
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 the JSE Limited, 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.

In light of the disposal of the NOSA Group of Companies during the 2018 financial year, the board of directors hereby advises shareholders that 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. Accordingly, a review of the financial results for the six months ended 30 September 2018 by management has indicated that:

- The continued EPS is 182.50 cents, reflecting an increase of 346%, compared to the continued EPS of 40.92 cents for the six months ended 30 September 2017;
- The significant increase in continued EPS is a result of the disposal of the NOSA Group of Companies;
- The continued HEPS is 20.76 cents, reflecting a decrease of 51.3%, compared to the continued HEPS of 42.64 cents for the six months ended 30 September 2017;
- The decrease in continued HEPS is a direct result of a key municipal client failing to pay approximately R88 million that is due to the Company. While we are confident that we will receive the funds the Company has decided, due to the prolonged difficulty in receiving payment, to exclude this amount from the period's earnings. Without this adjustment, continued HEPS would have been approximately 20% up on a normalised basis.

As required in terms of section 3.4(b)(vi) of the Listings Requirements of the JSE Limited, a review of the financial results for the six months ended 30 September 2018 by management has indicated that:

- The basic earnings per share ("EPS") is 182.50 cents, reflecting an increase of 136.3%, compared to the EPS of 77.22 cents for the six months ended 30 September 2017; and
- The headline earnings per share ("HEPS") is 20.76 cents, reflecting a decrease of 73.7%, compared to the HEPS of 78.91 cents for the six months ended 30 September 2017.

Outlook

- The Group has been reorganised into four distinct divisions; Software Solutions, Water Technologies, ICT Support Services and Consulting Services. The Group now has a clear focus and strategy underpinned by proprietary intellectual property.
- The Water Technologies division continues to perform well as the demand for our water management devices and solutions grows both locally and internationally.
- The investment in the Software Solutions division is largely behind us. The rewrites were in line with changing legislation to the functionality of Local Government's financial management systems. To date, we have successfully implemented the new software at 39 clients. We believe that our superior product and reduced competition in the space will yield strong returns on the investment.
- We anticipate that the dispute with the Purchasers on the Earn Out relating to the disposal of the NOSA Group of Companies to be resolved by financial year end. As a result of the dispute, we have not been paid out the portion of the purchase price linked to the Earn Out. Once this has

been resolved we will be in a better position to finalise a further dividend in relation to the sale, as previously communicated.

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 18 December 2018.

Johannesburg
14 December 2018

Sponsor
Merchantec Capital