CHAIRMAN'S REVIEW

During the period under review, group revenue recovered by 28% from R90,7 million in September 2020 to R116 million. In line with the increase in revenue, profitability recovered leaving the group with cash balances as at September 2021 of R76,8 million (September 2020: R57,2 million). The earnings per share for the period recovered from 6,5 cents in September 2020 to 98,0 cents September 2021 due to the improved performance over the period.

The group's operating costs have increased by 16% from R57,2 million in 2020 to R66,4 million in 2021. In order to preserve jobs at the height of the COVID 19 pandemic, the group resorted to salary reductions during part of the comparative six month period, resulting in higher operating costs during the reporting period. The group's property portfolio was strengthened by acquiring the remaining shares in our Oxford Office Park not previously held by the group.

The group generated cash from operating activities of R16 million (September 2020: R7,9 million), paid tax of R3,9 million (2020: R1,9 million), spent R1,9 million (2020: R722 000) on capital expenditure and paid dividends of R7,9 million (2020: Nil). The group also repurchased 45 000 shares during the period which resulted in a cash outflow of R1,2 million.

OPERATIONS

Operations throughout the various business units recovered significantly during the period. Although pre-COVID performance has not yet been achieved, the group is on the road to recovery to achieve pre-COVID performance.

Algoa FM has delivered an interim result that was above budget. National Sales experienced a positive start to the first quarter. However, the civil unrest in KZN at the start of 2nd quarter put many client campaigns on hold and impacted supply to the local retail sector. Despite the varying degrees of lockdown restrictions, Algoa achieved success in this period. Operating costs have been well managed and are below budget and the cashflow remains positive. Client engagement remains healthy, but the market is still unpredictable with disruptive power outages, a looming water crisis and a pending COVID 19 Wave 4 which negatively impacts on clients.

Central Media Group ("CMG") has shown growth in both radio and print. CMG's digital subsidiary is under pressure due to a more competitive market. Six months results for OFM indicated a significant improvement in EBITDA that was above budget. National and direct sales have both improved and have contributed to the positive EBITDA. Mahareng Publishing has recovered exceptionally well since the previous period and exceeded budgeted expectations. Despite the many challenges that Central South Africa is facing, the business remains strong.

MediaHeads 360 mid-year results are encouraging, reflecting the upward trajectory of the business. Diversification of revenue streams has contributed to the positive performance of MediaHeads 360 which at the close of the interim period is higher than budget. The company continues to build credibility in the Television Content Integration space and growth in the second half of the fiscal is expected from this sector.

United Stations maintained its strong performance and has navigated the various economic disruptions that characterised this period, to exceed revenue expectations for the year to date. The exciting long-term strategy to drive growth, streamline operations, and accelerate the development of skills and knowledge in the team, has delivered the epitome of a modern media sales house. The opportunity now exists to partner with other digital and audio platforms which are seeking to overcome the restraints of a low growth advertising environment.

Moneyweb has experienced solid financial performance for the interim period, having exceeded budget for the first six months of the year. The company continues to see a substantial audience base on its various platforms; however the high peaks of traffic seen on the site during 2020 COVID lockdowns have subsided. The Moneyweb News app was named a finalist in the MTN Business App of the Year Awards under the category of Best Financial Solution. Our podcast offering has expanded and been well received in the market, with continued plans to promote and monetise the content.

DIVIDENDS

A final dividend (dividend no. 16) of 100 cents per ordinary share (gross) was declared for the year ended 31 March 2021 (March 2020: Nil) and paid on 8 July 2021. An interim dividend for the period ended 30 September 2021 of 80 cents per ordinary share (gross) was declared (September 2020: Nil).

DECLARATION OF INTERIM DIVIDEND NO. 17

The board resolved to declare a dividend (dividend no.17) of 80.00 cents per ordinary share (gross) for the interim period ended 30 September 2021. The dividend is subject to the Dividends Withholding Tax ("DWT") that was introduced with effect from 1 April 2012. In accordance with the provisions of the JSE Listings Requirements, the following additional information is disclosed:

- the dividend has been declared out of distributable retained profit;
- the local Dividend Tax rate is 20%;
- the gross dividend amount is 80.00 cents per ordinary share for shareholders exempt from DWT;
- the net dividend amount is 64.00 cents per ordinary share for shareholders liable for DWT;
- the company has 7 878 126 ordinary shares in issue;
- the company's income tax reference number is 9100/169/71/4.

The following dates are applicable to the dividend:

Last date to trade in order to be eligible for the dividend: Monday, 13 December 2021

Date trading commences *ex*-dividend: Tuesday, 14 December 2021

Record date: Friday, 17 December 2021

Date of payment to shareholders: Monday, 20 December 2021

Share certificates may not be dematerialised/rematerialised between Tuesday, 14 December 2021 and Friday, 17 December 2021, both days inclusive.

PROSPECTS

The board expects the trading conditions for the 2022 financial year to remain unstable due to the turbulent economy and continued impact of the pandemic on business.

ACG Molusi
Independent Non-executive Chairman

AJ Isbister CA(SA)
Financial Director

24 November 2021

Summarised notes to the financial statements

1. BASIS OF PREPARATION

These condensed unaudited results have been prepared by the financial director in accordance with International Financial Reporting Standards ("IFRS"), the Companies Act, No. 71 of 2008, as amended, IAS 34: Interim Financial Reporting, the Listings Requirements of the Johannesburg Stock Exchange, Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee on a basis consistent with the policies and methods of computation as used in the annual financial statements for the year ended 31 March 2021.

2. BUSINESS COMBINATION

Oxford Office Terrace

AME acquired 100% of Oxford Office Terrace on 1 September 2021. AME previously held 50% in the company. The purchase price for the remaining 50% shareholding was settled with a cash consideration of R2 million. Oxford Office Terrace was equity accounted for during the period 1 April 2021 to 31 August 2021 and was consolidated effective 1 September 2021. The assets and liabilities acquired, for which final fair values were determined, are listed in the table below:

	R'000
Investment property	**4 300**
Cash and cash equivalents	**382**
Non-current liabilities	**(560)**
Current liabilities	**(278)**
Fair value of identifiable net assets	**3 844**
Fair value of previously held equity interest	**(1 922)**
Amount capitalised	**1 922**
Total cash consideration	**2 005**
Goodwill arising on acquisition	**83**
Cash consideration	**2 005**
Less: Cash and cash equivalents in subsidiary acquired	**(382)**
Net cash outflow on acquisition	**1 623**

3. HEADLINE EARNINGS

	% change	**Unaudited six months to 30 September 2021 R'000**	Unaudited six months to 30 September 2020 R'000	**Audited year ended 31 March 2021 R'000**
Headline earnings per share (cents)	>100%	**97.3**	6.6	**112.7**
Headline earnings reconciliation				
Profit attributable to equity holders		**7 751**	518	**282**
Adjustments:		**(55)**	1	**8 649**
Impairment of Moneyweb trademark		**–**	–	**2 000**
Reversal of deferred tax liability on trademark		**–**	–	**(448)**
Impairment of Moneyweb and United Stations goodwill		**–**	–	**7 112**
Loss/(profit) on disposal of fixed assets		**(77)**	1	**(21)**
Tax on disposal of fixed assets		**22**	–	**6**
Headline earnings		**7 696**	519	**8 931**

4. OTHER FINANCIAL INSTRUMENTS

	2021	2020
Level 3	**20 050**	22 550
	20 050	22 550

Level 3 fair value is determined by valuation that uses inputs that are not based on observable market data.

Investments are valued based on discounted cash flow models. Should the variables differ by 1% the value of the investments will decrease by between 5% and 7%.

5. RELATED PARTY TRANSACTIONS

Other than in the ordinary course of business, there have been no transactions during the year with related parties.

6. SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE PERIOD

Other than the transactions or events already mentioned in this report, there were no other significant transactions or events for the period ended 30 September 2021.

7. GOING CONCERN

The condensed unaudited interim results have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

8. EVENTS AFTER THE REPORTING PERIOD

To the best of the directors' knowledge, there have been no material events since the period ended 30 September 2021 to the date of this report that may materially affect the financial position of the group and the results of its operations.

INTERIM RESULTS

For the six months ended 30 September 2021

AFRICAN MEDIA ENTERTAINMENT

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	% change	Unaudited six months to 30 September 2021 R'000	Unaudited six months to 30 September 2020 R'000	Audited year ended 31 March 2021 R'000
Revenue	28%	**116 027**	90 739	**200 102**
Cost of sales	33%	**(34 006)**	(25 578)	**(54 115)**
Gross profit		**82 021**	65 161	**145 987**
Other operating expenses	16%	**(66 382)**	(57 213)	**(116 616)**
Operating profit before depreciation	97%	**15 639**	7 948	**29 371**
Depreciation		**(3 687)**	(3 694)	**(7 208)**
Operating profit	>100%	**11 952**	4 254	**22 163**
Investment income		**1 000**	125	**700**
Finance income		**1 811**	1 129	**2 281**
Equity accounted earnings from associates		**109**	49	**518**
Net profit before capital items		**14 872**	5 557	**25 662**
Impairment of goodwill and trademark		**–**	–	**(9 112)**
Net profit before tax		**14 872**	5 557	**16 550**
Taxation		**(5 121)**	(4 126)	**(13 868)**
Profit for the period	>100%	**9 751**	1 431	**2 682**
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss:		**–**	–	**(1 940)**
Fair value losses on fair value through other comprehensive income financial assets		**–**	–	**(2 500)**
Deferred tax relating to fair value adjustment		**–**	–	**560**
Total comprehensive income for the period	>100%	**9 751**	1 431	**742**
Profit attributable to:				
Non-controlling interest holders		**2 000**	913	**2 400**
Equity holders of the parent		**7 751**	518	**282**
		9 751	1 431	**2 682**
Total comprehensive income attributable to:				
Non-controlling interest holders		**2 000**	913	**2 400**
Equity holders of the parent		**7 751**	518	**(1 658)**
		9 751	1 431	**742**
Earnings per share (cents)	>100%	**98.0**	6.5	**3.6**
Dividends per share (cents)		**80**	–	**100**
Weighted average number of shares in issue (000's)		**7 908**	7 923	**7 923**

CORPORATE INFORMATION

AFRICAN MEDIA ENTERTAINMENT LIMITED

Incorporated in the Republic of South Africa
Registration number 1926/008797/06
JSE code: AME
ISIN: ZAE000055802
("AME", "the company" or "the group")

REGISTERED OFFICE

Block A, Oxford Office Park
No 5, 8th Street, Houghton Estate, Johannesburg, 2198
PO Box 3014, Houghton, 2041

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Registration number 2004/003647/07
Rosebank Towers, 15 Biermann Avenue, Rosebank
Private Bag X9000, Saxonworld 2132
Telephone: +27 11 370 5000
Telefax: +27 11 688 5238

SPONSOR

AcaciaCap Advisors Proprietary Limited
Registration number 2006/033725/07
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead, 2191
Suite #439, Private Bag X29
Gallo Manor, 2052

DIRECTORS

ACG Molusi (Independent Non-executive Chairman)
MA Da Costa (Independent Non-executive)
J Edwards (Independent Non-executive)
MJ Prinsloo (Independent Non-executive)
KW-Thipe (Independent Non-executive)
AJ Isbister (Financial Director)
DM Tiltmann (Chief Executive Officer)

COMPANY SECRETARY

C Roberts CA(SA)

AUDITORS

BDO South Africa Incorporated

CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL POSITION

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000	Audited 31 March 2021 R'000
ASSETS			
Non-current assets	**183 303**	202 122	**183 600**
Property, plant and equipment	**121 640**	120 517	**119 121**
Goodwill	**36 997**	44 026	**36 914**
Other intangible assets	**–**	2 000	**–**
Investments in associated companies	**2 379**	5 623	**5 093**
Other financial instruments	**20 050**	22 550	**20 050**
Deferred taxation	**2 237**	7 406	**2 422**
Current assets	**119 085**	104 114	**119 132**
Trade receivables	**37 999**	40 995	**42 789**
Other receivables	**3 062**	3 099	**2 719**
Tax paid in advance	**1 216**	2 868	**1 343**
Cash and cash equivalents	**76 808**	57 152	**72 281**
Total assets	**302 388**	306 236	**302 732**
EQUITY AND LIABILITIES			
Total equity	**256 113**	258 387	**255 498**
Non-current liabilities	**6 031**	2 764	**4 167**
Deferred tax liability	**6 031**	2 764	**4 167**
Current liabilities	**40 244**	45 085	**43 067**
Trade payables	**11 394**	15 178	**13 990**
Other payables	**26 673**	27 928	**26 530**
Dividend payable	**1 999**	1 957	**1 957**
Taxation	**178**	22	**590**
Total equity and liabilities	**302 388**	306 236	**302 732**

CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Unaudited six months to 30 September 2021 R'000	Unaudited six months to 30 September 2020 R'000	Audited year ended 31 March 2021 R'000
Issued capital			
Balance at beginning of period	**7 923**	7 923	**7 923**
Shares repurchased and cancelled	**(45)**	–	**–**
Balance at end of period	**7 878**	7 923	**7 923**
Share premium			
Balance at beginning of period	**3 846**	3 846	**3 846**
Balance at end of the period	**3 846**	3 846	**3 846**
Retained earnings			
Balance at beginning of period	**224 933**	224 651	**224 651**
Total profit for the period	**7 751**	518	**282**
Change in shareholding	**(359)**	–	**–**
Dividend declared	**(7 924)**	–	**–**
Shares repurchased and cancelled	**(1 167)**	–	**–**
Balance at end of period	**223 234**	225 169	**224 933**
Non-distributable reserve			
Balance at beginning of period	**3 513**	5 453	**5 453**
Other comprehensive income	**–**	–	**(1 940)**
Balance at end of period	**3 513**	5 453	**3 513**
Non-controlling interests			
Balance at beginning of period	**15 283**	15 083	**15 083**
Change in shareholding	**359**	–	**–**
Comprehensive income for the period	**2 000**	913	**2 400**
Share of dividend	**–**	–	**(2 200)**
Balance at end of period	**17 642**	15 996	**15 283**
Total equity	**256 113**	258 387	**255 498**

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Unaudited six months to 30 September 2021 R'000	Unaudited six months to 30 September 2020 R'000	Audited year ended 31 March 2021 R'000
Cash generated by operating activities	**16 007**	7 948	**29 349**
Net interest received	**1 367**	1 129	**2 281**
Taxation paid	**(3 917)**	(1 888)	**(2 590)**
Increase/(decrease) in working capital	**1 715**	2 670	**(1 314)**
– decrease in trade and other receivables	**4 448**	7 175	**5 779**
– decrease in trade and other payables	**(2 733)**	(4 505)	**(7 093)**
Cash flows from operating activities	**15 172**	9 859	**27 726**
Cash flows from investing activities	**(1 552)**	(382)	**(920)**
– decrease in investments and loans	**900**	200	**1 200**
– acquisition of subsidiary (refer to note 2)	**(1 623)**	–	**–**
– purchase of property plant and equipment	**(1 948)**	(722)	**(3 023)**
– other	**119**	15	**203**
– dividends received	**1 000**	125	**700**
Cash flows from financing activities	**(9 093)**	–	**(2 200)**
– dividends paid to equity holders	**(7 881)**	–	**–**
– dividends paid to non-controlling interest holder	**–**	–	**(2 200)**
– repurchase of shares	**(1 212)**	–	**–**
Net increase in cash and cash equivalents	**4 527**	9 477	**24 606**
Cash and cash equivalents at beginning of period	**72 281**	47 675	**47 675**
Cash and cash equivalents at end of period	**76 808**	57 152	**72 281**

SEGMENTAL REPORTING

	Unaudited six months to 30 September 2021 R'000	Unaudited six months to 30 September 2020 R'000	Audited year ended 31 March 2021 R'000
Revenue			
Radio broadcasting	**79 832**	67 966	**146 630**
Media services	**38 491**	29 594	**56 704**
Internal revenue – media services	**(2 296)**	(6 821)	**(3 232)**
Corporate	**9 963**	5 595	**19 334**
Internal revenue – corporate	**(9 963)**	(5 595)	**(19 334)**
Total	**116 027**	90 739	**200 102**
Profitability			
Radio broadcasting	**15 195**	10 780	**28 415**
Media services	**(396)**	(5 524)	**(4 374)**
Corporate	**840**	2 692	**5 330**
Total operating profit before depreciation	**15 639**	7 948	**29 371**
Depreciation	**(3 687)**	(3 694)	**(7 208)**
Profits from associates	**109**	49	**518**
Investment income	**1 000**	125	**700**
Interest received	**1 811**	1 129	**2 281**
Impairment of goodwill and trademark	**–**	–	**(9 112)**
Taxation	**(5 121)**	(4 126)	**(13 868)**
Total profit for the year	**9 751**	1 431	**2 682**
Assets			
Radio broadcasting	**74 059**	79 835	**74 940**
Media services	**33 052**	48 797	**37 921**
Corporate	**116 090**	114 829	**112 497**
Investment in associates	**2 379**	5 623	**5 093**
	225 580	249 084	**230 451**
Cash and cash equivalents	**76 808**	57 152	**72 281**
Total	**302 388**	306 236	**302 732**
Liabilities			
Radio broadcasting	**12 251**	11 877	**10 757**
Media services	**22 033**	26 758	**25 678**
Corporate	**11 991**	9 214	**10 799**
Total	**46 275**	47 849	**47 234**
Capital expenditure			
Radio broadcasting	**1 552**	580	**2 566**
Media services	**275**	85	**214**
Corporate	**121**	57	**243**
Total	**1 948**	722	**3 023**
Depreciation			
Radio broadcasting	**3 338**	3 293	**6 410**
Media services	**267**	284	**564**
Corporate	**82**	117	**234**
Total	**3 687**	3 694	**7 208**