

Nav per share <b>E2.64</b>	Nav per share up <b>7.94%</b>	<b>HIGHLIGHTS</b>	Investment income <b>E 15.7 m</b>	<b>E 68 m</b> invested in 2019
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Figures in Emalangeni	Audited for the year ending 30 September 2019	Audited for the year ending 30 September 2018	Audited for the year ending 30 September 2019	Audited for the year ending 30 September 2018
	GROUP	GROUP	COMPANY	COMPANY
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>				
Revenue	71 955 716	-	-	-
Cost of sales	-36 064 995	-	-	-
Gross Profit	35 890 721	-	-	-
Interest Income	4 695 238	6 246 655	3 843 120	6 246 534
Dividends received	11 067 036	21 833 645	1 902 036	21 833 645
Operating expenses	-41 825 999	-9 501 000	-11 851 565	-9 493 906
Operating profit / (loss)	9 826 996	18 579 300	-6 106 409	18 586 273
Unrealised gain/(loss) on revaluation of investments	17 679 960	-8 783 607	22 471 960	-8 783 607
Finance Costs	-3 849 281	-	-2 427 396	-
Profit / (loss) before taxation	23 657 675	9 795 693	13 938 155	9 802 666
Income tax credit	1 590 056	894 945	3 053 421	893 027
<b>Total Comprehensive profit / (loss)</b>	<b>25 247 731</b>	<b>10 690 638</b>	<b>16 991 576</b>	<b>10 695 693</b>
<b>Earnings per Share</b>	<b>0,18</b>	<b>0,08</b>	<b>0,12</b>	<b>0,08</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	8 689 937	-	-	-
Goodwill	86 537 737	-	-	-
Investment in associates	120 247 000	-	82 838 000	71 672 000
Amounts owing by related parties	-	-	54 523 132	54 523 132
Investments at fair value through profit or loss:	164 487 000	252 318 120	208 079 246	127 746 200
Deferred tax asset	9 433 555	6 271 069	9 327 845	6 274 423
Tax receivable	190 753	190 753	190 753	190 753
	<b>389 585 982</b>	<b>258 779 942</b>	<b>354 958 976</b>	<b>260 406 508</b>
<b>CURRENT ASSETS</b>				
Inventories	1 620 168	-	-	-
Investment in promissory notes	-	40 410 119	-	40 410 119
Trade and other receivables	2 969 322	-	4 311	-
Cash and cash equivalents	66 265 037	33 611 934	32 360 028	32 012 819
	<b>70 854 527</b>	<b>74 022 053</b>	<b>32 364 339</b>	<b>72 422 938</b>
<b>TOTAL ASSETS</b>	<b>460 440 509</b>	<b>332 801 995</b>	<b>387 323 315</b>	<b>332 829 446</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	1 418 365	1 418 365	1 418 365	1 418 365
Share premium	179 672 455	179 672 455	179 672 455	179 672 455
Retained profit	174 381 517	149 133 786	166 152 813	149 161 237
	355 472 337	330 224 606	347 243 633	330 252 057
Non-controlling interest	19 337 573	-	-	-
<b>TOTAL EQUITY</b>	<b>374 809 910</b>	<b>330 224 606</b>	<b>347 243 633</b>	<b>330 252 057</b>
<b>LIABILITIES</b>				
<b>Non current liabilities</b>				
Other financial liabilities	31 552 509	-	-	-
<b>Current liabilities</b>				
Trade and other payables	10 623 994	2 577 389	2 652 285	2 577 389
Current tax payable	1 051 699	-	-	-
Other financial liabilities	42 402 397	-	37 427 397	-
	<b>54 078 090</b>	<b>2 577 389</b>	<b>40 079 682</b>	<b>2 577 389</b>
<b>TOTAL LIABILITIES</b>	<b>85 630 599</b>	<b>2 577 389</b>	<b>40 079 682</b>	<b>2 577 389</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>460 440 509</b>	<b>332 801 995</b>	<b>387 323 315</b>	<b>332 829 446</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>				
<b>SHARE CAPITAL</b>	<b>1 418 365</b>	<b>1 418 365</b>	<b>1 418 365</b>	<b>1 418 365</b>
<b>SHARE PREMIUM</b>	<b>179 672 455</b>	<b>179 672 455</b>	<b>179 672 455</b>	<b>179 672 455</b>
<b>RETAINED INCOME</b>	<b>174 381 517</b>	<b>149 133 786</b>	<b>166 152 813</b>	<b>149 161 237</b>
Balance at the beginning of the period	149 133 786	144 116 606	149 161 237	144 139 002
Dividends paid	-	-5 673 458	-	-5 673 458
Profit for the year	25 247 731	10 690 638	16 991 576	10 695 693
<b>NON CONTROLLING INTEREST</b>	<b>19 337 573</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>355 472 337</b>	<b>330 224 606</b>	<b>347 243 633</b>	<b>330 252 057</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash used in operations	-472 858	-23 618 141	-11 780 980	-23 611 045
Interest received	4 695 238	6 246 655	3 843 120	6 246 534
Dividend income	11 067 036	21 833 645	4 672 828	21 833 645
Finance costs	-3 849 281	-	-2 427 396	-
Income tax paid	-520 731	-	-	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>10 919 404</b>	<b>4 462 159</b>	<b>-5 692 428</b>	<b>4 469 134</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	-8 728 242	-	-	-
Purchase of financial assets	-83 903 084	-	-71 797 879	-
Proceeds from promissory notes matured	40 410 119	-	40 410 119	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>-52 221 207</b>	<b>-</b>	<b>-31 387 760</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from other financial liabilities	73 954 906	-	37 427 397	-
Dividends paid	-	-5 673 458	-	-5 673 458
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>73 954 906</b>	<b>-5 673 458</b>	<b>37 427 397</b>	<b>-5 673 458</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>32 653 103</b>	<b>-1 211 299</b>	<b>347 209</b>	<b>-1 204 324</b>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>33 611 934</b>	<b>34 823 233</b>	<b>32 012 819</b>	<b>33 217 143</b>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>66 265 037</b>	<b>33 611 934</b>	<b>32 360 028</b>	<b>32 012 819</b>

Figures in Emalangeni	Audited for the year ending 30 September 2019	Audited for the year ending 30 September 2018	Audited for the year ending 30 September 2019	Audited for the year ending 30 September 2018
NOTES	GROUP	GROUP	COMPANY	COMPANY
<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 Companies' Act 2009.				
The financial results presented have been reviewed and audited by the auditor of Greystone Partners Limited (the Company).				
<b>3. HEADLINE EARNINGS</b>				
<b>3.1 EARNINGS PER SHARE</b>				
Basic and diluted earnings per share	0,18	0,08	0,12	0,08
<b>3.2 NUMBER OF ORDINARY SHARES OF E0.01 EACH IN ISSUE</b>				
Actual	141 836 461	141 836 461	141 836 461	141 836 461
Weighted Average	141 836 461	141 836 461	141 836 461	141 836 461
<b>4. INVESTMENTS</b>				
Listed	47 473 000	46 887 120	47 473 000	46 887 120
Unlisted	237 261 000	205 431 000	243 444 246	152 531 080
	<b>284 734 000</b>	<b>252 318 120</b>	<b>290 917 246</b>	<b>199 418 200</b>
<b>5. LOANS AND RECEIVABLES</b>				
Investment in promissory notes	-	40 410 119	-	40 410 119
Other receivables	2 969 322	-	-	-
	<b>2 969 322</b>	<b>40 410 119</b>	<b>-</b>	<b>40 410 119</b>
<b>6. RELATED PARTY TRANSACTIONS</b>				
<b>Management fees</b>	<b>8 733 784</b>	<b>8 068 668</b>	<b>8 733 784</b>	<b>8 068 668</b>
Interest income	530 307	1 315 839	530 307	1 315 839
Interest paid	-2 427 396	-	-2 427 396	-
All related party transactions are made at terms equivalent to those prevailing in arm's length transactions. There have been no guarantee 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>7. CASH GENERATED FROM OPERATIONS</b>				
Profit before tax	23 657 675	9 795 693	13 938 155	9 802 666
Adjustments for:				
Dividend income	-11 067 036	-21 833 645	-1 902 036	-21 833 645
Interest income	-4 695 238	-6 246 655	-3 843 120	-6 246 534
Depreciation and amortisation	38 305	-	-	-
Finance costs	3 849 281	-	2 427 396	-
Change in fair value of investments through profit or loss	-15 712 960	8 783 607	-22 471 960	8 783 607
Increase in inventories	-1 620 168	-	-	-
Increase in other receivables	-2 969 322	-1 893 625	-4 311	-1 893 624
Increase/(decrease) in trade and other payables	8 046 605	-12 223 516	74 896	-12 223 515
	<b>-472 858</b>	<b>-23 618 141</b>	<b>-11 780 980</b>	<b>-23 611 045</b>

## COMMENTARY

### INTRODUCTION

Greystone's aim and objective is to achieve superior long term capital appreciation through majority or minority equity stakes across a portfolio of investments. Greystone's investment strategy is focused on building a diversified pool of investments that are by, inter alia, leveraging African Alliance's active management model to maximize investor returns.

Greystone previously accounted for all portfolio investments at Fair Value Through Profit and Loss ("FVTPL") in terms of IFRS 9 'Financial Instruments', irrespective of whether they are subsidiaries or associates. This was possible as Greystone was classified as an Investment Entity under IFRS 10 'Consolidated Financial Statements' and thus was exempt from consolidating subsidiaries or associates and rather classifying them as FVTPL per IFRS 9.

Through extensive engagement with Greystone's external auditors, for the September 2019 financial year Greystone ceased to apply this exemption in terms of IFRS 10 and has applied IFRS 3 'Business Combinations' to any subsidiary and associate that was previously measured at fair value through profit or loss.

Overall, the impact of the change in the accounting policy is:

- Greystone has been classified as a venture capital company.
- Alliance Foods (Pty) Ltd ("Alliance Foods") is classified as a subsidiary in terms of IFRS 3 'Business Combinations' and thus fully consolidated.
- Lojaf (Pty) Ltd ("Lojaf") and Ngwane Mills (Pty) Ltd ("Ngwane Mills") have been reclassified as investments in associates. However, due to Greystone being classified as a venture capital company, the exemption from equity accounting its investment in associated is allowed by IAS 28. Thus, Lojaf and Ngwane Mills are classified as investments in associates at fair value through profit or loss and there is no change in to the accounting of these investments from 2018.
- All other investments being Eswatini Royal Insurance Corporation ("ESRIC"), SBC Limited ("SBC"), Orchard Insurance Limited ("Orchard"), Promco (Pty) Ltd ("Promco") General Africa Foods (Pty) Limited ("GAF") and Swazisa Holdings Limited ("Swazisa"), continued to be carried at fair value through profit and loss as has been the case historically.

Key highlights for the period ending 30 September 2019 have been:

- Greystone's reported Net Asset Value ("NAV") per share at 30 September 2019 is E 2.64, which represents growth of 7.94% on the 30 September 2018 NAV per share of E 2.45.
- E 68 million worth of investments have been invested by Greystone in the 2019 financial year.
- A three-year compound annual growth rate for the reported NAV to 30 September 2019 of 11.9% per annum.

The growth in the Company's NAV is the key performance measure for the Board of Directors. The growth in the NAV per share, when compared to the more recent reporting periods is as follows:

## COMMENTARY continued

Reporting Date	Net Asset Value	Period	Percentage Increase
30 September 2019	2,64	12 Months	7,94%
30 September 2018	2,45	12 Months	6,78%
30 September 2017	2,29	12 Months	21,68%

### FINANCIAL REVIEW

Due to the accounting policy changes, Greystone financial statements are vastly different to prior years. As highlighted in the introduction, Alliance Foods has been fully consolidated in the September 2019 income statement and balance sheet. Thus, the Revenue, Cost of Sales and Gross Profit are solely attributable to Alliance Foods for the period 1 March 2019 to 30 September 2019.

Alliance Foods acquired seven KFC quick service restaurants in March 2019 and is currently the sole franchisee for the KFC brand in Eswatini under a franchise agreement with KFC (Pty) Limited ("KFC"). KFC is one of the world's largest restaurant companies and the KFC brand has grown to be the world's most popular chicken restaurant chain around the world.

Greystone's total investment income of E 15.7 million (2018: E 28.0 million) comprised of dividend income of E 11.0 million (2018: E 21.8 million) and interest income of E 4.6 million (2018: E 6.2 million). Dividend comprises of dividend received from ESRIC of E 9.2 million, SBC Limited of E 1.8 million and Orchard of E 80,625.

Operating expenses relate largely to Alliance Foods which includes rent, salaries and wages, royalty fees, advertising as well as other operational costs relating to the operating of the KFC's. The largest expense specifically related related to Greystone is the management fee of E 8.7 million (2018: E 8.1 million) as well as audit fees and transaction costs.

On Greystone Company's balance sheet, a total of E 37.4 million of debt including capitalised interest was raised in the current financial year to fund a portion of the E 68 million of equity acquisitions made in the 2018 financial year. This is the first time that Greystone has raised external debt to fund acquisitions; however, the Board is comfortable with the current leverage on the balance sheet. A Loan of E 36.5 million, including capitalised interest, was raised on Alliance Foods balance sheet that relates to the acquisition of the KFC's. These two loans have resulted in E 3.8 million of finance costs (2018: E 2.4 million).

Revaluation gains of the underlying investments amount to E 17.7 million (2018: E -8.7 million). The major gain was a result of Lojaf's value increasing by E 10.3 million. ESRIC's value decreased to E 89.5 million resulting in a fair value loss for the year.

Cash and Cash equivalents amounted to E 66.2 million (2018: E 33.6 million). Of this total, E 23.1 million relates to Alliance Foods and the balance to Greystone.

The Goodwill relates to Alliance Foods which 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 investments are of E 120 million (2018: E 82 million) relate to the values of Ngwane Mills and Lojaf with all other investments being reflected in Investments at FVTPL of E 164.5 million (E 208.0 million). Property Plant and Equipment, Inventories, Accounts Receivable and Accounts Payable all largely relate to Alliance Foods.

KPMG was again engaged to perform the independent valuation of Greystone's unlisted investments. KPMG applied the market multiple methodologies in valuing ESRIC's and Orchard. For ESRIC's short term insurance business and Orchard, the price earnings multiple was the primary methodology. The methodology in undertaking the valuation of the long term insurance business of SRIC has been the market multiple methodologies using the embedded value.

For Ngwane Mills, Lojaf, Alliance Foods and GAF the primary valuation technique applied by KPMG was the discounted cash flow methodology. In addition, as a reasonableness test, KPMG used the capitalisation of maintainable earnings methodology, using the EV/EBITDA multiple of comparable companies.

Overall, the Net Asset Value increased to E 374 million from E 330 million.

### OUTLOOK

The 2019 calendar year has been a year of further investment and growth with each of the underlying investments fairly reasonably well considering the low economic growth environment. Greystone looks forward to a productive 2020 in which it will seek to grow further and provide shareholders with satisfactory returns.

### POST BALANCE SHEET

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation. Following the subsequent spread of the virus, on 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The identification of the virus post 30 September 2019 as a new coronavirus, and its subsequent spread, is considered as a non-adjusting subsequent event.

Greystone is continuing to operate as it is considered an essential service, and the Board of Directors do not believe the impact on Greystone due to Covid-19 will materially impact the financial position of the Group and the Company. The Board of Directors and management will continue to monitor the impact COVID-19 on the business. It is anticipated that the business will return to normal in the medium term.

In light of the above, management has assessed the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Based on the assessment performed, management is of the view that the doubt associated with the current uncertainties related to the COVID-19 virus does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

In December 2019, Greystone acquired an additional 18.2% in Alliance Foods (Pty) Limited for E 16,648,075. In January 2020, Greystone made an additional investment of E 11,735,876 in Eswatini Royal Insurance Corporation through Inba Holdings Limited for 360,000 shares.

There are no other significant events that have occurred in respect of the Group, subsequent to the year end, that may be relevant to the accuracy of these financial statements.

### FINANCIAL STATEMENTS

The financial statements for the 12 months ended 30 September 2019 have been audited by PricewaterhouseCoopers.

### ANNUAL GENERAL MEETING

The annual general meeting of the shareholders of Greystone Partners Limited will be held on or before 31 August 2020. Adequate notice will be given to all shareholders prior to the meeting.

### 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

Mduzuzi Dlamini

 <p><b>MANAGER</b></p> <p><b>AFRICAN ALLIANCE</b></p>	<p><b>AUDITORS AND TRANSFER SECRETARIES</b></p>  <p>PricewaterhouseCoopers Services (Pty) Ltd P.O. Box 569, Mbabane</p>	<p><b>STOCKBROKERS</b></p>  <p><b>AFRICAN ALLIANCE</b> CAPITAL MARKETS</p> <p>African Alliance Eswatini Securities Limited P.O. Box 5727, Mbabane, H100</p>
<p><b>Greystone Partners Limited, (Incorporated in Eswatini Reg. No. 74 of 2009)</b></p> <p>Directors: MM Dlamini (Chairman), AMB de Castro, KD Dlamini, ML Dlamini, S Khumalo, NK Mabuza, SN Shabangu</p> <p>2nd Floor, Nedbank Centre</p>		