METTLE INVESTMENTS LIMITED
(Registration Number: 2008/002061/06)
Incorporated in the Republic of South Africa
JSE share code: MLE ISIN: ZAE000257622
("Mettle" or "the Company")

SUMMARY OF THE AUDITED CONSOLIDATED RESULTS OF THE METTLE GROUP
FOR THE YEAR ENDED 28 FEBRUARY 2019

HIGHLIGHTS

- Reward Investments (No.2) Limited ("Reward") and Mettle Solar Africa Limited ("Mettle Solar Africa") acquired by Mettle from Tradehold Limited ("Tradehold") as part of a group restructure ("the Restructure")
- Mettle unbundled from Tradehold and listed on the JSE on 23 May 2018 with stated capital of R545.8 million
- Net asset value per share increased by 55% from 128 cents to 198 cents
- Reward contributed R37.1m profit for a nine and a half month period
- South African results depressed by once-off Restructure costs and an impairment of an associate investment

DETAILS OF THE RESTRUCTURE

As detailed in Mettle's pre-listing statement dated 14 May 2018 ("PLS"), Tradehold invested a further R445.2 million in Mettle in May 2018 as part of the Restructure.

These funds were utilised as follows:
- R42 million as settlement of related party borrowings due to Tradehold;
- R389.5 million investment in Reward; and
- R13.7 million purchase of a loan claim against Mettle Solar Africa from Tradehold Africa Limited (wholly owned subsidiary of Tradehold).

The Company now owns 90% of Reward (based in Leeds and Manchester in the UK). Reward owns 75% of Reward Finance Group Limited ("Reward Finance Group") which has two 100% owned operating companies, namely Reward Capital Limited and Reward Invoice Finance Limited.

OVERVIEW OF BUSINESS AND FINANCIAL PERFORMANCE

The consolidated results of Mettle and its subsidiaries ("the Group") include the South African businesses for the year and Reward for only nine and a half months.

Revenue increased to R227 million for the year ended 28 February 2019 (2018: R44.2 million), while profit attributable to shareholders decreased to R15.4 million (2018: R15.8 million). Earnings per share decreased by 57% from 16.44 cents to 7.14 cents while headline earnings per share decreased by 9% to 14.69 cents (2018: 16.11 cents). The reconciliation between basic earnings and headline earnings is detailed in note 5.

Reward recorded strong growth and contributed R179.5 million (GBP9.9 million) to revenue and R37.1 million (GBP2.1 million) to profit attributable to shareholders. Had Reward been consolidated for the full year, the Group revenue and profit attributable to shareholders would have been R268.8 million and R23.9 million, respectively.

Reward's loan and invoice discounting book increased to R1.2 billion (GBP63.1 million) by 28 February 2019 from R1 billion (GBP55.5 million) at date of acquisition by Mettle while it still has an unutilised GBP12 million external funding facility.

Reward has benefited from the continued uncertainty in the UK which has resulted in banks being hesitant to lend to smaller businesses. This demise of the traditional bank overdraft product has continued to drive demand for Reward's funding. Whatever the Brexit outcome, we do not expect the main banks to re-enter this space as they continue to drive costs down by forcing customers to solely use digital banking. Reward's business model is to use the traditional method of lending money by way of meeting the customer, getting to know them and fully assessing the customer's needs and the quality of the security. This methodology continues to be Reward's unique selling proposition. In addition, the alternative finance and fintech markets continue to evolve both regionally and nationally.

The Group's performance for the year was negatively impacted by once-off Restructure costs of R4 million, new recurring listing related costs of R2 million and an impairment of R12.8 million in the investment in associate, Lendcor Proprietary Limited ("Lendcor").

Lendcor provides unsecured loans for home improvements to the lower LSM market through a network of building supply merchants. During the financial year certain changes to the collection methodology relating to a segment of its lending book were imposed. Lendcor adjusted its business rules to address these changes. However, this has had a negative impact on the collectability of this portion of its lending book. As a result, Lendcor incurred a R0.4 million loss for the year ended 28 February 2019 (2018: R12 million profit).

Mettle concluded the acquisition of 49% ordinary shares in, and a R7.5 million loan claim against, Christopher Finance Proprietary Limited ("Christopher Finance") for a total consideration of R27.4 million in early November 2018. Christopher Finance provides working capital finance to selected firms of attorneys. The finance is secured by claims for costs the attorneys have against reputable third parties. Christopher Finance contributed R1.9 million of equity accounted income for the four-month period.

The remaining South African businesses have performed in line with budget.

The Rand has depreciated against the Pound since the acquisition of Reward by Mettle and ended the year at R18.60 (from R16.88 at acquisition date). This resulted in a foreign currency translation reserve of R28.6 million.

Net asset value per share has increased by 55% to 198 cents (2018: 128 cents), while tangible net asset value per share has increased by 63% to 196 cents (2018: 120 cents).

SHARE ISSUES

Mettle converted its ordinary shares from par value to no par value and increased its authorised ordinary share capital from 200 million to 500 million shares in April 2018.

On 14 May 2018 Mettle issued 40.2 million ordinary shares to Tradehold in settlement of borrowings due to related parties amounting to R42 million.

On 15 May 2018 Mettle issued 110.7 million ordinary shares to Tradehold for a consideration of R403.2 million.

ORDINARY DIVIDEND

The board has decided not to declare a final dividend.

PROSPECTS

The results for the year under review contain several once-off items that will not recur in future periods. In addition, the results of Reward have only been included for nine and a half months. As such, the board of directors of the Company ("the Board") expect the results for the year ended 29 February 2020 to more accurately reflect the true operational potential of the Group's business.

Any reference to future financial performance included in this statement has not been reviewed or reported on by the Group's external auditors and does not constitute an earnings forecast.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (the "Listings Requirements") for provisional reports, and the requirements of the Companies Act, No 71 of 2008 applicable to summary financial statements.

The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements, except for the adoption of the following new standards that became effective for the current reporting period beginning on 1 March 2018:

- IFRS 9 Financial Instruments

  From 1 March 2018, the Group assesses the expected credit losses associated with its debt instruments carried at amortised cost, on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

  For trade receivables, the Group applies a combination of the staging model and simplified approach permitted by IFRS 9, which requires expected credit losses to be recognised based on the stage of the debt, within the general model, or on expected lifetime losses from initial recognition of the receivables.

  This had an immaterial impact on Group retained income at 1 March 2018. The loss allowance on the receivables acquired as part of the acquisition of Reward in May 2018 was calculated in terms of IFRS 9.

- IFRS 15 Revenue from Contracts with Customers

  The standard required that companies recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

  The standard had no impact on the manner in which the Group recognised its various revenue streams. Additional disclosure on these different revenue streams and the timing of their recognition is presented in note 4.

Certain new accounting standards and interpretations have been published that are not mandatory for the 28 February 2019 reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

- IFRS 16 Leases

  IFRS 16 will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

  The Group expects to recognise right-of-use assets of R4.9 million on 1 March 2019 and lease liabilities of R5.4 million. Retained income at 1 March 2019 will reduce by approximately R0.5 million.

  There are no other standards and interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group's reportable segments reflect those components of the Group that are regularly reviewed by the chief executive officer and other senior executives who make strategic decisions.

Tangible net asset value per share
Tangible net asset value per share excludes goodwill and intangible assets from the calculation of the Group's net asset value, being the same manner in which tangible net asset value was calculated in the PLS. This is not a defined term under IFRS and may not be comparable with similar measures disclosed by other companies.

The Board takes full responsibility for the preparation of this provisional report.

AUDIT OPINION

These summary consolidated financial statements for the year ended 28 February 2019 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the consolidated financial statements are available for inspection at the Group's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the Group's registered office.

PREPARATION OF FINANCIAL RESULTS

The preparation of the financial results was supervised by the Group financial director, Justin Rookledge BBusSci Finance (Hons), CA (SA).

CHANGES TO BOARD AND COMPANY SECRETARY

The following changes to the Board and Company Secretary took place during the financial year:

JA Aitken	Resigned on 19 April 2018
WD Marais	Resigned on 19 April 2018
W Maree	Resigned on 19 April 2018
IHJ Visagie	Resigned on 19 April 2018
BA Chelius	Appointed on 19 April 2018
TM Flannery	Appointed on 19 April 2018
HRW Troskie	Appointed on 19 April 2018 and resigned on 12 September 2018
MVZ Wentzel	Appointed on 19 April 2018
RD Fenner	Appointed on 18 September 2018

RD Fenner is the lead independent non-executive director and chairman of the audit and risk committee.

Mettle Corporate Finance Proprietary Limited was appointed as Company Secretary on 19 April 2018.

FH Esterhuyse HF Prinsloo
Chairman CEO
31 May 2019

STATEMENT OF FINANCIAL POSITION

	Audited 2019 R'000	Audited 2018 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	1 693	592
Goodwill	5 595	7 475
Deferred taxation	1 644	1 142
Financial assets at fair value through profit or loss	10 932	31 234
Investments in joint ventures	29 020	7 073
Investments in associates	37 111	53 123
Loans due from joint ventures	24 768	-
Loans due from associates	47 647	32 390
Loan receivables	36 421	18 285
Total non-current assets	194 831	151 314
Current assets		
Tax asset	11	1
Loans due from associates	21	8 189
Loan receivables	25 991	21 467
Trade and other receivables	1 209 389	35 826
Cash and cash equivalents	109 648	6 278
Total current assets	1 345 060	71 761
Total assets	1 539 891	223 075
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	545 828	100 622
Retained income	38 765	22 198
	584 593	122 820
Foreign currency translation reserve	28 572	-
Common control reserve	(123 560)	-
Capital and reserves attributable to the owners	489 605	122 820
Non-controlling interest	60 317	-
Total equity	549 922	122 820
Non-current liabilities		
Deferred taxation	771	309
Borrowings	731 099	43 757
Borrowings due to related parties	194 824	-
Other financial liability	2 611	-
Total non-current liabilities	929 305	44 066
Current liabilities		
Borrowings	2 658	8 107
Borrowings due to related parties	-	42 000
Bank overdrafts	19 241	1 355
Taxation	7 800	82
Provisions	4 885	329
Trade and other payables	26 080	4 316
Total current liabilities	60 664	56 189
Total equity and liabilities	1 539 891	223 075
Net asset value per share (cents)	198	128
Tangible net asset value per share (cents)	196	120

STATEMENT OF COMPREHENSIVE INCOME

	Audited 2019 R'000	Audited 2018 R'000
Revenue	226 977	44 190

Other income	12 708	8 665
Loss allowance	(11 565)	(99)
Operating expenses	(95 409)	(28 385)
Profit from operations	132 711	24 371
Interest expense	(56 975)	(6 905)
Fair value loss on other financial liability	(2 611)	-
Impairment of goodwill	(1 880)	-
Impairment of equity accounted investments	(15 201)	-
(Loss)/profit from equity accounted investments	(6 735)	3 054
Profit before taxation	49 309	20 520
Taxation	(17 270)	(4 686)
Profit after taxation before non-controlling interest	32 039	15 834
Other comprehensive income		
Items that may be subsequently reclassified to profit		
Exchange difference on translation of foreign operation	33 807	-
Total comprehensive income	65 846	15 834
Attributable to:		
Equity holders of the company	15 417	15 834
Non-controlling interest	16 622	-
	32 039	15 834
Total comprehensive income attributable to:		
Equity holders of the parent	43 989	15 834
Non-controlling interest	21 857	-
	65 846	15 834
Earnings per share (cents):		
- basic	7.14	16.44
- diluted	7.14	16.44
Dividends per share	-	-

STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Retained income R'000	Foreign currency translation reserve R'000	Common control reserve R'000	Non-controlling interest R'000	Total R'000
Equity at 28 February 2017	100 622	6 364				106 986
Profit after taxation		15 834				15 834
Equity at 28 February 2018	100 622	22 198	-	-	-	122 820
Issue of ordinary shares	445 206					445 206
Acquisition of subsidiary				(123 560)	48 557	(75 003)
Profit after taxation		15 417			16 622	32 039
Profit on purchase of loan claim from related party		1 150				1 150
Other comprehensive income			28 572		5 235	33 807
Dividends paid to non-controlling interest					(10 097)	(10 097)
Equity at 28 February 2019	545 828	38 765	28 572	(123 560)	60 317	549 922

STATEMENT OF CASH FLOWS

	Audited 2019 R'000	Audited 2018 R'000
Cash flows from operating activities		
Profit from operations	132 711	24 371
Non-cash items	(132 826)	(17 457)
Changes in working capital	(133 600)	(9 242)
Cash utilised in operations	(133 715)	(2 328)
Interest received	140 860	14 806
Preference dividends received	-	192
Interest paid	(53 161)	(4 065)
Taxation paid	(15 640)	(2 909)
Net cash (outflow)/inflow from operating activities	(61 656)	5 696
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1 053)	(119)
Proceeds on disposal of property, plant and equipment	94	-
Cash outflow on acquisition of subsidiaries	(318 096)	-
Cash outflow on disposal of subsidiary	(1 853)	-
Acquisition of investments in joint ventures	(19 919)	(4 000)
Acquisition of loans to joint ventures	(21 250)	-
Additional investment in associate	-	(7 260)
Investment in preference shares	-	(24 750)
Proceeds on redemption of preference share investment	-	84
Purchase of financial assets at fair value through profit or loss	-	(30 001)
Proceeds on disposal of financial assets at fair value through profit or loss	20 500	-
Loans recovered from associates	28 951	15 215
Loans advanced to associates	(43 975)	-
Loans advanced to joint venture	(430)	-
Loan receivables advanced	(45 843)	(39 411)
Loan receivables recovered	51 598	46 773
Dividend received from associate	2 000	-
Dividend received from joint venture	124	-
Proceeds on disposal of asset held for sale	-	6 626
Net cash outflow from investing activities	(349 152)	(36 843)
Cash flow from financing activities		
Issue of ordinary shares	403 206	-
Repayment of borrowings	(11 255)	(35 560)
Receipt of borrowings	72 336	62 000
Repayment of borrowings due to related parties	(19 934)	(2 631)

Receipt of borrowings due to related parties	54 252	1 650
Dividends paid to non-controlling interest	(10 097)	-
Net cash inflow from financing activities	488 508	25 459
Net increase/(decrease) in cash and cash equivalents	77 700	(5 688)
Effect of changes in exchange rate	7 784	-
Cash and cash equivalents at beginning of the year	4 923	10 611
Cash and cash equivalents at end of the year	90 407	4 923
As presented on the statement of financial position		
Cash and cash equivalents	109 648	6 278
Bank overdrafts	(19 241)	(1 355)
	90 407	4 923

SUPPLEMENTARY INFORMATION

1. BUSINESS COMBINATIONS

Acquisition of Reward

Mettle acquired 90% of Reward on 15 May 2018 via a subscription for shares which diluted the existing shareholding of Tradehold. Reward owns 75% of Reward Finance Group. IFRS 3 Business Combinations was not applicable as this transaction was a combination of businesses under common control due to the common shareholding of the Company and Tradehold.

Reward had the following assets and liabilities on acquisition date:	Audited 2019 R'000
Recognised amounts of identifiable net assets	
Equipment	844
Loan receivables	30 435
Trade and other receivables	936 705
Cash and cash equivalents	70 001
Borrowings	(558 357)
Borrowings due to related parties	(144 408)
Deferred taxation	(68)
Trade and other payables	(14 332)
Provisions	(826)
Taxation	(5 486)
	314 508
Non-controlling interest	(48 557)
	265 951
Fair value of consideration transferred	
Consideration settled in cash	389 511
Common control reserve	123 560
Cash flow on acquisition of subsidiary	
Cash and cash equivalents acquired with the subsidiary	70 001
Consideration settled in cash	(389 511)
	(319 510)

The Group has included revenue of R179.5 million and profit attributable to equity holders of the parent of R37.1 million relating to Reward (refer to note 7). Had Reward been consolidated for the full year, the Group revenue and the profit attributable to shareholders would have been R268.8 million and R23.9 million, respectively.

2. TRADE AND OTHER RECEIVABLES	Audited 2019 R'000	Audited 2018 R'000
Trade receivables		
South Africa	35 126	34 519
Reward Capital	977 631	-
Reward Invoice Factoring	222 721	-
Loss allowance		
South Africa	(1 262)	(82)
Reward Capital	(13 068)	-
Reward Invoice Factoring	(13 663)	-
	1 207 485	34 457
Other receivables	1 904	1 369
	1 209 389	35 826

3. BORROWINGS	Audited 2019 R'000	Audited 2018 R'000
Non-current		
Small Enterprise Finance Agency SOC Limited ("SEFA")	46 683	43 757
Foresight Group ("Foresight")	684 415	-
	731 098	43 757
Related parties		
Sandy Limited ("Sandy")	55 813	-
Tradegro S.ar.l. ("Tradegro")	139 011	-
	194 824	-
Current		
SEFA	2 658	5 547
FirstRand Bank Limited ("FirstRand")	-	2 560
	2 658	8 107
Bank overdrafts		
Nedbank Limited ("Nedbank")	8 313	1 355
FirstRand	10 928	-

	19 241	1 355
	947 821	53 219

The borrowings from SEFA accrue interest at prime plus 1%. Interest is payable semi-annually with capital repayable in March 2020. The borrowings are secured by Group cash balances and loan and trade receivables of R71.1 million (2018: R63.9 million). The R50 million facility has been fully drawn down.

The borrowings from Foresight accrue interest at a fixed rate which is payable quarterly. The current facility limit is GBP50 million. The repayment date is four years from each individual draw down with the first repayment due in August 2021. Foresight has a debenture over all assets of Reward Finance Group (including shares in its subsidiaries). The carrying value of these assets (equipment, loan receivables, trade and other receivables and cash and cash equivalents) amount to R1.3 billion at year-end. The amounts owed by Reward Finance Group to Reward (R432.1 million) and Sandy (R55.8 million) are subordinated in favour of Foresight.

The borrowings from Sandy are unsecured and accrue interest at a fixed rate of 7% which is payable monthly. The borrowings are repayable on 31 January 2023. The availability period for the remaining GBP3 million of this facility ends on 30 September 2019.

The borrowings from Tradegro are unsecured, accrue interest at sterling three-month Libor plus 6.5%. The capital and capitalised interest are repayable on 28 May 2020. The sterling three-month Libor rate was 0.9% at year-end.

The R33 million facility from FirstRand accrued interest at prime less 1% and expired on 31 August 2018.

The unsecured R10 million (2018: R5 million) overdraft facility from Nedbank accrues interest at prime which is settled monthly. This facility is reviewed annually.

The R15 million overdraft facility from FirstRand accrues interest at prime plus 1% which is settled monthly. This facility is secured by the financial assets at fair value through profit or loss (unit trust investment) of R10.9 million and is reviewed annually.

	Audited 2019 R'000	Audited 2018 R'000
4. REVENUE		
Fee income		
- Administration and management	7 718	5 177
- Corporate finance	4 824	6 598
- Fundraising	5 750	2 728
- Secretarial and sponsor services	669	1 311
Service fee income	50 299	-
Discounting income	16 066	14 333
Interest income	141 651	14 043
	226 977	44 190
Timing of revenue recognition		
- At a point in time	21 140	7 395
- Over time	205 837	36 795
	226 977	44 190

Revenue is split in geographical regions in note 7.

5. EARNINGS PER SHARE

Basic earnings per share (cents)	7.14	16.44
Diluted earnings per share (cents)	7.14	16.44
Headline earnings per share (cents)	14.69	16.11
Diluted headline earnings per share (cents)	14.69	16.11

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent with the weighted average number of ordinary shares in issue for the period.

Profit attributable to equity holders of the parent	15 417	15 834
Weighted average number of ordinary shares ('000)	215 868	96 292

Diluted earnings per share

The Group has no dilutive potential ordinary shares.

Headline earnings per share

Headline earnings per share is calculated by dividing the headline earnings with the weighted average number of ordinary shares in issue for the period.

Profit attributable to equity holders of the parent	15 417	15 834
Bargain purchase gain on acquisition of subsidiary	(823)	-
Loss on disposal of subsidiary	85	-
Impairment of goodwill	1 880	-
Impairment of equity accounted investments	15 201	-
Profit on asset held for sale	-	(326)
Profit on disposal of property, plant and equipment	(81)	-
Tax impact of adjustments	22	-
Headline earnings	31 701	15 508

Weighted average number of ordinary shares ('000)	215 868	96 292

6. FAIR VALUE DISCLOSURES

The Group's financial instruments are measured at amortised cost besides the financial assets at fair value through profit or loss of R10.9 million and other financial liability of R2.6 million.

These financial assets are unit trust investments measured at quoted prices (level 1).

The other financial liability is an option contract whereby the remaining shareholder in Lendcor Holdings Proprietary Limited can put their 50.1% shares to Mettle. The exercise price is the greater of a proportional share of six times the profit after tax for the year ending 28 February 2021 of Lendcor and R12.9 million and can only be exercised during the period from 1 June 2021 to 31 August 2021. The valuation of the put option considers the exercise period, exercise price and current net asset value and future profitability of Lendcor (level 3).

The carrying value of all other financial instruments approximate fair value.

7. SEGMENT INFORMATION

The Group has two reportable segments at 28 February 2019 (after the acquisition of Reward).

	Audited United Kingdom R'000	Audited South Africa R'000	Audited Total R'000
Revenue	179 462	47 515	226 977
Profit/(loss) attributable to equity holders of the parent	37 115	(21 698)	15 417
Total assets	1 304 529	235 362	1 539 891
Total liabilities	912 573	77 396	989 969

There were no transactions between the segments. The Group only had one reportable segment at 28 February 2018.

8. RELATED PARTIES

Certain Group companies concluded transactions with each other in the ordinary course of business. These intergroup transactions and balances are eliminated on consolidation.

Related party balances and transactions for the current year are similar to those disclosed in the Group's annual financial statements for the year ended 28 February 2018 besides for those that took place as part of the Restructure and those detailed below:

	Audited 2019 R'000
Loan to EAF Investments Limited ("EAF")	16 249

Reward Finance Group advanced GBP1.2 million to EAF in April 2017. EAF is a shareholder in Reward Finance Group and is controlled by Nick Smith who is also a director of Reward Finance Group. The loan is repayable after 10 years and accrues interest at sterling three-month Libor plus 2.5%. Dividends payable to EAF are used to repay the loan. EAF received dividends of R4 million during the period from 15 May 2018 to year-end. The loan is secured by its 10% shareholding in Reward Finance Group. The sterling three-month Libor rate was 0.9% at year-end.

Loan to JE&K Limited ("JE&K")	12 665

Reward Finance Group advanced GBP0.76 million to JE&K in April 2018. JE&K is a shareholder in Reward Finance Group and is controlled by David Harrop who is also a director of Reward Finance Group. The loan is repayable after 10 years and accrues interest at sterling three-month Libor plus 2.5%. Dividends payable to JE&K are used to repay the loan. JE&K received dividends of R2 million during the period from 15 May 2018 to year-end. The loan is secured by its 5% shareholding in Reward Finance Group. The sterling three-month Libor rate was 0.9% at year-end.

The terms of the related party borrowings due to Tradegro and Sandy are disclosed in note 3.

9. EVENTS AFTER THE REPORTING DATE

The Company has provided a guarantee for the Rand equivalent of USD3.1 million to Investec Bank (Mauritius) Limited (via Investec Bank Limited) for its USD5 million funding facility provided to Mettle Solar Africa (the Company's 55% owned joint venture) in May 2019. The Company had to place the required funds on deposit at Investec Bank Limited. A 35% shareholder of Mettle Solar Africa has provided a similar guarantee for the remaining USD1.9 million. This facility funds the construction of Mettle Solar Africa's solar projects in Kenya and the Seychelles.

Cape Town
31 May 2019

Designated Advisor
Questco Corporate Advisory Proprietary Limited