

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

Audited Consolidated Financial Results

FOR THE YEAR ENDED 31 MARCH 2024 AND CASH DIVIDEND DECLARATION

Operational features

- Revenue exceeded landmark R1 billion, up 19%
- Strong progress arising from new and diversified revenue streams
- R123 million investment in future revenue opportunities
- Successful integration of the Dariel acquisition
- R320 million cash generated from operations, up 75%
- Continued growth in the terminal estate, up 9% to 357 000
- Multiple terminal tenders awarded post year-end

Financial features

	March 2024	March 2023	% change
Revenue (R'million)	1 182.0	995.1	19
EBITDA (R'million)	252.8	164.9	53
EBITDA margin (%)	21.4	16.6	480 bps
Operating profit (R'million)	215.8	193.0	12
Cash generated from operations (R'million)	319.7	183.2	75
Headline earnings (R'million)	171.0	91.5	87
Basic earnings per share (cents)	13.59	7.39	84
Headline earnings per share (cents)	13.61	7.44	83
Annual dividend per share (cents)	10.00	8.25	21
Net asset value per share (cents)	125.7	121.1	4

Current year performance

Capital Appreciation experienced strong demand for its technology solutions, products and services, leading to a robust financial performance, particularly in the second half of the financial year.

Despite the sluggish economy, the Payments and Software divisions gained new clients, diversified revenue sources and increased market shares in an expanding technology sector. The Payments division delivered a robust performance, with notable growth in terminal sales, the terminal estate and annuity revenue. That positive momentum is carrying through into FY25, with Payments being successful in several meaningful three-to-five-year tenders, awarded post-year end. The Software division also achieved good revenue growth, especially in cloud, data and digital consulting services. However, the deferral of certain software projects and various cost-cutting measures adopted by clients, depressed revenue generation, created bench over-capacity and consequentially affected profitability.

Capital Appreciation invested R123 million this year on future growth in terms of acquisitions, increased rental assets, intellectual property development, new software solutions and providing funding to its associates. The Group generated significant cash, resulting in a cash reserve of R467.4 million at year end. The products and services offered by the Company hold great potential for medium- and long-term growth and the Group's cash resources will be applied towards optimising these opportunities. Terminal sales, rentals and related support services, already secured by the Payments Division since year end, are expected to have a positive impact on the performance of the Group going forward.

Dividends

The Board has the pleasure of announcing that a final dividend of 5.75 cents per ordinary share has been declared for the period ended 31 March 2024 (2023: 4.00 cents per ordinary share), bringing the total dividend for the year to 10.00 cents per ordinary share (2023: 8.25 cents per ordinary share) an increase of 21%.

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 5.75000 cents per ordinary share, which is 4.60000 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, 25 June 2024
Shares commence trading ex-dividend	Wednesday 26 June 2024
Dividend record date	Friday, 28 June 2024
Dividend payment date	Monday, 1 July 2024

Share certificates for ordinary shares may not be dematerialised or rematerialised between Wednesday, 26 June 2024 and Friday, 28 June 2024, both days inclusive.

Short-form notice

This short-form announcement is the responsibility of the Board of Directors of the Company.

The Group annual consolidated financial statements were audited by Ernst & Young Inc who expressed an unmodified opinion thereon and is available on the Group's website at www.capitalappreciation.co.za and on the JSE website <https://senspdf.jse.co.za/documents/2024/jse/isse/ctae/FY2024.pdf> ("full announcement").

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. 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.

Results webcast and presentation

Shareholders and other interested parties are invited to watch Capital Appreciation's annual results webcast which will be available from 11:00 SAST on Wednesday, 5 June 2024 at the following link: <https://www.corpcam.com/CA05062024>.

Signed on behalf of the Board

Michael Pimstein
Executive Chairman

Bradley Sacks
Chief Executive Officer

Alan Salomon
Chief Financial Officer

Sandton, 5 June 2024

Directors: MR Pimstein* (Executive Chairman),
BJ Sacks* (Chief Executive Officer),
AC Salomon* (Chief Financial Officer),
MB Shapiro*,
B Bulo#,
A Dambuza#,
KD Dlamini# (Lead independent director),
EM Kruger#,
RT Maqache#,
VM Sekese#.

* 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.