

ELLIES HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2007/007084/06)

JSE share code: ELI ISIN: ZAE000103081

("Ellies" or the "Company")



TRADING STATEMENT

In terms of the JSE Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 20% from the previous corresponding period.

Shareholders are accordingly advised that Ellies expects a loss per share ("**LPS**") for the six months ended 31 October 2021 of 3,06 cents per share when compared to the earnings per share ("**EPS**") of 2,56 cents for the six months ended 31 October 2020. A headline loss per share ("**HLPS**") for the six months ended 31 October 2021 of 4,36 cents is also expected compared to the headline earnings per share ("**HEPS**") of 2,37 cents for the six months ended 31 October 2020.

During the period being reported on, Ellies issued 185,2 million subscription shares in terms of the BBBEE transaction announced on 6 July 2021 and per the circular dated 10 August 2021 and the EPS and HEPS per share for the six months ended 31 October 2021 is based on the weighted average shares in issue.

The trading results for the period have been disappointing, with revenues declining by 24,6% compared to the six months ended 31 October 2020 when Ellies benefitted from increased revenues as a result of an easing of lockdown restrictions.

The general trading environment in this period has remained constrained in the wake of the ongoing Covid-19 pandemic, the unrest and related looting, and supply chain constraints. Ellies is however optimistic on a recovery in the second half of the year. Improved forecasting and higher levels of stock holding on fast moving stock will help mitigate supply chain delays. As announced, Ellies has been appointed as the exclusive distributors of Nokia multi-media products and together with an innovative monthly payment solution for customers, Ellies expects to regain lost revenues.

Uninterrupted power supply and alternate energy are growing contributors to Ellies revenues. Load shedding was reintroduced in November 2021 and resulted in Ellies' highest sales performance in the last 2 years which is not included in the reported numbers. Load shedding will remain for the foreseeable future and together with the potential 20% Eskom tariff increase in April, Ellies is confident of increased demand in this category and is gearing itself to meet this demand.

The introduction of our new shareholder as mentioned above has enabled Ellies to achieve a level 3 BBBEE certification and Ellies is currently pursuing multiple commercial opportunities which could potentially come to fruition before financial year-end.

The financial results for the six months ended 31 October 2021 are anticipated to be released on or about 15 December 2021.

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

10 December 2021

Sponsor

