



**TELEMASTERS HOLDINGS LIMITED**

(Registration Number: 2006/015734/06)

JSE Code: TLM ISIN: ZAE 000093324

("TeleMasters" or "the Company")

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**SHORT-FORM ANNOUNCEMENT:  
REVIEWED PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2020 AND DIVIDEND DECLARATION**

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TeleMasters Holdings is a technology focused investment company. Entities within the Group are complementary towards each other with a key focus on enhancing digital transformation, accelerating smart working environments and empowering the new Gig economy. Our vision is to create and accelerate shareholders value through responsible growth, acquisitions and investments.

The Group consists of the following entities:

**Catalytic Connections (Pty) Limited** is a diversified ICT managed solutions provider to medium and small businesses in South Africa focused on connectivity, communications, cloud and security solutions.

**Contineo Virtual Communications (Pty) Limited** provides unified communications solutions to a wide range of clients.

**PerfectWorx Consulting (Pty) Limited** provides professional services to a wide range of operators entering or active in the next generation network environment.

**ConexLink (Pty) Limited** owns and operates a secure disaster recovery data centre and provides related services to clients thereof.

**Highlights**

- 6% increase in earnings per share to 2,59 cents from 2,48 cents in previous year
- Gross profit margin increased to 39,58% from 36,51% in prior year
- 14,80% reduction in operating expenses adjusted to exclude benefit of once-off settlement
- 24,66% increase in cash and cash equivalents on hand
- 7.60 cents per share dividend declared in the financial year
- 1,60 cents per share dividend declared and payable on 26 October 2020
- Shift to cloud-based services and diversification of routes to market yielding results
- Acquisition of 25% of ConexLink, successfully made in financial year
- Acquisitions of 100% of Contineo and PerfectWorx successfully implemented after the financial year
- Rebranding of principal operating subsidiary as Catalytic Connections completed in the financial year

- Covid-19 has not had a significant impact on the Group and is not expected to impact on the Group as a going concern in the foreseeable future

### Salient Features

Extracted from the reviewed provisional condensed consolidated financial statements for the year ended 30 June 2020 and dividend declaration

	<b>Reviewed 30 June 2020 R</b>	<b>Audited 30 June 2019 R</b>
Revenue	79 666 284	100 037 105
Operating Profit	2 193 596	151 925
Earnings per share	2,59	2,48
Headline earnings per share	2,49	2,48
Dividend per ordinary share (cents)	7,60	4.00.

### Dividend Declaration

Notice is hereby given that a gross interim cash dividend (Number 49) of 1.60 cents per share has been declared and is payable to all shareholders recorded in the share register of the Company at the close of business on Friday, 23 October 2020.

The dividend will be subject to the Dividends Tax that was introduced with effect from 1 April 2012. In accordance with the provisions of the Listings Requirements of the Johannesburg Stock Exchange, the following additional information is disclosed:

- The dividend has been declared out of retained earnings;
- The local Dividends Tax rate is 20%;
- The gross local dividend is 1,60 cents per share for shareholders exempt from Dividends Tax;
- The net local dividend is 1,28 cents per share for shareholders liable for Dividends Tax;
- The Company issued an additional 8 500 000 ordinary shares on 1 July 2020 and has 50 500 000 ordinary shares in issue; and
- The Company's income tax reference number is 9683/978/14/3.

The following dates are applicable to the dividend: the last day to trade in order to be eligible for the dividend will be Tuesday, 20 October 2020. Shares will trade ex-dividend from Wednesday, 21 October 2020. The record date will be Friday, 23 October 2020 and payment of the dividend will be made on Monday, 26 October 2020.

Share certificates may not be dematerialised / re-materialised between Wednesday, 21 October 2020 and Friday, 23 October 2020, both days inclusive.

### Going Concern

The Directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and, accordingly, the consolidated annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Group remains in a sound financial position and has access to sufficient cash on hand and/or borrowing facilities to meet its foreseeable financial requirements. The Directors are not aware of any new material changes that may adversely impact the Group. The Directors are also not aware of any material non-compliance with any statutory or regulatory requirements or of any pending changes to legislation which may materially affect the Group.

## Subsequent Events

Other than as disclosed below, the Directors are unaware of any significant adjusting or disclosable events that have occurred between the end of the financial year and the date of this report that may materially affect the Group's results for the year under review or its financial position as at 30 June 2020:

- The acquisitions of Contineo Virtual Communications (Pty) Ltd from Messrs. Jaco Voigt ("Voigt") and Laurent Pieton for a maximum purchase consideration of R15 150 000 (fifteen million one hundred and fifty thousand Rand) and Perfectworx Consulting (Pty) Ltd from Voigt for a maximum purchase consideration of R1 350 000 (one million three and fifty thousand Rand) (together, "the Acquisitions") were concluded and an aggregate of 8 500 000 new shares were issued to Pieton and Voigt in settlement of the initial purchase consideration payable for the acquisitions on 1 July 2020;
- Dividend number 49 of 1,60 cents per share was declared on 30 September 2020 and payable to all shareholders recorded in the share register of the Company at the close of business on 23 October 2020.

## Changes to the Board

Dr David Bate was appointed to the Board in the capacity of Independent Non-Executive Director on 17 January 2020. Dr Bate has over 25 years of experience making an impact as an investment banker, entrepreneur and educator and is the founder of an investment banking firm that specializes in Africa, the Middle East and Asia across M&A, privatizations, PPP's, debt finance and private equity.

## Short-Form Announcement

The short-form announcement is the responsibility of the board of directors of TeleMasters and is only an extract of the information contained in the reviewed provisional condensed consolidated financial statements for the year ended 30 June 2020.

The provisional consolidated annual financial results were reviewed by Nexia SAB&T, who expressed an unmodified review conclusion. The auditor's review conclusion is available for inspection at the Company's registered office.

This announcement does not contain full or complete details of the financial results. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement which stakeholders are encouraged to review. The full announcement is available on the Company's website ([www.telemasters.co.za](http://www.telemasters.co.za)) and on the JSE Website: <https://senspdf.jse.co.za/documents/2020/jse/isse/TLM/TLMFY20.pdf>

Copies of the full announcement may be requested from the Company ([michaelv@catalytic.co.za](mailto:michaelv@catalytic.co.za)) or inspected at the registered office and/or the Designated Advisors' office, at no charge, during office hours.

## JOHANNESBURG

30 September 2020

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Designated Advisor  
AcaciaCap Advisors (Pty) Ltd

