AFRICAN SUN LIMITED

REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 30 June 2024

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These interim condensed consolidated financial statements are presented in United States Dollars ("USD").

DIRECTORATE AND CORPORATE INFORMATION

Directors

L. Mhishi	(Appointed, 8 July 2024)	(Chairman)
C. Chikosi	(Resigned, 26 June 2024)	
S. Village	(Appointed, 22 March 2024)	
L. Ward*	(Appointed, 20 January 2024)	(Chief Executive Officer)
L. Chikara*		(Chief Finance Officer)
B. Childs		
G. Chikomo		
T. Denga		
A. Siyavora		
V. Lapham		

*Executive

Company secretary:
V. Musimbe

Registered office:
African Sun Limited, c/o Monomotapa Hotel
54 Parklane, Harare, P.O. Box CY 1211, Causeway, Harare, Zimbabwe
Email: venon.musimbe@africansunhotels.com

Independent auditor:
Grant Thornton Chartered Accountants (Zimbabwe)
Camelsa Business Park, 135 Enterprise Road, Highlands, Harare, Zimbabwe

Main bankers:
FBC Bank Limited
5th Floor, FBC Centre, Nelson Mandela Avenue, Harare, Zimbabwe

Nedbank Zimbabwe Limited
Old Mutual Centre, Cnr. 3rd Street and Jaison Moyo Avenue, Harare, Zimbabwe

Stanbic Bank Zimbabwe Limited
3rd Floor, 59 Samora Machel Avenue, Harare, Zimbabwe

Lead legal advisors:
Gill, Godlotonton and Gerrans Legal Practioners
7th Floor, Beverley Court, 100 Nelson Mandela Avenue, Harare, Zimbabwe

Dube, Manikai and Hwacha Commercial Law Chambers
6th Floor, Goldbridge, Eastgate Complex, Sam Nujoma Street, Harare, Zimbabwe

Transfer secretaries
Corpserve (Private) Limited
2nd Floor, ZB Bank Centre, Cnr Kwame Nkrumah Avenue/First Street, P.O. Box 2208, Harare, Zimbabwe
Email: paradzai@escrowgroup.org

FINANCIAL HIGHLIGHTS

	Reviewed 30 June 2024	Reviewed 30 June 2023
Revenue	**USD 25.58 million**	USD 22.36 million
Occupancy	**50%**	46%
EBITDA	**USD 2.54 million**	USD 2.48 million
Loss for the period	**(USD 2.17) million**	(USD 1.81) million
Average daily room rate (ADR)	**USD 112**	USD 103
Total revenue per available room	**USD 104**	USD 91
Basic loss per share for the period	**(0.15) USD cents**	(0.12) USD cents
Cash reserves	**USD 10.56 million**	USD 6.98 million
Permanent staff complement	**852**	863

CHAIRMAN'S STATEMENT

Introduction

On behalf of the Board of Directors of African Sun Limited ("African Sun" or "the Company") and its subsidiaries, together referred to as "the Group," I am pleased to present to you the reviewed condensed consolidated financial statements for the half year ended 30 June 2024.

Operating Environment

The global economy showed signs of recovery, with the International Monetary Fund ("IMF") projecting a growth rate of 3.2%, up from 3.1% in 2023. The first half of the year has been pivotal for the Group, as we continued on a steady recovery from the impact of the COVID-19 pandemic. According to the United Nations World Tourism Organization's ("UNWTO") World Tourism Barometer, international travel reached 97% of pre-pandemic levels in the first quarter of the year, indicating a near-complete recovery with regions such as the Middle East, Europe, and Africa surpassing their pre-pandemic levels. The Group achieved an occupancy rate of 50%, a four-percentage-points improvement from the same period last year, alongside a 30% increase in international arrivals. Local tourism remained the primary driver of our business with a total contribution of 70% of the room nights sold during the period under review.

The first quarter of the year was characterised by exchange rate distortions, inflationary pressures, and liquidity constraints. However, the local economic environment showed resilience in the second quarter following the introduction of the Zimbabwean Gold currency ("ZWG"), a structured currency backed by a composite basket of precious metals and foreign currency reserves. Since the introduction of the new currency on the 5th of April 2024, the economy has experienced lower inflation and relatively stable exchange rates, with the official rate shedding only 1% from the initial exchange rate of ZWG13.5616/USD to ZWG13.7031/USD by the end of June 2024. Ongoing frequent power outages and the impact of poor rains continue to pose challenges to the economy and weigh down on business.

Financial Performance

During the period under review, the Group performance showed improvements in revenue and operating profit; however, a loss after tax of USD 2.17 million (2023: USD 1.81 million) was recorded, largely driven by non-recurring costs.

Revenue

At USD 25.58 million, the Group's revenue was up by 14% compared to the Same Period Last Year ("SPLY"). The improved performance was driven by firmer Average Daily Rates ("ADR") at USD 112, an increase of 9% from USD 103 during the comparable period. Hotel occupancy performance was also positive, closing the half year at 50%, a four percentage points increase compared to the SPLY. Real Estate's contribution increased during the period from 2% to 6%, generating an incremental revenue of USD 1.28 million coming from residential stand sales.

Operating Expenses

The Group's operating expenses, excluding depreciation, at USD 14,09 million, increased by 1% compared to SPLY despite the inflationary pressures experienced in the first quarter of the year. Through constantly monitoring of costs and improved procurement processes, the Group managed to contain the overheads amid high risk of price distortions after the introduction of the new currency.

CHAIRMAN'S STATEMENT (CONTINUED)

Profitability

Earnings before interest, tax, depreciation, and amortization ("EBITDA") at USD 2.54 million, was 2% higher than SPLY, owing to improved topline numbers performance. The Group recorded a Loss after tax for the period of USD 2.17 million, despite improved topline largely due to higher taxes, loss from sale of property of USD 0.27 million, discontinued operations loss of USD 0.35 million and non-recurring costs of USD 0.60 million. The increase in income tax paid was in line with the additional profit while deferred tax expense were above comparable period.

The Group maintained its strong liquidity position, with a cash and cash equivalents balance of USD 10.56 million at the end of the period under review, generating USD 2.37 million from operations during the period, a significant recovery from the USD 1.13 million utilised in the comparable period. Furthermore, the Group remains debt-free.

Portfolio Transformation: Hotel Refurbishments

The Group's targeted refurbishments progressed well during the period under review, with the completion of the Hwange Safari Lodge public areas and a soft refurbishment on the Executive and Presidential Suites at the Monomotapa Hotel ahead of the SADC summit that was held in August. This strategic capital allocation is aimed at positioning the Group to grow market share while delivering an upliftment in hospitality experience for our guests.

To expedite the refurbishment of several key hotels in our portfolio, the Board resolved to complement capital-raising initiatives by selling selected assets that are considered not core to the Group's future positioning. The Beitbridge Express Hotel and Great Zimbabwe Hotel were earmarked for sale, with an Agreement of Sale executed subsequent to the reporting date. The transaction is expected to be completed before the end of the year.

Dividend Declaration

The Board authorised an interim dividend of USD 0.0003381 per share, amounting to a total of USD 500 000, to be paid out of retained earnings. The detailed dividend announcement will be circulated separately.

Outlook

Going into the second half of the year, typically our peak period, we anticipate an increase in the volume of international travelers, a boost in conference business, and increased demand from local tourism. However, the macroeconomic environment is likely to remain tough, as the effect of the low rainfall is anticipated to be greater than previously anticipated, as evidenced by the slowdown in economic growth to 2% as predicted by the IMF. Ongoing global inflation, supply chain disruptions, and rising commodity prices may result in higher transportation and accommodation costs, potentially constraining spending patterns and demand throughout the forecast period. Additionally, geopolitical tensions and trade uncertainties are expected to continue for the forseeable future. The Group remains vigilant and agile in addressing these challenges to ensure we create sustainable value for all our stakeholders.

Subsequent to the reporting period, the World Health Organization issued warnings about the spread of the Mpox virus across Africa and in some European countries, declaring it a public health emergency. The continued spread of this virus could negatively impact both international travelers and local tourism if not contained. The Group will closely monitor the situation and implement strategies to mitigate its effects.

We are committed to delivering a consistent and enjoyable guest experience through significant planned capital investments in information technology and hotel refurbishments. These investments aim to establish a sustainable growth trajectory for the Group and enhance returns for our shareholders.

Directorate Changes

Constantine Chikosi resigned from the Board on 26 June 2024. I was appointed Chairman of the Board of Directors effective 8 July 2024.

Simon Village was appointed to the board as a non-executive director on 22 March 2024.

On behalf of the African Sun Board, I would like to take this opportunity to express my gratitude to Constantine for his service to the Group and wish him all the best in his future endeavors. In the same vein, I would also like to extend a warm welcome to Simon.

Appreciation

I would like to express my heartfelt gratitude to our board, executive team, staff, shareholders, and all our broader stakeholders. Your unwavering support and dedication to our vision has been invaluable in getting us to where we are today. Thank you for your continued patronage.

L.M. Mhishi

Chairman
30 September 2024

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

To the members of African Sun Limited

We have reviewed the accompanying interim condensed consolidated statement of financial position of African Sun Limited as at 30 June 2024, the interim condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months then ended, and a summary of significant Group accounting policies and other explanatory notes.

Responsibilities of Management and Those Charged with Governance for the interim condensed consolidated financial statements

Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and the Group's accounting policies, this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of interim consolidated financial statements that is free of material misstatement whether due to fraud or error.

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the financial position of African Sun Limited as at 30 June 2024, and its financial performance and cash flows for the six months then ended in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

Other Matter – Change in presentation of expenses from a classification based on their function to a classification based on their nature

Without modifying our conclusion, we draw attention to note 3.1 of the interim condensed consolidated financial statements, which details the change in the presentation of expenses from a classification based on their function to a classification based on their nature, effective 1 January 2024. The prior year expenses have been reclassified accordingly.

The engagement partner on the review engagement resulting in this independent review conclusion is Edmore Chimhowa

Grant Thornton

Edmore Chimhowa
Partner
Registered Public Auditor (PAAB No: 0470)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

30 September 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

All figures in USD	Note	Reviewed 30 June 2024	Audited 31 December 2023	Audited 31 December 2022
ASSETS				
Non-current assets				
Property and equipment	6	**81,918,939**	85,553,941	79,991,089
Investment property	7	**10,380,900**	10,680,900	12,419,021
Right of use assets	8.1	**17,027,373**	17,368,760	4,895,605
Financial assets	9	**1,387,480**	754,231	65,474
Biological assets		**334,581**	334,581	285,411
Deferred tax assets		**-**	-	29,051
Total non-current assets		**111,049,273**	**114,692,413**	**97,685,651**
Current assets				
Assets classified as held for sale	10.8	**6,489,667**	3,600,000	3,533,845
Inventories		**6,423,136**	6,806,249	4,676,332
Trade receivables	9	**3,210,056**	1,938,603	2,005,012
Other financial assets	9	**3,106,264**	4,425,453	2,162,101
Cash and cash equivalents	9	**10,563,626**	10,869,828	11,463,432
Total current assets		**29,792,749**	**27,640,133**	**23,840,722**
Total assets		**140,842,022**	**142,332,546**	**121,526,373**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		**2,484,229**	2,476,768	2,476,768
Share premium		**14,029,390**	14,008,943	14,008,943
Equity-settled share based payment reserve	19.1	**-**	223,300	213,296
Foreign currency translation reserve	19.2	**8,327,729**	8,346,540	8,269,216
Revaluation reserve		**32,596,404**	32,596,404	27,543,868
Retained earnings		**40,001,977**	42,293,531	44,270,888
Total equity		**97,439,729**	**99,945,486**	**96,782,979**
Liabilities				
Non-current liabilities				
Deferred tax liabilities		**12,861,789**	12,309,226	11,567,149
Lease liabilities	8.2	**14,356,555**	14,438,109	1,624,299
Deferred lease income		**-**	-	1,105
Total non-current liabilities		**27,218,344**	**26,747,335**	**13,192,553**
Current liabilities				
Liabilities associated with assets classified as held for sale		**212,110**	-	152,908
Trade and other payables		**12,740,973**	13,200,844	9,455,015
Current income tax liabilities		**761,857**	490,530	229,565
Provisions	13	**2,301,101**	1,783,416	1,695,112
Deferred lease income		**-**	-	253
Lease liabilities	8.2	**167,908**	164,935	17,988
Total current liabilities		**16,183,949**	**15,639,725**	**11,550,841**
Total liabilities		**43,402,293**	**42,387,060**	**24,743,394**
Total equity and liabilities		**140,842,022**	**142,332,546**	**121,526,373**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2024

All figures in USD	Note	Reviewed 30 June 2024	Reviewed 30 June 2023*
Revenue	12	**25,581,731**	22,362,206
Rooms related costs		**(677,507)**	(490,832)
Cost of food and beverage sold		**(2,724,548)**	(2,290,584)
Hotel occupancy costs		**(1,854,977)**	(1,517,222)
Repairs and maintenance costs		**(914,391)**	(623,534)
Property related costs		**(571,297)**	(277,824)
Employee benefits expense		**(9,525,399)**	(9,653,285)
Net impairment reversal on financial assets	11.2	**61,080**	489,519
Other operating expenses	14	**(5,951,036)**	(6,724,916)
Other (expenses)/income	15	**(887,649)**	1,208,083
Earnings before interest, tax, depreciation and amortisation expense		**2,536,007**	**2,481,611**
Depreciation and amortisation expense		**(2,516,923)**	(2,709,123)
Operating profit/(loss) before finance income/(costs)		**19,084**	**(227,512)**
Finance income		**65,558**	101,374
Finance costs		**(8,528)**	(2,602)
Finance costs - lease liabilities		**(729,546)**	(53,368)
Loss before tax		**(653,432)**	**(182,108)**
Income tax expense	16	**(1,163,060)**	(873,393)
Loss for the period from continuing operations		**(1,816,492)**	**(1,055,501)**
Loss for the period from discontinued operations	10.6	**(349,825)**	(751,920)
Loss for the period		**(2,166,317)**	**(1,807,421)**
Other comprehensive (loss)/income for the period net of tax:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(18,811)**	94,000
Total comprehensive loss for the period		**(2,185,128)**	**(1,713,421)**
Loss for the period attributable to:			
Owners of the parent		**(2,166,317)**	(1,807,421)
Total comprehensive loss attributable to:			
Owners of the parent		**(2,185,128)**	(1,713,421)
Earnings per share attributable to:			
Owners of the parent during the period (USD cents)			
Basic and diluted loss per share	18	**(0.15)**	(0.12)
Headline loss per share	18	**(0.10)**	(0.09)

*The Group reclassified its expenses and changed the presentation from function based presentation to nature based presentation. Refer to note 3.1 for further details.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2024

All figures in USD	Share capital	Share premium	Equity-settled share based payment reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total equity	Non controlling interest (“NCI”)	**Total equity**
Year ended 31 December 2022									
Balance as at 1 January 2022	**2,475,268**	**11,948,562**	**182,905**	**7,944,342**	**21,319,146**	**35,025,732**	**78,895,955**	**5,977,521**	**84,873,476**
Profit/(loss) for the year	-	-	-	-	-	7,055,160	7,055,160	(59,833)	**6,995,327**
Other comprehensive income:									
Currency translation differences	-	-	-	324,874	-	-	324,874	-	**324,874**
Revaluation surplus - net of tax	-	-	-	-	6,224,722	-	6,224,722	-	**6,224,722**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**324,874**	**6,224,722**	**7,055,160**	**13,604,756**	**(59,833)**	**13,544,923**
Transactions with owners in their capacity as owners:									
Share options cost	-	-	30,391	-	-	-	30,391	-	**30,391**
Shares issued	1,605	2,200,477	-	-	-	-	2,202,082	-	**2,202,082**
Treasury shares	(105)	(140,096)	-	-	-	-	(140,201)	-	**(140,201)**
Transfer of NCI to equity attributable to owners of the parent	-	-	-	-	-	3,715,606	3,715,606	(5,917,688)	**(2,202,082)**
Dividend	-	-	-	-	-	(1,525,610)	(1,525,610)	-	**(1,525,610)**
Balance as at 31 December 2022	**2,476,768**	**14,008,943**	**213,296**	**8,269,216**	**27,543,868**	**44,270,888**	**96,782,979**	**-**	**96,782,979**
Year ended 31 December 2023									
Balance as at 1 January 2023	**2,476,768**	**14,008,943**	**213,296**	**8,269,216**	**27,543,868**	**44,270,888**	**96,782,979**	**-**	**96,782,979**
Loss for the period	-	-	-	-	-	(1,807,421)	(1,807,421)	-	**(1,807,421)**
Other comprehensive income/(loss):									
Currency translation differences	-	-	-	94,000	-	-	94,000	-	**94,000**
Transfer to retained earnings			-	-	(213,946)	213,946	-	-	**-**
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**94,000**	**(213,946)**	**(1,593,475)**	**(1,713,421)**	**-**	**(1,713,421)**
Transactions with owners in their capacity as owners:									
Share options cost	-	-	10,004	-	-	-	10,004	-	**10,004**
Dividend	-	-	-	-	-	(1,076,679)	(1,076,679)	-	**(1,076,679)**
Balance as at 30 June 2023	**2,476,768**	**14,008,943**	**223,300**	**8,363,216**	**27,329,922**	**41,600,734**	**94,002,883**	**-**	**94,002,883**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the half year ended 30 June 2024

All figures in USD	Share capital	Share premium	Equity-settled share based payment reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total equity	Non controlling interest ("NCI")	Total equity
Year ended 31 December 2023 (continued)									
Balance as at 30 June 2023	**2,476,768**	**14,008,943**	**223,300**	**8,363,216**	**27,329,922**	**41,600,734**	**94,002,883**	**-**	**94,002,883**
Loss for the period	-	-	-	-	-	1,442,832	1,442,832	-	**1,442,832**
Other comprehensive income/(loss):									
Currency translation differences	-	-	-	(16,676)	-	-	(16,676)	-	**(16,676)**
Revaluation surplus - net of tax	-	-	-	-	5,266,482	-	5,266,482	-	**5,266,482**
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**(16,676)**	**5,266,482**	**1,442,832**	**6,692,638**	**-**	**6,692,638**
Transactions with owners in their capacity as owners:									
Dividend	-	-	-	-	-	(750,035)	(750,035)	-	**(750,035)**
Balance as at 31 December 2023	**2,476,768**	**14,008,943**	**223,300**	**8,346,540**	**32,596,404**	**42,293,531**	**99,945,486**	**-**	**99,945,486**
Half year ended 30 June 2024									
Balance as at 1 January 2024	**2,476,768**	**14,008,943**	**223,300**	**8,346,540**	**32,596,404**	**42,293,531**	**99,945,486**	**-**	**99,945,486**
Loss for the period	-	-	-	-	-	(2,166,317)	(2,166,317)	-	**(2,166,317)**
Other comprehensive loss:									
Currency translation differences	-	-	-	(18,811)	-	-	(18,811)	-	**(18,811)**
Transfer to retained earnings	-	-	(217,776)	-	-	217,776	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**(217,776)**	**(18,811)**	**-**	**(1,948,541)**	**(2,185,128)**	**-**	**(2,185,128)**
Transactions with owners in their capacity as owners:									
Shares issued	7,461	20,447	(5,524)	-	-	-	22,384	-	**22,384**
Dividend	-	-	-	-	-	(343,013)	(343,013)	-	**(343,013)**
Balance as at 30 June 2024	**2,484,229**	**14,029,390**	**-**	**8,327,729**	**32,596,404**	**40,001,977**	**97,439,729**	**-**	**97,439,729**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2024

All figures in USD	Note	Reviewed 30 June 2024	Reviewed 30 June 2023
Cash flows from/(utilised in) operating activities			
Cash generated from/(utilised in) operations	17	**3,380,093**	(740,002)
Finance income received		**65,558**	101,374
Finance costs paid		**(8,528)**	(2,602)
Finance costs paid - lease liabilities		**(729,546)**	(53,368)
Tax paid		**(339,517)**	(436,181)
Cash generated from/(utilised in) operating activities		**2,368,060**	**(1,130,779)**
Cash utilised in investing activities			
Proceeds from sale of subsidiary	10.7	**-**	309,293
Purchase of property and equipment	6	**(2,444,874)**	(3,326,287)
Proceeds from sale of investment properties		**1,131,304**	686,905
Purchase of equity investments		**(381,778)**	-
Proceeds from sale of equity investments		**136,905**	-
Dividend received		**6,031**	-
Proceeds from sale of property and equipment		**44,906**	105,321
Cash utilised in investing activities		**(1,507,506)**	**(2,224,768)**
Cash utilised in financing activities			
Repayment of lease liabilities		**(78,581)**	(24,098)
Dividend paid		**(1,093,048)**	(1,076,679)
Cash utilised in financing activities		**(1,171,629)**	**(1,100,777)**
Decrease in cash and cash equivalents		**(311,075)**	**(4,456,324)**
Cash and cash equivalents at beginning of the period		**10,869,828**	11,463,432
Exchange gains/(loss) on cash and cash equivalents		**4,873**	(24,954)
Cash and cash equivalents at the end of the period		**10,563,626**	**6,982,154**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2024

1 Reporting entity

African Sun Limited (referred to as "the Company") is a Zimbabwean corporation operating as part of a larger group (referred to as "the Group"). The Group's primary activities involve managing ten hotels, operating two Lodges in Zimbabwe under a timeshare model, and operating a sales and marketing office in South Africa that focuses on international and regional sales. In addition to its hospitality operations, the Group also has a real estate division. This division owns seven hotel buildings that are operated by the hotel division. Furthermore, the Group holds more than 3,100 hectares of land across Zimbabwe, with 2,630 hectares primarily held for capital appreciation or future development purposes.

As a Zimbabwean corporation, the Company is incorporated and domiciled in Zimbabwe. It is publicly listed on the Victoria Falls Stock Exchange (VFEX). The majority shareholder of the Company is Arden Capital Management (Private) Limited, which owns 60.42% (2023: 60.42%) of the ordinary share capital of the Company.

The Company's registered address is Monomotapa Hotel, Number 54 Park Lane Road, Harare, Zimbabwe.

These condensed consolidated financial statements were approved for issue by the Directors on 27 September 2024.

2 Basis of preparation

The interim condensed consolidated financial statements as of 30 June 2024 include the financial statements of African Sun Limited and its subsidiaries. These statements comply with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and the disclosure requirements of IAS 34 "Interim Financial Reporting." Selected explanatory notes are provided to clarify significant events and transactions that impact the Group's performance and financial position. These condensed consolidated financial statements also comply with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), the VFEX Listing Requirements, and present a true and fair view of the Group's financial position as of 30 June 2024, as well as the performance results and cash flows for the period ended on that date. The condensed consolidated financial statements are prepared using the historical cost convention as the primary basis, with modifications made for the revaluation of investment property, biological assets, financial assets, and property and equipment.

Preparing interim condensed consolidated financial statements in accordance with IFRS involves the use of critical accounting estimates and requires management to exercise judgment when applying the Group's accounting policies. Note 5 discloses the areas that involve a higher degree of judgment or complexity, including assumptions and estimates that are significant to the interim financial statements.

The interim condensed consolidated financial statements are presented in United States Dollars (USD), and all amounts are rounded to the nearest dollar, unless otherwise stated.

3 Accounting policies

The accounting policies utilised in the preparation of these interim condensed consolidated financial statements remain consistent with the most recent financial statements, unless otherwise indicated. For comprehensive disclosures and a complete understanding of the accounting policies employed, please refer to the full set of financial statements provided in our 2023 annual report.

3.1 Change in presentation of expenses

The International Accounting Standard ("IAS 1") Presentation of Financial Statements permits the presentation of expenses recognised in profit or loss using classification based on either their nature or their function.

The expenses in the Group's statement of profit or loss and other comprehensive income have historically been presented based on their function. The Directors reassessed the relevance of the current presentation of expenses and concluded that the presentation of expenses by nature is more reliable and relevant for a hospitality business for the following reasons:

*The presentation of expenses by their nature is widely adopted by hospitality businesses in the region particularly industry peers in South Africa and Botswana. Aligning presentation of expenses in the statement of profit or loss and other comprehensive income with regional practices enhances consistency and facilitates industry-wide comparisons.

*The nature of expense method offers insights into the fundamental resources consumed by the business, providing granular information for financial analysis. By highlighting direct costs related to production, operations, and core activities, this method enhances transparency in financial statements allowing stakeholders to easily grasp the components of expenses without the complexity of functional allocations.

*The function-based presentation of expenses involves subjective allocation of costs to functions. In contrast, a nature-based presentation enhances the relevance and reliability of presenting costs, leading to improved predictions about future cash flows and margins.

Based on this assessment Directors resolved to change the presentation of expenses in the statement of profit or loss and other comprehensive income from presentation by function to presentation by nature for the reporting period beginning January 2024 and beyond.

3 Accounting policies (continued)

3.1 Change in presentation of expenses (continued)

The effect of the change in presentation had the change been effected for the six months ended 30 June 2023 would be as follows:

All figures in USD	Reviewed 30 June 2023 As presented	Reclassification	Reviewed 30 June 2023 Reclassified
Cost of sales	7,176,545	(7,176,545)	-
Operating expenses	17,110,775	(17,110,775)	-
	24,287,320	(24,287,320)	-
Rooms related costs	-	490,832	490,832
Cost of food and beverage sold	-	2,290,584	2,290,584
Hotel occupancy costs	-	1,517,222	1,517,222
Repairs and maintenance	-	623,534	623,534
Property related costs	-	277,824	277,824
Employee benefits expense	-	9,653,285	9,653,285
Other operating expenses	-	6,724,916	6,724,916
Depreciation and amortisation expense	-	2,709,123	2,709,123
	-	24,287,320	24,287,320

The reclassification and change of presentation of expenses has no effect on retained earnings.

4 Going concern

The Directors have assessed the ability of the Group and the Company to continue as going concern and are of the view that, the preparation of these interim condensed consolidated financial statements on a going concern basis is appropriate.

In their going concern assessment, the Directors considered the projected performance of the tourism industry, the cash flow and liquidity projections, including key commitments for a period exceeding 12 months from the reporting date. However, should the Group performance be subdued, the Group has enough cash resources to meet all unavoidable operating costs and to continue operations as a going concern in a responsible and sustainable manner. The Group remains debt free, representing leveraging opportunities should there be need for debt finance in the foreseeable future.

4 Going concern (continued)

The Group is optimistic about its ability to recover from the losses incurred during the period, attributing this confidence to a variety of implemented measures, outlined below:

- The Group is actively seeking suitable debt funding opportunities in local and regional markets to support its planned product improvements. To accelerate the refurbishment of several key hotels in our portfolio, the Board resolved to complement capital-raising efforts by selling selected assets that are not considered core to the Group's future strategy.
- Strategic marketing initiatives, particularly targeting the international market, are expected to boost occupancy and improve average daily rates.
- The sale of residential stands completed during the year is anticipated to increase revenues, cash flows, and profitability.
- Furthermore, the Group will continue to monitor and align its overhead costs with revenue growth in light of the ongoing turbulent macroeconomic environment, which is characterised by frequent power outages and the effects of poor rainfall.

5 Accounting estimates

When preparing the Group's interim consolidated financial statements, management exercises judgment, makes estimates, and utilises assumptions regarding the recognition and measurement of assets, liabilities, revenue, and expenses. There are several areas where these estimates, judgments, and assumptions made by management have a significant impact on the condensed consolidated financial statements. These areas include:

(i) Determination of fair values of investment property, property and equipment;
(ii) Useful lives of property and equipment;
(ii) Tax liability computations;
(iv) Measurement of expected credit losses on financial assets;
(v) Entity specific rates.

6 Property and equipment

All figures in USD	Freehold properties	Leasehold properties	Equipment	Service stocks	Motor vehicles	Capital work in progress	Total
Period ended 31 December 2023							
Revalued cost	66,329,979	6,788,607	26,164,506	135,410	1,807,929	2,317,348	**103,543,779**
Accumulated depreciation and impairment	(4,394,500)	(2,513,141)	(16,562,148)	-	(82,901)	-	**(23,552,690)**
Opening net book value	61,935,479	4,275,466	9,602,358	135,410	1,725,028	2,317,348	**79,991,089**
Additions	431,291	1,139,794	2,815,056	303,468	416,393	479,511	**5,585,513**
Transfers in/(out)	-	2,102,274	-	-	-	(2,102,274)	**-**
Foreign exchange difference	-	-	(2,109)	-	-	-	**(2,109)**
Disposals - cost	-	(18,884)	(2,575,442)	-	(122,971)	-	**(2,717,297)**
Disposals - accumulated depreciation	-	6,832	1,953,300	-	21,620	-	**1,981,752**
Revaluation - cost	4,385,148	-	(1,460,507)	-	(314,604)	-	**2,610,037**
Revaluation - depreciation	133,448	-	2,418,144	-	672,163	-	**3,223,755**
Depreciation and usage	(904,766)	(834,059)	(2,563,776)	(198,562)	(617,636)	-	**(5,118,799)**
	65,980,600	**6,671,423**	**10,187,024**	**240,316**	**1,779,993**	**694,585**	**85,553,941**
Revalued cost	71,146,418	10,011,791	24,941,504	438,878	1,786,747	694,585	**109,019,923**
Accumulated depreciation and impairment	(5,165,818)	(3,340,368)	(14,754,480)	(198,562)	(6,754)	-	**(23,465,982)**
Net book value	**65,980,600**	**6,671,423**	**10,187,024**	**240,316**	**1,779,993**	**694,585**	**85,553,941**
Period ended 30 June 2024							
Opening net book value	65,980,600	6,671,423	10,187,024	240,316	1,779,993	694,585	**85,553,941**
Additions	-	10,540	881,364	304,077	229,093	1,019,800	**2,444,874**
Transfer to asset held for sale	(2,800,000)	(244,445)	(415,820)	(9,385)	(3,125)	(32,989)	**(3,505,764)**
Foreign exchange difference	-	-	471	-	-	-	**471**
Disposals - cost	-	-	(202,671)	-	(201,790)	-	**(404,461)**
Disposals - accumulated Depreciation	-	-	166,820	-	59,190	-	**226,010**
Depreciation and usage	(355,296)	(513,564)	(1,025,120)	(132,177)	(369,975)	-	**(2,396,132)**
	62,825,304	**5,923,954**	**9,592,068**	**402,831**	**1,493,386**	**1,681,396**	**81,918,939**
Revalued cost	68,346,418	9,714,533	24,984,040	733,570	1,792,840	1,681,396	**107,252,797**
Accumulated depreciation and impairment	(5,521,114)	(3,790,579)	(15,391,972)	(330,739)	(299,454)	-	**(25,333,858)**
Net book value	**62,825,304**	**5,923,954**	**9,592,068**	**402,831**	**1,493,386**	**1,681,396**	**81,918,939**

7 Investment property

All figures in USD	**Reviewed 30 June 2024**	Audited 31 December 2023
Balance at the beginning of the period	**10,680,900**	**12,419,021**
Transfer to assets classified as held for sale	**-**	(1,410,000)
Disposals	**(300,000)**	(1,332,000)
Fair value adjustments	**-**	1,003,879
Balance at the end of the period	**10,380,900**	**10,680,900**

The disposal of the investment property relates to the 3 units of the Elizabeth Windsor Gardens, which were disposed of during the current period. The Elizabeth Windsor Gardens units were previously rented out to tenants.

8 Leases

8.1 Reconciliation of the right-of-use assets is as follows:

All figures in USD	Hotel buildings	Other buildings	Land	**Total**
As at 01 January 2023	4 473 313	409 991	12 301	**4 895 605**
Additions/Re-measurement	9 918 742	3 167 037	-	**13 085 779**
Depreciation	(475,031)	(135,934)	(1,659)	**(612,624)**
As at 31 December 2023	**13 917 024**	**3 441 094**	**10 642**	**17 368 760**
Foreign exchange differences	-	105	-	**105**
Depreciation	(237,516)	(103,147)	(829)	**(341,492)**
As at 30 June 2024	**13 679 508**	**3 338 052**	**9 813**	**17 027 373**

8 Leases (continued)

8.2 Analysis of lease liabilities is as follows:

All figures in USD	**Reviewed 30 June 2024**	Audited 31 December 2023
Non-current	**14 356 555**	14 438 109
Current	**167 908**	164 935
Total lease liabilities	**14 524 463**	**14 603 044**

Fixed lease payments for the period 30 June 2024 amounted to USD 808,113 (2023: USD 341,674).

9 Financial assets

All figures in USD	Amortised cost	FVTPL	**Total**
As at 31 December 2023			
Investments in shares	-	617,557	617,557
Other financial assets	136,674	-	136,674
Total non-current	**136,674**	**617,557**	**754,231**
Trade receivables	1,938,603	-	1,938,603
Other financial assets	4,425,453	-	4,425,453
Cash and cash equivalents	10,869,828	-	10,869,828
Total current	**17,233,884**	**-**	**17,233,884**
Total financial assets	**17,370,558**	**617,557**	**17,988,115**
As at 30 June 2024			
Investments in shares	-	968,070	**968,070**
Other financial assets	419,410	-	**419,410**
Total non-current	**419,410**	**968,070**	**1,387,480**
Trade receivables	3,210,056	-	**3,210,056**
Other financial assets	3,106,264	-	**3,106,264**
Cash and cash equivalents	10,563,626	-	**10,563,626**
Total current	**16,879,946**	**-**	**16,879,946**
Total financial assets	**17,299,356**	**968,070**	**18,267,426**

During the period ended 30 June 2024, the Group acquired additional equity instruments on the Zimbabwe Stock Exchange worth USD 381,778 (2023: nil). The shares acquired did not result in significant influence or control of the companies.

10 Discontinued operations and assets classified as held for sale

10.1 Great Zimbabwe Hotel

The Board resolved to dispose of the Great Zimbabwe Hotel during the period under review and subsequent to 30 June 2024 an Agreement of Sale was executed on the 15th of August 2024. The Effective Date of the transaction is 01 November 2024.

10.2 Sun Leisure Tours

The Group discontinued it's travel and tours division in line with it's strategy to focus with core hotel operations.

10.3 Dawn Property Consultancy (Private) Limited ("DPC")

The Group successfully disposed DPC at the beginning of the prior year. Refer to note 10.7 for details relating to the disposed assets and liabilities of DPC.

10.4 The Kingdom at Victoria Falls Hotel ("Kingdom")

The Group mutually terminated the lease agreement of The Kingdom at Victoria Falls Hotel with Makasa Sun (Private) Limited ("the Landlord") effective 31 December 2022. This was following approval by the Board on 20 June 2022 to exit from the lease and discontinue operations by 31 December 2022. Refer to note 10.6 for the costs incurred after the closure of the hotel which are included in loss from discontinued operations.

10.5 Harare Sun Casino and Makasa Casino ("Casino operations")

Following the closure of The Kingdom at Victoria Falls Hotel, the Group terminated Casino operations. The Harare Sun Casino license was linked to the Makasa Casino which operated at the Kingdom hotel. Due to the closure of the Kingdom hotel both casinos were subsequently closed.

10.6 Analysis of the loss for the period from discontinued operations

The results of the discontinued operations included in the loss for the period are set out as below:

Statement of profit or loss and other comprehensive income for the period ended 30 June 2024

All figures in USD	Great Zimbabwe Hotel	Sun Leisure Tours	Casino	Kingdom Hotel	Total
Revenue	730,047	52,606	-	-	**782,653**
Cost of sales	(233,896)	(42,305)	-	-	**(276,201)**
Other income/(expenses)	1,957	(110)	(160,336)	-	**(158,489)**
Operating expenses	(510,652)	(233,985)	(4,937)	-	**(749,574)**
Loss for the period from discontinued operations	**(12,544)**	**(223,794)**	**(165,273)**	**-**	**(401,611)**
Intra-group transactions eliminated	51,786	-	-	-	**51,786**
Profit/(loss) for the period from discontinued operations	**39,242**	**(223,794)**	**(165,273)**	**-**	**(349,825)**

10 Discontinued operations and assets classified as held for sale (continued)

10.6 Analysis of the loss for the period from discontinued operations (continued)

Statement of profit or loss and other comprehensive income for the period ended 30 June 2023

All figures in USD	Great Zimbabwe Hotel	Sun Leisure Tours	Casino	Kingdom Hotel	Total
Revenue	-	-	10,981	2,151	**13,132**
Cost of sales	-	-	(4,544)	(6,547)	**(11,091)**
Other income/(expenses)	-	-	24,190	(385,492)	**(361,302)**
Operating expenses	-	-	(75,883)	(316,776)	**(392,659)**
Loss for the period from discontinued operations	**-**	**-**	**(45,256)**	**(706,665)**	**(751,920)**

10.7 Disposal of Dawn Property Consultancy (Private) Limited

On 7 January 2023, the Group disposed of its 100% equity interest in its subsidiary, Dawn Property Consultancy (Private) Limited. The consideration was received fully in cash on 07 January 2023. This became the effective date of loss of control in DPC. At the date of disposal, the carrying amounts of DPC net assets were as follows:

All figures in USD	Reviewed 30 June 2024	Audited 31 December 2023
Assets and liabilities		
Property and equipment	-	297,115
Inventories	-	18,386
Trade and other receivables	-	118,344
Cash and cash equivalents	-	190,707
Trade and other payables	-	(151,891)
Deferred tax liabilities	-	(69,726)
Current income tax liabilities	-	(18,277)
Provisions for other liabilities	-	(1,367)
Net assets and liabilities	**-**	**383,291**
Purchase consideration received	-	500,000
Profit on disposal of subsidiary	**-**	**116,709**
Purchase consideration received in cash	-	**500,000**
Cash and cash equivalents in subsidiary disposed	-	**(190,707)**
Net cash inflow from disposal of subsidiary	**-**	**309,293**

10 Discontinued operations and assets classified as held for sale (continued)

10.8 Assets classified as held for sale

All figures in USD	Reviewed 30 June 2024	Audited 31 December 2023
Balance at the beginning of the period	**3,600,000**	3,533,845
Transfer from Investment property	**-**	1,410,000
Disposal group assets	**3,839,667**	-
Disposal	**(950,000)**	(433,845)
Fair value gains	**-**	(910,000)
Balance at the end of the period	**6,489,667**	**3,600,000**

The Board resolved to dispose Great Zimbabwe Hotel during the current period. The hotel's assets worth USD 3,839,667 have been reclassified as assets held for sale. Subsequent to 30 June 2024, a sale agreement for the hotel was concluded, and the transaction is anticipated to be completed before the end of the year.

The Beitbridge Express Hotel remained unsold as of 30 June 2024. Subsequent to that date, an agreement of sale was concluded, and the transaction is anticipated to be completed before the end of the year.

Disposal amount relates to a commercial stand which was successfully disposed during the current period.

11 Financial risk management

11.1 Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Cash flow forecasting is performed at the operating entity level of the Group and aggregated by the Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

Surplus cash held by the operating entities in excess of the amount required for working capital management are transferred to the Group Finance. Group Finance invests surplus cash in interest bearing current accounts, time deposits and money markets deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

11 Financial risk management (continued)

11.1 Liquidity risk (continued)

The tables below analyse the Group's liquidity gap in to relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

All figures in USD	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31 December 2023				
Liabilities				
Trade and other payables	(13,200,844)	-	-	**(13,200,844)**
Lease liabilities	(164,935)	(755,853)	(13,682,256)	**(14,603,044)**
Total liabilities	**(13,365,779)**	**(755,853)**	**(13,682,256)**	**(27,803,888)**
Assets held for managing liquidity risk				
Trade and other receivables	6,364,056	136,674	617,557	**7,118,287**
Cash and cash equivalents	10,869,828	-	-	**10,869,828**
Total assets held for managing liquidity risk	**17,233,884**	**136,674**	**617,557**	**17,988,115**
Liquidity surplus/(gap)	**3,868,105**	**(619,179)**	**(13,064,699)**	**(9,815,773)**
Cumulative liquidity surplus/(gap)	**3,868,105**	**3,248,926**	**(9,815,773)**	**-**
As at 30 June 2024				
Liabilities				
Trade and other payables	(12,740,973)	-	-	**(12,740,973)**
Lease liabilities	(167,908)	(828,071)	(13,528,484)	**(14,524,463)**
Total liabilities	**(12,908,881)**	**(828,071)**	**(13,528,484)**	**(27,265,436)**
Assets held for managing liquidity risk				
Trade and other receivables	6,316,320	419,410	968,070	**7,703,800**
Cash and cash equivalents	10,563,626	-	-	**10,563,626**
Total assets held for managing liquidity risk	**16,879,946**	**419,410**	**-**	**17,299,356**
Liquidity surplus/(gap)	**3,971,065**	**(408,660)**	**(13,528,484)**	**(9,966,080)**
Cumulative liquidity surplus/(gap)	**3,971,065**	**3,562,405**	**(9,966,080)**	**-**

11 Financial risk management (continued)

11.2 Credit risk

(i) Trade receivables

The Group utilises the simplified approach outlined in IFRS 9 for measuring expected credit losses, which involves employing a lifetime expected credit loss allowance for all trade receivables. In order to assess the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the number of days past due.

The expected credit loss rates are derived from the payment profiles of sales made within a period of 60 months leading up to 30 June 2024.

The historical expected credit loss rates are modified to incorporate current and forward-looking information regarding macroeconomic factors that impact the customers' ability to settle the receivables. The Group has identified certain factors, such as current liquidity challenges, inflation, high interest rates, and foreign currency shortages, as the most significant in this regard. As a result, the historical credit loss rates have been adjusted to reflect the anticipated changes in these factors.

The closing expected credit loss allowances for trade receivables as at 30 June 2024 reconcile to the opening expected credit loss allowances as follows:

All figures in USD	Reviewed 30 June 2024	Reviewed 30 June 2023
Opening expected credit loss allowance as at 1 January	**219,282**	640,435
Movement in discontinued operations	**3,182**	-
Decrease in expected credit loss allowance recognised in profit or loss during the period	**(47,650)**	(418,507)
Closing expected credit loss allowance	**174,814**	**221,928**
(ii) Other financial assets at amortised cost Other financial assets at amortised cost include staff and key management personnel debtors and receivables from related parties.		
Opening expected credit loss allowance as at 1 January	**87,836**	128,226
Decrease in expected credit loss allowance recognised in profit or loss during the period	**(13,430)**	(71,012)
Closing expected credit loss allowance	**74,406**	**57,214**
Net impairment reversal on financial assets recognised in profit or loss during the period	**(61,080)**	**(489,519)**

12 Segment analysis

The executive committee assesses the performance of the operating segments based on:

- hotel occupancies;
- hotel revenue per available room ("RevPAR");
- hotel average daily room rate ("ADR"); and
- profitability.

Operating segments are made up of five strategic business segments which are;

1. Franchised Hotels
   These are hotels run under the InterContinental Hotel Group ("IHG") Holiday Inn brand. The segment includes Holiday Inn Harare, Holiday Inn Bulawayo, and Holiday Inn Mutare.

2. Stand-alone Hotels
   These hotels operate under homegrown brands and include Elephant Hills Resort and Conference Centre, Monomotapa Hotel, Hwange Safari Lodge, Caribbea Bay Resort, and Troutbeck Resort. Great Zimbabwe Hotel, which was part of this segment, was held for sale during the period and reported under discontinued operations.

3. Partnership Hotel
   This refers to The Victoria Falls Hotel, which is jointly operated with Meikles (Private) Limited and is an affiliate of the Leading Hotels of the World ("LHW").

4. Real Estate
   This segment owns eight hotels, six of which are leased to the hotel operating segments above, two timeshare lodges, residential properties in Harare, vast undeveloped land across Zimbabwe, held either for sale or capital appreciation. Two of the hotels under this segment are currently held for sale and were excluded from the segment performance.

5. Other
   This segment consists of Central Office, and the South Africa Reservation Office. The Central Office provides centralised administrative and support functions to facilitate the operations of the Group. The South Africa Reservation Office operates as a regional sales and marketing office based in South Africa, with a primary focus on international and regional sales activities. Sun Leisure Tours, which served as the Group's travel and tours division under this segment, was discontinued during the current period.

Revenue from contracts with customers

Segment revenue represents revenue earned by each business segment from external customers. Revenue from contracts with customers between segments are eliminated on consolidation.

The Group does not rely on any one specific customer as none of its customers contributes a minimum of 10% of its revenue.

12 Segment analysis (continued)

The segment information provided to the Executive Committee for the reportable segments is as follows:

All figures in USD	Franchised Hotels	Stand-alone Hotels	Partnership Hotel	Real Estate	Other	Inter segments	Consolidated
For the period ended 30 June 2024							
Sale of rooms	5,162,426	5,938,489	1,996,413	-	-	-	**13,097,328**
Sale of food and beverages	3,738,362	4,863,552	635,038	-	-	-	**9,236,952**
Management fees and commissions	-	-	-	-	175,477	(162,727)	**12,750**
Conferencing	234,360	716,159	-	-	-	-	**950,519**
Property development sales	-	-	-	1,278,406	-	-	**1,278,406**
Property rentals	-	-	-	1,904,653	-	(1,726,996)	**177,657**
Other income	42,417	730,487	55,029	-	228,063	(227,877)	**828,119**
Revenue from contracts with customers	**9,177,565**	**12,248,687**	**2,686,480**	**3,183,059**	**403,540**	**(2,117,600)**	**25,581,731**
Revenue from discontinued operations							
Sun Leisure Tours	-	-	-	-	52,606	-	**52,606**
Great Zimbabwe Hotel	-	730,047	-	-	-	-	**730,047**
Material items included in profit/(loss) before tax							
Rooms related costs	(304,647)	(306,871)	(65,989)	-	-	-	**(677,507)**
Cost of food and beverage sold	(1,097,705)	(1,391,454)	(235,389)	-	-	-	**(2,724,548)**
Hotel occupancy costs	(895,649)	(2,426,472)	(193,546)	-	(14,521)	1,675,211	**(1,854,977)**
Repairs and maintenance costs	(213,087)	(571,965)	(88,492)	-	(40,847)	-	**(914,391)**
Property related costs	-	-	-	(571,297)	-	-	**(571,297)**
Employee benefits expense	(2,887,504)	(4,089,006)	(584,116)	(18,996)	(1,945,777)	-	**(9,525,399)**
Exchange (loss)/gain	(76,857)	82,028	(105,874)	78,588	(109,304)	-	**(131,419)**
Other information							
EBITDA	**1,893,642**	**1,675,989**	**598,179**	**1,965,386**	**(3,545,405)**	**(51,784)**	**2,536,007**
Depreciation	(508,197)	(959,491)	(231,731)	(4,229)	(145,683)	(326,100)	**(2,175,431)**
Rights of use assets amortisation	(237,516)	(51,756)	(7,298)	-	(44,922)	-	**(341,492)**
Finance income/(costs) - net	13,519	(3,378)	7,021	18,335	21,533	-	**57,030**
Finance costs - lease liabilities	(568,049)	(103,955)	(14,695)	-	(42,847)	-	**(729,546)**
Profit/(loss) before tax from continuing operations	**593,399**	**557,409**	**351,476**	**1,979,492**	**(3,757,324)**	**(377,884)**	**(653,432)**
Total assets as at 30 June 2024	**18,262,155**	**15,345,164**	**5,124,838**	**79,083,044**	**35,779,150**	**(12,752,329)**	**140,842,022**
Total assets include:							
Additions to non-current assets (other than financial instruments and deferred tax assets):							
-Property and equipment	**397,119**	**1,749,610**	**32,954**	**-**	**265,191**	**-**	**2,444,874**
Total liabilities as at 30 June 2024	**13,820,335**	**9,487,751**	**1,047,619**	**4,866,840**	**9,523,621**	**4,656,127**	**43,402,293**

12 Segment analysis (continued)

The segment information provided to the Executive Committee for the reportable segments is as follows:

All figures in USD	Franchised Hotels	Stand-alone Hotels	Partnership Hotel	Real Estate	Other	Inter segments	Consolidated
For the period ended 30 June 2023							
Sale of rooms	4,786,740	4,832,551	1,648,713	-	-	-	**11,268,004**
Sale of food and beverages	3,911,847	4,471,689	549,462	-	-	-	**8,932,998**
Management fees and commissions	-	-	-	-	133,144	(121,144)	**12,000**
Conferencing	219,895	768,288	-	-	-	-	**988,183**
Property development sales	-	-	-	320,205	-	-	**320,205**
Property rentals	-	-	-	1,637,689	-	(1,423,401)	**214,288**
Other income	44,214	370,902	86,508	-	242,433	(117,529)	**626,528**
Revenue from contracts with customers	**8,962,696**	**10,443,430**	**2,284,683**	**1,957,894**	**375,577**	**(1,662,074)**	**22,362,206**
Revenue from discontinued operations							
Casino	-	-	-	-	10,981	-	**10,981**
The Kingdom at Victoria Falls Hotel	-	2,151	-	-	-	-	**2,151**
Material items included in profit/(loss) before tax							
Rooms related costs	(259,775)	(206,913)	(24,144)	-	-	-	**(490,832)**
Cost of food and beverage sold	(1,055,759)	(1,133,355)	(101,470)	-	-	-	**(2,290,584)**
Hotel occupancy costs	(730,972)	(2,142,083)	(67,568)	-	-	1,423,401	**(1,517,222)**
Repairs and maintenance costs	(227,864)	(346,108)	(36,122)	-	(13,440)	-	**(623,534)**
Property related costs	-	-	-	-	(277,824)	-	**(277,824)**
Employee benefit expenses	(2,828,569)	(4,195,756)	(278,152)	(238,649)	(2,112,159)	-	**(9,653,285)**
Exchange gain/(loss)	5,410,932	2,631,106	(1,897,986)	(4,317,199)	(289,193)	(556,644)	**981,016**
Other information							
EBITDA	**7,263,011**	**3,223,338**	**(1,288,919)**	**(2,773,115)**	**(3,386,058)**	**(556,645)**	**2,481,612**
Depreciation	(513,462)	(1,108,294)	(355,750)	(3,194)	(207,926)	(427,010)	**(2,615,636)**
Rights of use assets amortisation	(74,111)	(6,209)	(860)	-	(12,308)	-	**(93,488)**
Finance (costs)/income - net	-	(2,602)	5,740	18,422	77,212	-	**98,772**
Finance costs - lease liabilities	(46,006)	(268)	(42)	-	(7,052)	-	**(53,368)**
Profit/(loss) before tax from continuing operations	**6,629,432**	**2,105,965**	**(1,639,831)**	**(2,757,887)**	**(3,536,132)**	**(983,655)**	**(182,108)**
Total assets as at 31 December 2023	**21,570,657**	**24,045,888**	**5,849,928**	**77,839,730**	**25,452,576**	**(12,426,233)**	**142,332,546**
Total assets include:							
Additions to non-current assets (other than financial instruments and deferred tax assets):							
-Property and equipment	**1,645,726**	**3,064,649**	**72,866**	**-**	**370,981**	**431,291**	**5,585,513**
Total liabilities as at 31 December 2023	**10,826,075**	**11,837,435**	**872,931**	**5,079,700**	**8,799,780**	**4,971,139**	**42,387,060**

13 Provisions for other liabilities

The provisions balance is made up of the following:

All figures in USD	Reviewed 30 June 2024	Audited 31 December 2023
Leave pay	**715,301**	584,786
Performance bonus	**523,476**	136,306
Other	**1,062,324**	1,062,324
	2,301,101	**1,783,416**

(a) Leave pay

This amount is the Group's liability to pay employees for their annual leave days. Current provision is included in the statement of profit or loss and other comprehensive income under operating expenses.

(b) Performance bonus

The Group has a performance-based bonus policy for its employees, and the provision for employee bonuses is calculated based on this policy.

(c) Other

The amounts related to outstanding contractual obligations being claimed by our suppliers and are still under dispute.

14 Other operating expenses

All figures in USD	Reviewed 30 June 2024	Reviewed 30 June 2023
Audit fees and other professional services	**137,041**	107,885
Contracted services	**983,648**	690,574
Franchise fees	**501,613**	612,813
Sales and marketing	**655,721**	663,388
Insurance	**322,287**	325,724
Security	**491,505**	371,253
Bank charges	**308,103**	255,209
Directors' fees	**96,972**	100,600
Donations	**30,212**	194,095
Travel and transport	**272,795**	230,455
Office costs	**172,960**	147,967
Transaction tax	**308,103**	372,387
Vehicle running expenses	**220,544**	285,896
Consultancy costs	**173,943**	185,835
Subscriptions	**161,842**	125,549
Licenses	**244,865**	233,167
Other expenses	**868,882**	1,822,119
Total other operating expenses	**5,951,036**	**6,724,916**

15 Other income and other expenses

All figures in USD	Reviewed 30 June 2024	Reviewed 30 June 2023
Foreign exchange (losses)/gains	**(131,419)**	981,016
Profit on disposal of subsidiary - note 10.7	**-**	116,709
Change in fair values on financial assets	**105,640**	-
Treasury income	**6,031**	-
(Loss)/profit on sale of investment property	**(269,870)**	125,468
Loss on disposal of property and equipment	**(133,048)**	(15,110)
Termination pay	**(464,983)**	-
Total other (expenses)/income	**(887,649)**	**1,208,083**

16 Income tax expense

All figures in USD	Reviewed 30 June 2024	Reviewed 30 June 2023
Income tax expense is made of the following;		
Current income tax expense	**605,046**	524,015
Capital gains tax	**5,476**	-
Deferred tax expense	**552,538**	349,378
Total income tax expense	**1,163,060**	**873,393**

17 Cash generated from operations

All figures in USD	Reviewed 30 June 2024	Reviewed 30 June 2023
Loss before tax including discontinued operations	**(1,003,257)**	**(3,929,007)**
Adjustments for non-cash items:		
Depreciation: property and equipment	**2,396,132**	2,632,704
Depreciation: right of use assets	**341,492**	93,488
Loss from disposal of equipment and investment property	**250,711**	158,425
Provision expenses	**551,205**	-
Fair value adjustment on investments property	**-**	2,994,979
Equity settled share based payments costs	**-**	10,004
Foreign exchange gains	**-**	(1,005,206)
Fair value adjustment on shares	**(105,640)**	-
Dividend income	**(6,031)**	
Finance cost - lease liabilities	**729,546**	53,368
Finance costs - net	**(57,030)**	(98,772)
Cash generated from operations before changes in working capital	**3,097,128**	**909,983**
Changes in working capital:		
Decrease/(increase) in inventories	**232,550**	(756,351)
Increase in current trade receivables	**(418,339)**	(477,505)
Decrease/(increase) in current trade payables	**468,754**	(416,129)
Cash generated from operations	**3,380,093**	**(740,002)**

18 Earnings and net asset value per share

All figures in USD	Reviewed 30 June 2024	Reviewed 30 June 2023
(i) Loss per share		
Basic and diluted loss per share (USD cents)	**(0.15)**	(0.12)
Headline loss per share (USD cents)	**(0.10)**	(0.09)
(ii) Reconciliation of headline loss used in calculating loss per share is as follows;		
Loss attributable to owners of the parent	**(2,166,317)**	(1,807,421)
Adjustments for:		
Loss from disposal of property and equipment	**133,048**	15,110
Loss/(profit) on sale of investment property	**269,870**	(125,468)
Profit on disposal of subsidiary - note 10.7	**-**	(116,709)
Loss for the period from discontinued operations	**349,825**	751,920
Headline loss attributable to owners of the parent	**(1,413,574)**	(1,282,568)
Number of shares in issue	**1,475,103,666**	**1,474,357,553**
(iii) Net assets value and net tangible asset value per share		
Net asset value per share (cents)	**6.61**	6.78
Net tangible asset value per share (cents)	**6.61**	6.78
Net asset value as per condensed consolidated statement of financial position	**97,439,729**	99,945,486

19 Reserves

19.1 Equity-settled share based payment reserve

According to the Group's share option scheme rules, options were granted on 18 March 2020, and were recognized at their fair value. The granted options have a vesting period of 3 years, meaning they became exercisable on 17 March 2023. Consequently, the fair value of the options was amortized over the course of the three year vesting period. The amortization expense represents the recognition of the share-based compensation cost over the vesting period, providing a systematic allocation of the fair value of the options granted.

Movements in share options during the year is as follows:

All figures in USD	**Reviewed 30 June 2024**	Audited 31 December 2023
Outstanding at the beginning of the period	**223,300**	213,296
Expensed during the period	**-**	10,004
Exercise share options	**(5,524)**	-
Forfeited share options	**(217,776)**	-
Outstanding at the end of the period	**-**	**223,300**

All the share options vested on 17 March 2023 and 746,113 options were exercised while a total of 29,415,899 options were forfeited as at 30 June 2024.

19.2 Foreign currency translation reserve ("FCTR")

The foreign currency translation reserve (FCTR) balance is specific to the African Sun South African Branch, which uses the South African rand as its functional currency. The reserve represents the cumulative gains or losses arising from the translation of the South African branch's financial statements from its functional currency (South African rand) to the Group's functional currency, which is the United States of America dollar (USD). This reserve is used to account for the effects of exchange rate fluctuations between the functional currency and the reporting currency (USD). It ensures that the financial statements accurately reflect the impact of currency exchange rate changes on the South African branch's financial position and results.

19 Reserves (continued)

19.2 Foreign currency translation reserve ("FCTR") (continued)

Movements in FCTR reserve during the period are as follows:

All figures in USD	**Reviewed 30 June 2024**	Audited 31 December 2023
Balance at the beginning of the period	**8,346,540**	**8,269,216**
Recognised during the period	**(18,811)**	77,324
Balance at the end of the period	**8,327,729**	**8,346,540**

20 Capital commitments

All figures in USD	**Reviewed 30 June 2024**	Audited 31 December 2023
Authorised by Directors and contracted for	**2,450,000**	1,800,000
Authorised by Directors, but not contracted for	**8,569,317**	9,219,317
	11,019,317	**11,019,317**

Capital commitments relate mainly to hotel properties refurbishments and acquisition of other items of property and equipment and will be financed mainly from normal operating cash flows and debt finance.

21 Events after reporting date

21.1 Sale of Great Zimbabwe Hotel and Beitbridge Express Hotel

Great Zimbabwe Hotel and Beitbridge Express Hotel were held for sale as at 30 June 2024. Subsequent to the reporting date, sale agreements for both hotels were concluded separately, and the transactions are expected to be finalised before the end of the year.