

African and Overseas Enterprises Limited

Listed on the General Segment of the Main Board

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

JSE share codes: AOO - AON - AOVP

ISIN: ZAE000000485 - ZAE000009718 - ZAE000000493

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



UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS for the six months ended 31 December 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

			Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
	Notes	% Change			
Revenue	4		458,151	479,981	890,578
Retail sales		(6.0%)	362,264	385,385	703,470
Cost of sales			(172,277)	(206,127)	(381,897)
Gross profit		6.0%	189,987	179,258	321,573
Other revenue		1.4%	95,887	94,596	187,108
Net foreign exchange (loss) / gain			(2,138)	1,785	609
Other operating costs		1.8%	(238,910)	(234,786)	(477,088)
Operating profit		9.7%	44,826	40,853	32,202
Finance income			18,267	18,527	36,951
Finance costs			(31,643)	(27,417)	(57,292)
Impairment reversals on financial assets			-	-	4,872
Fair value loss on contingent consideration			-	(2,915)	(2,915)
Share of (loss) / profit from equity accounted investments			(874)	3,532	(1,721)
Impairment loss on investment in associate			-	-	(4,879)
Profit before tax		(6.2%)	30,576	32,580	7,218
Income tax expense			(8,613)	(8,287)	(8,359)
Profit / (loss) for the period		(9.6%)	21,963	24,293	(1,141)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans			-	(28)	(109)
Fair value adjustment on assets held at fair value through other comprehensive income			4,979	197	5,448
Other comprehensive income for the year, net of taxation			4,979	169	5,339
Total comprehensive income for the year			26,942	24,462	4,198
Profit / (loss) attributable to:					
Equity holders			9,189	9,029	(1,843)
Non-controlling interest			12,774	15,264	702
Profit for the period			21,963	24,293	(1,141)
Total comprehensive income attributable to:					
Ordinary and "N" ordinary shareholders of the parent			11,707	9,104	933
Non-controlling interest			15,235	15,358	3,265
Total comprehensive income for the period			26,942	24,462	4,198
Basic earnings per ordinary share (cents)	5	1.7%	77.6	76.3	(15.8)
Headline earnings per ordinary share (cents)	5	0.5%	76.9	76.5	60.1
Diluted earnings per ordinary share (cents)	5	1.7%	77.6	76.3	(15.8)
Diluted headline earnings per ordinary share (cents)	5	0.5%	76.9	76.5	60.1

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
ASSETS	Notes			
Non-current assets		918,946	843,255	920,803
Property, plant and equipment	6	193,964	158,509	199,242
Right-of-use asset	9	138,349	181,868	139,193
Investment property	7	294,799	254,042	287,984
Intangible assets	8	32,479	24,326	30,059
Investment in associates	10	211,433	202,927	227,636
Deferred tax asset		8,851	8,188	11,594
Other investments		39,071	13,395	25,095
Current assets		234,464	267,985	214,207
Inventories	12	114,889	141,670	127,209
Trade and other receivables		33,530	54,538	25,741
Income tax receivable		2,440	2,970	7,882
Loans receivable	11	-	94	-
Accrued operating lease asset		6,198	4,017	5,076
Forward exchange contracts		93	42	-
Cash and cash equivalents		77,314	64,654	48,299
Total assets		1,153,410	1,111,240	1,135,010
EQUITY AND LIABILITIES				
Capital and reserves		461,991	468,204	452,780
Ordinary share capital		9,163	9,163	9,163
Preference share capital		550	550	550
Share premium		6,616	6,616	6,616
Share-based payment reserve		6,535	2,743	5,406
Other reserves		5,335	198	2,817
Retained earnings		207,425	213,610	198,422
Non-controlling interest		226,367	235,324	229,806
Non-current liabilities		536,332	480,274	527,754
Provisions		5,551	4,844	4,321
Deferred tax liability		11,601	10,227	11,601
Lease liability	13	126,751	163,533	130,189
Interest-bearing borrowings	14	392,336	301,573	381,494
Post-retirement liability		93	97	149
Current liabilities		155,087	162,762	154,476
Provisions		3,093	4,227	4,562
Trade and other payables		90,664	96,625	91,518
Forward exchange contracts		-	-	962
Lease liability	13	45,217	51,236	44,110
Interest-bearing borrowings	14	16,113	10,674	13,324
Total equity and liabilities		1,153,410	1,111,240	1,135,010

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited Restated* R'000	Year ended 30 June 2024 Audited R'000
Cash flows from operating activities				
Operating profit before working capital changes	16	86,549	88,980	137,055
Working capital changes	16	1,890	(20,988)	23,240
Interest received		41,491	20,534	22,847
Interest paid		(47,583)	(25,967)	(51,077)
Dividends paid		-	-	(50)
Dividends received		1,511	879	878
Income tax paid		(426)	(11,314)	(19,785)
Net cash inflows from operating activities		83,432	52,123	113,108
Cash flows from investing activities				
Purchase of property, plant and equipment	6	(8,043)	(19,153)	(75,716)
Purchase of investment property	7	(9,929)	(3,553)	(40,479)
Purchase of intangible assets	8	(4,173)	-	(9,760)
Proceeds from disposal of property, plant and equipment		66	-	77
Proceeds from sale of other investments		-	-	79
Loans advanced		-	(6)	(6)
Purchase of other investments		(9,000)	(1,364)	(6,411)
Acquisition of interests in associates	10	(7,954)	-	(18,000)
Net cash outflows from investing activities		(39,033)	(25,076)	(150,216)
Cash flows from financing activities				
Lease liabilities repaid	13	(27,896)	(28,732)	(58,283)
Loans repaid		(7,795)	(6,508)	(9,657)
Loan received		37,427	22,397	103,897
Additional investment in existing subsidiaries		(17,120)	(1,000)	(1,000)
Net cash (outflows) / inflows from financing activities		(15,384)	(13,843)	34,957
Net increase / (decrease) in cash and cash equivalents		29,015	14,204	(2,151)
Cash and cash equivalents at the beginning of the period		48,299	50,450	50,450
Cash and cash equivalents at the end of the period		77,314	64,654	48,299

*During the current period, the comparative information for December 2023 was retrospectively adjusted for the repurchase of shares in subsidiary incorrectly classified as an investing cash flow. Refer to note 18 for further disclosures.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
	Notes			
Ordinary share capital		9,163	9,163	9,163
Opening balance		9,163	9,163	9,163
Preference share capital		550	550	550
Opening balance		550	550	550
Share premium		6,616	6,616	6,616
Opening balance		6,616	6,616	6,616
Share-based payment reserves		6,535	2,743	5,406
Opening balance		5,406	2,743	2,743
Equity-settled share-based payment		1,129	-	2,748
Change in degree of control		-	-	(85)
Other reserves		5,335	198	2,817
Opening balance		2,817	110	110
Losses on remeasurements of defined benefit plans		-	(15)	(56)
Fair value adjustment on assets held at fair value through other comprehensive income		2,518	103	2,832
Change in degree of control		-	-	(69)
Retained earnings		207,425	213,610	198,422
Opening balance		198,422	204,599	204,599
Profit for the period		9,189	9,029	(1,843)
Preference dividends paid		-	-	(33)
Equity-settled share-based payment		-	-	2,142
Change in degree of control	17	(186)	(18)	(6,443)
Non-controlling interest		226,367	235,324	229,806
Opening balance		229,806	219,961	219,961
Profit for the period		12,774	15,264	702
Preference dividends paid		-	-	(17)
Losses on remeasurements of defined benefit plans		-	(13)	(53)
Fair value adjustment on assets held at fair value through other comprehensive income		2,461	94	2,616
Change in degree of control	17	(18,674)	18	6,597
Total capital and reserves		461,991	468,204	452,780

Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
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SUMMARY OF RELATED PARTY BALANCES AND TRANSACTIONS

Significant related party transactions during the period were as follows:

Tenant recoveries			
- BSF Breeding Proprietary Limited	1,010	171	848
Management and administration fees received			
- SA Water Works Holding Company (RF) Proprietary Limited ¹	1,273	1,555	3,203
Management and administration fees paid			
- Geomer Managerial Services Proprietary Limited ²	1,521	1,449	2,898
- Quoin Online Proprietary Limited	-	2,238	-
- Augusta Road Management Proprietary Limited	1,805	-	-
Dividend income			
- Texton Property Fund Limited ¹	1,507	848	849
Accrued dividends on loan to associate			
- SA Water Works Holding Company (RF) Proprietary Limited ¹	16,768	17,006	33,846

Significant related party balances during the period were as follows:

Loans receivable			
- SA Water Works Holding Company (RF) Proprietary Limited ¹	188,291	194,732	211,573

¹ Associate company

² Indirectly controlled by MA Golding

All related party transactions and balances are similar to those in the prior year.

DIRECTORS' REMUNERATION

Directors' fees	445	445	889
Fees for other services	128	128	256
Basic salary	1,070	1,075	2,149
Performance related payments	-	410	410
Value of other benefits	988	33	64
Retirement fund contributions	39	38	77
Share-based payment	-	-	1,435
	2,670	2,129	5,280

GROUP SEGMENTAL REPORTING

Revenue

Retail	355,713	382,677	696,108
Retail sales	355,572	382,549	695,897
Retail sales - Inter-segment	141	128	211
Property	47,869	41,300	84,596
Rental income - External	27,145	25,963	51,958
Rental income - Inter-segment	3,529	3,492	7,065
Tenant recoveries - External	15,458	10,526	22,564
Tenant recoveries - Inter-segment	1,737	1,319	3,009
Media and broadcasting	56,755	58,342	115,812
Retail sales - External	6,692	2,836	7,575
Media and broadcasting income - External	50,063	55,506	108,192
Profit on sale of property - External	-	-	45
Water infrastructure	1,273	1,201	2,475
Management fee income - External	1,273	1,201	2,475
Group services	5,011	4,293	7,783
Management fee income - External	436	1,722	994
Management fee income - Inter-segment	3,064	1,693	5,911
Dividend income - External	1,511	878	878
Inter-segment eliminations	(8,470)	(7,832)	(16,196)
Total group revenue	458,151	479,981	890,578

	Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
GROUP SEGMENTAL REPORTING			
Segment operating profit / (loss)			
Retail	27,161	23,323	1,739
Property	19,919	17,586	29,059
Media and broadcasting	4,133	4,376	8,040
Water infrastructure	(64)	(43)	(185)
Group services**	(5,696)	(3,803)	(5,219)
Inter-segment eliminations	(627)	(586)	(1,232)
Total group operating profit	44,826	40,853	32,202
Segment net profit / (loss) after tax			
Retail	11,558	8,489	(15,716)
Property	5,957	7,976	18,989
Media and broadcasting	2,661	2,216	3,507
Water infrastructure	1,871	7,635	5,454
Group services**	(1,802)	(1,712)	(14,203)
Inter-segment eliminations	1,718	(311)	828
Total group net profit after tax	21,963	24,293	(1,141)
Cost of sales			
Retail	167,716	206,127	374,788
Media and broadcasting	4,561	-	7,109
Total cost of sales	172,277	206,127	381,897
Employment costs			
Retail	57,679	56,016	113,402
Media and broadcasting	12,721	12,826	25,959
Group services**	5,526	4,121	14,077
Total employment costs	75,926	72,963	153,438
Occupancy costs			
Retail	23,467	18,664	42,694
Property	16,902	13,912	29,065
Media and broadcasting	853	1,276	2,742
Inter-segment eliminations	(2,670)	-	(5,355)
Total occupancy costs	38,552	33,852	69,146
Depreciation and amortisation			
Retail	38,091	39,871	83,099
Property	3,920	3,691	7,595
Media and broadcasting	5,043	6,664	13,511
Group services**	69	27	69
Inter-segment eliminations	(1,674)	-	(3,030)
Total group depreciation and amortisation	45,449	50,253	101,244
Impairment reversal/ (charge) of non-financial assets			
Retail	270	-	7,484
Media and broadcasting	-	(1,458)	4,885
Total group impairment	270	(1,458)	12,369
Segment assets			
Retail	468,655	484,988	438,623
Property	407,653	330,920	419,471
Media and broadcasting	133,581	112,188	137,228
Water infrastructure	193,112	199,472	216,935
Group services**	251,970	190,544	191,377
Inter-segment eliminations	(301,561)	(206,872)	(268,624)
Total group assets	1,153,410	1,111,240	1,135,010
Segment liabilities			
Retail	(308,042)	(316,261)	(289,568)
Property	(325,833)	(267,642)	(314,272)
Media and broadcasting	(50,683)	(33,234)	(56,787)
Water infrastructure	(162,635)	(176,207)	(188,329)
Group services**	(33,489)	(14,504)	(32,861)
Inter-segment eliminations	189,263	164,812	199,587
Total group liabilities	(691,419)	(643,036)	(682,230)
Capital expenditure			
Retail	(10,037)	(18,445)	(30,519)
Property	(9,493)	(3,612)	(33,869)
Media and broadcasting	(2,615)	(894)	(61,567)
Total group capital expenditure	(22,145)	(22,951)	(125,955)

** Group services include corporate costs.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
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1 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), and as a minimum contain the information required by International Accounting Standard (IAS) 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2024. The accounting policies and methods of computations used in the preparation of the condensed consolidated interim financial statements are consistent in all material respects with those applied in the Group's annual financial statements as at 30 June 2024. None of the new standards, interpretations and amendments effective as of 1 July 2024 have had a material impact on the annual consolidated financial statements of the Group or condensed consolidated interim financial statements of the Group.

2 Unaudited results

These condensed consolidated interim financial statements have neither been audited nor reviewed by the Group's external auditors. The directors take full responsibility for the preparation of these condensed consolidated interim financial statements, which have been prepared under the supervision of WD Nel CA (SA), the company's financial director, and were approved by the board of directors on 28 March 2025.

3 Dividends

Details of dividends paid are as follows:

Dividend paid on 6% cumulative preference shares

-	-	33
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The directors have not proposed a dividend in respect of the preference, ordinary and 'N' ordinary shares.

4 Revenue

Revenue from contracts with customers

Retail sales	362,264	385,385	703,470
Management fee income	1,710	1,722	3,468
Media and broadcasting	50,063	55,506	108,192
Tenant recoveries	15,458	10,526	22,567
Profit on sale of property	-	-	45
	429,495	453,139	837,742

Disaggregation of revenue from contracts with customers

South Africa	419,365	439,485	812,974
Rest of Africa	6,782	5,651	13,404
Asia	604	3,009	4,124
Europe	1,202	2,647	3,476
North America	1,160	1,950	2,961
Australia	382	397	803
	429,495	453,139	837,742

Timing of revenue recognition

Products transferred at a point in time	362,264	385,385	703,515
Recognised over the period services are rendered	67,231	67,754	134,227
	429,495	453,139	837,742

Revenue from lease agreements – IFRS 16

Rental income	27,145	25,963	51,958
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Revenue other than from contracts with customers

Dividends received	1,511	879	878
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Total revenue

458,151	479,981	890,578
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Shown as:

Retail sales	362,264	385,385	703,470
Other revenue	95,887	94,596	187,108
	458,151	479,981	890,578

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
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5 Earnings per share

Reconciliation of headline earnings*

Profit attributable to equity holders			
Profit / (loss) for the year attributable to owners of the company for continuing operations	9,189	9,029	(1,843)
Adjusted for:			
Preference dividends attributable to preference shareholders	-	-	(33)
(Profit)/ loss from disposal of property, plant and equipment	(33)	17	(43)
Reversal of impairment on property, plant and equipment	(137)		
Impairment on property, plant and equipment	-	-	2,358
Impairment on right-of-use asset	-	-	5,125
Impairment on investment in associate	-	-	4,879
Non-headline earnings items included in earnings from associate	51	18	-
Total tax effects of adjustments	32	(10)	(3,324)
Headline earnings	9,102	9,054	7,119
Number of equity shares in issue (000's)	11,841	11,841	11,841
Weighted average number of equity shares on which earnings per share is based (000's)	11,841	11,841	11,841
Weighted average number of equity shares on which diluted earnings per share is based (000's)	11,841	11,841	11,841
Issued shares net of treasury shares at beginning of year	11,841	11,841	11,841
Weighted average number of shares issued and repurchased during the reporting period	-	-	-
Weighted average number of ordinary and "N" ordinary shares in issue	11,841	11,841	11,841
Weighted average number of ordinary and "N" ordinary shares in issue	11,841	11,841	11,841
Dilutive effect of share options	-	-	-
Weighted average number of diluted ordinary and "N" ordinary shares	11,841	11,841	11,841
Basic earnings / (loss) per ordinary share (cents)	77.6	76.3	(15.8)
Headline earnings per ordinary share (cents)	76.9	76.5	60.1
Diluted earnings / (loss) per ordinary share (cents)	77.6	76.3	(15.8)
Diluted headline earnings per ordinary share (cents)	76.9	76.5	60.1

*The 31 December 2023 comparative reconciliation for headline earnings has been restated to reflect the correct reconciliation. This disclosure error has no impact on the calculation of headline earnings per share, which has been correctly calculated and disclosed in the prior year.

6 Property, plant and equipment

Carrying value at the beginning of the period	199,242	151,626	151,626
Additions	8,043	19,153	75,716
Transfer to investment property	-	-	14
Depreciation charge for the period	(13,586)	(12,270)	(25,678)
Impairment reversal / (charge) for the period	270	-	(2,358)
Disposals	(5)	-	(78)
Carrying value at the end of the period	193,964	158,509	199,242

Acquisitions in the current year relate to the normal operations of the group.

7 Investment property

Carrying value at the beginning of the period	287,984	253,434	253,434
Additions	9,929	3,553	40,479
Transfer to property, plant and equipment	-	-	(14)
Depreciation charge for the period	(3,114)	(2,945)	(5,915)
Carrying value at the end of the period	294,799	254,042	287,984

Acquisitions in the current year relate to the normal operations of the group.

8 Intangible assets

Carrying value at the beginning of the period	30,059	28,707	28,707
Additions	4,173	-	9,760
Amortisation charge for the period	(1,753)	(4,381)	(8,408)
Carrying value at the end of the period	32,479	24,326	30,059

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

	Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
9 Right-of-use asset			
Carrying value at the beginning of the period	139,193	189,880	189,880
Additions	30,809	32,259	50,596
Landlord contributions	(217)	(429)	(1,264)
Lease modifications	(4,440)	(9,184)	(11,130)
Depreciation charge for the period	(26,996)	(30,658)	(61,242)
Impairment charge for the period	-	-	(5,125)
Termination of lease	-	-	(22,522)
Carrying value at the end of the period	138,349	181,868	139,193
Retail segment - fixed term store leases - depreciated over 1 to 10 years	136,504	155,832	137,097
Media and broadcasting segment facilities - depreciated over 7 to 8 years	-	24,189	-
Property segment facilities - depreciated over 5 to 6 years	1,845	1,847	2,096
	138,349	181,868	139,193

10 Investment in associates

SA Water Works Holding Company (RF) Proprietary Limited

The group's investment in SA Water Works Holding Company (RF) Proprietary Limited ("SAWW") consists of a 30.79% (2023: 30.79%) controlled interest which is held via a 52% controlled subsidiary, Ombrecorp Trading (RF) Proprietary Limited ("Ombrecorp"). The group's effective interest in SAWW is 16.01% (2023: 16.01%). SAWW's investments consist of entities which provide water and water services to the City of Mbombela and Ilembe District municipalities.

Ombrecorp received loan funding from 27four Life for the sole purpose of acquiring the group's 30.79% interest in SAWW. A cession over Rex Trueform's shares in Ombrecorp, Ombrecorp's shares in SAWW and Ombrecorp's bank account has been provided to 27four Life as security over the loan. Rex Trueform and Ombrecorp therefore maintain their full rights as shareholders and Ombrecorp maintains full control of its bank accounts until such time as the debt has been extinguished or in the event of default.

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

Interest in associate	183,714	197,785	208,890
Carrying value at the beginning of the period	8,417	9,904	9,904
Share of (loss) / profit of associate	(1,894)	4,248	(1,487)
Carrying value at the end of the period	6,523	14,152	8,417
Loan to associate at the beginning of the period	200,473	186,369	186,369
- Capital	125,000	125,000	125,000
- Fair value movement on loan receivable	(11,100)	(11,100)	(11,100)
- Accrued dividends	86,573	72,469	72,469
Accrued dividends repaid during the period	(40,050)	(19,742)	(19,742)
Accrued dividends recognised during the period	16,768	17,006	33,846
Loan to associate at the end of the period	177,191	183,633	200,473
- Capital	125,000	125,000	125,000
- Fair value movement on loan receivable	(11,100)	(11,100)	(11,100)
- Accrued dividends	63,291	69,733	86,573

Significant unobservable inputs in relation to the loan to associate

Accrued dividend rate: 16.25% - 16.75% (2023: 16.75%)

Term: 5.25 - 5.83 years (2023: 6.25 - 6.83 years)

Program Buyer Limited

The group's investment in Program Buyer Limited ("Program Buyer") consists of a 20.83% (2023: 0%) controlled interest which is held via a controlled subsidiary, Telemedia Proprietary Limited ("Telemedia"). African and Overseas Enterprises Limited, together with Rex Trueform Group Limited, owns 100% of the issued share capital of Telemedia. The carrying value of the investment in Program Buyer was fully impaired in the prior year.

Interest in associate - Program Buyer	-	5,143	-
Carrying value at the beginning of the period	-	5,859	5,859
Share of loss of associate	-	(716)	(980)
Impairment for the year	-	-	(4,879)
Carrying value at the end of the period	-	5,143	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
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10 Investment in associates continued

AI Sport Africa Proprietary Limited*

The group acquired 35.00% of the share capital of AI Sport Africa Proprietary Limited ("AI Sport Africa") during February 2024 for R18m via a controlled subsidiary, Telemedia Proprietary Limited ("Telemedia"). African and Overseas Enterprises Limited, together with Rex Trueform Group Limited, owns 100% of the issued share capital of Telemedia.

*On 6 June 2024, Interactive Television Africa Proprietary Limited changed the company name to AI Sport Africa Proprietary Limited.

Interest in associate - AI Sport Africa	19,873	-	18,746
Carrying value at the beginning of the period	18,746	-	-
Increase in investment at cost	-	-	18,000
Share of profit of associate	1,127	-	746
Carrying value at the end of the period	19,873	-	18,746

Emerge Media Limited

The group acquired 25.1% of the share capital of EmERGE Media Limited ("EmERGE Media") on 26 July 2024 for an aggregate cash price of USD0.5m via a controlled subsidiary, Telemedia Proprietary Limited ("Telemedia"). African and Overseas Enterprises Limited, together with Rex Trueform Group Limited, owns 100% of the issued share capital of Telemedia.

Interest in associate - EmERGE Media	7,846	-	-
Carrying value at the beginning of the period	-	-	-
Increase in investment at cost	7,954	-	-
Share of loss of associate	(108)	-	-
Carrying value at the end of the period	7,846	-	-

Investment in associate shown as:

Non-current assets	211,433	202,928	227,636
	211,433	202,928	227,636

11 Loans receivable

Loans receivable comprise the following balances

Loans to Telemedia Africa Enterprises	-	94	-
	-	94	-

Shown as:

Current assets	-	94	-
	-	94	-

12 Inventories

Inventories at cost	127,416	155,930	141,160
Provision for net realisable value	(12,527)	(14,260)	(13,951)
	114,889	141,670	127,209
Provision for net realisable value as percentage of inventory	%(9.8)	%(9.1)	%(9.9)

Inventory write-downs are due to the seasonal nature of products.

13 Lease liability

Balance at the beginning of the period	174,299	222,465	222,465
New leases	30,740	32,185	50,843
Lease modifications	(5,173)	(11,203)	(14,733)
Finance cost	9,028	10,456	20,485
Finance cost paid	(9,030)	(10,402)	(20,464)
Capital repaid	(27,896)	(28,732)	(58,283)
Termination of lease	-	-	(26,014)
Balance at the end of the period	171,968	214,769	174,299
Included in non-current liabilities	126,751	163,533	130,189
Included in current liabilities	45,217	51,236	44,110
	171,968	214,769	174,299

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
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13 Lease liability continued

Fixed-term store leases	169,784	185,397	171,914
Media and broadcasting facilities	-	27,323	-
Property facilities	2,184	2,049	2,385
	171,968	214,769	174,299

Lease liabilities bear interest from 7.00% to 12.75% p.a. (2023: 7.00% to 12.75% p.a.) and are repayable from 2025 to 2034 including renewable periods where applicable.

14 Interest-bearing borrowings

Secured loans to finance purchase of properties

Balance at the beginning of the period	288,245	194,198	194,198
Loans received during the period	33,000	18,575	100,075
Repayments during the period	(5,139)	(4,214)	(5,836)
Interest accrued during the period	15,664	9,717	21,785
Interest repaid during the period	(16,960)	(7,347)	(21,977)
Balance at the end of the period	314,810	210,929	288,245

The secured loans bears interest at the 3 month Jibar interest rate plus 2.3% to 2.8% (between 9.7% and 10.74%) and are repayable over 5 years.

A cession over Telemedia Proprietary Limited's property income has been provided to First Rand Bank as security over the loan, in the event of default.

Secured loan raised to finance investment in associate

Balance at the beginning of the period	106,573	101,025	101,023
Interest repaid during the period	(21,262)	(8,123)	(8,123)
Interest accrued during the period	6,557	6,888	13,673
Balance at the end of the period	91,868	99,790	106,573

OmbreCorp received loan funding from 27four Life for the sole purpose of acquiring the group's 30% interest in SAWW, refer to note 10. The loan bears interest at the 6 month Jibar interest rate plus 5% and is repayable on or before 28 February 2029. As at 31 December 2024, the loan is not repayable within 12 months and is therefore non-current.

Unsecured loan raised to finance insurance premiums

Balance at the beginning of the period	-	-	-
Loans received during the period	4,427	3,822	3,821
Repayments during the period	(2,656)	(2,294)	(3,821)
Interest accrued during the period	109	94	157
Interest repaid during the period	(109)	(94)	(157)
	1,771	1,528	-

The unsecured loan bears interest at 4.1% and is repayable by 1 April 2025.

Interest bearing borrowings - Non-current	392,336	300,045	381,494
Interest bearing borrowings - Current	16,113	10,674	13,324
	408,449	310,719	394,818

15 Financial instruments

Financial instruments at amortised cost

Trade and other receivables **	20,660	13,705	15,434
Cash and cash equivalents **	77,314	64,654	48,299
Loans receivable ***	-	94	-
Trade and other payables **	(58,751)	(65,748)	(66,706)
Rent deposits ***	(8,017)	(6,602)	(6,895)
Lease liabilities ***	(171,968)	(214,769)	(174,299)
Interest-bearing borrowings ***	(408,449)	(312,247)	(394,818)
	(549,211)	(520,913)	(578,985)

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

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

Financial instruments at fair value through other comprehensive income

Other investments - Listed shares (Level 1)	29,285	12,661	24,309
Other investments - Unlisted shares (Level 2)	786	734	786
Other investments - Unlisted shares (Level 3)	9,000	-	-
	39,071	13,395	25,095

Other investments increased by the investment in Byte Orbit Proprietary Limited, refer to note 17. Furthermore, the listed shares were revalued during the year and a fair value adjustment of R5.0m before tax, was recognised in other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
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15 Financial instruments continued

Financial instruments at fair value through profit or loss

Forward exchange contracts (Level 2)
Loan to associate (Level 3) - Refer to note 10

93	42	(962)
177,191	183,633	200,473
177,284	183,675	199,511

Valuation of financial instruments

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

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

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

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

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

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

Refer to note 10 for the significant unobservable inputs in relation to the loan to associate.

16 Cash flows from operating activities

Profit / (loss) for the year	21,963	24,293	(1,141)
Adjustments for:			
Income tax expense	8,613	8,287	8,359
Finance income	(18,267)	(18,527)	(36,951)
Finance costs	31,643	27,417	57,292
Depreciation, amortisation and impairment expense of fixed assets	45,179	50,253	108,725
Impairment loss on investment in associate	-	-	4,879
Impairment loss on loan	-	-	94
Reversal of success fee accrual	-	-	(3,500)
Recovery of bad debt expense	-	(1,458)	(4,966)
Unrealised foreign exchange gains and losses	(1,055)	670	1,674
Dividends received	(1,511)	(879)	(878)
Gain on lease modification	(470)	(2,021)	(6,791)
Share of loss / (profit) of associate	874	(3,532)	1,721
Equity-settled share based payment	1,129	-	4,891
Gains and losses on disposal of non-current assets	(65)	33	43
Movement in post-retirement liability	56	56	6
Change in fair value of contingent consideration	-	2,915	2,915
Movement in inventory provision	(1,733)	1,235	925
Other non-cash movement	193	238	(242)
	86,549	88,980	137,055

Working capital changes

Adjustments for decrease in inventories	14,053	9,669	23,889
Adjustments for (increase) / decrease in trade and other receivables and operating lease assets	(10,436)	(17,050)	15,461
Adjustments for decrease in trade and other payables and provisions	(1,727)	(13,607)	(16,110)
	1,890	(20,988)	23,240

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

17 Other matters

Acquisition of shares of Byte Orbit

Rex Trueform Group Limited ("Rex Trueform") entered into a subscription agreement and a sale of share agreement on 20 December 2024 in which it will acquire 30.02% in Byte Orbit Proprietary Limited ("Byte Orbit"). In terms of the subscription agreement, Rex Trueform acquired a 10.23% equity interest in Byte Orbit on 20 December 2024 by subscribing for 997 ordinary shares for a subscription consideration of R9m. The investment in Byte Orbit is included in Other Investments as at 31 December 2024. Refer to note 19 for further information on the additional 19.79% equity interest acquired.

Acquisition of additional shares in Telemedia

On 10 July 2024, Rex Trueform Group Limited ("Rex Trueform Group") acquired a further 25% interest in Telemedia Proprietary Limited ("Telemedia") for a total purchase price of R14m. Rex Trueform Group increased its stake in Telemedia to 88.71%, and the group's interest in Telemedia increased to 100%.

Debt to equity conversion in Belper

On 26 July 2024, Belper Investments Proprietary Limited ("Belper") reached an agreement with Rex Trueform Group, whereby Rex Trueform Group converted the debt owing by Belper to equity. Rex Trueform Group converted debt amounting to R27m to share capital in Belper, increasing the total shareholding held by Rex Trueform Group from 53.68% to 72.03%.

Acquisition of additional shares in Belper

On 27 November 2024, Rex Trueform further increased its stake in Belper Investments Proprietary Limited ("Belper") to 79.02% by acquiring a further 6.99% interest from a minority shareholder of Belper for a purchase price of R4.7m.

18 Correction of material error in Statement of Cash Flows

An error has been identified in the cash flows recognised for the period ended 31 December 2023 in accounting for the repurchase of shares in subsidiary as an investing activity as opposed to a financing activity. The error is identified and corrected for purposes of the comparative.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	Six months ended 31 December 2023 Unaudited R'000	Increase/ (Decrease)	Six months ended 31 December 2023 Unaudited Restated R'000
Cash flows from investing activities			
Repurchase of shares in subsidiary	(1,000)	1,000	-
Net cash outflows from investing activities	(1,000)	1,000	-
Cash flows from financing activities			
Additional investment in existing subsidiaries	-	(1,000)	(1,000)
Net cash outflows from financing activities	-	(1,000)	(1,000)

19 Events subsequent to the reporting date

On 31 January 2025, in terms of the share subscription agreement, Rex Trueform Group Limited ("Rex Trueform Group") increased its share in Byte Orbit Proprietary Limited ("Byte Orbit") to 20.47% by subscribing for 998 additional ordinary shares for a subscription consideration of R9m. On 28 February 2025, in terms of the sale agreement, Rex Trueform Group increased its share in Byte Orbit to 30.02% by acquiring a further 930 ordinary shares for a purchase consideration of R12m.

On 27 February 2025 Rex Trueform Group increased its stake in Belper Investments Proprietary Limited ("Belper") to 84.74% by acquiring a further 5.72% interest from a minority shareholder of Belper.

The Umngeni tariff matter negotiations are underway to settle, and the directors are of the view that no material losses will arise in respect of the full and final settlement agreement at the date of these financial statements.

The Buhle Waste (Pty) Ltd versus the City of Mbombela and other respondents (including SA Water Works (RF) (Pty) Ltd) court case is still ongoing. The Supreme Court of Appeal ("SCA") has heard arguments in this matter in August 2024 and judgement was handed down in December 2024. Leave to appeal to the Constitutional Court has been submitted by all respondents which has the effect of suspending the judgement and order. The directors are of the view that this has no material impact on the value of the loan to associate at the date of these financial statements.

No other events material to the understanding of the unaudited interim condensed consolidated financial statements have occurred between the financial year-end and the date hereof.

COMMENTARY

		Six months ended 31 December 2024 Unaudited R'000	Six months ended 31 December 2023 Unaudited R'000	Year ended 30 June 2024 Audited R'000
Other information and key ratios				
Statement of profit or loss and other comprehensive income				
Gross profit margin	%	52.4	46.5	45.7
Other operating costs to revenue	%	52.1	48.9	53.6
Operating profit margin	%	9.8	8.5	3.6
Net profit after tax margin	%	4.8	5.1	(0.1)
Statement of financial position				
Capital commitments				
Authorised - not contracted for	R'000	9,500	12,357	32,579
Authorised - contracted for	R'000	10,363	23,431	7,506
Return on equity	%	(0.4)	5.7	(11.2)
Return on capital	%	14.3	28.5	(23.1)
Return on assets	%	5.9	11.8	(9.3)
Inventory turn	times	2.7	2.6	0.1
Asset turn	times	0.6	0.7	(0.0)
Net asset value per share	R	19.85	19.62	18.78

Financial review

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

Group revenue decreased by 4.5% to R458.1m (2023: R480.0m), mainly due to a decrease in retail segment turnover. Other revenue, comprising of media and broadcasting income, rental income, tenant recoveries and management fee income, increased by 1.4% to R95.9m (2023: R94.6m). Investment income, consisting mainly of finance income from associates, decreased by 0.8% to R18.8m (2023: R18.9m).

The group realised an operating profit of R45.4m in the current year compared to R41.4m in the comparative period. Net profit after tax was R23.0m (2023: R25.2m) resulting in earnings per share of 98.1 cents (2023: 100.0 cents) and headline earnings per share of 97.3 cents (2023: 100.3 cents). Refer to the reconciliation of headline earnings in the summarised statement of comprehensive income for reasons for the movement between earnings per share and headline earnings per share.

The group's capital and reserves decreased by R4.3m to R471.9m (2023: R476.2m), contributing to a decrease in return on equity to -0.3% (2023: 11.2%). This is mainly due to the equity transactions relating to the increased shareholding in existing subsidiaries. The group concluded net asset value per share increased by 3.3% to R21.17 (2023: R20.50).

Retail segment sales decreased by 6.0% to R362.3m (2023: R385.4m) which is reflective of the general subdued consumer demand brought about by high interest rates, high inflation and the overall constrained economic environment. Gross margin has increased to 52.9% (2023: 46.1%), in line with the business strategy, resulting in gross profit increasing by 6.5% to R188.0m (2023: R176.5m) and the net profit after tax decreasing to R11.6m (2023: R8.5m). There were a total of 105 (2023: 102) retail stores as at 31 December 2024.

Property segment revenue increased by 15.9% to R47.9m (2023: R41.3m). No new property acquisitions were made during the current financial period. The segment realised a net profit after tax of R6.0m (2023: 8.0m).

Media and broadcasting revenue decreased by 2.7% to R56.8m (2023: R58.3m). The segment realised a net profit after tax of R2.6m (2023: R2.2m).

The company's water infrastructure investment yielded an equity-accounted loss of R1.9m (2023: profit of R4.2m) and a net profit after tax of R1.9m (2023: R7.6m). The underlying operating subsidiaries are profitable and cash generative.

Group services contributed a loss of R0.7m to after tax earnings (2023: R0.8m).

External auditor

Forvis Mazars have been appointed as the external auditor of the company for the financial year ending 30 June 2025.

Outlook

South Africa's economic growth is forecasted to be 1% year on year for 2025, an improvement on 2024 but still well below the desired growth levels with energy and logistics being the driving factors behind the low growth forecasts. Managing the associated risks and negative impact on profitability levels in each of the operating segments remain key elements of the company's strategy.

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

We will continue to leverage our skills and expertise to optimize our current portfolio of investments while actively pursuing opportunities for expansion and diversification. This approach will position us for long-term success.

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

MR Molosiwa

(Chairman)

MA Golding

(Chief Executive Officer)

Cape Town

28 March 2025

Directors: MR Molosiwa* (Chairman), MA Golding (Chief Executive Officer), WD Nel (Chief Financial Officer), HB Roberts*, PM Naylor*, B Ntshingwa*

*Independent non-executive

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