eMedia Holdings

# REVIEWED CONDENSED CONSOLIDATED ANNUAL RESULTS

for the year ended 31 March

# 2021

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# Commentary

The eMedia Holdings group (the group) has had a relatively good year given the very tough economic climate brought upon the world by the COVID-19 pandemic. While the group did show a decline in profits from continuing operations of R138.5 million in the current financial year (the year) compared to a net restated profit of R241.6 million in the prior year, after adjusting for the impairment of goodwill of R2 039.9 million. The pandemic hit all revenue streams which impacted the group mostly in the first part of the financial year, that is when lockdown levels were at their highest and almost all economic activity came to a standstill. This saw the total television advertising market declining by 15.70% or close to R1 billion. The film production market where certain of the group's subsidiaries conduct business came to a halt due to the closure of the country's borders. The group is satisfied with the level of profitability, as a worst-case scenario was predicted in the first half of the financial year. The group's performance in the second half of the financial year saw a recovery of advertising revenue to the extent that the group outperformed the market, with the total market going back 15.70% and the group showing a setback of only 7% through the pandemic set fiscal. In general, the group's media sales team performed better than the market throughout the year and in the last six months outperformed the prior year almost every month. For no further write-off in goodwill to occur shows how strong the group ended the year despite the pandemic continuing to plague the country.

The group ended the year with a net profit of R108 million, this is inclusive of the loss of R30.5 million relating to discontinued operations, which are the losses from other operations that the group has considered non-essential and will be exiting or closing in the next financial year. There has been no further write off in goodwill during the fiscal.

Earnings before interest, taxation, depreciation and amoritsation for the group ended on R302.9 million compared to R427.7 million in the prior year, a 29% decrease year-on-year, and decline in headline earnings per share, both continuing and discontinuing and is acceptable on the back of a total television advertising market that has declined close to R1 billion as mentioned above.

The only asset of the group is a 67.69% interest in eMedia Investments, the company that owns e.tv, eNCA and the Openview platform, among other businesses.

Tough trading conditions due to the pandemic continued for the free-to-air broadcasting industry with advertising revenue under increased pressure. The group's television advertising revenue is approximately 8% better than the market and this can be attributed to the increased prime time market share from 24.6% in March 2020 to 29.6% in March 2021, an increase of 20.33%.

Cost of sales, which mainly consists of the cost of content, in the case of e.tv, and employee costs in the case of eNCA, increased slightly from R1 294 million to R1 494.2 million. The increase is due to the fact that the group showed confidence in starting a new prime time daily soap, Durben General which launched in October 2020. This confidence has been rewarded by the outstanding performance of Durben General which saw an increase in market share for the slot and for the group as a whole. This increase in market share will underwrite an increase in revenue.

Administrative and other expenses have been well maintained and showed a decrease of 16.8% year-on-year. While the group continues to invest in the Openview platform which in turn continues to claw towards break even, together with all the above factors has contributed to the group reporting a profit despite the huge advertising revenue losses incurred at the beginning of the pandemic.

As mentioned above, one of the main contributors to the profit has been the increase in market share. The e.tv share in prime-time has increased to 20.3% from 17.4% a year ago. This was driven by the performances of all our local dailies viz. Imbewu: The Seed, Scandal and Rhythm City as well as the launch of Durban General at 18:30. The newly launched daily has already achieved a 6 AR within its first 6 months and now regularly averages 6 AR's consistently.

There has also been improvement in the ratings of the other six channels produced by e.tv with significant growth shown by eExtra, eMovies Extra and the news and sports channel as mentioned. Management will be looking to launch a few more channels on the Openview platform in the new financial year.

Openview (inclusive of the e.tv multi-channel business) earned advertising revenue of R269.6 million, up from R194.1 million, and incurred content costs of R366.9 million up from R308.7 million the previous year. The increase is attributable to the additional Sports on the news and sports channel as well as the addition of the Afrikaans block on eExtra.. These content investments have increased the market share for the group as mentioned resulting in the group's 24-hour market share being nearly 30%. Operating expenses has decreased by 7% driven by savings in the respect of there being no further subsidisation of the subsidy Openview setup boxes to the consumer. Despite this reduction in subsidy, Openview set-top box activations continue to grow at an average of 35 000 per month. At the end of the period, a total of 2 361 443 (2020: 1 992 844) boxes have been activated. Subsequent to the end of the financial year, Openview launched a data dongle, Openview Connect, into the market which will allow Openview homes without fiber to gain access to the internet, this in our country in which less than 7% of the households have been connected to fiber. The new financial year will see the launch of a few more technical initiatives in Platco.

# **Commentary** continued

eNCA is not offered on all DSTV bouquets yet it was be the most watched 24-hour news channel in the country among LSM 8 to 10 and was the most watched news channel among all adults as well at the end of March 2021. Through the pandemic eNCA has achieved its advertising revenue targets while its costs were being well maintained.

The new financial year will also see the launch of the group's OTT service eVOD in July 2021.

Most of the group's other subsidiaries were greatly impacted by the pandemic as mentioned above. This had a particular impact on Moonlighting, Media Film Services and Refinery Cape Town as they do a large part of their business with international film producers. There has however been some recovery since we have moved to the lower levels of the lockdown and with international travel now being open again.

The television market is facing numerous technology and viewership challenges which will require the group to continually assess its strategic alternatives. Our investment in Openview provides the group with strategic flexibility and is part of our plan to address the challenges of the impending digital migration transition. We continue to engage government on their DTT and DTH plans. With the closure of certain non-core assets during the year, the group is now focused on its core businesses of broadcasting, content creation and being a platform and technology provider for broadcast services.

# Independent Auditor's Review Report on Condensed Consolidated Financial Statements

## To the shareholders of eMedia Holdings Limited and its subsidiaries

We have reviewed the condensed consolidated financial statements of eMedia Holdings Limited and its subsidiaries, contained in the accompanying provisional report, which comprise the condensed consolidated statement of financial position as at 31 March 2021 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

### Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of eMedia Holdings Limited and its subsidiaries for the year ended 31 March 2021 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the note 1 to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa.

BDO South Africa Inc.

**BDO South Africa Incorporated**
Registered Auditors

**K A Luck**
Director
Registered Auditor

27 May 2021

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

# Reviewed consolidated statement of financial position

| | Reviewed 31 March 2021 R'000 | Audited 31 March 2020 R'000 |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | **3 880 599** | 3 791 631 |
| Property, plant and equipment | **1 082 198** | 925 390 |
| Plant and equipment | **250 435** | 194 272 |
| Owner-occupied property | **831 763** | 731 118 |
| Right-of-use assets | **23 980** | 45 625 |
| Intangible assets | **2 349 967** | 2 403 010 |
| Goodwill | **182 143** | 182 143 |
| Equity-accounted investees | **184 313** | 180 077 |
| Long-term receivables | **11 726** | 9 557 |
| Deferred tax assets | **46 272** | 45 829 |
| **Current assets** | **1 573 604** | 1 582 054 |
| Inventories | **5 452** | 2 881 |
| Programming rights | **1 074 631** | 845 355 |
| Trade and other receivables | **428 945** | 532 786 |
| Current tax assets | **1 475** | 9 481 |
| Cash and cash equivalents | **63 101** | 191 551 |
| Assets of disposal groups classified as held for sale | **10 413** | 24 008 |
| **Total assets** | **5 464 616** | 5 397 693 |
| **Equity and liabilities** | | |
| **Total equity** | **3 743 772** | 3 693 110 |
| Stated capital | **6 762 797** | 6 762 797 |
| Treasury shares | **(19 861)** | (19 861) |
| Reserves | **(4 107 679)** | (4 125 316) |
| Equity attributable to owners of the company | **2 635 257** | 2 617 620 |
| Non-controlling interest | **1 108 515** | 1 075 490 |
| **Non-current liabilities** | **927 203** | 874 806 |
| Deferred tax liabilities | **524 149** | 525 979 |
| Borrowings | **383 594** | 317 860 |
| Lease liabilities | **19 460** | 30 967 |
| **Current liabilities** | **785 778** | 827 881 |
| Current tax liabilities | **–** | 667 |
| Current portion of borrowings | **176 295** | 263 906 |
| Trade and other payables | **604 654** | 563 308 |
| Bank overdraft | **4 829** | – |
| Liabilities of disposal groups classified as held for sale | **7 863** | 1 896 |
| **Total liabilities** | **1 720 844** | 1 704 583 |
| **Total equity and liabilities** | **5 464 616** | 5 397 693 |
| Net asset value | **2 636 065** | 2 617 620 |
| Net asset value per share after treasury shares (cents) | **595** | 591 |

# Reviewed consolidated statement of profit or loss and other comprehensive income

| | Reviewed 31 March 2021 R'000 | Restated* 31 March 2020 R'000 |
|---|---|---|
| **Continuing operations** | | |
| Media and broadcasting revenue | **2 428 959** | 2 491 304 |
| Lease income | **15 064** | 14 288 |
| Cost of sales | **(1 494 225)** | (1 294 048) |
| **Gross profit** | **949 798** | 1 211 544 |
| Other income | **13 961** | 10 817 |
| Administrative and other expenses | **(660 902)** | (794 673) |
| **Earnings before interest, taxation, depreciation, amortisation and impairments** | **302 857** | 427 688 |
| Depreciation and amortisation | **(123 969)** | (135 424) |
| Impairment of goodwill | **–** | (2 039 905) |
| **Operating profit/(loss)** | **178 888** | (1 747 641) |
| Finance income | **10 603** | 7 776 |
| Finance expenses | **(20 273)** | (21 954) |
| Share of profit of equity-accounted investees, net of taxation | **2 799** | 24 676 |
| **Profit/(Loss) before taxation** | **172 017** | (1 737 143) |
| Taxation | **(33 565)** | (61 206) |
| **Profit/(Loss) for the period from continuing operations** | **138 452** | (1 798 349) |
| **Discontinued operations** | | |
| Loss for the period from discontinued operations, net of taxation | **(30 497)** | (16 519) |
| **Profit/(Loss) for the year** | **107 955** | (1 814 868) |
| **Other comprehensive income, net of related taxation** | | |
| *Items that are or may be reclassified to profit or loss* | | |
| Foreign operations – foreign currency translation differences | **(8 251)** | (5 013) |
| **Other comprehensive loss, net of taxation** | **(8 251)** | (5 013) |
| **Total comprehensive income/(loss) for the period** | **99 704** | (1 819 881) |
| **Profit/(Loss) attributable to:** | | |
| Owners of the company | **72 264** | (1 887 505) |
| Non-controlling interest | **35 691** | 72 637 |
| | **107 955** | (1 814 868) |
| **Total comprehensive income/(loss) attributable to:** | | |
| Owners of the company | **66 679** | (1 890 898) |
| Non-controlling interest | **33 025** | 71 017 |
| | **99 704** | (1 819 881) |
| **Basic earnings per share (cents)** | | |
| *Earnings/(Loss)* | **16.31** | (425.94) |
| Continuing operations | **20.97** | (423.42) |
| Discontinued operations | **(4.66)** | (2.52) |
| **Headline earnings per share (cents)** | | |
| *Earnings/(Loss)* | **16.42** | 33.34 |
| Continuing operations | **21.08** | 35.22 |
| Discontinued operations | **(4.66)** | (1.88) |

* *Comparative periods restated for discontinued operations, see note 6.*

# Reviewed consolidated statement of changes in equity

| | Stated capital R'000 | Treasury shares R'000 | Other reserves R'000 | Retained income R'000 | Equity owners R'000 | Non-controlling interest R'000 | Total equity R'000 |
|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | |
| **Balance 31 March 2019** | 6 762 797 | (14 018) | (18 882) | (2 129 274) | 4 600 623 | 1 004 324 | 5 604 947 |
| Adoption of IFRS 16 | – | – | – | (6 026) | (6 026) | – | (6 026) |
| **Opening balance restated** | 6 762 797 | (14 018) | (18 882) | (2 135 300) | 4 594 597 | 1 004 324 | 5 598 921 |
| (Loss)/Profit | – | – | – | (1 887 505) | (1 887 505) | 72 637 | (1 814 868) |
| Foreign currency translation reserve | – | – | (3 393) | – | (3 393) | (1 620) | (5 013) |
| Share buyback | – | (5 843) | – | – | (5 843) | – | (5 843) |
| Disposal of share interest | – | – | – | – | – | 149 | 149 |
| Dividends | – | – | – | (80 236) | (80 236) | – | (80 236) |
| **Balance 31 March 2020** | **6 762 797** | **(19 861)** | **(22 275)** | **(4 103 041)** | **2 617 620** | **1 075 490** | **3 693 110** |
| Profit | **–** | **–** | **–** | **72 264** | **72 264** | **35 691** | **107 955** |
| Foreign currency translation reserve | **–** | **–** | **(5 585)** | **–** | **(5 585)** | **(2 666)** | **(8 251)** |
| Dividends | **–** | **–** | **–** | **(49 042)** | **(49 042)** | **–** | **(49 042)** |
| **Balance 30 September 2021** | **6 762 797** | **(19 861)** | **(27 860)** | **(4 079 819)** | **2 635 257** | **1 108 515** | **3 743 772** |

# Reviewed consolidated statement of cash flows

| | Reviewed 31 March 2021 R'000 | Audited 31 March 2020 R'000 |
|---|---|---|
| **Cash from operating activities** | | |
| Cash flows from operating activities | **242 879** | 341 060 |
| Finance income | **10 603** | 7 776 |
| Finance costs | **(20 273)** | (24 026) |
| Taxes paid | **(28 287)** | (30 100) |
| Dividends paid | **(49 042)** | (80 236) |
| Net cash inflow from operating activities | **155 880** | 214 474 |
| **Cash used in investing activities** | | |
| Acquisition/development of property, plant and equipment | **(241 585)** | (184 722) |
| Development of owner-occupied properties | **(199 312)** | (121 507) |
| Acquisition of property, plant and equipment | **(42 273)** | (63 215) |
| Proceeds from sale of property, plant and equipment | **224** | 330 |
| Book value of assets disposed | **86** | 656 |
| Surplus/(Deficit) on disposal | **138** | (326) |
| Cash inflow from disposal of business | **–** | 3 930 |
| Additions to intangible assets | **(1 559)** | (2 675) |
| Loans advanced to equity accounting investees | **(1 967)** | (1 556) |
| Net cash used in investing activities | **(244 887)** | (184 693) |
| **Cash (used in)/from financing activities** | | |
| Repayment of borrowings | **(98 513)** | (189 125) |
| Borrowings raised | **75 500** | 325 000 |
| Principal paid on lease liabilities | **(20 938)** | (15 377) |
| Net cash (used in)/ from financing activities | **(43 951)** | 120 498 |
| **Net change in cash and cash equivalents** | **(132 958)** | 150 279 |
| Cash and cash equivalents at the beginning of the year | **191 655** | 45 444 |
| Effect of movements in exchange rates on cash held | **–** | (4 068) |
| **Cash and cash equivalents at the end of the year** | **58 697** | 191 655 |
| **Cash and cash equivalents comprise the following:** | | |
| Cash and cash equivalents | **58 697** | 191 655 |
| Bank balances | **63 101** | 191 551 |
| Cash in disposal group assets held for sale | **425** | 104 |
| Bank overdrafts | **(4 829)** | – |

# Earnings, diluted and headline earnings per share

| | Reviewed Gross R'000 | Reviewed Net R'000 |
|---|---|---|
| **For the period ended 31 March 2021** | | |
| Earnings attributable to equity owners of the parent | | **72 264** |
| IAS 16 profit on disposal of plant and equipment | **(138)** | **(67)** |
| IAS 16 impairment on plant and equipment | **1 105** | **539** |
| IAS 38 impairment of intangible assets | **97** | **47** |
| **Headline earnings** | | **72 783** |

| | Audited Gross R'000 | Audited Net R'000 |
|---|---|---|
| **For the year ended 31 March 2020** | | |
| Earnings attributable to equity owners of the parent | | (1 887 505) |
| IAS 16 loss on disposal of plant and equipment | 326 | 159 |
| IAS 16 impairment of plant and equipment | 2 361 | 1 151 |
| IAS 28 remeasurements included in equity accounted earnings | (16 725) | (8 785) |
| IAS 36 impairment of goodwill | 2 039 905 | 2 039 905 |
| IFRS 10 loss on the change of control of subsidiary | 4 187 | 2 834 |
| **Headline earnings** | | 147 759 |

# Statistics per share

| | Reviewed 31 March 2021 | Audited* 31 March 2020 |
|---|---|---|
| **Basic earnings (R'000)** | | |
| *Earnings/(Loss)* | **72 264** | (1 887 505) |
| Continuing operations | **92 907** | (1 876 324) |
| Discontinued operations | **(20 643)** | (11 181) |
| *Headline earnings/(Loss)* | **72 783** | 147 759 |
| Continuing operations | **93 426** | 156 106 |
| Discontinued operations | **(20 643)** | (8 347) |
| **Basic earnings per share (cents)** | | |
| *Earnings/(Loss)* | **16.31** | (425.94) |
| Continuing operations | **20.97** | (423.42) |
| Discontinued operations | **(4.66)** | (2.52) |
| **Headline earnings per share (cents)** | | |
| *Earnings/(Loss)* | **16.42** | 33.34 |
| Continuing operations | **21.08** | 35.22 |
| Discontinued operations | **(4.66)** | (1.88) |
| **Weighted average number of shares in issue – 31 March (000)** | **443 114** | 443 138 |
| Issued shares as at 1 April (000) | **443 114** | 443 354 |
| Effect of own shares held (000) | **–** | (216) |
| **Net number of shares in issue – 31 March (000)** | **443 114** | 443 114 |
| Number of shares in issue – 31 March (000) | **445 738** | 445 738 |
| Number of treasury shares in issue – 31 March (000) | **(2 624)** | (2 624) |

* *Comparative periods restated for discontinued operations, see note 6.*

## Basic and diluted earnings per share

The group has no dilution effect on basic and headline earnings per share in the current and prior year.

During the prior year, certain employees resigned from the group and forfeited their shares 239 465 N ordinary shares to the company. The share transaction is accounted for as treasury shares in the statement of changes in equity.

# Notes to the reviewed condensed consolidated results

## 1. Basis of preparation and accounting policies

The results for the year ended 31 March 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), the disclosure requirements of IAS 34, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the South African Companies Act, 71 of 2008, as amended , and the JSE Limited Listings Requirements. The accounting policies applied by the group in the preparation of the reviewed condensed consolidated financial information are consistent with those applied by the group in its consolidated financial statements for the year ended 31 March 2020. The impact identified on the financial results is presented below, based on management's assessment of the new standards adopted. As required by the JSE Limited Listings Requirements, the group reports headline earnings in accordance with Circular 1/2019: Headline Earnings as issued by SAICA. The financial information was prepared under the supervision of the financial director, AS Lee, (CA)SA.

## 2. Significant accounting policies

The accounting policies applied in the condensed consolidated financial statements are the same as those applied in the group's consolidated financial statements as at and for the year ended 31 March 2020.

## 3. Stated capital

As at 31 March 2021, no changes to stated capital occurred.

## 4. Goodwill

An assessment has been performed by management at year end on the impairment of goodwill and has resulted in no impairment required.

## 5. Segment report

The group only has one operating segment i.e. the media segment. The chief operating decision-maker, identified as the executive member of the board, considers the operations of the group at year-end as those of media only and therefore no separate disclosure for operating segments is required.

## 6. Discontinued operations

During the period, 31 March 2021, a decision was made to discontinue Silverline Studios Proprietary Limited.

The results of the operations were reclassified to discontinued operations in the statement of comprehensive income and in assets and liabilities to disposal groups held for sale in the statement of financial position.

Discontinued operations as disclosed in the statement of comprehensive income consist of the following:

| | **Reviewed 31 March 2020 R'000** | Audited* 31 March 2020 R'000 |
|---|---|---|
| **Revenue** | | |
| Niveus 13 Proprietary Limited | **–** | 561 |
| Silverline Studios Proprietary Limited | **3 862** | 19 697 |
| Longkloof Limited Group | **–** | – |
| Crystal Brook Distribution Proprietary Limited | **–** | 706 |
| Jacana Media Proprietary Limited | **–** | 9 791 |
| Total revenue | **3 862** | 30 755 |
| **(Loss)/Profit from discontinued operations** | | |
| Nievus 13 Proprietary Limited | **–** | 398 |
| Silverline Studios Proprietary Limited | **(12 917)** | (5 817) |
| Longkloof Limited Group | **(16 906)** | (5 489) |
| Crystal Brook Distribution Proprietary Limited | **(674)** | (4 103) |
| Jacana Media Proprietary Limited | **–** | (1 508) |
| Total loss | **(30 497)** | (16 519) |

* *Comparative periods restated for discontinued operations.*

## 7. Revenue disaggregation

| | Reviewed 31 March 2021 R'000 | Audited 31 March 2020* R'000 |
|---|---|---|
| Advertising revenue | **1 613 049** | 1 735 497 |
| Openview box sales | **202 758**** | – |
| Content sales | **34 044** | 33 286 |
| Facility income | **151 280** | 310 622 |
| Licence fees | **427 828** | 411 899 |
| Total revenue | **2 428 959** | 2 491 304 |

* *Comparative periods restated for discontinued operations.*

** *Prior to 1 April 2020 the group had no involvement in procuring and selling of the Openview boxes other than providing the specifications required. As of 1 April 2020 this has changed in that the group procures directly from suppliers and sells directly to the retailers.*

The group's revenue primary geographical market is South Africa.

### Revenue disaggregated by pattern of revenue recognition

| | Group | | |
|---|---|---|---|
| | R'000 | R'000 | R'000 |
| **31 March 2021** | **Revenue recognised over time** | **Revenue recognised at a point in time** | **Total** |
| Advertising revenue | **1 613 049** | **–** | **1 613 049** |
| Openview box sales | **–** | **202 758** | **202 758** |
| Content sales | **–** | **34 044** | **34 044** |
| Facility income | **151 280** | **–** | **151 280** |
| Licence fees | **427 828** | **–** | **427 828** |
| | **2 192 157** | **236 802** | **2 428 959** |
| **31 March 2020*** | Revenue recognised over time | Revenue recognised at a point in time | Total |
| Advertising revenue | 1 735 497 | – | 1 735 497 |
| Openview box sales | – | – | – |
| Content sales | – | 33 286 | 33 286 |
| Facility income | 310 622 | – | 310 622 |
| Licence fees | 411 899 | – | 411 899 |
| | 2 458 018 | 33 286 | 2 491 304 |

* *Comparative periods restated for discontinued operations.*

## 8. Fair value of financial instruments

The fair value of short-term financial assets and liabilities approximate their carrying values as disclosed in the statement of financial position.

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

# Notes to the reviewed condensed consolidated results
continued

| | Level 1 R'000 | Level 2 R'000 | Level 3 R'000 | Total R'000 |
|---|---|---|---|---|
| **2021** | | | | |
| **Financial (liabilities) at fair value through profit or loss** | **–** | **–** | **–** | **–** |
| Forward exchange contracts | **–** | **(2 738)** | **–** | **(2 738)** |
| | **–** | **(2 738)** | **–** | **(2 738)** |
| **2020** | | | | |
| **Financial assets at fair value through profit or loss** | – | – | – | – |
| Forward exchange contracts | – | 37 823 | – | 37 823 |
| | – | 37 823 | – | 37 823 |

The group's foreign currency forward contracts are not traded in active markets. These contracts have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

## 9. Subsequent events

The COVID-19 pandemic is a serious public health threat, with severe implications for economic activity as social distancing and widespread closures are implemented to slow down the spread of the virus. Following the declaration of a national state of disaster on 15 March 2020 the virus gives rise to economic consequences and it is clear that COVID-19 conditions in South Africa existed at 31 March 2021. There were no other significant events subsequent to this reporting date that would require adjustment to the financial results as currently reported.

## 10. Going concern

Management's consideration for going concern includes all factors applicable to the group, COVID-19 in particular. Management therefore are satisfied that the going concern basis has been correctly applied and the financial statements have been prepared on the basis of accounting policies applicable to a going concern.

## 11. Related party transactions

During the year, in the ordinary course of business, certain companies within the group entered into transactions with one another. These intra-group transactions have been eliminated on consolidation. Transactions with Hosken Consolidated Investments Limited (HCI) (ultimate holding company), entities in which HCI has an interest, Remgro Limited (Remgro) (shareholder in eMedia Investments Proprietary Limited), and Venfin Media Investments Proprietary Limited (Venfin) (a wholly owned subsidiary of Remgro) are included in the following table:

| | Reviewed 31 March 2021 R'000 | Audited 31 March 2020 R'000 |
|---|---|---|
| **(Expense) transaction values with related parties** | | |
| HCI – management fees paid | **(17 764)** | (17 741) |
| GRIPP Advisory – internal audit service fee | **(2 921)** | (2 851) |
| Venfin – management fees paid | **(2 102)** | (2 102) |
| **Balances owing (to)/by related parties** | | |
| HCI – working capital loan | **(8 602)** | (8 602) |
| HCI Managerial Services Proprietary Limited | **(1 699)** | (1 701) |
| Venfin – loan relating to the acquisition of Longkloof Limited | **(94 922)** | (118 315) |
| Cape Town Film Studios – associate loan | **119 926** | 119 926 |
| Dreamworld Management Company – associate loan | **13 145** | 12 700 |
| Employees of the group – loans relating to company shares held by employees | **2 929** | 3 020 |

## Auditor’s review report

The condensed consolidated financial information for the year ended 31 March 2021 has been reviewed by BDO South Africa Incorporated, who expressed an unmodified review conclusion. The auditor’s review report does not necessarily report on all the information contained in this announcement of the financial results. Shareholders are therefore advised that, in order to obtain a full understanding of the engagement, they should obtain a copy of the auditor’s review report together with the accompanying financial information from the issuer’s registered office.

## Dividend to shareholders

The directors of eMedia Holdings have resolved to declare a final dividend for the year ended 31 March 2021 of 14 cents per share (2020: 11 cents). The dividend to shareholders relates to the ordinary shares (share code: EMH) and N ordinary shares (share code: EMN). The dividend will be subject to a local dividend withholding tax at a rate of 20%, which will result in a net interim dividend to those shareholders not exempt from paying dividend withholding tax of 11.20 cents per ordinary share and 14 cents per ordinary share for those shareholders who are exempt from dividend withholding tax. In terms of dividend withholding tax legislation, any dividend withholding tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (collectively “regulated intermediary”) on behalf of shareholders. All shareholders should declare their status to their regulated intermediary as they may qualify for a reduced dividend withholding tax rate or exemption. The salient dates for the payment of the dividend are as follows:

| | |
|---|---|
| Last day to trade cum dividend | Monday, 14 June 2021 |
| Commence trading ex dividend | Tuesday, 15 June 2021 |
| Record date | Friday, 18 June 2021 |
| Payment date | Monday, 21 June 2021 |

Share certificates may not be dematerialised or rematerialised between Tuesday, 15 June 2021 and Friday, 18 June 2021, both dates inclusive.

eMedia Holdings’ tax reference number is 9650/144/71/1.

Signed for and on behalf of the board on 27 May 2021 by:

**Mahomed Khalik Sherrif**
*Chief executive officer*

**Antonio Lee**
*Financial director*

# Corporate information

## eMEDIA HOLDINGS LIMITED

The company's shares are listed under the Media sector of the JSE Limited

## REGISTERED OFFICE

5 Summit Road
Dunkeld West
Hyde Park
Johannesburg, 2196

Private Bag X9944
Sandton, 2146

## DIRECTORS

JA Copelyn* (chairperson)
MKI Sherrif (chief executive officer)
AS Lee (financial director)
TG Govender*
Y Shaik*
VE Mphande*^
L Govender*^
RD Watson*^

* *Non-executive*
^ *Independent*

## COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

## TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Private Bag X9000
Saxonwold 2132

## AUDITORS

BDO South Africa Incorporated
Practice number: 905526
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X10046
Sandton, 2146

## BANKERS

Standard Bank of South Africa

## SPONSOR

Investec Bank Limited
100 Grayston Drive
Sandton
Sandown, 2196

## WEBSITE

www.emediaholdings.co.za

eMedia Holdings

www.emediaholdings.co.za