

Reviewed for the 6 months ended	Reviewed for the 6 months ended	Reviewed for the 6 months ended	Reviewed for the 6 months ended
30 June 2022	30 June 2021	30 June 2022	30 June 2021
GROUP	GROUP	COMPANY	COMPANY
<b>Figures in Emalangeni</b>			
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>			
Revenue	880 703 645	600 300 633	-
Cost of sales	(693 974 192)	(471 867 679)	-
<b>Gross profit</b>	<b>186 729 453</b>	<b>128 432 954</b>	-
Other income and foreign exchange gains	15 323 005	12 328 343	-
Investment income	2 772 517	3 629 943	4 977 299
Operating expenses	(197 731 139)	(137 506 346)	(6 701 840)
<b>Operating profit / (loss)</b>	<b>7 093 836</b>	<b>6 884 894</b>	<b>(1 724 541)</b>
Unrealised gain/(loss) on revaluation of investments	-	-	-
Finance costs	(19 521 826)	(4 244 404)	(2 678 982)
(Loss) / Profit before taxation	(12 427 990)	2 640 490	(2 985 505)
Income tax	(3 354 492)	(261 526)	(261 526)
<b>Total comprehensive (loss) / income</b>	<b>(15 782 482)</b>	<b>2 378 964</b>	<b>(4 403 523)</b>
<b>Loss / earning per share</b>	<b>(0.07)</b>	<b>0.01</b>	<b>(0.02)</b>

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<b>Figures in Emalangeni</b>			
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	219 897 952	187 562 602	-
Goodwill	506 213 990	490 974 034	-
Intangible assets	1 677 858	1 852 805	-
Investment in associates	32 963 046	32 963 046	-
Amounts owing by related parties	-	-	-
Investments at fair value	158 258 929	158 258 929	615 792 520
Deferred tax asset	865 197	451 994	-
Right of use assets	229 825 002	122 442 978	-
<b>TOTAL ASSETS</b>	<b>1 149 701 974</b>	<b>994 506 388</b>	<b>615 792 520</b>
<b>CURRENT ASSETS</b>			
Inventories	144 807 141	122 448 098	-
Amounts owing by related parties	1 104 797	-	45 101 078
Trade and other receivables	21 831 012	23 553 231	60 915
Tax receivable	2 995 334	443 932	148 610
Cash and cash equivalents	29 272 611	91 340 514	14 127 727
	200 010 895	237 785 775	59 438 330
<b>TOTAL ASSETS</b>	<b>1 349 712 869</b>	<b>1 232 292 163</b>	<b>675 230 850</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	2 299 216	2 299 216	2 299 216
Share premium	443 046 928	443 046 928	443 046 928
Retained income	113 304 314	133 864 025	163 214 148
	<b>558 650 458</b>	<b>579 210 169</b>	<b>619 861 462</b>
Non-controlling interest	113 614 356	118 352 028	-
<b>TOTAL EQUITY</b>	<b>672 264 814</b>	<b>697 562 197</b>	<b>619 861 462</b>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Other financial liabilities	71 677 280	57 599 056	-
Lease liabilities	209 053 448	100 703 858	-
	<b>280 730 728</b>	<b>158 302 914</b>	-
<b>Current liabilities</b>			
Trade and other payables	156 229 490	204 736 219	2 853 400
Amounts owing to related parties	38 917 604	10 168 189	531 644
Other financial liabilities	144 544 291	121 300 386	63 285 514
Tax payable	1 800 418	5 996 869	-
Lease liabilities	38 174 139	34 211 194	-
Bank overdraft	17 051 385	14 195	-
	<b>396 717 327</b>	<b>376 427 052</b>	<b>66 670 558</b>
<b>TOTAL LIABILITIES</b>	<b>677 448 055</b>	<b>534 729 966</b>	<b>66 670 558</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 349 712 869</b>	<b>1 232 292 163</b>	<b>675 230 850</b>

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<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>			
<b>SHARE CAPITAL</b>			
Balance at the beginning of the period	133 864 025	116 381 923	174 515 318
Business combination	104 306	29 607 882	-
Dividends paid	(6 897 647)	(6 636 121)	(6 636 121)
(Loss) / Profit for the year	(13 766 370)	(5 489 659)	(4 403 523)
<b>NON CONTROLLING INTEREST</b>	<b>113 614 356</b>	<b>118 352 028</b>	-
Balance at the beginning of the period	118 352 028	39 005 396	-
Business combination	-	77 582 000	-
Dividends paid	(2 721 560)	(2 517 449)	-
(Loss) / Profit for the year	(2 016 112)	4 282 081	-
<b>TOTAL EQUITY</b>	<b>672 264 814</b>	<b>697 562 197</b>	<b>619 861 462</b>

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<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	(10 516 570)	(19 018 082)	(5 769 901)
Interest income	899 406	2 696 364	4 556 951
Dividend income	1 873 111	15 010 394	420 348
Finance costs	(19 521 826)	(19 899 513)	(2 678 982)
Income tax	(10 515 548)	(4 543 830)	(270 936)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(37 781 427)</b>	<b>(25 754 667)</b>	<b>(3 471 584)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(50 474 018)	(69 984 780)	-
Sale of property, plant and equipment	-	9 250 210	-
Purchase of other intangible assets	-	(661 714)	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(50 474 018)</b>	<b>(61 396 284)</b>	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds on lease liabilities	37 322 129	106 418 709	2 679 014
Proceeds from other financial liabilities	(9 619 207)	(9 153 570)	(6 897 647)
Dividends paid	(18 552 570)	(14 724 436)	-
Repayment of lease liabilities	-	-	-
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>9 150 352</b>	<b>82 540 703</b>	<b>(4 218 633)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(79 105 093)</b>	<b>(4 610 248)</b>	<b>(7 690 217)</b>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR</b>	<b>91 326 319</b>	<b>95 936 567</b>	<b>21 817 944</b>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR</b>	<b>12 221 226</b>	<b>91 326 319</b>	<b>14 127 727</b>

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<b>Figures in Emalangeni</b>			
<b>NOTES</b>			
<b>1. STATEMENT OF COMPLIANCE</b>			
The financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Eswatini Companies' Act of 2009.			
The financial results presented have been reviewed by the auditor of Greystone Partners Limited (the "Company" or "Greystone").			
<b>2. HEADLINE EARNINGS</b>			
<b>2.1 EARNINGS PER SHARE</b>			
Basic and diluted earnings per share	(0.07)	(0.01)	(0.02)
<b>2.2 NUMBER OF ORDINARY SHARES OF E0.01 EACH IN ISSUE</b>			
Actual	229 921 561	229 921 561	229 921 561
Weighted average	140 777 900	140 777 900	140 777 900
<b>3. INVESTMENTS</b>			
Listed	52 138 559	52 138 559	52 138 559
Unlisted	106 120 370	106 120 370	563 653 961
	<b>158 258 929</b>	<b>158 258 929</b>	<b>615 792 520</b>
<b>4. LOANS AND RECEIVABLES</b>			
Other receivables	21 831 012	23 553 231	60 915
	<b>21 831 012</b>	<b>23 553 231</b>	<b>60 915</b>
<b>5. RELATED PARTY TRANSACTIONS</b>			
Management fees paid	4 398 141	8 383 999	4 947 872
Interest income	-	1 207 213	-
Interest paid	(1 629 856)	(1 000 805)	-
Administration and consultancy expenses	(7 856 684)	(6 088 372)	-
All related party 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 company has not recorded any impairment of receivables relating to amounts owed by or investments in related parties during the period.			
<b>6. CASH USED IN OPERATIONS</b>			
Profit before tax	(12 427 990)	19 137 955	(4 403 523)
<b>Adjustments for:</b>			
Profit on exchange differences - unrealised	336	(227 750)	-
Dividend income	(1 873 111)	(15 010 394)	(4 556 951)
Interest income	(899 406)	(2 696 364)	(420 348)
Depreciation and amortisation	38 388 519	59 969 645	-
Finance costs	19 521 826	19 899 513	2 678 982
Change in fair value of investments through profit or loss	-	(12 162 576)	(50 022 831)
Net movement in balance held with related parties	27 644 282	(6 839 991)	508 231
Loss on disposal of assets	3 408 177	923 815	-
Movement in goodwill	(15 239 956)	-	-
Impairment losses	-	-	21 000
Business combinations	-	(133 548 100)	-
Increase in inventories	(22 359 043)	(109 954 250)	-
Decrease/(Increase) in other receivables	1 722 219	(11 897 995)	(54 461)
Decrease/(Increase) in trade and other payables	(48 506 729)	173 388 410	478 169
Other movement	104 306	-	-
	<b>(10 516 570)</b>	<b>(19 018 082)</b>	<b>(5 769 901)</b>
			<b>(28 696 289)</b>

**COMMENTARY**
**INTRODUCTION**

Greystone Partners Limited's ("Greystone" or the "Company") principal objective is to carry on business as an investment company. The Company invests primarily in emergent, unlisted businesses with sustainable growth potential, with a primary investment focus of maintaining and growing a portfolio of significant equity interests in unlisted companies with sound growth records or potential for growth that are expected to earn above average returns over a period.

**PORTFOLIO REVIEW**

For the 6 months ended 30 June 2022, Greystone's investment portfolio has remained relatively robust, with the underlying companies operating performance remaining resilient. This result is driven by initiatives taken by the portfolio companies to accelerate their operating performance to levels that would have been observed prior to the COVID-19 pandemic, alongside a gentle recovery in the broader economy from lower post COVID-19 pandemic levels, as a result of improved consumer sentiment and a general revival in economic activity across sectors. However, there are economic headwinds (disruption to trade of goods and services, the rising fuel and food prices and general inflation) propagated by the Russian invasion of Ukraine in February 2022, that will permeate the economy.

The current portfolio valuations remain stable from 31 December 2021, with only an incremental movement in the fixed income assets due to interest accrued on those investments over the reporting period. Greystone's investment portfolio (at a company level) is valued at E 615.8 million at 30 June 2022 and 31 December 2021. Mazars Corporate Finance (Pty) Ltd ("Mazars") was engaged, from the 2021 financial year, to perform the independent valuation of the Company's unlisted investments and will undertake updated valuations in Q4 of 2022.

**FINANCIAL REVIEW**

At a Group level, the Revenue, Cost of Sales and Gross profit are solely attributable to Alliance Foods (Pty) Ltd ("Alliance Foods"), General Africa Foods Eswatini (Pty) Ltd ("GAFE"), Lojaf (Pty) Ltd ("Lojaf"), AfriPack (Pty) Ltd and PaknSave (Pty) Ltd ("PaknSave") as these subsidiaries have been consolidated.

**COMMENTARY Cont.**

Greystone Group's total investment income of E 2.8 million comprised of divided income of E 1.9 million and interest income of E 0.9 million. The dividend income was received from SBC Limited.

Operating expenses relate largely to Alliance Foods, GAFE and Lojaf which include advertising costs, rent, salaries and wages, royalty fees as well as other operational costs relating to the operations of the KFC's, OBC's, Pick n Pay's and West Pack's operating under these subsidiaries. The largest expense specifically related to Greystone Company is the management fee of E 4.4m, including audit fees, independent valuation fees and investment committee as well as other governance related costs. The management fee covers all accounting, rent, deal sourcing, holding company management and other operating activity costs of Greystone. This management fee is 1.5% of the Net Asset Value of Greystone.

Greystone Company's balance sheet remains conservatively leveraged with a total of E 63.3m of debt and accrued interest. This debt was raised as supplemental capital that was deployed in historic years, into portfolio investments made to date.

Cash and Cash equivalents amounted to E 12.2 million for the Group (net of overdrafts) and E14.1m for the Company.

The Goodwill relates to Alliance Foods, GAFE and Lojaf. The movement in the Goodwill for the period originated from the acquisition of a Pick n Pay store in PaknSave. On an annual basis, the carrying value of goodwill is reviewed to determine whether there is any indication that goodwill may have suffered an impairment loss. The fair value of investments in associates of E 33.0 million only relates to the value of Ngwane Mills. All other investments, not consolidated, are disclosed as investments reflected at fair value through profit and loss ("FVTPL") of E 158.3 million at Greystone Group level. Property Plant and Equipment, Inventories, Accounts Receivable and Accounts Payable all largely relate to Alliance Foods, GAFE and Lojaf.

Overall, the Net Asset Value was stable at E 608.6 million. Greystone's Net Asset Value Per Share ("NAVPS"), on a company level, retreated 1.8% to E 2.65 from E 2.70. This is a transitory result as the bulk of the portfolio company dividends are usually received in the second half of each financial year.

**OUTLOOK**

The Russia-Ukraine war that promoted a significant disruption in trade of goods and services has shown no signs of abating or ending. The real impact on the Eswatini economy is related to the level of dependency on oil imports, imported grain, steel and fertilizer, among others. Eswatini has already shown signs of a rise in fuel and food prices, inflation and a tightening fiscal space, that will continue to impede Eswatini's slow recovery from COVID-19. Although Greystone and its portfolio companies remain robust, the Board and portfolio company management are acutely aware that the widespread economic headwinds will create a challenging environment for all in the second half of the year.

**GOING CONCERN**

The Group and Company made a loss for the period ended 30 June 2022 and as at that date, its current liabilities exceeded its current assets.

Management of the subsidiaries of the Company have done cash flow projections and budgets for 2023 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. The Company received dividend income in the second half of 2022 amounting to E12.1 million therefore increasing the liquidity of the Company and bringing the Company to a profitable position.

The financial information 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.

**EVENTS AFTER THE REPORTING PERIOD**

Greystone declared a dividend of E0.03 (Three Cents) per share on 1 December 2022, which will be paid on or before 17 February 2023.

The directors are not aware of any other matter or circumstance arising since the end of the financial period that would materially alter the results reported for the period ended 30 June 2022.

**FINANCIAL STATEMENTS**

The financial statements for the period ended 30 June 2022 have been reviewed by SNG Grant Thornton Chartered Accountants.

**CORPORATE GOVERNANCE**

The directors and management of Greystone Partners Limited confirm their commitment to the principles of openness, integrity and accountability as advocated by sound principles of Corporate Governance contained in the King Reports.

By order of the Board

**MM Dlamini**

**16 December 2022**

MANAGER



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TRANSFER SECRETARIES



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STOCKBROKERS



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