

CSG HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2006/011359/06)

Share code: CSG

ISIN: ZAE000184438

("CSG" or the "the Company")



FURTHER TRADING STATEMENT

In terms of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will differ by 20% or more from the financial results for the previous corresponding period.

Shareholders of CSG are referred to the initial trading statement issued on 25 June 2020 and are hereby advised that a reasonable degree of certainty exists that for the year ended 31 March 2020:

- Basic losses per share will be between 18.38 cents and 12.66 cents, representing an improvement of between 36% and 56%, compared to the basic loss of 28.61 cents per share reported for the prior year; and
- Headline losses per share will be between 8.23 cents and 9.23 cents, as compared to the headline earnings per share of 4.99 cents reported for the prior year.

Basic losses per share improved mainly as a result of the recognition of a smaller impairment of goodwill in 2020 relating to the Covid-19 pandemic, in comparison to the impairment of R200 million recorded in the prior year relating to the poor performance of the security division.

Headline earnings per share deteriorated to a loss due to the weaker performance across all three divisions, worsened by the poor performance of 7 Arrows and Revert Risk Management in the security division and the accounting of additional future credit losses resulting from the Covid-19 pandemic.

As noted in the SENS dated 26 June 2020, shareholders were advised that, the Company, through its wholly-owned subsidiary, 7 Arrows Security Proprietary Limited ("**7 Arrows**"), entered into an agreement with Fidelity ADT Monitoring Proprietary Limited, in terms of which the Company will sell a certain specified part of the armed response and monitoring business of 7 Arrows, and a certain specified part of the residential guarding business of 7 Arrows for a disposal consideration of R65,850,000 (sixty-five million eighty hundred and fifty thousand Rand), which consideration is subject to adjustment as set out in the full announcement.

The financial information on which this trading statement is based, has not been reviewed or reported on by the Company's external auditors. The reviewed results for the year ended 31 March 2020 is expected to be published on or about 1 July 2020.

Pretoria
29 June 2020

Sponsor
PSG Capital



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