

ASTORIA INVESTMENTS LTD

(Incorporated in the Republic of Mauritius)

(Registration number 129785 C1/GBL)

SEM share code: ATIL.N0000

JSE share code: ARA

ISIN: MU0499N00015

(“Astoria” or “the Company” or “the Group”)



SUMMARISED UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020

Astoria is a global investment company which aims to grow its net asset value (“NAV”) per share at a high compounded rate over time in US Dollar (“\$”) terms. Astoria has primary listings on the Stock Exchange of Mauritius (“SEM”) and the Alternative Exchange (“AltX”) of the JSE Limited (“JSE”). Astoria’s results are reported in \$.

BUSINESS REVIEW

As at 30 September 2020, the NAV of Astoria was \$3,503 million (30 September 2019: \$21,336 million) which translates to a NAV per share of \$0.06 (30 September 2019: \$0.17). The decrease of \$0.11 in NAV per share from 30 September 2019 is mainly as a result of a capital payment and special dividend payment which amounted to \$0.14 per share, both of which were declared on 4 March 2020 which was somewhat offset by the 2.16583-for-1 share consolidation which was implemented in September 2020.

As at 30 September 2020, 98% of the total assets were held in cash with 2% invested in unlisted equity.

The operational costs for the nine months ended 30 September 2020 were \$271 thousand (30 September 2019: \$776 thousand) with the remaining balance of the general and administrative expenses of \$118 thousand being once off costs relating to the restructuring referred to below.

PROSPECTS

Astoria is in the midst of a restructuring which will lead to it being recapitalised and structured as a diversified investment holding company. As announced on 28 August 2020, Astoria entered into an agreement with RAC Investment Holdings (Pty) Ltd (“RIH”) to purchase an Investment Portfolio and the Partnership Interest from RIH in exchange for it issuing shares to RIH as consideration for the investments purchased. The finalisation of the transaction is subject to a number of conditions precedent in terms of the agreement as well as regulatory approvals which are expected to all be obtained by 31 December 2020, or such later date as agreed between the parties. For further information relating to this transaction, please refer to the announcements released on SENS and SEM on 28 August 2020 and 29 September 2020.

During April 2020 Astoria acquired a 70% stake in CNA Holdings (Pty) Ltd (“CNA”), which bought the business of iconic book and stationery retailer CNA from Edcon in South Africa.

CNA is in the final stages of extracting itself from the Edcon Group and has set up its own head office and distribution centre. An independent ERP system has been installed in all South African stores and supplier relationships have been finalised. As expected, August and September were slow trading months for CNA and the business continues to receive much needed support from landlords and staff. The 2021 back-to-school season will provide a good indication of the prospects of the business.

Given the recent nature of the transaction, Astoria continues to carry its investment at cost price, in South African Rand terms, but has accounted for a small fair value gain as a result of the South African Rand strengthening against the \$.

CAPITAL PAYMENT AND SPECIAL DIVIDEND

The board of directors of Astoria (“Board”) approved and declared a capital payment of \$0.10016 per ordinary share, as well as a special dividend of \$0.03985 per ordinary share as at 4 March 2020, to its sole shareholder, Livingstone Investments (Pty) Ltd.

RELATED PARTY AGREEMENTS

Astoria entered into an investment management agreement with RAC Advisory (Mauritius) Limited (“**RAC Advisory MU**”) on 5 May 2020. RAC Advisory MU is a Mauritian-domiciled licensed Investment Adviser, which is owned, *inter alia*, by associates of Messrs. Piet Viljoen and Jan van Niekerk, who are both directors of Astoria. In terms of the investment management agreement, RAC Advisory MU will be paid one twelfth of 1% of the assets under management, measured and recorded in accordance with the International Financial Reporting Standards, on the last day of each month (“**Management Fee**”). The Management Fee is payable monthly in arrears and is subject to a maximum amount of \$ 5 million per annum.

BASIS OF PREPARATION

These summarised unaudited results for the quarter and nine months ended 30 September 2020 have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards (“**IFRS**”), IAS34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council, the SEM Listing Rules, the Securities Act of Mauritius 2005 and the JSE Listings Requirements.

ACCOUNTING POLICIES

These summarised unaudited results for the quarter and nine months ended 30 September 2020 were approved by the Board on 26 October 2020. The summarised results below have not been reviewed or reported on by Astoria’s external auditors, Ernst and Young.

The accounting policies adopted are in terms of IFRS and are consistent with those published in the audited financial statements for the year ended 31 December 2019, except for new standards and interpretations effective as from 1 January 2020 and for the change detailed below.

Astoria has in the past always recognised its direct investments at fair value from a Group perspective, however at a Company level, investments in 100% held “holding subsidiaries” (subsidiaries that were purposefully incorporated to own underlying investments) were recognised and measured at cost. Where investments were made by 100% held holding subsidiaries of Astoria, the underlying investments were recognised at fair value by the holding subsidiaries and Astoria would then consolidate these 100% held holding subsidiaries achieving the objective to measure Group direct investments at fair value. Astoria has therefore always operated as an investment entity without the need to formally disclose the application of IFRS 10 for its underlying investments as it never had significant influence or control over any of them. Given Astoria now owns a controlling stake in CNA Holdings, the Board considered the following when applying IFRS 10:

Assessment of Astoria as an investment entity

An investment entity can be defined as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all its investments on a fair value basis.

Based on the above, the Company is considered to meet all three conditions of the definition and, hence, qualifies as an investment entity. This means that any investment made with the sole purpose of generating returns from capital appreciation, investment income or both and where Astoria evaluates the performance of the investment on a fair value basis, will not be consolidated and will be measured at fair value. Astoria will also apply the exemption in IAS 28 to carry any interests in associates and joint ventures at fair value through profit or loss.

The investment that Astoria has in Astoria LP Holdings Limited continues to be consolidated, however as at 30 September 2020 it held no investments.

By order of the Board

Mauritius – 26 October 2020

Company secretary

Clermont Consultants (MU) Limited

NOTES

Copies of this report are available to the public, free of charge, at the registered office of the Company at, 7, Unicity Office Park, Black River Road, Bambous, Republic of Mauritius or on the Astoria website: www.astoria.mu.

Copies of the statement of direct or indirect interest of the Senior Officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure of Obligations of Reporting Issuers) Rules 2007 are available to the public upon request to the Company Secretary at the Registered Office of the Company at 7, Unicity Office Park, Black River Road, Bambous, Republic of Mauritius.

This communique is issued pursuant to SEM Listing Rules 12.20 and 12.21 and section 88 of the Securities Act 2005 of Mauritius. The Board accepts full responsibility for the accuracy of the information in this communique.

For further information, please contact:

JSE Designated Advisor

Questco Corporate Advisory Proprietary Limited



Company Secretary

Clermont Consultants (MU) Limited



ASTORIA INVESTMENTS LTD

SUMMARISED UNAUDITED GROUP STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Unaudited as at 30 Sep 2020 \$000	Audited as at 31 December 2019 \$000	Unaudited as at 30 Sep 2019 \$000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	70	1	6,909
Total non-current assets	70	1	6,909
Current assets			
Trade and other receivables	4	3	7
Cash and cash equivalents	3,499	20,782	14,547
Total current assets	3,503	20,785	14,554
Total assets	3,573	20,786	21,463
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	111	6,111	6,111
Treasury shares reserve	(17)	(17)	(17)
Translation reserve	373	373	180
Non-distributable reserve	-	6,315	6,315
Retained earnings	3,036	7,933	8,747
Total equity	3,503	20,715	21,336
LIABILITIES			
Current liabilities			
Trade and other payables	70	71	127
Total current liabilities	70	71	127
Total equity and liabilities	3,573	20,786	21,463
Net asset value per ordinary share (\$)	0.06	0.17	0.17

ASTORIA INVESTMENTS LTD

SUMMARISED UNAUDITED GROUP STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS ENDED 30
SEPTEMBER 2020

	Unaudited for the quarter ended 30 Sep 2020 \$000	Unaudited for the 9 months ended 30 Sep 2020 \$000	Audited for the year ended 31 December 2019 \$000	Unaudited for the quarter ended 30 Sep 2019 \$000	Unaudited for the 9 months ended 30 Sep 2019 \$000
INCOME					
Dividend income	-	-	303	-	304
Net (loss)/gain from financial assets at fair value through profit or loss	7	304	2,150	(1,530)	3,004
	7	304	2,453	(1,530)	3,308
EXPENSES					
General and administrative expenses	(120)	(389)	(6,362)	(163)	(6,213)
OPERATING (LOSS)/PROFIT	(113)	(85)	(3,909)	(1,693)	(2,905)
Foreign exchange gain/(loss)	7	(14)	11	(19)	(192)
Other income	-	-	-	41	41
Interest income	3	102	1,108	59	1,053
(LOSS)/PROFIT FOR THE PERIOD BEFORE TAXATION	(103)	3	(2,790)	(1,612)	(2,003)
Taxation	-	-	(100)	-	(72)
(LOSS)/PROFIT FOR THE PERIOD AFTER TAXATION	(103)	3	(2,890)	(1,612)	(2,075)
OTHER COMPREHENSIVE INCOME					
<i>Items that are or may be reclassified to profit or loss</i>					
Gain/(loss) arising on foreign currency translation difference	-	-	44	(81)	(149)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(103)	3	(2,846)	(1,693)	(2,224)
(Loss)/earnings per share from continuing operations:					
Basic and diluted (loss)/earnings per share (cents)	(0.10)	0.00	(2.35)	(1.31)	(1.69)

Astoria has no dilutive instruments in issue.

ASTORIA INVESTMENTS LTD
SUMMARISED UNAUDITED GROUP STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER AND NINE
MONTHS ENDED 30 SEPTEMBER 2020

	Stated capital	Treasury shares	Translation reserve	Non- distributable reserve	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 January 2019 (audited)	121,111	(17)	329	-	10,823	132,246
<i>Total comprehensive income for the period</i>	-	-	(68)	-	(464)	(532)
Loss for the 6 months ended 30 June 2019	-	-	(68)	-	(464)	(532)
<i>Transactions with owners of the Group</i>	(115,000)	-	-	6,315	-	(108,685)
Transfer of funds from stated capital account to non-distributable reserve	(115,000)	-	-	115,000	-	-
Capital payment to shareholders	-	-	-	(108,685)	-	(108,685)
<i>Total comprehensive income for the period</i>	-	-	(81)	-	(1,612)	(1,693)
Loss for the quarter ended 30 Sep 2019	-	-	(81)	-	(1,612)	(1,693)
Balance as at 30 Sep 2019	6,111	(17)	180	6,315	8,747	21,336
<i>Total comprehensive income for the period</i>	-	-	193	-	(814)	(621)
Loss for the quarter ended 31 December 2019	-	-	193	-	(814)	(621)
Balance at 31 December 2019 (audited)	6,111	(17)	373	6,315	7,933	20,715
Balance at 1 January 2020 (audited)	6,111	(17)	373	6,315	7,933	20,715
<i>Transactions with owners of the Group</i>	(6,000)	-	-	(6,315)	(4,900)	(17,215)
Transfer of funds from stated capital account to non-distributable reserve	(6,000)	-	-	6,000	-	-
Capital payment to shareholders	-	-	-	(12,315)	-	(12,315)
Special dividend	-	-	-	-	(4,900)	(4,900)
<i>Total comprehensive income for the period</i>	-	-	-	-	106	106
Profit for the 6 months ended 30 June 2020	-	-	-	-	106	106
Balance as at 31 June 2020 (unaudited)	111	(17)	373	-	3,139	3,606
<i>Total comprehensive income for the period</i>	-	-	-	-	(103)	(103)
Loss for the quarter ended 30 Sep 2020	-	-	-	-	(103)	(103)
Balance at 30 Sep 2020 (unaudited)	111	(17)	373	-	3,036	3,503

ASTORIA INVESTMENTS LTD
SUMMARISED UNAUDITED GROUP STATEMENTS OF CASH FLOWS FOR THE QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2020

	Unaudited for the quarter ended 30 Sep 2020	Unaudited for the 9 months ended 30 Sep 2020	Audited for the year ended 31 December 2019	Unaudited for the quarter ended 30 Sep 2019	Unaudited for the 9 months ended 30 Sep 2019
	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities					
(Loss)/profit after taxation	(103)	3	(2,890)	(1,611)	(2,075)
<i>Adjustments for:</i>					
Net (gain)/loss from financial assets at fair value through profit or loss	(7)	(304)	(2,150)	(644)	6,094
Net realised loss/(gain) on disposal of investments	-	-	-	2,174	(9,098)
Interest income	(3)	(102)	(1,108)	(59)	(1,053)
Foreign exchange (gain)/loss	(7)	14	(11)	19	192
Dividend income	-	-	(303)	-	(304)
Taxation	-	-	100	-	72
	(120)	(389)	(6,362)	(121)	(6,172)
<i>Changes in working capital:</i>					
Decrease/(increase) in trade and other receivables	1	(1)	16	9	12
Increase/(decrease)/in trade and other payables	10	(1)	(278)	85	(223)
Interest received	3	102	1,108	54	1,048
Withholding tax on dividend income	-	-	(100)	-	(72)
Net cash used in operating activities	(106)	(289)	(5,616)	27	(5,407)
Cash flows from investing activities					
Acquisition of financial assets designated at fair value through profit or loss	-	(62)	(2,180)	(540)	(2,165)
Proceeds from sale of financial assets	-	297	81,582	2,670	75,369
Dividend received	-	-	303	-	304
Net cash (used in)/generated from investing activities	-	235	79,705	2,130	73,508
Cash flows from financing activities					
Payment of shareholder capital distribution	-	(12,315)	(108,685)	-	(108,685)
Payment of special dividend	-	(4,900)	-	-	-
Net cash used in financing activities	-	(17,215)	(108,685)	-	(108,685)
Net (decrease)/increase in cash and cash equivalents	(106)	(17,269)	(34,596)	2,157	(40,584)
Cash and cash equivalents at beginning of period	3,599	20,782	55,323	12,409	55,323
Effect on exchange rate fluctuations on cash and cash equivalents	6	(14)	55	(19)	(192)
Cash and cash equivalents at end of period	3,499	3,499	20,782	14,547	14,547

ASTORIA INVESTMENTS LTD
NOTES TO THE SUMMARISED UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020
RECONCILIATION OF PROFIT/(LOSS) TO HEADLINE EARNINGS/(LOSS)

	Unaudited for the quarter ended 30 Sep 2020	Unaudited for the 6 months ended 30 Sep 2020	Audited for the year ended 31 December 2019	Unaudited for the quarter ended 30 Sep 2019	Unaudited for the 9 months ended 30 Sep 2019
	\$000	\$000	\$000	\$000	\$000
Basic (loss)/earnings from continuing operations attributable to equity holders	(103)	3	(2,890)	(1,611)	(2,075)
Headline (loss)/earnings from continuing operations attributable to equity holders	(103)	3	(2,890)	(1,611)	(2,075)
Weighted average number of shares (units)	102,092,230	115,949,800	122,954,726	122,954,726	122,954,726
Basic (loss)/earnings per share (cents)	(0.10)	0.00	(2.35)	(1.31)	(1.69)
Headline (loss)/earnings per share (cents)	(0.10)	0.00	(2.35)	(1.31)	(1.69)

SEGMENTAL REPORTING

The Group reports segmental information in terms of geographical location. Geographical location is split between United States, United Kingdom, Europe, South Africa, Australia and Mauritius.

	Unaudited for the quarter ended 30 Sep 2020	Unaudited for the 9 months ended 30 Sep 2020	Audited for the year ended 31 December 2019	Unaudited for the quarter ended 30 Sep 2019	Unaudited for the 6 months ended 30 Sep 2019
	\$000	\$000	\$000	\$000	\$000
(Loss)/Profit before taxation					
United States	-	298	12,135	(1,192)	11,087
United Kingdom	-	-	(10,354)	(340)	(5,603)
Europe	-	-	246	(50)	1,855
South Africa	(27)	(109)	324	49	(4,674)
Australia	-	-	57	-	56
Mauritius	(76)	(186)	(5,198)	(79)	(4,724)
	(103)	3	(2,790)	(1,612)	(2,003)

	Unaudited as at 30 Sep 2020	Audited as at 31 December 2019	Unaudited as at 30 Sep 2019
	\$000	\$000	\$000
Total Assets			
United States	77	77	2,019
United Kingdom	-	-	4,965
South Africa	101	85	79
Mauritius	3,395	20,624	14,400
	3,573	20,786	21,463