

RAUBEX GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2006/023666/06)

JSE Share code: RBX

ISIN: ZAE000093183

("Raubex" or "the Company")

TRADING STATEMENT IN RESPECT OF THE SIX MONTH PERIOD ENDED 31 AUGUST 2020

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied that, with a reasonable degree of certainty, the financial results for the current reporting period will differ by at least 20% from the financial results of the previous corresponding period.

Shareholders are advised that Raubex expects its earnings per share and headline earnings per share for the six month period ended 31 August 2020 to be at least 80% lower than the earnings per share and headline earnings per share from the previous corresponding period. This translates to earnings per share and headline earnings per share being at least 51.7 cents and 46.9 cents lower than the earnings per share and headline earnings per share of 64.6 cents and 58.6 cents achieved in the previous corresponding period respectively.

The decrease in earnings is a result of the respective lockdowns declared in response to the Coronavirus ("Covid-19") pandemic. In South Africa, a National State of Disaster was declared on 15 March 2020, followed by a 21-day national lockdown which commenced on 26 March 2020 and a further 14-day extension to 30 April 2020. All businesses other than those providing essential services as defined by legislation were required to be closed for the duration of the lockdown. On 23 April 2020, the government announced a risk adjusted strategy for a gradual and phased reopening of the economy. The country effectively moved from a level 5 to a level 4 lockdown status from 1 May 2020, allowing *inter alia*, certain construction activities as well as mining operations to recommence under strict health and safety regulations. On 1 June 2020 the country moved from a level 4 to a level 3 lockdown status which further relaxed restrictions on the operations of certain businesses and activities.

The majority of Raubex operations in South Africa were able to commence under level 4 lockdown status, with a gradual increase in efficiencies to near normal levels of operation towards the end of July 2020. All of the Company's South African operations are now back on site and fully operational under the current level 3 lockdown status.

Internationally, in the rest of Africa, Botswana imposed a 48-day lockdown which ended on 20 May 2020, during which time all operations in the country were suspended. In Mozambique and Namibia, materials handling and crushing operations have experienced cross-border logistical issues which impacted production efficiencies. In Cameroon, operations have also been impacted by Covid-19 challenges, including travel restrictions and the quarantine periods that personnel are required to comply with both in South African and

Cameroonian jurisdictions. In Western Australia, operations have been performing well and have not been materially impacted by Covid-19.

The Company reported a strong balance sheet going into the Covid-19 crisis with cash and cash equivalents of R1,01 billion and interest bearing debt of R797,8 million at 29 February 2020. Strict working capital management and cash preservation measures have seen cash and cash equivalents grow to an average daily balance of R1,16 billion during the month of June 2020, while interest bearing debt remained relatively constant at R807,8 million at 30 June 2020. Daily cash balances during the month of July 2020 have averaged R1,40 billion supported by proceeds of R130,2 million received from the disposal of Raubex Property Investments (Pty) Ltd in the sale and leaseback transaction ("Transaction"), which was concluded in the prior year as more fully disclosed in the year end results announcement released on 29 May 2020. A further R56,8 million of the Transaction purchase price will be settled once all the necessary security is in place, including registration of first covering mortgage bonds over the remaining properties in the portfolio.

The contract opportunities which have been tendered on in the South African construction sector remain encouraging, however there have been no material awards to date since the year end results announcement released on 29 May 2020. The timing of awards has seemingly been delayed as a result of Covid-19 but it is hoped that the social relief and economic support package of R500bn (~10% of GDP) announced by the South African government on 21 April 2020, including an economic recovery strategy and interventions such as a substantial infrastructure build programme, will help to stimulate the South African economy over the medium term.

We are further encouraged by the notice published in South African Government Gazette No. 43547 on 24 July 2020, in which the Presidential Infrastructure Coordinating Commission designated 18 Strategic Integrated Projects ("SIPs") including 50 sub-projects. These designated projects emanated from the Sustainable Infrastructure Development Symposium which was hosted by President Cyril Ramaphosa on 23 June 2020 and focussed on the prioritisation of infrastructure development to support structural transformation, growth and job creation. The Company will be monitoring the development of these SIPs closely in the period ahead.

In terms of paragraph 3.4(b)(iii)(3) of the JSE Limited Listings Requirements, once more certainty is obtained, the Company will provide further guidance.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors.

Centurion
30 July 2020

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