Thank you Mr Chairman, and good morning to everyone attending.

I will provide a brief overview of the Bell Group, an overview of the 2020 year, and then give an update on the 2021 year so far as requested.

## Overview of the Group.

Bell Equipment is a leading global manufacturer, distributor, and exporter of a wide range of heavy equipment for the construction, mining, quarrying, sugar, forestry and waste handling industries worldwide.

The Articulated Dump Truck is our core OEM product, and we are acknowledged globally as an ADT specialist for our ongoing innovations and the class leading performance. Machines are marketed, distributed and supported, both locally and internationally, through a wide network of branches and independent dealers.

With a common thread of providing solutions for customers who require material handling machinery, our business model is clearly defined as a Global ADT OEM, a Southern African full range material handling distributor, a cost-effective agriculture and forestry solutions provider, and finally a provider of premium aftermarket support.

Currently on our E-series generation of trucks, we are recognised as a world leader and innovator for the ground-breaking technological advancements that we have pioneered over the past three decades to improve safety, productivity and machine efficiencies. Our OE strategy is to expand our product range over the next few years, to achieve manufacturing efficiencies and to ensure world class quality and durability across the range.

As we own our distribution network in South Africa, there has been a dedicated focus on building the product range in this region to offer customers a full range of equipment solutions across all industries. This has largely been achieved through strategic partnerships with like-minded OEMs that are leaders in their respective fields.

These partnerships enable us to meaningfully augment our own manufactured products, thereby providing the full spectrum of equipment for mining, quarrying, construction, roads and rehabilitation as well as the government and waste management sectors. Our distribution strategy entailed a consolidation of the various product ranges and alliance partners to improve the group's ability to stock and support machines that are popular in the market.

The independent dealer model has proven to be the most effective model in global markets where we distribute only the ADT, mainly due to the wider product offering and shared resources of independent dealers. This ensures that our customers receive the level of service and support that they expect.

Dealers are part of the extended Bell family and are supported by strategically placed, locally staffed Bell owned operations and a network of logistics centres that are ideally positioned to provide quick and efficient parts supply, across the globe. We continue to invest in these support structures.

**Now for an overview of our 2020 financial year.**

Last year was fraught with extraordinary challenges: from a fire in our Richards Bay administration building in January, which displaced a number of employees, to the outbreak of the COVID-19 pandemic a few months later that created operational complications, aggravated tough global trading conditions and kept margins under pressure.

The pandemic affected all aspects of our business in 2020. The initial hard lockdowns in the first half of the year led to the closure of our factory in South Africa for a month and in high levels of uncertainty and subdued sales in all markets. These sudden challenging conditions focused the business on cash preservation and working capital management. We worked prudently to bring high inventory levels down to acceptable levels and carefully balance sales requirements and production plans.

The protection of jobs remained and still is a top priority, with all non-critical capex delayed and discretionary expenses halted to manage cashflow and trim expenses to match the reduced income levels. We implemented 20% short time across all operations from May to July last year, while the Group Executive Committee members took a 25% salary reduction during the same period and the non-executive directors of the board sacrificed 30% of their director's meeting fees for six months.

The local market saw yet another significant drop in volumes of mining and construction equipment purchased. The COVID-19 pandemic and subsequent lockdown restrictions had a devastating impact on the supply chain, customer operations and purchases. The country went through further economic decline with cuts in demand and reduced spending in all sectors serviced and supplied by us. During the lockdown restrictions, parts of our South African market were considered essential services, so we could operate to support them. Measures were implemented that maintained business activity through the months where trading was virtually halted. By staying close to customers and focusing on growth and opportunity areas, we made market share gains thereby reducing the overall negative impact of the pandemic on volumes sold. Having stock at sufficient levels to support this was essential. Following the successful conclusion of BBBEE transactions, which took effect on 1 January 2020, both our South African factory and our South African sales and support operations are 51% black owned, and have improved BEE scorecards that position us more competitively in the local market, in line with our commitment to our transformation responsibilities.

The North American market, impacted by COVID-19 and presidential elections, also suffered a downward trend in the construction industry cycle. Most construction indicators were down with the ADT industry showing a 25% decline compared to 2019. Despite the ADT market conditions, distribution of our ADT products in the US posted the second highest annual result since 2013 with a 1,4% increase in market share. Our American Logistic Centre continued to rationalise and optimise inventory holding in 2020 and grew parts sales to the distribution network year on year.

Business in Canada was extremely volatile, and we were unable to recover from a woeful 2019. The distributor network into which we supply, carried over large inventory of new ADTs from 2019 into 2020, which impacted on sales from production for the year and resulted in the year ending with a disappointing market share for our sales into this market.

Several major projects in the UK, notably the HS2 rail project, are creating opportunities as the country's government works to strengthen the economy post Brexit. While we have grown market share in the UK and Germany, margins were tight throughout Europe.

Overall global markets shrunk in 2020 and competition had increased putting margins under immense pressure.

Australia managed the lockdowns well and realised growth in our ADT market share attributed largely to infrastructure and mining in Western Australia. However, reduced demand for commodities due to the pandemic and the subsequent lockdowns have impacted negatively on the South East Asia and Oceanic region.

While Africa also struggled with slowing demand for commodities directly impacting the ADT market, forestry and agriculture were well sustained and provided growth in our tri wheeler and Matriarch product range. Hardrock Earthworks was appointed as an authorised supplier and distributor in Namibia towards the end of 2020.

The group continued to increase its presence and market share in the Latin American ADT market, New model launches, opening of new routes to market and the introduction of the Matriarch line, also experienced growth in the forestry and agriculture sectors.

Our strategy to migrate to an independent dealer model in select markets has proven beneficial by enabling us to provide better coverage and support to customers in markets where areas are vast and machine populations comparatively low. This is further supported by synergies found with dealers that have complementary product lines in their stable. This enables them to derive additional revenue streams across different industries and sectors, manage through challenging and cyclical market trends as well as drive higher efficiencies and utilisation from resources critical to superior customer support.

To effectively manage and analyse the growing dealer network, we are implementing the Aspire dealer management programme globally. This tool will be used to measure dealer performance and offer incentives to meet set targets.

In August 2020 John Deere and ourselves mutually agreed to change the distribution arrangements that are in place in certain southern African markets whereby we exclusively distributed John Deere construction and forestry products under the Bell brand. As a result, from March 2021, we transitioned to a non-exclusive John Deere dealer arrangement, and will continue to distribute John Deere products until January 2023 and will provide aftermarket, technical and product support to customers for a further 10 years thereafter.

In addition to these changes to our strategic partnership with John Deere, in early November 2020 we were notified by IA Bell & Company, a 38,7% shareholder in the company, that it had entered into a formal binding agreement to acquire John Deere's 31,37% shareholding in Bell Equipment, conditional on the fulfilment of certain conditions precedent. The conclusion of the binding agreement was announced to the market on 6 November 2020.

I will address this topic in more detail when we talk about the 2021 year.

From a financial performance perspective, Revenue of R6,7 billion for 2020 was 14% down on 2019, which was an improvement on half year end when sales to 30 June 2020 were down 24% on the comparative period. Sales for the first half of 2020 were severely impacted by hard lockdowns and other measures taken by authorities globally to control the spread of the pandemic. Weak market conditions, low activity levels in the sectors that we operate in and uncertainty relating to the duration and severity of the pandemic meant that there was reduced demand for our products across all key markets. Sales in the second half of 2020 were 17% up on the first half and signs of some recovery were evident. The Rand was approximately 17% and 15% weaker against the Euro and USD respectively in 2020 compared with 2019 and this helped offset some of the impact of the volume pressure on revenue. Sales volumes were down approximately 25% on 2019.

We incurred a loss after tax of R57,2 million for the year, after reporting a loss after tax for the half year to 30 June 2020 of R52,3 million. Apart from the impact of weak economic conditions and low sales on the bottom line, the result for the year was further negatively affected by low production volumes, due to us having started 2020 with record high inventory levels which meant that planned production levels were low while inventory was being sold off and right sized, as well as by certain once off items. Low production levels resulted in low recovery of a largely fixed cost base, especially at our Richards Bay factory. This is evident in the operating losses reported for our manufacturing operations in South Africa and Germany in the segmental report.

The significant once off items impacting the 2020 results that total about R238m, related to provisions totalling R82 million for residual value losses on guarantees provided to a financial institution on equipment rentals financed in the USA, an impairment of R32 million on our owned facility in Kitwe, Zambia, an impairment of certain research and development projects totalling R23 million, net currency losses of R47 million for the year, and a reduction in the APDP incentive of R55 million due to the lower production volumes. These matters are detailed in the annual financial statements as well as in the investor presentation published together with the financial results.

Headline loss per share was 31 cents for the year, compared to 71 cents headline earnings per share as restated for 2019. No interim or final dividend was paid for the 2020 year.

Our factory in South Africa was forced to close for a month during the South African lockdown and disruptions to the supply chain were experienced. Consequently, the excess inventory holdings in the group at the start of the lockdowns proved to be beneficial during that period. Inventory ended 2020 at 240 days compared with 238 days at the end of 2019. The days inventory at year end is not a fair reflection of the overall reduction in physical inventory, as it is impacted by low sales in 2020. The inventory value in Rand terms is down 13% compared with the end of 2019 and taking the weakening of the Rand in 2020 into account, inventory has reduced by substantially more than that in real terms. This is evident in the significant reduction in the level of borrowings in the group in 2020. We are aiming to achieve inventory days of about 220 at year end, which is higher than what we initially forecast due to us having received large orders for major infrastructure projects, for delivery early in 2022.

Trade receivables days ended 2020 at 48 days, up from 42 days at the end of 2019. Considering the circumstances in 2020, we are pleased with collections and credit management and our bad debts remain low. Although certain customers experienced cash flow challenges during 2020 and this impacted on the timely collection of receivables in some cases, receivables are generally recovered in full.

The reduction in inventory levels released cash and resulted in a reduction in our borrowings. Cash generated from operations amounted to R996,2 million in 2020, reducing our gearing to 33% at year end compared to 55% at the previous year end.

**Now for an overview of 2021 so far.**

We appreciate the importance of being a sustainable business and the risks associated with not continuously pursing this as a goal. We therefore continue to evaluate ways in which to improve sustainability and believe that continuous improvement across all aspects of the business is key.

We find ourselves in a consolidation phase where no major expansionary capex spend has been budgeted for the foreseeable future. This follows several years of large expansions including our European Logistic Centre in Germany in 2016/2017, the establishment of the American Logistic Centre in the USA the following year and the expansion of our Eisenach-Kindel manufacturing facility in Germany in 2018/2019.

The internet of things and the fourth industrial revolution continue to gain traction. We understand that there is significant scope to grow our business with better adoption of these technologies in both future product development as well as immediate customer interactions.

With regards to product development, we have expanded our presence in the autonomous vehicle control space through collaborations with third party suppliers and have demonstrated the ability to provide a vehicle that can be safely controlled in a trial work application. Complementing our investment to grow intellectual property as a growth strategy, a significant amount of focus is being placed on direct customer interaction during and after initial machine sales. This is being achieved through further developments with Fleetm@tic®, our industry leading telematics system, the adoption of value-added services like online parts, and improving platforms for immediate online technical support.

Following extensive testing of our new tracked carrier machines to ensure integrity of design and engineering of the product, the official product launch for the US was undertaken in February 2021 with great interest. The tracked carrier is geared for short hauls in extremely poor underfoot conditions and was designed to provide a niche solution to the USA market. As part of our growth strategy, we will continue to investment to grow our intellectual property where we are able to successfully bring lower volume complex machines into the market.

In line with our focus on building the product range of our South African distribution business, we earlier this year announced, with great excitement, that Bell Equipment has been appointed as the distributor for the full range of JCB construction products in South Africa effective 1 May 2021. This change presents an exciting and important opportunity to reinvigorate the product lines affected by the changes in relationship with John Deere, as well as to introduce additional products not previously distributed. JCB is the world's third largest construction equipment brand by volume and has a rich history in the country spanning more than 40 years. As such, we believe this is a perfect match of premium products to a great distribution network.

I already mentioned that in November 2020 the company was notified by IA Bell & Company, a 38,7% shareholder, that it had entered into a formal binding agreement to acquire John Deere's 31,37% shareholding in Bell Equipment, conditional on the fulfilment of certain conditions precedent, as announced on 6 November 2020.

In addition, on 9 March 2021, the company received notification of a non-binding expression of interest from IA Bell & Company in respect of a possible transaction to acquire the entire issued ordinary share capital of Bell Equipment not already held by or to be acquired by IA Bell & Company, by way of a scheme of arrangement in terms of section 114 of the Companies Act, subject to the fulfilment of certain conditions precedent. In regard to these two possible transactions shareholders are referred to the company's relevant announcements published on SENS.

Shareholders will be informed if and when the company receives a binding firm intention offer from IA Bell & Company to acquire the entire issued ordinary share capital of the company, and the company will continue to comply with the JSE Listings Requirements and will comply with the Takeover Regulation Panel requirements, to the extent applicable, in this regard.

Throughout this process the board is focussed on sound governance, looking after shareholders, employees and customers as a priority.

From a market outlook perspective the sentiment going into 2021 has been cautiously optimistic from most regions with a healthy order book in place. An easing of restrictions for business is evident, with several mining and infrastructure projects coming online or being unlocked in the short term.

The industry outlook for South Africa remains depressed as the country grapples with low infrastructure spending in a weakened economy with spiralling national debt. The announced partnership with JCB should lead to some gains within the markets and growth for our company. JCB products have significant market share in the sectors in which they are active, and we have increased our resources to ensure our support is able to match the machine population.

Although we anticipate another tough trading year as we continue on the road to recovery, we believe that with an ongoing focus on cash preservation, working capital optimisation and expenses management, we have the capacity, the people and leading products to recover from the devastation caused by the virus. Restructuring is being investigated in terms of location rationalisation and efficiency improvements; however no retrenchments are planned as people are critical to our operational objective of selling to and supporting customers and their machines.

Addressing the concerns of acceptable financial returns being generated, I remain confident that the investments we have made and the strategies adopted over the last couple of years will see us moving closer towards delivering meaningful financial returns to shareholders over the next few years. Already, our efforts to date and the more optimistic and stronger than anticipated global market conditions, have resulted in a significantly better first half of the current year for the group, compared to the same period of 2020. In this regard we issued a SENS announcement earlier this week wherein shareholders were advised that our earnings per share and headline earnings per share are expected to be at least 350% or 168 cents higher for the six months ending 30 June 2021 when compared to the loss per share and headline loss per share of 48 cents for the six months ended 30 June 2020.

A further trading statement for the six months ending 30 June 2021 will be released on SENS once we have reasonable certainty regarding the extent of the expected increase in our results for the six months ending 30 June 2021.

The half-year results announcement is expected on or about 9 September 2021.

Through all regions we will continue focusing on improving customer service and dealer management to ensure that we drive growth in product volumes and aftermarket revenue, and supporting our active fleet globally.

We will continue to engage with government at various levels to encourage a better understanding of the assistance they could provide through implemented policy to help us to grow the economy in these extremely difficult times. Support from government in terms of the APDP extension is valued and we are engaging with the Minister and DTIC for greater protection as a proudly South African manufacturer and a substantial employer.

In a year characterised by uncertainty and high levels of fear and anxiety we have become more mindful of what matters most and what we should be grateful for. I am extremely proud of how we adapted, overcame adversity, and grew stronger as a team as a result.

My executive management team is commended on assisting me in maintaining hands on leadership and dynamic energy in these unprecedented times. Our ability to achieve a good balance of empathy and determination has encouraged adaptation and resilience throughout our global workforce and ensured business continuity.

The COVID - 19 pandemic has irrevocably changed the way we live and work and we are appreciative of the sacrifices all our employees made towards the sustainability of the group, the discipline and diligence with which they embraced our response strategies and their commitment to perform essential services to keep our customers operational.

We remember those staff members who we lost to the virus. We also pay tribute to Howard Buttery, a former chairman of the Bell board and a larger than life character who passed away from COVID-19 early this year. Howard played an integral role in the history and development of the group, and in some of us present here today.

Throughout this period the Executive Leadership have been grateful for the guidance and commitment of our board and I have no doubt that we have emerged stronger, thanks to the unified team effort.

A special thanks to our extended family of customers and dealers across the globe who continue to invest in the group and our products and entrust us with the ongoing support of their machines.

We are also grateful to all of our stakeholders for their continued support and confidence in the group.

Thank you very much Mr Chairman.