

**ANCHOR GROUP LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 2009/005413/06)

("Anchor" or "the Company" or "the Group")

Share code: ACG

ISIN: ZAE000193389

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**UNAUDITED CONSOLIDATED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020 AND DECLARATION OF DIVIDEND NUMBER 12**

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**HIGHLIGHTS**

- Assets under management and advice increased by 13% during 2020 to R64.9 billion (31 December 2019: R57.4 billion).
- Adjusted Headline Earnings from continuing operations up 9% at R40.1 million (R36.8 million to 30 June 2019).
- Adjusted HEPS up 8% at 19.4 cents per share (18 cents per share to 30 June 2019).
- Cash and short-term investments of R117 million (31 December 2019: R121 million).
- Interim dividend of 9 cents per share (9 cents per share for period 30 June 2019).

**COMMENTARY**

Anchor began managing assets in 2012 and has grown to reach group-wide assets under management and advice at 30 June 2020 of R64.9 billion, up 13% from R57.4 billion at 31 December 2019.

Anchor has three primary divisions – Private Clients, Asset Management and Stockbroking. The long-term strategy of Anchor is to become a major player in South African asset and wealth management, with an increasing focus on offshore investment. This will be achieved by both organic and acquisitive growth.

Anchor's 2020 statement of comprehensive income is not directly comparable to the prior year due primarily to the consolidation of M Jurgens Finance (Pty) Ltd ("MJFS"), and the termination of the Astoria Investments Limited ("Astoria") investment management agreement, which resulted in a gross receipt of R70.4 million ("Astoria termination fee") in 2019. As at 30 June 2020, all of these proceeds have been successfully deployed into new investments, with a positive recurring earnings impact to be experienced in 2020 and the future.

The half year ended 30 June 2020 has tested Anchor's resilience in volatile investment markets and uncertain business conditions caused by the COVID-19 natural disaster coupled with lock-down restrictions. Anchor is proud to have reacted proactively with record inflows and embraced the change to the new conditions. The result has seen Anchor gather over R6 billion of new inflows with 600 new clients and has grown adjusted headline earnings by 9%. This is the highest level of net inflows achieved in a six-month period in Anchor's history.

The investment environment continues to see the demand for fixed income grow at the expense of equities, and Anchor's fixed income business achieved the R10 billion milestone in this period. Anchor earns a lower margin on fixed income than those earned on equities. Equity market brokerage volumes have recovered in 2020 with a historic March compared to 2019, but since

then have normalised. Annuity management and advice fees have grown in-line with the growth in total assets under management and the Rand weakness has benefited this growth.

The combination of the above factors saw Anchor's operating margin, increase from 16% to 19%; although this includes some non-cash costs that are excluded from core earnings. The adjusted operating margin we use for management purposes is 30% (2019: 31%).

## **RESULTS**

*The results for the period are impacted by the consolidation of MJFS and the once-off Astoria termination fee earned in 2019. Like for like numbers remove these impacts.*

The turnover of the Group decreased to R222 million (2019: R269 million). Like for like, turnover increased by 5%, with average assets of R61.3 billion for the year (2019: R54.1 billion). The yield on average assets, excluding the Astoria termination fee, for the period decreased to 0.70% (2019: 0.72%). This was lower due to a change in asset mix from equities to fixed income.

Operating costs were up 13% at R180 million (2019: R160 million). Like for like costs increased by 8%. This includes a donation of over R1 million, made by staff and Anchor, to the Solidarity Fund to assist with addressing the COVID19 pandemic.

Other income grew by 31% to R15.3 million (2019: R11.6 million). Other income was positively impacted by the return on balance sheet assets and interest income.

Finance costs decreased primarily due to the repayment of debt.

Share of profits from associates grew by 401% to R3.1 million, (2019: R0.6 million). This was primarily due to Anchor Stockbrokers (Pty) Ltd.

Adjusted headline earnings per share of 19.4 cents is up 8% on 2019. Adjusted headline earnings are calculated by the Group in order to reflect core, and sustainable, cash-flow earnings of the Group. This number is used as the basis to determine the dividend cover of the Group.

The business is highly cash generative with more than 100% of continuing profits generated in cash.

Shareholders' equity increased to R961 million (31 December 2019: R929 million), as a result of the profit for the period. The net asset value per share is 451 cents (31 December 2019: 446 cents) and the tangible net asset value per share is 93c (31 December 2020: 102c). Cash and other liquid instruments are R117 million at 31 December 2019 (31 December 2019: R122million), which represents 54 cents per share (31 December 2019: 58 cents per share).

## **OPERATIONAL REVIEW**

### **Private Clients and Asset Management**

Assets under management for the half year ended 30 June 2020 were R38,7 billion (+9%, 31 Dec 2019: R35,4 billion) and assets under advice were R26,2 billion (+19%, 31 Dec 2019: R22,1 billion).

Anchor Capital (Pty) Ltd ("Anchor Capital") has a strong institutional and private client pipeline of mandates which will positively impact assets under management in 2020. Offshore managed assets are USD 0.8 billion.

The investment performance of the Group has been strong since inception. The majority of assets are managed in segregated portfolios. Anchor Capital is now established in the Collective Investment Scheme ("CIS") space, with over R10 billion of assets in CIS structures.

Anchor has a long-term strategy of being a meaningful South African asset and wealth management company and places a great deal of emphasis on fundamental research. Accordingly, it has built a large investment team relative to its size. The Group has 18 CA(SA)s, 17 CFA charter holders and an 18 strong investment team.

## **CAPITAL ALLOCATION AND CORPORATE ACTIVITY**

Anchor repurchased R8.9 million worth of shares, held as treasury shares, during the period.

Anchor purchased 50% of MJFS on 1 January 2020. MJFS is a financial advisory business advising R5.1 billion of assets.

Anchor has a stated, long-term intention of paying half of adjusted headline earnings as a dividend. An interim dividend of 9 cents per share is accordingly declared which is the same as the dividend for the half year ended 30 June 2019.

## **STRATEGY AND NEW INITIATIVES**

Anchor is in its ninth year of existence and continues to grow. Anchor is a young and dynamic asset management business, which maintains its focus on quality and investment excellence, but which also aims to do things differently and challenge the status quo. The private client market in South Africa has shown a strong appetite to support a relatively new player, but to penetrate other segments of the market, primarily institutional asset management, a longer track record is required.

Anchor Capital now has an eight-year track record in its current form and some of its CIS products have five-year track records. As the track record lengthens and the asset base grows, we become a viable asset management alternative for bigger pools of assets. This is an industry where size begets size and we are encouraged by the early successes in winning mandates with bigger clients. Our critical mass has enabled us to conclude deals with South Africa's major platforms, which increases access to a broader set of potential investors.

Anchor Capital has taken a non-traditional approach to building an asset management business by investing in marketing and distribution capabilities from inception, which is bearing fruit through the growth of assets under management. We are aiming for consequential financial leverage to follow in coming years.

The Group's strategy is as follows:

- **To maintain top quartile investment performance with all investment product ranges across asset classes and geographies:**
  - The investment product range set is complete, and Anchor now has a CIS product range which will service all investment needs, managed by a well-established, extremely competent and strongly performing investment process.
  - There is a strong focus on offshore, both for funds which are Rand-based and for funds which have been externalised.
- **To build distribution capacity and capability to generate growth in assets under management. This will be achieved in three ways:**
  - Marketing to traditional channels who outsource the asset management function to third party asset managers. This includes financial advisors, institutional investors, multi-managers and fund-of-funds.
  - Marketing directly to clients, primarily in the private client space. We continue to employ individuals who can attract assets and have over 50 high quality investment professionals who sign on and service clients.
  - Acquiring and partnering with quality financial advisory businesses with diverse client bases

and good cash flow generation.

This strategy will continue into the remainder of 2020.

## **PROSPECTS**

2020 has been a testing year so far, with significant market volatility and a market crash in March. Anchor's client-centric, problem-solving distribution force has been the star performer. Anchor has adapted to the lockdown conditions exceptionally and the business model has proved its resilience.

The results for the remainder of the year will be influenced by:

- the performance of local and global markets and Anchor's relative performance;
- the impact on assets under management from the inflows in the first half;
- the exchange rate between the Rand and other currencies (we estimate across the business, that the Rand hedge component is approximately 35%);
- acquisition of financial advisory businesses;
- the growth of the stockbroking division, and
- an increase in the weighted average number of shares in issue.

A presentation on the results under review is available on [www.anchorgroup.co.za](http://www.anchorgroup.co.za).

**Summarised consolidated statements of comprehensive income**

Figures in R'000	% change	Unaudited 30-Jun-20	Unaudited 30-Jun-19	Audited 31-Dec-19
Revenue	-17%	222 329	268 685	465 861
Operating Expenses	12%	-179 731	-159 948	-351 800
<b>Operating profit</b>	<b>-61%</b>	<b>42 598</b>	<b>108 737</b>	<b>114 061</b>
Other Income	31%	15 291	11 691	22 839
Movement in credit loss allowances				-3 795
Finance Costs	-22%	-704	-898	-2 708
Share of profits from associates	401%	3 074	613	1 368
<b>Profit before taxation</b>	<b>-50%</b>	<b>60 259</b>	<b>120 143</b>	<b>131 765</b>
Taxation expense	18%	-16 321	-13 858	-23 110
<b>Profit for the period</b>	<b>-59%</b>	<b>43 938</b>	<b>106 285</b>	<b>108 655</b>
<b>Items that will be reclassified to profit or loss:</b>				
Exchange differences on translating foreign operations	-128%	1 199	-4 221	2 876
<b>Total Comprehensive Income</b>	<b>-56%</b>	<b>45 137</b>	<b>102 064</b>	<b>111 531</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	-69%	30 416	96 793	87 225
Non-controlling interest	42%	13 522	9 492	21 430
	<b>-59%</b>	<b>43 938</b>	<b>106 285</b>	<b>108 655</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	-66%	31 615	92 572	90 101
Non-controlling interest	42%	13 522	9 492	21 430
	<b>-56%</b>	<b>45 137</b>	<b>102 064</b>	<b>111 531</b>
<b>Earnings, headline earnings, and adjusted headline earnings per share:</b>				
Earnings per share (cents)	-69%	14,7	47,4	42,6
Diluted earnings per share (cents)	-69%	14,6	47,1	42,4
Headline earnings per share (cents)	-69%	14,7	47,4	37,5
Diluted headline earnings per share (cents)	-69%	14,6	47,1	37,3
Adjusted headline earnings per share (cents)	8%	19,4	18,0	33,9
Diluted adjusted headline earnings per share (cents)	8%	19,3	17,9	33,7
<b>Reconciliation of earnings, headline earnings and adjusted headline earnings:</b>				
<b>Earnings attributable to shareholders</b>	<b>-59%</b>	<b>43 938</b>	<b>106 285</b>	<b>108 655</b>
Non-controlling interest	42%	13 522	9 492	21 430
<b>Earnings attributable to ordinary shareholders</b>	<b>-69%</b>	<b>30 416</b>	<b>96 793</b>	<b>87 225</b>
Profit on sale of Investment in associate (Anchor Stockbrokers)				-10 395
<b>Headline earnings attributable to ordinary shareholders</b>	<b>-69%</b>	<b>30 416</b>	<b>96 793</b>	<b>76 830</b>
Net Astoria fee after costs			-68 319	-49 821
CFM Retrenchment Costs			1 470	3 800
Amortisation on Intangible Assets	71%	5 182	3 032	14 432
Depreciation (IFRS 16)		571	-	3 571

Profit on sale of Investment in associate (Anchor Stockbrokers)			-	10 395
Movement in credit losses (IFRS 9)				3 795
Equity settled share option costs	4%	3 971	3 827	6 427
<b>Adjusted headline earnings attributable to ordinary shareholders</b>	<b>9%</b>	<b>40 140</b>	<b>36 803</b>	<b>69 429</b>
Number of shares in issue	3%	216 907	210 696	211 045
<b>Weighted average number of shares in issue</b>	<b>1%</b>	<b>206 702</b>	<b>204 044</b>	<b>204 908</b>
Employee share incentive scheme	-18%	1 029	1 257	1 029
<b>Diluted weighted average number of shares in issue</b>	<b>1%</b>	<b>207 731</b>	<b>205 301</b>	<b>205 936</b>

**Summarised consolidated statements of financial position**

Figures in R'000	% Change	Unaudited 30-Jun-20	Unaudited 30-Jun-19	Audited 31-Dec-19
<b>Assets</b>				
<b>Non-Current Assets</b>				
Equipment	-30%	3 884	5 534	4 328
Investment Property		7 957		6 540
Right-of-use assets		6 628		6 798
Goodwill	8%	639 987	589 990	590 455
Intangible assets	23%	137 719	112 288	136 308
Investments in associates	4%	74 626	71 463	71 885
Financial assets	124%	51 961	23 175	47 284
Deferred tax	-4%	7 742	8 073	6 863
	<b>15%</b>	<b>930 504</b>	<b>810 523</b>	<b>870 461</b>
<b>Current Assets</b>				
Current tax receivable	-76%	528	2 190	4 901
Cash and cash equivalents	-36%	73 135	113 619	72 026
Financial assets	-25%	44 161	59 004	49 966
Trade and other receivables	12%	61 500	55 037	59 315
	-22%	179 324	229 850	186 208
<b>Total Assets</b>	<b>7%</b>	<b>1 109 828</b>	<b>1 040 373</b>	<b>1 056 669</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital	2%	996 872	972 832	977 808
Reserves	239%	15 640	4 612	17 667
Retained income	32%	-51 138	-38 688	-66 707
Equity Attributable to Equity Holders of Parent	2%	961 374	938 756	928 768
Non-controlling interest	4%	17 849	17 206	13 206
<b>Total Equity</b>	<b>2%</b>	<b>979 223</b>	<b>955 962</b>	<b>941 974</b>
<b>Non Current Liabilities</b>				
Financial liabilities	174%	29 619	10 800	-
Lease liabilities		6 306		5 535
Deferred Tax	29%	31 446	24 391	32 997
	<b>91%</b>	<b>67 371</b>	<b>35 191</b>	<b>38 532</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Financial liabilities	-100%	-	18 508	26 551
Lease liabilities		2 106		2 106
Trade and other payables	83%	49 924	27 270	41 064
Current tax payable	226%	11 204	3 442	6 442
	<b>28%</b>	<b>63 234</b>	<b>49 220</b>	<b>76 163</b>
<b>Total Liabilities</b>	<b>55%</b>	<b>130 605</b>	<b>84 411</b>	<b>114 695</b>
<b>Total Equity and Liabilities</b>	<b>7%</b>	<b>1 109 828</b>	<b>1 040 373</b>	<b>1 056 669</b>
Net asset value per share (cents)	1%	451	454	446
Net tangible asset value per share (cents)	-9%	93	120	102

**Summarised consolidated statement of cash flows**

Figures in R'000	% change	Unaudited 30-Jun-20	Unaudited 30-Jun-19	Audited 31-Dec-19
<b>Cash flows from operating activities</b>				
Cash generated from / (used) from operations	14%	73 500	121 013	158 988
Interest income	16%	2 824	4 042	9 139
Finance costs	31%	-704	-898	(2 708)
Tax paid	-34%	-8 349	-14 836	(28 991)
<b>Net cash from operating activities</b>	<b>34%</b>	<b>67 271</b>	<b>109 321</b>	<b>136 428</b>
<b>Cash flows utilised in investing activities</b>				
Purchase of Equipment and Intangibles	4%	-5 302	-27 127	(12 355)
Proceeds on disposal of intangible assets	106%	-	-	6 526
Business combinations	451%	-49 500	-	(43 329)
(Additions) / Disposal in financial assets	7%	-3 496	26 164	10 259
Net movement in investments in associates	-103%	-500	-	710
<b>Net cash utilised in investing activities</b>	<b>n.m</b>	<b>(58 798)</b>	<b>(963)</b>	<b>(38 189)</b>
<b>Cash flows from financing activities</b>				
Increase in stated capital / share capital	213%	-	1 391	4 698
Increase of other financial liabilities	26%	25 618	-27 406	(28 390)
Purchase of ACG shares	-54%	-8 906	-3 115	(4 819)
Dividends paid	-5%	-23 726	-32 342	(60 946)
Payment of lease Liabilities		-950	-	(2 875)
<b>Net Cash from financing activities</b>	<b>-3%</b>	<b>(7 964)</b>	<b>(61 472)</b>	<b>(92 332)</b>
<b>Total cash and cash equivalents movement for the year</b>	<b>-121%</b>	<b>509</b>	<b>46 886</b>	<b>5 907</b>
Cash and cash equivalents at the beginning of the year	-29%	72 025	66 204	66 204
Effect of exchange rate movement on cash balances	-116%	601	529	-85
<b>Total cash and cash equivalents at end of the year</b>	<b>9%</b>	<b>73 135</b>	<b>113 619</b>	<b>72 026</b>







Condensed consolidated Segmental information (R'000)

Statements of Comprehensive Income

30-Jun-20	Non-Asset Management	Asset Management	Stockbroking	Eliminations	Total
Revenue	24 922	196 291	38 707	- 37 591	222 329
Operating expenses	- 10 099	- 153 648	- 69 398	53 414	- 179 731
<b>Operating profit</b>	<b>14 823</b>	<b>42 643</b>	<b>- 30 691</b>	<b>15 823</b>	<b>42 598</b>
Other Income	4 466	7 936	34 162	- 31 273	15 291
Share of loss from associates and joint venture	3 074				3 074
Finance costs	-	- 1 726	- 180	1 203	- 704
<b>Profit before tax</b>	<b>22 363</b>	<b>48 853</b>	<b>3 291</b>	<b>- 14 248</b>	<b>60 259</b>
Taxation	- 899	- 14 062	- 1 360	-	- 16 321
<b>Profit for the year</b>	<b>21 464</b>	<b>34 791</b>	<b>1 931</b>	<b>- 14 248</b>	<b>43 938</b>

31-Dec-19	Non-Asset Management	Asset Management	Stockbroking	Eliminations	Total
Revenue	134 083	412 398	55 738	- 136 358	465 861
Operating expenses	- 22 426	- 295 560	- 53 618	20 804	- 351 80
<b>Operating profit</b>	<b>111 657</b>	<b>115 838</b>	<b>2 120</b>	<b>- 115 554</b>	<b>114 061</b>
Other Income and fair value adjustment	8 374	9 587	9 560	- 4 682	22 839
Share of profit / (loss) from associates and joint venture	1 154	- 391	605	-	1 368
Movement in credit allowances	- 690	- 3 105	-	-	- 3 795
Finance costs	- 187	- 4 264	- 1 375	3 118	- 2 708
<b>Profit before tax</b>	<b>120 308</b>	<b>117 665</b>	<b>10 910</b>	<b>- 117 118</b>	<b>131 764</b>
Taxation	- 3 703	- 16 594	- 2 813	-	- 23 109
<b>Profit for the year</b>	<b>116 605</b>	<b>101 071</b>	<b>8 097</b>	<b>- 117 118</b>	<b>108 655</b>

30-Jun-19	Non-Asset Management	Asset Management	Stockbroking	Eliminations	Total
Revenue	101 101	159 888	32 785	- 95 522	198 253
Revenue – Astoria Termination Fee		70 432			70 432
Operating expenses	- 3 156	- 118 204	- 28 634	- 9 954	- 159 948
<b>Operating profit</b>	<b>97 946</b>	<b>112 116</b>	<b>4 152</b>	<b>- 105 476</b>	<b>103 577</b>
Other Income	4 599	8 437	131	- 1 476	11 691
Finance costs	-	- 2 268	- 105	1 476	- 898
Share of profits from associates and joint venture - continuing operation	- 104				613
<b>Profit before tax</b>	<b>103 158</b>	<b>118 285</b>	<b>4 177</b>	<b>- 105 476</b>	<b>120 143</b>
Taxation	- 829	- 11 793	- 1 236	-	- 13 858
<b>Profit for the year</b>	<b>102 328</b>	<b>106 492</b>	<b>2 941</b>	<b>- 105 476</b>	<b>106 285</b>

## Financial Position

	Non-Asset management	Asset Management	Stockbroking	Eliminations	Total
<b>30-Jun-20</b>					
<b>Assets</b>	<b>845 209</b>	<b>431 935</b>	<b>41 096</b>	<b>- 208 413</b>	<b>1 109 828</b>
Non-Current Assets	702 710	358 440	9 955	- 140 602	930 504
Current Assets	142 499	73 495	31 141	- 67 811	179 324
<b>Liabilities</b>	<b>- 10 730</b>	<b>- 105 778</b>	<b>- 16 014</b>	<b>1 917</b>	<b>- 130 605</b>
Non-Current Liabilities	- 2 106	- 60 689	- 4 576	-	- 67 371
Current liabilities	- 8 624	- 45 089	- 11 438	1 917	- 63 234
<b>Equity</b>	<b>834 479</b>	<b>326 157</b>	<b>25 082</b>	<b>- 206 496</b>	<b>979 223</b>
<b>31-Dec-19</b>					
<b>Assets</b>	<b>844 527</b>	<b>393 949</b>	<b>35 898</b>	<b>- 217 705</b>	<b>1 056 669</b>
Non-Current Assets	657 835	352 453	10 225	- 150 052	870 461
Current Assets	186692	41 496	25 673	- 67 653	186 208
<b>Liabilities</b>	<b>- 29 748</b>	<b>- 72 939</b>	<b>- 12 743</b>	<b>- 735</b>	<b>- 114 695</b>
Non-Current Liabilities	- 1 862	- 32 094	- 4 576	-	- 38 532
Current liabilities	- 27 886	- 40 845	- 8 167	- 735	- 76 163
<b>Equity</b>	<b>814 779</b>	<b>321 010</b>	<b>23 155</b>	<b>- 216 970</b>	<b>941 974</b>
<b>30-Jun-19</b>					
<b>Assets</b>	<b>133 187</b>	<b>234 761</b>	<b>28 992</b>	<b>643 433</b>	<b>1 040 373</b>
Non-Current Assets	71 590	138 259	5 606	595 068	810 523
Current Assets	61 597	96 503	23 385	48 365	229 850
<b>Liabilities</b>	<b>- 22 109</b>	<b>- 33 633</b>	<b>- 1 665</b>	<b>- 27 005</b>	<b>- 84 411</b>
Non-Current Liabilities	- 10 800	- 24 154	- 237	-	- 42 661
Current liabilities	- 11 309	- 9 479	- 1 428	- 27 005	- 66 016
<b>Equity</b>	<b>111 079</b>	<b>201 129</b>	<b>27 327</b>	<b>616 428</b>	<b>955 962</b>

## **BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The accounting policies and method of measurement and recognition applied in the preparation of these condensed consolidated financial results are in terms of International Financial Reporting Standards ("IFRS") and are consistent with those applied in the audited annual financial statements for the previous year ended 31 December 2019.

The unaudited condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The condensed consolidated financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in terms of the minimum disclosure requirements set out in International Accounting Standards ("IAS") 34 – Interim Financial Reporting, as well the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial director, Omair Khan CA(SA), was responsible for the preparation of the condensed consolidated financial results, which process was overseen by the CEO, Mr Peter Armitage CA(SA).

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the group's external auditors.

The directors take full responsibility for the preparation of the unaudited condensed consolidated financial statements.

## **BUSINESS COMBINATIONS**

On 1 January 2020 Anchor concluded the purchase of M Jurgens Financial Services Proprietary Limited ('M Jurgens') to buy an effective 50% interest for a purchase price of R49 500 000. M Jurgens is a financial advisory business and has R5 billion of assets under advice. Acquisition of financial advisor books is a key distribution strategy for Anchor.

Anchor will acquire a further 13% of M Jurgens ("13% shareholding") on 1 January 2023 based on the net after tax profit ("NPAT") earned by M Jurgens during the financial year ending 31 December 2022.

The assets and liabilities are still provisional. There are synergies in the operation, and with the financial Advisors within Anchor Capital, however these have not been quantified and recognised.

In terms of IFRS 3 Business Combinations, Anchor Group Limited have control due to Anchor Group Limited having the casting vote on the key contract decision making of M Jurgens. The acquisition resulted in Goodwill being recognised in the books at R 49 548 654.74

Provisional fair value of assets acquired, and liabilities assumed

	(R'000)
Equipment	56
Cash and cash equivalents	8 361
Trade and other receivables	199
Trade and other payables	-776
Current tax payable	-1 020
Long term loans	-6 808

Total identifiable net assets	12
Goodwill	49 549
Consideration paid	49 561

## EVENTS AFTER THE REPORTING PERIOD

There are no subsequent events after the reporting period.

## DIVIDEND

As stated, the Company has a long-term intention of paying half of its adjusted headline earnings as a dividend going forward.

For the first half ended 30 June 2020 the Company declared an interim dividend (Number 12) of 9 cents per share (30 June 2019: 9 cents). Dividends are being paid from cash reserves.

The dividend will be subjected to a dividend withholding tax rate of 20% or 1.8 cents per ordinary share and accordingly the net dividend is 7.2 cents, while the dividend payable to shareholders who are exempt from dividend withholding tax is 9 cents per ordinary share.

Anchor's tax reference number is 9527/450/16/8. There are 216 855 565 ordinary shares in issue at the declaration date.

The salient dates for the dividend are as follows:

Last date to trade 'cum' dividend	Tuesday, 6 October 2020
Shares commence trading 'ex' dividend	Wednesday, 7 October 2020
Record date (date shareholders recorded in share register)	Friday, 9 October 2020
Payment date	Monday, 12 October 2020

Shareholders may not dematerialise or rematerialise their share certificates between Tuesday, 6 October 2020 and Friday, 9 October 2020, both dates inclusive. Payment of the dividend will be made to shareholders on Monday, 12 October 2020, in respect of dematerialised shares. Certificated shareholders' dividend payments will be deposited on/or about Monday, 12 October 2020.

For and on behalf of the board of directors

**Peter Armitage**  
Chief Executive Officer  
21 September 2020

**Mike Teke**  
Chairman

## DIRECTORS

Executive Directors: Peter Armitage (Chief Executive Officer), Omair Khan (Financial Director)  
Non-executive directors: Mike Teke (Chairman), Tinyiko Mhlari (Lead independent), Robert Fihrer, Nick Dennis (Independent), Keneilo Sibisi (Independent)

## DESIGNATED ADVISOR

Java Capital

**TRANSFER SECRETARIES**

Link Market Services South Africa Proprietary Limited  
(Registration number 2000/007239/07)  
13<sup>th</sup> Floor, 19 Ameshoff Street, Braamfontein, 2001  
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**REGISTERED OFFICE**

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**POSTAL ADDRESS**

PO Box 1337, Gallo Manor, 2052

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