



SERVING THOSE WHO SERVE SINCE 1913

ASSUPOL HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration Number: 2010/015888/06)

4AX Share Code: 4AASP

ISIN: ZAE400000051

("Assupol Holdings" or "the Company")

TRADING UPDATE FOR THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

We refer shareholders to the Company's trading update for the financial year ended 30 June 2020 released on the 4AX news service on 18 September 2020, which noted the potential impact of Covid-19 on the business operations and financial performance of Assupol Holdings and its subsidiaries (the "Group").

Despite the severe impact of the pandemic affecting all aspects of previously perceived normality, the Group managed to deliver a resilient performance for the six months ended December 2020.

A number of areas in the Group's business environment have shown encouraging signs of recovery after the severe impact of the lockdown restrictions and the first wave of the pandemic in South Africa. As announced in the financial results for the financial year ended 30 June 2020 the Group established explicit reserves to provide for excess claims stemming from the first wave of the pandemic. This reserve was sufficient to cover the majority of these claims.

In December 2020 another surge in reported deaths started to emerge and it was clear that a second wave was to hit South Africa. In reaction to this, the Group has considered its own mortality experience as well as the Covid-19 guidance for actuaries by the Actuarial Society of South Africa, and has decided to create another explicit Covid-19 mortality reserve.

The Group has also considered the possibility of a third wave and at this stage has not set up a reserve for such. It was decided that there is currently not sufficient certainty on the timing duration or impact of a third wave on South Africa at this stage. This possibility will be closely monitored by the Group.

Shareholders are advised that the Group's reported performance for the six months period ended 31 December 2020 is expected to be within the ranges set out below:

- the earnings per share of the Group will reflect a decrease of between 23% and 33% compared to the earnings per share of 87 cents reported for the six months ended 31 December 2019;
- the solvency capital requirement ("SCR") ratio of Assupol Life Limited ("**Assupol Life**"), being a major subsidiary of Assupol Holdings, exceeds 175% at 31 December 2020 (SCR was 170% at 31 December 2019);

- taking emerging mortality data of the second wave into account, the Group has provided for an additional reserve for Covid-19 related claims expected to be between R140 and R150 million (after tax);
- a liquidity assessment of the Group has been performed. The Group expects to have sufficient liquidity to meet all its obligations for the foreseeable future. The liquidity assessment is monitored continuously for any changes.

The interim results for the six months ended 31 December 2020 are expected to be released on or about 31 March 2021. The information contained in this announcement, including any estimates or forecast financial information on which this trading update announcement is based, has not been reviewed or reported on by Assupol Holdings' external auditors.

Pretoria
18 March 2021

External Issuer Agent:

Pallidus
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