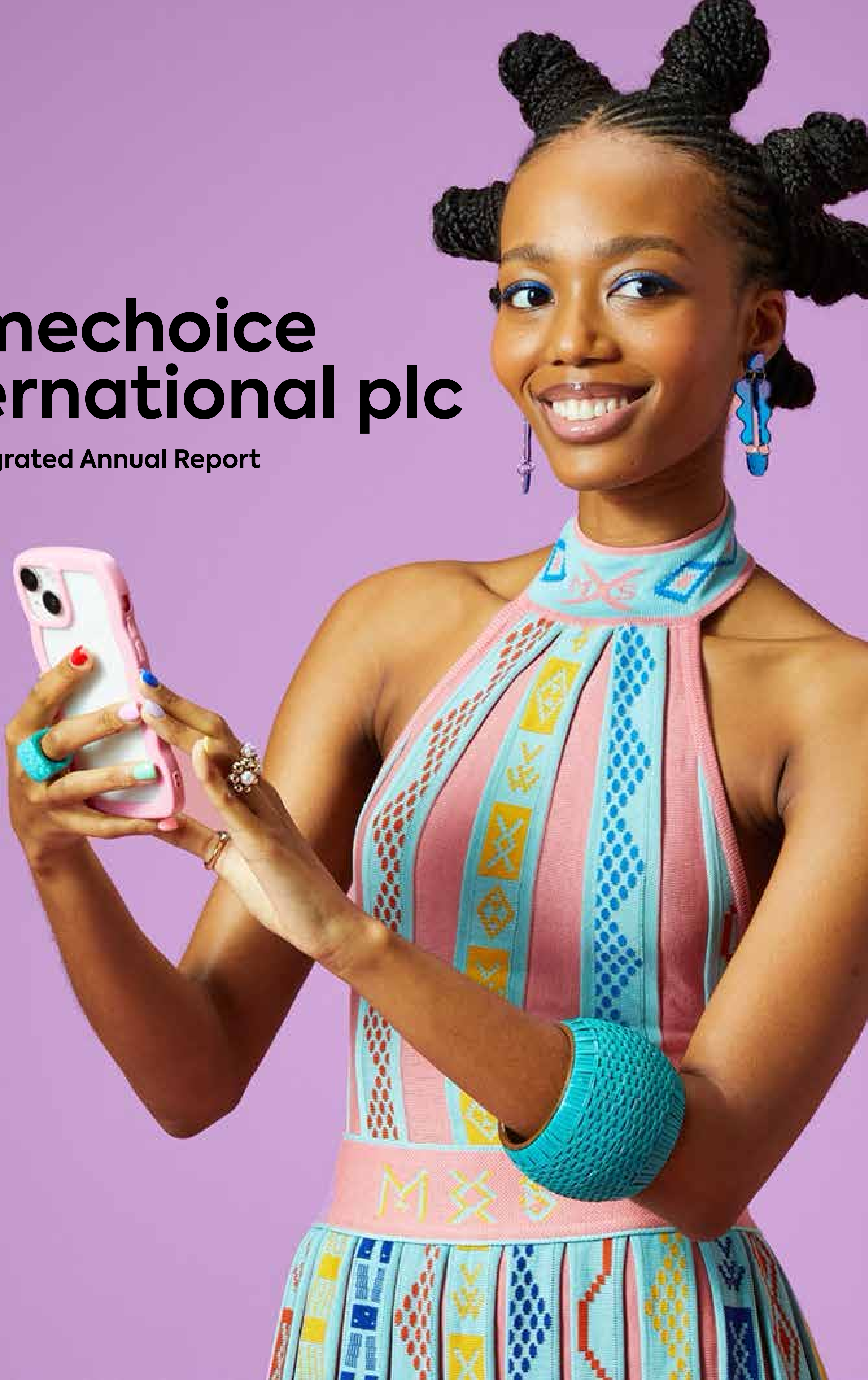
Homechoice International plc

2023 Integrated Annual Report



HiL PLC

HiL PLC

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

Her favourite digital platform

weaver fintech

finchoice

PAYJUSTNOW®

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

51% **R1.9bn** Revenue

92% **R622m** Segmental operating profit*

Creating a home she loves

homechoice

Omni-channel retailer delivering quality homeware merchandise directly to homes

49% **R1.8bn** Revenue

8% **R52m** Segmental operating profit*

Customers are at the core of the group's strategy

Attracting new customers and retaining existing ones are critical to drive future growth of the group

2 034 000 customers

Strategic pillars driving customer growth, digital focus and building fintech ecosystems

1. Innovation
2. Customer acquisition
3. Digital first
4. Merchant adoption
5. Customer experience

* Group operating profit of R619m is after other group company costs of R55m

Our Group performance

Fintech dominates delivering double-digit profitable growth

Revenue
R3.7 billion
2022: R3.6 billion

Operating profit
R619 million
up 28.4%
2022: R482 million

Loans disbursed	**R4.8 billion** **+12.5%** 2022: R4.3 billion
BNPL GMV*	**R1.5 billion** **up 104%**
Cash collected	**R8.5 billion** **up 18%** 2022: R7.3 billion
Dividends	**153.0c** **up 9%** 2022: 141.0 cents
HEPS	**309.3 c** **up 7.2%** 2022: 288.5 cents

* Buy Now, Pay Later Gross Merchant Value

Strong operational metrics

Customers
2.0 million
up 39%

Merchants
2 500+
across 17 product verticals

Digital transactions
84%
2022: 75%

Digital users
1.4 million
average monthly digital users

#1
BNPL in South Africa

Our integrated report

This integrated annual report aims to demonstrate how our leading position in digital consumer financial solutions and products and retail to the mobile-savvy mass market in South Africa contributes to value creation in the short, medium and longer term for our financial stakeholders and the broader stakeholder base.

Reporting suite

The following documents make up the suite of reports for the year ended 31 December 2023:

- **IAR** Integrated annual report
- **AFS** Annual financial statements report
- **IP** Investor presentations
- **KING IV** King IV application register

They are available on the company's website, **www.homechoiceinternational.com**

We are committed to providing shareholders with accurate, balanced and transparent reporting, and to continually enhance financial disclosure to meet best practice standards in the listed company environment.

Scope and boundary of the report

This report provides a consolidated view of the performance and activities of HomeChoice International (HIL) and its subsidiaries (the group) for the period 1 January 2023 to 31 December 2023.

The scope of this report incorporates the financial reporting boundary of the group and our operations in Mauritius, South Africa and its neighbouring countries.

The boundary of the report includes the material issues, risks, opportunities, and outcomes arising from the external environment which includes the fintech and retail landscapes, and stakeholders, including but not limited to employees, customers, suppliers, business partners, and communities which can significantly impact our ability to create value over the short, medium and long term.

There has been no material change in the comparability of reporting from 2022.

Reporting frameworks

The group is committed to integrated reporting and is on a journey to fully adopt the IFRS Foundation's Framework (The Framework). It is also aligned to the requirements of the King IV™ Report on Corporate Governance for South Africa 2016. In compiling the report, we have further considered information included in previous reports, internal management and board reports, and legislative reporting requirements, including the JSE Limited Listings Requirements. The International Financial Reporting Standards are adopted where they are relevant to our financial reporting.

Materiality has been applied in determining the content and disclosure in this report, ensuring the report is both concise and relevant to our shareholders.

Material issues are considered to be those that may impact on the group's ability to satisfy customers' needs, improve financial returns and deliver sustainable growth. The material issues are covered in more detail on pages 20 to 30.

GROUP OVERVIEW
THE YEAR UNDER REVIEW
GOVERNANCE

Assurance

The group's external auditor, PricewaterhouseCoopers, has provided assurance on the annual financial statements and expressed an unqualified audit opinion on them. The financial statements have been prepared under the supervision of Paul Burnett CA(SA), the group finance director of HIL. The content of the integrated report has been reviewed by the directors and management but has not been externally assured. Some elements are assured and highlighted as such in the report.

Forward-looking statements

The integrated annual report contains forward-looking statements relating to the operations, financial position and anticipated performance of the group. These are not statements of fact but rather statements by the group based on current estimates and expectations of future performance.

No assurance can be given that forward-looking statements will prove to be correct and shareholders are cautioned not to place undue reliance on these statements. These forward-looking statements have not been reviewed or reported on by the group's external auditor.

Approval

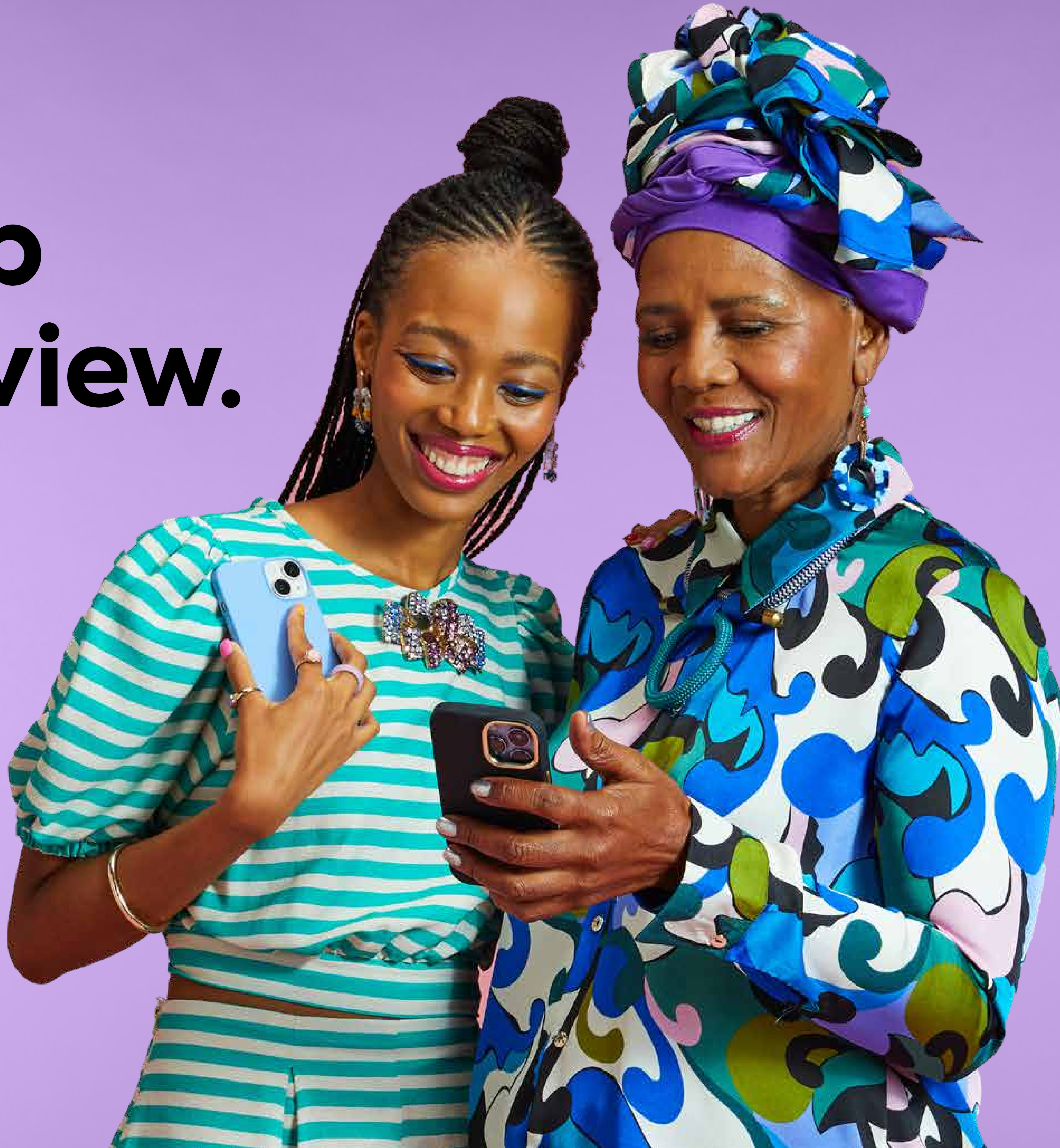
The audit and risk committee, which has oversight responsibility for integrated reporting, has confirmed that the report fairly represents the integrated performance of the group and has recommended the report for approval by the board of directors. The report has been prepared using the IIRC Framework.

The board approved the 2023 integrated annual report for release to shareholders on 30 April 2024.

Shirley Maltz
Executive Chair

Sean Wibberley
HIL Chief Executive Officer

Group Overview.



Our history

The group has significantly transformed into a very successful and profitable fintech group driven by a digital-first strategy and a sizeable customer base.

Before 2010

1985
HomeChoice established in South Africa as a mail order retailer of homeware products to mass market consumers on credit

homechoice

2007
FinChoice established to offer financial services products to HomeChoice customers

finchoice

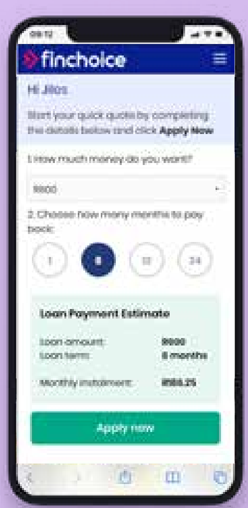
Group revenue

Group digital transactions

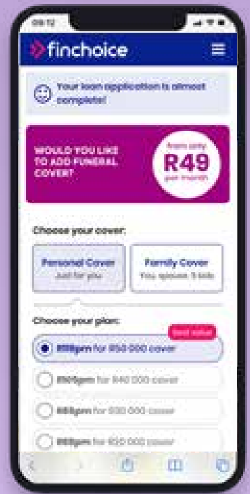
40% | 43% | 53% | 65% | 75% | 84%

R3.7 billion

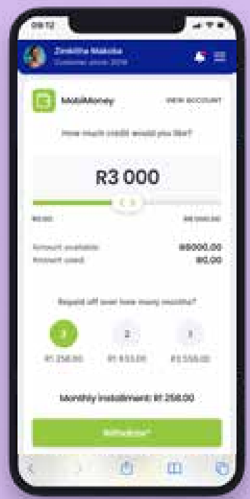
2011
Digital loans



2016
Standalone insurance



2019
Mobile wallet



2020
COVID-19

2021
PayJustNow acquired

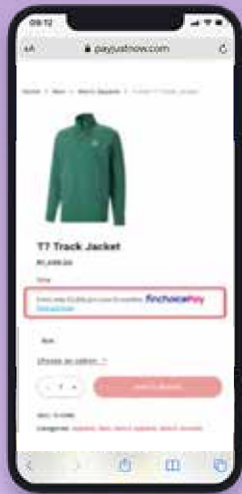
PAYJUSTNOW®

Weaver Fintech formed

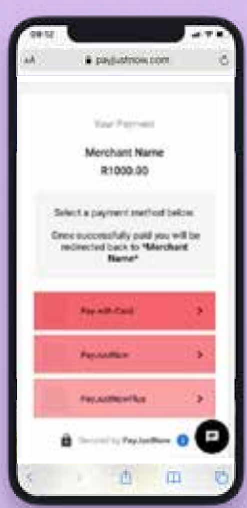
weaver fintech

2021
BNPL payments

2022
Retail instalment credit



2022
PJN Product suite

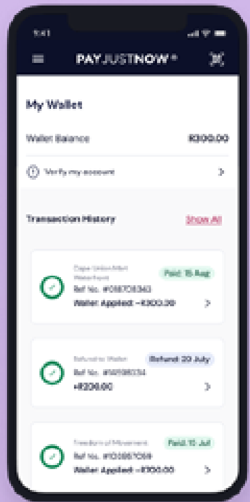


2023
weaver fintech

Driving Weaver ecosystem

2023
Personal Accident

E-wallet



Our Customers

Digitally savvy, urban African woman

Homechoice International

2 034 000
Customers up 39%

71% Women

R15.7k monthly income

38 years average age

Strong digital engagement

1.3m Facebook and Instagram followers

821k App users

1.4m Average monthly users

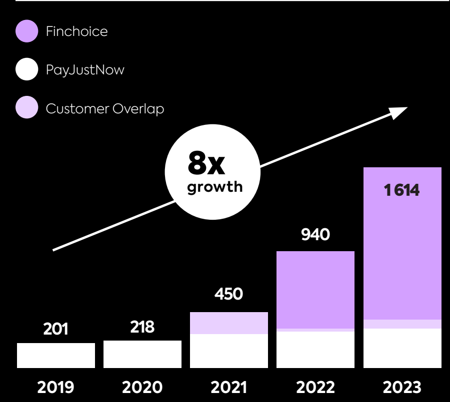
Weaver Fintech

1 614 500
digitally engaged customer base

8x
customer base growth
in 4 years

710k
Fintech app users growing 70%

Rapidly growing fintech customer base ('000)



86% Disbursements for reloans from repeat customers

75% GMV from repeat customers

Retail

534 400
Customers down 16%

111 850
HC app users

1.1m Facebook friends

158k Instagram followers

31% digital shoppers

Our Digital First Operations

Building out our digital ecosystem will increase the group's trajectory. Automation of services and customer journeys drives efficiencies and enhances scalable digital platforms.

We focus on the mobile phone to deliver customer convenience 24/7.

Data personalisation

- Drives improved take-up and conversion rates
- Delivering right offer at the right time
- Purchasing behaviour and lifestyle data
- Industry and employment sector data

Cloud based platforms

- Demand based usage
- Ensures system stability and offers scale
- Enables improved digital security and mitigates downtime from load-shedding

Social media monetisation

- Engaging customers any time, any place
- Harness social media – delivers sales and customer experience
- Empowering contact centre to become digital agents

Digital marketing

- MyDeals on PJN platform
- E-mail and SMS campaigns
- Affiliate and online search
- Funnel optimisation drives conversion

Machine learning algorithms

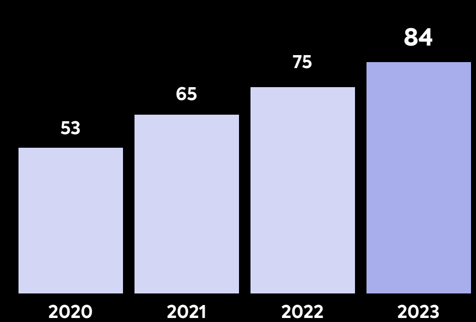
- Driving marketing campaign responses
- Propensity modelling driving increased conversions
- Credit scoring and collection efficiencies

API services

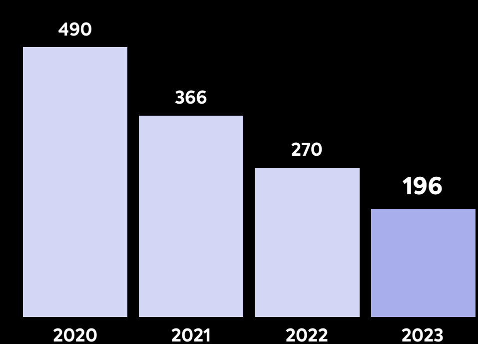
- Data-driven customer acquisition
- Personalised offers using real-time data
- Digitally savvy new customers on-boarded

Proven digital strategy drives spend and efficiencies

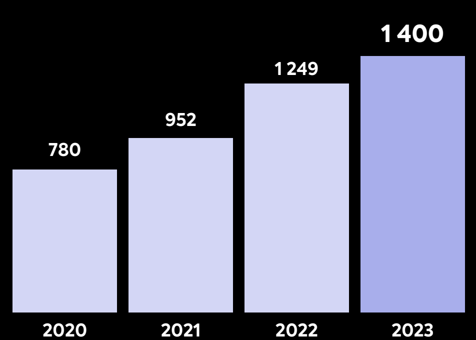
Group digital transactions mix %



Group direct cost per digital transaction (Rand)



Group avg monthly digital users ('000)



Our Strategy

The group's strategy has generated strong financial results for the year, and is unchanged for the year ahead.

Group strategy

Customers are at the heart of the group's strategy, and digitally focused execution is driving outsized customer adoption

1 Innovation

Product and credit innovation drives customer spend and income diversification

2 Customer acquisition

Data insights enable customer acquisition directly or through partners which we leverage to drive cross-sell opportunities

3 Digital first

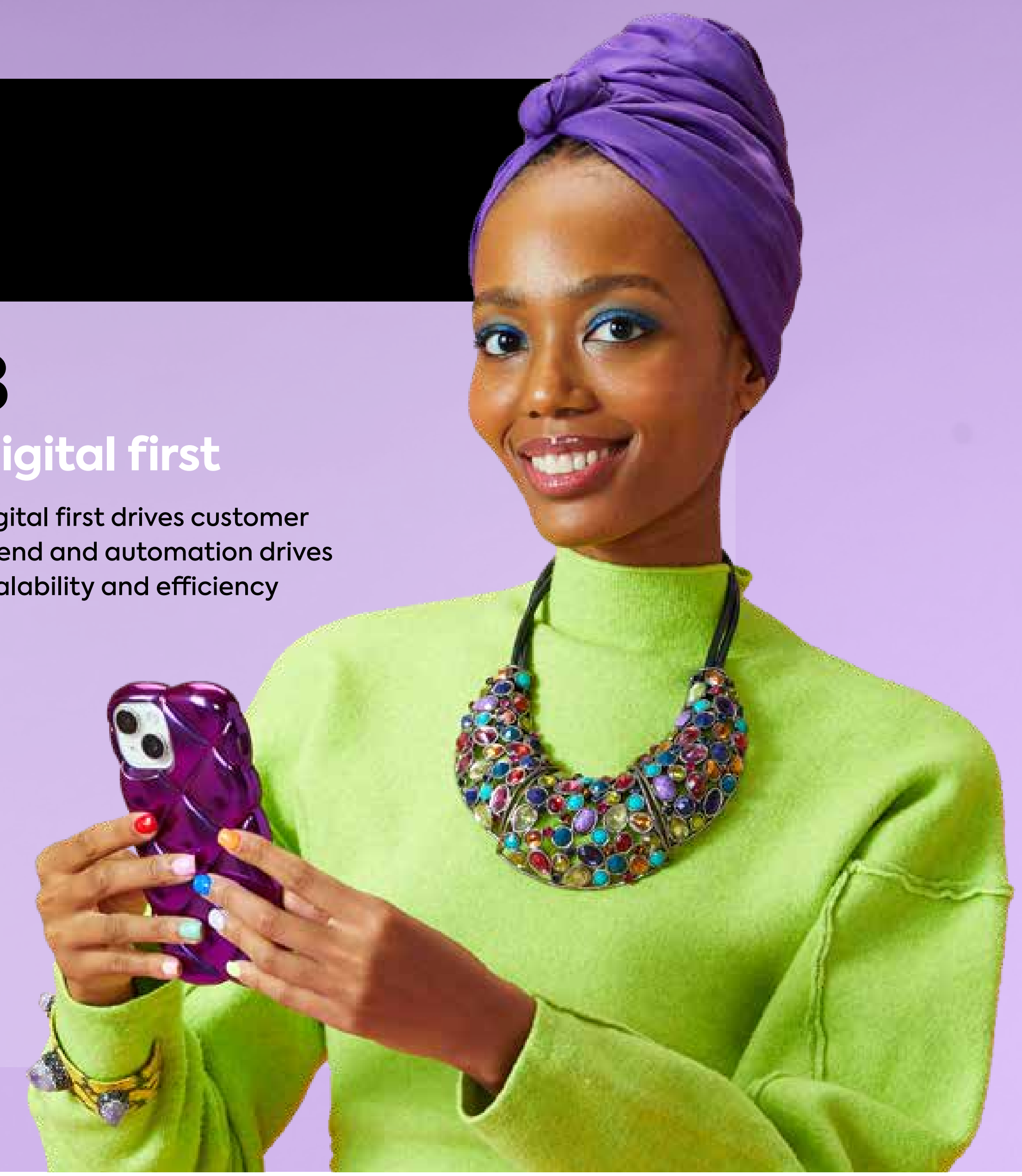
Digital first drives customer spend and automation drives scalability and efficiency

4 Merchant adoption

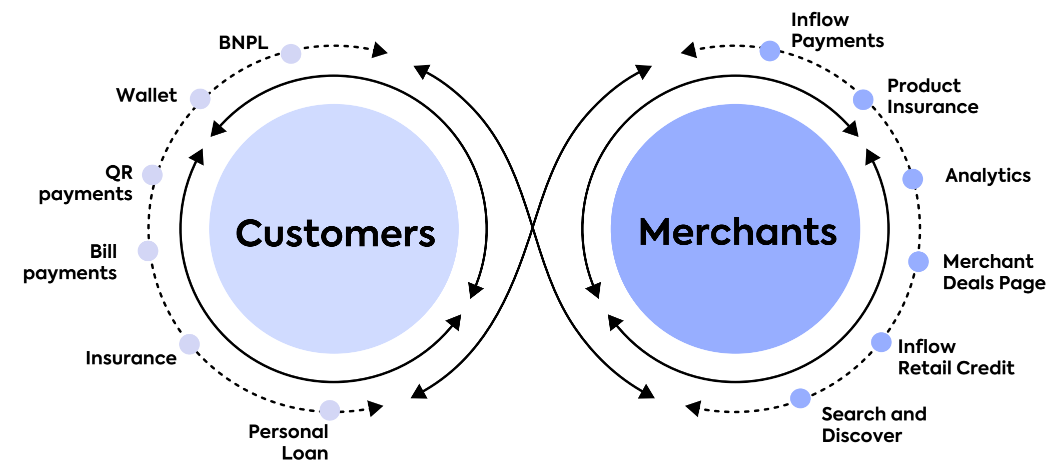
Drive merchant adoption and fees through strategic product and service progression

5 Customer experience

Improving customer experience drives loyalty and repeat engagement



Customers and merchants are key components of the Weaver Fintech ecosystem. The focus is on developing innovative products and payment solutions to further embed and entrench them in the ecosystem. The virtuous circle of merchants and customers can drive significant value to the group.



1 Innovation

Operating context

Product progression and innovation is a key driver of revenue growth and building out our fintech ecosystem.

The Weaver Fintech ecosystem has a range of digital personal loan, insurance, value-added services and payment products, specifically Buy Now, Pay Later (BNPL). Included in the payments suite is a Retail Installment Credit product, another payment option available at point of sale.

Our heritage retail business was built on providing quality and innovative homewares categories. We continue to maintain this ethos and build on the breadth of the range appealing to the mass market African woman – creating a home she loves.

Innovation of our credit offering provides financial inclusion for our target market while delivering acceptable yields to the group.

Strategic initiatives

- Extend range of fintech products to customers and merchants
- Innovation in heritage own-brand homeware categories
- Accelerated rollout of smaller format showrooms optimised with digital functionality

2 Customer Acquisition

Operating context

Our data-driven insights and our fast growing BNPL product drives customer acquisition.

Intentional digital marketing in Weaver Fintech's ecosystem delivers cross-selling of products in the 1.6 million base.

The group has almost 2.0 million customers with rich customer data by virtue of the information garnered through our digital channels.

882 000 new customers were acquired during the year primarily attracted to the PJN digital payment product and FinChoice loan and insurance products.
The acquisition of HomeChoice Retail customers was strategically constrained by credit tightening rules.

Use of digital technology delivers a seamless and convenient acquisition process for new customers.

Strategic initiatives

- Optimisation of data analytics to enhance data personalisation and customer acquisition
- Launch more fintech products appealing to the digitally-savvy urban African female customers
- Deliver growth of BNPL customers to expand the customer base in the ecosystem
- Increase customer acquisition in Retail within acceptable credit risk tolerance levels

3 Digital First

Operating context

Our digital-first mindset drives efficiency through scalable and easy to access platforms enabling growth of the group.

84% of the group's customer transactions are digital. Digital offers customers convenience and drives cost reduction for the group.

The fintech market in South Africa continues to experience rapid growth with a number of new Fintech entrants establishing a presence in the marketplace.

Combining digital and experiential shopping in Retail showrooms provides enhanced customer experience.

Strategic initiatives

- Technology design and deployment for mobile phone-first execution
- Automation of services and customer journeys to improve customer engagement
- Migrate from contact centre selling to agent voice assist
- Monetisation of social media platforms
- Scalable digital platforms to reduce costs and drive efficiencies

4 Merchant Adoption

Operating context

Driving the adoption of merchants in our Weaver Fintech ecosystem is a key growth strategy for the group.

Within the Weaver Fintech business, a digital and data-driven ecosystem for both customers and merchants creates value for merchants and embeds them in our ecosystem. A suite of products and services offered to merchants will generate opportunities to access the Weaver Fintech customer database and increased customer engagement.

Merchants benefit from referral traffic, search and discover by customers, data analytics and offering personalised deals to customers in the ecosystem. Referral traffic has more than doubled from FY2022 and search and discover functionality has driven 23 million searches.

Strategic initiatives

- Expand suite of products to merchants
- Provide additional services and functionality for merchants
- Empower merchants to onboard customers using proprietary tech solutions

5 Customer Experience

Operating context

Improving the customer experience drives loyalty, engagement and retention of our existing customer base.

With 2.0 million customers and 1.4 million average monthly web or mobi users, our customer engagement frequency is strong. Customers, as tracked by the Google 5 star methodology, rate our Weaver Fintech service high, with opportunity for the Retail business to improve. Customers expect a high level of service across all channels. Digital journeys must be frictionless, with a responsive customer support and service as needed.

A well-protected customer database which adheres to data privacy requirements, engenders trust in customers' minds.

Strategic initiatives

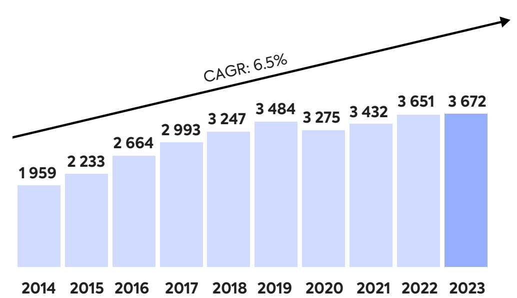
- Continued focus on Weaver Fintech's digital customer flows and Google rating of more then 4.5 stars
- Maintain and protect a full set of reliable, up-to-date customer information
- Provide responsive customer service and support and transition from a selling contact centre to agent voice assist
- Reduce response times for customers from account origination and sign-on processes, to receiving their delivery
- Digital and experiential shopping in Retail showrooms

Medium-term targets

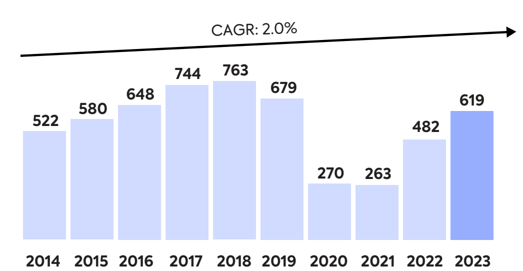
		Target	**2023**	2022****	2021	2020	2019**
Fees % of revenue	(%)	22 – 28	**22.2**	**18.2**	15.8	13.6	10.6
Retail gross profit margin	(%)	44 – 48	**43.0**	**46.5**	45.1	44.9	47.4
Operating profit margin	(%)	17 – 22	**16.9**	**13.2**	7.7	8.2	19.5
Return on equity	(%)	17 – 22	**9.2**	**9.0**	5.2	5.5	16.2
Net debt to equity	(%)	<70	**52.3**	**44.8**	29.3	20.1	33.0
Dividend cover	times	2.0 – 2.6	**2.0**	**2.0**	2.4	–	2.6***

* *PayJustNow acquired during 2021.*
** IFRS 16, Leases, *adopted effective 1 January 2019.*
*** Dividend cover applied but final dividend cancelled due to Covid-19.
*** Restated on the implementation of IFRS 17.

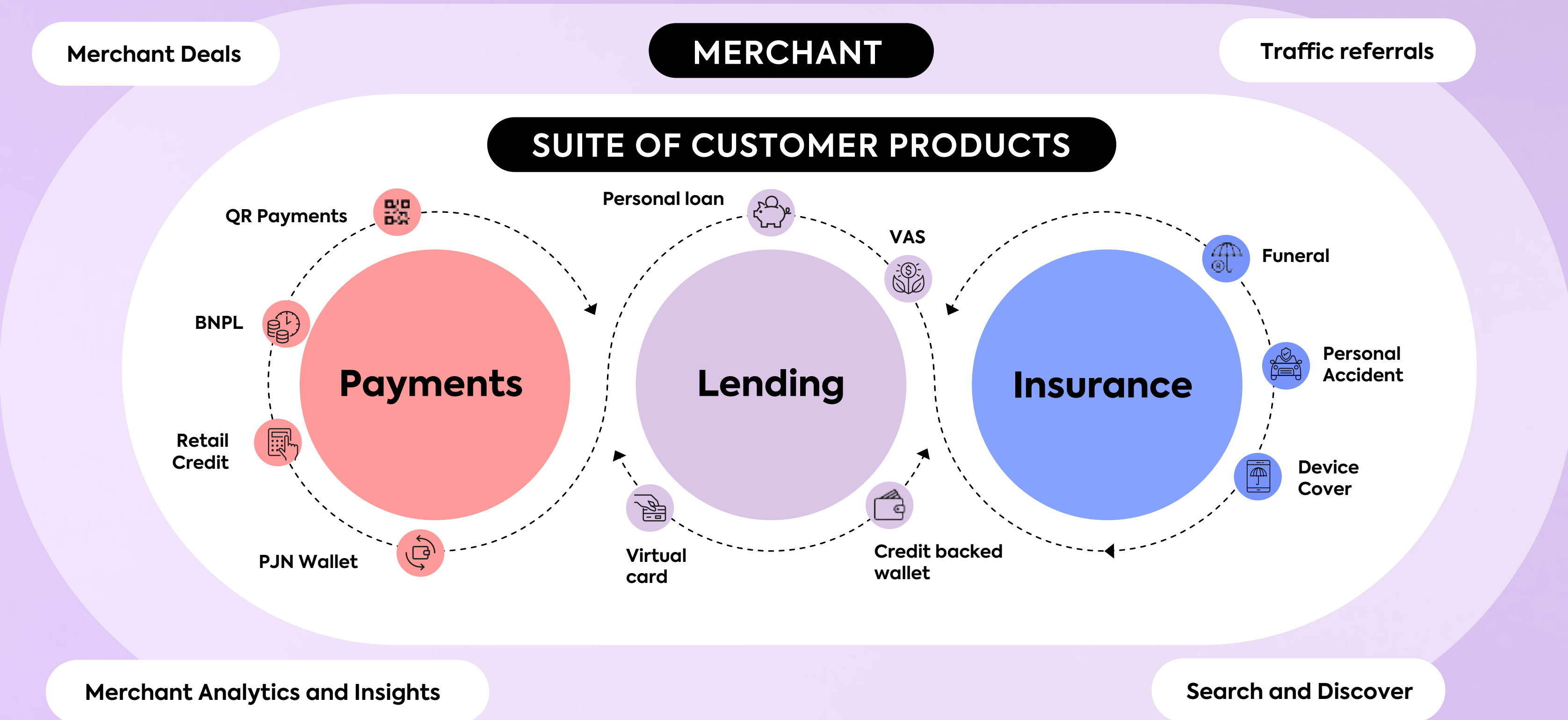
Group revenue Rand million



Group operating profit



Our fintech ecosystem drives cross-sell – increasing customer lifetime value and profitability



Customers

A suite of payment, lending and insurance products that meet customers needs

Innovation delivers additional products and functionality

Enter the ecosystem with one product and through product progression, customers use more products

Merchants

Access to payment options to drive customer spend

Upliftment in revenue with improved conversion

Platform to offer specific merchant deals to wide range of customers

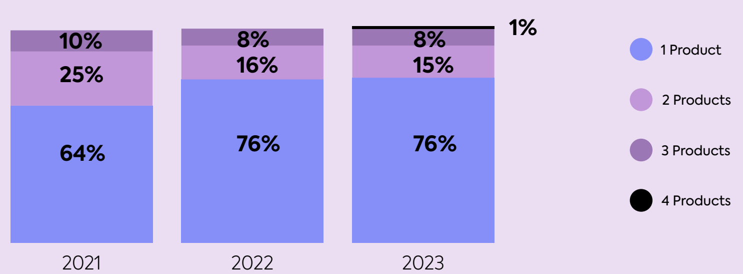
Traffic referrals from customers pursuing the site

Insights and analytics specific to merchants

Relationship databases expertise to drive customer conversion

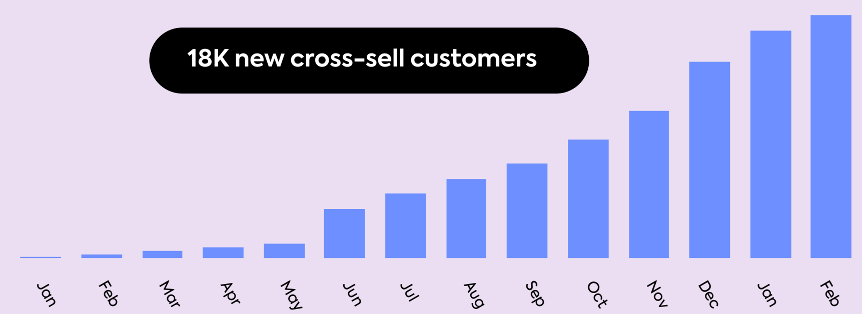
Driving customer lifetime value - targeting 50% with 2+ products

Multiple products per customer



Using customer data to deliver cross-sell momentum

Intentional digital marketing delivering cross-sell momentum in customer base



Our Business Model

How we create value through our business activities

The groups business model is driven by our fintech ecosystem and omni-channel retail offering.

Resources utilised

Financial capital
Shareholders and debt funders who provide financial capital to run the business

People capital
Skills, experience, competencies and diversity of our employees who are focused on delivering enhanced customer experience

Technology capital
Fintech, credit and product expertise the group has developed over the past 35+ years primarily focused on the mass market urban women of South Africa.

Physical location capital
Sophisticated contact centre, our e-commerce enabled distribution centre, Retail showrooms and ChoiceCollect containers. Country risk diversification with fintech driven from Mauritius

Social relationship capital
Distribution partners and suppliers who understand and are committed to the business model and the role they play in delivering customer experience

Natural capital
Limited usage of energy, water and packaging in our business operations

Fintech ecosystem

Virtuous ecosystem of customers and merchants

Fintech innovation drives customer spend and income diversification. A suite of customer personal loans, insurance, payments and value-added services. Entrenched use of digital technology providing customer convenience and operational efficiencies. Integrated merchant specific products increase stickiness and drive merchant revenue.

Mobi-first digital systems

Putting our brands in customers' hands

Customers access our digital platforms through their mobile phones. Customer facing technology initiatives are developed using mobi-first thinking, increasing accessibility and convenience. Digital strategy provides customer convenience, scalability and meaningful cost efficiencies.

Customer analytics

Enhancing customer experience

Data-driven insights enable customer acquisition directly or through partners which are leveraged to drive cross-sell opportunities. Using data science and analytic tools we are able to mine our extensive customer base to drive top-line growth.

Credit risk management

Balancing growth and risk

Full end-to-end credit management processes using in-house scorecards developed for customer target market. Incorporating new technologies and automated decision making. Fraud prevention with deployment of 'selfie' technology.

Omni-channel retail

Providing omni-channel retailing to meet our customers' homeware needs through physical, digital and direct marketing channels. Our digital and tech savvy customers are increasingly shopping through social media platforms.

Our investment case

1. Market-leading in **fast growing fintech and digital payments market**
2. Omni-channel homeware retail with **growing digital channels**
3. **Supportive shareholders and debt-funders** with ample funding for continued growth
4. **Data-rich customer database** of digitally-engaged younger urban African women
5. Product innovation drives **customer acquisition, engagement and retention**
6. **Proven ability to leverage customer base** for new businesses
7. Digital-first mindset for **customer experience and convenience**
8. **Scalable technology platforms** deliver cost efficiencies
9. Proprietary unsecured **consumer credit management**
10. **Entrepreneurial spirit** with proven expertise

Material Issues

Our material issues are the output of the enterprise risk management process. They are approved by the audit and risk committee on an annual basis.

Risks are identified and documented in departmental risk registers and have designated risks owners allocated to them. The risks are evaluated and are either accepted, deferred or mitigated. Through a risk-filtering process the risks are discussed by management in each business and then presented to the committee for approval.

Mitigation plans are discussed at audit and risk committee meetings to ensure that they are being monitored and effectively managed. The board has approved seven material issues or risks that could impact the group in the short- to medium-term.

Doing business in a challenging socio-political and economic environment

Strategic context and stakeholder requirements

The South African trading environment has been and remains challenging.

Inflation, fuel prices and interest rates have remained high, there are variable intermittent levels of load shedding and extreme weather events have impacted all South African consumers and businesses.

As a result, consumer and business confidence remains low: the financial pressure on the average consumer has increased, leading to a reduction in their spending power, all whilst the cost of doing business increases.

In HomeChoice Retail, the use of television advertising to attract new customers has been less effective as viewership declines when there is no electricity. In the HomeChoice contact centre we have experienced high levels of dropped calls due to decreased levels of mobile phone connectivity. Furthermore, the South African Post Office (SAPO) went into business rescue during 2023. In previous years the Retail business mitigated the risk of SAPO being unable to fulfil customer order deliveries by moving to courier companies and is making the same transition for the delivery of catalogues. Both of these macro factors have negatively impacted Retail's ability to market products and collect cash from our customers.

Risks

Increased infrastructure disruptions from sustained loadshedding resulting in systems downtime

Mitigations

- During 2023 all the group's key servers were migrated to the cloud with best-in-class security and power up-time
- As 84% of all group transactions are digital, this strategic change significantly mitigated the group's loadshedding risks
- The server move and shutting of Retail's Johannesburg distribution centre also achieved electricity savings and freed up back up power supply equipment to be repurposed within the group
- All showrooms are equipped with generators or Uninterrupted Power Supply (UPS) back-up power supply

Inability to attract new credit-worthy customers could negatively impact the Retail turnaround strategy

Mitigations

- Bold Retail turnaround actions have been implemented over the past two years with the business re-shaped and now positioned for growth
- Implementation of product marketing and pricing strategies designed to provide customers with tailored and affordable offers with focus on heritage textiles
- Retention of existing customers and implementation of effective reactivation strategies
- Further roll out of smaller new-format showrooms given the success of this strategy during 2023
- Focusing on enhancing the customer experience with the HomeChoice brand in sales flows and developing new digital sales channels

Doing business in a challenging socio-political and economic environment continued

Unable to maintain the growth momentum of Weaver Fintech

Mitigations

- Track record of providing innovative financial services products to the fast-growing 1.6 million customer base (increased eightfold over last four years)
- Roll out value-enhancing initiatives to embed Weaver Fintech ecosystem in the merchants' business operations
- Implementation of FY2023 strategic initiative roadmap
- Cross-sell FinChoice products in Weaver Fintech ecosystem with successful cross-selling pilot in 2023 gaining momentum.

Opportunities

- Seamless integration within Weaver Fintech ecosystem
- Increase offering of fee-income generating products
- Continue to develop and enhance tailored and bespoke product offerings to target segments of the market
- Investment in Weaver data infrastructure and strategies

Changing competitive landscape

Strategic context and stakeholder requirements

Rapid digitalisation continues to drive innovation and disruption across both the fintech and retail markets.

The re-inventing of traditional processes and the entrance into the market of new, highly innovative businesses has forced established heritage brands to adapt and change to remain relevant and desirable.

New digital banks and payment solutions continue to enter the financial services market. Historically wide bands distinguishing the various consumer categories are narrowing and, in many instances, are now overlapping. Large international digital retailers are causing significant disruption in the South African retail space where companies have invested in various digital innovation hubs to increase their digital capabilities.

Within this context, attracting and retaining the right customers has become both increasingly important and challenging, as has maintaining and growing market share.

Risks

Increased market competition targeting diminishing consumer bases leading to acquisition, sales and growth pressure

Mitigations

- Significant and targeted investment into technology and innovation across the group, with a focus on deploying customer centric solutions and engagement capabilities
- Enhanced market differentiation through continual product development and evolution
- Focus on and expansion of acquisition channels and payments solutions with Weaver Fintech driving 39% increase in group customers to 2 million during 2023
- Group digital transactions mix increased further to 84%, with 1.4 million average monthly digital users

Increased customer attrition levels may lead to a declining customer base

Mitigations

- Focus on the existing customer base and delivering value within the group ecosystem with 86% of loans disbursed and 75% of BNPL gross merchant value with repeat customers
- Provide more flexible and bespoke retail and financial product offerings to repeat customers

Opportunities

- Continued leveraging of the growth in the BNPL market
- Leverage Weaver Fintech ecosystem to cross-sell financial services products to our fintech customers
- Expansion of the group's insurance offering
- Targeted Retail expansion into heritage textiles categories
- Enhancement of the Retail credit and payments offering

Credit Risk Management

Strategic context and stakeholder requirements

The TransUnion SA Consumer Credit Index (CCI) for FY2023 indicates sustained deteriorated levels of consumer credit health.

The number of healthy, performing credit customers remains a concern as a result – particularly in the lower LSM and shorter-term credit segments.

Downstream pressure continues to be felt across collections and recoveries portfolios, with the risk of depressed pricing for arrears book sales. In recent years the group has experienced an increase in customers entering a formal NCA debt review process and higher demand for its rehabilitation credit products. Critical to managing this volatile environment remains comprehensive and robust upfront risk and affordability assessments, tight on-book management, proactive customer communications and responsive and engaging collections strategies.

The ever-present threat of fraud, particularly syndication fraud, remains a key risk and focus area for the group.

Risks

Inadequate credit and fraud risk management processes and systems resulting in declining credit book health

Mitigations

- Development of bespoke and dynamic credit scorecards to respond to changing market conditions
- Ongoing investment into skilled and experienced credit personnel in credit risk, fraud and collections teams
- Partnerships with specialist credit management providers
- Enhanced systems and capabilities for fraud authentication and machine learning for fraud detection
- Use of selfie technology and sharing of group fraud data
- Enhancement of collection strategies including further digital self-service and dialler functionality
- Closer collaboration with external debt collectors to improve off book debt collection

Opportunities

- Further bespoke scorecards and enhanced decision-engine solutions may lift commercial performance
- Using the Weaver ecosystem for cross-selling products between the growing FinChoice and PayJustNow customer base with an established payment history.
- Collaboration between group entities to improve decision-making, on-book management and fraud prevention measures

Attracting and retaining employees to deliver the group's growth strategy

Strategic context and stakeholder requirements

As businesses adjust to the 'new normal' of the various work-from-home models post-Covid, the adjustment of culture and the employee value proposition, whilst ensuring high levels of staff productivity and engagement, remains of critical importance especially with the increasingly global war for talent.

The widespread acceptance of fully remote work within certain industries (for example IT development, coding, and engineering) has opened the global market to talented and skilled South African job hunters. In addition to global development, evolving local EE and B-BBEE imperatives add a further dynamic to business in South Africa.

Against this backdrop, attracting and retaining local talent remains a key focus for the group as it continues on its journey of becoming an employer of choice, as does managing its existing keyman risk and succession plans.

Employees in key talent segments are stretched due to operational, regulatory, and competitive challenges. Fintech labour market pressure is on the rise.

Risks

Our employee value proposition does not attract and or retain talent for our growth strategies

Mitigations

- Dedicated and experienced HR capabilities
- Targeted talent management, retention and remuneration strategies, with a focus on leadership and key talent/roles
- Regular market benchmarking to ensure fair and competitive market positioning
- Tailored flexibility and remote working policies implemented

Failure to implement appropriate EE policies could lead to regulatory sanction

Mitigations

- Comprehensive three-year EE strategy and plan developed

Opportunities

- Increased talent acquisition resourcing and on-boarding processes
- Renewed culture and values programmes for improved engagement and performance
- Expand and entrench learning and development programmes
- Leverage the diverse and growing group to foster a dynamic working environment and career progression

Increasing scope of regulatory environment

Strategic context and stakeholder requirements

The group's business operates in the fintech and retail markets and trades in Mauritius and several Southern African countries.

Consequently, the scope of the regulatory environment is complex and subject to continual change as governments and regulators seek to both broaden and tighten control over the regulated markets and increase consumer protection.

South Africa's 'grey listing' required it to implement heightened anti-money laundering (AML), customer due diligence (CCD) and counter financing of terrorism (CFT) measures. Accounting standards are becoming more complex as regulators seek to ensure that financial results fairly reflect business operations and resultant profits.

Non-compliance to legislation and regulations may result in penalties, fines and ultimately a loss of business licenses.

The key regulations impacting the group include: National Credit Act (SA), Financial Intelligence Centre Act (SA), Financial Sector Regulation Act (SA), Protection of Personal Information Act (SA), Data Protection Act (MAU), Consumer Protection Act (SA), Financial Advisory and Intermediary Services Act (SA), Financial Services Act (MAU) and the Companies Act (SA & MAU).

Risks

Increased cost and complexity of the regulatory environment negatively impacting group operations, coupled with the increased risk of regulatory sanction for non-compliance

Mitigations

- Bolstering of the legal, compliance and operational risk management teams across the group including the establishment and training of a network of risk champions within all business lines
- Enhancement and digitalisation of the group enterprise risk management, assessment and monitoring processes
- Continue to review and enhance the group governance framework to keep abreast of regulatory environment

Grey listing of South Africa and associated AML and CFT regulatory amendments may impact the group business operations

Mitigations

- A dedicated task team comprising experienced compliance and business personnel to drive proactive compliance
- Review and implementation of strengthened controls to comply with new legislative requirements
- Leveraging processes and technologies available within the group to enhance AML / CFT compliance
- Focused internal audit review across high-risk business areas and processes

Opportunities

- Continued engagement with industry participants, including regulators, through established representative bodies
- Leveraging digital solutions and capabilities to enhance compliance and provide a competitive edge

Digitalisation, technology transformation, and cybersecurity

Strategic context and stakeholder requirements

The group is a fast-growing diversified digital consumer services group.

The shift from legacy systems to new, fit-for-purpose systems supporting digital ways of engaging, and the scalability and customer centricity this offers, remains a key strategic driver for the group. Significant investment is being made by the group in this area, with various projects underway designed to modernise existing and take advantage of new system solutions.

As with all digital businesses, the risk imperatives of cybersecurity, data protection and business continuity remain top of mind. The group remains focused on continuous improvement and enhancement to ensure that consumer data is adequately protected and is not compromised.

Risks

Legacy IT systems and architecture may constrain business agility and operations, resulting in decreased operational efficiency and negative financial performance

Mitigations

- Strategic focus and financial investment to enhance digital operations and migration off ageing, legacy IT infrastructure
- Continued focus on and investment into existing operational processes and tools impacting the customers' digital journey and engagement
- Simplified Retail technology strategy enabling agile developments and focus on trade off a sustainable cost base.

Inadequate information security, business continuity and disaster recovery plans may lead to business interruption and negatively impact trading

Mitigations

- Oversight of divisional IT strategy and governance framework by the audit and risk committee
- Migration of the group's key servers to the cloud with best-in-class security and power up-time
- Review and enhancement of business continuity and disaster recovery plans and capabilities, with emphasis on leveraging technology solutions and reducing on-site risk
- Dedicated IT centralised service desk and security operations centre
- Ongoing review and updating of information and cybersecurity frameworks and protocols

Opportunities

- Investment in Weaver data infrastructure and strategies
- Increased use of industry specialist advisors
- Scalable and user-friendly digital platforms improve customer experience and engagement

Highly engaging customer experience

Strategic context and stakeholder requirements

Delivering an excellent customer experience is critical to the group's strategy.

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 current environment of increased investment in digital channels by competitors globally means that continuing to delight new and existing customers with a seamless and convenient customer experience is essential to maintaining the group's growth trajectory.

As such, excelling at customer experience across all engagement flows remains a key focus for the group.

Risks

More compelling customer experiences can result in the group losing customers

Mitigations

- The group has more than 35 years' experience as a distance marketer and has successfully transitioned into a fast-growing and profitable fintech-focused business
- 86% of FinChoice loans and 75% of PayJustNow gross merchant value is to existing customers who love their customer experience
- End to end digital origination for existing customer repeat loans takes under three minutes
- FinChoice and PayJustNow each have best-in-class Google ratings of more than 4.5 out of 5
- Weaver Fintech's customer base has increased eightfold over the last four years, testament to leading customer experience on scalable systems
- Retail's investment in showrooms with digital engagement touchpoints is proving popular across new and existing customers

Opportunities

- Cross-selling to Weaver Fintech customers more highly engaging products
- Investment in Weaver Fintech data structures and personalisation
- Scaling PayJustNow's search and discover and merchant deals services

The year under review.

Executive Chair and HIL CEO Report

"We believe our continuous investment in product innovation and exceptional digital customer experience are fundamental to the success of the group."

A significant step change in the group

During the last three years, the group has transformed into a fast-growing profitable fintech. In the year, we have further entrenched this shift as evident in Weaver Fintech's significant contribution to the group's results.

The Group was focused on driving a digital-first mindset across its operations and in the development of new products, making it easier for our customers to transact 24/7 whenever and wherever she prefers. It has also led to sizeable cost efficiencies as we invested in new technologies and maximised existing ones.

Group digital transactions now make up 84% of all transactions, up from 53% four years ago, while the direct cost of a digital transaction has fallen by 60% to R196.

Weaver Fintech is a digital business. The Retail business has seen a relative decline in digital sales – as we expanded the showroom footprint, customers have a variety of shopping channels and increasingly shop across the breadth of our omnichannel offering.

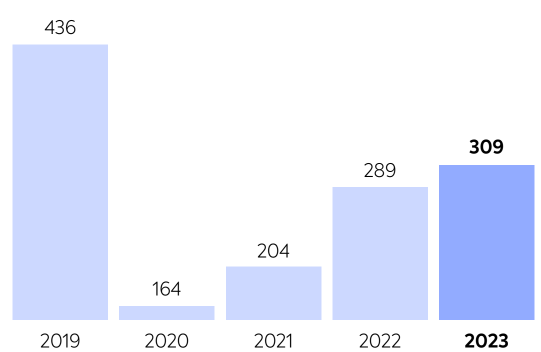
Current year performance

The group delivered strong operating profit growth of 28% to R619 million despite revenue being flat at R3.7 billion. Weaver Fintech dominated the group's performance contributing 92% of profits before group costs. The Retail business has been reshaped and is now positioned for growth following strategic credit strategy changes that resulted in lower revenue and lower operating profit.

Group headline earnings per share increased by 7.2% to 309.3 cents.

It is through our proven strategies that the board is in the position to pay a full year dividend of 153.0 cents per share on a dividend cover of 2.0 times

Headline earnings per share
Cents



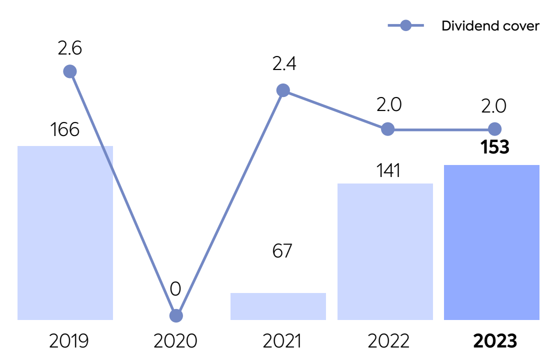
Customers

Today the group has more than 2 million customers , of which over 70% are female. They are digitally savvy, urban African women in the mass market economy of South Africa. 60% are Gen Z and Millennials with an average age of 38 and a monthly income of around R15 700.

The driving force of our female customer is to build a better life for her family be it her home which she can be proud of or obtaining access to financial products to provide financial stability in an uncertain world.

All our products are designed to meet her specific needs, are available 24/7 and easily accessible on her mobile from the safety of her home. Our customers love our financial products which empower her through digital financial inclusion. We focus on giving her payment flexibility and high assurance on credit approval to ensure we are there for her and get better over time.

Dividends per share
Cents



Strategic direction of the group

Our strategies remain unchanged, they have delivered good results and will continue to form the direction and guidance for our future growth opportunities.

Our overarching strategic direction for the group is focused on:

- Building out Weaver Fintech's ecosystem to drive cross-sell across the customer base increasing customer lifetime value and profitability and to expand the offerings to merchants driving growth to scale this profitable fintech group
- Reshaping our Retail business with a focus on key strategic growth drivers and cash generation

Building out Weaver Fintech's ecosystem

In 2021, we saw the opportunity to develop a fintech ecosystem which would deliver and add significant value to the group going forward. Our investment in the digital payment business PayJustNow, which offers a Buy Now, Pay Later product, has enhanced the group's fintech offering which now comprises payments, insurance and lending generating increasing fee income for Weaver Fintech. Our ecosystem enables cross-selling to Weaver's 1.6 million digital customers and 2 500+ merchants.

The ecosystem consists of customers and merchants connected in a virtuous loop via our digital platforms. Both parties are equally critical to expand the ecosystem and drive significant value to the group going forward. Weaver Fintech's current focus is delivering more innovative products for both driving cross-sell across the group and further enhancing profitability. Intentional digital marketing and increased awareness of Weaver product offering is driving cross-sell momentum in the customer base.

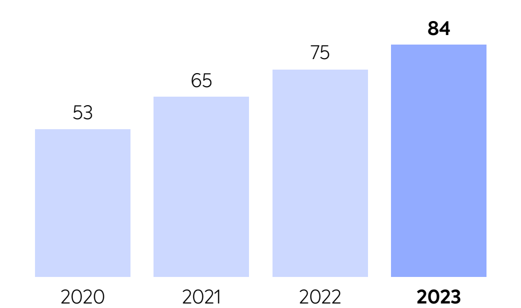
Currently 24% of the customer base have two or more Weaver products and we look to increase this, in the medium-term, to 50%. We have also seen that the annual average revenue per customer increases from R1 145 to over R13 000 with 3+ products. Product innovation for both customers and merchants will be a key focus for FY2024 – the results achieved in FY2023 give us the confidence to accelerate this further.

Retail business re-shaped and positioned for growth

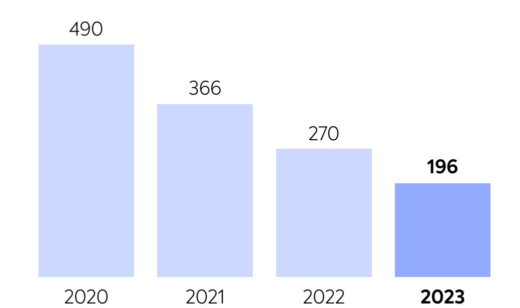
Retail has had challenging trading periods in the past three years. Worsening economic conditions, constrained consumer spending, and load shedding adversely impacting operations and sales.

The business responded with a focus on product innovation, specifically across its core heritage textiles ranges which has successfully delivered gross margin gains. Costs have been rebased to support future levels of business and will continue to have top-of-mind attention. We have reduced the cost base by c.R100 million in the last two years.

Group digital transactions mix %



Group direct cost per digital transaction (Rand)



Management of credit to improve profitability has been a key focus. During the year, the board took a strategic decision to implement more stringent granting of credit to further improve the quality of Retail's credit book. This knowingly impacted sales. While this has meant lower levels of new customers it significantly reduced debtor costs, and in turn improved the quality of the book.

Launching a number of smaller, more profitable showrooms is changing the make-up of the business. The brand is more visible to a wider range of customers and there has been a shift to the acquisition of new customers who have lower credit risk and a higher tendency to pay in cash. Cash sales in showrooms are 24%, significantly higher than the 7% for the group.

The Retail business is making the right changes to restore its levels of profitability, providing its loyal customers with quality innovative products and an excellent customer experience.

Responsible corporate citizen

The group is based in Mauritius; with our HomeChoice Retail business operating in South Africa. Transformation, creating opportunities for small and medium enterprises, upliftment of communities and managing the environmental impact of doing business is top of mind when we develop the group strategy.

We had hoped to improve our B-BBEE level from FY2022. However, given the strategic imperative to reshape the Retail business, we reprioritised certain elements of the B-BBEE scorecard. We expect to be unchanged from FY2022 non-compliant scoring.

In the first half of the year, high levels of load shedding impacted cellphone connectivity with our contact centre and viewership of television adverts. Key information technology servers were migrated to the cloud during FY2023, which has significantly mitigated the risk of load shedding-related downtime for the highly digital operations.

Pleasingly, the South African head office building has maintained its 5* Green Building status.

In operation since 2002, the main aim of the HomeChoice Development Trust, is the upliftment of communities by providing early childhood development centres. Our customers have access to centres where her children can receive a quality start to their education. Since inception, the Trust has trained more than 3 000 teachers, impacted the lives of 40 000 children with donations of R52 million.

Outlook

Weaver Fintech's growth is expected to continue as more products are developed and additional merchants are introduced into the ecosystem. Increasing the customer base and cross-selling of products in the ecosystem will further enhance and grow Weaver Fintech profits.

HomeChoice Retail is now well positioned for growth. The momentum of cash generation is expected to continue through strong working capital management combined with the improved quality of the debtors book. In FY2024, we anticipate seeing a continued focus on profitability and growth in the Retail business.

Appreciation

To our staff in South Africa and Mauritius – a huge thank you for your energy, resilience, commitment and dedication to deliver 2023's results.

Our sincere thanks are extended to the group's executive team for their unwavering focus on the execution of the strategy. We have delivered good results, due in no small measure to the innovation, expertise and commitment of our people.

We also extend our appreciation to our board colleagues for their valued advice, guidance and support for the strategic direction of the group.

Group Finance Director's Report

"HIL has achieved strong results in a challenging consumer environment. I'm very pleased with the funding capacity created in this past year to continue investing in Weaver Fintech's growth, which has driven the growth in customers, profits and shareholder dividends."

Paul Burnett

Performance review

		2023	2022*	2021	2020	2019***
Financial						
Revenue	(Rm)	**3 672**	3 651	3 432	3 275	3 484
Growth in revenue	(%)	**0.6**	6.5	4.8	(6.0)	7.3
Operating profit	(Rm)	**619**	482	263	270	679
Growth in operating profit	(%)	**28.4**	83.3	(2.6)	(60.2)	(11.0)
Operating profit margin	(%)	**16.9**	13.2	7.7	8.2	19.5
HEPS	(cents)	**309.3**	288.5	203.5	164.2	436.0
Growth in HEPS	(%)	**7.2**	41.8	24.0	(62.3)	(14.0)
Dividend cover	(times)	**2.0**	2.0	2.4	–	2.6
Return on equity	(%)	**9.2**	9.0	5.2	5.5	16.2
Available funding	(Rm)	**1 493**	646	1 292	925	305
Net debt to equity	(%)	**52.3**	44.8	29.3	20.1	33.0
Operational						
Customers	('000)	**2 034**	1 467	1 019	905	912
Digital transactions	(%)	**84**	75	65	53	43
Cash generated by (used in) operations	(%)	**256**	(214)	(30)	630	437
Cash collected	(Rm)	**8 560**	7 270	5 822	4 787	5 044
Loan disbursements	(Rm)	**4 839**	4 301	3 336	1 919	2 266
Growth in loan disbursements	(%)	**12.5**	28.9	73.8	(15.3)	27.0
Buy Now, Pay Later (BNPL) gross merchant value	(Rm)	**1 527**	747	204**	n/a	n/a
Retail sales	(Rm)	**1 227**	1 607	1 706	1 792	1 951
Gross profit margin	(%)	**43.0**	46.5	45.1	44.9	47.4

* IFRS 17, Insurance Contracts adopted effective 1 January 2023 and restated comparatives for the 2022 reporting.
** PayJustNow acquired in 2021.
*** IFRS 16, Leases adopted effective 1 January 2019.

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.

Statement of profit and loss

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

* Restated for the adoption of IFRS 17.
** Buy Now, Pay Later.

weaver fintech

R1.9bn Revenue — 51%

R622m Segmental operating profit* — 92%

homechoice

R1.8bn Revenue — 49%

R52m Segmental operating profit* — 8%

* Group operating profit of R619m is after other group company costs of R55m

Revenue

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

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.

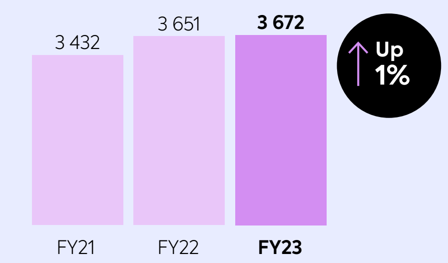
Trading expenses

Trading and insurance expenses increased by a combined 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.

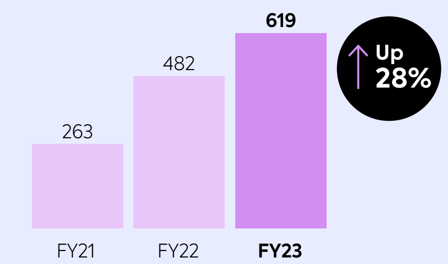
Profit for the year

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). mainly from Retail's turnaround strategy and an improved operating margin of 13.2%.

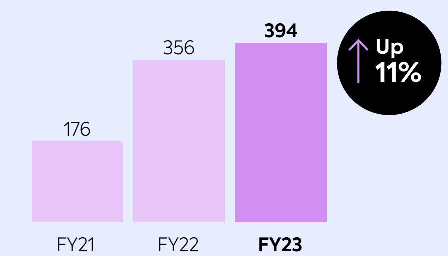
Group Revenue (R'm)



Operating Profit (R'm)



Profit before tax (R'm)



Total assets (extracted from statement of financial position)

	2023 Rm	% change	Restated* 2022 Rm
Assets			
Non-current assets			
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
	877	3.4	848
Current assets			
Inventories	**285**	(29.3)	403
Taxation receivable	**–**	(100.0)	2
Trade and other receivables	**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
	5 195	9.8	4 733
Total assets	**6 072**	8.8	5 581

* Restated for the adoption of IFRS 17.

Statement of financial position

Property, plant and equipment and intangible assets

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.

Inventories

Stock was purposefully reduced by 29.3% to R285 million (2022: R403 million), improving cash generation by R118 million.

Trade and loans receivables

The group's gross trade and loan receivables increased by 11.9% to R6.0 billion (2022: R5.3 billion) as the group reallocated capital from Retail to continue investing in the profitable Weaver Fintech book.

Group debtor costs, at 29.7% (2022: 29.3%) of revenue, performed within expectations with growth in Weaver Fintech's revenue and debtor costs offset by Retail's purposeful credit risk tightening.

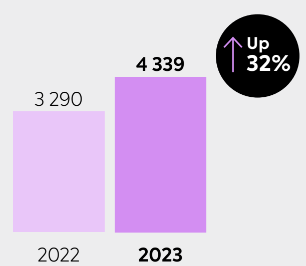
The Weaver Fintech and Retail credit books are separately managed and operate on independent platforms.

Weaver Fintech

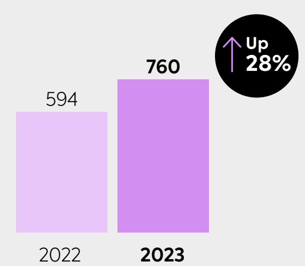
In line with Weaver's revenue growth, it's gross debtors' book increased by R1 billion to R4.3 billion (2022: R3.3 billion). Weaver has consistently maintained digital short-term duration books and leverages this strategy to react quickly to market conditions and manage credit risk in response. During 2023 FinChoice tightened lending growth rates and shortened disbursement term for both new and existing customers. In retrospect, it was too conservative in cutting risk to good performing customers, which negatively impacting book mix.

Debtor costs, at R0.8 billion, increased by 28%, which is below Weaver's revenue and gross book growth rates. Consequently, Debtor costs as a percentage of revenue reduced marginally to 40.3% (2022: 41.1%). The usual sales of rehabilitation books were deferred due to market factors, which impacted overall book mix and necessitated provisions increasing to 18.7%. Appropriate Stage 2 and 3 cover has marginally decreased to 66.8% (2022: 68.9%).

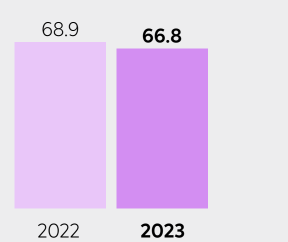
Gross book Rbn



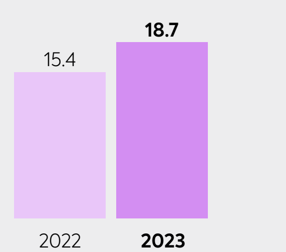
Debtor cost Rm



Stages 2 and 3 cover %



Provision % of gross receivables

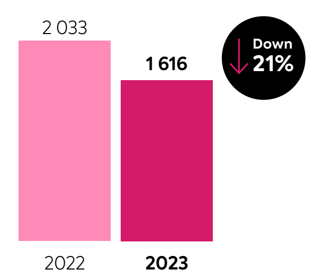


Retail

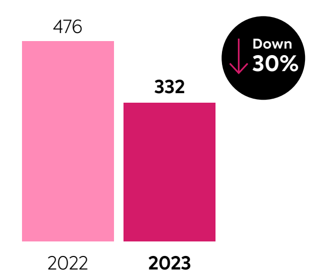
Retail's more stringent risk appetite during 2023 resulted in its gross book reducing by R0.4 billion to R1.6 billion (2022: R2.0 billion), delinquency improvements and 30% lower debtor costs. New collection strategies and fixing of DebiCheck and mandatory debit order processes improved payment performance. Consequently, the provision for impairment as a % of gross receivables reduced to 29.4% (2022: 34.0%), reflecting improved book health with Stage 2 and 3 cover levels maintained.

The bold credit risk changes made in 2023 have set up the Retail business for sustainably profitable growth going forward.

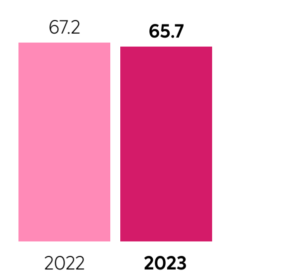
Gross book Rbn



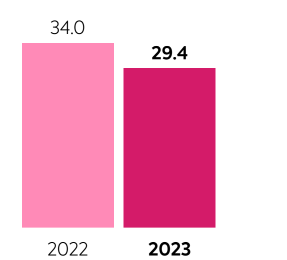
Debtor cost Rm



Stages 2 and 3 cover %



Provision % of gross receivables



Cashflow from operations

	2023	2022	% change
Operating activities	**686**	556	23.4
Working capital movement	**(430)**	(770)	(44.2)
Inventory	**118**	(139)	>100.0
Retail book	**227**	54	>100.0
Weaver book	**(730)**	(667)	9.4
Other	**(45)**	(18)	>100.0
Cash generated / (used) in operations	**256**	(214)	>100.0

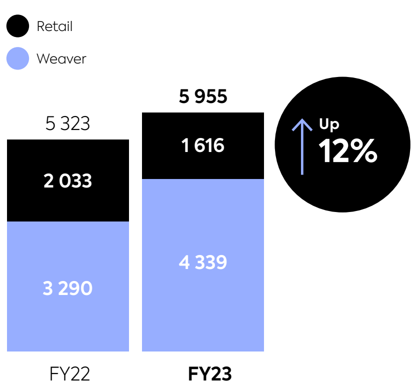
Available cash and undrawn funding facilities

R1.5 billion

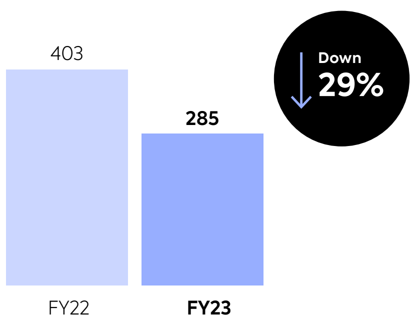
Cash from operations is R470 million better than it was in 2022. Retail generated R345 million of working capital cash flows through inventory management and lower credit activity and the group continued investing working capital in Weaver's profitable credit book.

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. R6.7bn Weaver customer collections is significantly above its book's closing balance of R4.3bn, reflecting the short-term nature and strong cash yields.

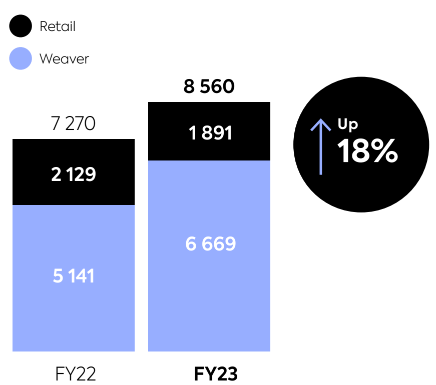
Trade and loan books (R'm)



Retail inventory (R'm)



Group collections (R'm)

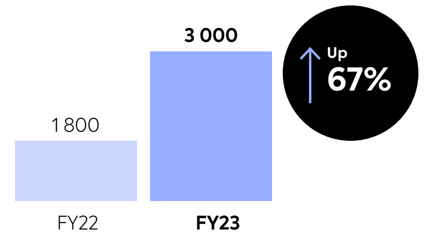


Funding

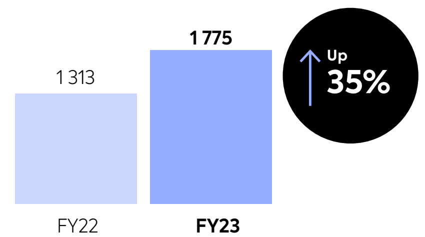
During the year the group successfully concluded a refinancing and upsizing of our banking facilities from R1.8 billion to R3.0 billion. The upsizing was oversubscribed by the funders, testament to the group's proven track record of managing cash generation and funding.

A sizeable R1.5 billion of cash and undrawn facilities is available to continue funding the ongoing growth of Weaver Fintech.

Commercial loan facilities – committed 3–4 year tenor (R'm)



Commercial term loan (R'm)



weaver fintech

Q&A with Weaver Fintech CEO Sean Wibberley and PayJustNow CEO Craig Newborn

What do you see as the key external trends for Weaver?

We see two external trends influencing and supporting the direction Weaver is following.

Digital wallets

Driven by mobile commerce, mobile wallets or e-wallets are anticipated to become the most popular online payment method, accounting for over a third of transactions. The South African market has a high penetration of mobile phones with more than 81% smartphone penetration – the main mechanism by which consumers engage with digital channels. Consumers are shifting from card-based to account- and QR code-based transactions. Millennials and the Generation Z are rapid adopters of smartphones as a convenient and hassle-free way in which to manage their financial transactions. Our Finchoice MobiMoney™ e-wallet is the cornerstone product for Weaver and is well-placed to drive market penetration as we add more digital payment options to it.

Digital payment options

As digital payments gain traction with mainstream consumers and businesses, it marks an accelerated – and potentially permanent – shift away from the traditional payment methods. The use of contactless, digital payments rapidly increased during the pandemic and has continued to grow since then. Consumers are combining their shopping both on-line and in-store, and digital payments need to serve both purposes.

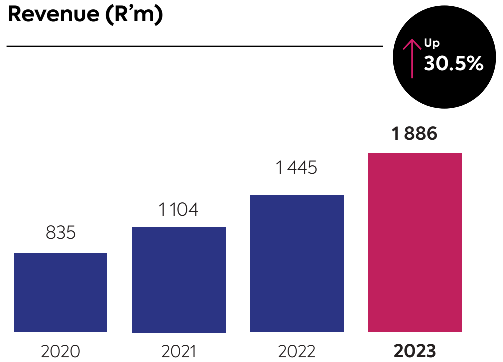
Our PayJustNow BNPL (buy-now-pay-later) product is curated to provide convenient, end-to-end digital payments both online and at in-store points of presence. Merchants are also attracted to BNPL as a payment solution for their customers, as it delivers improved funnel conversion at check-out, and an uplift in sales volumes and basket size due to the improved affordability customers enjoy when they split their purchase price over three equal instalments.

How did Weaver Fintech perform in 2023?

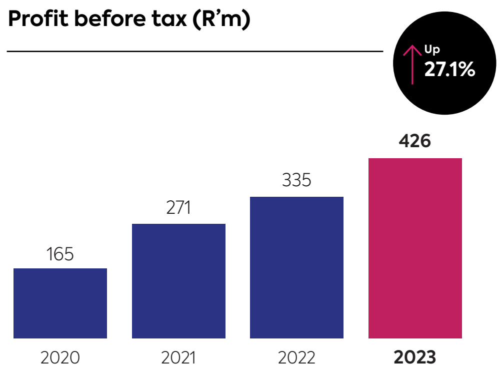
Our Weaver Fintech business has increasingly become the major revenue and profit driver of the group. Delivering a step change in growth and profitability, Weaver has shown the ability to grow in a constrained consumer environment.

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.

Revenue (R'm)



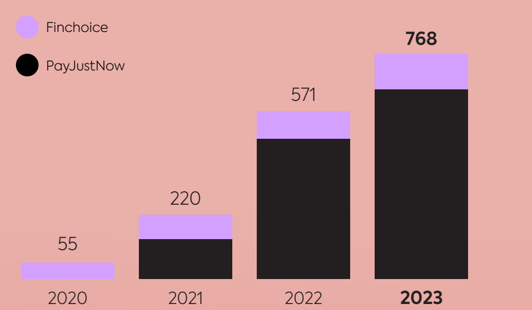
Profit before tax (R'm)



You have a sizeable base of 1.6 million customers in your ecosystem – can you give more details?

Healthy growth rates in new customers and retention of existing customers have delivered a Weaver customer base of 1.6 million – a growth rate of 72%. Our customer base has increased eightfold since 2019. Since the purchase of PayJustNow – just over three years ago – 1.3 million BNPL customers have been acquired, with 100% growth in 2023. 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.

New customer adoption ('000)



You acquired 768 000 new customers, up 35% from 2022. Are these acquired digitally and where do you source them from?

Customers are mostly acquired into our Weaver ecosystem from two sources – those seeking a personal loan via our digital affiliate partners, and those attracted to the BNPL payment product. In addition, our insurance products are increasingly garnering direct demand from our digital affiliates.

All BNPL customers are acquired digitally either by way of the PJN website or at merchants' point of sale both online and in-store. In 2023, BNPL represented 84% of new customers acquired into Weaver, demonstrating the viral nature of this compelling payment-splitter product.

Our personal loan business acquired 121 000 new loan customers, the majority via our FinChoice app and mobi website.

Given the nature of the personal insurance business, most customers are acquired through a dedicated contact centre, where our agents guide customers through the acquisition process and explain the provision of the policy. However, with a determined focus on making it simpler for new customers to apply for insurance end-to-end digitally, we have built up a strong momentum in the digital acquisition of new policies. In 2023, the digital acquisition mix was up strongly to 36% for new policies, up from 23% in 2022, and we will continue to drive this trend.

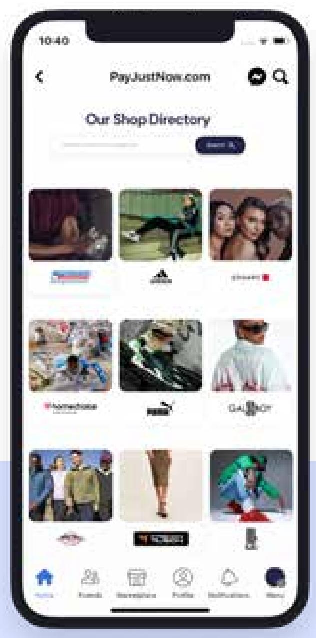
Can you highlight some of the key tech innovations delivered to customers during the year?

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.

Personal Accident

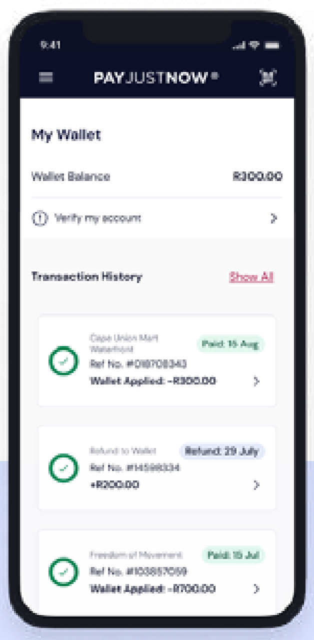
Launched end-to-end digital personal accident insurance with growing demand

Search & Discover



Enhanced search features on store directory for customers

E-wallet



Introduced a refund wallet driving more spend within the network

Selfie Upgrade

Technology driven solution providing increased fraud protection with selfie verification and new liveness feature

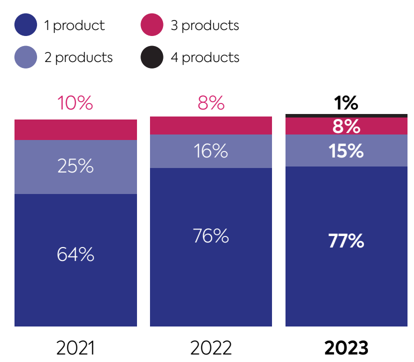
How do you intend to leverage the ecosystem to cross-sell to Weaver customers?

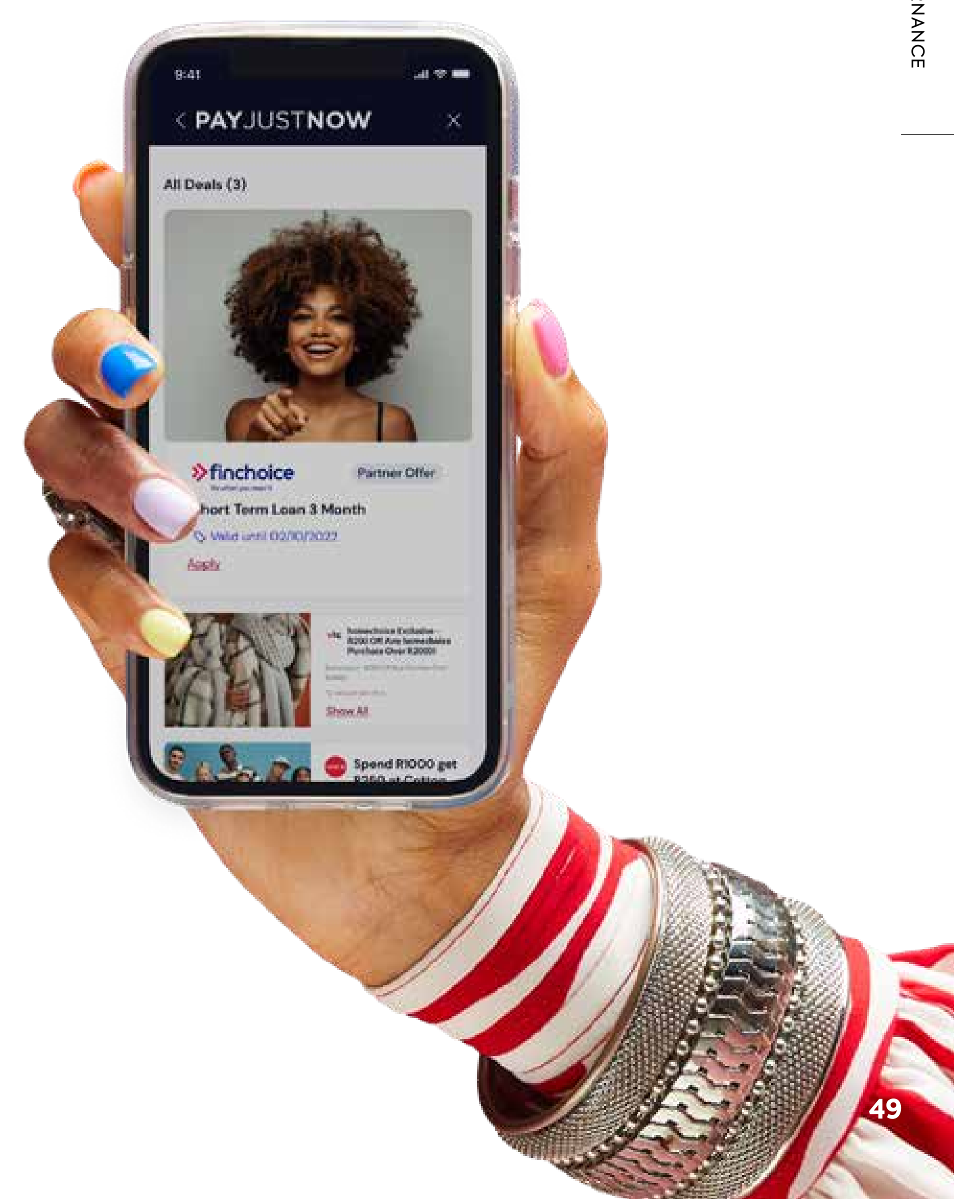
Cross-selling our product suite across our eco-system platform is a core strategy. We have a range of products in our three key verticals of lending, insurance and payments; and the ability to digitally cross-sell these products on our platforms, leveraging data to personalise and pre-approve offers. For example, within Finchoice we have cross sold 45% of our active loan customers a funeral insurance product within a few months of taking their first loan

In 2023, we commenced actively marketing all Weaver products to our customer base using data analytics to target the right product to the right customers. We have seen month-on-month growth in the cross-selling of our lending and funeral products to the PJN customer base, all done digitally via customer self-service. We are pleased with the momentum we are building.

Currently, 24% of Weaver customers access two or more products in the ecosystem. This ratio has fallen in the last two years, however this is due to the very high acquisition of first-time customers into the ecosystem on the compelling BNPL product. We observe the annual average revenue per user (ARPU) to be about R1 100 for customers with one product; the ARPU jumps to over R9 000 for customers taking a second product. We are targeting for half our base to have two or more products.

Multiple products per customer – targeting 50% with 2+ products





Can you provide more information on your digital payment product offering from the customer's perspective?

We offer a digital payment product – Buy Now, Pay Later (BNPL). It is a split payment product which allows a consumer to pay for their purchase over three instalments. The retail basket becomes more affordable for our customer as she can split the full purchase price at the till and she has the benefit of enjoying her purchase immediately. It is interest free, with fees only charged on late payments. It has strong appeal to customers looking for a convenient and safe digital payment product.

All customers are acquired digitally and the fully automated signup flow and viral nature of the product is delivering in excess of 50 000 new consumers each month. Customer engagement with the brand continues to be high. Recurring customers account for 75% of total transactions, while the top 10% of customers spent R13 200 and transacted 9.7 times in 2023, up from 7.7 times in 2022.

PayJustNow is rated as the number one BNPL in South Africa, with a Google rating of 4.7 stars out of five, which we are incredibly proud of.

Unlike a standard payment solution, adopting PJN as a digital payment partner brings additional benefits to merchants. Can you expand on this?

The BNPL product benefits both the retailer (merchant) and the customer. On the one side, we have a growing database of 1.3 million highly engaged customers wanting to take advantage of the BNPL payment functionality, and on the other side, we have a increasing pool of 2 500 merchants with over 8 000 points of presence offering a range of products.

The customer receives the goods upfront, paying only one third of the purchase price, while the other two-thirds are deferred over the next two months. The retailer receives the full value of the purchase upfront, and typically enjoys an upsized basket and increased frequency of purchase due to the customer being offered a more affordable way to pay.

Acquiring new merchants and promoting existing ones is also a key contributing factor to the outstanding gross merchandise value (GMV) growth rate of 104% to R1.5 billion. Through our deals and merchant search pages, our merchant partners have benefited from 27.3 million referrals in the year (2022: 11 million) and we expect this growth to continue as Search and Discovery of our merchant partners is a key focus for 2024.

Why do merchants choose PJN?

Referral Traffic

27.3m merchant referrals in last 12 months up from 11m

High repeat rates

75% transactions with recurring customers

Marketing with My Deals

30-50 Merchant specific offers running monthly with 16 deals personalised to her.

Driving 3.2m customer clicks over past 12 months

Store Directory

Search & Discover by customers of merchants driving 23m in traffic

Increased Spend

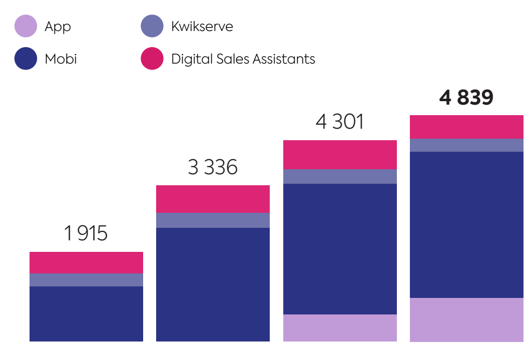
Over 50% increase in basket size with strong conversion

Your MobiMoney wallet continues to grow strongly – tell us more

Our FinChoice MobiMoney™ credit-backed digital wallet continues to be a highly engaging product in the Weaver stable with strong customer appeal. Wallet customers increased by 26% to 270 000 and utilisation grew to R1.8 billion in withdrawals, up 33%. With 75 000 average monthly wallet transactions, the functionality is very attractive to customers.

MobiMoney is offered via our feature-rich mobi-site and smartphone App. Our App now accounts for 19% of disbursements and is our fastest growing channel. Customers are able to scan QR codes at the point of sale of a rapidly growing range of merchants, to make convenient cashless payments directly from their MobiMoney wallet. The product is available 24/7 with customers easily able to access it wherever and whenever they need it.

Digital Disbursements (R'm) up 12.5% drive lending income



Funeral insurance GWP up 27%

How are you progressing with the diversification of income earned?

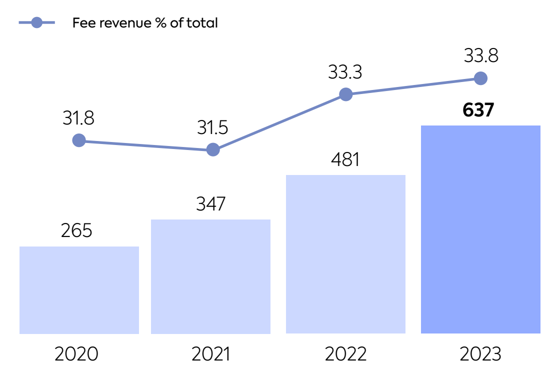
Weaver's revenue consists of two main streams of income – fees (earned primarily from our insurance and payments verticals) and interest (earned from our loans business). Building fee income has provided greater product diversification and more annuity income.

Interest income is earned from our well-established loan products offering from a 317 000 customer base. Currently 67% of the R1 billion revenue is interest income.

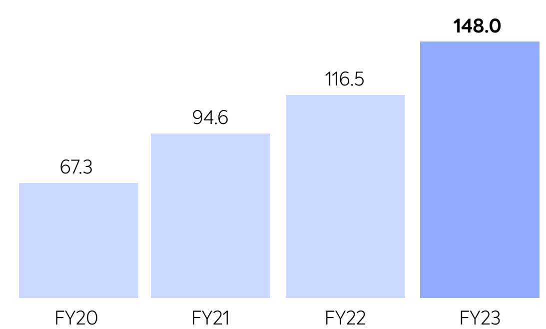
Fee income grew 32% to R637 million, and accounts for 33.8% of the income mix. This stream of income started with fees earned from our personal insurance product and the selling of value-added services, such as airtime and electricity. The acquisition of PayJustNow in 2021 enabled us to generate additional fee income from this new payments vertical. Fees earned from the BNPL product are showing strong growth as the customer base shows exceptional growth, doubling in size in 2023.

We will continue to develop and drive the cross-sell of fee-based products in our ecosystem, to improve cash generation and diversify our portfolio.

Fee Revenue (R'm)



GWP (R'm) growth 27% with digital engagement



homechoice

Q&A with Retail CEO Chris De Wit

Please can you provide an update on your turnaround strategy and what we can expect for the future?

I am comfortable that the business has now been reshaped and we are now in a strong position to profitably grow the business into the future.

Retail sales were down 23.6% following a strategic decision to significantly tighten credit risk. While in the short-term it reduced sales, it has allowed us to build a quality credit customer base for future growth.

Gross profit was lower at 43.0% compared to the 46.5% achieved in FY2022 primarily impacted by foreign exchange headwinds and stock management strategies.

Despite the reduction in sales, finance income was only down 7.4% with mandatory credit life successfully implemented.

We implemented a number of initiatives to manage and reduce our debtor costs. This has resulted in in debtor costs reducing by 30.3% - R144m down on FY2022.

Trading expenses decreased by R68m (down 8.4%) with controlled marketing spend and right-sizing of teams to support a lower revenue base. This has a been a major focus over the past two years and I believe we are seeing the results of this with further benefits expected into 2024.

Reductions in debtor expenses and costs base changes allowed us to deliver a R52m operating profit despite lower sales but importantly, it has set up the business for a sustainable future.

What do you see as the key external trends for Retail

A major trend for Retail is the rise of 'phygital' – creating a hybrid shopping experience, integrating digital technology into a physical area. Incorporating digital options within the customer's physical experience and vice-versa. Devices and technologies such as smartphones and QR codes promote the opportunity to combine and create a connection between the physical and the digital.

The use of self-service kiosks and touch screens in store allows customers to complete basic transactions quickly and effectively by integrating digital technology into a physical area. It is convenient because it allows customers to complete their purchase in whichever way is most comfortable for them.

Our new format showrooms, with a digital customer experience, addresses this trend. We will continue to look at initiatives to maximise this further.

Business returns to cash generation

R345m
Cash from improved working capital

29%
Stock reduction improving cash by R118m

27%
Increase in cash sales – now 7.4% up from 5.8% improving profitability

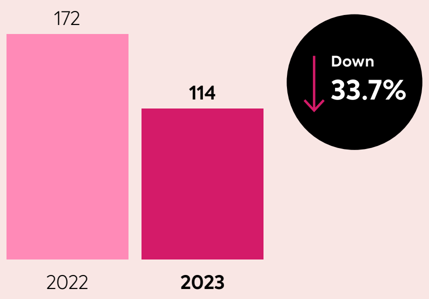
Why did your customer base drop 16.6% given all the investment into growing this base?

Our active customer base was heavily impacted by the reduction in new accounts and the deliberate credit cuts with the focus on improving the quality of our customers.

New customers were down 33.7%. Only 52.8% of new applications were accepted on the new bespoke scorecard compared to the 64.4% accepted in FY2022. Pleasingly, new cash customers were up 5% with the increase in the number of showrooms a key driver.

Post year-end, we have seen positive momentum in acquiring new quality customers and improving re-activation of our existing customer base.

New customers ('000)



Cash customers growing 5%

Your gross profit margin reduced significantly by 350 bps to 43.0%. What drove this deterioration?

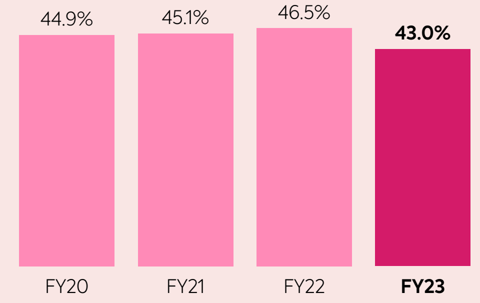
A few factors led to the decline in the gross profit margin.

Given the macro-economics in South Africa, we decided not to pass on the devaluation of the Rand on to our customers and absorbed it into the gross profit margin. Markdowns were higher than anticipated as we traded out of an overstock in inventory.

Unfortunately, we were unable to close down our Johannesburg DC in FY2023 leading to a higher fixed cost structure with lower parcel volumes and lower sales. We have closed the distribution centre in January 2024 which will reduce supply chain costs into the new year. We are also starting to experience improvements from our 'Smart' fulfilment delivery system. In addition to improving the customer experience, it will also have the benefit in managing our supply chain systems.

We do see the gross profit margin returning to a range of between 44% to 48% in the medium-term.

Gross Margin %



You refer to credit cuts being your biggest strategic shift in 2023 – how did you implement this and achieve the 30% reduction in debtors costs in such a challenging environment?

I am very pleased with the reduction in debtor costs, despite the challenges experienced by customers.

We implemented four key initiatives during the year which have resulted in the improvement of debtors costs to 18.6% of revenue (2022: 21.6%).

A new bespoke scorecard was implemented in May which provided an increase in the granularity of data to manage and understand our risk acceptance criteria. Credit limits were reviewed with specific focus on reducing them for higher risk populations but at the same time increasing the limits to good quality customers. Our fraud defences were strengthened and upfront authentication has proved to be very effective. With an investment in technology our digital collections improved.

The provision rate reduced to 29.4% reflecting an improved book health with provision cover levels maintained.

Please can you provide an update on your Showroom strategy and your plans for the future of this channel?

Our showroom channel is a key driver in revenue growth, customer acquisition and cash generation, increasing to a 17% contribution (2022: 14%) of sales.

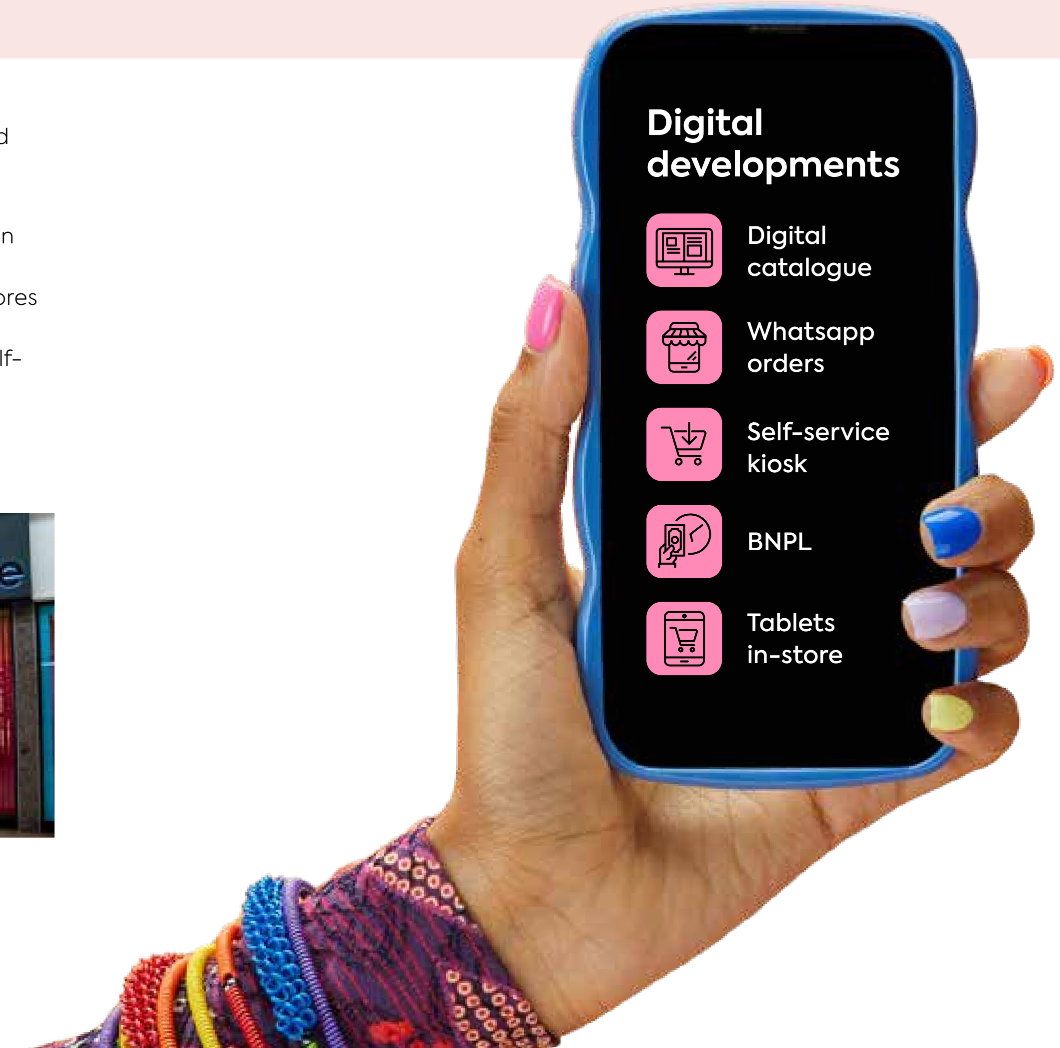
We have successfully rolled out eight new smaller format showrooms in the last quarter and introduced a cash and collect "Take me home" product range to our customers to drive up cash sales and improve margins through a higher bedding mix.

The footfall in the new showrooms is more than double our existing ones. New showrooms have been opened in high footfall mall locations. Showrooms acquired over 22 000 new customers in 2023. 24% of their sales are cash with debtors cost percentage to revenue at 13% (18.6% in other channels). All of these metrics inherently make them very profitable which is why we will continue to grow this channel and open another 15 showrooms in 2024.

Our customers are very digitally engaged with a strong social media following (1.1 million Facebook followers and 158 000 Instagram followers). For this reason, the new format stores will be digitally enabled by sales transacting through tablets or customers' own device, self-help kiosks to enable payments and account queries as well as PJN payment offer in store.

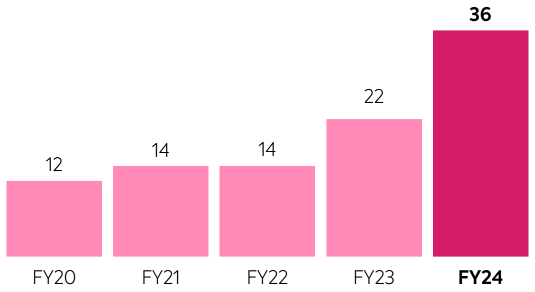
Focus areas

1. **Open 15 new showrooms** with a target to grow this channel's contribution to **30%** of our sales mix in the medium term
2. **Improve our digital sales** to grow it to **40%** of sales mix through a chat concierge sales process, self-service for support and queries as well as an improved online platform shopping experience.
3. Continue our **focus on being bedding experts** through product innovation, high quality merchandise and curated offers.
4. Utilise **marketing and customer data with a customer centric approach** to include personalised offers and a frictionless digital sales flow.
5. **Enhance our credit offerings** with a digital journey as well as personalised credit offers.
6. Implement a **strong fulfilment solution** for delivery of catalogues in SA and ability to operate from a single warehouse



8
new stores opened in Q4 '23

Scaling Showrooms



Governance.

Our Directors

International Board

CHAIR

Shirley Maltz (52)

Appointed Nov 2014
Appointed Chair Nov 2020

Executive chair

LEAD INDEPENDENT DIRECTOR

Pierre Joubert (58)

Appointed May 2019

Independent non-executive director

Marlisa Harris (50)

Appointed Feb 2021

Independent non-executive director

Eduardo Gutierrez-Garcia (56)

Appointed Nov 2014

Non-executive director

Roderick Phillips (50)

Appointed Dec 2022

Independent non-executive director

Adefolarin Ogunsanya (38)

Appointed Mar 2018

Alternate director for Eduardo Gutierrez-Garcia

HIL CHIEF EXECUTIVE OFFICER

Sean Wibberley (53)

Appointed Dec 2022

Executive director

GROUP FINANCE DIRECTOR

Paul Burnett (48)

Appointed Nov 2014

Executive director

Chief Executive Officers

FINCHOICE

finchoice

Sean Wibberley (53)

PAYJUSTNOW

PAYJUSTNOW

Craig Newborn (43)

RETAIL

homechoice

Chris de Wit (44)

Composition

Executive chair	12.5%
Executives	25%
Independent non-executives	37.5%
Non-independent non-executive	12.5%
Alternate non-executive	12.5%

Average age 51 years

Board experience

Leadership	100%
Financial Services	100%
Digital	50%
Retail	50%
Financial	100%

Tenure

0-3 years	38%
3-5 years	13%
6-9 years	49%

Average tenure of four years

Demographics

Female (Target 30%)	25%
Race (Target 30%)	12.5%

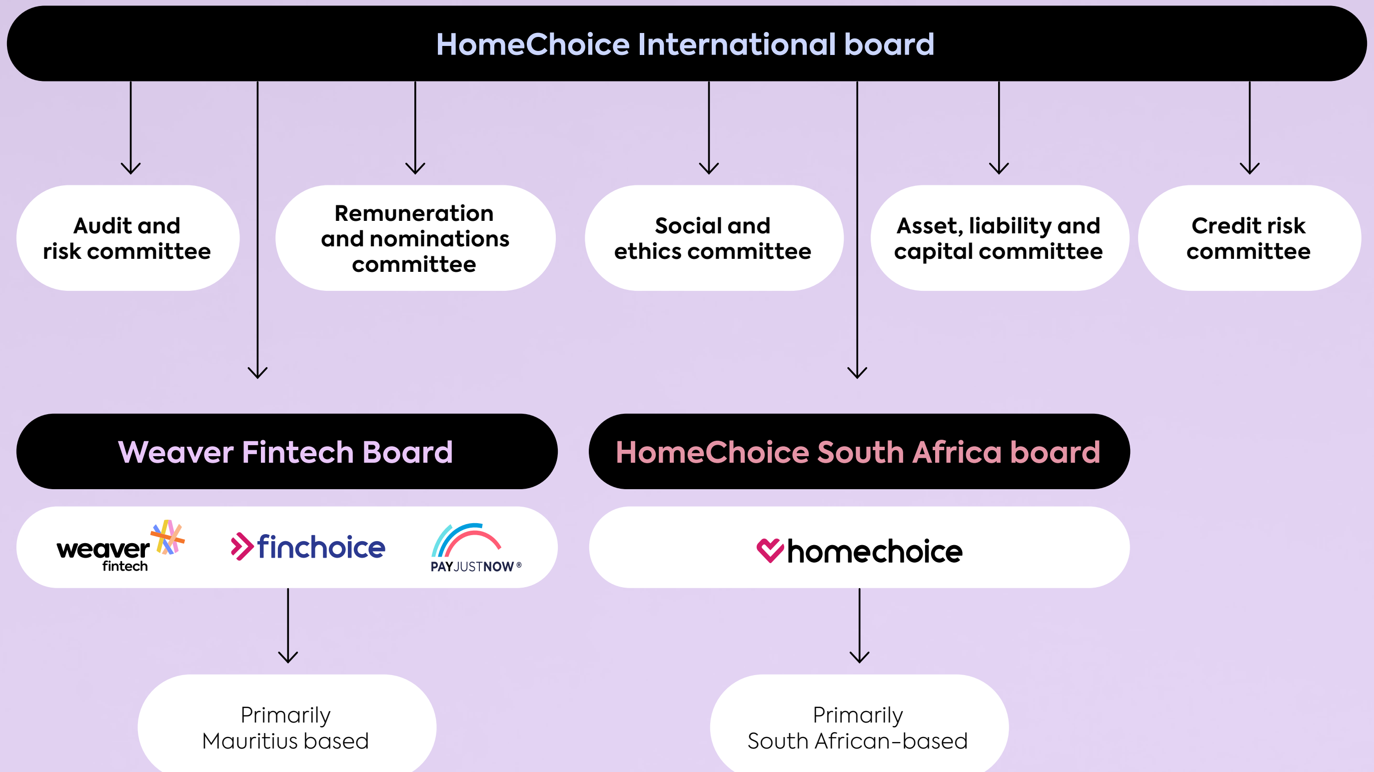
Attendance

Board	100%
Committees	100%

- Nominations committee
- Remuneration committee
- Audit and risk committee
- Social and ethics committee
- Asset, liability and capital committee
- Credit risk committee
- Chairman
- Lead independent director

Governance Report

The board has adopted the King IV Report on Corporate Governance for South Africa 2016 (King IV™) to guide and direct the governance of the group.



Our approach to corporate governance

The board has adopted the King IV Report on Corporate Governance for South Africa 2016 (King IV™) to guide and direct the governance of the group.

We understand that adhering to the highest standards of corporate governance is fundamental to the sustainability of our business. Our business practices are conducted in good faith, in the interests of the company and all its stakeholders with regard for the principles of good corporate governance.

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

weaver fintech

Weaver Fintech is a highly profitable consumer fintech company. It offers digital personal lending, payment solutions, value-added services and insurance products using innovative mobile-first platforms.

homechoice

HomeChoice is an omnichannel retailer, focused on quality homeware own brands and sought-after external brands. It has a growing digital contribution.

Weaver FinTech and HomeChoice are separate legal entities, each with their own board of directors operating according to their constitution, memorandum of incorporation and board charters.

Board governance

Board composition

Board composition at 31 December 2023

8 Total board members

Composition

- **3** Independent non-executive directors
- **1** Non-independent non-executive director
- **1** Alternate to non-independent non-executive director
- **3** Executive directors

HIL has an executive chairperson of the board. Our lead independent director strengthens the independence of the board. He acts as a sounding board to the chairperson and chairs the board's decision-making when the chairperson is unavailable or where the executive chairperson has an actual or perceived conflict of interest.

The board is satisfied that there is a balanced distribution of power in respect of membership across committees so that no individual can dominate decision-making or has unrestricted power.

Independence

The nominations committee reviews the independence of all non-executive directors on an annual basis, using the independence criteria from King IV™ as guidance.

Based on that review, the board is satisfied that Marlisa Harris, Pierre Joubert and Roderick Phillips are independent. By virtue of Eduardo Gutierrez-Garcia being the representative of a significant shareholder in the group, he cannot be classified as independent.

Rotation and tenure

In line with the company's constitution, one third of non-executive directors are required to retire from the board by virtue of rotation. Subject to continued eligibility, the directors may make themselves available for re-election at the annual general meeting (AGM).

The nominations committee has reviewed the rotation schedule and, having considered the directors' contribution to and attendance at meetings, recommended to the board that Pierre Joubert and Eduardo Gutierrez-Garcia will retire by rotation at the upcoming AGM on 13 June 2024. Both directors have made themselves available for re-election.

Directors standing for re-election at AGM

- Eduardo Gutierrez-Garcia (non-independent non-executive)
- Pierre Joubert (lead independent and independent non-executive)

Conflict of interest

On a quarterly basis, all directors table a register of their personal financial interests and a director is recused from board discussions on matters that they may have an interest in.

Board process

Delegation of authority

The board has established a formal delegation of authority (DOA) to provide guidance in decision-making between the board, its sub-committees and the management of Weaver Fintech and HomeChoice. The DOA aims to minimise duplication of effort, streamline decision making and ensure that the most appropriate skills and experience are utilised in the decision-making process of the group. It guides the level of oversight and guidance required by the board and provides a financial limit for decision-making at board and executive level.

Committees

The board has three sub-committees – audit and risk, remuneration and nominations, and social and ethics, in accordance with the JSE Listings Requirements. An additional two sub-committees – the asset, liability and capital committee, and the credit risk committee, provide additional oversight over funding strategy and treasury management and credit risk management. All committees play a crucial role in ensuring that matters can be dealt with by members with specific skills and experience in their deliberations. The committees are governed by a charter and annual planner, and any amendments are approved by the board. The committees are chaired by non-executive directors, and where required, by regulations, an independent non-executive director.

The board acknowledges that delegating authority to these committees does not detract from its responsibility to discharge its fiduciary duties to the company.

Committee chairpersons provide an overview of committee discussions at each board meeting. Items for approval by the board are highlighted with due authority provided. The overview ensures that all board members are aware of matters discussed during the committee meetings, and the DOA is applied.

Board diversity

Our board diversity policy guides and directs the nominations committee when considering new appointments to the board. The policy recognises that an appropriate balance of gender, race, culture, age, skills, experience and field of knowledge is important for a board to be effective.

Specific targets have been set for race and gender, with an aim to achieve 30% representation for both attributes.

Meetings

The board meets at least four times a year to consider the business and strategy of HIL and its subsidiaries. It reviews reports from the chief executive officer, group finance director, divisional chief executives and other senior executives. Agendas for board meetings are prepared by the company secretary in consultation with the exec chairperson.

Advice and information

There is no restriction on a director's access to company information, records, documents and property. Non-executive directors have access to management and regular interaction is encouraged. All directors are entitled to seek, at the company's expense, independent professional advice on the affairs of the company.

Directors' fees

Non-executive directors have no fixed term contracts and do not participate in any group incentive schemes. Their fees are determined on an annual basis and approved by shareholders at the annual general meeting.

Board and committee evaluations

In line with the company's policy, board and committee assessments are conducted biennially as recommended by King IV™. An internal assessment was conducted during FY2023. The assessment indicated 'strong' governance processes. Items highlighted for further improvement will be actioned in FY2024.

Dealing in shares

Directors and employees may not trade in the Company's shares during closed periods. Clearance is obtained for all trades by executive directors and directors of major subsidiaries.

Homechoice International Board

Members

Shirley Maltz (exec chairperson), Eduardo Gutierrez-Garcia, Marlisa Harris, Pierre Joubert, Roderick Phillips, Sean Wibberley (CEO) and Paul Burnett (FD).

Adefolarin Ogunsanya is alternate for Eduardo Gutierrez-Garcia.

Attendance
99% attendance. Apologies were tendered.

100% attendance

5 Meetings

1 Executive chairperson

3 Independent non-executive directors

1 Non-independent non-executive director

2 Executive directors

Attendees by invitation
Divisional CEOs

Decisions made that enhance and support the group's value-creation process:

- Approved the group's interim and annual financial statements, including dividend payments
- Confirmed that the dividend cover is appropriate to provide an acceptable return to shareholders and allow capital reinvestment in the business
- Approved both the five-year strategy and one-year operating budget of Weaver Fintech and HomeChoice Retail
- Oversaw the enhancement of Weaver Fintech's ecosystem to drive cross-sell, increase customer lifetime value and profitability
- Continued to monitor the HomeChoice Retail turnaround plans to build a more future-fit business
- Approved refinancing and upsizing of debt facilities
- Approved the updated board and committee charters and the DOA
- Reviewed the board's broader diversity policy, including race and gender against the targets

Outcomes

Strong governance and oversight

Clarity of focus areas based on material issues for the group

Shared understanding of the group's strategic intent and targets to measure success

Dividends to shareholders in line with growth in profits

Audit and Risk Committee

Responsibility

- Ensure the integrity of the group's interim and annual financial statements, and integrated report
- Provide an independent review over the effectiveness of the financial reporting process, the effectiveness of internal financial controls, the system of internal control and the effective management of risks
- To be satisfied with the effectiveness of the group's assurance functions, including external assurance providers, internal audit and the finance function

Members

Roderick Phillips (chairperson), Marlisa Harris and Pierre Joubert

An additional meeting was held to approve the annual financial statements.

100% attendance

5 Meetings

3 Independent non-executive directors

Attendees by invitation
Group exec chairperson, HIL and divisional CEO's, group finance director, internal audit, external auditors, divisional IT officers, senior members of the finance team

Decisions made that enhance and support the group's value-creation process:

- Reviewed the integrity of the group's interim and annual financial statements, and trading announcements and recommended them to the board for approval
- Approved the external audit plan, their terms of engagement and monitored their effectiveness and independence, which included pre-approving any non-audit services performed
- Recommended the appointment of PricewaterhouseCoopers at the upcoming AGM
- Approved the internal audit plan, received regular reports from Deloitte & Touche, the group's internal auditors, on the effectiveness of the group's systems of internal control including internal financial controls, financial reporting procedures and risk management
- Reviewed business continuity plans particularly for IT operations
- Monitored reports providing evidence to support the HIL CEO and group finance director's responsibility statement in the annual financial statements
- Satisfied that the group finance director has the appropriate qualification, expertise and experience for the group's requirement. The group FD is supported by a finance team, in South Africa and Mauritius. Given the significant growth of the group over the past two years, a detailed review of the finance structure will be undertaken to ensure that the finance teams are adequately resourced to support the group FD to oversee the preparation of the financial statements
- Reviewed the solvency and liquidity and going concern assessments provided by management
- Approved the strategic risks of the group and the mitigation plans to manage them
- Reviewed IT governance reports
- Received regular updates on changes to material legislation impacting the group and noted that there were no material breaches with the legislation
- Assessed whether the integrated annual report presented a fair and balanced view of the group and all material issues have been reported appropriately
- Approved the integrated annual report on behalf of the board

More details can be found in the Report from the audit and risk committee on page 4-6 of the annual financial statements.

Outcomes

Shareholders and financial stakeholders can place reliance on the integrity of the annual financial statements

Stakeholders can rely on the integrated report to understand how the group creates value for the short, medium and long term

Group complies with material legislation

Shareholders can be satisfied that the external and internal auditors are independent of the group

Remuneration and Nominations Committee

Responsibility

- Ensure that the group's remuneration policy is appropriate and relevant to attract and retain talent to implement the group's strategic intent
- Ensure that the board is appropriately constituted and has the relevant skills, expertise and diversity to execute its duties effectively

Members

Pierre Joubert (chairperson), Marlisa Harris and Eduardo Gutierrez-Garcia.

100% attendance

2 Meetings

2 Independent non-executive directors

1 Non-independent non-executive director

Other attendees by invitation
Group executive chairperson, HIL and divisional CEOs, group finance director, head of group transformation (invitees are not present when their own remuneration is discussed)

Decisions made that enhance and support the group's value-creation process:

- Monitored the application of the remuneration framework and approved the mechanics of the newly introduced long-term incentive plan (LTIP)
- Approved the targets for the FY2023 short-term incentive scheme (STI), including awards for the STI, medium-term incentive (MTI) and LTIP
- Approved the remuneration paid to the executive directors
- Considered and approved the payment of directors' fees to the executive chairperson for her role as a chairperson
- Proposed the fees payable to non-executive directors and recommended them to the board for approval
- Approved the disclosure in the remuneration report and implementation report for inclusion in the integrated annual report as being an accurate reflection of events in FY2023
- Reviewed the committee composition and recommended changes to the audit and risk, remunerations and nominations, and social and ethics committees to ensure that they are able to discharge their responsibilities in terms of their charters and delegation of authority
- Confirmed that there is an arm's length relationship between the board and company secretary, Sanlam Trustees International, and that they have the appropriate qualification, experience and competence to perform the duties on behalf of a JSE listed company
- Reviewed the performance and independence of the directors available for re-election at the AGM
- Reviewed the performance and independence of the members of the audit and risk committee and recommended their re-appointment at the AGM

Outcomes

Board skills, experience and diversity appropriate for the group

The committees are adequately structured to support the board in its deliberations

Remuneration policy achieved significant support from shareholders at previous AGM

Social and Ethics Committee

Responsibility

- Ensures that the group acts as a responsible corporate citizen
- Oversees the group's 'sustainable growth' intent for a business model that creates long-term financial, environmental and social capital value creation

Members

Eduardo Gutierrez-Garcia (chairperson), Roderick Phillips and Sean Wibberley.

100% attendance

2 Meetings

1 Independent non-executive director

1 Non-independent non-executive director

1 Executive director

Other attendees by invitation
Divisional CEOs, human resources, compliance and legal, divisional heads of customers experience and head of sustainability

Decisions made that enhance and support the group's value-creation process:

- Monitored the progress made against the B-BBEE scorecard
- Monitored progress on employment equity plans
- Noted the good progress made in the training and development of employees and the effective utilisation of awards from the retail and financial services sector education and training authorities (SETA) for learnerships and bursaries
- Monitored the divisional customer surveys and actions to improve or maintain the scores
- Approved plans to mitigate the impact of load shedding on business operations
- Monitored progress on plans to reduce water and energy consumption
- Received updates on the activities undertaken by the HomeChoice Development Trust

Outcomes

Progress made in achieving sustainable growth business model

Asset, Liability and Capital Committee

Responsibility

- Oversight of the group's treasury management functions
- Recommending the optimal funding and liquidity mix in line with the group's treasury risk strategy

Members

Pierre Joubert (chairperson), Eduardo Gutierrez-Garcia and Paul Burnett.

100% attendance

4 Meetings

- **1** Independent non-executive director
- **1** Non-independent non-executive director
- **1** Executive director

Other attendees by invitatino
Group executive chairperson, divisional CEOs, corporate finance and tax manager, external advisors

Decisions made that enhance and support the group's value-creation process:

- Considered regular updates on optimal funding strategies
- Approved refinancing and upsizing of the group's interest-bearing loans and borrowings facilities from R1.8 billion to R3.0 billion
- Monitored performance against the treasury dashboard on a quarterly basis
- Monitored quarterly cash flow statements to ensure liquidity requirements meet the operational requirements
- Monitored compliance to funding and debt covenants
- Reviewed and approved amendments to forward exchange cover policy

Outcomes

Group's funding strategy actively considered in support of the group's forward strategy and maximises capital allocation

Established upsized debt facilities to support ongoing Weaver Fintech growth

Credit Risk Committee

Responsibility

- Monitor and oversee the processes and outcomes of the credit risk policy
- Recommend any changes to the credit risk policy in response to market conditions and actual performance

Members

Paul Burnett (chair), Sean Wibberley and Chris de Wit.

100% attendance

3 Meetings

- **2** Executive director
- **1** Divisional CEO

Other attendees
Divisional credit risk heads, external advisors

Actions that enhance and support the group's value-creation process:

- Reviewing quarterly credit risk performance and governance dashboards
- Monitored actions taken by HomeChoice to implement stringent credit tightening to improve the credit quality of customers
- Conducted benchmarking of the divisional credit books
- Monitored Retail and Weaver Fintech credit risk management policies given the constrained economic conditions and high interest rates
- Reviewed changes to the IFRS 9 models
- Considered the impact of regulatory changes on the group's credit products

Outcomes

Retail's deliberate tightening in credit policy greatly improved the quality of customer and book performance

Strongly performing credit books with appropriate credit impairment provisions for quality of book

Credit management report

The provision of credit to the mass middle-income market is a key element of the group's business model.

The fintech digital loans, Buy Now, Pay Later (BNPL) digital payments product and retail sales on credit require robust credit management processes. The group draws on its more than 35 years of experience and knowledge of the mass market customer in determining which customers are most likely to be able to service their debt. The group's customer base has a strong female bias and experience has shown that female customers have proven to have better credit risk than their male counterparts. 70% of the group's customer base are women.

Credit product offering

The group's credit offering is mainly short term in nature and is unsecured.

Retail

3 months
Interest-free

6, 12 and 16 months
Revolving credit

24 and 36 months
Instalment credit

24 and 36 months
Revolving credit

Weaver Fintech

1 to 3 months
split payment Buy Now, Pay Later*

1 to 3 months
MobiMoney wallet revolving credit

6 months
Flexi loan short-term credit

3 to 12, 24 and 36 months
Premier loan unsecured credit

* Although the split payment BNPL product is not a credit product according to South Africa's National Credit Act, the group manages BNPL with the same levels of due care applied to risk management, customer fairness, affordability, fraud and collections as a credit product to ensure a sustainable product which delivers a great customer experience.

Governance oversight

A credit risk committee is mandated to perform an oversight role for the group's credit functions. The committee is chaired by the group FD and the CEO's of FinChoice and HomeChoice Retail are committee members. External industry specialists and divisional heads of credit risk attend the meetings by invitation. Meetings are held quarterly, with feedback to the board on the deliberations of the meeting.

The mandate of the committee is to monitor the credit risk metrics to ensure that they are within the risk tolerance levels approved by the board and to provide a level of oversight on changes to the IFRS 9 credit models.

A credit risk dashboard has been developed with threshold metrics for origination, fraud, collections, recoveries, book health and debt review. Threshold ranges, based on industry standards and profitability targets, have been assigned to each metric and the credit risk committee monitors actual performance against the thresholds and forecasts. Action plans are tabled when actual performance is outside of the threshold ranges or forecast expectations.

Credit strategy and policy

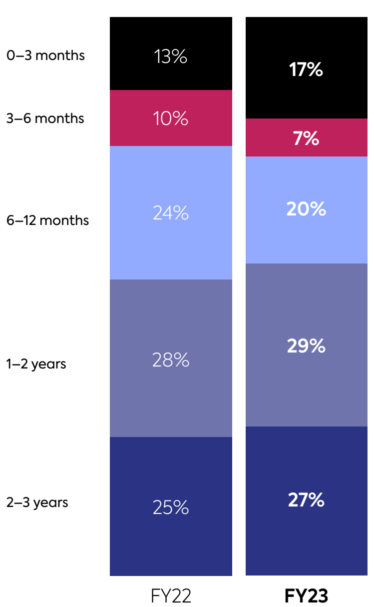
The overarching credit strategy for the group is 'low and grow'. First-time customers start with lower limits and shorter payment term products which are then increased as they exhibit good repayment behaviour.

This strategy allows customers that are new to credit to orientate and understand how they can service their accounts within their budget. It also allows the group to monitor customer payment behaviours with relatively low exposure risk. Behavioural and alternative data internal to the group enables the group to increase credit limits to long standing customers who exhibit good payment behaviour. The careful upfront selection and origination together with the proactive management of existing customers results in improved performance of the overall book.

Market and economic conditions guide the application of the strategy. Challenging conditions will result in stricter credit thresholds for new and existing customers, to actively manage the risk to targeted credit risk performance levels.

Weaver Fintech and HomeChoice Retail independently manage their credit books with policies unique to their business operations. Strategy, origination, decisioning, vetting, customer management and collection processes are managed by separate credit risk teams based in Mauritius and South Africa. Where appropriate, fraud, behavioural and negative payment data are shared at a group level.

Weaver has consistently maintained short term books*



*Book age distribution from origination

Origination and acquisition

Weaver Fintech

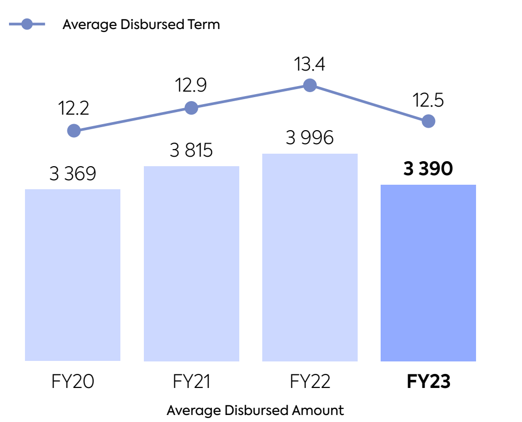
The vast majority of Weaver Fintech's customers are acquired digitally and are new to the group.

FinChoice

The successful application of API technology and the use of affiliate partners, operating on digital platforms, drives FinChoice's acquisition strategy. Using initial data provided by customers, FinChoice curates a personalised product offer with good conversion rates. Stricter credit policies apply to external customers, with the low and grow strategy resulting in higher credit thresholds, lower maximum credit limits and shorter terms being provided to customers new to the group. FinChoice supplements its customer acquisition strategy with PayJustNow and HomeChoice Retail customers who have a proven credit record. These customers have a lower group cost of acquisition and better credit risk performance than external customers. Building out the Weaver ecosystem provides a substantial opportunity for cross-selling products within the growing Weaver (FinChoice and PayJustNow) customer base with an established payment history.

The FinChoice MobiMoney™ digital only account is the entry point for many FinChoice customers. Using e-wallet technology, customers can withdraw funds against their approved credit limit and the platform enables Weaver Fintech to offer value-added services and payment products to customers.

Focus on short term, low value lending to digital customers (R value)



PayJustNow

All PJN's customers are signed up digitally. Customers love the digital experience and the convenience and scalability has resulted in PJN rapidly acquiring on average more than 50,000 new customers per month during 2023. The streamlined customer experience encourages repeat business using the group's low and grow credit strategy.

During the year FinChoice piloted the digital offer of personal loan and insurance products to PJN customers. Based on the actual results achieved, the pilot will be extended deeper into the 1.3 million PJN customer base with its proven payment performance.

Retail

Retail acquires new customers and retains existing customers through multiple origination channels with an increasing number acquired digitally.

Traditionally the main channel for acquisition of new customers, and the upsell and cross sell to existing customers, has been the outbound telephony channel, together with targeted list mailings. Retail supplemented this during COVID with more television advertising for the origination of new names. High levels of loadshedding worsened response from television advertising and the collapse of the South Africa Post Office (SAPO) hampered the distribution of catalogues, both reducing our market reach. Technology and the use of couriers have been used to mitigate these macro challenges. During 2023, there has been a renewed focus on opening of more smaller showrooms (which are attracting better credit quality customers) and enabling sales agents for customer acquisition and sales.

The implementation of a bespoke application scorecard and new credit solutions to improve customer quality purposefully reduced the number of new customers onboarded during 2023. Retail vintages have stabilised within risk tolerances with encouraging performance of early roll rates.

Post the 2023 year-end there has been positive momentum in acquiring new quality customers and improving re-activation of existing customers.

Vetting and decision making

Affordability, processing, vetting and decision-making processes operate independently within Weaver Fintech (FinChoice and PJN) and HomeChoice Retail, with best practice and learnings shared amongst the respective teams.

The group applies the South African National Credit Act (NCA) regulations. Proprietary experience and metrics appropriate to business operations are overlaid on top of the NCA guidelines to manage credit risk within the approved tolerance levels. Bespoke credit scorecards, developed in partnership with external specialist service providers, are supplemented and strengthened with external credit bureau data. Relevant behavioural scorecards make use of specific transactional data relevant to each business and group data relating to payment performance. These scorecards are also used to determine credit extension available to good paying customers eligible to repurchase and take a repeat loan, which reduces average bad debt. Scorecards are regularly reviewed and adjusted to ensure that the credit performance is in line with an acceptable level of risk for new and repeat business. To this effect, Retail implemented new bespoke models and credit strategies for both new and repeat business during 2023.

Technology plays a critical role in ensuring efficient and convenient customer processes. Our membership of the Document Exchange Association has enabled a streamlined process to obtain customers' relevant banking information. The use of technology also enables us to give customers quicker responses to their credit applications. Streamlining of processes in vetting have resulted in improvements in the time it takes to authorise customers' credit. Further partnerships with external parties contracted to host the bespoke origination scorecards as well as credit strategies further enabled Retail to introduce much more flexibility and agility into the upfront vetting and credit scoring approach.

Advanced fraud detection technology tools and predictive models are used to manage fraud. Fraud detection technology is complemented by a team of fraud specialists.

In 2022 and early 2023 Retail experienced higher levels of new business and channel specific fraud. Appropriate changes were made to return levels of fraud to within industry standards from mid-2023. Improvements in the prevention of fraud have reduced existing account takeover fraud and improved detection on new business fraud.

PJN has continued to use its strong fraud prevention tool selfie technology to confirm a customer's identification quickly and seamlessly against the South African Department of Home Affairs. The group also has transaction level decision rules which enables approve/decline decisions not only at sign-up stage, but also at the point of transaction.

Collections

Weaver Fintech

Weaver Fintech collects all of its payments digitally.

FinChoice

FinChoice uses the regulated digital DebiCheck authenticated collection system to collect most of customers' loan repayments. DebiCheck provides greater protection to both the customer and the group as the customer is required to confirm the debit order with their bank during the credit application process.

It is mandatory for active FInChoice customers to pay via the digital DebiCheck debit order.

Finchoice continued to invest in its digital platform, giving customers the ability to service any arrears payments digitally. Future development will see this platform increase in its functionality to repay or settle debt through numerous digital payment options.

For customers not engaging digitally, arrears payments are collected by a dedicated collections team based in South Africa (with appropriate language availability).

PayJustNow

PJN customers pay by card and are always required to pay their first instalment up front when using the BNPL payment method. This reduces the need for a large collections team and is more efficient for the business. PJN has developed an internal and external late-stage collection process and is developing alternative payment channels as additional collection mechanisms.

Cash collections

Weaver Fintech	Retail
R6.7bn	**R1.8bn**

Retail

In addition to convenient and easy-to-use digital payment options, Retail customers can make use of multiple physical payment points throughout South Africa and neighbouring countries, which include selected retailers and banks. In 2023 Retail made the decision to only originate new customers willing to pay through an authorised debit order, with the exclusion of certain groups of consumers without bank accounts. This strategy has also been rolled out on certain re-activations of existing customer segments, with significant payment performance improvements seen across the board.

The dedicated collections team contacts customers as per the collections strategy to confirm payments or agree payments from customers in arrears. During 2023 Retail implemented a fully-fledged early collections decision engine integrated to the dialler, enabling effective execution on strategies and targeted queue creation. The targeted collections strategy enables the collections teams to be more efficient when and how they contact customers to request payments. As a result of the success of the debit order strategy and the optimisation of the early collections process, the size of the collections team was halved, without any impact on cash collected.

Debt review and late-stage collections

In recent years the group has experienced an increase in customers entering a formal NCA debt review process and higher demand for its rehabilitation credit products. The group actively manages this through customer communications and regular reviews of credit vetting thresholds beyond regulatory requirements.

Across the group, late-stage account collections, where recoveries from customers may be more onerous, are outsourced to pre-approved specialist external debt collection (EDC) agencies. The EDC's are actively monitored based on service-level agreements and metrics, and non-performance may result in the cancellation of their contract with the group.

Periodically, accounts which cannot be collected either internally or through EDCs are sold to external third parties.

Remuneration Report

SECTION 1 Report from the chair of the remuneration committee

Pierre Joubert undertook the role of Chair from 1 January 2023, in line with a planned rotation approved in November 2022.

Remuneration policy and framework

During FY2023, the committee was focused on implementing and monitoring the outcomes of the short-, medium- and long-term schemes introduced in FY2021 and FY2022 to ensure that the incentives, as designed, align on the strategic plans of each business.

An annual review of the Long-Term Incentive (LTIP) Balanced Scorecards by business was performed. This resulted in:

- minor amendments to the Weaver Balanced Scorecard for Finchoice
- the Retail LTIP measurement date being extended from December 2024 to December 2025 to allow the impact of the Retail Turnaround Plan to be better.
  The Retail Balanced Scorecard profit element was amended to Earnings Before Interest and Tax (EBIT) and a new cash generation element was added.

The committee is satisfied that the current short- and medium-term schemes and changes to the LTIP schemes will continue to drive the desired outcomes.

Further details of the LTIP can be found on page 82.

Executive Chair Remuneration

During FY2022,the role of the Executive Chair was evaluated. The committee approved an amendment to the structure of the Chair's package. It now more clearly reflects the contribution made in terms of her role as Chair of the Board, compensated through Directors Fees, and her executive responsibilities in the South African businesses, where she is remunerated through salary, benefits and incentives.

This change was implemented in FY2023 and is shown in the attached remuneration disclosures.

Non-executive directors' fees

The committee recommended that the maximum amount payable for non-executive fees for FY2025 remains at US$65 000. The proposed fees will be tabled at the annual general meeting (AGM) on 14 June 2024 for shareholder approval.

Other key decisions made by the committee

The following decisions were made by the committee during the year:

- Approval of the FY2023 short-term incentive (STI) and medium-term incentive (MTI) targets
- Approval of MTI allocations
- Approval of the vesting of FY2023 Share Forfeiture Scheme
- Review of Long-Term Incentive (LTIP) balanced scorecards and allocations

King IV

King IV recommendations contained in Principle 14 are considered by the committee. Disclosure of the remuneration at all levels of the group is included in Section 3, Implementation report, and the executive directors' remuneration has been shown according to the single-figure remuneration methodology suggested by the South African Reward Association.

Shareholder voting

FY2022 AGM voting approval

Shareholders overwhelmingly approved the remuneration policy and implementation report.

Non-executive directors' remuneration	**90.82%**
Remuneration report	**90.82%**
Implementation report	**90.82%**

The committee uses remuneration consultants to provide input as and when required.

The group's Remuneration policy (Section 2) and Implementation report (Section 3) will be tabled at the upcoming AGM and are subject to non-binding advisory votes by shareholders on 13 June 2024.

If shareholders do not approve the Remuneration policy or the Implementation report by more than 75% at the AGM, the board will institute a formal engagement process with interested shareholders to assess their views and actions that they expect the company to take.

Future focus for the committee

- Update and improve the remuneration policy and framework
- Enhance KPA-setting and performance processes, with clearer links to progression, incentives and remuneration
- Expand the utilisation of external benchmarking at lower grades to better inform organisational design for the group

SECTION 2 Remuneration policy

Our employees play a critical role in the delivery of the group's strategy and the achievement of business objectives and therefore contribute to the sustainability of the business for the medium and long-term.

The group's Remuneration policy has been formulated to ensure that the group attracts, motivates and retains exceptional talent, drives a high-performance culture aligned to the group's business objectives and strategy, and achieves the following objectives:

- internal consistency, ensuring that all employees are remunerated fairly in relation to one another and reflects their value to the group and their individual performance;
- external consistency, through participation in industry remuneration surveys and managing employees' remuneration fairly in relation to the market;
- responsible remuneration, which attempts to address any income disparities based on gender and race; and
- aligns the executive's interests with shareholders, with a combination of short-, medium- and long-term incentives.

Components of remuneration

The remuneration mix includes a combination of monetary and non-monetary rewards.

- guaranteed pay (GP)
- short-term variable remuneration (commission and STI)
- medium-term variable remuneration (MTI)
- long-term variable remuneration (LTI)

For the purposes of the remuneration policy, employees are categorised as follows:

- executives – executive directors and senior executives in operating companies
- group services – employees who provide services across all businesses within the group
- specialists – junior to senior management with core functional skills, experience and/or professional qualifications in business divisions
- operations – employees in contact centres, retail showrooms and distribution centres.

In addition to their guaranteed pay, all permanent employees in the group receive a component of variable remuneration, dependent on their level and role.

Remuneration framework

The details of each component of the remuneration framework applicable for the 2023 financial year are shown in the tables below.

Guaranteed pay

Rationale	• Salary is based on competitive market value and adjusted in accordance with performance and contribution. • A market-related suite of benefits is made available, which is included in the cost-to-company basis.
Basic salary	• Reviewed annually, benchmarked against the market and assessed against prevailing economic metrics in relevant geographies. • Annual increases are granted on 1 March.
Benefits:	
Provident fund	• Defined contribution provident fund is compulsory for all South African and Mauritian employees. • Employees have the flexibility to elect from 6% to 20% of pensionable salary. • Provident fund also provides cover for death and disability.
Medical aid	• Membership is encouraged but is not compulsory. Two South African and Mauritian approved schemes are available, providing flexibility in terms of affordability and benefit coverage.
Discount	• Product discount on Retail merchandise sold by the group is available to all employees.
Other	• Expatriate staff in Mauritius receive additional benefits appropriate to the nature of their contract. Certain inclusions in guaranteed pay are dependent on in-country legislation.
Executive contracts and notice periods	• The notice period is three months for executives. Key executives have contracts that include restraint of trade conditions. • Executive directors' agreements do not provide for ex-gratia or other lump sum payments on retirement or severance from the group.

Operational staff participate in commission schemes dependent on their roles

Commission schemes

Customer-facing staff in the contact centres, retail showrooms and credit collections team have the opportunity to supplement their guaranteed pay by participating in a commission scheme dependent on the achievement of operational targets.

Certain categories of staff in the distribution centres may earn commission based on productivity and despatch targets.

Rationale	Participants	Period	Mechanics	Conditions
Drive and reward performance against critical operational targets aligned to the strategic pillars	Customer-facing employees Categories of distribution centre staff	Monthly	Formula driven dependent on commission scheme Payments made monthly in cash	Contact centre and Showrooms • Retail sales • Loan disbursements • Credit collections Distribution • Despatches • Productivity

Short-term performance bonus scheme (STI)

The short-term incentive scheme is based on one-year performance measures which include both segmental and individual performance metrics. It is available to Executives, group services and specialist employees. STI is also available to operations staff who do not earn commission.

The bonus pool is calculated in relation to segmental profit before tax. An agreed percentage of Profit before tax (PBT) range will be applied to each segment based on accepted market norms.

Individual performance determines the respective allocations from the pool. Individuals must achieve an acceptable performance in order to qualify for a bonus. The allocations for the categories are depicted below, with further details provided in the table.

Available to all directors group services and specialist employees

Rationale	Participants	Period	Mechanics	Conditions
Rewards performance for short-term financial and non-financial performance	• Executives • Senior executives • Management • Group services and specialist employees • General office staff • Operations staff who do not earn commission	One year	Threshold, on-target and stretch targets segmental profit Fixed percentage based on market norms No gatekeeper applied	Performance metrics: • Based on segmental financial performance • Individual performance

Allocations

	On-target	Maximum
Executive chair	100%	200%
Group chief executive officer	70%	140%
Group finance director	50%	100%

On-target   Maximum

Other

Targets agreed annually in advance.

Remuneration committee retains discretion on whether to award a bonus and the quantum.

Payments made in cash post year-end.

Medium-term incentive scheme (LTI)

The medium-term incentive scheme is based on one-year financial performance measures and includes non-financial performance, and individual performance. It is available to Executives, group services and specialist employees.

Allocations are calculated in relation to segmental PBT. An agreed percentage of PBT range will be applied to each segment based on accepted market norms. Allocations are made annually.

Individuals must achieve an acceptable performance in order to qualify for an MTI award, and their performance determines the respective allocations from the pool.

Rationale	Participants	Period	Mechanics	Conditions
Attract, motivate, and reward employees for sustainable performance of the group and commitment to delivery of medium-term performance	• Executives • Senior executives • Key and critical roles	Three years	Threshold, on-target and stretch targets segmental profit Vesting occurs in three equal tranches over the performance period Participants can elect to receive allocation in cash or a combination of cash and equity (Forfeiture share plan) at the date of the award	Participants must be in the employ of the group and have an acceptable performance rating at respective vesting dates

Allocations

	On-target	Maximum
Executive chair	100%	200%
Group chief executive officer	70%	140%
Group finance director	50%	100%

On-target   Maximum

Long-term incentive schemes

The group's long-term variable remuneration comprises the Forfeiture Share Plan (FSP) and the Long-term Incentive Plan (LTIP).

The mechanics of LTIP were approved by the committee during the year and are explained below.

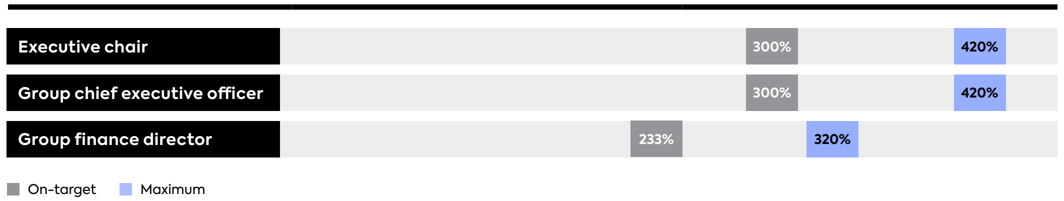
Forfeiture Share Plan (FSP)

Rationale	Participants	Performance period	Mechanics	Performance conditions	Other
Attract, motivate, reward and retain employees who can influence the performance of the group	Executives who remained on the FSP when the new schemes were introduced, and employees on the MTI scheme who elect to receive a portion of MTI in equity at the date of the award	One to four years	For those remaining on the original FSP, vesting periods are set at award date For the new MTI participants, vesting is aligned to the vesting periods of the MTI award	Employee to remain in the group's employ at vesting date CPIX performance condition has temporarily been waived	Dividends and voting rights depend on when FSP's were awarded Shares are held in escrow and forfeitable on resignation until the vesting date

Long-term Incentive Plan (LTIP)

Rationale	Participants	Performance period	Mechanics	Performance conditions	Other
Attract, motivate, reward, and retain executive directors and senior executives who are responsible for the driving of strategy and consistent sustainable achievement of financial performance above economic conditions	Executives	Three years	LTIP payments are determined by the balanced scorecard outcome and then reduced by any amounts received under MTI for the LTIP period	Based on divisional scorecards Metrics include a combination of financial (e.g. PBT, GMV etc.) and non-financial (e.g. quality of debtors' book, customers, digital contribution etc.)	Predominately cash settled Malus and clawback provisions apply

Allocations



Non-executive directors' remuneration policy

The table below sets out the Remuneration policy applicable for the 2023 financial year

Component	Details
Rationale	Market-related fees to attract and retain non-executive directors
Fees	Non-executive directors receive fees for their services on the board and participation on the board committees. The role of Chair will attract an annual director fee, based on the expertise and participation of that position. In the case of an Executive Chair, the directors' fees will not attract any variable remuneration payments. A base fee will be paid to all non-executive directors, with an additional amount paid dependent on the expertise and participation on committees. Fees are determined in US Dollars and may be paid in an alternative currency dependent on the country of residence. The fees paid recognise the responsibilities of non-executives to provide their expertise throughout the year on an ongoing basis and, therefore, an annual fee has been adopted. Fees are proposed by executive directors and discussed by the remuneration committee. The remuneration committee recommends the fees to the board for final approval by shareholders.
Contracts	Non-executive directors do not have service contracts with the company but receive letters of appointment.
Other	Non-executive directors may not receive any payments linked to organisational performance, nor are they entitled to participate in the long-term share incentive schemes.

Shareholder engagement and voting

In line with King IV, the company will table its Remuneration policy and implementation report for two separate non-binding advisory votes by shareholders at the AGM to be held on 8 June 2023.

If 25% or more of the shareholders vote against either resolution (or both), the Remuneration committee will engage with the dissenting shareholders to ascertain their concerns with the company's remuneration framework.

Shareholders are requested to approve the maximum fees payable. The Remuneration committee can exercise its discretion in remunerating directors based on their participation and membership on board committees up to the approved maximum amount.

SECTION 3 Implementation report

This section details the implementation of the Remuneration Policy for the 2023 financial year.

The committee confirms that it has applied the FY2023 Remuneration policy, with discretion exercised in the application of the STI awards.

The Board has confirmed that there are no prescribed officers in the group.

Guaranteed pay

The committee approved a 6.0% (SA) and 7.0% (MAU) inflation-linked increase to guaranteed pay effective 1 March 2023.

Executive directors' annual adjustment to guaranteed pay (based on constant currency) is 4.29%, in line with the group's objective in managing inflation inequality and reducing the pay gap between senior and junior employees.

Short-term incentive scheme (STI)

The short-term incentive scheme and medium-term incentive plan awards are based on the FY2023 financial performance.

The group achieved strong financial performance during the year. Weaver Fintech – FinChoice and PayJustNow – achieved a 23% growth in profit before tax, and the turnaround strategy in Retail delivered the second year of operating profit.

Based on the actual profit before tax for FY2023 against the agreed segmental financial performance targets, STI payments were made as follows:

Division	STI achievement level	Outcome
Weaver Fintech	Above threshold and below target Operational performance achieved	Approved STI awards with slight moderation applied
Retail	Turnaround target partially achieved	Approved STI awards, with substantially moderated percentage allocations

STI awards to the group executive directors are detailed on page 87.

Medium-term incentive scheme (MTI)

Based on the remuneration policy, the FY2023 MTI allocations made to group executives in March 2024 are required to be taken as Forfeiture Shares (FSP). However, as the executives currently hold various allocations of FSP equity (with the last ones vesting in 2025). Two tranches of the FY2023 FSP/MTI equity has been awarded and will vest in March 2026 and March 2027. The March 2025 MTI tranche has been forfeited in lieu of the existing FSP.

Therefore, the committee approved MTI allocations to executive directors as below:

	MTI Award Rand	FY2025 and FY2026 tranches	% of GP
Executive chair	R3.60m	R2.40m	69.2%
CEO	R2.10m	R1.40m	47.4%
Group FD	R1.32m	R0.88m	38.7%

The awards are based on the FY2023 remuneration policy tabled in the FY2022 integrated annual report.

Long-term incentive schemes

2019 allocations vested in 2023

The FSP allocations awarded in FY2019, with a three-year performance period, were approved by the committee for all participants in the employ of the group at the vesting date. No additional vesting requirements were applicable.

	Number	Vesting %
CEO	**60 000**	**100%**
Executive chair	**120 000**	**100%**
Group FD	**20 500**	**100%**

2023 allocations

No direct annual allocations of FSP shares were made to executive directors during the year as the group transitioned to the new Long-term and Medium-term incentive plans. See Medium-Term Incentives above for an explanation of FY2023 FSP portions of MTI.

Non-executive directors' remuneration

Details of the remuneration paid to non-executive directors can be found on the opposite page.

Component	Details
Rationale	Market-related fees to attract and retain non-executive directors.
Fees	The proposed fees for non-executive directors were tabled by the executive directors for consideration by the remuneration committee. The board proposed a fee of a maximum of US $65 000 per annum for non-executive directors and US $60 000 per annum for chair fees for the financial year ended 31 December 2024.
Other	Non-executive directors did not receive any payments linked to the group's performance nor did they participate in the long-term share option incentive schemes. Any travel costs incurred are paid for by the company.

Directors' remuneration and shareholding

The total remuneration, benefits and fees paid to each of the directors, for the company and its subsidiaries, in respect of the period ended 31 December are as follows:

							Short term	Long term		
	Notes	**Directors' fees R'000**	**Fees earned from subsidiary companies R'000**	**Salary R'000**	**Benefits[1] R'000**	**Guaranteed pay R'000**	**Performance bonus R'000**	**Cumulative fair value of shares[2] R'000**	**Dividends received[3] R'000**	**Single-figure remuneration/ directors emoluments R'000**
2023										
Executive directors										
Shirley Maltz	**4**	**1 157**	**–**	**4 743**	**390**	**5 133**	**3 500**	**6 525**	**462**	**16 777**
Sean Wibberley	**5**	**–**	**–**	**4 184**	**1 938**	**6 122**	**2 000**	**4 197**	**289**	**12 608**
Paul Burnett		**–**	**–**	**3 002**	**1 453**	**4 455**	**1 350**	**2 410**	**88**	**8 303**
		1 157	**–**	**11 929**	**3 781**	**15 710**	**6 850**	**13 132**	**839**	**37 688**
Non-executive directors										
Eduardo Gutierrez-Garcia	**6**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Marlisa Harris		**699**	**–**				**–**	**–**	**–**	**699**
Pierre Joubert		**794**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**794**
Roderick Phillips		**705**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**705**
		2 198	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2 198**
Total		**3 355**	**–**	**11 929**	**3 781**	**15 710**	**6 850**	**13 132**	**839**	**39 886**
2022										
Executive directors										
Shirley Maltz		–	–	5 436	633	6 069	3 200	10 345	312	19 926
Gregoire Lartigue	8	–	–	375	–	375	–	–	–	375
Sean Wibberley	5	–	–	150	73	223	–	–	–	223
Paul Burnett		–	–	2 443	977	3 420	1 200	2 872	96	7 588
		–	–	8 404	1 683	10 087	4 400	13 217	408	28 113
Non-executive directors										
Amanda Chorn	9	144	206	–	–	–	–	–	–	350
Eduardo Gutierrez-Garcia	6	–	–	–	–	–	–	–	–	–
Marlisa Harris		745	–	–	–	–	–	–	–	745
Pierre Joubert		682	–	–	–	–	–	–	–	682
Roderick Phillips	7									
		1 571	206	–	–	–	–	–	–	1 777
Total		1 571	206	8 404	1 683	10 087	4 400	13 217	408	29 890

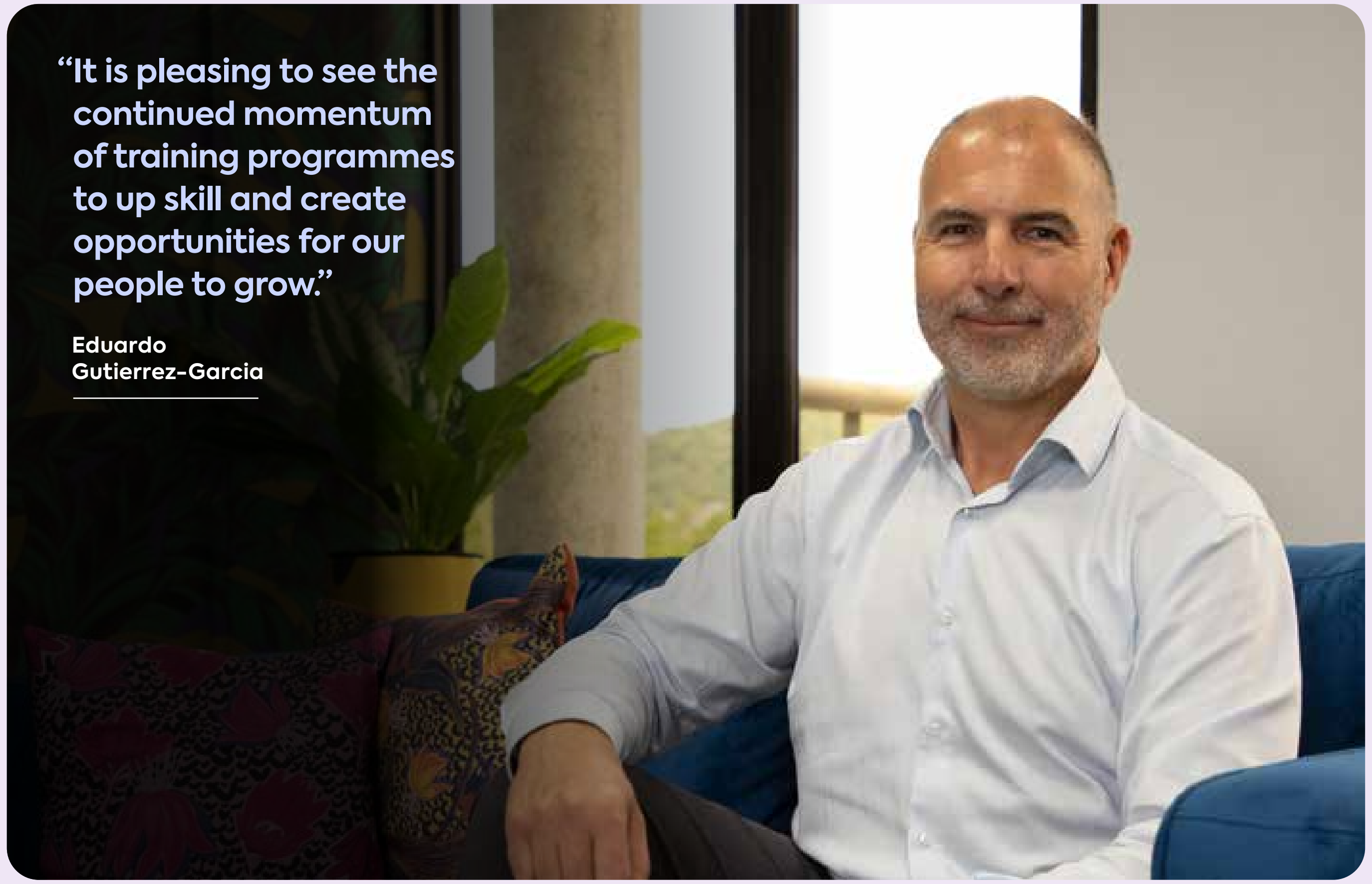
Notes

1 *Benefits include retirement fund contributions and benefits appropriate to expatriate staff employed in Mauritius operations.*
2 *Fair value of shares: Valued using the spot-rate of R21.40 (2022: R25.00) as at 31 December 2023.*
3 *Gross value of dividends received on unvested FSP shares.*
4 *From 1 January 2023, Shirley Maltz received directors' fees of USD60 000 in respect of her role as Chairperson in addition to remuneration as that of the South African CEO.*
5 *Sean Wibberley was appointed as the Group CEO effective 15 December 2022. His remuneration disclosed in 2022 is for the period 15 December 2022 to 31 December 2022.*
6 *Eduardo Gutierrez, as a representative of ADP II Holdings 3 Limited on the HIL board, does not earn any directors fees.*
7 *Roderick Phillips was appointed to the Board effective 15 December 2022 and no fees accrued for 2022.*
8 *Gregoire Lartigue resigned from the Board effective 15 December 2022.*
9 *Amanda Chorn retired from the Board effective 15 December 2022.*

					As at 31 December 2022		Awarded in 2023		Sold during 2023			As at 31 December 2023		
	Share scheme	Award date	Vesting date	Expiry date	Number	Grant price (Rand)	**Number**	**Grant price (Rand)**	**Number**	**Exercise price (Rand)**	**Realisation value[1] (Rand)**	**Vested**	**Unvested**	**Fair value[2] (Rand)**
Shirley Maltz	ESOS	31 Mar 2014	31 Mar 2018	31 Mar 2024	100 000	14			**100 000**	**18**	**357 000**	**–**	**–**	**–**
	ESOS	20 Mar 2015	20 Mar 2019	20 Mar 2025	40 500	34						**40 500**	**–**	**–**
	ESOS	1 May 2016	1 May 2020	1 May 2026	52 000	28						**52 000**	**–**	**–**
					192 500				**100 000**		**357 000**	**92 500**	**–**	**–**
	FSP	4 April 2019	31 Mar 2023	31 Mar 2023	120 000				**120 000**	**23**	**2 760 000**			
	FSP	31 Mar 2020	31 Mar 2024	31 Mar 2024	101 550								**101 550**	**2 173 170**
	FSP	30 Jun 2021	31 Mar 2025	31 Mar 2025	150 000								**150 000**	**3 210 000**
	FSP/MTI	30 Mar 2023	31 Mar 2026	31 Mar 2026			**53 348**						**53 348**	**1 141 647**
					371 550		**53 348**		**120 000**		**2 760 000**		**304 898**	**6 524 817**
					564 050		**53 348**		**220 000**		**3 117 000**	**92 500**	**304 898**	**6 524 817**
Paul Burnett	ESOS	20 Mar 2015	20 Mar 2019	20 Mar 2025	12 000	34						**12 000**		
	ESOS	1 May 2016	1 May 2020	1 May 2026	12 000	28						**12 000**		
					24 000							**24 000**	**–**	**–**
	FSP	4 April 2019	31 Mar 2023	31 Mar 2023	20 000				**20 000**	**23**	**460 000**	**–**		**–**
	FSP	31 Mar 2020	31 Mar 2024	31 Mar 2024	14 850								**14 850**	**317 790**
	FSP	30 Jun 2021	31 Mar 2025	31 Mar 2025	80 000								**80 000**	**1 712 000**
	FSP/MTI	30 Mar 2023	31 Mar 2026	31 Mar 2026			**17 783**						**17 783**	**380 556**
					114 850		**17 783**		**20 000**			**24 000**	**112 633**	**2 410 346**
					138 850		**17 783**		**20 000**	**–**		**24 000**	**112 633**	**2 410 346**
Sean Wibberley	FSP	16 Mar 2022	31 Mar 2023	31 Mar 2023	60 000				**60 000**	**23**	**1 380 000**	**–**		**–**
	FSP	16 Mar 2022	31 Mar 2024	31 Mar 2024	65 000								**65 000**	**1 391 000**
	FSP	16 Mar 2022	31 Mar 2025	31 Mar 2025	100 000								**100 000**	**2 140 000**
	FSP/MTI	30 Mar 2023	31 Mar 2026	31 Mar 2026			**31 120**						**31 120**	**665 968**
					225 000		**31 120**		**60 000**	**23**	**1 380 000**	**–**	**196 120**	**4 196 968**

1 *Realisation value is calculated as being the taxable benefit of the sale.*
2 *Fair value is calculated using the spot rate at 31 December 2023 of R21.40 and assumes a 100% vesting probability for all unvested awards.*

Social and Ethics Committee Report



The group achieved good financial results.

Our Weaver Fintech business delivered double-digital profit growth and dominated the group's performance in the year. We are continuing to invest in our people to develop their capacity and capability to meet the demands of this business into the future.

Our Retail business has been reshaped for future profitable growth. It is in this context, we have had to reprioritise some of our social and environmental initiatives to focus on this. Training our Retail people has also had a slower trajectory.

Our people

With a complement of +1 700 employees, our people management practices are a key element in our group. Execution of strategy is largely enabled by our people and consequently it is critical to ensure that the employee value proposition and remuneration policies are appropriate to attract and retain high performing individuals.

93% of employees are black and female representation is 74% in South Africa and 58% in Mauritius.

Employees in the contact centres can communicate in seven of South Africa's official languages offering customers to engage with the group in their mother tongue.

Employees
1 761

Operations
82%

Corporate office
18%

74%

26%

7 of SA official languages spoken in contact centres

24

bursaries awarded to assist employees in furthering their studies.

98%

of training is deployed digitally

Training

Training and upskilling employees has received focus during the year. More than 27 000 training interventions were carried out during the year – an average of 15 interventions per employee. 97% of the training interventions are focused on the operational employees, upskilling them in onboarding on joining the group, functional training in addition to compliance related training.

We have successfully increased our digital component of training interventions – 98%. This has allowed us to deploy training more efficiently and enables us to reach a larger audience without the need to hold in-person training. Updates to compliance regulations can be actioned and implemented more quickly into the relevant teams.

The learning and development teams have worked very closely with local and national government departments, utilising SETA funding to increase our training programmes that we offer for specific learnership programmes. We received R3.3 million SETA rebates supporting 98 employees to be trained on SETA accredited programmes.

Whistle-blower

Supporting the group's values and providing a safe space for employees to raise concerns, our whistle-blower policy is part of the group's code of ethics policy. An anonymous help-line is a support and safe space for employees to report any potential items of fraud or wilful wrongdoing.

Tip-off information can be provided by e-mail, SMS, App or by phoning the toll-free 0800 number assigned to the group.

The committee receives reports from the service providers and the internal fraud team assists in the investigation of any reported items.

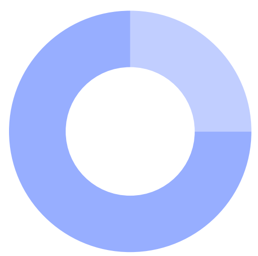
Transformation

The group's B-BBEE rating for FY2023 is unchanged from FY2022.

Given the strategic focus on reshaping the Retail business, we deprioritised work in the area for FY2023 and will look to refocus the strategic and operational activities in FY2024.

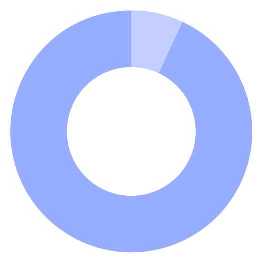
We continue to achieve maximum points in socioeconomic development, as is evident in the HomeChoice Development Trust detail provided below.

Female

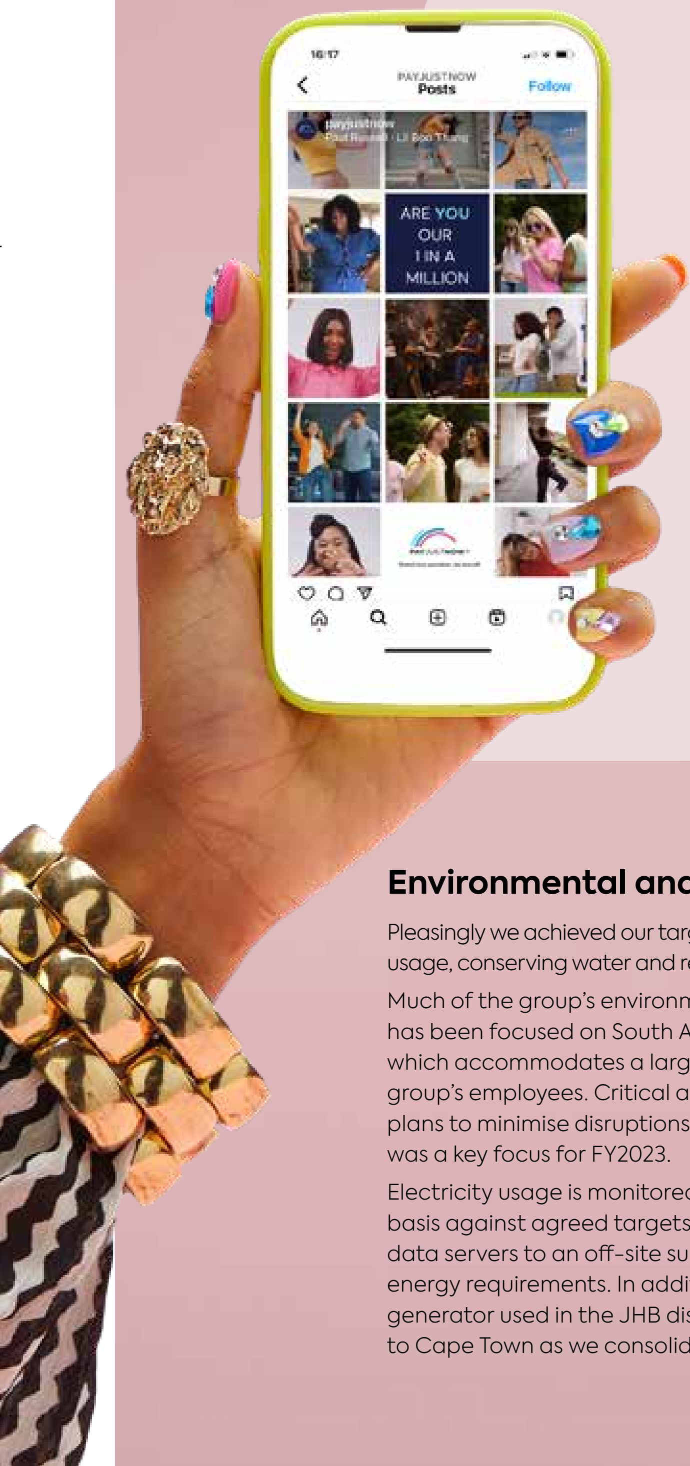


75%

Black



93%



Customer engagement

The committee receives regular feedback on customer experiences with the brands. Friction points in the various customer journeys are identified from that feedback and using that information we can adjust the flows and interactions to improve our customer experience.

With 84% of the group's transactions conducted digitally, it is critical that the digital experience is a rewarding and positive customer experience.

Weaver Fintech continues to score high Google ratings. The HomeChoice Retail customer experience teams are focused on improving their Google ratings further.

finchoice

Google rating

4.6 ★

"I'm a single mother of 3. Finchoice has helped me put my children through school. They have always been there in my difficult time."

SIBONGILE

PAYJUSTNOW®

Google rating

4.7 ★

"It is so convenient and easy to use PayJustNow. I love the feedback on payments and constant communication. I also love the new introduction of returning items if they don't fit you."

MUTSHINYANI

homechoice

Google rating

3.7 ★

"I have always received the best service from Homechoice, for over a decade."

NOMATHAMSANGA

Environmental and sustainability

Pleasingly we achieved our targets for electricity usage, conserving water and recycling waste.

Much of the group's environmental programme has been focused on South Africa's Wynberg office which accommodates a larger portion of the group's employees. Critical attention on mitigation plans to minimise disruptions from load shedding was a key focus for FY2023.

Electricity usage is monitored on a quarterly basis against agreed targets. Relocating our data servers to an off-site supplier reduced our energy requirements. In addition, we relocated the generator used in the JHB distribution centre down to Cape Town as we consolidated all distribution activities in one centre. Elements of UPS availability have been implemented with further due in FY2024. Our solar panels have provided up to 53% of Wynberg's energy requirements. We are investigating opportunities to recover credits with the City of Cape Town

We have been able to maintain our 5* rating from the Green Building Council of South Africa for the Wynberg office – a prestigious achievement.

Water consumption has reduced. Borehole water is used for all ablutions in the Wynberg office.

Ongoing initiatives have reduced the amount of waste going to landfill – a target of 90% waste to be recycled and zero waste to landfill is our target.

Our community

The corporate social responsibility strategy of the group is managed by the HomeChoice Development Trust (HCDT). The Trust's main focus is the upliftment of underprivileged communities in the Western Cape through focusing on early childhood development by building schools, improving educator skills and sustainable operating processes. With the group's main South African operations based in Cape Town, the primary target is the underprivileged community situated in the Western Cape.

The Trust has developed and maintains long-standing partnerships with key non-profit organisations who share the Trust's vision and have a sustainable track recorded in the Early Childhood Development (ECD) sector.

homechoice development trust

Bringing on board partners to assist with execution

2012

True North

Vrygrond & Overcome

- Infrastructure builds
- Skills development
- Capacity building
- Leadership dev
- Bursaries
- Registration App

2013

Grassroots

Across the Western Cape

- ECD outreach
- Playgroup model – Happy Valley area

Sikhula Sonke

Khayelitsha

- ECD outreach
- Infrastructure solutions
- Mobile toy & book libraries

Starting Chance

Mfuleni

- Infrastructure builds & upgrades
- Skills development
- Capacity building
- Leadership dev
- Computer training

2017

Rotary Newlands

Langa

- Infrastructure upgrades
- Skills development
- Capacity building
- Toy & book libraries
- Computer training

Appreciation

In closing, the committee would like to express their gratitude to the staff and their contributions to the progress made by the business.

We continue to positively contribute to goals to enable the group to make a meaningful, sustained and positive impact in South Africa and Mauritius.

During 2023

ECD infrastructure build
1

ECD play group programmes Montessori teacher training
1

Since inception

Donations
R52m

Supported
750+ Educare centres

Quality Education
40 000+ Children under 6

Educare Centres
13 New centres built with financial support

Trained
3 000+ Educare practitioners

Appendix

Condensed consolidated statement of financial position

	2023 Rm	% change	Restated* 2022 Rm
Assets			
Non-current assets			
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
	877	3.4	848
Current assets			
Inventories	**285**	(29.3)	403
Taxation receivable	**–**	(100.0)	2
Trade and other receivables	**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
	5 195	9.8	4 733
Total assets	**6 072**	8.8	5 581
Equity and liabilities			
Capital and reserves			
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
Equity attributable to equity holders of the parent	**3 654**	5.3	3 469
Non-controlling interest	**(15)**	>100.0	(7)
Total equity	**3 639**	5.1	3 462
Non-current liabilities			
Interest-bearing liabilities	**1 901**	28.2	1 483
Lease liabilities	**24**	26.3	19
Deferred taxation	**10**	(80.0)	50
Other payables	**31**	40.9	22
	1 966	24.9	1 574
Current liabilities			
Interest-bearing liabilities	**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
	467	(14.3)	545
Total liabilities	**2 433**	14.8	2 119
Total equity and liabilities	**6 072**	8.8	5 581

** Restated on the implementation of IFRS 17.*

Condensed consolidated statement of profit or loss and other comprehensive income

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

* *Restated on the implementation of IFRS 17.*
** *Buy Now, Pay Later.*

Condensed consolidated statement of changes in equity

	Stated and share capital Rm	Share premium Rm	Treasury shares Rm	Reorganisation reserve Rm	Other reserves Rm	Retained earnings Rm	Non-controlling interest Rm	Total Rm
Balance at 1 January 2022 – audited	1	3 039	(47)	(2 961)	64	3 168	(1)	3 263
Changes in equity								
Transfer to medium-term incentive scheme liability	–	–	–	–	(16)	–	–	(16)
Profit and total comprehensive 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)	–	–	–
Total changes	–	–	2	–	(15)	218	(6)	199
Balance at 1 January 2023 – audited	**1**	**3 039**	**(45)**	**(2 961)**	**49**	**3 386**	**(7)**	**3 462**
Changes in equity								
Profit and total comprehensive 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)**	**–**	**–**	**–**
Total changes	**–**	**–**	**(3)**	**–**	**8**	**180**	**(8)**	**177**
Balance at 31 December 2023	**1**	**3 039**	**(48)**	**(2 961)**	**57**	**3 566**	**(15)**	**3 639**

Condensed consolidated statement of cash flows

	2023 Rm	% change	Restated 2022 Rm
Cash flows from operating activities			
Operating cash flows before working capital changes	**686**	23.4	556
Movements in working capital	**(430)**	(44.2)	(770)
Cash generated/(used) in operations	**256**	>100.0	(214)
Interest received	**7**	>100.0	3
Interest paid	**(215)**	66.7	(129)
Taxation paid	**(86)**	14.7	(75)
Net cash outflow from operating activities	**(38)**	(90.8)	(415)
Cash flows from investing activities			
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)
Net cash outflow from investing activities	**(99)**	33.8	(74)
Cash flows from financing activities			
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)
Net cash inflow from financing activities	**206**	(31.3)	300
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**69**	>100.0	(189)
Cash and cash equivalents and bank overdrafts at the beginning of the period	**14**	(93.1)	203
Cash and cash equivalents and bank overdrafts at the end of the period	**83**	>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	2023 Retail Rm	2023 Weaver Fintech Rm	2023 Property Rm	2023 Other/ Eliminations[2] Rm	Restated[1] 2022 Total Rm	Restated[1] 2022 Retail Rm	Restated[1] 2022 Weaver Fintech Rm	Restated[1] 2022 Property Rm	Restated[1] 2022 Other/ Eliminations Rm
Total revenue[3]		**3 672**	**1 789**	**1 886**	**–**	**(3)**	3 651	2 214	1 445	–	(8)
Digital technology platforms		**2 095**	**473**	**1 622**	**–**	**–**	1 813	628	1 185	–	–
Showrooms and contact centre		**1 577**	**1 316**	**264**	**–**	**(3)**	1 838	1 586	260	–	(8)
% revenue earned[3]											
Digital technology platforms	(%)	**57**	**26**	**86**			50	28	82		
Showrooms and contact centre	(%)	**43**	**74**	**14**			50	72	18		
Segmental revenue		**3 672**	**1 789**	**1 886**	**42**	**(45)**	3 651	2 214	1 445	41	(49)
Fees		**389**	**124**	**268**	**–**	**(3)**	311	115	204	–	(8)
Insurance		**345**	**57**	**288**	**–**	**–**	314	78	236	–	–
BNPL[4] fees		**81**	**–**	**81**	**–**	**–**	41	–	41	–	–
Finance income		**1 630**	**381**	**1 249**	**–**	**–**	1 378	414	964	–	–
Retail sales		**1 227**	**1 227**	**–**	**–**	**–**	1 607	1 607	–	–	–
Intergroup rental income		**–**	**–**	**–**	**42**	**(42)**	–	–	–	41	(41)
EBITDA		**708**	**142**	**649**	**10**	**(93)**	591	194	459	13	(75)
Depreciation and amortisation		**(95)**	**(96)**	**(27)**	**–**	**28**	(107)	(114)	(21)	–	28
Net impairment reversal of assets		**6**	**6**	**–**	**–**	**–**	(2)	(2)	–	–	–
Interest income		**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Interest expense		**(207)**	**–**	**(202)**	**–**	**(5)**	(109)	–	(106)	–	(3)
Segmental operating profit/(loss)[5]		**412**	**52**	**420**	**10**	**(70)**	373	78	332	13	(50)
Interest income		**7**	**1**	**6**	**–**	**–**	3	–	3	–	–
Interest expense		**(25)**	**(21)**	**–**	**(15)**	**11**	(20)	(21)	–	(11)	12
Profit/(loss) before taxation		**394**	**32**	**426**	**(5)**	**(59)**	356	57	335	2	(38)
Taxation		**(67)**	**6**	**(77)**	**1**	**3**	(54)	(10)	(42)	1	(3)
Profit/(loss) after taxation		**327**	**38**	**349**	**(4)**	**(56)**	302	47	293	3	(41)
Segmental assets[6]		**6 072**	**1 952**	**4 719**	**344**	**(943)**	5 581	2 246	3 750	347	(762)
Segmental liabilities[6]		**2 433**	**1 073**	**2 045**	**258**	**(943)**	2 119	1 150	1 434	257	(722)
Gross profit margin	(%)	**43.0**	**43.0**				46.5	46.5			
Segmental operating profit margin	(%)	**11.2**	**2.9**	**22.3**	**23.8**		10.2	3.5	23.0	31.7	
Capital expenditure											
Property, plant and equipment		**36**	**26**	**10**	**–**	**–**	15	10	5	–	–
Intangible assets		**63**	**22**	**41**	**–**	**–**	41	18	23	–	–
Significant expenses included in operating profit											
Credit impairment losses		**1 092**	**332**	**760**	**–**	**–**	1 070	476	594	–	–
Marketing costs		**245**	**198**	**47**	**–**	**–**	265	224	41	–	–
Staff costs		**527**	**334**	**176**	**–**	**17**	503	358	132	–	13
Insurance expenses		**189**	**52**	**137**	**–**	**–**	173	55	118	–	–

1. *See note 20 for details regarding the restatement as a result of the adoption of IFRS 17.*
2. *Other/Eliminations include the intrasegment eliminations and other items not included in the three reportable segments.*
3. *Revenue from digital platforms includes all revenue earned on transactions carried out on websites, Apps and other digital channels.*
4. *Buy Now, Pay Later.*
5. *Refer to note 13 for further details on segments and segmental results.*
6. *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.*
7. *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.*

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