CA SALES HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
South Africa registration number 2011/143100/06
Botswana registration number EX2017/18292
Share code: CAS ISIN: ZAE400000036
("**CA Sales**" or "**the group**")

AUDITED CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

COMMENTARY

Nature of business

CA Sales operates within the fast-moving consumer goods industry and delivers route-to-market services to blue-chip manufacturers. The service offering includes selling, merchandising, warehousing, distribution, shopper promotions, training and debtor's administration. The group has a diverse geographical presence across Southern Africa operating in Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

Financial highlights

CA Sales is pleased to announce its year-end results for the year ended 31 December 2018. Revenue increased by 14.8% to over R5.5 billion from R4.8 billion in the prior year, through a combination of organic and acquisitive growth. In a challenging operating environment, management continued to focus on margin retention, stock management, dynamic service levels and continual cost analysis. This resulted in a double digit increase in gross profit of 14% to R824 million (2017: R723.6 million) and a robust 31% increase in headline earnings to R179.4 million (2017: R136.8 million). This was also supported by the increased shareholding in major subsidiaries towards the end of last year. Headline earnings per share was up 20% to 40.11 cents per share (2017: 33.23 cents).

The group is pleased with the solid results produced by the major operating companies, despite the challenging economic enviroment in Namibia and South Africa. Manufacturers' below the line marketing spend cuts have however, negatively impacted on the marketing and promotional operations.

Goodwill of R90.5 million arising on the acquisition of Expo Africa Group and SMC Namibia has been impaired by R27 million based on the reassessment of the cash-generating units' future cash flows, negatively impacting earnings per share.

Total assets increased by 22% to R2.5 billion mainly as a result of the acquisition of the land and buildings in Botswana. The bond over these properties increased the group's debt-to-equity ratio to 36% (2017: 26%).

Future strategy

CA Sales will continue its expansion by growing its principal and customer networks and making value-adding acquisitions, widening its footprint further into new markets.

It is expected that the difficult economic environment in certain markets will prevail for the time being. The group is, however, well positioned with a strong balance sheet and a diverse geographical presence across Southern Africa.

The group's diversified portfolio should enable it to deliver sustainable results in the future.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		(Audited) year ended 31 Dec 2018 R'000	(Audited) year ended 31 Dec 2017 R'000
Revenue	9	**5 555 533**	4 838 511
Cost of sales		**(4 731 467)**	(4 114 878)
Gross profit		**824 066**	**723 633**
Other operating expenses		**(579 143)**	(520 051)
Other operating income		**15 262**	27 680
Operating profit		**260 185**	**231 262**
Share of profit of investments accounted for using the equity method		**3 191**	464
Profit before interest and tax		**263 376**	**231 726**
Finance income		**8 463**	13 265
Finance costs		**(22 936)**	(16 175)
Profit before income tax		**248 903**	228 816
Income tax		**(76 897)**	(56 969)
Profit for the year		**172 006**	**171 847**
Other comprehensive income:			
Items that will be reclassified to profit or loss net of taxation			
Foreign currency translation differences		**17 734**	(3 999)
Total comprehensive income for the year		**189 740**	**167 848**
Profit attributable to:			
Owners of the parent		**152 755**	144 737
Non-controlling interest		**19 251**	27 110
Total profit for the year		**172 006**	**171 847**
Total comprehensive income attributable to:			
Owners of the parent		**170 356**	140 760
Non-controlling interest		**19 384**	27 088
Total comprehensive income for the year		**189 740**	**167 848**
Basic earnings per share (cent)		**34.16**	35.14
Diluted earnings per share (cent)		**34.01**	34.46

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**(Audited) at 31 Dec 2018 R'000**	(Audited) at 31 Dec 2017 R'000
Assets			
Non-current assets		**983 210**	696 141
Property, plant and equipment	6	419 062	100 807
Intangible assets		540 236	566 591
Investments accounted for using the equity method		13 923	16 273
Deferred income tax assets		9 989	12 470
Current assets		**1 573 723**	1 397 805
Inventories		335 958	313 550
Trade and other receivables		1 004 987	878 389
Income tax receivable		5 456	1 725
Cash and cash equivalents (excluding overdrafts)		227 322	204 141
Total assets		**2 556 933**	2 093 946
Equity and liabilities			
Equity		**1 327 649**	1 183 868
Stated capital	7	833 348	841 526
Other reserves		30 264	14 398
Retained earnings		411 569	286 145
Non-controlling interest		52 468	41 799
Non-current liabilities		**306 596**	27 532
Borrowings	8	301 268	23 308
Deferred income tax liabilities		5 328	4 224
Current liabilities		**922 688**	882 546
Trade and other payables		691 185	543 120
Provisions		52 351	52 624
Income tax payable		2 980	5 557
Borrowings		176 172	281 245
Total equity and liabilities		**2 556 933**	2 093 946

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Other reserves R'000	Retained earnings R'000	Total attributable to owners R'000	Non-controlling interest R'000	Total R'000
Balance at 31 December 2016 (Audited)	**708 944**	**14 042**	**236 122**	**959 108**	**66 712**	**1 025 820**
Profit for the year	–	–	144 737	144 737	27 110	171 847
Other comprehensive income						
Currency translation differences net of taxation	–	(3 977)	–	(3 977)	(22)	(3 999)
Transactions with owners:						
Shares issued net of capitalised listing fees	132 582	–	–	132 582	–	132 582
Share-based payment	–	4 333	–	4 333	–	4 333
Acquisition of subsidiary	–	–	–	–	3 641	3 641
Transactions with non-controlling interest	–	–	(73 427)	(73 427)	(44 150)	(117 577)
Dividends paid	–	–	(21 287)	(21 287)	(11 492)	(32 779)
Balance at 31 December 2017 (Audited)	**841 526**	**14 398**	**286 145**	**1 142 069**	**41 799**	**1 183 868**
Profit for the year	–	–	152 755	152 755	19 251	172 006
Other comprehensive income						
Currency translation differences net of taxation	–	17 601	–	17 601	133	17 734
Transactions with owners:						
Share-based payment cost of share options exercised	(8 178)	(5 932)	–	(14 110)	–	(14 110)
Share-based payment	–	4 197	–	4 197	–	4 197
Acquisition of subsidiary	–	–	–	–	445	445
Transactions with non-controlling interest	–	–	(697)	(697)	(106)	(803)
Dividends paid	–	–	(26 634)	(26 634)	(9 054)	(35 688)
Balance at 31 December 2018 (Audited)	**833 348**	**30 264**	**411 569**	**1 275 181**	**52 468**	**1 327 649**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Audited) year ended 31 Dec 2018 R'000	(Audited) year ended 31 Dec 2017 Restated R'000
Cash flows from operating activities		
Cash generated from operations	**325 980**	41 700
Interest paid	**(22 936)**	(16 174)
Income taxes paid	**(79 048)**	(59 250)
Net cash generated from/(utilised by) operating activities	**223 996**	(33 724)
Cash flows from investing activities		
Acquisition of subsidiaries	**(275)**	(77 031)
Additions to property, plant and equipment	**(15 710)**	(10 669)
Additions to intangible assets	**(4 168)**	(3 786)
Proceeds from disposal of property, plant and equipment	**6 213**	3 486
Acquisition of associated companies	**(8 052)**	(13 369)
Loans repaid by associated companies	**1 411**	–
Loans granted to associated companies	**(750)**	–
Proceeds from disposal of associated companies	**11 995**	–
Investments in preference shares repaid	**–**	16 000
Dividends received	**–**	628
Interest received	**8 463**	13 265
Net cash outflow from investing activities	**(873)**	(71 476)
Cash flows from financing activities		
Shares issued	**–**	66 503
Capitalised listing fees	**–**	(5 422)
Payments to non-controlling interest to acquire shares	**–**	(46 013)
Dividends paid	**(29 408)**	(20 415)
Dividends paid to non-controlling interest	**(9 054)**	(11 492)
Repayment of borrowings	**(137 748)**	(37 431)
Proceeds from borrowings	**–**	124 348
Net cash (outflow)/inflow from financing activities	**(176 210)**	70 078
Net increase/(decrease) in cash and cash equivalents	**46 913**	(35 122)
Effects of exchange rate changes on cash and cash equivalents	**4 378**	(690)
Cash and cash equivalents including overdrafts at beginning of the year	**96 583**	132 395
Cash and cash equivalents including overdrafts at end of the year	**147 874**	96 583

CONDENSED SEGMENTAL RESULTS

The group's chief operating decision-makers (CODM), consisting of the chief executive officer and the chief financial officer, examine the group's performance from a geographic perspective. The group's reportable segments are operating segments that are differentiated by the country of operation. Countries with insignificant results have been aggregated under the heading "other countries" and include Lesotho, Mauritius, Mozambique and Zambia.

The group evaluates the performance of its reportable segments based on revenue and operating profit (EBIT and EBITDA). The intersegment sales and transfers are included in the values per segment and eliminated on the group transactions line.

The segments derive their revenues from either selling and distributing fast-moving consumer goods or transport, marketing and promotional or training services.

	(Audited) year ended 31 Dec 2018 R'000	(Audited) year ended 31 Dec 2017 R'000
Segmental revenue		
Botswana	**3 364 479**	3 078 832
Eswatini (Swaziland)	**714 014**	636 288
Namibia	**719 984**	478 875
South Africa	**761 434**	642 459
Other countries	**7 937**	2 057
Group transactions	**(12 315)**	–
	5 555 533	4 838 511
Segmental EBITDA		
Botswana	**151 027**	111 449
Eswatini (Swaziland)	**66 614**	60 874
Namibia	**21 646**	23 869
South Africa	**85 725**	78 629
Other countries	**2 303**	146
Group transactions	**(4 346)**	(7 329)
	322 969	267 638
Segmental EBIT		
Botswana	**120 615**	96 059
Eswatini (Swaziland)	**61 874**	53 032
Namibia	**20 314**	23 095
South Africa	**76 255**	66 853
Other countries	**2 164**	30
Group transactions	**(17 846)**	(7 343)
	263 376	231 726
Segmental assets		
Botswana	**1 599 229**	1 162 868
Eswatini (Swaziland)	**237 285**	231 100
Namibia	**253 207**	255 435
South Africa	**602 151**	569 572
Other countries	**17 514**	3 669
Group transactions	**(152 453)**	(128 698)
	2 556 933	2 093 946
Segmental liabilities		
Botswana	**1 003 872**	673 364
Eswatini (Swaziland)	**91 748**	118 451
Namibia	**151 845**	153 426
South Africa	**125 969**	90 408
Other countries	**7 188**	3 097
Group transactions	**(151 338)**	(128 668)
	1 229 284	910 078
Reconciliation from EBITDA to profit after tax:		
EBITDA	**322 969**	267 638
Depreciation and amortisation	**(32 593)**	(35 912)
Impairment of intangibles assets	**(27 000)**	–
EBIT	**263 376**	231 726
Net finance cost	**(14 473)**	(2 910)
Taxation	**(76 897)**	(56 969)
Profit after tax	**172 006**	171 847

The significant increase in revenue for Namibia, is as a result of the step-up of Wutow Trading Proprietary Limited from an associate, equity-accounted up to 30 June 2017, to a subsidiary, consolidated from 1 July 2017.

Revenue of approximately R1,446 million (2017: R1,186 million) are derived from two external customers domiciled in Botswana and Namibia and are attributed to the Botswana and Namibia segments.

RECONCILIATION BETWEEN PROFIT AFTER TAXATION ATTRIBUTABLE TO THE OWNERS OF THE PARENT AND HEADLINE EARNINGS:

	(Audited) year ended 31 Dec 2018 R'000	(Audited) year ended 31 Dec 2017 R'000
Profit after taxation attributable to the owners of the parent	**152 755**	144 737
Profit on sale of property, plant and equipment	**(2 171)**	(1 479)
Impairment of investment in associates	**–**	2 537
Loss on sale of associated companies	**835**	–
Fair value adjustment on step-up from associated company to subsidiary	**–**	4 886
Gain on bargain purchase	**–**	(14 221)
Impairment of intangible assets	**27 000**	–
Tax effect on above	**654**	281
Non-controlling interest on above	**328**	140
Headline earnings attributable to owners of the parent	**179 401**	136 881
Headline earnings per share (cent)	**40.11**	33.23
Diluted headline earnings per share (cent)	**39.95**	32.59
Dividends paid per share (cent)	**5.99**	5.25
Issued number of shares	**448 520 150**	444 634 430
Weighted average number of shares	**447 224 910**	411 939 738
Weighted average number of diluted shares	**449 098 595**	420 047 838

On 17 April 2018, share options of 3 885 720 shares were exercised by the directors.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The condensed consolidated financial statements for the year ended 31 December 2018, have been prepared in accordance with International Financial Reporting Standards (IFRS) and presented according to the disclosure requirements of accounting standard IAS34 *Interim Financial Reporting*. This financial report is an extract from the consolidated annual report.

The accounting policies applied in the preparation of the consolidated annual financial statements are consistent with those accounting policies applied in the preparation of the previous year's consolidated annual financial statements, except for the adoption of new and amended standards as set out below, which were also reported on during the corresponding interim reporting period.

The financial information is presented in South African Rand (rounded to the nearest thousand), which is considered the reporting currency. The condensed consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, Mr FJ Reichert CA(SA) and have been audited by PricewaterhouseCoopers Inc. These condensed consolidated financial statements for the year ended 31 December 2018 were approved for issue by the board on 14 March 2019.

2. New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2
- Annual Improvements 2014-2016 cycle
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The group had to change its accounting policies (see note 5) following the adoption of IFRS 9 and IFRS 15.

3. Impact of standards issued but not yet adopted by the entity – IFRS 16 Leases

The standard will affect primarily the accounting for the group's operating leases. The standard will be adopted in the 2019 financial year. As at the year-end, the group has non-cancellable operating lease commitments of R58 million.

The group elects to apply this standard without restating comparative information. The group will:

(a) recognise a lease liability at the date of initial application for leases previously classified as an operating lease. It shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

(b) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease at an amount equal to the lease liability.

The group will use the following practical expedients and will not apply this standard to:

- contracts that were not previously identified as containing a lease;
- leases with a value below R50 000; and
- short-term leases i.e. leases with remaining periods of 12 months or less. It will account for these leases on a straight-line basis as expenses in the statement of comprehensive income.

For the remaining lease commitments, the group expects to recognise right-of-use assets and corresponding lease liabilities of approximately R55.5 million on 1 January 2019.

The group expects that operating profit before tax will decrease by approximately R1.7 million. EBITDA used to measure segment results is expected to increase by approximately R26.8 million as the operating lease payments were included in EBITDA but the depreciation of the right-to-use assets and interest on the lease liability are excluded from this measurement. Cash outflows from investing activities will increase by R22 million and cash inflows from operating activities will increase by R22 million, approximately.

4. Fair value estimation of financial instruments

Financial instruments consist of trade receivables, bank and cash balances and other payables resulting from normal business operations. The nominal value less loss allowance of trade receivables and the nominal value of payables are assumed to approximate their fair values.

5. Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* on the group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

a) *Impact on the financial statements*

IFRS 9 and IFRS 15 were generally adopted without restating comparative information.

b) *Impact of adoption*

The adoption of IFRS 9 and IFRS 15 from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out below under 5(d).

c) *Classification and measurement*

The group's management has assessed which business model for managing financial assets, applies and has classified its financial instruments into the appropriate IFRS 9 categories. The main effect resulting from this reclassification is that all financial assets that were previously classified as *Loans and receivables* are now classified as Financial Assets at *amortised cost*. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance as at 31 December 2017 was determined as not materially different from the bad debt provision previously reported.

d) *Accounting policies applied from 1 January 2018*

FINANCIAL ASSETS

Classification

The group classifies its financial assets into the financial assets at amortised cost category from 1 January 2018. The classification depends on the objective of the group's business model. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost

The group classifies its financial assets as financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows ("Business model test"), and
- the contractual terms give rise to cash flows that are solely payments of principal and interest ("SPPI").

The group's financial assets at amortised cost category comprises 'trade and other receivables' in the statement of financial position.

Recognition and measurement

Trade receivables are recognised initially at the amount of consideration that is unconditional. The group has made use of the practical expedient where the group presumes that a trade receivable does not have a significant financing component as the expected term is less than one year. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less expected allowance.

Impairment of financial assets

From 1 January 2018, the group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. As a practical expedient, the group uses a provision matrix based on the group's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The historical default rates have been assessed, using a 24-month period. Forward-looking estimates include the economic outlook of the country in which the customer resides. A significant depreciation of the local currency as well as civil unrest increase the risk of defaults on customer accounts. Trade receivables are grouped based on shared risk characteristics and days past due.

A loss allowance is recognised at the first statement of financial position date on which the receivable is recognised. After initial recognition, the loss allowance is adjusted, up or down, through profit or loss at each statement of financial position date as the forward-looking estimates change.

REVENUE RECOGNITION

Revenue is derived either from the sale of fast-moving consumer goods, delivering of transport services, merchandising services, promotional services or training services. Revenue is recognised to depict the transfer of goods or services to customers at an amount that the group expects to be entitled to in exchange for those goods or services to the extent that it is highly probable that there will be no significant reversal. Revenue is recognised when performance obligations are satisfied upon transferring control of the goods and services.

Revenue is recognised at a point in time for the delivery of goods, transport services and merchandising services. A customer obtains control when he signs the proof of delivery document. Revenue is recognised over time when promotional services are delivered as these are agreed projects. When milestones, depicted in the service delivery contract, are achieved, a customer accepts the invoice presented and obtain control of the service.

The transaction price might include an element of consideration that is variable on the outcome of future events in the form of settlement discounts. It is considered to be variable consideration because there is uncertainty as to whether the customer will pay the invoice within the discount period. The terms of settlement discounts are stipulated in the trade agreements with customers. The expected settlement value is based on experience with similar customers with similar transactions.

The group uses the practical expedient to disregard the time value of money as the period between transfer of the goods or services and payment is less than one year.

6. Property, plant and equipment

On 26 June 2018, Breckwick Proprietary Limited, a fully owned subsidiary of CA Sales Holdings Limited, purchased properties in Botswana to the value of BWP243 million (R321 million). The properties consist of land with warehouses and office buildings in Gaborone and Francistown. These properties were previously leased by subsidiaries of CA Sales Holdings Limited.

7. Shares issued

On 17 April 2018, share options were exercised by the directors. The impact is as follows:

Issued shares	Number	R'000
Balance at beginning of the year	444 634 430	841 526
Exercise of options issued under the CA Sales Holdings Executive Share Option Scheme – 2015	3 885 720	(8 178)
Balance at 31 December 2018	**448 520 150**	**833 348**

8. Borrowings

A bond of BWP243 million (R321 million) with Barclays Bank Botswana is secured by a first mortgage over the land and buildings in Botswana (note 6). The bond is payable in monthly instalments over 10 years at an interest rate of prime less 0.25%

9. Revenue

The group derives revenue from selling and distributing fast-moving consumer goods as well as services such as sales and merchandising services, marketing and promotions services, transport services and training services. The group's reportable segments are operating segments that are differentiated by the country of operation. The intersegment transactions have not been eliminated in the segments but shown separately as group elimination entries. The table below shows the segment revenue information as well as the basis on which revenue is recognised:

R'000	Botswana	Eswatini (Swaziland)	Namibia	South Africa	Other countries	Total
Year ended 31 December 2018						
Distribution of products	3 349 039	652 084	714 025	36 768	–	4 751 916
Services provided	15 440	61 930	5 959	724 666	7 937	815 932
Revenue from external customers	3 364 479	714 014	719 984	761 434	7 937	5 567 848
Intersegmental revenue	(8 632)	(71)	(1 544)	(644)	(1 424)	(12 315)
Total revenue	**3 355 847**	**713 943**	**718 440**	**760 790**	**6 513**	**5 555 533**
Timing of revenue recognition						
At a point in time	3 355 083	713 670	714 025	760 951	–	5 543 729
Over time	9 396	344	5 959	483	7 937	24 119
Revenue from external customers	3 364 479	714 014	719 984	761 434	7 937	5 567 848
Intersegmental revenue	(8 632)	(71)	(1 544)	(644)	(1 424)	(12 315)
Total revenue	**3 355 847**	**713 943**	**718 440**	**760 790**	**6 513**	**5 555 533**

R'000	Botswana	Eswatini (Swaziland)	Namibia	South Africa	Other countries	Total
Year ended 31 December 2017						
Distribution of products	3 066 232	572 638	476 459	26 121	–	4 141 450
Services provided	12 600	63 650	2 416	616 338	2 057	697 061
Revenue from external customers	**3 078 832**	**636 288**	**478 875**	**642 459**	**2 057**	**4 838 511**
Timing of revenue recognition						
At a point in time	3 070 124	635 916	476 459	640 284	–	4 822 783
Over time	8 708	372	2 416	2 175	2 057	15 728
	3 078 832	**636 288**	**478 875**	**642 459**	**2 057**	**4 838 511**

10. Events after balance sheet date

On 18 January 2019, CA Sales Investments Proprietary Limited, a fully owned subsidiary of CA Sales Holdings Limited, acquired 30% of the share capital of IBP Africa Trading Proprietary Limited (IBP). IBP is a route-to-market company, offering end-to-end solutions into the informal settlements, including distribution, point-of-sale, technology and sales and merchandising.

11. Declaration of dividend

Notice is hereby given that the final gross ordinary share cash dividend of 7.96 (2017: 5.99) cents (or BWP equivalent) per share in respect of the year ended 31 December 2018 was declared on Wednesday, 20 March 2019, and will be paid to the ordinary shareholders of the company, recorded in the register on Friday, 5 April 2019, at the close of business on Friday, 12 April 2019. In line with the company's dividend policy, the dividend was maintained at 20% of the headline earnings.

The ex-dividend date for shareholders on the Botswana Stock Exchange will be Wednesday, 3 April 2019 and Monday, 8 April 2019 for shareholders on the 4 Africa Exchange. The record date to appear in the register to participate in the dividend will be Friday, 5 April 2019. The dividend will be paid on Friday, 12 April 2019. The South African register will be closed for the purposes of dematerialisation, re-materialisation from Wednesday, 3 April 2019 to Friday, 5 April 2019, both dates inclusive, and for transfers between the South African and Botswana registers between Wednesday, 3 April 2019 and Friday, 5 April 2019, both dates inclusive. The exchange rate applicable for the conversion of ZAR to BWP, tax implications and other information on the payment to shareholders on the Botswana Stock Exchange register will be confirmed in a separate announcement to be released on BSE X-news and 4 Africa News Service on Tuesday, 26 March 2019, being the finalisation date.

The number of issued shares at the declaration date is 448 520 150. The dividend has been declared from income reserves. The tax registration number of the company is 9390266170.

As per the double tax agreement between Botswana and South Africa, the South African withholding tax of 15% is deducted from dividends distributed to shareholders registered on the Botswana Stock Exchange. This dividend is treated as a foreign dividend for Botswana shareholders. In respect of shareholders registered on the 4 Africa Exchange, the dividends payable is subject to a 20% withholding tax as required under the South African Income Tax Act, resulting in a net dividend of 6.368 cents per share. Shareholders must take individual advice as to applicable taxes.

For and on behalf of the board

Chairman: JA Holtzhausen

Chief Executive Officer: FW Britz

Johannesburg

20 March 2019

CORPORATE INFORMATION

Directors: Executive: FW Britz. Non-executive: JA Holtzhausen, PN de Waal, TP Rogers. *Independent non-executive:* B Patel, B Marole, E Masilela. *Alternate non-executive:* J Craven.

Registered office: 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600

BSE Sponsor: African Alliance Botswana Securities Limited, African Alliance House, Fairgrounds Office Park, Plot 64511, Gaborone

4AX Issuer Agent: PSG Capital Proprietary Limited, 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch