

Capital Appreciation Limited
Incorporated in the Republic of South Africa
"CAPPREC" or "the Company"
Registration number: 2014/253277/06
Registered office: 1st Floor, 61 Katherine Street, Sandton, 2196
JSE share code: CTA
ISIN: ZAE000208245

Reviewed provisional condensed group financial results
For the year ended 31 March 2020 and cash dividend declaration

Final features

- Revenue R701.2 million up 15.4%
- EBITDA R204.7 million up 29.1%
- Trading profit R206.1 million up 19.0%
- Headline earnings R142.3 million up 14.2%
- EPS 11.24 cents up 34.9%
- HEPS 10.67 cents up 28.1%
- Cash generation of R206 million
- Cash conversion rate 100% of trading profit
- Net asset value per share of 109 cents up 14.4%
- Final dividend per share of 2.75 cents bringing total dividend per share for the year to 5.00 cents an increase of 17.6%
- R505 million cash available for reinvestment

Operational highlights

- Growth continues across all business units
- Synthesis' excellent performance continues with expansion into new verticals and geographies
- Synthesis' AWS Advanced Consulting partner status expanded to include Financial Services and DevOps specialities, Well Architected Frameworks and SaaS Partner
- Continued market share gains in payment infrastructure solutions
- Payment terminals in the hands of clients, up 32.1%
- Expanded payment processing solutions introduced
- CAPPREC's new associate, GovChat, assists government with COVID-19 Social Relief from Distress (SRD) grants

Current year performance

CAPPREC is proud of the operating performance of each of the Group's business units. The performance is particularly pleasing given the challenging economic environment in South Africa. The COVID-19 pandemic has had limited impact on the Group's financial results in this reporting period.

The Company was able to increase its clients' aggregate payment terminal estate by 32.1% to 185 000 during the period and concluded additional strategic relationships for transaction processing. CAPPREC has also expanded its operational footprint into the retail sector and into ten countries beyond South Africa. The escalating demand for digital and cloud-based services, attracted new blue-chip clients, resulting in the specialised Services division increasing its revenue by 41.6%. To date, the partnership with GovChat has enabled more than 1.6 million individuals to apply for an SRD grant electronically.

CAPPREC successfully concluded a share repurchase transaction, advantageously reducing the number of

shares in issue by 15.8% to 1 310 000 000.

Dividends

The Board has pleasure in announcing that a final dividend of 2.75 cents per ordinary share has been declared for the year ended 31 March 2020. The total dividend for the year ended 31 March 2020 amounts to 5.00 cents per share (2019: 4.25 cents per share).

We note the following:

- Dividends are subject to dividends withholding tax.
- The payment date for the dividend is Monday, 20 July 2020.
- Dividends have been declared out of profits available for distribution.
- Local dividends withholding tax is 20%.
- Gross dividend amount is 2.75 cents per ordinary share, which is 2.20 cents net of withholding tax.
- CAPPREC has 1 310 000 000 ordinary shares in issue at the declaration date.
- CAPPREC's Income Tax Reference Number is 9591281176.

The salient dates relating to the dividend are as follows:

Last day of trade cum dividend	Tuesday, 14 July 2020
Shares commence trading ex-dividend	Wednesday, 15 July 2020
Dividend record date	Friday, 17 July 2020
Dividend payment date	Monday, 20 July 2020

Share certificates for ordinary shares may not be dematerialised or rematerialised between Wednesday, 15 July 2020 and Friday, 17 July 2020, both days inclusive.

Short-form notice

The contents of this short-form announcement are the responsibility of the Board of Directors of the Company. Shareholders are advised that this short-form announcement represents a brief summary of the information contained in the full announcement, published on <https://senspdf.jse.co.za/documents/2020/jse/isse/ctae/FY2020.pdf> and on CAPPREC's website www.capitalappreciation.co.za.

The full announcement is available for inspection at the registered office of the company during business hours and at no charge. Investors and/or shareholders may request copies of the full announcement by contacting the Company Secretary, details of whom are set out below.

Any forecast financial information contained in this announcement is the responsibility of the directors and has not been reviewed or reported on by the external auditors.

The independent auditor's report by Ernst & Young Inc. does not report on all of the information contained in this announcement of the financial results.

The directors of CAPPREC take full responsibility for the preparation of this provisional report and the financial information has been correctly extracted from the underlying reviewed group financial statements.

Any investment decisions by investors and/or shareholders

should be based on a consideration of the full announcement as a whole and shareholders are encouraged to review the full announcement as directed above.

For and on behalf of the Board:

Michael (Motty) Sacks
Chairman

Michael Pimstein
Joint Chief Executive Officer

Alan Salomon
Chief Financial Officer

Bradley Sacks
Joint Chief Executive Officer

Johannesburg
1 June 2020

Directors: MI Sacks# (Chairman), MR Pimstein* (Joint Chief Executive), BJ Sacks* (Joint Chief Executive), AC Salomon* (Chief Financial Officer), MB Shapiro*, B Bulo#, KD Dlamini#, JM Kahn#, EM Kruger#, R Morar#. VM Sekese#, CL Valkin#

* Executive, #Non-executive

Company secretary: PKF Octagon, PeterKatz@PKFOctagon.com

Transfer secretaries: Computershare Investor Services (Proprietary) Limited

Sponsor: Investec Bank Limited

Auditor: Ernst & Young Inc