

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

Unaudited Interim Financial Results  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 AND CASH DIVIDEND DECLARATION

Operational features

- Marked improvement in demand for Capital Appreciation's products and services post-elections
- Revenue up 10.4% to R612 million
- Excellent performance from the Payments division
- Terminal estate grew 13% to 387 000
- Terminal sales and rental income up 26% and 70% respectively
- Software financial performance materially impacted, in the short term, by under-utilised resources
- Encouraging pipeline developing in both divisions
- Strong balance sheet with R419.7 million cash available as at 30 November 2024

Financial features

		September 2024	September 2023	% increase/ (decrease)
Revenue	(R'million)	611.5	554.2	10.4
EBITDA	(R'million)	113.8	117.5	(3.1)
EBITDA margin	(%)	18.6	21.2	(260) bps
Operating profit	(R'million)	90.7	105.3	(13.9)
EPS	(cents)	5.94	6.48	(8.3)
HEPS	(cents)	5.96	6.50	(8.3)
Interim dividend	(cents)	4.50	4.25	5.9
Cash available for reinvestment at 30 September	(R'million)	326.7	486.3	(32.8)
Net asset value	(cents)	126.8	124.5	1.8

Current year performance

Capital Appreciation performed satisfactorily despite ongoing low business confidence and sluggish economic growth during the reporting period. The Group's two divisions attracted new clients and renewed long-term contracts, diversified their revenue sources and grew market shares. While Q1'25 was affected by low business confidence with businesses postponing major capital expenditures, Q2'25 showed a marked improvement in sentiment with a revitalised interest in the Group's products and services.

The Payments division, whose revenue grew 18.5%, posted an excellent set of financial results, benefiting from robust terminal sales and rental income as well as good traction in its revenue diversification efforts, particularly the Payments software-as-a-service initiatives.

The Software division's top line increased by 2.4%. Satisfactory revenue growth in South Africa of 9.7% was offset by lower international revenue as a large contract resourced from South Africa, reached maturity. The cost cutting measures and ongoing deferral of projects implemented by clients caused bench over-capacity, which affected profitability.

While we anticipate low economic growth for the remainder of the 2025 financial year, both divisions have experienced positive momentum in activity levels since the national elections. The Payments and Software divisions are well-positioned to take advantage of these improved conditions, and we are encouraged by the pipelines that have developed recently.

Capital Appreciation's operating companies continue to be asset-light businesses, generating positive cash flows. The Group maintains a strong and unencumbered balance sheet with R419.7 million in cash available as of 30 November 2024 to fund organic growth, acquisition opportunities, investments, and further share repurchases. The Group will continue to invest in growth-related initiatives, as appropriate.

Changes to the Board

Alan Salomon, one of the Group's founders, executive director and CFO, will retire on 31 December 2024. Sjoerd Douwenga will be appointed to the Board and as CFO on the effective day of Alan's retirement.

Dividends

The Board has pleasure in announcing that an interim dividend of 4.50 cents per ordinary share has been declared for the six months ended 30 September 2024 (2023: 4.25 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 4.50000 cents per ordinary share, which is 3.60000 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:

Declaration date	Tuesday, 3 December 2024
Last day to trade	Monday, 30 December 2024
Shares commence trading ex-dividend	Tuesday, 31 December 2024
Record date	Friday, 3 January 2025
Payment date	Monday, 6 January 2025

Share certificates for ordinary shares may not be dematerialised or rematerialised between Tuesday, 31 December 2024 and Friday, 3 January 2025, 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/2024/jse/isse/ctae/HY2025.pdf> and Capital Appreciation's website [www.capitalappreciation.co.za](http://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.

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.

Results webcast and presentation

Shareholders and other interested parties are invited to join management in discussing Capital Appreciation's interim results via webcast at 14:00 SAST on Tuesday, 3 December 2024 at the following link: <https://www.corpcam.com/CA03122024>.

Signed on behalf of the Board

Michael Pimstein  
Executive Chairman  
Bradley Sacks  
Chief Executive Officer  
Alan Salomon  
Chief Financial Officer  
Sandton, 3 December 2024

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("Capital Appreciation" or the "Group" or "the Company") Incorporated in the Republic of South Africa

Registration number: 2014/253277/06

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#, 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: Deloitte & Touche