

MATERIAL RISK REGISTER

As at 31 March 2023

IN ACCORDANCE WITH JSE LR 8.63(S) & 7.F.7

The Group annually reviews the material risks it faces. The risks are identified by analysing and understanding the business and the environment it operates in. The risks mentioned below are ranked from highest to lowest risk.

KEY RISKS

Risk ranking	Risk	Description
1.	Unstable economy	<p>Microeconomic risks stemming from political, economic and governmental instability could lead to loss of confidence in PBT Group as a South African-based company's ability to successfully service clients abroad. Globally, an unstable economy could negatively affect PBT Group's success, sustainability as well as profitability.</p> <p>While PBT Group is a South African-based company, our international group structure and strategically placed business development teams provide opportunity for future expansion and growth. Our flexible business model allows us to adapt swiftly in order to address and manage client expectations.</p>
2.	Talent retention	<p>As a services company, PBT Group's offering is based on the intellectual property established by key employees over a period of 25 years. Retention of talent within the Company is therefore essential to our continued success and competitive advantage in the industry.</p> <p>To mitigate this risk PBT Group has a very focused HR component and people-driven approach, ensuring employee satisfaction as well as the attraction of top talent in the market.</p>
3.	B-BBEE compliance	<p>Maintaining and improving on PBT Group's B-BBEE status in order to meet client demands in this regard is an ongoing challenge and potential risk. The goal posts for the ICT industry, like many others, continuously shift and it is imperative that we keep abreast with changes in B-BBEE legislation.</p> <p>PBT Group is committed to making a positive contribution towards transformation and the creation of sustainable B-BBEE in South Africa. We are rated as a Level 1 B-BBEE contributor with greater than 51% B-BBEE ownership. We actively manage our transformation activities and goals, in order to retain the competitive advantage our B-BBEE status provides us with.</p>
4.	Client retention	<p>PBT Group's ongoing success is reliant on the retention of key corporate clients, many of whom we have long-standing relationships with. The retention of high-calibre clients ensures the ongoing billability of consultants and aids a strong cash flow.</p> <p>Our business development team is focused on continuously expanding on and growing new as well as existing client relationships. Our innovation team ensures that we remain on the forefront of changes in the technological landscape, and our delivery team is responsible for service delivery that meets and exceeds client expectations.</p>
5.	Regulatory compliance	<p>Compliance with the following laws and regulations, and staying abreast of amendments thereof, are of utmost importance in ensuring good corporate governance. Non-compliance could result in loss of stakeholder trust and could have financial implications in terms of penalties being imposed.</p> <ul style="list-style-type: none"> • JSE Listings Requirements • King IV Report on Corporate Governance for South Africa, 2016 • Companies Act 71 of 2008 (as amended) • Income Tax Act 58 of 1962 • POPI Act and GDPR <p>Dedicated individuals, supported by specific divisions within the Company, take responsibility for each of the above-mentioned regulations, ensuring that the necessary policies are in place, kept up to date and that we at all times meet all regulatory compliance requirements.</p>
6.	IT security	<p>PBT Group's computer and network user base depends on a robust IT infrastructure to support and address ongoing business requirements for employees and clients alike. These systems, along with trained IT staff support and enable our technology users, and failure or breakage thereof could pose a direct risk to our business.</p> <p>Business continuity is achieved through ensuring that these systems are kept up to date with the latest technology, along with applying industry standard security measures.</p>