CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND INTERIM CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Six months ended 30 Sept 2023 Rm	Six months ended 30 Sept 2022 Rm	Change on prior period %
Income	**5 855**	5 462	7
Operating costs	**(3 885)**	(3 517)	(10)
EBITDA	**1 970**	1 945	1
EBITDA margin	**33.6%**	35.6%	(2.0)pp
Net finance cost (excluding leases)	**(370)**	(316)	(17)
Headline earnings	**895**	607	47
Adjusted headline earnings (AHE)	**895**	896	–
EBITDA to AHE conversion rate	**45.4%**	46.1%	(0.7)pp
Dividend per share – interim (cents)	**30**	30	–
Capex cash flow	**(472)**	(246)	(92)
NIBD and guarantees	**(8 175)**	(8 505)	4

Tsogo Sun Limited
(Previously Tsogo Sun Gaming Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1989/002108/06)
Share code: TSG ISIN: ZAE000273116
JSE Alpha code: TSGI
("Tsogo Sun" or "the company" or "the group")

TSOGO SUN

www.tsogosun.com

Comparison to preceding six month period

	Six months ended 30 September 2023 Rm	Six months ended 31 March 2023 Rm	Change on six months ended 31 March 2023 %
Income	**5 855**	5 856	–
Operating costs	**(3 885)**	(3 835)	(1)
EBITDA	**1 970**	2 021	(3)
EBITDA margin	**33.6%**	34.5%	(0.9)pp
Net finance cost (excluding leases)	**(370)**	(339)	(9)
Headline earnings	**895**	985	(9)
Adjusted headline earnings (AHE)	**895**	928	(4)
EBITDA to AHE conversion rate	**45.4%**	45.9%	(0.5)pp
Dividend per share (cents)	**30**	57	(47)
Capex cash flow	**(472)**	(323)	(46)
NIBD and guarantees	**(8 175)**	(8 047)	(2)

REVIEW OF OPERATIONS

Debt and covenants

2.0 times Net debt: Adjusted EBITDA

R8.18 bn NIBD (Mar '23: R8.05 bn)

Nov '23 and Nov '24 debt refinanced

The net debt to adjusted EBITDA ratio for the six months ended 30 September 2023, as measured for covenant purposes, amounted to a 2.0 times multiple. This is in line with the multiple achieved at the 31 March 2023 year end. The group's debt covenant ratio requirement is less than a 3.0 times multiple.

The net debt to adjusted EBITDA ratio was achieved notwithstanding cash outflows relating to:
- Capex payments for generators and solar of R80 million;
- Emerald Resort and Casino upgrade investment of R40 million;
- Share buy-backs of R77 million at an average price of approximately R12.50;
- Ordinary dividend payment of R595 million; and
- Various other transactions concluded during the period under review with a net cash outflow totalling approximately R248 million.

With total investments and payments of R1.04 billion as set out above, the group's net interest-bearing debt and guarantees at 30 September 2023 ended marginally higher than at 31 March 2023, with an increase of R128 million, from R8.05 billion at 31 March 2023 to R8.18 billion at 30 September 2023.

The group's medium-term debt leverage target remains lower than a 1.8 times multiple, thereby decreasing risk and funding costs. The group managed to reduce net interest-bearing debt and guarantees to R8.02 billion as at 31 October 2023 and therefore now lower than the 2023 year end position of R8.05 billion.

The group's medium-term note and loan profile after the refinancing undertaken is as follows (all debt comprises notes save for the amount due on 30 November 2026, which is a term loan):

Maturity date	Amount Rm
30 November 2025	600
28 February 2026	1 620
30 November 2026	650
28 February 2027	1 000
31 May 2027	1 000
31 August 2027	900
31 May 2028	550
31 August 2028	200
31 August 2029	400
	6 920

In addition to the funding set out above, the group has a revolving credit facility of R1.50 billion, which can be called up on 13 months' notice. This facility arrangement remains in place until November 2025. To strengthen liquidity, the group also has access to overnight loan facilities of R1.00 billion, which are 364-day notice facilities.

Financial

R1.97 bn EBITDA

R895 m Headline earnings

R55 m Cost of diesel

Total income of R5.86 billion was generated for the six months ended 30 September 2023 and EBITDA amounted to R1.97 billion. The cost of diesel and the adverse effect on income due to high levels of load shedding, negatively impacted the group's interim period position and margins.

An EBITDA margin of 34% was achieved for the period (35% excluding the cost of diesel and almost 36% excluding the impact of the costs for the expansion and improvement of the business for the future).

Net finance costs (excluding IFRS 16 lease interest) for the period amounted to R370 million, a significant increase from the R316 million for the prior year six month period ended 30 September 2022.

Interest rate swaps, with a notional amount of R3.50 billion, remain in place until 31 May 2024.

Headline earnings achieved for the period amounted to R895 million compared to the R607 million reported for the prior period. If, however, the cost of the termination of the hotel management contracts is excluded from the prior period headline earnings calculation, then adjusted headline earnings of R896 million was achieved for the comparable prior period.

On comparing the results for the six months to those of the prior period, the following needs to be taken into account:

- Retirement fund employer contributions increased from 1 May 2023;
- Advertising and marketing costs have increased, partly owing to the development of the new Tsogo Sun app and the Tsogo Rewards programme;
- Insurance cover has become more expensive;
- The cost of diesel and other consequential losses suffered as a result of higher levels of load shedding during this period compared to the prior year six months, eroded margins;
- Finance costs increased mainly as a result of the higher repurchase (repo) rate;
  and
- Significant positive net cash was generated by operations, positioning the group in a stronger financial position for future growth projects.

Casinos

As expected, unprecedented levels of load shedding, high fuel and food prices, increased interest rates and online betting on casino styled games growing to significant levels, resulted in income remaining under pressure during the six months. Notwithstanding the tough trading conditions, a relatively strong EBITDA was achieved by the casino division.

The casino precincts have continued with the implementation of green energy solutions. As part of this project, Montecasino completed the 4.3MW rooftop solar installation in October 2023 and the expansion of the existing solar plants at the Silverstar and Garden Route casinos will be operational in December 2023. Gold Reef City casino has commenced with a new solar installation which should generate approximately 1.5MW and is expected to be completed by March 2024. New solar projects are anticipated for the 2025 financial year at several other casino precincts.

The Emerald Resort and Casino upgrade project has been expedited, which will negatively affect short-term revenue and profit because of the concomitant disruption to operations. The group remains optimistic regarding the potential of this resort. The revised budgeted investment for upgrades to the Emerald precinct for this financial year is approximately R82 million. Investment is expected to continue in the next financial year, as the various phases of upgrading the facilities at Emerald are initiated.

The group is positive that its substantial investments planned for the Western Cape will contribute considerably to the tourism attraction of both the Helderberg and Overberg regions. These will include a new uniquely green casino and hotel precinct development in Somerset West and upgrades to the remaining Caledon site, including the hotel, spa, thermal hot water springs, conference facilities, the old stables and an alternative gaming offering.

However, there have been self-serving objections to these initiatives by other industry players, which will delay the significant benefits which will be achieved. The Somerset West and Strand areas have been deprived of their own upmarket, secure and safe entertainment facilities for over a decade, since the expiry of the exclusivity period for a single casino in the Cape Metropole.

Hotels

The in-house management by the group of its hotels is running smoothly, but some minor operational issues are still being addressed.

Occupancies have grown marginally during the six months when compared to the prior period. This, together with average room rate improvement, resulted in double digit increased revenue for the period on a like-for-like basis, excluding the impact of the disposed Emnotweni hotels and the acquired Emerald hotels in the prior period.

There are currently a number of opportunities being explored by the group to expand or improve the hotel offering. These opportunities will, however, take time to implement and no significant change to the hotel offering is expected this financial year.

Entertainment

The Gold Reef City Theme Park continues to deliver exceptional results. The upgrades to the food and beverage and other facilities in the park were completed in September 2023.

Food and beverage revenue and tenanting income continued to improve during this period.

Bingo

Galaxy Bingo's trading continues to be negatively impacted by load shedding, particularly in shopping centre nodes that endure darkness for extended hours during the evenings. As reported in May 2023, margins in this division were strained during the period, due to the resultant lower income earned, with salary and property rental cost increases and high costs of diesel and generator maintenance.

Limited Payout Machines ("LPMs")

With the negative impact of load shedding during the six months, the LPM division delivered a flat performance when compared to the same period last year. Trading also continued to be flat post the interim period.

The division did well to protect margins during the six months under review.

DIGITAL, ONLINE AND TECHNOLOGY

Developments within the digital, online and technology space are progressing well and the group has more visibility in the market.

The improved Tsogo Sun app and Tsogo Rewards programme, with extensive functionalities for improved customer experience, were launched in November 2023. Further improvements to the app and rewards programme are expected to be implemented in the first quarter of the 2025 financial year. Casino, hotel, entertainment and playTSOGO guests can now earn and spend reward points at an expanded range of facilities across casino precincts. Rewards programme customers also receive significant discounts on various product offerings.

The online betting business experienced unexpected delays with the expansion of the betting libraries and in obtaining advertising approvals, which negatively affected this division.

Improvements and expansion of the online betting business will remain a key focus for the remainder of the financial year and also into the 2025 financial year.

Income generated from online betting is still at an infant stage of approximately R100 million for the period and this was achieved with a marginal EBITDA loss. The online betting division is not expected to deliver profit for the 2024 or 2025 financial years, with focus being on reinvestment for growth.

CAPITAL EXPENDITURE, ACQUISITIONS AND TRANSACTIONS

Capital expenditure cash outflow for the period amounted to R432 million (including capital creditors from the prior year). This capital investment includes the investment in alternative energy projects and improvement capex for the Emerald Resort and Casino.

Net acquisition and investment costs amounted to approximately R248 million in cash outflows, predominantly relating to a bingo licence, an increase in an undivided share in investment property, Bet.co.za and City Lodge Hotels.

REGULATORY

The Department of Health has continued in its endeavours to proceed with the proposed widespread changes to the tobacco legislation. Parliament has, however, decided to embark on a public participation process, evidently due to various sections of the bill being controversial and far reaching. This will delay the process and may lead to a reconsideration of the contents of the bill in future drafts.

The proposed banning of the already restricted dedicated smoking areas in casinos will, if implemented, *inter alia* negatively impact employment, investment, suppliers, taxes and community contributions (CSI). This will not reduce gambling spend, but merely shift the play from legal land-based casinos to illegal gambling operators who do not contribute to the fiscus, or to online operators paying significantly lower taxes than land-based casinos.

A higher tax burden in Gauteng and KwaZulu-Natal remains a risk. It is disappointing that regulators are willing to further erode the earnings of the land-based operators, whilst online operators are thriving. It is common cause that it is the land-based casinos which provide significant employment opportunities, support local suppliers of goods and services, invest in the various precincts and local communities and offer entertainment facilities and numerous other benefits in the areas where the casinos are located.

DIVIDEND

The board of directors has resolved to declare an interim gross cash dividend of 30.0 (thirty) cents per share in respect of the period ended 30 September 2023 from distributable reserves. The dividend will be paid in cash to shareholders recorded in the register of the company at close of business Thursday, 14 December 2023. The number of ordinary shares in issue at the date of this declaration is 1 042 596 816. The dividend will be subject to a local dividend tax rate of 20%, which will result in a net dividend of 24.00000 (twenty-four) cents per share to those shareholders who are not exempt from paying dividend tax. The company's income tax reference number is 9250039717.

Salient dates are as follows:

Last date to trade cum dividend	Monday, 11 December 2023
Trading ex-dividend commences	Tuesday, 12 December 2023
Record date	Thursday, 14 December 2023
Payment date	Monday, 18 December 2023

Share certificates may not be dematerialised or re-materialised from Tuesday, 12 December 2023 to Thursday, 14 December 2023, both days inclusive.

PROSPECTS

Following the setback of the higher levels of load shedding, which has affected income and the cost base, the group is making good progress with its substantial investment in solar energy projects. Upon the completion of these projects at the Montecasino, Gold Reef City, Silverstar and Garden Route precincts during this financial year, the group plans to extend the project to additional casinos in the next financial year. Sufficient additional generator capacity has been secured during this interim period after long lead times for the equipment imports.

With the cost base still well-controlled, relatively stable EBITDA performance and firmly managed capital cash allocation, the group is well placed to continue to deliver strong headline earnings, provided the operating and/or regulatory environments do not further deteriorate.

The increase in net finance costs for the period affected headline earnings negatively. In October 2023 the net interest-bearing debt was reduced to below the 2023 year end levels. The group's effort to further reduce its debt levels to achieve its medium-term target, being a multiple which is lower than a 1.8 times net debt to adjusted EBITDA ratio, will continue.

The upgrade of the Emerald Resort and Casino will continue and the group remains positive that this resort will yield appropriate results and a more sustainable business under an experienced management team.

The group is ready to invest and contribute to the promotion of tourism in the Helderberg and Overberg regions, bringing with these developments significant benefits to the surrounding areas. For the reasons mentioned earlier, this project is unlikely to gain traction in this financial year.

The online betting platforms, playTSOGO and Bet.co.za, provide exciting prospects for growth for the 2025 financial year. The group hopes to resolve the regulatory frustrations it has faced in this space by financial year end, thereby enabling it to focus on expediting growth.

An exciting new era with different styled interaction and experiences has been initiated with the launch of technological advancements such as the Tsogo Sun app and Tsogo Rewards programme. The group plans to further improve these offerings in the 2025 financial year.

The group will continue to evaluate and improve facilities at its existing casino precincts whilst pursuing appropriate opportunities in the broader hospitality industry.

The LPM division continues to have significant capacity for expansion and the Bingo division has the potential to rebound in due course.

Cash allocation for the remainder of the 2024 financial year will, *inter alia*, include:

- Payment of an appropriate interim dividend to shareholders;
- Potential share buy-backs;
- Attractive opportunities in the casino and broader hospitality industry to be pursued;
- Investment in online businesses and improved technology;
- Investment in alternative energy projects;
- The continued improvement of the Emerald Resort and Casino;
- Maintenance and enhancement projects at all casino precincts; and
- Reduction of debt with excess cash.

The fundamentals of building a sustainable and strong business for the future remain in place, with exciting prospects for Tsogo Sun. However, the second half of the year is expected to remain tough in the current economic and regulatory environment, coupled with continued load shedding.

The board extends its appreciation to management and employees for their efforts in the delivery of these results during difficult times.

JA Copelyn	**CG du Toit**	**G Lunga**
Chairperson	*Chief Executive Officer*	*Chief Financial Officer*

27 November 2023

Condensed consolidated statement of profit or loss

for the six months ended 30 September

	Change %	2023 Rm	2022 Rm
Net gaming win		**4 954**	4 670
Food and beverage revenue		**330**	271
Rooms revenue		**257**	247
Other revenue		**198**	159
Other income		**116**	115
Income	7	**5 855**	5 462
Gaming levies and Value Added Tax		**(1 085)**	(1 025)
Employee costs		**(935)**	(901)
Other operating expenses		**(1 864)**	(1 516)
Cancellation of hotel management contracts		**–**	(399)
Amortisation and depreciation		**(358)**	(383)
Operating profit	30	**1 613**	1 238
Finance income		**22**	26
Finance costs		**(405)**	(357)
Share of profit of associates		**5**	4
Profit before income tax	36	**1 235**	911
Income tax expense		**(331)**	(224)
Profit for the period	32	**904**	687
Profit attributable to:			
Equity holders of the company		**896**	671
Non-controlling interests		**8**	16
		904	687
Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents)	34	**85.9**	64.1

Condensed consolidated statement of comprehensive income

for the six months ended 30 September

	2023 Rm	2022 Rm
Profit for the period	**904**	687
Other comprehensive profit for the period, net of tax		
Items that may be reclassified subsequently to profit or loss:	**–**	90
Cash flow hedges	**–**	124
Deferred tax relating to items that may subsequently be reclassified to profit or loss	**–**	(34)
Items that may not be reclassified subsequently to profit or loss:		
Equity instruments at FVOCI	**(20)**	–
Total comprehensive income for the period	**884**	777
Total comprehensive income attributable to:		
Equity holders of the company	**876**	761
Non-controlling interests	**8**	16
	884	777

Condensed consolidated statement of financial position

As at

	Notes	30 September 2023 Rm	31 March 2023 Rm
ASSETS			
Non-current assets			
Property, plant and equipment		**8 373**	8 263
Right-of-use assets		**179**	195
Investment properties	5.1	**405**	377
Goodwill	4.1	**1 461**	1 461
Other intangible assets	4.1	**3 348**	3 337
Investments in associates		**31**	26
Financial assets at fair value through OCI	5.2	**1 233**	1 072
Non-current receivables		**30**	34
Derivative financial instruments	5.3	**–**	35
Deferred income tax assets		**75**	69
		15 135	14 869
Current assets			
Inventories		**76**	72
Trade and other receivables		**468**	395
Derivative financial instruments	5.3	**35**	–
Current income tax assets		**79**	54
Cash and cash equivalents		**575**	600
		1 233	1 121
Total assets		**16 368**	15 990
EQUITY			
Capital and reserves attributable to equity holders of the company			
Ordinary share capital and premium		**6 408**	6 485
Other reserves		**(4 100)**	(4 050)
Retained income		**2 381**	2 080
Total shareholders' equity		**4 689**	4 515
Non-controlling interests		**91**	90
Total equity		**4 780**	4 605
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	6.2.1	**8 380**	8 380
Lease liabilities	6.2.2	**252**	267
Deferred income tax liabilities		**1 404**	1 391
Provisions and other liabilities		**79**	53
		10 115	10 091
Current liabilities			
Interest-bearing borrowings	6.2.1	**220**	114
Lease liabilities	6.2.2	**37**	38
Trade and other payables		**1 148**	1 128
Current income tax liabilities		**68**	14
		1 473	1 294
Total liabilities		**11 588**	11 385
Total equity and liabilities		**16 368**	15 990

Condensed consolidated statement of changes in equity

for the six months ended 30 September

	Attributable to equity holders of the company					
	Ordinary share capital and premium Rm	Other reserves Rm	Retained income Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Balance at 1 April 2022	6 487	(4 185)	850	3 152	120	3 272
Total comprehensive income	–	90	671	761	16	777
Acquisition of non-controlling interests	–	(16)	–	(16)	(3)	(19)
Share-based payment charge on business acquisition	–	10	–	10	–	10
Share options lapsed	(1)	–	–	(1)	–	(1)
Ordinary dividends declared	–	–	(199)	(199)	(42)	(241)
Balance at 30 September 2022	6 486	(4 101)	1 322	3 707	91	3 798
Balance at 1 April 2023	6 485	(4 050)	2 080	4 515	90	4 605
Total comprehensive income	–	(20)	896	876	8	884
Acquisition of non-controlling interests	–	(30)	–	(30)	8	(22)
Buy-back of ordinary share capital	(77)	–	–	(77)	–	(77)
Ordinary dividends declared	–	–	(595)	(595)	(15)	(610)
Balance at 30 September 2023	**6 408**	**(4 100)**	**2 381**	**4 689**	**91**	**4 780**

Condensed consolidated statement of cash flows

for the six months ended 30 September

	Notes	**2023 Rm**	2022 Rm
Cash flows from operating activities			
Profit before income tax		**1 235**	911
Adjusted for finance income and finance costs, equity accounted earnings and non-cash movements		**821**	713
Increase in working capital	6.1	**(150)**	(87)
Cash generated from operations		**1 906**	1 537
Finance income received		**20**	24
Finance costs paid		**(401)**	(352)
Income tax paid		**(297)**	(227)
Dividends received		**25**	42
Dividends paid to ordinary shareholders		**(595)**	–
Dividends paid to non-controlling interests		**(15)**	(37)
Net cash generated from operating activities		**643**	987
Cash flows from investment activities			
Purchase of property, plant and equipment		**(427)**	(218)
Proceeds from disposals of property, plant and equipment		**1**	141
Insurance proceeds received for capital assets		**2**	–
Purchase of intangible assets		**(17)**	(8)
Additions to investment property		**(28)**	(20)
Acquisition of financial assets at fair value through OCI	5.2	**(181)**	–
Acquisition of business, net of cash acquired		**–**	(317)
Proceeds from disposals of assets classified as held for sale		**–**	14
Net cash utilised for investment activities		**(650)**	(408)
Cash flows from financing activities			
Borrowings raised	6.2.1	**1 729**	166
Borrowings repaid	6.2.1	**(1 637)**	(686)
Principal elements of lease payments	6.2.2	**(21)**	(20)
Buy-back of ordinary share capital		**(77)**	–
Transactions with non-controlling interests		**(22)**	(19)
Decrease in amounts due by share scheme participants		**–**	1
Net cash utilised in financing activities		**(28)**	(558)
Net (decrease)/increase in cash and cash equivalents		**(35)**	21
Cash and cash equivalents at beginning of period, net of bank overdrafts		**550**	780
Cash and cash equivalents at end of period, net of bank overdrafts		**515**	801

Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted headline earnings

for the six months ended 30 September

	Change %	2023 Rm	2022 Rm
Profit attributable to equity holders of the company		**896**	671
(Less)/add: headline adjustments			
Gain on disposal of property		**–**	(77)
(Gain)/loss on disposal of plant and equipment		**(1)**	5
Gain on disposal of assets classified as held for sale		**–**	(6)
Impairment of property, plant and equipment		**2**	3
Insurance proceeds received for capital assets		**(2)**	–
Total tax effects of headline earnings adjustments		**–**	11
Headline earnings	47	**895**	607
Add: Other exceptional items included in operating profit			
Cancellation of hotel management contracts		**–**	399
Total tax effects of other exceptional items		**–**	(108)
Total non-controlling interests of other exceptional items		**–**	(2)
Adjusted headline earnings[1]		**895**	896
Number of shares in issue (million)[2]		**1 040**	1 046
Weighted average number of shares in issue (million)[2]		**1 043**	1 046
Basic and diluted headline earnings per share (cents)	48	**85.8**	58.0
Basic and diluted adjusted headline earnings per share (cents)		**85.8**	85.7

[1] *Adjusted headline earnings are defined by the group as earnings attributable to equity holders of the company adjusted for after tax non-recurring expenditure items which are regarded as unusual and are infrequent and are considered to distort the numbers if they were not adjusted, and headline adjustments in terms of Circular 1/2023* Headline Earnings. *Adjusted headline earnings is a non-IFRS measure and is not a requirement in terms of the JSE Limited Listings Requirements, is used as a measure by the Chief Operating Decision Maker ("CODM") and provided for illustrative purposes only*

[2] *Excludes treasury shares*

Reconciliation of operating profit to EBITDA

for the six months ended 30 September

	2023 Rm	2022 Rm
EBITDA pre-exceptional items is made up as follows:		
Operating profit	**1 613**	1 238
Add: Amortisation and depreciation	**358**	383
	1 971	1 621
(Less)/add: Headline adjustments	**(1)**	(75)
Gain on disposal of property	**–**	(77)
(Gain)/loss on disposal of plant and equipment	**(1)**	5
Gain on disposal of assets classified as held for sale	**–**	(6)
Impairment of property, plant and equipment	**2**	3
Insurance proceeds received for capital assets	**(2)**	–
Add: Other exceptional items		
Cancellation of hotel management contracts	**–**	399
EBITDA	**1 970**	1 945

Earnings before interest, tax, depreciation and amortisation and exceptional items ("EBITDA") excludes the effects of items which are regarded as unusual and are infrequent and are considered to distort the numbers if they were not adjusted, and headline adjustments in terms of Circular 1/2023 *Headline Earnings*. EBITDA is a non-IFRS measure, is not a requirement in terms of the JSE Limited Listings Requirements, is used as a measure by the CODM and provided for illustrative purposes only.

Segmental analysis

for the six months ended 30 September

Other than as indicated below, there has been no change in the basis of measurement of segment profit or loss since the previous financial year end.

Certain aspects of the business are growing significantly and hence the CODM spends more time on allocating resources to, and reviewing performances of, these divisions. The CODM spends less time and resources on divisions which are growing increasingly less significant to the group.

For casinos, in order to assess performance and allocate resources, the CODM reviews the businesses by region and thus the group considers its reportable segments to be geographical and has presented a segmental analysis by region. The group applies the aggregation criteria being that the casino businesses are all similar in nature, profit generation and class of customer in each province. Furthermore, each province has its own gambling board which governs the respective businesses. In terms of the quantitative threshold, although Western Cape does not meet the 10% profit threshold, the group is voluntarily disclosing this as a separate segment, due to there being several casinos in the province. The Mpumalanga, Eastern Cape and Free State provinces are individually immaterial, therefore these casinos are combined in the segmental table within "Other casinos". Previously, Mpumalanga was considered a separate segment due to there being more than one casino in the province, however, its contribution to the group's total income and EBITDA remains insignificant and hence this province is combined within "Other casinos".

The Other gaming and betting segment consists of the online and betting division which is showing significant growth, and the Bingo division. Previously the Bingo division was shown separately in the segment table, and the online and betting division included within other group operations. As these divisions are non-casino gaming related and do not meet the quantitative threshold, they have been combined in the segment table.

Corporate consists of the group head office function, which includes dividends received, head office costs and group eliminating consolidation journals.

The segmental income and EBITDA for the period under review is as follows, with the comparatives re-aligned for the changes mentioned above in accordance with IFRS 8 *Operating Segments*:

	Income[1]			EBITDA[2][3]		
	2023 Rm	2022 Rm	Change %	**2023 Rm**	2022 Rm	Change %
Casinos	**4 359**	3 986	9.4	**1 744**	1 696	2.8
Gauteng	**2 531**	2 212	14.4	**1 042**	973	7.1
KwaZulu-Natal	**1 125**	1 029	9.3	**472**	439	7.5
Western Cape	**280**	278	0.7	**110**	125	(12.0)
Other casinos[4]	**423**	467	(9.4)	**120**	159	(24.5)
LPMs	**959**	963	(0.4)	**278**	285	(2.5)
Other gaming and betting[4]	**514**	473	8.7	**59**	96	(38.5)
Corporate[4]	**23**	40	(42.5)	**(111)**	(132)	15.9
Group	**5 855**	5 462	7.2	**1 970**	1 945	1.3

[1] *All revenue and income from operations are derived from external customers. No one customer contributes more than 10% to the group's total income*
[2] *Refer reconciliation of operating profit to EBITDA*
[3] *All casino units are reported pre-internal gaming management fees*
[4] *Comparatives have been re-aligned as noted above*

Disaggregation of revenue from contracts with customers

for the six months ended 30 September

The group derives revenue over time, with the exception of food and beverage revenue which is recognised at a point in time. The table below presents revenue by segment which excludes net gaming win and other income which are included in the segmental analysis as these are accounted for under different accounting policies. Disaggregation of revenue from contracts with customers for the period under review is as follows:

	Food and beverage recognised at a point in time		Rooms revenue recognised over time		Other revenue recognised over time		Revenue from contracts with customers	
	2023 Rm	2022 Rm	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm
Casinos	**299**	241	**257**	247	**198**	156	**754**	644
Gauteng	**173**	124	**165**	125	**173**	136	**511**	385
KwaZulu-Natal	**60**	53	**43**	44	**9**	7	**112**	104
Western Cape	**22**	20	**13**	13	**4**	3	**39**	36
Other casinos[1]	**44**	44	**36**	65	**12**	10	**92**	119
Other gaming and betting	**31**	30	**–**	–	**–**	3	**31**	33
Group	**330**	271	**257**	247	**198**	159	**785**	677

	2023 Rm	2022 Rm
Reconciliation to segmental analysis:		
Net gaming win	**4 954**	4 670
Revenue from contracts with customers per above	**785**	677
Other income	**116**	115
Total income per segmental analysis	**5 855**	5 462

(1) *Comparatives have been re-aligned as noted in the segment analysis*

Other revenue comprises mainly revenues from entrance fees, cinemas, venue hire, parking and other sundry revenue.

Other income comprises mainly property rentals, dividends received, prescribed credits, rebates received and other sundry income.

Notes to the condensed unaudited consolidated interim financial statements

1 BASIS OF PREPARATION

The condensed unaudited consolidated interim financial statements for the six months ended 30 September 2023 have been prepared and presented in accordance with the requirements of the JSE Limited Listings Requirements ("JSE Listings Requirements"), as well as the requirements of the South African Companies Act 71 of 2008, as amended. The JSE Listings Requirements require interim results to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations as issued by the Financial Reporting Interpretations Committee, the South African Financial Reporting Requirements, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies used in the preparation of the consolidated interim financial statements are in terms of IFRS, and are consistent with those applied in the most recent audited consolidated financial statements as at 31 March 2023 other than as described in note 2. These consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 March 2023, which have been prepared in accordance with IFRS. The directors take full responsibility for the preparation of these condensed consolidated financial statements, which have been prepared under the supervision of the Chief Financial Officer, G Lunga CA(SA). This interim report, together with any forward-looking information contained herein, has not been audited or reviewed by the company's auditors.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies are similar to those detailed in the group's consolidated annual financial statements for the year ended 31 March 2023, other than as mentioned in this report.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The group adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the group from 1 April 2023. No pronouncement had any material impact on the group.

3 STANDARDS ISSUED NOT YET EFFECTIVE

The group does not anticipate that any standards or amendments to existing standards that have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2024 or later periods, which the group has not early adopted, would have a material impact on the group.

4 IMPAIRMENTS OF NON-CURRENT ASSETS

In terms of IAS 36 *Impairment of Assets,* the group assesses at the end of each reporting period whether there is any indication that an asset may be impaired, and assesses its goodwill and intangible assets with indefinite lives for impairment irrespective of whether there is any indication of impairment or not. The group makes estimates and assumptions concerning the future, with the significant estimates discussed below. The group had no significant impairment charges for the period under review or the prior comparative period. Impairments of non-current assets and current assets are not significant and have therefore been included within "Other operating expenses" in the statement of profit or loss.

4.1 Goodwill and casino licences

Impairment test for goodwill and casino licences

Goodwill and casino licences are allocated and monitored based on the group's CGUs. As a result of unprecedented levels of load shedding, high fuel and food prices, increased interest rates and online betting on casino styled games growing to significant levels, income remained under pressure. Notwithstanding the tough trading conditions, relatively strong EBITDA was achieved by the casino precincts. These factors are taken into account in the impairment testing of goodwill and intangible assets, intangible assets being mainly casino licences, most of which are indefinite lived.

4 IMPAIRMENTS OF NON-CURRENT ASSETS continued

4.1 Goodwill and casino licences continued

Significant estimate: key assumptions

The recoverable amount of the CGUs is determined based on the higher of the fair value less costs of disposal and value in use. These calculations use management-approved cash flow projections based on five-year forecasts. The expected capital cost spend in the CGUs is based on the historical experience of maintaining each property, taking into account current spend. The approved capex programme is monitored closely by management thereby ensuring only necessary spend. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate.

The key assumptions used for value in use calculations were reviewed by management at the reporting date and estimated as follows:

- Trading assumptions – management-forecast income, operating expenses and EBITDA margins are based on past and current performance, its expectations of market developments and the aforementioned inflationary impacts of the ongoing Eskom power crisis and the Russia/Ukraine conflict. Focus remains on maintaining previously implemented cost reductions and operational efficiencies. Certain expenses, some of which are beyond the group's control (such as administered property costs and high diesel costs incurred due to load shedding), continued to increase, offsetting some of the efficiencies achieved. Taking the aforementioned into account, the group's forecast models assume continued recovery for the 2024 financial year cash flow forecasts, and growth levelling off with effect from 2025. The significant unobservable inputs used in the assumptions as at 30 September 2023 compared to 31 March 2023 are shown below:
  - Expected income, including gaming win, food and beverage, hotel rooms revenue and other income grows by 9% for the 2024 financial year, 5% for the 2025 financial year then levels out to growths of 4% over the following years (31 March 2023: Expected income, including gaming win, food and beverage, hotel rooms revenue and other income forecast growths of 7% for the 2024 year, then levels out to growths of 5% for 2025 and then 4% for the following years); and
  - Expected operating expenditure costs increase on average by 11% for the 2024 financial year, then levels out to increases of 5% for the following years (31 March 2023: Expected operating expenditure costs forecast increase on average by 10% for the 2024 financial year, then levels out to increases of 6% for the 2025 financial year and then 5% for the following years);
- Long-term growth rate – cash flows beyond the first five-year period are extrapolated using estimated long-term growth rates in order to calculate the terminal recoverable amount. The growth rate estimations consider risks associated with the gaming, entertainment and hospitality industry in which the CGUs operate. The group considers a long-term growth rate of 5.0% appropriate, unchanged from the prior year end, due to the higher inflationary conditions in the South African economy;

4 IMPAIRMENTS OF NON-CURRENT ASSETS continued

4.1 Goodwill and casino licences continued

Significant estimate: key assumptions continued

- Risk adjusted discount rate – the discount rate is calculated by using a weighted average cost of capital ("WACC") of the respective CGUs. WACC is calculated using a risk-free rate referenced to the 10 year point on the SA Government Bond curve and an equity premium adjusted for specific risks relating to the relevant CGUs (share beta and small stock premium). The average pre-tax discount rate has increased to 19.7% (31 March 2023: average 18.9%) for the casinos having an allocation of goodwill and licences in comparison with the prior year end. The pre-tax discount rates have increased in comparison with the prior year due to higher risk-free and weighted average cost of debt rates. These were offset by a lower share beta of 1.08 (31 March 2023: 1.20) mainly due to the significant decrease of overall levels of debt in the group's capital structure subsequent to the COVID-19 years. The group's effort to further reduce its debt levels to achieve its medium-term target will continue. The COVID-19 pandemic triggered a reduction in interest rates that has reversed since late 2021 in response to rising inflation, hence there have been a number of increases in rates by the South African Reserve Bank. The group believes the discount rate will return to more normal levels over the medium term.

Based on the above assumptions, it was determined that, at the reporting date, no impairments to either goodwill or casino licences were deemed necessary for the six months under review.

Significant estimate: impact of possible changes in key assumptions

The group's impairment reviews are sensitive to changes in the key assumptions described above. Based on the group's sensitivity analysis, a reasonable possible change in a single assumption will not cause a material impairment loss in any of the group's CGUs, as the group's CGUs have significant headroom available between the calculated values in use and the intangible asset allocated to each CGU, other than the below CGUs.

The following reflects the total impairment on casino licences, with indefinite useful lives, that would be recognised if a reasonable possible change in a key assumption, on which the group has based its determination of the CGUs' recoverable amounts, would cause the CGUs' respective casino licence carrying amounts to exceed their recoverable amounts:

	30 September 2023			31 March 2023		
	1pp decrease in trading assumptions Rm	**1pp decrease in growth rate assumption Rm**	**1pp increase in discount rate assumption Rm**	1pp decrease in trading assumptions Rm	1pp decrease in growth rate assumption Rm	1pp increase in discount rate assumption Rm
Silverstar	**(77)**	**(134)**	**(160)**	(70)	(129)	(158)
Goldfields[(1)]	**–**	**(5)**	**(7)**	(30)	(34)	(36)

[(1)] *Casino licences of R28 million were impaired at the prior year end 31 March 2023 in respect of Goldfields*

4 IMPAIRMENTS OF NON-CURRENT ASSETS *continued*

4.2 Other non-current asset impairments

With regards to the Hemingways precinct, taking into account the revised assumptions as described in note 4.1, no impairments of the CGU were identified for the six months under review (31 March 2023: R48 million non-current assets impaired). This precinct does not have any intangible assets with indefinite lives allocated to it.

The following reflects the total impairment of non-current assets in respect of Hemingways that would be recognised if a reasonable possible change in a key assumption, on which the group has based its determination of the Hemingways' recoverable amount, would cause Hemingways' carrying amount to exceed its recoverable amount:

	30 September 2023			31 March 2023		
	1pp decrease in trading assumptions[1] Rm	1pp decrease in growth rate assumption[1] Rm	1pp increase in discount rate assumption[1] Rm	1pp decrease in trading assumptions[1] Rm	1pp decrease in growth rate assumptions[1] Rm	1pp increase in discount rate assumptions[1] Rm
Property, plant and equipment	–	**(7)**	**(12)**	(34)	(40)	(43)
Right-of-use assets	–	–	–	(6)	(7)	(7)
Licence and bid costs	–	–	–	(11)	(13)	(14)
Total impairment recognised would be	–	**(7)**	**(12)**	(51)	(60)	(64)

[1] *Refer note 4.1 for key assumptions*

5. FAIR VALUE ESTIMATION

The group fair values its investment properties which are categorised as level 3 values in the fair value hierarchy. The group fair values its financial assets at fair value through other comprehensive income ("OCI") which are categorised as levels 1 and 3 values in the fair value hierarchy. Derivative financial instruments are fair valued, comprising interest rate swaps, and are categorised as level 2 values in the fair value hierarchy. There were no transfers into or out of level 3 for any fair value assets during the period under review.

5 FAIR VALUE ESTIMATION *continued*

5.1 Investment properties

The group rents out commercial office space at its investment properties. The group has elected to measure investment properties at fair value. Fair values are estimated annually by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

During the period under review, the group acquired investment property for a consideration of R28 million.

The fair value of the group's investment properties is determined using capitalised values of the projected rental income together with assessments of development land. Vacancies are considered based on the historical and current vacancy factors as well as the nature, location, size and popularity of the properties. There have been no changes to the inputs since the previous year end, therefore no adjustment to investment properties was deemed necessary at the reporting date.

Unobservable inputs

Significant unobservable inputs were as follows at 30 September 2023 and 31 March 2023:

Capitalisation rate applied to rental income	9.50%
Vacancy rate	10%
A weighted average projected rental income decrease rate	6.80%

Sensitivities

With respect to the inter-relationship between key unobservable inputs and estimated fair value measurement, the estimated fair value would increase/(decrease) if:

- The capitalisation rate was lower/(higher);
- Expected vacancy rate was lower/(higher); and
- Expected rental income was higher/(lower).

The table below indicates the sensitivities of the aggregate investment property portfolio by increasing or decreasing value inputs as follows at 30 September 2023 and 31 March 2023:

	Increase Rm	Decrease Rm
1pp change in the capitalisation rate	**(31)**	**40**
1pp change in the vacancy rate	**(4)**	**4**
1pp change in projected rental income	**3**	**(3)**

5 FAIR VALUE ESTIMATION continued

5.2 Financial assets at fair value through other comprehensive income

	30 September 2023 Rm	31 March 2023 Rm
Unlisted		
At beginning of period	**959**	814
Fair value adjustment recognised in OCI	**(18)**	145
At end of period	**941**	959
Listed		
At beginning of period	**113**	–
Acquired during the period	**181**	138
Fair value adjustment recognised in OCI	**(2)**	(25)
At end of period	**292**	113
Total financial assets at fair value through OCI	**1 233**	1 072

5.2.1 Unlisted financial assets at fair value through OCI – level 3 in the fair value hierarchy

At the end of each reporting period, the group's 20% equity interest in each of SunWest and Worcester is remeasured, recognising the increase or decrease in other comprehensive income. The assets have been remeasured at 30 September 2023 to R941 million (31 March 2023: R959 million), an R18 million decrease. A discounted cash flow valuation was used to estimate the fair values. The valuation models consider the present value of net cash flows to be generated from SunWest and Worcester, together with their operating capital expenditures taking into account expected growths in net gaming win and other income generated from non-gaming related activities. These cash flow forecasts are aligned to the financial reporting periods of the respective entities, being 12 months to December each year. The expected net cash flows are discounted using a risk-adjusted post-tax discount rate.

The cash flow forecasts used in the valuation anticipate the recovery in trading to continue off the December 2022 financial year end for the 2023 and, to a lesser extent, the 2024 years, reaching normal increase in trading levels from the December 2025 financial year. Cost mitigation strategies are expected to be maintained. A higher post-tax discount rate has been used in the valuation due to the increase in interest rates mentioned in note 4.1 and an increased risk-free rate, offset by a lower share beta. Among other factors, the discount rate estimation considers risks associated with the gaming, entertainment and hospitality industry in which SunWest and Worcester operate. The decrease in the estimated fair value is mainly driven by the Western Cape gaming win growths not reaching anticipated levels as yet, particularly Worcester, together with an increased discount rate.

5 FAIR VALUE ESTIMATION continued

5.2 Financial assets at fair value through other comprehensive income continued

5.2.1 Unlisted financial assets at fair value through OCI – level 3 in the fair value hierarchy continued

The significant unobservable inputs used in the fair value measurement of the group's investment in SunWest and Worcester as at 30 September 2023 are as follows:

- Expected income, including gaming win, hotel rooms revenue and other income grows by 14% for the entities' December 2023 financial year, 7% for the 2024 year end then levels out to growths of 4% over the following years (31 March 2023: Expected income, including gaming win, food and beverage, hotel rooms revenue and other income growths of 17% for the entities' December 2023 financial year, 5% for the 2024 year end then leveled out to growths of between 4% and 5% over the following years);
- Expected operating expenditure costs increase by 12% for the entities' December 2023 financial year and then levels out to increases of 5% over the following years (31 March 2023: Expected operating expenditure costs increased by 8% for the entities' December 2023 financial year, then leveled out to increases of 5% over the following years);
- Risk-adjusted discount rate of 15.22% (31 March 2023: 14.81%) post-tax; and
- Long-term growth rate of 5.0% (31 March 2023: 5.0%).

The table below indicates the sensitivities for the valuation by increasing or decreasing the above inputs by 1pp:

	30 September 2023		31 March 2023	
	Increase Rm	**Decrease Rm**	Increase Rm	Decrease Rm
Expected gaming win growth	**67**	**(64)**	71	(69)
Operating expenditure cost growth	**(58)**	**52**	(51)	49
Risk-adjusted discount rate	**(84)**	**102**	(88)	108
Long-term growth rate	**79**	**(65)**	81	(66)

5.2.2 Listed financial assets at fair value through OCI – level 1 in the fair value hierarchy

Listed financial assets at fair value through OCI comprise ordinary shares held by the group in City Lodge Hotels Limited, a listed entity on the JSE. This investment was revalued to its fair value being the market price as listed on the JSE at the reporting date of R4.30 (31 March 2023: R3.98) per share.

5.3 Derivative financial instruments

The fair value of the group's derivatives used for cash flow hedge accounting (interest rate swaps) is a current asset of R35 million (31 March 2023: R35 million non-current asset) and is calculated as the present value of the estimated future cash flows based on observable yield curves, which is consistent with the prior year. The group recognised a R17 million credit (30 September 2022: R41 million expense) in finance costs in respect of the interest rate swap instruments. The credit is due to the increase in interest rates as mentioned in note 4.1. No amount has been expensed in profit or loss due to ineffectiveness of the group's cash flow hedge for the reporting period to 30 September 2023 (30 September 2022 – Rnil).

6 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

6.1 Working capital movements

	Six months ended 30 September 2023 Rm	2022 Rm
Increase in inventories	**(14)**	(17)
(Increase)/decrease in trade and other receivables	**(70)**	30
Decrease in payables and provisions	**(66)**	(100)
	(150)	(87)

6.2 Changes in interest-bearing borrowings arising from financing activities

6.2.1 Interest-bearing borrowings

Changes arising from financing activities for the period ended 30 September 2023 related to interest-bearing borrowings, excluding bank overdrafts from short-term borrowings of R60 million (31 March 2023: R50 million), are as follows:

	Non-current portion Rm	Current portion Rm	Total Rm
At 1 April 2023	**8 380**	**64**	**8 444**
Cash flow movements			
Borrowings raised[(1)]	**1 350**	**379**	**1 729**
Borrowings repaid[(1)]	**(1 350)**	**(287)**	**(1 637)**
Interest paid during the period	**–**	**(400)**	**(400)**
Non-cash flow movements			
Borrowing facilities raised[(2)]	**2 050**	**–**	**2 050**
Borrowing facilities repaid[(2)]	**(2 050)**	**–**	**(2 050)**
Interest raised for the period	**–**	**404**	**404**
At 30 September 2023	**8 380**	**160**	**8 540**

(1) *The group raised and repaid R1.35 billion in cash as part of the refinancing programme concluded on 31 May 2023 and 31 August 2023*

(2) *At the time of the debt refinancing, R1.55 billion and R0.50 billion was settled respectively, free of value (offset between the same lender), therefore, there was no cash flow through the group's bank accounts at the time the group received the new borrowing facilities of R2.05 billion, this concluded the settlement of three medium-term notes which were due to mature on 30 November 2024*

6 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *continued*

6.2 Changes in interest-bearing borrowings arising from financing activities continued

6.2.1 Interest-bearing borrowings continued

	Non-current portion Rm	Current portion Rm	Total Rm
At 1 April 2022	7 400	2 279	9 679
Cash flow movements			
Borrowings raised	3 136	–	3 136
Borrowings repaid	(206)	(4 180)	(4 386)
Interest paid during the year	–	(637)	(637)
Non-cash flow movements			
Borrowing facilities raised/(settled)	1 000	(1 000)	–
Borrowings reclassification to current	(2 950)	2 950	–
Interest raised for the year	–	652	652
At 31 March 2023	8 380	64	8 444

6.2.2 Lease liabilities

Changes arising from lease liabilities for the period ended 30 September 2023 are as follows:

	Non-current portion Rm	**Current portion Rm**	**Total Rm**
At 1 April 2023	**267**	**38**	**305**
New leases raised	**2**	**–**	**2**
Principal elements of lease payments	**–**	**(21)**	**(21)**
Interest raised for the period	**–**	**13**	**13**
Interest paid during the period	**–**	**(13)**	**(13)**
Remeasurement of leases	**–**	**3**	**3**
Reclassification to current	**(17)**	**17**	**–**
At 30 September 2023	**252**	**37**	**289**

6. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS continued

6.2 Changes in interest-bearing borrowings arising from financing activities continued

6.2.2 Lease liabilities continued

	Non-current portion Rm	Current portion Rm	Total Rm
At 1 April 2022	295	42	337
New leases raised	8	5	13
Principal elements of lease payments	(1)	(38)	(39)
Interest raised for the year	–	29	29
Interest paid during the year	–	(29)	(29)
Lease concessions practical expedient applied	–	(2)	(2)
Remeasurement of leases	–	3	3
Termination of leases	–	(7)	(7)
Reclassification to current	(35)	35	–
At 31 March 2023	267	38	305

7. RELATED PARTY TRANSACTIONS

During the period under review, the group acquired investment property from its controlling shareholder, Hosken Consolidated Investments Limited ("HCI"), for an amount of R28 million. Total dividends paid to HCI and controlling entities of HCI during the period were R296 million (2022: Rnil). The group had no other significant related party transactions during the period under review, nor entered into any new significant related party transactions during this period. The group's significant transactions with related parties were all made on terms equivalent to those that prevail in arm's length transactions.

8. CAPITAL COMMITMENTS

A total of R210 million for capital expenditure, which is anticipated to be spent during the next 12 months, has been contracted for.

9. GOING CONCERN

The group's net debt to adjusted EBITDA ratio for the six months ended 30 September 2023, as measured for covenant purposes, amounted to a 2.0 times multiple. This is in line with the multiple achieved at the 31 March 2023 year end. The group's debt covenant ratio requirement is less than a 3.0 times multiple. At the date of this report, the directors are not aware of any circumstances whereby the group should not be able to achieve the covenant requirements for March 2024.

The cash flow and liquidity projections for the group were prepared for a period exceeding 12 months from the reporting date and included performing sensitivity analyses. Based on the forecast performed, the directors are of the opinion that the group has sufficient access to liquidity and facilities to fund operations for the ensuing 12 months. The group's medium-term debt leverage target remains lower than a 1.8 times multiple, thereby decreasing risk and funding costs. The group managed to reduce the net interest-bearing debt and guarantees to R8.02 billion as at 31 October 2023 and therefore now lower than the 2023 year end position of R8.05 billion.

Although current liabilities exceed current assets at 30 September 2023, the group generates sufficient cash flows during the period to meet all current liability obligations.

After taking the above factors into account, the directors consider the going concern method to be appropriate for the presentation of these condensed consolidated financial statements.

10. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Other than the dividend declaration noted below, the directors are not aware of any matters or circumstances arising since the end of the financial period, not otherwise dealt with within these condensed consolidated interim financial statements that would affect the operations or results of the group significantly.

Subsequent to the company's reporting date, on 27 November 2023, the board of directors declared an interim gross cash dividend which will be paid on 18 December 2023 out of distributable reserves. The dividend of R313 million, based on the number of shares in issue at the date of this report, has not been recognised as a liability at the reporting date.

Forward-looking statements

This announcement contains forward-looking statements and information in relation to the group. By its very nature, such forward-looking statements and information require the company to make assumptions that may not materialise or that may not be accurate. Such forward-looking information and statements involve known and unknown risks, uncertainties and other important factors beyond the control of the company that could cause the actual performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Past performance of the company cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of the announcement and no statement is intended to be a profit forecast. Forward-looking statements are the responsibility of the board and have not been reviewed and reported on by the external auditors in accordance with ISAE 3400 The *Examination of Prospective Financial Information*. The group neither accepts any responsibility for any loss arising from the use of the information contained in this report nor undertakes to update or revise any of its forward-looking statements publicly.

DIRECTORS

JA Copelyn (Chairman)*
CG du Toit (Chief Executive Officer)
G Lunga (Chief Financial Officer)
MJA Golding** BA Mabuza (Lead Independent)**
F Mall** VE Mphande** Y Shaik* RD Watson**
*(*Non-executive Director **Independent Non-executive Director)*

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