 000 000
Yonex Investments Proprietary Limited			
– Opening balance		(14 600 000)	–
– Shares purchased and treated as treasury shares		–	(14 600 000)
– Reduction of treasury shares due to redemption of preference share investment		14 600 000	–
PBT Foundation Proprietary Limited			
– Opening balance		(672 000)	–
– Shares purchased and treated as treasury shares		–	(672 000)
Pulsent OH GP Proprietary Limited*			
– Opening balance		(6 900 000)	–
– Shares issued and treated as treasury shares		–	(6 900 000)
– Reduction of treasury shares due to repayment of loan amount		6 900 000	–
Kappa Investments Proprietary Limited			
– Shares purchased and treated as treasury shares		(1 040 000)	–
<b>Number of shares as at date of the report</b>		<b>102 878 000</b>	<b>83 743 317</b>

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

95 410 000 unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

## 5. SHARE CAPITAL (CONTINUED)

Rand	Notes	GROUP	
		2023	2022
<b>Issued</b>			
Ordinary shares of no par value		518 868 085	516 459 160
<b>Issued share capital reconciliation</b>			
Opening balance		516 459 160	498 402 315
Newly issued ordinary shares	9	–	31 050 000
Reclassification from/(to) share-based payment reserve	9	12 420 000	(12 420 000)
Repurchase of shares		(10 011 075)	(573 155)
<b>Issued as at date of the report</b>		<b>518 868 085</b>	<b>516 459 160</b>

### **Repurchase of shares – general authority**

During the period 1 325 317 shares were repurchased in accordance with the general authority to repurchase shares granted at the Annual General Meeting held on 6 August 2021 and 19 August 2022 of which 965 317 were subsequently cancelled and delisted. On 5 April 2023 the remaining 360 000 shares were delisted. The average purchase price per share was R7.55 per share.

### **Increase in black ownership transactions**

Refer to note 9 Share-based payment for full details on the transactions concluded during the prior year to increase the Group's black ownership. Shareholders are referred to "Director Dealings" SENS announcements released on 5 July 2021 and 28 July 2021.

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

for the year ended 31 March 2023

## 6. TREASURY SHARES

Treasury shares represent shares held by various B-BBEE and staff vehicles, and shares repurchased to be delisted. Refer to note 9 Share-based payments.

Rand	GROUP	
	2023	2022
Opening balance	87 154 982	27 355 000
Treasury shares purchased	8 800 000	87 154 982
Pulsent OH GP Proprietary Limited	–	18 630 000
Yonex Investments Proprietary Limited	–	65 700 000
PBT Foundation Proprietary Limited	–	2 824 982
Kappa Investments Proprietary Limited	8 800 000	–
Reduction of treasury shares	(84 330 000)	(27 355 000)
Redemption of preference shares: Spalding Investments 10 Proprietary Limited		
Cash movement – Pulsent subscription	–	(18 362 386)
Cash movement – from dividends received which reduced Group distributions	–	(6 880 939)
Non-cash movement	–	(2 111 675)
Repayment of loan: Pulsent OH GP Proprietary Limited		
Cash movement – external sources	(11 820 973)	–
Cash movement – from dividends received which reduced Group distributions	(6 809 027)	–
Redemption of preference shares: Yonex Investments Proprietary Limited		
Cash movement – external sources	(53 300 430)	–
Cash movement – from dividends received which reduced Group distributions	(12 399 570)	–
<b>Closing balance</b>	<b>11 624 982</b>	<b>87 154 982</b>
<b>Reconciliation of number of treasury shares movement during the year</b>		
<i>Treasury shares movement during the year</i>		
Opening balance as at the beginning of the year	22 172 000	14 000 000
Treasury shares purchased	1 040 000	22 172 000
Shares issued to B-BBEE partner and treated as treasury shares – Pulsent OH GP Proprietary Limited	–	6 900 000
Shares acquired by B-BBEE and staff company and treated as treasury shares – Yonex Investments Proprietary Limited	–	14 600 000
Shares acquired by B-BBEE partner and treated as treasury shares – PBT Foundation Proprietary Limited	–	672 000
Shares acquired by staff company and treated as treasury shares – Kappa Investments Proprietary Limited	1 040 000	–
Reduction of treasury shares due to redemption of preference share investment and repayment of loan	(21 500 000)	(14 000 000)
Due to redemption of preference share investment (Spalding Investments 10 Proprietary Limited)	–	(14 000 000)
Due to repayment of loan (Pulsent OH GP Proprietary Limited)	(6 900 000)	–
Due to sale of preference share investment (Yonex Investments Proprietary Limited)	(14 600 000)	–
	<b>1 712 000</b>	<b>22 172 000</b>

Rand

## 7. CAPITAL DISTRIBUTION RESERVE

The capital distribution reserve are distributions paid to the shareholders designated as out of the capital of the Company.

Opening balance

Capital distributions during the financial year

GROUP	
2023	2022
534 216 011	516 922 283
61 667 363	17 293 728
<b>595 883 374</b>	<b>534 216 011</b>

## 8. EQUITY REVALUATION RESERVE

Revaluations of investments held by the Group which are measured at fair value through other comprehensive income.

Refer to note 4 Investments at fair value and note 15 Fair value information for further information.

### Reconciliation of the equity revaluation reserve

Opening balance

Revaluation during the year

Foreign exchange difference

Revaluation reserve transferred to retained earnings due to disposal of investment

100 296 287	65 449 199
14 224 792	34 847 088
(R12 185 204)	–
(114 521 079)	–
<b>–</b>	<b>100 296 287</b>

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

for the year ended 31 March 2023

## 9. SHARE-BASED PAYMENTS

The PBT Group entered into a number of share-based payment transactions with employees and/or B-BBEE partners over the past couple of years. Most of these transactions resulted in PBT Group becoming a black-owned company. These are set out further below.

- Issue of shares for cash
  - Pulsent OH GP Proprietary Limited (Pulsent OH)
- Increase in black ownership
  - Spalding Investments 10 (RF) Proprietary Limited (Spalding)
  - PBT Foundation Proprietary Limited (PBT Foundation)
  - Yonex Investments (RF) Proprietary Limited (Yonex)
  - Ayson Proprietary Limited (Ayson)
- Transaction with staff company
  - Kappa Investments Proprietary Limited (Kappa)

Rand	GROUP	
	2023	2022
<b>Reconciliation of share-based payment reserve</b>		
Opening balance	18 923 981	835 210
Share-based payment expense	5 261 357	5 668 771
Reclassification between share capital and share-based payment reserve (refer to note 9.3.1.1)	(12 420 000)	12 420 000
Reclassification between share-based payment reserve and retained earnings (refer to note 9.3.1.1)	(2 108 916)	–
<b>Closing balance</b>	<b>9 656 422</b>	<b>18 923 981</b>
<b>IFRS 2 Expense per transaction</b>		
The following share-based payment expense is accounted for in the statement of comprehensive income and presented as a separate line item:		
<b>Equity settled</b> (refer to note 9.4)		
– Pulsent OH GP Proprietary Limited (once-off)	–	2 108 916
– Spalding Investments 10 (RF) Proprietary Limited	798 291	798 640
– Yonex Investments (RF) Proprietary Limited	4 024 840	2 138 511
– PBT Foundation Proprietary Limited (once-off)	–	447 629
– Ayson Proprietary Limited	175 075	175 075
– Kappa Investments Proprietary Limited	263 151	–
	<b>5 261 357</b>	<b>5 668 771</b>

## 9. SHARE-BASED PAYMENTS (CONTINUED)

### CURRENT-YEAR TRANSACTIONS

#### 9.1 Kappa Investments Proprietary Limited

On 1 October 2022 PBT Technology Services entered into an agreement with Kappa Investments Proprietary Limited (Kappa) for the purpose of providing funding to incentivise additional employees of the Group to purchase shares in PBT Group Limited for a total cash consideration of R8.8 million. Between 1 October 2022 and 31 March 2023 funding was provided piecemeal to purchase shares when they became available. By 31 March 2023 the full R8.8 million was utilised to purchase shares in PBT Group Limited. At year-end the R8.8 million is in the form of a loan. After year-end the loan will be converted into a preference share agreement between Kappa and PBT Group (South Africa) Proprietary Limited. The preference shares issued will be 1 000 000 preference shares at R8.80 each in Kappa and will be cumulative redeemable preference shares.

The following are the key terms of the interim loan agreement until the preference share agreement is put in place:

- The interest is calculated in arrears at the prime lending rate.
- Any interest due and not paid on a six-monthly basis will be accumulated and accrued for payment at a later date, the latest date being the repayment date:
  - the first R2 933 333 five years after issue date (October 2027);
  - the second R2 933 333 six years after issue date (October 2028); and
  - the third R2 933 333 seven years after issue date (October 2029).
- The dividends that Kappa will receive from its investment in PBT will be utilised to repay the interest and part capital, if the dividends received are in excess of the interest payable.

As the only security for the repayment of the loan is the underlying PBT Group shares with no other recourse, the transaction is treated as a share-based payment transaction under IFRS 2 and the loan is accounted for as treasury shares. The vesting period is five to seven years, with the only vesting condition being that the individual remains an employee of the Group over the period.

The fair value of the share-based payment award has been calculated using share option valuation techniques on the following basis:

	Number of shares	Vesting date	Strike price	Fair value at grant date (cents)
Tranche 1	346 666	Oct 2027	Variable	253.12
Tranche 2	346 667	Oct 2028	Variable	259.51
Tranche 3	346 667	Oct 2029	Variable	262.73
<b>Total</b>	<b>1 040 000</b>			<b>258.45*</b>

\* Weighted average.

The strike price has been defined as the redemption price of the preference shares with adjustments made for compounded interest payments on the preference shares, reduced by expected future PBT dividend payments in accordance with the terms of the agreement.

No options have vested or been exercised as the transaction was implemented in October 2022 and the first repayment is only due in four years and six months' time. The weighted average fair value of each option granted during the year was 258.45 cents.

	2023
<b>Equity settled</b>	
Option pricing model used	<b>Black-Scholes</b>
Share price at date of grant (cents)	<b>890</b>
Contractual life (days)	<b>1 826 – 2 557</b>
Volatility relative to comparator index (%)	<b>46.90</b>
Risk-free interest rate:	
5-year maturity (%)	<b>8.78</b>
6-year maturity (%)	<b>8.99</b>
7-year maturity (%)	<b>9.20</b>
Dividend growth rate relative to comparator index (%)	<b>5.00</b>

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

for the year ended 31 March 2023

## 9. SHARE-BASED PAYMENTS (CONTINUED)

### 9.2 Share-based payment transaction history

In previous years PBT Group entered into a number of share-based payment transactions with B-BBEE and staff companies. The structures are similar to Kappa Investments Proprietary Limited mentioned above. Below is a summary of each transactions:

	SPALDING			YONEX	AYSON	KAPPA
	Transaction 1	Transaction 2	Transaction 3			
Notes	9.3.2.1	9.3.2.1	9.3.2.1	9.3.2.3	9.3.2.4	9.3.3
Transaction date	Feb 2019	Sep 2020	Mar 2021	Jul 2021	Jul 2020	Oct 2022
Value of transaction	R16 500 000	R7 000 000	R3 855 000	R65 700 000	R4 500 000	R8 800 000
<b>The fair value of the share-based payments awarded have been calculated using share option valuation techniques on the following basis:</b>						
Number of PBT Group Limited shares	10 373 282	2 576 718	1 050 000	14 600 000	–**	1 040 000
Tranche 1	3 457 761	858 906	350 000	4 866 667	N/A	346 666
Tranche 2	3 457 761	858 906	350 000	4 866 667	N/A	346 667
Tranche 3	3 457 760	858 906	350 000	4 866 666	N/A	346 667
<b>Vesting dates</b>						
The strike price for each tranche is variable						
Tranche 1	Feb 2024	Feb 2024	Mar 2024	Jul 2026	Jul 2025	Oct 2027
Tranche 2	Feb 2025	Feb 2025	Feb 2025	Jul 2027	Jul 2026	Oct 2028
Tranche 3	Feb 2026	Feb 2026	Feb 2026	Jul 2028	Jul 2027	Oct 2029
Fair value at grant date	176.6 cents*	47.9 cents*	90.37 cents*	150.76 cents*	R401 098*	258.45 cents*
Tranche 1	202 cents	44.3 cents	78.3 cents	133.92 cents	R303 034	253.12 cents
Tranche 2	193 cents	49.7 cents	90.6 cents	148.73 cents	R386 523	259.51 cents
Tranche 3	142 cents	49.8 cents	102.2 cents	169.63 cents	R513 738	262.73 cents

\* Weighted average.

\*\* The transaction with Ayson involved purchasing a minority share in CyberPro, a wholly owned subsidiary in the Group.

## 9. SHARE-BASED PAYMENTS (CONTINUED)

### 9.3 Summary of share-based payment transactions

#### 9.3.1 Issue of shares for cash

##### 9.3.1.1 Pulsent OH

###### *Terms of the transaction*

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

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

###### *Repayment*

The dividends that Pulsent OH received from its investment in PBT were utilised to repay the interest and capital if the dividends received were in excess of the interest payable.

###### *Accounting treatment of the transaction*

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

On 27 September 2022 Pulsent OH secured external funding of R22.5 million, guaranteed by PBT Group Limited, in order to fully settle its outstanding legal loan balance as well as acquiring an additional 1.1 million PBT shares to hold a total of 8 million shares. Refer to note 10 Financial guarantee contracts for more information about the guarantee.

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

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

#### 9.3.2 Increase of black ownership

PBT Group increased its black ownership by introducing two new B-BBEE partners in a formerly staff-held company and in a newly incorporated B-BBEE and staff company.

##### 9.3.2.1 Spalding

###### *Terms of the transaction*

Spalding, an entity owned by employees and management and a B-BBEE partner of PBT Group. Spalding's sole investment is 28 600 000 PBT Group ordinary shares which were treated as treasury shares for accounting purposes.

On 23 July 2021 Spalding entered into an agreement to issue 3 120 ordinary shares in its capital (Spalding shares) to Pulsent PBT Proprietary Limited (Pulsent), an entity with a common shareholder to Pulsent OH, for a total cash consideration of R18.4 million. The proceeds were utilised to redeem the preference shares in Spalding issued to PBT Group.

As a result of the above Spalding returned cash of R18.4 million to PBT Group in the 2022 financial year by redeeming outstanding preference shares held by PBT Group in Spalding.

###### *Accounting treatment of the transaction*

Spalding was in the position to repay its full outstanding preference shares in the 2022 financial year with the cash consideration received from Pulsent OH and the distributions received from its investment in the Company. Since 100% of the preference shares were redeemed, the underlying PBT Group Limited shares were transferred out of treasury shares and treated as issued for accounting purposes.

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

for the year ended 31 March 2023

## 9. SHARE-BASED PAYMENTS (CONTINUED)

### 9.3 Summary of share-based payment transactions (continued)

#### 9.3.2 Increase of black ownership (continued)

##### 9.3.2.2 PBT Foundation

###### *Terms of the transaction*

On 23 July 2021 Spalding entered into an agreement to issue 480 Spalding shares for cash to a further B-BBEE partner, the PBT Foundation Proprietary Limited (PBT Foundation), for a total cash consideration of R2.8 million. The purpose of the transaction was in order to increase the black shareholding in Spalding such that it became a black-owned company. The subscription price payable by PBT Foundation has been funded by PBT Group (South Africa) Proprietary Limited (a wholly owned subsidiary of PBT Group) subscribing for cumulative redeemable preference shares in PBT Foundation. The proceeds received by Spalding have been utilised to redeem the original/previous round of preference shares in Spalding issued to PBT Group. The new preference shares will earn preference dividends at 72% of the prime interest rate and are secured by a pledge by PBT Foundation of 100% of its Spalding shares, through which it has an indirect interest in PBT Group shares.

###### *Accounting treatment of the transaction*

As the only security for the repayment of PBT Foundation's preference shares is the investment in Spalding (with their only investment being the underlying PBT shares) with no other recourse, the transaction is treated as a share-based payment transaction under IFRS 2 and the preference share investment is treated as the issue of an option to the B-BBEE party. The preference share investment is not recognised as an asset but instead treated as treasury shares held by a subsidiary company. As there is no vesting or lock-in period, the full share-based payment expense for PBT Foundation was recognised immediately in the 2022 financial year.

##### 9.3.2.3 Yonex

###### *Terms of the transaction:*

In order to increase the black ownership of the Company, counter the dilutionary impact of its B-BBEE initiatives on the original employee and management shareholders of Spalding and to align these individuals and the shareholders of PBT Group's interests, Yonex was incorporated, the shareholders of which are likewise employees and management of PBT Group, Pulsent and the PBT Foundation.

On 23 July 2021 PBT Group (South Africa) Proprietary Limited (PBT Group (SA)), a 100% subsidiary within PBT Group, entered into a preference share agreement with Yonex subscribing for cumulative redeemable preference shares in Yonex to the value of R65.7 million. The preference shares earned preference dividends at 72% of the prime interest rate and were secured by, inter alia, a negative pledge in respect of 100% of the PBT Group shares held by Yonex. The purpose of the transaction was to enable the purchase of shares in PBT Group Limited by Yonex.

During May 2022 Spalding and Yonex concluded an asset for share transaction in terms of which Yonex swapped its 14 600 000 PBT shares for a 51.5% interest in Spalding.

On 9 December 2022 PBT Group (SA) entered into an agreement with Sanlam Investment Management Proprietary Limited (SIM), in terms of which it sold its total remaining investment in preference shares in Yonex, for a consideration of R53.3 million. The effective date of the disposal was 14 December 2022. The full investment in preference shares was therefore repaid to PBT Group (SA) with the funds received by SIM. Refer below for the accounting treatment as the investment in preference shares were treated as treasury shares for accounting purposes.

###### *Accounting treatment of the transaction*

As the only security for the repayment of the preference shares was the underlying PBT shares with no other recourse, the transaction was accounted for as a share-based payment transaction under IFRS 2 treated as the issue of an in-substance option to the respective employees/B-BBEE party. The preference share investment was not recognised as an asset but instead treated as treasury shares held by a subsidiary company. The preference shares comprised three tranches, with vesting periods of five, six and seven years respectively.

Given that the preference share investment was not recognised and the PBT shares were not treated as issued for accounting purposes the dividends declared in respect of these PBT shares and any related preference share dividend receipts or repayments of the preference share investment were also not recognised for accounting purposes. However, from a legal perspective, the dividend distributions have occurred and the preference share balance owing by Yonex has reduced by the amount reflected below. The 14.6 million shares were reflected in treasury shares.

By settling the preference shares in full Yonex has fully exercised its in-substance option over the 14.6 million PBT shares. The 14.6 million PBT shares reverted back to issued share capital for accounting purposes. The share-based payment reserve relating to Yonex will only be reclassified to retained earnings in year seven when the employment condition has been fulfilled.

On settlement of the preference shares above, total capital repayments of R12.4 million that was previously accounted for as a reduction of distributions paid by PBT has been credited to retained earnings.

## **9. SHARE-BASED PAYMENTS (CONTINUED)**

### **9.3 Summary of share-based payment transactions (continued)**

#### **9.3.2 Increase of black ownership (continued)**

##### **9.3.2.4 Ayson**

The transaction with Ayson was concluded in the year ended March 2021 and the share-based payment expense vests over seven years. For completeness the transaction with Ayson is included in the reconciliation below to provide an extensive overview of the Group's B-BBEE transactions.

##### *Accounting treatment of the repayment*

The dividends that Ayson received from its minority investment in CyberPro are utilised to repay the preference dividends and redeem preference shares if the dividends received were in excess of the preference dividends payable.

In February 2023 Ayson redeemed the issued preference shares in full. All redemptions redeemed by way of dividends declared by CyberPro reduced the dividend paid to the non-controlling interest and therefore decrease the total distribution by the Group.

#### **9.3.3 Transaction with staff company**

##### ***Kappa***

For the details on the Kappa transaction please refer to note 9.1.

##### *Accounting treatment of the repayment*

As the only security for the repayment of the loan is the underlying PBT shares with no other recourse, the transaction is accounted for as a share-based payment transaction under IFRS 2 treated as the issue of an in-substance option to the respective employees. The loan receivable is not recognised as an asset but instead treated as treasury shares held by a subsidiary company. The loan comprises three tranches, with vesting periods of five, six and seven years respectively, with the only vesting conditions as set out above.

Given that the loan receivable is not recognised and the PBT shares are not treated as issued for accounting purposes the dividends declared in respect of these PBT shares and any related interest receipts or repayments of the loan are also not recognised for accounting purposes. However, from a legal perspective, the dividend distributions have occurred and the loan balance owing by Kappa has reduced by the amount reflected below. The 1.0 million shares are reflected in treasury shares.

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

for the year ended 31 March 2023

## 9. SHARE-BASED PAYMENTS (CONTINUED)

### 9.4 Effect on annual financial statements

#### Quantitative summary

Below is a quantitative summary of all the transactions which indicates the movement in the accounts for the specified financial years.

Rand	GROUP				
	Share capital	Treasury shares	Retained earnings	Share-based payment reserve	Distributions
<b>2022</b>					
<b>Issue of shares</b>					
<b>Pulsent OH</b>					
<i>1 April 2021 – 31 March 2022</i>					
Issue of shares	31 050 000	–	–	–	–
– Cash funded	12 420 000	–	–	–	–
– Via loan from subsidiary	18 630 000	–	–	–	–
Transaction treated as an issue of an option					
– Via loan from subsidiary	–	(18 630 000)	–	–	–
– Cash portion	(12 420 000)	–	–	12 420 000	–
Repayment of loan by way of dividends paid by PBT Group Limited	–	–	–	–	(3 243 000)
Share-based payment expense	–	–	–	2 108 916	–
	<b>18 630 000</b>	<b>(18 630 000)</b>	<b>–</b>	<b>14 528 916</b>	<b>(3 243 000)</b>
<i>1 April 2022 – 31 March 2023</i>					
Opening balance	18 630 000	(18 630 000)	–	14 528 916	–
Reclassification between share-based payment reserve and share capital	12 420 000	–	–	(12 420 000)	–
Reclassification between share-based payment reserve and retained earnings	–	–	2 108 916	(2 108 916)	–
Reduction of share-based payment shares included as treasury shares	–	18 630 000	(6 296 537)	–	–
Repayment of loan by way of dividends paid by PBT Group Limited	–	–	–	–	(4 278 000)
	<b>31 050 000</b>	<b>–</b>	<b>(4 187 621)</b>	<b>–</b>	<b>(4 278 000)</b>

## 9. SHARE-BASED PAYMENTS (CONTINUED)

### 9.4 Effect of annual financial statements (continued)

Rand	GROUP				
	Share capital	Treasury shares	Retained earnings	Share-based payment reserve	Distributions
<b>2022</b>					
<b>Increase in black ownership</b>					
<b>Spalding</b>					
<i>1 April 2021 – 31 March 2022</i>					
Opening balance	–	(27 355 000)	–	703 783	–
Redemption of preference shares					
– From cash consideration	–	18 362 386	–	–	–
– Issue to PBT Foundation	–	2 824 982	–	–	–
– From distributions received	–	6 167 632	–	–	–
Share-based payment expense	–	–	–	798 640	–
	–	–	–	1 502 423	–
<i>1 April 2022 – 31 March 2023</i>					
Opening balance	–	–	–	1 502 423	–
Share-based payment expense	–	–	–	798 291	–
	–	–	–	2 300 714	–
<b>Yonex</b>					
<i>1 April 2021 – 31 March 2022</i>					
Investment in preference shares	–	(65 700 000)	–	–	–
Redemption of preference shares	–	–	–	–	5 579 528
Share-based payment expense	–	–	–	2 138 511	–
	–	(65 700 000)	–	2 138 511	5 579 528
<i>1 April 2022 – 31 March 2023</i>					
Opening balance	–	(65 700 000)	–	2 138 511	–
Redemption of preference shares	–	–	–	–	6 820 043
Share-based payment expense	–	–	–	4 024 840	–
Reduction of share-based payment shares included as treasury shares	–	65 700 000	(12 399 570)	–	–
	–	–	(12 399 570)	6 163 351	6 820 043

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

for the year ended 31 March 2023

## 9. SHARE-BASED PAYMENTS (CONTINUED)

### 9.4 Effect of annual financial statements (continued)

Rand	GROUP				
	Share capital	Treasury shares	Retained earnings	Share-based payment reserve	Distributions
<b>2022</b>					
<b>Increase in black ownership continued</b>					
<b><i>PBT Foundation</i></b>					
<i>1 April 2021 – 31 March 2022</i>					
Investment in preference shares	–	(2 824 982)	–	–	–
Share-based payment expense	–	–	–	447 629	–
	–	(2 824 982)	–	447 629	–
<i>1 April 2022 – 31 March 2023</i>					
Opening balance	–	(2 824 982)	–	447 629	–
Redemption of preference shares	–	–	–	–	452 452
	–	(2 824 982)	–	447 629	452 452
<b><i>Ayson</i></b>					
<i>1 April 2021 – 31 March 2022</i>					
Opening balance	–	–	–	131 427	–
Redemption of preference shares – reduction of distribution to non-controlling interest	–	–	–	–	2 889 000
Share-based payment expense	–	–	–	175 075	–
	–	–	–	306 502	2 889 000
<i>1 April 2022 – 31 March 2023</i>					
Opening balance	–	–	–	306 502	–
Redemption of preference shares	–	–	–	–	1 611 000
Share-based payment expense	–	–	–	175 075	–
	–	–	–	481 577	1 611 000
<b><i>Kappa</i></b>					
<i>1 April 2022 – 31 March 2023</i>					
Share-based payment expense	–	–	–	263 151	–
Share-based payment shares included as treasury shares	–	(8 800 000)	–	–	–
	–	(8 800 000)	–	263 151	–
Total movement on statement of changes in equity	–	(11 624 982)	–	9 656 422	–

## 10. FINANCIAL GUARANTEE CONTRACTS

Rand	GROUP	
	2023	2022
Financial guarantee contract	24 316	–
<b>Reconciliation</b>		
Opening balance	–	–
Recognition of guarantee at fair value	24 316	–
<b>Recognised in profit or loss</b>		
Operating expense – financial guarantee expense	24 316	–

During the 2023 financial year Pulsent OH secured external funding of R30 million in order to fully settle its outstanding legal loan balance as well as acquire an additional 1.1 million PBT shares to hold a total of 8 million shares. Refer to note 9 Share-based payments for more information about the settlement of the loan.

As security for the timeous discharge by Pulsent OH of its obligations, PBT Group has agreed to furnish the external financing party with a written guarantee to the value of R30 million. The guarantee for R22.5 million came into effect on 27 September 2022 and the additional R7.5 million on 11 January 2023.

### Terms of the guarantee:

- Pulsent OH and PBT has entered into a written pledge and cession agreement, in terms of which Pulsent OH shall pledge and cede in securitatem debiti to and in favour of PBT Group the 11 million PBT Shares and certain related claims as security for the timeous discharge by Pulsent OH of its obligations to the external financier.
- Pulsent undertakes that upon receipt of any distributions in respect of the Applicable PBT Shares, at least 90% of the after-tax proceeds of such distributions will be applied in the repayment of the outstanding amount of the external funding.
- PBT Group's liability in terms of this Guarantee is restricted to the aggregate amount of R30 million together with any accrued interest outstanding.

### Calculation of the fair value:

In calculating the fair value at year-end, PBT used the following assumptions and elements included in the contract as well repayments by Pulsent OH since funding was granted to Pulsent OH:

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

## 11. PROMOTERS' FEE PAYABLE

### Held at amortised cost

Rand	GROUP	
	2023	2022
Promoters' fee payable	17 450 773	–
<b>Split between non-current and current portions</b>		
Non-current liabilities	–	–
Current liabilities	17 450 773	–
<b>Reconciliation of promoters' fee</b>		
Opening balance	–	–
<i>Non-cash movements:</i>		
Liability raised during the year	17 450 773	–
	17 450 773	–

A 10% profit share fee, payable on realisation of the investment, is payable to the promoters of PBT Group's investment in Payapps. As the transaction was only finalised on 31 March 2023, the promoters' fee was fully paid during April 2023. Refer to note 4 Investments at fair value and note 14 Related parties for more information.

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

for the year ended 31 March 2023

## 12. REVENUE

Rand	GROUP	
	2023	2022
<b>Revenue from contracts with customers</b>		
Sale of goods	3 280 677	3 536 274
Rendering of services	1 087 678 023	972 140 392
	<b>1 090 958 700</b>	<b>975 676 666</b>
<b>Revenue other than from contracts with customers</b>		
Dividends received	–	–
	<b>1 090 958 700</b>	<b>975 676 666</b>
<b>Disaggregation of revenue from contracts with customers</b>		
The Group has disaggregated revenue into various categories as shown below which is intended to:		
<ul style="list-style-type: none"> <li>depict the nature, amount and timing of revenue; and</li> <li>enable users to understand the various types of counterparties that the Group provides services to.</li> </ul>		
<b>Contract type</b>		
Fixed price contracts*	94 771 887	72 246 765
Projects	2 973 737	14 112 593
Software licences	3 280 677	3 536 274
Time and material	972 767 993	884 462 779
Usage-based licences	17 164 406	1 318 255
	<b>1 090 958 700</b>	<b>975 676 666</b>
<b>Contract counterparties</b>		
Energy	1 652 700	2 255 726
Financial services	797 359 156	725 475 326
Information technology	18 275 682	35 197 741
Medical	70 381 573	65 102 930
Retail	99 786 491	65 610 038
Services	52 768 509	26 402 420
Telecommunications	50 734 589	55 632 485
	<b>1 090 958 700</b>	<b>975 676 666</b>
<b>Timing of revenue recognition</b>		
<i>At a point in time</i>		
Sale of goods	3 280 677	3 536 274
<i>Over time</i>		
Rendering of services	1 087 678 023	972 140 392
<b>Total revenue from contracts with customers</b>	<b>1 090 958 700</b>	<b>975 676 666</b>

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

### 13. CASH GENERATED FROM/(USED IN) OPERATIONS

Rand	GROUP	
	2023	2022
Profit before taxation	134 987 958	130 239 677
<b>Adjustments for non-cash items</b>		
Depreciation	7 025 919	7 651 675
Amortisation	51 089	66 646
Gains on disposals of plant and equipment	(12 820)	(13 290)
Losses/(gains) on disposal of subsidiaries	26 521	–
Losses/(gains) on exchange differences	830 487	2 256 042
Net impairments and movements in credit loss allowances	581 134	(1 227 242)
Expenses/(income) with Group companies	–	–
Share-based payment expense	5 261 357	5 668 771
Translation of foreign currency items	–	(989 345)
<b>Adjust for items which are presented separately</b>		
Interest income	(2 423 338)	(1 287 245)
Dividends received	–	–
Finance costs	2 380 782	1 929 655
<b>Changes in working capital</b>		
Increase in trade and other receivables	(13 318 822)	(26 023 965)
Increase/(decrease) in trade and other payables	2 358 994	17 507 184
	<b>137 749 261</b>	<b>135 778 563</b>

### 14. RELATED PARTIES

#### Relationships

##### Subsidiaries

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

##### Company owned by employees and B-BBEE partners

Ayson Proprietary Limited  
 Kappa Investments Proprietary Limited  
 Pulsent OH GP Proprietary Limited  
 Spalding Investments 10 (RF) Proprietary Limited  
 Yonex Investments (RF) Proprietary Limited

##### Members of key management

GJ Botha  
 JF de Wet  
 PJ de Wet  
 JC du Toit  
 MN Engelbrecht  
 JC Steyn  
 NJ Viljoen  
 W Viljoen  
 M Visser  
 HB Vosloo  
 H Woest

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

for the year ended 31 March 2023

## 14. RELATED PARTIES (CONTINUED)

Rand	GROUP	
	2023	2022
<b>Related party balances</b>		
<b>Loan accounts – owing by related parties</b>		
Ayson Proprietary Limited	2 000 000	1 400 000
ECL allowance: Ayson Proprietary Limited	(20 000)	(14 000)
The outstanding balances listed above are unsecured and will be settled in cash in the ordinary course of business. No guarantees or defaults on these loan balances have been recognised.		
GJ Botha	2 135 966	–
ECL allowance: GJ Botha	(64 079)	–
PBT Insurance Technologies Employees:		
JC du Toit	493 748	525 055
MN Engelbrecht	143 623	313 679
W Viljoen	2 211 545	2 469 472
M Visser	–	469 358
HB Vosloo	11 570	272 740
H Woest	451 899	486 147
ECL allowance: PBT IT staff loans	(35 594)	(46 244)
The outstanding balances listed above are secured and will be settled in cash in the ordinary course of business. No guarantees or defaults on these loan balances have been recognised.		
<b>Promoters' fee payable to related parties</b>		
JF de Wet	4 314 121	–
PJ de Wet	4 378 884	–
JC Steyn	8 757 768	–
<b>Amounts included in treasury shares regarding related parties</b>		
Kappa Investments Proprietary Limited	8 800 000	–
Pulsent OH GP Proprietary Limited	–	18 362 386
PBT Foundation Proprietary Limited	2 824 982	2 824 982
Yonex Investments (RF) Proprietary Limited	–	65 700 000

## 14. RELATED PARTIES (CONTINUED)

Rand	GROUP	
	2023	2022
<b>Amounts included in share-based payment reserve regarding related parties</b>		
Ayson Proprietary Limited	481 577	306 502
Kappa Investments Proprietary Limited	263 151	–
PBT Foundation Proprietary Limited	447 629	447 629
Pulsent OH GP Proprietary Limited	–	14 528 916
Spalding Investments 10 (RF) Proprietary Limited	2 300 714	1 502 423
Yonex Investments (RF) Proprietary Limited	6 163 351	2 138 511
<b>Related party transactions</b>		
<b>Dividends paid to related parties</b>		
PBT Group (Australia) Proprietary Limited	–	–
Kappa Investments Proprietary Limited	(186 085)	–
Pulsent OH GP Proprietary Limited	(8 816 000)	(3 243 000)
Spalding Investments 10 (RF) Proprietary Limited	(34 034 000)	(6 580 000)
Yonex Investments (RF) Proprietary Limited	–	(6 862 000)
<b>Interest (paid to)/received from related parties</b>		
Ayson Proprietary Limited	(19 514)	(69 205)
JC du Toit	43 693	30 869
MN Engelbrecht	19 951	19 905
NJ Viljoen	–	13 734
W Viljoen	190 073	103 121
M Visser	15 459	27 202
HB Vosloo	14 130	18 596
H Woest	40 752	28 297
<b>Share-based payment expense</b>		
Ayson Proprietary Limited	175 075	175 075
Kappa Investments Proprietary Limited	263 151	–
Pulsent OH GP Proprietary Limited	–	2 108 916
PBT Foundation Proprietary Limited	–	447 629
Spalding Investments 10 (RF) Proprietary Limited	798 291	798 640
Yonex Investments (RF) Proprietary Limited	4 024 840	2 138 511
<b>Compensation to Directors and other key management</b>		
Short-term employee benefits	47 429 439	38 207 825
Share-based payment	2 078 262	1 260 893
	<b>49 507 701</b>	<b>39 468 718</b>

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

for the year ended 31 March 2023

## 15. FAIR VALUE INFORMATION

### Fair value hierarchy

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

- Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

Exposure in Rand	Note	GROUP	
		2023	2022
<b>Levels of fair value measurements</b>			
<b>Level 3</b>			
<b>Recurring fair value measurements</b>			
<b>Assets</b>			
<b>Equity investments at fair value through other comprehensive income</b>	4		
Payapps Limited		–	116 891 982

### Valuation process

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

In determining the fair value of the investment, PBT Group regularly evaluated the valuation technique used to determine the fair value based on available information. PBT Group took into account information that provided the most accurate value of the investment, depending on the type of information available, being either observable inputs or unobservable inputs.

### Disposal of investment

On 31 March 2023, the date upon which all conditions precedent were fulfilled, the entire investment in Payapps Limited was disposed of. The rationale for the disposal was in line with PBT Group's stated strategy of disposing of its non-core assets and returning capital to its shareholders. The fair value of the investment on the date of derecognition was R153.6 million (AUD12.9 million). As a result of the disposal, there is no remaining investment as at year-end 31 March 2023.

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

The below quantitative information relates to 31 March 2022 and has been presented for comparative purposes only.

Description	Valuation technique	Unobservable input	Percentage
Payapps Limited	Revenue multiple approach	Revenue growth rate	24%

### Sensitivity analysis

No sensitivity analysis is presented as the entire investment was disposed of on 31 March 2023.

## 15. FAIR VALUE INFORMATION (CONTINUED)

### Reconciliation of assets and liabilities measured at Level 3

Rand	GROUP	
	Payapps Limited	
	2023	2022
<b>Equity investments at fair value through other comprehensive income (refer to note 4)</b>		
Opening balance	116 891 982	–
Transfer into Level 3 (a) (b)	–	93 532 292
Gains recognised in other comprehensive income – fair value gain (c)	14 224 792	34 847 088
Gains/(losses) recognised in other comprehensive income – foreign exchange revaluation (loss)/gain (d)	22 522 654	(11 487 398)
Disposal of investment	(153 639 428)	–
<b>Closing balance</b>	<b>–</b>	<b>116 891 982</b>

- (a) Transferred from Level 2 to Level 3 because of a lack of observable market data, as there was no trading of Payapps shares in the secondary market for a period of time.
- (b) The Group's policy is to recognise transfers into and transfers out of Level 3 as at the end of the reporting period. Thereafter, a calculation of the fair value of the investment is performed and a resulting fair value gain or loss is recognised on the last day of the reporting period.
- (c) Included in gains on valuation of investments in equity instruments on the face of the statement of profit or loss and other comprehensive income.
- (d) Included in exchange differences on translation of foreign operations on the face of the statement of profit or loss and other comprehensive income.

## 16. EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any matter or circumstance arising after the reporting period up to the date of this report, except for those noted below.

### Special distribution declaration

On 6 April 2023 the Board authorised PBT Group Limited to declare a special capital reduction distribution of 75.00 cents per PBT ordinary share and a special dividend distribution of 75.00 cents per PBT ordinary share (collectively "the Distribution"). The total Distribution of R1.50 per PBT ordinary share equated to R156.9 million. The Board applied the solvency and liquidity test. The Board, after considering all reasonably foreseeable financial circumstances of PBT Group Limited, concluded that the Company will satisfy the solvency and liquidity test immediately after the payment of the Distribution. Please refer to the SENS announcement released on 11 April 2023.

### Final distribution declaration

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

On Friday, 23 June 2023, the Board of Directors resolved to declare a capital reduction distribution of 16.50 cents per PBT ordinary share and a dividend distribution of 16.50 cents per PBT ordinary share (collectively "the Distribution"). The total Distribution will equate to R34.5 million.

The implications of the elections above are as follows:

- A gross dividend of 16.50 cents per PBT ordinary share from income reserves will be subject to dividend withholding tax at a rate of 20%. Consequently, a net final dividend of 13.20 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively "regulated intermediary") on behalf of the shareholders. However, all shareholders choosing this option should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption.
- A capital reduction distribution of 16.50 cents per PBT ordinary share is not subject to dividend withholding tax as the distribution is paid out of capital reserves. As the distribution will be regarded as a return of capital and may therefore have potential capital gains tax consequences, shareholders are advised to consult their tax advisers regarding the impact of the distribution.

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

for the year ended 31 March 2023

## 17. EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

Cents	GROUP	
	2023	2022
Basic earnings per share	77.54	80.44
Diluted basic earnings per share	70.69	72.89
Net asset value per share	3.81	3.29
<b>Basic earnings per share</b>		
The calculation of basic earnings per share is based on the following:		
Profit attributable to ordinary shareholders (Rand)	68 480 391	67 210 292
Weighted average number of ordinary shares outstanding (Number of shares)	88 320 976	83 542 437
<b>Diluted basic earnings per share</b>		
The calculation of diluted basic earnings per share is based on the following:		
Profit attributable to ordinary shareholders (Rand)	68 480 391	67 210 292
Diluted weighted average number of shares (Number of shares)	96 878 366	92 205 159
Weighted average number of ordinary shares outstanding (Number of shares)	88 320 976	83 542 437
Dilutive effect of options due to the IFRS 2 treatment of the preference share investment (refer to note 9) (Number of shares)	8 557 390	8 662 722
Options are dilutive when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period. The amount of the dilution is the average market price of ordinary shares during the period minus the issue price. The transactions, as mentioned in note 5 Share capital and note 9 Share-based payments, are treated as options for accounting purposes. A calculation has therefore been performed to determine what the dilutive effect of these options are on earnings per share.		
<b>Net asset value per share</b>		
The calculation of net asset value per share is based on the following:		
Total equity attributable to ordinary shareholders (Rand)	398 445 633	348 569 879
Ordinary shares in issue at year-end (Number of shares)	104 590 000	105 915 317
<b>Weighted average number of ordinary shares</b>		
Ordinary shares at the beginning of the period	83 542 437	87 509 609
Effect of shares repurchased, delisted and cancelled	(892 435)	(213 423)
Effect of treasury shares	(17 984)	–
Effect of general issue of shares for cash	–	4 744 932
Shares held by B-BBEE company included as treasury shares	5 688 958	(8 498 681)
	<b>88 320 976</b>	<b>83 542 437</b>

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

### Headline earnings and diluted headline earnings per share

#### Reconciliation of earnings and headline earnings per share

	GROUP			
	2023		2022	
	Gross	Net	Gross	Net
Rand				
Profit attributable to equity holders of the parent		68 480 391		67 202 339
Profit on disposal of assets	(12 820)	(9 358)	(13 290)	(9 569)
Release of foreign currency translation reserve (FCTR) to the statement of profit or loss*	130 246	130 246	2 057 469	2 057 469
Impairment of assets	26 521	19 360	–	–
<b>Headline earnings</b>		<b>68 620 639</b>		<b>69 250 239</b>

\* The release of FCTR to the statement of profit or loss does not have any taxation effects.

Cents	GROUP	
	2023	2022
<b>Headline earnings and diluted headline earnings per share</b>		
Headline earnings per share	77.69	82.89
Diluted headline earnings per share	70.83	75.13
<b>Distributions</b>		
Interim distribution	25.00	25.00
Final distribution	33.00	32.00

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

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

for the year ended 31 March 2023

## 18. SEGMENT REPORT

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

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

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

During the year management reassessed the manner in which intersegment incomes and expenses were presented within the Segment report. This reassessment was presented prospectively.

Rand	South Africa		Australia	
	2023	2022	2023	2022
Intersegment revenue	16 313 211	17 878 899	–	–
Revenues from external customers	1 003 910 053	884 525 566	50 025 750	59 037 366
Total segment revenue	1 020 223 264	902 404 465	50 025 750	59 037 366
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	147 783 324	136 410 079	(3 346 116)	5 340 486
Interest revenue	2 251 564	1 274 069	10 564	9 337
Interest expense	(2 308 762)	(1 804 079)	(28 756)	(63 285)
Depreciation and amortisation	(6 275 905)	(5 871 167)	(763 212)	(785 143)
Segment profit/(loss) for the year before taxation	141 450 221	130 008 902	(4 127 519)	4 501 395
Income tax expense	(36 556 647)	(36 672 540)	1 414 461	(209 802)
<b>Segment profit/(loss) for the year</b>	<b>104 893 574</b>	<b>93 336 362</b>	<b>(2 713 058)</b>	<b>4 291 593</b>
Segment assets*	201 673 749	191 301 959	13 215 328	15 746 170
Intangible assets	70 158	81 892	121 895	113 951
Total assets	201 743 907	191 383 851	13 337 223	15 860 121
Segment liabilities	(99 598 651)	(92 577 606)	(9 467 978)	(8 734 842)

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

Europe and United Kingdom		Other		Intersegment eliminations		Total	
2023	2022	2023	2022	2023	2022	2023	2022
–	7 045 387	–	–	(16 313 211)	(24 924 286)	–	–
<b>37 022 897</b>	32 113 733	–	–	–	–	<b>1 090 958 700</b>	975 676 666
<b>37 022 897</b>	39 159 120	–	–	(16 313 211)	(24 924 286)	<b>1 090 958 700</b>	975 676 666
<b>6 289 040</b>	3 762 164	(2 017 160)	(322 684)	–	–	<b>148 709 089</b>	145 190 044
<b>2 534</b>	1 794	<b>158 676</b>	2 046	–	–	<b>2 423 338</b>	1 287 245
<b>(3 285)</b>	(57 863)	<b>(39 979)</b>	(4 429)	–	–	<b>(2 380 782)</b>	(1 929 655)
<b>(37 891)</b>	(1 062 012)	–	–	–	–	<b>(7 077 008)</b>	(7 718 321)
<b>6 250 398</b>	2 644 083	<b>(1 898 464)</b>	(325 067)	–	–	<b>141 674 636</b>	136 829 313
<b>(1 313 966)</b>	(1 096 422)	<b>(60 857)</b>	45 829	–	–	<b>(36 517 008)</b>	(37 932 935)
<b>4 936 433</b>	1 547 662	<b>(1 959 320)</b>	(279 238)	–	–	<b>105 157 629</b>	98 896 379
<b>189 255 370</b>	13 416 686	<b>2 274 311</b>	117 049 224	–	–	<b>406 418 758</b>	337 514 039
–	–	–	–	–	–	<b>192 053</b>	195 843
<b>189 255 370</b>	13 416 686	<b>2 274 311</b>	117 049 224	–	–	<b>406 610 811</b>	337 709 881
<b>(7 994 266)</b>	(3 003 156)	<b>(2 727 748)</b>	(3 082 551)	–	–	<b>(119 788 643)</b>	(107 398 155)

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

for the year ended 31 March 2023

## 18. SEGMENT REPORT (CONTINUED)

Rand	2023	2022
<b>Reconciliation of reportable segment revenue</b>		
Total consolidated income for reportable segments	1 090 958 700	975 676 666
<b>Reconciliation of EBITDA</b>		
Total consolidated EBITDA for reportable segments	148 709 089	145 190 044
Other operating losses	(188 188)	(2 242 752)
Movement in credit loss allowances	(581 134)	1 321 884
Share-based payment expense	(5 261 357)	(5 668 771)
<b>Consolidated earnings before EBITDA</b>	<b>142 022 410</b>	<b>138 600 407</b>
<b>Reconciliation of profit before taxation</b>		
Total consolidated profit before taxation for reportable segments	141 674 636	136 829 314
Other operating losses	(844 188)	(2 242 752)
Movement in credit loss allowances	(581 134)	1 321 885
Share-based payment expense	(5 261 357)	(5 668 771)
<b>Consolidated profit before taxation</b>	<b>134 987 958</b>	<b>130 239 677</b>
<b>Reconciliation of assets</b>		
Total assets for reportable segments	404 336 500	220 660 658
Goodwill	135 668 135	135 668 135
Assets for other segments	2 274 311	117 049 224
<b>Consolidated total assets</b>	<b>542 278 946</b>	<b>473 378 016</b>
<b>Reconciliation of liabilities</b>		
Total liabilities for reportable segments	(117 060 899)	(104 315 604)
Liabilities for other segments	(2 727 748)	(3 082 551)
<b>Consolidated total liabilities</b>	<b>(119 788 643)</b>	<b>(107 398 155)</b>

### Additional disclosure

In the prior year there were once-off costs relating to the disposal of PBT Technology Services Ireland Limited which were allocated to the Europe and United Kingdom segment.

The increased movement in EBITDA between the current and prior financial years is therefore skewed by these once-off costs in the prior year.

### Information about customers

During the current financial year one customer (2022: no customers) represented 10% or more of the total revenue from external customers.

	2023		2022	
	%	Rand	%	Rand
Customer A	11.51	125 548 426	–	–

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

# GENERAL INFORMATION

Country of incorporation	South Africa
Nature of business and principal activities	Information management and data analytics services
Directors	Tony Taylor (Independent Non-Executive Chairman) Elizna Read (Chief Executive Officer) Bianca Pieters (Chief Financial Officer) Cheree Dyers (Independent Non-Executive Director) Pule Taukobong (Non-Executive Director) Arthur Winkler (Independent Non-Executive Director)
Audit and Risk Committee	Arthur Winkler (Chairman) Cheree Dyers Tony Taylor
Remuneration and Nomination Committee	Cheree Dyers (Chairman) Tony Taylor Arthur Winkler
Social and Ethics Committee	Cheree Dyers (Chairman) Tony Taylor Elizna Read
Company Secretary	Anastassia Sousa PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa
Investor relations	Francois de Wet francois.dewet@pbtgroup.nl +31 6 59 35 36 25
Registered office	PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa
Postal address	PO Box 276, Century City, 7446, South Africa
Registration number	1936/008278/06
Auditors	BDO South Africa Incorporated
Sponsor	Questco Corporate Advisory Proprietary Limited
Transfer Secretaries	JSE Investor Services Proprietary Limited PO Box 4844, Johannesburg, 2000, South Africa One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196
JSE share code	PBG
ISIN	ZAE000256319
Website	<a href="http://www.pbtgroup.co.za">www.pbtgroup.co.za</a>

Cape Town  
30 June 2023



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[www.pbtgroup.co.za](http://www.pbtgroup.co.za)