



**AFRICAN EQUITY
EMPOWERMENT
INVESTMENTS
LIMITED**

UNAUDITED CONDENSED
CONSOLIDATED INTERIM RESULTS
FOR THE SIX-MONTH PERIOD
ENDED 28 FEBRUARY 2021 AND
DIVIDEND DECLARATION

FINANCIAL HIGHLIGHTS

African Equity Empowerment Investments Limited
(Incorporated in the Republic of South Africa)
Registration number 1996/006093/06
Share code: AEE ISIN: ZAE000195731
("AEEI" or "the Group" or "the Company")

	28 February 2021 R'000	29 February 2020 R'000	% Change
Revenue	1 171 203	1 614 098	(27.44)
Net cash utilised in operating activities	(250 375)	(138 909)	80.24
(Loss)/profit before tax	(28 209)	138 926	(120.31)
Basic earnings per share (cents)	(12.33)	24.04	(151.29)
Headline earnings	(32 610)	60 402	(153.99)
Headline earnings per share (cents)	(6.64)	12.30	(153.99)
Normalised headline earnings	(6 368)	108 565	(105.87)
Normalised headline earnings per share (cents)	(1.30)	22.11	(105.87)
Net asset value per share (cents)	1 195.81	1 310.98	(8.79)
Total assets	6 878 097	7 496 249	(8.25)
Gross interim dividend (cents)	30	10	200.00
Total interim dividend to shareholders	147 307	49 102	200.00

GROUP PERFORMANCE

Basic earnings per share declined from 24.04 cents to (12.33) cents mostly due to a reduction in operating profits from our technology division which suffered a significant revenue decrease as a result of the impact of the COVID-19 pandemic but managed to increase the profit margin by 4%. The fishing and brands division increased revenue by 31% from R215m to R282m.

Headline earnings per share declined by 153.99% from 12.30 cents to (6.64) cents due to once off items such as R66m net impairments and once these are eliminated normalised headline earnings is at a loss of R6m which is a decline of 105.87% to (1.30) cents per share.

The net asset value per share of the Group decreased by 8.79% from 1 310.98 cents to 1 195.81 cents as our investments have not been spared from the negative impact that the COVID-19 pandemic is having on all global markets. As a result of this, the short-term outlook on the financial performance is not as optimistic as before the pandemic. However we are confident that the strategies we have put in place will yield positive shareholder gains in the long term.

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited Group to 28 February 2021 R'000	Unaudited Group to 29 February 2020 R'000	Audited Group to 31 August 2020 R'000
ASSETS			
Non-current assets	2 731 617	2 906 235	2 696 310
Property, plant and equipment	555 073	533 149	547 932
Goodwill	181 772	219 946	181 772
Intangible assets	297 256	293 203	290 787
Investments in associates	880 198	850 962	866 367
Investment in joint ventures	20 060	9 324	18 963
Other financial assets	543 722	733 840	580 624
Finance lease receivables	22 854	-	25 189
Right-of-use asset	110 519	121 799	84 828
Deferred tax	120 164	144 012	99 847
Current assets	4 146 480	4 590 014	4 515 369
Inventory	170 923	215 164	187 100
Trade and other receivables	933 353	776 602	807 807
Other financial assets	15 142	44 325	50 415
Biological assets	85 445	87 282	84 436
Current tax receivable	31 731	13 035	9 503
Operating lease asset	-	86	-
Finance lease receivables	16 633	-	18 135
Cash and cash equivalents	2 893 252	3 453 520	3 357 973
Total assets	6 878 097	7 496 249	7 211 679
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of parent			
Share capital and share premium	402 240	402 240	402 240
Reserves	(27 003)	(3 007)	(28 909)
Retained earnings	2 693 495	2 935 685	2 826 314
Equity attributable to equity holders of parents	3 068 732	3 334 918	3 199 645
Non-controlling interest	2 802 942	3 102 293	2 969 841
	5 871 674	6 437 211	6 169 486

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Unaudited Group to 28 February 2021 R'000	Unaudited Group to 29 February 2020 R'000	Audited Group to 31 August 2020 R'000
LIABILITIES			
Non-current liabilities	311 801	354 410	287 148
Other financial liabilities	20 095	28 188	21 270
Contingent consideration liability	-	3 970	5 097
Deferred income	-	10 353	751
Deferred tax	196 468	215 877	181 874
Finance lease liabilities	89 591	89 547	71 781
Employee benefit obligation	5 646	6 475	6 376
Current liabilities	694 622	704 628	755 045
Trade and other payables	542 349	453 473	584 527
Other financial liabilities	16 131	72 936	5 289
Current tax payable	21 434	17 751	13 874
Deferred income	15 158	16 917	45 974
Provisions	45 766	54 108	61 617
Finance lease liability	32 107	32 582	25 683
Operating lease liability	-	31	-
Contingent consideration liability	803	5 596	-
Dividend payable	16 906	14 313	12 696
Bank overdraft	3 968	36 922	5 385
Total liabilities	1 006 423	1 059 038	1 042 193
Total equity and liabilities	6 878 097	7 496 249	7 211 679
Net asset value per share (cents)	1 195.81	1 310.98	1 256.46
Net tangible asset value (cents)	1 098.25	1 206.48	1 160.22
Number of ordinary shares in issue (000's)	491 022	491 022	491 022

CONDENSED GROUP STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited Group to 28 February 2021 6 months R'000	Unaudited Group to 29 February 2020 6 months R'000	Audited Group to 31 August 2020 12 months R'000
Revenue	1 171 203	1 614 098	3 427 579
Cost of sales	(832 520)	(1 192 688)	(2 613 080)
Gross profit	338 683	421 410	814 499
Other income	46 872	15 660	154 385
Other operating expenses	(494 977)	(475 253)	(949 992)
Net impairments, impairment reversals and write-off	(66 438)	(27 506)	(89 560)
Other operating income	-	72 888	-
Fair value adjustments	46 696	(30 296)	(108 558)
Income from equity accounted investments	14 928	34 733	74 819
Investment revenue	93 843	144 003	247 321
Finance cost	(7 816)	(16 713)	(31 759)
(Loss)/Profit before taxation	(28 209)	138 926	111 155
Taxation	(34 236)	(20 985)	(92 275)
(Loss)/Profit from continuing operations	(62 445)	117 941	18 880
Other comprehensive income/(loss) net of tax	1 906	95	(515)
Total comprehensive (loss)/income for the year	(60 539)	118 036	18 365
Total comprehensive (loss)/income attributable to:			
Equity holders of the parent	(35 104)	60 007	9 471
Non-controlling interest	(25 435)	58 029	8 894
	(60 539)	118 036	18 365
Basic and diluted (loss)/earnings per ordinary share to equity holders of parent entity (cents)	(12.33)	24.04	3.74
Weighted (and fully diluted) average number of ordinary shares in issue (000s)	491 022	491 022	491 022

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Attributable to Parent R'000	Non- Controlling Interest R'000	Total Equity R'000
Balance at 1 September 2019	3 315 257	3 088 435	6 403 692
Profit for the year	9 986	8 894	18 880
Other comprehensive losses	(36 685)	-	(36 685)
Change in accounting policy - IFRS 16	(1 743)	-	(1 743)
Acquisition of additional interest - no change in control	8 601	(3 958)	4 643
Change in ownership interest - acquisition of minorities - no change in control	(17 194)	(23 279)	(40 473)
Dividends paid	(78 578)	(100 251)	(178 828)
Balance at 31 August 2020	3 199 644	2 969 841	6 169 485
Loss for the year	(37 011)	(25 435)	(62 446)
Other comprehensive income	1 906	-	1 906
Dividends paid	(95 807)	(141 464)	(237 271)
Balance at 28 February 2021	3 068 732	2 802 942	5 871 674

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Unaudited Group to 28 February 2021 6 months R'000	Unaudited Group to 29 February 2020 6 months R'000	Audited Group to 31 August 2020 6 months R'000
Cash (utilised)/generated by operations	(250 376)	(138 909)	103 551
Investment revenue	85 876	145 048	209 096
Dividend income	2 135	-	10 106
Finance cost	(11 545)	(16 713)	(31 759)
Tax paid	(47 402)	(17 615)	(91 352)
Net cash flows (to)/from operating activities	(221 312)	(28 189)	199 642
Cash flows from investing activities			
Purchase of biological assets	-	(990)	(990)
Purchase of property, plant and equipment	(38 388)	(48 814)	(89 056)
Sale of property, plant and equipment	-	-	6 283
Purchase of other intangible assets	(9 940)	(9 740)	(12 007)
Sale of other intangible assets	-	-	59
Movement in other investing activities	-	23	-
Other loans advanced	(50 499)	-	(70 747)
Proceeds of loans receivable	13 636	-	-
Business combination	-	(187)	-
Purchase of financial assets	(59 464)	(105 138)	(121 015)
Sale of financial assets	150 000	-	12 805
Purchases of additional shares from minority interest	-	-	(12 000)
Finance lease asset receipts	3 837	-	6 447
Net cash flows (to)/from investing activities	9 182	(164 846)	(280 221)
Cash flows from financing activities			
Repayment of other financial liabilities	(2 333)	(70 664)	(134 056)
Proceeds from other financial liabilities	-	1 784	37
Reduction of share capital or buyback of shares	-	-	(277)
Movement in contingent liability	-	-	(39 141)
Repayment of contingent consideration liability	(5 500)	-	-
Loans received from related party companies	7 112	-	-
Finance lease payments	(13 181)	(82 071)	(42 500)
Repayment of borrowings	-	-	(637)
Change in ownership	(1 750)	(8 715)	(1 750)
Dividends paid by parent	(95 809)	(29 468)	(78 578)
Dividends paid to minorities	(141 465)	(37 731)	(106 427)
Net cash flows to financing activities	(251 175)	(226 865)	(403 329)
Total cash movement for the year	(463 305)	(419 899)	(483 908)
Cash and cash equivalent at the beginning of the year	3 352 589	3 836 497	3 836 497
Cash and cash equivalents at the end of the year	2 889 284	3 416 598	3 352 589

DETERMINATION OF HEADLINE EARNINGS

		Unaudited Group to 28 February 2021 R'000	Unaudited Group to 29 February 2020 R'000	Audited Group to 31 August 2020 R'000
(Loss)/earnings attributable to ordinary equity holders of the parent entity	IAS 33	(35 104)	60 007	9 471
Adjusted for:				
Reversal of impairment of intangible assets	IAS 38	2 852	-	2 537
Loss on disposals of property, plant and equipment	IAS 16	(358)	(250)	(1 472)
Impairment of goodwill	IFRS 3	-	645	645
Headline earnings		(32 610)	60 402	11 181
Normalised headline earnings (See supplementary information)		(6 368)	108 565	174 832
Headline earnings and diluted headline earnings per ordinary share (cents)		(6.64)	12.30	0.93
Normalised headline earnings per ordinary share (cents)		(1.30)	22.11	35.61

CONDENSED GROUP SEGMENTAL REPORT 2021

28 February 2021	Fishing and Brands Reviewed R'000	Technology Reviewed R'000	Telecom- muncations Reviewed R'000	Combined technology and telecom- munication Reviewed R'000	Health and beauty Unaudited R'000	Biotechnology Unaudited R'000	Events and tourism Unaudited R'000	Corporate Unaudited R'000	Group Unaudited R'000
Revenue	303 545	865 028	865 028	865 028	23 513	2 644	11 197	1 205 927	
External revenue	282 842	859 676	-	859 676	23 513	-	1 623	3 549	1 171 203
Internal revenue	20 703	5 352	-	5 352	-	-	1 020	7 648	34 724
Segment results									
Profit/(Loss) before tax	19 483	(62 546)	-	(62 546)	4 079	128	(2 819)	13 466	(28 209)
Included in segment results:									
Net impairments and write-offs	-	(62 787)	-	(62 787)	(3 651)	-	-	-	(66 438)
Fair value adjustments	-	25 186	-	25 186	6 565	-	-	14 945	46 696
Depreciation and amortisation	(22 471)	(29 488)	-	(29 488)	(91)	-	-	(428)	(52 479)
Non-current assets	534 194	1 023 152	-	1 023 152	33 793	138 644	11 582	990 252	2 731 617
Current assets	353 211	3 614 178	-	3 614 178	20 387	543	8 762	149 398	4 146 480
Non-current liabilities	125 833	147 030	-	147 030	1 078	(19 909)	4 546	53 224	311 801
Current liabilities	82 300	580 818	-	580 818	4 772	79	15 964	10 690	694 622
Profit from associates	-	1 097	-	1 097	-	-	-	13 831	14 928
Capital expenditure	15 690	22 520	-	22 520	-	14	2	162	38 388

CONDENSED GROUP SEGMENTAL REPORT 2020

29 February 2020	Combined technology and telecommunication									
	Fishing and Brands Reviewed R'000	Technology Reviewed R'000	Telecom- munications Reviewed R'000	Health and beauty Unaudited R'000	Biotechnology Unaudited R'000	Events and tourism Unaudited R'000	Corporate Unaudited R'000	Group Unaudited R'000		
Revenue	215 110	1 347 059	-	1 347 059	25 085	-	21 537	5 414	1 616 955	
External revenue	215 110	1 346 952	-	1 346 952	25 085	-	19 987	4 214	1 614 098	
Internal revenue	-	107	-	107	-	-	1 550	1 200	2 857	
Segment results										
Profit/(Loss) before tax	12 046	161 497	-	161 497	1 023	(3 635)	(5 636)	(26 370)	138 926	
Included in segment results:										
Net impairments and write-offs	-	(27 506)	-	(27 506)	-	-	-	-	(27 506)	
Depreciation and amortisation	(23 064)	(29 034)	-	(26 717)	(112)	(1 078)	(46)	(801)	(54 135)	
Fair value adjustments	-	72 888	-	72 888	-	-	-	(30 296)	42 592	
Loss on deemed disposal of associate										
Non-current assets	646 770	877 425	-	877 425	40 463	222 758	20 607	1 098 213	2 906 235	
Current assets	354 290	4 189 271	-	4 189 271	16 424	2 201	17 322	10 505	4 590 014	
Non-current liabilities	212 720	60 840	-	60 840	9 515	32 269	1 524	37 142	354 410	
Current liabilities	81 762	501 439	-	501 439	5 326	3 726	27 029	85 346	704 628	
Profit from associates	-	9 291	25 442	34 733	-	-	-	-	69 466	
Capital expenditure	45 420	10 578	-	10 578	-	-	-	-	55 998	

RECONCILIATION OF REPORTABLE SEGMENTS PROFIT OR LOSS

	Unaudited Group to 28 February 2021 R'000	Unaudited Group to 29 February 2020 R'000	Audited 31 August 2020 R'000
Total (loss)/gain before tax for reportable segments	(28 209)	138 926	111 155
Taxation	(34 236)	(20 985)	(92 275)
(Loss)/profit from continuing operations	(62 445)	117 941	18 880
Other comprehensive loss for the year net of taxation	1 906	95	(515)
(Loss)/profit for the year and total comprehensive income	(60 539)	118 036	18 365

DIVISIONAL PERFORMANCE

FISHING AND BRANDS

The fishing and brands division delivered a solid performance, with revenue increasing by 31% from R215m to R282m and profit before tax increasing by 62% from R13m to R21m. This is primarily due to increases in revenue for the squid, lobster and pelagic sectors. The demand for the Group's products has remained very strong in the context of the adverse effects of COVID-19, which still prevail. The squid sector has enjoyed a significant turnaround from the prior period, where the sector witnessed industry-wide low catches and hence low revenues.

The fishing division's prospects for the next 6 months are looking very promising due to an increase in catches in the squid industry allowing our fishing division to automatically see a growth benefit in the sale of squid products. The lobster catches have also been excellent and are expected to continue as the resource remains strong. Furthermore, it is likely that the pelagic catches will pick up in the second half of the year. However, the abalone sector remains a challenge due to the adverse effects of COVID-19 on the markets in the Far East, still we stay optimistic that the markets will eventually turn around.

TECHNOLOGY

Revenue decreased by 36% from R1,3bn to R860m and profit before tax decreased from R160m to a loss of R66m. This is primarily due to the loss of the Sasol contract and other once-off contracts related to remote working services uptake by businesses during the lockdown period. The acquisition of Kathea Communications, which was effective 1 March 2021, is expected to significantly offset the decrease in revenue that occurred in the first half of the financial year. Despite the revenue decrease, the division increased its profit margin by 4%.

HEALTH AND BEAUTY

The health and beauty division focuses on the importation and distribution of cosmetic brands as well as the manufacturing, sales and marketing of an extensive range of natural products that are human, animal and plant safe and internationally recognised in the food, agriculture, hygiene, beauty and general health sectors. Revenue decreased slightly by 4% from R25m to R24m with profit before tax increasing from R1m to R4,1m.

The agricultural sector has shown improvement in sales compared to the prior year due to the increase in uptake of the Agri Biostimulants.

In the beauty sector sales dropped by 10% from R20m to R18m compared to the prior year due to reduced customer spending following the impact of COVID-19. Profit before tax increased from R1,2m to R7,3m as costs were well controlled resulting in a reduction of 16% compared to the prior year.

BIOTECHNOLOGY

Genius Biotherapeutics, one of Africa's largest medical biotechnology companies, in collaboration with research partners at the University of Cape Town ("UCT") commenced recruiting human patients for breast cancer clinical trials for the dendritic cell vaccine (DCV) project, which has subsequently been put on hold due to the COVID-19 pandemic.

The viability of resuming the project under strict protocols is being assessed to ensure the wellbeing of the patients involved. This decision will be made once the risk of the approaching 3rd wave of the COVID-19 pandemic is more manageable.

The scientific team at UCT will continue with the research that will enable human trials for lung cancer.

DIVISIONAL PERFORMANCE (CONTINUED)

EVENTS AND TOURISM

The events and tourism division was particularly severely impacted by the fallout from the COVID-19 pandemic and the subsequent national and international lockdowns with a significant decrease in revenue from R22m to R1,6m. This is due to business and leisure travel being restricted and the prohibition of large gatherings. As a result, espAfrika (Pty) Ltd ("espAfrika"), the owners of the Cape Town International Jazz Festival (CTIJF) which is world-renowned as "Africa's Grandest Gathering", not being able to host the 21st annual CTIJF. The CTIJF event is geared to take place in March 2022, subject to government regulations regarding COVID-19 protocols. The festival is a household brand and a significant arts and culture event for the Western Cape and the flagship event, which adds significant value to the Western Cape's economy.

Our travel business, Tripos Travel (Pty) Ltd, ("Tripos Travel") was severely affected by the national lockdown and the local and international travel restrictions that were imposed in 2020. Now that certain travel restrictions have been lifted, Tripos Travel has mapped out a new strategy to cater to travel needs of the post COVID-19 pandemic clientele. The business has been right-sized to cater for a reduction in activity, thereby curbing operating losses.

CORPORATE DIVISION

The Group's strategic investments consist of BT Communications Services South Africa (Pty) Ltd ("BT"), which is reported under the technology division; African Legend Investments (Pty) Ltd ("ALI") and Sygnia Ltd ("Sygnia").

These investments continue to bolster the value of our diversified investment portfolio with a regular annual dividend flow. Sygnia's share price increased year on year, resulting in the value of our investment increasing by R14m in the half-year period to February 2021. SAAB Grintek Defense (Pty) Ltd exercised their call option and AEEI sold its investment for R150m in November 2020.

The corporate division's revenue increased from R5m to R11m and the total overhead costs decreased from R24m to R20m. This is in line with management's strategy to minimise corporate costs to increase shareholder value.

Magic 828, included in the corporate division, continued on a path to improve its financial performance by finding new and alternate revenue streams to the traditional radio advertising. Revenue decreased from R3,6m to R1,8m. However, management has taken prudent steps to mitigate the loss in revenue by right-sizing the business to align the cost structure with the current revenue. This has resulted in a significant improvement in the loss before tax which has decreased from a loss of R5,6m to a loss of R2,7m.

OTHER FINANCIAL ASSETS

	Unaudited group as at 28 February 2021 R'000	Unaudited group as at 29 February 2020 R'000	Audited 31 August 2020 R'000
Fair value through profit and loss:			
Investments in unlisted public companies	9 841	36 112	9 841
Investments in unlisted private companies	107 110	354 914	224 974
Investments in listed public companies	53 919	22 847	38 974
Total fair value through profit and loss	170 869	413 873	273 789
Loans and receivables at amortised cost			
Cadiz Life Investment (Pty) Ltd	-	10 172	-
4 Plus (Pty) Ltd	34 408	-	31 478
Bambelela Capital (Pty) Ltd	161 806	155 986	160 933
Tamlalor (Pty) Ltd	154 247	108 317	114 294
Volt Business Solutions (Pty) Ltd	6 991	12 235	-
Cortex Logic (Pty) Ltd	-	12 129	12 670
Supplier development	23 441	24 489	26 202
Contract receivable	-	25 576	-
Other	7 102	15 388	11 674
Total loans and receivables at amortised cost	387 995	364 292	357 250
Total other financial assets	558 864	778 165	631 039

EVENTS AFTER REPORTING DATE

On 17 August 2020, AEEI's major subsidiary AYO Technology Solutions Ltd ("AYO"), concluded a binding offer to acquire 100% of the issued share capital and outstanding shareholder claims in Kathea Communication Solutions (Pty) Ltd ("Kathea Communication") for an upfront consideration of R59.8m and an earn-out of R30m. Kathea Communication is a value-added distributor of voice, audiovisual, video conferencing and workspace management products solutions and services and represents some of the top brands in the communication, collaboration, audio visual and workspace technology arenas.

Kathea Communication's acquisition is now unconditional and implemented, with the effective date of the share and purchase agreement being 1 March 2021.

At the time of issuing the unaudited interim financial results, AYO did not have sufficient information to provide the disclosures as required by IFRS 3 Business Combinations as the initial accounting for the transaction was incomplete.

AYO's previous banker, First National Bank Limited ("FNB") had given the company notice to close its transactional banking facility with effect from 3 May 2021, even though the company had no lending facilities with FNB. The company constituted legal proceedings against FNB for its decision to close the company's transactional banking facility. Pending the hearing of AYO's primary application, the interdict was struck off the roll on 30 April 2021 for lack of urgency. The action by FNB primarily affected the transactional bank accounts held by AYO itself and one other subsidiary of AYO which has an alternative transactional banking service provider. Therefore, other than the account closures mentioned above, no other entity within AYO's group of companies was affected by FNB's decision. AYO has set up alternative third-party payment solutions which will ensure continuity of its business. Furthermore, AYO continues to engage with other banks.

FAIR VALUE INFORMATION

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other techniques for all inputs which have a significant effect on the recorded fair value and are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group held the following instruments measured at fair value:

	Fair value hierarchy	Unaudited group as at 28 February 2021	Unaudited group as at 29 February 2020	Audited group as at 31 August 2020
Recurring fair value measurements				
Abalone	Level 3	85 445	87 282	84 436
Total intangible assets	Level 3	85 445	87 282	84 436
Financial assets designated at fair value through profit/(loss)				
Listed shares	Level 1	53 919	22 847	40 462
Investments in unlisted private companies	Level 3	107 110	354 914	223 489
Investments in unlisted public companies	Level 3	9 841	36 112	9 840
Total financial assets designated at fair value through profit/(loss)		170 869	413 873	273 791
Loans and receivables		387 995	364 292	357 248
Total financial assets		558 864	778 165	631 039
Financial liabilities at fair value through profit/(loss)				
Other financial liabilities		803	47 856	887
Contingent consideration liability		2 389	5 596	5 097
Total financial liabilities at fair value through profit/(loss)		3 192	53 452	5 983

Refer to fair value adjustments in the Group's Statement of Comprehensive Income.

REPORTING ENTITY

AEEI is a company domiciled in South Africa.

These condensed consolidated interim results for the 6 months ended 28 February 2021 comprise of AEEI, its subsidiaries and its interest in associates and joint ventures.

USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim results, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at and for the year ended 31 August 2020.

RELATED PARTIES

The Group entered into various transactions with related parties in the ordinary course of business including the following material transactions in the current year.

	2021 R'000	2020 R'000
Purchases of services from related parties		
BT Communication Services SA (Pty) Ltd	3 664	211 515
	3 664	211 515
Loan and other receivables balances		
Tamlalor (Pty) Ltd	154 247	114 294
Trade payables to related parties		
BT Communication Services South Africa (Pty) Ltd	-	3 664
	154 247	117 958

REPORTING ENTITY (CONTINUED)

BASIS OF PREPARATION

The unaudited condensed consolidated interim financial results are prepared in accordance with the JSE Limited ("JSE") Listings Requirements and the requirements of the Companies Act of South Africa, 2008 (Act 71 of 2008), as amended ("Companies Act"). The JSE Listings Requirements require financial reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council as a minimum and contain the information required by IAS 34 "Interim Financial Reporting". The accounting policies applied in the preparation of the condensed consolidated interim results for the period ended 28 February 2021 are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous audited consolidated annual financial statements.

The unaudited condensed interim financial results were prepared by Michelle Hunlun CA(SA), group financial manager, Rufaro Chanakira CA(SA), group financial controller and Basson van Eyssen AGA(SA), group accountant, under the supervision of Jowayne van Wyk CA(SA), chief financial officer. The interim results were not reviewed or audited by the Group's external auditors Crowe JHB and Thawt Inc.

GOVERNANCE MATTERS

PROSPECTS

Despite areas of resilience within the Group, we anticipate that the rest of 2021 will be an even more challenging year when compared to 2020, as the true consequences of the COVID-19 pandemic start to become apparent. Although there are vaccines on the horizon and economies around the globe are opening, there are signs of a third wave and a subsequent lockdown at the time of writing this report, which is contributing to heightened uncertainty surrounding the global economy for the rest of 2021.

AEEI's response to this uncertainty is to focus on protecting our core strengths and investments through strategic cost saving and also investing for future growth and managing our working capital more optimally.

The Group's auditors have not reviewed nor reported on any comments relating to future prospects.

CHANGES IN THE DIRECTORATE

Mr I Amod resigned as a non-executive director on 31 March 2021. The Board would like to thank Mr Amod for his valuable contribution.

DIVIDENDS

The Board of directors is pleased to announce that it has approved and declared an interim dividend of 30 cents per share for the interim period ended 28 February 2021 from income reserves. The interim dividend amount, net of South African dividend tax of 20%, which equates to 6 cents per share is 24 cents per share for those shareholders that are not exempt from dividend tax.

The number of ordinary shares in issue at the 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) 30

Dividend net of dividend withholding tax (cents per share) 24

Last day to trade *cum* dividend Monday, 14 June 2021

Trading ex-dividend commences Tuesday, 15 June 2021

Record date Friday, 18 June 2021

Date of payment Monday, 21 June 2021

Share certificates may not be dematerialised or rematerialised between Tuesday, 15 June 2021 and Friday, 18 June 2021, both days inclusive.

SUPPLEMENTARY INFORMATION (UNREVIEWED)

Normalised earnings are defined as earnings from continuing operations excluding non-recurring items and once-off fair value adjustments.

	Unaudited Group to 28 February 2021 6 months R'000	Unaudited Group to 29 February 2020 6 months R'000	Audited Group at 31 August 2020 12 months R'000
Normalised earnings before tax reconciliation			
(Loss)/Profit before tax	(28 209)	138 926	111 155
Fair value adjustments	(46 696)	30 296	108 558
Net impairments, impairment reversals and write-offs	66 438	27 506	89 560
Normalised earnings before tax	(8 467)	196 728	309 273
Normalised headline earnings before tax reconciliation			
Headline earnings	(32 610)	60 402	4 554
Fair value adjustments	(46 696)	30 296	108 558
Deferred tax on fair value adjustments	10 461	(6 787)	(24 317)
Net impairments, impairment reversals and write-offs	62 477	24 654	86 037
Normalised headline earnings	(6 368)	108 565	174 832
Normalised headline earnings per share	(1.30)	22.11	35.61

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

Mrs Aziza Amod
Non-executive chairperson

Mrs Valentine Dzvova
Chief executive officer

Cape Town
27 May 2021

Directors

*Valentine Dzvova (chief executive officer); Aziza Amod (non-executive Chairperson); *Jowayne van Wyk (chief financial officer); Gaamiem Colbie; Willem Raubenheimer; Bongikhaya Qama

*Executive directors

Company secretary: Damien Terblanche

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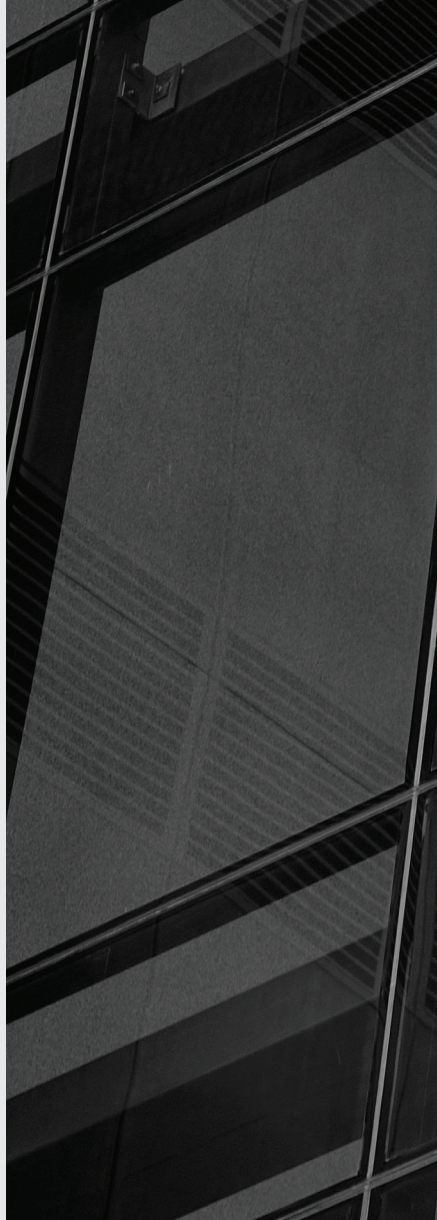
Transfer secretaries: JSE Investor Services (Pty) Ltd. 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2004

Joint auditors: Crowe JHB
3 Sandown Valley Crescent, Sandown, Johannesburg, 2196

Thawt Inc.
3 Monte Vista Blvd, Monte Vista, Cape Town, 7460

Joint Sponsors: Vunani Capital (Pty) Ltd
Vunani House, Vunani Office Park, 151 Katherine Street, Sandown, Johannesburg, 2196

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