

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



DISPOSAL OF PREFERENCE SHARES IN YONEX INVESTMENTS PROPRIETARY LIMITED TO SANLAM INVESTMENT MANAGEMENT

INTRODUCTION

PBT Group is excited to announce that its wholly owned subsidiary, PBT Group (South Africa) Proprietary Limited ("PBT SA"), has disposed of its entire investment in preference shares held in Yonex Investments Proprietary Limited ("Yonex") for R53.3m to Sanlam Investment Management Proprietary Limited ("SIM") on the terms and conditions detailed in this announcement ("the Disposal").

PARTICULARS OF THE DISPOSAL

PBT Group provides data and analytics solutions and services that capitalise on data-driven insights, to make well-timed, intuitive business decisions that consistently position our clients ahead of the curve.

SIM is a leading investment company in South Africa, offering tailored personal and institutional investment management plans through a range of funds.

Yonex is a Broad-Based Black Economic Empowerment ("B-BBEE") and PBT Group staff-owned company. As announced on SENS on 28 July 2021, PBT SA, as part of a series of transactions to increase its B-BBEE ownership, subscribed for preference shares in Yonex, which enabled Yonex to acquire 14,600,000 shares in PBT Group Limited ("PBT Shares") at that stage. As at the date of this announcement, Yonex's indirect shareholding in PBT Group remains at 14,600,000 PBT Shares, constituting approximately 13,9% of PBT Group's total shares in issue. The shareholders of Yonex are Pulsent PBT Proprietary Limited, PBT Group's B-BBEE partner, PBT Foundation and employees and management of PBT Group.

On 9 December 2022 PBT SA entered into an agreement with SIM, in terms of which it sold its investment in preference shares in Yonex, for a consideration of R53.3million ("Disposal Consideration"). Prior to the Disposal, Yonex will declare a dividend in respect of all accrued preference share dividends up to the effective date of the Disposal, totaling R1,4million. The Disposal is accordingly implemented without the entitlement to participate in the preference share dividends up to the effective date.

PAYMENT OF THE DISPOSAL CONSIDERATION

The Disposal Consideration is payable by SIM in cash to PBT SA on Wednesday, 14 December 2022.

CONDITIONS PRECEDENT

The Disposal is not subject to any conditions precedent and is accordingly unconditional.

EFFECTIVE DATE

The effective date of the Disposal is Wednesday, 14 December 2022, being the date of payment of the Disposal Consideration.

RATIONALE FOR THE TRANSACTION

It is PBT Group's stated strategy to dispose of its non-core assets over time and return the proceeds to shareholders via cash distributions and share repurchases. PBT Group views the investment in Yonex's preference shares as non-core to its operations. From 1 April 2022 to date PBT Group has realised net

proceeds of R20.9 million from the disposal of certain non-core assets. The balance of PBT's non-core assets, after implementation of the Disposal, is currently valued at c. R133.1m.

APPLICATION OF THE DISPOSAL CONSIDERATION

PBT Group intends to distribute c. R35.2m (R53.3m – R18.1m*) of the Disposal Consideration by way of a special distribution of R31.5m to PBT Group shareholders ("Disposal Distribution"), the details of which will be announced after the effective date of the Disposal and to embark on further general share repurchases in the future.

** Since 1 April 2022 up to the date of this Disposal, net proceeds of R20.9 million were received by PBT Group from the disposal of other non-core assets. During this same period, PBT Group returned R39.1 million to shareholders by way of a special distribution of R31.8 million (30c per share) and share repurchases of R7.3 million. In determining the distributable amount of R35.2 million the excess to net proceeds received of R18.1 million which was returned to shareholders was subtracted from the R53.3 million Disposal Consideration.*

VALUE OF NET ASSETS SUBJECT TO THE DISPOSAL

In terms of International Financial Reporting Standards ("IFRS") the value recognised for the investment in preference shares, in PBT Group's Interim Results as at 30 September 2022, was R65.7m. However, the net asset value as at the same date was R53.3m, as redemptions that had occurred up to that date were not allowed to be recognised in terms of IFRS. At the effective date of the Disposal the net asset value is still R53.3m. No capital gain or loss was accordingly realised pursuant to the Disposal.

OTHER SIGNIFICANT TERMS

Given that under the terms of the original preference shares, Yonex had no liability to PBT SA for any post-redemption tax or other liabilities for which PBT SA, as holder, may become liable, PBT SA agreed with SIM that it will be liable to SIM (and accordingly retain its potential liability) for certain tax and other claims for which SIM, as the new holder, may become liable after redemption of the preference shares.

PBT SA further warranted to SIM that it owns the preference shares and is able to give free and unencumbered ownership of the preference shares to SIM.

Save as aforesaid, no guarantee nor warranty was provided by PBT SA, or any other group company, to SIM or Yonex.

CATEGORISATION OF THE DISPOSAL

In terms of the Listings Requirements of the JSE Limited ("Listings Requirements") the Disposal qualifies as a category 2 transaction and shareholder approval is not required.

Cape Town

12 December 2022

Sponsor



Questco Corporate Advisory Proprietary Limited

Legal Advisor to PBT Group



Solaris Law Proprietary Limited