
Sebata Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1998/003821/06)
Share code: SEB ISIN: ZAE000260493
("Sebata" or "the Company" or "the Group")

TRADING STATEMENT

In terms of the Listings Requirements of JSE Limited ("JSE Listings Requirements"), companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported on will differ by more than 20% from that of the previous corresponding period.

As set out in the Trading Statement released on SENS on 14 December 2018, shareholders were advised by the board of directors ("Board") that, in light of the disposal of the NOSA Group of Companies during the 2018 financial year, the continued headline earnings per share ("continued HEPS") and continued basic earnings per share ("continued EPS") are more relevant and appropriate measures of Group performance. Further to the subsequent disposals in the financial year ended 31 March 2020, including the most recent section 112 disposal of the Software Group Companies in the current financial year, the Board believes these remain the relevant and appropriate measures of Group performance.

Accordingly, a review of the financial results for the year ended 31 March 2020 by management has indicated that:

- the continued EPS is expected to be between 500.23 and 526.18 cents, reflecting an increase of between 285.60% and 305.60%, compared to the continued EPS of 129.73 cents for the year ended 31 March 2019;
- the increase in continued EPS is a direct result of the disposals of the Water and Software Group of companies. Along with generating a collective profit on disposal of R398.4 million, the retained investments in these respective groups was remeasured and generated a fair value gain of R598 million;
- the continued HEPS is expected to be between -98.52 and -105.01 cents, reflecting a decrease of between 203.60% and 223.60%, compared to the continued HEPS of -32.45 cents for the year ended 31 March 2019;
- The decrease in continued HEPS is distorted by one-off expenses, being the impairment of financial assets to the value of R61.5 million comprising of the complete write down of R47.4million of the vendor financing advanced to the purchasers of The Training Room Online (disposed of in 2018) and the write down of R14.1 million due from the employee share trust scheme. After a prolonged period of the Sebata share price being below that of the strike price of the share options granted to employees, and with no immediate recovery of the share price to the required levels foreseen in the near future, the Board had taken a decision to impair the receivable. Further to this share-based payment charges of R32 million recognised as a result of the disposal of the Water and Software Group of companies and the associated donation of shares as part of these deals has compounded this decrease in continued HEPS.

As required in terms of paragraph 3.4(b)(vi) of the JSE Listings Requirements, a review of the financial results for the year ended 31 March 2020 by management has indicated that:

- the basic earnings per share ("EPS") is expected to be between 435.29 and 461.24 cents, reflecting an increase of between 235.50% and 255.50% compared to the EPS of 131.93 cents for the year ended 31 March 2019; and
- the headline earnings per share ("HEPS") is expected to be -104.61 and -110.57 cents, reflecting a decrease of between 246.50% and 266.24% compared to the HEPS of -30.19 cents for the year ended 31 March 2019.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors. Sebata's financial results are expected to be released on SENS on or about 31 July 2020.

Johannesburg
28 July 2020

Sponsor
Merchantec Capital