

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")



VOLUNTARY UPDATE

RAC Shareholders ("**Shareholders**") are referred to :

- the Circular published by Astoria Investments Limited ("**Astoria**") on 1 December 2020;
- Astoria's results for the 12 months ended 31 December 2020, published on 31 March 2021; and
- the announcement published by RAC on 9 April 2021, containing the details of the distribution of 51 150 000 (or 90.1%) of the Astoria shares owned by RAC to the Shareholders ("**the Distribution**").

Shareholders attention is drawn to the following information:

- RAC's Net Asset Value on 30 September 2020, as per its published half-year results, was R972.8m or R19.02 per RAC share;
- Astoria's Net Asset Value on 31 December 2020, as per its published full year results was R387.5m or R 6.83 per Astoria share;
- Shareholders will receive 1 Astoria share for each RAC share owned on 13 April 2021.

Post the Distribution, RAC's single largest asset is a 58.8% interest in Goldrush Group (Pty) Ltd, a leading independent alternative gaming operator in South Africa. RAC also holds investments in the RECM Flexible Value Hedge Fund, a 9.9% shareholding in Astoria as well as a small portfolio of other assets and some cash.

RAC has bank funding in the form of R250m of preference shares issued to ABSA Bank.

Goldrush

Goldrush weathered the COVID lockdowns, as well as the ensuing difficult economic climate well. Despite having almost zero sales for the first quarter of the financial year, the company managed to break even on an EBITDA level during the first six months of its financial year and experienced further recovery in trading in the second six months.

The bingo division opened another three properties in the second six months of the year due to non-negotiable regulatory deadlines. This brings the total number of bingo properties to 34. Goldrush has one more bingo licence which will be activated during the coming year, but in essence the capex program for bingo has come to an end. As the economy recovers and the various bingo properties mature, the only further growth capex required would be to increase the number of machines in the various properties. The bingo division has been negatively impacted by lost trading hours due to the national curfew, while occupancy has been resilient. Since September, the bingo division has been trading 20% below pre-COVID levels, except for December 2020 and January 2021, when reduced trading hours lead to trading of 33% below pre-COVID levels.

The limited pay-out machine division has been trading well, despite disruptions from lockdowns. Although very few new machines were installed, the team was able to operate the largest part of the installed base. Revenue per machine has exceeded pre-COVID levels and with more economic freedom, the number of active machines increased in the second half.

The sports betting division saw trade return fairly quickly post lockdown and has been resilient. With a number of loss-making stores being closed, and the remainder turning profitable during this year, the division contributed to group profits.

The online division experienced further growth in revenue and turned profitable during the year. Online is set to overtake sports betting as the third largest division in the group in the coming year.

Goldrush ended the financial year with all of its operations intact, with most of its suppliers up to date and with aggregate debt levels lower than at the beginning of the year, this despite having built another three bingo properties and having operated under curtailed trading conditions. This was due to the dedication of the management team and staff of Goldrush, and the support which the business received from landlords, suppliers and funders. The way in which Goldrush weathered the past year is a clear indication of the quality of the enterprise.

ABSA Bank Funding

ABSA Bank has agreed to extend the maturity of the preference shares to 31 March 2024, subject to a pricing review. The extension is expected to be finalised in the near future.

Year-end results

The Company expects to publish its results for the financial year ending 31 March 2021, as well as its Integrated Annual Report for the same period, in the fourth week of June 2021.

Cape Town
15 April 2021



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