

**Capricorn Group Limited**  
**(Previously Capricorn Investment Group Limited)**  
**(Incorporated in the Republic of Namibia)**  
**(Date of Registration: 5 September 1996)**  
**(Registration Number: 96/300)**  
**Share code: CGP ISIN: NA000A1T6SV9**  
**(“Capricorn Group” or “the Group“)**

**AUDITED CONSOLIDATED RESULTS for the year ended 30 June 2020**

	2020 (audited)	2019 (audited)
Operating profit from continuing operations (N\$'000)	1 300 362	1 346 569
Profit after tax (N\$'000)	856 412	1 015 299
Basic earnings per share (cents)	148.6	181.6
Basic earnings per share from continuing operations (cents)	178.4	185.5
Fully diluted earnings per share (cents)	148.2	181.3
Headline earnings per share (cents)	157.2	181.5
Net asset value per share (cents)	1 232	1 136
Final dividend per share (cents)	20	36
Total dividend per share (cents)	50	66
Total risk-based capital adequacy ratio (%)	14.7	14.9
Number of ordinary shares in issue at year-end ('000)	511 945	512 166

**Group financial performance**

Capricorn Group started the 2020 financial year with confidence and delivered positive half year results, despite continuing difficult economic conditions in Namibia and Zambia. Capricorn Group’s operating profits were, however, significantly impacted by the COVID-19 pandemic during the last quarter of the financial year, with full-year profit after tax contracting by 15.6% to N\$856.4 million.

**Continuing operations**

Following three years of losses reported by Cavmont Bank in deteriorating market conditions in Zambia, Capricorn Group accepted the offer by Access Bank Zambia to acquire Cavmont Bank. Agreements for the sale and subsequent merger of Cavmont Bank with Access Bank Zambia have been concluded subject to the requisite regulatory approvals. Consequently, the losses made by Cavmont Bank in the current and prior period are disclosed under discontinued operations. Profit after tax from continuing operations for the financial year ended 30 June 2020 contracted by 2.2% to N\$1 012.1 million.

**Final dividend**

In determining the final dividend, the Group has taken a number of factors into account, which include:

- a) preservation of capital and liquid asset positions given not only the current economic environment, but also, more importantly, the negative future economic outlook;
- b) the call by bank regulators to restrict dividend payments. As a consequence, Bank Windhoek Limited’s final dividend to the Group was 45% lower than the previous year; and
- c) the need of our investors for cash returns in a low interest rate environment and a depressed economy where income and earnings are under severe pressure.

Notice is hereby given that a final dividend of 20 cents per ordinary share was declared on 15 September 2020. Considering the interim dividend of 30 cents per ordinary share, this represents a total dividend of 50 cents per ordinary share (2019: 66 cents per ordinary share). The total dividend per share for the year under review is 24.2% lower than the total dividend per share declared for the previous financial year. We believe that the total dividend balances prudence with a fair dividend yield for shareholders.

- Last day to trade cum dividend: 9 October 2020
- First day to trade ex-dividend: 12 October 2020
- Record date: 16 October 2020
- Payment date: 30 October 2020

#### Outlook

The global economic outlook is bleak with most economies projecting significant negative growth. Namibia and Botswana have revised their forecasted contraction in GDP for the current fiscal year to 8.5% and 8.9% respectively. Unemployment rates are reaching new highs and business closures continue unabatedly, increasing the financial distress of individuals and businesses alike. As a result, we expect an increase in customer defaults with impairment charges remaining high. Net interest revenue, especially in the case of Bank Windhoek Limited, will be significantly lower in the next year following the aggressive cuts in interest rates. Bank Gaborone is expected to be less impacted and the expected appreciation of the Pula against the Namibia dollar will also contribute positively to earnings. Non-banking subsidiaries are not expected to be negatively impacted and should cushion the overall negative impact on the Group's results. We have also taken decisive action to address areas of underperformance by agreeing to the disposal of our loss-making operations in Zambia and revisiting the operating model of Capricorn Capital.

#### Short form announcement

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decision should be based on the full announcement accessible from 17 September 2020, via the NSX link <https://senspdf.jse.co.za/documents/2020/nsx/isse/cgpe/CGPJun2020.pdf>

The full announcement, our Integrated Annual Report as well as a summarised version (fast read) of our Integrated Annual Report is available on our website at: [www.capricorn.com.na](http://www.capricorn.com.na)

The audited annual financial statements for the year ended 30 June 2020, from which this information is derived, have been audited by PricewaterhouseCoopers. A copy of the auditor's audit report and the full annual financial statements are available for inspection at the Group's registered office at no charge, weekdays during office hours., or can be accessed electronically in the link provided above.

Non-Executive Directors: J J Swanepoel (Chairman), D G Fourie (Lead Independent Director), K B Black, J C Brandt, H M Gaomab II, G Menetté, D J Reyneke\*, E Schimming-Chase, G N Sekandi\*\*, E Solomon\*  
Executive directors: M J Prinsloo\* (Group Chief Executive Officer), J J Esterhuyse\* (Financial Director)

\* South African

\*\*Ugandan

Postal address: P.O. Box 15, Windhoek, Namibia

Registered address: Capricorn Group Building, Kasino Street, Windhoek, Namibia

By order of the Board

17 September 2020

#### Sponsor

PSG Wealth Management (Namibia) (Pty) Ltd

Member of the Namibian Stock Exchange

Transfer secretaries:

Transfer Secretaries (Pty) Ltd

4 Robert Mugabe Avenue, entrance in Dr. Theo-Ben Gurirab Street, Windhoek, Namibia