

# African and Overseas Enterprises Limited

(Incorporated in the Republic of South Africa - Registration Number: 1947/027461/06)

JSE share codes: AOO - AON - AOVF

ISIN: ZAE000000485 - ZAE000009718 - ZAE000000493

("AOE" or "the company" or "the group")



## REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2023

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

			Year ended 30 June 2023 Reviewed	Year ended 30 June 2022 Audited Restated* R'000
	%	Notes	R'000	
<b>CONTINUING OPERATIONS</b>				
<b>Revenue</b>	35.1%		<b>899,282</b>	665,668
Retail sales	20.2%	4	719,620	598,839
Cost of sales			(365,199)	(271,167)
<b>Gross profit</b>	8.2%		<b>354,421</b>	327,672
Other revenue	168.8%	4	179,662	66,829
Other operating costs	26.7%		(391,565)	(309,069)
<b>Operating profit</b>	66.8%		<b>142,518</b>	85,432
Finance income			32,774	24,766
Finance costs			(47,330)	(32,425)
Impairment losses on financial assets			(2,883)	(113)
Bargain purchase gain		15	-	3,578
Share of (loss) / profit of associate		10	(4,256)	(4,269)
<b>Profit before tax</b>	57.0%		<b>120,823</b>	76,969
Income tax expense			(32,657)	(26,260)
<b>Profit for the period from continuing operations</b>			<b>88,166</b>	50,709
<b>DISCONTINUED OPERATIONS</b>				
Loss for the period from discontinued operations			-	(93)
<b>Profit for the period</b>	74.2%		<b>88,166</b>	50,616
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Gain on post-retirement defined benefit plan			(146)	135
Fair value adjustment on assets held at fair value through other comprehensive income			(4,140)	
<b>Items that are or may be subsequently reclassified to profit or loss</b>				
Fair value adjustment on assets held at fair value through other comprehensive income			-	876
<b>Other comprehensive (loss)/ income for the period, net of taxation</b>			<b>(4,286)</b>	1,011
<b>Total comprehensive income for the period</b>			<b>83,880</b>	51,627
<b>Profit/ (Loss) attributable to:</b>				
<b>Continuing operations:</b>				
Equity holders			48,371	29,146
Non-controlling interest			39,795	21,563
<b>Discontinued operations</b>				
Equity holders			-	(51)
Non-controlling interest			-	(42)
<b>Profit for the period</b>			<b>88,166</b>	50,616
<b>Total comprehensive income attributable to:</b>				
Ordinary and "N" ordinary shareholders of the parent			46,142	29,633
Non-controlling interest			37,738	21,992
<b>Total comprehensive income for the period</b>			<b>83,880</b>	51,627

\*Measurement period adjustment - during the current year, the comparative information for June 2022 was retrospectively adjusted in the process of finalising the accounting for the business combination. Refer to note 15 for further disclosures.

<b>Basic earnings per ordinary share (cents)</b>	62.6%	5	<b>408.2</b>	251.1
<b>Headline earnings per ordinary share (cents)</b>	78.2%	5	<b>412.6</b>	231.5
<b>Diluted earnings per ordinary share (cents)</b>	62.6%	5	<b>408.2</b>	251.1
<b>Diluted headline earnings per ordinary share (cents)</b>	78.8%	5	<b>412.6</b>	230.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Year ended 30 June 2023 Reviewed	As at 30 June 2022 Audited Restated*
	Notes	R'000	R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>846,474</b>	<b>555,358</b>
Property, plant and equipment	6	151,626	64,989
Investment property	7	253,433	58,684
Intangible assets	8	28,708	31,660
Right-of-use asset	9	189,881	182,093
Investment in associate	10	202,133	172,675
Other investments		11,833	17,115
Loans receivable	11	88	20,280
Deferred tax asset		8,772	7,862
<b>Current assets</b>		<b>244,265</b>	<b>267,297</b>
Inventories	12	152,024	124,960
Trade and other receivables		37,639	32,576
Forward exchange contracts		712	788
Income tax receivable		1,032	17,676
Accrued operating lease asset		2,408	567
Cash and cash equivalents		50,450	90,730
<b>Total assets</b>		<b>1,090,739</b>	<b>822,655</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>443,734</b>	<b>341,812</b>
Ordinary share capital		9,163	9,163
Preference share capital		550	550
Share premium		6,616	6,616
Share-based payment reserve		2,743	2,743
Other reserves		109	(16,519)
Retained earnings		204,593	156,255
Non-controlling interest		219,960	183,004
<b>Non-current liabilities</b>		<b>461,167</b>	<b>305,741</b>
Lease Liability	13	169,160	190,230
Post-retirement liability		142	85
Interest-bearing borrowings	14	276,195	89,792
Provisions		4,961	14,294
Deferred tax liability		10,709	11,340
<b>Current liabilities</b>		<b>185,838</b>	<b>175,102</b>
Lease liability	13	53,307	52,097
Trade and other payables		94,708	89,898
Provisions		16,730	33,107
Interest-bearing borrowings	14	19,027	-
Income tax payable		2,066	-
<b>Total equity and liabilities</b>		<b>1,090,739</b>	<b>822,655</b>

\*Measurement period adjustment - during the current year, the comparative information for June 2022 was retrospectively adjusted in the process of finalising the accounting for the business combination. Refer to note 15 for further disclosures.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
	Notes		
<b>Cash flows from operating activities</b>			
Operating profit before working capital changes	19	200,416	162,375
Working capital changes	19	(36,989)	(49,217)
Interest received		4,776	6,716
Interest paid		(35,175)	(23,931)
Dividends paid		(50)	(50)
Dividends received		379	1,493
Income tax paid		(14,345)	(33,261)
<b>Net cash inflows from operating activities</b>		<b>119,012</b>	<b>64,125</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant, equipment	6	(113,470)	(13,028)
Additions to investment property	7	(89,109)	(231)
Additions to intangible assets		(2,501)	(60)
Proceeds from disposal of property, plant and equipment		66	315
Loans advanced		(88)	(20,204)
Loans repaid		-	998
Cash payment to acquire interest in associate	10	(5,924)	-
Business combination, net of cash acquired		-	17,821
Acquisition of investment, net of cash acquired	15	221	(14,103)
<b>Net cash outflows from investing activities</b>		<b>(210,805)</b>	<b>(28,492)</b>
<b>Cash flows from financing activities</b>			
Lease liabilities repaid	13	(57,035)	(55,543)
Loan received	14	109,500	-
Loan repaid	10	(952)	-
<b>Net cash outflows from financing activities</b>		<b>51,513</b>	<b>(55,543)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(40,280)</b>	<b>(19,910)</b>
Cash and cash equivalents at the beginning of the period		90,730	110,640
<b>Cash and cash equivalents at the end of the period</b>		<b>50,450</b>	<b>90,730</b>

\*Measurement period adjustment - during the current year, the comparative information for June 2022 was retrospectively adjusted in the process of finalising the accounting for the business combination. Refer to note 15 for further disclosures.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited Restated* R'000
<b>Share capital</b>	<b>9,713</b>	<b>9,713</b>
Opening balance	9,713	3,629
Shares issued	-	6,084
<b>Share premium</b>	<b>6,616</b>	<b>6,616</b>
Opening balance	6,616	6,616
<b>Treasury shares</b>	<b>-</b>	<b>-</b>
Opening balance	-	(243)
Delivery of treasury shares	-	243
<b>Share-based payment and other reserves</b>	<b>2,852</b>	<b>(13,776)</b>
Opening balance	(13,776)	5,766
Delivery of treasury shares	-	(243)
Equity-settled share-based payment	-	(748)
Gain on post-retirement defined benefit plans	(76)	74
Fair value adjustment on assets held at fair value through other comprehensive income	(2,153)	464
Put option liability	18,857	(18,857)
Change in degree of control	-	(232)
<b>Retained earnings</b>	<b>202,901</b>	<b>156,792</b>
Opening balance	156,792	125,311
Profit for the period	46,142	29,633
Preference dividends paid	(33)	(33)
Shares issued	-	7,607
Equity-settled share-based payment	-	1,221
Change in degree of control	-	(6,947)
<b>Non-controlling interest</b>	<b>218,374</b>	<b>183,475</b>
Opening balance	183,475	132,098
Profit / (loss) for the year	37,738	21,992
Preference dividends paid	(17)	(17)
Shares issued	-	6,966
Equity-settled share-based payment	-	232
Gain on post-retirement defined benefit plans	(71)	61
Fair value adjustment on assets held at fair value through other comprehensive income	(1,986)	410
Business combination	(765)	14,554
Change in degree of control	-	7,179
<b>Total capital and reserves</b>	<b>440,456</b>	<b>342,820</b>

\*Measurement period adjustment - during the current year, the comparative information for June 2022 was retrospectively adjusted in the process of finalising the accounting for the business combination. Refer to note 15 for further disclosures.

# SUMMARY OF RELATED PARTY BALANCES AND TRANSACTIONS

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
<b>Related party transactions during the period were as follows:</b>		
<b>Goods purchased</b>		
- Tru-Fi Electronics S A Proprietary Limited <sup>1</sup>	56	3
<b>Media and broadcasting income</b>		
- Media Cloud Proprietary Limited <sup>3</sup>	534	204
- Media Host Proprietary Limited <sup>3</sup>	663	206
- Red Pepper Pictures Proprietary Limited <sup>3</sup>	-	40
- Telelet Proprietary Limited <sup>4</sup>	185	-
- Rentals and Workflows Proprietary Limited <sup>3</sup>	218	35
- The Horse Racing Channel Proprietary Limited <sup>3</sup>	112	173
<b>Management and administration fees received</b>		
- SA Water Works Holding Company (RF) Proprietary Limited <sup>1</sup>	2,959	2,953
<b>Management and administration fees paid</b>		
- Geomer Managerial Services Proprietary Limited <sup>2</sup>	7,965	2,646
<b>Dividend income</b>		
- Texton Property Fund Limited <sup>1</sup>	308	1,446
<b>Accrued dividends on loan to associate</b>		
- SA Water Works Holding Company (RF) Proprietary Limited <sup>1</sup>	27,790	19,779
<b>Related party balances during the period were as follows:</b>		
<b>Loans receivable</b>		
- SA Water Works Holding Company (RF) Proprietary Limited <sup>1</sup>	197,469	158,580
<b>Loans payable</b>		
- Telelet Proprietary Limited <sup>4</sup>	-	3

<sup>1</sup> Associate company

<sup>2</sup> Indirectly controlled by MA Golding

<sup>3</sup> Customer of Telemedia Proprietary Limited

<sup>4</sup> Supplier of goods to Telemedia Proprietary Limited

<sup>5</sup> Leases property to Telemedia Proprietary Limited

## DIRECTORS' REMUNERATION

Directors' fees	1,075	1,023
Fees for other services	342	326
Basic salary	1,510	1,438
Performance related payments	260	125
Share-based payment	-	977
Value of other benefits	60	85
Retirement fund contributions	68	62
	<b>3,315</b>	<b>4,036</b>

## GROUP SEGMENTAL REPORTING

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited Restated R'000
<b>Revenue</b>		
Retail	708,489	598,161
Retail sales	708,013	597,374
Retail sales - inter-segment	237	151
Management fee income - inter-segment	239	636
Property	70,286	33,326
Rental income - External	43,302	20,383
Rental income - Inter-segment	7,663	7,229
Tenant recoveries - External	17,630	4,490
Tenant recoveries - Inter-segment	1,691	1,224
Media and broadcasting	126,917	38,963
Retail sales - External	11,604	1,464
Media and broadcasting income - External	115,113	37,499
Profit on sale of property - External	200	-
Water infrastructure	2,362	2,240
Management fee income - External	2,325	2,199
Dividend income - External	37	41
Group Services	15,508	19,421
Management fee income - External	713	119
Management fee income - Inter-segment	5,950	4,839
Dividend income - External	345	1,452
Dividend income - Inter-segment	8,500	13,000
Profit on sale of property - External	-	11
Inter-segment eliminations	(24,280)	(26,443)
<b>Total group revenue</b>	<b>899,282</b>	<b>665,668</b>

## GROUP SEGMENTAL REPORTING

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Restated* R'000
<b>Segment operating profit / (loss)</b>		
Retail	95,923	85,949
Property	31,294	15,640
Media and broadcasting	21,790	878
Water infrastructure	(139)	(11,223)
Group services*	2,146	(5,812)
Inter-segment eliminations	(8,496)	-
<b>Total group operating profit</b>	<b>142,518</b>	<b>85,432</b>
<b>Segment net profit / (loss) after tax</b>		
Retail	58,071	46,179
Property	14,659	11,390
Media and broadcasting	14,211	7,944
Water infrastructure	1,459	(11,034)
Group services*	8,262	(3,770)
Inter-segment eliminations	(8,496)	-
<b>Total group net profit after tax</b>	<b>88,166</b>	<b>50,709</b>
<b>Depreciation and amortisation</b>		
Retail	72,279	70,440
Property	6,026	2,819
Media and broadcasting	12,749	4,200
Group services*	22	-
<b>Total group depreciation and amortisation</b>	<b>91,076</b>	<b>77,459</b>
<b>Impairment</b>		
Media and broadcasting	2,883	113
<b>Total group impairment</b>	<b>2,883</b>	<b>113</b>
<b>Segment assets</b>		
Retail	482,126	406,316
Property	343,154	72,121
Media and broadcasting	111,580	80,656
Water infrastructure	186,884	172,693
Group services*	176,524	172,772
Inter-segment eliminations	(209,529)	(81,903)
<b>Total group assets</b>	<b>1,090,739</b>	<b>822,655</b>
<b>Segment liabilities</b>		
Retail	317,355	295,104
Property	247,966	7,650
Media and broadcasting	34,853	40,096
Water infrastructure	180,738	158,524
Group services*	31,078	48,716
Inter-segment eliminations	(164,985)	(69,247)
<b>Total group liabilities</b>	<b>647,005</b>	<b>480,843</b>
<b>Capital expenditure</b>		
Retail	45,769	12,685
Property	155,202	322
Media and broadcasting	4,109	312
<b>Total group capital expenditure</b>	<b>205,080</b>	<b>13,319</b>

\* Group services include corporate costs.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the South African Companies Act, 71 of 2008. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the preparation of the previous consolidated annual financial statements, except where the Group has applied new accounting policies or adopted new standards effective for year-ends starting on or after 1 January 2022.

Various revised accounting standards became effective during the year, but their implementation had no significant impact on the results of either the current or the previous year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### 2 Reviewed financial results

The preparation of the condensed consolidated financial statements for the year ended 30 June 2023 have been supervised by the Chief Financial Officer (CFO), WD Nel, CA(SA), and these condensed consolidated financial statements for the year ended 30 June 2023 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion thereon. The review was performed in accordance with ISRE 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3 Dividends

Details of dividends paid are as follows:

Dividend paid in respect of the ordinary shares  
Dividend paid in respect of the "N" ordinary shares  
Dividend paid on 6% cumulative preference shares

Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
-	-
-	-
33	33
33	33

#### Dividends continued

A dividend on the 6% cumulative preference shares for the year ended 30 June 2023 in the amount of 6 cents per share was declared by the board of directors and was paid on 23 January 2023 and 7 August 2023. The directors have not proposed a dividend in respect of the ordinary and 'N' ordinary shares.

### 4 Revenue

#### Revenue from contracts with customers

Retail sales  
Management fee income  
Media and broadcasting income  
Tenant recoveries  
Profit on sale of property

Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
719,620	598,838
3,038	2,954
115,110	37,499
17,630	4,490
200	11
855,598	643,792

#### Timing of revenue recognition:

Products transferred at a point in time  
Recognised over the period services are rendered

719,820	598,849
135,778	44,943
855,598	643,792

#### Revenue per geographical region:

South Africa  
Rest of Africa  
Asia  
Europe  
North America  
Australia

825,425	639,012
19,286	3,004
5,127	622
3,684	623
1,871	531
205	-
855,598	643,792

#### Revenue from lease agreements – IFRS 16

Rental income

43,302	20,383
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#### Revenue other than from contracts with customers

Dividends received

382	1,493
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#### Total revenue

899,282	665,668
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#### Shown as:

Retail sales  
Other revenue

719,620	598,838
179,662	66,830
899,282	665,668

### 5 Earnings per share

#### Reconciliation of headline earnings

Profit Attributable to Equity holders  
Adjusted for:  
Preference dividends attributable to preference shareholders  
Loss from disposal of property, plant and equipment, net of taxation  
Impairment on right-of-use asset  
Bargain purchase gain  
Loss on acquisition  
Non-headline earnings items included in earnings from associate  
Profit from disposal of property, plant and equipment, net of taxation  
Headline earnings

Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited Restated R'000
48,371	29,146
(33)	(33)
456	1,146
-	116
-	(3,578)
-	-
64	-
64	-
48,858	26,796

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Earnings per share continued

Number of equity shares in issue (000's)	11,841	11,841
Weighted average number of equity shares on which earnings per share is based (000's)	11,841	11,596
Weighted average number of equity shares on which diluted earnings per share is based (000's)	11,841	11,596
Issued shares at beginning of year	11,596	11,472
Weighted average number of shares issued and repurchased during the reporting period	245	124
Weighted average number of ordinary and "N" ordinary shares in issue	11,841	11,596
Weighted average number of ordinary shares in issue	11,841	11,596
Dilutive effect of share options	-	-
Weighted average number of diluted ordinary shares	11,841	11,596
Basic earnings per ordinary share (cents)	408.2	251.1
Headline earnings per ordinary share (cents)	412.6	231.5
Diluted earnings per ordinary share (cents)	408.2	251.1
Diluted headline earnings per ordinary share (cents)	412.6	230.7

### 6 Property, Plant and Equipment

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited Restated R'000
Carrying value at the beginning of the period	64,989	43,284
Additions	113,470	13,028
Additions through business combination and investment acquired	-	28,245
Transfer to investment property	(4,906)	-
Depreciation charge for the period	(20,230)	(16,287)
Disposals	(1,697)	(3,281)
Carrying value at the end of the period	151,626	64,989

The group acquired a property situated at 27 Losack Avenue, Epping, Cape Town for an acquisition consideration amounting to R65m excluding transaction costs. The acquisition consideration was paid on the effective date and was funded by a cash consideration of R20.9m and a R44.1m loan from a bank against security of the registration of a first mortgage bond over the Property. The effective date and date of transfer was 28 February 2023.

The remaining acquisitions relate to the normal operations of the group.

Property, plant and equipment were remeasured for the period ended 30 June 2022 - Refer to note 15.

### 7 Investment Property

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
Carrying value at the beginning of the period	58,684	60,829
Additions	89,109	231
Addition through Asset Acquisition	106,014	-
Transfer from property, plant and equipment	4,906	-
Depreciation charge for the period	(5,280)	(2,376)
Carrying value at the end of the period	253,433	58,684

The group acquired a property situated at 5 Fitzmaurice Road, Epping, Cape Town for an acquisition consideration amounting to R85m, excluding transactions costs. The acquisition consideration was paid on the effective date and was funded by a loan provided by Rex Trueform Group Limited to Belper Investments Proprietary Limited before the acquisition transaction in the 2022 financial year of R20.5m and a R64.5m loan from a bank against security of the registration of a first mortgage bond over the property. The effective date and date of transfer was 7 October 2022.

Through the asset acquisition of Belper Investments, five (5) industrial properties located in Epping, Cape Town, for a total consideration of R104.2m excluding transactions costs, were acquired effective 3 August 2022. The purchase of these properties were financed through a loan provided by Rex Trueform to Belper Investments, in the 2022 financial year before conclusion of the asset acquisition transaction, of R19.4m and R84.8m loan from a bank against security of the registration of a first mortgage bond over the properties. Refer to note 16.

On 30 June 2023, Queenspark moved its distribution and warehouse facilities from the property located in Wynberg, Cape Town to 27 Losack Avenue, Epping, Cape Town. The Wynberg property was therefore transferred from property, plant and equipment to investment property as from this date.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 8 Intangible Assets

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited Restated* R'000
Carrying value at the beginning of the period	31,660	14,924
Additions	2,501	60
Additions through business combination and investment acquired	-	22,429
Amortisation charge for the period	(5,453)	(5,683)
Disposals for the period	-	(70)
Carrying value at the end of the period	28,708	31,660

Intangible assets were remeasured for the period ended 30 June 2022 - Refer to note 15.

### 9 Right-of-use asset

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
Carrying value at the beginning of the period	182,093	182,749
Additions	67,447	34,446
Additions through business combination	-	31,472
Landlord contributions	(490)	(56)
Lease modifications	946	(13,099)
Depreciation charge for the period	(60,115)	(53,111)
Impairment charge for the period	-	(308)
Carrying value at the end of the period	189,881	182,093
Retail segment - fixed term store leases - depreciated over 1 to 10 years	161,650	151,974
Media and broadcasting segment facilities - depreciated over 7 to 8 years	26,187	30,119
Property segment facilities - depreciated over 5 to 6 years	2,044	-
	189,881	182,093

### 10 Investment in associate

#### SA Water Works Holding Company (RF) Proprietary Limited

The group's investment in associate consists of a 30.79% (2022: 30.79%) controlled interest in SA Water Works Holding Company (RF) Proprietary Limited ("SAWW") which is held via a 52% controlled subsidiary, Ombrecorp Trading (RF) Proprietary Limited ("Ombrecorp"). The group's effective interest in SAWW is 16.01% (2022: 16.01%). SAWW's investments consist of entities which provide water and water services to the City of Mbombela and Ilembe District municipalities.

Ombrecorp received loan funding from 27four Life for the sole purpose of acquiring the group's 30.79% interest in SAWW. Rex Trueform's shares in Ombrecorp, Ombrecorp's shares in SAWW and Ombrecorp's bank account have been ceded and pledged in favour of 27four Life until such time as the loan has been fully settled.

Ombrecorp provided shareholder funding to SAWW in order to invest in the underlying subsidiaries which conducts business in the water utility sector in accordance with water concession agreements concluded with the relevant municipalities. The shareholder funding is unsecured, bears interest at prime plus 5% and is repayable out of profits and cash available for distribution. All shareholder loan repayments are subject to 75% shareholder approval. The loan to associate has accordingly been classified as an equity instrument.

#### Program Buyer Limited

The group acquired 20.83% of the share capital of Program Buyer Limited ("Program Buyer") during June 2023 for R5.9m via a controlled subsidiary, Telemedia Proprietary Limited ("Telemedia"). Rex Trueform Group Limited owns 63.71% of the issued share capital of Telemedia.

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
<b>Interest in associate - SAWW</b>	<b>196,274</b>	<b>172,675</b>
Carrying value at the beginning of the period	14,095	18,364
Share of loss of associate	(4,191)	(4,269)
Carrying value at the end of the period	9,904	14,095
Loan to associate at the beginning of the period	158,580	151,717
- Capital	125,000	125,000
- Fair value movement on loan receivable	(11,100)	-
- Accrued dividends	44,680	26,717
Accrued dividends repaid during the period	-	(1,815)
Accrued dividends recognised during the period	27,790	19,778
Fair value movement of loan during the year	-	(11,100)
Loan to associate at the end of the period	186,370	158,580
- Capital	125,000	125,000
- Fair value movement on loan receivable	(11,100)	(11,100)
- Accrued dividends	72,470	44,680

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Investment in associate continued

#### Fair value assessment and significant judgements

Management's assessment of the future expected cash flows of the underlying operating subsidiaries (Siza Water and Silulumanzi), in the form of dividend distributions was used to assess the recoverability of the investment, including the shareholder funding provided. The fair value assessment was done for the remaining concession term for each of the operating subsidiaries.

Based on management's assessment of expected cash flows of the operating subsidiaries, as well as the probability factors of these possible legal outcome (being probable, possible or remote), on a probability weighted scenario analysis, management concluded that no additional fair value adjustment is required in the current year (2022: R11.1m).

In the previous financial statements, reference was made to impairment which has subsequently been updated to refer to the fair value adjustment, to align with the nature and classification of the equity financial instrument.

#### Interest in associate - Program Buyer

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
Carrying value at the beginning of the period	-	-
Increase in investment at cost	5,924	-
Share of loss of associate	(65)	-
Carrying value at the end of the period	5,859	-
<b>Shown as:</b>		
Non-current assets	202,133	172,675

### 11 Loans Receivable

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
<b>Loans receivable comprise the following balances</b>		
Loans to Belper Investments	-	20,280
Loan to Telemedia Africa	88	-
	88	20,280

The company advanced an amount to Belper Investments to acquire a portfolio of properties in Epping, Cape Town. On 3 August 2022 Rex Trueform became the holder of 51% of the entire issued share capital of Belper Investments. Refer to SENS dated 21 April 2022 and 3 August 2022. The loan facility bears interest at prime plus 1% and is repayable on the second and third anniversaries of the loan. The capital shall be repaid by the third anniversary of the loan, being 3 August 2025 and is therefore considered to be long term in nature.

### 12 Inventories

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
Inventories at cost	165,049	135,136
Provision for net realisable value	(13,025)	(10,176)
	152,024	124,960
Provision for net realisable value as percentage of inventory	(7.9)	(7.5)

As at 30 June 2023 the net realisable value provision was 7.9% of gross cost of inventory compared to 7.5% at the end of the previous financial year. The provision takes into account historic sales information, seasonality of inventory, customer preferences and gross profit margins. Management continues to monitor the impact of seasonality on the net realisable value provision and future buying plans of inventory will be adjusted as necessary.

### 13 Lease liability

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
Balance at the beginning of the period	242,327	260,929
New leases	66,006	33,362
Additions through business combination	-	31,472
Lease modifications	(28,943)	(27,931)
Finance cost	20,647	22,533
Finance cost paid	(20,535)	(22,495)
Capital repaid	(57,035)	(55,543)
Balance at the end of the period	222,467	242,327
Included in Non-current liabilities	169,160	190,230
Included in Current liabilities	53,307	52,097
	222,467	242,327

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Lease Liability continued

Fixed-term store leases	191,689	211,543
Media and broadcasting facilities	28,599	30,784
Property segment	2,179	-
	<u>222,467</u>	<u>242,327</u>

Lease liabilities bear interest at rates from 7.00% to 11.25% and are repayable from 2024 to 2032 including renewal periods where applicable.

### 14 Interest-bearing borrowings

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
<b>Secured loan to finance purchase of properties</b>		
Balance at the beginning of the period	-	-
Loans received during the period	109,500	-
Additions through business combination	85,650	-
Interest accrued during the period	14,202	-
Interest payments during the period	(14,202)	-
Capital repayments during the period	(952)	-
Balance at the end of the period	<u>194,198</u>	<u>-</u>

The secured loans bears interest at the 3 month Jibar interest rate plus 2.3% to 2.8% (between 8.713% and 10.015%) and are repayable over 5 years.

### Secured loan to finance investment in associate

Balance at the beginning of the period	89,792	82,067
Interest accrued during the year	<u>11,232</u>	<u>7,726</u>
Balance at the end of the period	<u>101,024</u>	<u>89,793</u>

Ombrecorp received loan funding from 27four Life for the sole purpose of acquiring the groups 30% interest in SAWVV, refer to note 10. The loan bears interest at the 6 month Jibar interest rate plus 5% and is repayable on or before 28 February 2029. As at 30 June 2023, the loan is not repayable within 12 months and is therefore long-term in nature.

### Interest-bearing borrowings

Interest bearing borrowings - Non-current	276,195	89,793
Interest bearing borrowings - Current	<u>19,027</u>	<u>-</u>
	<u>295,222</u>	<u>89,793</u>

### 15 Business Combination: Acquisition of Telemedia Proprietary Limited

In November 2020, the company together with its subsidiary company, Rex Trueform Group Limited, entered into a sale of shares agreement subject to certain suspensive conditions, to acquire 75% of Telemedia Proprietary Limited for a consideration of R67.5m to be settled in cash and shares, with the company acquiring a 11.29% interest for a consideration of R10.0m and its subsidiary acquiring a 63.71% interest for a consideration of R57.5m. All suspensive conditions were met on 1 March 2022, being the effective date of the acquisition.

Telemedia is a broad-based media broadcast facility manufacturer and supplier. Telemedia's services include the installation of satellite transmission and radio and television signal distribution. In addition, Telemedia is a supplier of microwave and satellite news gathering services including broadcasting, studio recording and services ancillary thereto. Refer to SENS dated 13 November 2020. Details of the purchase consideration and the net assets acquired are as follows:

#### Payment of the purchase consideration

An initial purchase consideration of R30m comprising the issue of 368,750 new ordinary shares by the company at R27 per share (R10.0m), the issue of 857,212 new ordinary shares by Rex Trueform Group Limited at an issue price of R18 per share (R15.4m), a cash payment of R4.6m made by Rex Trueform Group Limited.

The balance of the purchase consideration, being R37.5m, shall be discharged by the group in cash should the profit undertakings given by the sellers for the financial years ending 30 June 2021, 30 June 2022 and 30 June 2023 be cumulatively met on a 20%, 20% and 60% basis. Should the cumulative profit undertaking given by the sellers not be achieved by 30 June 2023, the balance of the purchase consideration shall be reduced pro rata by the shortfall of actual profits to warranted profits, provided that the reduction cannot reduce the balance of the purchase consideration to below zero.

#### Issue of ordinary shares and share price underpin

The fair value of the ordinary shares (368,750) issued by the company as part of the consideration paid amounting to R14.6m was based on the published share price on 1 March 2022 of R17 per share. In terms of the sale and purchase agreement, Rex Trueform Group Limited undertook to underpin the share price at R18 per share for 12 months from the effective date of the transaction giving rise to a contingent consideration of R3.6m.

The fair value of the Ordinary shares (857,212) issued by Rex Trueform Group Limited as part of the consideration paid amounting to R14.6m was based on the published share price on 1 March 2022 of R17 per share. In terms of the sale and purchase agreement Rex Trueform Group Limited undertook to underpin the share price at R18 per share for 12 months from the effective date of the transaction giving rise to a contingent consideration of R796,606.

Furthermore, the company and its subsidiary undertook to guarantee the repurchase of the shares in the event that a buyer of the ordinary shares cannot be found or the company and its subsidiary fail to provide the necessary consent for the sale. The guarantee gave rise to a put option liability of R6,1m in the company and R12,8m in its subsidiary, Rex Trueform Group Limited. On 1 July 2022 the company and its subsidiary were relinquished from their undertaking to underpin the share price and its option to purchase the ordinary shares. The financial liability was therefore reversed on 1 July 2022.

#### Significant estimate: contingent consideration - profit warranties

Cumulative profit undertakings given by the sellers for the period 1 March 2020 to 30 June 2023 amounted to R78.7m. As at 30 June 2023, it was management's view that Telemedia will achieve R48.4m in profits for the warranty period. As a result, the fair value of the contingent consideration payable at acquisition date was estimated to be R10.4m.

The contingent consideration in respect of the share price underpin was unwound and the profit warranty was determined by calculating the present value of future cash flows using a discount rate of 7.5%. The contingent consideration is expected to be settled within 6 months of the financial year ended, 30 June 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Business Combination: Acquisition of Telemedia Proprietary Limited continued

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
<b>Contingent Consideration</b>		
Opening balance	17,209	-
Additions through business combination	-	14,818
Change in fair value of contingent consideration	(8,500)	1,800
Finance cost on contingent consideration	812	591
	<b>9,521</b>	<b>17,209</b>

### Put Option Liability

Opening balance	18,857	-
Movement in other reserves	(18,857)	18,857
	<b>-</b>	<b>18,857</b>

### Fair values of net assets acquired

At the time of authorisation and publication of the 2022 annual financial statements, the group had not yet concluded the fair values of the identifiable assets and liabilities acquired and these were therefore disclosed as provisional fair values. During the year, the information pertaining to the fair value of the property, plant and equipment and intangible assets were finalised and the following measurement period adjustments were recorded. Remeasurements were made to the fair value recognised in respect of teleport satellite equipment of R21.0 million, marketing-related intangible assets of R4.2 million, and contractual and non-contractual client relationship intangible assets of R18.2 million.

	Year ended 30 June 2022 Audited R'000
<b>Purchase consideration:</b>	
Cash paid	4,614
Ordinary shares issued	20,657
Contingent consideration - share price underpin	4,395
Contingent consideration - profit warranties	10,423
<b>Total purchase consideration</b>	<b>40,089</b>

	Year ended 30 June 2022 Audited R'000	Measurement Period Adjustments* Reviewed R'000	Year ended 30 June 2022 Reviewed R'000
Property, plant and equipment	7,243	21,002	28,245
Intangible assets	-	22,429	22,429
Right-of-use asset	31,472	-	31,472
Trade and other receivables	6,849	-	6,849
Cash and cash equivalents	22,435	-	22,435
Lease liability	(31,472)	-	(31,472)
Current tax payable	(1,051)	-	(1,051)
Deferred tax	(380)	(11,702)	(12,082)
Trade and other payables	(8,603)	-	(8,603)
<b>Net identifiable assets acquired</b>	<b>26,493</b>	<b>31,729</b>	<b>58,222</b>
Less: non-controlling interests	(6,621)	(7,933)	(14,554)
Add: goodwill	20,218	(20,218)	-
Less: gain on bargain purchase	-	(3,578)	(3,578)
<b>Net assets acquired</b>	<b>40,090</b>	<b>-</b>	<b>40,090</b>

\*Measurement period adjustments - during the current year, the comparative information for June 2022 was retrospectively adjusted to recognise:

- (1) The fair value adjustment on teleport satellite equipment was finalised, which resulted in an increase in property, plant and equipment, and an increase in the deferred tax liability.
- (2) The marketing-related and client relationship assets were identified and recognised as attributable to the purchase of Telemedia, which resulted in an increase in intangible assets and an increase in the deferred tax liability.
- (3) These adjustments resulted in the derecognition of goodwill and the recognition of a gain on bargain purchase. The gain on bargain purchase is largely attributable to the finalisation of the fair values of identifiable assets which increased as a result of the measurement period adjustment which was determined post the agreement of the purchase price.

### Impact of measurement period adjustment on statement of profit or loss and other comprehensive income:

	Year ended 30 June 2022 Audited R'000	Measurement Period Adjustments* Reviewed R'000	Year ended 30 June 2022 Reviewed R'000
Other operating costs	(306,863)	(2,206)	(309,069)
Bargain purchase gain	-	3,578	3,578
Income tax expense	(26,832)	572	(26,260)
Non-controlling interest	20,956	607	21,563

### Acquired receivables

The amortised cost of acquired trade receivables is R6.8m which approximates its fair value. The gross contractual amount for trade receivables due is R12.4m with a loss allowance of R5.5m.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Asset Acquisition: Investment in Belper Investments Proprietary Limited continued

	Year ended 30 June 2022 Audited R'000
<b>Purchase consideration – cash outflow at acquisition date</b>	
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	4,614
Less: Cash balances acquired	(22,435)
<b>Net inflow of cash – investing activities</b>	<b>(17,821)</b>

#### Acquisition-related costs

Acquisition-related costs of R1.9m that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows in the 2022 financial year. R1.6m was paid directly to Geomer Investments Proprietary Limited.

### 16 Asset Acquisition: Investment in Belper Investments Proprietary Limited

On 3 August 2022 all conditions precedent to the acquisition of a 51% interest in a property letting enterprise, Belper Investments Proprietary Limited ("Belper Investments"), were fulfilled. Rex Trueform Group Limited has acquired five (5) industrial properties located in Epping, Cape Town, for a total purchase price of R104.2m. Accordingly, the transaction is now unconditional in accordance with the terms of the agreement, with the effective date being 3 August 2022.

	Year ended 30 June 2023 Reviewed R'000
<b>The fair values of the assets and liabilities recognised as a result of the acquisition are as follows</b>	
Investment Property	106,014
Lease accrual asset	198
Trade and other receivables	2,289
Bank and Cash	221
Long term loans	(85,650)
Trade and other payables	(3,981)
<b>Purchase consideration – cash outflow at acquisition date</b>	
Cash consideration – shareholder loans †	20,683
Cash consideration – cash outflow at acquisition date	-
Cash balances acquired	221
	<b>20,904</b>
<b>Net inflow of cash – investing activities</b>	<b>221</b>

† This loan was made to Belper Investments Proprietary Limited in the previous year, before the asset acquisition transaction, to fund the acquisition of the properties

#### Revenue and profit contribution

In terms of the concentration test, per IFRS 3 Business Combinations, management's assessment of the acquisition determined that substantially all of the fair value of the gross assets acquired was concentrated in a portfolio of identifiable assets, as such the acquisition does not meet the definition of a business combination. The acquisition has therefore been accounted for as an acquisition of assets and liabilities and subsequently consolidated into the Group.

### 17 Accounting policy choice for non-controlling interest

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Telemedia Proprietary Limited and Belper Investments Proprietary Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

### 18 Financial instruments

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited R'000
<b>Financial instruments at amortised cost</b>		
Trade and other receivables **	24,094	12,275
Cash and cash equivalents **	50,450	90,730
Loans receivable ***	88	20,280
Lease liabilities ***	(222,467)	(242,327)
Interest-bearing borrowings ***	(295,222)	(89,792)
Trade and other payables **	(71,657)	(69,441)
Rent deposits ***	(6,424)	(4,828)
	<b>(521,138)</b>	<b>(283,103)</b>

\*\* Approximates the fair value of the financial instruments as all short term in nature (no time value of money applicable)

\*\*\* Approximates the fair value of the financial instrument as it is linked to market related interest rates

#### Financial instruments at fair value through other comprehensive income

Other investments - Listed shares (Level 1)	11,096	16,378
Other investments - Unlisted shares (Level 2)	734	734
	<b>11,833</b>	<b>17,112</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Financial instruments continued

#### Financial instruments at fair value through profit or loss:

Forward exchange contracts (Level 2)	712	788
Loan to associate (Level 3)	186,370	158,580
Contingent consideration (Level 3)	9,521	17,209
	<b>196,603</b>	<b>176,577</b>

#### Valuation of financial instruments

The group measures fair values using the following fair value hierarchy that reflects the significance of each input used in making these measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices) This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between not based on observable data and the observable inputs have a significant effect on the instruments' valuation. This category includes instruments that are the instruments.

The fair value of held at fair value through other comprehensive income assets was based on the latest market price of the invested shares.

Fair values of the forward exchange contracts was determined by comparing the contracted forward rate to the present value of the current forward rate of an equivalent contract with the same maturity date.

The fair value of the loan to associate was calculated by using the income approach. This approach used the estimated future cash flows and present value these cash flows using the applicable weighted average cost of capital. A probability weighted scenario analysis is then performed on these discounted forecasted future cash flows.

### 19 Cash flows from operating activities

	Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited Restated R'000
Profit for the year	88,166	50,710
Adjustments for:		
Income tax expense	32,657	26,260
Finance income	(32,774)	(24,766)
Finance costs	47,330	32,425
Depreciation and amortisation expense	91,078	77,459
Fair value adjustment on equity financial instrument recognised in profit or loss	-	11,100
Bad debt expense	2,883	113
Unrealised foreign exchange gains and losses	76	(962)
Dividends received	(382)	(1,493)
Gain on lease modification	(29,889)	(14,832)
Share of loss from associate	4,256	4,269
Discontinued operation	-	(93)
Equity-settled share based payment	-	704
Flooring allowances received	541	56
Gains and losses on disposal of non-current assets	1,396	3,036
Movement in post-retirement liability	(91)	(96)
Change in fair value of contingent consideration	(8,500)	1,800
Movement in inventory provision	2,849	73
Bargain purchase gain	-	(3,578)
Loss on acquisition	812	-
Other non-cash movement	9	191
	<b>200,417</b>	<b>162,376</b>
Working capital changes		
Adjustments for increase in inventories	(29,912)	(43,796)
Adjustments for increase in trade and other receivables and operating lease assets	(7,300)	(6,041)
Adjustments for increase in trade and other payables and provisions	223	620
Net cash flows from operations	<b>(36,989)</b>	<b>(49,217)</b>

### 20 Events subsequent to the reporting date

On the 5 June 2023, Telemedia Proprietary Limited entered into an agreement with Telelet Proprietary Limited and The Bretherick Family trust where Telemedia Proprietary Limited would be purchasing nine (9) properties for a purchase consideration R51.5m. The acquisition shall be funded by a cash consideration of R6.9m and a R44.6m loan from a bank against security of the registration of a first mortgage bond over the Property. As at 30 June 2023, the properties have not as yet transferred to Telemedia Proprietary Limited.

On 28 September 2023, Telemedia Proprietary Limited entered into an agreement to acquire a 35% interest in Interactive Television Africa Proprietary Limited for a cash consideration of R18m.

Other than the events stated above, no other events material to the understanding of the condensed consolidated preliminary financial statements have occurred between the financial year-end and the date hereof.



## **INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*To the Shareholders of African and Overseas Enterprises Limited*

We have reviewed the condensed consolidated financial statements of African and Overseas Enterprises Limited, set out on pages 1 to 14, which comprise the condensed consolidated statement of financial position as at 30 June 2023 and the related condensed consolidated statements of profit or loss and other 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 condensed financial statements, as set out in note 1 to the 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 condensed consolidated 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 condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial 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 condensed consolidated 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.

PricewaterhouseCoopers Inc.,  
5 Silo Square, V&A Waterfront, Cape Town 8002, P O Box 2799, Cape Town 8001  
T: +27 (0) 21 529 2000, F: +27 (0) 21 814 2000, [www.pwc.co.za](http://www.pwc.co.za)



### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of African and Overseas Enterprises Limited for the year ended 30 June 2023 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

**Director: Richard Jacobs**

**Registered Auditor**

**Cape Town, South Africa**

**11 October 2023**



## COMMENTARY

Year ended 30 June 2023 Reviewed R'000	Year ended 30 June 2022 Audited Restated R'000
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### Other information and key ratios

#### Statement of profit or loss and other comprehensive income

Gross profit margin	%	49.3	54.7
Other operating costs to revenue	%	43.5	45.9
Operating profit margin	%	19.8	14.8
Net profit after tax margin	%	12.3	8.5

#### Statement of financial position

Capital commitments			
Authorised - not contracted for	R'000	21,193	16,852
Authorised - contracted for	R'000	15,062	242
Return on equity	%	4.9	7.6
Return on capital	%	15.0	17.1
Return on assets	%	6.1	5.3
Inventory turn	times	0.7	0.5
Asset turn	times	0.1	0.2
Net asset value per share	R	18.88	13.39

### Financial review

The principal operating subsidiary, Rex Trueform Group Limited, reports as follows:

Group revenue increased by 35.1% to R899.3m (2022: R665.7m), mainly due to an increase in retail segment turnover. Other revenue, comprising of media and broadcasting income, rental income, tenant recoveries and management fee income, increased by 168.8% to R179.7m (2022: R66.8m), mainly due to the acquisition of Telemedia and property assets. Investment income increased by 34.7% to R33.4m (2022: R24.8m).

The group realised an operating profit of R139.6m in the current year compared to R86.7m in the prior year. Net profit after tax was R85.8m (2022: R55.7m) resulting in earnings per share of 394.8 cents (2022: 282.4 cents). Headline earnings per share was 399.4 cents (2022: 262.5 cents). Refer to the reconciliation of headline earnings in the summarised statement of comprehensive income for reasons for the movement between earnings per share and headline earnings per share.

A number of property acquisitions were concluded during the current financial year. As a result, property segment revenue increased by 110.9% to R70.3m (2022: R33.3m), which contributed to a 100.1% increase in operating profit for the segment to R31.3m (2022: 15.6m).

Retail segment sales increased by 18.4% to R708.5m (2022: R598.2m). Despite the increase in retail sales gross profit was negatively impacted by reduced consumer spending as a result of the weak economic environment and increasing cost of living exacerbated by electricity load shedding. The gross profit margin has accordingly decreased to 49.3% (2022: 54.7%). The segment realised a net profit after tax of R58.1m (2022: R46.2m) before once off gains on lease modifications of R29.9m. There were a total of 98 (2022: 86) stores in operation as at 30 June 2023 with a net of 12 stores opened during the period under review.

The company's water infrastructure investment yielded an equity-accounted loss of R4.2m (2022: R4.3m).

Group services contributed R5.0m to after tax earnings (2022: loss of R1.9m).

### Outlook

The current economic outlook presents both challenges and opportunities. The issues facing the economy, including high inflation and interest rates, a rising cost of living, an energy crisis, and low economic growth forecasts, will require careful navigation in the coming months. Managing risks and sustaining profitability remain key elements of the company's strategy in this volatile climate.

The group is seeking to ensure that operating segments have resilient financials and a competitive advantage in their respective industries. In response to the widespread energy crisis, the group is investing in alternative energy sources in order to reduce the current and future adverse impact on operations and profitability.

Notwithstanding these challenges, we remain positive, and shall continue to utilise our skills and expertise to optimise the current portfolio of businesses and actively seek opportunities to diversify the group. In doing so, the company can position itself for long-term success.

References to future financial performance have not been reviewed or reported on by the group's external auditors and do not constitute an earnings forecast.

**MR Molosiwa**  
(Chairman)

**MA Golding**  
(Chief Executive Officer)

Cape Town  
11 October 2023

**Directors:** MR Molosiwa (Chairman)\*, MA Golding† (Chief Executive Officer), WD Nel (Chief Financial Officer), HB Roberts\*, LK Sebatane\*, PM Naylor\*  
† Non-executive \* Independent non-executive

**Registered office:** Unit 1, Rex Trueform Office Park, 263 Victoria Road, Salt River, Cape Town, 7925

**Company secretary:** A Gihwala

**Transfer secretaries:** Computershare Investor Services Proprietary Limited: Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

**Sponsor:** Java Capital Trustees and Sponsors Proprietary Limited: 6th Floor, 1 Park Lane, Weirda Valley, Sandton, 2196

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