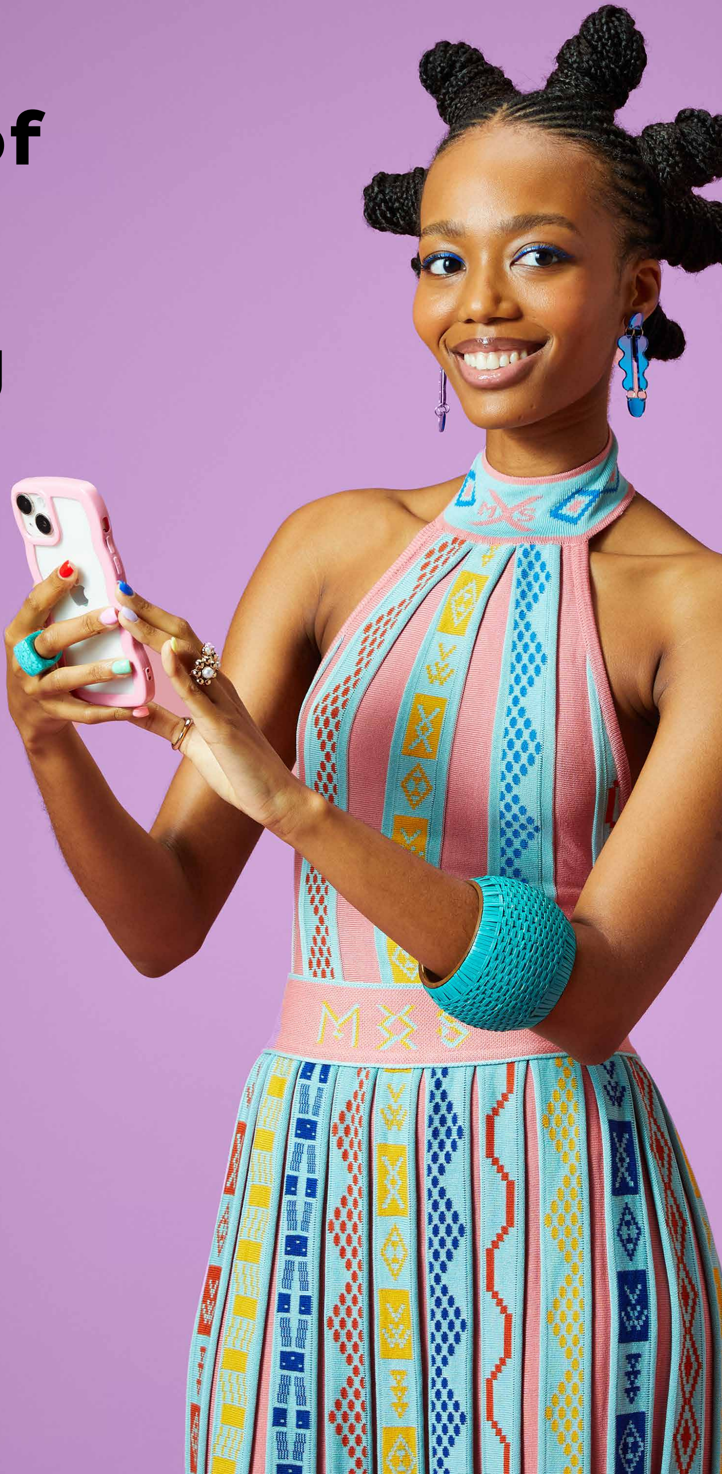
Notice of annual general meeting

and summarised group financial statements for the year ended 31 December 2023



HOMECHOICE INTERNATIONAL PLC
(Incorporated in the Republic of Mauritius)
Registration number: C171926
Share code: HIL   ISIN: MT000850108
(the "Company")

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

We have pleasure in enclosing the notice of annual general meeting (Notice) and form of proxy for HomeChoice International plc's (Company) 9th annual general meeting (AGM) of Shareholders (Shareholders) to be held via electronic participation **only** on **Thursday, 13 June 2024 at 15:00 Mauritian time (13:00 South African time)**.

The Company's 2023 integrated annual report has been posted to Shareholders and the audited annual financial statements for the year ended 31 December 2023 are available for viewing and downloading on the Company's website: www.homechoiceinternational.com. Shareholders are advised that these documents are also available for inspection at Weaver Fintech House, Level 2, Inova Riche Terre Business Park, Riche Terre, Mauritius during business hours.

If you would like to receive an electronic copy of the integrated annual report to be sent via e-mail, please e-mail governance@homechoiceinternational.com.

Yours faithfully

Shirley Maltz
Executive chair

30 April 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (AGM) of Shareholders of the Company will be held via electronic participation **only on Thursday, 13 June 2024 commencing at 15:00 Mauritian time** to deal with the matters set out below, and to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder, which meeting is to be participated in by Shareholders recorded in the Company's securities register as at the voting record date (defined below).

The record date to receive this Notice of AGM is Friday, 19 April 2024. The integrated annual report and the audited annual financial statements for the year ended 31 December 2023 are available on our website at www.homechoiceinternational.com and are incorporated by reference in so far as the information contained therein relates to the resolutions in this notice of AGM (Notice).

The record date on which Shareholders must be recorded in the securities register of the Company for purposes of being entitled to attend and vote at the AGM is Friday, 7 June 2024, the voting record date. The last date to trade in order to be entitled to vote at the meeting will therefore be Tuesday, 4 June 2024.

The quorum requirement for the AGM to proceed is 3 (three) Shareholders present in person or by proxy and entitled to vote and holding at least 25% (twenty-five percent) of all voting rights.

With the exception of ordinary resolution number 7, the percentage of voting rights required to pass the ordinary resolutions is more than 50% (fifty percent) of the voting rights exercised and the percentage of voting rights required to pass the special resolution is at least 75% (seventy-five percent) of the voting rights exercised thereon.

In terms of the JSE Limited (JSE) Listings Requirements, ordinary resolution number 7 requires the support of at least 75% (seventy-five percent) of the voting rights exercised thereon.

Equity shares held by a share trust or scheme of the Company, and any unlisted securities, may not have their votes taken into account for the purposes of resolutions passed in terms of the JSE Listings Requirements.

Resolutions and advisory votes

The Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

Presentation and adoption of annual financial statements

Ordinary resolution number 1

"It is hereby resolved that the annual financial statements of the Group, incorporating the report of the directors and the external auditors' report, for the year ended 31 December 2023, are hereby adopted and approved."

Appointment of non-executive director of the board

Ordinary resolution number 2

"It is hereby resolved, in accordance with the provisions of Article 34.5.1.1 of the Company's Constitution, that Gregoire Lartigue is hereby appointed as a non-executive director of the Company."

A brief biography of Gregoire Lartigue is set out in annexure 1 to this Notice.

Re-election of directors

Ordinary resolution number 3.1

"It is hereby resolved that Pierre Joubert, who retires by rotation in terms of the Constitution, is re-elected as an independent non-executive director of the Company."

Ordinary resolution number 3.2

"It is hereby resolved that Eduardo Garcia-Gutierrez, who retires by rotation in terms of the Constitution, is re-elected as a non-executive director of the Company."

Explanatory information in respect of ordinary resolution numbers 3.1 and 3.2

Article 34.4.1.3 of the Constitution requires one-third of the Company's non-executive directors to retire by rotation.

The nominations committee has reviewed the performance of the directors up for re-election and is of the view that the directors proposed in terms of ordinary resolution numbers 3.1 and 3.2 remain suitable candidates for re-election.

The candidates, being eligible, offer themselves for re-election. The board supports the re-election of the candidates. Brief curricula vitae of Pierre Joubert and Eduardo Garcia-Gutierrez are set out in annexure 1 to this Notice.

Appointment and reappointment of audit and risk committee members

The audit and risk committee is required to be elected by Shareholders at each AGM. In terms of King IV™ all the members of the audit and risk committee must be independent non-executive directors. Having regard to the above requirement, the nominations committee considered the expertise, experience and independence requirements of the members and recommended to the board to propose the following candidates to Shareholders.

Ordinary resolution number 4.1

"It is hereby resolved that Roderick Phillips is reappointed as the chairperson of the audit and risk committee."

Ordinary resolution number 4.2

"It is resolved that, subject to the passing of ordinary resolution number 3.1, Pierre Joubert is reappointed as a member of the audit and risk committee."

Ordinary resolution number 4.3

"It is hereby resolved that Marlisa Harris is reappointed as a member of the audit and risk committee."

Explanatory information in respect of ordinary resolution numbers 4.1 to 4.3

Brief curricula vitae of the nominees for election to the audit and risk committee are set out in annexure 1 to this Notice. The nominations committee is satisfied that the directors can make a valuable contribution to the deliberations of the audit and risk committee. The board supports the election of the candidates.

Appointment of external auditors

Ordinary resolution number 5

"It is hereby resolved that PricewaterhouseCoopers is reappointed as the external auditors of the Company, to hold office from the conclusion of the AGM until the conclusion of the next AGM."

Explanatory information in respect of ordinary resolution number 5

The audit and risk committee has nominated the appointment of PricewaterhouseCoopers as the external auditors of the Company and is of the opinion that they are independent from the Company. The effect of this resolution will be to authorise the appointment of PricewaterhouseCoopers as the external auditors of the Company.

Report by the social and ethics committee

Ordinary resolution number 6

"It is hereby resolved that the report by the social and ethics committee for the year ended 31 December 2023, is approved."

Explanatory information in respect of ordinary resolution number 6

The Company's social and ethics committee report to Shareholders is included in the integrated annual report published on the Company's website at www.homechoiceinternational.com. Any specific questions to the committee may be sent to the company secretary prior to the AGM at governance@homechoiceinternational.com.

Issue of shares for cash

Ordinary resolution number 7

"It is resolved that the board is authorised, by way of a general authority, to allot and issue any of the Company's shares (and/or any options or convertible securities that are convertible into an existing class of securities) for cash as they in their discretion may deem fit, subject to the provisions of the Company's Constitution, the Mauritian Companies Act and the JSE Listings Requirements, provided that:

- the approval shall be valid until the date of the next AGM of the Company, provided it shall not extend beyond 15 months from the date of this resolution;
- the general issue of shares for cash under this authority may not exceed, in the aggregate,

15% of the Company's issued share capital, excluding treasury shares, as at the date of this Notice. The calculation of the Company's listed equity securities is a factual assessment of the listed equity securities as at the date of this Notice, excluding treasury shares. As at the date of this Notice, 15% of the issued shares of the Company, excluding treasury shares, amounts to 15 700 838 shares. Any shares issued under this authority prior to this authority lapsing shall be deducted from the 15 700 838 shares the Company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority. In the event of a subdivision or consolidation of shares, prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;

- in determining the price at which an issue of shares will be made in terms of this authority, the price (taking into consideration both the nominal value and the premium) shall not be lower than 90% of the volume weighted average traded price of such shares over the 30-business-day period prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded daily over such 30-business-day period;
- any such general issue will only be made to public Shareholders, as defined in the JSE Listings Requirements and to related parties, subject to the paragraph below:

  Related parties may only participate in a general issue of shares for cash through a bookbuild process provided that:

  i. they may only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be 'out of the book' and not be allocated shares; and
  ii. equity securities must be allocated equitably 'in the book' through the bookbuild process and the measures to be applied must be disclosed in the Stock Exchange News Service (SENS) announcement launching the bookbuild;
- any such general issues are subject to exchange control regulations and approval at that point in time;
- any such issue will only comprise securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- in the event that the securities issued represent, on a cumulative basis within the period of this authority, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS."

In terms of the JSE Listings Requirements, in order for ordinary resolution number 7 to be adopted, the support of at least 75% of the total number of votes cast by Shareholders, present in person or by proxy, is required to pass this resolution.

Explanatory information in respect of ordinary resolution number 7

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or duly approved share incentive schemes), it is necessary for the board of the Company to obtain the prior authority of the Shareholders in accordance with the JSE Listings Requirements and the Constitution. Accordingly, the reason for ordinary resolution number 7 is to obtain a general authority from Shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the Constitution.

The resolution authorises the board, subject to the Constitution, the JSE Listings Requirements and the Mauritian Companies Act, to issue, or grant rights exercisable for, the shares of the Company for cash. Such authority shall endure until the next AGM of the Company (at which time this authority shall lapse, unless it is renewed at the aforementioned AGM), provided that the authority shall not endure beyond 15 months after the date of this resolution.

Directors' fees

Ordinary resolution number 8

"It is hereby resolved that payment of fees to each non-executive director for his/her services as director is hereby authorised up to a maximum amount of US Dollars 65 000.00 (sixty-five thousand US Dollars) per annum for the year ending 31 December 2024."

Explanatory information in respect of ordinary resolution number 8

The resolution obtains the advance approval of the Shareholders for the maximum fees that may be paid to the non-executive directors for their services as directors of the Company.

Remuneration policy and implementation report

Non-binding advisory resolution number 1

"The Group's remuneration policy, included in the integrated annual report is hereby endorsed by way of a non-binding advisory vote."

Non-binding advisory resolution number 2

"The Group's remuneration implementation report included in the integrated annual report, is hereby endorsed by way of a non-binding advisory vote."

Explanatory information in respect of non-binding advisory resolution numbers 1 and 2

In terms of principle 14 contained in King IV™, the Company's remuneration policy and implementation report should be tabled to the Shareholders for separate non-binding advisory votes at the AGM. This vote enables Shareholders to express their views on the remuneration policies adopted and on their implementation.

Accordingly, the Shareholders are requested to endorse the Group's remuneration policy and implementation report, respectively, by way of separate non-binding advisory votes in the same manner as an ordinary resolution. As the votes on this endorsement are non-binding, the results will not be binding on the board. However, the board will take cognisance of the outcome of the vote when considering its remuneration policy and implementation report in future.

The remuneration policy contains the measures that the Company will follow should 25% or more of votes be cast against the remuneration policy or implementation report at the AGM.

General authority to repurchase shares

Special resolution number 1

"It is hereby resolved, as a special resolution, that the board be and is hereby authorised, by way of a renewable general authority, to approve the repurchase from time to time of its own issued ordinary shares by the Company, or approve the purchase of ordinary shares in the Company by any subsidiary of the Company upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but always subject to the provisions of the Mauritian Companies Act, the Constitution and the JSE Listings Requirements, when applicable, and any other relevant authority, provided that:

- a resolution has been passed by the board confirming that the board has authorised any proposed repurchase, that the Company and its subsidiaries passed the solvency and liquidity test as set out in section 6 of the Mauritian Companies Act and that, since the application of such test, there have been no material changes to the financial position of the Group;
- the authority hereby granted shall be valid only until the next AGM or for 15 months from the date of this special resolution, whichever period is the shorter;
- the general repurchase of shares will be effected through the order book operated by

the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);

- repurchases may not be made at a price greater than 10% above the weighted average of the market value of the Company's shares over the five business days immediately preceding the date of the repurchase of such ordinary shares by the Company. The JSE should be consulted for a ruling if the Company's securities have not traded in such five-business-day period;
- the repurchase of ordinary shares in aggregate in any one financial year does not exceed 5% of the Company's issued ordinary share capital as at the beginning of that financial year;
- the Company or subsidiaries are not repurchasing securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless the Company has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme (as contemplated in paragraph 5.72(h) of the JSE Listings Requirements) have been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- when the Company has cumulatively repurchased 3% of the initial number (the number of that class of shares in issue at the time that the general authority from Shareholders is granted) of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement in compliance with paragraph 11.27 of the JSE Listings Requirements shall be published on SENS;
- at any point in time, the Company will only appoint one agent to effect any repurchase(s) on its behalf;
- any such general repurchases are subject to exchange control regulations and approval at that point in time; and
- the number of shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 5% in the aggregate of the number of issued shares in the Company at the relevant times."

Reason and effect

The purpose of this resolution is to authorise the Company and any of its subsidiaries, by way of general approval, to repurchase the Company's issued shares on the terms and conditions and in such amounts to be determined from time to time by the directors, subject to the limitations set out above.

Statement of board's intention

The directors have no specific intention to effect the provisions of this special resolution but will continually review the Group's position. Any consideration to effect the provisions of the special resolution will take into account the prevailing circumstances and market conditions.

Statement of directors

As per the JSE Listings Requirements, the Company's directors undertake that they will not implement a repurchase in terms of the proposed repurchase authority unless the directors, after considering the effect of the maximum repurchase, are of the opinion that:

(a) the Company and its subsidiaries (Group) will be in a position to repay their debts in the ordinary course of business for a period of 12 months following the date of the repurchase;

(b) the assets of the Company and the Group, being fairly valued in accordance with International Financial Reporting Standards, will be in excess of the liabilities of the Company and the Group for a period of 12 months following the date of the repurchase (for this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the Company's latest audited annual group financial statements);

(c) the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months following the date of the repurchase; and

(d) the available working capital will be adequate for ordinary business purposes of the Company and the Group for a period of 12 months following the date of the repurchase.

Other disclosure in terms of paragraph 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosure in support of this special resolution number 1:

- Major shareholders of the Company:

  In so far as is known to the Company, the name of any Shareholder, other than a director, that, directly or indirectly, is beneficially interested in 5% or more of a class of securities issued by the Company, together with the amount of each such Shareholder's interest, is set out in the table below:

	2023	
	Number of shares	%
GFM Holdings Limited	**73 745 889**	**69.1**
ADP II Holdings 3 Limited	**23 031 927**	**21.6**
Other	**9 952 560**	**9.3**
Total	**106 730 376**	**100**

The total authorised and issued share capital of the Company can be found on page 96 of the annual financial statements.

Directors' responsibility statement

The directors, whose names are given on page 37 of this Notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 1 contains all information required by the JSE Listings Requirements.

No material changes to report

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the financial position or trading position of the Company and its subsidiaries since the date of signature of the annual financial statements for the financial year ended 31 December 2023 and up to the date of this Notice.

General

Shareholders are informed that:

- a Shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, participate in and speak and vote at the AGM in the place of the Shareholder. Such Shareholder entitled to vote may appoint more than 1 (one) proxy to exercise voting rights attached to different shares held by that Shareholder and Shareholders are referred to the form of proxy included with this notice of AGM;
- a proxy need not also be a Shareholder of the Company;
- the proxy may delegate the authority granted to him/her/it as proxy, subject to any restriction in the form of proxy itself;
- Shareholders who wish to appoint proxies are required to complete and return the form of proxy to reach the registered office of the Company and/or via the company secretary: governance@homechoiceinternational.com **at least 48 hours** before the appointed time of the meeting, that is Tuesday, 11 June 2024 at 15:00 Mauritian time (13:00 South African time). Alternatively, the form of proxy may be handed to the chairman of the AGM at any time prior to the commencement of the AGM; and

- any person attending or participating in a meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as proxy for a Shareholder) has been reasonably verified. Acceptable forms of identification include valid identity documents, driver's licences and passports.

Electronic participation

Shareholders are advised that they, or their proxies, will be able to participate in the AGM by way of electronic communication only.

Shareholders who wish to participate by way of electronic communication must register such request in writing with the company secretary (governance@homechoiceinternational.com) by no later than **Friday, 7 June 2024** and provide their e-mail and cell phone contact details.

Each participant will be contacted in advance of the meeting via e-mail and/or SMS and will be provided with a link to allow them to dial in to the AGM.

The cost of the Shareholder dialling in will be for his/her account. By registering the abovementioned request, the Shareholder acknowledges that the telecommunication lines are provided by a third party and indemnifies and holds the Company harmless against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines whether or not the problem is caused by any act or omission on the part of the Shareholder, the Company, the third-party service provider, or anyone else.

By order of the board

Sanlam Trustees International Limited
Company Secretary

Mauritius
30 April 2024

Annexure 1

BRIEF CURRICULA VITAE OF DIRECTORS

Gregoire Lartigue (51)
Member of the Society of Trust and Estate Practitioners

Gregoire is a fully qualified member (TEP) of the Society of Trust and Estate Practitioners and has been a director of Guardian Trust Company Limited since March 2004.

Swiss born and educated, he has over 30 years of experience in both the Trust and fiduciary industry. He was previously with Radcliffes Trustee Company SA (later renamed Investec Trust (Switzerland) SA). He was previously the chief executive officer of the group, retiring from that position in December 2022.

Pierre Joubert (58)
Independent non-executive director
B.Com, CA(SA)
Appointed 9 May 2019

Executive director and CEO of Universal Partners Limited, an investment holding company listed on the Mauritian Stock Exchange and JSE AltX, South Africa.

Prior to joining Universal Partners, Pierre was the chief investment officer of the Richmark Group of companies, which he joined in November 2015 and spent 13 years at Rand Merchant Bank (RMB) fulfilling various roles including senior transactor in the Corporate Finance division, head of the Equities and co-head of the Global Markets divisions. Pierre is a member of the RMB investment committee and is also a non-executive director of Brait PLC.

Eduardo Garcia-Gutierrez (56)
Non-executive director
B.Com, CA(SA)
Appointed 9 May 2019

Eduardo is a partner of Development Partners International LLP, an investment adviser to private equity funds that invest across Africa and has over 25 years of African private equity experience. Eduardo has served on the board of directors of numerous public and private companies in South Africa and elsewhere. He was an executive director of Brait South Africa Limited and Brait's Private Equity division, playing a leading role in several landmark South African private equity transactions. Prior to Brait, Eduardo was corporate finance manager at JCI Limited.

Roderick Phillips (50)
Independent non-executive director
B.Com, CA(SA)
Appointed 15 December 2022

Executive Chairman of Sanlam Trustees International in Mauritius, a management company providing independent trust, company fund administrations services to private, corporate and institutional clients around the world. Roderick is a non-executive director for a number of Sanlam's key clients including pan-African private equity funds, regulated financial services businesses and early-stage technology companies.

Prior to this, Roderick was actively involved in a number of start-up businesses with particular focus on provider of outsourced services to the small and medium enterprise market in the greater London area up until 2010 whereafter he relocated to Mauritius to start up Sable Offshore Management Company, which is now known as Sanlam Trustees International.

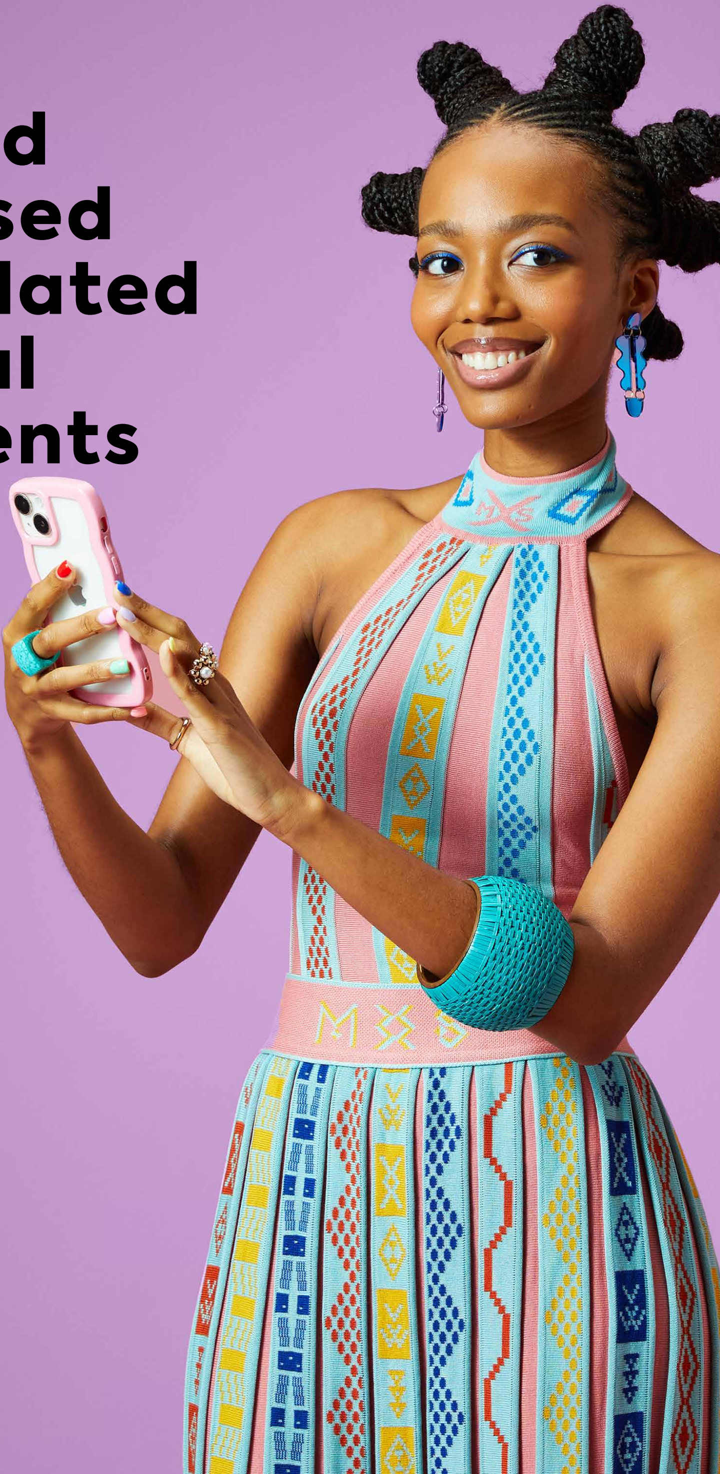
Marlisa Harris (50)
Independent non-executive director
BBusSci (Hons), CA(SA), Dip Intl Tax
Appointed 23 February 2021

Marlisa is a Chartered Accountant and holds a business science degree and a diploma in international tax. Marlisa is the chief executive officer of a Family Office, providing financial advisory and management services to the family and their private corporations and non-profit organisations across Africa, Europe and the US. She was previously the Group CFO of Econet Global and has over 20 years' experience in managing financial functions across international jurisdictions.

HiL PLC

Reviewed Condensed Consolidated Financial Statements

for the year ended 31 December 2023 and cash dividend declaration



Who we are

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

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

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

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

Fast-growing profitable Fintech Group

Revenue firm at

R3.7 billion

Operating profit up 28% to

R619 million

Fintech contribution

92%

of profits before group costs

Retail reshaped, now positioned for growth

Customer collections up 18% to

R8.5 billion

Cash generation up

+100%

Headline earnings per share up 7.2% to

309.3 cents

Final dividend declared of

83.0 cents

per share (2022: 77.0 cents per share)

COMMENTARY

Financial results

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

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

Fintech delivers double-digit profit growth

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

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

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

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

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

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

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

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

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

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

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

Weaver Fintech delivers a step change in growth and profitability

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

* *Segmental operating profit before interest.*

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

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

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

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

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

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

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

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

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

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

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

High customer engagement and spend for digital payments

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

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

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

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

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

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

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

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

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

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

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

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

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

Appreciation

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

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

Looking forward

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

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

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

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

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

S Maltz
Executive Chair

S Wibberley
Chief Executive Officer

Mauritius, 12 March 2024

Dividend declaration

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

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

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

The salient dates for the dividend will be as follows:

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

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

Sanlam Trustees International Limited
Company Secretary

Mauritius, 12 March 2024

REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Independent auditor's review report on condensed consolidated financial statements

To the Shareholders of HomeChoice International p.l.c

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

Directors' responsibility for the condensed consolidated financial statements

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

Auditor's responsibility

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

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

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

Conclusion

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

PricewaterhouseCoopers

Olivier Rey
Licensed by FRC
12 March 2024

Condensed consolidated statement of financial position

	Notes	2023 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	2	**285**	(29.3)	403
Taxation receivable		**–**	(100.0)	2
Trade and other receivables	3	**4 773**	13.3	4 212
Trade receivables – Retail		**1 141**	(14.9)	1 341
Loans receivable – Weaver Fintech		**3 529**	26.9	2 782
Other receivables		**103**	15.7	89
Cash and cash equivalents		**137**	18.1	116
		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	4	**1 901**	28.2	1 483
Lease liabilities		**24**	26.3	19
Deferred taxation		**10**	(80.0)	50
Other payables		**31**	40.9	22
		1 966	24.9	1 574
Current liabilities				
Interest-bearing liabilities	4	**43**	(2.3)	44
Lease liabilities		**18**	(5.3)	19
Taxation payable		**9**	(55.0)	20
Trade and other payables		**321**	(4.2)	335
Insurance contract liabilities		**22**	(12.0)	25
Bank overdraft		**54**	(47.1)	102
		467	(14.3)	545
Total liabilities		**2 433**	14.8	2 119
Total equity and liabilities		**6 072**	8.8	5 581

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

Condensed consolidated statement of profit or loss and other comprehensive income

	Notes	2023 Rm	% change	Restated* 2022 Rm
Revenue		**3 672**	0.6	3 651
Fees	6	**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	5	**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	7	**(1 092)**	2.1	(1 070)
Insurance expenses		**(189)**	9.2	(173)
Trading expenses	8	**(1 101)**	0.8	(1 092)
Other net gains	9	**4**	(55.6)	9
Other income	10	**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	11	**313.4**	8.3	289.4
Diluted		**310.6**	9.9	282.7
Headline earnings per share (cents)				
Basic	11	**309.3**	7.2	288.5
Diluted		**306.5**	8.8	281.8

* *See note 20 for details regarding the restatement as a result of the adoption of IFRS 17.*
** *Buy Now, Pay Later.*

Condensed consolidated statement of changes in equity

	Stated and share capital Rm	Share premium Rm	Treasury shares Rm	Reorgan-isation 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

	Notes	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	12	**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	Retail Rm	Weaver Fintech Rm	Property Rm	Other/ Eliminations[2] Rm
Total revenue[3]		3 672	1 789	1 886	–	(3)
Digital technology platforms		2 095	473	1 622	–	–
Showrooms and contact centre		1 577	1 316	264	–	(3)
% revenue earned[3]						
Digital technology platforms	(%)	57	26	86		
Showrooms and contact centre	(%)	43	74	14		
Segmental revenue		3 672	1 789	1 886	42	(45)
Fees		389	124	268	–	(3)
Insurance		345	57	288	–	–
BNPL[4] fees		81	–	81	–	–
Finance income		1 630	381	1 249	–	–
Retail sales		1 227	1 227	–	–	–
Intergroup rental income		–	–	–	42	(42)
EBITDA		708	142	649	10	(93)
Depreciation and amortisation		(95)	(96)	(27)	–	28
Net impairment reversal of assets		6	6	–	–	–
Interest income		–	–	–	–	–
Interest expense		(207)	–	(202)	–	(5)
Segmental operating profit/(loss)[5]		412	52	420	10	(70)
Interest income		7	1	6	–	–
Interest expense		(25)	(21)	–	(15)	11
Profit/(loss) before taxation		394	32	426	(5)	(59)
Taxation		(67)	6	(77)	1	3
Profit/(loss) after taxation		327	38	349	(4)	(56)
Segmental assets[6]		6 072	1 952	4 719	344	(943)
Segmental liabilities[6]		2 433	1 073	2 045	258	(943)
Gross profit margin	(%)	43.0	43.0			
Segmental operating profit margin	(%)	11.2	2.9	22.3	23.8	
Capital expenditure						
Property, plant and equipment		36	26	10	–	–
Intangible assets		63	22	41	–	–
Significant expenses included in operating profit						
Credit impairment losses		1 092	332	760	–	–
Marketing costs		245	198	47	–	–
Staff costs		527	334	176	–	17
Insurance expenses		189	52	137	–	–

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.*

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

Notes to the condensed consolidated financial statements

1. Basis of presentation and accounting policies

1.1 Basis of preparation

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

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

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

1.2 Change in accounting estimate

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

2. Inventories

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

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

3. Trade and other receivables

		2023 Rm	% change	2022 Rm
Group				
Trade and loan receivables		**5 955**	11.9	5 323
Provision for impairment		**(1 285)**	7.1	(1 200)
Legal book sale receivable		**38**	100.0	–
Other receivables		**65**	(26.9)	89
		4 773	13.3	4 212
Provision for impairment as a % of gross receivables	(%)	**21.6**	(59.7)	22.5
Credit impairment costs as a % of revenue	(%)	**29.7**	(357.5)	29.3

3. Trade and other receivables

		2023 Rm	% change	2022 Rm
Retail				
Gross carrying amount		**1 616**	(20.5)	2 033
Performing (Stage 1)		**893**	(11.1)	1 004
Underperforming (Stage 2)		**244**	(34.2)	371
Non-performing (Stage 3)		**479**	(27.2)	658
Provision for impairment		**(475)**	(31.4)	(692)
Performing		**(99)**	(22.2)	(127)
Underperforming		**(92)**	(42.8)	(160)
Non-performing		**(284)**	(29.8)	(405)
Net carrying amount		**1 141**	(14.9)	1 341
Performing		**794**	(9.4)	877
Underperforming		**152**	(27.8)	211
Non-performing		**195**	(23.0)	253
Provision for impairment as a % of gross receivables	(%)	**29.4**		34.0
Performing	(%)	**11.1**		12.6
Underperforming	(%)	**37.6**		43.1
Non-performing	(%)	**59.4**		61.6
Credit impairment costs as a % of revenue	(%)	**18.6**		21.6
Stages 2 and 3 loans cover	(%)	**65.7**		67.2
Weaver Fintech				
Gross carrying amount		**4 339**	31.9	3 290
Performing (Stage 1)		**3 127**	22.5	2 553
Underperforming (Stage 2)		**653**	>100.0	215
Non-performing (Stage 3)		**559**	7.1	522
Provision for impairment		**(810)**	59.4	(508)
Performing		**(123)**	7.9	(114)
Underperforming		**(307)**	>100.0	(68)
Non-performing		**(380)**	16.6	(326)
Net carrying amount		**3 529**	26.9	2 782
Performing		**3 004**	23.2	2 439
Underperforming		**346**	>100.0	147
Non-performing		**179**	(8.7)	196
Provision for impairment as a % of gross receivables	(%)	**18.7**		15.4
Performing	(%)	**3.9**		4.5
Underperforming	(%)	**47.0**		31.6
Non-performing	(%)	**68.0**		62.5
Credit impairment costs as a % of revenue	(%)	**40.3**		41.1
Stages 2 and 3 loans cover	(%)	**66.8**		68.9

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

4, Interest-bearing liabilities

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

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

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

5. Retail sales

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

Retail sales are settled at a point in time.

6. Fees

	2023 Rm	% change	Restated* 2022 Rm
Service fees	**276**	22.1	226
Arrear collection fees	**59**	40.5	42
Insurance commission fees	**54**	25.6	43
	389	25.1	311

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

7. Credit impairment losses

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

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

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

8. Trading expenses

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

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

9. Other net gains

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

10. Other income

	2023 Rm	% change	2022 Rm
Prescription of trade and loans payable	**3**	(70.0)	10
Insurance claim income	**–**	(100.0)	3
VAT refund recovery	**19**	100.0	–
Other	**2**	(33.3)	3
	24	50.0	16

11. Basic and headline earnings per share

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

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

12. Reconciliation of cash generated from operations

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

13. Group segmental analysis

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

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

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

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

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

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

14. Related party transactions and balances

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

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

	2023 Rm	% change	2022 Rm
Approved by the directors	**11**	(8.3)	12

16. Fair value

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

17. Contingent liabilities

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

18. Going concern

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

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

19. Events after the reporting date

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

20. Adoption of *IFRS 17, Insurance Contracts*

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

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

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

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

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

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

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

Statement of financial position restatement at 31 December

	Previously reported Rm	Re-statement Rm	Restated amount Rm
2022			
Insurance contract assets	–	63	63
Other investments	93	(63)	30
Trade and other payables	360	(25)	335
Insurance contract liabilities	–	25	25

Administration

Country of incorporation
Republic of Mauritius

Date of incorporation
9 April 2020

Company registration number
C171926

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

Company secretary
Sanlam Trustees International (Mauritius)

Auditors
PricewaterhouseCoopers
Republic of Mauritius

Corporate bank
The Mauritius Commercial Bank Limited

JSE listing details
Share code: HIL
ISIN: MT0000850108

Sponsor
Rand Merchant Bank, a division of FirstRand Bank Limited

Transfer secretaries
Computershare Investor Services Proprietary Limited

Directorate

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

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

* Non-independent

HiL PLC