HomeChoice International plc

2024 Integrated Annual Report

Our group performance

Momentum across our fintech business fuels 31% surge in profits.

Revenue
R4.4 billion
2023: R3.7 billion

Profit before tax
R517 million
2023: R394 million

Loans disbursed
R6.4 billion
up 31% 2023: R4.8 billion

BNPL GMV*
R3.9 billion
up 157% 2023: R1.5 billion

Retail sales
R1.3 billion
up 8% 2023: R1.2 billion

Cash collected
R12.1 billion
up 42% 2023: R8.6 billion

HEPS
393.9c
up 27.4% 2023: 309.3 cents

Dividends
192.0c
up 25.5% 2023: 153.0 cents

* Buy Now, Pay Later gross merchandise value

Strong operational metrics

Customers
3.1 million

Merchants
2 800
across 17 product verticals

#1
BNPL in South Africa

Digital transactions
90%
2023: 84%

Digital users
1.9 million
monthly average

Who we are

Our group

HiL is a Mauritius-based group with 100% ownership of Weaver Fintech and Retail, primarily targeting an urban digital-savvy African woman.

Our businesses

weaver fintech | PayJustNow | finchoice

Her favourite digital financial platform

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

57% **R2.5bn** Revenue

92% **R561m** Profit before tax*

homechoice

Creating a home she loves

Omni-channel retailer delivering quality homeware merchandise directly to homes

43% **R1.9bn** Revenue

8% **R50m** Profit before tax*

In 2007 HiL introduced short-term lending products to Retail. In 2011, some four years later, customers were able to transact using mobile-first technology. In 2021 Weaver Fintech was formed to establish its position as her favourite financial services provider for personal lending, payment solutions, value-added services and insurance products through its innovative mobile-first platforms. To support this, it acquired a digital payments start-up company – PayJustNow.

Weaver Fintech's transformative impact on financial inclusion is enjoyed by 2.7 million customers. The business delivered R2.5 billion in revenue in 2024, contributing 57% to group revenue. Customers have a high degree of satisfaction with the brands, as evidenced by Google 5-star ratings and the net promoter score.

	Google rating	Net promoter score
finchoice	4.6	74.0
PayJustNow	4.7	80.1

* Excluding group costs of R94 million

Celebrating 40 years in business in 2025, HomeChoice was a market leader to provide urban African women with access to retail credit. These consumers had previously been unable to access credit from banks. This has enabled millions of women to create homes they love from our niche provider of high-quality homeware products.

From initially being a mail order and direct marketing business, it introduced a successful physical footprint in 2016 – now with 37 showrooms in 2024 and contributing 26% to total sales. With a target of 100 showrooms, it has evolved into a successful and valued omni-channel retailer.

Undergoing a significant transformation post-Covid, Retail is now on a high growth trajectory. Retail serves over 500 000 customers, delivering R1.9 billion in revenue and 43% of group revenue in 2024.

Customers have shown their satisfaction with the business, as evidenced by improvements in Google 5-star ratings and the net promoter score.

Social commerce	
4.3	Facebook rating
3.7	Google score

40 years of HomeChoice
Letter from our founder Rick Garratt

40 years of HomeChoice: From humble beginnings to a fintech future

When HomeChoice started in 1985, we were just a handful of people – five to be exact, including me. We weren't sure if we'd even make it through the first year, let alone 40. Yet here we are, celebrating four decades of growth, resilience and constant innovation.

Most companies, especially big ones like those in the S&P 500, don't even last 20 years anymore. So, to hit this 40-year milestone, we feel both lucky and also a little proud. Yes, we've faced some pretty intense challenges along the way, but those low points became the lessons that built our strength.

Early days: Where it all started

Back in 1985 we decided to test the mass market for consumer household products. We realised that this market had little access to cash, so we decided to also grant credit – one of the first in the country to do so. Our first direct marketing advertisement was an incredible success and our mass-market female customer base paid us well. Following the success of cookware and crockery, we decided to start selling bedding sets which we thought was a natural extension of our range of household products. Our customers loved it and it became our major product line and still is today.

We were amongst the first direct marketers in the country and had a lot to learn. We were growing fast and cash flow was always very tight. Starting out is tough – we had to learn how to juggle risk and opportunity.

Surviving the storms

The 1990s were a very turbulent time for South Africa. Despite the uncertainty associated with the major political developments, we kept our head down, focused on what we were building and grew steadily.

2002 – 2003 was a wake-up call. The stock market had crashed and the banks gave us notice that they wished to withdraw their funding. I gave a presentation to the four banks' credit committees and they agreed we could pay them over two years. We restructured, paid off all our debts within two years and came out stronger, with a large cash surplus. It was a game-changing moment in our history.

FinChoice and expanding our reach

We considered various strategies to utilise our cash surplus and decided that offering financial credit products to our customer base seemed a logical opportunity. So, in 2007 we launched **FinChoice**, a financial services platform to help our South African customer access financial products. Over the years it has grown into one of the largest and most successful digital financial services businesses operating in the mass market. Today, FinChoice operates from Mauritius, continuing to innovate in the fintech space.

JSE listing

In 2014 we listed on the JSE and we partnered with **DPI**, a London-based private equity firm that acquired a stake in HomeChoice. They assisted us in growing the business and have been on the board since then, giving valuable insights and advice.

The pandemic: Facing a new set of challenges

The Covid-19 pandemic hit the retail business hard, causing significant losses. We reacted by curtailing FinChoice 's activities and generating considerable cash as a defensive tactic. This enabled us to handle the Covid crisis and again gave us a foundation for future growth. We adapted, refocused and kept moving forward.

PayJustNow: Our move into Buy Now, Pay Later

In 2021 we acquired **PayJustNow** (PJN), the start-up Buy Now, Pay Later (BNPL) fintech company. We have invested considerable resources in the business and it is now the largest BNPL in the country, and growing at a very fast rate. With PJN's rapid growth, we're now positioned to lead the charge in this booming payments sector.

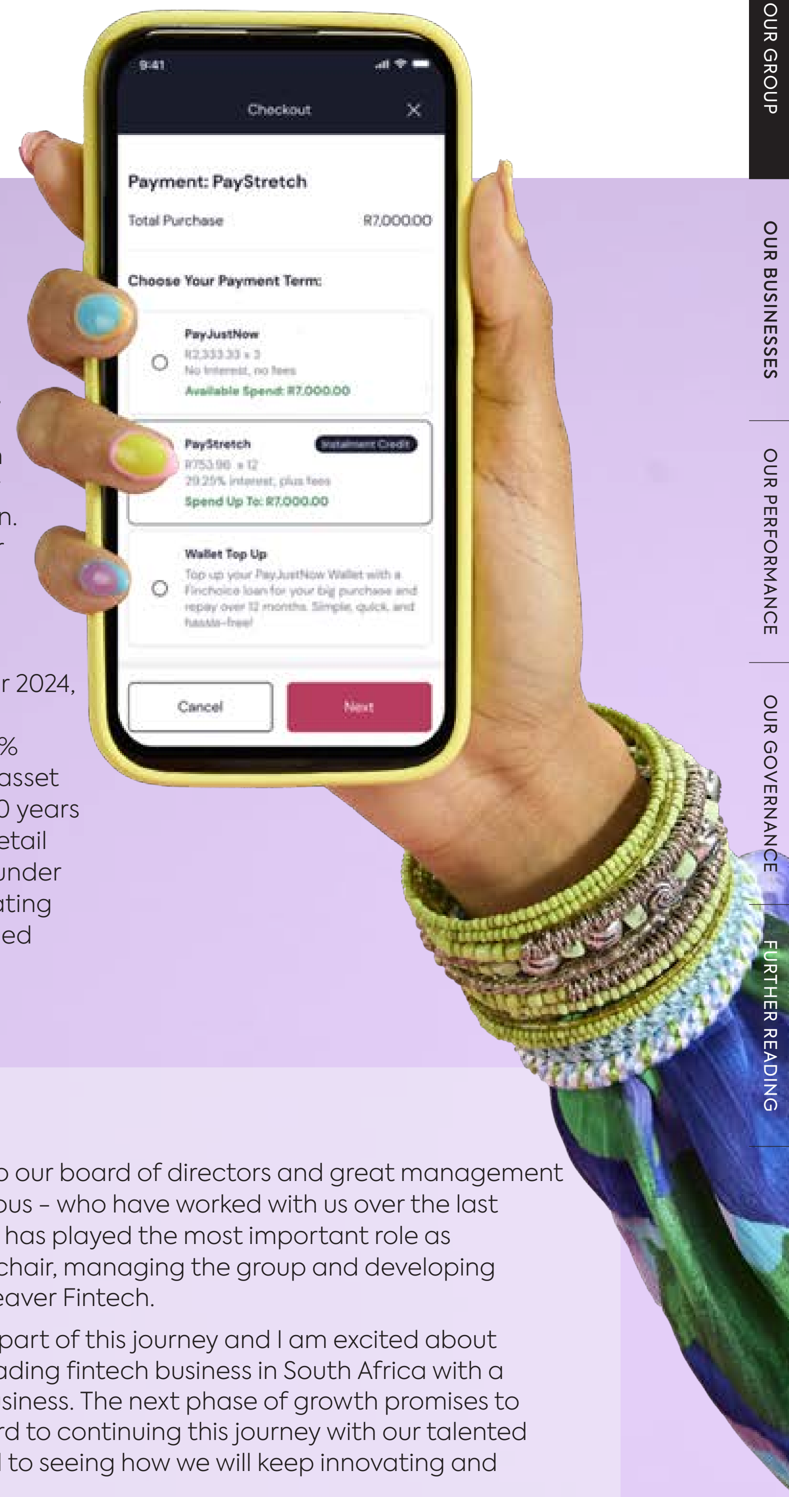
Giving back

My wife, Margie, and I have always been passionate about education and upliftment and together with HomeChoice we started the HomeChoice Development Trust (HCDT). With the group's main South African operations based in Cape Town, the HCDT is focused on early childhood development (ECD) and the upliftment of underprivileged communities in the Western Cape.

The Trust has built 14 new Educare centres, invested in a further 750 Educare centres, trained and supported over 800 ECD practitioners, improving educator skills and creating sustainable operating processes which has ensured that 41 500 children under six received a quality start to education. Total investment since inception is over R65 million.

The future looks bright

For the financial year ended December 2024, we have an expanding team of nearly 1 800 employees, with an impressive 31% increase in profit before tax and a net asset value of R3 857 million. Over the past 40 years we've transformed from a traditional retail company to a dynamic fintech group under the **Weaver Fintech** banner, incorporating **FinChoice** and **PJN**. And we've continued to grow **HomeChoice**, the brand that started it all.



Thanks to

Our success has been largely due to our board of directors and great management and staff – both present and previous - who have worked with us over the last 40 years. In particular, Shirley Maltz has played the most important role as group CEO and now HiL executive chair, managing the group and developing FinChoice and PayJustNow into Weaver Fintech.

I feel incredibly lucky to have been part of this journey and I am excited about what's ahead. The HiL group is a leading fintech business in South Africa with a heritage, well-established Retail business. The next phase of growth promises to be even more exciting. I look forward to continuing this journey with our talented management teams and staff, and to seeing how we will keep innovating and leading the way.

Most importantly, I would like to thank my wife, Margie, and the rest of my family who have frequently contributed exciting ideas and suggestions, and have been very supportive over the past 40 years.

To the next 40 years – and beyond!

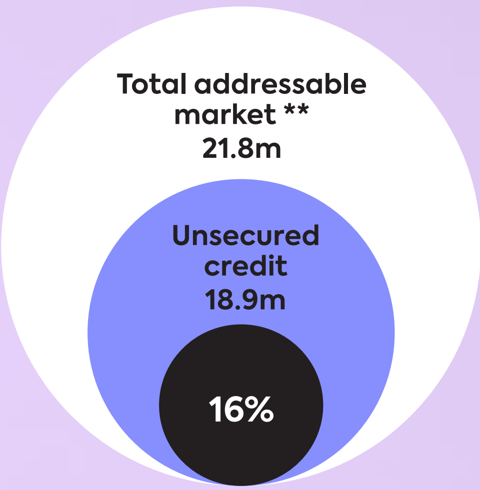
Our customers

Rapid growth among our urban, digitally savvy African customer presents a major market opportunity.

Group customers*

3 105 100

up 53%



Fintech customers*

2 717 700

up 68%

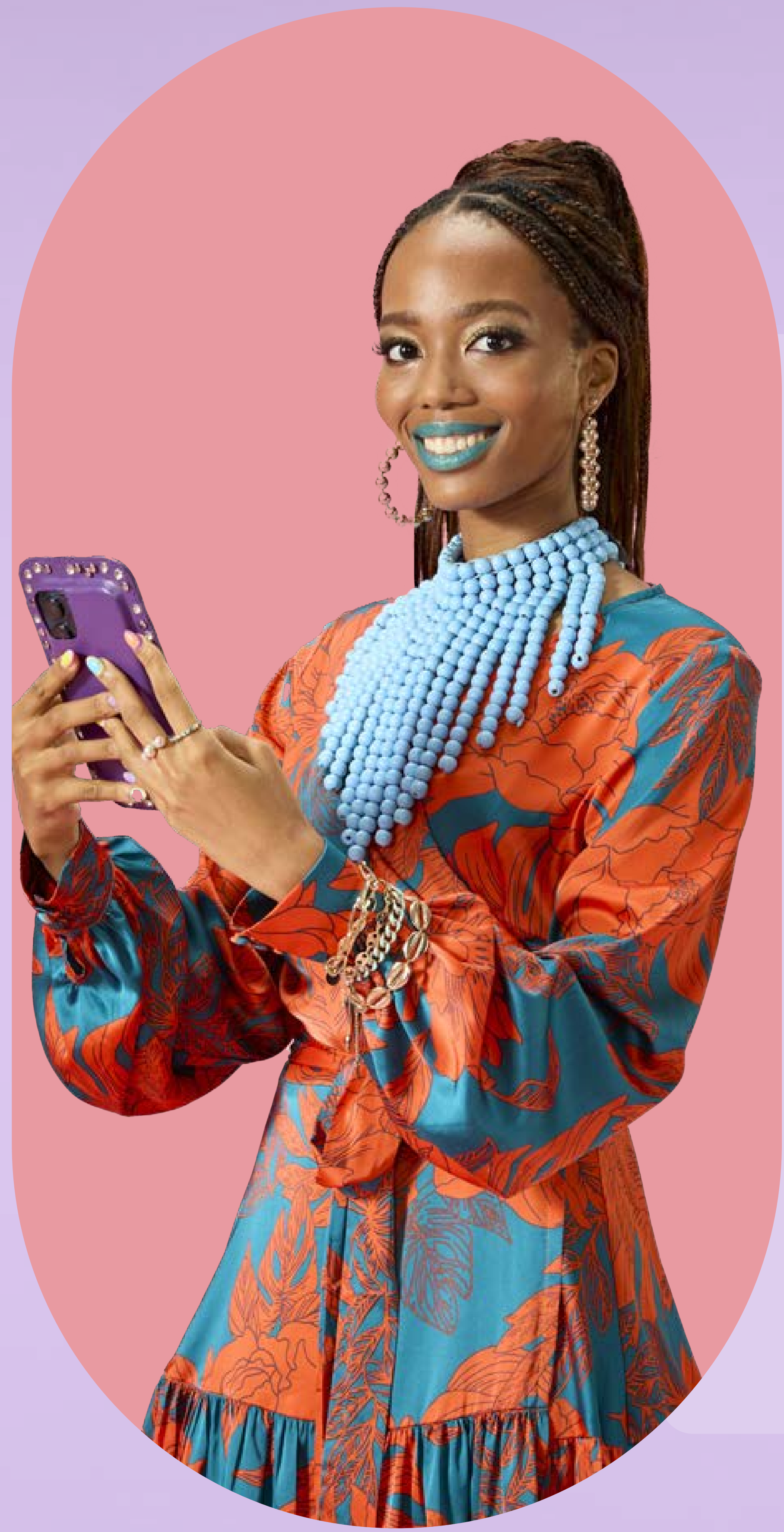
Outstanding response to product offering

Retail customers

522 800

up 2%

Back to attracting new customers



Since 1985 HiL has always been committed to serving and enabling female consumers who have been disproportionately excluded from the traditional banking system and unable to access credit. The South African woman is customarily in charge of the household budget and is judiciously responsible and cautious with her money. Importantly, our experience has shown that women are less likely to default on their repayments.

Customer profile

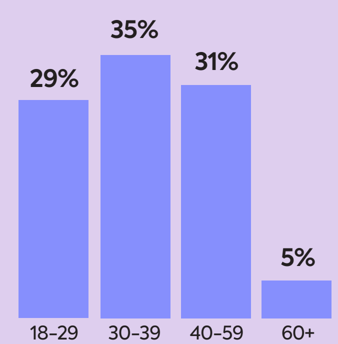
37 yrs
Average customer age

71%
Female customers

R16.3k
Average monthly income

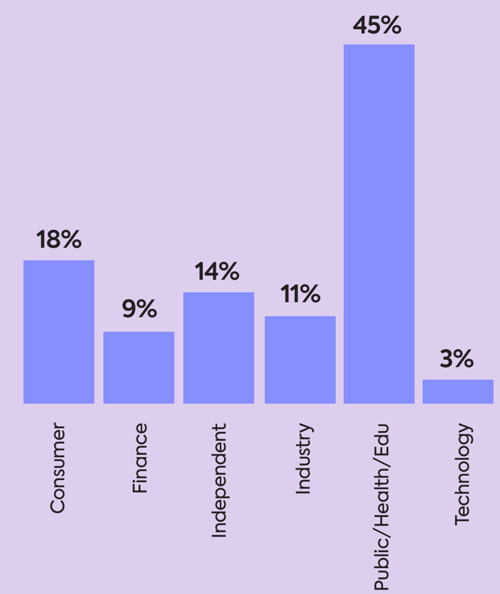
Customer age profile

64% of our customers are Millennials or Gen Z



Employment profile

Our mass-market customer works across all sectors



* Fintech customers include active loan and insurance customers and signed up BNPL customers
** Total addressable market based on information from Experian

Our group strategy

The group's strategy is made up of the three most pivotal aspects of our growth over the next three to five years.

Our Weaver ecosystem

Weaver's ecosystem creates symbiotic benefits for both customers and merchants.

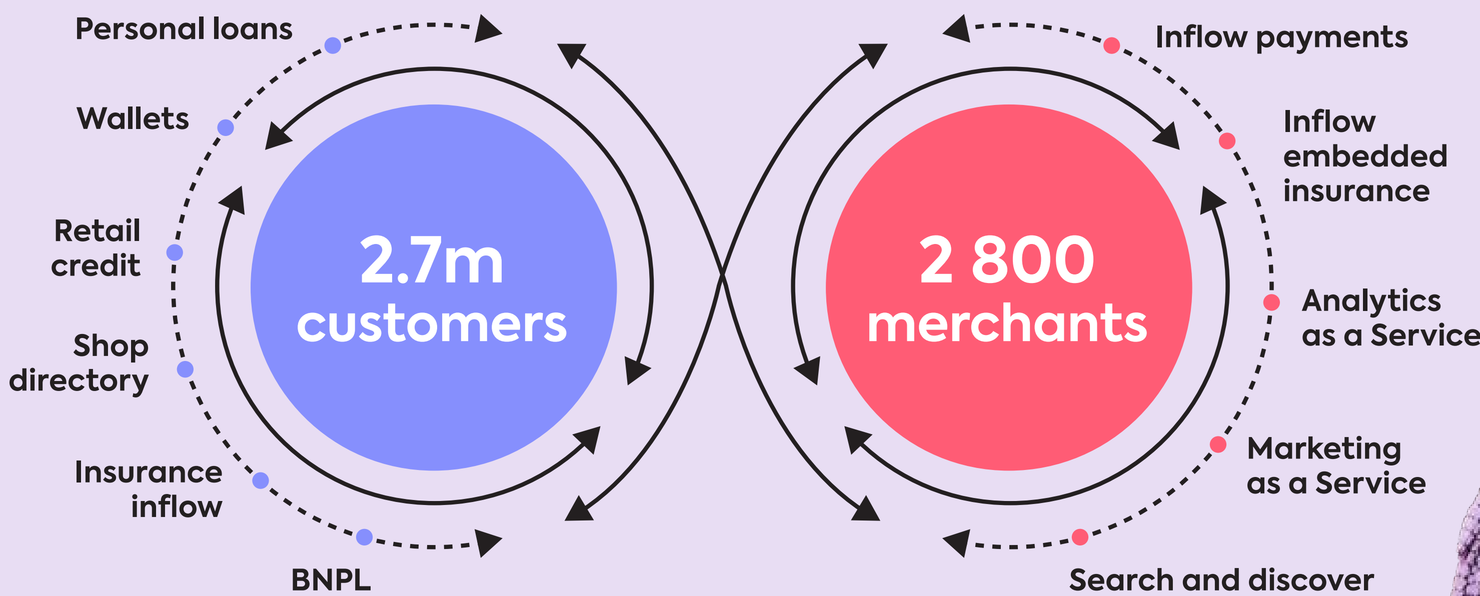
Weaver's ecosystem is central to driving growth and profitability, built on a synergistic relationship with both customers and merchants. This interdependency allows for cross-selling financial products to customers. Many start with a digital BNPL payment product and expand to offerings like consumer loans and insurance. Merchants benefit from increased sales and customer loyalty, with services like Marketing as a Service (MaaS) offering targeted, data-driven campaigns to reach profitable shoppers.

For customers

Digital lending, insurance, payments and shopping marketplace

For merchants

Delivering customer referrals, conversion and upsell



Retail showrooms

Bringing our brand to life as customers explore our showrooms.

A key shift we have driven in the last couple of years has been our new smaller format Retail showrooms.

We plan to expand our showroom network, aiming for 100 locations by FY2027. By the end of this year, we will have approximately 60 showrooms across nine provinces. Our showrooms not only bring our brand closer to customers, but they also serve as a significant source of new customers and an increasing proportion of Retail sales growth. Digital offering in-store entrenches our omni-channel business.

- **Customer acquisition**
- **In-store payments**
- **Improve credit risk**
- **Parcel collections**
- **Customer service**

Artificial intelligence

AI-driven transformation will unlock next wave of customer, product and profit optimisation opportunities.

Our AI strategy is pivotal in transforming our group.

It will transition our customer experience from being reactive to more proactive. We anticipate that it will streamline our processes, leading to higher profit margins. Additionally, it will enable us to utilise data in new ways, generating insights across the group to deliver the right product to the customer at the right time, while also enhancing our ability to manage risk and optimise pricing.

Operational efficiencies
Efficient business processes increase profits

Enhance customer experience
Anticipation rather than reaction improving CX

Data-driven insights
Right product at the right price with the right risk

Executive chair Shirley Maltz

Celebrating 40 years of transformation and entrepreneurial success.

"Our retail business celebrates 40 years. Much of the success of the group has been the highly entrepreneurial, vibrancy and innovation of all our employees over this period."

Shirley Maltz

40 years ago, HomeChoice started out as a mail order homeware retailer – now we are a fully-fledged omni-channel retailer. In 2007 FinChoice was established to offer personal loans to HomeChoice customers using mobile-first technology. In 2021 we acquired PayJustNow (PJN), a digital payment Buy Now, Pay Later (BNPL) provider. Weaver Fintech was formed to house PJN and FinChoice. BNPL is a now a significant proportion of Weaver's customer base. The acquisition of PJN added a digital payment product to Weaver's financial services suite of personal loans, insurance and value-added services.

Financial performance

Africa's fintech market is projected to reach $65 billion by 2028, according to the BDO Fintech in Africa 2024 report, with a compound annual growth rate (CAGR) of 32%.

I am extremely pleased with the outstanding financial performance we have achieved this year. Group revenue grew by 20.6% to R4.4 billion, with a significant profit before tax (PBT) increase of 31.2%, reaching R517 million. This growth is largely driven by Weaver, our fintech business, which now accounts for 92% of PBT before group costs.

Weaver's revenue grew by 34% and PBT by 32%. This impressive performance is largely due to their expanding customer base and cross-selling products.

HomeChoice, our heritage retail business, grew PBT by 85.2%, strong operating leverage on their 8.3% sales growth. After undergoing a comprehensive turnaround, we are seeing substantial improvements in growth metrics. Customer numbers are up, gross margins have returned to 2019 levels, and debtor costs are now more in line with expectations. Going forward, the rapid expansion of their physical showrooms reinforces their position as a fully integrated omni-channel retailer.

South Africa is globally recognised as a rapidly expanding fintech market, driven by the growth of digital payments. We are well positioned to capitalise on this opportunity and ensure the group continues on its growth trajectory.

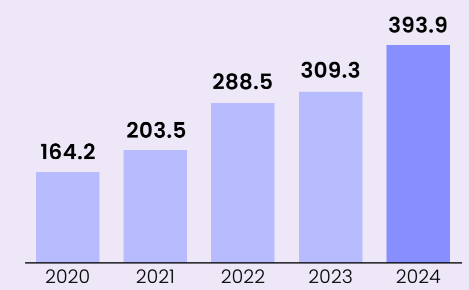
Group headline earnings per share (HEPS) increased by 27.4% to 393.9 cents per share (CPS). The group has maintained our dividend cover of 2.0 times and declared a final dividend of 97.0 cps, while dividends for the full year are up 25.5% to 192.0 cps.

Our customers

Our customers are at the very heart of the group.

She is a digitally savvy African woman who is very comfortable using technology to transact with the group – more evident with 64% Gen Z and Millennials who are extremely comfortable using digital technologies in their daily lives.

Headline earnings per share (Cents)



We acquire an average of 100 000 customers into the group every month. Our virally adopted BNPL has acquired 2.4 million customers since its inception – a 51x growth. Group customers increased 50% to 3.1 million at the close of this year mainly driven by Weaver, our Fintech business. Weaver's customer base increased 70% to 2.7 million. Retail's customer base grew by 2% this year to 522 000 customers.

Strategic direction

There are three strategies we see as being the most pivotal aspects of our growth over the next three to five years.

ECOSYSTEM

Symbiotic benefits for both customers and merchants.

Our Weaver ecosystem is two sided. On the one side we have 2 800 merchants who offer BNPL as a convenient payment option to their existing or new consumers, either in-store or online. Experience has shown merchants benefit from upliftment in sales and high conversion rates. They also benefit from customer leads and referrals – 24.7 million per annum.

The other side of the ecosystem is our 2.7 million customers who are predominantly acquired through our viral BNPL payment option. Once she is part of the ecosystem, we will present several financial services products to her – personal loans, insurance or digital wallet – as cross-selling opportunities using targeted marketing. In addition, she will get access to our shopping directory and be offered another product from our merchant customers.

> Our digital ecosystem promotes cross-selling, boosting customer lifetime value and profitability. Customers with two or more products increased by 27%.

This consequently provides a lead or a referral back into our merchant base and then provides more sales for our merchant customers. This enables us to acquire more merchants and consequently adds additional customers in the database.

A successful fintech ecosystem empowers consumers with financial growth, stability and access to credit, improving financial inclusion and fostering better social and economic outcomes. Services like PJN and FinChoice offer tailored products and secure cashless solutions, enhancing safety and convenience, curated for our female customers.

RETAIL SHOWROOMS

Bringing our brand into her world.

As an omni-channel retailer, we have traditionally operated a limited number of showrooms. However, we have adopted a strategic plan to significantly expand our showroom network. In FY2022 we had 14 showrooms, 8 were added in FY2023 and an additional 16 added in FY2024 with a further 22 planned for FY2025. It is our intent to grow to 100 locations by the end of FY2027.

We have refined the showroom footprint, design and product offering. Our new showrooms are 250 m^2 in size, located in centres and malls close to her home and prominently feature our heritage bedding products. We are bringing our brand into her world where she can touch and feel the merchandise and experience the quality of our product.

Showrooms contributed 26% of total sales, up from 18% in FY2023. The high level of customer engagement in these locations has made them a key driver for acquiring new customers. Over the past year 66 000 customers were acquired through showrooms – a 153% increase. Additionally, they have a much higher cash customer base in comparison to the other sales channels.

Other services provided in the showrooms include a collection point for her purchases, in-person payments and customer support services.

Our Impact

The profound impact of our digital ecosystem on our stakeholders.

Financial inclusion

3.1m customers served
130k new loan borrowers

Economic growth

Over 2 800 merchants in our ecosystem, including 1 840 SMEs enabling retail sales of R1.1bn

Economic mobility

Improving our employees' livelihoods. 119 HC employees in skills programmes; 16 graduating from management courses; 22 awarded bursaries and > 70% internal promotions

Sustainability

1.3m kg of CO_2 saved with solar, equivalent to planting 38k trees; 91% waste recycling rate and 13% reduction in water with new energy pumps

Job creation

16 new retail stores opened in 2024 creating 124 jobs; 22 more stores expected in 2025

Social development

Over 41 600 children and 3 175 educators provided with ECD support in the WC

Our impact in South Africa

Being a responsible corporate citizen.

As a responsible corporate citizen, we are very aware of the impact we have on all our stakeholders.

Our customer base is the largest stakeholder. 3.1 million customers have benefited from our financial offerings – retail credit, loans, payment options and insurance. This empowers consumers with financial growth, stability and access to credit, all improving financial inclusion and fostering better social and economic outcomes. 136 000 new loans were granted during the year, while 1.1 million new customers have benefited from our BNPL payment product. More than 15 000 per month have purchased from Retail's homeware offering with affordable access to credit.

Our more than 1 800 employees have access to training and skills development, improving their opportunity to grow and be promoted into new positions – 70% of all promotions have been internally driven. Our bursary programme provides 22 employees with an opportunity to apply for external courses which would not ordinarily be accessible to them.

The opening of 16 Retail showrooms during the year has created 113 new jobs, uplifting employees economically. Further jobs will be created with the opening of 18 additional showrooms in FY2025.

64% of our 2 800 merchants are small or medium-sized enterprises (SMEs). They have increased their sales by R1.1 billion by offering BNPL as a convenient, accessible and simple way to pay for their merchandise.

Through our use of alternative energy sources and an increasing self-sufficiency for our water requirements we continue to reduce the environmental impact from our South African operations. It also protects the continuity of business operations should there be water restrictions and electricity outages.

Our HomeChoice Development Trust was set up to provide financial support for early childhood development in the communities surrounding the South Africa office. To date we have provided funding of R65 million to alleviate the lack of early learning prospects for underprivileged children. We are very pleased that we have been able to provide this opportunity to more than 41 000 children and their families.

Appreciation

I would like to express my sincere gratitude to all our stakeholders. The unwavering support of our 3.1 million customers has been instrumental to the success of Weaver and Retail. The energy, creativity and commitment to innovation shown by our employees have been key drivers of the group's growth over the past 40 years, contributing to the outstanding results we achieved in FY2024.

I also want to thank my management teams for their exceptional efforts in developing both our past and future strategies. Furthermore, I sincerely thank our non-executive directors and shareholders for their ongoing support in guiding the group through its remarkable transformation.

Our Businesses

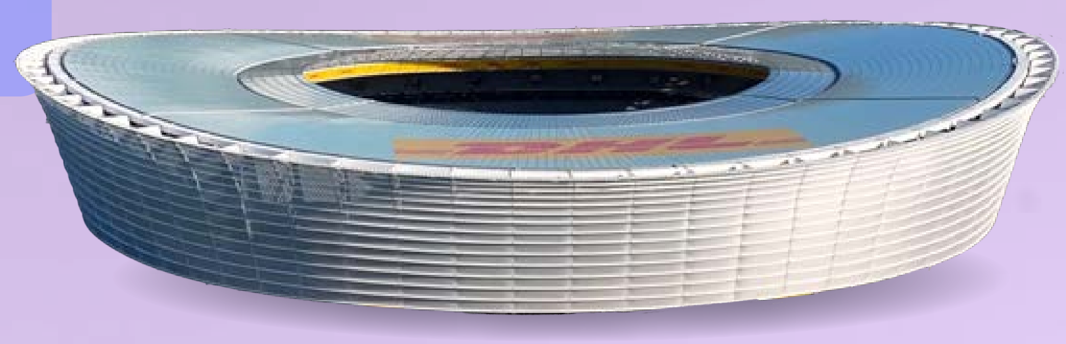
Weaver Fintech

Our Weaver Fintech 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.

R39.1bn
disbursements and GMV payments to our fintech customers since inception

Today Weaver's active customers can fill
20 Cape Town stadiums



2007
FinChoice established to offer financial services products to HomeChoice customers

2011
Digital loans

2016
Standalone insurance

2019
Credit-backed wallet

2021
PayJustNow acquired

Weaver Fintech formed

2021
BNPL payments

2022
PJN product suite

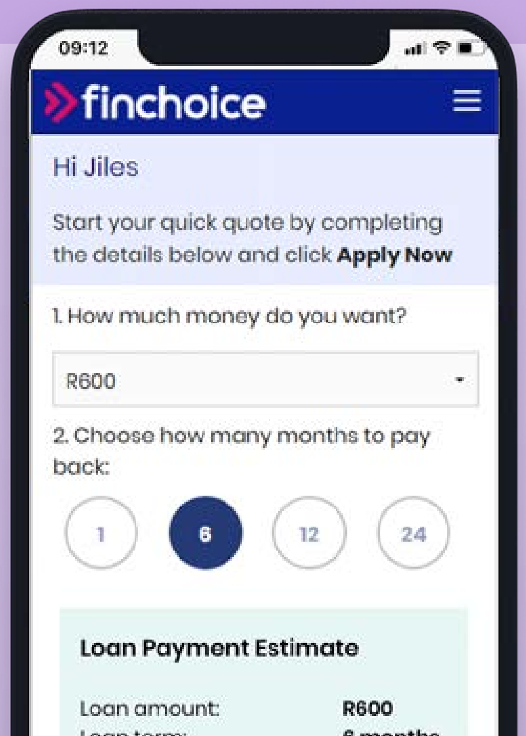
2023
Personal accident insurance

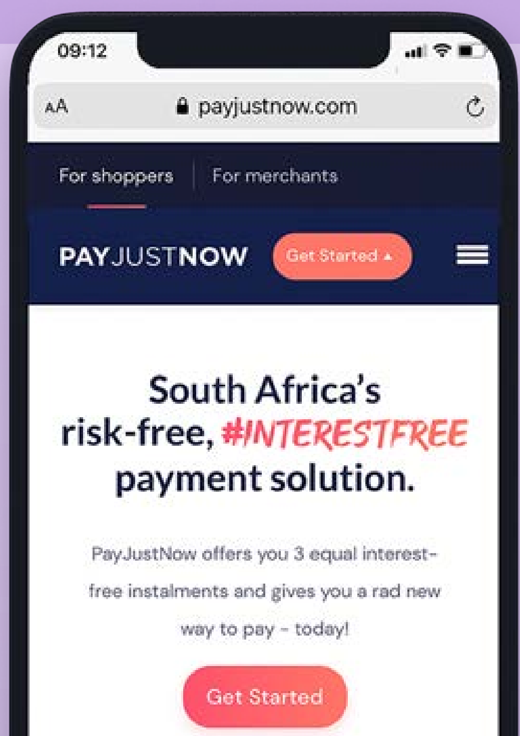
2023
E-wallet

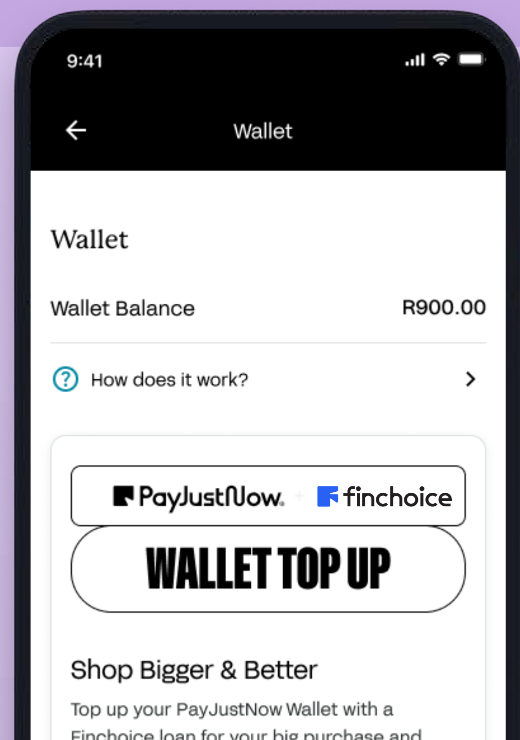
2024
PayStretch™ product implemented to enable large item purchases

2.7 million customers

Driving fintech ecosystem

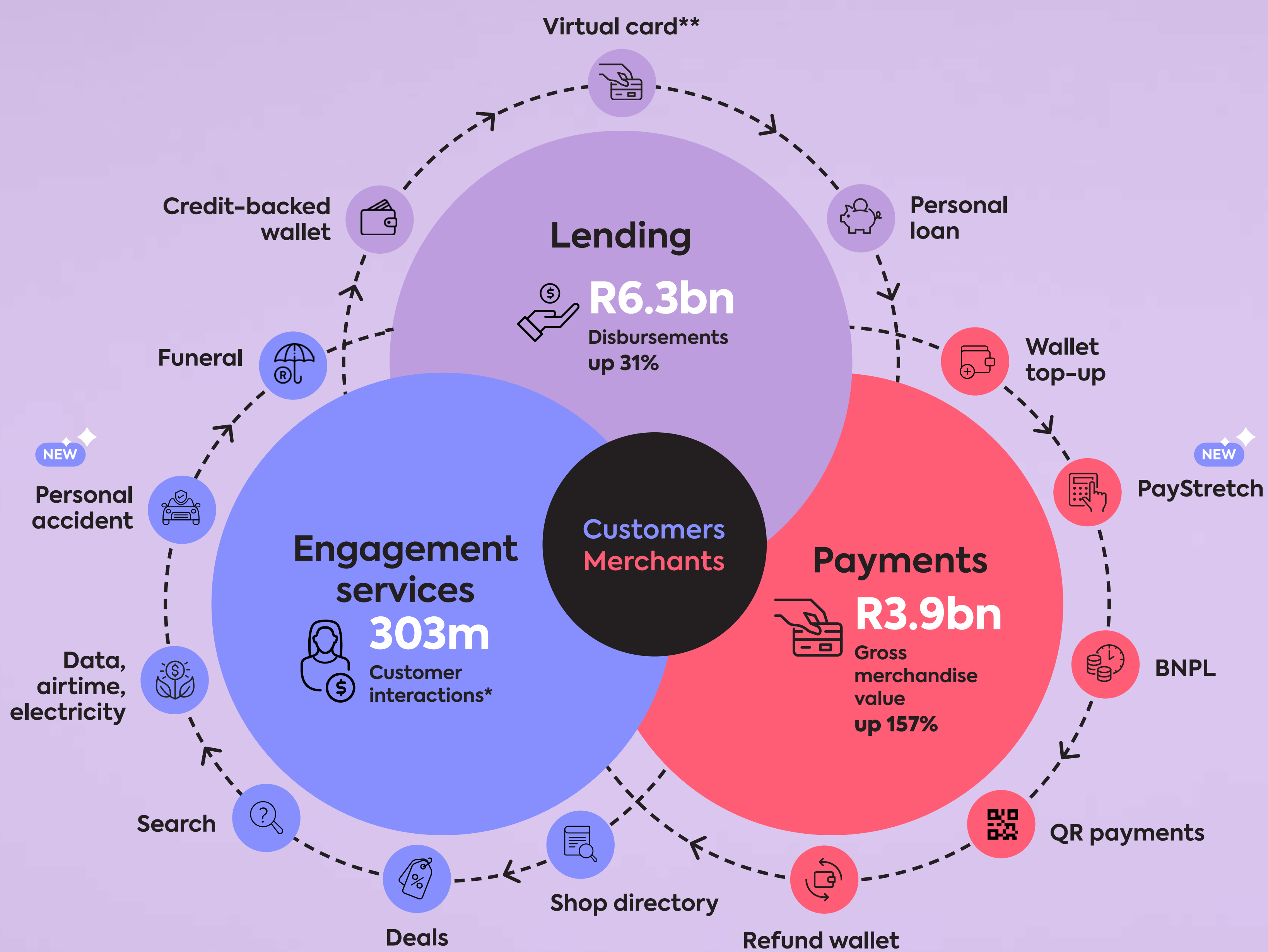






Our business model

Underpinning our business model and strategy is innovation and embedded finance.



* Based on searches, store directory impressions, deals and e-mails in 2024
** Product to be launched

1 Considerable runway for sustainable profitable growth

We have a proven track record of profitable growth over the past five years. Profit before tax has increased threefold since 2020.

- Increase market penetration of digital loans in unsecured credit market
- Maintain high 85% retention rates for lending products
- Drive efficient customer growth with BNPL
- Increase fee-based products to diversify revenue
- Reduction in direct cost per digital transaction

2 Increase customer lifetime value and profitability

The key driver of this is the expansion of the ecosystem in our lending, payments and engagement services available to customers. This encourages customer loyalty and stickiness.

- Product extensions
- Scale PayStretch™ (payment over 12 months)
- Scale personal accident insurance
- Financial wellness education
- Position and introduce the PayJustNow app as a store directory of merchants to customers
- Relentless focus on improving customer experience

3 Build out and maximise economies of scale

Weaver is a digital-based business with 99% of all transactions taking place on its digital platforms. It is critical that the ecosystem is developed and operated on robust technology platforms that cater for increased traffic. The monthly average of the number of digital users has increased sevenfold since FY2020.

- Drive product progression within the ecosystem to reduce cost of acquisition
- Adequate resourcing of engineering and development teams
- Regular testing of disaster recovery plans
- Identify and resolve customer "pain points" within the system

4 Manage credit risk

As a financial services provider it is critical that we are able to manage the credit risk over multiple products and the quality of our customer base.

- Manage new and existing mix of business to control risk
- End-to-end in-house credit management teams
- Bespoke scorecards continually refined to improve predictive capabilities
- Collection strategies to maximise collections
- Low and grow strategy
- Selfie technology to reduce fraud
- Real-time document validation

The external environment in which Weaver Fintech trades

Rapid growth of fintechs

We have seen a significant growth in the number of new fintech companies in South Africa. Traditional banks are increasingly looking to offer digital solutions to service the financial needs of their customers and reduce their reliance on brick-and-mortar branches and telephonic call centres.

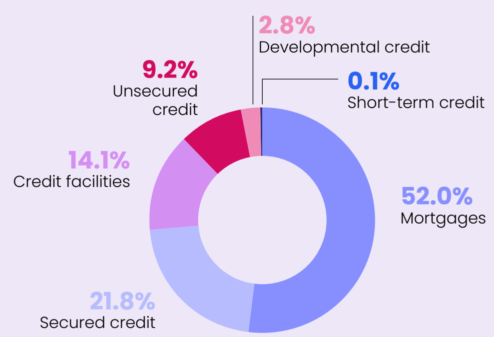
With the advent of smartphones, it was soon recognised that mobile and digital technology would become the primary way to engage with customers. Fintech's are not as hampered by legacy systems and processes; they can be more agile in using emerging technologies to anticipate and solve customer needs. They also have a customer-centric and collaborative approach to deliver innovation with cross-skilled teams.

The South African payments and lending industry makes up 49% of the South African fintech services market.

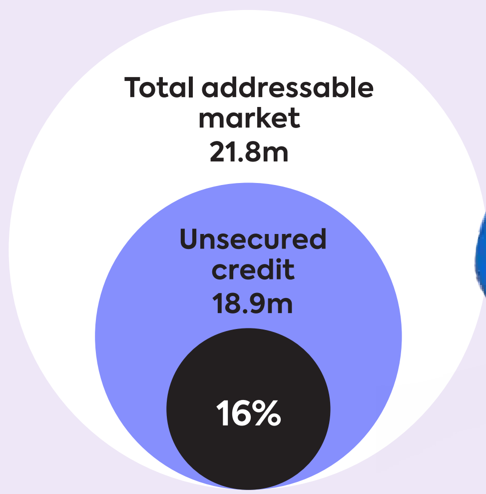
Our response

Weaver Fintech is well placed to take advantage of this and increase their share of the fintech market.

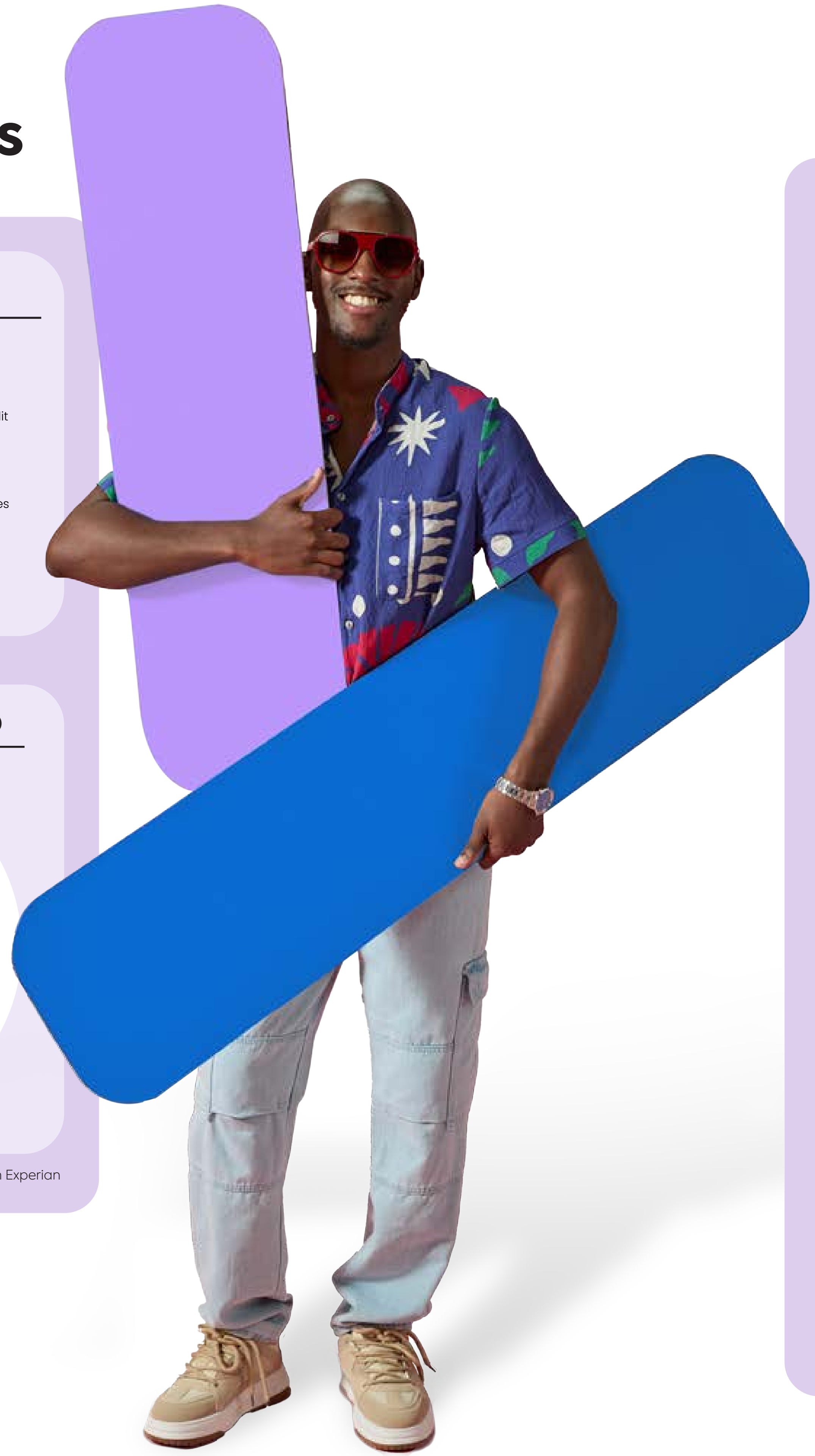
SA credit landscape



Group customers – 3 105 100 (up 53%)

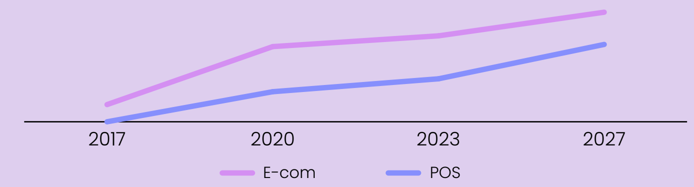


Source: Total addressable market based on information from Experian



Digital wallets

Digital wallets remained the people's choice for payments in 2023, accounting across channels for a combined $14 trillion worldwide in consumer spending.



Source: The Global Payments Report 2024 – Africa

With a high smartphone penetration in South Africa, digital access to financial services has become increasingly accessible to its population of 65 million. Digital fintech enables customers to transact quickly and conveniently, anywhere, without the need to visit a physical bank branch. Commentary suggests that digital wallets will account for more than half of global e-commerce payments by 2024. These wallets provide people in underserved areas with more payment options and access to short-term lending products.

Globally, digital wallets are rapidly becoming a popular alternative to cash, debit or credit cards for making payments. In 2023 digital wallets represented 50% of e-commerce transactions and 30% of point of sale (POS) transactions, with projections to rise to 61% and 46%, respectively, by 2027.

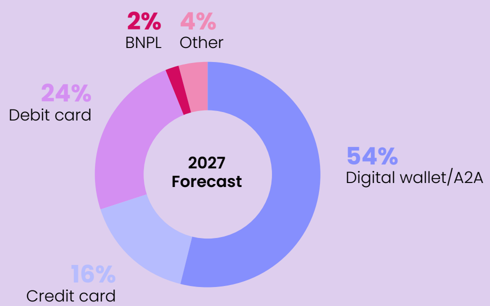
Research on mobile payment usage across major African countries reveals that nearly half of respondents regularly leave home without their purse when shopping, indicating a strong preference for mobile payments.

In South Africa, 2025 is expected to be a year marked by the accelerated adoption of advanced digital wallet technologies. Features designed for specific purposes, enhanced security, and reduced costs will drive both consumer adoption and merchant acceptance. The key to success will be balancing innovation with accessibility, ensuring new technologies contribute to financial inclusion while meeting the needs of an increasingly digital-savvy population.

Our response

Our FinChoice MobiMoney™ credit-backed wallet is a key component of Weaver's lending products and is well positioned to increase market penetration by offering more digital payment options. The impact of our mobile wallet goes beyond facilitating easy payments – it also enables customers to go cashless, improving both convenience and physical safety.

Digital payments



Source: The Global Payments Report 2024 – Africa

Digital payments are gaining widespread acceptance, gradually replacing traditional payment methods as the norm. One prominent example is Buy Now, Pay Later (BNPL), a flexible digital payment option that allows consumers to spread the cost of purchases over instalments. Payments are typically made at the time of purchase, followed by bi-weekly or monthly payments, with no interest or fees if payments are on schedule.

BNPL is particularly popular among cash-conscious Millennials and Generation Z, who appreciate its ability to help them budget and manage finances while making higher-value purchases. It also provides an option for those without a credit history to access goods they might not otherwise afford.

Merchants benefit from BNPL by experiencing higher customer conversion rates, increased sales and larger basket sizes. It also generates referral traffic and valuable customer data insights. While primarily a digital-based online payment method, BNPL adoption at the POS is increasing, with positive feedback from in-store users.

In South Africa, BNPL is expected to grow at a compound annual growth rate (CAGR) of 48.0% from 2022 to 2028, with the BNPL gross merchandise value (GMV) projected to rise from US$231.6 million in 2021 to US$4.8 billion by 2028.

Our response

Weaver Fintech is well positioned to capitalise on the growing trend of digital payments and BNPL. PayJustNow, our three-month interest-free digital payment product, has experienced rapid customer adoption. 1.1 million new customers were acquired during the year. Capitalising on the success of PJN, we have introduced PayStretch™ to support customers' large purchases at the till.

Ecosystem

A fintech ecosystem fosters a virtuous cycle with multiple participants. These ecosystems are complex and continuously evolving, with their diversity fuelling innovation across the broader financial technology industry. Owning an ecosystem drives the development of new products, which in turn creates additional profit streams.

The agility of fintech businesses enables quicker integration with commercial enterprises, leading to a more interconnected financial ecosystem. By 2025 the landscape will increasingly be shaped by accelerated partnerships between fintech providers and traditional retailers, digital wallet services and transportation providers, payment processors and small businesses, and cross-border payment networks.

Growth is foremost through offering customers products in the ecosystem. Effective marketing of relevant products will drive the 2+ product strategy. Our digital, data-driven ecosystem adds value for both customers and merchants, embedding them within our business. The suite of products and services we offer merchants opens opportunities to access the Weaver Fintech customer database, driving deeper engagement. Merchants benefit from increased referral traffic, customer search and discovery features, as well as data analytics that provide personalised offers within our product ecosystem.

Our response

Our Weaver Fintech ecosystem functions as a two-sided business model, consisting of both a customer and a merchant component. This closed-loop system allows us to leverage data to create future products and services that provide exceptional value to both customers and merchants.

Artificial intelligence (AI) and Big Data

AI and data analytics enhance business performance by enabling better decision-making, personalised customer experiences and streamlined operations. They help businesses predict trends, optimise marketing efforts and accelerate product development, all while reducing costs. AI also improves operational efficiency through automation and provides a competitive edge by offering faster, data-driven insights. Overall, AI and data analytics empower businesses to operate more efficiently, drive innovation, and achieve long-term growth and profitability.

Our response

We will escalate our deployment of AI to take advantage to drive operational efficiencies and customer experiences.

Q&A with Weaver **CEO Sean Wibberley**

How did Weaver perform in 2024?

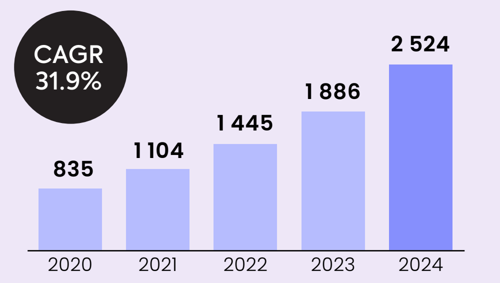
I am very pleased with the performance of Weaver for FY2024. The achievement of 33.8% growth in revenue to R2.5 billion (2023: R1.9 billion) and 31.7% increase of profit before tax (PBT) to R561 million (2023: R426 million) is testament to the continued strong trajectory of our lending and payments products marketed through our FinChoice and PayJustNow (PJN) businesses. Our five-year compound annual growth rates (CAGRs) for revenue, PBT and cash collections have grown in excess of 30%.

Our mix of our fee-based income, earned primarily from merchant commission and insurance, now represents 36% of revenue, which I'm very pleased about.

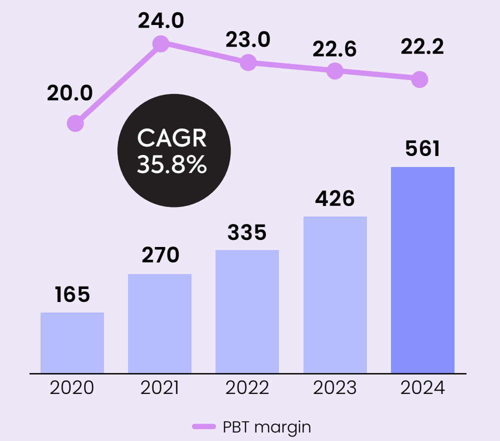
A 28.2% increase in expenses has been focused on investment in our design, data and engineering resources, and our digital platform infrastructure.

Pleasingly, cash collections from customers show continued growth, increasing 53.3% to R10.5 billion (2023: R6.9 billion).

Revenue (Rm)



Profit before tax (Rm)



> **"Our ecosystem is more than generating business profits. It's also a really great new wave of financial inclusion in South Africa."**
>
> **Sean Wibberley**

How are you progressing with your target to increase your fee income to 50% of revenue?

Our non-interest-bearing fee income has shown exceptional growth, increasing by 43.0% to R911 million. It now contributes 36.1% (2023: 33.8%) of revenue, with a target to grow to 50%.

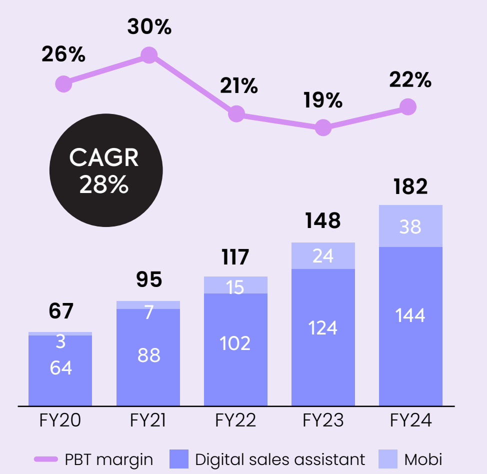
The impressive growth of our digital payment Buy Now, Pay Later (BNPL) fee income of 132.1% was supported by a 23.0% growth in our funeral and personal accident insurance. Annuity fee-based income, a key pillar in our strategy, grew to R169 million.

I am very pleased with the growth of our insurance products. We have 136 000 active customers. Most pleasingly, for me, is the upward trajectory of our customers who take insurance digitally from her smartphone. As customers are becoming more and more familiar with our ecosystem and are trusting our digital technology, they are comfortable to purchase our insurance products digitally.

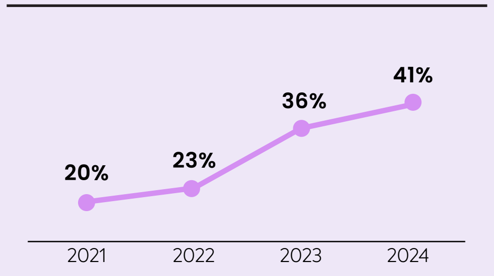
Our personal accident product, which we started to scale last year, grew by over 200%, much of it on our digital platform. We have only 16% penetration in our active Weaver customer base who have taken one of our insurance products and we see a significant runway for further growth as the flywheel effect of our ecosystem offers relevant embedded insurance products at scale.

I will elaborate on the BNPL income overleaf.

GWP strong growth with low insurance claims (Rm)



Momentum in digital acquisition of insurance policies (proportion %)

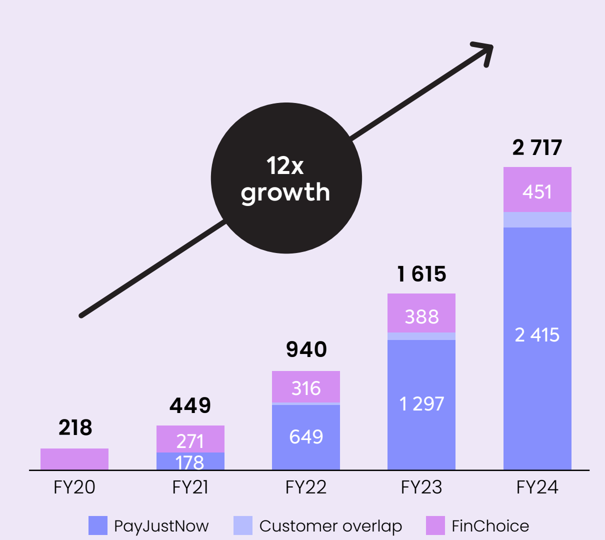


Can you tell us about the success you are experiencing with the growth in your ecosystem?

As a key driver of the group's revenue and profit expansion, Weaver's ecosystem plays a crucial role in our continued success.

Last year we onboarded more than 100 000 new customers each month, bringing 1.2 million new users into our Weaver ecosystem. Over the past five years, our customer base has grown twelvefold, now reaching 2.7 million customers.

Rapidly growing fintech customer base ('000)



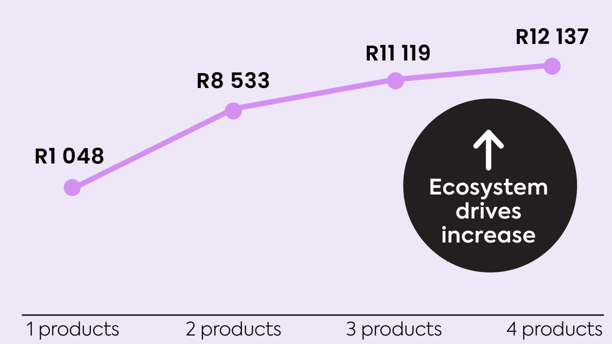
This rapid 68.2% growth in our customer base in 2024 presents a significant market opportunity and advantage for Weaver. The flywheel effect of our digital ecosystem offers a substantial opportunity to cross-sell financial products to our expanding customer base. Currently, 20% of our active customers engage with two or more products within our ecosystem, with our longer-term strategic goal of reaching 50% as momentum builds on the scaling platform.

In addition, we have grown our loyal merchant base to over 2 800 merchants, with over 10 000 points of presence where customers can make purchases online and in-store. Our two-sided ecosystem creates symbiotic benefits for both customers and merchants. By offering a comprehensive range of financial services, lending, payments and engagement services, Weaver is well positioned to sustain strong earnings growth.

A key strategy of our ecosystem is growing the number of products per customer. Customers enter the ecosystem and then, using data analytics, are digitally cross-sold additional products.

Growing the number of active products per customer delivers a compelling progression in the average annual revenue per user (ARPU). The ARPU for customers with one product is about R1 000. Then, taking up a second product, it jumps materially to over R8 000, with four products generating over R12 000. This demonstrates the power of the ecosystem.

ARPU based on number of products (R)



A customer is attracted to our financial services products and digitally enters our ecosystem using the smartphone in the palm of her hand. Typically, this first product is the virally demanded BNPL product or a low-value lending product. Customers engage with these shorter-term products, building familiarity and comfort with our digital platform and generating valuable performance data.

We leverage the customer data to make better-informed credit decisions, allowing us to personalise for every customer to offer the right product, at the right time, at the right credit limit. And, of course, the digital platform is highly engaging, convenient and reassuring to our customers in its design and workflows.

This drives the velocity with which customers adopt their second and third product, translating to better profit metrics for the business. We've seen tremendous growth in the last year of our ecosystem, with cross-sells 2.3 times up on the prior period.

Customer experience with our ecosystem remains strong. Our Google ratings are very strong at 4.6 stars and 4.7 stars respectively, as are our net promoter scores, proving our customers' love for our ecosystem.

The ecosystem comprises products across three key verticals – lending, payments and engagement services. Can you elaborate on their performance during the year?

Lending

Loan disbursements rose by 31.4% to R6.3 billion for the full year. Existing customers account for 86% (2023: 86%) of the disbursement mix, as their risk profile is significantly lower.

The growth was driven by our high-velocity FinChoice MobiMoney™ wallet.

FinChoice MobiMoney™, our accessible three-month credit-backed digital wallet, continues to generate a high proportion of our lending income. With strong customer appeal, MobiMoney wallet customers grew by 16.8% to 300 000, with withdrawal transactions up 18% to 1.1 million. Since the inception of MobiMoney, withdrawals total R8.1 billion.

Customers have always enjoyed being able to access credit in the palm of their hand, and 95% of all our lending is done by customers doing so, 24/7 via their smartphone.

We started to scale QR payments, enabling MobiMoney wallet holders to scan a QR code at affiliated merchants and thus transact out of their wallet at the till. That grew 47% over the period as customers are enjoying this new way of cashless shopping.

Pleasingly we continue to take market share, growing our disbursements to 6.5% of unsecured and short-term disbursement market in South Africa, and have done so while maintaining our credit consistency.

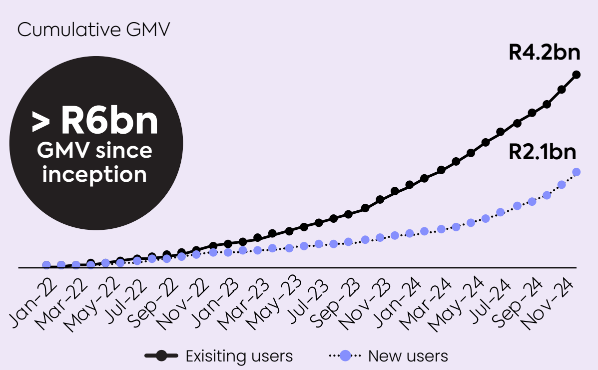
Payments

BNPL, our hero viral product, has had an outstanding year. Gross merchant value (GMV), which generates our fee income, surged by 157% to R3.9 billion (up from R1.5 billion in 2023), leading to fees of R188 million (compared to R81 million in 2023).

We acquired PJN, the BNPL business, in 2021, allowing customers to transact at the till and split their payment three ways. In 2023 we introduced a wallet where refunds from BNPL, or a top-up loan from FinChoice, allows the customer to top up her wallet and then shop at any PJN merchant. In Q4 of FY2024 PayStretch™ was launched. Offered by PJN and powered by our FinChoice credit engine, this product allows customers to split their payment by up to 12 months at the till, thus enabling her to buy larger ticket items at over 2 800 merchants. So, now she has the option to pay-in-3, pay out of her wallet or pay-in-12, all cashless at the till.

To date, we have done R4.2 billion in BNPL GMV to customers who have previously purchased, versus brand-new demand of R2.1 billion. Customers purchase more frequently and at higher amounts as they get familiar with the concept and affordable convenience of splitting payments at the till. Frequency is up to 2.12 per annum, average spending is up 21% to 7 000 and on our new PayStretch product, we disbursed just over R45 million in GMV and see that growing very strongly in 2025.

Building loyal customers with payment options



Customer loyalty within the ecosystem is strong, with repeat customers generating 1.4x higher GMV than new customers. The appeal of BNPL within our two-sided ecosystem lies in the virtuous network effect between our expanding customer and merchant base. As we attract more customers, we provide merchants with increased sales, while our growing merchant base offers customers more shopping options. Over 2 800 merchants are part of our ecosystem, spanning 10 000 online and in-store points of sale (POSs). The visibility of our suite of merchants on the PJN platform drove 24.7 million customer leads to our valued merchants through the search and discovery service used by customers over the past 12 months. On the other side of the network, our merchants enjoy the BNPL and the payments product in general, because it allows customers to afford items at the till and also improves their conversion rates and ultimately drives higher retail sales.

Complementing our BNPL payment option at both online and in-store POSs, we will scale the roll-out of PayStretch™ in 2025. We also have the ability for customers to transact out of our MobiMoney wallet and to make payments using QR codes at over 650 000 participating merchants.

You have achieved a 100bps reduction in your expenses as a percentage of revenue. Can we expect further reductions?

Yes, I believe we can. Being a digital fintech business we can drive benefits from the scalability of our technology platforms, while maintaining our expenses. We have reduced from 26.3% to 25.3%.

We have invested some R61 million in further developing our tech platform, supporting convenient and accessible access for our customers, along with new product development on the platforms we operate.

To further reduce our expense ratio, we invested R61 million in capital expenditure and a 28.2% increase in expenses. This has been focused on investment in our design, data and engineering resources, and our digital platform infrastructure to support the growth in customers and the increasing number of transactions.

The use of AI will unlock the next wave of customer, product and profit generation. Deploying AI tools in the business has enabled operational efficiencies, which include accelerating our engineering development cycles, specialist tools to identify fraud patterns and facial recognition, and machine learning propensity models for better personalisation and targeting.

We believe AI is not just a tool for automation but a powerful ally in driving business growth and competitive advantage. Coupled with our rich data sets on customers and transactions, AI will be core to scaling our ecosystem.

As a fintech business, innovation is vital. What recent innovation are you most proud of?

Without a doubt our launch of the PayStretch™ retail credit product to our customers and merchants on the PJN network! This product allows any BNPL customer to apply for the ability to pay-in-12, by providing real-time credit for her at the POS, which she repays over 12 months. PayStretch allows customers to afford larger-priced purchases conveniently at checkout.

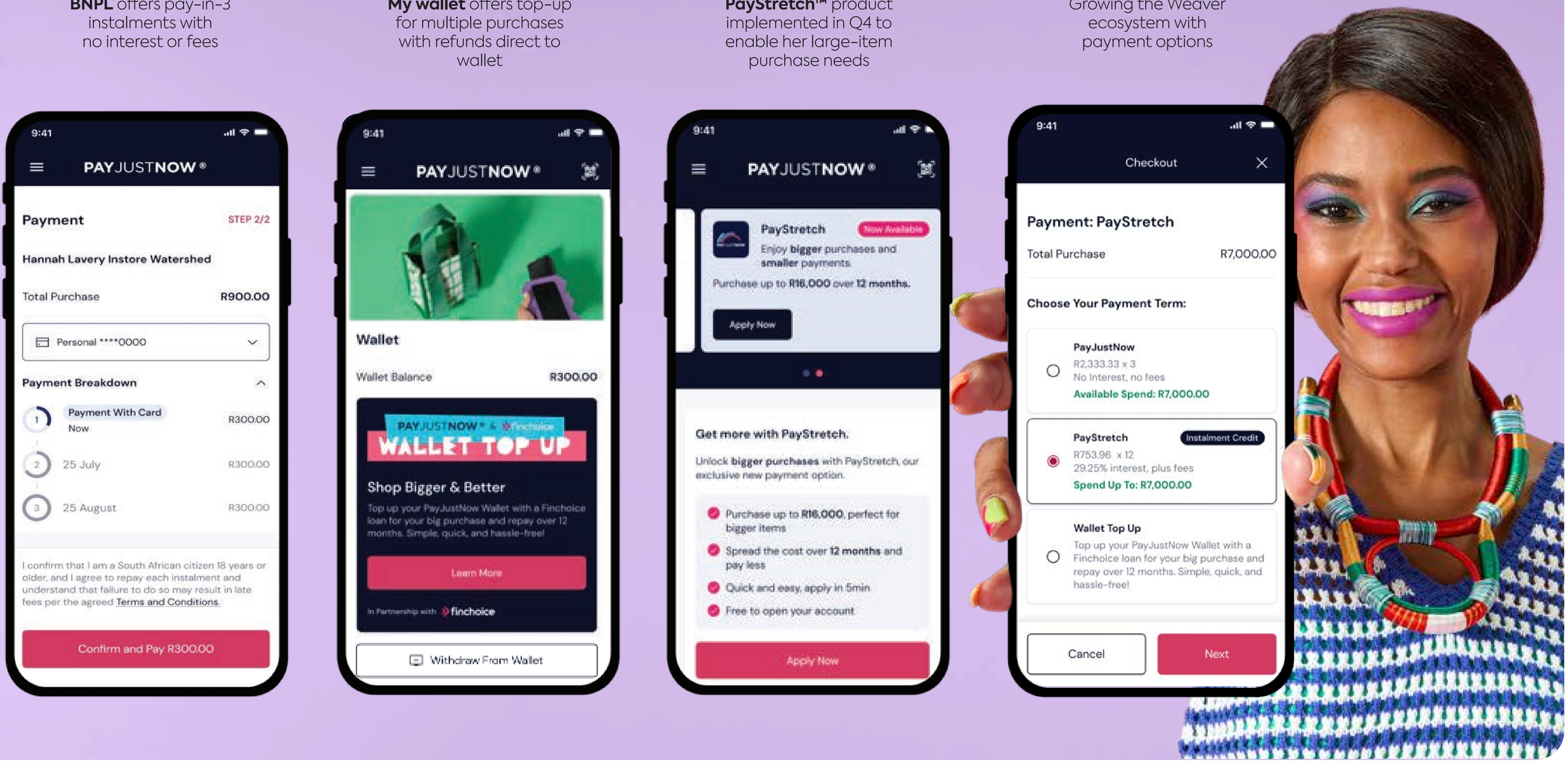
We launched the product in Q4 of FY2024 and have seen very positive response from our customers and sales through our merchant network. We transacted approximately R45 million in GMV in 2024 and I see this product growing strongly into the retail credit market. We intend to add further repayment term flexibility and other product enhancements, making PayStretch our most exciting and disrupting product going into 2025.

BNPL offers pay-in-3 instalments with no interest or fees

My wallet offers top-up for multiple purchases with refunds direct to wallet

PayStretch™ product implemented in Q4 to enable her large-item purchase needs

Growing the Weaver ecosystem with payment options



Our Businesses

Retail

homechoice

Celebrating 40 years of transformation and entrepreneurial success

1985
HomeChoice starts selling cookware

1987
1st catalogue produced

1994
Call centre opened

1995
Internal credit scorecard developed

1996
Independent home delivery network launched to all regions of South Africa

2013
State-of-the-art distribution centre

2016
- 1st showroom in Wynberg
- 1 000-seat contact centre

2018
4 showrooms opened

2020
Trading in 12 showrooms

2024
- 16 showrooms opened
- WhatsApp channel launched

2025
Accelerating showroom roll-out

2025 HomeChoice celebrates **40 years**

Decorated **7 million** bedrooms in the last 10 years with HomeChoice bedding

Our Retail business model

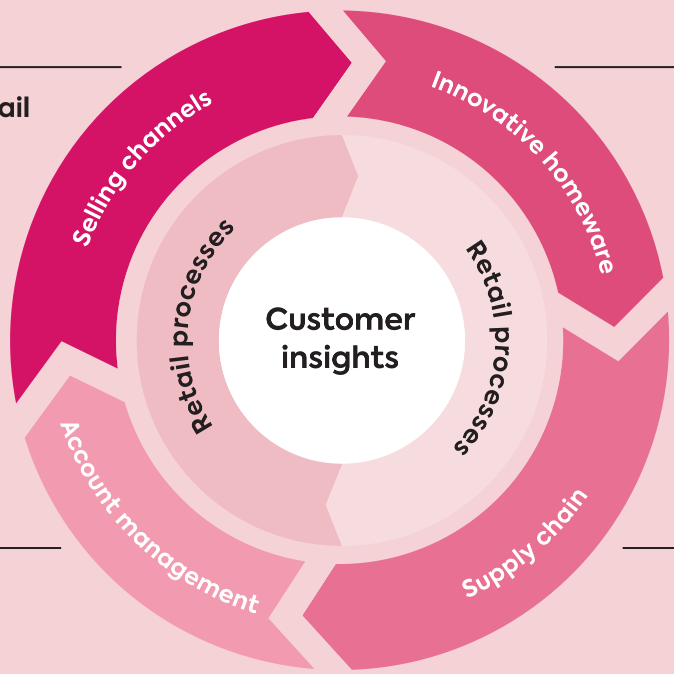
As a homeware retailer, our Retail business model is to interpret the homeware trends, design and procure merchandise through an efficient local and international supply chain, and to sell it to consumers for cash or on account through several sales channels.

Omni-channel retail

- Physical showrooms
- Contact centre
- Web and App
- Sales agents

Innovative, differentiated and quality products

- Homeware
- Appliances
- Furniture



Credit management expertise in mass market

- Credit
- Cash

Single-pack distribution centre

- Delivery direct to home
- Click-and-Collect

1 Aggressive roll-out of showrooms

The aggressive roll-out of showrooms has diversified the sales channel away from direct telemarketing to physical engagement with customers. The average size of a new showroom is 250 m² with high trading densities and lower stock holdings.

- Roll out additional 22 showrooms
- Seamlessly integrate physical showrooms with robust digital in-store systems
- Relentless focus on customer experience

2 Data-led customer insights

We collect rich data on our customers. Effective mining of data to provide customer insights to engage them in a coordinated way.

- Leverage 8 million customer database for customer segmentation and prediction competency
- Develop a single view of the customer to enable personalisation, customer service and strategic decision-making

3 Conversational commerce

The use of social media is ubiquitous and an increasingly important vehicle to access consumers. HomeChoice has 1.4 million social users, an 11% increase on FY2023.

- Scale use of WhatsApp to engage with and sell to consumers
- Seamlessly integrate multiple communication channels to monetise customer conversations
- Drive engagement and reduce voice traffic by promoting social media access

4 Enhance credit offering

We have developed a unique understanding of credit management. The quality of new customers has been greatly improved over the past two years.

- Regular development of scorecards for new and existing customers
- Enhance digital onboarding including machine learning, fraud detection and affordability
- Aggressively drive digital collections

5 Drive omni-channel engagement

We trade via four sales channels – showrooms, contact centre, digital and remote sales agents.

- Entrench omni-channel retailer
- Integrate physical showrooms with a compelling online presence
- Improve ease-of-use and functionality of digital platforms
- Increase remote sales agents to drive customer acquisition

External environment in which Retail trades

"PHYGITAL" – the integration of physical and digital channels in retail

Digital media and engagement, especially through mobile and social media platforms, increasingly permeates every facet of our customers' lives. Phygital, a combination of physical and digital worlds, is a fast-growing concept and a current trend in retail which will develop further and become entrenched. A phygital strategy allows customers to see and touch products in a physical store while accessing additional information or placing orders through their digital devices.

Omni-channel is phygital. Click-and-Collect is phygital. Pop-up stores are phygital. In-store kiosks (using digital technology in a specific physical space) are phygital. Phygital has a strong appeal with Millennial and Generation Z consumers, who are highly digitally connected.

Retailers benefit from phygital where stores and showroom trading areas can be reduced, while assets are made to work harder by integrating digital technology that allows them to keep costs in control. It also creates a seamless, targeted, personalised and frictionless in-store shopping experience for customers. The new smaller retail showroom launched by HomeChoice during 2024 provides an opportunity to combine the digital and physical experience for the customer, delivering a new and effective shopping experience for her.

Our response

We have an aggressive roll-out of showrooms. They offer physical engagement combined with digital transactions. We will open a further 22 showrooms in FY2025.

Substantial homeware market segment

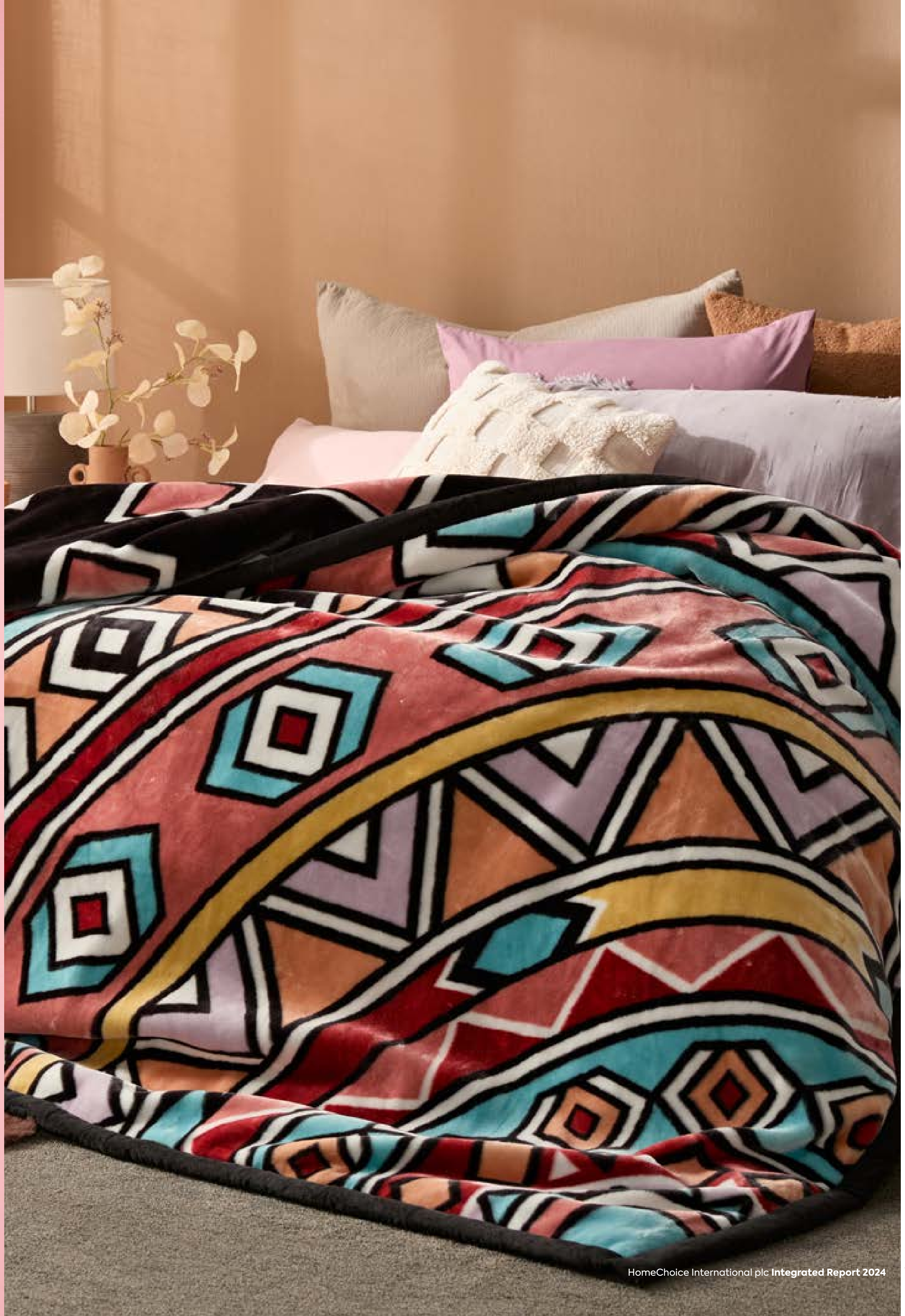
Our heritage retail business was built on providing quality and innovative homewares categories. We continue to maintain this ethos and build on the breadth of the range, appealing to the mass-market African woman.

As per RLC data the homeware market is worth c. R15 billion. HomeChoice has a 6.6% market share with the opportunity to increase its share through an innovative and unique selling proposition.

With 88% of sales on credit, continual innovation of our credit offering provides financial inclusion for our target market.

Our response

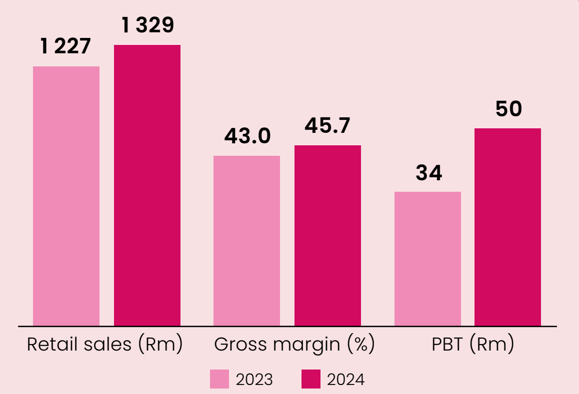
Unrelenting focus on innovative, high-quality homeware offering.



Q&A with Retail CEO Chris de Wit

homechoice

Your 85.2% increase in profit before tax (PBT) is significant. Can you elaborate on the underlying financials in the year?



Most of our strategies have been focused on driving topline growth and FY2024 has delivered positive results. Revenue increased by 6.7% to R1.9 billion (2023: R1.8 billion). The rise in retail sales, a significant improvement in gross profit margin, improving trading expenses efficiences and effective management of debtor costs all contributed to PBT of R50 million.

A key aspect of our transformation entailed aligning the cost structure to the size of the business. We believe that we have largely achieved this with a marginal increase of expenses from FY2023 levels. What is pleasing is this was accomplished despite the investments in technology, showrooms and increased marketing expenses to drive topline growth. There is more opportunity to manage our cost levels downward, particularly as we embrace and maximise the digital nature of the business.

This has demonstrated strong operational leverage and provides a solid foundation for future growth.

> **"Our turnaround has been achieved. The business is now set for growth."**
>
> **Chris de Wit**

A 14.5% increase in sales in H2 was a sizeable turnaround from a muted 1.7% H1 growth. How does this fare in the retail market?

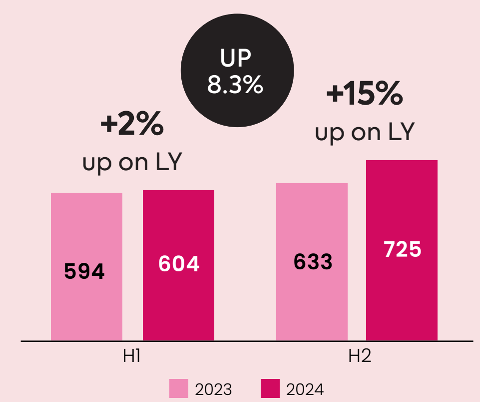
Our full-year sales rose by 8.3%, reflecting the success of our topline growth strategies and our ability to capture greater market share.

Sales in the second half of the year surged by 14.5% with Q4's sales growth trajectory continuing into FY2025. Our showrooms have delivered and will continue to drive our sales growth.

Critical to the turnaround plan was a focus back to "stick with our knitting" – our heritage bedding ranges. Our bedding ranges contribute to 56% of sales and, with a strong gross profit margin, are highly profitable.

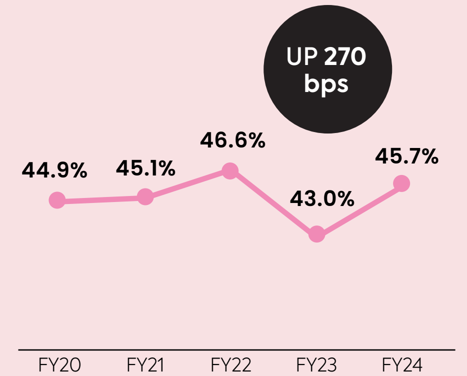
We see our bedding offering as being very unique in the marketplace. It is an aspirational product with designs tailored to our customer base and strong differentiation as we continue to innovate to drive appeal.

Double-digit sales growth in H2 (Rm)



A 270-basis point gross margin increase is outstanding. Can you elaborate on this achievement?

Bedding experts with an extensive range



Yes. I am very pleased with the significant improvement in our gross profit margin contributing to the success of this year's financial results.

Two main factors have driven the strong improvement.

Firstly, effective stock management led to reduced markdowns from FY2023 and strong sell-through of our innovative products. Our buying team has had much success with supplier negotiations.

Secondly, efficiencies gained from the implementation of the Smart Fulfilment system and the closure of our Johannesburg distribution centre have not only enhanced our gross profit but also improved customer service.

Can you talk about your exciting strategy to take an aggressive approach to open more showrooms?

I am very excited with our showroom channel performance. Expanding our showroom network is a central strategy for driving revenue growth and attracting new customers. The sales contribution from showrooms has increased from 18% to 26% and 66% of customers visiting our showrooms are new to the business.

In the past year we opened 16 new showrooms and plan to open a further 22 in FY2025. The operating metrics for showrooms are very compelling and make them inherently more profitable than our other selling channels.

Customers love being able to touch and feel, understand the quality of products and generally engaging with the product. Using our digital process, they can immediately order the product with the option to deliver to her home or to collect from the showroom.

You have acquired 181 000 new customers during the year, a healthy turnaround from muted growth over the past few years. How have you managed to achieve this in a time where the retail market has been challenging?

A driving force of the muted growth in customers in 2023 was strategic strict risk cuts with a determined, was determined focus to only acquire profitable customers as a lever to reduce our debtor costs and improve the quality of our debtors' book.

Customer growth is core to our business. I am very pleased that we saw a 46% upliftment in the acquisition of new customers in FY2024, as compared to FY2023 – equating to more than 15 000 new quality credit risk customers each month. What is also positive is the growth in cash customers. Cash customers increased by 35.6%, primarily driven from showrooms and digital.

64% of your customers are Gen Zs and Millennials. What advantage does this have for your business?

Gen Zs, a digitally native generation, favours online shopping. Mobile shopping is particularly popular, with many using their smartphones for everything from browsing to making purchases. Millennials, on the other hand, tend to shop across multiple channels, blending online and in-store experiences. They often research products online before visiting a physical store or the other way around and are very comfortable to move seamlessly between both. While they prefer shopping online, they are also drawn to unique, interactive, or visually appealing in-store experiences that are shareable on social media.

Quick, convenient shopping experiences along with multiple delivery options, and a selection of payment options are key attractions they would like to be satisfied. They are also driven to several payment options with BNPL gaining significant traction.

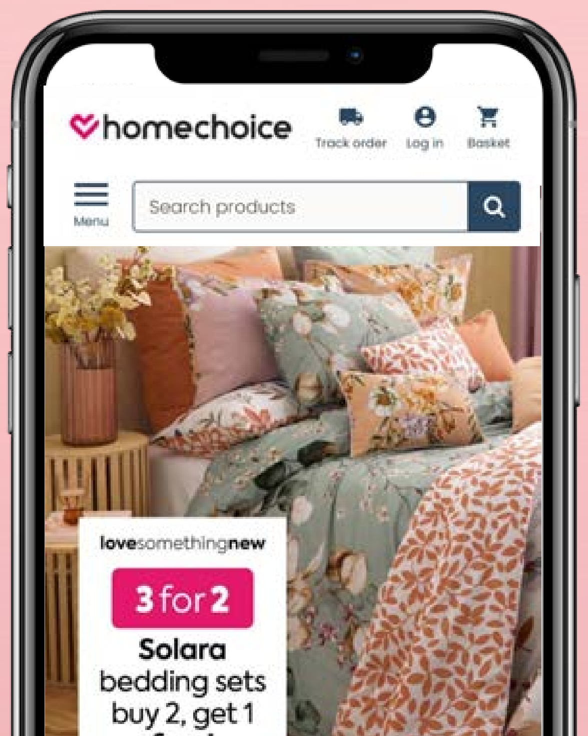
Building on the strong engagement of Gen Z and Millennial customers, we are focused on expanding our digital chat channels. Our WhatsApp sales and services channel now engages over 140 000 unique customers, with 42% of our customer base actively using our App.

WhatsApp sales and service

140k Unique customers with 83% engaged

Digital contact centre

↑**43** Number of sales per agent

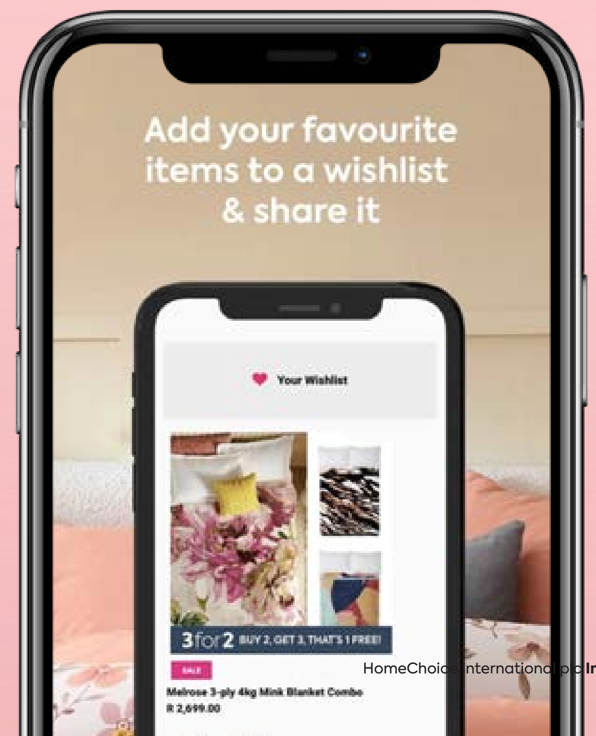


Social commerce

4.3 Facebook rating

HomeChoice App

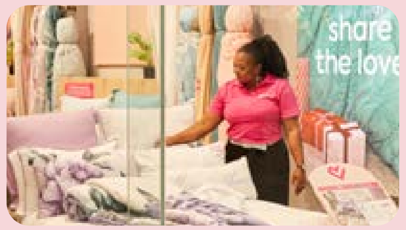
↑**218k** Unique customers with 83% engaged



Our showrooms offer a unique shopping experience driving significant growth with opportunity to accelerate

Unique showroom offering

- Immersive shopping experience enabling customers to "touch and feel" the product
- Located where she lives, driving high footfall
- Query resolution and payments improving her customer experience
- Parcel collection convenient for her
- Order in-store using our digital platforms or face-to-face consultation



New showrooms deliver double-digit profit margins

250m²
Optimal store size

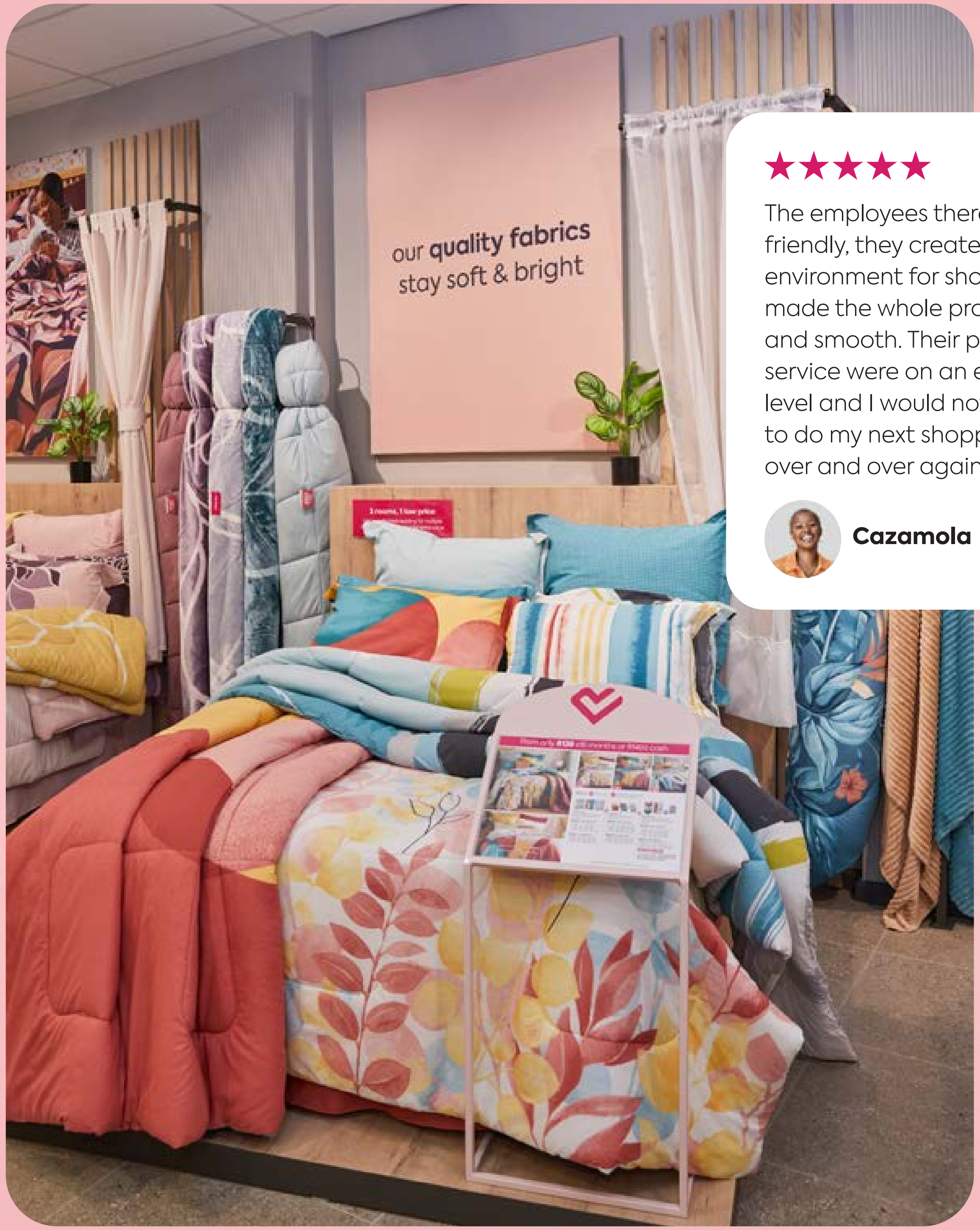
57%
High bedding mix at good margins

4x
Higher trading densities than larger format stores

153%
Increase in customer acquisition

32%
Lower debtor costs

>30%
Of all parcels collected in-store



★★★★★

The employees there were very friendly, they created a conducive environment for shopping and made the whole process simpler and smooth. Their passion and service were on an exceptional level and I would not think twice to do my next shopping with them over and over again.

Cazamola

Our Performance

Chief Financial Officer's Report

> "I am pleased with the excellent results achieved by the group. We have built a solid track record of profitable growth and I am excited about what this means for our future growth plans."
>
> **Paul Burnett**

Performance review

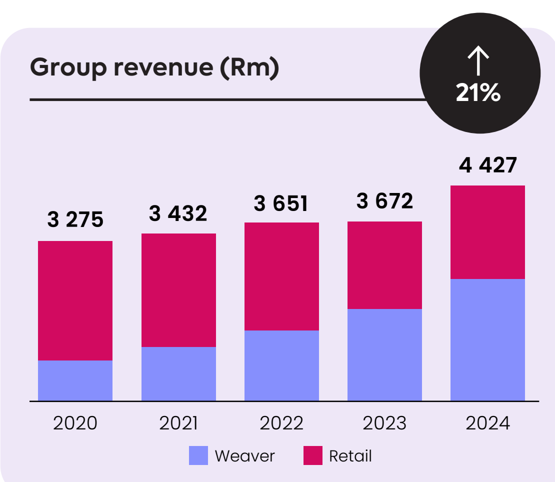
		2024	2023	2022*	2021**	2020
Financial						
Revenue	(Rm)	**4 427**	**3 672**	3 651	3 432	3 275
Growth in revenue	(%)	**20.6**	**0.6**	6.4	4.8	(6.0)
Fee income contribution	(%)	**25.5**	**22.2**	18.2	15.8	13.6
Lending income contribution	(%)	**44.5**	**44.4**	37.7	34.5	31.7
Profit before tax	(Rm)	**517**	**394**	356	176	182
Growth in PBT	(%)	**31.2**	**10.7**	102.3	(3.3)	(68.7)
Earnings per share	(cents)	**395.2**	**313.4**	289.4	159.8	160.4
Headline earnings per share (HEPS)	(cents)	**393.9**	**309.3**	288.5	203.5	164.2
Growth in HEPS	(%)	**27.4**	**7.2**	41.8	23.9	(62.3)
Dividend cover	(times)	**2.0**	**2.0**	2.0	2.4	–
Return on equity	(%)	**11.0**	**9.2**	9.0	5.2	5.5
Operational						
Customers	('000)	**3 105**	**2 034**	1 467	1 019	905
Digital transactions	(%)	**86**	**84**	75	65	53
Cash (used in)/generated by operations	(%)	**(356)**	**256**	(214)	(30)	630
Cash collected	(Rm)	**12 149**	**8 560**	7 270	5 822	4 787
Available funding	(Rm)	**1 221**	**1 493**	646	1 293	905
Loan disbursements	(Rm)	**6 360**	**4 839**	4 301	3 336	1 919
Growth in loan disbursements	(%)	**31.4**	**12.5**	28.9	73.8	(15.0)
Buy Now, Pay Later (BNPL) gross merchandise value	(Rm)	**3 924**	**1 527**	747	204	n/a
Growth in BNPL gross merchandise value	(%)	**157.0**	**104.4**	266.2	–	–
Retail sales	(Rm)	**1 329**	**1 227**	1 607	1 706	1 792
Growth in Retail sales	(%)	**8.3**	**(23.6)**	(5.8)	(4.8)	(8.1)
Gross profit margin	(%)	**45.7**	**43.0**	46.5	45.1	44.9

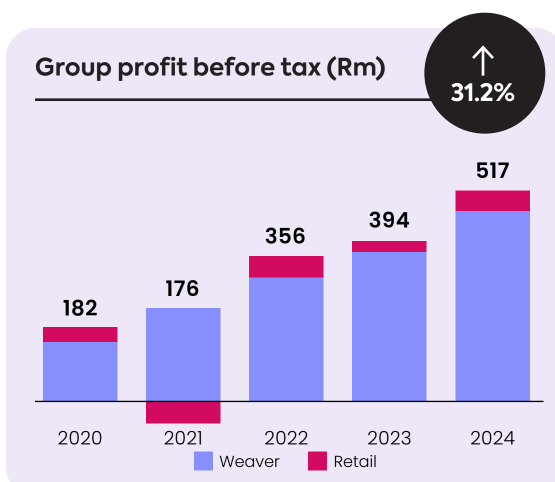
* IFRS 17, Insurance Contracts adopted effective 1 January 2023 and restated comparatives for the 2022 reporting

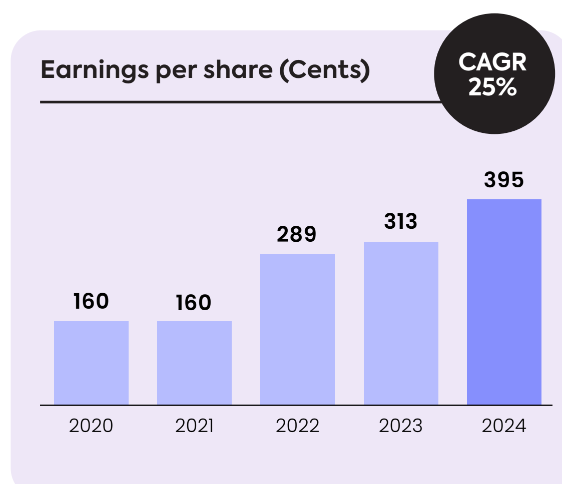
** The acquisition of PayJustNow is accounted for as a subsidiary and shown in the Weaver Fintech segment. Results are included for a ten-month period effective 1 March 2021

Condensed consolidated statement of profit or loss and other comprehensive income

	2024 Rm	% change	2023 Rm
Revenue	**4 427**	20.6	3 672
Fees	**552**	41.9	389
Insurance	**390**	13.0	345
BNPL fees	**188**	>100.0	81
Finance income	**1 968**	20.7	1 630
Retail sales	**1 329**	8.3	1 227
Retail cost of sales	**(722)**	3.3	(699)
Other operating costs	**(2 904)**	21.9	(2 382)
Credit impairment losses	**(1 430)**	31.0	(1 092)
Insurance expenses	**(226)**	19.6	(189)
Trading expenses	**(1 248)**	13.4	(1 101)
Other net gains	**2**	(50.0)	4
Other income	**17**	(29.2)	24
Operating profit	**820**	32.5	619
Interest income	**10**	42.9	7
Interest expense	**(313)**	34.9	(232)
Profit before taxation	**517**	31.2	394
Taxation	**(106)**	58.2	(67)
Profit and total comprehensive income for the period	**411**	25.7	327
Profit and total comprehensive income for the period attributable to:			
Owners of the parent	**413**	23.3	335
Non-controlling interest	**(2)**	(75.0)	(8)
	411	25.7	327
Earnings per share (cents)			
Basic	**395.2**	26.1	313.4
Diluted	**390.8**	25.8	310.6
Headline earnings per share (cents)			
Basic	**393.9**	27.4	309.3
Diluted	**389.5**	27.1	306.5







Revenue

Group revenue of R4.4 billion has converted into a strong 32.5% increase in operating profit, reaching R820 million. We continue to focus on increasing our fee income, growing 38.7% and contributing 25.5% of group revenue (2023: 22.2%).

The group's fintech operations, with its growing customer base, continues to deliver a formidable portion of the group's operating profit before group costs – 92% (FY2023: 92%). A strategic allocation of resources to Weaver delivered topline revenue growth of 33.8%. This impressive growth is driven by our investment in the fintech ecosystem, which benefits both customers and merchants while supporting Weaver's product evolution, encouraging customers to adopt multiple financial services from our offerings.

Sales in HomeChoice, our omni-channel retailer, increased by 8.3% to R1.3 billion (FY2023: R1.2 billion). H2 sales performed particularly well, increasing by 14.5% over H22023, increasing our market share.
This, along with a dedicated focus on gross profit and cost management, delivered a 22.6% increase in operating profit.

Debtor costs

Debtor costs increased 31.0%, above the debtors' book increase of 26.1% to R7.4 billion. Weaver experienced higher write-offs resulting from booking higher-risk acquisition business in H22023. The Weaver portfolio was rebalanced in H22024 with a stronger focus on existing customer demand, improving the Stage 1 book mix to 77.9% by year-end (FY2023: 73.5%). Higher Retail debtor costs have been affected by several non-comparable items in FY2023, notably the decrease in provision in Retail, which was a function of lower FY2023 sales.

Trading expenses

Trading expenses increased by 13.4%, well below the revenue growth. We are particularly pleased with the marginal increase in Retail expenses of 2.2%, despite the inclusion of non-comparable showroom costs. This has been off-set with investments in the ecosystem to support Weaver's rapid growth. The adoption and deployment of artificial intelligence (AI) across various areas of the group, and the scalable growth of the ecosystem, has reduced the expense percentage of revenue from 35.1% to 33.3%.

Profit

Net interest expense rose by 34.7%, driven by increased funding for Weaver Fintech's growth and the high interest rate environment sustained throughout much of the year.
Profit before tax increased 31.2% to R517 million (FY2023: R394 million).

Assets

	2024 Rm	% change	2023 Rm
Assets			
Non-current assets			
Property, plant and equipment	**449**	4.9	428
Intangible assets	**244**	12.4	217
Right-of-use assets	**89**	>100.0	38
Insurance contract assets	**86**	–	86
Other investments	**20**	(13.0)	23
Deferred taxation	**115**	35.3	85
	1 003	14.4	877
Current assets			
Inventories	**276**	(3.2)	285
Trade and other receivables	**6 249**	30.9	4 773
Trade receivables – Weaver Fintech	**4 890**	38.6	3 529
Loans receivable – Retail	**1 207**	5.8	1 141
Other receivables	**152**	47.6	103
Cash and cash equivalents	**144**	5.1	137
	6 669	28.4	5 195
Total assets	**7 672**	26.4	6 072

Trade and loans receivables

The group manages two distinct credit portfolios.

The first is the Weaver Fintech book, a high-quality credit portfolio with strong provisions in place. Our credit loss ratio remains stable and well within our set thresholds. We are also pleased with the increase in Stages 2 and 3 loan coverage, which reached 70% by the end of 2024.

The credit impairment provision has reduced to 15.5%, recognising the quality of the closing debtors' book.

Debtor costs increased 37.4% versus the 33.8% revenue growth and 36.0% debtors' book growth. The rise in debtors was primarily driven by operational challenges during the implementation of a new arrears collections dialler, coupled with the impact of higher-risk business written in H22023. In H22024 the portfolio was rebalanced through driving product progression to better-performing existing customers. This achieved a notable improvement in the Stage 1 book mix to 77.9% (FY2023: 73.5%).

The second credit portfolio is the Retail book, which continues to benefit from the strategic tightening implemented in 2023 and maintained into 2024.

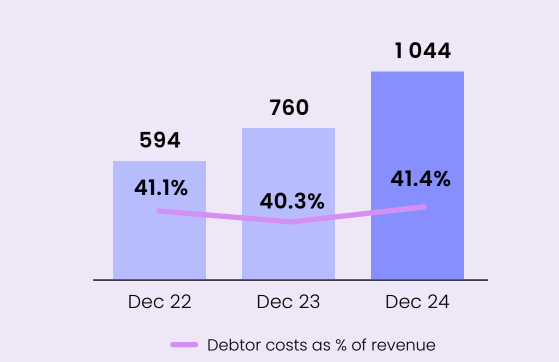
Our retail debtors' book remains stable at R1.6 billion, consistent with FY2023. Debtor costs have increased by 16.3% to R386 million (up from R332 million in 2023). This increase is largely due to the reduction in provisions influenced by lower sales in FY2023 and the inclusion of rehabilitation books in-house.

The impairment provision rate has improved to 25.4%, the lowest in the past five years and is significantly lower than the 29.4% reported in FY2023.

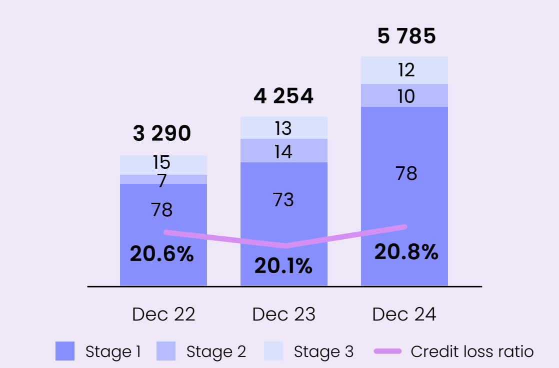
This improvement is a result of the credit tightening and better collections leading to a higher proportion of the early Stage 1 book.

Weaver Fintech

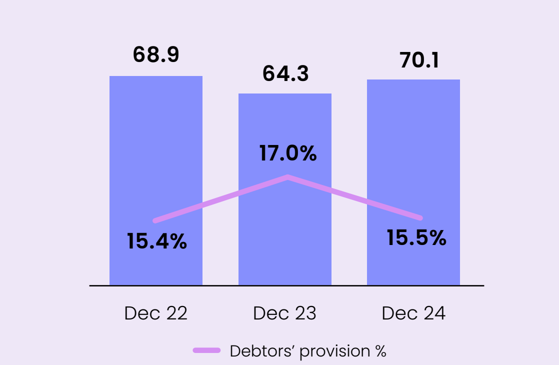
Debtor costs (Rm)



Fintech gross book (Rm)

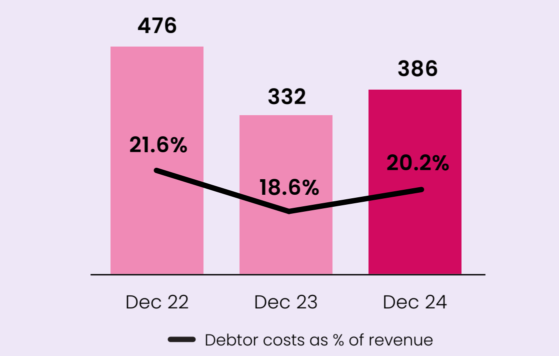


Stages 2 and 3 loans cover (%)

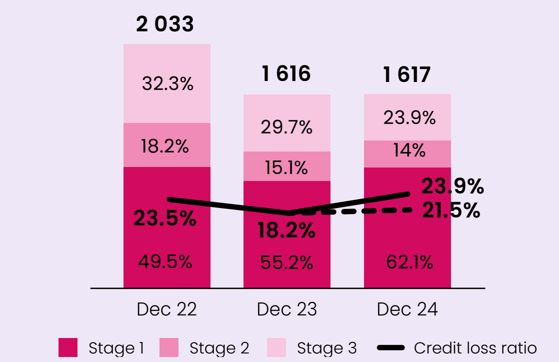


Retail

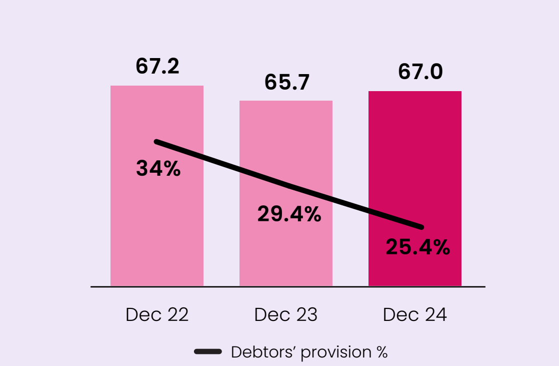
Debtor costs (Rm)



Retail gross book (Rm)



Stages 2 and 3 loans cover (%)



Cash management

Summary of group cash flow	2024 Rm	2023 Rm	% change
Operating cash flows	**912**	**686**	**32.9**
Weaver Fintech loans	**(1 340)**	(730)	83.5
Retail trade receivables	**(40)**	228	< (100)
Other working capital	**112**	72	55.5
Cash used in operations	**(356)**	**256**	**< (100)**
Capital expenditure	**(126)**	(99)	27.3
Tax, interest and dividends	**(588)**	(449)	36.3
Net financing flows	**1 030**	361	>100
Net cash flow	**(40)**	**69**	**<(100)**
Net debt*	**2 784**	1 692	64.5
Net debt:equity*	**72%**	46%	

Cash collections increased 41.9%, significantly above the 26.1% increase of the debtors' books – a credible performance in the constrained financial position of consumers.

Group cash collections increased to R12.1 billion in FY2024 (FY2023: R8.6 billion) – on average we have collected R1 billion from our customers every month.

The Weaver disbursements and payments portfolio are short term and high yielding. They resulted in collections increasing to R10.5 billion in the year, which is pleasingly higher than the disbursements total value for the year of R10.3 billion.

Cash used in operations is R356 million (2023: generated R256 million). R1.3 billion was invested in working capital, mainly used to fund the higher growth in loan disbursements and the rapid growth of BNPL.

Capital allocation and funding

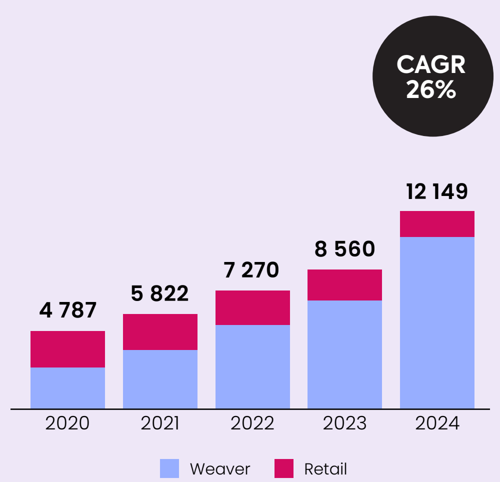
R126 million capital expenditure (2023: R99 million) was invested in the roll-out of 16 new Retail showrooms, and Weaver's ecosystem building new products and enhancing their technology platform for a rapidly expanding customer base.

We purposely allocated R1.3 billion to fund the highly profitable Weaver Fintech book growth in loans and payment products.

These investments have required funding. Net debt:equity (commercial term loans, overdrafts and cash) increased from 46% to 72% as we have taken on additional debt to fund Weaver's profitable growth. Funding for the year increased by R1 billion and resulted in the group's commercial term loan net debt increasing to R2.8 billion and an improved return on equity on the Weaver business of nearly 16%. Retail funding requirements were neutral.

We are happy with the level of funding in terms of operating within the thresholds that we and our lenders have set. R1.2 billion of cash and undrawn facilities are available to fund future growth plans. We continue to be well supported by our lenders and in the second half of last year we increased our funding capacity by a further R750 million. Worth mentioning is that the funding upsize was more than 60% oversubscribed. This track record of lender support is positive for the funding capacity to continue growing the Weaver Fintech business.

Group cash collections (Rm)



* Net debt only includes Commercial Term loan, Overdrafts and cash

Governance

Our directors

HiL board

CHAIR

Shirley Maltz (53)
Appointed Nov 2014
Appointed Chair Nov 2020
Executive chair

LEAD INDEPENDENT DIRECTOR

Pierre Joubert (59)
Appointed May 2019
Independent non-executive director

Marlisa Harris (51)
Appointed Feb 2021
Independent non-executive director

Eduardo Gutierrez-Garcia (57)
Appointed Nov 2014
Non-independent non-executive director

Gregoire Lartigue (52)
Appointed April 2024
Non-independent non-executive director

Roderick Phillips (51)
Appointed Dec 2022
Independent non-executive director

Adefolarin Ogunsanya (39)
Appointed Mar 2018
Alternate director for Eduardo Gutierrez-Garcia

HiL CHIEF EXECUTIVE OFFICER

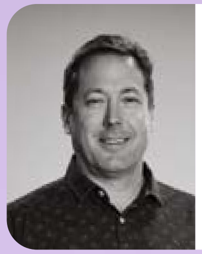
Sean Wibberley (54)
Appointed Dec 2022
Executive director

CHIEF FINANCIAL OFFICER

Paul Burnett (49)
Appointed Nov 2014
Executive director

Chief executive officers

WEAVER



weaver fintech

Sean Wibberley (54)

RETAIL

homechoice

Chris de Wit (45)

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

Composition

Executive chair	11%
Executives	22%
Independent non-executives	34%
Non-independent non-executive	22%
Alternate to non-independent non-executive	11%

Average age 52 years

Board experience

Leadership	100%
Financial services	100%
Digital	44%
Retail	44%
Financial	100%

Tenure

0 - 3 years	50%
4 - 9 years	33%
>9 years	17%

Average tenure of 4.5 years

Demographics

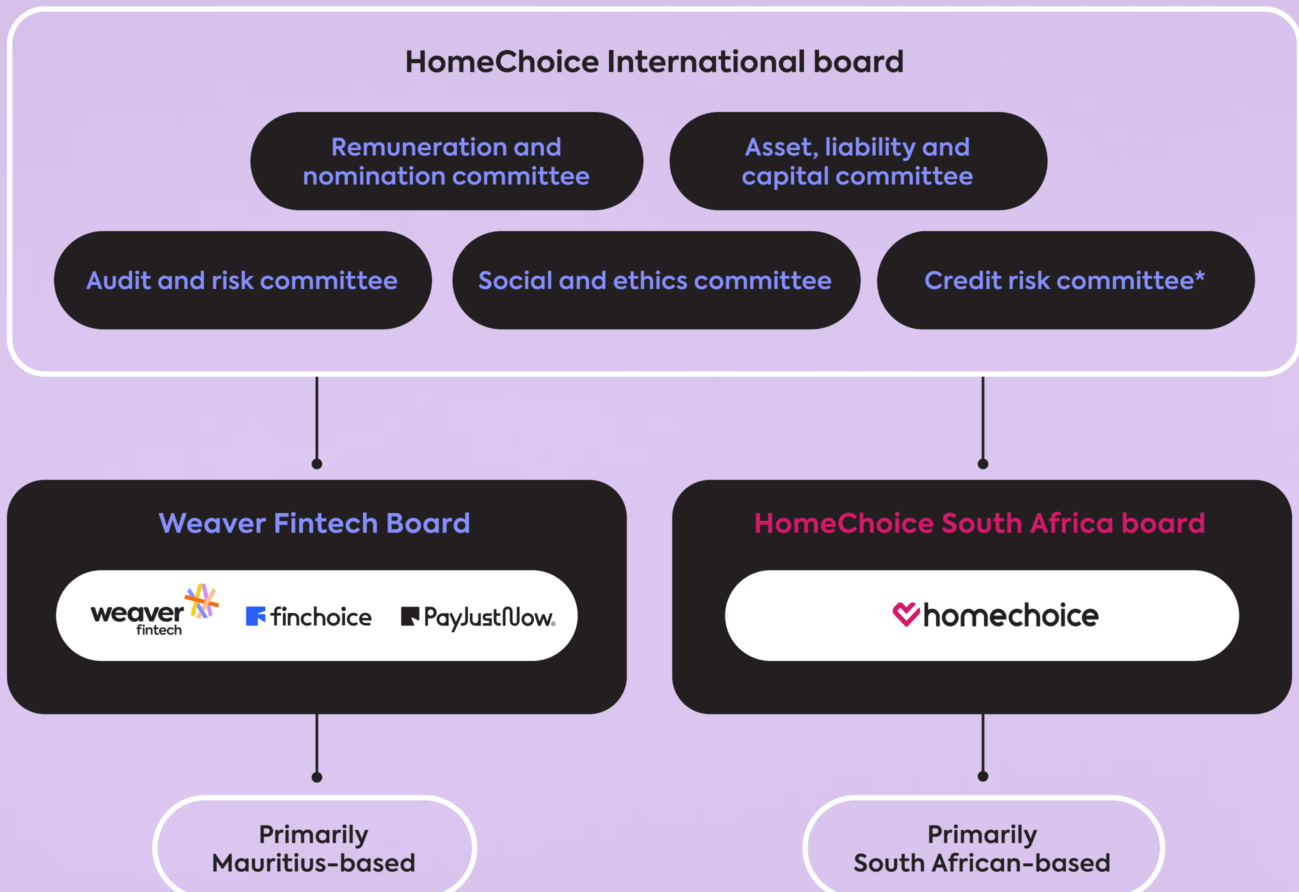
Female (target 30%)	22%
Race (target 30%)	11%

Attendance

Board	99%
Committees	100%

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.



* Executive committee

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.

Weaver FinTech and HomeChoice South Africa 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 2024

9
Total board members

Composition

1	Executive chair
3	Independent non-executives
2	Non-independent non-executives
1	Alternate
2	Executives

The board is chaired by an executive director. In line with King IV™ a lead independent director (LID) has been appointed. The LID serves to strengthen the independence of the board. He acts as a sounding board to the executive chair and chairs the board's decision-making when the chair is unavailable or where there is an actual or perceived conflict of interest of the chair.

The board comprises a majority of non-executive directors, the majority of whom are independent non-executive directors.

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 nomination 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 and Gregoire Lartigue being the representatives of significant shareholders in the group, they 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 nomination committee has reviewed the rotation schedule and, having considered the directors' contribution to and attendance at meetings, recommended to the board that Marlisa Harris and Roderick Phillips will retire by rotation at the upcoming AGM on 28 May 2025. Both directors have made themselves available for re-election.

Directors standing for re-election at AGM

MARLISA HARRIS
Independent non-executive

RODERICK PHILLIPS
Independent non-executive

Conflict of interest

All directors table a register of their financial or other interest held by them or their related third-party interests on a quarterly basis. Directors are recused from board discussions on matters that they may have a personal financial 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 committees and the group CEO. The DOA aims to minimise duplication of effort, streamline decision-making and ensure that the most appropriate skills and experience are used 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. The group's major subsidiaries – Weaver Fintech and HomeChoice South Africa, operate within the framework of their DOAs which are aligned to the HiL board DOA.

Committees

In accordance with the JSE Listings Requirements, the board has three committees – audit and risk, remuneration and nominations, and social and ethics. Two additional committees – an asset, liability and capital committee, and a credit risk committee provide further oversight over the group's funding strategy and treasury management, and credit risk management, respectively.

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 that are approved annually.

The committees, with the exception of the credit risk committee, 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 chairs 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 nomination 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. Voluntary 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, chief financial officer, divisional chief executives and other senior executives. Agendas for board meetings are prepared by the company secretary in consultation with the executive chair.

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. Non-independent non-executive directors do not receive any fees by virtue of being representatives of major shareholders.

Board and committee evaluations

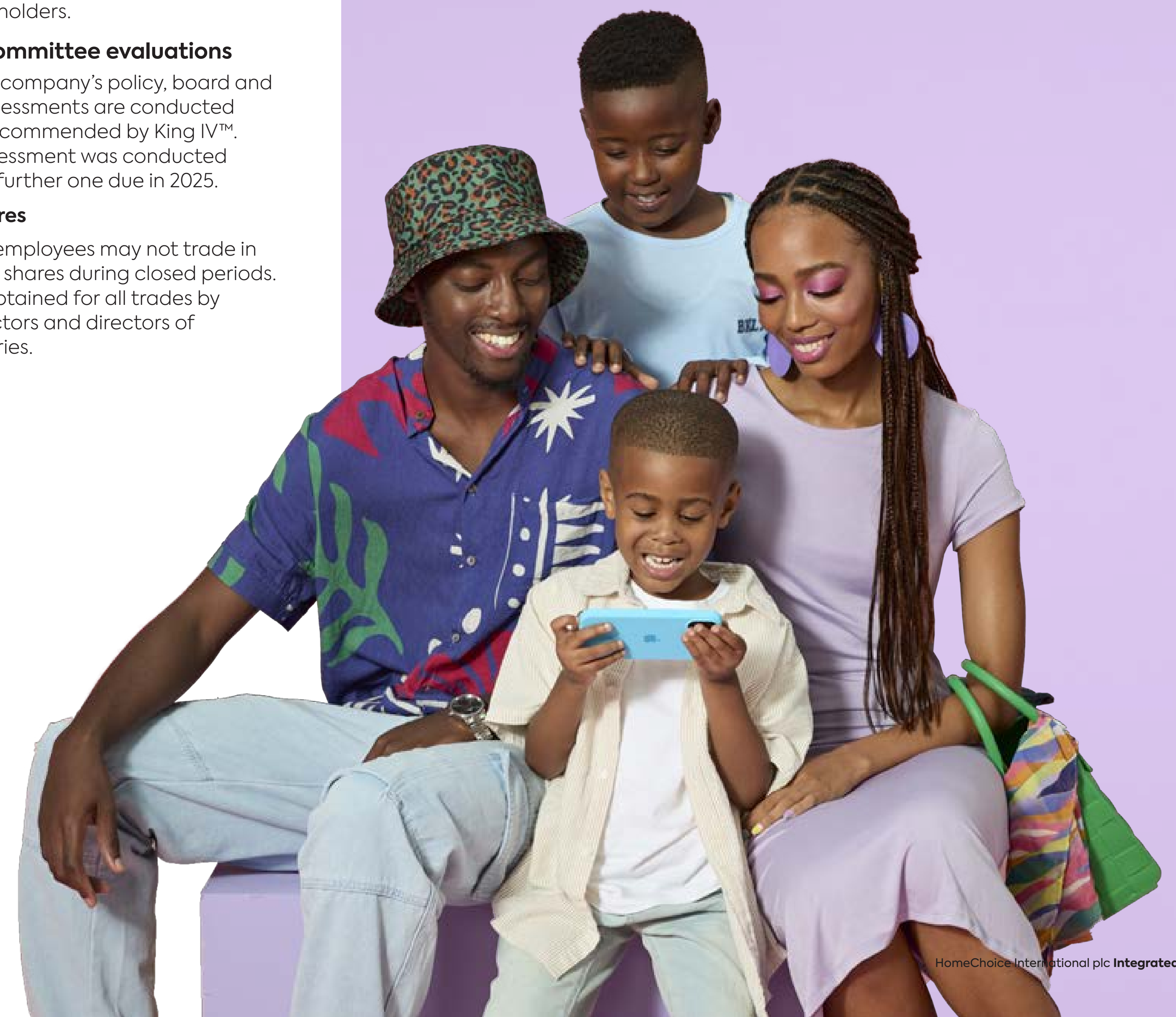
In line with the company's policy, board and committee assessments are conducted biennially as recommended by King IV™. An internal assessment was conducted in 2023, with a further one due in 2025.

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.

Group company secretary

Sanlam Trustees International is the group's company secretary. The board has assessed their competence, qualifications and expertise for the role, and confirmed that they are competent to perform the duties on behalf of a public company. In addition, the board deems them to be suitably independent in accordance with the relevant practices recommended by King IV™ and is satisfied that an arm's length relationship exists between it and Sanlam Trustees International.



HomeChoice International board

Members

Shirley Maltz (exec chair), Eduardo Gutierrez-Garcia, Marlisa Harris, Pierre Joubert, Gregoire Lartigue, Roderick Phillips, Sean Wibberley (CEO) and Paul Burnett (CFO).

Adefolarin Ogunsanya is the alternate for Eduardo Gutierrez-Garcia.

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

- Approved the appointment of Gregoire Lartigue as a representative of the group's major shareholder
- 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 capital reinvestment in the business
- Oversaw the enhancement of Weaver Fintech's ecosystem including significant product innovation (PayStretch launch and expanding merchant services) and scaling customer acquisition
- Monitored HomeChoice Retail's turnaround plans to build a more future-fit business, approving additional capital expenditure for the successful showroom strategy
- Received regular updates on the group's credit risk management policy
- Approved the group's one-year operating budget and five-year strategy, incorporating Weaver Fintech and HomeChoice Retail
- Approved the updated board and committee charters and the DOA
- Approved the board's diversity policy, including race and gender against the targets
- Approved the non-executive directors' and the executive chair's fees for final approval by shareholders

100% attendance

4 meetings

1	Executive chair
3	Independent non-executive directors
2	Non-independent non-executive directors
1	Alternate to non-executive director
2	Executives

Attendees by invitation

Divisional CEOs and other senior executives

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

Members

Roderick Phillips (chair), Marlisa Harris and Pierre Joubert.

Mandate

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

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

- Approved the external auditor's (PricewaterhouseCoopers) audit plan, 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 in May 2025
- Approved the internal audit plan and received regular reports from Deloitte, the group's internal auditors. The committee is satisfied with the effectiveness and independence of Deloitte, including their assertion of the application of Global International Standards of Auditors
- Approved the solvency and liquidity and going concern assessments provided by management
- Reviewed the integrity of the group's interim and annual financial statements and trading announcements, and recommended them to the board for approval
- Attained satisfaction that the effectiveness of the group's systems of internal control including internal financial controls, financial reporting procedures and risk management are adequate
- Monitored the development of IT business continuity plans
- Approved the reports providing evidence to support the group CEO's and CFO's responsibility statement in the annual financial statements
- Attain satisfaction that the group CFO has the appropriate qualification, expertise and experience for the group's requirement. The group CFO is supported by a finance team, in South Africa and Mauritius, and is adequately resourced and experienced to support him in preparation of the annual financial statements. Given that the group trades in multiple jurisdictions and the significant growth rate of the group, the committee is pleased that the resourcing and structure of the finance function has progressed during FY2024 with further enhancements to be made in FY2025
- Reviewed and 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, noting that there were no material breaches of 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
- Approved the annual charter and policies related to the committee's mandate

More details can be found in the report from the audit and risk committee on pages 4 to 6 of the annual financial statements.

100% attendance

6 meetings

3	Independent non-executive directors

Additional meetings were held to approve the annual financial statements

Attendees by invitation

Group chair, HiL and divisional CEOs, group chief financial officer, internal audit, external audit, divisional heads of IT and senior members of the finance team

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 nomination committee

Members

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

Mandate

- 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

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

- Monitored the application of the remuneration framework and the appropriateness thereof
- Approved the targets for the FY2024 short-term incentive scheme (STI), including awards for the STI, medium-term incentive (MTI) and long-term incentive (LTI) schemes
- Approved the remuneration paid to the executive directors
- Proposed the fees payable to non-executive directors and recommended them to the board for approval, including the payment of directors' fees to the executive chair for her role as a chair
- 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 FY2024

Nominations

- Reviewed the request by the group's major shareholder to appoint Gregoire Lartigue as their representative to the board and recommended to the board for approval
- Reviewed the composition of the board's committees to ensure that they are able to discharge their responsibilities in terms of their charters and DOA
- 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 the social and ethics committee recommended their reappointment at the AGM

100% attendance

2 meetings

1 Independent non-executive director

2 Non-independent non-executive directors

Attendees by invitation

Group chair, HiL and divisional CEOs, group CFO and head of group transformation (invitees are not present when their own remuneration is discussed)

Outcomes

- Remuneration policy achieved significant support from shareholders at previous AGM
- Board skills, experience and diversity are appropriate for the group
- The board committees are adequately structured to support the board in its deliberations

Social and ethics committee

Members

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

Mandate

- 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

Decisions made to 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 (SETAs) for learnerships and bursaries
- Monitored the divisional customer surveys and actions to improve or maintain the scores
- Monitored progress on the reduction of water and energy consumption

100% attendance

1 meeting

1 Independent non-executive director

1 Non-independent non-executive director

1 Executive director

Other attendees by invitation

Divisional CEOs and other heads of functional areas

Outcome

Increased actions to enhance the group as a responsible corporate citizen

Asset, liability and capital committee

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

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

Decisions made to enhance and support the group's value-creation process
- Considered regular updates on optimal funding strategies
- Considered interest rate sensitivity profitability analyses in changing interest rate environment
- Monitored performance against the treasury governance dashboard on a quarterly basis
- Reviewed and advised on treasury optimisation strategies
- Approved the activation of the group's Accordian funding
- Monitored quarterly cash flow statements to ensure liquidity requirements meet the operational requirements
- Monitored compliance to funding and debt covenants
- Reviewed performance of forward exchange cover policy

100% attendance

2 meetings

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

Attendees by invitation
Group executive chair, divisional CEOs and senior members of the finance team

Outcomes
- Group's funding strategy actively considered in support of the group's forward-looking strategy and maximisation of capital allocation
- Successfully concluded accessing to R750 million from the group's Accordion facility

Credit risk committee

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

Mandate
- Monitor and oversee the processes and outcomes of the credit risk policy
- Approve or recommend amendments to proposed divisional credit risk thresholds
- Recommend any changes to the credit risk policy in response to market conditions and actual performance

Decisions made to enhance and support the group's value-creation process
- Reviewing quarterly credit risk performance and governance dashboards
- Monitored the group's credit risk management policies given the constrained economic conditions and high interest rates
- Reviewed benchmarking of the divisional credit books
- Reviewed changes to the IFRS 9 models
- Considered the impact of regulatory changes on the group's credit products
- Considered credit risk product and system changes

100% attendance

3 meetings

2	Executive directors
1	Chief executive Officer

Other attendees by invitation
Divisional credit risk heads and external advisers

Outcomes
- Credit risk management policy greatly improved the quality of customer and book performance
- Strongly performing credit books with appropriate credit impairment provisions for quality of book

Our credit risk management

As a provider of unsecured lending and digital payment products and the sale of merchandise on credit, the management of our credit risk is a key element of the group's business model.

The group has 40 years of providing credit to the mass market. Sophisticated credit granting models and comprehensive data collection of customer information (internal and external data) are continually updated and modified with changing market conditions and customer profiles.

Portfolio management

- Yield
- Product proposition
- Governance and compliance

Credit life cycle

- Granting
- Account management
- Collections
- Recoveries

Yield

The yield earned on the group's debtors' books is a key driver of the profitability of the group. The group's books are relatively short term in nature. Our Buy Now, Pay Later (BNPL) product does not charge interest on the product.

Average term mix of books

21.3 months	48 days	19 months
for Weaver book	for BNPL book	for Retail book

Careful balancing of the short-term and long-term credit portfolio is a strong lever to maximise the yield. The short-term duration of the book and digital engagement enables the business to react fast to market changes and manage the credit risk.

On the introduction of new credit products, the yield on the book is considered in terms of expected profitability on the book, balancing the need to provide customers with products to satisfy their needs with meeting the profitability and growth plans of the group.

Any changes to the repo rate will have an impact on the book yield.

Product proposition

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

Governance

The group's credit risk committee is mandated to perform an oversight role of the group's credit functions. The mandate includes the monitoring of credit risk metrics to ensure that they are within the risk tolerance levels approved by the board. It also provides a level of oversight on changes to the IFRS 9 expected credit loss models.

The committee is chaired by the group CFO and the CEOs of Weaver and HomeChoice Retail are committee members. External industry specialists and divisional heads of credit risk attend the meetings by invitation. Meetings are held quarterly.

As it may have a significant impact on the group's profitability, reporting on the quality of the debtors' books is a significant component in board meeting deliberations.

A credit risk dashboard is used to monitor key performance indicators of the credit life cycle. Threshold metrics are set for the credit life cycle which includes granting, account management, collections and recoveries. Threshold ranges, based on industry standards and profitability targets, are 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.

Separate credit risk teams manage Weaver's and HomeChoice Retail's credit books independently. The management of credit risk is tabled at Weaver Fintech and HomeChoice board meetings, with policies unique to their business operations.

Compliance

As a provider of credit, there are several regulations and statutory requirements we comply with. The primary ones are the South African National Credit Act (NCA) regulations and the Financial Intelligence Centre Act (FICA) requirements. In addition, the Financial Advisory and Intermediary Services Act regulate the provision of financial services – our insurance products. Where the group receives an individual cash payment of R25 000 or more the Anti-Money Laundering Act is also applied by the group. A dedicated legal and compliance team oversee updates on the above regulations to the operations on a regular basis.

Credit strategy and policy

The overarching credit strategy for the group is "low and grow", particularly with the acquisition of new quality creditworthy customers. First-time customers start with lower limits and shorter payment terms. Credit limits and longer-term products are increased as customers exhibit good repayment behaviour. It also allows the group to monitor customer payment behaviours with relatively low exposure risk. In addition to the acquisition of new customers we have a strong focus on disbursing to existing customers who have proven themselves. This delivers stable growth and consistent loss ratios well within our risk appetite. Retail is shifting towards a traditional retailer with the opening of more showrooms where the fraud and credit risk is significantly lower.

Market and economic conditions guide the credit risk strategy. Challenging conditions will result in stricter credit thresholds, particularly for new customers, to actively manage the risk to targeted credit risk performance levels. Custom application processing strategies have been implemented for each key segment - which includes custom scorecard rules and cutoffs, and limiting assignment rules.

Strategy, origination, decisioning, vetting, customer management and collection processes are managed by separate credit risk teams for each of Weaver and HomeChoice Retail. Where appropriate, fraud, behavioural and negative payment data are shared at a group level.

The increased use of technology, harnessing data and models underpins the credit strategy and policy decisions. We make use of both internal, group-wide, external (like credit bureau) and alternative external data. New technologies that enable more value to be extracted from this data and productionalised are continuously being explored and implemented.

Account management

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 extensions available to good-paying customers eligible to repurchase and take a repeat loan, which reduces average bad debt. We also make use of limit decreases by reducing the amount of available credit to customers who are showing worse performance on the credit bureau. 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. Credit is effectively managed through credit limits based on individual credit profiles with strategic increases to good-paying repeat customers.

Advanced fraud detection technology tools and predictive models are used to manage fraud. Fraud detection technology is complemented by a team of fraud specialists. We have improved our fraud defences with digital identity verification and selfie technology, making use of the South African Home Affairs database. We make use of extremely advanced fraud prevention tools using graph databases and vectorisation.

Acquisition and granting

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.

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, result in improved performance of the overall book.

The use of technology enables the group to give customers quicker responses to their credit applications. The streamlining of processes in vetting have resulted in improvements in the time it takes to authorise customers' credit. Partnerships with external parties contracted to develop and host bespoke origination scorecards allow the group to adapt the granting rules as and when circumstances require it.

Customers are acquired and granted credit through several channels. The majority of Weaver's lending and payment options customers are acquired digitally. Acquisition of standalone insurance customers is primarily from the outbound contact centre and, pleasingly, an increasing portion are digitally acquired. Customers love the digital application process as it is convenient and user friendly. The successful implementation of application programming interface (API) technology and the use of digital affiliate partners, drives Weaver's acquisition strategy. Using initial data provided by customers, a personalised product offer is presented to them 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.

The rapid uptake of Weaver's BNPL product has significantly increased Weaver's customer ecosystem and provides a substantial opportunity for cross-selling products within the growing Weaver ecosystem with an established payment history.

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

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.

Retail acquires new customers and retains existing customers through multiple origination channels. 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. As a result of the aggressive roll-out of showrooms, this channel will in time become the key acquisition channel. Currently 30% of new Retail customers are acquired from showrooms. Direct selling agents have recently been introduced to HomeChoice with the intention of rolling out this acquisition channel aggressively.

Collections

Our preferred method to collect payments is the DebiCheck Authenticated Collections system. The group's membership of the Document Exchange Association has enabled a streamlined process to obtain customers' relevant banking information.

It is mandatory for active loan customers to pay via the digital DebiCheck debit order. A sizeable portion of HomeChoice customer payments are collected via DebiCheck with a strategy to improve this over the short term.

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.

Our digital payment BNPL customers pay by card and are always required to pay their first instalment upfront. 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.

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

Recoveries

Early-stage arrears are managed by centralised functions in Weaver and HomeChoice Retail.

Customers who are in arrears may be offered rescheduling products provided that they show the ability to meet the reduced payment amount over the life of the product. Various forms of rescheduling are available to offer suitable solutions to address the needs of our clients in addition to maintaining a relationship with them. Rescheduling is offered as a rehabilitation mechanism to arrears clients who have the propensity to rehabilitate and as a proactive mechanism to qualifying non-arrears clients. It also is offered as an alternative to a customer entering debt review.

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.

Group-wide, outsourced recoveries are performed by a panel of approved external debt collectors (EDCs) with different capabilities ranging from high-volume call centres to lower-volume legal collections. EDCs are actively monitored based on service-level agreements and metrics, and non-performance may result in the cancellation of their contract with the group. New technologies to improve communication with and management of these outsourced portfolios will be introduced in 2025.

The group's debt review books are sold on a regular basis to specialised third-party service providers who have the experience and competencies to manage the collection of these books.

Remuneration Report

> "Our remuneration policy aligns employee compensation with the best interests of the group and its shareholders."
>
> **Pierre Joubert**

1 Report from the chair of the remuneration committee

Remuneration policy and framework

The committee continued to monitor 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.

The Long-Term Incentive Plan (LTIP) for each business went through an annual review and this resulted in the committee:

- agreeing to apply some elements of discretion to the Weaver LTIP which vested in March 2025 to recognise the significant results achieved in growing the business;
- requesting that the design of the next Weaver LTIP be based on similar principles as the prior cycle; and
- reaffirming the Retail LTIP balanced scorecard and measurement date of December 2025 to better reflect the impact of the Retail turnaround plan.

There is general consensus in the committee that the current incentives are well suited to drive the required strategic outcomes and will continue to be applied in the coming cycle.

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 28 May 2025 for shareholder approval.

Other key decisions made by the committee

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

- Approval of the FY2024 short-term incentive (STI) and medium-term incentive (MTI) targets
- Approval of FY2024
- Approval of FY2024 MTI allocations
- Approval of the vesting of FY2020 Share Forfeiture Scheme
- Review of LTIP balanced scorecards and allocations including the outcomes of the Weaver LTIP

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

At the FY2023 AGM shareholders overwhelmingly approved the Remuneration policy and Implementation report.

Non-executive directors' remuneration	**92.8%**
Remuneration report	**90.82%**
Implementation report	**90.82%**

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 28 May 2025.

If shareholders do not approve the Remuneration policy or the Implementation report by more than 75%, the board will institute a formal engagement process with interested shareholders to consider their concerns with the company's remuneration framework.

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; and
- responsible remuneration, which attempts to address any income disparities based on gender and race, and aligns the executives' interests with shareholders, with a combination of STI, MTI and long-term incentives (LTIs).

Components of remuneration

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

- Guaranteed pay (GP)
- Short-term variable remuneration (commission and STIs)
- Medium-term variable remuneration (MTIs)
- Long-term variable remuneration (LTIs)

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.

Executive contracts and notice periods

Executives' contracts have a three-month notice period and may have restraint of trade conditions.

Executive directors' agreements do not provide for any ex-gratia or other lump sum payments on retirement or on severance from the group.

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.

Remuneration framework

The details of each component of the remuneration framework applicable for FY2025 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 effective from 1 March.

Benefits

Provident fund

- Defined contribution provident fund is compulsory for all South African employees.
- Mauritian employees belong to the government pension scheme.
- Employees have the flexibility to elect from 6% to 20% of pensionable salary in South Africa.
- Provident fund also provides cover for death and disability in South Africa.

Medical aid

- Membership is encouraged but is not compulsory. Staff can select approved schemes in South Africa and Mauritius that provide flexibility in terms of affordability and benefit coverage.

Discount

- Product discount on Retail merchandise sold by the group is available to all employees in South Africa.

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.

Short-term incentive scheme (STI)

The STI is based on one-year performance measures which include both segmental and individual performance metrics. It is available to executive directors, senior executives, employees and to operations employees who do not earn commission.

A bonus pool is calculated for each segment based on their segmental profit before tax (PBT). An agreed percentage of the profit range is applied to each segment based on accepted market norms. Individual performance will determine the respective allocations from the pool. Individuals must achieve an acceptable performance in order to qualify for a bonus.

The segmental operating profit targets are agreed annually in advance and the committee has the discretion on whether to award a bonus and the quantum. Payments are made annually in March.

Short term

RATIONALE

Rewards for short-term financial and non-financial performance

PERIOD

One year

PARTICIPANTS

- Executive directors
- Senior executives
- Management
- Employees who do not earn commission

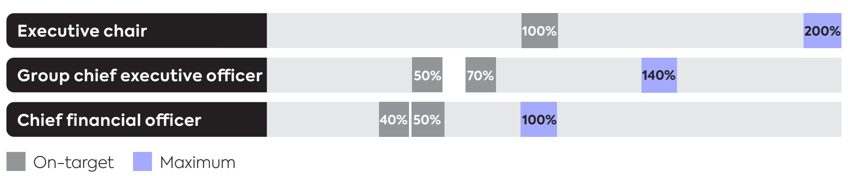
MECHANICS

- Threshold, on-target and stretch targets
- Based on segmental PBT
- Fixed percentage based on market norms
- No gatekeeper applied
- Paid in cash

PERFORMANCE CONDITIONS

- Segmental operating profit or segmental PBT
- Individual performance

OPPORTUNITY AND MAXIMUM LIMITS



Medium-term incentive scheme (MTI)

The MTI is based on one-year financial performance measures and includes non-financial performance, and individual performance.

It is available to executive directors, senior executives, and key and critical roles.

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. The committee has the discretion on whether to allocate a MTI allocation.

Medium term

RATIONALE

Attract, motivate and reward employees for sustainable performance of the group and commitment to delivery of medium-term performance

PERIOD

Three years

PARTICIPANTS

- Executives
- Senior executives
- Key and critical roles

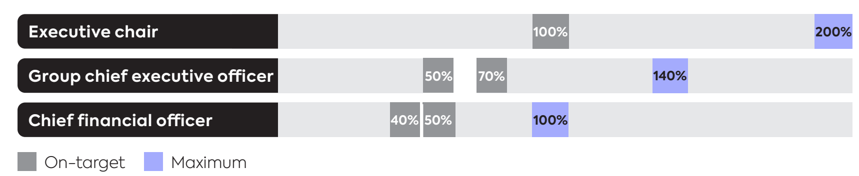
MECHANICS

- Threshold, on-target and stretch targets
- Vesting occurs in three equal tranches over the performance period
- Dependent on seniority, participants may elect to receive allocation in cash or a combination of cash and Forfeiture Share Plan (FSP) shares at the date of the award

PERFORMANCE CONDITIONS

- Based on segmental operating profit
- Participants must be in the employ of the group and have an acceptable performance rating at respective vesting dates and must not be in a formal disciplinary process

OPPORTUNITY AND MAXIMUM LIMITS



Long-term incentive schemes (LTIs)

The group's long-term variable remuneration comprises the FSP and the LTIP.

Forfeiture Share Plan (FSP)

RATIONALE

Attract, motivate, reward and retain employees who can influence the performance of the group in the long-term

PERIOD

One to four years

PARTICIPANTS

- Executives who remained on the FSP when the new schemes were introduced
- Employees on the MTI scheme who receive any portion of MTI in equity

MECHANICS

- 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 and delivered through the FSP.

PERFORMANCE CONDITIONS

- Employee to remain in the group's employ at vesting date

OTHER

- Dividends and voting rights depend on when FSPs were awarded
- Shares are held in escrow and are forfeitable on resignation until the vesting date

Long-term Incentive Plan (LTIP)

RATIONALE

Attract, motivate, reward and retain executive directors and senior executives who are responsible for driving strategy and consistent sustainable achievement of financial performance above economic conditions

PERIOD

Three or four years

PARTICIPANTS

- Executive directors
- Senior executives

MECHANICS

- LTIP payments are determined by the balanced scorecard outcome
- MTI allocated during the period is deducted from the LTIP outcome to determine the LTIP payment

PERFORMANCE CONDITIONS

- Based on segment 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.)

OTHER

- Cash settled
- Malus and clawback provisions apply

Non-executive directors' remuneration policy

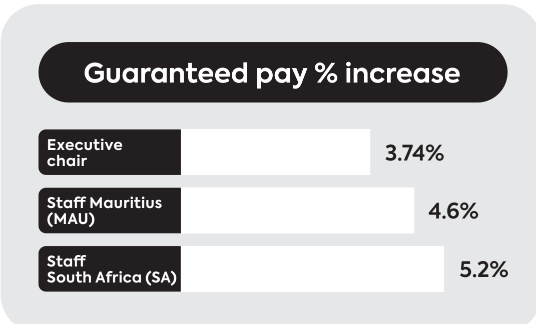
The table below sets out the Remuneration policy applicable for the 2025 financial year.

Component	Details
Rationale	Market-related fees to attract and retain non-executive directors.
Chair	The chair is paid an annual fee, based on the requirements of that position. In the case of an executive chair, any directors' fees paid will not attract any variable remuneration payments.
Lead independent director	Fees paid to the lead independent director recognise the additional responsibility for that role.
Non-executive directors	Non-executive directors receive fees for their services on the board and participation on the board committees. 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 determined in US Dollars and may be paid in an alternative currency dependent on the country of residence.
Directors as representatives of major shareholders	Non-executive directors who represent major shareholders do not receive any directors' fees.
Contracts	Non-executive directors do not have service contracts with the company but receive letters of appointment.
Other	Any travel costs incurred are paid for by the company. Non-executive directors do not participate in variable remuneration schemes.

3 Implementation report

Implementation report for the 2024 financial year

The committee confirms that it has applied the FY2024 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.

The committee approved a 4.4% (SA) and 3.6% (MAU) inflation-linked increase to guaranteed pay effective 1 March 2024.

Based on the application of individual performance and inflation inequality, this translated into a 5.2% and 4.6% increase, respectively.

Executive directors' annual adjustment to guaranteed pay (based on constant currency) is 2.7%, in line with the group's objective in managing and reducing the pay gap between senior and junior employees.

Short-term incentive scheme (STI)

The STI and medium-term incentive plan (MTIP) awards are based on the FY2024 financial performance.

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

Based on the actual PBT for FY2024 against the agreed segmental financial performance targets, STI payments were made as follows:

Division	STI achievement level	Outcome
Weaver FinTech	Below threshold and above minimum	100% to staff, and 0% to executives
Retail	Turnaround target exceeded	100%

STI awards to the group executive directors are detailed on page 46.

Medium-term incentive schemes (MTI)

Based on the remuneration policy, the FY2024 MTI allocations made to group executives in March 2025 are required to be taken as FSP shares. The MTI allocations will vest in equal proportions in March 2026, March 2027 and March 2028.

The committee approved MTI allocations to executive directors as below:

		Tranches		
Directors	**MTI award % of GP**	**March 2026**	**March 2027**	**March 2028**
Executive chair	66%	33.3%	33.3%	33.4%
CEO	88%	33.3%	33.3%	33.4%
CFO	50%	33.3%	33.3%	33.4%

The awards are based on the FY2024 Remuneration policy tabled in the FY2023 integrated annual report.

Long-term Incentive Schemes (LTIs)

Forfeiture Share Plan (FSP)

During the year the committee awarded 300 000 additional FSP shares to the executive chair that vest in equal tranches of 100 000 in September 2024, March 2025 and September 2025.

FSP allocations that vested in FY2024

The vesting of FSP allocations were approved by the committee. Only participants employed in the group at the vesting date are eligible for the vesting.

Division	Number	Vesting %
Executive chair	250 000	100%
CEO	100 000	100%
CFO	80 000	100%

Long-term incentive scheme (LTI)

There were no material changes to LTI awards during the year as the LTIP is a multi-year scheme that vested in March 2025 for Weaver and will vest in March 2026 for Retail. Once the current schemes conclude, new awards will be made and new balanced scorecards will be approved by the committee.

Non-executive directors' remuneration

The board proposed a fee of a maximum of US$65 000 per annum for non-executive directors and US$64 000 per annum for chair fees for the financial year ended 31 December 2025. Shareholders will be requested to approve the maximum fees payable at the AGM.

Details of fees paid to non-executive directors can be found on page 46.

Directors' remuneration and shareholding

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

	Notes	Directors' fees R'000	Short-term remuneration: Salary R'000	Benefits[1] R'000	Guaranteed pay R'000	Short-term incentive R'000	Remuneration R'000	Medium- and long-term remuneration: Value of shares granted during the year[3,4] R'000	Other long-term incentives[5]	Single-figure remuneration
2024										
Executive directors										
Shirley Maltz	6	**1 175**	**5 000**	**409**	**5 409**	**2 200**	**8 784**	**12 343**	**7 188**	**28 315**
Sean Wibberley			**4 353**	**2 409**	**6 762**	**–**	**6 762**	**1 950**	**7 229**	**15 941**
Paul Burnett		**–**	**3 193**	**1 842**	**5 035**	**–**	**5 035**	**1 226**	**2 287**	**8 548**
Total		**1 175**	**12 546**	**4 660**	**17 206**	**2 200**	**20 581**	**15 519**	**16 704**	**52 804**
Non-executive directors										
Eduardo Gutierrez-Garcia	7	**–**	**–**			**–**	**–**			
Marlisa Harris		**787**	**–**			**–**	**787**			
Pierre Joubert		**797**	**–**			**–**	**797**			
Gregoire Lartigue	8	**–**	**–**			**–**	**–**			
Roderick Phillips		**727**	**–**			**–**	**727**			
Total		**3 486**	**–**			**–**	**2 311**			
2023										
Executive directors										
Shirley Maltz	6	1 157	4 743	390	5 133	3 500	9 790	1 142	462	11 394
Sean Wibberley			4 184	1 938	6 122	2 000	8 122	666	289	9 077
Paul Burnett			3 002	1 453	4 455	1 350	5 805	381	88	6 274
Total		1 157	11 929	3 781	15 710	6 850	23 717	2 189	839	26 745
Non-executive directors										
Eduardo Gutierrez-Garcia	7	–	–			–	–			
Marlisa Harris		699	–			–	699			
Pierre Joubert		794	–			–	794			
Roderick Phillips		705	–			–	705			
Total		2 198	–			–	2 198			

Notes

[1] Benefits include retirement fund contributions and benefits appropriate to expatriate staff employed in Mauritius operations.
[2] STI payments based on FY2024 performance.
[3] Value of MTI or FSP shares granted during the year based on the share price on date of grant and assuming 100% vesting over vesting period.
[4] Previous FY2023 disclosure was based on the cumulative fair value of all outstanding awards (R13 132 000). FY2023 revised disclosure now reflects the fair value of awards granted during FY2023 (R2 189 000) and is line with FY2024 disclosure.
[5] Long-term incentives paid in cash are shown at cash value and those paid in shares are shown at fair value using the share price on the date of payment. It also includes dividends on unvested shares.
[6] Shirley Maltz receives directors' fees of $61 500 in respect of her role as chairperson. Shirley was granted a one-time allocation of FSP shares in acknowledgement of her pivotal role in transforming the group into a fintech organisation.
[7] Eduardo Gutierrez-Garcia, as a representative of ADP II Holdings 3 Limited, does not earn any directors' fees.
[8] Gregoire Lartigue was appointed to the board on 29 April 2024. As a representative of GFM Limited he does not earn any directors' fees.

									Sold or transferred		As at 31 December 2024		
Director	**Notes**	**Award date**	**Vesting date**	**Expiry date**	**As at 1 January 2024**	**Issue price Rand**	**Awarded**	**Value of award/grant Rand**	**Number**	**Market price on date ownership passed Rand**	**Vested and not exercised**	**Unvested**	**Fair value Rand[1]**
Shirley Maltz													
Options													
		20 Mar 2015	20 Mar 2019	20 Mar 2025	40 500	33.70					40 500		
		1 May 2016	1 May 2020	1 May 2026	52 000	28.00					52 000		104 000
Shares													
FSP		31 Mar 2020	31 Mar 2024	31 Mar 2024	101 550	–			101 550	22.50		–	–
FSP		30 Jun 2021	31 Mar 2025	31 Mar 2025	150 000	–						150 000	500 000
MTI/FSP		30 Mar 2023	31 Mar 2026	31 Mar 2026	53 349	–						53 349	1 600 470
MTI/FSP	2	31 Mar 2024	Various – see note 2	31 Mar 2027			111 420	3 342 600				111 420	3 342 600
FSP	3	16 Aug 2024	Various – see note 3	30 Sep 2025			300 000	9 000 000	100 000	38.00		200 000	6 000 000
					397 399		**411 420**	**12 342 600**	**201 550**		**92 500**	**514 769**	**15 547 070**
Paul Burnett													
Options													
		20 Mar 2015	20 Mar 2019	20 Mar 2025	12 000	33.70					12 000		
		1 May 2016	1 May 2020	1 May 2026	12 000	28.00					12 000		24 000
Shares													
FSP		31 Mar 2020	31 Mar 2024	31 Mar 2024	14 850	–			14 850	22.50		–	–
FSP		1 Jun 2021	31 Mar 2025	31 Mar 2025	80 000	–						80 000	2 400 000
MTI/FSP		30 Mar 2023	31 Mar 2026	31 Mar 2026	17 783	–						17 783	533 490
MTI/FSP	2	31 Mar 2024	Various – see note 2	31 Mar 2027			40 854	1 225 620				40 854	1 225 620
					136 633		**40 854**	**1 225 620**	**14 850**		**24 000**	**138 637**	**4 183 110**
Sean Wibberley													
Shares													
FSP		16 Mar 2022	31 Mar 2024	31 Mar 2024	65 000	–			65 000	22.50		–	–
FSP		16 Mar 2022	31 Mar 2025	31 Mar 2025	100 000	–						100 000	3 000 000
MTI/FSP		30 Mar 2023	31 Mar 2026	31 Mar 2026	31 120	–						31 120	933 600
MTI/FSP	2	31 Mar 2024	Various – see note 2	31 Mar 2027			64 995	1 949 850				64 995	1 949 850
					196 120		**64 995**	**1 949 850**	**65 000**			**196 115**	**5 883 450**

Notes

FSP *Forfeiture Share Plan shares*
MTI/FSP *On receipt of MTI awards, executive directors are required to convert them to FSP shares*

[1] Fair value is calculated using the spot rate at 31 December 2024 of R30.00 and assumes a 100% vesting probability.
[2] Vesting in two equal tranches – 31 March 2026 and 31 March 2027.
[3] Vesting in three equal tranches – 30 September 2024, 31 March 2025 and 30 September 2025.

Social and Ethics Committee Report

Our Retail business is based in South Africa. It is therefore an imperative our commitment advances social, environment and socio-development in South Africa.

The growth trajectory of the group requires investment in our people to develop their capacity and capability to meet the demands of this business into the future. It is important to have a light footprint on the environment with investments in solar panels and water usage measure.

Our socio-development opportunities are managed through the HomeChoice Development Trust (HCDT) where we direct our spend on early childhood development (ECD) by building schools, improving educator skills and enhancing sustainable operating processes.

Customers demand an excellent experience with the group. It is critical to attract new customers and retain our existing ones. Customers are provided the opportunity to give us feedback on how their experience was. We track customers' feedback to ensure we build on the positives and address the negatives.

"Customers are the group's main stakeholders and we're pleased with the positive feedback received from them."

Eduardo Gutierrez-Garcia

Our people

With a complement of over 1 800 employees, effective people management is a vital part of our group. The successful execution of our strategy relies heavily on our people, making it essential to have a compelling employee value proposition (EVP) and competitive remuneration policies to attract and retain top talent.

Good progress has been made in increasing the employment equity levels for all categories of employees. Gains made in top, senior and middle management are particularly pleasing. 84% of promotions are made to black employees.

Employees
1 855

Operations
78%

Corporate office
22%

Retail
73%

Weaver
27%

Diversity
94%
Black

Gender
78%
Female in South Africa

60%
In Mauritius

Employment equity – South Africa only

Top and senior management
↑ **33%**
2023: 20%

Middle management
↑ **49%**
2023: 43%

Junior management
↑ **91%**
2023: 90%

Semi-skilled
↑ **100%**
2023: 90%

20 Internships

19 Bursaries offered

"I'm currently employed as a fraud agent in HomeChoice and studying for a Diploma in Systems Development. My passion is for technology and computer systems. My vision was to grow and have a career. I applied for and was granted a bursary for the course and my experience since I started studying has been great. I received a laptop with the bursary, which helps me with doing my research and assignments. The bursary motivates me to do my best. In the first semester I passed all modules – just 6% away from a distinction pass. Thanks to the bursary, the new skills I have learned benefits my day-to-day work and I am able to work towards my dreams with a career in ITC."

KEANU MOTHA

Training

Employees have been offered a wide range of training and upskilling 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 our operational employees, upskilling them during onboarding and providing functional training in addition to compliance-related training.

We have successfully increased our digital component of training interventions to 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 in SETA rebates, supporting 98 employees to be trained on SETA-accredited programmes.

During the year 20 interns commenced with workplace development across various departments, providing them with meaningful work experience and opportunities for skills development. The internship programme is designed to bridge the gap between academic learning and workplace application while aligning with the business' strategic goals.

The interns have supported key business operations, including sales, customer service, marketing and HR. They also have contributed to initiatives such as improving customer engagement strategies and streamlining processes within their area. We aim to absorb more than 50% of the interns into permanent placements.

HomeChoice is demonstrating its commitment to employee development by offering bursaries to 19 employees. These bursaries provided financial support for further education, allowing these recipients to pursue studies in their own time. The initiative not only empowered our employees to enhance their skills and knowledge but also confirms our investment in their professional growth.

The Employee Assistance Programme (EAP)

An EAP is just one of the many components of the EVP. Partnering with Momentum, EAP support is available for our employees as they need it. Employees are empowered with counselling and resources to help each person care for their well-being.

The counselling and resource services offered via the EAP include financial well-being, emotional well-being, services (including 24/7 trauma support and psycho-social counselling) and physical well-being services, which covers access to "Hello Doctor" for medical support.

Whistle-blowing hot-line

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 helpline provides support and a safe space for employees to report any potential items of fraud or wilful wrongdoing. Employees can access the line through dedicated group e-mail addresses, via SMS, the use of the App and a toll-free number. It is managed by an independent third-party service provider.

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

Customer engagement

Regular feedback from our customers' user experience with the businesses are collated. Feedback is garnered from all the sales channels to determine if one channel is performing better than the others. Feedback methods are customised for each channel, ensuring they are user-friendly for customers. In the digital channel, questions are requested in-flow. The direct marketing channel provides customers the opportunity to give feedback to the agent directly or using Voice over Internet Protocol (VoIP) options.

With 86% of the group's transactions conducted digitally, it is critical that the digital experience is a rewarding and positive one.

Friction points in the various customer journeys are identified from the feedback and using that information we can adjust the flows and interactions to improve our customer experience.

Weaver Fintech continues to score high Google ratings. Improvements have been made in Retail's Google ratings, scoring highly in Facebook ratings.

finchoice

Google rating
★ **4.6**
stable with FY2023

I'm a single mother of three. FinChoice has helped me put my children through school. They have always been there in my difficult times. The app is user friendly, payouts do not take long. No lengthy paperwork. Excellent customer service.

MAUREEN

PayJustNow.

Google rating
★ **4.7**
stable with FY2023

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**
stable with FY2023

What I love the most about HomeChoice bedding is the quality; even after multiple washes the colours and gorgeous designs stay the same.

THEMBEKILE

Environmental initiatives 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.

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

Ongoing initiatives have reduced the amount of waste going to landfill. We target 90% of waste to be recycled and zero waste to landfill.

Achievements made in FY2024

Facility projects

- Warehouse and Wynberg LED light project to reduce electricity usage
- Building Management System Upgrade - Automation. Effective equipment and energy monitoring

Compliance

- DS ISO 9001:2018 Audit and compliance
- Environmental monitoring: showrooms' electricity and water monitoring

Sustainability

- Environmental, Social and Governance (ESG) Strategy and Environmental Monitoring: Templet Scopes 1 and 2
- Water savings of 13% vs 2023

Safety

- Disabling injury frequency rate actual of 0.11% vs target of 0.50%
- Reduction in disabling injuries and lost workdays

Converting plastic packaging to paper

Removal of plastic bubble machines and replace with paper perforator machine

Use current waste cardboard for perforator machine for box filler

Savings of

R1.3m

in plastic usage

Solar cleaning

We make use of a robotic cleaning system using deionised borehole water

Approximately 50% water saving vs conventional manual cleaning systems

We are investigating opportunities to recover credits from the City of Cape Town

The solar panels have provided up to

53%

of Wynberg's energy requirements

Support and impact

FY2024

R4.6m

total donations

R3.7m

in support of ECD

R971k

donations in kind

Since 2012

Financially support the build of

14

NEW educare centres

Supported over

810

educare centres

Trained more than

3 175

educare practitioners

Quality education to

41 600+

children under 6

Our community

The corporate social responsibility strategy of the group is managed by the HCDT. The Trust's main focus is on ECD 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 its vision and have a sustainable track record in the ECD sector.

Further Reading

Our integrated report

Reporting suite

The suite of reports for the year ended 31 December 2024 include:

IAR	Integrated annual report
AFS	Annual financial statements
AFS	Summarised annual financial statements
ARP	Annual results presentation
AGM	Notice of Annual General Meeting and Proxy
K	King IV assessment report

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

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 2024 to 31 December 2024.

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 2023.

Reporting frameworks

The group is committed to integrated reporting. We are on a journey to fully adopt the IFRS Integrated Reporting framework along with the International Integrated Reporting Council framework. The report is aligned to the requirements of the King IV™ Report on Corporate Governance for South Africa 2016.

In compiling the report, we have also considered information included in previous reports, internal management and board reports, and legislative reporting requirements, including the JSE Limited Listings Requirements. The IFRS™ Accounting Standards; are adopted where they are relevant to our financial reporting.

Materiality, different to audit 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 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 53 to 57.

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's chief financial officer.

The content of the integrated report has been reviewed by the directors and management but has not been externally assured.

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 board approved the 2024 integrated annual report for release to shareholders in May 2025.

Shirley Maltz
Executive Chair

Sean Wibberley
Chief Executive Officer

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.

A top-down bottom-up process is followed to identify the group risks and material issues.

Risks are identified and documented in departmental risk registers with designated risks owners allocated to them. The risks are evaluated and are either accepted, deferred or mitigated. The bottom-up risks are debated by the businesses' management teams, who review them in context of their strategies.

The top risks of each are combined to form the group risks. These top risks are discussed by the CFO and the CEOs, are reviewed through the lens of the group's strategy, and finalised and presented to the audit and risk committee for approval.

Mitigation plans are discussed at audit and risk committee meetings to ensure that they are being monitored and effectively managed.

The audit and risk committee has approved the material issues.

Impact of socio-economic environment

While we have seen some respite in the socio-economic conditions, the impact of the Government of National Unity (GNU) on the South African population is uncertain. The drop in the repo rate of 50 basis points (bps) at the end of 2024, and the potential of further rate reduction during 2025 would provide further relief to consumers.

While loadshedding has abated, energy and transport costs and food inflation rates remain at higher levels. As a result, consumer and business confidence is subdued. The financial pressure on the average consumer has increased, leading to a reduction in their spending power, while the cost of doing business increases.

The introduction of the two-pot pension withdrawals has seen consumers access some R35 billion of their funds in 2024. This is expected to continue into 2025 albeit at lower levels.

Impact to the group

This presents a risk to our revenue and operating cost structures.

Opportunity

An increase in the contribution of fee income to revenue reduces the impact of changes in interest rates. 25.5% of revenue is derived from fee-earning products, growing at 40% per annum.

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 significantly mitigates the group's loadshedding risks
- The server move and shutting of Retail's Johannesburg distribution centre also achieved electricity savings and freed up backup power supply equipment to be repurposed within the group
- All showrooms are equipped with generators or uninterrupted power supply (UPS) backup power supply

Increasingly competitive landscape

The South African fintech market is everchanging at a rapid pace. New fintech players are entering the market with interest-free Buy Now, Pay Later (BNPL) products and existing ones are further entrenching them in the minds of consumers. Gen Z and Millennials are demonstrating an increased preference for interest-free payments. Traditional banks are increasingly focused on providing consumers with digital options to transact with them. We have seen a number of digital-only banks being launched into the market. There is greater competition within financial services, particularly BNPL and with Weaver scaling their retail instalment credit (PayStretch).

The homeware market in South Africa continues to grow, attracting customers looking to improve their homes and lifestyle. Accessibility of homeware products in the mass market is becoming increasingly niched and retailers are looking to attract and retain a decreasing customer base. Retailers catering to the value market have introduced or grown their homeware offering with good success. Retailers are growing their digital offering in tandem with their physical stores in response to making it easier for consumers to purchase when it is convenient for them.

Impact to the group

With increased competition, our fintech growth may slow down and impact profitability if we cannot attract and maintain customers. Retail sales may be impacted if we are unable to provide homeware to consumers who are looking for innovation, competitive prices and a desirable range of products.

Opportunity

The two businesses operate in different market segments, reducing financial concentration for the group.

Mitigations

- Our rapidly growing fintech customer base provides for increased product progression and cross-selling of innovative fintech products to our customers
- The Weaver ecosystem enables a virtuous circle for customers and merchants, with growth plans to sign on new customers and merchants to increase the group's revenue
- Roll out value-enhancing initiatives to embed Weaver Fintech's ecosystem in the merchants' business operations
- Aggressive showroom roll-out will provide greater reach in the retail market
- Unwavering focus on private label homeware products to provide customers competitive price points and maintain gross profit margins
- Track record of market differentiation through continual product development and evolution

Transformation of Retail's business model

Our Retail business has undergone significant changes over recent years, transforming and entrenching to become an omni-channel retailer.

Our direct telemarketing channel was the main source of Retail's sales accounting for 58% in 2022. During Covid we accelerated our digital channel to approximately 20% contribution. Proposed changes to the Protection of Personal Information (POPI) Act could impact our ability to market directly to a customer using telephony systems.

Physical showrooms were piloted in 2015. In the last two years we have rolled out 37 showrooms with the potential to have 100 physical locations. The showrooms provide an opportunity for customers to experience the product firsthand prior to purchasing our products. Showrooms have a higher cash contribution and lower debtor costs. Consequently, showrooms are becoming an increasingly important sales channel for Retail, currently accounting for c. 26% of sales and growing.

This will change the business model of Retail to one of managing a sizeable portfolio of physical stores. The selection of locations is a key component of the profitability of the showroom channel, along with integrated and strong operational processes and procedures.

Impact to the group

This may introduce a risk as we introduce a significant number of showrooms to our revenue and profitability of the Retail business.

Opportunity

The roll-out of showrooms increases the exposure of HomeChoice in the minds of consumers and reduces credit risk. In addition, they have a higher cash sales proportion and improved customer experience for consumers choosing to service their accounts or collect deliveries in the showrooms.

Mitigations

- The top strategic imperative being driven by the CEO and overseen by the HiL board
- Dedicated team to manage showrooms and their profitability
- Targeted return on investments identified for each showroom
- Projects and action plans to reduce the reliance on the direct telemarketing channel
- Increase digital engagement with customers
- Acceleration of sales agents to engage with customers on an individual basis

Implementation of projects and critical operational processes

We are focused on delivering diverse and differentiated offerings to our customers to meet our growth strategies. Meeting their needs will strengthen and embed the relationships with our customers. Operating in a highly regulated environment, compliance-related projects need to be implemented quickly and in line with regulatory requirements.

Successful execution of our strategic projects is key to capturing growth opportunities and reducing the operational costs of the group. To remain competitive in an ever-changing market, it is imperative that our projects are executed successfully and timeously.

Impact to the group

Poor implementation of projects may introduce a risk to the group's revenue and profitability and impact customers' experience with the group.

Opportunity

The group's track record of successfully delivering innovation accelerates growth opportunities and increased shareholder returns.

Mitigations

- Senior management oversight and accountability identified
- Developed a robust programme to monitor the strategic execution of our projects, proactively identify risks and mitigating actions, and recognise new opportunities
- Dedicated project teams with clearly defined timelines for implementation
- Regular status updates to CEOs and board
- Cross-functional teams to provide a holistic view of impact and integrated action plans
- Agile project management methodologies form a key element of implementation.

Credit risk

The group provides credit in the form of Retail merchandise primarily sold on credit and non-secured financial services products in Weaver. Consequently, the management of end-to-end credit processes is critical for the profitability of the group and the health of the credit book.

The group has over 35 years of experience in managing credit to the mass market. Our credit and digital payment products are short term in nature, supporting strong collections from customers.

Critical to managing this volatile environment is a comprehensive and robust upfront risk and affordability assessments, tight control on book management, proactive customer communications, and responsive and engaging collections strategies. The group's DebiCheck process, a key element of our collection strategy, will change during FY2025. The ever-present threat of fraud, particularly syndication fraud, remains a key risk and focus area for the group.

Impact to the group

Negative impact to profitability if not managed in line with approved tolerance levels.

Opportunity

The short-term nature of the group's debtors' book and digital engagement channels allow us to quickly react to and respond to changes in market conditions.

Mitigations

- Development of bespoke and dynamic credit scorecards to respond to changing market conditions
- Apply account risk criteria and processes consistently using advanced analytics, AI, machine learning, scorecards and models
- Ongoing investment into skilled and experienced credit personnel in credit risk, fraud and collections teams
- Project teams set up to successfully manage changes in the DebiCheck collection processes
- Enhancement of collection strategies including further digital self-service and dialler functionality
- Closer collaboration with external debt collectors to improve off-book debt collection
- Selfie fraud mitigation

Attract and retain talent to meet growth strategy

We need to attract and retain scarce and critical technical skills to create a future-ready organisation.

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 and Mauritian job hunters, creating a scare resource for technical IT skills. As the fintech market grows, so does the pressure increase to find employees in this market. Employees in key talent segments are stretched due to operational, regulatory and competitive challenges.

Evolving South African employment equity (EE) and broad-based black economic empowerment (B-BBEE) imperatives add a further dynamic to Retail's strategy in South Africa.

Impact to the group

We may not have competent, experienced and committed employees to deliver to the group's growth plans.

Opportunity

Employees are engaged, aligned and understand the group's strategy and the impact their role has on the growth intentions of our business.

Mitigations

- Development of employee value proposition
- Targeted talent management, retention and remuneration strategies, with a focus on leadership and specialised roles
- Regular remuneration benchmarking to ensure fair and competitive market positioning in South Africa and Mauritius
- Tailored flexibility and remote working policies implemented
- Remuneration includes expatriate allowances where skilled resources are not available in Mauritius
- Use of social media and other mechanisms to recruit and onboard talent
- Regular communication to our employees on the growth strategies of the group
- Expand and entrench learning and development programmes
- Leverage the diverse and growing group to foster a dynamic working environment and career progression

Regulatory environment

The group operates in a highly regulated environment, complicated by differing requirements for Weaver and Retail. Primarily operating in South Africa and Mauritius also increases complexity. The breadth and burden on operational processes requires well-skilled and capable compliance officers able to manage compliance with numerous regulators in various territories.

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.

Accounting standards are becoming more complex as regulators seek to ensure that financial results fairly reflect business operations and resultant profits.

The key regulations impacting the group include the 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 and MAU).

Impact to the group

Non-compliance to legislation and regulations may result in penalties, fines and, ultimately, a loss of business licences. The group may not have the capacity and competency to implement new and changed regulations timeously.

Opportunity

Learnings from the different jurisdictions provide an advantage to the group where the timing of regulatory changes differs between South Africa and Mauritius.

Mitigations

- Dedicated experienced compliance staff to drive proactive compliance
- Specialist service providers who support and supplement the compliance teams
- Constant monitoring of review and implementation of strengthened controls to comply with new legislative requirements
- Focused internal audit reviews providing assurance across high-risk business areas and processes
- Leveraging digital solutions and capabilities to enhance compliance and provide a competitive edge

Cybercrime and data breaches

The number of ransomware and database breaches is increasing both globally and in South Africa. Cybercriminals are constantly developing new methods of breaching companies' IT systems.

The digital nature of the group and, more specifically, our Weaver business could increase the risk of disruption to business operations and services or compromise confidential data.

Cyber incidents and data breaches could adversely affect the group's customers, revenue earnings and reputation. Operating expenses may increase additional cybersecurity preventative measures introduced.

The group remains focused on continuous improvement and enhancement to ensure that our consumer data is adequately protected and is not compromised.

Impact to the group

Data breaches may adversely affect the trust of our customers, leading to a loss of revenue.

Opportunity

Our detection and preventative measures provide customers, assurance of their personal data. Digital operations are unaffected by cyberattacks.

Mitigations

- Proactively assess and increase security measures and controls in place across projects and infrastructure while storing and transmitting confidential information
- Security protocols and ongoing vigilance processes
- Regular penetration tests performed by external specialist service providers
- Partner with data security experts to provide best practice and up-to-date cyber mitigation
- Manage security risks by implementing continuous security improvement programmes and developing dynamic and responsive frameworks
- Employee awareness programme enabling them to readily identify potential cybercrime and data breaches and processes to follow
- Internal audit reviews of cyberprotection processes

Condensed consolidated statement of financial position

	2024 Rm	% change	2023 Rm
Assets			
Non-current assets			
Property, plant and equipment	**449**	4.9	428
Intangible assets	**244**	12.4	217
Right-of-use assets	**89**	>100.0	38
Insurance contract assets	**86**	–	86
Other investments	**20**	(13.0)	23
Deferred taxation	**115**	35.3	85
	1 003	14.4	877
Current assets			
Inventories	**276**	(3.2)	285
Trade and other receivables	**6 249**	30.9	4 773
Trade receivables – Weaver Fintech	**4 890**	38.6	3 529
Loans receivable – Retail	**1 207**	5.8	1 141
Other receivables	**152**	47.6	103
Cash and cash equivalents	**144**	5.1	137
	6 669	28.4	5 195
Total assets	**7 672**	26.4	6 072
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	**(38)**	(20.8)	(48)
Other reserves	**44**	(22.8)	57
Retained earnings	**3 789**	6.3	3 566
Equity attributable to equity holders of the parent	**3 874**	6.0	3 654
Non-controlling interest	**(17)**	13.3	(15)
Total equity	**3 857**	6.0	3 639
Non-current liabilities			
Interest-bearing liabilities	**2 957**	55.5	1 901
Lease liabilities	**63**	>100.0	24
Deferred taxation	**–**	(100.0)	10
Other payables	**19**	(38.7)	31
	3 039	54.6	1 966
Current liabilities			
Interest-bearing liabilities	**50**	16.3	43
Lease liabilities	**31**	72.2	18
Taxation payable	**30**	>100.0	9
Trade and other payables	**533**	66.0	321
Insurance contract liabilities	**31**	40.9	22
Bank overdraft	**101**	87.0	54
	776	66.2	467
Total liabilities	**3 815**	56.8	2 433
Total equity and liabilities	**7 672**	26.4	6 072

Condensed consolidated statement of profit or loss and other comprehensive income

	2024 Rm	% change	2023 Rm
Revenue	**4 427**	20.6	3 672
Fees	**552**	41.9	389
Insurance	**390**	13.0	345
BNPL* fees	**188**	>100.0	81
Finance income	**1 968**	20.7	1 630
Retail sales	**1 329**	8.3	1 227
Retail cost of sales	**(722)**	3.3	(699)
Other operating costs	**(2 904)**	21.9	(2 382)
Credit impairment losses	**(1 430)**	31.0	(1 092)
Insurance expenses	**(226)**	19.6	(189)
Trading expenses	**(1 248)**	13.4	(1 101)
Other net gains	**2**	(50.0)	4
Other income	**17**	(29.2)	24
Operating profit	**820**	32.5	619
Interest income	**10**	42.9	7
Interest expense	**(313)**	34.9	(232)
Profit before taxation	**517**	31.2	394
Taxation	**(106)**	58.2	(67)
Profit and total comprehensive income for the period	**411**	25.7	327
Profit and total comprehensive income for the period attributable to:			
Owners of the parent	**413**	23.3	335
Non-controlling interest	**(2)**	(75.0)	(8)
	411	25.7	327
Earnings per share (cents)			
Basic	**395.2**	26.1	313.4
Diluted	**390.8**	25.8	310.6
Headline earnings per share (cents)			
Basic	**393.9**	27.4	309.3
Diluted	**389.5**	27.1	306.5

* 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 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 1 January 2024 – audited	**1**	**3 039**	**(48)**	**(2 961)**	**57**	**3 566**	**(15)**	**3 639**
Changes in equity								
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**413**	**(2)**	**411**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(190)**	**–**	**(190)**
Transfer to share scheme incentive liability	**–**	**–**	**–**	**–**	**(12)**	**–**	**–**	**(12)**
Share incentive schemes	**–**	**–**	**–**	**–**	**13**	**–**	**–**	**13**
Shares purchased	**–**	**–**	**(4)**	**–**	**–**	**–**	**–**	**(4)**
Forfeitable shares vested	**–**	**–**	**14**	**–**	**(14)**	**–**	**–**	**–**
Total changes	**–**	**–**	**10**	**–**	**(13)**	**223**	**(2)**	**218**
Balance at 31 December 2024	**1**	**3 039**	**(38)**	**(2 961)**	**44**	**3 789**	**(17)**	**3 857**

Condensed consolidated statement of cash flows

	2024 Rm	% change	2023 Rm
Cash flows from operating activities			
Operating cash flows before working capital changes	**912**	32.9	686
Movements in working capital	**(1 268)**	>100.0	(430)
Cash (used)/generated in operations	**(356)**	<(100.0)	256
Interest received	**10**	42.9	7
Interest paid	**(307)**	42.8	(215)
Taxation paid	**(125)**	45.3	(86)
Net cash outflow from operating activities	**(778)**	>100.0	(38)
Cash flows from investing activities			
Additions of property, plant and equipment	**(52)**	44.4	(36)
Additions of intangible assets	**(74)**	17.5	(63)
Insurance contract assets	**24**	>100.0	–
Net cash outflow from investing activities	**(102)**	3.0	(99)
Cash flows from financing activities			
Purchase of shares to settle forfeiture share scheme obligations	**(4)**	(50.0)	(8)
Proceeds from interest-bearing liabilities	**1 880**	>100.0	742
Repayments of interest-bearing liabilities	**(819)**	>100.0	(343)
Cash flows from transaction costs	**–**	(100.0)	(2)
Principal elements of lease payments	**(27)**	(3.6)	(28)
Dividends paid	**(190)**	22.6	(155)
Net cash inflow from financing activities	**840**	>100.0	206
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**(40)**	<(100.0)	69
Cash and cash equivalents and bank overdrafts at the beginning of the period	**83**	>100.0	14
Cash and cash equivalents and bank overdrafts at the end of the period	**43**	(48.2)	83

Cash and cash equivalents comprise cash balances of R144 million and an overdraft balance of R101 million.

Group segmental information

2024		Total Rm	Retail Rm	Weaver Fintech Rm	Other Rm	Intragroup Rm
Total revenue		**4 427**	**1 909**	**2 524**	**–**	**(6)**
Digital technology platforms		2 625	382	2 243	–	–
Showrooms and contact centre		1 802	1 527	281	–	(6)
% revenue earned						
Digital technology platforms	(%)	59.0	20.0	89.0		
Showrooms and contact centre	(%)	41.0	80.0	11.0		
Segmental revenue		**4 427**	**1 909**	**2 524**	**–**	**(6)**
Fees		552	179	373	–	–
Insurance		390	40	350	–	–
BNPL fees		188	–	188	–	–
Finance income		1 968	355	1 613	–	–
Retail sales		1 329	1 329	–	–	–
Intergroup rental income		–	6	–	–	(6)
EBITDA		**925**	**144**	**879**	**(94)**	**(4)**
Depreciation and amortisation		(107)	(70)	(39)	(1)	3
Net impairment reversal of assets		2	2	–	–	–
Segmental operating profit/(loss)[2]		**820**	**76**	**840**	**(95)**	**(1)**
Interest income		10	4	6	3	(3)
Interest expense		(313)	(30)	(285)	–	2
Profit/(loss) before taxation		**517**	**50**	**561**	**(92)**	**(2)**
Taxation		(106)	(10)	(116)	20	–
Profit/(loss) after taxation		**411**	**40**	**445**	**(72)**	**(2)**
Segmental assets		7 672	2 306	6 223	116	(973)
Segmental liabilities		3 815	1 306	3 259	129	(879)
Gross profit margin	(%)	45.7	45.7			
Segmental operating profit margin	(%)	18.5	4.0	33.3		
Capital expenditure						
Property, plant and equipment		52	49	3	–	–
Intangible assets		74	16	58	–	–
Credit impairment losses		1 430	386	1 044	–	–
Marketing costs		241	200	56	–	(15)
Staff costs		700	417	221	62	–
Insurance expenses		226	40	186	–	–

1. The Property segment has been included as part of the Retail segment from 1 January 2024. The prior year segmental report has been restated for the same reason. Refer to note 1 of the annual financial statements. The Weaver segment operating profit definition has changed to exclude interest paid. The Weaver segment 31 December 2023 operating profit has been amended to reflect this change.
2. Refer to note 13 of the annual financial statements for further details on segments and segmental results.

Restated[1] 2023		Total Rm	Retail Rm	Weaver Fintech Rm	Other Rm	Intragroup Rm
Total revenue		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						
Digital technology platforms	(%)	56.4	29.4	83.7		
Showrooms and contact centre	(%)	43.6	70.6	16.3		
Segmental revenue		3 672	1 789	1 886	–	(3)
Fees		389	124	268	–	(3)
Insurance		345	57	288	–	–
BNPL fees		81	–	81	–	–
Finance income		1 630	381	1 249	–	–
Retail sales		1 227	1 227	–	–	–
Intergroup rental income		–	–	–	–	–
EBITDA		708	152	649	(48)	(45)
Depreciation and amortisation		(95)	(96)	(27)	–	28
Net impairment reversal of assets		6	6	–	–	–
Segmental operating profit/(loss)[2]		619	62	622	(48)	(17)
Interest income		7	1	6	–	–
Interest expense		(232)	(36)	(202)	(5)	11
Profit/(loss) before taxation		394	27	426	(53)	(6)
Taxation		(67)	7	(77)	2	1
Profit/(loss) after taxation		327	34	349	(51)	(5)
Segmental assets		6 072	2 296	4 719	99	(1 042)
Segmental liabilities		2 433	1 331	2 045	–	(943)
Gross profit margin	(%)	43.0	43.0			
Segmental operating profit margin	(%)	16.9	3.5	33.0		
Capital expenditure						
Property, plant and equipment		36	26	10	–	–
Intangible assets		63	22	41	–	–
Credit impairment losses		1 092	332	760	–	–
Marketing costs		245	198	47	–	–
Staff costs		527	334	176	17	–
Insurance expenses		189	52	137	–	–

1. The Property segment has been included as part of the Retail segment from 1 January 2024. The prior year segmental report has been restated for the same reason. Refer to note 1 of the annual financial statements. The Weaver segment operating profit definition has changed to exclude interest paid. The Weaver segment 31 December 2023 operating profit has been amended to reflect this change.
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