

RECM and Calibre Limited  
(Incorporated in the Republic of South Africa)  
Registration number 2009/012403/06  
Preference Share Code: RACP  
ISIN: ZAE000145041  
("RAC" or "the Company")



---

## **PREPARED COMMENTS FROM RAC SHAREHOLDERS MEETING**

---

At a directors meeting with participating preference shareholders, which was held directly after the Annual General Meeting on 31 July 2019, the following prepared comments were shared with attendees. In the interest of sharing the information equally with all shareholders, the statement is also published on SENS and on the RAC website [www.racltd.co.za](http://www.racltd.co.za).

### **Updated NAV – R27.76**

As at close of business, on 19 July 2019, the Company's Net Asset Value ("NAV") per share was R27.76 compared to a year-end NAV per share of R26.92, representing an increase of 3.1% over this period. This NAV is calculated with updated market prices for listed investments, and only accounts for completed transactions described below. Our unlisted businesses have not been revalued since our financial year-end.

### **Portfolio transactions**

Subsequent to our financial year-end, RAC purchased a further 7.8% interest in Goldrush for R132.6 mil in two separate, unrelated transactions. Goldrush also bought back some of its own shares. Collectively these transactions increased RAC's ownership of Goldrush to 58.8%.

RAC entered into a transaction to sell SA College of Home Studies, the Technical and Vocational Education and Training College inside the education division, to a third party. This transaction is still in progress and expected to close in the next month. The business was sold for a valuation similar to its valuation at our financial year-end.

### **Goldrush - 67% of assets**

Goldrush continues to trade well. Since our financial year-end, Goldrush opened a further bingo property in Margate, Kwazulu Natal, bringing to total number of operational bingo properties to 29 out of the total number of licences of 35. All existing bingo operations experienced continued growth since our financial year-end.

The LPM business is rolling out machines at a steady pace, with the number of live LPMs now exceeding 2 000 for the first time, which is still less than half the company's total available capacity of 4 200 machines.

The retail sports betting business is bedding down its operations after a very aggressive roll-out over the last year.

Goldrush management's main focus is to complete the opening of the remaining bingo properties as soon as possible.

### **Outdoor Investment Holdings – 5% of assets**

Outdoor Investment Holdings has started to experience the slowdown in general retail activity in the trading period since year-end, but is still up year-on-year. The opening of the second Family Pet Centre is scheduled for September 2019.

### **Unicorn Capital Partners 4% - of assets**

All businesses excluding Nkomati anthracite mine are trading fairly well. Mobile crane hire has maintained momentum. Restructuring benefits are starting to materialise in drilling and blasting. Exploration drilling in South Africa and Mozambique are performing in line with expectations while we are facing unexpected operational challenges in Botswana. The mine development at Nkomati is substantially completed and the mine is in aggressive ramp-up phase. The disposal process announced last year is still in progress.

### **Astoria Investments - 4% of assets**

Subsequent to our financial year-end, Astoria shareholders received a capital distribution of R12.82 per share. This left Astoria with about \$23 mil of assets, most of which are invested in, or committed to be invested in private equity funds. The company has reduced some of the operating expenses by reducing the number of board members and executives. RAC currently owns 29.4% of Astoria.

### **ISA Carstens – 3% of assets**

The nature of ISA Carstens' business model means that most of the first six months of the year is spent on educating our students, and on securing students for the following academic year. On both counts, ISA Carstens is doing well, with the number of deposit-paying student enrolments for the next year already exceeding our intake for this year.

### **College SA – 2% of assets**

College SA has experienced a period of unexpected positive trading in the first half of the year, while IASeminars also experienced improved trading in the first half of the year.

### **Trans Hex – 2% of assets**

Trans Hex announced the intention to make an offer to all its shareholders except RAC and two others, to buy back its shares at R1 per share and to delist the business. The process around the proposed transaction is progressing well.

### **Cash – 7% of assets**

As at the reporting date, RAC held Cash and cash equivalents of R136 mil. RAC has issued preference shares to ABSA with a face value of R350 mil and accrued dividends due of R14.4 mil. This leaves our net debt position at R228.4 mil with which we are comfortable.

Cape Town  
31 July 2019

### **Sponsor**

Questco Corporate Advisory Proprietary Limited