

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 29 FEBRUARY 2020 AND DIVIDEND DECLARATION



Revenue
increased
by 111% from
restated
revenue of
R766m to
R1 614m



**Profit
before tax**
Increased to
R139m from a
restated loss of
R593m



**Profit for
the period**
is R118m as
compared to
the prior
restated profit
of R448m



**Earnings
per share**
is 12.22c as
compared to
the prior
restated
earnings of
74.76c



**Headline
earnings
per share**
is 12.30c as
compared to the
prior restated
headline earnings
of 17.64c



**Total
assets**
Increased to
R7 496m



**Net asset
value per
share**
increased to
1 310.98c



**Net cash
outflows
from operating
activities is
R28m**



**Gross
interim
dividend**
Gross interim
dividend of
10.00c per share
which has been
declared to
shareholders, a
decrease of 9%
from 11.00 cents

GROUP PERFORMANCE

The Group delivered excellent revenue growth resulting from strong contributions from the technology division for the interim period and Group revenue increased significantly by 111% from R766m to R1.6bn, mainly due to acquisitive and organic growth in the technology division in the prior year.

The technology division's revenue and operating expenses have been consolidated for the full six-month period into the Group's statement of profit and loss and other comprehensive income whilst only two months of trading was consolidated in the previous period.

Profit before taxation increased from a loss of R593m to a profit of R139m due to a satisfactory performance of the underlying businesses and investments. The Group's profit for the period decreased from the restated profit of R448m to R118m, mainly due to an abnormal loss on deemed disposal and the deferred tax effect in the prior period.

Headline earnings per share ("HEPS") is 12.30c as compared to the prior restated headline earnings of 17.64c, a decrease of 30% from the restated 17.64c, while earnings per share ("EPS") is 12.22c as compared to the prior restated earnings of 74.76c, a decrease of 84% from the restated 12.22c for the six months under review. The decrease in HEPS over the prior interim period is an indication of the lower operational performance experienced in the first six months.

The Group's asset base remained stable at R7 496m despite the economic volatility experienced and impact of COVID-19 with other financial assets increasing by 35% from R583m at August 2019 to the current R788m. The net asset value ("NAV") amounted to R6 437m which is a performance indicator of the Group's strong balance sheet and a resilient business model.

The net cash utilized by operating activities amounted to an outflow of R28m due to lower operational performances from the fishing and brands division, technology division and the general subdued performance from some of our underlying businesses in the first half of the year. Despite the Group having a net cash outflow in the interim period, the Group continues to have strong cash balances with no significant external debt which is a major advantage during the COVID-19 period.

RESTATEMENT OF PRIOR PERIOD INTERIM RESULTS

Shareholders are referred to the announcement released by AYO Technology Solutions ("AYO") on SENS on 8 April 2020 wherein AYO advised its shareholders that as per the request by the JSE, AYO obtained an unqualified audit opinion on its interim results for the six months ended 28 February 2019. As a result of such audit being completed, AYO further advised its shareholders that the previously unaudited results for the six months ended 28 February 2019 were withdrawn and replaced with the 2019 unqualified Audited Interim Results.

Shareholders are further referred to the announcement released by AYO on SENS on 27 March 2020 wherein AYO advised its shareholders that as per the request by the JSE, AYO obtained an audit opinion on its interim results for the six months ended 28 February 2018.

Consequently, AEEI executive management had to review whether the restatements per the AYO 2019 unqualified Audited Interim Results and AYO 2018 Audited Interim Results had an impact on the Group's interims results. Following such review, a retrospective restatement of AEEI's interim financial statements for the period ended 28 February 2019 and 28 February 2018 was required.

The above restatement had an effect on the reported earnings on the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. This impact is disclosed in detail in the long form full SENS interim unaudited financial results for the period ending 29 February 2020.

DIVIDENDS

The Board of directors is pleased to announce that it has approved and declared an interim dividend of 10.00 cents per share for the six-month period ended 29 February 2020 from income reserves.

	R'000
Dividend declared after reporting date*	R49 102
Dividends per share (cents)	10 cents

*Dividends declared after the respective reporting period.

DECLARATION OF CASH DIVIDEND

Notice is hereby given that an interim gross dividend of 10 cents per share has been declared out of income reserves in respect of ordinary shares of no-par value for the period ended 29 February 2020.

A dividend withholding tax of 20% or 2 cents per share will be applicable, resulting in a net dividend of 8 cents per share, unless the shareholder is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The number of ordinary shares in issue at declaration date is 491 022 434 and the income tax number of the Company is 9314001034.

The salient dates of this dividend distribution are:

Gross dividend (cents per share)	10.00
Dividend net of dividend withholding tax	8.00
Last day to trade cum dividend	Tuesday, 7 July 2020
Trading ex-dividend commences	Wednesday, 8 July 2020
Record date	Friday, 10 July 2020
Date of payment	Monday, 13 July 2020

Share certificates may not be dematerialised or rematerialized between Wednesday, 8 July 2020 and Friday, 10 July 2020, both days inclusive.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

This short-form announcement contains only a summary of the information in the full announcement and does not contain the full and complete details and is the responsibility of the directors. Any investment decision by investors and/or shareholders should be based on consideration of the full announcement which has been released on SENS and available for viewing at <https://senspdf.jse.co.za/documents/2020/jse/isse/aei/INT2020> or on the Company's website at <http://aei.co.za/sens-announcement>.

Copies of the full announcement in respect of the unaudited 2020 Interim Results may also be requested via email from the Company Secretary at damiem@aei.co.za or by sending an email to the Sponsor on sponsor@vunanicapital.co.za. There will be no charge for the email and any emails will be responded to during office hours. Given the lock-down these will be sent electronically upon request.

APPRECIATION

We wish to thank our employees, Group executives, management, our Board of directors as well as our strategic partners, stakeholders and business partners for their loyalty and dedication in contributing to the success of the Group.

Mrs Aziza Begum Amod
Non-executive chairman

Mrs Valentine Dzovo
Actng Chief executive officer

Cape Town
17 June 2020