

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“)

REVIEWED CONSOLIDATED INTERIM RESULTS for the six months ended 31 December 2020

	2020 (reviewed)	2019 (reviewed)
Operating profit from continuing operations (N\$'000)	576 946	753 364
Profit after tax (N\$'000)	428 142	557 225
Basic earnings per share (cents)	73.6	99.5
Fully diluted earnings per share (cents)	73.5	99.4
Headline earnings per share (cents)	76.5	99.5
Net asset value per share (cents)	1 266	1 197
Interim Dividend per share (cents)	22	30
Total risk-based capital adequacy ratio (%)	14.1	14.6
Number of ordinary shares in issue at period / year-end ('000)	519 184	519 184

Group financial performance

Capricorn Group met the challenges of the COVID-19 pandemic head-on. The agility and quick decision making within the group allowed it to quickly sense and respond to ever changing challenges. During this time, the group managed to provide financial relief to our clients and job security to our employees, while implementing strategies to ensure the sustainability of the Capricorn Group.

The Group's profit from continuing operations decreased by N\$118.8 million, (20.2%) relative to the Pre-COVID comparable period. This year-on-year decrease is mainly due to interest margin compression and increased impairment provisions. Lower interest margins are a result of unprecedented interest rate decreases enacted by central banks to counter the slowdown in the economy. Increased impairment provisions resulted from the extremely challenging economic and market conditions in the wake of imposed lockdowns and other responses to the pandemic.

Interim dividend

Notice is hereby given that an interim dividend of 22 cents per ordinary share was declared on 23 February 2021 for the six months ended 31 December 2020.

Last day to trade cum dividend: 12 March 2021

First day to trade ex dividend: 15 March 2021

Record date: 19 March 2021

Payment date: 31 March 2021

Outlook

The forecasted contraction of the economies in Namibia and Botswana of 8.4% and 6.0% for 2020 effectively puts GDPs of these countries back to levels reported for 2015. Notwithstanding the forecast of modest economic growth for 2021 from this reduced base, the Group's economic outlook remains fairly bleak. As a result, we expect the increase in customer defaults to continue, with impairment charges remaining high and interest rates remaining at the current all-time lows. The negative financial impact of these factors is expected to be offset by growth in non-interest income largely from our non-banking subsidiaries and associates which

were not as negatively impacted by the pandemic. The disposal of our loss-making operations in Zambia is expected to have a material positive impact on the profitability of the Group going forward.

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 25 February 2021, via the NSX link <https://senspdf.jse.co.za/documents/2021/nsx/isse/cgpe/CGP31Dec20.pdf>

Alternatively, the full announcement is available on our website at:

<https://www.capricorn.com.na/Pages/News-Centre/Capricorn-Group-IR2021.aspx>

The condensed consolidated interim financial statements for the six months ended 31 December 2020, from which this information is derived, have been reviewed by PricewaterhouseCoopers. A copy of the auditor's review report and the full announcement of the condensed consolidated interim financial statements are available for inspection at the Group's registered office at no charge, weekdays during office hours.

Non-executive directors: JJ Swanepoel (chairman), DG Fourie (lead independent director), JC Brandt, HM Gaomab II, G Menetté, DJ Reyneke*, E Schimming-Chase, GN Sekandi**, E Solomon*,

Executive directors: MJ Prinsloo* (Group Chief Executive Officer), JJ Esterhuysen* (Financial Director)

* South African

** Ugandan

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

By order of the Board

25 February 2021

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