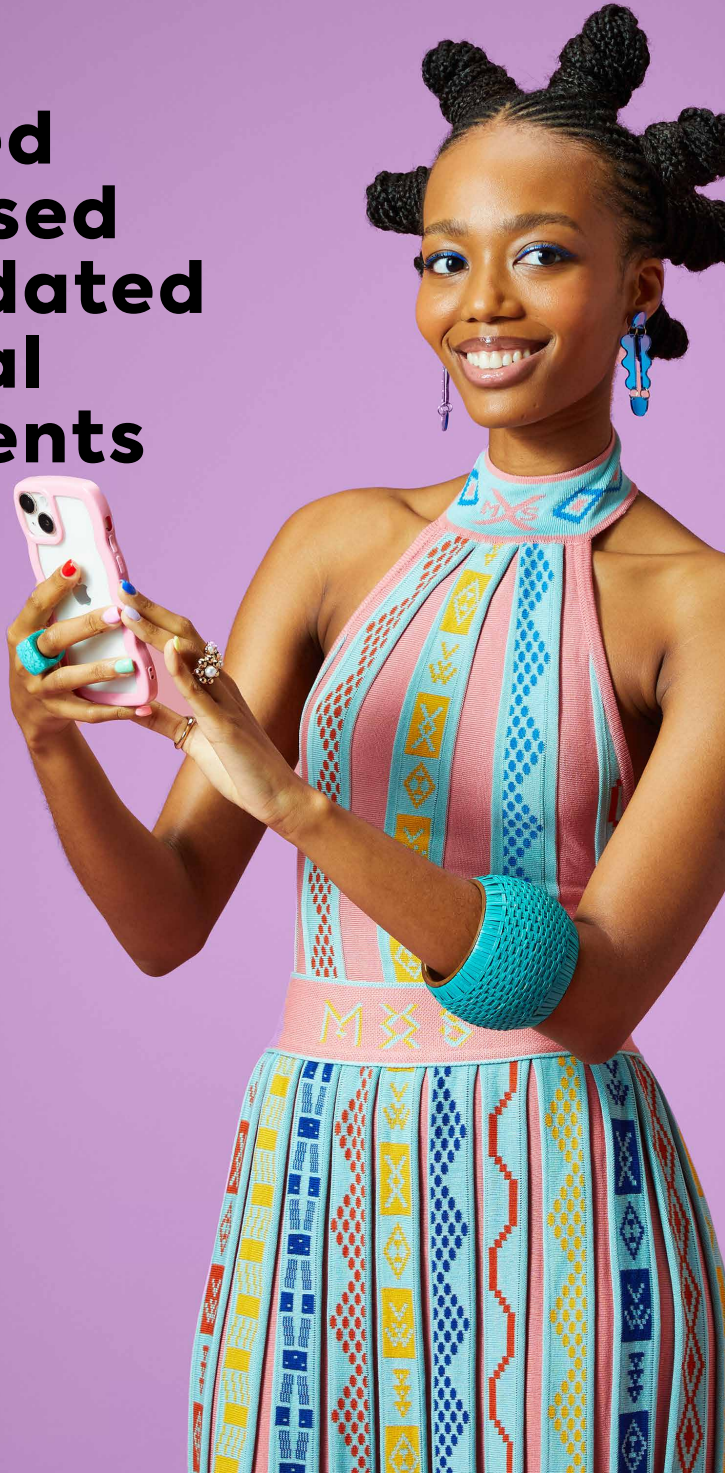




# Reviewed Condensed Consolidated Financial Statements

for the year ended  
31 December 2023  
and cash dividend  
declaration





|  |    |
|--|----|
| Commentary   | 02 |
| Independent auditor's review report on condensed consolidated financial statements | 11 |
| Condensed consolidated statement of financial position                             | 12 |
| Condensed consolidated statement of profit or loss and other comprehensive income  | 13 |
| Condensed consolidated statement of changes in equity                              | 14 |
| Condensed consolidated statement of cash flows                                     | 15 |
| Group segmental information  | 16 |
| Notes to the condensed consolidated financial statements                           | 18 |

## Who we are

A fast-growing and profitable fintech-focused group providing digital consumer financial solutions and products to the smartphone-savvy mass market in South Africa.

With more than 2.0 million customers across the group, our customer is a digitally connected urban African woman. Our base comprises 60% of Millennials and GenZ consumers, who love our digital offering and access to their financial solutions anywhere and at any time.

Weaver Fintech offers digital personal lending, payment solutions, value-added services and insurance products using innovative mobile-first platforms.

Homechoice is an omni-channel retailer, focused on quality homewares own brands and sought-after external brands.

## Fast-growing profitable Fintech Group

Revenue  
firm at

**R3.7 billion**

---

Operating profit  
up 28% to

**R619 million**

---

Fintech contribution

**92%**

of profits before group costs

---

**Retail** reshaped,  
now positioned for growth

---

Customer collections  
up 18% to

**R8.5 billion**

---

Cash generation up

**+100%**

---

Headline earnings per share  
up 7.2% to

**309.3 cents**

---

Final dividend declared of

**83.0 cents**

per share (2022: 77.0 cents per share)

# COMMENTARY

## Financial results

|  |         | 2023             | Restated*<br>2022 | % change |
|--|---------|------------------|-------------------|----------|
| <b>GROUP</b>                               |         |                  |                   |          |
| <b>Financial</b>                           |         |                  |                   |          |
| Revenue                                    | (Rm)    | <b>3 672</b>     | 3 651             | 0.6      |
| Operating profit                           | (Rm)    | <b>619</b>       | 482               | 28.4     |
| Operating profit margin                    | (%)     | <b>16.9</b>      | 13.2              |          |
| Earnings per share (EPS)                   | (cents) | <b>313.4</b>     | 289.4             | 8.3      |
| Headline EPS                               | (cents) | <b>309.3</b>     | 288.5             | 7.2      |
| Final dividend declared/paid               | (cents) | <b>83.0</b>      | 77.0              | 7.8      |
| <b>Operational</b>                         |         |                  |                   |          |
| Cash generated from operations (pre-capex) | (Rm)    | <b>256</b>       | (214)             | >100.0   |
| Cash collected                             | (Rm)    | <b>8 560</b>     | 7 270             | 17.7     |
| Available funding                          | (Rm)    | <b>1 493</b>     | 646               | >100.0   |
| Gross loans, payments and trade receivable | (Rm)    | <b>5 955</b>     | 5 323             | 11.9     |
| Debtor costs as a % of revenue             | (%)     | <b>29.7</b>      | 29.3              |          |
| Customers                                  |         | <b>2 034 000</b> | 1 467 000         | 38.7     |
| Digital revenue                            | (%)     | <b>57</b>        | 50                |          |
| Digital transactions                       | (%)     | <b>84</b>        | 75                |          |

\* See note 20 for details regarding the restatement as a result of the adoption of IFRS 17.

## Fintech delivers double-digit profit growth

The group has delivered strong growth with customers increasing 39% to 2 million, operating profit up 28.4% to R619 million and cash collections up 18% to R8.5 billion for the year.

Weaver Fintech has contributed 92% of operating profit before group costs (up from 85% in FY2022) through its best-in-class digital credit, insurance, payments and merchant services offerings. Our expanding fintech ecosystem is driving customer lifetime value and profitability and delivering data-led growth to our increasing merchant base. The restructured omni-channel retailer is well placed for profitable growth following effective credit changes made during the year.

The group is passionate about empowering women through digital financial inclusion. The group's businesses operate primarily through digital channels, providing customers with convenience and an excellent customer experience which has led to an increase in customer acquisition, retention and spend. The group continues to achieve efficiencies as total digital transactions increased to 84% (2022: 75%), driving down direct cost per digital transaction by 61% over the past four years.

Group revenue is firm at R3.7 billion. Continued investment in Weaver Fintech has delivered Weaver's 30.5% topline growth and 22.4% higher group fees revenue. The retail business has been reshaped and is now positioned for growth following effective credit strategy changes. The deliberate tightening in credit policy resulted in a 24% reduction in sales in 2023, but greatly improved the quality of customer and book performance.

Debtor costs were well managed, increasing 2% on FY2022. Weaver Fintech debtor costs increased by 28%, below its revenue and book growth rates. Retail debtor costs were purposefully reduced by 30% with the strategic credit changes made. Our debtors' books continue to be very cash generative despite the constrained consumer environment.

Trading expenses increased by 2.0%, with the judicious resizing of Retail's cost base (down 8%) offsetting considerable investment in Weaver's digital platforms and technology engineering teams.

R3.7 billion revenue converted well to 28.4% higher operating profit of R619 million. Net interest expense increased by 78.6% due to higher funding for Weaver Fintech's growth combined with the higher interest rate environment. Profit before tax increased by 10.7% to R394 million (2022: R356 million).

Cash collections of R8.5 billion increased by 18% as the group's credit books remain strongly cash generative. Our digital collections strategies have maintained collection rates despite the constrained financial position of consumers. Cash from operations is >100.0% higher. Retail generated R345 million of working capital cash flows through inventory management and lower credit activity. The group continued investing working capital in Weaver's profitable credit book.

Capital expenditure increased to R99 million (2022: R56 million) with focused investment in our digital technology platforms and the roll-out of the new-format Retail showrooms.

During the year the group successfully concluded a refinancing and upsizing of our banking facilities from R1.8 billion to R3.0 billion. The upsizing was oversubscribed by the funders, testament to the group's proven track record of managing cash generation and funding. A sizeable R1.5 billion of cash and undrawn facilities is available to continue funding the ongoing growth of Weaver Fintech.

Headline earnings per share increased 7.2% to 309.3 cents per share. Based on a dividend cover of 2.0 times, the board approved a final dividend of 83.0 cents per share.

**Weaver Fintech delivers a step change in growth and profitability**

|  |      | <b>12 months<br/>ended<br/>31 December<br/>2023</b> | % change | 12 months<br>ended<br>31 December<br>2022 |
|--|------|---|----------|---|
| <b>Weaver Fintech</b>                                |      |   |          |   |
| Loan disbursements                                   | (Rm) | <b>4 839</b>  | 12.5     | 4 301                                     |
| Buy Now, Pay Later (BNPL) gross merchant value       | (Rm) | <b>1 527</b>  | >100.0   | 747                                       |
| Insurance revenue                                    | (Rm) | <b>288</b>  | 22.0     | 236                                       |
| Revenue  | (Rm) | <b>1 886</b>  | 30.5     | 1 445                                     |
| Digital revenue                                      | (%)  | <b>86</b>   |          | 82  |
| Fee revenue contribution                             | (%)  | <b>33.8</b>   |          | 33.3                                      |
| Operating profit*                                    | (Rm) | <b>622</b>  | 42.0     | 438                                       |
| Operating profit* margin                             | (%)  | <b>33.0</b>   |          | 30.3                                      |
| Cash collections                                     | (Rm) | <b>6 669</b>  | 29.7     | 5 141                                     |
| Gross trade and loans receivable                     | (Rm) | <b>4 339</b>  | 31.9     | 3 290                                     |
| Debtor costs as a % of revenue*                      | (%)  | <b>40.3</b>   |          | 41.1                                      |
| Provision for impairment as a % of gross receivables | (%)  | <b>18.7</b>   |          | 15.4                                      |
| Stages 2 and 3 loans cover                           | (%)  | <b>66.8</b>   |          | 68.9                                      |

\* Segmental operating profit before interest.

Our Weaver Fintech business has increasingly become the major revenue and profit driver of the group. Delivering a step change in growth and profitability, Weaver has shown the ability to grow in a constrained consumer environment.

Revenue increased by 30.5% to R1.9 billion (2022: R1.4 billion), converting to a healthy 42.0% increase in segmental operating profit excluding interest.

Healthy growth rates in new customers and retention of existing customers have delivered a customer base of 1.6 million – a growth rate of 72%. Our customer base has increased eightfold since 2019. Weaver has an 84% retention rate of active loan customers and repeat customer business accounts for 86% of disbursements and 75% of gross merchant value.

Building out our customer ecosystem provides a substantial opportunity for cross-selling our products into the growing customer base. 24% of customers access two or more products from our product suite – with a target of 50%. Supporting this is the ongoing investment in our design, data and engineering resources, in addition to our technology infrastructure.

Constant innovation and expanding the product offering is a key driver of the Weaver Fintech business to attract and retain customers. New products developed include the introduction of personal accident insurance, an upgrade to fraud protection “selfie” verification and an e-wallet in PJN for refunds.

In line with Weaver's revenue increase, the debtors' book increased by 32% to R4.3 billion (2022: R3.3 billion). Weaver has consistently maintained digital short-term duration books and leverages this strategy to react quickly to market conditions and manage credit risk in response. This is particularly relevant in the constrained customer environment. Debtor costs, at R0.8 billion, increased by 28%, which is below Weaver's revenue and gross book growth rates. The usual sales of our rehabilitation books were deferred due to market factors, which impacted the overall book mix and necessitated the credit impairment provision % increasing to 18.7% (2022: 15.4%).

## **High engagement with FinChoice empowers our customers to access digital financial solutions when she needs us**

FinChoice loan disbursements increased by 13% to R4.8 billion. The controlled growth in disbursements was managed through further term shortening and credit scorecard tightening. In retrospect, the business was too conservative in curtailing limits to good-performing customers, which negatively impacted the book mix.

The FinChoice App, our fastest-growing platform, boasts 174 180 downloads since inception. Current active users engage with the app 7.1 times every 60 days, marking a 19% higher engagement rate compared to our mobi site users. This surge in interaction boosted the App's contribution to total loan disbursements to 19%, up from 13% the previous year, underscoring its vital impact on improving customer engagement and the efficiency of loan distribution.

Our FinChoice MobiMoney™ credit-backed digital wallet continues to be a highly engaging product in the FinChoice stable with strong customer appeal. Wallet customers increased by 26% to 271 524 and utilisation grew to R1.8 billion, up 33%. With 75 000 average monthly wallet transactions, the functionality is very attractive to customers.

An unrelenting focus on driving stand-alone funeral and personal accident insurance on digital platforms is delivering growth. These stand-alone gross written premiums (GWP) increased by 27% to R148.0 million from 125 000 customers. 45% of FinChoice customers have a funeral insurance product. Pleasing momentum has been achieved in the digital acquisition of policies, with 36% of stand-alone policies now acquired end-to-end through digital channels, well up from 23% in 2022.

## **High customer engagement and spend for digital payments**

PayJustNow Proprietary Limited's (PJN) digital payment option – BNPL – has strong appeal to customers looking for a convenient and safe digital payment product. We are the number one BNPL in South Africa.

Gross merchant value (GMV) grew 104% to R1.5 billion and generated BNPL fees of R81 million (2022: R41 million) for FY2023.

Since the establishment of PJN – just over three years ago – 1 297 000 customers have been acquired, with 100% growth in 2023. All customers are acquired digitally. Customer engagement with the brand continues to be high. Recurring customers account for 75% of total transactions. The top 10% of customers spent R13 200 and transacted 9.7 times in 2023, up from 7.7 times in 2022.

Acquiring new merchants and promoting existing ones is also a key contributing factor to the outstanding GMV growth rate. A diverse merchant offering of 2 500 merchants with 8 000+ active points of presence increases the in-store availability to customers. Merchants have benefited from 27.3 million referrals in the year (2022: 11 million). Visibility of our suite of merchants on the PJN website has driven 23 million in traffic to merchants from the search and discover service used by customers.



**Retail is reshaped and now positioned for growth following effective credit cuts**

|  |      | <b>12 months<br/>ended<br/>31 December<br/>2023</b> | % change | 12 months<br>ended<br>31 December<br>2022 |
|--|------|---|----------|---|
| <b>Retail</b>  |      |   |          |   |
| Retail sales   | (Rm) | <b>1 227</b>  | (23.7)   | 1 607                                     |
| Revenue  | (Rm) | <b>1 789</b>  | (19.2)   | 2 214                                     |
| Digital revenue contribution                         | (%)  | <b>26</b>   |          | 31  |
| Gross profit margin                                  | (%)  | <b>43.0</b>   |          | 46.5                                      |
| Operating profit                                     | (Rm) | <b>52</b>   | (33.9)   | 78  |
| Operating profit margin                              | (%)  | <b>2.9</b>  |          | 3.5                                       |
| Cash collections                                     | (Rm) | <b>1 891</b>  | (11.1)   | 2 129                                     |
| Gross trade receivables                              | (Rm) | <b>1 616</b>  | (20.5)   | 2 033                                     |
| Debtor costs   | (Rm) | <b>332</b>  | (30.3)   | 476                                       |
| Debtor costs as a % of revenue                       | (%)  | <b>18.6</b>   |          | 21.6                                      |
| Provision for impairment as a % of gross receivables | (%)  | <b>29.4</b>   |          | 34.0                                      |
| Stages 2 and 3 loans cover                           | (%)  | <b>65.6</b>   |          | 67.2                                      |

Strategic credit changes and bold credit risk tightening have driven Retail's financial results. Revenue declined by 19.2% to R1.8 billion (2022: R2.2 billion). Significantly improved debtor costs and lower trading expenses enabled an operating profit of R52 million despite the topline reduction. Importantly, the credit and cost base changes have set up the business for sustainably profitable growth going forward.

Retail sales declined by 23.6% primarily as a result of the credit changes implemented. The implementation of a bespoke scorecard and new credit solutions has significantly improved the quality of new customers acquired. Higher loadshedding levels impeded customer connectivity and the collapse of the South African Postal Service (SAPO) has hampered our catalogue distribution, reducing customer reach.

Our active credit customer base decreased by 16.6% to 402 000 and new customers of 114 000 are of a much-improved quality, evident in lower debtor costs and a reduction in the provision for impairments. Our cash customers have grown by 5.0%, the majority from our showroom channel.

Foreign exchange headwinds, which were not passed on to our customers, and increased markdowns to trade out of overstocked inventory, negatively impacted the gross profit margin by 350 basis points (bps). Our intent is to return the gross profit margin to a range of between 44% to 48% - at pre-Covid levels.



Our Retail debtors' book is 20.5% lower at R1.6 billion and pleasingly debtor costs have decreased by 30.3% to R332 million (2022: R476 million). New applications accepted have decreased to 52.8% as the tightening of credit took effect. A focus on improving new business together with a revision of customer credit limits is improving the book quality.

Recalibrating the cost structure has been a major focus over the past two years. Trading expenses taken out of the costs base in this year amounts to R68 million. In the year, expenses decreased by 8.4%, balancing controlled marketing spend and right-sizing expenses to support a lower revenue base.

Our showroom channel is becoming a key driver in revenue growth and customer acquisition. Eight smaller format showrooms – 250 square metres (sqm) (historically c. 1 030 sqm), opened in Q4 bringing the complement to 22 sites. The operating metrics of the showrooms are very compelling: a quarter of sales are cash (2023: 24%; 2022: 20%) and debtor costs percentage to revenue is much lower at 13% (18.7% for other channels) inherently making them highly profitable. The sales contribution from showrooms has increased from 14% to 17%. Customer response to our cash and collect option – Take Me Home – has exceeded expectations with c. 200 stock keeping units (SKUs) available for immediate purchase. We are targeting to open a further 14 showrooms in 2024.

## Appreciation

We would like to express our appreciation to all our employees whose energy, innovative thinking and passion to deliver to our customers are reflected in the group's results.

The guidance and support from our board colleagues has been invaluable in the significant transformation of the group in the year.

## Looking forward

Weaver Fintech's track record of growth and profitability is expected to continue with enhanced profitability as our fintech ecosystem develops. Cross-selling products digitally across our scaling and sizable customer base will continue to drive ecosystem engagement and efficiencies. Our expertise in developing digital information technology platforms is a key element to deliver innovative products to attract and retain our customer base.

Investment in product diversification and digital cross-selling will drive our contribution of fee income to the group's revenue.

Our Retail business is well positioned for growth, taking advantage of the new credit risk strategy and combined with the restructured cost base, is well placed to return to improved levels of profitability in 2024.

The group's growth momentum has continued into 2024, in line with our expectations.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the group's external auditors and does not constitute an earnings forecast.

**S Maltz**  
Executive Chair

**S Wibberley**  
Chief Executive Officer

Mauritius, 12 March 2024

## **Dividend declaration**

Notice is hereby given that the board has declared a final gross cash dividend per ordinary share (dividend) of 83.0 cents (66.4 cents net of dividend withholding tax) for the year ended 31 December 2023, being a 7.8% increase on the prior period's 77.0 cents.

The dividend has been declared from reserves and therefore does not constitute a distribution of "contributed tax capital" as defined in the Income Tax Act, 58 of 1962. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 988 695 949 ordinary shares.

The salient dates for the dividend will be as follows:

|   |                          |
|---|--------------------------|
| Last day of trade to receive a dividend | Tuesday, 9 April 2024    |
| Shares commence trading "ex" dividend   | Wednesday, 10 April 2024 |
| Record date                             | Friday, 12 April 2024    |
| Payment date                            | Monday, 15 April 2024    |

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 April 2024 and Friday, 12 April 2024, both days inclusive.

### **Sanlam Trustees International Limited**

Company Secretary

Mauritius, 12 March 2024



**REVIEWED CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENTS**





# Independent auditor's review report on condensed consolidated financial statements

To the Shareholders of HomeChoice International p.l.c

We have reviewed the condensed consolidated financial statements of HomeChoice International p.l.c, set out on pages 12 to 27, which comprises the condensed consolidated statement of financial position as at 31 December 2023 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

## Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of HomeChoice International p.l.c for the year ended 31 December 2023 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements.

**PricewaterhouseCoopers**

Olivier Rey  
Licensed by FRC  
12 March 2024

## Condensed consolidated statement of financial position

|  | Notes | 2023<br>Rm   | %<br>change | Restated*<br>2022<br>Rm |
|--|-------|--------------|-------------|-------------------------|
| <b>Assets</b>  |       |              |             |                         |
| <b>Non-current assets</b>                                  |       |              |             |                         |
| Property, plant and equipment                              |       | 428          | 1.7         | 421                     |
| Intangible assets  |       | 217          | 16.0        | 187                     |
| Right-of-use assets  |       | 38           | 18.8        | 32                      |
| Insurance contract assets                                  |       | 86           | 36.5        | 63                      |
| Other investments  |       | 23           | (23.3)      | 30                      |
| Deferred taxation  |       | 85           | (26.1)      | 115                     |
|  |       | <b>877</b>   | 3.4         | 848                     |
| <b>Current assets</b>                                      |       |              |             |                         |
| Inventories  | 2     | 285          | (29.3)      | 403                     |
| Taxation receivable  |       | –            | (100.0)     | 2                       |
| Trade and other receivables                                | 3     | 4 773        | 13.3        | 4 212                   |
| Trade receivables – Retail                                 |       | 1 141        | (14.9)      | 1 341                   |
| Loans receivable – Weaver Fintech                          |       | 3 529        | 26.9        | 2 782                   |
| Other receivables  |       | 103          | 15.7        | 89                      |
| Cash and cash equivalents                                  |       | 137          | 18.1        | 116                     |
|  |       | <b>5 195</b> | 9.8         | 4 733                   |
| <b>Total assets</b>  |       | <b>6 072</b> | 8.8         | 5 581                   |
| <b>Equity and liabilities</b>                              |       |              |             |                         |
| <b>Capital and reserves</b>                                |       |              |             |                         |
| Stated and share capital                                   |       | 1            | –           | 1                       |
| Share premium  |       | 3 039        | –           | 3 039                   |
| Reorganisation reserve                                     |       | (2 961)      | –           | (2 961)                 |
| Treasury shares  |       | (48)         | 6.7         | (45)                    |
| Other reserves   |       | 57           | 16.3        | 49                      |
| Retained earnings  |       | 3 566        | 5.3         | 3 386                   |
| <b>Equity attributable to equity holders of the parent</b> |       | <b>3 654</b> | 5.3         | 3 469                   |
| Non-controlling interest                                   |       | (15)         | >100.0      | (7)                     |
| <b>Total equity</b>  |       | <b>3 639</b> | 5.1         | 3 462                   |
| <b>Non-current liabilities</b>                             |       |              |             |                         |
| Interest-bearing liabilities                               | 4     | 1 901        | 28.2        | 1 483                   |
| Lease liabilities  |       | 24           | 26.3        | 19                      |
| Deferred taxation  |       | 10           | (80.0)      | 50                      |
| Other payables   |       | 31           | 40.9        | 22                      |
|  |       | <b>1 966</b> | 24.9        | 1 574                   |
| <b>Current liabilities</b>                                 |       |              |             |                         |
| Interest-bearing liabilities                               | 4     | 43           | (2.3)       | 44                      |
| Lease liabilities  |       | 18           | (5.3)       | 19                      |
| Taxation payable   |       | 9            | (55.0)      | 20                      |
| Trade and other payables                                   |       | 321          | (4.2)       | 335                     |
| Insurance contract liabilities                             |       | 22           | (12.0)      | 25                      |
| Bank overdraft   |       | 54           | (47.1)      | 102                     |
|  |       | <b>467</b>   | (14.3)      | 545                     |
| <b>Total liabilities</b>                                   |       | <b>2 433</b> | 14.8        | 2 119                   |
| <b>Total equity and liabilities</b>                        |       | <b>6 072</b> | 8.8         | 5 581                   |

\* See note 20 for details regarding the restatement as a result of the adoption of IFRS 17.

# Condensed consolidated statement of profit or loss and other comprehensive income

|  | Notes | 2023<br>Rm     | %<br>change | Restated*<br>2022<br>Rm |
|--|-------|----------------|-------------|-------------------------|
| <b>Revenue</b>   |       | <b>3 672</b>   | 0.6         | 3 651                   |
| Fees   | 6     | <b>389</b>     | 25.1        | 311                     |
| Insurance  |       | <b>345</b>     | 9.9         | 314                     |
| BNPL** fees  |       | <b>81</b>      | 97.6        | 41                      |
| Finance income   |       | <b>1 630</b>   | 18.3        | 1 378                   |
| Retail sales   | 5     | <b>1 227</b>   | (23.6)      | 1 607                   |
| Retail cost of sales   |       | <b>(699)</b>   | (18.6)      | (859)                   |
| <b>Other operating costs</b>   |       | <b>(2 382)</b> | 2.0         | (2 335)                 |
| Credit impairment losses   | 7     | <b>(1 092)</b> | 2.1         | (1 070)                 |
| Insurance expenses   |       | <b>(189)</b>   | 9.2         | (173)                   |
| Trading expenses   | 8     | <b>(1 101)</b> | 0.8         | (1 092)                 |
| Other net gains  | 9     | <b>4</b>       | (55.6)      | 9                       |
| Other income   | 10    | <b>24</b>      | 50.0        | 16                      |
| <b>Operating profit</b>  |       | <b>619</b>     | 28.4        | 482                     |
| Interest income  |       | <b>7</b>       | >100.0      | 3                       |
| Interest expense   |       | <b>(232)</b>   | 79.8        | (129)                   |
| <b>Profit before taxation</b>  |       | <b>394</b>     | 10.7        | 356                     |
| Taxation   |       | <b>(67)</b>    | 24.1        | (54)                    |
| <b>Profit and total comprehensive income for the period</b>                  |       | <b>327</b>     | 8.3         | 302                     |
| <b>Profit and total comprehensive income for the period attributable to:</b> |       |                |             |                         |
| Owners of the parent   |       | <b>335</b>     | 8.8         | 308                     |
| Non-controlling interest   |       | <b>(8)</b>     | 33.3        | (6)                     |
|  |       | <b>327</b>     | 8.3         | 302                     |
| <b>Earnings per share (cents)</b>  |       |                |             |                         |
| Basic  | 11    | <b>313.4</b>   | 8.3         | 289.4                   |
| Diluted  |       | <b>310.6</b>   | 9.9         | 282.7                   |
| <b>Headline earnings per share (cents)</b>                                   |       |                |             |                         |
| Basic  | 11    | <b>309.3</b>   | 7.2         | 288.5                   |
| Diluted  |       | <b>306.5</b>   | 8.8         | 281.8                   |

\* See note 20 for details regarding the restatement as a result of the adoption of IFRS 17.

\*\* Buy Now, Pay Later.



## Condensed consolidated statement of changes in equity

|   | Stated<br>and share<br>capital<br>Rm | Share<br>premium<br>Rm | Treasury<br>shares<br>Rm | Reorgan-<br>isation<br>reserve<br>Rm | Other<br>reserves<br>Rm | Retained<br>earnings<br>Rm | Non-<br>controlling<br>interest<br>Rm | Total<br>Rm  |
|---|--------------------------------------|------------------------|--------------------------|--------------------------------------|-------------------------|----------------------------|---------------------------------------|--------------|
| <b>Balance at 1 January 2022<br/>– audited</b>          | 1                                    | 3 039                  | (47)                     | (2 961)                              | 64                      | 3 168                      | (1)                                   | 3 263        |
| <b>Changes in equity</b>                                |                                      |                        |                          |                                      |                         |                            |                                       |              |
| Transfer to medium-term<br>incentive scheme liability   | –                                    | –                      | –                        | –                                    | (16)                    | –                          | –                                     | (16)         |
| Profit and total comprehensive<br>income for the period | –                                    | –                      | –                        | –                                    | –                       | 308                        | (6)                                   | 302          |
| Dividends paid  | –                                    | –                      | –                        | –                                    | –                       | (90)                       | –                                     | (90)         |
| Share incentive schemes                                 | –                                    | –                      | –                        | –                                    | 10                      | –                          | –                                     | 10           |
| Shares purchased  | –                                    | –                      | (7)                      | –                                    | –                       | –                          | –                                     | (7)          |
| Forfeitable shares vested                               | –                                    | –                      | 9                        | –                                    | (9)                     | –                          | –                                     | –            |
| <b>Total changes</b>                                    | –                                    | –                      | 2                        | –                                    | (15)                    | 218                        | (6)                                   | 199          |
| <b>Balance at 1 January 2023<br/>– audited</b>          | <b>1</b>                             | <b>3 039</b>           | <b>(45)</b>              | <b>(2 961)</b>                       | <b>49</b>               | <b>3 386</b>               | <b>(7)</b>                            | <b>3 462</b> |
| <b>Changes in equity</b>                                |                                      |                        |                          |                                      |                         |                            |                                       |              |
| Profit and total comprehensive<br>income for the period | –                                    | –                      | –                        | –                                    | –                       | 335                        | (8)                                   | 327          |
| Dividends paid  | –                                    | –                      | –                        | –                                    | –                       | (155)                      | –                                     | (155)        |
| Share incentive schemes                                 | –                                    | –                      | –                        | –                                    | 13                      | –                          | –                                     | 13           |
| Shares purchased  | –                                    | –                      | (8)                      | –                                    | –                       | –                          | –                                     | (8)          |
| Forfeitable shares vested                               | –                                    | –                      | 5                        | –                                    | (5)                     | –                          | –                                     | –            |
| <b>Total changes</b>                                    | –                                    | –                      | (3)                      | –                                    | 8                       | 180                        | (8)                                   | 177          |
| <b>Balance at 31 December 2023</b>                      | <b>1</b>                             | <b>3 039</b>           | <b>(48)</b>              | <b>(2 961)</b>                       | <b>57</b>               | <b>3 566</b>               | <b>(15)</b>                           | <b>3 639</b> |

## Condensed consolidated statement of cash flows

|   | Notes | 2023<br>Rm  | %<br>change | Restated<br>2022<br>Rm |
|---|-------|-------------|-------------|------------------------|
| <b>Cash flows from operating activities</b>                                     |       |             |             |                        |
| Operating cash flows before working capital changes                             |       | 686         | 23.4        | 556                    |
| Movements in working capital  |       | (430)       | (44.2)      | (770)                  |
| <b>Cash generated/(used) in operations</b>                                      | 12    | <b>256</b>  | >100.0      | (214)                  |
| Interest received   |       | 7           | >100.0      | 3                      |
| Interest paid   |       | (215)       | 66.7        | (129)                  |
| Taxation paid   |       | (86)        | 14.7        | (75)                   |
| <b>Net cash outflow from operating activities</b>                               |       | <b>(38)</b> | (90.8)      | (415)                  |
| <b>Cash flows from investing activities</b>                                     |       |             |             |                        |
| Additions of property, plant and equipment                                      |       | (36)        | >100.0      | (15)                   |
| Additions of intangible assets  |       | (63)        | 53.7        | (41)                   |
| Insurance contract assets   |       | -           | (100.0)     | (6)                    |
| Other investments   |       | -           | (100.0)     | (12)                   |
| <b>Net cash outflow from investing activities</b>                               |       | <b>(99)</b> | 33.8        | (74)                   |
| <b>Cash flows from financing activities</b>                                     |       |             |             |                        |
| Purchase of shares to settle forfeiture share scheme obligations                |       | (8)         | 14.3        | (7)                    |
| Proceeds from interest-bearing liabilities                                      |       | 742         | 34.4        | 552                    |
| Repayments of interest-bearing liabilities                                      |       | (343)       | >100.0      | (129)                  |
| Cash flows from transaction costs   |       | (2)         | 100.0       | -                      |
| Principal elements of lease payments  |       | (28)        | 7.7         | (26)                   |
| Dividends paid  |       | (155)       | 72.2        | (90)                   |
| <b>Net cash inflow from financing activities</b>                                |       | <b>206</b>  | (31.3)      | 300                    |
| <b>Net increase/(decrease) in cash and cash equivalents and bank overdrafts</b> |       |             |             |                        |
| Cash and cash equivalents and bank overdrafts at the beginning of the period    |       | 14          | (93.1)      | 203                    |
| <b>Cash and cash equivalents and bank overdrafts at the end of the period</b>   |       | <b>83</b>   | >100.0      | 14                     |

Cash and cash equivalents comprise cash balances of R137 million and an overdraft balance of R54 million.

## Group segmental information

|  | 2023         |              |                   |             |                                     |
|--|--------------|--------------|-------------------|-------------|-------------------------------------|
|  | Total Rm     | Retail Rm    | Weaver Fintech Rm | Property Rm | Other/ Eliminations <sup>2</sup> Rm |
| <b>Total revenue<sup>3</sup></b>                     | <b>3 672</b> | <b>1 789</b> | <b>1 886</b>      | <b>-</b>    | <b>(3)</b>                          |
| Digital technology platforms                         | 2 095        | 473          | 1 622             | -           | -                                   |
| Showrooms and contact centre                         | 1 577        | 1 316        | 264               | -           | (3)                                 |
| <b>% revenue earned<sup>3</sup></b>                  |              |              |                   |             |                                     |
| Digital technology platforms (%)                     | 57           | 26           | 86                |             |                                     |
| Showrooms and contact centre (%)                     | 43           | 74           | 14                |             |                                     |
| <b>Segmental revenue</b>                             | <b>3 672</b> | <b>1 789</b> | <b>1 886</b>      | <b>42</b>   | <b>(45)</b>                         |
| Fees   | 389          | 124          | 268               | -           | (3)                                 |
| Insurance  | 345          | 57           | 288               | -           | -                                   |
| BNPL <sup>4</sup> fees                               | 81           | -            | 81                | -           | -                                   |
| Finance income                                       | 1 630        | 381          | 1 249             | -           | -                                   |
| Retail sales   | 1 227        | 1 227        | -                 | -           | -                                   |
| Intergroup rental income                             | -            | -            | -                 | 42          | (42)                                |
| <b>EBITDA</b>  | <b>708</b>   | <b>142</b>   | <b>649</b>        | <b>10</b>   | <b>(93)</b>                         |
| Depreciation and amortisation                        | (95)         | (96)         | (27)              | -           | 28                                  |
| Net impairment reversal of assets                    | 6            | 6            | -                 | -           | -                                   |
| Interest income                                      | -            | -            | -                 | -           | -                                   |
| Interest expense                                     | (207)        | -            | (202)             | -           | (5)                                 |
| <b>Segmental operating profit/(loss)<sup>5</sup></b> | <b>412</b>   | <b>52</b>    | <b>420</b>        | <b>10</b>   | <b>(70)</b>                         |
| Interest income                                      | 7            | 1            | 6                 | -           | -                                   |
| Interest expense                                     | (25)         | (21)         | -                 | (15)        | 11                                  |
| <b>Profit/(loss) before taxation</b>                 | <b>394</b>   | <b>32</b>    | <b>426</b>        | <b>(5)</b>  | <b>(59)</b>                         |
| Taxation   | (67)         | 6            | (77)              | 1           | 3                                   |
| <b>Profit/(loss) after taxation</b>                  | <b>327</b>   | <b>38</b>    | <b>349</b>        | <b>(4)</b>  | <b>(56)</b>                         |
| <b>Segmental assets<sup>6</sup></b>                  | <b>6 072</b> | <b>1 952</b> | <b>4 719</b>      | <b>344</b>  | <b>(943)</b>                        |
| <b>Segmental liabilities<sup>6</sup></b>             | <b>2 433</b> | <b>1 073</b> | <b>2 045</b>      | <b>258</b>  | <b>(943)</b>                        |
| Gross profit margin (%)                              | 43.0         | 43.0         |                   |             |                                     |
| Segmental operating profit margin (%)                | 11.2         | 2.9          | 22.3              | 23.8        |                                     |
| Capital expenditure                                  |              |              |                   |             |                                     |
| Property, plant and equipment                        | 36           | 26           | 10                | -           | -                                   |
| Intangible assets                                    | 63           | 22           | 41                | -           | -                                   |
| Significant expenses included in operating profit    |              |              |                   |             |                                     |
| Credit impairment losses                             | 1 092        | 332          | 760               | -           | -                                   |
| Marketing costs                                      | 245          | 198          | 47                | -           | -                                   |
| Staff costs  | 527          | 334          | 176               | -           | 17                                  |
| Insurance expenses                                   | 189          | 52           | 137               | -           | -                                   |

<sup>1</sup> See note 20 for details regarding the restatement as a result of the adoption of IFRS 17.

<sup>2</sup> Other/Eliminations include the intrasegment eliminations and other items not included in the three reportable segments.

<sup>3</sup> Revenue from digital platforms includes all revenue earned on transactions carried out on websites, Apps and other digital channels.

<sup>4</sup> Buy Now, Pay Later.

<sup>5</sup> Refer to note 13 for further details on segments and segmental results.

<sup>6</sup> During the year the measurement basis for intercompany loans changed. Investments in subsidiaries and goodwill on acquisition of PJN are now included in the assets of the Weaver Fintech segment. The comparative has been restated to include this change.

<sup>7</sup> During FY23 the Retail segment started reporting list commission as part of revenue as opposed to a credit to trading costs. The prior year has been restated to reflect this change.

|             |              | Restated <sup>1</sup><br>2022 |                |                              |
|-------------|--------------|-------------------------------|----------------|------------------------------|
| Total<br>Rm | Retail<br>Rm | Weaver<br>Fintech<br>Rm       | Property<br>Rm | Other/<br>Eliminations<br>Rm |
| 3 651       | 2 214        | 1 445                         | –              | (8)                          |
| 1 813       | 628          | 1 185                         | –              | –                            |
| 1 838       | 1 586        | 260                           | –              | (8)                          |
| 50          | 28           | 82                            |                |                              |
| 50          | 72           | 18                            |                |                              |
| 3 651       | 2 214        | 1 445                         | 41             | (49)                         |
| 311         | 115          | 204                           | –              | (8)                          |
| 314         | 78           | 236                           | –              | –                            |
| 41          | –            | 41                            | –              | –                            |
| 1 378       | 414          | 964                           | –              | –                            |
| 1 607       | 1 607        | –                             | –              | –                            |
| –           | –            | –                             | 41             | (41)                         |
| 591         | 194          | 459                           | 13             | (75)                         |
| (107)       | (114)        | (21)                          | –              | 28                           |
| (2)         | (2)          | –                             | –              | –                            |
| –           | –            | –                             | –              | –                            |
| (109)       | –            | (106)                         | –              | (3)                          |
| 373         | 78           | 332                           | 13             | (50)                         |
| 3           | –            | 3                             | –              | –                            |
| (20)        | (21)         | –                             | (11)           | 12                           |
| 356         | 57           | 335                           | 2              | (38)                         |
| (54)        | (10)         | (42)                          | 1              | (3)                          |
| 302         | 47           | 293                           | 3              | (41)                         |
| 5 581       | 2 246        | 3 750                         | 347            | (762)                        |
| 2 119       | 1 150        | 1 434                         | 257            | (722)                        |
| 46.5        | 46.5         |                               |                |                              |
| 10.2        | 3.5          | 23.0                          | 31.7           |                              |
| 15          | 10           | 5                             | –              | –                            |
| 41          | 18           | 23                            | –              | –                            |
| 1 070       | 476          | 594                           | –              | –                            |
| 265         | 224          | 41                            | –              | –                            |
| 503         | 358          | 132                           | –              | 13                           |
| 173         | 55           | 118                           | –              | –                            |

# Notes to the condensed consolidated financial statements

## 1. Basis of presentation and accounting policies

### 1.1 Basis of preparation

The condensed consolidated financial statements for the year ended 31 December 2023 have been prepared by the group's finance department, acting under the supervision of P Burnett, CA(SA), the finance director of the group.

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements. The Listings Requirements require condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS®) Accounting Standards and Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and to also, as a minimum, contain the information required by IAS 34, *Interim Financial Reporting*.

The accounting policies applied in the preparation of these condensed consolidated financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous consolidated annual financial statements with the exception of *IFRS 17, Insurance Contracts*. See note 20 for the impact and restatement from the implementation of IFRS 17.

### 1.2 Change in accounting estimate

During the year the group reviewed the current condition of certain existing property, plant and equipment (PPE) and intangible assets (IA) and determined that the useful life is above the previous determined estimate due to the fact that it is still in use. As a result the estimated useful life of the various PPE and IA items were revised from five years to eight years. The change in accounting estimate is accounted for prospectively from 1 January 2023. The net effect of the changes in the current financial year was a decrease in depreciation expense of R4 million and a decrease in amortisation of R4 million.

## 2. Inventories

|                                      | 2023<br>Rm | %<br>change | 2022<br>Rm |
|--------------------------------------|------------|-------------|------------|
| Merchandise for sale                 | 269        | (27.5)      | 371        |
| Provision for inventory obsolescence | (19)       | 26.7        | (15)       |
| Goods in transit                     | 35         | (25.5)      | 47         |
|                                      | 285        | (29.3)      | 403        |

The total amount of inventories expensed to Retail cost of sales during the year ended 31 December 2023 was R555 million (2022: R693 million). Inventory sold at less than cost during the year ended 31 December 2023 amounted to R15 million (2022: R27 million) and inventory write-downs recognised as an expense during the year ended 31 December 2023 amounted to R4 million (2022: R6 million).

### 3. Trade and other receivables

|  |     | 2023<br>Rm   | %<br>change | 2022<br>Rm |
|--|-----|--------------|-------------|------------|
| <b>Group</b>   |     |              |             |            |
| Trade and loan receivables                           |     | 5 955        | 11.9        | 5 323      |
| Provision for impairment                             |     | (1 285)      | 7.1         | (1 200)    |
| Legal book sale receivable                           |     | 38           | 100.0       | –          |
| Other receivables                                    |     | 65           | (26.9)      | 89         |
|  |     | <b>4 773</b> | 13.3        | 4 212      |
| Provision for impairment as a % of gross receivables | (%) | <b>21.6</b>  | (59.7)      | 22.5       |
| Credit impairment costs as a % of revenue            | (%) | <b>29.7</b>  | (357.5)     | 29.3       |
| <b>Retail</b>  |     |              |             |            |
| Gross carrying amount                                |     | 1 616        | (20.5)      | 2 033      |
| Performing (Stage 1)                                 |     | 893          | (11.1)      | 1 004      |
| Underperforming (Stage 2)                            |     | 244          | (34.2)      | 371        |
| Non-performing (Stage 3)                             |     | 479          | (27.2)      | 658        |
| Provision for impairment                             |     | (475)        | (31.4)      | (692)      |
| Performing   |     | (99)         | (22.2)      | (127)      |
| Underperforming                                      |     | (92)         | (42.8)      | (160)      |
| Non-performing                                       |     | (284)        | (29.8)      | (405)      |
| Net carrying amount                                  |     | 1 141        | (14.9)      | 1 341      |
| Performing   |     | 794          | (9.4)       | 877        |
| Underperforming                                      |     | 152          | (27.8)      | 211        |
| Non-performing                                       |     | 195          | (23.0)      | 253        |
| Provision for impairment as a % of gross receivables | (%) | <b>29.4</b>  |             | 34.0       |
| Performing   | (%) | <b>11.1</b>  |             | 12.6       |
| Underperforming                                      | (%) | <b>37.6</b>  |             | 43.1       |
| Non-performing                                       | (%) | <b>59.4</b>  |             | 61.6       |
| Credit impairment costs as a % of revenue            | (%) | <b>18.6</b>  |             | 21.6       |
| Stages 2 and 3 loans cover                           | (%) | <b>65.7</b>  |             | 67.2       |

**NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**  
CONTINUED

**3. Trade and other receivables (continued)**

|  |     | <b>2023</b>  | %      | 2022      |
|--|-----|--------------|--------|-----------|
|  |     | <b>Rm</b>    | change | <b>Rm</b> |
| <b>Weaver Fintech</b>                                |     |              |        |           |
| Gross carrying amount                                |     | <b>4 339</b> | 31.9   | 3 290     |
| Performing (Stage 1)                                 |     | <b>3 127</b> | 22.5   | 2 553     |
| Underperforming (Stage 2)                            |     | <b>653</b>   | >100.0 | 215       |
| Non-performing (Stage 3)                             |     | <b>559</b>   | 7.1    | 522       |
| Provision for impairment                             |     | <b>(810)</b> | 59.4   | (508)     |
| Performing   |     | <b>(123)</b> | 7.9    | (114)     |
| Underperforming                                      |     | <b>(307)</b> | >100.0 | (68)      |
| Non-performing                                       |     | <b>(380)</b> | 16.6   | (326)     |
| Net carrying amount                                  |     | <b>3 529</b> | 26.9   | 2 782     |
| Performing   |     | <b>3 004</b> | 23.2   | 2 439     |
| Underperforming                                      |     | <b>346</b>   | >100.0 | 147       |
| Non-performing                                       |     | <b>179</b>   | (8.7)  | 196       |
| Provision for impairment as a % of gross receivables | (%) | <b>18.7</b>  |        | 15.4      |
| Performing   | (%) | <b>3.9</b>   |        | 4.5       |
| Underperforming                                      | (%) | <b>47.0</b>  |        | 31.6      |
| Non-performing                                       | (%) | <b>68.0</b>  |        | 62.5      |
| Credit impairment costs as a % of revenue            | (%) | <b>40.3</b>  |        | 41.1      |
| Stages 2 and 3 loans cover                           | (%) | <b>66.8</b>  |        | 68.9      |

Trade and loan receivables have repayment terms of between 1 and 36 months and attract interest based on rates as determined by the National Credit Act. Included in trade and loan receivables are amounts approximating R1 329 million (31 December 2022: R1 078 million) which contractually fall due in excess of one year. These amounts are reflected as current as they form part of the normal operating cycle.



#### 4, Interest-bearing liabilities

|                                      | Mortgage<br>bond<br>Rm | Suspensive<br>sale<br>agreement<br>Rm | Commercial<br>term loan<br>Rm | Total<br>Rm  |
|--------------------------------------|------------------------|---------------------------------------|-------------------------------|--------------|
| <b>2023</b>                          |                        |                                       |                               |              |
| <b>Balance at 1 January 2023</b>     | <b>178</b>             | <b>36</b>                             | <b>1 313</b>                  | <b>1 527</b> |
| Borrowings raised                    | –                      | 3                                     | 739                           | 742          |
| Interest and administration fees     | 17                     | 4                                     | 189                           | 210          |
| Capital payments made                | (30)                   | (18)                                  | (295)                         | (343)        |
| Interest payments made               | (17)                   | (4)                                   | (175)                         | (196)        |
| Deal origination costs raised (cash) | –                      | –                                     | (2)                           | (2)          |
| Deal origination costs amortised     | –                      | –                                     | 6                             | 6            |
| <b>Balance at 31 December 2023</b>   | <b>148</b>             | <b>21</b>                             | <b>1 775</b>                  | <b>1 944</b> |
| <b>2022</b>                          |                        |                                       |                               |              |
| <b>Balance at 1 January 2022</b>     | 204                    | 54                                    | 846                           | 1 104        |
| Borrowings raised                    | –                      | 2                                     | 550                           | 552          |
| Interest and administration fees     | 15                     | 4                                     | 95                            | 114          |
| Capital payments made                | (26)                   | (20)                                  | (83)                          | (129)        |
| Interest payments made               | (15)                   | (4)                                   | (95)                          | (114)        |
| <b>Balance at 31 December 2022</b>   | <b>178</b>             | <b>36</b>                             | <b>1 313</b>                  | <b>1 527</b> |

During the year the group refinanced and upsized its interest-bearing loans and borrowings facilities from R1.8 billion to R3.0 billion. The facilities consist of a revolving credit facility and bullet term loan facilities. The existing group facility lenders all participated in the upsizing and one new lender was added to the group.

The refinancing constituted a substantial modification on the basis that the refinanced facilities were replaced by upsized new facilities with a revised tenure and the old loan being derecognised and the new loan recognised at fair value. The impact on profit is deemed immaterial.

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

### CONTINUED

#### 5. Retail sales

|   | 2023<br>Rm   | %<br>change   | 2022<br>Rm   |
|---|--------------|---------------|--------------|
| Disaggregation of Retail sales by product type is as follows: |              |               |              |
| Homeware  | 793          | (21.3)        | 1 008        |
| Appliances and electronics                                    | 318          | (25.2)        | 425          |
| Fashion and footwear  | 30           | (50.8)        | 61           |
| Furniture   | 86           | (23.9)        | 113          |
|   | <b>1 227</b> | <b>(23.6)</b> | <b>1 607</b> |
| Disaggregation of Retail sales by channel is as follows:      |              |               |              |
| Contact centre  | 677          | (25.9)        | 914          |
| Digital   | 324          | (29.1)        | 457          |
| Showroom and ChoiceCollect                                    | 207          | (5.5)         | 219          |
| Sales agents  | 19           | 11.8          | 17           |
|   | <b>1 227</b> | <b>(23.6)</b> | <b>1 607</b> |

Retail sales are settled at a point in time.

#### 6. Fees

|                           | 2023<br>Rm | %<br>change | Restated*<br>2022<br>Rm |
|---------------------------|------------|-------------|-------------------------|
| Service fees              | 276        | 22.1        | 226                     |
| Arrear collection fees    | 59         | 40.5        | 42                      |
| Insurance commission fees | 54         | 25.6        | 43                      |
|                           | <b>389</b> | <b>25.1</b> | <b>311</b>              |

\* Insurance and credit life insurance, which were disclosed separately in fees have now been disclosed as insurance revenue for the year ended 31 December 2023 due to the requirements of IFRS 17, Insurance Contracts effective from 1 January 2023.

#### 7. Credit impairment losses

|                                       | 2023<br>Rm   | %<br>change | Restated*<br>2022<br>Rm |
|---------------------------------------|--------------|-------------|-------------------------|
| Trade receivables – Retail            | 332          | (30.3)      | 476                     |
| Loans receivable – Weaver Fintech     | 760          | 27.9        | 594                     |
| <b>Total credit impairment losses</b> | <b>1 092</b> | <b>2.1</b>  | <b>1 070</b>            |

\* See note 20 for details regarding the restatement as a result of the adoption of IFRS 17.

There were no significant recoveries in the current period or in the prior period.

## 8. Trading expenses

|   | 2023<br>Rm   | %<br>change | Restated*<br>2022<br>Rm |
|---|--------------|-------------|-------------------------|
| <b>Expenses by nature</b>   |              |             |                         |
| Auditor's remuneration  | 8            | –           | 8                       |
| Amortisation of intangible assets   | 39           | (13.3)      | 45                      |
| Depreciation of property, plant and equipment and right-of-use assets       | 52           | (11.9)      | 59                      |
| Total depreciation of property, plant and equipment and right-of-use assets | 56           | (9.7)       | 62                      |
| Less: disclosed under insurance expenses                                    | (4)          | 33.3        | (3)                     |
| Marketing costs   | 245          | (7.5)       | 265                     |
| Customer operations and support   | 119          | 30.8        | 91                      |
| IT costs  | 41           | (12.8)      | 47                      |
| Facility expenses   | 39           | (2.5)       | 40                      |
| Staff costs: short-term employee benefits                                   | 527          | 4.8         | 503                     |
| Total staff costs   | 618          | 5.6         | 585                     |
| Less: disclosed under Retail cost of sales                                  | (28)         | (17.6)      | (34)                    |
| Less: staff costs capitalised to intangibles                                | (28)         | 21.7        | (23)                    |
| Less: disclosed under insurance expenses                                    | (35)         | 39.8        | (25)                    |
| Other costs   | 31           | (8.8)       | 34                      |
| Total other costs   | 282          | (3.1)       | 291                     |
| Less: warehouse and fulfilment cost disclosed under Retail cost of sales    | (116)        | (12.1)      | (132)                   |
| Less: disclosed under insurance expenses                                    | (135)        | 8.0         | (125)                   |
| <b>Total other trading expenses</b>   | <b>1 101</b> | <b>0.8</b>  | <b>1 092</b>            |

\* Policyholder claims and benefits (R51 million) were previously included in other costs and have been disclosed as part of insurance expenses for the year ended 31 December 2023 due to the requirements of IFRS 17, Insurance Contracts effective from 1 January 2023.

## 9. Other net gains

|   | 2023<br>Rm | %<br>change   | 2022<br>Rm |
|---|------------|---------------|------------|
| Impairment of property, plant and equipment | –          | (100.0)       | (1)        |
| Intangible asset impairment reversal        | 14         | 100.0         | –          |
| Impairment of intangible assets             | (8)        | <(100.0)      | (1)        |
| Foreign exchange gain                       | 5          | 25.0          | 4          |
| Fair value (loss)/gain                      | (7)        | <(100.0)      | 7          |
|   | <b>4</b>   | <b>(55.6)</b> | <b>9</b>   |

**NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**  
CONTINUED

**10. Other income**

|   | <b>2023</b><br><b>Rm</b> | %       | 2022 |
|---|--------------------------|---------|------|
|   |                          | change  | Rm   |
| Prescription of trade and loans payable | <b>3</b>                 | (70.0)  | 10   |
| Insurance claim income                  | –                        | (100.0) | 3    |
| VAT refund recovery                     | <b>19</b>                | 100.0   | –    |
| Other                                   | <b>2</b>                 | (33.3)  | 3    |
|   | <b>24</b>                | 50.0    | 16   |

**11. Basic and headline earnings per share**

The calculation of basic and headline earnings per share is based upon profit for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue as follows:

|   | <b>2023</b><br><b>Rm</b> | %       | 2022    |
|---|--------------------------|---------|---------|
|   |                          | change  | Rm      |
| Earnings attributable to ordinary shareholders                              | <b>327</b>               | 8.3     | 302     |
| Adjusted for the effect of:   |                          |         |         |
| Compensation from third parties for damage to property, plant and equipment | –                        | (100.0) | (3)     |
| Impairment of property, plant and equipment                                 | –                        | (100.0) | 1       |
| Impairment of intangible assets   | <b>8</b>                 | >100.0  | 1       |
| Impairment of intangible assets reversal                                    | <b>(14)</b>              | 100.0   | –       |
| Taxation effect   | <b>2</b>                 | 100.0   | –       |
| <b>Headline earnings for the period</b>                                     | <b>323</b>               | 7.2     | 301     |
| Weighted average number of ordinary shares in issue ('000)                  | <b>104 329</b>           |         | 104 337 |
| Weighted average number of diluted shares in issue ('000)                   | <b>105 295</b>           |         | 106 809 |
| Earnings per share (cents)  |                          |         |         |
| Basic   | <b>313.4</b>             | 8.3     | 289.4   |
| Headline  | <b>309.3</b>             | 7.2     | 288.5   |
| Basic – diluted   | <b>310.6</b>             | 9.9     | 282.7   |
| Headline – diluted  | <b>306.5</b>             | 8.7     | 281.8   |

## 12. Reconciliation of cash generated from operations

|  | 2023<br>Rm | %        | 2022<br>Rm |
|--|------------|----------|------------|
|  |            | change   |            |
| Profit before taxation                                     | 394        | 10.7     | 356        |
| Deduct finance income earned                               | (1 630)    | 18.3     | (1 378)    |
| Add back finance income received                           | 1 585      | 18.8     | 1 334      |
| Profit from insurance cells                                | (23)       | 76.9     | (13)       |
| Depreciation and amortisation                              | 95         | (11.2)   | 107        |
| (Reversal of impairment)/Impairment of assets              | (6)        | <(100.0) | 2          |
| Share-based employee share expense                         | 39         | 34.5     | 29         |
| Fair value loss/(gain)                                     | 7          | >100.0   | (7)        |
| Interest expense   | 232        | 79.8     | 129        |
| Interest income  | (7)        | >100.0   | (3)        |
| <b>Operating cash flows before working capital changes</b> | <b>686</b> | 23.4     | 556        |
| Movements in working capital                               | (430)      | (44.2)   | (770)      |
| Decrease/(increase) in inventories                         | 118        | >100.0   | (139)      |
| Decrease in trade receivables – Retail                     | 228        | >100.0   | 54         |
| Increase in loans receivable – Weaver Fintech              | (730)      | 9.4      | (667)      |
| Increase in other receivables                              | (14)       | (48.1)   | (27)       |
| (Decrease)/increase in trade and other payables            | (29)       | <(100.0) | 5          |
| (Decrease)/increase in insurance contract liability        | (3)        | <(100.0) | 4          |
|  | <b>256</b> | >100.0   | (214)      |

## 13. Group segmental analysis

The group has mainly three reportable operating segments (Weaver Fintech, Retail and Property), which are unchanged from the previous reporting date. The segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, being HomeChoice International plc's directors.

Weaver Fintech is a rapidly growing diversified digital fintech ecosystem consisting of customer payments, lending and insurance products and merchant services that include Buy Now, Pay Later solutions sold digitally under the Pay Just Now brand.

Retail consists of the group's HomeChoice omni-channel retail operations focused on homeware categories.

The group's property company, which owns commercial properties utilised within the group, are included in the Property segment.

Intercompany loans are shown net for purposes of the segmental assets and liabilities per the segment report.

The reportable segments are separately monitored by the chief operating decision-maker for the purposes of decision-making for capital allocation and assessing performance. All segments are measured against operating profit.

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 14. Related party transactions and balances

Related party transactions, similar to those disclosed in the group's annual financial statements for the year ended 31 December 2022, took place during the period and related party balances exist at the reporting date. Related party transactions include key management personnel compensation and intragroup transactions which have been eliminated on consolidation.

### 15. Capital commitments for property, plant and equipment and intangible assets

|                           | 2023<br>Rm | %<br>change | 2022<br>Rm |
|---------------------------|------------|-------------|------------|
| Approved by the directors | 11         | (8.3)       | 12         |

### 16. Fair value

In terms of paragraph 29(a) of IFRS 7, the carrying amounts reported in the statement of financial position approximates fair value.

### 17. Contingent liabilities

The group had no significant contingent liabilities at the reporting date.

### 18. Going concern

The group assessed the going concern assumption at 31 December 2023 as a result of the current economic, trading and operational conditions on the group consolidated financial statements, as well as the financial statements of each statutory entity. The directors are comfortable, based on the forecast evaluation and current financial position, that the group will continue to operate as a going concern for the 12 months after 31 December 2023.

As at the reporting date the group had unutilised banking and overdraft facilities of R1 493 million (2022: R646 million) and is well within the financial covenants with its financiers.

### 19. Events after the reporting date

No other event material to the understanding of these condensed group financial statements has occurred between the year ended 31 December 2023 and the date of approval.

## 20. Adoption of IFRS 17, Insurance Contracts

The adoption of IFRS 17 did not change the classification of the group's insurance contracts.

As a result of applying IFRS 17 the following changes are noted:

- The statement of financial position includes insurance contract assets and insurance contract liabilities as measured in terms of IFRS 17.
- Insurance contract liabilities consist of the liability for incurred claims (previously the outstanding claims and incurred but not reported (IBNR) provision) which is remeasured by applying a risk adjustment and discount factor.
- The presentation of the group statement of profit or loss and other comprehensive income has been amended. The measurement of insurance revenue was updated to comply with the requirements of IFRS 17. Insurance expenses have been separately disclosed and were derived through a cost allocation model by reallocating attributable operating costs to insurance expenses.

IFRS 17 has not materially impacted the profit earned by the group. The profit earned over the lifetime of an insurance contract remains the same, only the trajectory of the profit recognition is impacted.

The net impact on retained earnings on 1 January 2022 was not material.

### Impact of restatement on group's statement of profit or loss and other comprehensive income at 31 December

|                          | Previously reported<br>Rm | Re-statement<br>Rm | Restated amount<br>Rm |
|--------------------------|---------------------------|--------------------|-----------------------|
| <b>2022</b>              |                           |                    |                       |
| Insurance revenue        | -                         | 314                | 314                   |
| Other trading expenses   | (1 259)                   | 167                | (1 092)               |
| Credit impairment losses | (1 080)                   | 10                 | (1 070)               |
| Insurance expenses       | -                         | (173)              | (173)                 |
| Fees                     | 627                       | (316)              | 311                   |
| Retail sales             | 1 610                     | (3)                | 1 607                 |

### Statement of financial position restatement at 31 December

|                                | Previously reported<br>Rm | Re-statement<br>Rm | Restated amount<br>Rm |
|--------------------------------|---------------------------|--------------------|-----------------------|
| <b>2022</b>                    |                           |                    |                       |
| Insurance contract assets      | -                         | 63                 | 63                    |
| Other investments              | 93                        | (63)               | 30                    |
| Trade and other payables       | 360                       | (25)               | 335                   |
| Insurance contract liabilities | -                         | 25                 | 25                    |





## Administration

### Country of incorporation

Republic of Mauritius

### Date of incorporation

9 April 2020

### Company registration number

C171926

### Registered office

c/o Sanlam Trustees International Limited  
Labourdonnais Village  
Mapou  
Riviere du Rempart  
31803  
Mauritius

### Company secretary

Sanlam Trustees International (Mauritius)

### Auditors

PricewaterhouseCoopers  
Republic of Mauritius

### Corporate bank

The Mauritius Commercial Bank Limited

### JSE listing details

Share code: HIL  
ISIN: MT0000850108

### Sponsor

Rand Merchant Bank, a division of FirstRand  
Bank Limited

### Transfer secretaries

Computershare Investor Services Proprietary  
Limited

## Directorate

### Executive directors

S Maltz (Chair\*), S Wibberley (Chief Executive Officer), P Burnett

### Non-executive directors

E Gutierrez-Garcia\*, M Harris, P Joubert (Lead Independent Director),  
R Phillips, A Ogunsanya\* (alternate)

\* Non-independent

