



Incorporated in the Republic of South Africa
 (Registration number 1986/001616/06)
 ("Labat Africa" or "the company")
 JSE code: LAB ISIN: ZAE000018354
 LEI 9845000R73DF5EE41J88

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	6 months ended 30 November 2024 Unaudited R'000	6 months ended 30 November 2023 Unaudited R'000
Revenue	33 312	36 667
Cost of sales	(10 771)	(11 587)
Gross profit	22 541	25 080
Change in fair value of biological assets	(200)	-
Other income	614	344
Depreciation	(676)	(922)
Amortisation	(1500)	(3 560)
Operating expenses	(12 248)	(13 408)
Operating loss	8 531	7 534
Investment revenue	-	1
Finance costs	(330)	(438)
Profit before taxation	8 201	7 096
Taxation	405	-
Profit for the period	8 606	7 096
Other comprehensive income	-	-
Total comprehensive profit for the period	8 606	7 096
Attributable to:		
Equity holders of the parent	7 626	4 841
Non-controlling interest	980	2 255
Total comprehensive income for the period	8 606	7 096
Basic and diluted earnings per share (cents)	1.14	0.76
Headline Earnings per share (cents)	1.29	0.78

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 November 2024 Unaudited R'000	31 May 2024 Audited R'000	30 November 2023 Unaudited R'000
ASSETS			
Non-current assets			
Property, plant and equipment	3 348	3 345	3 817
Right-of-use assets	3 154	3 789	6 506
Intangible assets	28 946	30 446	34 418
Biological assets	6 601	6 801	-
Goodwill	1 248	1 248	-
Other investments	-	-	-
Deferred tax	2 529	2 653	-
	45 826	48 282	44 741
Current assets			
Biological assets	1 512	1 512	-
Inventories	4 826	5 408	6 497
Loans to directors and shareholders	3 439	1 778	2 839
Trade and other receivables	19 320	7 388	13 929
South African Revenue Services	56 393	56 049	50 934
Other financial assets	-	-	5 007
Cash and cash equivalents	3 337	2 976	2 033
Total Current assets	88 827	75 111	81 239
TOTAL ASSETS	134 653	123 393	125 980
EQUITY AND LIABILITIES			
Equity			
Share capital and share premium	247 913	247 913	244 322
Non-Distributable Reserves	-	11	54
Accumulated loss	(264 088)	(271 725)	(240 164)
	(16 175)	(23 801)	4 212
Non-controlling interest	5 327	4 347	-
Total equity and reserves	(10 848)	(19 454)	4 212
Non-current liabilities			
Lease liabilities	6 090	6 484	9 720
Other financial liabilities	28 103	24 775	19 634
Provision	9 800	9 800	9 800
Deferred Taxation	7 207	7 612	4 128
Deferred Revenue	409	548	866
Total Non-Current Liabilities	51 609	49 219	44 138
Current liabilities			
Loans from directors and shareholders	4 245	4 069	4 195
Share put options liability	-	-	-
Lease liabilities	1 650	1 650	832
South African Revenue Services	58 668	55 797	40 959
Trade and other payables	21 244	24 024	23 959
Deferred revenue	278	278	238
Other financial liabilities	-	-	-
Bank overdraft	37	39	653
Provisions	7 770	7 770	6 794
Total current liabilities	93 892	93 627	77 630
Total liabilities	145 501	142 846	121 768
Total Equity and Liabilities	134 653	123 392	125 980
Number of ordinary shares in issue (net of treasury shares) ('000)	669 025	669 025	639 102
Net asset value per share (cents)	(1.62)	(2.99)	0.66

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 November 2024 Unaudited R'000	6 months ended 30 November 2023 Unaudited R'000
Cash flows used in operating activities:		
Cash used in operations	2 615	(416)
Interest received	1	1
Interest paid	(119)	(438)
Net cash used in operating activities	2 497	(853)
Cash flows used in investing activities:		
Purchase of property, plant and equipment	(44)	(34)
Purchase of intangible assets	-	-
Advances to directors and shareholders	(1 696)	-
Acquisition of subsidiary, net of cash acquired	-	-
Net flow used in investing activities	(1 740)	(34)
Net flow raised from financing activities:		
Lease payments	(393)	(538)
Proceeds on shares issue	-	-
Loans from related parties received	-	-
Loans from related parties paid	-	-
Directors and shareholders loans received (Proceeds of loans from directors)	-	-
Net flow from financing activities	(393)	(538)
Net increase / (decrease) in cash	364	(1 425)
Cash at beginning of period	2 937	2 805
*Net Cash at end of period	3 301	1 380
*Net of bank overdrafts		

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and premium R'000	Revaluation Reserves R'000	Accumulated Loss R'000	Equity attributable to owners of the parent R'000	Non- controlling interest R'000	Total shareholders' equity R'000
Balance at 1 December 2022- Unaudited	244 519	96	(155 688)	77 250	9 202	86 452
Issue of shares						
Transfer of revaluation Reserve	-	(43)	43	-	-	-
Issue of equity	10 067	-	-	10 067	-	10 067
Profit for the period	-	-	(88 313)	(86 900)	169	(86 731)
Balance at 31 May 2023- Audited	244 322	54	(243 959)	417	9 371	9 788
Balance at 1 June 2023	244 322	54	(243 959)	417	9 371	9 788
Changes in equity						
Loss for the year	-	-	(25 804)	(25 804)	(600)	(26 404)
Total comprehensive income for the period	-	-	(25 804)	(25 804)	(600)	(26 404)
Issue of shares	3 591	-	-	3 591	-	3 591
Transfer of revaluation reserve	-	(43)	43	-	-	-
Change in ownership	-	-	(2 004)	(2 004)	(4 425)	(6 429)
Balance as at 31 May 2024 Audited	247 913	11	(271 724)	(23 800)	4 346	(19 454)
Balance at 1 June 2024	247 913	11	(271 724)	(23 800)	4 346	(19 454)
Changes in equity						
Issue of shares						

Profit for the period	-	-	7 626	7 626	980	8 606
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Total comprehensive Income for the period	-	-	7 626	7 626	980	8 606
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Transfer of revaluation Reserve through use	-	(11)	11	-	-	-
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Balance at 30 November 2024 Unaudited	247 913	-	264 087	(16 174)	5 326	(10 848)
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RECONCILIATION OF SEGMENT REPORTING - GROUP FOR THE PERIOD ENDED 30 NOVEMBER 2024

	Technology	Bulk Logistics	Healthcare	Operational Total	Inter-Segment Eliminations	Total
	R 000's	& Head Office R 000's	R 000's	R 000's	R 000's	R 000's
Statement of Profit or loss						
External revenue	293	2 845	33 020	36 158	(2 845)	33 312
Cost of revenues	81	-	10 690	10 771	-	10 771
Gross Profit	212	2 845	22 330	25 387	(2 845)	22 541
Other income	(32)	136	307	411	-	411
Operating expenses	(302)	(9 054)	(2 296)	(11 652)	(596)	(12 248)
Before disclosable items	(122)	(6 073)	20 341	14 146	(3 441)	10 705
Amortisation & depreciation	(307)	(357)	(11)	(675)	(1 500)	(2 176)
Recurring operating loss	(429)	(6 430)	20 330	13 471	(4 941)	8 529
Finance income	1	-	-	1	-	1
Finance cost	-	(326)	(4)	(330)	-	(330)
Loss before taxation	(428)	(6 756)	20 326	13 142	(4 941)	8 200
Taxation	-	-	-	-	405	405
Loss for the period	(428)	(6 756)	20 326	13 142	(4 536)	8 605
Segment Assets	58 917	142 620	41 047	242 584	(107 932)	134 653
Segment Liabilities	55 457	72 658	36 233	164 348	(18 848)	145 501

RECONCILIATION OF SEGMENT REPORTING - GROUP FOR THE PERIOD ENDED 30 NOVEMBER 2023

	Technology	Bulk Logistics	Healthcare	Operational Total	Inter-Segment Eliminations	Total
	R 000's	& Head Office R 000's	R 000's	R 000's	R 000's	R 000's
Statement of Profit or loss						
External revenue	3 170	12 221	21 276	36 667	-	36 667
Cost of revenues	940	9 345	1 302	11 587	-	11 587
Gross Profit	2 230	2 876	19 974	25 080	-	25 080
Other income	-	344	-	344	-	344
Operating expenses	(2 406)	(9 941)	(1 061)	(13 408)	-	(13 408)
Before disclosable items	(176)	(6 720)	18 912	12 016	-	12 016
Amortisation & depreciation	(108)	(765)	(3 610)	(4 482)	-	(4 482)
Recurring operating loss	(284)	(7 485)	15 303	7 534	-	7 534
Finance income	1	-	-	1	-	1
Finance cost	-	(436)	(3)	(438)	-	(438)
Loss before taxation	(283)	(7 920)	15 300	7 096	-	7 097
Taxation	-	-	-	-	-	-
Loss for the period	(283)	(7 920)	15 300	7 096	-	7 097
Segment Assets	88 730	161 640	65 717	316 084	(48 503)	267 581
Segment Liabilities	60 534	78 217	37 780	176 531	(37 391)	139 140

COMMENTARY

1. BASIS OF PREPARATION

Statement of compliance

The unaudited condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. 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) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting – refer Annexure A.

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 previous consolidated annual financial statements for the year ended 31 May 2024.

The unaudited condensed consolidated financial results are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS. The Board has performed an assessment of the Group's operations relative to available cash resources and is confident that the Group is able to continue operating for the next 12 months.

These condensed consolidated financial results incorporate the financial results of the Company and its subsidiaries. All significant transactions and balances between Group enterprises are eliminated on consolidation.

The preparation of the condensed consolidated financial results for the period ended 30 November 2024 was supervised by the Financial Director, David O Neill. The Board of Directors take full responsibility for the preparation of the condensed consolidated financial results for the six months ended 30 November 2024.

2. BACKGROUND

Shareholders are informed that the 31 May 2023 and 31 May 2024 audited financial statements and IAR's have been issued by the Company on 10 December 2024 and 13 December 2024 respectively. This interim statement should be read in conjunction with the year-end statements.

The issuance and submission of these year-end statements resulted in the JSE lifting the suspension in trading of the company shares on 31 December 2024 which was a significant achievement for the Company for the benefit of Shareholders. This has brought to an end a most challenging period for the Company.

The Board of Directors made a strategic acquisition of Classic International Trading Pty Ltd. (hereafter referred to as ("Classic International")). The acquisition represents a significant step for Labat's Technology Sector, which has been actively seeking opportunities to diversify and strengthen the IT and technology portfolio. This transaction offers Labat several key advantages:

- Classic International's expertise provides Labat with a direct pathway into the competitive IT space.
- Classic International's profitable track record enables rapid expansion, ensuring sustainable growth for Labat's technology business.
- Labat benefits from the alignment with Classic International's ethical technology principles, positioning it favourably in the evolving tech landscape.
- Labat benefits from underwriting of its creditors and liabilities at effect date; asset injection; profitability and cash flow diversification.

The transaction became effective on 1 January 2025.

The health care sector continues to be the major contributor to the Groups financial performance which is elaborated on below. However, regulatory uncertainty, earnings volatility and risk factors inherent in this sector remain a burden to the Company. This has been confirmed by an internal risk assessment conducted by management. The Board of Directors are and will continue to mitigate these risks in the short term and will find an appropriate long term solution in this regard.

3. FINANCIAL AND OPERATIONAL PERFORMANCE

The Board of Directors present the results for the six-month period ended 30 November 2024, which are compared to the six month period ended 30 November 2023. The health care sector has been the major driver of both financial and operational performance with the logistic and technology sectors experiencing significant slow down in activity due to global conditions in the micro-chip market and the termination of logistics contracts.

Financial Performance – Statement of Comprehensive Income

Group revenue for the period decreased by 9,15% to R33,3 million (November 2023: R36,7 million) compared to the prior period. This decrease was due to the reduction in activity in the logistic and technology sector as explained above but was offset by significant growth in the health care sector. This growth was evident from the significant expansion in the CannAfrica retail foot print with 72 new retail store openings during the period taking the total store number to 85 at 30 November 2024. Gross profit percentage for the period remained relatively constant at 67,67% when compared to the prior period (November 2023: 68,4%).

Operating expenses decreased to R12,25 million (November 2023: R13,41 million) a decrease of 8,65% when compared to the prior period due to the cost containment focus adopted by the group. IFRS-driven amortizations and impairments mainly related to the healthcare businesses reflected a decrease of 51,45% when compared to the period.

Consequently, operating profit increased by 13,23% to R8,5 million (November 2023: R7,5 million).

Financial Performance – Statement of Financial Position

The financial position of the Group has been significantly impacted by the IFRS-driven amortizations and impairments mainly related to the healthcare businesses over the past two financial years resulting in the Group being in a negative equity position of R19,4 million at 31 May 2024, reflecting risk and uncertainty associated with this sector of the business. The Group still remains in a negative equity position but has reflected an improvement to R10,8 million and this trend is expected to continue with the acquisition of Classic International – refer to going concern and events after report period sections below.

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUE

There has been no material change in the Group's financial risk management objectives and policies compared to those disclosed in the consolidated financial results for the year ended 31 May 2024. The Group does not currently carry any assets or liabilities at fair value which required any disclosure on its fair value measurement, other than those disclosed below. The carrying value of the Group's financial instruments however approximates their fair values

5. PROPERTY, PLANT AND EQUIPMENT AT FAIR VALUE

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of goodwill has been assessed, adjusted and audited in the 31 May 2023 and 31 May 2024 annual financial statements which was issued on 10 and 13 December 2024 respectively.

	R'000
Plant and equipment	
Opening balance	62
Depreciation	(22)
Fair value closing balance	40
Valuation technique	Discounted cash flow

	2023
	R'000
Plant and equipment	
Opening balance	105
Depreciation	(43)
Fair value closing balance	62
Valuation technique	Discounted cash flow

6. GOODWILL

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below, and is compared to its recoverable value:

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed five-year forecast. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

There were no impairment indicators identified and therefore there was no need for an impairment loss recognition.

Group	30 November 2024			31 May 2024		
	Cost R'000	Accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated impairment R'000	Carrying value R'000
Goodwill	1 379	(131)	1 248	1 379	(131)	1 248
Total	1 379	(131)	1 248	1 379	(131)	1 248

7. RIGHT OF USE ASSETS:

The right of use assets of R 3.2 million (2024: R 3.8 million) are mainly for the IFRS 16 recognition of office leases and motor vehicles. Assets acquired during the year via leases were R nil (2024: R nil million).

8. INTANGIBLE ASSETS

Group	30 November 2024			31 May 2024		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Total	177 242	(148 296)	28 946	177 242	(146 796)	30 446

The intangible assets include:

- Contractual and non-contractual client relationships;
- Licenses;
- Intellectual Property ("IP");
- Integrated circuits
- Site Master Plan;
- Brands;
- E-commerce system; and
- Product and strain development.

Amortisation of intangibles assets

Intangible assets have been amortised at the rates stipulated in the accounting policy.

Pledged as security

No intangible assets were pledged as security.

Contractual commitments

The Group has no contractual commitments for the acquisition of intangible assets.

Valuation of Intangible Assets

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed five-year forecast. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

There were no impairment indicators identified and therefore there was no need for an impairment loss recognition.

9. TAXATION

	30 November 2024	31 May 2024
	R'000	R'000
Current tax assets	56 393	56 049
Current liabilities	(58 668)	(55 797)
Net tax (liability)/asset	(2 275)	252

Taxation consists of significant tax related assets and liabilities receivable and payable by the Group in terms of the Income Tax and VAT Act. Due to the significance of these balances, they have been disclosed separately within the consolidated financial statements. The nature of these accounts relates mostly to disputes with SARS surrounding outstanding VAT receivables and VAT payable by the Group and the payment of employee related PAYE.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group is in a net tax receivable position and discussions are ongoing with SARS to conclude on these matters. Judgement was used by management, based on information provided by legal counsel when determining the amounts that would be recoverable from SARS regarding the VAT recoverable.

10. INVENTORIES

	30 November 2024	31 May 2024
	R'000	R'000
Work in progress	1 163	1 163
Finished goods	4 056	4 638
	5 219	5 801
Allowance for obsolescence	(393)	(393)
	4 826	5 408

No inventory has been pledged as security against financial liabilities.

11. REVENUE

The details of the revenue is highlighted in the Statement of comprehensive Income and the segmental reports.

	30 November 2024	30 November 2023
	R'000	R'000
Sale of goods	13 672	24 446
Rendering of services	19 640	12 221
Total revenue from contracts with customers	33 312	36 667
Disaggregation of revenue from contracts with customers		

The Group disaggregates revenue from customers as follows:

Sale of goods		
Information technology sales	293	3 170
Medical cannabis sales	13 379	21 276
Total sale of goods	13 672	24 446
Rendering of services		
Franchise fees	19 640	
Management Fees	-	
Bulk logistics and other	-	
Total revenue from contracts with customers	33 312	36 667
Primary Geographic Markets		
South Africa	33 312	36 667
	33 312	36 667
Timing of revenue recognition		
At a point in time	33 312	36 667
Over time	-	
	33 312	36 667

12. HEADLINE EARNINGS RECONCILIATION AND SHARE INFORMATION

The headline earnings reconciliation is set out below:

	30 Nov 2024 R'000 Unaudited	30 November 2023 R'000 Unaudited
Basic earnings / attributable to shareholders of the Group	7 626	4 841
Adjusted for:		
Per share information:		
Basic earnings per share (cents)	1.14	0.76
Headline earnings per share (cents)	1.29	0.78
Diluted basic earnings per share(cents)	1.14	0.76
Diluted headline earning per share(cents)	1.29	0.78
Number of Shares ('000):		
Number of ordinary shares in issue (net of treasury shares)	649 556	636 292
Shares in issue at year end (Including treasury shares)	669 025	639 102

13. GOING CONCERN

The Board has performed an assessment of the Group's operations relative to available cash resources and is confident that the Group is able to continue operating for the next 12 months. The Board remains reasonably confident that it will manage the uncertainties that exist as detailed below. The Board is of the opinion that, having regard to the current status and the future strategy and prospects of the Group, the Group has sufficient resources to continue as a going concern, notwithstanding the technically insolvent position of the Group.

The Group is projecting positive cash flows for the period ahead from its existing and new businesses. The JSE lifted the suspension of trading of the Company shares on 31 December 2024 and this will enable the Company to access the capital markets should the need arise. The underwriting of the liabilities of Labat Africa Ltd by Classic International Trading Pty Ltd further enables the Group to have cash resources to meet commitments. The contribution of Classic International's assets and profitability will also mitigate the technical insolvent position of the Group by 31 May 2025.

The unaudited provisional condensed consolidated financial statements presented have therefore been prepared on a going concern basis.

14. RELATED PARTY TRANSACTIONS AND BALANCES

The Group entered into transactions with related parties which were in the ordinary course of business at market related rates, and which were consistent with the prior year and are not considered to be material to an understanding of these results.

Relationships

Subsidiaries

- South African Micro-Electronic Systems Proprietary Limited
- SAMES Properties Proprietary Limited
- The Highly Creative Proprietary Limited
- CannAfrica Proprietary Limited
- BioData Proprietary Limited
- African Cannabis Enterprises Proprietary Limited (ACE Genetics)
- Echo Life Proprietary Limited
- Lima Romeo Air Proprietary Limited t/a Sweet Waters Aquaponics

Subsidiaries under business rescue

- Force Fuel Proprietary Limited
- Force Fuel Properties Proprietary Limited

Dormant companies

- Labat Chem Proprietary Limited
- Labat Investments (Namibia) Proprietary Limited
- Labat Bulk Logistics Proprietary Limited
- Labat Fuel and Supply Services Proprietary Limited
- Labat Pharmaceuticals Proprietary Limited
- Labat Training Academy Proprietary Limited

Shareholders and directors with significant influence

- Link Private Equity Investments Proprietary Limited
- Herschel Maasdorp
- Stanton van Rooyen
- Brian van Rooyen
- All Trading Proprietary Limited

Non-executive Directors

- Rowena Majiedt (Non-executive)
- Beverley Penny (Non-executive)
- Rustum Mohamed (Non-executive)

Executive Directors and members of key management

- ION Mohamed
- David O'Neill
- Stanton van Rooyen
- Herschel Maasdorp

Related party loan balances

	30 November 2024 R'000 Unaudited	31 May 2024 R'000 Audited
Related party balances		
Loans		
Brian Van Rooyen	3 062	1 381
David O'Neill	(3 114)	(2 938)
Dawood Asmal	(484)	(484)
Herschel Maasdorp	1	1
Dr Shiksha Gallow	(2)	(2)
Stanton van Rooyen	375	396
Brian Van Rooyen	(12 295)	(10 455)
David O'Neill	(13 041)	(11 554)
Gorden Walters	(2 764)	(2 764)
Link Private Equity Investments Proprietary Limited	(647)	(647)
Related party transactions		
Directors' loan interest		
David O'Neill	212	362
Compensation to directors and other key management		
Short-term employee benefits	4 237	9 879
Rent		
Link Private Equity Investments Proprietary Limited		(600)

15. LITIGATION

The Group has various claims and counter claims made by and against Labat which have risen in the normal course of business as previously disclosed. These matters are being dealt with by the company's attorneys. No material changes to litigation have occurred since the previous financial year, other than the SARS VAT claim as detailed below:

Outstanding SAMES VAT Claims

The group has made every effort to bring this matter to finality. SARS on the other hand has done everything in its power to stall rectification of unlawful allocations to a debt which does not exist notwithstanding Supreme Court of Appeal case law to finalise tax matters. We have appointed a group of experts to pursue the matter on our behalf.

16. CONTINGENT LIABILITIES

Labat Africa has issued financial guarantees with various fuel suppliers for Force Fuel. The Company has provided a cross deed of suretyship in favour of various other beneficiaries which cover the unutilised facilities granted to various subsidiaries which are currently being challenged. These have been fully disclosed in the audited 2023 and 2024 IAR which was issued in December 2024

17. DIVIDENDS

No dividend has been declared for the year under review

18. POST BALANCE SHEET EVENTS

Lifting of Suspension in Trading of Company Shares

The company shares were suspended from trading on the JSE on 22 October 2023. The company submitted its audited 31 May 2023 and 31 May 2024 annual financial statement in compliance with the JSE listing requirements which resulted in the lifting of the suspension of 31 December 2024.

Acquisition of Classic International Trading Pty Ltd

Labat acquired 75.5% of Classic International Trading Pty Ltd subject to certain suspensive conditions. These conditions were fulfilled on 1 January 2025 which resulted in the transaction being effective on that date. On 29 January 2025 the Company issued 116 million shares as the purchase consideration for the acquisition and a further 116.5 million shares is subject to a profit warranty. Classic International informed Labat that the profit warranty was achieved on 31 December 2024.

Appointment of Directors

To ensure that the Company has the appropriate skill, competency and experience to execute its strategy the Board of Directors made the following appointments to the Board:

- Mr ION Mohamed – 08 January 2025 – Executive Director
- Mr MF Paruk – 08 January 2025 – Non Executive Directors
- Mr Herschel Maasdorp – 23 January 2025 – Executive Director
- Ms Mosibudi Bodirwa – 19 February 2025 – Non Executive Director

Resignation and Appointment of the Chief Executive Officer

Mr Brian van Rooyen resigned as the Chief Executive Officer of the Company on 23 January 2025. Mr Irfaan Mohamed assumed the role of Chief Executive Officer of the Company on 23 January 2025.

Issuance of Shares for Cash Under General Authority

The Shareholders, at the AGM held on 23 January 2025, approved a resolution for the issuance of shares for cash under general authority. The number of shares approved was 191 730 455. JSE approval was obtained for the issuance of 142 651 915 of these shares which were used to settle certain liabilities and claims of the Company. These shares were issued on 14 February 2025 and represents 15% of the issued share capital of the company.

19. ADJUSTMENT OF THE NOVEMBER 2023 UNAUDITED RESULTS.

In preparing the interim results for the period ended 30 November 2024 the Company identified certain amendments that needed to be made to the published interim financial information for the period ended 30 November 2023. The root cause of the required amendments relate to manual capturing of financial information into the required format for publishing in terms of JSE listing requirements.

The amendments are not material in nature and are limited to the statement of financial position only and does not impact the profitability of the Company in any way. The Company has instituted enhanced quality assurance controls to ensure that this unfortunate incident does not reoccur. Shareholders are advised that an adjusted Condensed Statement of Financial Position for the period ended 30 November 2023 has been published on the Companies website on 27 February 2025. Shareholders should note that this announcement contains the adjusted financial information for the interim period 30 November 2023.

20.CONCLUSION

We aimed to achieve certain objectives as reflected in our 31 May 2024 IAR which was:

- Restore trading activity which we achieved on 31 December 2024 and will continue to ensure compliance with JSE listing requirements.
- Expanding our footprint which we achieved with the expansion of the retail footprint and we are on track to meet our full year target of 121 retail stores by 31 May 2025.
- Advancing research and innovation by the strategic acquisition of Classic International and more such acquisitions will be made in future.
- Strengthening governance by appointment of new leadership and member of the Board of Directors.

The reporting period is further evidence of the Group's resilience which has enable it to on a growth trajectory.

For and on behalf of the Board

ION MOHAMED
CHIEF EXECUTIVE OFFICER

D J O NEILL
FINANCIAL DIRECTOR

Johannesburg
26 February 2025

Directors:

ION Mohamed*, DJ O'Neill*, SE van Rooyen*, H Maasdorp*, BG van Rooyen, RM Majiedt^, R Rustum^, MF Paruk^, MN Bodirwa^
Executive*, Independent non-executive^

Company Secretary: Alred Van Rooyen

Registered Address: 23 Kroton Avenue, Weltevreden Park, 1709

Sponsor: Vunani Corporate Finance

Transfer Secretary: Computershare Investor Services Proprietary Limited

ANNEXURE A - IFRS STANDARDS AND INTERPRETATIONS

Standards and Interpretations effective and adopted during the current period

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations.

There was no material impact on the implementation of any of these standards.

Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and may be relevant to the Group. The standards and interpretations are mandatory for the Group's accounting periods beginning on or after 01 June 2023 or later periods. These standards will be implemented in the applicable year for which they are mandatory.

There is unlikely to be a material impact on the future implementation of any of these standards.

Standard/Interpretation	Effective date: Years beginning on or after
IFRS 7 Financial Instruments: Disclosures Supplier Finance Arrangements: The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.	01 January 2024
IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. Non-current liabilities with Covenants: The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months	01 January 2024
IAS 7 Statement of Cash Flows Supplier Finance Arrangements: The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.	01 January 2024
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	01 January 2023
IAS 12 Income Taxes	01 January 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.