

# AUDITED FINANCIAL STATEMENTS

## COMPANY INFORMATION

COMPANY NAME: African Retail Distribution (Pty) Ltd

REGISTRATION NUMBER: 2020/789123/07

FINANCIAL YEAR END: February 28, 2024

REPORTING CURRENCY: South African Rand (ZAR)

AUDIT FIRM: PwC South Africa

AUDIT COMPLETION DATE: June 15, 2024

## BALANCE SHEET

As at February 28, 2024

### ASSETS

#### Current Assets

Item	2024 (ZAR)	2023 (ZAR)
Cash and Cash Equivalents	R 12,450,000	R 9,850,000
Accounts Receivable	R 45,750,000	R 38,200,000
Inventory	R 78,600,000	R 64,800,000
Prepaid Expenses	R 2,125,000	R 1,890,000
Total Current Assets	R 138,925,000	R 114,740,000

#### Non-Current Assets

Item	2024 (ZAR)	2023 (ZAR)
Property, Plant & Equipment	R 64,800,000	R 58,200,000
Intangible Assets	R 16,200,000	R 14,800,000
Goodwill	R 27,500,000	R 27,500,000
Long-term Investments	R 9,800,000	R 7,500,000
Total Non-Current Assets	R 118,300,000	R 108,000,000

TOTAL ASSETS | R 257,225,000 | R 222,740,000 |

LIABILITIES

Current Liabilities

Item	2024 (ZAR)	2023 (ZAR)
Accounts Payable	R 33,750,000	R 29,800,000
Short-term Borrowings	R 11,200,000	R 9,900,000
Accrued Expenses	R 9,850,000	R 8,600,000
Current Portion of Long-term Debt	R 7,500,000	R 6,200,000
Income Tax Payable	R 4,950,000	R 3,720,000
VAT Payable	R 2,750,000	R 2,180,000
Total Current Liabilities	R 70,000,000	R 60,400,000

Non-Current Liabilities

Item	2024 (ZAR)	2023 (ZAR)
Long-term Debt	R 44,900,000	R 49,500,000
Deferred Tax Liabilities	R 6,200,000	R 4,980,000
Employee Benefits	R 3,750,000	R 3,250,000
Total Non-Current Liabilities	R 54,850,000	R 57,730,000

TOTAL LIABILITIES | R 124,850,000 | R 118,130,000 |

SHAREHOLDERS' EQUITY

Item	2024 (ZAR)	2023 (ZAR)
Share Capital	R 3,750,000	R 3,750,000
Retained Earnings	R 125,625,000	R 97,860,000
Other Comprehensive Income	R 3,000,000	R 3,000,000
Total Shareholders' Equity	R 132,375,000	R 104,610,000

TOTAL LIABILITIES & EQUITY | R 257,225,000 | R 222,740,000 |

# INCOME STATEMENT

For the Year Ended February 28, 2024

## REVENUE & EXPENSES

Item	2024 (ZAR)	2023 (ZAR)
Revenue	R 425,600,000	R 362,400,000
Cost of Goods Sold	R (255,360,000)	R (217,440,000)
Gross Profit	R 170,240,000	R 144,960,000

### Operating Expenses

Item	2024 (ZAR)	2023 (ZAR)
Selling & Marketing	R (63,840,000)	R (54,360,000)
General & Administrative	R (42,560,000)	R (36,240,000)
Research & Development	R (12,768,000)	R (10,872,000)
Total Operating Expenses	R (119,168,000)	R (101,472,000)

| Operating Income | R 51,072,000 | R 43,488,000 |

### Other Income/(Expenses)

Item	2024 (ZAR)	2023 (ZAR)
Interest Income	R 980,000	R 745,000
Interest Expense	R (4,590,000)	R (4,950,000)
Foreign Exchange Gain/(Loss)	R 625,000	R (485,000)
Net Other Expenses	R (2,985,000)	R (4,690,000)

| Income Before Tax | R 48,087,000 | R 38,798,000 | | Income Tax Expense | R (12,022,000) | R (9,699,000) | | Net Income | R 36,065,000 | R 29,099,000 |

# CASH FLOW STATEMENT

For the Year Ended February 28, 2024

OPERATING ACTIVITIES

Item	2024 (ZAR)	2023 (ZAR)
Net Income	R 36,065,000	R 29,099,000
Depreciation & Amortization	R 14,800,000	R 12,400,000
Changes in Working Capital	R (12,450,000)	R (9,800,000)
Other Operating Items	R 1,985,000	R 1,220,000
Cash from Operating Activities	R 40,400,000	R 32,919,000

INVESTING ACTIVITIES

Item	2024 (ZAR)	2023 (ZAR)
Purchase of PP&E	R (21,200,000)	R (17,500,000)
Acquisition of Intangibles	R (4,000,000)	R (3,000,000)
Investments	R (2,300,000)	R (1,250,000)
Cash Used in Investing	R (27,500,000)	R (21,750,000)

FINANCING ACTIVITIES

Item	2024 (ZAR)	2023 (ZAR)
Proceeds from Borrowings	R 5,000,000	R 10,000,000
Repayment of Debt	R (6,300,000)	R (5,500,000)
Dividends Paid	R (8,900,000)	R (7,500,000)
Cash Used in Financing	R (10,200,000)	R (3,000,000)

| Net Change in Cash | R 2,700,000 | R 8,169,000 | | Cash - Beginning of Year | R 9,750,000 | R 1,581,000 | | Cash - End of Year | R 12,450,000 | R 9,750,000 |

KEY FINANCIAL RATIOS

LIQUIDITY RATIOS

Ratio	2024	2023	Industry Average
Current Ratio	1.98	1.90	1.65
Quick Ratio	0.86	0.79	0.82
Cash Ratio	0.18	0.16	0.14

PROFITABILITY RATIOS

Ratio	2024	2023	Industry Average
Gross Profit Margin	40.0%	40.0%	34.8%
Operating Margin	12.0%	12.0%	9.5%
Net Profit Margin	8.5%	8.0%	6.0%
Return on Assets	14.0%	13.1%	11.2%
Return on Equity	27.2%	27.8%	21.8%

EFFICIENCY RATIOS

Ratio	2024	2023	Industry Average
Asset Turnover	1.66	1.63	1.87
Inventory Turnover	3.25	3.35	4.10
Receivables Turnover	9.30	9.48	8.20

LEVERAGE RATIOS

Ratio	2024	2023	Industry Average
Debt to Equity	0.94	1.13	1.32
Debt to Assets	0.49	0.53	0.59
Interest Coverage	11.12	8.78	7.45

AUDITOR'S OPINION

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of African Retail Distribution (Pty) Ltd, which comprise the statement of financial position as at February 28, 2024, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended.

**MANAGEMENT'S RESPONSIBILITY** Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted in South Africa.

**AUDITOR'S RESPONSIBILITY** Our responsibility is to express an opinion on these financial statements based on our audit conducted in accordance with International Standards on Auditing (ISA).

**OPINION** In our opinion, the financial statements present fairly, in all material respects, the financial position of African Retail Distribution (Pty) Ltd as at February 28, 2024, and the results of its operations and its cash flows for the year then ended in accordance with IFRS.

**PwC South Africa** Chartered Accountants (SA) Registered Auditors Cape Town, South Africa June 15, 2024

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**MANAGEMENT CERTIFICATION**

**CHIEF EXECUTIVE OFFICER:** Name: Sizani Michael Ndaba **Signature:** [Digital Signature Applied] **Date:** June 15, 2024

**CHIEF FINANCIAL OFFICER:** Name: Jennifer Anne Williams **Signature:** [Digital Signature Applied] **Date:** June 15, 2024

I/We certify that these financial statements present fairly the financial position and results of operations of African Retail Distribution (Pty) Ltd and have been prepared in accordance with IFRS as adopted in South Africa.

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[COMPANY SEAL: AFRICAN RETAIL DISTRIBUTION (PTY) LTD]