

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

INCREASE OF BLACK OWNERSHIP: ISSUE OF SHARES FOR CASH IN TERMS OF GENERAL AUTHORITY AND INTRODUCTION OF NEW BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) PARTNERS

Shareholders of PBT Group ("Shareholders") are referred to the Integrated Annual Report for the year ended 31 March 2021 of the Company, which was released on 5 July 2021, wherein they were advised that the Company had achieved a Level 1 B-BBEE rating and would henceforth focus on becoming a majority black-owned company, thereby gaining a further competitive advantage in the market.

Having regard to the above the board of directors of the Company ("Board") is pleased to announce that PBT Group undertook a number of actions resulting in PBT Group becoming a black-owned company.

ISSUE OF SHARES FOR CASH

1.1. Introduction

Shareholders are advised that the Company has entered into a binding subscription agreement with Pulsent OH GP Proprietary Limited, in its capacity as the ultimate general partner of the PBT Direct GP Partnership *en commandite*, the latter in its capacity as the general partner of the PBT Direct Partnership *en commandite* ("Pulsent OH" or "the Subscriber"), in terms of which the Subscriber subscribed for 6 900 000 ordinary shares in the capital of the Company ("Subscription Shares").

Pulsent OH is a majority black-owned and managed investor that focuses on investing in leading consumer and technology companies in Africa and has significant experience in sourcing and investing in globally scalable and sustainable opportunities alongside best-in-class management teams. Pulsent OH is excited to support and work with PBT Group to achieve both their local and global growth ambitions in the data engineering and data science markets.

1.2. General Authority

The Subscription Shares were issued on 26 July 2021, in terms of the Company's general authority to issue shares for cash.

This general authority was obtained at the annual general meeting of PBT Group held on Friday, 21 August 2020, where the requisite majority of shareholders approved an ordinary resolution authorising the Board to issue up to 30% of the Company's shares in issue at that date for cash in accordance with paragraph 5.52 of the JSE Listings Requirements ("General Authority").

In terms of paragraph 11.22 of the JSE Listings Requirements ("Listing Requirements"), shareholders are hereby advised that the Company issued more than 5% of its shares in issue under the General Authority ("Share Issue").

The Subscription Shares represent 6.7% of the issued share capital of the Company prior to the issue thereof and were issued at a price of R4.50 per share, being a 4.7% premium to the 30-day volume weighted average price of R4.30 at the close of business on Friday 23 July 2021, the date on which the Subscription Agreement was signed and became unconditional in accordance with its terms, amounting in aggregate to R31 050 000 ("Subscription Amount"). Pulsent OH funded R12 420 000, being 40% of the Subscription Amount, utilising its own resources, whereas the balance of the Subscription Amount was funded by way of vendor finance. The vendor finance was provided by PBT Technology Services Proprietary Limited, 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.

The capital raised by the Company will be used to part fund the transactions outlined below.

2. FURTHER ACTIONS TAKEN TO INCREASE BLACK OWNERSHIP OF THE COMPANY

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.

2.1. Ownership of Spalding Investments 10 Proprietary Limited ("Spalding")

Shareholders are referred to Spalding, an entity wholly owned by employees and management of PBT Group. Spalding's sole investment is 14 000 000 PBT Group ordinary shares which are treated as treasury shares for accounting purposes. Prior to the transactions

set out below, Spalding had an issued share capital of 6 400 ordinary shares (“Spalding Shares”).

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 362 385.60. The proceeds will be utilised to redeem the preference shares in Spalding issued to PBT Group.

At the same time and in order to increase the black shareholding in Spalding such that it became a black-owned company: -

- Elizna Read, the CEO of PBT Group sold 300 of her Spalding Shares to Pulsent and
- Spalding entered into an agreement to issue 480 Spalding Shares for cash to a further B-BBEE partner (“Additional B-BBEE partner”), for a total cash consideration of R2 824 982.40. The subscription price payable by the Additional B-BBEE partner will be funded by PBT Group subscribing for cumulative redeemable preference shares in the Additional B-BBEE partner that will earn preference dividends at 72% of the prime interest rate and are secured by a pledge by the Additional B-BBEE partner of 100% of its Spalding Shares, through which it has an indirect interest in PBT Group Shares.

The above-mentioned Spalding share issues and the disposal of Elizna Read’s shares in Spalding were effected at Spalding’s Net Asset Value per Share (“NAVPS”). In calculating Spalding’s NAVPS a reference price of R4.50 was used to value the 14 000 000 PBT Group Shares held by Spalding.

As a result of the above, Spalding returned cash of R21 187 368 to PBT Group, by redeeming outstanding preference shares held by PBT Group in Spalding.

In aggregate and before the above transactions, PBT Group’s CEO, Elizna Read and CFO, Bianca Pieters, controlled more than 35% of Spalding. Spalding was considered an associate of theirs and, in terms of the Listings Requirements, they are required to disclose the impact of the above transactions on their indirect beneficial shareholding in PBT Group.

2.2. K2021692196 (South Africa) Proprietary Limited

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, K2021692196 (South Africa) Proprietary Limited (“K2021692196”) was incorporated, the shareholders of which are likewise employees and management of PBT Group, Pulsent and the Additional B-BBEE partner.

K2021692196 acquired 14 600 000 PBT Group Shares as follows:

- 2.2.1. 8 654 613 PBT Group Shares at R4.50 per share from an associate of Herman Steyn, a director of PBT Group;
- 2.2.2. 3 414 050 PBT Group Shares at R4.50 per share from Ken Wood, a director of PBT Group (South Africa) Proprietary Limited, a major subsidiary of PBT Group; and
- 2.2.3. 2 531 337 PBT Group Shares on market at an average price per share of R4.45.

Shareholders are referred to “Director Dealings” SENS announcements released on 5 July 2021 and 28 July 2021.

These acquisitions of PBT Group Shares were funded by PBT Group (South Africa) Proprietary Limited (a wholly owned subsidiary of PBT Group), subscribing for cumulative redeemable preference shares in K2021692196 that earn preference dividends at 72% of the prime interest rate and are secured by *inter alia* a negative pledge in respect of 100% of the PBT Group Shares held by K2021692196.

K2021692196 is not an associate or an associate of a related party, as defined in the Listings Requirements, to PBT Group as at the date of issue of the preference shares.

The shareholders of K2021692196 are entitled to receive 100% of their indirectly held PBT Group Shares after the expiry of a 7-year period from 23 July 2021, provided that the preference shares acquired by PBT Group have been redeemed in full. This further aligns the interests of PBT Group management and shareholders of the Company.

After the above-mentioned transactions the CEO, CFO and Company Secretary of the Company will indirectly hold PBT Group Shares as follows:

Number of PBT Group Shares indirectly held via Spalding:

- Elizna Read (CEO): 2 492 000 (before transaction: 4 550 000)
- Bianca Pieters (CFO): 672 000 (before transaction: 1 050 000)
- Anastassia Sousa (Company Secretary): 336 000 (before transaction: 525 000)

Number of PBT Group Shares indirectly held via K2021692196:

- Elizna Read (CEO): 2 861 600 (before transaction: 0)
- Bianca Pieters (CFO): 659 920 (before transaction: 0)
- Anastassia Sousa (Company Secretary): 332 880 (before transaction: 0)

Total number of PBT Group Shares held directly and indirectly:

- Elizna Read (CEO): 5 886 160 – 5.55% of PBT Group Shares
- Bianca Pieters (CFO): 1 332 299 – 1.26% of PBT Group Shares

- Anastassia Sousa (Company Secretary): 668 880 – 0.63% of PBT Group Shares

Shareholders are referred to “Director Dealings” SENS announcements released on 28 July 2021 in this regard.

CEO STATEMENT

We are excited about this new chapter in our journey as a JSE listed, black-owned, level 1 B-BBEE rated, data specialist business.

Company Secretary

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Sponsor

Sasfin Capital (a member of the Sasfin Group)