Greystone Partners Limited and its subsidiaries
(Registration number 74/2009)
Consolidated and separate financial statements
for the year ended 31 December 2023

# Greystone Partners Limited
(Registration number 74/2009)

## General Information

| | |
|---|---|
| **Country of incorporation and domicile** | Kingdom of Eswatini |
| **Nature of business and principal activities** | Investment Holding Company |
| **Registered office** | 1st Floor, Matsapha Link<br>Portion 3 of Plot 582,<br>along College Road & Lihawu Street<br>Matsapha, Eswatini |
| **Business address** | 1st Floor, Matsapha Link<br>Portion 3 of Plot 582,<br>along College Road & Lihawu Street<br>Matsapha, Eswatini |
| **Fund Manager** | African Alliance Eswatini Capital Limited |
| **Auditor** | SNG Grant Thornton Chartered Accountants (Eswatini) |
| **Banker** | Nedbank (Eswatini) Limited<br>Swazi Plaza<br>Mbabane, Eswatini<br>PO Box 70 |
| **Functional currency** | The consolidated and separate financial statements are expressed in Emalangeni, the currency of the Kingdom of Eswatini |

## Greystone Partners Limited
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The reports and statements set out below comprise the consolidated and separate financial statements presented to the shareholder:



The following supplementary information does not form part of the consolidated and separate financial statements and is unaudited:

**Greystone Partners Limited**
(Registration number 74/2009)

## Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group’s cash flow forecast for the year to 31 December 2024 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate financial statements. The consolidated and separate financial statements have been audited by the group's external auditors and their report is presented on pages 8 to 11.

The consolidated and separate financial statements set out on pages 12 to 95, which have been prepared on the going concern basis, were approved by the board of directors on 18 July 2024 and were signed on their behalf by:

**Approval of financial statements**

| | |
|---|---|
| **Director** | **Director** |

# Greystone Partners Limited

(Registration number 74/2009)

# Directors' Report

The directors have pleasure in submitting their report on the consolidated and separate financial statements of Greystone Partners Limited and the group for the year ended 31 December 2023.

**1. Incorporation**

The group was incorporated on 27 January 2009 and obtained its certificate to commence business on the same day.

**2. Nature of business**

The principal objective of the Company is to carry on business as an investment holding company. The Company will invest primarily in emergent, unlisted businesses with sustainable growth potential. Although the Company aims to invest predominantly in the Kingdom of Eswatini, where opportunities are unavailable, there may be a case for investing elsewhere within the Common Monetary Area.

It is envisaged that the average size of a specific equity investment would be in the order of E10 million and above; the Company will endeavour to secure interests of between 5% and 50% in unlisted companies; and the minimum size of investments to be made by the Company will be approximately E500,000 but exceptional circumstances will be considered.

**3. Review of financial results and activities**

The consolidated consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated and separate financial statements.

**4. Going concern**

We draw attention to the fact that at 31 December 2023, the company had accumulated losses of E (34 361 078) and that the company's total assets exceed its total liabilities by E 479 707 222.

We draw attention to the fact that at 31 December 2023, the group had accumulated losses of E (132 302 707) and that the group's total assets exceed its total liabilities by E 683 285 202.

The directors and management have assessed the Company and Group's ability to continue as a going concern. The assessment includes solvency and liquidity tests. Despite the current liabilities exceeding current assets, the Group has a stable liquidity position with cash of E75 million (2022: E85 million). The liquidity test considers expected cash flows, including the operational cash flows, anticipated proceeds from revenues and or other funding activities. Management of the subsidiaries of the Company have done cash flow projections for the foreseeable future and based on the projections, management has determined that there will be sufficient resources to settle liabilities and obligations as they fall due. Some of the measures in place to manage liquidity include ensuring that the repayment date of a sufficient portion of existing debt and creditors is extended at a level which is well within levels previously experienced in the retail sector being of a longer settlement period vs. inventory days, continuing to engage the market to secure additional funding where necessary and minimising discretionary expenditure in order to ensure sufficient funds are available to meet the ongoing commitments of the Group and Company.

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate financial statements have been prepared on a going concern basis.

**5. Share capital**

There have been no changes in the share capital of the Company during the year under review.

### 6. Dividends

The group and the company declared dividends amounting to E 8 806 738 and E 6 897 647 respectively during the year ended 31 December 2023 (2022: E 9 619 207 and E 6 897 647).

### 7. Corporate governance

The directors of Greystone Partners Limited and its subsidiaries are pleased to report that the Company and Group continue to uphold and implement sound corporate governance structures and processes, which are fundamental to achieving sustainable growth and safeguarding the interests of all stakeholders. Our governance framework is under continuous evaluation to ensure that it remains aligned with both the Company and Group's internal developments and the evolving standards of national and international best practices, always with the paramount goal of serving the Company and Group's best interests..

The board convenes at regular intervals, maintaining a firm grip on the Company and Group's reins and diligently overseeing the executive management team. It is the board's policy to reserve a suite of critical decisions for itself, thereby securing the right direction and control of the company. We uphold a clear separation of roles between the Chairperson and the Chief Executive Officer, ensuring an effective balance of power. The Chairperson, who is also a non-executive director, provides strong leadership and guidance to the board. This role is crucial in fostering thorough discussions on significant issues, eliciting valuable contributions from each director, and steering decisions that are clearly articulated and conducive to the Company and Group's progress.

In line with our commitment to thorough governance, the board has instituted both an Investment Committee and an Audit and Risk Committee. The Investment Committee serves in an advisory capacity; it does not partake in management activities or bear managerial responsibilities. Its function is to offer investment recommendations for the board's consideration, with the board retaining ultimate authority for approval and decision-making.

The Audit Committee operates in an advisory role and is not involved in the day-to-day management. It is tasked with overseeing the integrity of the financial reporting process, the audit process, the system of internal controls, and compliance with laws and regulations. The Audit Committee advises the board on these matters, facilitating informed decision-making. Despite its advisory status, the Audit Committee plays a critical role in providing oversight and recommendations to ensure the accuracy and reliability of the Company and Group's financial statements. Final decisions and approvals in these areas rest with the board, which relies on the Audit Committee's expert counsel to fulfill its governance responsibilities.

These committees are integral to our governance strategy, ensuring that Greystone Partners Limited and its subsidiaries operate with the highest level of integrity and prudence, ultimately contributing to the Company and Group's enduring success and stability.

### 8. Directorate

The directors in office at the date of this report are as follows:

| Name | Position | Nationality |
|---|---|---|
| M M Dlamini | Non-executive director and Chairman | LiSwati |
| M L Dlamini | Non-executive director | LiSwati |
| S Khumalo | Non-executive director | LiSwati |
| K D Dlamini | Independent non-executive director | LiSwati |
| N S Shabangu | Non-executive director | LiSwati |
| N K Mabuza | Executive director and Chief Executive Officer | LiSwati |
| A M B de Castro | Executive director | LiSwati |

### 9. Investment committee

The Investment Committee of the Company for the year and at the date of this report is as follows:

| Name | Position | Nationality |
|---|---|---|
| Z B Dlamini | Independent member and Chairman | LiSwati |
| D Dlamini | Independent member | LiSwati |
| M N Msibi | Independent member | LiSwati |

### 10. Audit Committee

The Audit Committee of the Company for the year and at the date of this report is as follows:

| Name | Position | Nationality |
|---|---|---|
| M L Dlamini | Independent member and Chairman | LiSwati |
| H S Dlamini | Independent member | LiSwati |
| S Khumalo | Independent member | LiSwati |

### 11. Public Officer

N K Mabuza

### 12. Events after the reporting period

During the year ended 31 December 2023, the directors of the company agreed to divest its investment in Alliance Foods (Pty) Limited (refer to Note 7). This decision was driven by the company's strategic review of its growth strategy, which is focused on expanding its equity interests in the retail sector, particularly within the fast-moving consumer goods ("FMCG") market, as part of a broader regional consolidation strategy.

As part of the divestment strategy, the company plans to sell its shares in Alliance Foods (Pty) Ltd, a quick-service fast-food outlet operator in Eswatini, to Inala Capital Limited. In addition, the company intends to dispose of its minority stake in Ngwane Mills (Pty) Ltd, held by the company's fully owned subsidiary, Swagri Holdings (Pty) Limited, to Inala Capital Limited.

In exchange for the Alliance Foods (Pty) Limited stake, the company will acquire a minority stake in General Africa Foods Eswatini (Pty) Limited from Inala Capital Limited through a share swap arrangement. General Africa Foods Eswatini (Pty) Limited is engaged in the sale of fresh and frozen meats and grocery items in Eswatini.

The execution of these transactions is subject to the successful negotiation of terms and the satisfaction of various conditions precedent, which may encompass regulatory consents, comprehensive due diligence processes, and the finalisation of mutually agreeable terms between all parties involved. At this stage, the directors are actively engaged in negotiations and are working diligently to advance these transactions to a conclusion. The company expects that these strategic transactions will be finalised by the end of 2024, although the exact timing is contingent upon the progress of negotiations and the satisfaction of all necessary conditions. Also refer to note 18.

The financial impact of these events will be assessed and recognized in the financial statements of the year in which the transactions are concluded. As of the date of these financial statements, no adjustments have been made to the financial statements for the year ended 31 December 2023, as the transactions were not completed and the outcomes were not determinable at the reporting date.

In February 2024, the Eswatini minister of finance announced a reduction in the corporate tax rate from 27.5% to 25%. The impact of this change on the financial statements for the year ended 31 December 2023 will be a decrease in the deferred tax asset of approximately E3 798 456 in the subsequent financial period. The figure is a provisional estimate and the actual effect will be calculated based on the deferred tax balances at the date when the change in tax rate becomes effective in 2024.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 13. Secretary

The secretary of the Company is African Alliance Advisory (Pty) Limited.

| | |
|---|---|
| Business address: | 9 Harries Road<br>Illovo<br>Johannesburg<br>2196 |

### 14. Terms of appointment of the auditor

SNG Grant Thornton Chartered Accountants (Eswatini) were appointed as the Group and Company's auditor for the year under review.

### 15. Spread of shareholders

The shareholder spread and analysis of shareholdings are detailed in note 36.

SNG Grant Thornton

**SNG Grant Thornton Chartered Accountants (Eswatini)**
Umkhiwa House
Lot 195 Kal Grant Street, Mbabane
PO Box 331 Mbabane, Eswatini, H100
**T** +268 2405 7000
**F** +268 2404 1929

**INDEPENDENT AUDITOR'S REPORT**

***To the shareholders of Greystone Partners Limited***

***Opinion***

We have audited the consolidated and separate financial statements of Greystone Partners Limited (the Group and Company), set out on pages 12 to 95, which comprise the statements of financial position as at 31 December 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, the accounting policies and notes to the consolidated and separate financial statements, and the directors' report on pages 4 to 7.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Greystone Partners Limited as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of the Kingdom of Eswatini.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the group and company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit in Eswatini and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements for the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters for the consolidated and separate financial statements are set out below.

**Valuation of level 3 financial instruments**

The disclosure associated with the valuation of level 3 financial instruments is set out in the following accounting policies and notes:

- Accounting policy 1.4-Significant accounting judgements, estimates and assumptions.
- Note 7 -Investment at fair value.
- Note 18-Assets held for sale

| Key audit matter | How our audit addressed the matter |
|---|---|
| The Group and Company have investments which are measured at fair value and classified as level 3 financial instruments in the fair value hierarchy. As at 31 December 2023, the fair value of these investments for the Group, which comprise unlisted equities and assets held for sale amounted to E105 938 598 and E72 442 445 respectively. As at 31 December 2023, the fair value of these investments for the Company, which comprise unlisted equities and assets held for sale amounted to E384 311 376 and E94 002 247 respectively.<br><br>The Group and Company have applied a number of valuation techniques to determine the fair value of the financial instruments that are not quoted in active markets. The valuation techniques applied by the Group and Company include the discounted cash flow, price earning multiple and price to embedded value which involve subjective judgements and assumptions.<br><br>Valuation of level 3 financial instruments has been identified as a key audit matter because of the significance of the judgements and estimates made in determining the fair value of the financial instruments. | Our audit work included the following procedures:<br>• We evaluated the independence, technical competence and objectivity of the independent valuation specialist used by management.<br><br>We engaged our internal valuation specialists who performed the following procedures:<br><br>• Reviewed the appropriateness of the valuation methodologies applied by management specialist.<br>• Verified the mathematical accuracy of the free cash flows.<br>• Evaluated the appropriateness and sufficiency of the assumptions applied in the overall fair value assessment.<br>• Assess the reasonableness of any premiums or discounts applied.<br>• Assess the appropriateness of net debt adjustments included in the valuation.<br>• Performed sensitivity analysis on the significant unobservable inputs to evaluate the overall reasonability of the fair values.<br><br>We reviewed the appropriateness of the of the underlying assumptions (both macro-economic and micro-economic, entity level, and business plan/business model-based assumptions among others) related to both the forecasts and the related free cash flows that were used as a basis by management specialist.<br><br>We reviewed the compilation of the underlying financial information and any assumptions used (historical and budgeted), on which the valuation performed by management specialist was based on.<br><br>We reviewed the overall reasonableness of the historical information and forecasts including ratio analysis.<br><br>We assessed the adequacy of the disclosures on the financial statements against the requirements of *IFRS 9, Financial Instruments*. |

***Other information***

The directors are responsible for the other information. The other information comprises Consolidated and separate detailed income statement and Annexure A – Prime interest rates and currencies. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the directors for the consolidated and separate financial statements***

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of the Kingdom of Eswatini, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the consolidated and separate financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SNG Grant Thornton

**SNG Grant Thornton Chartered Accountants (Eswatini)**
Per VM Nkabindze
Chartered Accountant (Eswatini)
Registered Auditor
16 August 2024

GREYSTONE PARTNERS

# Greystone Partners Limited

(Registration number 74/2009)

## Consolidated and separate statements of financial position as at 31 December 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | Note(s) | 2023 | 2022 | 2023 | 2022 |
| **Assets** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, plant and equipment | 3 | 157 032 602 | 219 824 550 | - | - |
| Right-of-use assets | 4 | 164 277 001 | 217 140 477 | - | - |
| Goodwill | 5 | 448 526 010 | 506 213 991 | - | - |
| Intangible assets | 6 | - | 870 521 | - | - |
| Investments at fair value | 7 | 158 077 157 | 145 820 113 | 436 449 935 | 538 939 929 |
| Investment in associates | 8 | - | 45 558 213 | - | - |
| Deferred tax | 11 | 41 549 890 | 27 683 730 | - | - |
| | | **969 462 660** | **1 163 111 595** | **436 449 935** | **538 939 929** |
| **Current Assets** | | | | | |
| Inventories | 12 | 161 389 187 | 180 879 349 | - | - |
| Amounts owing by related parties | 9 | 15 038 436 | 6 703 020 | 10 596 863 | - |
| Trade and other receivables | 10 | 15 773 254 | 23 576 153 | 9 695 | 20 588 |
| Tax receivable | 30 | 156 883 | 294 975 | 17 241 | 148 610 |
| Cash and cash equivalents | 13 | 67 150 114 | 84 936 774 | 6 648 842 | 18 556 278 |
| | | **259 507 874** | **296 390 271** | **17 272 641** | **18 725 476** |
| Assets classified as held for sale | 18 | 511 418 575 | - | 94 002 247 | - |
| **Total Assets** | | **1 740 389 109** | **1 459 501 866** | **547 724 823** | **557 665 405** |
| **Equity and Liabilities** | | | | | |
| **Equity** | | | | | |
| Share capital | 14 | 445 346 144 | 445 346 144 | 445 346 144 | 445 346 144 |
| Retained income | | 132 302 707 | 124 986 804 | 34 361 078 | 46 416 632 |
| | | 577 648 851 | 570 332 948 | 479 707 222 | 491 762 776 |
| Non-controlling interests | 7 | 105 636 351 | 115 144 702 | - | - |
| | | **683 285 202** | **685 477 650** | **479 707 222** | **491 762 776** |
| **Liabilities** | | | | | |
| **Non-Current Liabilities** | | | | | |
| Amounts owing to related parties | 15 | 27 651 127 | 35 252 517 | 27 651 127 | 27 188 866 |
| Other financial liabilities | 16 | 121 471 302 | 121 587 516 | 26 283 733 | 36 151 278 |
| Lease liabilities | 4 | 152 573 972 | 196 805 518 | - | - |
| | | **301 696 401** | **353 645 551** | **53 934 860** | **63 340 144** |

## Greystone Partners Limited

(Registration number 74/2009)

# Consolidated and separate statements of financial position as at 31 December 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | Note(s) | 2023 | 2022 | 2023 | 2022 |
| **Current Liabilities** | | | | | |
| Trade and other payables | 17 | 234 003 189 | 270 127 791 | 2 020 448 | 2 504 767 |
| Amounts owing to related parties | 15 | 85 043 538 | 60 078 926 | 931 195 | 57 718 |
| Other financial liabilities | 16 | 11 130 730 | 43 123 677 | 11 130 730 | - |
| Lease liabilities | 4 | 40 085 391 | 44 586 438 | - | - |
| Current tax payable | 30 | 1 371 771 | 2 447 638 | - | - |
| Bank overdraft | 13 | 19 218 457 | 14 195 | 368 | - |
| | | **390 853 076** | **420 378 665** | **14 082 741** | **2 562 485** |
| Liabilities directly associated with assets classified as held for sale | 18 | 364 554 430 | - | - | - |
| **Total Liabilities** | | **1 057 103 907** | **774 024 216** | **68 017 601** | **65 902 629** |
| **Total Equity and Liabilities** | | **1 740 389 109** | **1 459 501 866** | **547 724 823** | **557 665 405** |

The consolidated and separate financial statements and the notes on pages 12 to 95, were approved by the board of directors on the 18 July 2024 and were signed on its behalf by:

**Director**

**Director**

The accounting policies on pages 19 to 38 and the notes on pages 39 to 95 form an integral part of the consolidated and separate financial statements.

GREYSTONE PARTNERS

## Greystone Partners Limited
(Registration number 74/2009)

# Consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | Note(s) | 2023 | 2022 | 2023 | 2022 |
| **Continuing operations** | | | | | |
| Revenue | 19 | 1 769 319 730 | 1 701 217 447 | 18 237 938 | 16 656 951 |
| Cost of sales | 20 | (1 478 970 245) | (1 410 105 482) | - | - |
| **Gross profit** | | **290 349 485** | **291 111 965** | **18 237 938** | **16 656 951** |
| Other operating income | 21 | 40 576 672 | 29 016 213 | - | - |
| Other operating gains (losses) | 22 | 25 493 846 | 124 409 | (8 500 103) | (121 976 188) |
| Operating expenses | | (350 073 942) | (326 056 109) | (9 175 996) | (11 578 418) |
| Impairments | | - | (526 025) | - | - |
| **Operating profit (loss)** | 23 | **6 346 061** | **(6 329 547)** | **561 839** | **(116 897 655)** |
| Investment income | 24 | 16 999 267 | 16 268 133 | 781 813 | 955 228 |
| Finance costs | 25 | (52 090 239) | (45 535 925) | (6 448 594) | (5 258 612) |
| **Loss before taxation** | | **(28 744 911)** | **(35 597 339)** | **(5 104 942)** | **(121 201 039)** |
| Taxation | 26 | 12 555 230 | 22 697 359 | (52 965) | - |
| **Loss from continuing operations** | | **(16 189 681)** | **(12 899 980)** | **(5 157 907)** | **(121 201 039)** |
| **Discontinued operations** | | | | | |
| Profit from discontinued operations | 18 | 15 633 250 | 10 434 640 | - | - |
| **Loss for the year** | | **(556 431)** | **(2 465 340)** | **(5 157 907)** | **(121 201 039)** |
| Other comprehensive income | | - | - | - | - |
| **Total comprehensive loss for the year** | | **(556 431)** | **(2 465 340)** | **(5 157 907)** | **(121 201 039)** |
| **Profit (loss) attributable to:** | | | | | |
| **Owners of the parent:** | | | | | |
| From continuing operations | | (4 326 021) | (9 568 688) | (5 157 907) | (121 201 039) |
| From discontinued operations | | 11 368 850 | 7 589 114 | - | - |
| | | **7 042 829** | **(1 979 574)** | **(5 157 907)** | **(121 201 039)** |
| **Non-controlling interest:** | | | | | |
| From continuing operations | | (11 863 660) | (3 331 292) | - | - |
| From discontinued operations | | 4 264 400 | 2 845 526 | - | - |
| | | **(7 599 260)** | **(485 766)** | **-** | **-** |
| **Total comprehensive loss attributable to:** | | | | | |
| Owners of the parent | | 7 042 829 | (1 979 574) | (5 157 907) | (121 201 039) |
| Non-controlling interest | 7 | (7 599 260) | (485 766) | - | - |
| | | **(556 431)** | **(2 465 340)** | **(5 157 907)** | **(121 201 039)** |

## Greystone Partners Limited

(Registration number 74/2009)

# Consolidated and separate statements of profit or loss and other comprehensive income

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | Note(s) | 2023 | 2022 | 2023 | 2022 |
| **Earnings per share** | | | | | |
| **Per share information** | | | | | |
| Basic and diluted loss per share (cents) | 28 | - | (1.00) | (2.00) | (53.00) |
| **From continuing and discontinued operations** | | | | | |
| Basic and diluted loss per share (cents) | 28 | - | (1.00) | (2.00) | (53.00) |
| **From continuing operations** | | | | | |
| Basic and diluted loss per share (cents) | 28 | (7.00) | (6.00) | (2.00) | (53.00) |
| **From discontinued operations** | | | | | |
| Basic earnings per share (c) | 28 | 7.00 | 5.00 | - | - |

The accounting policies on pages 19 to 38 and the notes on pages 39 to 95 form an integral part of the consolidated and separate financial statements.

# Greystone Partners Limited
(Registration number 74/2009)

## Consolidated and separate statements of changes in equity for the year ended 31 December 2023

| Figures in Emalangeni | Share capital | Share premium | Total share capital | Retained income | Total attributable to equity holders of the group/ company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | |
| **Balance at 01 January 2022** | **2 299 216** | **443 046 928** | **445 346 144** | **133 864 025** | **579 210 169** | **118 352 028** | **697 562 197** |
| Loss for the year | - | - | - | (1 979 574) | (1 979 574) | (485 766) | (2 465 340) |
| Other comprehensive income | - | - | - | - | - | - | - |
| **Total comprehensive Loss for the year** | **-** | **-** | **-** | **(1 979 574)** | **(1 979 574)** | **(485 766)** | **(2 465 340)** |
| Dividends paid | - | - | - | (6 897 647) | (6 897 647) | (2 721 560) | (9 619 207) |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **-** | **-** | **-** | **(6 897 647)** | **(6 897 647)** | **(2 721 560)** | **(9 619 207)** |
| Opening balance as previously reported | 2 299 216 | 443 046 928 | 445 346 144 | 124 986 804 | 570 332 948 | 115 144 702 | 685 477 650 |
| Adjustments | | | | | | | |
| Other movement (note 7) | - | - | - | 7 170 721 | 7 170 721 | - | 7 170 721 |
| **Balance at 01 January 2023** | **2 299 216** | **443 046 928** | **445 346 144** | **132 157 525** | **577 503 669** | **115 144 702** | **692 648 371** |
| Profit for the year | - | - | - | 7 042 829 | 7 042 829 | (7 599 260) | (556 431) |
| Other comprehensive income | - | - | - | - | - | - | - |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **7 042 829** | **7 042 829** | **(7 599 260)** | **(556 431)** |
| Dividends paid | - | - | - | (6 897 647) | (6 897 647) | (1 909 091) | (8 806 738) |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **-** | **-** | **-** | **(6 897 647)** | **(6 897 647)** | **(1 909 091)** | **(8 806 738)** |
| **Balance at 31 December 2023** | **2 299 216** | **443 046 928** | **445 346 144** | **132 302 707** | **577 648 851** | **105 636 351** | **683 285 202** |
| Note(s) | 14 | 14 | 14 | | | | |

The accounting policies on pages 19 to 38 and the notes on pages 39 to 95 form an integral part of the consolidated and separate financial statements.

## Greystone Partners Limited
(Registration number 74/2009)

# Consolidated and separate statements of changes in equity

| Figures in Emalangeni | Share capital | Share premium | Total share capital | Retained income | Total attributable to equity holders of the group/ company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | |
| **Balance at 01 January 2022** | **2 299 216** | **443 046 928** | **445 346 144** | **174 515 318** | **619 861 462** | **-** | **619 861 462** |
| Loss for the year | - | - | - | (121 201 039) | (121 201 039) | - | (121 201 039) |
| Other comprehensive income | - | - | - | - | - | - | - |
| **Total comprehensive loss for the year** | **-** | **-** | **-** | **(121 201 039)** | **(121 201 039)** | **-** | **(121 201 039)** |
| Dividends paid | - | - | - | (6 897 647) | (6 897 647) | - | (6 897 647) |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **-** | **-** | **-** | **(6 897 647)** | **(6 897 647)** | **-** | **(6 897 647)** |
| **Balance at 01 January 2023** | **2 299 216** | **443 046 928** | **445 346 144** | **46 416 632** | **491 762 776** | **-** | **491 762 776** |
| Loss for the year | - | - | - | (5 157 907) | (5 157 907) | - | (5 157 907) |
| Other comprehensive income | - | - | - | - | - | - | - |
| **Total comprehensive Loss for the year** | **-** | **-** | **-** | **(5 157 907)** | **(5 157 907)** | **-** | **(5 157 907)** |
| Dividends paid | - | - | - | (6 897 647) | (6 897 647) | - | (6 897 647) |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **-** | **-** | **-** | **(6 897 647)** | **(6 897 647)** | **-** | **(6 897 647)** |
| **Balance at 31 December 2023** | **2 299 216** | **443 046 928** | **445 346 144** | **34 361 078** | **479 707 222** | **-** | **479 707 222** |
| Note(s) | 14 | 14 | 14 | | | | |

The accounting policies on pages 19 to 38 and the notes on pages 39 to 95 form an integral part of the consolidated and separate financial statements.

## Greystone Partners Limited

(Registration number 74/2009)

## Consolidated and separate statements of cash flows for the year ended 31 December 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | Note(s) | 2023 | 2022 | 2023 | 2022 |
| **Cash flows from operating activities** | | | | | |
| Cash generated from operations | 29 | 68 502 997 | 88 917 324 | (9 649 422) | (11 463 016) |
| Interest received | 24 | 2 741 474 | 1 766 853 | 763 346 | 955 228 |
| Dividends received | 24 | 13 198 018 | 13 976 098 | 18 237 938 | 16 656 951 |
| Finance costs | 25 | (25 058 547) | (16 883 913) | (3 862 027) | (2 513 182) |
| Tax (paid) received | 30 | (2 475 245) | (7 387 312) | 78 404 | - |
| **Net cash from operating activities** | | **56 908 697** | **80 389 050** | **5 568 239** | **3 635 981** |
| **Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment | 3 | (11 241 287) | (65 867 288) | - | - |
| Purchases of investments | 8 | (7 438 959) | (15 239 956) | - | - |
| Cash advanced to group companies | 9 | (30 245 557) | (20 873 395) | (10 578 396) | - |
| **Net cash from investing activities** | 29 | **(48 925 803)** | **(101 980 639)** | **(10 578 396)** | **-** |
| **Cash flows from financing activities** | | | | | |
| Cash advances received on loans from group companies | 9 | 30 765 800 | 50 169 930 | - | - |
| Repayments of other financial liabilities | 16 | (6 076 338) | - | - | - |
| Proceeds from other financial liabilities | 16 | 8 873 902 | 35 609 465 | - | - |
| Cash repayments on lease liabilities | 4 | (69 730 442) | (60 972 339) | - | - |
| Dividends paid | | (8 806 738) | (9 619 207) | (6 897 647) | (6 897 647) |
| **Net cash from financing activities** | 29 | **(44 973 816)** | **15 187 849** | **(6 897 647)** | **(6 897 647)** |
| **Total cash movement for the year** | | **(36 990 922)** | **(6 403 740)** | **(11 907 804)** | **(3 261 666)** |
| Cash and cash equivalents at the beginning of the year | | 84 922 579 | 91 326 319 | 18 556 278 | 21 817 944 |
| **Cash and cash equivalents at the end of the year** | 13 | **47 931 657** | **84 922 579** | **6 648 474** | **18 556 278** |

The accounting policies on pages 19 to 38 and the notes on pages 39 to 95 form an integral part of the consolidated and separate financial statements.

# Accounting Policies

**Corporate information**

Greystone Partners Limited is a public limited company incorporated on 27 January 2009 and domiciled in the Kingdom of Eswatini. The principal object of the Company is to carry on business as an investment holding company. The main purpose of Greystone Partners Limited is to create a formal investment vehicle that is listed on the Eswatini Stock Exchange and that invests primarily in emergent, unlisted businesses with sustainable growth potential. Investors can share in Greystone Partners' ability to source, research, and secure investments.

The company is a venture capital organisation that invests in unlisted entities. African Alliance Eswatini Limited, the investment manager of the company, has a strong value-add focus as it believes that a big part of private equity value creation comes from driving business improvements in portfolio companies. Value addition starts as early as the deal sourcing phase when engaging with management to ensure that management teams are open to partnering with the manager and actively driving and generating value.

The company continuously monitors the underlying investments for the appropriate time for an exit. For each investment, a trade sale or listing is the preferred exit route.

## 1. Material accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

### 1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated and separate financial statements and the Companies Act.

The consolidated and separate financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Emalangenis, which is the group and company's functional currency. Amounts shown are rounded to the nearest Emalangeni.

These accounting policies are consistent with the previous period.

### 1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Exco that makes strategic decisions.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments reflect the management structure of the group and are identified both geographically and by the key markets that they serve.

Only one operating segment was identified, that is, the Venture Capital organisation as a whole (see Note 8).

### 1.3 Consolidation

**Basis of consolidation**

The consolidated and separate financial statements incorporate the consolidated and separate financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the consolidated statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**Business combinations**

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

### 1.3 Consolidation (continued)

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

### 1.4 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate financial statements in conformity with IFRS® Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**Significant judgement on consolidation**

The Group has consolidated Lojaf (Proprietary) Limited in which it holds only a 44.26% ownership interest. This consolidation is based on the assessment that the Group exercises management control over Lojaf. The judgement to consolidate this subsidiary, despite not having a majority ownership, was made because the Group has the ability to direct the relevant activities of the subsidiary and its financial and operating policies. This decision has had a substantial effect on the amounts recognized in the financial statements, as it has resulted in the inclusion of the subsidiary's assets, liabilities, income, and expenses in the Group's consolidated financial statements.

**Significant judgements in determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

**Key sources of estimation uncertainty**

**Allowance for slow moving, damaged and obsolete inventory**

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

### 1.4 Significant judgements and sources of estimation uncertainty (continued)

**Fair value estimation**

The basis of valuation of all investments is fair value. All investments are valued in accordance with IFRS® Accounting Standards and the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines.

Management's valuations, as prepared in December, are audited annually by its auditor. Management determines the individual fair value of each Portfolio Company. The policy of management to determine the fair value of the underlying investment companies, which is in accordance with the IPEV Valuation Guidelines, is noted below.

At each reporting date after the initial acquisition date, an assessment is made of the fair value o f the investment to determine any required changes in the fair value of the investment. An earnings multiple methodology are generally applied and a discounted cash flow ("DCF") method.

In terms of the earnings multiple method, an appropriate and reasonable valuation multiple is applied to the maintainable earnings of the investment. For each investment an EBITDA or an earnings before interest after tax ("EBIAT") multiple is generally considered appropriate to determine the enterprise value for the investment. In deriving a reasonable valuation multiple, management develops a benchmark multiple, generally with reference to the multiples of comparable publicly traded companies adjusted for finance costs (i.e. multiples have been degeared). The benchmark multiple is further adjusted for points of difference relating to risk profile (geographic, operational, financial, liquidity factors and growth prospects), where applicable.

Maintainable earnings are typically based on historical earnings figures that are considered to be appropriate and relevant. Once an enterprise value has been determined, it is adjusted for surplus assets, excess liabilities, and financial instruments ranking ahead of the investments. The resultant attributable enterprise value is then apportioned to the Company, based on its participation in each underlying security of the investment companies.

Assessing the level of maintainable EBITDA and net debt of each Portfolio Company, especially during these unprecedented times, requires a high degree of judgement by management; therefore, the valuations of the unlisted portfolio are subject to a degree of uncertainty and the underlying assumptions may prove in time not to be entirely accurate.

The discounted cash flow method is used to derive the enterprise value of the investment using reasonable assumptions on the estimations of expected future post-taxation cash flows and the terminal value (free cash flows to the company), and discounting to the present value by applying the appropriate risk-adjusted rate that captures the risk inherent to the projection's weighted average cost of capital ("WACC"). To arrive at an appropriate equity value, an adjustment for net indebtedness will be made. Where appropriate, an adjustment to the valuation would be made for surplus non-operating assets and liabilities in the investment.

The length of period for which it would remain appropriate to use this valuation technique will depend on the specific circumstances of the investment and is subject to the judgement of management.

Although best judgement is used in determining the fair value of these investments, there are inherent limitations in any valuation technique involving the type of securities in which the Company invests. Therefore, the fair values presented herein may not be indicative of the amount the Company could realise in a current transaction.

Trade receivables and payables are shown at carrying value less impairment provision as the effect of discounting is immaterial. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### 1.4 Significant judgements and sources of estimation uncertainty (continued)

**Impairment of non-financial assets**

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation. The recoverable amount, when measuring the value in use, is highly sensitive to changes in the discount rate used. The discount rate applied can significantly impact the outcome of impairment tests and the determination of recoverable amounts for assets.

**Useful lives of property, plant and equipment**

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

**Trade and other receivables**

The Group assesses its trade and other receivables for impairment at each reporting date. Estimations and assumptions are made to determine the amount of the Expected credit loss recognised. Judgements are used to determine whether there has been an increase in credit risk and whether a financial asset is credit impaired.

**Taxation**

Judgement is required in determining the provision for income taxes due to the complexity of legislation. The Group recognises liabilities based on estimates of whether additional taxes will be due. 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 liability in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

### 1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

#### 1.5 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
| --- | --- | --- |
| Plant and machinery | Straight line | 10 years |
| Furniture and fixtures | Straight line | 10 years |
| Motor vehicles | Straight line | 5 years |
| Office equipment | Straight line | 10 years |
| IT equipment | Straight line | 3 years |
| Computer software | Straight line | 3 years |
| Leasehold improvements | Straight line | shorter of useful life or lease term |

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

### 1.6 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

| Item | Depreciation method | Average useful life |
|---|---|---|
| Licenses and franchises | Straight line | 10 years |

### 1.7 Investments at fair value

Investments at fair value are carried at fair value with fair value changes recognised in profit or loss.

### 1.8 Investments in associates

An associate is defined as an entity over which the Group exercises significant influence. This influence is characterised by the Group's ability to participate in, but not control or jointly control, the financial and operating policy decisions of the investee. An entity is not considered an associate if it falls under the definitions of a subsidiary or a joint arrangement. Significant influence is typically evidenced by a shareholding representing 20% to 50% of the voting rights of the entity in question. The Group uses its influence to participate in policy decisions without exerting full control or joint control.

Investments in associates are initially recognised at cost, which is the fair value of the consideration paid for the investment. The Group, being a venture capital organisation (“VCO”), has elected to measure its investments in associates at fair value through profit or loss (“FVTPL”). This accounting treatment is consistent with the provisions of IAS 28 - Investments in Associates and Joint Ventures, which allows for such an election by entities that meet the definition of a VCO.

The subsequent measurement of investments in associates at FVTPL involves recognising changes in fair value in the profit or loss for the period in which they occur. The fair value is determined on each reporting date, reflecting the market conditions and the performance of the investee.

The financial statements will disclose the fair values of investments in associates, changes in those fair values, and the rationale for the use of the fair value option. Additionally, the Group will provide information on significant associates, including the nature and extent of any significant influence over these entities.

### 1.9 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows)

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

**Amounts owing by related parties**

**Classification**

Amounts owing by related parties are classified as financial assets subsequently measured at amortised cost.

**Recognition and measurement**

Amounts owing by related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

**Impairment**

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

### 1.9 Financial instruments (continued)

**Write off policy**

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The Group writes off a loan or any other financial asset when there is sufficient evidence indicating that the counterparty is experiencing severe financial difficulty and there is no realistic prospect of recovery. Indicators considered in this determination include liquidation or bankruptcy proceedings, which typically signify the counterparty's inability to meet its financial obligations, severe financial distress evidenced by continuous losses or negative operating cash flows, non-responsiveness to collection attempts, and extended periods of missed payments. Additionally, if all reasonable legal and collection efforts, including failed negotiations and unsatisfied legal judgments, have been exhausted without success, the asset is written off.

Even after a financial asset has been written off, it may still be subject to enforcement activities under the Group's recovery procedures. These activities may involve continuing legal actions, engaging collection agencies, or negotiating settlement agreements with the counterparty or its representatives. Any recoveries made from previously written-off financial assets are recognised in profit or loss when received, reflecting the Group's ongoing efforts to maximise recovery, considering legal advice where appropriate.

The write-off of financial assets is accounted for by reducing the carrying amount of loans and advances directly against the associated allowance for impairment losses. This approach ensures that the financial statements accurately reflect the realisable value of the Group's financial assets. Overall, the Group's write-off policy ensures that only those assets with no realistic prospect of recovery are written off, applying consistent indicators and processes to assess recoverability and maintaining the integrity of the financial statements.

**Measurement and recognition of expected credit losses**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance expense line.

**1.9 Financial instruments (continued)**

**Trade and other receivables**

**Classification**

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

**Recognition and measurement**

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost. The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

**Borrowings and loans from related parties**

**Classification**

Amounts owing to related parties are classified as financial liabilities subsequently measured at amortised cost.

**Recognition and measurement**

Amounts owing to related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value less transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 25).

**Trade and other payables**

**Classification**

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

### 1.9 Financial instruments (continued)

**Recognition and measurement**

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 25).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

**Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost.

**Bank overdrafts and other financial liabilities**

Bank overdrafts and other financial liabilities are initially and subsequently measured at amortised cost, using the effectiv e interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Other financial liabilities are measured initially at fair value and subsequently at amortised cost, using the effective interest method.

**Derecognition**

**Financial assets**

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Financial liabilities**

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 1.10 Tax

**Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Tax expenses**

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:
- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

**Value added tax**

Revenues, expenses and assets are recognised net of the amount of value added tax "VAT", except :

- when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the statement of financial position.

### 1.11 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

**1.11 Leases (continued)**

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

**Group as lessee**

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 23) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 4 Leases (group as lessee).

**Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 25).

**1.11 Leases (continued)**

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Right-of-use assets**

Right-of-use assets are presented as a separate line item on the consolidated and separate statements of financial position.

The cost of the right-of-use asset shall comprise:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

**1.12 Inventories**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group returns policy. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

**1.13 Assets classified as held for sale**

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. An asset is not depreciated or amortised while it is classified as held for sale.

Interest and other expenses attributable to the liabilities of assets classified as held for sale are recognised in profit or loss.

A discontinued operation is a component of the Group's business that is classified as held for sale and represents a separate major line of business or geographic area of operations; or is part of a single co-ordinate plan to dispose of a separate major line of business or geographic area of operations; or is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

**1.14 Impairment of non financial assets**

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

### 1.14 Impairment of non financial assets (continued)

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

### 1.15 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in which they are declared.

### 1.16 Employee benefits

**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group’s obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

### 1.16 Employee benefits (continued)

**Other long-term employee benefit obligations**

The group has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur. The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

Pension obligations

The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### 1.17 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;

### 1.17 Provisions and contingencies (continued)

- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

### 1.18 Revenue

Revenue is recognised using the 5 step model as defined below:

- Identify the contract – this would be a matter of law but collection needs to be probable, has to have commercial substance, rights to goods and services and payment obligations can be identified and that both parties are committed to their obligations.
- Identify the performance obligations – where there are multiple performance obligations, an assessment is required whether these can be separately enjoyed and if so need to recognised as such.
- Determine the transaction price – a risk of revenue reversal as well as a significant finance component need to be factored in.
- Allocate the transaction price – the transaction price needs to be allocated to the performance obligations. This must be done using stand alone selling prices to the extent that they are available. In the absence of these an expected cost plus margin or market assessment approach is to be used.
- Recognise revenue when the entity satisfies a performance obligation. Indicators of this are a present obligation to pay, physical possession, legal title, risk and rewards and acceptance. If these criteria are met over time then allocation can be done using an objective allocation method based on inputs or outputs.

Revenue from the sales of goods comprises retail sales to customers and sale of goods from fast food restaurants. All revenue is stated exclusive of value added tax. Refer to note 19.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, net of any anticipated impairments. Interest income is included as investment income in the Statements of Comprehensive Income. Any discount to par achieved on money market instruments is amortised to cost over the maturity period of the investment and recognised as interest income, whereas any premium paid to par on such investments is amortised against the cost of the investment over its residual hold period and recognised as a charge against interest income.

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Dividend income is included as investment income in the Statements of Comprehensive Income.

Investment gains/losses are recognised if any fair value adjustments relating to investments held at fair value are required and are included as fair value gains/losses in the Statements of Comprehensive Income.

### 1.19 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.20 Finance costs

Finance costs are recognised as an expense in the period in which they are incurred.

### 1.21 Earnings per share

Basic and Diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group and Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares, where applicable.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, of which the Group and Company have none and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### 1.22 Translation of foreign currencies

**Functional and presentation currency**

Items included in the consolidated and separate financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate financial statements are presented in Emalangeni which is the group functional and presentation currency.

**Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in Emalangenis, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, group determines a date of transaction for each payment or receipt of advance consideration.

### 1.22 Translation of foreign currencies (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Emalangenis by applying to the foreign currency amount the exchange rate between the Emalangeni and the foreign currency at the date of the cash flow.

### 1.23 Comparative information

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

## 2. New Standards and Interpretations

### 2.1 Standards and interpretations effective and adopted in the current year

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:

**Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12**

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2023 consolidated and separate financial statements.

The amendment had no significant impact on the financial statements.

**Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.**

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated and separate financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2023 consolidated and separate financial statements.

The Group applied the amended IAS 1, which requires that only material accounting policy information be disclosed; this amendment did not change the measurement or recognition of financial statement items but led management to review and ensure that only material accounting policy information is included in Note 1.

**Definition of accounting estimates: Amendments to IAS 8**

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated and separate financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2023 consolidated and separate financial statements.

The Group applied the amended definition of accounting estimates per IAS 8, defining them as "monetary amounts in consolidated and separate financial statements that are subject to measurement uncertainty," impacting the presentation and disclosure of estimates included in the Notes to the Consolidated And Separate Financial Statements but not altering the measurement or recognition of financial statement items.

**2. New Standards and Interpretations (continued)**

**2.2 Standards and interpretations not yet effective**

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group’s accounting periods beginning on or after 01 January 2024 or later periods:

**Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the consolidated and separate financial statements.

**Lease liability in a sale and leaseback**

The amendment  requires that a seller-lessee in a sale and leaseback transaction, shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group expects to adopt the amendment for the first time in the 2024 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the consolidated and separate financial statements.

### 3. Property, plant and equipment

| Group | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated depreciation** | **Carrying value** | **Cost** | **Accumulated depreciation** | **Carrying value** |
| Plant and machinery | 62 803 166 | (19 800 298) | 43 002 868 | 85 920 838 | (19 927 623) | 65 993 215 |
| Furniture and fixtures | 154 020 519 | (63 054 423) | 90 966 096 | 162 082 314 | (51 065 581) | 111 016 733 |
| Motor vehicles | 6 950 819 | (4 012 659) | 2 938 160 | 7 128 118 | (3 256 804) | 3 871 314 |
| Office equipment | 573 167 | (128 074) | 445 093 | 871 855 | (169 162) | 702 693 |
| IT equipment | 21 313 493 | (17 559 012) | 3 754 481 | 24 838 074 | (16 053 370) | 8 784 704 |
| Leasehold improvements | 25 539 186 | (9 613 282) | 15 925 904 | 37 035 350 | (7 579 459) | 29 455 891 |
| **Total** | **271 200 350** | **(114 167 748)** | **157 032 602** | **317 876 549** | **(98 051 999)** | **219 824 550** |

**Reconciliation of property, plant and equipment - Group - 2023**

| | **Opening balance** | **Additions** | **Classified as held for sale** | **Depreciation** | **Total** |
|---|---|---|---|---|---|
| Plant and machinery | 65 993 215 | 3 693 862 | (20 389 689) | (6 294 520) | 43 002 868 |
| Furniture and fixtures | 111 016 733 | 3 219 803 | (9 298 225) | (13 972 215) | 90 966 096 |
| Motor vehicles | 3 871 314 | 318 222 | (172 887) | (1 078 489) | 2 938 160 |
| Office equipment | 702 693 | 214 755 | (408 648) | (63 707) | 445 093 |
| IT equipment | 8 784 704 | 810 555 | (1 126 619) | (4 714 159) | 3 754 481 |
| Leasehold improvements | 29 455 891 | 2 984 090 | (12 662 995) | (3 851 082) | 15 925 904 |
| | **219 824 550** | **11 241 287** | **(44 059 063)** | **(29 974 172)** | **157 032 602** |

**Reconciliation of property, plant and equipment - Group - 2022**

| | **Opening balance** | **Additions** | **Additions through business combinations*** | **Disposals** | **Discontinued operations** | **Depreciation** | **Total** |
|---|---|---|---|---|---|---|---|
| Plant and machinery | 46 145 622 | 25 761 862 | - | - | (2 284 636) | (3 629 633) | 65 993 215 |
| Furniture and fixtures | 101 740 770 | 146 811 519 | 5 123 015 | (126 100 054) | (792 318) | (15 766 199) | 111 016 733 |
| Motor vehicles | 3 817 320 | 1 021 457 | - | - | (108 074) | (859 389) | 3 871 314 |
| Office equipment | 467 320 | 300 186 | - | - | (36 813) | (28 000) | 702 693 |
| IT equipment | 9 028 525 | 19 921 085 | - | (14 925 147) | (1 285 832) | (3 953 927) | 8 784 704 |
| Leasehold improvements | 26 363 045 | 7 973 072 | - | - | (1 302 679) | (3 577 547) | 29 455 891 |
| | **187 562 602** | **201 789 181** | **5 123 015** | **(141 025 201)** | **(5 810 352)** | **(27 814 695)** | **219 824 550** |

* Refer to note 5

### 4. Leases (group as lessee)

The Group has leases for the retail and restaurant facilities and office buildings.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

**Group - 2023**

| Right-of-use asset | No of right-of-use assets leased | Range of remaining lease term | Average remaining lease term | No of leases with extension options | No of leases with options to purchase | No of leases with variable payments linked to an index | No of leases with termination options |
|---|---|---|---|---|---|---|---|
| Retail and restaurant buildings | 43 | 1 to 13.5 years | 5 years | 43 | - | - | 43 |
| Office buildings | 2 | 9 years | 9 years | 2 | - | - | 2 |

**Group - 2022**

| Right-of-use asset | No of right-of-use assets leased | Range of remaining lease term | Average remaining lease term | No of leases with extension options | No of leases with options to purchase | No of leases with variable payments linked to an index | No of leases with termination options |
|---|---|---|---|---|---|---|---|
| Retail and restaurant buildings | 29 | 1 to 8.6 years | 4 years | 29 | - | - | 29 |

| Group | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated depreciation** | **Carrying value** | **Cost** | **Accumulated depreciation** | **Carrying value** |
| Premises | 288 457 905 | (124 180 904) | 164 277 001 | 312 308 682 | (95 168 205) | 217 140 477 |

| | Note | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|---|
| **The right-of-use assets can be reconciled as follows:** | | | | | |
| Right-of-use assets | | 312 308 682 | 166 441 674 | - | - |
| Accumulated depreciation at 01 January | | (95 168 205) | (43 998 696) | - | - |
| Carrying amount as at 01 January | | 217 140 477 | 122 442 978 | - | - |
| Additions | | 7 763 127 | 145 867 008 | - | - |
| Disposals | | (1 360 144) | - | - | - |
| Depreciation | | (45 034 486) | (51 169 509) | - | - |
| Classified as held for sale | 18 | (14 231 973) | - | - | - |
| **Carrying amount as at 31 December** | | **164 277 001** | **217 140 477** | **-** | **-** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 4. Leases (group as lessee) (continued)

**Other disclosures**

| | | | | |
|---|---|---|---|---|
| Interest expense on lease liabilities | 21 347 386 | 17 733 493 | - | - |
| Leases of low value assets included in operating expenses | 3 988 155 | (3 340 576) | - | - |

**Lease liabilities**

The lease liabilities are secured by the related underlying assets. Future lease payments are as follows:

| **31 December 2023** | **Lease payments** | **Finance charges** | **Net present values** |
|---|---|---|---|
| Within 1 year | 61 959 809 | (18 947 852) | 43 011 957 |
| 1-2 years | 48 505 648 | (15 154 184) | 33 351 464 |
| 2-3 years | 44 698 671 | (11 808 700) | 32 889 971 |
| 3-4 years | 29 855 901 | (9 150 420) | 20 705 481 |
| 4-5 years | 26 638 483 | (7 117 417) | 19 521 066 |
| After 5 years | 57 182 046 | (14 002 622) | 43 179 424 |
| **Total** | **268 840 558** | **(76 181 195)** | **192 659 363** |

| **31 December 2022** | **Lease payments** | **Finance charges** | **Net present values** |
|---|---|---|---|
| Within 1 year | 66 351 748 | (22 093 986) | 44 257 762 |
| 1-2 years | 60 139 014 | (17 968 173) | 42 170 841 |
| 2-3 years | 46 622 405 | (14 265 525) | 32 356 880 |
| 3-4 years | 42 749 234 | (11 027 307) | 31 721 927 |
| 4-5 years | 27 836 297 | (8 494 643) | 19 341 654 |
| After 5 years | 90 873 843 | (19 330 951) | 71 542 892 |
| **Total** | **334 572 541** | **(93 180 585)** | **241 391 956** |

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales, where applicable) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For all the Group's leases the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts, where applicable.

### 4. Leases (group as lessee) (continued)

**Lease payments not recognised as a liability**

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Lease liabilities are presented in the consolidated statement of financial position as follows:

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|
| Non-current liabilities | 152 573 972 | 196 805 518 | - | - |
| Current liabilities | 40 085 391 | 44 586 438 | - | - |
| | **192 659 363** | **241 391 956** | **-** | **-** |

Total cash outflow for leases for the year ended 31 December 2023 was E69 730 442 (2022: E60 972 339).

### 5. Goodwill

| Group | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated impairment** | **Carrying value** | **Cost** | **Accumulated impairment** | **Carrying value** |
| Goodwill | 448 526 010 | - | 448 526 010 | 506 213 991 | - | 506 213 991 |

**Reconciliation of goodwill - Group - 2023**

| | **Opening balance** | **Classified as held for sale*** | **Total** |
|---|---|---|---|
| Swagri Holdings (Pty) Limited | 1 967 000 | - | 1 967 000 |
| Inba Holdings Limited | 2 401 167 | - | 2 401 167 |
| Alliance Foods (Pty) Limited | 82 169 570 | (57 687 981) | 24 481 589 |
| General Africa Foods Eswatini (Pty) Limited | 143 014 027 | - | 143 014 027 |
| Lojaf (Proprietary) Limited | 166 331 564 | - | 166 331 564 |
| PaknSave (Pty) Limited | 110 330 663 | - | 110 330 663 |
| | **506 213 991** | **(57 687 981)** | **448 526 010** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 5. Goodwill (continued)

**Reconciliation of goodwill - Group - 2022**

| | **Opening balance** | **Additions through business combinations (see details below)** | **Other changes** | **Total** |
|---|---|---|---|---|
| Swagri Holdings (Pty) Limited | 1 967 000 | - | - | 1 967 000 |
| Inba Holdings Limited | 2 401 167 | - | - | 2 401 167 |
| Alliance Foods (Pty) Limited | 82 169 570 | - | - | 82 169 570 |
| General Africa Foods Eswatini (Pty) Limited | 143 014 027 | - | - | 143 014 027 |
| Lojaf (Proprietary) Limited | 166 331 564 | - | - | 166 331 564 |
| PaknSave (Pty) Limited | 94 453 677 | 15 876 986 | - | 110 330 663 |
| Afri Pack General SA (Pty) Limited | 637 029 | - | (637 029) | - |
| | **490 974 034** | **15 876 986** | **(637 029)** | **506 213 991** |

* Refer to note 18 for details on assets classified as held for sale.

Goodwill has been recognised in the following cash-generating units (“CGUs”) which represent the Group’s retail segments. These CGUs are active within two distinct geographic regions: Eswatini and South Africa.

1. Alliance Foods (Pty) Limited: The recognised goodwill corresponds to the value of the KFC franchise in Eswatini, leveraging the global recognition of the fast-food brand.

2. General Africa Foods Eswatini (Pty) Limited: The recognised goodwill relates to the value of the ESDI (previously OBC) Chicken and Meat franchise and the West Pack Lifestyle master franchise rights in Eswatini and South Africa.

3. Lojaf (Proprietary) Limited group (“Lojaf Group”: The goodwill is associated with the value of the Pick n Pay franchise, a well-known name in the Southern African retail market. Lojaf (Proprietary) Limited owns and holds all the Pick n Pay franchises in Eswatini. PaknSave (Pty) Limited which is part of the Lojaf Group, owns and holds Pick n Pay stores in South Africa.

The carrying value of goodwill is subject to an annual impairment review. The recoverable amount of goodwill is estimated to conclude if any impairment loss exists. The recoverable amount is calculated based on the value in use of the CGUs and is derived from the present value of expected future cash flows, which are discounted using a pre-tax rate that mirrors current market assessments of the risks inherent in the business and the time value of money. The determination of the impairment test for the current year has concluded that no impairments are necessary.

Goodwill is allocated to the Group’s retail segments and tested for impairment on an annual basis, to realise the synergies from the respective business combinations. The recoverable amount of a CGU is the higher of its fair value less costs of disposal (“FVLCD”) and value in use.

The FVLCD is assessed using a market capitalisation approach, informed by turnover and earnings multiples based on observable market data, which is categorised as a level 2 fair value based on the inputs in the valuation techniques (refer to Note 7 for the Fair value hierarchy).

The value in use for each CGU is based on detailed forecasts approved by management. These are followed by an extrapolation of expected cash flows using a growth rate. The present value of the cash flows is discounted using a rate that reflects current market assessments.

**5. Goodwill (continued)**

The recoverable amount of the retail operating segment is E531 million as of 31 December 2023 (2022: E539 million), with an average growth rate of 4.50% (2022: 4.65%) and an average discount rate of 11.47% (2022: 9.97%). The applied growth rates are consistent with the long-term average for the retail sector and account for the Group's exposure to climate change. The discount rates are adjusted for market and specific risks associated with the retail segments. Cash flow projections are based on business plans and reflect management's actions to improve turnover and gross profit margins, with forecasts averaged over a five-year period.

The fair value less cost to sell for the retail segment is based on EBITDA multiples of comparable listed companies. Management assumes stable profit margins, reflective of past performance and industry forecasts. Cash flow projections are based on stable profit margins with no efficiency gains considered, and price and wage forecasts are in line with industry inflation expectations.

The Group is required to conduct a sensitivity analysis if a reasonably possible change in key assumptions, included below, could result in an impairment of goodwill. The Group did not identify any reasonably possible change in assumptions that would lead to an impairment of the Goodwill since the recoverable amount of the retail segment exceeds its carrying amount by E 24 million, indicating that goodwill is not impaired.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

| | **2023** | **2022** |
|---|---|---|
| Revenue (% annual average growth rate) | 18.24 % | 19.88 % |
| Budgeted gross margin (%) | 25.34 % | 25.62 % |
| Other operating costs | 86 095 200 | 82 008 200 |
| Annual capital expenditure | 7 100 000 | 7 920 000 |
| Long-term growth rate (%) | 4.70 % | 4.79 % |
| Pre-tax discount rate (%) | 11.00 % | 11.20 % |

Management has determined the values assigned to each of the above key assumptions as follows:

Revenue

Average annual growth rate over the forecast period; based on past performance, management's expectations of market development and inflation forecasts.

Budgeted gross margin

Based on past performance and management's expectations for the future.

Other operating costs

Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures. The amounts disclosed above are the average operating costs for the forecast period.

Annual capital expenditure

Expected cash costs in the CGUs. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value in use model as a result of this expenditure.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**5. Goodwill (continued)**

Long-term growth rate

This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports and experience of the business' performance historically.

Pre-tax discount rate

Reflect specific risks relating to the relevant segments and the countries in which the Group operate. The discount rates include marketability, liquidity and minority discount factors.

**Group: Business combination**

On 1 February 2022 PaknSave (Pty) Limited acquired a business from an unrelated party as part of a sale of business agreement. The business was acquired as a going concern and included the business' assets and contracts.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

| | | |
|---|---|---|
| Cash purchase consideration | | 21 000 000 |

Assets recognised as part of the purchase consideration

| | | |
|---|---|---|
| Furniture and fixtures | 3 | 5 123 015 |
| Goodwill (see details in reconciliation above) | | 15 876 985 |
| **Net assets acquired** | | **21 000 000** |

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

**6. Intangible assets**

| Group | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated amortisation** | **Carrying value** | **Cost** | **Accumulated amortisation** | **Carrying value** |
| Licenses and franchises | - | - | - | 1 143 511 | (272 990) | 870 521 |

**Reconciliation of intangible assets - Group - 2023**

| | **Opening balance** | **Disposals** | **Classified as held for sale*** | **Amortisation** | **Total** |
|---|---|---|---|---|---|
| Licenses and franchises | 870 521 | (107 851) | (666 015) | (96 655) | - |

**Reconciliation of intangible assets - Group - 2022**

| | **Opening balance** | **Disposals** | **Discontinued operations** | **Amortisation** | **Total** |
|---|---|---|---|---|---|
| Licenses and franchises | 1 852 805 | (103 037) | (117 532) | (761 715) | 870 521 |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**6. Intangible assets (continued)**

* Refer to note 18 for details on assets classified as held for sale.

Intangible assets relate to licenses and franchises for YUM! ("KFC") which is a famous fast food brand across the world.

**7. Investments at fair value**

**Group**

| Name of company | Type pf shares | % holding 2023 | % holding 2022 | Carrying amount 2023 | Carrying amount 2022 |
|---|---|---|---|---|---|
| Orchard Insurance Limited | Ordinary | 10.00 % | 10.00 % | 2 310 718 | 2 150 147 |
| Promco (Pty) Limited | Ordinary | 9.40 % | 9.40 % | 2 381 829 | 2 612 381 |
| SBC Limited | Ordinary | 6.07 % | 6.07 % | 52 138 559 | 52 138 559 |
| Eswatini Royal Insurance Corporation | Ordinary | 7.58 % | 7.58 % | 101 246 051 | 88 919 026 |
| | | | | 158 077 157 | 145 820 113 |

**Company**

| Name of company | Type of shares | % holding 2023 | % holding 2022 | Carrying amount 2023 | Carrying amount 2022 |
|---|---|---|---|---|---|
| Orchard Insurance Limited | Ordinary | 10.00 % | 10.00 % | 2 310 718 | 2 150 147 |
| Promco (Pty) Limited | Ordinary | 9.40 % | 9.40 % | 2 381 829 | 2 612 381 |
| SBC Limited* | Ordinary | 6.07 % | 6.07 % | 52 138 559 | 52 138 559 |
| Swagri Holdings (Pty) Limited | Ordinary | 100.00 % | 100.00 % | 64 578 517 | 45 505 357 |
| Alliance Foods (Pty) Limited (note 18) | Ordinary | 72.73 % | 72.73 % | - | 73 813 332 |
| Inba Holdings Limited | Ordinary | 100.00 % | 100.00 % | 101 029 419 | 94 609 172 |
| General Africa Foods Eswatini (Pty) Limited | Ordinary | 70.15 % | 70.15 % | 53 171 607 | 106 359 116 |
| Lojaf (Proprietary) Limited | Ordinary | 44.26 % | 44.65 % | 160 839 286 | 161 751 865 |
| SwaziSpa Holdings Ltd | Ordinary | 0.05 % | 0.05 % | - | - |
| | | | | 436 449 935 | 538 939 929 |

The Group has consolidated Lojaf (Proprietary) Limited in which it holds only a 44.26% ownership interest. This consolidation is based on the assessment that the Group exercises management control over Lojaf. The judgement to consolidate this subsidiary, despite not having a majority ownership, was made because the Group has the ability to direct the relevant activities of the subsidiary and its financial and operating policies. This decision has had a substantial effect on the amounts recognized in the financial statements, as it has resulted in the inclusion of the subsidiary's assets, liabilities, income, and expenses in the Group's consolidated financial statements.

*** Investments pledged as security**

The company has pledged 5 858 265 ordinary shares of its investment holding in SBC Limited ("SBC") as collateral to secure its obligations under a promissory note agreement (see Note 15).

These shares represent a certain percentage of the company's ownership in SBC and carry with them the rights to dividends and voting rights. The fair value of these pledged shares has been determined based on the prevailing market price as of the balance sheet date and is disclosed above.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 7. Investments at fair value (continued)

Per the terms of the lending arrangement, the pledged shares may be called upon by the creditor in the event of default on the loan obligations. If the company fails to meet its debt obligations as per the agreed terms, the creditor has the right to take possession of the pledged shares and may proceed to sell them to recover the outstanding loan amounts.

The pledge of the shares does not transfer ownership rights to the lender, and as such, the pledged shares continue to be reflected as an investment at fair value. The company retains the benefits and risks of ownership of the pledged shares, except for the limitation on their transferability due to the pledge.

The company has no intention of defaulting on its obligations and has taken measures to ensure compliance with all the necessary covenants. As of the balance sheet date, there have been no breaches of the loan covenants that would result in the forfeiture of the pledged shares. The company will continue to monitor its financial position closely and take appropriate actions to manage its obligations to prevent the enforcement of the pledge.

**Fair value hierarchy of financial assets at fair value through profit or loss**

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

**Recurring fair value measurements:**

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|
| **Level 1** | | | | |
| SBC Limited | 52 138 559 | 52 138 559 | 52 138 559 | 52 138 559 |
| **Level 3** | | | | |
| Orchard Insurance Limited | 2 310 718 | 2 150 147 | 2 310 718 | 2 150 147 |
| Promco (Pty) Limited | 2 381 829 | 2 612 381 | 2 381 829 | 2 612 381 |
| Eswatini Royal Insurance Corporation | 101 246 051 | 88 919 026 | - | - |
| Swagri Holdings (Pty) Limited | - | - | 64 578 517 | 45 505 357 |
| Lojaf (Proprietary) Limited | - | - | 160 839 286 | 161 751 865 |
| Alliance Foods (Pty) Limited (note 18) | - | - | - | 73 813 332 |
| Inba Holdings Limited | - | - | 101 029 419 | 94 609 172 |
| General Africa Foods Eswatini (Pty) Limited | - | - | 53 171 607 | 106 359 116 |
| | **105 938 598** | **93 681 554** | **384 311 376** | **486 801 370** |
| **Total** | **158 077 157** | **145 820 113** | **436 449 935** | **538 939 929** |

The investment in Eswatini Royal Insurance Corporation is classified between:

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|
| Long term insurance | 24 638 296 | 17 240 950 | - | - |
| Short term insurance | 76 607 755 | 71 678 076 | - | - |
| | **101 246 051** | **88 919 026** | **-** | **-** |

### 7. Investments at fair value (continued)

**Group**

**Subsidiaries with material non-controlling interests**

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

| **Subsidiary** | **Country of incorporation** | **% Ownership interest held by non-controlling interest 2023** | **2022** |
|---|---|---|---|
| General Africa Foods Eswatini (Pty) Limited | Kingdom of Eswatini | 29.85 % | 29.85 % |
| Lojaf (Proprietary) Limited | Kingdom of Eswatini | 55.35 % | 55.74 % |

**Summarised consolidated and separate statements of financial position**

| | **General Africa Foods Eswatini (Pty) Limited** | | **Lojaf (Proprietary) Limited** | | **Total** | |
|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| **Assets** | | | | | | |
| Non-current assets | 182 831 598 | 95 589 875 | 381 078 614 | 414 371 882 | 563 910 212 | 509 961 757 |
| Current assets | 14 429 880 | 71 964 933 | 151 842 634 | 153 054 026 | 166 272 514 | 225 018 959 |
| **Total assets** | 197 261 478 | 167 554 808 | 532 921 248 | 567 425 908 | 730 182 72 | 734 980 716 |
| **Liabilities** | | | | | | |
| Non-current liabilities | 29 146 625 | 1 362 670 | 72 478 969 | 94 104 424 | 101 625 594 | 95 467 094 |
| Current liabilities | 62 554 742 | 51 695 380 | 270 417 843 | 286 843 320 | 332 972 585 | 338 538 700 |
| **Total liabilities** | 91 701 367 | 53 058 050 | 342 896 812 | 380 947 744 | 434 598 179 | 434 005 794 |
| **Total net assets (liabilities)** | 105 560 111 | 114 496 758 | 190 024 436 | 186 478 164 | 295 584 547 | 300 974 922 |
| **Carrying amount of non-controlling interest** | 2 635 503 | 14 593 831 | 82 912 062 | 82 817 395 | 85 547 565 | 97 411 226 |
| **Non-controlling interest in all other subsidiaries** | | | | | 20 088 786 | 17 733 476 |
| **Non-controlling interest per consolidated and separate statements of financial position** | | | | | 105 636 351 | 115 144 702 |

### 7. Investments at fair value (continued)

**Summarised statement of profit or loss and other comprehensive income**

| | General Africa Foods Eswatini (Pty) Limited | | Lojaf (Proprietary) Limited | | Total | |
|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| **Revenue** | 50 817 324 | 56 236 300 | 1 236 706 995 | 1 141 506 859 | 1 287 524 319 | 1 197 743 159 |
| Other income and expenses | (58 887 596) | (46 427 403) | (1 234 146 109) | (1 141 175 760) | (1 293 033 705) | (1 187 603 163) |
| **Profit before tax** | (8 070 272) | 9 808 897 | 2 560 886 | 331 099 | (5 509 386) | 10 139 996 |
| Tax expense | (866 375) | (2 079 659) | (516 585) | (338 308) | (1 382 960) | (2 417 967) |
| **Profit (loss)** | (8 936 647) | 7 729 238 | 2 044 301 | (7 209) | (6 892 346) | 7 722 029 |
| **Total comprehensive income** | (8 936 647) | 7 729 238 | 2 044 301 | (7 209) | (6 892 346) | 7 722 029 |
| **Profit (loss) allocated to non-controlling interest** | (2 667 589) | 2 307 178 | 1 111 077 | (3 916) | (1 556 512) | 2 303 262 |
| **Profit (loss) allocated to non-controlling interest of other subsidiaries from continuing operations** | | | | | (10 307 148) | (5 634 554) |
| **Profit (loss) allocated to non-controlling interest of other subsidiaries from discontinued operations** | | | | | 4 264 400 | 2 845 526 |
| **Total profit (loss) allocated to non-controlling interest** | | | | | (7 599 260) | (485 766) |

**Summarised consolidated and separate statements of cash flows**

| | General Africa Foods Eswatini (Pty) Limited | | Lojaf (Proprietary) Limited | | Total | |
|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| Cash flows from operating activities | (4 605 446) | 3 949 877 | 15 384 581 | 66 874 094 | 10 779 135 | 70 823 971 |
| Cash flows from investing activities | (33 213 214) | (281 067) | (10 876 938) | (31 308 392) | (44 090 152) | (31 589 459) |
| Cash flows from financing activities | 36 867 679 | (1 488 494) | (12 457 052) | (43 336 800) | 24 410 627 | (44 825 294) |
| Net increase(decrease) in cash and cash equivalents | (950 981) | 2 180 316 | (7 949 409) | (7 771 098) | (8 900 390) | (5 590 782) |
| Dividend paid to non-controlling interest | - | - | - | (2 721 560) | - | (2 721 560) |
| Dividend paid to non-controlling interest in other subsidiaries | | | | | (1 909 091) | - |
| **Total dividend paid to non-controlling interest** | | | | | (1 909 091) | (2 721 560) |

### 7. Investments at fair value (continued)

**Group**

**Reconciliation of financial assets at fair value through profit or loss measured at level 3**

| 2023 | Opening balance | Fair value gain (loss) | Other fair value | Closing balance |
|---|---|---|---|---|
| Orchard Insurance Limited | 2 150 147 | 160 571 | - | 2 310 718 |
| Eswatini Royal Insurance Corporation | 88 919 026 | 6 605 063 | 5 721 962 | 101 246 051 |
| Promco (Pty) Limited | 2 612 381 | (230 552) | - | 2 381 829 |
| | **93 681 554** | **6 535 082** | **5 721 962** | **105 938 598** |

| 2022 | Opening balance | Fair value gain (loss) | Closing balance |
|---|---|---|---|
| Orchard Insurance Limited | 2 328 860 | (178 713) | 2 150 147 |
| Eswatini Royal Insurance Corporation | 99 980 765 | (11 061 739) | 88 919 026 |
| Promco (Pty) Limited | 3 810 745 | (1 198 364) | 2 612 381 |
| | **106 120 370** | **(12 438 816)** | **93 681 554** |

**Company**

**Reconciliation of financial assets at fair value through profit or loss measured at level 3**

| 2023 | Opening balance | Fair value gain (loss) | Reclassification to assets held for sale* | Closing balance |
|---|---|---|---|---|
| Orchard Insurance Limited | 2 150 147 | 160 571 | - | 2 310 718 |
| Swagri Holdings (Pty) Limited | 45 505 357 | 19 073 160 | - | 64 578 517 |
| Inba Holdings Limited | 94 609 172 | 6 420 247 | - | 101 029 419 |
| Lojaf (Proprietary) Limited | 161 751 865 | (912 579) | - | 160 839 286 |
| Alliance Foods (Pty) Limited (note 18) | 73 813 332 | - | (73 813 332) | - |
| General Africa Foods Eswatini (Pty) Limited | 106 359 116 | (53 187 509) | - | 53 171 607 |
| Promco (Pty) Limited | 2 612 381 | (230 552) | - | 2 381 829 |
| | **486 801 370** | **(28 676 662)** | **(73 813 332)** | **384 311 376** |

| 2022 | Opening balance | Fair value gain (loss) | Additions | Closing balance |
|---|---|---|---|---|
| Orchard Insurance Limited | 2 328 860 | (178 713) | - | 2 150 147 |
| Swagri Holdings (Pty) Limited | 9 778 814 | 10 715 543 | 25 011 000 | 45 505 357 |
| Inba Holdings Limited | 85 569 910 | (11 061 738) | 20 101 000 | 94 609 172 |
| Lojaf (Proprietary) Limited | 164 667 351 | (2 915 486) | - | 161 751 865 |
| Alliance Foods (Pty) Limited (note 18) | 70 420 768 | 3 392 564 | - | 73 813 332 |
| General Africa Foods Eswatini (Pty) Limited | 227 077 513 | (120 718 397) | - | 106 359 116 |
| Promco (Pty) Limited | 3 810 745 | (1 198 364) | - | 2 612 381 |
| | **563 653 961** | **(121 964 591)** | **45 112 000** | **486 801 370** |

* Refer to note 18 for details on assets classified as held for sale.

**7. Investments at fair value (continued)**

The following qualitative information provides insights into the key factors and market dynamics that have influenced the fair value measurements and business performance of the Company's subsidiaries and investments during the year ended 31 December 2023:

Swagri Holdings (Pty) Limited / Ngwane Mills (Pty) Ltd:

The year under review has been marked by a better than anticipated performance of Ngwane Mills' core business operations, significantly boosted by the strategic acquisition of poultry-related assets (see Note 8). This acquisition has led to an increase in the overall value of the business. Additionally, the Weighted Average Cost of Capital ("WACC") for the business has seen a reduction of 80 basis points, moving from 21.9% in the previous year to 21.1% in the current year. This decrease in the WACC has further contributed to an increase in the fair value (FV) of the business.

Eswatini Royal Insurance Corporation ("ESRIC"):

Market sentiment towards the Short-and-Long Term Insurance sector has shown improvement for the year, evidenced by higher observed market multiples. In light of this positive development, the Company's external valuation expert has applied an upwardly revised Market Multiple to ESRIC's sustainable earnings, resulting in an enhanced valuation assessment.

Alliance Foods (Pty) Limited ("AFPL"):

AFPL's core business has outperformed expectations, delivering strong profitability and turnover growth. Complementing this operational success, the business has experienced a significant decrease in the WACC by 110 basis points, from 18.7% in the prior year to 17.6% in the current year. This reduction in the WACC has favourably impacted the fair value of the business.

General Africa Foods Eswatini (Pty) Limited ("GAFE"):

The operating environment for GAFE has been challenging, characterised by persistent inflationary pressures, supply chain disruptions, and reduced consumer disposable income. In response to these unexpected headwinds, the Group has undertaken a rebase-line of the business's forecast expectations to align with the reality of the current trading environment, ensuring that the valuation remains reasonable and reflective of market conditions.

Lojaf (Proprietary) Limited ("Lojaf"):

Inflationary pressures have had an adverse impact on Lojaf's business operations. Consequently, management has revised the long-term profitability outlook to account for the compressed Gross Profit Margins. For the forecast period of 2024, the average GP Margin is anticipated to be 14.4%, compared to the previous forecast period's average of 14.7%. This adjustment has resulted in a slight decrease in the business' value.

### 7. Investments at fair value (continued)

**Fair value estimation**

**Group and Company - 2023**

| Description | Fair value (E 000) | Valuation technique | Unobservable inputs | Weighted average input | Reasonable possible shift +/- (absolute value) | Change in valuation +/- (E 000) |
|---|---|---|---|---|---|---|
| Eswatini Royal Insurance Corporation - short term | 76 608 | Comparable trading multiples | Price earning multiple | 9.23 | 10% | 7 661 |
| | | | Company specific risk | 10% | 10% | 766 |
| | | | Liquidity risk | 15.3% | 10% | 1 384 |
| Eswatini Royal Insurance Corporation - long term | 24 638 | Comparable trading multiples | Price to embedded value | 0.62 | 10% | 2 464 |
| | | | Company specific risk | 10% | 10% | 246 |
| | | | Liquidity risk | 15.3% | 10% | 445 |
| Orchard Insurance Limited | 2 311 | Comparable trading multiples | Price earning multiple | 9.41 | 10% | 231 |
| | | | Company specific risk | 10% | 10% | 23 |
| | | | Liquidity risk | 15.3% | 10% | 42 |
| Lojaf (Proprietary) Limited | 160 839 | Discounted Cash Flow | Weighted Average Cost of Capital | 17.78% | 10% | 12 073 |
| | | | Terminal Growth | 4.5% | 10% | 2 885 |
| | | | Minority Discount | 8% | 10% | 1 179 |
| | | | Liquidity risk | 11% | 10% | 1 565 |
| Alliance Foods (Pty) Limited* | 94 002 | Discounted Cash Flow | Weighted Average Cost of Capital | 21.09% | 10% | 7 618 |
| | | | Terminal Growth | 4.5% | 10% | 1 601 |
| | | | Minority Discount | 1.95% | 10% | 187 |
| | | | Liquidity risk | 8% | 10% | 767 |
| General Africa Foods Eswatini (Pty) Limited | 53 172 | Discounted Cash Flow | Weighted Average Cost of Capital | 24.81% | 10% | 2 132 |
| | | | Terminal Growth | 4.5% | 10% | 397 |
| | | | Minority Discount | 2% | 10% | 108 |
| | | | Liquidity risk | 8% | 10% | 372 |
| Promco (Pty) Limited's investment in Lojaf (Proprietary) Limited | 1 492 | Discounted Cash Flow | Weighted Average Cost of Capital | 17.78% | 10% | 111 |
| | | | Terminal Growth | 4.5% | 10% | 27 |
| | | | Minority Discount | 8% | 10% | 11 |
| | | | Liquidity risk | 11% | 10% | 14 |

* Refer to note 18 for details on assets classified as held for sale.

### 7. Investments at fair value (continued)

**Group and Company - 2022**

| Description | Fair value (E 000) | Valuation technique | Unobservable inputs | Weighted average input | Reasonable possible shift +/- (absolute value) | Change in valuation +/- (E 000) |
|---|---|---|---|---|---|---|
| Eswatini Royal Insurance Corporation - short term | 71 414 | Comparable trading multiples | Price earning multiple | 18.71 | 10% | 7 714 |
| | | | Company specific risk | 4.65% | 10% | 771 |
| | | | Liquidity risk | 11% | 10% | 1 393 |
| Eswatini Royal Insurance Corporation - long term | 17 505 | Comparable trading multiples | Price to embedded value | 18.71 | 10% | 1 751 |
| | | | Company specific risk | 4.65% | 10% | 175 |
| | | | Liquidity risk | 11% | 10% | 316 |
| Orchard Insurance Limited | 2 150 | Comparable trading multiples | Price earning multiple | 18.71 | 10% | 215 |
| | | | Company specific risk | 4.65% | 10% | 22 |
| | | | Liquidity risk | 11% | 10% | 38 |
| Lojaf (Proprietary) Limited | 161 752 | Discounted Cash Flow | Weighted Average Cost of Capital | 18.71% | 10% | 11 103 |
| | | | Terminal Growth | 4.65% | 10% | 2 655 |
| | | | Minority Discount | 11% | 10% | 1 032 |
| | | | Liquidity risk | 13.10% | 10% | 1 488 |
| Alliance Foods (Pty) Limited | 73 813 | Discounted Cash Flow | Weighted Average Cost of Capital | 18.71% | 10% | 6 650 |
| | | | Terminal Growth | 4.65% | 10% | 1 397 |
| | | | Minority Discount | 11% | 10% | 147 |
| | | | Liquidity risk | 13.10% | 10% | 581 |
| General Africa Foods Eswatini (Pty) Limited | 106 359 | Discounted Cash Flow | Weighted Average Cost of Capital | 18.71% | 10% | 1 714 |
| | | | Terminal Growth | 4.65% | 10% | 316 |
| | | | Minority Discount | 11% | 10% | 217 |
| | | | Liquidity risk | 13.10% | 10% | 859 |
| Promco (Pty) Limited's investment in Lojaf (Proprietary) Limited | 1 383 | Discounted Cash Flow | Weighted Average Cost of Capital | 18.71% | 10% | 103 |
| | | | Terminal Growth | 4.65% | 10% | 25 |
| | | | Minority Discount | 11% | 10% | 10 |
| | | | Liquidity risk | 13.10% | 10% | 14 |

## 7. Investments at fair value (continued)

**Investments valuation methodology**

**Eswatini Royal Insurance Corporation ("ESRIC")**

The Group has an investment in the Eswatin Royal Insurance Corporation. ESRIC provides both short-term insurance and life cover to individuals, corporate customers and government organisations. ESRIC is the only insurer in Eswatini with a short and long-term license. In undertaking the valuation of ESRIC, the market multiple methodology has been used with the short-term insurance business using the price earnings multiple as the primary methodology and the long-term insurance business using the price-to-embedded value multiple as the primary methodology.

**Orchard Insurance Limited**

The Group has an investment in Orchard Insurance Limited ("Orchard"), a company that offers predominately credit life and funeral insurance. In undertaking the valuation of Orchard, the market multiple methodology has been used with the price earnings multiple being the primary methodology.

**Lojaf (Proprietary) Limited ("Lojaf")**

The Group has an investment in Lojaf a company which is a retail supermarket. Lojaf is a special purpose vehicle that was established to acquire four Pick n Pay franchise stores. The transaction was effective on 1 December 2016. The franchise agreement with Pick n Pay was renewed as part of the transaction and therefore Lojaf will continue to trade under the Pick n Pay brand as franchisee.

The Group has utilised the Income Approach (discounted cash flow method or DCF) to estimate the fair value as of the Valuation Date. The Income Approach indicates the value of a business based on the value of the cash flows that the business can be expected to generate in the future.

PaknSave (Pty) Limited, a fully owned subsidiary of Lojaf, is a South African legal entity that houses the assets of 3 Pick n Pay Supermarkets, namely: Westonaria Pick n Pay, Witbank Pick n Pay and Parys Pick n Pay. All stores have been in existence for over 5 years and have exhibited strong and profitable performance.

For all three underlying stores in the PaknSave entity, the DCF approach has been utilised as the primary method of valuation, with an EV/EBITDA multiple valuation being utilised to assess the reasonability thereof.

**Alliance Foods (Pty) Limited** (*refer to note 18)

The Group has used the discounted cash flow methodology to estimate the fair value as at the valuation date. This methodology has been adopted as it reflects the cash flows expected to be received. In addition, this methodology is widely considered as the most accurate valuation methodology and the discount rate applied takes into account the cost of the funds invested.

### 7. Investments at fair value (continued)

**General Africa Foods Eswatini (Pty) Limited**

General Africa Foods Eswatini Proprietary Limited is an investment holding company having its primary investment in franchises of the OBC Chicken and Meat ("OBC") butchery and retail concept. OBC has two distribution centers and operates a fleet of trucks, which service the stores daily.

The Group has used the discounted cash flow methodology to estimate the fair value as at the valuation date. This methodology has been adopted as it reflects the cash flows expected to be received. In addition, this methodology is widely considered as the most accurate valuation methodology and the discount rate applied takes into account the cost of the funds invested.

Afri Pack (Pty) Limited, a fully owned subsidiary of General Africa Foods Eswatini Proprietary Limited, has secured the West Pack Lifestyle Master Franchise Rights in Eswatini. West Pack is a plastic ware shop and packaging supplier that supplies a variety of products for day-to-day requirements, ranging from indoor to outdoor perishables, storage solutions, toys, party accessories, pet care, and garden essentials. Over the years the product range and offering have increased exponentially – so much so that the brand is now positioned as a lifestyle retail store that has become a destination shopping experience. West Pack Lifestyle was opened in November 2020 and therefore started trading in the tail end of the first COVID-19 wave.

Currently, General Africa Foods Eswatini Proprietary Limited operates 2 ESDI stores (previously OBC) in Eswatini and holds 2 OBC stores, 4 West Pack stores and a petzone in South Africa through its subsidiaries.

Afri Pack (Pty) Limited has been valued using the Discounted Cashflow (“DCF”) approach. This valuation methodology utilises information obtained from the management of Afri Pack, specifically, the forecast cash flows, which is a function of a forecast income statement, current balance sheet, forecast working capital and capex requirements, and an appropriate discount rate. The EV/EBITDA multiple has been selected as the most appropriate corroborative valuation to support the primary DCF valuation.

**Promco (Pty) Limited**

Promco (Pty) Limited is an investment holding company which holds 9.89% (2022:11%) in Lojaf (Proprietary) Limited.

The Group has utilised the Income Approach (discounted cash flow method or DCF) to estimate the fair value as of the Valuation Date. The Income Approach indicates the value of a business based on the value of the cash flows that the business can be expected to generate in the future.

**Ngwane Mills (Pty) Ltd** - refer to Note 8.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**8. Investment in associates**

**Group**

| Name of company | Type pf shares | % ownership interest 2023 | % ownership interest 2022 | Carrying amount 2023 | Carrying amount 2022 |
|---|---|---|---|---|---|
| Ngwane Mills (Pty) Limited | Ordinary | 30.52 % | 38.00 % | - | 45 558 213 |

**Reconciliation of financial assets at fair value through profit or loss measured at level 3:**

| Group - 2023 | Opening balance | Additions | Fair value gain | Reclassification to assets held for sale* | Closing balance |
|---|---|---|---|---|---|
| Ngwane Mills (Pty) Limited | 45 558 213 | 7 438 959 | 19 445 273 | (72 442 445) | - |

*Refer to note 18 for details on assets classified as held for sale.

| Group - 2022 | Opening balance | Fair value gain | Closing balance |
|---|---|---|---|
| Ngwane Mills (Pty) Limited | 32 963 046 | 12 595 167 | 45 558 213 |

The Company follows International Accounting Standard ("IAS") 28 "Investments in Associates" for accounting for its investments in associates. The Company qualifies for and applies the exemption from using the equity method of accounting provided by IAS 28 for its investment in associates, recognising them at fair value through profit or loss.

Management has concluded that the Company operates as a Venture Capital Organisation ("VCO") based on the following criteria:

1. The Company's investment in associates is held as part of a diversified investment portfolio. The primary value driver for these investments is their fair market value, not necessarily the underlying business activities of the associate.

2. The Company's investment objective is to generate medium-term growth in the value of its portfolio through targeted exit strategies identified at the time of investment.

3. The associate operates in businesses unrelated to the core business of the Company.

4. The Company manages its investment in associates at fair value.

5. The Company fulfills the membership requirements of a recognized VCO platform, which include:
   - Good industry standing.
   - Principal business activity of providing equity financing to unquoted companies with returns generated primarily through short- to medium-term capital gains.
   - Investment activities encompassing start-up, early-stage expansion, management buy-out or buy-in transactions, including "equity-type" returns.

By meeting these criteria, the Company is entitled to exempt its investment in associates from equity accounting under IAS 28. This results in the recognition of these investments at fair value through profit or loss, reflecting the Company's business model and risk profile as a Venture Capital Organisation.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**8. Investment in associates (continued)**

**Fair value estimation**

**Group - 2023**

| **Description** | **Fair value (E 000)** | **Valuation technique** | **Unobservable inputs** | **Weighted average input** | **Reasonable possible shift +/- (absolute value)** | **Change in valuation +/- (E 000)** |
|---|---|---|---|---|---|---|
| Ngwane Mills (Pty) Ltd | 72 442 | Discounted Cash Flow | Weighted Average Cost of Capital | 17.56% | 10% | 10 086 |
| | | | Terminal Growth | 4.5% | 10% | 2 433 |
| | | | Minority Discount | 11.2% | 10% | 914 |
| | | | Liquidity risk | 13.1% | 10% | 1 256 |

**Group - 2022**

| **Description** | **Fair value (E 000)** | **Valuation technique** | **Unobservable inputs** | **Weighted average input** | **Reasonable possible shift +/- (absolute value)** | **Change in valuation +/- (E 000)** |
|---|---|---|---|---|---|---|
| Ngwane Mills (Pty) Ltd | 45 558 | Discounted Cash Flow | Weighted Average Cost of Capital | 18.71% | 10% | 4 340 |
| | | | Terminal Growth | 4.65% | 10% | 1 027 |
| | | | Minority Discount | 11% | 10% | 563 |
| | | | Liquidity risk | 13.10% | 10% | 776 |

**Investments valuation methodology**

Trading as Feedmaster, Ngwane Mills is an animal's feed manufacturer operating a fully automated Buhler plant in Matshapa, Eswatini. Established in 1991, Ngwane Mills is the largest monogastric and ruminant feeds business in Eswatini.

During the 2023 financial year Ngwane Mills acquired a combination of poultry related assets becoming a fully integrated poultry player in Eswatini. These assets included four (4) chicken broiler farms as well as the second largest chicken abattoir in the country in the form of Umbuluzi Farms Chicken (Pty) Limited.

Key customers for Ngwane Mills include commercial farmers and distributors (for the Feedmill) and retailers (for the chicken abattoir). It has a diversified customer base and procures its key raw material largely from local producers in Eswatini and neighbouring SADC nations.

The Group has utilised the Income Approach (discounted cash flow method or DCF) to estimate the fair value of Ngwane Mills as of the Valuation Date. An EV/EBITDA multiple valuation was applied to assess the reasonability of the value derived by the Income Approach.

### 8. Investment in associates (continued)

**Summarised financial information of material associates**

| **Summarised Statement of Profit or Loss and Other Comprehensive Income** | **Ngwane Mills (Pty) Limited** | |
|---|---|---|
| | **2023** | **2022** |
| Revenue | 492 802 888 | 583 301 286 |
| Other income and expenses | (476 420 000) | (569 928 832) |
| Profit before tax | 16 382 888 | 13 372 454 |
| Tax expense | (5 691 673) | (3 066 675) |
| Profit (loss) from continuing operations | 10 691 215 | 10 305 779 |
| **Total comprehensive income** | **10 691 215** | **10 305 779** |

| **Summarised Statement of financial position** | **Ngwane Mills (Pty) Limited** | |
|---|---|---|
| | **2023** | **2022** |
| **Assets** | | |
| Non-current | 213 602 520 | 64 064 273 |
| Current | 129 305 108 | 80 729 279 |
| **Total assets** | **342 907 628** | **144 793 552** |
| **Liabilities** | | |
| Non-current | 97 535 470 | 5 501 129 |
| Current | 89 360 824 | 57 849 693 |
| **Total liabilities** | **186 896 294** | **63 350 822** |
| **Total net assets** | **156 011 334** | **81 442 730** |

| **Summarised Statement of cash flows** | **Ngwane Mills (Pty) Limited** | |
|---|---|---|
| | **2023** | **2022** |
| Cash flows from operating activities | (116 346) | 9 632 |
| Cash flows from financing activities | 93 785 | - |
| **Net cash (outflow)/inflow** | **(22 561)** | **9 632** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 9. Amounts owing by related parties

| | | | | |
|---|---|---|---|---|
| **Current** | | | | |
| Vidastyle Retail Management (Pty) Ltd | 1 980 635 | 174 101 | 3 050 000 | - |
| Afri Pack Lesotho (Pty) Limited | 2 252 119 | 1 074 749 | - | - |
| Vidastyle Botswana (Pty) Limited | 10 805 682 | 5 454 170 | - | - |
| Swagri Holdings (Pty) Limited | - | - | 7 546 863 | - |
| | **15 038 436** | **6 703 020** | **10 596 863** | **-** |

Unless specified, the loans are current, unsecured and have no fixed terms of repayment. Interest is charged at 2% over the prime interest rate of the lender's functional currency. All amounts owing by related parties are receivable in Emalangeni.

**Split between non-current and current portions**

| | | | | |
|---|---|---|---|---|
| Current assets | 15 038 436 | 6 703 020 | 10 596 863 | - |

### 10. Trade and other receivables

| | | | | |
|---|---|---|---|---|
| **Financial instruments:** | | | | |
| Trade receivables | 8 060 731 | 9 640 273 | - | - |
| Deposits | 2 731 419 | 5 528 208 | - | - |
| Other receivables | 1 016 419 | 235 941 | - | - |
| **Non-financial instruments:** | | | | |
| Value Added Tax | 3 127 831 | 4 552 483 | - | - |
| Prepayments | 836 854 | 3 619 248 | 9 695 | 20 588 |
| **Total trade and other receivables** | **15 773 254** | **23 576 153** | **9 695** | **20 588** |

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days, are is classified as current because of this short-term settlement date and the transaction price is therefore not adjusted for the effects of a significant financing component. Trade receivables are recognised initially at the amount of consideration that is unconditional. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Information about the group’s exposure to credit risk and foreign currency risk can be found in note 32.

Other receivable amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is normally not obtained.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 10. Trade and other receivables (continued)

**Maturity analysis of trade receivables**

| **Group** | **2023** | **2023** | **2022** | **2022** |
|---|---|---|---|---|
| **Expected credit loss rate:** | **Trade receivables** | **Expected credit loss** | **Trade receivables** | **Expected credit loss** |
| Current | 2 992 164 | - | 5 054 465 | - |
| >30 days | 1 002 583 | - | - | - |
| >60 days | 827 644 | - | - | - |
| >90 days | 3 238 340 | - | 4 585 808 | - |
| **Total** | **8 060 731** | **-** | **9 640 273** | **-** |

The following table represents categorisation of trade receivables into stages 1-3:

| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| Carrying amount as at 01 January 2023 | 8 398 468 | - | - | 8 398 468 |
| Net cash flow during the year | (337 737) | - | - | (337 737) |
| **Carrying amount as at 31 December 2023** | **8 060 731** | **-** | **-** | **8 060 731** |

### 11. Deferred tax

| **Deferred tax asset** | | | | |
|---|---|---|---|---|
| Capital allowances | 1 279 893 | 1 178 003 | - | - |
| Provisions | 3 923 187 | 4 077 515 | - | - |
| Tax losses available for set off against future taxable income | 36 346 810 | 22 253 177 | - | - |
| | **41 549 890** | **27 508 695** | **-** | **-** |

Capital allowance has been calculated on tangible assets ie, buildings, furniture and fittings, computer equipment.

**Reconciliation of deferred tax asset**

| | | | | |
|---|---|---|---|---|
| At beginning of year | 27 683 730 | 451 994 | - | - |
| Tax loss available for set off against future taxable income | 14 093 633 | 21 801 183 | - | - |
| Provision | (329 363) | 4 252 550 | - | - |
| Capital allowances | 101 890 | 1 178 003 | - | - |
| | **41 549 890** | **27 683 730** | **-** | **-** |

Following significant improvements in trading conditions within the Group's segment operations, a review of previously unrecognised tax losses revealed an improved probability of taxable profits against which these losses could be utilised. Enhanced trading conditions in the retail segment originate from several factors. Increased consumer demand for retail products, spurred by economic recovery, bolstered consumer confidence, and evolving preferences, has notably improved trading conditions, resulting in heightened sales volumes and revenues for the retail entities.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**11. Deferred tax (continued)**

The Group's underlying subsidiaries strategically expanded into new regions, domestically and internationally, further supporting trading conditions. Effective marketing campaigns and promotional actions also played a role in driving customer engagement and boosting sales. These initiatives, including targeted advertising, social media outreach, and loyalty programs, not only attracted new customers but also retained existing ones, fostering improved trading conditions. Additionally, streamlined and optimised supply chain operations, coupled with robust cost management initiatives, have positively impacted profitability and trading conditions across businesses. These measures, such as supplier contract renegotiations, staffing optimisation, and overhead cost reductions, collectively contributed to the Group's enhanced trading environment.

Consequently, a deferred tax asset of E14 093 632 (2022: E21 801 183) was recognised, with no time limit imposed by tax legislation on the future availability of the tax losses for set-off against taxable profits.

The Group diligently assesses the criteria for offsetting deferred tax assets ("DTA") and deferred tax liabilities ("DTL") in accordance with International Accounting Standards ("IAS") 12. This evaluation involves determining whether there is a legally enforceable right to offset current tax assets and liabilities on a net basis, considering the Group's ability to settle them simultaneously. Additionally, the Group ensures that the deferred taxes relate to the same taxable entities and also considers the timing of the realisation of deferred taxes, aiming to determine if the DTA and DTL will reverse out in the same period or periods.

In February 2024, the Eswatini minister of finance announced a reduction in the corporate tax rate from 27.5% to 25%. The impact of this change on the financial statements for the year ended 31 December 2023 will be a decrease in the deferred tax asset of approximately E3 798 456 in the subsequent financial period. The figure is a provisional estimate and the actual effect will be calculated based on the deferred tax balances at the date when the change in tax rate becomes effective in 2024. The financial statements have been prepared using the historical tax rate of 27.5%.

**12. Inventories**

| | | | | |
|---|---|---|---|---|
| Merchandise for resale | 161 389 187 | 180 879 349 | - | - |

The costs of individual items of inventory are determined using weighted average costs.

**13. Cash and cash equivalents**

Cash and cash equivalents consist of:

| | | | | |
|---|---|---|---|---|
| Cash on hand | 840 819 | 1 853 041 | - | - |
| Bank balances | 52 870 913 | 53 944 414 | 21 129 | 46 707 |
| African Alliance Eswatini Lilangeni Fund* | 13 438 382 | 29 139 319 | 6 627 713 | 18 509 571 |
| Bank overdrafts | (19 218 457) | (14 195) | (368) | - |
| | **47 931 657** | **84 922 579** | **6 648 474** | **18 556 278** |
| Current assets | 67 150 114 | 84 936 774 | 6 648 842 | 18 556 278 |
| Current liabilities | (19 218 457) | (14 195) | (368) | - |
| | **47 931 657** | **84 922 579** | **6 648 474** | **18 556 278** |

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of financial year.

The bank overdraft bears interest at 7.25% and will expire on 31 July 2024, but is subject to review before the expiry.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 13. Cash and cash equivalents (continued)

*The Group has invested cash funds in a money market with a related party, African Alliance Eswatini Lilangeni Fund. African Alliance Lilangeni Fund is a related party as the fund is managed by a fully owned subsidiary of the Investment manager, African Alliance Eswatini Limited (note 31).

The purpose of the investment is to optimise cash management and liquidity and earn a return on idle funds. The investment is managed on continuous basis and has a short-term nature and maturity. Money market funds are presented as cash equivalents as they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

The Group earns monthly interest income on the invested funds and is capitalised monthly with the remaining funds in the money market fund. Interest income is recognised in the statements of profit or loss.

The investment in the money market instrument with African Alliance Eswatini Lilangeni Fund exposes the Company to credit risk and interest rate risk. The Company manages these risks as per note 32.

Disclosure regarding the nature and extent of the Group's transactions and relationships with related parties are provided in note 31.

The company does not hold any restricted cash and cash equivalents. All bank balances are held in Emalangeni and Rand. Refer to note 32 for credit risk management details.

The Group has complied with the financial covenants of its bank loans during both periods presented, see note 32 for details.

| | | | | |
|---|---|---|---|---|
| **Financial institution** | | | | |
| African Alliance Eswatini Lilangeni Fund | 12 321 720 | 29 139 319 | 6 627 713 | 18 509 571 |
| First National Bank | 444 185 | 4 071 919 | - | - |
| Nedbank (Eswatini) Limited | 34 324 933 | 49 858 300 | 20 761 | 46 707 |
| | **47 090 838** | **83 069 538** | **6 648 474** | **18 556 278** |

### 14. Share capital

| | | | | |
|---|---|---|---|---|
| **Authorised** | | | | |
| 500 000 000 Ordinary shares of 1 cent each | 5 000 000 | 5 000 000 | 5 000 000 | 5 000 000 |

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

| | | | | |
|---|---|---|---|---|
| **Issued and fully paid** | | | | |
| 229 921 569 Ordinary shares of 1 cent each | 2 299 216 | 2 299 216 | 2 299 216 | 2 299 216 |
| Share premium | 443 046 928 | 443 046 928 | 443 046 928 | 443 046 928 |
| | **445 346 144** | **445 346 144** | **445 346 144** | **445 346 144** |

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 15. Amounts owing to related parties

**Non-current**

| | | | | |
|---|---|---|---|---|
| African Alliance Eswatini Lilangeni Fund | 27 651 127 | 27 188 866 | 27 651 127 | 27 188 866 |
| *The promissory note has a nominal value of E 25 million, bears interest at 12.5% per annum and matures on 20 February 2025 with a maturity value of E 28 125 000. The loan is collateralised with a pledge of 5 858 265 shares the Company holds in SBC Limited (note 7).* | | | | |
| African Alliance Advisory (Pty) Limited | - | 7 050 270 | - | - |
| African Alliance Eswatini Limited | - | 1 013 381 | - | - |
| | **27 651 127** | **35 252 517** | **27 651 127** | **27 188 866** |

**Current**

| | | | | |
|---|---|---|---|---|
| African Alliance Advisory (Pty) Limited | 2 268 358 | 2 036 736 | - | - |
| African Alliance Advisory (Pty) Limited | 32 634 709 | 26 848 060 | - | - |
| Pivot Limited | 2 606 601 | 726 410 | - | - |
| Alliance Foods (Pty) Limited | - | - | 854 165 | - |
| *The loan bears interest at 11% p.a.* | | | | |
| Inba Holdings Limited | - | - | 5 750 | 7 242 |
| African Alliance Limited | 57 338 | 56 986 | 33 697 | 9 705 |
| Pine Acres (Pty) Limited | 391 723 | 243 298 | - | - |
| African Alliance Eswatini Limited | 929 709 | 10 162 885 | 37 583 | 37 091 |
| Inala Capital Limited | 2 012 110 | - | - | - |
| African Alliance Advisory (Pty) Limited | 7 826 350 | - | - | - |
| *The loan bears interest at 11% per annum and matures not later than 19 Sept 2024.* | | | | |
| African Alliance Eswatini Umnotfo Fund | 21 900 000 | 20 000 000 | - | - |
| *Promissory notes ending 18 Dec 2024 and bearing interest at PLR + 2.25% p.a* | | | | |
| Alliance Foods SA (Pty) Limited | - | 4 551 | - | - |
| Swagri Holdings (Pty) Limited | - | - | - | 3 680 |
| African Alliance Eswatini Limited | 14 410 744 | - | - | - |
| Select Advisors Proprietary Limited | 5 896 | - | - | - |
| | **85 043 538** | **60 078 926** | **931 195** | **57 718** |

Unless specified, the balances are current, unsecured and have no fixed terms of repayment. Interest is charged at 2% over the prime interest rate of the lender's country.

The carrying amount is a reasonable approximation of the fair value of the balance owed to the related party as the amount is payable within the next 12 months. For the majority of the non-current liabilities, the fair values are also not significantly different from their carrying amounts. Management concluded an evaluation process that included analysing the discount rates applied to the expected future cash flows, considering the credit risk of the counterparties, and examining the terms and conditions of the liabilities. Market conditions were also assessed to ensure that the carrying amounts reasonably approximate fair values.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 15. Amounts owing to related parties (continued)

**Split between non-current and current liabilities**

| | | | | |
|---|---|---|---|---|
| Non-current liabilities | 27 651 127 | 35 252 517 | 27 651 127 | 27 188 866 |
| Current liabilities | 85 043 538 | 60 078 926 | 931 195 | 57 718 |
| | **112 694 665** | **95 331 443** | **28 582 322** | **27 246 584** |

**Currency profile**

The carrying amount of loans from group companies are denominated in the following currencies:

| | | | | |
|---|---|---|---|---|
| US Dollar | 57 338 | 56 986 | 33 697 | 9 705 |
| Mauritian Rupee | 2 606 601 | 726 410 | - | - |
| Common Monetary Area* | 110 030 726 | 94 548 047 | 28 548 625 | 27 236 879 |
| | **112 694 665** | **95 331 443** | **28 582 322** | **27 246 584** |

* The Common Monetary Area ("CMA") is a monetary union comprising several countries in southern Africa. The CMA countries include South Africa, Lesotho, Eswatini, and Namibia. These countries share a common currency, the South African Rand, which is used as the official currency in each of the member countries.

**Maturity analysis**

| | | | | |
|---|---|---|---|---|
| Within 1 year | 85 043 538 | 68 142 577 | 931 195 | 57 718 |
| 1 - 2 years | 27 651 127 | - | 27 651 127 | - |
| 2 - 3 years | - | 27 188 866 | - | 27 188 866 |
| | **112 694 665** | **95 331 443** | **28 582 322** | **27 246 584** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 16. Other financial liabilities

| | | | | |
|---|---|---|---|---|
| **Held at amortised cost** | | | | |
| Pimenta's KFC (Proprietary) Limited<br>*The loan has a nominal value of E 35M, bears interest at PLR minus 3% and is repayable in five equal yearly instalments.* | - | 27 308 697 | - | - |
| Exam Council of Eswatini<br>*The promissory note has a nominal value of E 25M, bears interest at 8.5% per annum and matures on 31 July 2025.* | 26 283 733 | 25 995 548 | 26 283 733 | 25 995 548 |
| Guaraco (Proprietary) Limited<br>*Fixed maturity loan repayable on 31 March 2026 with a maturity value of E 54 133 088 and bearing interest at 10.5% p.a.* | 65 920 954 | 58 947 051 | - | - |
| Eswatini Posts and Telecommunications Corporation<br>*The promissory note has a nominal value of E 9 998 805, bears interest at 8% per annum and matures on 31 January 2024.* | 11 130 730 | 10 155 730 | 11 130 730 | 10 155 730 |
| First National Bank<br>*The loan amounting to E14.5M is secured, bears interest at Prime rate plus 0.5% and is repayable in 60 equal monthly instalments.* | 8 454 467 | 11 099 259 | - | - |
| First National Bank<br>*The loan amounting to E33.8M is secured, bears interest at Prime rate plus 0.5% and is repayable in 60 equal monthly instalments* | 20 301 939 | 30 665 949 | - | - |
| First National Bank<br>*The loan amounting to E640 524 is secured, bears interest at Prime rate plus 0.5% and is repayable in 60 equal monthly instalments.* | 510 209 | 538 959 | - | - |
| | **132 602 032** | **164 711 193** | **37 414 463** | **36 151 278** |

**Split between non-current and current liabilities**

| | | | | |
|---|---|---|---|---|
| Non-current liabilities | 121 471 302 | 121 587 516 | 26 283 733 | 36 151 278 |
| Current liabilities | 11 130 730 | 43 123 677 | 11 130 730 | - |
| | **132 602 032** | **164 711 193** | **37 414 463** | **36 151 278** |

**Maturity analysis**

| | | | | |
|---|---|---|---|---|
| Within 1 year | 11 130 730 | 48 098 677 | 11 130 730 | - |
| 1 - 2 years | 26 283 733 | 22 333 697 | 26 283 733 | 36 151 278 |
| 2 - 4 years | 95 187 569 | 94 278 819 | - | - |
| | **132 602 032** | **164 711 193** | **37 414 463** | **36 151 278** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 16. Other financial liabilities (continued)

**Currency profile**

The carrying amounts of financial liabilities at amortised cost are denominated in:

| | | | | |
|---|---|---|---|---|
| Common Monetary Area | 132 602 032 | 164 711 193 | 37 414 463 | 36 151 278 |

### 17. Trade and other payables

| | | | | |
|---|---|---|---|---|
| **Financial instruments:** | | | | |
| Trade payables | 229 525 569 | 260 933 270 | - | - |
| Accruals | 2 093 119 | 4 594 325 | 2 020 448 | 2 504 767 |
| Provisions | 2 384 501 | 4 600 196 | - | - |
| | **234 003 189** | **270 127 791** | **2 020 448** | **2 504 767** |

On 25 October 2010, the Company entered into a Management Agreement (the "Agreement") with African Alliance Eswatini Limited (the "Manager"), by which the Manager was appointed to exclusively manage, administer, and control the business and assets of the Company in alignment with the Company's objectives.

An addendum to the Agreement was executed on 25 February 2021. According to this addendum, it was agreed that the management fee would be set at 1.5% per annum of the Company's last audited Net Asset Value ("NAV"), payable quarterly in arrears. This fee structure was effective starting 31 March 2021.

The Manager is entitled to a performance fee, which is contingent on the Company's financial performance. This fee is calculated as follows:
- The performance fee corresponds to 20% of the increase in the Company's NAV during each twelve months ending on the final day of the Company's financial year (the "Calculation Period").
- The increase in NAV is determined after adjusting for any impacts arising from new share issuances and adding back dividends and other distributions made during the Calculation Period (resulting in the "adjusted NAV").
- The performance fee is payable only if the adjusted NAV at the end of the Calculation Period exceeds the highest previously recorded NAV for the Company ("prior high NAV").
- If the adjusted NAV does not surpass the prior high NAV, no performance fee will be due to the Manager for the respective Calculation Period.

The above fee structures are designed to align the interests of the Manager with those of the Company and its shareholders, offering an incentive for the Manager to enhance the overall performance and value of the Company.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 18. Assets classified as held for sale

During 2023, the directors of the company decided to sell its investment in Alliance Foods (Pty) Limited (note 7). The Company reviewed its growth strategy, which is centered on expanding its equity interests in the retail sector, particularly within the fast-moving consumer goods ("FMCG") market. This approach is part of a larger regional consolidation strategy.

The Company plans to sell its shares in Alliance Foods (Pty) Ltd, a quick service fast food outlet operator in Eswatini, to Inala Capital Limited, which is an investment holding company listed on the Eswatini Stock Exchange with interests in agriculture, food processing, and food retailing. The Group will also dispose of its minority stake in Ngwane Mills (Pty) Ltd (held by the Company in its fully owned subsidiary, Swagri Holdings (Pty) Limited), a significant animal feed and integrated poultry producer in Eswatini, to Inala Capital Limited.

As payment for the Alliance Foods (Pty) Limited stake, the acquisition by the Company by way of a share swap of a minority stake in General Africa Foods Eswatini (Pty) Limited from Inala Capital Limited and shares issued in Inala Capital.

General Africa Foods Eswatini (Pty) Limited is a business involved in the sale of fresh and frozen meats and grocery items in Eswatini.

The manner and timing of these disposals and acquisitions will depend on the progress of negotiations and the fulfillment of requisite conditions, which may include regulatory approvals, due diligence, and satisfactory agreements between the involved parties. The company anticipates the transactions to be completed before the end of 2024.

**Profit and loss**

| | | | | |
|---|---|---|---|---|
| Revenue | 235 253 252 | 202 324 025 | - | - |
| Expenses | (213 880 687) | (187 813 102) | - | - |
| Net profit before tax | 21 372 565 | 14 510 923 | - | - |
| Tax | (5 739 315) | (4 076 283) | - | - |
| Profit from discontinued operations | **15 633 250** | **10 434 640** | **-** | **-** |

**Assets and liabilities**

| | | | | |
|---|---|---|---|---|
| **Non-current assets held for sale** | | | | |
| Investments at fair value through profit or loss | 72 442 445 | - | 94 002 247 | - |
| **Assets of disposal groups** | | | | |
| Other assets (Net) | 438 976 130 | - | - | - |
| | **511 418 575** | **-** | **94 002 247** | **-** |
| **Liabilities of disposal groups** | | | | |
| Other liabilities (Net) | 364 554 430 | - | - | - |

Details pertaining to the investments that was classified as held for sale during 2023 are:

| **2023** | **Number of shares** | **% Holding** | **Cost of shares (E)** |
|---|---|---|---|
| Alliance Foods (Pty) Limited | 256 Ordinary shares | 72.73 % | 45 000 000 |
| Ngwane Mills (Pty) Limited | 213 Ordinary shares | 30.52 % | 46 490 029 |

### 18. Assets classified as held for sale (continued)

Investment at fair value through profit or loss classified as held for sale during the reporting period was measured at fair value through profit or loss. The fair value of the investment at fair value through profit or loss was determined using the discounted cash flow methodology, as described in note 7. This is a level 3 measurement as per the fair value hierarchy set out in note 7.

**Reconciliation of financial assets at fair value through profit or loss measured at level 3**

| **Group - 2023** | **Opening balance** | **Reclassification to asset held for sale*** | **Closing balance** |
|---|---|---|---|
| Ngwane Mills (Pty) Limited | - | 72 442 445 | 72 442 445 |

| **Company - 2023** | **Opening balance** | **Reclassification to asset held for sale*** | **Closing balance** |
|---|---|---|---|
| Alliance Foods (Pty) Limited | - | 94 002 247 | 94 002 247 |

* Refer to note 7 and 8 for the reclassification from investments at fair value.

| **Summarised Statement of Profit or Loss and Other Comprehensive Income** | **Alliance Foods (Pty) Ltd** | |
|---|---|---|
| | **2023** | **2022** |
| Revenue | 235 257 700 | 202 324 025 |
| Expenses | (213 880 687) | (187 813 102) |
| Profit before tax | 21 377 013 | 14 510 923 |
| Tax expense | (5 739 315) | (4 076 283) |
| Profit (loss) from continuing operations | 15 637 698 | 10 434 640 |
| **Total comprehensive income** | **15 637 698** | **10 434 640** |

| **Summarised Statement of financial position** | **Alliance Foods (Pty) Ltd** | |
|---|---|---|
| | **2023** | **2022** |
| **Assets** | | |
| Non-current | 420 887 768 | 111 908 022 |
| Current | 18 911 989 | 16 599 351 |
| **Total assets** | **439 799 757** | **128 507 373** |
| **Liabilities** | | |
| Non-current | 24 727 188 | 33 168 950 |
| Current | 339 831 760 | 28 735 313 |
| **Total liabilities** | **364 558 948** | **61 904 263** |
| **Total net assets** | **75 240 809** | **66 603 110** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**18. Assets classified as held for sale (continued)**

| **Summarised Statement of cash flows** | **Alliance Foods (Pty) Ltd** | |
|---|---|---|
| | **2023** | **2022** |
| Cash from operating activities | 30 099 419 | 25 917 628 |
| Cash used in investing activities | (12 345 151) | (9 242 038) |
| Cash used in financing activities | (19 365 409) | (9 962 105) |
| **Net cash (outflow)/inflow** | **(1 611 141)** | **6 713 485** |

**19. Revenue**

The Group derives revenue from the transfer of goods at a point in time:

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|
| **Revenue from contracts with customers** | | | | |
| Sale of goods | 1 769 319 730 | 1 701 217 447 | - | - |
| **Revenue other than from contracts with customers** | | | | |
| Dividend income | - | - | 18 237 938 | 16 656 951 |
| | **1 769 319 730** | **1 701 217 447** | **18 237 938** | **16 656 951** |

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|
| **Group - Disaggregation of revenue** | | | | |
| Sale of goods from retail stores | 1 535 514 555 | 1 701 217 447 | - | - |
| Sale of goods from restaurants | 233 805 175 | - | - | - |
| | **1 769 319 730** | **1 701 217 447** | **-** | **-** |

The revenue in Note 27 was disaggregate into retail stores and restaurants and agrees to the segmental revenue disclosed in Note 27.

Revenues from external customers originate from the sale of Fast-moving consumer and foodservice goods on a retail basis. The retail sales relate to the group's holding in major retail brands and it's own brand.

The group has recognised assets related to contracts with customers as trade receivables and is disclosed on note 10. There were no liabilities related to contracts with customers.

The group operates a chain of retail stores and fast food restaurants selling a vast selection across various categories. Revenue from the sale of goods is recognised when a group entity sells a product to the customer. Payment of the transaction price is due immediately, on the majority of sales, when the customer purchases the consumer goods from the retail store and food from the restaurant and takes delivery in-store.

Revenues from external customers come from the sale of inventory on a retail supermarket basis and from the sale of food items from the restaurant businesses. The retail and restaurant business sales relate to the group's own brand as well as other major retail brands. Revenue is derived from various consumers from both Eswatini and South Africa. The majority of the revenue sales are from Eswatini at 77% (2022: 75%) and the remaining revenue sales are from South Africa at 23% (2022: 25%). Refer to note 27 for segmental information.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

## 19. Revenue (continued)

In accordance with the Group’s accounting policies, disclosure is provided regarding the methods, inputs, and assumptions utilised for revenue recognition, specifically focusing on retail companies selling Fast-Moving Consumer Goods (“FMCG”) and fast food service restaurants. FMCG products are characterised by their quick turnover and relatively low cost, encompassing items such as packaged foods, beverages, toiletries, cosmetics, cleaning supplies, and other household essentials.

The Group’s methodology for determining the transaction price involves estimating variable consideration, incorporating historical sales data, market trends, and specific transaction circumstances. Inputs include historical sales performance, contractual terms, prevailing market conditions, and economic indicators where the businesses operate. Assumptions are made regarding the likelihood and magnitude of variable consideration, discount rates for time value of money adjustments, and fair values of non-cash consideration, when applicable.

The Group thoroughly assesses whether estimates of variable consideration are constrained, considering factors such as the probability of significant revenue reversal and the level of uncertainty associated with variable consideration. Inputs include historical sales experience, contractual terms, market dynamics, and regulatory requirements. Assumptions are made regarding the probability and potential magnitude of adjustments to variable consideration.

Allocation of the transaction price involves estimating stand-alone selling prices of promised goods or services and allocating discounts and variable consideration, if applicable. This process reflects the relative value of goods or services promised in the contract. Inputs include market research, pricing strategies, and analysis of comparable transactions. Assumptions are made regarding the relative value of each promised item and the impact of discounts and variable consideration on overall pricing.

Measurement of obligations for returns, refunds, and similar obligations is based on historical data, contractual terms, and expected customer behaviour. This includes estimating potential amounts and timing of returns and refunds. Inputs include historical return rates, customer feedback, product quality data, and industry benchmarks. Assumptions are made regarding the likelihood and timing of returns, the impact of product warranties, and shifts in consumer preferences.

In the Fast-Moving Consumer Goods (FMCG) market for the Group, transaction prices for goods are typically determined based on various factors such as market demand, competition, product differentiation, and consumer preferences. Pricing strategies in the FMCG sector often consider the balance between market demand and supply, competitive pricing strategies, product differentiation, consumer preferences and behaviour, promotional pricing and discounts, and cost considerations. Effective pricing strategies are essential for the Group to maintain market share, drive sales growth, and maximise profitability in a highly competitive industry.

| **Dividend income per entity:** | | | | |
|---|---|---|---|---|
| Lojaf (Proprietary) Limited | - | - | - | 2 683 840 |
| Inba Holdings Limited | - | - | 10 050 000 | 12 100 000 |
| Promco (Pty) Limited | - | - | - | 51 700 |
| SBC Limited | - | - | 3 035 685 | 1 821 411 |
| Orchard Insurance Limited | - | - | 61 345 | - |
| Alliance Foods (Pty) Limited | - | - | 5 090 908 | - |
| | **-** | **-** | **18 237 938** | **16 656 951** |

## 20. Cost of sales

| | | | | |
|---|---|---|---|---|
| Sale of goods | 1 478 970 245 | 1 410 105 482 | - | - |

| | Note(s) | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | | 2023 | 2022 | 2023 | 2022 |

### 21. Other operating income

| | | | | |
|---|---|---|---|---|
| Rental income | 626 538 | 228 062 | - | - |
| Other income | 26 304 203 | 17 946 175 | - | - |
| Consultancy income | 13 645 931 | 10 841 976 | - | - |
| | **40 576 672** | **29 016 213** | **-** | **-** |

Rental income

The Group generates rental income from leasing space to a restaurant operators located inside its retail stores. Rental income represents payments received for the use of premises within the Group's retail facilities for restaurant operations. The income is recognised on a straight-line basis over the lease term.

Other income

The Group's other income comprises advertising income, commission income, and rebates. Advertising income is generated through agreements with suppliers to promote products within retail stores, recognised upon rendering advertising services. Commission income, derived from agreements with suppliers or distributors, involves earning commissions on specific product sales, recognised upon transaction occurrence. Rebates, received based on FMCG sales, serve as incentives from suppliers or manufacturers, recognised upon meeting sales targets or conditions specified in agreements, acknowledging the Group's sales performance or promotional activities.

Consulting income

The Group generates income from recharges as consulting income for management and salaries across the retail group. This income is derived from internal service arrangements whereby the Group provides management, administrative, or support services to affiliated entities within the retail group. Recharge income represents fees charged to recover the costs associated with providing these services, including salaries, overheads, and other related expenses.

### 22. Other operating gains (losses)

| | | | | | |
|---|---|---|---|---|---|
| **(Losses) gains on disposals, scrappings and settlements** | | | | | |
| Property, plant and equipment | 3 | (100 189) | (19 707) | - | - |
| **Foreign exchange (losses) gains** | | | | | |
| Net foreign exchange loss | | (386 320) | (12 236) | (12 356) | (11 597) |
| **Fair value gains (losses)** | | | | | |
| Investments at FVTPL | 7, 8, 18 | 25 980 355 | 156 352 | (8 487 747) | (121 964 591) |
| **Total other operating gains (losses)** | | **25 493 846** | **124 409** | **(8 500 103)** | **(121 976 188)** |

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | | 2023 | 2022 | 2023 | 2022 |

### 22. Other operating gains (losses) (continued)

| | | | | | |
|---|---|---|---|---|---|
| **Fair value gains and losses by entity:** | | | | | |
| Orchard Insurance Limited | | 160 571 | (178 713) | 160 571 | (178 713) |
| Eswatini Royal Insurance Corporation | | 6 605 063 | (11 061 738) | - | - |
| Ngwane Mills (Pty) Limited | | 19 445 273 | 12 595 167 | - | - |
| Swagri Holdings (Pty) Limited | | - | - | 19 073 160 | 10 715 543 |
| Inba Holdings Limited | | - | - | 6 420 247 | (11 061 738) |
| Lojaf (Proprietary) Limited | | - | - | (912 579) | (2 915 486) |
| General Africa Foods Eswatini (Pty) Limited | | - | - | (53 187 509) | (120 718 397) |
| Promco (Pty) Limited | | (230 552) | (1 198 364) | (230 552) | (1 198 364) |
| Alliance Foods (Pty) Limited | | - | - | 20 188 915 | 3 392 564 |
| | 7, 8, 18 | **25 980 355** | **156 352** | **(8 487 747)** | **(121 964 591)** |

### 23. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following transactions, amongst others:

| | | | | | |
|---|---|---|---|---|---|
| **Auditor's remuneration - External** | | | | | |
| Audit fees | | 2 512 487 | 2 427 792 | 1 326 012 | 625 109 |
| **Auditor's remuneration - Other services** | | 461 470 | - | - | - |
| **Employee costs** | | | | | |
| Salaries, wages, bonuses and other benefits | | 95 039 294 | 86 592 178 | - | - |
| **Leases** | | | | | |
| Leases of low value assets | | 3 988 155 | (3 340 576) | - | - |
| **Total lease expenses** | | **3 988 155** | **(3 340 576)** | **-** | **-** |
| **Depreciation and amortisation** | | | | | |
| Depreciation of property, plant and equipment | 3 | 29 974 172 | 27 814 695 | - | - |
| Depreciation of right-of-use assets | 4 | 45 034 486 | 45 346 549 | - | - |
| Amortisation of intangible assets | 6 | 96 655 | 761 715 | - | - |
| **Total depreciation and amortisation** | | **75 105 313** | **73 922 959** | **-** | **-** |
| **Impairment losses** | | | | | |
| Impairment of investments | | - | 526 025 | - | - |
| **Other** | | | | | |
| Administration and management fees | | 8 636 642 | 9 811 846 | 7 376 442 | 9 811 846 |
| Consulting and professional fees | | 25 107 631 | 25 675 766 | 360 | 677 407 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | | 2023 | 2022 | 2023 | 2022 |

## 24. Investment income

| | | | | | |
|---|---|---|---|---|---|
| **Dividend income** | | | | | |
| **Group entities:** | | | | | |
| Subsidiaries | | 13 198 018 | 13 976 098 | - | - |
| | | | | | |
| **Dividend income per entity:** | | | | | |
| Promco (Pty) Limited | | - | 51 700 | - | - |
| SBC Limited | | 3 035 685 | 1 821 411 | - | - |
| Orchard Insurance Limited | | 61 345 | - | - | - |
| Eswatini Royal Insurance Corporation | | 10 100 988 | 12 102 987 | - | - |
| | | **13 198 018** | **13 976 098** | **-** | **-** |

Refer to note 19 for the Company's dividend income disclosed and classified as part of Revenue.

| | | | | | |
|---|---|---|---|---|---|
| **Interest income** | | | | | |
| **Investments in financial assets:** | | | | | |
| Financial institutions | | 2 257 065 | 1 766 853 | 763 346 | 955 228 |
| Related parties | 31 | 1 544 184 | 525 182 | 18 467 | - |
| **Total interest income** | | **3 801 249** | **2 292 035** | **781 813** | **955 228** |
| | | | | | |
| **Total investment income** | | **16 999 267** | **16 268 133** | **781 813** | **955 228** |

## 25. Finance costs

| | | | | | |
|---|---|---|---|---|---|
| Related parties | 31 | 9 665 427 | 4 676 678 | 4 448 | - |
| Lease liabilities | | 21 347 386 | 17 733 493 | - | - |
| Current borrowings | | 2 431 688 | 1 628 450 | - | - |
| Interest on promissory notes | | 18 645 738 | 21 497 304 | 6 444 146 | 5 258 612 |
| **Total finance costs** | | **52 090 239** | **45 535 925** | **6 448 594** | **5 258 612** |

## 26. Taxation

### Major components of the tax (income) expense

| | | | | | |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Income tax | | 1 799 130 | 3 981 057 | 52 965 | - |
| Withholding tax | | (261 660) | 5 981 | - | - |
| | | **1 537 470** | **3 987 038** | **52 965** | **-** |
| | | | | | |
| **Deferred** | | | | | |
| Deferred tax | | (14 092 700) | (26 684 397) | - | - |
| | | **(12 555 230)** | **(22 697 359)** | **52 965** | **-** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

## 26. Taxation (continued)

### Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

| | | | | |
|---|---|---|---|---|
| Applicable tax rate | 27.50 % | 27.50 % | 27.50 % | 27.50 % |
| Permanent difference* | (12.52)% | 0.71 % | - % | - % |
| Unrealised gain on investments | 27.11 % | 22.22 % | (28.54)% | (27.50)% |
| Witholding tax | (0.28)% | - % | - % | - % |
| Differences in tax rates | (1.50)% | (1.50)% | - % | - % |
| Unused tax losses | 3.37 % | 14.83 % | - % | - % |
| | **43.68 %** | **63.76 %** | **(1.04)%** | **- %** |

*On legal costs, donations, fines and penalties.

## 27. Segmental information

The Group has identified its reportable segments based on the following factors.

Operating segments are reflective of the management structure of the Group and are identified both geographically and by the key markets they serve. The chief operations decision maker (“CODM”), which is the executive committee (“Exco”) comprising of the managing director of each investee and other senior management, evaluates the investee’s performance from a geographic perspective. The CODM has determined that the Group operates as two segments based on geographical location.

The Group is engaged in activities involving investments in unlisted and emerging entities. The Exco primarily assesses the performance of the operating segments using adjusted earnings before interest, tax, depreciation, and amortization (“EBITDA”). Additionally, the Exco receives monthly information on the segments' revenue and assets. Segment assets and liabilities are measured in a manner consistent with the financial statements, with assets allocated based on the operations of the segment and the physical location of the asset.

These factors have been considered in the identification of reportable segments for segment reporting purposes based on the geographical location of all the investee companies.

**Summary of segment report:**

| | | | | |
|---|---|---|---|---|
| **Revenue** | | | | |
| Eswatini | 1 308 250 271 | 1 217 250 246 | 18 237 938 | 16 656 951 |
| South Africa | 461 069 459 | 483 967 201 | - | - |
| **Total revenue** | **1 769 319 730** | **1 701 217 447** | **18 237 938** | **16 656 951** |
| **Investment income** | | | | |
| Dividend income | 13 198 018 | 13 976 098 | - | - |
| Interest income | 3 801 249 | 2 292 035 | 781 813 | 955 228 |
| **Total investment income** | **16 999 267** | **16 268 133** | **781 813** | **955 228** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 27. Segmental information (continued)

| | | | | |
|---|---|---|---|---|
| **Investment income by geographical segment** | | | | |
| Eswatini | 15 395 285 | 16 268 133 | 781 813 | 955 228 |
| South Africa | 1 603 982 | - | - | - |
| **Total investment income** | **16 999 267** | **16 268 133** | **781 813** | **955 228** |
| **Administrative expenses** | | | | |
| Eswatini | 278 082 697 | 269 248 123 | 9 175 996 | 11 578 418 |
| South Africa | 71 991 245 | 57 334 011 | - | - |
| **Total administrative expenses** | **350 073 942** | **326 582 134** | **9 175 996** | **11 578 418** |
| **Total assets** | | | | |
| Eswatini | 1 595 343 871 | 1 153 393 139 | 547 724 823 | 557 665 405 |
| South Africa | 145 045 238 | 306 108 727 | - | - |
| **Total assets** | **1 740 389 109** | **1 459 501 866** | **547 724 823** | **557 665 405** |
| **Total liabilities** | | | | |
| Eswatini | 952 126 619 | 415 183 520 | 68 017 602 | 65 902 629 |
| South Africa | 104 977 288 | 358 840 696 | - | - |
| **Total liabilities** | **1 057 103 907** | **774 024 216** | **68 017 602** | **65 902 629** |

**Segmental revenue**

The group derives revenue from the transfer of goods at a point in time in the following product lines and geographical regions:

| **Group - 2023** | **Eswatini** | **South Africa** | **Total** |
|---|---|---|---|
| **Fast moving consumer goods and food service** | | | |
| Segment revenue | 1 308 250 271 | 461 069 459 | 1 769 319 730 |
| Inter-segment revenue | (5 611 883) | - | (5 611 883) |
| Revenue from external customers | 1 302 638 388 | 461 069 459 | 1 763 707 847 |
| **Timing of revenue recognition** | | | |
| At a point in time | **1 302 638 388** | **461 069 459** | **1 763 707 847** |

| **Group - 2022** | **Eswatini** | **South Africa** | **Total** |
|---|---|---|---|
| **Fast moving consumer goods and food service** | | | |
| Segment revenue | 1 217 250 246 | 483 967 201 | 1 701 217 447 |
| Revenue from external customers | 1 217 250 246 | 483 967 201 | 1 701 217 447 |
| **Timing of revenue recognition** | | | |
| At a point in time | **1 217 250 246** | **483 967 201** | **1 701 217 447** |

### 27. Segmental information (continued)

The company derives revenue other than from contracts with customers at a point in time in the following geographical regions:

| **Company - 2023** | **Eswatini** | **South Africa** | **Total** |
|---|---|---|---|
| **Dividend income** | | | |
| Segment revenue | 18 237 938 | - | 18 237 938 |
| Revenue other than from contracts with customers | 18 237 938 | - | 18 237 938 |
| **Timing of revenue recognition** | | | |
| At a point in time | **18 237 938** | **-** | **18 237 938** |

| **Company - 2022** | **Eswatini** | **South Africa** | **Total** |
|---|---|---|---|
| **Dividend income** | | | |
| Segment revenue | 16 656 951 | - | 16 656 951 |
| Revenue other than from contracts with customers | 16 656 951 | - | 16 656 951 |
| **Timing of revenue recognition** | | | |
| At a point in time | **16 656 951** | **-** | **16 656 951** |

### 28. Earnings per share

**Group**

Basic and diluted earnings per share was based on total comprehensive loss of E (556 431) (2022: Loss E (2 465 340)) and a weighted average number of ordinary shares of 229 921 569 (2022: 229 921 569).

**Company**

Basic and diluted earnings per share was based on total comprehensive profit of E (5 157 907) (2022: Loss E (121 201 039)) and a weighted average number of ordinary shares of 229 921 569 (2022: 229 921 569).

The Group and Company does not have any dilutive instruments and therefore the basic and diluted earnings and weighted average number of ordinary shares are the same.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements that would significantly change the number of ordinary shares or potential ordinary shares outstanding at the reporting date. No adjustments have been made to the basic and diluted earnings per share presented above for the year.

### 29. Cash (used in)/generated from operations

| Figures in Emalangeni | | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|---|
| Loss before taxation - continuing operations | | (28 744 911) | (35 597 339) | (5 104 942) | (121 201 039) |
| Profit before taxation - Discontinued operations | | 21 377 013 | 14 510 922 | - | - |
| **Adjustments for non-cash items:** | | | | | |
| Depreciation, amortisation, impairments and reversals of impairments | | 75 105 313 | 73 922 959 | - | - |
| Losses on sale of assets and liabilities | | 100 189 | 19 707 | - | - |
| Losses on exchange differences | | 386 320 | 12 236 | 12 356 | 11 597 |
| Fair value (gains) losses | | (25 980 355) | (156 352) | 8 487 747 | 121 964 591 |
| **Adjust for items which are presented separately:** | | | | | |
| Interest income | | (3 801 249) | (2 292 035) | (781 813) | (955 228) |
| Dividends received | | (13 198 018) | (13 976 098) | (18 237 938) | (16 656 951) |
| Finance costs | | 52 090 239 | 45 535 925 | 6 448 594 | 5 258 612 |
| **Changes in working capital:** | | | | | |
| (Increase) decrease in inventories | | 19 490 162 | (58 431 251) | - | - |
| (Increase) decrease in trade and other receivables | | 7 802 899 | (22 922) | 10 893 | (14 134) |
| Increase (decrease) in trade and other payables | | (36 124 605) | 65 391 572 | (484 319) | 129 536 |
| | | **68 502 997** | **88 917 324** | **(9 649 422)** | **(11 463 016)** |

**<u>Changes in liabilities arising from financing activities</u>**

**Non-cash investing and financing activities**

Non-cash investing and financing activities disclosed in other notes are:

- acquisition of right-of-use assets: See note 4.

**Net debt reconciliation**

| Figures in Emalangeni | Note | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|---|---|---|---|---|---|
| Cash and cash equivalents | 13 | 67 150 114 | 84 936 774 | - | - |
| Liquid investments (i) | 7 | 52 138 559 | 52 138 559 | - | - |
| Bank overdrafts | 13 | (19 218 457) | (14 195) | - | - |
| Borrowings | 16 | (132 602 032) | (164 711 193) | - | - |
| Lease liabilities | 4 | (192 659 363) | (241 391 956) | - | - |
| **Net debt** | | **(225 191 179)** | **(269 042 011)** | **-** | **-** |

(i) Liquid investments comprise current investments that are traded in an active market, being the group's financial assets held at fair value through profit or loss.

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 29. Cash (used in)/generated from operations (continued)

| **Group** | **Liabilities from financing activities** | | **Other assets** | | **Total** |
|---|---|---|---|---|---|
| | **Borrowings** | **Lease liabilities** | **Cash/ Bank overdraft** | **Liquid investments** | **Total** |
| **Net debt as at 01 January 2022** | (178 899 442) | (134 915 053) | 91 326 319 | 52 138 559 | (170 349 617) |
| Financing cash flows | 17 115 602 | 41 244 982 | (6 403 740) | - | 51 956 844 |
| New leases | - | (147 721 885) | - | - | (147 721 885) |
| **Other changes *:** | | | | | |
| Interest expense | (9 343 021) | (25 278 280) | (1 469 421) | - | (36 090 722) |
| Interest payments | 6 415 668 | 25 278 280 | 1 469 421 | - | 33 163 369 |
| **Net debt as at 31 December 2022** | (164 711 193) | (241 391 956) | 84 922 579 | 52 138 559 | (269 042 011) |
| Financing cash flows | 16 761 491 | 45 660 018 | (28 830 191) | - | 33 591 318 |
| New leases | - | (7 763 127) | - | - | (7 763 127) |
| **Other changes *:** | | | | | |
| Interest expense | (14 682 470) | (23 616 670) | (2 404 958) | - | (40 704 098) |
| Interest payments | 8 237 088 | 23 616 670 | 2 404 958 | - | 34 258 716 |
| **Net debt as at 31 December 2023** | **(154 395 084)** | **(203 495 065)** | **56 092 388** | **52 138 559** | **(249 659 202)** |

* Other changes include non-cash movements, including accrued interest expense which will be operating cash flows in the statement of cash flows when paid.

### 30. Tax (paid) refunded

| | | | | |
|---|---|---|---|---|
| Balance at beginning of the year | (2 152 663) | (5 552 937) | 148 610 | 148 610 |
| Current tax recognised in profit or loss | (1 537 470) | (3 987 038) | (52 965) | - |
| Balance at end of the year | 1 214 888 | 2 152 663 | (17 241) | (148 610) |
| **Tax paid** | **(2 475 245)** | **(7 387 312)** | **78 404** | **-** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**31. Related parties**

**Relationships**

| | |
|---|---|
| Investment manager: | African Alliance Eswatini Limited, incorporated in the Kingdom of Eswatini |
| Subsidiaries and fellow subsidiaries: | Inba Holdings Limited, incorporated in the Kingdom of Eswatini<br>Swagri Holdings (Pty) Limited, incorporated in the Kingdom of Eswatini<br>African Alliance Limited, incorporated in the Isle of Man<br>Alliance Foods (Pty) Limited, incorporated in the Kingdom of Eswatini<br>Lojaf (Proprietary) Limited, incorporated in the Kingdom of Eswatini<br>General Africa Foods Eswatini (Pty) Limited, incorporated in the Kingdom of Eswatini<br>Pivot Limited, incorporated in the Republic of Mauritius<br>African Alliance Eswatini Limited, incorporated in the Kingdom of Eswatini<br>Pine Acres (Pty) Limited, incorporated in the Kingdom of Eswatini<br>Afri Pack (Pty) Limited, incorporated in the Kingdom of Eswatini<br>Afri Pack General SA (Pty) Limited, incorporated in the Republic of South Africa<br>PaknSave (Pty) Limited, incorporated in the Republic of South Africa<br>Vidastyle Botswana (Pty) Limited, incorporated in the Republic of Botswana<br>Alliance Foods SA (Pty) Limited, incorporated in the Republic of South Africa<br>Afri Pack Lesotho (Pty) Limited, incorporated in Lesotho<br>Vidastyle Retail Management (Pty) Ltd, incorporated in Namibia<br>African Alliance Advisory (Pty) Limited, incorporated in the Republic of South Africa<br>Select Advisors Proprietary Limited, incorporated in the Republic of South Africa<br>Promco (Pty) Limited, incorporated in the Kingdom of Eswatini |
| Associates | Refer to note 8 |
| Collective Investment Schemes | African Alliance Eswatini Lilangeni Fund<br>African Alliance Eswatini Umnotfo Fund |

**Related party balances**

| | | | | |
|---|---|---|---|---|
| **Funds with financial institutions** | | | | |
| African Alliance Eswatini Lilangeni Fund | 13 438 382 | 29 139 319 | 6 627 713 | 18 509 571 |

The Group's principal subsidiaries at 31 December 2023 are set out above. Unless otherwise stated, they have share capital consisting of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is their principal place of business. Also refer to note 7 for more information on each subsidiary.

Other related party balances are set out in notes 9 and 15 of the financial statements.

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | | 2023 | 2022 | 2023 | 2022 |

### 31. Related parties (continued)

**Related party transactions**

| | | | | | |
|---|---|---|---|---|---|
| **Administration and management fees** | | | | | |
| African Alliance Eswatini Limited | | 8 636 642 | 9 811 846 | 7 376 442 | 9 811 846 |
| **Consultancy expenses** | | | | | |
| African Alliance Advisory (Pty) Limited | | 10 099 390 | 9 441 131 | - | - |
| Pivot Limited | | 1 066 516 | 316 898 | - | - |
| | | **11 165 906** | **9 758 029** | **-** | **-** |
| **Interest received** | | | | | |
| Vidastyle Botswana (Pty) Limited | | 839 962 | 267 006 | - | - |
| African Alliance Eswatini Limited | | 415 302 | 87 143 | - | - |
| Afri Pack Lesotho (Pty) Limited | | 222 350 | 50 118 | - | - |
| African Alliance Advisory (Pty) Ltd | | 18 008 | 59 808 | - | - |
| Vidastyle Retail Management (Pty) Limited | | 48 562 | - | - | - |
| African Alliance Eswatini Lilangeni Fund | | - | 61 107 | - | - |
| Alliance Foods (Pty) Limited | | - | - | 18 467 | - |
| | 24 | **1 544 184** | **525 182** | **18 467** | **-** |
| **Interest paid** | | | | | |
| Pine Acres (Pty) Limited | | 47 570 | 12 793 | - | - |
| Select Limited | | - | 737 873 | - | - |
| African Alliance Eswatini Limited | | 2 981 033 | 769 110 | - | - |
| African Alliance Advisory (Pty) Limited | | 4 683 697 | 3 156 902 | - | - |
| Pivot Limited | | 41 017 | - | - | - |
| Inala Capital Limited | | 12 110 | - | - | - |
| Alliance Foods (Pty) Limited | | - | - | 4 448 | - |
| African Alliance Eswatini Umnotfo Fund | | 1 900 000 | - | - | - |
| | 25 | **9 665 427** | **4 676 678** | **4 448** | **-** |
| **Compensation to directors and other key management** | | | | | |
| Directors' remuneration | | 107 535 | 275 530 | 107 535 | 275 530 |

The fees are paid to non-executive directors quarterly in arrears and determined by the board on a market-related basis as recommended by the remuneration committee. Refer to the Directors report for any changes in the directorate during the current year.

All group transactions are made at terms equivalent to those prevailing in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties during the year.

## 32. Financial instruments and risk management

**Categories of financial instruments**

**Categories of financial assets**

**Group - 2023**

| | Note(s) | Fair value through profit or loss | Amortised cost | Total |
|---|---|---|---|---|
| Investments at fair value | 7 | 158 077 157 | - | 158 077 157 |
| Amounts owing by related parties | 9 | - | 15 038 436 | 15 038 436 |
| Assets classified as held for sale | | 72 442 445 | - | 72 442 445 |
| Trade and other receivables | 10 | - | 11 808 569 | 11 808 569 |
| Cash and cash equivalents | 13 | - | 67 150 114 | 67 150 114 |
| | | **230 519 602** | **93 997 119** | **324 516 721** |

**Group - 2022**

| | Note(s) | Fair value through profit or loss | Amortised cost | Total |
|---|---|---|---|---|
| Investments at fair value | 7 | 145 820 113 | - | 145 820 113 |
| Investments in associates | 8 | 45 558 213 | - | 45 558 213 |
| Amounts owing by related parties | 9 | - | 6 703 020 | 6 703 020 |
| Trade and other receivables | 10 | - | 15 404 422 | 15 404 422 |
| Cash and cash equivalents | 13 | - | 84 936 774 | 84 936 774 |
| | | **191 378 326** | **107 044 216** | **298 422 542** |

**Company - 2023**

| | Note(s) | Fair value through profit or loss | Amortised cost | Total |
|---|---|---|---|---|
| Investments at fair value | 7 | 436 449 935 | - | 436 449 935 |
| Amounts owing by related parties | 9 | - | 10 596 863 | 10 596 863 |
| Assets classified as held for sale | 18 | 94 002 247 | - | 94 002 247 |
| Cash and cash equivalents | 13 | - | 6 648 842 | 6 648 842 |
| | | **530 452 182** | **17 245 705** | **547 697 887** |

## 32. Financial instruments and risk management (continued)

**Company - 2022**

| | Note(s) | Fair value through profit or loss | Amortised cost | Total |
|---|---|---|---|---|
| Investments at fair value | 7 | 538 939 929 | - | 538 939 929 |
| Cash and cash equivalents | 13 | - | 18 556 278 | 18 556 278 |
| | | **538 939 929** | **18 556 278** | **557 496 207** |

**Categories of financial liabilities**

**Group - 2023**

| | Note(s) | Amortised cost | Total |
|---|---|---|---|
| Trade and other payables | 17 | 234 003 186 | 234 003 186 |
| Amounts owing to related parties | 15 | 112 694 665 | 112 694 665 |
| Other financial liabilities | 16 | 132 602 032 | 132 602 032 |
| Bank overdraft | 13 | 19 218 457 | 19 218 457 |
| | | **498 518 340** | **498 518 340** |

**Group - 2022**

| | Note(s) | Amortised cost | Total |
|---|---|---|---|
| Trade and other payables | 17 | 270 127 791 | 270 127 791 |
| Amounts owing to related parties | 15 | 95 331 443 | 95 331 443 |
| Other financial liabilities | 16 | 164 711 193 | 164 711 193 |
| Bank overdraft | 13 | 14 195 | 14 195 |
| | | **530 184 622** | **530 184 622** |

**Company - 2023**

| | Note(s) | Amortised cost | Total |
|---|---|---|---|
| Trade and other payables | 17 | 2 020 448 | 2 020 448 |
| Amounts owing to related parties | 15 | 28 582 322 | 28 582 322 |
| Other financial liabilities | 16 | 37 414 463 | 37 414 463 |
| Bank overdraft | 13 | 368 | 368 |
| | | **68 017 601** | **68 017 601** |

### 32. Financial instruments and risk management (continued)

**Company - 2022**

| | Note(s) | **Amortised cost** | **Total** |
|---|---|---|---|
| Trade and other payables | 17 | 2 504 767 | 2 504 767 |
| Amounts owing to related parties | 15 | 27 246 584 | 27 246 584 |
| Other financial liabilities | 16 | 36 151 278 | 36 151 278 |
| | | **65 902 629** | **65 902 629** |

**Capital risk management**

The overall governance structure and high-level policies relating to the manner in which the Company and Group manages its risk exposure have been described in its Investment Policy, Board Charter and Responsible Investing Policy.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital which the Group defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowin gs and the advantages and security afforded by a sound capital position.

The Company and Group's objectives when managing capital are to:
- safeguard its ability to continue as a going concern, to provide investors with superior long-term returns; and
- maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure of Company and Group, management may adjust the quantum of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

During the year ended 31 December 2023, management maintained a conservative approach to capital management, which was unchanged from 2022.

As a long-term investment vehicle, the intention is to target a dividend pay-out of 1% of Net Asset Value annually. The funds to pay out as dividends will come from either dividend income, interest income, or the realisation of an underlying investment. Ultimately, it will be at the discretion of the Board of Company to pay out a dividend or not.

Investors can elect, at their discretion, to acquire more shares on the open market from any dividends they receive.

There are no externally or regulatory imposed capital requirements.

Loan covenants

Under the terms of the major bank loans, which has a carrying amount of E29 266 615 (2022: E42 304 167), the Group is required to comply with the following financial covenants at the end of each annual and interim reporting period:
- Interest Bearing Debt : EBITDA to be at 2 or lower, and
- Shareholders Interest of R30 million or higher.

The Group has complied with these covenants throughout the reporting period. As at 31 December 2023, the ratio of net finance cost to EBITDA was 1.86 (2022: 2.29).

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**32. Financial instruments and risk management (continued)**

There are no indications that the entity may have difficulties complying with the covenants when they will be next tested as at the 30 June 2024 interim reporting date.

**Financial risk management**

**Overview**

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The group’s operations expose it to a number of financial risks, including market risk, interest rate risk, credit risk and liquidity risk. A risk management programme has been established to protect the group against the potential adverse effects of these financial risks.

The board is responsible for risk management and the setting of the risk management framework. Oversight of risk management is the responsibility of two board sub-committees; the asset and liability committee (“ALCO”) and the audit committee. ALCO monitors risks associated with liquidity and funding, interest rates, counterparties, currency exposures and capital adequacy. The audit committee monitors risks associated with financial reporting, accounting policies and internal control. The audit committee is responsible for risk management including setting the risk management framework, setting risk appetite and monitoring the group’s management of risk including credit and compliance.

The responsibility for day-to-day management of risks falls on each of the respective subsidiary’s chief executive officers and their executive committees. Risk management is managed at subsidiary level through the divisional executive committees and reviewed by each of the respective subsidiary boards. Group oversight is the responsibility of the group chief financial officer.

**Credit risk**

Credit risk represents the risk of potential financial loss that the Group and Company may suffer if any customer or counterparty to a financial agreement fails to fulfill their contractual obligations. The Group’s credit risk exposure predominantly arises from cash deposits, cash equivalents and trade receivables.

The management of credit risk is centralised within the Group, with policies and procedures established to ensure that the Group’s exposure to credit risk is maintained within acceptable parameters. For dealings with banks and financial institutions, the Group adheres to a stringent counterparty creditworthiness evaluation process. Only institutions with a minimum independent credit rating of 'B' and a stable outlook are considered acceptable. In the absence of an independent rating, the risk control team undertakes a comprehensive assessment of the credit quality of the institution, factoring in its financial stability, historical performance, and other relevant considerations.

In the Group’s retail operations, the Group mitigates credit risk by stipulating that all sales must be settled either in cash or through the use of major credit cards. This policy effectively reduces the potential for credit risk exposure in the Group’s day-to-day transactions.

### 32. Financial instruments and risk management (continued)

The Group’s trade receivables are derived from a diversified customer base, thereby eliminating significant concentrations of credit risk associated with exposure to any single customer or geographic region. The credit risk related to these customers is assessed regularly. For customers with independent ratings, these ratings are directly used to check creditworthiness. In cases where such independent ratings are not available, the risk control department assesses the credit quality of the customer, considering their financial standing, historical interactions, and other appropriate data. Individual credit limits are determined based on this assessment, in alignment with the board's approved limits. The use of these credit limits, where applicable, is regularly monitored to ensure they are not exceeded.

For 31 December 2023, the Group has determined that the impairment loss on cash deposits, cash equivalents, and trade debtors was immaterial, reflecting the effectiveness of its credit risk management strategies and the quality of the credit exposures.

The maximum exposure to credit risk is presented in the table below:

| Group | | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|---|
| | | **Gross carrying amount** | **Credit loss allowance** | **Amortised cost / fair value** | **Gross carrying amount** | **Credit loss allowance** | **Amortised cost / fair value** |
| Amounts owing by related parties | 9 | 15 038 436 | - | 15 038 436 | 6 703 020 | - | 6 703 020 |
| Trade and other receivables | 10 | 15 773 254 | - | 15 773 254 | 23 576 153 | - | 23 576 153 |
| Cash and cash equivalents | 13 | 67 150 114 | - | 67 150 114 | 84 936 774 | - | 84 936 774 |
| | | **97 961 804** | **-** | **97 961 804** | **115 215 947** | **-** | **115 215 947** |

| Company | | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|---|
| | | **Gross carrying amount** | **Credit loss allowance** | **Amortised cost / fair value** | **Gross carrying amount** | **Credit loss allowance** | **Amortised cost / fair value** |
| Amounts owing by related parties | 9 | 10 596 863 | - | 10 596 863 | - | - | - |
| Trade and other receivables | 10 | 9 695 | - | 9 695 | 20 588 | - | 20 588 |
| Cash and cash equivalents | 13 | 6 648 842 | - | 6 648 842 | 18 556 278 | - | 18 556 278 |
| | | **17 255 400** | **-** | **17 255 400** | **18 576 866** | **-** | **18 576 866** |

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group’s risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below shows the Group’s financial liabilities into current and payable within 12 months and non-current and payable in more than 12 months and is based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**32. Financial instruments and risk management (continued)**

**Group - 2023**

| | | Less than 1 year | 1 to 2 years | 2 to 5 years | Contractual amount | Carrying amount |
|---|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | | |
| Amounts owing to related parties | 15 | - | 27 651 127 | 391 906 | 28 043 033 | 27 651 127 |
| Other financial liabilities | 16 | - | 28 062 500 | 126 484 759 | 154 547 259 | 121 471 302 |
| Lease liabilities | 4 | 61 959 809 | 48 505 648 | 158 375 101 | 268 840 558 | 152 573 972 |
| **Current liabilities** | | | | | | |
| Trade and other payables | 17 | 234 003 186 | - | - | 234 003 186 | 234 003 186 |
| Amounts owing to related parties | 15 | 85 043 538 | - | - | 85 043 538 | 85 043 538 |
| Other financial liabilities | 16 | 11 213 538 | - | - | 11 213 538 | 11 130 730 |
| Lease liabilities | 4 | - | - | - | - | 40 085 391 |
| Bank overdraft | 13 | 19 218 457 | - | - | 19 218 457 | 19 218 457 |
| Current tax payable | | 1 371 771 | - | - | 1 371 771 | 1 371 771 |
| | | **412 810 299** | **104 219 275** | **285 251 766** | **802 281 340** | **692 549 474** |

**Group - 2022**

| | | Less than 1 year | 1 to 2 years | 2 to 5 years | Contractual amount | Carrying amount |
|---|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | | |
| Amounts owing to related parties | 15 | 8 063 651 | 27 188 866 | 116 120 | 35 368 637 | 35 252 517 |
| Other financial liabilities | 16 | - | - | 164 702 307 | 164 702 307 | 121 587 516 |
| Lease liabilities | | 66 351 748 | 60 139 014 | 208 081 779 | 334 572 541 | 196 805 518 |
| **Current liabilities** | | | | | | |
| Trade and other payables | 17 | 270 127 791 | - | - | 270 127 791 | 270 127 791 |
| Amounts owing to related parties | 15 | 60 078 926 | - | - | 60 078 926 | 60 078 926 |
| Other financial liabilities | 16 | 43 123 677 | - | - | 43 123 677 | 43 123 677 |
| Lease liabilities | | - | - | - | - | 44 586 438 |
| Bank overdraft | 13 | 14 195 | - | - | 14 195 | 14 195 |
| Current tax payable | | 2 447 638 | - | - | 2 447 638 | 2 447 638 |
| | | **450 207 626** | **87 327 880** | **372 900 206** | **910 435 712** | **774 024 216** |

### 32. Financial instruments and risk management (continued)

**Company - 2023**

| | | Less than 1 year | 1 to 2 years | 2 to 5 years | Contractual amount | Carrying amount |
|---|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | | |
| Amounts owing to related parties | 15 | - | 27 651 127 | 391 906 | 28 043 033 | 27 651 127 |
| Other financial liabilities | 16 | - | 28 062 500 | 3 070 890 | 31 133 390 | 26 283 733 |
| **Current liabilities** | | | | | | |
| Trade and other payables | 17 | 2 020 448 | - | - | 2 020 448 | 2 020 448 |
| Amounts owing to related parties | 15 | 931 195 | - | - | 931 195 | 931 195 |
| Other financial liabilities | 16 | 11 213 538 | - | - | 11 213 538 | 11 130 730 |
| Bank overdraft | 13 | 368 | - | - | 368 | 368 |
| | | **14 165 549** | **55 713 627** | **3 462 796** | **73 341 972** | **68 017 601** |

**Company - 2022**

| | | Less than 1 year | 1 to 2 years | 2 to 5 years | Contractual amount | Carrying amount |
|---|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | | |
| Amounts owing to related parties | 15 | - | 27 188 866 | 116 120 | 27 304 986 | 27 188 866 |
| Other financial liabilities | 16 | - | 36 151 278 | 2 437 260 | 38 588 538 | 36 151 278 |
| **Current liabilities** | | | | | | |
| Trade and other payables | 17 | 2 504 767 | - | - | 2 504 767 | 2 504 767 |
| Amounts owing to related parties | 15 | 57 718 | - | - | 57 718 | 57 718 |
| | | **2 562 485** | **63 340 144** | **2 553 380** | **68 456 009** | **65 902 629** |

**Foreign currency risk**

The Group and the Company are involved in transactions across the Common Monetary Area (“CMA”), where the currencies are aligned. Currencies are governed by the South African Reserve Bank and are valued and exchanged at par with the South African Rand. At 31 December 2023, the Eswatini Emalangeni is pegged to the South African Rand, maintaining a one-to-one equivalent. This arrangement is a critical aspect of the Group’s foreign currency risk management strategy, as it inherently limits the Group and the Company's exposure to foreign exchange rate fluctuations.

The Group and the Company also engage in a limited scope of transactions involving shared group service charges, which are denominated in Mauritian Rupee and US Dollar. Despite these transactions occurring in currencies that are not pegged to the South African Rand, the resultant foreign exchange exposure is deemed immaterial. This is due to the relatively minor scale of these transactions in comparison to the Group’s overall financial activities.

The financial impact of these transactions, including any related foreign exchange gains or losses, has been evaluated and considered immaterial for the purposes of the financial statements. The Group and the Company recognise the necessity of monitoring these transactions; however, the minimal risk does not warrant a change in our broader foreign currency risk management approach.

### 32. Financial instruments and risk management (continued)

Given this currency peg, the Group and the Company operate with a reduced risk of foreign currency exchange rate volatility for transactions involving the Eswatini Emalangeni and the South African Rand. The peg ensures that the value of transactions, assets, and liabilities denominated in Eswatini Emalangeni remains stable relative to those in the South African Rand. Therefore, the Group and the Company are not subject to significant foreign exchange risks in the normal course of business within the CMA.

The Group and the Company continuously monitor the status of currency arrangements within the CMA and remain aware of any changes that could potentially alter the foreign exchange risk profile. However, as of the balance sheet date, there have been no indications or developments suggesting a deviation from the established peg between the Eswatini Emalangeni and the South African Rand.

The financial statements reflect this stability in the foreign currency context, with no significant foreign exchange gains or losses recognised during the year ended 31 December 2023. The Group and the Company's approach to managing foreign currency risk in the CMA has been effective in mitigating potential adverse effects on its financial performance and position.

**Interest rate risk**

Interest rate risk is a subset of market risk that involves the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk, whereas borrowings issued at fixed rates expose the group to fair value interest rate risk.

To manage its interest rate risk, the group employs the following measures:

- Fixed vs. variable rate borrowings: The group aims to maintain a balanced mix of fixed and variable rate borrowings to reduce the impact of interest rate fluctuations.
- Regular Monitoring: The group continuously monitors market conditions and the profile of its debt portfolio to minimise exposure to interest rate risk.
- Refinancing: The group evaluates opportunities for refinancing existing debt at more favourable interest rates when market conditions allow.
- Interest Rate Caps and Floors: The group may consider using interest rate caps and floors to limit the extent of exposure to adverse movements in interest rates.
- Maintaining Sufficient Liquidity: The group ensures that it maintains sufficient liquidity to manage potential increases in interest payments due to rising interest rates.

**Interest rate profile**

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

| | Note | Carrying amount | |
|---|---|---|---|
| **Group** | | 2023 | 2022 |
| **Variable rate instruments:** | | | |
| **Assets** | | | |
| Amounts owing by related parties | 9 | 15 038 436 | 6 703 020 |
| Cash and cash equivalents | 13 | 66 309 295 | 83 083 733 |
| | | **81 347 731** | **89 786 753** |

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | | 2023 | 2022 | 2023 | 2022 |

**32. Financial instruments and risk management (continued)**

| | Note | 2023 | 2022 |
|---|---|---|---|
| **Liabilities** | | | |
| Amounts owing to related parties | 15 | (74 948 830) | (68 142 577) |
| Other financial liabilities | 16 | (29 266 615) | (69 612 864) |
| Bank overdraft | 13 | (19 218 457) | (14 195) |
| | | **(123 433 902)** | **(137 769 636)** |
| **Net variable rate financial instruments** | | **(42 086 171)** | **(47 982 883)** |

| | Note | Carrying amount | |
|---|---|---|---|
| **Company** | | 2023 | 2022 |
| **Variable rate instruments:** | | | |
| **Assets** | | | |
| Amounts owing by related parties | 9 | 10 596 863 | - |
| Cash and cash equivalents | 13 | 6 648 842 | 18 556 278 |
| | | **17 245 705** | **18 556 278** |
| **Liabilities** | | | |
| Amounts owing to related parties | 15 | (77 030) | (36 796) |
| Bank overdraft | 13 | (368) | - |
| | | **(77 398)** | **(36 796)** |
| **Net variable rate financial instruments** | | **17 168 307** | **18 519 482** |

**Interest rate sensitivity analysis**

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

| **Group** | 2023 | 2023 | 2022 | 2022 |
|---|---|---|---|---|
| **Increase or decrease in rate** | **Increase** | **Decrease** | **Increase** | **Decrease** |
| **Impact on profit or loss:** | | | | |
| Variable rate instruments (100 bps) | (420 862) | 420 862 | (479 829) | 479 829 |
| **Impact on equity:** | | | | |
| Variable rate instruments (100 bps) | (305 125) | 305 125 | (347 876) | 347 876 |
| **Total impact on profit or loss and equity** | **(725 987)** | **725 987** | **(827 705)** | **827 705** |

| **Company** | 2023 | 2023 | 2022 | 2022 |
|---|---|---|---|---|
| **Increase or decrease in rate** | **Increase** | **Decrease** | **Increase** | **Decrease** |
| **Impact on profit or loss:** | | | | |
| Variable rate instruments (100 bps) | 171 683 | (171 683) | 185 195 | (185 195) |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

**32. Financial instruments and risk management (continued)**

| | | | | |
|---|---|---|---|---|
| **Impact on equity:** | | | | |
| Variable rate instruments (100 bps) | 124 470 | (124 470) | 134 266 | (134 266) |
| **Total impact on profit or loss and equity** | **296 153** | **(296 153)** | **319 461** | **(319 461)** |

**Price risk**

The Group has investments in various collective investment undertakings the value of which are subject to fluctuations in net asset value prices.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The group is exposed to price risk due to its investments in various collective investment undertakings. The value of these investments is subject to fluctuations in NAV prices. These investments are held for strategic purposes and are not actively traded.

The group manages its exposure to price risk by:

- Diversification: Maintaining a diversified portfolio of investments across various sectors and geographies to mitigate the impact of adverse price movements in any single investment.
- Regular Valuation: Conduct regular valuations of the investment portfolio to monitor changes in NAV prices and assess the potential impact on the group's financial position.
- Investment Policy: Adhering to a structured investment policy that outlines criteria for investment selection, monitoring, and divestment to ensure that investments align with the group's strategic objectives and risk tolerance.
- Monitoring Market Conditions: Keeping on top of market developments and economic conditions that could affect NAV prices, and adjusting the investment strategy as necessary to manage potential risks.

**Price risk sensitivity analysis**

The table below summarises the impact of increases of the net asset value price on the Group's post-tax profit and equity for the year. The analysis is based on the assumption that the net asset value price changed by 5% with all other variables held constant.

| **Group** | 2023 | 2023 | 2022 | 2022 |
|---|---|---|---|---|
| **Increase or decrease in rate** | **Increase** | **Decrease** | **Increase** | **Decrease** |
| **Impact on profit or loss:** | | | | |
| Investments at fair value through profit or loss | 7 903 858 | (7 903 858) | 7 291 006 | (7 291 006) |
| Investments in associates | - | - | 2 277 911 | (2 277 911) |
| Assets classified as held for sale | 3 622 122 | (3 622 122) | - | - |
| | **11 525 980** | **(11 525 980)** | **9 568 917** | **(9 568 917)** |
| **Impact on equity:** | | | | |
| Investments at fair value through profit or loss | 5 730 297 | (5 730 297) | 5 285 979 | (5 285 979) |
| Investments in associates | - | - | 1 651 485 | (1 651 485) |
| Assets classified as held for sale | 2 626 038 | (2 626 038) | - | - |
| | **8 356 335** | **(8 356 335)** | **6 937 464** | **(6 937 464)** |
| **Total impact on profit or loss and equity** | **19 882 315** | **(19 882 315)** | **16 506 381** | **(16 506 381)** |

| | Group | | Company | |
|---|---|---|---|---|
| Figures in Emalangeni | 2023 | 2022 | 2023 | 2022 |

### 32. Financial instruments and risk management (continued)

| **Company** | 2023 | 2023 | 2022 | 2022 |
|---|---|---|---|---|
| **Increase or decrease in rate** | **Increase** | **Decrease** | **Increase** | **Decrease** |
| **Impact on profit or loss:** | | | | |
| Investments at fair value through profit or loss | 21 822 497 | (21 822 497) | 26 946 996 | (26 946 996) |
| Assets classified as held for sale | 4 700 112 | (4 700 112) | - | - |
| | **26 522 609** | **(26 522 609)** | **26 946 996** | **(26 946 996)** |
| **Impact on equity:** | | | | |
| Investments at fair value through profit or loss | 15 821 310 | (15 821 310) | 19 536 572 | (19 536 572) |
| Assets classified as held for sale | 3 407 581 | (3 407 581) | - | - |
| | **19 228 891** | **(19 228 891)** | **19 536 572** | **(19 536 572)** |
| **Total impact on profit or loss and equity** | **45 751 500** | **(45 751 500)** | **46 483 568** | **(46 483 568)** |

### 33. Going concern

We draw attention to the fact that at 31 December 2023, the company had accumulated losses of E (34 361 078) and that the company's total assets exceed its total liabilities by E 479 707 222.

We draw attention to the fact that at 31 December 2023, the group had accumulated losses of E (132 302 707) and that the group's total assets exceed its total liabilities by E 683 285 202.

The directors and management have assessed the Company and Group’s ability to continue as a going concern. The assessment includes solvency and liquidity tests. Despite the current liabilities exceeding current assets, the Group has a stable liquidity position with cash of E75 million (2022: E85 million). The liquidity test considers expected cash flows, including the operational cash flows, anticipated proceeds from revenues and or other funding activities. Management of the subsidiaries of the Company have done cash flow projections for the foreseeable future and based on the projections, management has determined that there will be sufficient resources to settle liabilities and obligations as they fall due. Some of the measures in place to manage liquidity include ensuring that the repayment date of a sufficient portion of existing debt and creditors is extended at a level which is well within levels previously experienced in the retail sector being of a longer settlement period vs. inventory days, continuing to engage the market to secure additional funding where necessary and minimising discretionary expenditure in order to ensure sufficient funds are available to meet the ongoing commitments of the Group and Company.

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate financial statements have been prepared on a going concern basis.

### 34. Events after the reporting period

During the year ended 31 December 2023, the directors of the company agreed to divest its investment in Alliance Foods (Pty) Limited (refer to note 7). This decision was driven by the company's strategic review of its growth strategy, which is focused on expanding its equity interests in the retail sector, particularly within the fast-moving consumer goods ("FMCG") market, as part of a broader regional consolidation strategy.

As part of the divestment strategy, the company plans to sell its shares in Alliance Foods (Pty) Ltd, a quick-service fast-food outlet operator in Eswatini, to Inala Capital Limited. In addition, the company intends to dispose of its minority stake in Ngwane Mills (Pty) Ltd, held by the company's fully owned subsidiary, Swagri Holdings (Pty) Limited, to Inala Capital Limited.

### 34. Events after the reporting period (continued)

In exchange for the Alliance Foods (Pty) Limited stake, the company will acquire a minority stake in General Africa Foods Eswatini (Pty) Limited from Inala Capital Limited through a share swap arrangement. General Africa Foods Eswatini (Pty) Limited is engaged in the sale of fresh and frozen meats and grocery items in Eswatini.

The execution of these transactions is subject to the successful negotiation of terms and the satisfaction of various conditions precedent, which may encompass regulatory consents, comprehensive due diligence processes, and the finalisation of mutually agreeable terms between all parties involved. At this stage, the directors are actively engaged in negotiations and are working diligently to advance these transactions to a conclusion. The company expects that these strategic transactions will be finalised by the end of 2024, although the exact timing is contingent upon the progress of negotiations and the satisfaction of all necessary conditions. Also refer to note 18.

The financial impact of these events will be assessed and recognized in the financial statements of the year in which the transactions are concluded. As of the date of these financial statements, no adjustments have been made to the financial statements for the year ended 31 December 2023, as the transactions were not completed and the outcomes were not determinable at the reporting date.

In February 2024, the Eswatini minister of finance announced a reduction in the corporate tax rate from 27.5% to 25%. The impact of this change on the financial statements for the year ended 31 December 2023 will be a decrease in the deferred tax asset of approximately E3 798 456 in the subsequent financial period. The figure is a provisional estimate and the actual effect will be calculated based on the deferred tax balances at the date when the change in tax rate becomes effective in 2024.

In May 2024, the Franchisor of General Africa Foods Eswatini (Pty) Limited’s West Pack Lifestyle business entered business rescue. Whilst this initially placed pressure on the business in terms of supply chain continuity all other aspects of the business remained operational. Management has since secured its supply chain and is monitoring developments in this regard. Management will continue to stress test the business and develop a contingency plan in the event of a worse case scenario. Management does not envisage the going concern status of General Africa Foods Eswatini (Pty) Limited to be impacted.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 35. Directors' interest

The table below sets out the beneficial interests in the share capital of the Company directly or indirectly held by Directors at 31 December:

| | **2023** | | **2022** | |
|---|---|---|---|---|
| | **No of shares** | **% holding** | **No of shares** | **% holding** |
| N K Mabuza | 3 | - % | 3 | - % |

### 36. Spread of shareholders

The below table indicates shareholders who own greater than 5% of the Company.

| | **% holding** | **% holding** |
|---|---|---|
| African Alliance Advisory (Pty) Ltd | 37.25 % | 37.25 % |
| University of Eswatini Pension Fund | 12.82 % | 12.82 % |
| Central Bank of Eswatini Retirement Fund | 12.21 % | 12.21 % |
| African Alliance Ligcebesha Fund | 9.21 % | 9.21 % |
| African Alliance Eswatini Portfolio Fund | 6.30 % | 6.30 % |
| Eswatini Electricity Company Pension Fund | 5.38 % | 5.38 % |
| Other (< 5%) | 16.83 % | 16.83 % |
| | **100.00 %** | **100.00 %** |

### 36. Spread of shareholders (continued)

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | No of shareholders | % of shareholders | No of shareholders | % of shareholders |
| 1- 50 000 shares | 74 | 70.48 % | 314 | 89.71 % |
| 50 001 - 500 000 shares | 2 | 1.90 % | 10 | 2.86 % |
| 500 001 - 1 000 000 shares | - | - % | 2 | 0.57 % |
| 1 000 001 - 5 000 000 shares | 9 | 8.57 % | 15 | 4.29 % |
| More than 5 000 000 shares | 20 | 19.05 % | 9 | 2.57 % |

### 37. Contingent Liabilities and Contingent Assets

As at 31 December 2023, the Group has assessed its financial position and operations and has determined that there are no contingent liabilities or contingent assets requiring disclosure as per the requirements of applicable accounting standards. Contingent liabilities are potential obligations that may arise from past events and whose existence will be confirmed by the occurrence or non-occurrence of future events beyond the control of the Group. Similarly, contingent assets are potential assets that may arise from past events and whose existence will be confirmed by the occurrence or non-occurrence of future events beyond the control of the Group. The Group continually monitors its operations and will disclose any material changes in contingent liabilities or contingent assets in subsequent financial periods, as required.

### 38. Commitments

As at 31 December 2023, the Group has evaluated its financial position and operations and has determined that there are no commitments requiring disclosure as per the requirements of applicable accounting standards. Commitments are contractual obligations or agreements that the Group has entered into but not yet recognised as liabilities in the financial statements. The Group continually assesses its contractual agreements and will disclose any material changes in commitments in subsequent financial periods, as required.

GREYSTONE PARTNERS

# Greystone Partners Limited

(Registration number 74/2009)

## Detailed Income Statements

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | Note(s) | 2023 | 2022 | 2023 | 2022 |
| **Continuing operations** | | | | | |
| **Revenue** | | | | | |
| Sale of goods | | 1 769 319 730 | 1 701 217 447 | - | - |
| Dividend income | | - | - | 18 237 938 | 16 656 951 |
| | 19 | **1 769 319 730** | **1 701 217 447** | **18 237 938** | **16 656 951** |
| **Cost of sales** | | | | | |
| Opening stock | | (180 879 349) | (122 448 098) | - | - |
| Purchases | | (1 459 480 083) | (1 468 536 733) | - | - |
| Closing stock | | 161 389 187 | 180 879 349 | - | - |
| | 20 | **(1 478 970 245)** | **(1 410 105 482)** | **-** | **-** |
| **Gross profit** | | **290 349 485** | **291 111 965** | **18 237 938** | **16 656 951** |
| **Other operating income** | 21 | **40 576 672** | **29 016 213** | **-** | **-** |
| **Other operating gains (losses)** | | | | | |
| Losses on disposal of assets | | (100 189) | (19 707) | - | - |
| Foreign exchange losses | | (386 320) | (12 236) | (12 356) | (11 597) |
| Unrealised gains (losses) on revaluation of investments | 7 | 25 980 355 | 156 352 | (8 487 747) | (121 964 591) |
| | 22 | **25 493 846** | **124 409** | **(8 500 103)** | **(121 976 188)** |
| **Operating expenses** | | | | | |
| Administration and management fees | | (8 636 642) | (9 811 846) | (7 376 442) | (9 811 846) |
| Advertising and publication costs | | (16 227 650) | (17 150 669) | (16 294) | - |
| Amortisation | | (96 655) | (761 715) | - | - |
| Auditor's remuneration - Audit | 23 | (2 512 487) | (2 427 792) | (1 326 012) | (625 109) |
| Auditor's remuneration - Other services | 23 | (461 470) | - | - | - |
| Bank charges | | (12 510 581) | (11 760 709) | (7 133) | (7 866) |
| Cleaning | | (5 716 645) | (6 233 540) | - | - |
| Commission paid | | (180 000) | (30 000) | (180 000) | (30 000) |
| Computer expenses | | (4 229 577) | (4 114 154) | (49 596) | - |
| Accounting fees | | (392 718) | (1 061 730) | - | - |
| Consulting and professional fees | | (25 107 631) | (25 675 766) | (360) | (677 407) |
| Depreciation | 3, 4 | (75 008 658) | (73 161 244) | - | - |
| Directors' remuneration | | (107 535) | (275 530) | (107 535) | (275 530) |
| Employee costs | | (95 039 294) | (86 592 178) | - | - |
| Entertainment and conference costs | | (28 934) | (27 215) | - | (2 180) |
| Office expenses | | (44 505) | (21 240) | - | - |
| Fines and penalties | | - | (67 943) | - | (3 560) |
| Donations | | (161 444) | (130 039) | - | - |
| Impairment of investments | | - | (526 025) | - | - |
| Insurance | | (5 512 060) | (5 152 935) | (10 027) | (8 070) |
| Leases rentals on operating leases | | (3 988 155) | 3 340 576 | - | - |
| Motor vehicle expenses | | (10 412 614) | (8 994 960) | - | - |
| Utilities | | (37 638 774) | (35 550 786) | - | - |
| Franchise fees | | (17 291 394) | (14 094 682) | - | - |
| Printing and stationery | | (3 047 749) | (2 894 706) | - | - |
| Repairs and maintenance | | (6 552 852) | (6 066 139) | - | - |



The supplementary information presented does not form part of the consolidated and separate financial statements and is unaudited

GREYSTONE PARTNERS

# Greystone Partners Limited
(Registration number 74/2009)

## Detailed Income Statements

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in Emalangeni | Note(s) | 2023 | 2022 | 2023 | 2022 |
| Secretarial fees | | - | - | (89 700) | (44 850) |
| Security | | (8 588 161) | (6 861 696) | - | - |
| Staff welfare | | (436 402) | (570 901) | - | - |
| Subscriptions | | (6 732 399) | (5 290 475) | (12 500) | (92 000) |
| Telephone | | (1 418 282) | (105 190) | - | - |
| Training | | (124 522) | (60 130) | - | - |
| Travel and accomodation | | (1 868 152) | (4 450 775) | (397) | - |
| | | **(350 073 942)** | **(326 582 134)** | **(9 175 996)** | **(11 578 418)** |
| **Operating profit (loss)** | 23 | **6 346 061** | **(6 329 547)** | **561 839** | **(116 897 655)** |
| Investment income | 24 | 16 999 267 | 16 268 133 | 781 813 | 955 228 |
| Finance costs | 25 | (52 090 239) | (45 535 925) | (6 448 594) | (5 258 612) |
| **Loss before taxation** | | **(28 744 911)** | **(35 597 339)** | **(5 104 942)** | **(121 201 039)** |
| Taxation | 26 | 12 555 230 | 22 697 359 | (52 965) | - |
| **Loss for the year from continuing operations** | | **(16 189 681)** | **(12 899 980)** | **(5 157 907)** | **(121 201 039)** |
| Discontinued operations | 18 | 15 633 250 | 10 434 640 | - | - |
| **Loss for the year** | | **(556 431)** | **(2 465 340)** | **(5 157 907)** | **(121 201 039)** |



The supplementary information presented does not form part of the consolidated and separate financial statements and is unaudited

## Annexure A - Prime interest rates and currencies

| | 2023 | 2022 |
|---|---|---|
| **Prime Interest rates (as quoted by a reputable local bank)** | | |
| Botswana | 6.76 % | 5.25 % |
| Ghana | 30.00 % | 27.00 % |
| Isle of Man | 5.25 % | 3.50 % |
| Kenya | 13.50 % | 12.39 % |
| Lesotho | 10.75 % | 8.56 % |
| Malawi | 22.70 % | 16.60 % |
| Mauritius | 9.50 % | 9.00 % |
| South African | 11.75 % | 10.50 % |
| Eswatini | 11.00 % | 10.00 % |
| Uganda | 17.95 % | 18.98 % |
| **Eswatini Emalangeni equals:** | | |
| Botswana Pula (BWP | 0.722 | 0.749 |
| South African Rand (ZAR) | 1.000 | 1.000 |
| Mauritian Rupees (MUR) | 2.350 | 2.600 |
| United States Dollars (USD) | 0.053 | 0.059 |