

Capital Appreciation Limited
Incorporated in the Republic of South Africa
Registration number: 2014/253277/06
JSE share code: CTA ISIN: ZAE000208245
"the Company" or "the Group"

AUDITED SUMMARISED CONSOLIDATED FINANCIAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2023 AND CASH DIVIDEND DECLARATION

Operational features

- Demand for Group's products and services unabated as corporate digitalisation continues
- Further diversification of revenue streams, particularly strong growth outside South Africa
- Continued growth in terminal estate, up 18% to 328 000
- Strong growth in Payments' annuity income, up 24.1%
- Expected credit loss provision raised of R70.8 million for loan to associate, GovChat, impacted on EPS and HEPS
- Substantial investment into future revenue opportunities impacts short-term earnings
- Continued good cash generation from operations
- Successful integration of Responsive acquisition
- Pending acquisition of the Dariel Group, post-year-end, will add new opportunities

Financial features

		March 2023	March 2022	% change
Revenue	(R'million)	995.1	831.0	19.7
EBITDA	(R'million)	235.7	251.6	(6.3)
EBITDA margin	(%)	23.7	30.3	(660)bps
Operating profit	(R'million)	193.0	211.8	(8.9)
Headline earnings	(R'million)	91.5	163.7	(44.1)
EPS	(cents)	7.39	13.37	(44.7)
HEPS	(cents)	7.44	13.40	(44.5)
Annual dividend per share	(cents)	8.25	7.50	10.0
Net asset value per share	(cents)	121.1	120.6	0.4

Current year performance

Capital Appreciation has experienced continued robust demand for its products and services. The Software division generated significant revenue growth and profits while the Payments division has performed satisfactorily compared to the record results of the prior year. The Group continued to attract new high-profile local and international clients and evolved its revenue mix with the introduction of new products, services, and geographies. Non-South African revenue now comprises 15.2% of Group revenue, from 6.6% 12 months ago. The diversification of revenue streams creates notable growth opportunities for the Group. Growing pipelines in both divisions and positive momentum in customer engagements have provided the impetus to invest in resources and research and development to position the Group optimally for expansion. As a result, the prospects for the year ahead are promising. Capital Appreciation successfully integrated the Responsive group acquired in March 2022, and in April 2023, announced the acquisition of Dariel Solutions Proprietary Limited.

Dividends

The Board has the pleasure of announcing that a final dividend of 4.00 cents per ordinary share has been declared for the year ended 31 March 2023 (2022: 3.75 cents per ordinary share), bringing the total dividend to 8.25 cents per ordinary share (2022: 7.50 cents per ordinary share).

We note the following:

- * Dividends are subject to dividends withholding tax.
- * Dividends have been declared out of profits available for distribution.
- * Local dividends withholding tax is 20%.
- * The gross dividend amount is 4.00000 cents per ordinary share, which is 3.20000 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:

Last day of trade cum dividend	Tuesday, 27 June 2023
Shares commence trading ex-dividend	Wednesday, 28 June 2023
Dividend record date	Friday, 30 June 2023
Dividend payment date	Monday, 3 July 2023

Share certificates for ordinary shares may not be dematerialised or rematerialised between Wednesday, 28 June 2023 and Friday, 30 June 2023, 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/2023/jse/isse/ctae/FY2023.pdf> and 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.

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.

Ernst & Young Inc., Capital Appreciation Limited's independent auditors have audited the consolidated financial statements of the Group, which the summarised consolidated results have been derived from. The auditor also expressed an unmodified opinion on the consolidated financial statements. The consolidated financial statements and auditor's report, including the key audit matter, are available on the Company's website www.capitalappreciation.co.za.

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 Pinstein
Executive Chairman

Bradley Sacks
Chief Executive Officer

Alan Salomon
Chief Financial Officer

Sandton, 6 June 2023

Capital Appreciation Limited
"the Company" or "the Group", Incorporated in the Republic of South Africa
Registration number: 2014/253277/06 Registered office: Unit 2, 44 Saturn Crescent Linbro Business Park Sandton, Johannesburg, 2090
JSE share code: CTA
ISIN: ZAE000208245
Directors: MR Pimstein* (Executive Chairman), BJ Sacks* (Chief Executive Officer), AC Salomon* (Chief Financial Officer),
MB Shapiro*, B Bullo#, KD Dlamini# (Lead independent director), EM Kruger#, RT Maqache#, VM Sekese#, CL Valkin#

* Executive, #Non-executive

Company secretary: PKF Octagon: PeterKatz@PKFOctagon.com
Transfer secretaries: Computershare Investor Services (Proprietary) Limited
Sponsor: Investec Bank Limited
Auditor: Ernst & Young Inc.