

Figures in Emalangezi	Reviewed for the 6 months ended 30 June 2023	Reviewed for the 6 months ended 30 June 2022	Reviewed for the 6 months ended 30 June 2023	Reviewed for the 6 months ended 30 June 2022
	GROUP	GROUP	COMPANY	COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Revenue	956 982 701	880 703 645	-	-
Cost of sales	(755 804 234)	(693 974 192)	-	-
Gross Profit	201 178 467	186 729 453	-	-
Other income and foreign exchange gains	21 729 693	15 323 005	-	-
Interest income	1 843 684	899 406	485 246	420 348
Dividend income	1 882 754	1 873 111	4 791 847	4 556 951
Operating expenses	(217 919 662)	(197 731 139)	(4 762 243)	(6 701 840)
Operating profit/(loss)	8 714 936	7 093 836	514 850	(1 724 541)
Finance costs	(18 618 827)	(19 521 826)	(3 015 039)	(2 678 982)
(Loss) before taxation	(9 903 891)	(12 427 990)	(2 500 189)	(4 403 523)
Income tax	(1 678 040)	(3 354 492)	-	-
Total comprehensive (loss)	(11 581 931)	(15 782 482)	(2 500 189)	(4 403 523)
(Loss) per share	(0,05)	(0,07)	(0,01)	(0,02)

Figures in Emalangezi	Reviewed for the 6 months ended 30 June 2023	Audited for the 12 months ended 31 December 2022	Reviewed for the 6 months ended 30 June 2023	Audited for the 12 months ended 31 December 2022
	GROUP	GROUP	COMPANY	COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	207 653 573	219 824 550	-	-
Goodwill	506 213 991	506 213 991	-	-
Intangible assets	783 593	870 521	-	-
Investment in associates	45 568 213	45 568 213	-	-
Investments at fair value	145 820 113	145 820 113	538 939 929	538 939 929
Deferred tax asset	27 656 021	27 683 730	-	-
Right of use assets	214 183 630	217 140 477	-	-
	1 147 869 134	1 163 111 595	538 939 929	538 939 929
CURRENT ASSETS				
Inventories	155 942 713	180 879 349	-	-
Amounts owing by related parties	10 111 159	6 703 021	-	-
Trade and other receivables	23 259 815	23 576 153	3 236	20 588
Tax receivable	2 822 778	294 975	148 610	148 610
Cash and cash equivalents	45 507 210	84 936 774	8 907 037	18 556 278
	237 643 675	296 390 272	9 058 883	18 725 476
TOTAL ASSETS	1 385 512 809	1 459 501 867	547 998 812	557 665 405
EQUITY AND LIABILITIES				
EQUITY				
Share capital	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
Retained income	109 541 225	124 986 804	37 018 799	46 416 632
	554 887 369	570 332 948	482 364 943	491 762 776
Non-controlling interest	112 467 477	115 144 702	-	-
TOTAL EQUITY	667 354 846	685 477 650	482 364 943	491 762 776
LIABILITIES				
NON-CURRENT LIABILITIES				
Other financial liabilities	163 615 408	121 587 516	37 812 511	36 151 278
Amounts owing to related parties	33 649 969	35 252 517	26 237 193	27 188 866
Lease liabilities	235 520 043	196 805 518	-	-
	432 785 420	353 645 551	64 049 704	63 340 144
Current liabilities				
Trade and other payables	177 350 088	270 127 791	1 526 447	2 504 767
Amounts owing to related parties	82 276 761	60 078 927	57 718	57 718
Other financial liabilities	-	43 123 677	-	-
Tax payable	333 671	2 447 638	-	-
Lease liabilities	-	44 586 438	-	-
Bank overdraft	25 412 023	14 195	-	-
	285 372 543	420 378 666	1 584 165	2 562 485
TOTAL LIABILITIES	718 157 963	774 024 217	65 633 869	65 902 629
TOTAL EQUITY AND LIABILITIES	1 385 512 809	1 459 501 867	547 998 812	557 665 405

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY				
	2 299 216	2 299 216	2 299 216	2 299 216
SHARE CAPITAL	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
RETAINED INCOME	109 541 225	124 986 804	37 018 799	46 416 632
Balance at the beginning of the year	124 986 804	133 864 025	46 416 632	174 515 318
Other movement	1 448 683	-	3	-
Dividends paid	(6 897 647)	(6 897 647)	(6 897 647)	(6 897 647)
(Loss) for the year	(9 996 615)	(1 979 574)	(2 500 189)	(121 201 039)
NON CONTROLLING INTEREST	112 467 477	115 144 702	-	-
Balance at the beginning of the year	115 144 702	118 352 028	-	-
Dividends paid	(1 091 909)	(2 721 560)	-	-
(Loss) for the year	(1 585 316)	(485 766)	-	-
TOTAL EQUITY	667 354 846	685 477 650	482 364 943	491 762 776

CONSOLIDATED STATEMENTS OF CASH FLOWS				
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash (used in) / generated from operations	(39 883 298)	89 301 011	(5 723 209)	(11 474 613)
Interest income	1 843 684	2 336 814	485 246	955 228
Dividend income	1 882 754	13 976 098	4 791 847	16 656 951
Finance costs	(18 618 827)	(49 445 026)	(3 015 039)	(5 258 612)
Income tax	(6 343 605)	(11 488 433)	-	-
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(61 119 292)	44 680 464	(3 461 155)	878 954
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(6 360 534)	(206 912 196)	-	-
Sale of property, plant and equipment	199 697	141 005 494	-	-
Sale of other intangible assets	-	103 037	-	-
Cash advances received on loans	(5 194 642)	-	-	-
Cash advances paid on loans	1 957 841	32 917 053	-	2 212 281
NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES	(9 397 638)	(32 886 612)	-	2 212 281
CASH FLOW FROM FINANCING ACTIVITIES				
Repayments of loans from group companies	2 117 332	-	(951 672)	-
Cash advances received on loans from group companies	18 477 954	-	-	-
Repayments of financial liabilities at fair value	(1 095 785)	-	-	-
Additions to other financial liabilities	-	30 811 719	1 661 233	544 746
Repayment of lease liabilities	(5 820 407)	(39 390 104)	-	-
Dividend Paid	(7 989 556)	(9 619 207)	(6 897 647)	(6 897 647)
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES	5 689 538	(18 197 592)	(6 188 086)	(6 352 901)

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	GROUP	GROUP	COMPANY	COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)				
NET CHANGE IN CASH AND CASH EQUIVALENTS	(64 827 392)	(6 403 740)	(9 649 241)	(3 261 666)
TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	84 922 579	91 326 319	18 556 278	21 817 944
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20 095 187	84 922 579	8 907 037	18 556 278

NOTES	GROUP	GROUP	COMPANY	COMPANY
	1. STATEMENT OF COMPLIANCE			
The financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies' Act of 2009.				
The financial results presented have been audited by the auditor of Greystone Partners Limited (the "Company" or "Greystone").				
2. HEADLINE EARNINGS				
2.1 EARNINGS PER SHARE				
Basic and diluted (loss) / earnings per share	(0,05)	(0,07)	(0,01)	(0,02)
2.2 NUMBER OF ORDINARY SHARES OF E0,01 EACH IN ISSUE				
Actual	229 921 561	229 921 561	229 921 561	229 921 561
Weighted average	140 777 900	140 777 900	140 777 900	140 777 900
3. INVESTMENTS				
Listed	52 138 559	52 138 559	52 138 559	52 138 559
Unlisted	93 620 211	93 681 554	486 801 370	486 801 370
	145 758 770	145 820 113	538 939 929	538 939 929
4. LOANS AND RECEIVABLES				
Other receivables	23 259 815	23 576 153	3 236	20 588
	23 259 815	23 576 153	3 236	20 588
5. RELATED PARTY TRANSACTIONS				
Management fees paid	(4 171 051)	(9 811 846)	(3 657 907)	(9 811 846)
Interest income	659 004	525 182	-	-
Interest paid	(3 550 613)	(4 676 678)	-	-
Administration and consultancy expenses	(14 458 909)	(9 820 066)	-	-
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 related parties during the year.				
6. CASH GENERATED FROM/(UTILISED IN) OPERATIONS				
(Loss) before tax	(9 903 891)	(21 086 417)	(2 500 189)	(121 201 039)
Adjustments for:				
(Profit) / Loss on exchange differences - unrealised	(171 337)	12 236	-	-
Dividend income	(1 882 754)	(13 976 098)	(4 791 847)	(16 656 951)
Interest income	(1 843 684)	(2 336 814)	(485 246)	(955 228)
Depreciation and amortisation	21 375 589	85 673 803	-	-
Finance costs	18 618 827	49 445 026	3 015 039	5 258 612
Change in fair value of investments through profit or loss	-	(156 352)	-	121 964 591
Loss on disposal of assets	-	19 707	-	-
Business combinations	-	(15 231 479)	-	-
(Increase) / Decrease in inventories	24 936 636	(58 431 251)	-	(14 134)
Movement in trade and other receivables	316 338	(22 922)	17 352	129 536
Movement in trade and other payables	(92 777 705)	65 391 572	(978 318)	-
Other movement in equity	1 448 683	-	-	-
	(39 883 298)	89 301 011	(5 723 209)	(11 474 613)

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.

Greystone continues to provide its shareholders with access to a diversified portfolio of unlisted companies that are actively managed by African Alliance ("the Manager"). Greystone aims to deliver consistent, market-beating returns through these actively managed private equity investments.

PORTFOLIO REVIEW

For the six months ended 30 June 2023, Greystone's investment portfolio was still under pressure from the devastating economic and trading headwinds that prevailed across sectors within Sub-Saharan Africa during the financial year. Global supply chain disruption induced by the Russia-Ukraine war acted as a catalyst for further trading instability (supply and demand imbalances), which caused rampant inflation in the markets where Greystone operate. This rampant inflation has put immense pressure on the purchasing power of consumers and ultimately on the profitability of Greystone's investments, as these businesses have had to absorb part of the inflation pass through to consumers. Over and above this, the local markets and in particular in South Africa, were impacted by political instability and sustained load shedding issues throughout the period. The impact of load shedding was felt by most portfolio companies with significant operational disruptions and financial implications, and it negatively affected consumer confidence.

Consumer behaviour also shifted towards non-discretionary purchases and consumers started trading down to ensure that progressively less disposable income would still be able to maintain their consumption habits. This not only facilitated lower margin realization in Greystone's relatively stable, expanding, defensive and non-cyclical investments, but had a significant adverse effect on its early growth stage discretionary good and cyclical investments.

HIGHLIGHTS

Nav per share **E2.10**

Investment income **E3.7m**

Equity investments value **E538.94m**

COMMENTARY (continued)

Notwithstanding the structural fundamentals that have weighed heavily on the investment portfolio value as at 30 June 2023, the majority of the diversified investments have held their own during these trying times. There were advances in job creation across the portfolio, localization of supply chains and new store openings across a few of the fast-moving consumer goods ("FMCG") assets. Together these factors will not only drive value enhancement for the Greystone investment portfolio, but also have a positive multiplier effect on the economic fundamentals within the Eswatini economy.

Greystone's investment portfolio (at a company level) is valued at E538.9 million as at 30 June 2023.

FINANCIAL REVIEW

At a Group level, the Revenue, Cost of Sales and Gross profit are attributable to Alliance Foods, General Africa Foods Eswatini ("GAFE") and Lojaf (Pty) Ltd ("Lojaf"). Greystone Group's total investment income of E3.7 million comprised of divided income of E1.8 million and interest income of E1.9 million. The dividend income was received from SBC Limited.

Operating expenses relate to Alliance Foods, GAFE and Lojaf which include advertising costs, rent, salaries and wages, royalty fees as well as other costs relating to the operational expenses of KFC's, ESDI's, Pick n Pay's and West Pack's operating under these companies.

The largest expense specifically related to Greystone (at a company level) is the management fee of E3.7 million. Other expenses include audit fees, independent valuation & other professional 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 audited Net Asset Value of Greystone.

Greystone Company's balance sheet remains conservatively leveraged with a total of E64.0m 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 E45.5 million for the Group and E8.9m for the Company.

The Goodwill relates to a number of the investment companies. 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. All investments, not consolidated, are disclosed as investments reflected at fair value through profit and loss ("FVPL") of E145.8 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 is E482.4 million at 30 June 2023.

OUTLOOK

While inflation pressures will persist, the rate of acceleration should ease and ultimately start retreating. This should bring about a peak in the interest rate hiking cycle and provide the economy with some stability. Following this, we should experience some monetary policy easing, which will provide welcome relief to the ordinary consumer and stimulate economic activity at large in the markets within which we operate. Over and above the structural macro fundamentals that should ease, the positioning of the assets in our portfolio should benefit significantly from the growing middle class, increased urbanisation, adoption of new technologies and formalisation of informal trade. Our investment portfolio has seen signs of healthier trading activity and reduced margin pressure, which should bolster cash flow generation, however, the transitory trend needs to persist to have a material positive impact on Greystone's portfolio valuation.

Greystone's portfolio companies continue to seek growth opportunities, either organically or through acquisitions. A current development is that the Greystone is in negotiations to expand its equity interests in retail investments for regional growth in the FMCG sector. If successful, the transactions involve the disposal of shares in Alliance Foods to Inala Capital, a share swap for a stake in General Africa Foods Eswatini, and the disposal of a minority stake in Ngwane Mills to Inala Capital Limited. A capital raising exercise is also planned to fund additional acquisitions.

We are currently living in a rapidly changing world which requires investors to demonstrate consistency and patience whilst also being able to be agile and adapt quickly. The benefit of active management in private markets has led to long-term outperformance by private equity as an asset class. Greystone remains committed to driving and realising value from the portfolio for the benefit of its investors.

EVENTS AFTER THE REPORTING PERIOD

The Company is in negotiations to expand its equity interests in retail investments for regional growth in the FMCG sector. If successful, the transactions involve the disposal of shares in Alliance Foods to Inala Capital, a share swap for a stake in General Africa Foods Eswatini, and the disposal of a minority stake in Ngwane Mills to Inala Capital. A capital raising exercise is also planned to fund additional acquisitions.

FINANCIAL STATEMENTS

The financial statements for the period ended 30 June 2023 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 Report.

By order of the Board

MM Dlamini
22 December 2023

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