

Sephaku Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2005/003306/06)
Share code: SEP
ISIN: ZAE000138459
("SepHold" or "the Company")



Voluntary update on the kiln outage and share price rally

SepHold would like to provide its shareholders with insight on the recent share price rally and an update on the recent Dangote Cement SA (Pty) Ltd.'s ("Sephaku Cement", "SepCem" or "the associate") kiln outage.

Share price rally

The Treasury Department issued a circular effectively banning imported cement in government-funded projects from 4 November 2021. Importers of cement have increased market share due to the marginally higher pricing from local manufacturers from the additional, non-negotiable costs for legislative compliance such as carbon tax. The circular prescribes that all government institutions at all legislative levels and state-owned enterprises must stipulate in tender invitations that only South African produced cement will be permitted on all public sector construction projects. The cement has to be produced with locally sourced raw materials, which is a condition that eliminates competitors that import clinker.

This decision has resulted in a significant rally in the share price due to the fifty (50) planned government infrastructure strategic integrated projects and twelve (12) special projects as part of a drive to stimulate the economy. Last week, the Infrastructure Fund ("the Fund") reported that it had submitted four projects, collectively valued at R21 billion, for National Treasury approval and will contribute R5,4 billion through finance from both public and private resources. The projects have supposedly been approved by Infrastructure South Africa, which is tasked with overseeing the government's Infrastructure Investment Plan. The Fund is apparently finalising four more projects valued at approximately R85-billion for submission in 2022.

SepHold's subsidiary, Métier Mixed Concrete (Pty) Ltd.'s ("Métier"), has a plant footprint well-positioned in three key geographic markets of Gauteng, Mpumalanga and Western Cape to compete for the supply of concrete into the strategic infrastructure projects. Furthermore, SepCem produces bagged and bulk cement at its integrated Aganang plant in the North West and the grinding Delmas plant in Mpumalanga, enabling access to all major inland markets.

SepCem kiln maintenance update

The associate resumed production as scheduled on 6 October 2021 following the unplanned maintenance stop announced on 30 September 2021: <https://sephakuholdings.com/investor-centre/sens-news-and-archives/press-releases/>. The cause of the plant outage was identified and remedied. SepCem management has implemented several procedures to improve plant reliability and mitigate a reoccurrence. The kiln is running at operational capacity.

Detailed commentary on the group's performance will be disclosed in the interim financial results for the period ended 30 September 2021, incorporating the related SepCem figures for the six months ended 30 June 2021 during the week ending 19 November 2021.

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Sponsor: Questco Corporate Advisory (Pty) Ltd

About Sephaku Holdings Limited

SepHold is a building and construction materials company with a portfolio of investments in the cement sector in South Africa. The strategy of SepHold is to generate growth and realise value for shareholders through the production of cement and ready mixed concrete in Southern Africa. The Company's core investments are a 36% stake in Dangote Cement South Africa (Pty) Ltd (Sephaku Cement) and 100% in Metier Mixed Concrete (Pty) Ltd.

www.sephakuholdings.com