

SABVEST CAPITAL LIMITED

(Incorporated in South Africa)

(Registration number 2020/030059/06)

JSE share code: SBP

ZAE000283511

(“Sabcap” or “the Company” or “the Group”)

Trading update and interim cash dividend declaration

Pursuant to publication of the Company’s interim financial results announcement for the six months ended 30 June 2020 on the Stock Exchange News Service on 9 September 2020 (“Results Announcement”), shareholders are advised as follows:

TRADING UPDATE

Most of the Group’s investee companies are now trading at close to pre-Covid levels, or are reasonably expected to do so within the next six months, subject to the effects of any changes in Covid mitigation policies in the countries in which the investees operate. More particularly, the cash flows from investees to the Group, in the form of dividends, interest and fees, have resumed or are reasonably expected to do so shortly. The only investee still adversely affected by Covid is the ITL Group. However its revenues, earnings and cash flows are expected to normalise in Q-3/Q-4 2021 by when seasonal demand from its US, UK and EU retail accreditations should return to 2019 levels. It also continues to achieve significant growth in demand for its RFID programs from its existing and new retail customers.

The Group can accordingly now plan its cash flows with more certainty.

No new unlisted investments are being considered internationally. However, shareholders are advised that the Group’s foreign subsidiary re-opened its listed Sabvest Technology Portfolio prior to the US elections. The original portfolios were realised in full in Q3 2018.

No new investments are being considered in RSA, although the Group has increased its holdings in DNI and Masimong since the interim reporting date and as explained in the results announcement. Expected surplus funds in RSA in excess of operating costs and interest and debt service may be applied to dividends and to share buy backs under the general authority granted at the Company’s annual general meeting on 25 June 2020.

Sabcap share buy backs by a subsidiary since the release of the interim results total 378 352 shares at a cost of R11,5m.

Shareholders are also reminded that the Company’s wholly-owned subsidiary, Sabvest Limited (“Sabvest”), is deemed to have bought back 251 880 Sabvest shares at delisting in May 2020, due to appraisal rights exercised by the holders of those shares in terms of s164 of the Companies Act 71 of 2008. The deemed buy back price will be determined in the course of the appraisal process and payment will be effected thereafter.

Accordingly, there has been a reduction in Group listed shares in issue, net of treasury shares of 630 232 since 1 January 2020 being about 1,5% of the shares in issue at the last financial year end.

With regard to the deferred interim dividend referred to in the Results Announcement, the board has now resolved to declare an interim dividend, but at a lower level than the prior comparative six month period ended 30 June 2019, due to the use of cash for Sabcap share buybacks and for the Sabvest shares acquired under the section 164 appraisal rights process.

DECLARATION OF INTERIM CASH DIVIDEND

Notice is hereby given that an interim dividend of 10 cents per Sabcap ordinary share (2019: 36c per Sabvest ordinary and N ordinary share) has been declared out of income reserves.

The issued share capital of Sabcap net of treasury shares at the declaration date is 41 130 000 ordinary shares. The income tax number of the company is 9660 061 186.

Withholding tax on dividends at a rate of 20% will be deducted for all shareholders who are not exempt in terms of the legislation. This will result in a final net cash dividend of 8 cents per share to non-exempt shareholders.

Declaration Date: Tuesday 10 November 2020
Last date to trade CUM dividends: Tuesday, 1 December 2020
Trading EX dividends commences: Wednesday, 2 December 2020
Record Date: Friday 4 December 2020
Dividend Payment Date: Monday 7 December 2020

Sabcap shares may not be dematerialised or rematerialized between Wednesday, 2 December 2020 and Friday, 4 December 2020, both days inclusive.

Sandton
10 November 2020

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)