

## AVENG GROUP LIMITED

Incorporated in the Republic of South Africa  
(Registration number: 1944/018119/06)  
ISIN: ZAE000302618  
SHARE CODE: AEG  
("Aveng" or "the Group")



## CHANGE IN REPORTING CURRENCY AND TRADING STATEMENT

### Change in reporting currency

Aveng has evolved into a business with two operating subsidiaries, McConnell Dowell and Moolmans, with 91% of its revenue sourced from outside South Africa. The board of directors ("Board") bases its performance evaluation and many investment decisions on Australian Dollar financial information, being the predominant transactional currency of the Group. The Board believes that Australian Dollar financial reporting provides more relevant presentation of the Group's financial position, funding and treasury functions, financial performance and its cash flows.

Based on the above, Aveng has elected to change its reporting currency from the South African Rand (ZAR) to the Australian Dollar (A\$), with such change being implemented for the reviewed interim condensed financial statements at 31 December 2023.

It should be noted that the functional currencies of the Group's underlying businesses remain unchanged. Functional currencies refer to the currencies of the primary economic environments in which underlying businesses operate. Foreign exchange exposures will therefore be unaffected by the change, albeit that the effects of such exposures will be presented in Australian Dollars.

To assist investors in understanding the change, the Group will provide summarised, restated Australian Dollar financial information for the six months ended 31 December 2022 and restated financial information for the year ended 30 June 2023 in compliance with *International Financial Reporting Standards* (IFRS).

### Trading statement

In accordance with paragraph 3.4 (b) of the JSE Listings Requirements, an issuer is required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on will differ by at least 20% from those of the prior comparative period.

The average and closing exchange rates of the ZAR relative to the A\$, used in translating previous reported numbers in this trading statement to A\$, are detailed in the table below:

	31 December 2023		31 December 2022		30 June 2023	
	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
1 Australian Dollar =						
South African Rand	12.20	12.49	11.60	11.54	12.34	12.55

Shareholders are accordingly advised that for the six-month period ended 31 December 2023, Aveng revenue is anticipated to increase by 45% with improved operating earnings at both McConnell Dowell and Moolmans.

Earnings from continuing operations are expected to improve as compared to the prior comparative period by between 110% – 120%. Headline earnings for the current period are expected to improve by between 72.7% - 81.1%.

Prior year earnings for the period include earnings from Trident Steel which was sold in the second half of the 2023 financial year. Consequently, the Group's earnings for the current period are expected to be lower than the prior comparative period by between 76.6% - 84.0%.

The Group advises that it expects the results for the six-month period ended 31 December 2023 to be within the following ranges:

	Expected Earnings			Reported Earnings	
	period ended 31 December 2023 (excluding Trident Steel)			period ended 31 December 2022 Restated (including Trident Steel)	
	A\$'000	ZAR'm	% change	A\$'000	ZAR'm
Earnings for the period	650 – 950	7.7 – 11.2	(76.6) – (84.0)	4 065	48
Headline earnings	11 229– 11 796	132.7 – 139.4	72.7 – 81.1	6 513	77
	A\$ cents	ZAR cents	% change	A\$ cents	ZAR cents
Basic earnings per share	0.4 – 0.8	4.8 – 9.5	(75.0) – (87.5)	3.2	38
Headline earnings per share	8.6 – 9.1	100.9 – 106.8	65.4 -75.0	5.2	61

**Other supplementary information:**

	Expected Earnings			Reported Earnings	
	period ended 31 December 2023			period ended 31 December 2022 Restated	
	A\$'000	ZAR'm	% change	A\$'000	ZAR'm
Earnings from continuing operations	794 – 830	11.9 – 12.1	110 – 120	378	5

The Group expects to release its reviewed results for the six-month period ended 31 December 2023 on or about 20 February 2024.

The financial information on which this trading statement is based has not been reviewed or audited by the Group's auditors.

15 February 2024  
Melrose Arch

JSE Sponsor  
Valeo Capital (Pty) Ltd



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