

A decorative graphic on the left side of the page consisting of a complex network of grey lines and dots, resembling a circuit board or a neural network.

▲
25%
TURNOVER

▲
18%
EBITDA

▲
10%
NORMALISED HEADLINE
EARNINGS PER SHARE

**PRELIMINARY SUMMARISED
CONSOLIDATED AUDITED RESULTS**
FOR THE YEAR ENDED 30 JUNE 2017
FINAL DIVIDEND DECLARATION AND
NOTICE OF ANNUAL GENERAL MEETING

SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Group 2017 R	Group 2016 R	Company 2017 R	Company 2016 R
Revenue	996 425 164	803 337 834	23 134 544	37 001 209
Turnover	993 671 344	796 178 409	-	-
Cost of sales	(420 420 024)	(343 573 374)	-	-
Gross profit	573 251 320	452 605 035	-	-
Administrative, selling and other costs	(422 268 011)	(316 216 126)	(3 106 526)	(2 945 285)
Sundry revenue	-	-	3 500 000	5 000 000
Profit from operations	150 983 309	136 388 909	393 474	2 054 715
Dividend received	-	-	19 633 931	32 000 000
Finance income	2 753 820	7 159 425	613	1 209
Finance costs	(25 605 200)	(22 297 839)	-	-
Share of (loss)/profits of equity accounted investment after tax	(88 103)	1 636 095	-	-
Profit before taxation	128 043 826	122 886 590	20 028 018	34 055 924
Income tax expense	(35 497 923)	(41 929 718)	(67 262)	(489 289)
Profit for the year	92 545 903	80 956 872	19 960 756	33 566 635
Attributable to:				
Equity holders of the parent	88 133 237	78 357 135	19 960 756	33 566 635
Non-controlling interests	4 412 666	2 599 737	-	-
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss	(437 553)	789 408	-	-
Exchange differences arising from translation of foreign operations	(437 553)	789 408	-	-
Total comprehensive income	92 108 350	81 746 280	19 960 756	33 566 635
Attributable to:				
Equity holders of the parent	87 695 684	79 146 543	19 960 756	33 566 635
Non-controlling interests	4 412 666	2 599 737	-	-
Basic earnings per share (cents)	58,74	57,61		
Basic diluted earnings per share (cents)	58,74	55,28		

SUMMARISED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Group 2017 R	Group 2016 R	Company 2017 R	Company 2016 R
ASSETS				
Non-current assets	730 781 287	705 320 773	49 543 493	48 147 559
Property and equipment	35 285 087	37 366 544	-	-
Intangible assets	180 875 370	170 031 438	-	-
Goodwill	500 346 685	472 515 143	-	-
Interest in subsidiaries and share trust	-	-	49 511 335	48 115 401
Loans to subsidiaries	-	-	32 158	32 158
Equity accounted investment	-	1 804 295	-	-
Deferred taxation asset	14 274 145	23 603 353	-	-
Current assets	355 666 131	259 556 272	300 609 100	184 137 891
Trade and other receivables	228 362 544	170 600 288	2 277 675	217 335
Amounts owing by subsidiaries	-	-	297 962 752	183 719 243
Current tax receivable	12 288 985	11 231 616	86 770	71 870
Cash and cash equivalents	98 048 710	77 724 368	281 903	129 443
Assets classified as held for sale	16 965 892	-	-	-
Total assets	1 086 447 418	964 877 045	350 152 593	232 285 450
EQUITY AND LIABILITIES				
Equity				
Share capital	15 360	14 006	15 360	14 006
Share premium	336 225 816	200 831 266	331 510 804	196 116 254
Other capital reserves	17 154 720	34 574 504	17 154 720	34 574 504
Equity compensation reserve	14 585 430	5 724 817	-	-
Foreign currency translation reserve	2 770 967	3 208 520	-	-
Revaluation reserve	3 544 400	3 544 400	-	-
Retained earnings	287 281 824	218 782 518	912 405	585 580
Equity attributable to shareholders of the company	661 578 517	466 680 031	349 593 289	231 290 344
Non-controlling interests	6 958 535	6 007 925	-	-
Total equity	668 537 052	472 687 956	349 593 289	231 290 344
Non-current liabilities	193 177 743	190 766 634	32 030	16 878
Interest-bearing borrowings	101 486 667	145 790 502	-	-
Financial liabilities	43 814 766	-	-	-
Deferred taxation liability	47 876 310	44 976 132	32 030	16 878
Current liabilities	224 732 623	301 422 455	527 274	978 228
Trade and other payables	110 667 792	105 551 855	527 274	978 228
Provisions	24 921 276	42 937 636	-	-
Deferred income	71 222 047	67 271 122	-	-
Current tax payable	1 762 369	6 811 480	-	-
Financial liabilities	14 197 783	59 476 533	-	-
Current portion of interest-bearing borrowings	580 894	19 373 829	-	-
Non-interest-bearing borrowings	1 380 462	-	-	-
Total equity and liabilities	1 086 447 418	964 877 045	350 152 593	232 285 450

At 30 June 2017, the carrying values of the financial assets and financial liabilities are considered by management to approximate their fair value. All financial assets and liabilities are carried at amortised cost and hence no fair value disclosure is necessary, in terms of the fair value hierarchy requirements of IFRS 7 Financial Instruments: Disclosures.

SUMMARISED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Group 2017 R	Group 2016 R	Company 2017 R	Company 2016 R
OPERATING ACTIVITIES				
Cash generated from/(utilised in) operations	139 325 456	173 602 262	(2 117 820)	1 093 032
Finance income	1 600 672	5 091 400	613	1 209
Finance costs	(16 248 874)	(15 376 527)	-	-
Dividends received	-	-	19 633 931	32 000 000
Dividends paid	(23 359 331)	(18 630 671)	(19 633 931)	(14 481 191)
Taxation paid	(42 102 157)	(55 029 679)	(67 010)	(78 719)
Net cash flow from/(utilised in) operating activities	59 215 766	89 656 785	(2 184 217)	18 534 331
INVESTING ACTIVITIES				
Property and equipment acquired	(6 681 043)	(7 934 021)	-	-
Intangible assets acquired and developed	(4 913 201)	(2 544 560)	-	-
Proceeds on disposal of property and equipment	129 098	177 949	-	-
Proceeds on disposal of asset held for sale	-	9 733 141	-	-
Cash outflow on warranty achievements	(48 000 003)	-	-	-
Net cash outflow on acquisition of subsidiaries	(21 696)	(137 790 705)	-	-
Net cash utilised in investment activities	(59 486 845)	(138 358 196)	-	-
FINANCING ACTIVITIES				
Proceeds from borrowings	313 500 041	267 431 000	-	-
Repayment of borrowings	(376 596 812)	(173 011 364)	-	-
Issue of shares for cash	83 999 979	2 216 450	-	-
Issue of Company's shares	-	-	133 999 970	72 012 689
Increase in amounts owing by subsidiaries	-	-	(131 663 293)	(90 505 653)
Net cash flows from/(utilised in) financing activities	20 903 208	96 636 086	2 336 677	(18 492 964)
Net increase in cash resources	20 632 129	47 934 675	152 460	41 367
Exchange differences on translation	(307 787)	817 407	-	-
Cash and cash equivalents at beginning of year	77 724 368	28 972 286	129 443	88 076
Cash and cash equivalents at end of year	98 048 710	77 724 368	281 903	129 443

SUMMARISED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

GROUP	Attributable to equity holders of the parent									
	Share capital R	Share premium R	Other capital reserves R	Equity compensation reserve R	Asset revaluation reserve R	Foreign currency translation reserve R	Retained earnings R	Attributable to equity holders of the parent R	Non-controlling interests R	Total R
Balance at 30 June 2015	12 920	128 819 663	26 594 829	530 517	3 544 400	2 419 112	159 172 199	321 093 640	–	321 093 640
Total comprehensive income for the year	–	–	–	–	–	789 408	78 357 135	79 146 543	2 599 737	81 746 280
Profit for the year	–	–	–	–	–	–	78 357 135	78 357 135	2 599 737	80 956 872
Other comprehensive income for the year	–	–	–	–	–	789 408	–	789 408	–	789 408
Non-controlling interest arising on the acquisition of subsidiaries	–	–	–	–	–	–	–	–	7 557 668	7 557 668
Share-based payments	–	–	–	5 194 300	–	–	–	5 194 300	–	5 194 300
Purchase consideration adjustment	–	–	4 265 625	–	–	–	(4 265 625)	–	–	–
Issue of shares for business combination	1 067	69 795 171	(12 860 454)	–	–	–	–	56 935 784	–	56 935 784
Shares issued during the year	19	2 216 432	–	–	–	–	–	2 216 451	–	2 216 451
Shares to be issued	–	–	16 574 504	–	–	–	–	16 574 504	–	16 574 504
Dividend paid	–	–	–	–	–	–	(14 481 191)	(14 481 191)	(4 149 480)	(18 630 671)
Balance at 30 June 2016	14 006	200 831 266	34 574 504	5 724 817	3 544 400	3 208 520	218 782 518	466 680 031	6 007 925	472 687 956
Total comprehensive income for the year	–	–	–	–	–	(437 553)	88 133 237	87 695 684	4 412 666	92 108 350
Profit for the year	–	–	–	–	–	–	88 133 237	88 133 237	4 412 666	92 545 903
Other comprehensive income for the year	–	–	–	–	–	(437 553)	–	(437 553)	–	(437 553)
Share-based payments	–	–	–	10 256 547	–	–	–	10 256 547	–	10 256 547
Issue of shares for business combination	765	49 999 226	(34 574 504)	–	–	–	–	15 425 487	–	15 425 487
Shares issued during the year	589	85 395 324	–	(1 395 934)	–	–	–	83 999 979	263 344	84 263 323
Shares to be issued	–	–	17 154 720	–	–	–	–	17 154 720	–	17 154 720
Dividends paid	–	–	–	–	–	–	(19 633 931)	(19 633 931)	(3 725 400)	(23 359 331)
Balance at 30 June 2017	15 360	336 225 816	17 154 720	14 585 430	3 544 400	2 770 967	287 281 824	661 578 517	6 958 535	668 537 052

COMPANY	Share capital R	Share premium R	Other capital reserves R	Retained earnings R	Total equity R
Balance at 30 June 2015	12 920	124 104 651	12 860 454	(18 499 864)	118 478 161
Total comprehensive income for the year	–	–	–	33 566 635	33 566 635
Issue of shares	1 086	72 011 603	(12 860 454)	–	59 152 235
Shares to be issued	–	–	34 574 504	–	34 574 504
Dividend paid	–	–	–	(14 481 191)	(14 481 191)
Balance at 30 June 2016	14 006	196 116 254	34 574 504	585 580	231 290 344
Total comprehensive profit for the year	–	–	–	19 960 756	19 960 756
Issue of shares	1 354	135 394 550	(34 574 504)	–	100 821 400
Shares to be issued	–	–	17 154 720	–	17 154 720
Dividend paid	–	–	–	(19 633 931)	(19 633 931)
Balance at 30 June 2017	15 360	331 510 804	17 154 720	912 405	349 593 289

EARNINGS AND DIVIDENDS PER SHARE

EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to equity holders of R88 133 237 (2016: R78 357 135) and the weighted average number of ordinary shares in issue during the year of 150 028 042 (2016: 136 016 313). The calculation of diluted earnings per share is based on the profit of R88 133 237 (2016: R78 357 135) and the weighted average number of diluted ordinary shares in issue during the year of 150 045 972 (2016: 141 751 697).

	Group 2017	Group 2016
Reconciliation between earnings and headline earnings		
Earnings attributable to equity holders of the parent	88 133 237	78 357 135
Adjusted for:		
- Loss/(profit) on sale of property and equipment	16 276	(98 589)
Headline earnings	88 149 513	78 258 546
Adjusted for:		
Amortisation of intangible assets acquired	29 105 008	17 083 626
Deferred taxation on amortisation of intangible assets acquired	(8 149 402)	(4 783 415)
Fair value adjustment to financial liability (imputed interest)	9 356 326	6 921 312
Normalised headline earnings	118 461 445	97 480 069
Basic earnings per share (cents)	58,74	57,61
Headline earnings per share (HEPS) (cents)	58,76	57,54
Diluted basic earnings per share (cents)	58,74	55,28
Diluted headline earnings per share (cents)	58,75	55,21
Normalised headline earnings per share (cents)	78,96	71,67
Normalised headline earnings is calculated by adding back to headline earnings the amortisation of intangible assets net of deferred taxation, as a consequence of the purchase price allocations completed in terms of IFRS 3 - Business Combinations and fair value adjustments to financial liabilities (imputed interest) on outstanding contingent purchase considerations.		
DIVIDENDS PER SHARE		
Dividends per share (cents)	13,40	10,90

EVENTS AFTER THE REPORTING DATE

On 1 July 2017, CQS Investment Holdings (Pty) Ltd, CQS Technology Holdings (Pty) Ltd, EasyRoster (Pty) Ltd, EasyRoster Software (Pty) Ltd and Multimatics (Pty) Ltd were amalgamated into Adapt IT (Pty) Ltd in accordance with the provisions of Section 113, 115 and 116 of the Companies Act, No 71 of 2008, as amended.

The reasons for the amalgamation are, *inter alia*:

- To rationalise the Adapt IT group;
- To reduce the number of Adapt IT group entities;
- To achieve efficiencies and savings in administrative and operational expenditure; and
- To simplify the Adapt IT group structure.

On 1 July 2017, following approval of the Competition Authorities, the Micros South Africa (Pty) Ltd acquisition became effective. At the time of signing the report, the initial accounting for the acquisition had not been finalised.

On 1 July 2017, Uyandiswa Project Management Services (Pty) Ltd repurchased all of Adapt IT (Pty) Ltd shares in the company and Adapt IT (Pty) Ltd sold its BI resourcing business to Uyandiswa Project Management Services (Pty) Ltd.

No other significant transactions or events have occurred between year-end date and the date of this report.

BUSINESS COMBINATIONS

ACQUISITION OF SUBSIDIARY

On 1 August 2016, the group acquired the entire issued share capital of EasyRoster (Pty) Ltd and EasyRoster Software (Pty) Ltd (Collectively "EasyRoster"). EasyRoster is South African-registered.

EasyRoster is a leading Information Technology company with more than 20 years' experience and excellence in the development of software tools for operational management.

EasyRoster has an extensive national and international customer footprint in over 25 countries.

The purchase consideration consists of R1 615 247 in cash paid on 12 January 2017, R17 154 720 in shares to be issued in December 2017 at 1 595 cents per share, with a further contingent consideration of a maximum amount of R68 580 000, which is contingent upon the achievement by EasyRoster of EBITDA performance warranties over 48 months.

The 2017 performance warranty was achieved and a cash payment of R14 197 783 will be made in August 2017.

The latest financial projections for EasyRoster indicate that the 2018 performance warranties will be achieved.

The fair value of the net assets acquired amounted to R28 359 480, resulting in goodwill of R43 081 242 at acquisition. The purchase consideration paid for the combination effectively included amounts in relation to the benefit of the expected synergies, revenue growth, new market penetration and future market development.

The acquisition, which is in line with Adapt IT's strategy of targeted acquisitive growth, will augment the group's Manufacturing segment.

BUSINESS COMBINATIONS CONTINUED**ACQUISITION OF SUBSIDIARY CONTINUED**

The fair values of the identifiable net assets and liabilities of EasyRoster as at the date of acquisition were:

	Fair value recognised on acquisition R'000
Assets	
Property and equipment	22 954
Intangible assets	40 565 346
Trade and other receivables	1 288 543
Cash and cash equivalents	1 593 551
Total assets	43 470 394
Liabilities	
Non-interest-bearing borrowings	1 380 462
Deferred tax liability	11 102 624
Trade and other payables	1 003 312
Current tax payable	1 624 516
Total liabilities	15 110 914
Total identifiable net assets	28 359 480
Goodwill arising on acquisition	43 081 242
Fair value of consideration payable	71 440 722
Fair value of consideration payable:	
Cash paid	1 615 247
Shares to be issued in December 2017	17 154 720
Fair value of contingent purchase consideration owing in respect of acquisition and settled through cash when relevant warranties have been fulfilled	52 670 755
Fair value of consideration payable	71 440 722
Cash outflow on acquisition:	
Net cash acquired with the subsidiary	1 593 551
Cash paid	(1 615 247)
Net cash outflow on acquisition	(21 696)

The fair value of the assets acquired approximates their carrying value at the acquisition date.

From the date of acquisition, the contribution from EasyRoster, after recognising the amortisation charge on intangible assets, the fair value of imputed interest and acquisition costs, was R131 654 to the profit after tax of the equity holders of the group.

Acquired receivables represent the gross contractual amounts which approximate fair value and which are estimated to be fully recoverable.

Acquisition-related costs of R481 371 have been expensed and are included in administrative, selling and other costs on the statement of profit or loss and other comprehensive income.

SEGMENT ANALYSIS

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Monthly management meetings are held to evaluate segment performance against budget and forecast.

Management does not monitor assets and liabilities by segment.

The following tables present turnover and EBITDA information (after Shared Services cost allocation) regarding the group's operating segments for the year ended 30 June 2017 and 30 June 2016 respectively:

	Education R	Manufacturing R	Financial Services R	Energy R	Other R	Total R
2017						
Turnover	170 741 995	284 977 932	350 040 062	187 911 355	-	993 671 344
Segment EBITDA	29 707 360	70 573 209	53 401 161	44 113 327	(3 469 049)	194 326 008
EBITDA margin (%)	17	25	15	23		20
2016						
Turnover	170 806 274	242 200 530	223 349 140	159 922 465	-	796 278 409
Segment EBITDA	33 673 871	50 180 365	45 504 576	38 942 656	(3 161 863)	165 139 605
EBITDA margin (%)	20	21	20	24		21

The following table presents turnover by geographic area of the group's operating segments as at 30 June 2017 and 30 June 2016:

	Education R	Manufacturing R	Financial Services R	Energy R	Other R	Total R
2017						
Turnover from external customers by geographic area*	170 741 995	284 977 932	350 040 062	187 911 355	-	993 671 344
South Africa	115 308 856	231 715 589	277 355 595	135 502 240	-	759 882 280
African Countries**	23 995 859	37 720 685	56 954 964	19 724 109	-	138 395 617
United Kingdom	-	-	-	671 677	-	671 677
Europe	6 679 111	231 750	363 129	4 033 605	-	11 307 595
Asia	-	-	-	5 020 413	-	5 020 413
North America	-	1 217 114	15 366 374	15 569 779	-	32 153 267
South America	-	-	-	7 364 899	-	7 364 899
Australasia	24 758 169	14 092 794	-	24 633	-	38 875 596
2016						
Turnover from external customers by geographic area*	170 806 274	242 200 530	223 249 140	159 922 465	-	796 178 409
South Africa	114 182 877	191 991 807	188 157 940	83 416 883	-	577 749 507
African Countries**	25 216 549	34 995 812	32 807 301	12 983 498	-	106 003 160
United Kingdom	-	-	-	649 115	-	649 115
Europe	9 695 431	-	5 240	5 393 355	-	15 094 026
Asia	-	-	-	3 756 326	-	3 756 326
North America	-	391 196	2 278 659	47 900 209	-	50 570 064
South America	-	-	-	4 415 985	-	4 415 985
Australasia	21 711 417	14 821 715	-	1 407 094	-	37 940 226

* The turnover information above is based on the location of the customer

** African countries are: Ghana, Zambia, Tanzania, Mozambique, Namibia, Malawi, Swaziland, Lesotho, Botswana, Nigeria, Sierra Leone, Zimbabwe, Kenya, Burundi, Congo, Rwanda, Uganda, Cameroon, Gambia, Senegal, Ethiopia, Benin, Gambia, Egypt, Gabon and South Sudan.

COMMENTARY

BASIS OF PREPARATION

The accounting policies applied in the preparation of these preliminary summarised consolidated audited financial statements, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards (IFRS) and are consistent with those applied in the consolidated annual financial statements for the year ended 30 June 2016. All amendments to IFRS adopted in the current year were considered insignificant to the annual financial statements. These preliminary summarised consolidated audited financial statements as set out in this report have been prepared in accordance with the framework concepts and the measurement and recognition requirements of 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, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The consolidated annual financial statements and the summarised consolidated financial statements have been prepared under the historical cost method, except for certain financial instruments initially measured at fair value and property measured at fair value. The consolidated annual financial statements and the summarised consolidated financial statements have been prepared on the going-concern basis and have been prepared under the supervision of Ms Nombali Mbambo CA (SA), the Chief Financial Officer.

These preliminary summarised consolidated audited financial statements, which have been derived from the consolidated annual financial statements and with which they are consistent in all material respects, have been audited by Deloitte & Touche. Their unmodified audit opinions on the consolidated annual financial statements and on the preliminary summarised consolidated audited financial statements (ISA 810) together with the accompanying financial information are available for inspection at the registered office of the company. The board of directors of Adapt IT (the Board) takes full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying consolidated audited annual financial statements, which is available for inspection at the registered office of the company.

AUDIT REPORT

The consolidated financial statements for the year ended 30 June 2017 have been audited by the group's auditors, Deloitte & Touche and their unmodified audit report is available for inspection at the company's registered office.

The auditor's report on the summarised consolidated financial statements 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 audit report together with the accompanying financial information from the company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditor.

FINANCIAL REVIEW

Turnover for the year ended 30 June 2017 increased 25% to R993,7 million (2016: R796,2 million), organic growth was 6% and acquisitive growth was 19%.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 18% to R194,3 million (2016: R165,1 million). Normalised headline earnings increased 22% to R118,5 million (2016: R97,5 million).

Adapt IT has disclosed normalised headline earnings as a result of the high non-cash expenses recognised in terms of International Financial Reporting Standards (IFRS) due to its acquisitions. Non-cash acquisition-related expenses are mainly the amortisation of intangible assets (such as internally developed software and customer relationships) and notional interest on deferred purchase considerations, which is based on the achievement of profit warranties.

Non-cash amortisation costs of R21,0 million and notional interest costs of R9,3 million, which totalled R30,3 million (2016: R19,2 million) were expensed for the year. As acquisitions will be an ongoing hallmark of Adapt IT in line with its acquisitive growth strategy, normalised headline earnings will be reported on an ongoing basis, as this disclosure will add value to the financial analysis. Normalised HEPS grew 10% to 78,96 cents (2016: 71,67 cents). By comparison, HEPS grew to 58,76 cents (2016: 57,54 cents) after taking into account the non-cash expenses described above.

Adapt IT acquired EasyRoster with effect from 1 August 2016, in line with the company's acquisitive growth strategy. EasyRoster is a leading Information Technology company with more than 20 years' experience and excellence in the development of software tools for operational management.

The Board declared its 15th ordinary dividend of 13,70 cents per share, payable in September 2017, which represents a four times dividend cover ratio. The company has a policy of declaring a dividend at the end of the financial year and not at the interim reporting date.

CHANGES TO THE BOARD DURING THE YEAR UNDER REVIEW

Nombali Mbambo was appointed to the Board on the 18th of August 2016 as Chief Financial Officer. There were no other changes to the Board.

APPRECIATION

The Board extends its sincere thanks to Adapt IT's longstanding and new customers, suppliers, partners, shareholders and service providers for their ongoing support of Adapt IT. In addition, the Board thanks Adapt IT's staff, without whose dedication, hard work, enthusiasm, team spirit, skills and appetite for growth and change, the group would not be the industry leader it is today.

DIVIDENDS: ORDINARY DIVIDEND NUMBER 15

The Board has set a policy of considering a dividend once annually, after the year-end. The Board has declared a dividend on a dividend cover ratio of four times as the group wishes to retain a significant proportion of profits for future growth activities.

The group will have sufficient working capital to meet its requirements after the dividend payment. Notice is hereby given that a gross cash dividend of 13,70 cents per share (the dividend) has been declared for the year ended 30 June 2017, payable to shareholders recorded in the books of the company at close of business on 22 September 2017.

In terms of the Listings Requirements of the JSE Limited, the following additional information is disclosed:

- This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves;
- The South African dividend tax (DT) rate is 20%;
- The DT to be withheld by the company amounts to 2,74 cents per share;
- Therefore, the net dividend payable to shareholders who are not exempt from DT is 10,96 cents per share, while the gross dividend of 13,70 cents per share is payable to those shareholders who are exempt from DT;
- The issued share capital of Adapt IT at the declaration date comprises 160 078 096 ordinary shares;
- Adapt IT's registration number is 1998/017276/06; and
- Adapt IT's income tax reference number is 9410/002/71/2.

Shareholders are advised that the last day to trade cum-dividend will be Tuesday, 19 September 2017. Shares will trade ex-dividend as from Wednesday, 20 September 2017, and the record date will be Friday, 22 September 2017. Payment will be made on Tuesday, 26 September 2017. Share certificates may not be dematerialised or rematerialised during the period Wednesday, 20 September 2017 to Friday, 22 September 2017, both days inclusive. This dividend, having been declared after 30 June 2017, has not been provided for in the financial statements for the year ended 30 June 2017.

NOTICE OF THE ANNUAL GENERAL MEETING AND POSTING OF INTEGRATED ANNUAL REPORT

The integrated annual report will be mailed to shareholders on 8 September 2017 and is available on the group's website: www.adaptit.co.za from 28 August 2017.

Notice is hereby given that the 18th annual general meeting of shareholders of Adapt IT will be held on Friday, 24 November 2017 at 09:00 at the company's offices at 5 Rydall Vale Office Park, Rydall Vale Crescent, La Lucia Ridge, KwaZulu-Natal.

The Board has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, No 71 of 2008, the record date for the purposes of determining which shareholders of the company are entitled to participate in and vote at the annual general meeting is Friday, 17 November 2017. Accordingly, the last date to trade in order to be registered in the register of shareholders of the company and therefore be eligible to participate in and vote at the annual general meeting is Tuesday, 14 November 2017.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Shareholders are advised that Adapt IT's annual compliance report in terms of Section 13G(2) of the Broad-Based Black Economic Empowerment Amendment Act No 46 of 2013, is available on Adapt IT's website, www.adaptit.co.za.

CORPORATE INFORMATION

ADAPT IT HOLDINGS LIMITED

Incorporated in the Republic of South Africa
Registration number 1998/017276/06
Share code: ADI
ISIN: ZAE000113163

COMPANY SECRETARY

Statucor (Pty) Ltd
22 Wellington Road
Parktown
2193

REGISTERED OFFICE

5 Rydall Vale Crescent
La Lucia Ridge
Durban
4051
KwaZulu-Natal
South Africa

DIRECTORS

Craig Chambers* (*Chairman*)
Sbu Shabalala (*Chief Executive Officer*)
Tiffany Dunsdon (*Commercial Director*)
Nombali Mbambo (*Chief Financial Officer*)
Bongiwe Ntuli*
Catherine Koffman*
Oliver Fortuin*

* Independent non-executive director

TRANSFER SECRETARY

Computershare Investor Services (Pty) Ltd
PO Box 61051, Marshalltown, 2107
T +27 (0) 11 370 5000
F +27 (0) 11 688 5200

AUDITORS

Deloitte & Touche

SPONSOR

Merchantec Capital
2nd Floor, North Block
Hyde Park Corner Office Towers
Corner 6th Road and Jan Smuts Avenue
Hyde Park
Johannesburg
2196

CORPORATE BANKERS

The Standard Bank of South Africa Limited
ABSA Bank Limited

LEGAL REPRESENTATIVES

Shepstone & Wylie Attorneys
Read Hope Phillips Thomas Cadman Incorporated
Bousfield Incorporated
Michalsons
Eversheds Sutherland

ADAPT IT WEBSITE

www.adaptit.co.za

SOUTH AFRICAN OFFICES

GAUTENG

The Braes
Adapt IT House
I93 Bryanston Drive
Bryanston
Johannesburg
T +27 (0) 11 460 5300
F +27 (0) 11 460 5301

Wanderers Office Park
The Oval,
West Block Ground Floor
52 Corlett Drive
Illovo
Johannesburg
T +27 (0) 11 797 3000
F +27 (0) 11 797 3100

Dunkeld Gardens, Block B
17 Kent Road
Dunkeld West
Randburg
Johannesburg
T +27 (0) 11 507 0000
F +27 (0) 11 507 0001

Adapt IT Building
50 Bushbuck Lane
Monument Park
Pretoria
T +27 (0) 11 507 0000
F +27 (0) 11 507 0001

KWAZULU-NATAL

Rydall Vale Office Park
5 Rydall Vale Crescent
La Lucia Ridge
Durban
T +27 (0) 31 514 7300
F +27 (0) 86 602 8961

WESTERN CAPE

Great Westerford
3rd Floor
240 Main Road
Rondebosch
Cape Town
T +27 (0) 21 200 0480

AUSTRALIA

10 Wilson Street
Claremont
Western Australia
Australia
T +61 420 568 652

BOTSWANA

Fairscape Precinct
Plot 70667
Fairgrounds Office Park
Building 2 Floor 5
Gaborone
Botswana
T +267 316 7456
F +267 316 7457

IRELAND

City Junction Business Park
1st Floor, Chase House
Northern Cross
Malahide Road
Dublin 17
Ireland
T +353 1 687 3732

MAURITIUS

Clarens Field Business Park
Suite 8D1, Block 8
Riviere Noire Road
Bambous
90203
Mauritius
T +230 452 9349

NEW ZEALAND

Riverstone Terraces, 16 Frankie Stevens Place
Upper Hutt, 5080, New Zealand
T +64 4 528 9044

