

Operational features

- Strong demand for Group's products and services as corporate investment in digitalisation accelerates
- Terminal sales up 51%, with Android terminals enjoying significant demand
- Strong growth in the Software division, with revenue increasing by 34%
- International division established in June 2021
- Acquisition of the Responsive Group adding new capabilities and clients
- International income grew by 33%
- Compelling business pipeline across all businesses
- Improved operating margins from scale benefits and operating efficiencies
- Strong cash conversion continues to contribute to significant cash resources

Financial features

	March 2022	March 2021	% change
Revenue (R'million)	831.0	619.5	34.1
Trading profit (R'million)	273.2	186.9	46.2
EBITDA (R'million)	251.6	172.9	45.5
EBITDA margin %	30.3	27.9	240bps
Operating profit (R'million)	211.8	137.8	53.7
EPS (cents)	13.37	10.28	30.1
HEPS (cents)	13.40	10.34	29.6
Annual dividend (cents)	7.50	5.50	36.4
Cash available for reinvestment (R'million)	533.4	538.3	(0.9)
Net asset value (cents)	120.6	111.9	7.8

Current year performance

Capital Appreciation has experienced a strong acceleration in commercial activity and increasing interest in its turnkey solutions over the year. The Group's financial results reflect the strong demand for its innovative technology products and solutions. Capital Appreciation continued to attract a considerable number of high-profile local and international customers in the banking, financial, retail, healthcare, telecommunications and logistics sectors. The Group generated strong topline revenue growth and demonstrated good operating leverage, benefiting from the fulfilment of large terminal orders and pleasing growth in terminal transaction income, as well as significant increases in cloud-based and digital consulting services and third-party software and Hardware Security Module sales. The terminal estate grew to 277 000 terminals, reflecting a compounded annual growth rate of 41% since 2017. Synthesis attracted more than R300 million of contracted sales, which were partially fulfilled in the current year through new contract wins, significant software sales and the commencement of several long-term projects. The Group's innovative tap-on-glass payment products, Halo Dot and Dashpay Glass, offer significant and exciting prospects. There are multiple levels of collaboration already under way between Synthesis and the recently acquired Responsive Group and the businesses foresee exciting joint opportunities for combined and complementary service offerings. Capital Appreciation remains highly cash generative.

Digital transformation as well as an acceleration in demand for electronic payments, cloud services, and related advances are creating numerous opportunities for the Group and continue to support positive growth prospects over the medium term.

Dividends

The Board has pleasure in announcing that a final dividend of 3.75 cents per ordinary share has been declared for the year ended 31 March 2022 (2021: 3.00 cents per ordinary share), bringing the total dividend for the year to 7.50 cents per ordinary share (2021: 5.50 cents per ordinary share).

We note the following:

- Dividends are subject to dividends withholding tax.
- The payment date for the dividend is Monday, 27 June 2022.
- Dividends have been declared out of profits available for distribution.
- Local dividends withholding tax is 20%.
- The gross dividend amount is 3.75 cents per ordinary share, which is 3.00 cents per ordinary share net of withholding tax.
- Capital Appreciation has 1 310 000 000 ordinary shares in issue at the declaration date.
- Capital Appreciation's Income Tax Reference Number is 9591281176.

The salient dates relating to the dividend are as follows:

	2022
Last day of trade cum dividend	Tuesday, 21 June
Shares commence trading ex-dividend	Wednesday, 22 June
Dividend record date	Friday, 24 June
Dividend payment date	Monday, 27 June

Share certificates for ordinary shares may not be dematerialised or rematerialised between Wednesday, 22 June 2022 and Friday, 24 June 2022, 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/2022/jse/isse/ctae/FY2022.pdf> and on Capital Appreciation'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.

Ernst & Young Inc., the Group's Independent auditors, have audited the consolidated financial statements of Capital Appreciation Limited. The auditors have expressed an unmodified audit opinion on the consolidated financial statements. The audit report and key audit matter are available on the Company's website at <https://capitalappreciation.co.za/investor/reporting>.

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 directors of Capital Appreciation take full responsibility for the preparation of this report and the financial information has been correctly extracted from the underlying 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.

Signed 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

Sandton, 2 June 2022

Capital Appreciation Limited

"the Company" or "the Group", Incorporated in the Republic of South Africa

Registration number: 2014/253277/06 Registered office: 1st Floor 61 Katherine Street, Sandton, 2196

JSE share code: CTA ISIN: ZAE000208245

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

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Transfer secretaries: Computershare Investor Services (Proprietary) Limited

Sponsor: Investec Bank Limited Auditor: Ernst & Young Inc.