

SPUR CORPORATION LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/000828/06)
Share Code: SUR & ISIN: ZAE000022653
("Spur" or "the group" or "the company")

SHORT-FORM ANNOUNCEMENT

ABRIDGED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 ("ABRIDGED RESULTS"), PAYMENT OF DEFERRED CASH DIVIDEND

Shareholders of Spur ("Shareholders") are advised that the group's abridged results and consolidated audited annual financial statements for the year ended 30 June 2021, were published on the websites of the JSE Limited ("JSE") and the group, today, 23 September 2021.

KEY FEATURES

Total franchised restaurant sales up 1.0% to R6.0 billion
Group revenue declined by 10.5% to R681.4 million
Profit before income tax increased by 16.0% to R148.2 million
Comparable profit before income tax declined by 18.6%
Deferred interim 2020 dividend of R70.978 million to be paid 25 October 2021
Headline earnings per share increased by 33.1% to 110.74 cents
Diluted headline earnings per share 33.0% higher at 110.37 cents
Cash and cash equivalents up R95.6 million to R260.9 million
Net asset value per share up 18.6% to R7.56
Group in an ungeared financial position at year end

TRADING PERFORMANCE

The macro-economic impact of COVID-19, and the resultant erratic trading restrictions imposed in South Africa and globally, continue to create uncertainty in the restaurant industry.

New restaurant turnover trends therefore emerged that were closely aligned to these changing consumer requirements and ongoing government regulation of seating capacity, takeaway/deliveries only and curfew hours.

Despite the continuation of these difficult trading conditions, the group's casual dining restaurants were better positioned to manage deliveries and takeaways, loyal customers were more responsive to convenience channels such as click and collect, and, overall, the second half of the F2021 trading year produced improved results that indicate a slow, but positive, recovery.

Total franchised restaurant sales increased 1.0% from R5.979 billion to R6.038 billion.

After declining by 31.0% in the first half, the group grew franchised restaurant sales in South Africa by 1.5% for the financial year. This represents a 74.5% increase in the second half of the year, over the same period in F2020, which was severely impacted by the total prohibition on sit-down trade in the fourth quarter.

International franchised restaurant sales declined by 3.0%. Based on a constant exchange rate, international restaurant sales were 1.1% higher.

In South Africa, 19 restaurants were opened during the year and 27 were closed.

Eight restaurants were opened internationally, with three in Zambia, two in Eswatini and one each in Zimbabwe, Ghana and Oman. Seven international restaurants were closed in Cyprus, Lesotho, Zambia, Mauritius and Australia.

FINANCIAL PERFORMANCE

Although restaurant sales in the second half of the financial year improved over the first half, group revenue was impacted by concessions on franchise and marketing fees charged to franchisees during the year to support their financial sustainability.

These concessions, together with lower sales in company-owned restaurants, resulted in group revenue declining by 10.5% to R681.4 million (2020: R761.6 million). Revenue from the South African operations accounted for 95.8% of total group revenue. The balance represents international revenue, which declined by 11.5%.

Group profit before income tax increased by 16.0%.

Profit before income tax in the South African operations increased by 7.5% despite profit earned from franchise segments declining by 7.2%. This is due to the increased contribution to profit from the group's manufacturing operations and company-owned stores, as well as the impact of the consolidation of net marketing contributions.

In the international operations, profit from franchise operations increased to R10.8 million (2020: R2.7 million). The prior year included allowances for credit losses of R6.6 million in Australia.

Comparable profit before income tax, excluding once-off and unusual items as well as the impact of marketing funds, decreased by 18.6%.

Headline earnings increased by 28.3% to R93.0 million, with diluted headline earnings per share 33.0% higher at 110.37 cents.

DIVIDEND

No dividend has been declared in respect of the 2021 financial year.

PAYMENT OF DEFERRED CASH DIVIDEND

Shareholders are referred to the interim dividend for the year ended 30 June 2020 ("interim 2020 cash dividend") of R70.978 million which was declared on 26 February 2020 ("declaration date") and was due to be paid on 6 April 2020. Following the outbreak of COVID-19 and the potential impact of long-term trading restrictions on the group's cash reserves, the board of directors of Spur ("board") advised Shareholders on 30 March 2020 that payment of the dividend would be deferred until 5 October 2020. On 3 September 2020, the board advised Shareholders that

payment of the dividend would be further deferred. Shareholders were advised at the time of releasing interim results for the six months ended 31 December 2020 on 2 March 2021 that the board had determined it appropriate, in compliance with the Companies Act and the directors' fiduciary duties, to defer the payment of the dividend until future cash flows could be predicted with a greater confidence level.

Shareholders are advised that the board has, on Wednesday, 22 September 2021, resolved to authorise the payment of the interim 2020 cash dividend of R70.978 million, which equated to 78.0 cents per share for each of the 90 966 932 Spur shares in issue, subject to the applicable tax levied in terms of the Income Tax Act, Act 58 of 1962, as amended ("dividend withholding tax").

The interim 2020 cash dividend was declared from income reserves. The dividend withholding tax is 20% and a net dividend of 62.4 cents per share will be paid to those Shareholders who are not exempt from dividend withholding tax. Spur's income tax reference number is 9695015033. Spur had 90 966 932 share in issue at the declaration date and this remains unchanged at the date of this announcement.

In accordance with the provisions of Strate, the electronic settlement and custody system used by the JSE, the relevant dates for the dividend are as follows:

Event	Date
Publication date	Thursday, 23 September 2021
Last day to trade 'cum dividend'	Tuesday, 19 October 2021
Shares commence trading 'ex dividend'	Wednesday, 20 October 2021
Record date	Friday, 22 October 2021
Payment date	Monday, 25 October 2021

Those Shareholders of the company who are recorded in the company's register as at the record date will be entitled to the dividend. Share certificates may not be dematerialised or rematerialised between Wednesday, 20 October 2021 and Friday, 22 October 2021, both days inclusive.

TRADING POST YEAR-END

Trading in July 2021 proved difficult due to continuing restrictions and curfew hours.

In addition, July was adversely impacted by the widespread civil unrest in KwaZulu-Natal in the second week of July 2021. This resulted in nine of the group's franchised restaurants being looted and vandalised, with damages totalling R29.5 million. Franchised restaurant turnover loss in July alone was R14.6 million due to the closure of the restaurants.

August 2021 was a buoyant trading month, stimulated by increased marketing activity and value-added campaigns across most brands. This positive trend continued into September.

In September 2021 alone, nine restaurants opened, which included four Spur restaurants (three of which are stores restored post looting), three RocoMamas restaurants, one The Hussar Grill restaurant and a new iconic Nikos restaurant in Montecasino.

OUTLOOK

As the COVID-19 vaccination programme gathers momentum in South Africa, the frequency of restaurant visits is expected to increase.

The group is resilient and well positioned to respond to any further changing market conditions.

In line with the refocused strategy, to dominate with brands leading the experience, the group plans to open 32 new restaurants in South Africa and seven internationally in the 2022 financial year.

For and on behalf of the board

Mike Bosman
Chairman

Val Nichas
Group chief executive officer

Cape Town
23 September 2021

DIRECTORS

Independent non-executive: M Bosman (chairman), C Fernandez, J Boggenpoel, L Molebatsi, A Parker, S Phillip, S Zinn

Executive: V Nichas (CEO), C Teixeira (CFO), K Robertson (COO)

Company secretary: D Meyer (appointed 1 March 2021)

Registered office: 14 Edison Way, Century Gate Business Park, Century City, 7441

Transfer secretaries: Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Sponsor: Sasfin Capital, a member of the Sasfin Group

This short-form announcement is a summary of the information contained in the detailed annual abridged results announcement, which is available at <https://senspdf.jse.co.za/documents/2021/jse/isse/SUR/YE2021.pdf> and on the company's website at www.spurcorporation.com/investors/results-centre/. The full announcement is available for inspection, at no charge, at the company's registered office and at the offices of Sasfin Capital (29 Scott Street, Waverley, Johannesburg) and copies may be requested from the company's registered office during business hours. Any investment decision in relation to the company's shares should be based on consideration of the full announcement.

This short-form announcement is the responsibility of the board of directors and has been prepared under the supervision of the chief financial officer, Cristina Teixeira CA(SA).

The consolidated annual financial statements have been audited by the group's auditors, KPMG Inc, who expressed an unmodified audit opinion thereon. The auditor's report includes one Key Audit Matter relating to the assessment of the carrying value of intangible assets and goodwill due to the magnitude of the aggregate carrying amounts of these assets. This auditor's report, along with the consolidated annual financial statements for the year ended 30 June 2021, can be downloaded from www.spurcorporation.com/investors/results-centre/. The integrated annual report and notice of Annual General Meeting is expected to be published on or before 29 October 2021.

Sponsor
Sasfin Capital (a member of the Sasfin Group)
Cape Town
23 September 2021