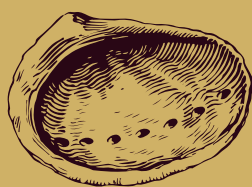


# **ABAGOLD**

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INTEGRATED INTERIM REPORT 31 DECEMBER 2023



# Interim Report (unaudited)

FOR THE SIX MONTHS ENDED  
31 DECEMBER 2023

**ABAGOLD LIMITED**

## DIRECTORATE

### **Non-executive**

HR van der Merwe

(Chairman of the Board and nomination committee)

YJ Visser

(Chairman of the risk committee)

JW Wilken

(Chairman of the audit committee and remuneration committee)

A Archary

(Chairman of the social & ethics committee)

CT Ralebitso

F Davids

W Keast

### **Executive**

TR Hedges

(Managing Director)

E Manchest

(Financial Director)

M Hugo

(alternate director to TR Hedges)

### **Company Secretary**

P Kubheka

❖	=	Member of audit committee
◆	=	Member of risk committee
❖❖	=	Member of remuneration committee
+	=	Member of nomination committee
*	=	Member of social and ethics committee

❖ +

❖❖❖ +

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\* ❖

❖ ◆

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❖ \* +

❖ \* +

\*

## ADMINISTRATION

Registered office

Abagold Limited

Cnr of Church and Stil Streets

Hermanus

7200

PO Box 1291, Hermanus, 7200

Tel: +27 (0) 28 313 0253

Fax: +27 (0) 28 312 2194

Email: [info@abagold.co.za](mailto:info@abagold.co.za)

### **Auditors**

BDO South Africa Incorporated

### **Bankers**

The ABSA Group

### **Website and share trading**

[www.abagold.com](http://www.abagold.com)

### **Company registration number**

1995/070041/06

# Review of the interim results

## for the six months ended 31 December 2023

The first half of the fiscal year FY24 started strongly with good momentum in both production operations and sales. The challenges of the previous year, with load shedding and a somewhat slow recovery of the Chinese economy, were offset by good planning, excellent new savings initiatives and efficiencies that were incorporated into the business during 2023. Although the quantum of load-shedding hours was the highest ever, the work done internally to use electricity more efficiently and to align generator use with power demand resulted in a decrease in the cost per kWh of more than 18% in the period while reducing the overall cost/Kg of growth to below previous year benchmarks. The sales and marketing team managed both the mix and the markets with focused dexterity in order to deliver a strong sales and margin result in the first six months. Although the world is showing signs of some normality from a business and travel perspective, global economic uncertainty, higher interest rates, and the continuation of the wars in Ukraine and now Gaza continue to negatively impact global risk sentiment. Abagold has in the past demonstrated its ability to adapt, change, and reshape routes to market, product offering, and even the locations and channels where it sells its range of abalone products, thus reducing the long-term impact on financial results and benefitting operations overall.

Unfortunately, the good work in the first five months was negatively impacted due to a recall by our can manufacturer on can lids supplied to the abalone industry, including Abagold, in August 2023. This recall was communicated to the industry in December. This unfortunate event led to a canned-product recall for the whole South African abalone industry, involving product both already distributed to our market and still in our store in Hermanus. Abagold will be submitting claims against the manufacturer for costs and damages suffered as a result, but best-estimate provisions have been raised in these interim results due to the significant impact of this event.

The Abagold culture of resilience has, and will once again, stand the business in good stead while navigating this most recent challenge. The team engaged with and continues to communicate with our customers to limit the market fallout from this event, whilst at the same time maintaining operational performance and still delivering impressive interim financial results. Abagold draws on a well-established and experienced team, with a clear strategy in place, to ensure that the business is best able to leverage the opportunities and the stable biological asset base so as to deliver consistent performance in the second half and complete a strong set of results for FY24. Overall, this reporting period's business environment and events have delivered satisfactory results as reported in this review.

### FINANCIAL OVERVIEW

Group revenue for the six months to 31 December 2023 was R184 million, an increase of 33% from the comparative six months of the previous year. This increase in revenue is attributable to the Abagold and Specialised Aquatic Feeds (SAF) sales revenue increases from sales of abalone and feed, which compares favourably with the total revenue of R139 million for the prior period. The top line improvements are due to a combination of the increased sales volumes and dollar pricing achieved for abalone compared to the prior period as well as significant volume increases achieved at SAF.

Operating costs have been well managed in an inflationary environment, increasing by only 4% in the reporting period. The team is managing the controllable cost in line with expected growth, tonnage held, harvesting, feed demand and processing volumes. Payroll costs, utilities and feed remain the largest cost components for the business, and the ability to stabilise electricity cost and supply, while containing further increases below inflation, along with achieving further improvements in growth rates, remains critical to the sustainability of the business.

## Review of the interim results (continued)

### for the six months ended 31 December 2023

The net loss before tax for the six months includes unrealised fair value adjustments due to ZAR/USD exchange rate fluctuations, and was further impacted in this period by the once-off provisions made in December for the can recall (R16,5 million to date) and our portion of the operating costs for Oman (R11 million), leaving the net loss before tax at a disappointing R16,3 million. The Rand ended the half-year on ZAR18,30/USD compared with ZAR17,02/USD as at the end of December 2022. Excluding the fair value adjustments and unrealised forex exchange values, the Abagold standalone abridged EBITDA profit before tax is R24,3 million compared with a R7,3 million loss in the prior period.

The table below sets out some key comparisons with prior periods:

	UNAUDITED 31 DEC 2023 6 months	UNAUDITED 31 DEC 2022 6 months	% change	AUDITED 30 JUN 2023 12 months
Turnover (Rm)	184	139	33%	306
Live equivalent tonnes sold	240	223	8%	491
Feed tonnes sold	2 323	1 691	37%	3 115
Tonnes growth recorded	263	240	10%	504
Total expenses (Rm)	116	112	4%	198
Net (loss)/profit before tax (Rm)	(16)	27	(161%)	(0.2)
Cash/generated (utilised) from operations (Rm)	16	(13)	221%	16

Cash generated from operations has shown a positive turnaround compared to the comparative period, reflecting an inflow of cash of R16,2 million compared with a R13,4 million outflow, while still maintaining consistent investment commitment throughout the period. The cash generated from operations number was positively impacted by cost reduction, efficiencies, and improving global pricing of abalone across the three formats. It is expected that cash generated from operations will continue on a positive trajectory, with the major challenge being the conclusion of the product-recall claim against the manufacturer mentioned earlier. We expect market conditions to remain tough, but the operational growth and cost management over the past 12 months should help deliver a strong set of full-year results for the business.

Oman Phase 1 farming operations at the Mirbat abalone farm have continued as planned, with a slight slowdown in growth rates of the older animals on site. The team there is working on improved feed availability, water temperature stability, cleaning techniques and stocking densities, which will all improve the overall growth performance of this operation in 2024. The performance of the hatchery has been outstanding, with production of high volumes and top-quality spat on a regular basis, enabling more aggressive culling and selection. During the period, the loss from equity accounted investments, dominated by our portion of the operating costs required to fund Oman Phase 1, was R11,2 million compared with R9,5 million in the prior period. The Board will be evaluating the full Phase 2 business model along with some exciting enhancements and opportunities in 2024, which is expected to significantly improve profitability in Oman. We plan to share these improvements and initial results in the next reporting period.

In addition, Abagold spent R9,3 million on capital items, which was significantly lower than the R26 million in the prior period. The business continues to invest in new opportunities and in critical capital and maintenance projects that will sustain and improve the operational performance over the long term. Capital investments, improvements and expansion remain managed in line with available funding and overall performance.

# Review of the interim results (continued)

## for the six months ended 31 December 2023

With the commitment to, and investment in, battery technology to balance the energy requirements of the business between renewables (solar and battery), Eskom and generator power, as well as the ongoing investment in Oman, the balance sheet has come under some pressure with the debt-to-equity level high at 50% compared with 29% in the prior year. Despite this, sufficient bank financing, in the form of overdraft and loan facilities, is in place to manage financing operations, with adequate headroom being available.

### OPERATIONS

#### *Hatchery and grow-out farms*

Hatchery performance has been nothing short of outstanding and has consistently delivered high-quality, top-performing spat to meet the requirements of the operations in the reporting period. The business will continue to overproduce spat where possible for reseeded at our associate, Port Nolloth Sea Farm Ranching, where these animals are 'planted' in the sea at Kleinsee on the West Coast. As a result of the success of our initial foray into ranching, the business is investing in additional ranching projects in the Southern African Development Community (SADC) region. All these ranching projects remain on track to achieve reseeded schedules, and Port Nolloth Sea Farm Ranching is delivering harvest volumes, size and quality in line with expectations for the fiscal year.

The biological pipeline remains well balanced and well managed, and lays the foundation for the business to consistently supply a wide range of abalone sizes, meeting the varying demand and requirements of the evolving and changing market. Total net growth recorded increased by 9,6% from 240 tonnes in the comparative period last year to 263 tonnes in this reporting period, reflecting the overall improved growth rates linked to the focused farming methodology and innovation. The balance of animals on the farm larger than 180g will help to ensure continued strong revenue performance in the remainder of the year. In the period under review, the operational and technical teams' hard work in managing costs effectively, while ensuring more efficient use of resources and a focused approach to managing the ongoing impact of load shedding, is showing positive results. The technical team was recognised for this stellar performance by receiving the 2023 Chairman's Award. The ongoing investment in improved infrastructure, consistent farming methodologies, energy efficiency and renewable energy will continue to contribute to improved results.

Performance against key measures such as 'Growth per basket per month' as well as 'Percentage growth' and 'Cost/kg of growth', are all improving against historic levels and the results from the genetic selection programme have started to deliver significant improved growth on the farm.

The consistent growth across all size categories in the period, and indications that this growth will continue to be strong into the second half of the year, bodes well for Abagold operations.

#### *Sales and marketing*

Continuing from a strong end to FY23, Abagold experienced a consistent demand in the reporting period, delivering sales volumes totalling 240 tonnes of 'live equivalent' abalone in the first half. Total abalone sales revenue ended at R136,8 million, a significant increase in revenue compared with the comparative period last year. The volumes sold across the three formats, live, dried and canned, were distributed equally for the first time in many years, and, if not for the recall on canned volumes in December, the revenue performance would have delivered a revenue and tonnage record. Even though global economic conditions remain uncertain, and the industry continues to be impacted by the inflationary and inefficient logistics environment, the average USD selling price improved again in the first half of the fiscal year.

## Review of the interim results (continued)

### for the six months ended 31 December 2023

Abagold produces and promotes its abalone across a multitude of geographies, and this provides a measure of risk diversification for the business. With this balanced approach, the team ensured that the Abagold brand maintained its presence in the dried, canned and live markets, even while some of these markets only really recovered during the period under review. Compared with the historical demand curve, the market still rewards larger-sized South African abalone in the dried and canned formats. This has resulted in a continued focus on farming practices and abalone growth consistency, size profile management and sales planning and forecasting, linked to strategy. The more robust and flexible Abagold pipeline achieved since 2017 now provides the organisation with multiple options to adapt quickly to the ever-changing market and consumer demand.

Demand and pricing for dried abalone remained strong throughout the year, and USD pricing for this format stabilised after a flood of new entrants into the dried market comprising South African abalone farms producing varying quality and consistency. The premium position of the Abagold brand was further endorsed by both the premium pricing achieved and the interest in, and success of, the first-ever Abalone Dried Auction (of investment grade abalone) in Hong Kong in June (reported on in more detail in our 2023 Annual Report).

Live abalone demand and pricing have trended up in all markets during the year, delivering consistent monthly revenue from a wide range of customers in more than nine territories. Abagold's live product quality has been enhanced by the recent upgrades to the processing and packing facility in Hermanus, and the Abagold live product is highly sought after due to the consistent quality and supply to both new and traditional long-term customers in multiple geographies.

Over the past year, the marketing and sales team continued to focus on successful entry and expansion into new territories and countries, reducing the overall dependence on Hong Kong to below 50% of sales for the first time in the year under review. The expansion directly into China stalled during the delayed recovery in the region and China's challenges following extended COVID lockdowns. The positive response and feedback from social media and public relations achieved following the Abagold 25K Investment Grade Auction have elevated the brand once again and set the business up well for further expansion and growth.

#### ***Energy efficiency and renewables***

The business has made great progress in the journey to secure consistent, cost-effective energy supply while adding significant components of renewable energy. The 2,8 MW solar system is working well and, with the integration of the new 5,7 MW battery system, Abagold is better positioned to reduce the risk and manage the cost of energy consumption. An indication of the progress made in managing energy efficiency is reflected by the utility costs for the reporting period, showing a pleasing 8% decrease on the prior period, despite an additional 35 load-shedding hours for the year to date (739 hours compared with 704 hours in the prior period) as well as an 18,5% statutory price increase.

#### ***Oman***

In April 2022, Phase 1 of the abalone farm in Oman started operating and producing spat for the grow-out farm. The international operations team is fully embedded in the region and is starting to deliver improved growth and consistent hatchery performance. The business is finalising the phased expansion plans and will be in a position to share these and some significant new initiatives, including ranching, seaweed production, and additional species opportunities, by the end of the fiscal year.

The operation is now fully staffed, and Oman Aquaculture Company, the joint venture operation, remains committed and well positioned to deliver the full potential of this initiative.

# Review of the interim results (continued)

## for the six months ended 31 December 2023

### ***Specialised Aquatic Feeds (SAF)***

The first half of the year delivered results that were better than expected, with a significant increase in demand and sales of trout and pet food. Revenue increased by 49% to R58 million compared to R39 million in the prior period, largely due to a 37% increase in sales volumes for the period. The increased demand for contract-manufactured, high-end pet foods will ensure that the factory operates at close to current full capacity during the second half of FY24, in line with committed volumes. The half-year volumes, revenue and profitability are well ahead of last year's performance, and we expect this to continue through the next period.

SAF's strategy to increase pet food production and fill the factory in order to diversify and reduce the risk and seasonality of aquaculture has paid off and it has been able to secure orders for an additional 250 tonnes of pet food per month from February 2024. The profit margin for these products is slightly lower, but all this product can be produced at a much higher production rate, thereby reducing variable costs and helping to cover overheads. Operating costs are well under control and will improve significantly with the many initiatives planned in the next few months.

Forecasting accuracy, sourcing of raw materials and collections remain high on the agenda. SAF will make a significant investment into automated packaging lines for smaller pet food retail bags as well as adding bulk and rack storage to accommodate the increased volume. The technical team is also in the process of converting the boiler to heavy fuel oil to reduce energy costs within the next three months.

Management believes that SAF has turned the corner and will continue to grow as demand increases.

### **PROSPECTS**

The focus of the business remains on delivering and unlocking the full value of a mature pipeline and achieving consistent returns, leveraging above-average growth performance while managing costs. This commitment includes efficient and cost-effective operations, while managing external disruptive factors, such as market instability, environmental challenges and inefficient energy supply. Maintaining and improving the healthy and diverse customer base across multiple geographies and new markets in North America and China will be invaluable to Abagold in the future. The business will also focus on our Oman expansion and the tremendous opportunities that this investment provides for the business. There are some planned expansion opportunities in South Africa, but Management will approach these conservatively, while the outstanding can-recall claim will be a key focus in order to ensure that the claim is finalised and then adequately settled.

Port Nolloth Sea Farm Ranching continues to deliver consistent product harvest in this fiscal year. Consequently, when there is surplus juvenile abalone available to sell to Port Nolloth, the company will transact with it to continue a flow of these abalone to the ranching area, securing future supply of large, ranched abalone. Furthermore, Abagold has recently invested in a ranching project in Namibia with a joint venture partner, and are confident that this operation will be as successful as Port Nolloth over time.

It is expected that improved pricing and demand should deliver consistent second-half results, continuing the positive 'cash generated from operations' performance reported in this period. Together with an improved economic outlook globally, this should bode well for the overall performance of the business.

# Review of the interim results (continued)

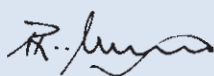
for the six months ended 31 December 2023

## DIVIDEND

Owing to the uncertain times in which Abagold is currently operating, linked directly to the abalone market, the can recall that is being managed, and the ongoing capital investment demands of the energy situation, together with other business requirements described in this report, the Board regrets to announce that there will be no dividend for the interim reporting period of the 2024 financial year.

The Abagold Board and Management remain committed to enhance shareholder value with a credible, consistent, and effective dividend policy, but also believe that all shareholders will understand the decision in these extraordinary times.

Signed on behalf of the Board of directors at Hermanus on 10 February 2024.



**HR van der Merwe**  
Chairman



**TR Hedges**  
Managing Director

# Condensed consolidated statement of financial position at 31 December 2023

	UNAUDITED 31 DECEMBER			AUDITED 30 JUNE
	2023 R'000	% change	2022 R'000	2023 R'000
ASSETS				
Non-current assets	323 312		303 640	330 436
Property plant and equipment	245 575	25%	197 043	247 297
Biological assets	48 310	(32%)	70 875	46 705
Trademarks	25	(50%)	50	34
Right-of-use of asset	2 649	(9%)	2 914	2 649
Goodwill	7 979	(0%)	7 979	7 979
Loan receivable	3 140	104%	1 543	1 525
Equity accounted investments	15 634	(33%)	23 237	24 247
Current assets	226 976		236 563	254 270
Current portion of biological assets	176 514	(2%)	180 036	186 209
Inventories	26 215	(21%)	33 183	34 837
Trade and other receivables	22 513	(1%)	22 815	22 205
Derivative financial instruments	1 723	100%	-	-
Cash and cash equivalents	11	(98%)	529	11 019
Total assets	550 288	2%	540 203	584 706
EQUITY AND LIABILITIES				
Equity	263 707		299 757	277 543
Share capital	21 637	0%	21 637	21 637
Share premium	87 498	0%	87 498	87 498
Retained earnings	146 642	(23%)	191 132	161 890
Empowerment Trust Share Reserve	1 287	100%	-	429
Dividends paid	-	100%	(7 027)	-
Non-controlling interest	6 643	2%	6 517	6 089
Total equity	263 707	(12%)	299 757	277 543
Non-current liabilities	191 981		163 447	184 919
Deferred income tax	94 642	0%	94 381	90 719
Lease liability	7 169	5%	6 828	6 599
Deferred income grant	6 541	(12%)	7 441	6 992
Long-term borrowings	83 629	53%	54 797	80 609
Trade and other payables	-		-	-
Current liabilities	94 600		76 999	122 244
Current portion of deferred income grant	900		900	900
Current portion of long-term borrowings	22 982	266%	6 280	23 138
Current portion of lease liability	625	(25%)	836	1 195
Trade and other payables	41 063	10%	37 271	42 085
Derivative financial instruments	-	(100%)	370	10 926
Bank overdraft	29 030	(7%)	31 342	44 000
Total liabilities	286 581	19%	240 446	307 163
Total equity and liabilities	550 288	2%	540 203	584 706

# Condensed consolidated statement of comprehensive income

for the six months ended 31 December 2023

	UNAUDITED 31 DECEMBER		AUDITED 30 JUNE	
	2023 6 months R'000	% change	2022 6 months R'000	2023 12 months R'000
Revenue	184 048	33%	138 501	305 583
Finance income	-		152	301
Other income	5 264	108%	2 525	3 082
Fair value of sold abalone	(108 966)		(92 617)	(239 151)
Fair value (losses)/gains in financial instruments	4 540	(260%)	(2 843)	(27 915)
Fair value gains on biological assets	98 520	(32%)	144 559	253 241
Impairment of inventory	(10 415)		-	-
Production costs	(38 634)	(1%)	(39 131)	(52 099)
Consumption of raw material	(46 783)	65%	(28 316)	(52 307)
Export cost	(14 991)	11%	(13 560)	(24 703)
Employee benefit expenses	(44 415)	8%	(40 983)	(81 418)
Depreciation and amortisation	(11 094)	4%	(10 689)	(21 585)
Other operating expenses	(17 724)	4%	(18 546)	(35 533)
<b>(Loss)/profit from operations</b>	<b>(650)</b>	<b>(102%)</b>	<b>39 051</b>	<b>27 496</b>
Finance costs	(4 486)	56%	(2 873)	(6 939)
Share of loss of equity accounted investments	(11 153)	(100%)	(9 456)	(20 711)
<b>(Loss)/profit before income tax</b>	<b>(16 289)</b>	<b>(161%)</b>	<b>26 722</b>	<b>(154)</b>
Income tax	1 341	(114%)	(9 885)	(5 653)
<b>(Loss)/profit for the period</b>	<b>(14 948)</b>	<b>(189%)</b>	<b>16 836</b>	<b>(5 807)</b>
Other comprehensive income	-	-	-	-
<b>(Loss)/profit for the period</b>	<b>(14 948)</b>	<b>(189%)</b>	<b>16 836</b>	<b>(5 807)</b>
<b>Total comprehensive income for the period:</b>				
<b>Owners of Abagold Limited</b>	<b>(14 822)</b>		<b>17 207</b>	<b>(5 601)</b>
<b>Profit relating to non-controlling interest</b>	<b>(126)</b>		<b>(371)</b>	<b>(206)</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(14 948)</b>	<b>(189%)</b>	<b>16 836</b>	<b>(5 807)</b>

## Condensed consolidated statement of changes in owners' equity for the six months ended 31 December 2023

	UNAUDITED 31 DECEMBER			AUDITED 30 JUNE
	2023 6 months R'000	% change	2022 6 months R'000	2023 12 months R'000
<b>Balance at the beginning of the period</b>	<b>277 543</b>	<b>(4,3%)</b>	<b>289 948</b>	<b>289 948</b>
Total comprehensive (loss)/income for the period	(14 822)	<b>(186%)</b>	17 207	(5 601)
Share-based payment	858	-	-	-
Profit relating to non-controlling interest	126	<b>(134%)</b>	(371)	(206)
Dividends paid	-	<b>100%</b>	(7 027)	(7 027)
<b>Equity at the end of the period</b>	<b>263 707</b>	<b>(12%)</b>	<b>299 757</b>	<b>277 543</b>

# Condensed consolidated statement of cash flow

for the six months ended 31 December 2023

	UNAUDITED 31 DECEMBER			AUDITED 30 JUNE
	2023 6 months R'000	% change	2022 6 months R'000	2023 12 months R'000
CASH FLOW FROM OPERATING ACTIVITIES	11 673		(16 043)	8 932
Cash received from clients	214 196	49%	143 882	299 708
Cash paid to suppliers and employees	(198 037)	26%	(157 282)	(283 967)
Cash generated from operations	16 159	221%	(13 400)	15 741
Finance costs	(4 486)	70%	(2 643)	(6 809)
Interest paid	-	0%	-	-
CASH FLOW FROM INVESTMENT ACTIVITIES	(9 214)		(28 100)	(51 738)
Purchases of property, plant and equipment	(9 290)	(64%)	(25 732)	(37 919)
Investment in equity accounted entities	-	(100%)	(2 368)	(14 068)
Other items	76		-	249
CASH FLOW FROM FINANCING ACTIVITIES	1 503		5 704	2 200
Increase in long-term borrowings	8 760	(35%)	13 567	43 118
Decrease in long-term borrowings	(7 257)		-	(33 891)
Lease payments	-	(100%)	(836)	-
Dividend paid to shareholders	-	100%	(7 027)	(7 027)
Net cash flow for the period	3 962	110%	(38 439)	(40 606)
Cash and cash equivalents - beginning of the period	(32 981)	(533%)	7 625	7 625
Cash and cash equivalents - end of the period	(29 019)	6%	(30 814)	(32 981)

# Notes to the interim results

## for the six months ended 31 December 2023

### 1. CORPORATE INFORMATION

Abagold Limited (the "Company") is a company incorporated and domiciled in South Africa. The Company owns 70% of Specialised Aquatic Feeds (Proprietary) Limited which produces and sells formulated feeds, and 100% of Mean Sea Level (Pty) Ltd, a supplier of renewable energy.

### 2. ACCOUNTING POLICIES AND BASIS OF PREPARATION

#### *Basis of preparation*

The interim financial statements are presented in Rands, rounded off to the nearest thousand.

The financial statements are prepared in accordance with and comply with the requirements of International Financial Reporting Standards (IFRS). In addition, the financial statements comply with IAS 34 (Interim Financial Reporting) and relevant sections of the South African Companies Act of 2008, as amended. The accounting policies and basis of presentation have been applied consistently with the previous period.

Interim condensed financial statements do not include all the information and the disclosures required in the audited annual financial statements, and should be read in conjunction with the Company's audited annual financial statements as at 30 June 2023. The 30 June 2023 figures are included for ease of reference and comparison.

#### *Significant accounting policies*

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2023.

### 3. EARNINGS PER SHARE

	UNAUDITED 31 DECEMBER		AUDITED 30 JUNE
	2023 R'000	2022 R'000	2023 R'000
<b>Basic earnings - (loss)/profit attributable to ordinary shareholders</b>	<b>(13 837)</b>	<b>16 836</b>	<b>(5 378)</b>
Saving on conversion	-	-	-
<b>Diluted earnings - (loss)/profit attributable to ordinary shareholders</b>	<b>(13 837)</b>	<b>16 836</b>	<b>(5 378)</b>
<b>Weighted average number of ordinary shares (in thousands)</b>	<b>140 548</b>	<b>140 548</b>	<b>140 548</b>
Potential shares due to conversion of the AE Ordinary Shares	1 536	-	1 536
<b>Weighted number of diluted ordinary shares (in thousands)</b>	<b>142 084</b>	<b>140 548</b>	<b>142 084</b>
<b>Basic (loss)/earnings per share (in cents per share)</b>	<b>(9,85)</b>	<b>11,98</b>	<b>(3,83)</b>
<b>Diluted (loss)/earnings per share (in cents per share)</b>	<b>(9,85)</b>	<b>11,98</b>	<b>(3,83)</b>

Note: On 31 March 2023, Abagold issued 15,6 million AE Ordinary Shares to the Employee Share Ownership Trust, which has Abagold employees as the beneficiaries.

# Notes to the interim results

for the six months ended 31 December 2023

## **4. SIGNIFICANT POST BALANCE SHEET EVENTS**

The majority of the direct costs for carrying out the product recall due to the defective cans has been accounted for as reported in these results. Once the full extent of the direct and consequential costs associated with the recall has been quantified, the claim against the can supplier will be submitted after the reporting date.

