

INSIMBI INDUSTRIAL HOLDINGS LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration No: 2002/029821/06)  
(Income tax reference no: 9078/488/15/3)  
Share code: ISB ISIN code: ZAE000116828  
("Insimbi" or "the Group" or "the Company")

## UNREVIEWED CONDENSED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2022

Insimbi is a group of companies that sustainably source, process, beneficiate and recycle metals. The core business expertise is the ability to source and provide local, regional, and global industrial consumers with the required commodity over its four distinct business segments. The Group herewith announces its unreviewed condensed consolidated financial results for the six months ended 31 August 2022.

### FINANCIAL INDICATORS

|  | 2022             | 2021      | % Change |
|--|------------------|-----------|----------|
| Revenue (R'000)                        | <b>3 154 723</b> | 3 132 320 | 1%       |
| Net profit (R'000)                     | <b>67 359</b>    | 45 946    | 47%      |
| Operating profit (R'000)               | <b>113 330</b>   | 95 173    | 19%      |
| Cash generated from operations (R'000) | <b>100 978</b>   | 120 995   | (17%)    |
| Earnings per share (cents)             | <b>17.06</b>     | 11.22     | 52%      |
| Headline earnings per share (cents)    | <b>16.41</b>     | 11.17     | 47%      |
| Dividend per share (cents)             | <b>3.00</b>      | –         | 100%     |

CEO of Insimbi, Fred Botha, commented:

The first quarter of our new financial year was most promising as prices for Insimbi's key commodities continued to rise from the highs of late-2021. Trading conditions changed sharply in the second quarter as the Russian invasion of Ukraine affected economies worldwide, resulting in hyperinflation and widespread concerns about a global recession. Along with a 20-25% collapse in prices for copper, aluminium and steel, this operating environment has had a significant impact on our customers and suppliers alike.

Despite these macro challenges, Insimbi's diversified portfolio again underlined our ability to weather turbulence, with commendable results for the six months to August 2022 (detailed below). I comment specifically on two South African issues with an industry-wide impact, while noting that Insimbi is shielded to an extent by its diverse asset base:

- Locally, regulatory uncertainty on banning exports of all recycled metals continues to constrain the industry. Although a draft policy was eventually gazetted in August, this was swiftly rescinded and replaced with additional amendments. The period for public comment only expired in early October, but the draft policy continues to attract widespread debate. The European Union (EU), South Africa's largest trade partner, objected in a written submission, raising concern that an export ban could violate trade guidelines set out by the World Trade Organization (WTO). We support the EU's view that a more effective first step would be to institute the necessary domestic policy tools to regulate the sale and purchase of scrap metal. The impact of this regulatory limbo is being somewhat offset as the authorities continue to issue export permits.
- In addition, the recycling industry continues to face aggressive search-and-seizure raids by law-enforcement agencies. While acknowledging the severity of the scale of criminal theft of metals, most of the formal recycling industry operates under legitimate permits, supported by robust due-diligence processes on the source of scrap metal. The number of cases that never make it to court, or are rejected by the courts, bears testimony to an industry largely operating within the letter and spirit of the law.

Separately, these issues have a material impact on the industry's ability to make a sustainable contribution to the national fiscus. Combined, we believe they are formidable challenges that need to be urgently addressed.

- Against this background, the benefits of our acquisition and diversification strategy over the past five years are evident in the solid results from a resilient, sustainable group. In the interim period, we have:
- Generated R101 million in cash from operations;
- Contained increases in operating expenditure to only 4.8%, well below the average inflation rate despite record hikes in fuel and transport logistics as well as the ongoing instability of power supplies;
- Reduced our debt-to-equity ratio from over 99% in August 2021 to 65%; and
- Met all our financial covenants at reporting date.

Despite these global and local obstacles, our target industries and markets continue to develop, and our core operations have performed well and demand for our products remains strong, both locally and for export. The non-core Insimbi Plastics Pty Ltd was closed in September 2022 and retrenchment packages paid to staff in full compliance with labour legislation. Negotiations for the sale of the asset and/or its equipment are well underway.

## **Prospects**

The local economy remains fragile, with the South African Reserve Bank revising the forecast gross domestic product (GDP) growth to 1.9% for 2022 in the wake of higher interest rates and inflation, as well as a depreciating rand.

As this report was being prepared, Transnet declared force majeure (for the third time in 15 months) at its Durban port operations, citing an illegal strike. While clearly the impact of this development is unknown at present, it could exacerbate bottlenecks in the economy's supply chain and further hamper crucial imports and exports, with ships already bypassing the Durban port.

For Insimbi, we believe conditions in the second half may be less volatile. The global focus on decarbonisation and vehicle electrification should support a recovery in copper and aluminium prices, in turn boosting our revenue and margins. In addition, working capital and cash flow throughout our operations have been very well managed, and we are steadily degearing our balance sheet. The risk of external disruptions obviously remains high, but we believe we have demonstrated the Group's resilience over the past two years.

Our strategic focus remains on recycling and beneficiating ferrous and non-ferrous metals to meet demand for our products from local and export clients. This clarity of purpose is reinforced by excellent teams across the Group working to deliver more with less, and we deeply appreciate their commitment.

In conclusion, I am confident that our interim results and rolling 12-month earnings are tangible evidence of Insimbi's resilience and potential, even under adverse conditions.

## **Financial Overview**

Group revenue for the period is R3.1 billion, representing an increase of only 0.72% on the comparative period ended 31 August 2021. Revenues have, however, increased by 7.8% when compared with the second half of the financial year ended February 2022. Overall, gross margins have increased from 8.8% to 9.4% with a resultant increase in gross profit of R22.9 million. The increase in margins can be attributed to the surge in commodity prices that the market has been experiencing since late 2021. This has, however, been offset by the duties that have been imposed on the export of recycled metals, as well as the increase in the cost of transportation to port. Since the floods experienced in KZN in April of this year, that led to a collapse of rail infrastructure, the Group has had to make use of road transport, which has seen direct transport costs increased by 219% when compared to August 2021.

Group operating profit increased by 19% to R113.3 million compared to R95.2 million in the comparative period ended 31 August 2021. Operating expenditure has increased by only 4.8%, or R8.7 million compared to the comparative period. The result of the Group's focus on cost savings has been remarkable and well below the average inflation rate.

Group finance costs for the period have decreased from R31.2 million to R28.1 million. The group has reduced interest-bearing debt by R111.8 million over the last 12 months, resulting in the reduction of financing costs and improving the debt-to-equity ratio from 99.3% in August 2021 to 65.0%.

The Group achieved earnings per share ("EPS") of 17.06 and headline earnings per share ("HEPS") of 16.41 cents per share respectively compared to 11.22 and 11.17 cents per share in the previous comparative period. This equates to an increase of 52% and 47% in EPS and HEPS, respectively.

Net cash flow from operating activities reduced from R121.0 million to R101.0 million (or 17%), due to higher inventory levels (26 days v 19 days in August 2021). Congestion at ports and the shipping environment remains challenging, however we are seeing an improvement in turnaround times on both exports and imports.

There have not been any breaches in covenants in the period under review, and management is comfortable that no breaches will take place in the near future.

### **Dividend Declaration**

An interim gross dividend of 3 cents per share has been declared by the board on 18 October 2022. There are 421 538 462 ordinary shares in issue at announcement date.

The board has confirmed by resolution that the solvency and liquidity test as contemplated by the Companies Act of South Africa, No. 71 of 2008, as amended, has been duly considered, applied, and satisfied. This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The South African dividend tax rate is 20,0%. The dividend payable to shareholders who are subject to dividend tax and shareholders who are exempt from dividend tax is 2.4 cents and 3 cents per share, respectively. The income tax number of the Company is 9078488153.

The salient dates applicable to the interim dividend are as follows:

|                                |                            |
|--------------------------------|----------------------------|
| Declaration of dividend        | Tuesday, 18 October 2022   |
| Last day to trade cum dividend | Tuesday, 1 November 2022   |
| First day to trade ex-dividend | Wednesday, 2 November 2022 |
| Record date                    | Friday, 4 November 2022    |
| Payment date                   | Monday, 7 November 2022    |

Share certificates may not be dematerialised and rematerialised between Wednesday, 2 November 2022, and Friday, 4 November 2022, both days inclusive.

Shares repurchased by a subsidiary between year-end and announcement date and held in treasury amounted to 2 500 000 (2021: nil), which brings the total number of treasury shares to 29 101 012 (2021: 26 601 012).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| R'000                                   | Unreviewed<br>as at<br>31 August<br>2022 | Unreviewed<br>as at<br>31 August<br>2021 | Audited<br>as at<br>28 February<br>2022 |
|---|--|--|---|
| <b>Assets</b>                           |  |  |   |
| <b>Non-current assets</b>               |  |  |   |
| Property, plant, and equipment          | 383 028                                  | 403 743                                  | 392 268                                 |
| Goodwill                                | 170 484                                  | 170 484                                  | 170 484                                 |
| Intangible assets                       | 6 903                                    | 7 373                                    | 7 140                                   |
| Investments in joint ventures           | 1 178                                    | 1 301                                    | 1 513                                   |
| Lease receivable                        | 2 359                                    | 2 735                                    | 2 511                                   |
| Deferred taxation asset                 | 13 274                                   | 13 028                                   | 11 125                                  |
|   | <b>577 226</b>                           | <b>598 664</b>                           | <b>585 041</b>                          |
| <b>Current assets</b>                   |  |  |   |
| Inventories                             | 333 908                                  | 308 664                                  | 327 713                                 |
| Lease receivable                        | 337                                      | 191                                      | 337                                     |
| Trade and other receivables             | 571 744                                  | 626 263                                  | 622 309                                 |
| Current taxation receivable             | –  | –  | 3 970                                   |
| Cash and cash equivalents               | 103 073                                  | 74 749                                   | 57 379                                  |
|   | <b>1 009 062</b>                         | <b>1 009 867</b>                         | <b>1 011 708</b>                        |
| <b>Total assets</b>                     | <b>1 586 288</b>                         | <b>1 608 531</b>                         | <b>1 596 749</b>                        |
| <b>Equity and liabilities</b>           |  |  |   |
| <b>Equity</b>                           |  |  |   |
| Share capital                           | 205 457                                  | 208 352                                  | 208 002                                 |
| Reserves                                | 52 610                                   | 51 364                                   | 51 985                                  |
| Retained earnings                       | 422 918                                  | 298 505                                  | 356 184                                 |
|   | <b>680 985</b>                           | <b>558 221</b>                           | <b>616 171</b>                          |
| <b>Liabilities</b>                      |  |  |   |
| <b>Non-current liabilities</b>          |  |  |   |
| Financial liabilities at amortised cost | 180 660                                  | 257 366                                  | 199 220                                 |
| Lease liabilities                       | 12 720                                   | 9 528                                    | 14 647                                  |
| Deferred taxation                       | 39 208                                   | 43 836                                   | 37 261                                  |
| Contingent consideration                | –  | 870                                      | 870                                     |
|   | <b>232 588</b>                           | <b>311 600</b>                           | <b>251 998</b>                          |
| <b>Current liabilities</b>              |  |  |   |
| Financial liabilities at amortised cost | 365 081                                  | 371 834                                  | 350 868                                 |
| Derivatives                             | 2 521                                    | 1 475                                    | 312                                     |
| Lease liabilities                       | 3 471                                    | 1 312                                    | 2 887                                   |
| Current taxation payable                | 12 500                                   | 10 255                                   | 10 845                                  |
| Trade and other payables                | 289 142                                  | 353 834                                  | 363 668                                 |
|   | <b>672 715</b>                           | <b>738 710</b>                           | <b>728 580</b>                          |
| <b>Total liabilities</b>                | <b>905 303</b>                           | <b>1 050 310</b>                         | <b>980 578</b>                          |
| <b>Total equity and liabilities</b>     | <b>1 586 288</b>                         | <b>1 608 531</b>                         | <b>1 596 749</b>                        |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| R'000   | Unreviewed<br>as at<br>31 August<br>2022 | Unreviewed<br>as at<br>31 August<br>2021 | Audited<br>as at<br>28 February<br>2022 |
|---|--|--|---|
| <b>Revenue (from contracts with customers)</b>      | <b>3 154 723</b>                         | <b>3 132 320</b>                         | <b>6 058 535</b>                        |
| Sale of goods                                       | 3 137 528                                | 3 116 024                                | 6 005 406                               |
| <i>Sale of goods - Local</i>                        | <i>2 514 316</i>                         | <i>2 691 846</i>                         | <i>5 127 539</i>                        |
| <i>Sale of goods - Export</i>                       | <i>623 212</i>                           | <i>424 178</i>                           | <i>877 867</i>                          |
| Rendering of services                               | 17 195                                   | 16 296                                   | 53 129                                  |
| <i>Services revenue - Transport and insurance</i>   | <i>16 761</i>                            | <i>16 143</i>                            | <i>52 420</i>                           |
| <i>Services revenue - Sample analysis</i>           | <i>434</i>                               | <i>153</i>                               | <i>709</i>                              |
| Cost of sales                                       | (2 856 967)                              | (2 857 454)                              | (5 482 429)                             |
| <b>Gross profit</b>                                 | <b>297 756</b>                           | <b>274 866</b>                           | <b>576 106</b>                          |
| Other operating income                              | 1 642                                    | 4 119                                    | 14 751                                  |
| Other operating gains/(losses)                      | 2 602                                    | (3 799)                                  | 1 147                                   |
| Operating expenses                                  | (188 670)                                | (180 013)                                | (385 500)                               |
| <b>Operating profit</b>                             | <b>113 330</b>                           | <b>95 173</b>                            | <b>206 504</b>                          |
| Investment revenue                                  | 79                                       | 645                                      | 723                                     |
| Finance cost  | (28 140)                                 | (31 226)                                 | (62 206)                                |
| Income from equity accounted investments            | 3 389                                    | 2 251                                    | 4 614                                   |
| <b>Profit before taxation</b>                       | <b>88 658</b>                            | <b>66 843</b>                            | <b>149 635</b>                          |
| Taxation  | (21 299)                                 | (20 897)                                 | (45 389)                                |
| <b>Profit for the year</b>                          | <b>67 359</b>                            | <b>45 946</b>                            | <b>104 246</b>                          |
| <b>Total comprehensive income for the year</b>      | <b>67 359</b>                            | <b>45 946</b>                            | <b>104 246</b>                          |
| Total comprehensive income attributable to:         |  |  |   |
| Owners of the parent                                | 67 359                                   | 45 946                                   | 104 246                                 |
| Non-controlling interest                            | –  | –  | –                                       |
|   | <b>67 359</b>                            | <b>45 946</b>                            | <b>104 246</b>                          |
| Basic earnings per share from profit for the year   | 17.06                                    | 11.22                                    | 25.91                                   |
| Diluted earnings per share from profit for the year | 16.49                                    | 10.77                                    | 25.91                                   |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| R'000  | Share capital and premium | Treasury shares | Total share capital |
|--|---------------------------|-----------------|---------------------|
| Balance as at 31 August 2021(unreviewed)         | 230 627                   | (22 275)        | 208 352             |
| Total comprehensive income                       | –                         | –               | –                   |
| Transfers between reserves                       | –                         | –               | –                   |
| Shares repurchased                               | (350)                     | –               | (350)               |
| <b>Balance as at 28 February 2022 (audited)</b>  | <b>230 277</b>            | <b>(22 275)</b> | <b>208 002</b>      |
| Total comprehensive income                       | –                         | –               | –                   |
| Transfers between reserves                       | –                         | –               | –                   |
| Shares repurchased                               | –                         | (2 545)         | (2 545)             |
| <b>Balance as at 31 August 2022 (unreviewed)</b> | <b>230 277</b>            | <b>(24 820)</b> | <b>205 457</b>      |

| R'000  | Revaluation reserve | Share based payment reserve | Retained income | Total equity   |
|--|---------------------|-----------------------------|-----------------|----------------|
| Balance as at 31 August 2021 (unreviewed)        | 44 819              | 6 545                       | 298 505         | 558 221        |
| Total comprehensive income                       | –                   | –                           | 58 300          | 58 300         |
| Transfers between reserves                       | –                   | 621                         | (621)           | –              |
| Shares repurchased                               | –                   | –                           | –               | (350)          |
| <b>Balance as at 28 February 2022 (audited)</b>  | <b>44 819</b>       | <b>7 166</b>                | <b>356 184</b>  | <b>616 171</b> |
| Total comprehensive income                       | –                   | –                           | 67 359          | 67 359         |
| Transfers between reserves                       | –                   | 625                         | (625)           | –              |
| Shares repurchased                               | –                   | –                           | –               | (2 545)        |
| <b>Balance as at 31 August 2022 (unreviewed)</b> | <b>44 819</b>       | <b>7 791</b>                | <b>422 918</b>  | <b>680 985</b> |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| R'000  | Unreviewed<br>as at<br>31 August<br>2022 | Unreviewed<br>as at<br>31 August<br>2021 | Audited<br>as at<br>28 February<br>2022 |
|--|--|--|---|
| <b>Cash flow from operating activities</b>                     |  |  |   |
| Cash generated from operations                                 | 100 978                                  | 120 995                                  | 235 787                                 |
| Investment income  | 79                                       | 645                                      | 416                                     |
| Taxation paid  | (15 675)                                 | (12 440)                                 | (49 814)                                |
| <b>Net cash from operating activities</b>                      | <b>85 382</b>                            | <b>109 200</b>                           | <b>186 389</b>                          |
| <b>Cash flow from investing activities</b>                     |  |  |   |
| Purchase of property, plant, and equipment                     | (4 085)                                  | (4 347)                                  | (11 767)                                |
| Proceeds on disposal of property, plant, and equipment         | 6 052                                    | 4 894                                    | 41 444                                  |
| Dividend from investment in joint ventures                     | 3 724                                    | 2 559                                    | 4 614                                   |
| <b>Net cash from investing activities</b>                      | <b>5 691</b>                             | <b>3 106</b>                             | <b>34 291</b>                           |
| <b>Cash flow from financing activities</b>                     |  |  |   |
| Proceeds from financial liabilities                            | 131 000                                  | –  | 111 822                                 |
| Repayment of financial liabilities                             | (144 503)                                | (74 555)                                 | (280 621)                               |
| Finance costs  | (28 140)                                 | (31 226)                                 | (60 270)                                |
| Repurchase of treasury shares                                  | (2 545)                                  | (150)                                    | (500)                                   |
| Principal elements of lease payments                           | (1 191)                                  | (78)                                     | (2 183)                                 |
| <b>Net cash outflow from financing activities</b>              | <b>(45 379)</b>                          | <b>(106 009)</b>                         | <b>(231 752)</b>                        |
| Net movement in cash for the period/year                       | 45 694                                   | 6 297                                    | (11 072)                                |
| Cash and cash equivalents at the beginning of the period/year  | 57 379                                   | 68 451                                   | 68 451                                  |
| <b>Cash and cash equivalents at the end of the period/year</b> | <b>103 073</b>                           | <b>74 748</b>                            | <b>57 379</b>                           |

## CONDENSED SEGMENT REPORT

| R'000  | Unreviewed<br>as at<br>31 August<br>2022 | Unreviewed<br>as at<br>31 August<br>2021 | Audited<br>as at<br>28 February<br>2022 |
|--|--|--|---|
| <b>Revenue by segment</b>                              |  |  |   |
| <b>Sale of goods - local</b>                           |  |  |   |
| Non-Ferrous  | 1 495 131                                | 1 483 394                                | 3 010 955                               |
| Ferrous  | 922 078                                  | 1 112 004                                | 1 913 999                               |
| Refractory   | 80 338                                   | 72 625                                   | 153 828                                 |
| Plastics   | 16 769                                   | 23 823                                   | 48 757                                  |
|  | <b>2 514 316</b>                         | <b>2 691 846</b>                         | <b>5 127 539</b>                        |
| <b>Sale of goods - exports</b>                         |  |  |   |
| Non-Ferrous  | 494 923                                  | 413 089                                  | 734 094                                 |
| Ferrous  | 126 816                                  | 8 900                                    | 143 773                                 |
| Refractory   | 1 473                                    | 2 189                                    | –                                       |
|  | <b>623 212</b>                           | <b>424 178</b>                           | <b>877 867</b>                          |
| <b>Rendering of services - transport and insurance</b> |  |  |   |
| Non-Ferrous  | 12 226                                   | 5 407                                    | 27 322                                  |
| Ferrous  | 4 501                                    | 10 035                                   | 24 864                                  |
| Refractory   | 34                                       | 533                                      | 234                                     |
| Plastics   | –  | 168                                      | –                                       |
|  | <b>16 761</b>                            | <b>16 143</b>                            | <b>52 420</b>                           |
| <b>Rendering of services - sample analysis</b>         |  |  |   |
| Non-Ferrous  | 434                                      | 153                                      | 709                                     |
|  | <b>434</b>                               | <b>153</b>                               | <b>709</b>                              |
| <b>Total revenue from contracts with customers</b>     |  |  |   |
| Non-Ferrous  | 2 002 714                                | 1 902 043                                | 3 773 080                               |
| Ferrous  | 1 053 395                                | 1 130 939                                | 2 082 636                               |
| Refractory   | 81 845                                   | 75 347                                   | 154 062                                 |
| Plastics   | 16 769                                   | 23 991                                   | 48 757                                  |
|  | <b>3 154 723</b>                         | <b>3 132 320</b>                         | <b>6 058 535</b>                        |
| <b>Gross profit by segment</b>                         |  |  |   |
| Non-Ferrous  | 206 746                                  | 183 815                                  | 420 819                                 |
| Ferrous  | 78 713                                   | 75 691                                   | 125 535                                 |
| Refractory   | 8 899                                    | 8 244                                    | 14 725                                  |
| Plastics   | 3 398                                    | 7 116                                    | 15 027                                  |
|  | <b>297 756</b>                           | <b>274 866</b>                           | <b>576 106</b>                          |
| <b>Operating profit/(loss) by segment</b>              |  |  |   |
| Non-Ferrous  | 67 990                                   | 65 030                                   | 140 567                                 |
| Ferrous  | 40 488                                   | 22 622                                   | 53 990                                  |
| Refractory   | 7 357                                    | 6 245                                    | 11 668                                  |
| Plastics   | (2 505)                                  | 1 276                                    | 279                                     |
|  | <b>113 330</b>                           | <b>95 173</b>                            | <b>206 504</b>                          |

## OTHER GROUP SALIENT FEATURES

Basic attributable earnings per share is calculated by dividing the net profit attributable to ordinary equity shareholders by the weighted average number of ordinary shares outstanding during the year.

|  | Unreviewed<br>as at<br>31 August<br>2022 | Unreviewed<br>as at<br>31 August<br>2021 | Audited<br>as at<br>28 February<br>2022 |
|--|--|--|---|
| <b>Basic earnings per share</b>  |  |  |   |
| From continuing operations (cents per share)   | 17.06                                    | 11.22                                    | 25.91                                   |
| Weighted number of shares in issue at the end of the period ('000)   | 421 538                                  | 435 987                                  | 428 822                                 |
| Less: weighted number of treasury shares held in a subsidiary at the end of the period ('000)                          | (26 789)                                 | (26 601)                                 | (26 440)                                |
|  | <b>394 749</b>                           | <b>409 386</b>                           | <b>402 382</b>                          |
| <b>Headline earnings per share</b>   |  |  |   |
| Headline earnings are determined by adjusting basic earnings by excluding separately identifiable remeasurement items. |  |  |   |
| Headline earnings are presented after tax.   |  |  |   |
| Basic earnings   | 67 359                                   | 45 946                                   | 104 246                                 |
| <i>Adjusted for</i>  |  |  |   |
| Profit on sale of property, plant and equipment, net of tax (R'000)  | (2 569)                                  | (199)                                    | (5 322)                                 |
| Headline earnings (R'000)  | <b>64 790</b>                            | <b>45 747</b>                            | <b>98 924</b>                           |
| Headline earnings per share (cents)  | 16.41                                    | 11.17                                    | 24.58                                   |

### Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has potentially dilutive share options.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculate as above is compared with the number of shares that would have been issued assuming the exercise of the options.

## OTHER GROUP SALIENT FEATURES CONTINUED

|  | Unreviewed<br>as at<br>31 August<br>2022 | Unreviewed<br>as at<br>31 August<br>2021 | Audited<br>as at<br>28 February<br>2022 |
|--|--|--|---|
| <b>Reconciliation of number of shares for diluted earnings</b>                   |  |  |   |
| Weighted average number of ordinary shares in issue ('000)                       | 394 749                                  | 409 386                                  | 402 382                                 |
| Adjusted for: Share options ('000)   | 13 669                                   | 17 422                                   | 15 816                                  |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | <b>408 419</b>                           | <b>426 808</b>                           | <b>418 198</b>                          |
| Diluted earnings per share (cents)   | 16.49                                    | 10.77                                    | 24.93                                   |
| Diluted headline earnings per share (cents)                                      | 15.86                                    | 10.72                                    | 23.65                                   |
| <b>Other salient features</b>  |  |  |   |
| Net asset value per share (cents)  | 173.52                                   | 141.34                                   | 156.01                                  |
| Tangible net asset value per share (cents)                                       | 128.32                                   | 96.31                                    | 111.04                                  |
| EBITDA   | 135 954                                  | 118 707                                  | 251 370                                 |
| Depreciation and amortisation  | 19 235                                   | 21 283                                   | 40 252                                  |

## **Basis of preparation and accounting policies**

The unreviewed condensed consolidated financial statements for the interim period ended 31 August 2022 have been prepared in accordance with the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The unreviewed condensed consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, Nadia Winde, CA (SA). The accounting policies are consistent with those applied in the annual financial statements for the previous year. The above information has not been audited or reported on by Insimbi's auditors.

## **Contingencies**

The Group does not have any material contingencies.

## **Approval:**

|                 |                         |
|-----------------|-------------------------|
| RI Dickerson    | F Botha                 |
| Chairman        | Chief Executive Officer |
| 18 October 2022 |                         |

|                       |  |
|-----------------------|--|
| Directors:            | F Botha (Chief Executive Officer)                                    |
|                       | N Winde (Chief Financial Officer)                                    |
|                       | C Coombs   |
|                       | RI Dickerson* (Chairperson)  |
|                       | IP Mogotlane*  |
|                       | N Mwale*   |
|                       | CS Ntshingila*   |
|                       | (*non-executive)   |
| Company Secretary:    | M Madhlophe  |
| Registered office:    | Stand 359 Crocker Road, Wadeville, Germiston, 1422                   |
| Website:              | <a href="http://www.insimbi-group.co.za">www.insimbi-group.co.za</a> |
| Sponsor:              | PSG Capital Proprietary Limited                                      |
| Transfer Secretaries: | Computershare Investor Services Proprietary Limited                  |
| Auditors:             | Moore Cape Town Inc.   |