Cashbuild

2024

INTEGRATED REPORT

For the 53 weeks ended 30 June 2024

Contents

Documents available on the Company's website:

www.cashbuild.co.za

- ESG Summary Report
- King IV™ Application Register
- Stakeholder engagement and material matters identified by shareholders
- Cashbuild Equality and Diversity Policy Statement

OUR CAPITALS

- **Financial** Capital
- **Manufactured** Capital
- **Human** Capital
- **Intellectual** Capital
- **Social** Capital
- **Natural** Capital

UN SDGs applicable to Cashbuild

Abbreviations and definitions
The abbreviations and definitions used throughout this Integrated Report are detailed on pages 186 and 187.

Five Year Trends

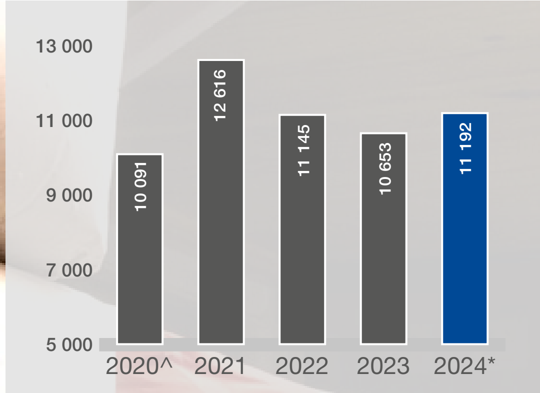
for the year ended 30 June 2024

Cashbuild is a southern African-based retailer of building materials and products at the best value, direct to the public.

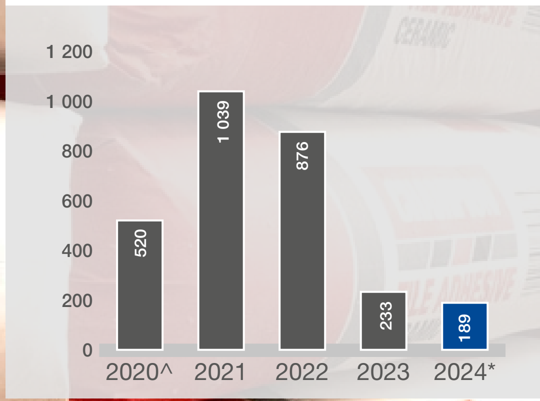
Our footprint encompasses **322 stores** trading across six countries throughout southern Africa.

Cashbuild employed **5 472 people** as at 30 June 2024, of which 91% are based in South Africa and 33% are female.

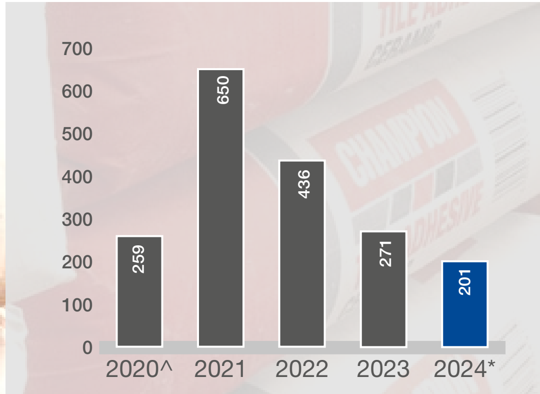
REVENUE
(RM)



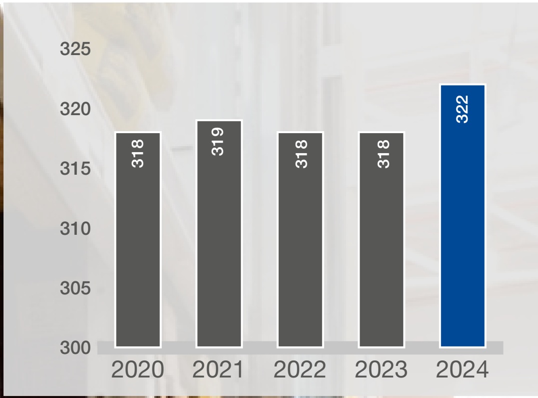
OPERATING PROFIT
(RM)



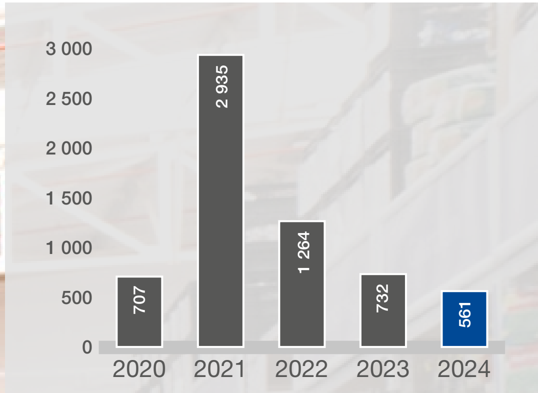
HEADLINE EARNINGS
(RM)



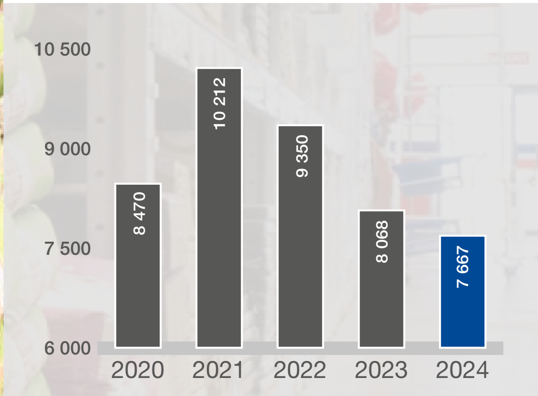
NUMBER OF STORES



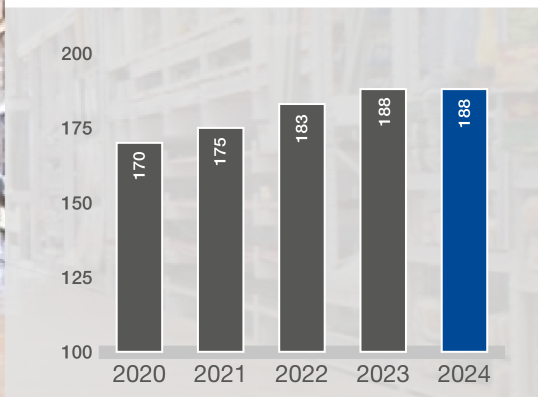
TOTAL DIVIDEND PER SHARE
(CENTS)



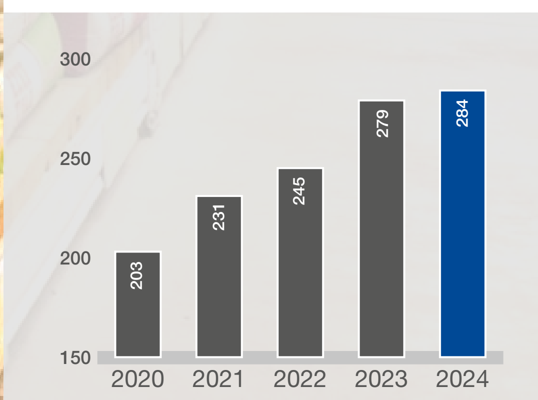
NAV PER SHARE
(CENTS)



CSI SPEND
(RM)



ENERGY CONVERSION PROJECTS TO DATE
(STORES)



* *2024 includes 53rd week of trading.*

^ *2020: Covid-19 negatively impacted operations. Revenue, operating profit and headline earnings impact estimated at approximately R621 million, R109 million and R76 million, respectively.*

About the Report

This Integrated Report provides an overview of Cashbuild's activities for the financial year ended 30 June 2024.

This Report was prepared in accordance with IFRS, the requirements of the Companies Act, the JSE Listings Requirements, the principles of King IV™ and the amended International < IR > Framework by the IIRC and strives to provide information on all aspects of Cashbuild's activities in an integrated manner.

SCOPE AND BOUNDARY

This Integrated Report aims to provide a balanced, clear and comprehensive review of the business by reporting on the financial and non-financial performance of the Group. It deals with the material matters, risks and opportunities faced by the Group in the ordinary course of business as well as the Group's governance, social and environmental responsibilities to create value for each of its identified stakeholders and the communities in which the Group operates.

There are no material changes to the content of this Report compared to the 2023 Integrated Report other than enhancing the disclosure. This Report reflects on the Group's current and anticipated financial performance as well as non-financial performance in line with its strategic objectives. The Group has also published its application of the King IV™ Principles, in terms of the JSE Listings Requirements, as well as an ESG Summary Report aligned with the JSE Sustainability Disclosure Guidance.

The Board has considered the volume and complexity of the information in this Integrated Report and is of the opinion that it does not warrant a summarised version. However, additional information pertaining to certain sections in this Report has been placed on the Group's website.

REPORTING FRAMEWORKS

Cashbuild continues to enhance the Integrated Report and follows the guidelines provided by the IIRC's International < IR > Framework in terms of reporting according to the Six Capitals.

To guide and inform Cashbuild's decisions during the preparation of this Report, we applied the principles, requirements and guidelines contained within various regulations, codes, documents and standards as set out in the table below.

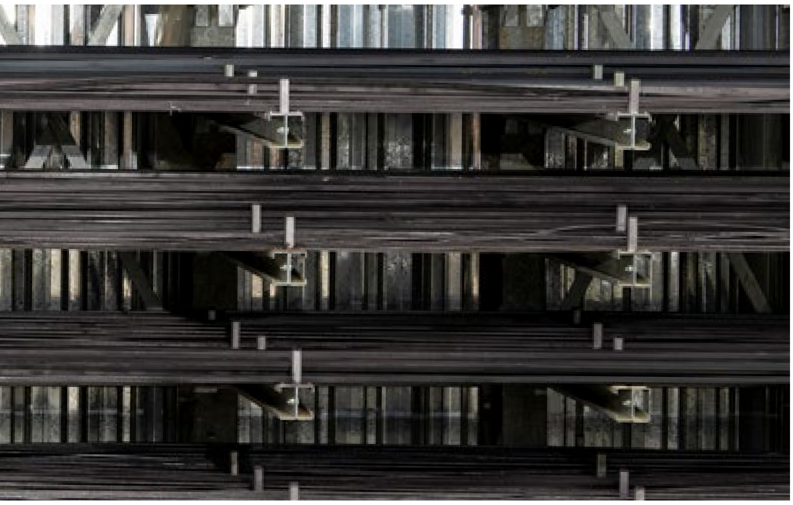
	Integrated Report	Annual Financial Statements
IIRC's International < IR > Framework	✓	✓
JSE Listings Requirements	✓	✓
Companies Act	✓	✓
IFRS	✓	✓
King IV™	✓	✓
UN SDGs	✓	–
JSE Sustainability Disclosure Guidance	✓	–

ESG

Cashbuild continued to enhance the ESG content disclosure within the 2024 Integrated Report. Our sustainability reporting includes the disclosure and communication of ESG material topics and goals. The benefits of sustainability reporting include improved corporate reputation, increased innovation, improvement of risk management, and building consumer confidence.

The interaction between the Six Capitals and the compliance to the UN SDGs are explained or indicated by using icons where applicable throughout this Integrated Report.

Our strategy is to pursue sustainability compliance through our actions. The ESG Report that commences on page 48 of this Integrated Report, is aligned with the JSE Sustainability Disclosure Guidance issued in June 2022. In terms of climate change reporting, the ISSB standards have incorporated the



existing TCFD recommendations. The Group is currently working towards aligning with the IFRS Sustainability Disclosure Standards, in particular, IFRS S2 Climate-related Disclosures. The IFRS disclosures are supported by the JSE Sustainability Disclosure Guidance.

DISCLAIMER

This Integrated Report may contain certain forward-looking statements concerning the Group's strategy, financial conditions, growth plans and expectations. Such views involve both known and unknown risks, assumptions, uncertainties and important factors that could materially influence the actual performance of the Group. No assurance can therefore be given that these views will prove to be correct and no representation or warranty expressed or implied is given as to the accuracy or completeness of such views.

It is the Board's responsibility to ensure the integrity of this Integrated Report. The Board has applied its mind to the Report and in its opinion, this Report addresses the material matters and risks as well as fairly represents the integrated performance of the Group.

MATERIALITY, MATERIAL MATTERS AND MATERIAL RISKS

Materiality

The Integrated Report is intended to provide insight into matters and risks identified as most relevant and material to Cashbuild and our various stakeholder groups, which could potentially impact our strategy and the Group as a going concern. Material risks are identified for the Group through an internal and external materiality determination process.

When making materiality judgements, the Executive Management Team and the Board assess the available information holistically from a quantitative as well as a qualitative perspective and consider whether the matter could impact the Group's ability to create value and/or reasonably be expected to influence a primary user's decision.

The Board, specifically the Audit and Risk as well as the Social and Ethics Committees, play pivotal roles in the determination of Cashbuild's material risks as well as opportunities that arise in the course of conducting our business activities.

Material matters

Cashbuild continues to improve its disclosure and reporting on the material matters affecting the Group. The review included updating sector trends, key stakeholder expectations and peer disclosures, in order to identify good practice and common material matters. The process conducted during the year is set out in detail on page 37 of this Integrated Report with our stakeholder engagement and related material matters commencing on page 38 of the Integrated Report.

Material risks

Material risks are identified on an ongoing basis through our Group Risk Management Policy and closely and actively managed by the Executive Management Team with oversight of the Board. Matters identified and considered material for our stakeholders are also reported in the Integrated Report.

Comprehensive information pertaining to our material risks and opportunities can be found on pages 36 to 43 of this Report.

ASSURANCE

The ESG Report has not been independently assured for the 2024 financial year. The Group's own internal audit function reviews the ESG information on request from the CFO. Certain information is scrutinised by external assurance providers where this has been deemed relevant and necessary.

In accordance with the Companies Act and the JSE Listings Requirements, the Annual Financial Statements of Cashbuild have been audited by Deloitte for the year ended June 2024. The Independent Auditor's Report can be found on pages 111 to 114 of this Report.

Cashbuild has an Internal Audit Department and together with the Audit and Risk Committee, assess all internal and external assurances obtained and match these to identified risks.

An independent accredited empowerment rating agency has provided assurance on the B-BBEE Scorecard for the current financial year. Please refer to pages 62 and 63 for more detail on our Scorecard and current B-BBEE rating. In accordance with paragraph 16.21(g) and Appendix 1 to Section 11 of the JSE Listings Requirements, notice is hereby given that the Company's Annual B-BBEE Compliance Report in terms of Section 13G(2) of the B-BBEE Act has been published on the Company's website.

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ABOUT CASHBUILD

Key Financial Statistics

The following key financial statistics for the year ended 30 June 2024 are provided. The Group follows a strategic sustainability approach to ensure long-term stakeholder value enhancement.

		% change	30 June 2024[1]	25 June 2023
FINANCIAL CAPITAL				
Revenue	R'000	5	**11 191 654**	10 653 193
Operating profit	R'000	(19)	**189 145**	233 225
Profit before taxation	R'000	(22)	**138 177**	178 047
Attributable earnings	R'000	(17)	**88 601**	106 346
Headline earnings	R'000	(26)	**200 625**	270 988
HEPS	Cents	(22)	**947**	1 222
Dividend per share	Cents	(23)	**561**	732
NAV per share[2]	Cents	(5)	**7 667**	8 068
Cash and cash equivalents	R'000	(37)	**998 811**	1 582 166
MANUFACTURED CAPITAL				
Number of stores		1	**322**	318
Number of trading weeks			**53**	52
Average basket size	Rand	2	**737**	724
Total wealth created/distributed and reinvested	Rand	(3)	**1 884 037**	1 948 832
HUMAN CAPITAL				
Number of employees		(9)	**5 472**	6 046
Revenue per employee	R'000	16	**2 045**	1 762
B-BBEE rating level			**8**	7
New employees		4	**863**	832
Learnerships granted		(69)	**56**	179
INTELLECTUAL CAPITAL				
Number of trading brands			**2**	2
Number of registered trademarks			**7**	7
SOCIAL CAPITAL				
Number of schools contributed to		(41)	**127**	216
Value of school donations	R'000	(41)	**1 905**	3 240
SMME projects	R'000	(99)	**21**	3 267
Other	R'000	(4)	**1 759**	1 832
Payments to delivery drivers	R'000	2	**184 361**	180 013
Total CSI and SED spend	R'000	–	**188 046**	188 352
NATURAL CAPITAL				
Total number of stores converted through energy conservation projects to date		2	**284**	279

1. *The year ended 30 June 2024 consists of 53 weeks compared to a normal calendar year of 52 weeks.*
2. *Based on ordinary number of shares in issue.*

Our Group at a Glance

Cashbuild is a southern African-based retailer of building materials and products providing these at the best value, direct to the public.

Cashbuild opened its first store in **1978 and was listed on the Main Board of the JSE in 1986.**

Our growth strategy is robust and has stood us in good stead given the current challenging economic climate across southern Africa.

We continue to **strengthen our stakeholder relationships** through our commitment to mutual growth and our **sound strategies for sustainability.**

Our footprint encompasses 322 stores (2023: 318 stores) trading across **six countries throughout southern Africa.**

As at 30 June 2024 **we employed 5 472** (2023: 6 046) **committed employees** and **377** (2023: 331) **equally committed delivery driver contractors.**

Cashbuild subscribes to the **highest ethical standards and business practices** and has a well-entrenched and defined business philosophy around all its stakeholders.

Vision, Mission and Core Values

OUR VISION

WHAT WE STRIVE FOR

Our vision is to be the preferred retailer and integrated supplier of building materials, associated products and services across all market segments in selected countries.

OUR MISSION

OUR UNDERTAKING

We are the preferred retailer and integrated supplier of building materials, associated products and services, through chosen brands, across all market segments in selected countries.

We conduct business in a socially and environmentally responsible manner and continuously seek to maximise returns to all our stakeholders through:

- our ability to understand our customers and markets, which enables us to offer a focused range of products and services suited to the specific needs of each of these markets;
- our mutually beneficial relationships with our suppliers, substantial buying power and ability to control costs, enables us to offer quality, best value products and services at convenient locations, to all our customers;
- our progressive human resources practices, which promote a challenging and productive working environment, ensures that all our people develop to their fullest potential, are recognised and rewarded for outstanding performance;
- improving the lives of people where we trade by providing best value products and services, offering employment opportunities, promoting enterprise development and supporting selected community projects; and
- optimally utilising all our resources and applying industry and technology best practices through The Cashbuild Way, thereby providing superior and sustainable returns to our shareholders, both financial and non-financial.

OUR CORE VALUES

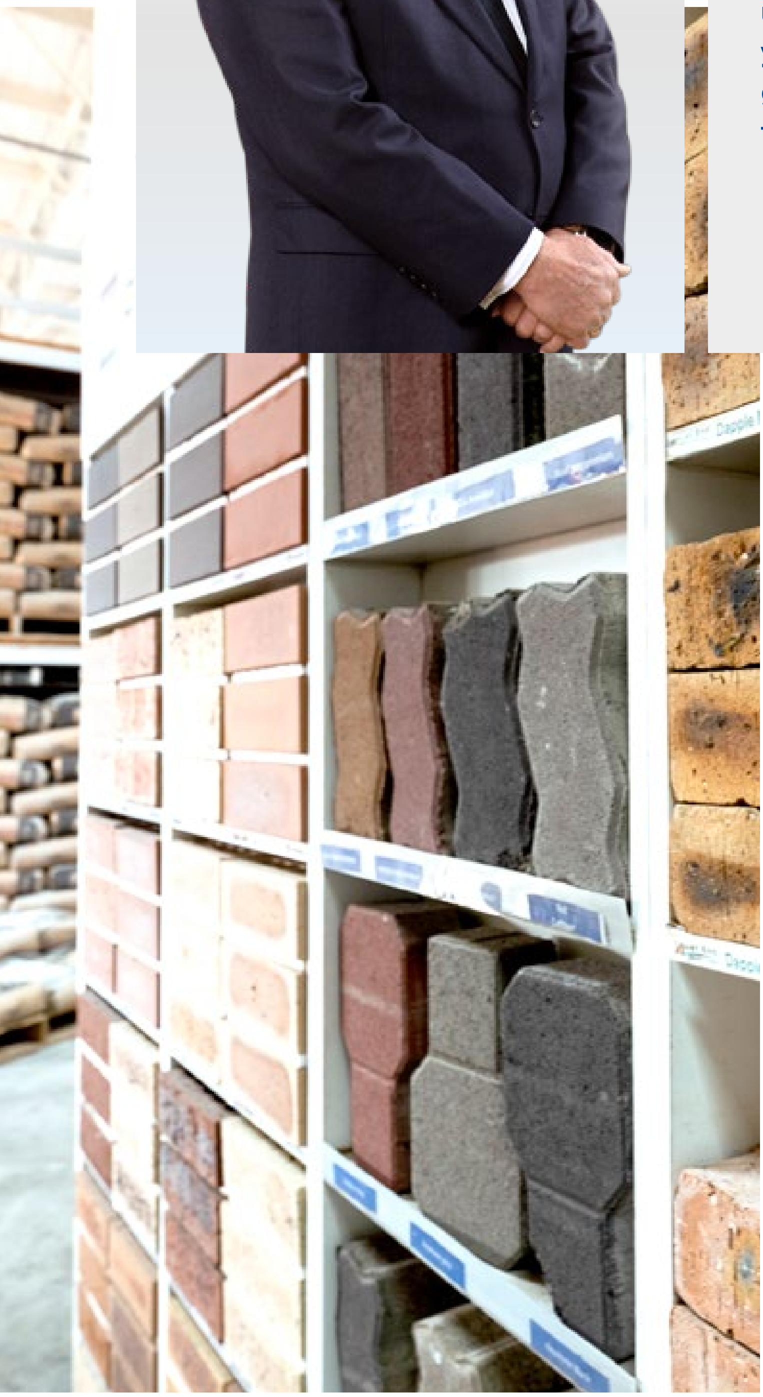
OUR PRINCIPLES

Our values form the basis of all our engagements, both within the Group and externally. Rather than being an aspiration, these values are demonstrated in the Group on a daily basis, with every employee being accountable for acting in accordance with them at all times.

Our core values are:

- we **follow through** to be successful;
- we **strive** to do it right first time, every time;
- we **aim to deliver** exceptional service and total customer satisfaction;
- we **take pride** in what we do and show respect and honesty in all our dealings;
- we **empower, recognise** and **reward** our people; and
- we **manage** and **improve** our business through The Cashbuild Way.

Chairman's Report



> **Although the local economy has remained under considerable difficulty over the last year, Cashbuild has continued to show great resilience in maintaining strong trading results and a strong balance sheet.**

Alistair Knock
Chairman

Key to ensuring profitability in this coming year is the need to show an improvement in the nation's employment statistics. This will be achieved if both government and the private sector focus on fundamentally improving core criteria that improve the ability to grant meaningful employment to our people. This includes raising the standard of education at all levels from primary school to post graduate studies, and real encouragement for entrepreneurs to fulfil their potential and their dreams.

TRADING CONDITIONS

The market for building materials has been under pressure from a number of directions. Globally, inflation and international tensions have hampered supply chains, as well as uncertainty about safe investment opportunities, This has caused consumers to shy away from construction and building projects. When money is not plentiful, food and health care will naturally take precedence over other needs such as renovations or building extensions.

There is every likelihood these conditions will continue in these coming months.

Even at the higher end of the market, consumers became more selective in their discretionary spending, with many prioritising solar installations and even travel, over home improvement projects, many of which had in any case been completed during or immediately after the Covid-19 pandemic.

Although cement remains Cashbuild's largest-selling product, sales continued to decline in South Africa. The main reasons for decreased volumes in South Africa were the low demand for cement, especially in the retail sector, as well as aggressive price competition in the latter part of the financial year. As has been well documented, the industry faces increased competition from cheap imports mainly from Vietnam, which threaten the sustainability of local producers, combined with the rising costs of raw materials and other inputs.

Demand for timber was also affected by the lack of projects, while the timber industry was hampered by inconsistent electricity supply, high input costs, and a shortage of some specific timbers in some areas.

Despite all these challenging difficulties Cashbuild is well positioned to continue to meet the needs of customers throughout the Southern Africa continent. The approach of the company over the last few years has been to ensure fundamental retailing practices are tightly managed. This has been seen in maintaining full inventories, and therefore full shelves, in stores as well as close relationships with suppliers. Also, tight financial controls, which have always been paramount for the management team, remain at the forefront of the Cashbuild culture. This, coupled with a very strong adherence to ethical practices throughout the company, will ensure the company maintains its profitability and position as the leading retailer of building materials.

OUR PEOPLE

The success of our Group is deeply rooted in our people. Cashbuild is a strong advocate for race and gender diversity, striving to foster a work environment that promotes these principles. Cashbuild takes pride in sharing that, in South Africa, 82.7% of management roles are held by HDSAs and also that a third of the workforce comprises female employees.

In line with the Group's desire to contribute meaningfully to the education of all South Africans, and to develop a core of much-needed skills in the country, the Group commenced a Bursary Programme in 2014. Such bursaries cover all tuition fees, books, and accommodation, and when necessary, provides a monthly stipend. Moreover, Cashbuild assures job placement for the bursars upon the successful completion of their academic studies. The company is committed to ongoing investment in this programme, which, since inception, has had 18 students enrolled at various universities. Among the 12 graduates who have gained suitable qualifications, 5 currently hold various key positions within the Group.

SUSTAINABILITY FEEDBACK

Cashbuild has a strong emphasis on business sustainability, particularly in the context of ESG. The Policy is designed to identify material ESG risks and implement controls to mitigate these through sustainable strategies across the Group. The Group remains committed to the disclosure of significant ESG impacts and the appropriate levels of mitigation as outlined in the ESG Summary Report, which is aligned to the GRI Standards. An ESG section is also incorporated in our Integrated Report and provides transparency for our stakeholders on related initiatives.

Cashbuild's active contribution to the social upliftment of previously disadvantaged communities, especially in the realm of children's education, is a testament to its dedication to social sustainability. The Company believes in driving change both within and outside the organisation to make a meaningful and positive impact on society. Our total CSI contribution, which decreased by only 0.2% to R188.0 million (2023: R188.4 million), reflects our commitment to supporting the communities where we trade.

As Cashbuild is not involved in the production or manufacturing process of the products available in its stores, direct environmental impact is therefore, minimal. However, management remains committed to reducing any harmful footprint in operations by reducing dependence on fossil fuel generated energy in stores and offices.

The Group is also committed to sourcing products that comply with applicable building industry standards, such as those developed by the SABS and other relevant certification agencies. As a responsible and sustainable retailer, only those products that comply with legislative requirements related to product labelling, including warning labels are sourced. In instances involving products with finite lifespans, such as paint or cement, procurement and inventory management practices are constantly updated to prevent wastage from the disposal of expired products.

For more information, please refer to the ESG Report starting on page 48.

BOARD COMPOSITION, GOVERNANCE, AND KING IV™

Cashbuild is ably supported by a skilled, robust, and independent Board that is well-rounded and possesses extensive knowledge and expertise, contributing significantly to the Group's affairs. In particular I would like to single out Dr Simo Lushaba who obtained a further degree from Liverpool John Moores University based on research he undertook into digital marketing at Cashbuild. Academic research is something I personally support as a real means of developing competitive advantage and I continue to urge all to pursue opportunities in this field where realistic gains are sought.

As in previous years, this year the Board executed its responsibilities with utmost diligence, leveraging our members' skills to support management and devise a robust strategy to navigate Cashbuild through its challenges. This body remains steadfast in its efforts to protect the interests

Chairman's Report (continued)

of shareholders and other stakeholders who are invested in the Group's sustainability.

Moreover, I would like to emphasise the fact that the Board is an active advocate of high ethical standards in corporate governance and endorses the principles of King IV. These principles are ingrained in the Group's internal controls, policies, and procedures that govern its conduct.

CHANGES TO THE BOARD

Pursuant to the retirement of Etienne Prowse as the CFO of Cashbuild, Hanré Bester was appointed as the new CFO and as an Executive Director with effect from 1 July 2024. Hanré was also appointed as a member of the IT Governance and Investment Committees with effect from the same date.

APPRECIATION

I would like to express my gratitude to the Board, the Executive Management team, and to Cashbuild's employees for their invaluable contribution during a year that was fraught with challenges.

To my esteemed colleagues on the Board, your dedication, insightful advice, and readiness to share your expertise and time have been instrumental in enhancing Cashbuild's effectiveness. I particularly value your input and support for the decisions made throughout the year.

To Werner and his dedicated team, your tenacity and tireless efforts during a period when the Group is grappling with significant challenges, both domestically and internationally, deserve special recognition.

To Etienne, we thank you for your valuable input over the years and the Board wishes you all the best for your retirement. You have left a legacy that will remain a key pillar of the company's success in future years.

We bid a warm welcome to Hanré in his new position and look forward to a highly successful working relationship with him going forward.

I also wish to extend my thanks to our loyal customers who are steadfast in their support for the Group. Cashbuild remains committed to offering top-quality products at the most competitive prices to cater to customer needs across our extensive network of retail outlets.

I am confident that Cashbuild's declared strategy, in alignment with its business ethos – "The Cashbuild Way" – will continue to foster long-term, sustainable growth across all operations, thereby enhancing stakeholder returns.

Alistair Knock
Chairman

2 September 2024

02

SUSTAINABLE VALUE CREATION

The Cashbuild Way

HOW WE DO THINGS

As a retailer our business is simple: we buy and we sell but we do it The Cashbuild Way.

The Cashbuild Way is a set of policies and procedures that guide how we do things throughout the Group and conduct our relationships with external stakeholders. The Cashbuild Way refers not only to our documented policies but also to all our dealings with various stakeholders.

We buy quality building materials and associated products, supporting local suppliers as far as possible.

We aim to support local growth and development, positively influence the upstream value chain and build mutually beneficial long-term relationships.

We then sell quality building materials and associated products to our customers at the best value. We aim to ensure a pleasant shopping experience for all our customers in each of our stores located throughout southern Africa with conveniently located stores, quality products, reputable brands and value-added services. Our customers are provided with in-store expertise, advice, service and assistance as well as various loyalty programmes, credit services, online shopping and a free local delivery service.

The Cashbuild Way aims to benefit each and every one of our stakeholders so that our customers as well as our employees, shareholders, suppliers and communities gain value from our operations. Our business model on pages 20 and 21 illustrates our value creation, showing our inputs, outputs and outcomes clearly.

The Cashbuild and P&L Hardware values are aligned and are consistent with those of prior years.

WHY INVEST IN CASHBUILD

The Cashbuild Way business outlook, together with our strategy and corporate sustainability approach focused on the Six Capitals for the year ended 30 June 2024 is presented below:

- We are one of the larger retailers of quality building materials and associated products in southern Africa.
- We have an experienced Board and Executive Management Team.
- We strive to grow our employee base on an annual basis and invest extensively in the communities in which we trade.
- Our financial position is healthy and robust, allowing us to take advantage of growth opportunities when they arise.
- We continue to successfully open new stores and refurbish or relocate existing stores.
- We are a responsible corporate, taking our ESG commitments seriously, ensuring we adhere not only to the necessary laws, regulations and principles in play but also embracing the spirit in which these were promulgated.
- We reward our shareholders by paying a dividend consistently.

OUR DIFFERENTIATORS

What makes us unique

We focus on our customers, ensuring that our stores:

- are always in stock and ready for business;
- carry quality branded products at best value;
- provide free local customer delivery services; and
- are ready to go the extra mile.

We focus on our communities, ensuring that:

- we approach each new region with cultural sensitivity and awareness;
- we develop and empower the community sustainably; and
- we create direct and indirect employment opportunities.

We focus on our people, ensuring that:

- our management approach is consistent;
- internal growth and development opportunities are supported by best in class;
- HR systems, policies, processes are fair and equitable;
- our store managers feel empowered and supported; and
- we take pride in the Cashbuild and P&L Hardware brands and act according to our core values.

We focus on our suppliers, ensuring that:

- we use local suppliers and support their growth and development;
- we build long-term relationships based on common value sets;
- we positively influence the upstream value chain; and
- we create opportunities to partner for mutual growth.

We focus on sound governance and compliance, ensuring that:

- The Cashbuild Way is aligned to ISO 9001;
- we apply the principles of King IV™;
- we live by our core values; and
- we apply the three lines of defence auditing system.

Chief Executive Officer's Report

> **The Group faced another tough year in which macroeconomic conditions negatively impacted the business as our customers' disposable income remained under pressure. However, 4Q2024 showed some positive signs and together with the additional trading week, contributed to an increase in the revenue line.**

Werner de Jager
Chief Executive Officer

We were expecting market conditions to remain challenging throughout the 2024 financial year, with high levels of loadshedding only easing at the start of 2024, high cost inflation being the order of the day, unemployment not improving as well as the uncertainty created by the national elections at the end of May 2024 – all contributing to a volatile and depressed DIY trading environment for most of the financial year under review.

THE YEAR AT A GLANCE

The Group's results for the 53 week year ended 30 June 2024 continued on the same trend as the previous financial year for most of the year, with the 4Q2024 showing some positive growth trends. The average selling price inflation for the Group was 1.7% compared to the over 5.0% recorded in the 2023 financial year. Our average basket size increased in line with our selling price inflation, namely 1.8%, from R724 in the 2023 financial year to R737 in the 2024 financial year. Total customer transactions increased by 3.1%, mainly due to this financial year being a 53-week year versus a 52-week year in 2023.

Our e-Commerce offering continued to report solid growth, with revenue from e-Commerce and digital channel sales increasing by 31.1% from R26.6 million (2023) to R34.9 million, which equates to 0.30% (2023: 0.25%) of total revenue generated. We do not expect this to become a large portion of sales due to the nature of our business.

Chief Executive Officer's Report (continued)

A summary of the Group's statutory results for the 53 weeks ended 30 June 2024:

- Revenue increased by 5% to R11.2 billion;
- Operating profit, excluding the impairment of the P&L Hardware goodwill and trademark, decreased by 16% to R326 million; and
- HEPS decreased by 22% to 947 cents.

At the financial year-end, Cashbuild had 322 stores (2023: 318 stores). During the year, Cashbuild opened six (6) new stores (five (5) Cashbuild and one (1) P&L Hardware) and refurbished 20 stores (18 Cashbuild and two (2) P&L Hardware). Two (2) Cashbuild stores were closed during the year. We also relocated one (1) Cashbuild store. The store expansion, relocation and refurbishment strategy of the Group is done in a controlled manner and only implemented once a feasibility process has been undertaken. The opening of the new SMS Cashbuild stores are on track and we expect to see at least 10 new ones opening during the FY2025.

FINANCIAL REVIEW

The Group adopts the retail accounting calendar, which comprises the reporting period ending on the last Sunday of the month (year ended June 2024 – 53 weeks; year ended June 2023 – 52 weeks). Although the Group traded for 53 weeks in this financial year, it is appropriate and in line with generally accepted practice in the retail sector to illustrate the comparative 52-week period (being the 53 weeks of the FY2024 year excluding the last week) as well as the statutory period trading (53 vs 52 weeks).

52-weeks vs 52-weeks

Group revenue increased by 3% to R11.0 billion from R10.7 billion. Revenue for stores in existence prior to July 2023 (pre-existing stores – 310 stores) increased by 2%, with our 12 new stores contributing 1%. Transactions through the tills increased by 1% compared to the previous year.

53-weeks vs 52-weeks

Group revenue for the year increased by 5% to R11.2 billion from R10.7 billion. Revenue for stores in existence prior to July 2022 (pre-existing stores – 310 stores) increased by 4%, with our 12 new stores contributing 1%. Transactions through the tills increased by 3% compared to the previous year. Gross profit increased by 2%, with gross profit margin percentage decreasing from 25.4% (2023) to 24.7%.

Operating expenses increased by 4%, with existing stores contributing 3% and new stores contributing 1% to the overall increase. Operating expenses, excluding the P&L Hardware goodwill and trademark impairments ("impairments") of R136.7 million (June 2023: R155.9 million), increased by 6%.

Operating profit decreased by 19% to R189 million and excluding the impairments, decreased by 16%.

Basic earnings per share decreased by 13% from 457 cents (2023) to 396 cents, with headline earnings per share down 22% from 1 222 cents (2023) to 947 cents.

The significant cash and cash equivalents reduction of 37% to R999 million was mainly due to the June 2024 suppliers' payments being processed within the reporting period, in contrast to the prior year where the supplier payments were processed subsequent to the reporting period end.

Stock levels, including new stores, increased by 5%, with stock days similar to the prior year at 90 days.

NAV per share decreased by 5% from R80.68 (June 2023) to R76.67, mainly due to the share buybacks.

DIVIDENDS

The Board declared a final dividend of 236 cents. As a result, the total dividend amounts to 561 cents per share. The dividend cover policy of the Company has been maintained at 1.5 times cover based on earnings, excluding the impairments.

STRATEGIC OVERVIEW AND INITIATIVES

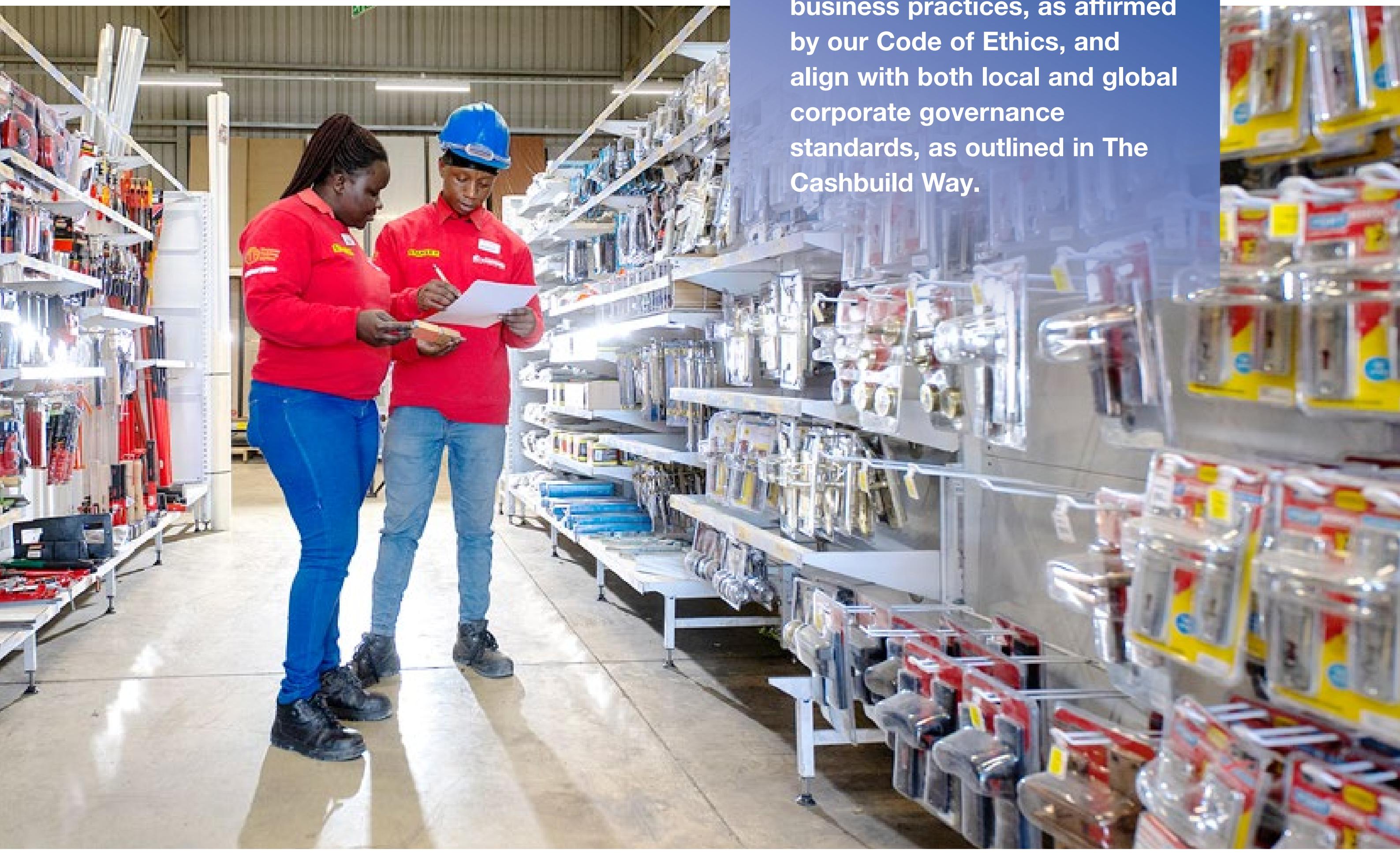
Our commitment to our strategy is unwavering as we persist in our efforts to establish ourselves as a retailer of building materials and products in southern Africa, delivering unmatched value directly to our customers. Our strategic approach is rooted in our vision, mission, and core values, detailed on page 9 of this Integrated Report.

We uphold high ethical business practices, as affirmed by our Code of Ethics, and align with both local and global corporate governance standards, as outlined in The Cashbuild Way. We are also dedicated to enhancing our sustainability efforts and principles to ensure we make a positive impact on the communities we serve and improve people's lives. Details about our strategic ESG-related issues can be found in the ESG Report section of this Integrated Report, starting on page 48.

Subsequent to year-end, we announced a partnership with the National Housing Finance Corporation (NHFC) on a project called Zakhelikhaya. This project will empower our customers to realise their dreams of homeownership, contribute to the alleviation of the massive housing shortage in South Africa and foster stability and prosperity within communities where we do business across South Africa.

LOOKING AHEAD

We are more optimistic about the outlook for the next financial year as we are hoping that the GNU, and to a lesser extent the Two-Pot system, will stimulate economic growth and that the much-needed infrastructure programmes will find traction during the 2025 calendar year. In addition, the outlook is that interest rates will reduce towards the latter part of the 2024 calendar year, which will alleviate some of the consumer spending pressure.



> We uphold high ethical business practices, as affirmed by our Code of Ethics, and align with both local and global corporate governance standards, as outlined in The Cashbuild Way.

This sentiment is shared by a couple of economists that say that the financial situation of most working South Africans continues to show recovery, with consumers exhibiting increasing financial resilience and confidence in their ability to save and invest, despite a lacklustre economy.

According to Old Mutual's 2024 Savings and Investment Monitor survey, it shows that the proportion of South Africans reporting high or overwhelming levels of financial stress has declined to 37% in 2024 from 45% in 2023 and 58% in 2020. Moreover, 68% of employed South Africans are optimistic that their financial situation will improve in the next six months, a significant improvement from the 53% level in 2020.

For the first six weeks subsequent to year-end, total sales for the Group increased by 5% compared to the prior year's six-week period, an indication of improved market sentiment.

APPRECIATION

As always, I would like to express my sincere appreciation to my colleagues and our people for their dedication, hard work and loyalty during what has been another tough year. Your commitment remains the core strength of Cashbuild.

Thank you to our loyal customers and shareholders for your continued support. Thank you also to our industry partners, suppliers, contractors, formal and informal partners, for collaborating with us to ensure we continue enhancing our product and service offerings.

I extend my thanks to the Cashbuild Board for your firm support and valued advice during this financial year.

In closing, I extend my sincere thanks to Etienne for his invaluable support and positive contribution to Cashbuild during his tenure, particularly in his role as CFO. Enjoy your retirement! Although Hanré has big shoes to fill, I welcome him in this role, and I am sure he will add great value to the Group going forward and bring new ideas to the table.

Werner de Jager
Chief Executive Officer

2 September 2024

The Six Capitals

WHAT WE STRIVE FOR WITH THESE CAPITALS:

FINANCIAL

To generate sustainable profits which will enable the Group to expand and grow our business.

HUMAN

To ensure that our staff complement is diverse, motivated, skilled, ethical and safe. To invest in our people through creating opportunities for skills development and ensuring succession planning.

SOCIAL

To invest in the communities in which we operate. To ensure upliftment through the support of local entrepreneurs, creating local employment opportunities. To ensure that our procurement and supply chain management is in line with our ethical values to meet our customers' needs and expectations. To develop and empower our communities through learnership programmes and bursaries.

The interaction between the Six Capitals and the compliance to the UN SDGs are explained or indicated by using icons where applicable throughout the Integrated Report.

INTELLECTUAL

To ensure that the Cashbuild and P&L Hardware brands remain synonymous with quality service and product delivery.

MANUFACTURED

To expand our footprint and build stores responsibly to best serve our customers.

NATURAL

To minimise our impact on the environment and its resources and expect our stakeholders to do the same.

Our Business Model

INPUTS

FINANCIAL CAPITAL

- Risk management
- New opportunities
- Strategic planning
- Strong financial position
- Shareholder investments

HUMAN CAPITAL

- Internal recruitment processes
- Training and development
- Discipline
- Employee forums
- Code of Ethics
- Health
- Transformation
- Industrial relations

SOCIAL CAPITAL

- New store openings
- Free local customer deliveries
- Delivery driver programme
- Local brick and block makers
- Glass cutters
- Learnership and bursary programmes

INTELLECTUAL CAPITAL

- Experienced Board and Executive Management
- Cashbuild and P&L Hardware brands
- Process aligned to IT systems
- Registered trademarks

MANUFACTURED CAPITAL

- Procurement and supply chain
- Product responsibility
- Customer service
- Security and crime prevention
- Growing store footprint
- Local sourcing

NATURAL CAPITAL

- Energy and carbon management
- Water conservation
- Waste generation and recycling

OPERATIONS

PURCHASE OF STOCK

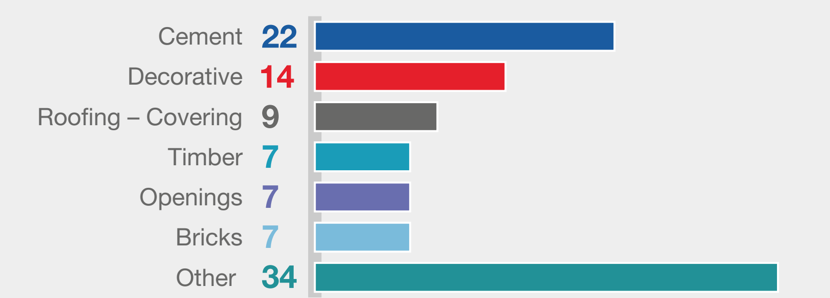
1 Suppliers

Using local suppliers, as far as possible, we strategically source quality building materials and associated products.

2 Products

Our product range consists of building materials such as cement, timber, bricks and associated products such as tools, hardware and plumbing.

PRIMARY PRODUCTS
(%)

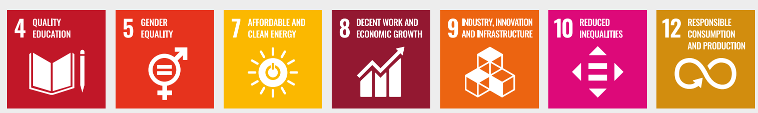


1. *Other primary products represents sales from products that are similar in nature and individually, contributes less than 6% to revenue.*

3 Stores

Our products are delivered directly to our stores to ensure that we minimise costs and that we are always in stock and ready for business.

UN SDGs



OUTPUTS | OUTCOMES

NATIONAL DIY RETAIL NETWORK

4 Customers

Our customers are building contractors, home improvers, farmers, traders and anybody looking for quality building material at the best value.

5 Online customers

Cashbuild has an e-Commerce and digital sales channel called CB Shopper and the VIC loyalty programme.

These are used to drive product-focused campaigns as well as enhance customer service.

6 Services

In addition to our in-store expertise, advice and assistance, we provide clients with a free local delivery service, an online store, credit services and various loyalty programmes.

7 Contractors

Cashbuild's policy of free local deliveries provides a value-added service to customers and directly supports local entrepreneurship and employment creation.

P&L Hardware offers a free local delivery service to its customers. These deliveries are done via our own fleet and drivers employed by the business.

FINANCIAL CAPITAL

Outputs
- Revenue growth
- Cost savings
- New, refurbished and relocated (where necessary) stores
- Informed shareholders
- Wealth created

Outcomes
- Increased profitability
- Market share growth
- Improved shareholder return
- Industry leadership

HUMAN CAPITAL

Outputs
- Skilled workforce
- Lower staff turnover
- Healthy staff morale
- Minimise injuries
- Increased employment of HDSAs
- Employee safety

Outcomes
- Considered employer of choice
- Attract and retain best people
- Staff experience and skilled workforce
- Profit sharing
- Improved HDSA management representation

SOCIAL CAPITAL

Outputs
- Create local employment opportunities
- Art@Heart (school donations)
- Support entrepreneurs

Outcomes
- Community upliftment
- Encourage entrepreneurship
- Improved brand loyalty
- Good corporate citizenship

INTELLECTUAL CAPITAL

Outputs
- Established management team
- Succession plan
- Trusted brands
- Efficient systems that enhance controls and reduce operational risks
- e-Commerce initiatives

Outcomes
- Increased market share
- Considered brand of choice
- Market knowledge and being ahead of the curve in terms of market trends and influences
- Increased sales and customer interaction through various initiatives

MANUFACTURED CAPITAL

Outputs
- Good quality products at best value
- No "grey" goods
- "Every day best value" – marketing
- Loyal customers
- Number of local jobs created/ supported through local sourcing

Outcomes
- Expanded stores and customer base
- Suppliers with same shared ethical values
- Continued safe environment
- Sustainable profits

NATURAL CAPITAL

Outputs
- Energy efficiency
- Low carbon footprint
- Reduced water consumption
- Ensure a clean environment

Outcomes
- Sustainable business practices

Our Group Structure

The Group's organisational structure differs from its operational reporting structure. The Group is organised into different operational areas each headed by an Operations Executive reporting to the Senior Operations Executive, who in turn reports to the Operations Director. The Operations Director and Operations Executives are members of the Executive Management Team.

Cashbuild

LISTED ENTITY

- Holding company
- Trading entities
- Dormant

100% CASHBUILD MANAGEMENT SERVICES (PTY) LTD

100%	Cashbuild (South Africa) (Pty) Ltd
100%	Cashbuild (Swaziland) (Pty) Ltd
100%	Cashbuild (Namibia) (Pty) Ltd
100%	Cashbuild (Botswana) (Pty) Ltd
100%	Cashbuild Zambia Ltd
80%	Cashbuild (Lesotho) (Pty) Ltd
51%	Cashbuild Lilongwe Ltd
100%	P&L Hardware (Pty) Ltd

OUR OPERATIONAL REPORTING STRUCTURE

CASHBUILD AND P&L HARDWARE

Shane Thoresson
Operations Director

Cashbuild

Ian Mc Kay
Senior Operations Executive: All Cashbuild Operations, including non-South African operations

P&L Hardware

Fanie Craggs
Trainee Operations Executive

OPS 1

Tyron Myburgh
(Operations Executive)
Mpumalanga, Limpopo, Gauteng and Botswana

OPS 4

Anton Hattingh
(Operations Executive)
Gauteng, KwaZulu-Natal, Namibia, Free State and North West

OPS 7

Mark Scholes
(Operations Executive)
Western Cape, Eastern Cape, Northern Cape, Free State and Lesotho

Customer Centricity, CSI and B-BBEE

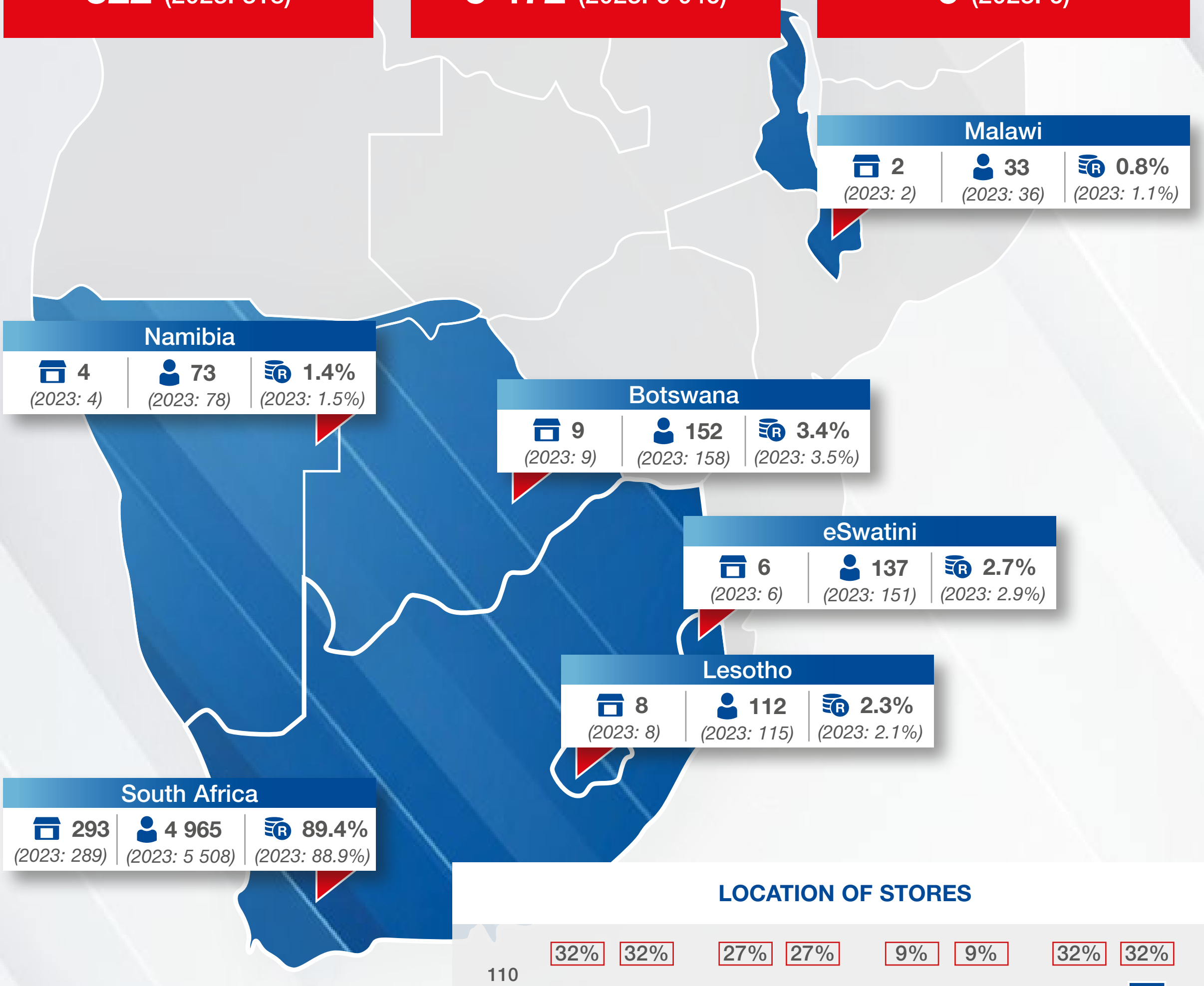
Disemelo (Mimi) Masala
Divisional Director Operations

Our Geographical Footprint

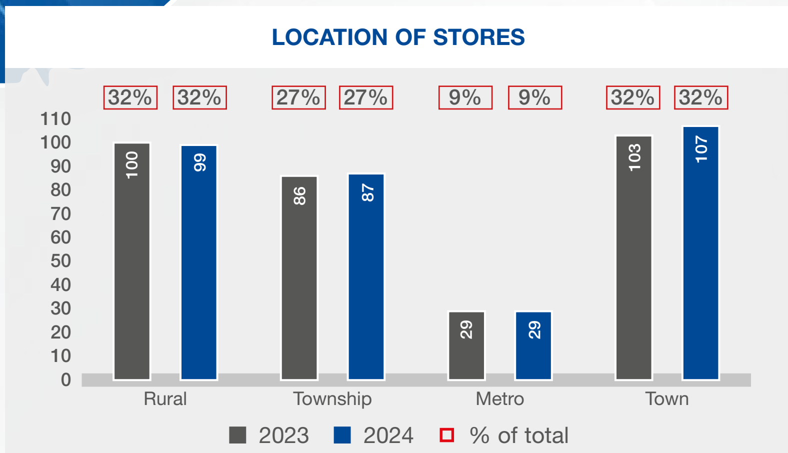
Cashbuild positions its stores to bring quality building materials at best value to communities and strives to enhance the community in which each store trades. Store locations are selected on the basis of in-depth feasibility studies and extensive stakeholder engagements.

We will, for the foreseeable future, continue our strategy of store expansion, relocation and refurbishment, in a controlled manner, after considering our continuously evolving feasibility process.

Total number of **STORES**	Total number of **EMPLOYEES**	Total number of **COUNTRIES**
322 (2023: 318)	**5 472** (2023: 6 046)	**6** (2023: 6)



Store number
Employee number
Revenue contribution



Our Stakeholders and Related Material Matters

OUR STAKEHOLDERS

Our key stakeholders are identified on the basis of Board deliberations, risk identification and other internal processes, as well as through feedback received at operational management level in the regions in which the Group's stores are located.

The diagram below illustrates the various key stakeholders and the type of interaction we have with them:

Cashbuild

SUPPLIERS, SERVICE PROVIDERS, SPECIALISTS AND INDUSTRY PARTNERS

- Strategic sourcing meetings
- Meetings and correspondence
- Industry conferences and functions

CUSTOMERS AND COMMUNITIES

- Direct community engagement at store openings
- Marketing surveys
- Customer care and feedback mechanisms
- Website and social media
- Advertisements
- Community participation

EMPLOYEES, LEARNERS, CONTRACTORS AND SUB-CONTRACTORS

- Employee forums
- Employee surveys
- Executive Management store visits
- Health, safety and wellness

forums

- Learnerships and bursaries
- Informal social meetings

LOCAL AND PROVINCIAL GOVERNMENTS AND REGULATORY BODIES

- National builders' forum
- Audit and related meetings
- Employment equity plan
- Tax compliance
- Reporting Covid-19 cases

JSE AND OTHER LOCAL AND INTERNATIONAL REGULATORY BODIES

- Business associations
- Written communications and presentations
- Sponsor presentations
- SENS announcements

SHAREHOLDERS, INVESTORS, ANALYSTS AND MEDIA

- Final and interim results presentations
- Investor roadshows
- Media interviews
- Annual General Meeting
- Investor relations consultant
- Newspaper articles
- Integrated Report

MATERIAL MATTER DETERMINATION PROCESS

Cashbuild defines material matters as those of relevance to address and report on, considering their significance to both the business and its stakeholders and their potential to affect Cashbuild's ability to create value over the short, medium and long term. This allows the Company to evolve its strategy and tailor its reporting to align with the interests and needs of Cashbuild's stakeholders, as well as those of the Group.

A material matters determination process is performed periodically to improve Cashbuild's disclosure/reporting. The review includes looking at sector trends, key stakeholder expectations and peer disclosures, in order to identify good practice and common material matters.

Below is a summarised description of the process undertaken.

RESEARCH AND ANALYSIS

The research and analysis were undertaken by looking at the following:

- Cashbuild's 2023 Integrated Report.
- Cashbuild's risk registers.
- Global and industry trends and risks.
- Peer/related company material matters.
- Media search.
- Emerging sustainability reporting standards.
- Stakeholder interaction.

EVALUATION AND REVIEW

The Executive Management Team discussed and evaluated the research and agrees on the material matters that impact the Group. A cross-check was performed against Cashbuild's strategic objectives, stakeholder matters, risks and capitals used to create value over the short, medium and long term.

PRIORITISING MATERIAL RISKS

The risks identified are linked to Cashbuild's strategic objectives and then grouped into themes. An exercise is then undertaken to prioritise Cashbuild's material matters. The themes are categorised based on management's view of the potential impact that these matters have on Cashbuild and its key stakeholders.

Based on the information obtained during the process, Cashbuild prioritises its material matters and reviews the ESG landscape from:

- a strategic perspective;
- linking business operations with the broader operating context, and making key connections with relevant ESG matters; and
- suggested alignments with global and industry ESG trends and drivers.

Refer to pages 38 to 43 for the Group's material risks and opportunities.

Our Stakeholders and Related Material Matters (continued)

MATERIAL MATTERS MANAGED BY CASHBUILD

The material matters identified are correlated with the Group's materiality determination and stakeholder engagement processes. The material matters that are managed by Cashbuild and which form part of the Group's strategy are:

1 FINANCIAL SUSTAINABILITY/STABILITY

Cashbuild's capacity to generate revenue in response to demand and changing customer expectations is crucial for business success.

For Cashbuild this means the ability to:

- continue to grow revenue in real terms;
- continue to expand the Group's footprint; and
- continue to grow productivity and profits.

Key materiality considerations

Global and industry trends

The home improvement trend has been declining since the lockdown restrictions were lifted. With the deterioration of the South African infrastructure, the building retail sector is expected to pick up as communities start fixing their own infrastructure, i.e. roads.

To attract and engage more customers, it is expected that retailers will aim to increase their footprint and attract new customers.

UN SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

Stakeholder needs/requirements

Investors:
Optimisation of Cashbuild's balance sheet, including the assessment of sources of funding and facilities, and planned use of excess capital, remains ongoing.

The continued execution of P&L Hardware optimisation and integration is crucial to ensure the brand is synonymous with quality.

Suppliers:
Forecasting and demand – regular forecasting meetings are valuable.

Impact on value

An increased footprint will have a direct impact on profitability, cost pressures and uncertainty.

It could also attract customers in higher bands, focused on buying responsible products.

Sustainable sourcing trends will in turn shape supply chain management.

The optimisation of the balance sheet will have a direct impact on financial sustainability.

Competing for visibility in the market and also keeping customers loyal to products and services will have larger impacts on value.

How Cashbuild is reacting to/managing this material matter

The following actions are considered a priority:

- The Board has reconfirmed the dividend policy, while also confirming the future use of Cashbuild's surplus cash.
- Continue to grow store base for both brands. This includes reviewing and critically analysing the existing store base on an ongoing basis, and strives to open, on average, 14 new stores per year.
- Several changes have been implemented at P&L Hardware to address performance. The main change was to the management structure and as a result, is managed by an operations executive reporting into the Group management structure.
- Higher LSM customers are attracted via the e-Commerce drive and within the e-Commerce channel, other value-added options will be made available such as exclusive on-line, high-end products and project management services (product and budget management). Future planned enhancements are based around customer requirements and attracting a new customer base.
- Execute in-store rollouts and refurbishments and/or upgrading of stores.
- Actively maintain strong relationships with suppliers.

Key stakeholders impacted	Investors and analysts	Suppliers	Employees and contractors	Regulators

2

HUMAN CAPITAL (TALENT)

People are a key resource that Cashbuild deploys. By optimising the return on human capital through talent management, i.e. developing a skilled workforce, Cashbuild supports good customer service.

By promoting a diverse and inclusive culture, Cashbuild is also positioned to attract and retain a bigger talent pool, increase employee engagement and trust.

Through diversity, the Group is able to gather new perspectives and innovation for better decision-making and improved performance, yielding stronger results and profits.

For Cashbuild this means the ability to:

- continue to develop a skilled workforce; and
- to prepare staff for changing customer expectations.

Key materiality considerations

Global and industry trends

Increased digitisation is compelling retailers to relook their strategies, focusing on both customers and people/talent. Retailers are being confronted with not only attracting and retaining customers, but also providing consistent customer experience.

Retailers are expected to plan and implement digitisation processes for their store level employees to support them in becoming more efficient.

UN SDGs impacted

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Stakeholder needs/requirements

Investors:
Ensuring fair wages and remuneration is top of mind and linked to ethical business practice; adopting a common approach to ESG is also seen as important to investors and other stakeholders.

Suppliers:
Employment of local labour and upskilling of employees is necessary from a procurement perspective.

Skilled staff and sustainable employment are expected to be in line with empowerment frameworks.

Impact on value

Retailers are using HR IT systems to enable more effective employee management in terms of monitoring training, promotion opportunities, etc.

Catering to customer needs and expectations will impact the bottom line, especially in the digitisation era.

Skills needed at the employee and leader levels have evolved, which in turn shapes training and development of staff, which also has direct links to costs.

How Cashbuild is reacting to/managing this material matter

Cashbuild has already embarked on a company-wide customer service improvement drive focusing on increased awareness and upskilling employees through various training and development programmes.

The Group's OHS initiatives are further supported by monitoring mechanisms.

Continue with learnerships at various levels (NQF 2, 4 and 5) ensuring we not only meet the Group's skills requirements, but also ensure longer term employability of individuals.

Continue with customer service, values and ethics training. Changing performance appraisal process to focus on required behaviours and competencies for now and future changing environment.

Cashbuild's B-BBEE contribution level and plans to improve this, are actively monitored.

Cashbuild already has a stated objective of employing local labour and, where skills exist, contract services are sourced within the communities we trade in.

Key stakeholders impacted	Investors and analysts	Suppliers	Employees and contractors	Regulators	Customers

Our Stakeholders and Related Material Matters (continued)

3 CUSTOMERS

To adapt to the "next normal" in customer experience, Cashbuild must diversify delivery mechanisms by injecting innovation into omnichannel, and online solutions. This, together with the organisation's footprint, will position Cashbuild to fast-track growth.

For Cashbuild this means the ability to:

- prepare for the next normal of the customer experience; and
- expand growth through new channels, for existing and new customers.

Key materiality considerations

Global and industry trends

To meet changing customer expectations, retailers are expected to forecast market trends, conduct strategic analysis and use location-based marketing.

They are also expected to have an integrated view and understanding of consumer behaviours.

UN SDGs impacted

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Stakeholder needs/requirements

Investors:
Cashbuild knows its customers well and as such, offers a service relevant to its customers while pricing remains important.

Suppliers:
Cashbuild needs to consider loyalty and who is giving them a better margin due to high competition in the rural areas – this requires fair and competitive pricing for customers.

Impact on value

Linked to supply and demand, improving supplier planning and forecasting could enable suppliers to be more efficient, agile and responsive to change.

Increased customer base, which will have direct impact on profitability.

Increased digitisation involves usage of data intelligence, working towards customer centricity, being agile, adding new value propositions, and being innovative, which in turn shapes the dynamics of supply and demand.

Competing for visibility in the market and also keeping customers hooked on products and services will impact value.

How Cashbuild is reacting to/managing this material matter

By planning to upgrade the current VIC programme and offering a VIC payment card which can be used across both Cashbuild and P&L Hardware stores. By partnering with respected institutions, their loyalty programmes will give Cashbuild access to a greater pool of loyal customers.

Using data partners to analyse customer profiles, will provide Cashbuild with better information on returning customers, currently at around 30%, which means that returning customers shop close to four times a year at Cashbuild. The Cashbuild Shopper profile and average basket value are showing improvements over the current total Group profile. Prize winner shopping patterns also indicate a high frequency of returning to stores to purchase more.

Cashbuild has also implemented a DIY YouTube channel and continues with its social media campaigns to enrich the knowledge of our customers. The focus is towards how to do something to ensure that it is done correctly to prolong use of the solution.

Cashbuild will further investigate actions that will focus on more sustainable products.

Key stakeholders impacted	Customers	Suppliers	Employees and contractors	Regulators	Media	Wider community

4 TECHNOLOGY AND DIGITISATION

Digital transformation, i.e. digitisation, is a priority for future-proofing Cashbuild's business model and enhancing customers' experience.

For Cashbuild this means the ability to:
- utilise digitisation to enhance customer experience;
- use technology and systems to continue process optimisation; and
- manage cyber risk threats.

Key materiality considerations

Global and industry trends

The retail sector has seen significant transformation from the traditional concept of brick-and-mortar purchase amongst consumers to increased mobile shopping and e-Commerce.

Globally, the introduction of smart technologies correlates to customer needs and expectations, which in turn shapes business models.

UN SDGs impacted

Stakeholder needs/requirements	Impact on value
Suppliers: Forecasting and product demand can be optimised using technology or digital tools.	Increased digitisation is expected to attract and engage more customers which will impact profitability. Increased digitisation will also impact sales personnel to assist customers in store. It is expected that the necessary IT infrastructure will require continuous software maintenance and upgrades, which can increase cost pressures and uncertainty. It will also likely increase exposure to cyber security threats. Competing for visibility in the market and also keeping customers hooked on products and services will be inevitable.

How Cashbuild is reacting to/managing this material matter

The Group's digital channel focuses on 24/7 availability to customers. Cashbuild's range of products are now available to people in all areas we trade in. Customers can have the "in-store" experience on their phones, thereby being able to purchase without travelling to a store.

The Group uses data analysis to enhance its advertising processes and also to measure advertising activities.

By developing and offering our customers a digital channel, such as Online and Chat commerce, we enhance our customers' own experience via these alternative shopping methods.

Cashbuild continuously investigates system enhancements, such as "mobile checkouts", to better facilitate the customer's "in-store" shopping experience. Additionally, we are upgrading the current customer delivery system to enhance delivery quality to and communication with the customer.

Organic growth in "internet" visibility leads to new, non-traditional Cashbuild customers. We are also working on digital means to enhance methods of directing customers to our stores and digital channel. Our focus on on-line exclusive products remains a priority.

Key stakeholders impacted	Investors and analysts	Customers	Suppliers	Employees and contractors

Our Stakeholders and Related Material Matters (continued)

5 SUPPLY CHAIN MANAGEMENT

To prepare Cashbuild's supply chain for the future, the Group aims to understand existing and potential vulnerabilities of the supply chain, including upstream suppliers, and reassess supply networks if and when the need arises.

For Cashbuild this means the ability to:

- understand potential vulnerabilities in the supply chain;
- diversify Cashbuild's supply base;
- manage supply chain transparency and traceability of product(s); and
- implement process automation to streamline procurement.

Key materiality considerations

Global and industry trends

Global supply chain networks are transitioning through a period of intense change. Covid-19 acted as a catalyst for businesses to review and prioritise strategies around building more resilient supply chains that are fit-for-purpose in the context of increasing geopolitical volatility and pressures around ESG.

It is expected that retailers will face increasing pressure for transparency regarding their ESG standards and targets, including supply chain management.

UN SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Stakeholder needs/requirements

Investors:
Sustainability within Cashbuild's supply chain is top of mind.

The assessment of ESG and OHS risks within supply chain management, together with progress made towards localisation of supply chain should be prioritised.

Suppliers:
Supply chain and procurement is top of mind, along with the streamlining of waste management.

Here the aim is ultimately to reduce waste by working toward circularity and managing Cashbuild's environmental footprint.

This requires strategic partnerships and is linked to responsible sourcing and supplier engagement.

Impact on value

Developing credible, realistic and measurable ESG commitments that address sustainability, including supply chain and wider societal issues is essential and will have a longer-term impact on value.

Rethinking Cashbuild's supply chain/delivery model to meet the demand and expectation of stakeholders will have a direct impact on profitability and long-term viability.

How Cashbuild is reacting to/managing this material matter

Cashbuild now provides supplier forecasting for longer periods due to product supply shortages and delays. Specific forecasts are also considered from specific suppliers.

Cashbuild supports suppliers where they manufacture more eco-friendly products, and where feasible, we adopt these products into our product ranges. Recent examples are an eco-friendly tile and our procurement from an eco-friendly brick plant.

We continuously review both products and packaging with suppliers to reduce waste. An example is nails, which are now supplied in re-usable containers.

Another focus area being considered is improving transparency of our supply chain where we are requiring suppliers to disclose the conditions under which the products are produced.

Key stakeholders impacted	Investors and analysts	Suppliers	Customers	Employees and contractors	Wider community

6 SOCIO-ECONOMIC IMPACT

Cashbuild creates a wide range of local socio-economic impacts through its operations, its relationships with suppliers, local businesses, customers, and in the wider economy. Direct, indirect and wider impacts like supporting and enabling communities to renovate/build and improve resilience through jobs created or local taxes paid, local businesses supported, and social impact from community partnerships, respectively, are just a few examples of how Cashbuild achieves this.

Importantly, Cashbuild operates within a context, and issues around the impacts of a high unemployment rate, for example, continue to be considered, in order to manage the associated risks like crime or social unrest that could affect Cashbuild's assets and infrastructure.

For Cashbuild this means the ability to:

- make a positive impact through our operations, our relationships with suppliers, local businesses, customers, and in the wider economy;
- create direct, indirect and wider impacts enabling communities to renovate/build; and
- assist in improving resilience through jobs created and local taxes paid.

Key materiality considerations

Global and industry trends

Like other key sectors, building retailers continue to face challenging stakeholder expectations together with Government regulations seeking to enhance transformation, job creation and taxes paid/received.

Communities, frustrated with rising unemployment, inequality and poor service delivery, turn increasingly to private sector employers to meet their expectations or resort to crime.

Organised labour is also seeking to meet its mandate of securing better conditions and higher wages for members from a sector facing other significant challenges.

UN SDGs impacted

Stakeholder needs/requirements

Investors:
Remuneration; progress made towards transformation and empowerment within the business; and monitoring and reporting of OHS within Cashbuild's operations are a key focus area.

Suppliers:
Awareness of the social compact in areas of operation is important – understand your communities, price accordingly given the context, and ensure sustainable employment in line with empowerment frameworks.

Transformation is a key issue – engage with suppliers to agree on areas of interaction; and focus on employment of local labour and upskilling of employees (transferable skills) from a procurement perspective.

Impact on value

Stakeholder expectations and Cashbuild's response to them will have a significant impact on legal considerations, and the organisation's social licence to operate, which in turn could impact investment decisions and profitability.

Supporting communities to renovate/build will have impacts on the Group's bottom line.

Crime and social unrest exposes the business assets and infrastructure to damage.

How Cashbuild is reacting to/managing this material matter

Cashbuild has a documented three-year Employment Equity plan with focused developmental plans for identified individuals via our Management and Executive Development Programmes.

Cashbuild will continue to offer bursaries to previously disadvantaged individuals. These individuals are also placed on the Management Development Programme once they have completed their studies.

Cashbuild continues to enforce existing policies relating to local employment. This entails constantly focusing on employing local contractors, wherever possible, during store development projects as well as placing emphasis on existing contractors on store development projects. To enforce both upskilling and development of local labour, evidence has to be provided if sub-contractors are used.

Cashbuild will continue with ongoing training of unemployed people within the areas we trade through its NQF2 learnership.

Cashbuild maintains both preventative, reactive and detective measures to minimise the impact of crime and social unrest on business, staff and customers.

Key stakeholders impacted	Investors and analysts	Customers	Suppliers	Employees and contractors	Wider community	Regulators	Media

Our Stakeholders and Related Material Matters (continued)

7 PRODUCT SUSTAINABILITY AND RESPONSIBILITY

Distinguishing a "sustainable" product from one that is not, is a challenge that extends far beyond the traditional scope of product development.

Considerations include the breadth of scope of sustainability issues, many of which are beyond Cashbuild, or even a supplier's control. A large amount of information is required to evaluate product sustainability; and difficulty in quantifying the societal and ethical aspects of sustainability.

As such, Cashbuild procures regulator quality products (e.g. SABS approved products), products which adhere to predetermined safety and quality standards, and those that were produced by and/or support efficient and renewable energy consumption.

Obtaining risk, quality, health and safety, and sustainability-related information about products is a priority for Cashbuild.

For Cashbuild this means the ability to:

- distinguish a "sustainable" product from one that is not;
- only procure and sell quality products approved, where applicable, by regulators; and
- obtain risk and quality, health and safety, and sustainability-related information about products.

Key materiality considerations

Global and industry trends

Increased consumer awareness for sustainable products is expected to add pressure for retailers to improve their sustainability performance.

Investors are increasingly demanding more action and visibility in terms of ESG performance, and the terms of corporate finance increasingly hinge on the outcome of ESG analysis.

Retailers will be pressured to pursue actionable outcomes to reduce carbon emissions amongst other goals.

UN SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Stakeholder needs/requirements

Investors:
Cashbuild's response to ESG risks and impacts that climate change may have on its operations; reporting of targets and metrics associated with waste, water, energy and GHG emissions are top of mind.

Suppliers:
Continually ensure that product quality and range are relevant across all Cashbuild and P&L Hardware stores.

Looking for cheaper and sustainable alternatives to packaged products is also a focus area for suppliers.

Impact on value

Changing consumer behaviour has an impact on demand for products and in turn profitability. Increased demand for sustainable products is expected to have an impact on long-term value.

Developing credible, realistic and measurable ESG commitments that address sustainability and wider societal responsibilities is essential for value creation.

How Cashbuild is reacting to/managing this material matter

Cheaper products are only considered when their purpose and required quality meets the requirements for the intended use. Cashbuild complies with legislation and was one of the few retailers that removed incandescent globes from our range and shelves by the required date.

Cashbuild constantly searches for approved alternative products that are both cheaper and more sustainable, provided that it adheres to both the building regulations, where applicable, and the strategic product range of the Group. Although we are not market leaders with alternative building methods, we ensure that we stay abreast of the latest developments and alternatives for implementation when appropriate.

Where specific standards are required for a product range, i.e. SABS for electrical items, we ensure that we comply. We will not sell non-SABS electrical products. Where possible Cashbuild is moving away from single-use packaging, i.e. nails are now in re-usable containers. Where suppliers are able to move away from solvent-based products such as paint, to water-based, we will actively range such products in our stores and educate customers on the benefits.

All products that require warning labels are monitored to ensure that we comply with all legal requirements.

Cashbuild's management is actively investigating current water usage, waste generation and energy emissions and other environmental impacts to establish targets for the future. To ensure a common view and approach to ESG within the Group, this will extend to targets and goals impacting on executive remuneration and incentives in the near future.

Key stakeholders impacted	Investors and analysts	Customers	Suppliers	Regulators

8 GOVERNANCE

A hybrid of consumer and regulatory pressure will require ESG to be integrated into all business processes. Good governance should form the cornerstone of all business decisions and conduct.

Considerations like accountability, transparency reward, i.e. remuneration, responsible citizen participation and policies that promote a strong code of ethics are important.

Within the South African context, good and inclusive governance to combat corruption within Cashbuild's value chain and operating context is also an imperative for the future – Cashbuild's response to breaking the rule of law should remain unwavering and its response to public affairs strategic in order to maintain the credibility and integrity of the business.

For Cashbuild this means the ability to:

- integrate ESG into all business processes; and
- promote a strong code of ethics through accountability, transparency and appropriate policies.

Key materiality considerations

Global and industry trends

Globally, retailers are faced with issues relating to ethical supply chains and logistics impact as well as ethical business and labour practices.

With increasing digitisation, concerns regarding customer privacy and data security are increasingly dominating the sector.

Regulatory bodies and associations on both the legislative and industry level are pushing companies to source, develop, package, and distribute products, with sustainability at top of mind driving potential taxes and fees.

Most retailers don't have visibility at board level of what consumer expectations are around ESG, particularly the governance issues.

UN SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Stakeholder needs/requirements

Investors:
Continued commitment to King IV™ and corporate governance best practices; governance in terms of policies and measuring; and monitoring KPIs are important.

Suppliers:
Cashbuild always fulfils its commitment, thus building trust; once a commitment is made, it is important to demonstrate and disclose on performance to ensure transparency.

Ethics (rules, regulations and "employment issues" is also top of mind for suppliers.

Impact on value

Environmental and social practices of a firm increasingly affecting consumers choice to buy from retailers, has a direct impact on value.

Retailers need an intelligent costing solution to support material transparency in a sustainable world.

How Cashbuild is reacting to/managing this material matter

Continued commitment to King IV™ and corporate governance best practises.

Cashbuild is currently investigating incorporating ESG elements into its Short Term Incentive Scheme for executive management.

Cashbuild ensures remuneration remains market-related through ongoing surveys and benchmarking exercises.

Addressing the wage gap by, amongst other, implementing a different cost-of-living increase model for executive management and directors, who receive a lesser percentage increase than other staff.

Key stakeholders impacted	Customers	Suppliers	Employees and contractors	Wider community	Regulators	Media

Our Stakeholders and Related Material Matters (continued)

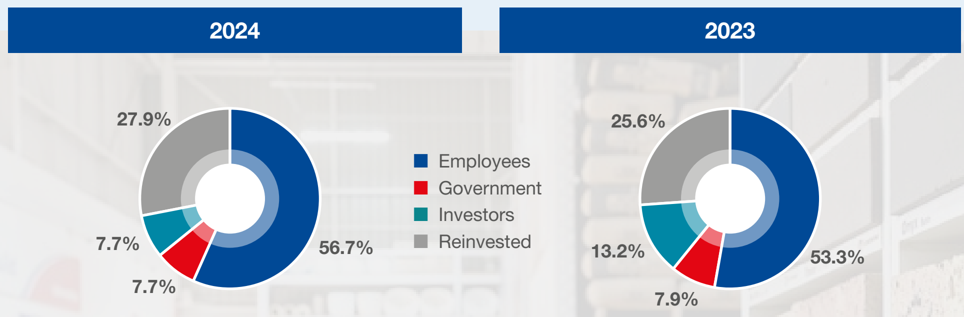
VALUE-ADDED STATEMENT

A measure of the wealth created by Cashbuild, for various stakeholders, is the amount spent on the cost of goods and services provided, the remuneration paid to its employees, money paid to providers of equity and debt, taxes paid to Government and capital reinvested in the Group.

R'000	**30 June 2024**	% of total	25 June 2023	% of total
Revenue	**11 191 654**		10 653 193	
Less: Cost of merchandise	**(9 421 175)**		(8 805 138)	
Value-added from trading operations	**1 770 479**		1 848 055	
Interest received from investments	**113 558**		100 777	
Total wealth created	**1 884 037**	100.0	1 948 832	100.0
Allocated as follows:				
To employees – salaries and benefits	**1 069 047**	56.7	1 038 976	53.3
To Government – company taxation	**144 294**	7.7	153 284	7.9
To providers of capital:	**145 666**	7.7	257 781	13.2
▪ Dividend to shareholders	**145 806**	7.8	249 167	12.8
▪ Interest on borrowings	**886**	–	58	–
▪ Minorities' interest	**(1 026)**	(0.1)	8 556	0.4
Wealth distributed	**1 359 007**	72.1	1 450 041	74.4
Retained for re-investment in the Group	**525 030**	27.9	498 791	25.6
▪ Depreciation, amortisation and impairment of property	**569 356**	30.2	567 410	29.1
▪ Income retained in the business	**(44 326)**	(2.3)	(68 619)	(3.5)
Total wealth distributed and reinvested	**1 884 037**	100.0	1 948 832	100.0

Statistics	**30 June 2024**	Change %	25 June 2023
Number of employees	**5 472**	(9.5)	6 046
Wealth created per employee (R'000)	**344**	6.8	322
Wealth distributed per employee (R'000)	**248**	3.6	240
Revenue per employee (R'000)	**2 045**	16.1	1 762

WEALTH DISTRIBUTED AND REINVESTED



Our Strategy

Cashbuild has identified a number of strategic business imperatives based on identified risks and opportunities, aimed at maximising the profitability and sustainability of the Group in the medium to long term. Cashbuild continuously reassesses its short and medium-term strategy to ensure that the majority of business risks and material matters are addressed.

OUR STRATEGIC BUSINESS IMPERATIVES

The key strategic initiatives, derived from business strategy, risks and opportunities, approved by the Board are:

- Sustainable customer base and customer loyalty
- Increased market share and continued customer growth
- Stable operating environments
- Internal excellence (people, processes, systems)
- Strategic relationships and partnerships
- Good governance and controls
- Staying ahead of the competition
- Store growth
- Supplier loyalty

WHAT IS MOST IMPORTANT TO OUR STAKEHOLDERS

- Availability of goods
- Excellent service
- Sustainability of community initiatives
- Good governance and compliance
- Clear and transparent reporting
- Growth of total shareholder returns
- Local employment opportunities
- Development and growth opportunities
- Economic empowerment and transformation
- Free local delivery

Naturally, no organisation operates in isolation and these strategic imperatives are therefore influenced directly and indirectly by the broader macroeconomic environments in which the Group operates. The Group invests significant time and effort to understand the complexities and potential impacts of these environments in order to place itself in the best possible position to deal with future events and the uncertainties that these might create.

STRATEGY FOR CORPORATE SUSTAINABILITY

In the broadest possible sense, sustainability is defined by Cashbuild as "maximising the Group's chances of continued profitable existence into the future". More specifically, and borrowing from the established definition of sustainable development, it can be defined as the utilisation of current resources without being detrimental to future generations.

For Cashbuild, the concept of sustainability is not limited to the Group's impact on investors, society and the environment, but also includes the impact of social and environmental considerations on the Group's ability to continue sustaining itself and supporting those individuals and organisations that depend on its success.

The value created by the Group is certainly not limited to financial returns, but also includes the somewhat less tangible value that the Group adds through its operations to the communities in which its stores are located, as well as the value that can be created through mitigation of the Group's environmental impacts (for example through emissions reduction initiatives). These various measures of value, and the interdependencies that they represent, all play a significant role in the Group's efforts to grow and develop into the future.

The broader external environment in which the Group operates, including the various macroeconomic and geo-political factors identified elsewhere in this Report, will of course influence the Group's attempts to create value for its stakeholders.

In response, Cashbuild will continue to proactively monitor these factors and take the required action, where necessary.

In developing any sustainability-related initiatives, the Board and Executive Management Team adopt a prudent approach. We ensure that the interests of Cashbuild and any of its key stakeholder groups are carefully considered in the decisions taken or strategies implemented by the Group.

Our Material Risks and Opportunities

RISK GOVERNANCE

The Board takes full responsibility for the governance of risk within the Group. This duty, confirmed in the Board Charter, is discharged by respective oversight committees such as the Audit and Risk Committee, IT Governance Committee and Social and Ethics Committee.

Risk Management, which is an integral component of Risk Governance, is an inherent function performed by all members of the Group's Management in compliance with directives contained in the Risk Management Framework approved by the Board via the Audit and Risk Committee. This function is managed and administered by the Group Risk and Audit Executive who has a dual reporting line to both the Group Chief Executive Officer and the Group Audit and Risk Committee.

The encompassing governance of risk is aligned with the Group's business strategy, core values, Code of Ethics, policies and procedures. This is ensured through the overview function performed by the Audit and Risk Committee which includes an annual review and approval of updates of the Risk Management Framework and Policy, and quarterly assessment of compliance thereto. The Audit and Risk Committee performs oversight on the execution of risk management service delivery as directed by the Risk Management Framework and Policy by:

- Assessing the outcome of risk identification, assessment and reporting.
- Ensuring that an inclusive view of business risks is maintained which includes opportunities in addition to potential hazards and uncertainty impacting business objectives.
- Ensuring that the approved Group Risk Appetite and Tolerance Framework remains relevant, updated and consistently applied.
- Questioning management's response to identified risks and monitoring progress against applicable action plans.
- Considering the relevance and adequacy of external factors identified as having an influence on business objectives and risks.
- Providing guidance and direction on the execution of risk management principles as contained in the Risk Management Framework and Policy.

Key to the success of Risk Governance is the performance of an independent assessment of the Risk Management Policy and Framework, and execution thereof. Such independent assessment is conducted once every five (5) years with recommendations for improvement stemming from such assessment receiving the appropriate consideration.

The success of the Group's Risk Governance is evident in the ability to communicate and disclose to stakeholders the extent of identified risks having a potential impact on the business and actions taken to mitigate the likelihood and impact of these risks occurring with due reference given to the approved risk appetite and tolerance framework.

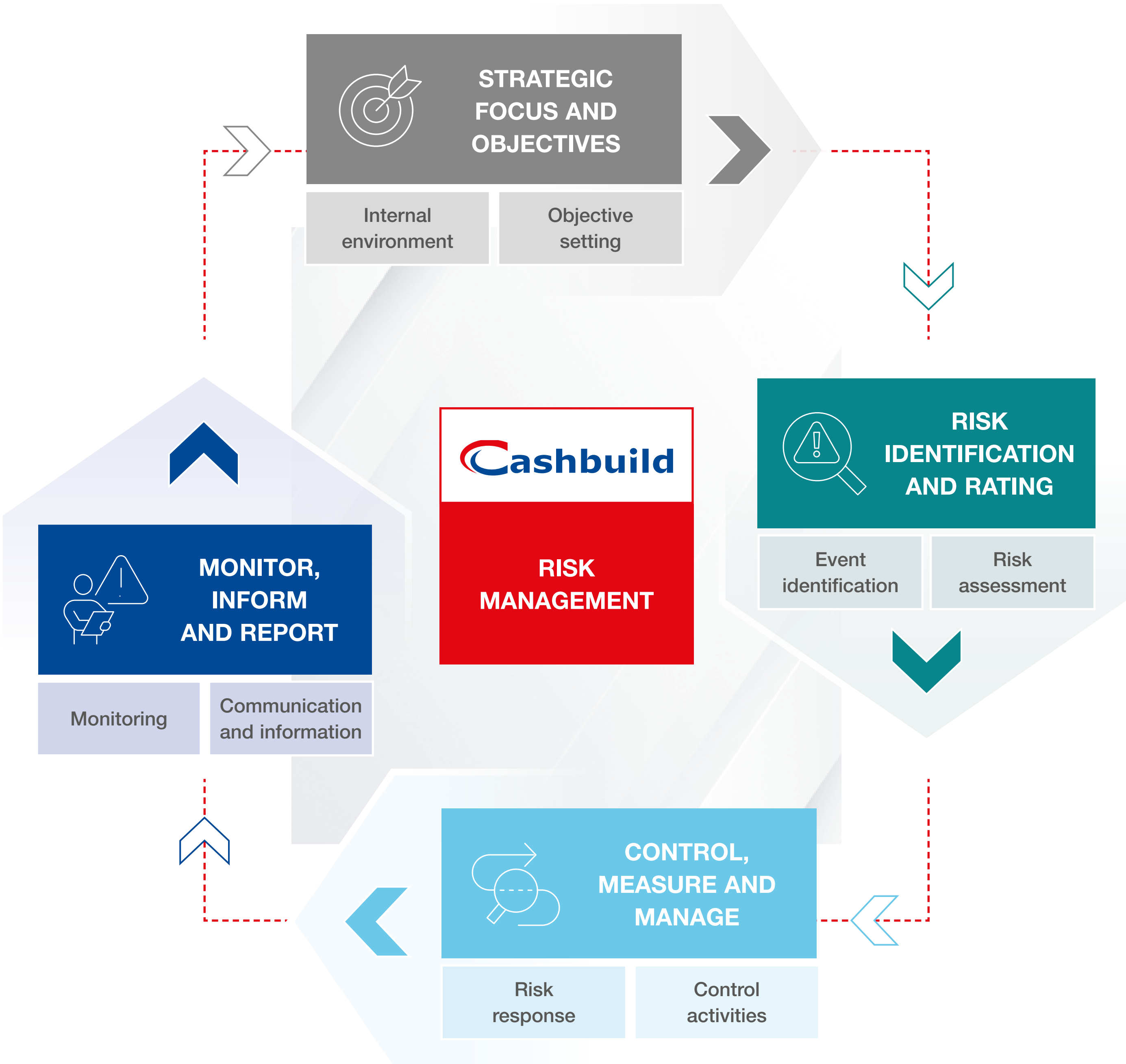
RISK MANAGEMENT PROCESS AND FRAMEWORK

Enterprise Risk Management and Compliance is a formal response to address corporate and external risks that may hamper the achievement of Cashbuild's strategic objectives. The Executive Management Team takes responsibility for managing Cashbuild's key material risks and its members follow a structured approach on an annual basis to revisit and determine the relevant material matters that could affect Cashbuild's ability to create value.

The Audit and Risk Committee assumes the oversight responsibility in this regard, and as such considers and approves the material risks prior to presenting it to the Board for its endorsement.

The risk management process also prioritised ESG matters, identified by Cashbuild, according to the impact on stakeholders and the impact on Cashbuild.

The ongoing risk management process illustrated on this page is discussed in the Audit and Risk Committee Report on pages 101 to 105 of this Integrated Report.



Our Material Risks and Opportunities (continued)

MATERIAL RISKS

Group material business risks identified are correlated with the Group's strategic imperatives and risk appetite and tolerance framework. During this financial year, Cashbuild has improved the business risk identification process. The business risk identification process takes due cognisance of materiality determination and the stakeholder engagement processes. The Top 10 material risks identified, are reviewed on a continuous basis and managed by the Executive Management Team.

The table below sets out the Group's top risks as at 30 June 2024 and are ranked in order of risk level:

2024 No	2023 No	Status	Risk	Strategic imperative	Mitigation plan
1	5		Cost of the current store model under strain.	Financial Sustainability	▪ Proactive roll-out of SMS model (small model store). ▪ Find locations with reduced rental cost and relocate identified high risk stores. ▪ Improving the staffing model to improve management of cost. ▪ Utilise a dedicated site-finding manager to assist with identification of potential new sites. ▪ Address rental increases, repairs and maintenance, and improve management of cost of new development (capex).
2	2		Economic challenges placing strain on achievement of business objectives.	Financial Sustainability	▪ Continued monitoring of the macroeconomic indicators and trends. ▪ Adapting business plans to take cognisance of the changing trading environment and associated risks. ▪ Focus on core strengths and execution of business models.
3	4		Cyber security threat.	IT	▪ Regular review of Information System Management systems, processes and controls based on the International Standard ISO/IEC 27001, including an incident response plan. ▪ Maintaining a comprehensive security posture that includes a combination of technologies such as firewalls, endpoint protection, intrusion prevention, access controls as well as cyber threat and vulnerability monitoring. ▪ Maintain and update processes and controls on a continuous basis. ▪ Continuous programme of increased cyber security awareness training.
4	3		Potential loss of market share.	Growth/ Investment	▪ Improvement of the Group's operating model. ▪ Improving product range. ▪ Ensuring every day lowest prices (EDLP) on top 40 product category. ▪ Negotiating better prices with relevant suppliers to ensure better costing and maintaining margins. ▪ Capitec project providing loans to qualifying customers. ▪ Initiating special projects managed by various executives aimed at broadening and improving service to the target market.

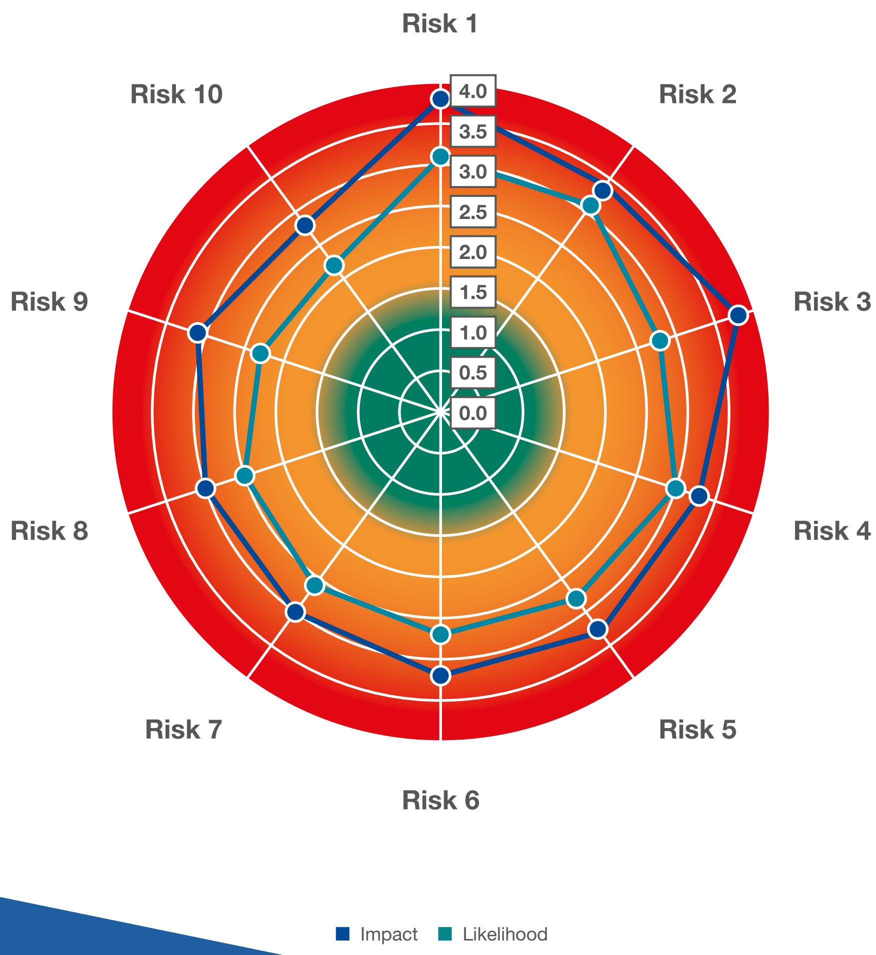
2024 No	2023 No	Status	Risk	Strategic imperative	Mitigation plan
5	1	Medium	Lack of store growth.	Growth/ Investment	▪ Open four traditional Cashbuild stores and 10 Cashbuild SMS (Small Model Stores) per annum. ▪ Make existing P&L Hardware stores profitable and/or convert stores to SMS model prior to opening new stores. ▪ Deploy a dedicated site finder that will focus on timely identification and assessment of potential new sites and investment opportunities.
6	26	Medium	Legal and regulatory requirements.	Governance, Legal and Compliance	▪ Keep abreast of this increasingly complex technical area with high levels of legislative changes and new legislation impacting business taking place. ▪ Appointment of a dedicated Compliance Officer tasked with mitigating this risk. ▪ Increase awareness of legal and regulatory requirements.
7	23	Medium	Customer affinity in marketplace is dwindling.	Financial Sustainability	▪ Due attention and focus to be placed on Cashbuild's VIC process, the Capitec Live Better programme, and developing a retail loyalty programme. ▪ Operations and Marketing establishing customer loyalty objectives and related action plan.
8	18	Medium	Sub-optimal application of Cashbuild loyalty programmes.	Growth/ Investment	▪ Increase awareness of VIC loyalty programmes through improved communication and relationship management with customers. ▪ Improve execution of existing policies to attract and retain qualifying customers. ▪ Improved tracking of customer rand value spent and spending trends of repeat customers.
9	6	Medium	P&L Hardware investment not meeting expected returns.	Growth/ Investment	▪ Significant changes are being implemented to improve efficiency and effectiveness of business.
10	NEW	Medium	Potential opportunities missed through inadequate emphasis on innovation and continuous improvement of inherent processes, methodology, and management style.	Operational Sustainability	▪ Driving a culture of motivation, innovation and improvement of processes, policies and procedures in a proactive but controlled manner. ▪ Consider new ideas and stimulate "out of the box" thinking and proposals for improvement.

Status

High	Medium	Low
(determined by probability and likelihood)	(determined by probability and likelihood)	(determined by probability and likelihood)

Our Material Risks and Opportunities (continued)

THE TOP 10 MATERIAL RISK DIAGRAM



Ranking	Material risk	Category	Risk impact	Risk likelihood	Residual risk
1	Cost of the traditional store model under strain.	Financial Sustainability	3.8	3.1	11.7
2	Economic challenges placing strain on achievement of business objectives.	Financial Sustainability	3.4	3.1	10.7
3	Cyber security threat.	Information Technology	3.8	2.8	10.5
4	Potential loss of market share.	Growth/Investment	3.3	3.0	9.9
5	Lack of store growth.	Growth/Investment	3.3	2.8	8.9
6	Legal and regulatory requirements.	Governance, Legal and Compliance	3.2	2.7	8.6
7	Customer affinity in marketplace is dwindling.	Financial Sustainability	3.0	2.6	7.9
8	Sub-optimal application of Cashbuild loyalty programmes.	Growth/Investment	3.0	2.5	7.5
9	P&L Hardware investment not meeting expected returns.	Growth/Investment	3.1	2.3	7.3
10	Potential opportunities missed through inadequate emphasis on innovation and continuous improvement of inherent processes, methodology, and management style.	Operational Sustainability	2.8	2.2	6.1

Key

High risk

Medium risk

Low risk

Our Material Risks and Opportunities (continued)

MACROECONOMIC CHALLENGES AND CONCERNS

The following table details the macroeconomic challenges and concerns relevant to Cashbuild's operations and activities, taking into account social and environmental risks as well as key concerns of various stakeholder groups.

Challenges/concerns	Potential impact	Probability	Response	Outcome
Current constrained economic conditions in the areas we trade.	Medium	High	Protect market share with competitive pricing and stringent cost control.	Six (6) new stores opened. Two (2) Cashbuild stores closed. Group gross profit margin decreased to 24.7% (2023: 25.4%).
High unemployment in the areas we trade.	Medium	High	By opening new stores, Cashbuild employs between 14 and 20 employees per new store.	863 new employees were employed in the current year. However, with retrenchments, dismissals, abscondments, retirements and resignations, the permanent workforce reduced by 574 people.
Macroeconomic developments such as exchange rate volatility, credit rating fluctuations and global economic slowdown.	Medium	High	Monitoring purchase price inflation and imported cement prices.	Purchase price inflation remains high. We only procure imported cement from reputable suppliers where local suppliers are not competitive (Western Cape).
Skills shortage (including attraction, retention, and inadequate or sub-standard education and skills development).	Medium	High	Through Cashbuild's training courses as well as Learnership and Bursary Programmes, we uplift and empower our employees who are keen to further their skills and qualifications.	During the current financial year 3 756 (2023: 5 685) employees attended training courses. Learners employed: ▪ 25 NQF Level 2 learners ▪ 31 NQF Level 4 learners ▪ 4 Students awarded bursaries
Water and electricity supply interruptions, as well as political instability.	High	High	Water and electricity supply interruptions continue to hamper trading conditions.	Generators have been in place to minimise the impact of loadshedding and water tanks installed to counter water outages. The year under review: ▪ 99 social unrest incidents compared to 244 in the previous year. We place the lives of our staff above assets and do not open stores in instances of community unrest. ▪ 105 retail days lost compared to 265 in the previous year. ▪ R7.8 million in estimated potential lost sales and damages compared to R24.3 million in the previous year.

OPPORTUNITIES

Cashbuild's sustainable business model incorporates the identification of opportunities such as store expansion, relocation and refurbishment, customer growth and other opportunities.

The communication models incorporate factors as diverse as regional demographics, specialised retail advertising and corporate branding partnerships, all of which enable the Group to accurately develop, predict and take advantage of market trends, and thereby exceed customer expectations.

Store expansion, relocation and refurbishment

A critical element in the achievement of our strategic objectives is a sustained and sustainable increase in the number of Cashbuild stores, as well as the physical location of each store within its catchment area. As a result of the current downturn in economic activity as well as lack of new shopping developments, Cashbuild has revised its objective from opening on average 10 new stores per annum to opening four (4) traditional Cashbuild stores and 10 Cashbuild SMS (Small Model Stores) per annum. These additional stores are approved on the basis of identified locations showing clear potential to meet strict financial and operational criteria. Furthermore, from a human resources perspective, investment in a new store requires significant operational and store management experience to be available within the Group for deployment into new locations.

The Cashbuild store base is reviewed and critically analysed on an ongoing basis, particularly as and when leases are due for renewal. A decision is then made on whether to extend the lease, or relocate to a site with greater potential, or when deemed not viable to continue operating from a particular store, not extend the lease and close the store.

With regard to store refurbishments, Cashbuild's strategy is to refurbish and/or upgrade all stores on a rolling six-year basis. During the 2024 financial year, 20 stores consisting of 18 Cashbuild stores and two (2) P&L Hardware stores (2023: 20 stores) were refurbished.

With regard to store relocations, during the 2024 financial year, one (1) Cashbuild store was relocated (2023: none). As in the case of new store openings, store relocations are only required when a store is relocated to a better trading area when the current location no longer meets the strict financial and operational criteria.

E-Commerce and digital channels

Cashbuild's e-Commerce and digital channel initiatives continue to be very successful, given the demographics of the Group's customers. For more information on these initiatives, refer to page 44 of the Integrated Report.

Rest of Africa expansion strategy

Cashbuild has an Africa expansion strategy, however the process of opening a store cross border remains extremely onerous and time-consuming. The Group operated 29 (2023: 29) stores outside of South Africa.

Opportunities to expand further into the rest of Africa will continue to be carefully considered and their viability assessed, as and when they become evident.

Customer growth

Cashbuild's customer model is one that encourages and enables communities to build, renovate, repair and decorate their homes and businesses throughout southern Africa.

The Group prioritises and actively supports the work of local councils and other local Government bodies to build schools, clinics and housing in every community in which it trades.

It is clear from the decline in the number of transactions, that the number of customers is declining. This is particularly evident in the decline of retail customers, which can be attributed to the challenging macroeconomic conditions, both in South Africa as well as neighbouring countries. The decline in the customer base is also as a result of increased competition in the Cashbuild and P&L Hardware markets, with significant competitive trends in the market relating to pricing and quality of product.

In order to combat these negative trends, the Group has reviewed the product ranges in many categories and is aggressively advertising reduced pricing in a number of the major categories with specific focus on the category driving stock keeping units (SKUs). Product quality is constantly being reviewed and changes are made to ensure that the ranges are fit-for-purpose. The Group is also actively pursuing alternative products within categories in order to offer its customers more affordable alternatives.

There has also been a major focus on growing the alternative sales channels in the business and good progress has been made in this regard. These methods are continually being refined and will continue into the future.

The "Be Great" customer service programme, introduced in 2018, continues and aims to improve customer service through positive "word-of-mouth" advertising.

Our Intellectual Capital

Investment in the Group's Intellectual Capital is intended to ensure that we continue to grow the Group's market share across all regions.

OUR BRANDS AND TRADEMARKS

Our aim is to ensure that our brands are synonymous with quality service and product delivery. Thus, enabling us to be the preferred DIY and building materials retailer in southern Africa whilst growing our customer base.

Our main trading brands are:

Cashbuild | P&L Hardware

Our main product brand is:

CHAMPION

IT SYSTEMS

Information technology is critical to the strategic transformation and organisational performance of Cashbuild. The Group strives to ensure that the IT application systems are bespoke, well suited and maintained to adequately support and enhance the Group's operating, reporting and management requirements. The P&L Hardware IT system is effective in its reporting and monitoring of stock levels.

The knowledge and systems that we employ in order to generate returns for our shareholders are key to our business.

E-COMMERCE AND DIGITAL CHANNEL INITIATIVES

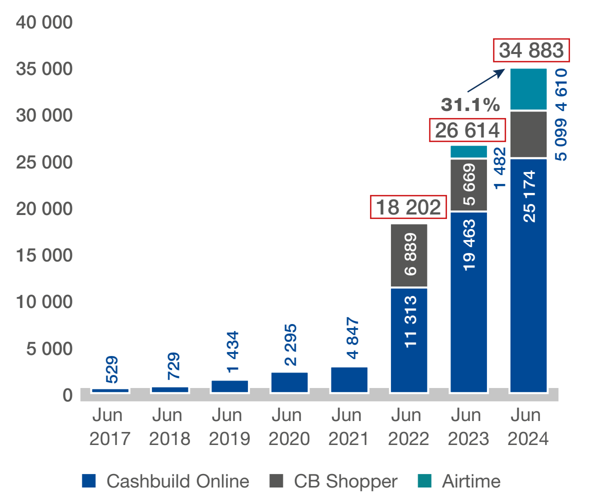
In getting to know our customers better and improve direct communication, Cashbuild launched the CB Shopper customer loyalty programme in October 2018. This requires customers to provide their cell phone number at point of sale which has allowed us to analyse transactions and conduct focused marketing campaigns.

The Group has close to 7.2 million (2023: 6.2 million) unique cell phone numbers in its CB Shopper database. This digital platform is used to reward our loyal customers. Each registered CB Shopper has a chance to win their share of R50 000 worth of prizes on a monthly basis each time they shop at a Cashbuild store. Since inception in October 2018 to date, we have rewarded over 7 730 (2023: 6 638) shoppers to a value of approximately R3.0 million (2023: R2.3 million) worth of prizes. Prizes are increased during December months to further reward our customers. Random daily airtime rewards were awarded to 87 877 customers.

This, together with the product-focused campaigns, have proven extremely successful. Revenue from e-Commerce and digital channel sales increased by 31.1% from R26.6 million (2023) to R34.9 million, which equates to 0.30% (2023: 0.25%) of total revenue generated. The 2023 reported figure in the 2023 Integrated Report was R25.1 million, which excluded the airtime sales of R1.5 million.

The following online sales have been recorded:

E-COMMERCE AND DIGITAL SALES
(R'000)



All our stores can fulfil a customer order received via our e-Commerce and digital channels. The Group continues to enhance CB Shopper to better reward our loyal customers with various value-added services and rewards, which are in line with the latest technology and product trends.

Our Manufactured Capital

As Cashbuild does not manufacture any products, its Manufactured Capital focuses on the Group's procurement policies to ensure the quality of the products sold in its stores are manufactured in line with its own values.

Cashbuild strives to do business with companies that conduct their activities in a responsible and ethical manner. This imperative is increasingly driven by the possibility of negative impacts or "risk by association" arising from doing business with companies that act unethically or irresponsibly.

PROPERTY

As at 30 June 2024, the Group had 322 stores. Of the 322 stores, the Group owns 64 (2023: 63) properties with the balance having standard lease agreements in place. Only 58 (2023: 57) of the owned properties have trading stores on them, with the remainder consisting of other tenants as well as some properties still undeveloped and available for possible future expansion of stores.

Cashbuild has a very specific store model, with most of the stores consisting of the following areas:

- trading: 1 200m^2;
- office and ablutions: 130m^2;
- yard: 850m^2;
- offloading area: 450m^2; and
- parking: to suit site with a minimum of 36 bays.

The smaller Cashbuild stores have a trading area of approximately 1 080m^2 and 900m^2 (SMS).

The P&L Hardware stores have variable store sizes with the following average spaces allocated to:

- trading: 600m^2;
- office and ablutions: 50m^2 to 80m^2;
- yard: 850m^2; and
- parking: to suit site.

A summary of the properties occupied by the Group:

	Units	**30 June 2024**	25 June 2023	% change
Total floorspace under roof for stores	m^2	**380 125**	377 635	0.7
Total land used for stores	m^2	**1 408 724**	1 401 964	0.5
Revenue from sales per m^2 under roof	R'000	**29 442**	28 210	4.4
Retail stores	number	**322**	318	1.3
Retail stores in South Africa	number	**290**	289	0.3

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Cashbuild's association with key suppliers has developed over a significant period of time, and is based on communication, trust and a mutual beneficial business relationship. The Group has, up to now, not identified a requirement to develop a quantitative method for assessing the environmental and social sustainability performance of its suppliers, but this will be further investigated as part of Cashbuild's own ESG strategy. Where suppliers manufacture products that are more environmentally friendly (i.e. floor tiles using more natural products), we will support the suppliers.

A Supply Chain Finance platform is in place to assist our suppliers who might have funding requirements. This allows suppliers to activate early payment at a minimal cost and greatly assist them with working capital management.

An electronic data interchange programme is also now widely in use, and this ensures that the cost and time required from order to payment is greatly reduced.

PRODUCT RESPONSIBILITY

Cashbuild is not involved in the production or manufacturing process of the products it retails. The Group is committed to sourcing products that comply with applicable building industry standards, such as those developed by the SABS and other relevant certification agencies.

In line with Cashbuild's drive to be a responsible retailer, the Group only sources products that comply with legislative requirements related to product labelling, including warning labels. The production of the Champion branded products is outsourced to current suppliers. Cashbuild shares the labelling compliance with the manufacturers. However, Cashbuild collaborates on an ongoing basis with suppliers to ensure compliance in this regard.

In certain instances, particularly regarding products with finite lifespans, such as paint or cement, Cashbuild constantly updates its procurement and inventory management practices to eliminate wastage arising from the disposal of expired products that can no longer be sold.

Our Manufactured Capital (continued)

Processes are in place to support suppliers to reduce the packaging usage and convert to more eco-friendly packaging. The Group has also moved to 100%-recycled shopping bags as part of its ESG initiatives.

Regarding customer communication, the Group is considering making use of in-store communication and signage, to both advise customers of inherent risks associated with certain products and to educate customers regarding their proper use. CB Shopper also allows us to communicate with our customers via SMS messaging. Social media and printed leaflets are the mainstream for communication. Several educational videos are also available to our customers to assist in the correct use of products.

SECURITY, CRIME PREVENTION AND COUNSELLING

Crime, in particular theft, at Cashbuild stores remains an ongoing challenge and the Group promotes continuous vigilance within stores to combat this issue.

An area of particular emphasis is the prevention of any instances of crime that directly or indirectly affect employees, customers or our community members.

Cashbuild remains committed to offering the victims of such crimes appropriate counselling at both an individual and a Group basis through an external service provider. The majority of crimes committed at the Group's stores during the 2024 financial year included 229 (2023: 291) burglaries, down 21.3%, totalling R3.5 million (2023: R4.6 million), down 24.4%, and 33 (2023: 12) armed robberies, up 175.0%, totalling R0.33 million (2023: R0.15 million), up 115.9%. Refer to page 47 for the graphs. The burglary cost per incident is down this year mainly as a result of less stock stolen, whilst the robbery cost per incident is up this year mainly as a result of more stock and money stolen during the increased number of armed robbery incidents. Cashbuild continues to improve security and processes around protecting our people and assets, thereby limiting damages.

Cashbuild subscribes to an anonymous tip-off service line where third parties and employees can report incidents of theft, fraud, mismanagement or unauthorised expenditure.

All tip-offs are investigated to identify their root causes and address the issues reported. The status of tip-offs logged is administered by Cashbuild's Group Risk Management department with regular updates provided to the Executive Management Team and quarterly reporting to the Social and Ethics Committee. During the past financial year, 134 (2023: 120) such incidents were reported, with each of these being directly addressed by the Group and the appropriate disciplinary action being implemented where warranted. Of these tip-offs logged during the year, 32 (2023: 30) were classified as workplace corruption incidents which consists of dishonest or fraudulent behaviour.

This issue of tip-offs and corruption incidents is linked to the rate of employee turnover within Cashbuild. In the reporting year, a total of 480 (2023: 567) employees were dismissed across Cashbuild's operations, with the majority of these dismissals related to incidents of theft or corruption.

The Group outsources security personnel where needed and is not aware of any human rights violations committed by security personnel in the execution of their responsibilities.

During the 2024 financial year, Cashbuild had 99 (2023: 244) incidents of community unrest, which resulted in some of our stores being affected for a total of 105 (2023: 265) trading days throughout the course of the year. Of these affected trading days, stores were closed for 41 store days (2023: 159 store days). Trading days affected resulted in an estimated loss in sales and damages of R7.8 million (2023: R24.3 million).

An area that Cashbuild prides itself on is the management of shrinkage risk (defined as stock losses due to damages and theft). The Group has an objective to manage this risk and minimise shrinkage losses to below 0.3% of sales. This trend has been successfully managed to a level of 0.19% (2023: 0.24%).

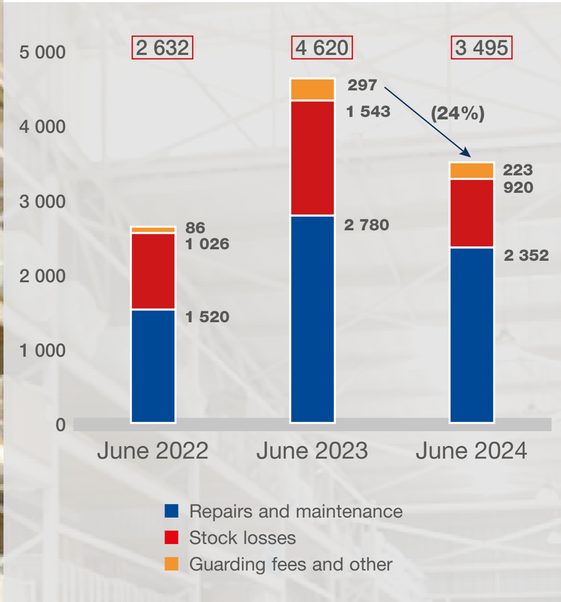
CUSTOMER COMPLAINTS

Cashbuild experienced a 54.5% increase in customer complaints from 409 (2023) to 632 this year. This increase is mainly attributable to more communication channels being opened to enable customer complaints to be lodged. All customer complaints are taken seriously and timeously addressed where necessary.

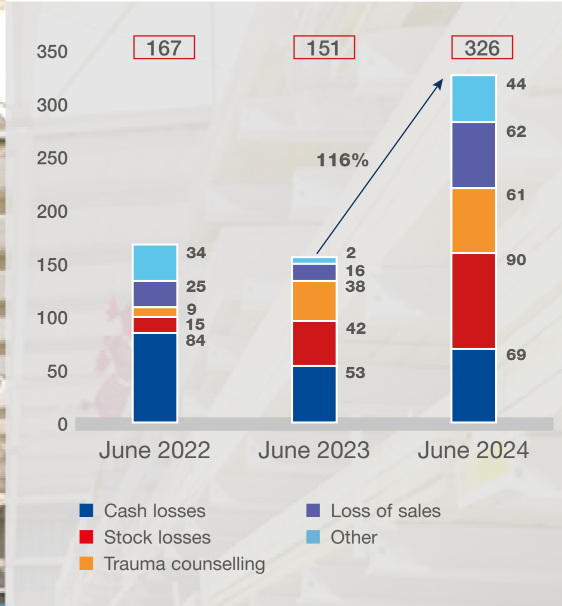
We have a Customer Relations Management (CRM) process to manage interactions with customers and potential customers. The goal is to improve customer service relationships and assist in customer retention and drive sales growth.

LOSSES ASSOCIATED WITH BURGLARIES AND ARMED ROBBERIES

BURGLARIES
(R'000)

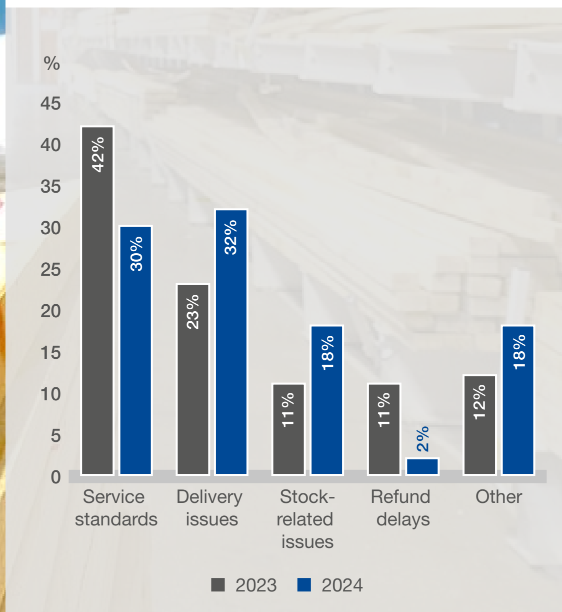


ARMED ROBBERIES
(R'000)



SHRINKAGE
(DEFINED AS STOCK LOSSES DUE TO DAMAGES AND THEFT)

NATURE OF COMPLAINTS
(AS A % OF TOTAL COMPLAINTS)



Below is a summary of the formal complaints received through our customer care hotline during the year under review.

	Unit of measure	2024	2023	2022	2021	2020
Formal customer complaints	number	**632**	409	532	771	502
Transactions	'000	**15 114**	14 732	15 886	19 672	16 973
Customer complaints per 1 000 transactions	number	**0.042**	0.028	0.033	0.039	0.030
Poor service customer complaints	number	**189**	173	197	211	256
Poor service customer complaints per employee	number	**0.035**	0.029	0.032	0.034	0.041
Product returns from customers	R'm	**365**	342	354	416	344
Average return value per transaction	Rand	**674.75**	618.04	801.81	580.93	590.03

03

"While we adhere to the principles of ESG, our value creation model is focused on improving the lives of our employees and those of our local communities in acknowledgement of the fact that social upliftment remains a compelling imperative in South Africa. We also take the utmost care to safeguard our natural environment in the regions where we operate.

We continue to enhance our ESG reporting in line with global best practice, understanding that profit, people, and our planet are intertwined, and that we have a duty of care in all three spheres of sustainability reporting as a good corporate citizen."

Dr DSS Lushaba
Social and Ethics
Committee Chairperson

ESG REPORT

Social and Ethics Committee Report

DEAR STAKEHOLDERS

Cashbuild subscribes to the highest ethical standards of business practices and has a well-entrenched and defined business philosophy around its customers, staff, business partners, stakeholder and community engagements, systems and finances. The philosophy is underpinned by the Group's vision, mission, and values, as well as The Cashbuild Way.

CASHBUILD'S APPROACH TO SUSTAINABILITY

Cashbuild reports its corporate sustainability in terms of the Six Capitals as set out in the International < IR > Framework, as well as the UN SDGs.

The underlying objective of reporting using the Six Capitals is to ensure that Cashbuild focuses the appropriate degree of attention on each of these areas, considering the impact of each aspect on the Group's performance, as well as the impact that the Group has on its stakeholders in terms of value creation in each of these areas. This in turn ensures that Cashbuild maximises its opportunities for sustained financial and non-financial success in the short, medium and long term.

While the recently released global sustainability reporting standards, IFRS S1 and S2, are effective for companies reporting from 1 January 2025, they have not as yet been mandated by the JSE for application by South African listed companies. Also, given that Cashbuild is not involved in the production or manufacturing processes of the products available in its stores, and is not a heavy emitter of either Scope 1 or 2 GHGs, and no Scope 3 GHGs, the applicability of the IFRS standards, particularly IFRS S2, may be of limited pertinence to companies such as ours.

Cashbuild has thus opted to apply the JSE Sustainability Disclosure Guidance this year, which although closely aligned with the globally recognised GRI Standards on which prior years' reporting has been based, has moved towards a focus on sustainability in line with the work being done by the ISSB and the IFRS Foundation.

The sustainability policies and practices, which have been adopted and implemented by the Group, are robust and strive to channel the Group's sustainability efforts to where it is needed most. The Executive Management Team receives regular feedback, through the Employee Forum, regarding issues or opportunities in the communities in which our stores operate. This has proven to be one of the Group's greatest advantages and significantly assists in risk mitigation during the establishment of Cashbuild's operations in new, unknown, and often challenging environments.

The value drivers for enhanced sustainability performance and disclosure are ultimately to assist with managing both the financial and non-financial risks of the Group, improving productivity as well as contributing to the Group's sustainable growth to ensure that solid stakeholder returns and value creation are achieved.

Social and Ethics Committee Report (continued)

CASHBUILD'S APPROACH FOR MUTUALLY BENEFICIAL SUSTAINABILITY INITIATIVES CAN BE SUMMARISED AS FOLLOWS:

Direct linkage to the Group's strategic objectives (i.e. providing tangible benefits to both the Group and its stakeholders), or directly addressing strategic risks and/or opportunities.

Association with reputable suppliers who share similar values and principles.

Influencing the Group's value chain (upstream and downstream).

Investing holistically and in line with strategic objectives, rather than based on charity or philanthropy.

Flexibility within the Group's sustainability model, to evolve as required and rapidly implement lessons learnt.

Sensitivity to and respect for cultural nuances, particularly in communication with different stakeholder groups.

The development of strong long-term relationships with all stakeholders and partner communities, and effective engagement to understand their issues and concerns.

Displaying genuine responsible corporate citizenship with respect to all elements of ESG and to partner with other like-minded organisations.

SOCIAL AND ETHICS COMMITTEE (SECOM)

Chairperson

Dr DSS Lushaba

Members

- M Bosman (Ms)
- WF de Jager
- AJ Mokgwatsane
- WP van Aswegen

Independence

During the year under review, three SECOM members were Independent Non-Executive Directors, namely Dr DSS Lushaba, Ms M Bosman and Mr AJ Mokgwatsane. As social and ethics behaviour are integral to The Cashbuild Way, the Group is comfortable with the composition of SECOM.

Meetings

Four times per annum

Role and function

The SECOM is a committee of the Board and its role is governed by Terms of Reference approved by the Board. These Terms of Reference are subject to an annual review by the SECOM and approval by the Board.

The SECOM's main objective is to assist the Board in monitoring the Group's performance as a good and responsible corporate citizen, thereby helping the Board to achieve one of its important values, namely doing business ethically. To do this, the SECOM monitors the sustainable development practices of the Group. It also monitors relevant legislation, legal requirements and prevailing codes of best practice relating to social and economic development, good corporate citizenship, labour and employment, the environment, health and public safety, and consumer relationships.

Responsibilities

The SECOM is responsible for developing and reviewing the Group's policies with regard to its commitment to governance and reporting of sustainable development performance, as well as making recommendations to management and/or the Board in this regard.

Assurance

This report is prepared in accordance with the requirements of the Companies Act and describes how the SECOM has discharged its statutory duties in terms of the Companies Act and the additional duties assigned to it by the Board in respect of the financial year ended 30 June 2024. SECOM is satisfied that it has fulfilled all its duties during the year under review and has made progress in formalising all relevant policies and implementing identified plans.

ASSURANCES AND VERIFICATIONS

Please refer to page 53 for a comprehensive list on the sections within the Integrated Report that has been assured and verified by external parties.

ACTIVITIES UNDERTAKEN BY SECOM DURING THE YEAR

During the year, the SECOM reviewed, confirmed and improved (where required) the Group's:

- Code of Business Conduct and Ethics;
- Transformation Strategy, including the submission of the Employment Equity Report;
- Equality and Diversity Policy;
- Stakeholder Engagement Policy;
- Security and Crime Prevention Policy;
- Fraud Prevention Policy, including guidelines on Gifts;
- Corporate Social Investment Policy;
- Occupational Health and Safety Policy;
- Public and Investor Relations Policy; and
- Legislative Compliance.

Policies and procedures were updated to fulfil the requirements of POPIA.

The SECOM is also responsible for annually revising or determining, in conjunction with senior management, the Group's material sustainability issues.

In the execution of its statutory duties, the SECOM monitors the Group's activities, with regard to matters relating to:

- Social and economic development, including the Group's standing in terms of the goals and purposes of:
  - the 10 principles set out in the UN Global Compact Principles;
  - the 17 principles as set out in the UN SDGs;
  - the OECD (Organisation for Economic Co-operation and Development) recommendations regarding corruption;
  - Skills Development Act;
  - the Employment Equity Act; and
  - the Broad-Based Black Economic Empowerment Act.
- Good corporate citizenship, including the Group's:
  - promotion of equality, prevention of unfair discrimination and reduction of corruption;
  - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
  - record of sponsorships, donations, and charitable giving.
- The environment, health, and public safety, including the impact of the Group's activities and of its products or services.
- Stakeholder engagement and consumer relationships, including the Group's advertising, public relations, investor relations and compliance with consumer protection laws.
- Labour and employment, including:
  - the Group's standing in terms of the International Labour Organisation protocol on decent work and working conditions; and
  - the Group's employment relationships, and its contribution towards the educational development of its employees.

In fulfilling its functions, the SECOM has received and reviewed reports on:

Labour and employment practices

There have been no incidents of human rights abuses reported during the year under review.

The SECOM reviewed the employee headcount, progress of employment initiatives undertaken during the year, employment equity reporting, skills development reporting and legislative updates. Reports on Employment Equity were submitted timely to the Department of Labour.

The three-year Employment Equity Plans for Cashbuild for the period October 2022 to September 2024 and for P&L Hardware for the period April 2022 to March 2024, were reviewed and monitored by the SECOM. Refer to pages 62 and 63 for an analysis of our B-BBEE management participation.

Cashbuild has appointed BEE123, an end-to-end B-BBEE solutions provider, to assist with the Group's supplier development programme.

Security and crime prevention

Cashbuild remained vigilant in maintaining compliance to policies and procedures which together with its Code of Ethics and core values form the basis of its crime prevention drive.

Crime, in particular theft, at Cashbuild stores remains an ongoing challenge and the Group promotes continuous vigilance within stores to combat this issue.

An area of particular emphasis is the prevention of any instances of crime that directly or indirectly affect employees, customers or our community members.

For more detail on security and crime prevention for the Group, please refer to pages 46 and 47 of the Integrated Report.

TRANSFORMATION

The SECOM reviewed the Group's performance against the B-BBEE codes. Cashbuild is reviewed and measured under the Construction Sector as opposed to the generic codes.

During the year, the Group has formulated action plans and targets for the various elements of the B-BBEE Scorecard with particular emphasis on Preferential Procurement and

Social and Ethics Committee Report (continued)

Enterprise & Supplier Development areas. For our transformation initiatives, please refer to page 62.

CORPORATE SOCIAL INVESTMENT

The Group's CSI strategy was revisited to ascertain areas of focus and a revised plan was approved. The expenditure on planned initiatives during the year was assessed and found to be satisfactory.

The Group remains committed to positively impacting the lives of people in communities in which it trades. In the current year, Cashbuild made various donations, both monetary and in time, through the Cashbuild Give-a-Brick Trust and directly to beneficiaries identified in the various communities where our business operates. Cashbuild's total CSI and SED spend, which includes donations and social upliftment projects, amounted to R188.0 million (2023: R188.4 million), a marginal 0.2% decrease from the prior year.

ANTI-CORRUPTION, ETHICS AND COMPLIANCE

During the year, the SECOM received various reports on ethics and compliance, and it was further noted that relevant information is being communicated to all employees through workshops and have been incorporated into The Cashbuild Way. Additionally, the External Auditor provided feedback on how they ensure quality control within their operations and ensure that the highest ethical standards are achieved and maintained.

OHASA

Compliance and Incident Reports, including incidents pertaining to the public, were reviewed at all meetings and incidents were recorded and appropriately dealt with. Refer to page 61 of the Integrated Report.

CUSTOMER RELATIONSHIPS

The SECOM received and reviewed reports on the Group's advertising and public relations activities together with stakeholder relations initiatives. Analysts and customer feedback, including complaints, were also reviewed and plans to correct issues raised and implemented.

For further details on formal customer complaints, please refer to page 46 of the Integrated Report.

LEGISLATION

An update of legislative compliance is provided to the SECOM at quarterly meetings, incorporating relevant acts and legislation of neighbouring countries in which Cashbuild trades. The Cashbuild Compliance Officer conducts compliance adequacy assessments to ensure that all legislation affecting the Group is periodically monitored and remedial actions implemented where deemed necessary.

On occasion, the SECOM will draw matters within its mandate to the attention of the Board and report to the shareholders at the Annual General Meeting on the matters within its mandate.

DIVERSITY, INCLUSION AND GENDER EQUALITY

Cashbuild's approach towards achieving gender equality is guided by the principle of fairness which incorporates acceptance of equal and inalienable rights of all women and men as defined in the Bill of Rights of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). Gender equality concerns both women and men. It involves working with both to ensure equitable behaviours are practiced at home and in the workplace. Genuine equality cannot be measured by parity in numbers, but rather by improving overall quality of life so that equality is achieved without sacrificing gains for males or females.

Our core values and fundamental principles of good governance as well as the rule of law, form the basis when assessing gender equality to ensure that we treat everyone with respect and understanding to ultimately motivate economic and social development.

In terms of diversity, the Group will continue to develop and promote HDSAs through its development programmes and on-the-job training. Cashbuild recognises that there is strength in diversity and that this will contribute towards a successful and sustainable organisation in the future.

ASSESSMENT

The SECOM is satisfied that it has fulfilled all its duties during the year under review and has made significant progress in formalising or improving all relevant policies and implementing identified plans. Targets for certain ESG initiatives will be assessed during the next financial year in accordance with good practices for the industry we trade in.

Dr DSS Lushaba
Social and Ethics Committee Chairperson

2 September 2024

Assurances

Although this Integrated Report has not been independently assured as a whole, the following external assurances and verifications were received from the providers listed in the table below:

Compliance category	External assurance and verification provider
B-BBEE Scorecard	Empowerdex
Finance	Deloitte provides auditing services to the Group. For the Independent Auditor's Report refer to pages 111 to 114.
Carbon Tax	COVA Advisory
ESG	SANAS B-rating for energy efficiency received for Cashbuild's Corporate and Support Offices.
Health and safety	Health and safety are a key focus area on which verification is provided by Cashbuild Internal Audit. Additional, albeit limited, assurance together with advisory services is provided by SHE Consultants (Scott Safe).
IT	IT Internal Audit is outsourced to Ernst & Young Inc. (EY). Assurance is provided by EY on risk-based key focus areas included in a three-year rolling Internal Audit Plan. NTT Data and BCX provide IT support services.
JSE Listings Requirements	Nedbank CIB ensures that Cashbuild complies with the JSE Listings Requirements.
Legal	Webber Wentzel Incorporated and Van der Vyver Incorporated provide legal services for contractual agreements. Exclaim Innovations & Solutions provides software to perform internal legal reviews performed by the Compliance Officer on relevant pieces of legislation.
Payment Card Industry (PCI) Data Security Standard	Galix Networking (Pty) Ltd provides attestation annually of compliance for merchants.

Non-compliance issues and recommendations arising from audits or reports from external advisers are managed closely to ensure compliance is achieved and maintained through management interventions.

UN Sustainable Development Goals

During the financial year ended 30 June 2024, Cashbuild assessed its operational and sustainable development processes as well as its CSI initiatives against 17 of the UN SDGs. In line with the outcome of this analysis, and in improving our reporting journey and alignment with the UN SDGs, we have narrowed our scope to include only those UN SDGs that are deemed relevant to the Group, as mapped against the targets relating to these specific UN SDGs.

SUSTAINABLE DEVELOPMENT GOALS

Cashbuild is committed to sustainable operational practices to ensure that our operations contribute to the upliftment of people and places.

We do believe that our CSI initiatives continue to be aligned to several other UN SDGs as outlined:

Environmental Initiatives

As a responsible corporate citizen, Cashbuild recognises the need to minimise its environmental impacts through whatever available and financially viable means, so as to maximise both the economic and non-economic value generated by the Group for key stakeholder groups.

Cashbuild has identified energy consumption as its principal environmental issue. The Group continues to reduce energy consumption across its operations, at individual stores, Corporate Office and Support Office level. In addition, the Group is investing in renewable energy solutions at certain stores as well as at the Corporate and Support Offices.

Where applicable, ESG goals and metrics will be linked to the relevant Executive Management Team member as part of his/her performance evaluation in determining short-term incentives.

ENERGY AND CARBON MANAGEMENT

In all its operations, Cashbuild is primarily dependent on electricity supplied by national or municipal electricity generation utilities. As a result, the Group has historically found itself constantly subject to electricity supply interruptions, which remains a challenge, and price increases. To minimise disruptions in operations, each Cashbuild store is equipped with an auto-start generator and each P&L Hardware store with a manual-start generator, which are tested at least once a week.

In regard to Cashbuild's carbon footprint, the overwhelming bulk of the electricity supplied by the national power utility to Cashbuild stores is generated from low grade coal, resulting in significant inefficiencies in the generation process and consequently, high levels of carbon emissions per kWh consumed by the Group.

The stores open at 07:00 and close at 18:00 weekdays and are open on the weekends. The nature of this timetable means that the electricity usage during peak periods is limited, especially in the evenings as the peak period falls between 18:00 and 20:00. Furthermore, a large contributor to store usage is lighting and Cashbuild has been able to reduce store consumption by installing energy efficient LED lighting or Low Voltage Induction fittings in the majority of its stores. P&L Hardware has also commenced installing energy efficient LED lighting or Low Voltage Induction fittings in their stores.

Electricity usage

In accordance with the Group's goal of improving energy efficiency, Cashbuild continues to roll out energy efficient LED lighting as it reduces the average energy used in lighting by between 40% and 50%.

As at 30 June 2024, 284 stores (2023: 279 stores) had been retro-fitted with energy saving High Bay LED or Low Voltage Induction fittings. In terms of the SANAS rating, Cashbuild's Corporate Office and Support Office received a C-rating and B-rating, respectively.

The Group has implemented several pilot projects at some of its stores to assess the best and most efficient way to utilise solar and batteries as an alternative source to complement electricity from Eskom and be further self-reliant during times of loadshedding. An assessment of the power requirements for solar was concluded at the Support Office at the end of June 2024. The implementation of the solar system was approved, and installation commenced on 12 August 2024. An assessment was also performed for the Corporate Office and a decision was made to implement a similar system once the Support Office's solar system is fully functional.

All new stores are currently specified to receive energy efficient LED light fittings from the start to ensure that the new stores are electricity-efficient.

Environmental Initiatives (continued)

Carbon footprint assessment and Carbon Tax

The Carbon Tax Act outlines the structure to determine the Carbon Tax liability of an entity which is based on activities which result in the release of GHG (Greenhouse Gas) emissions. The schedules in the Act outline the minimum thresholds for these activities according to the South African Greenhouse Gas Reporting System (SAGERS) (2017) as well as the total permissible tax-free allowances for these activities.

The threshold stipulated in the regulations for stationary combustion installations is 10 MWth. This means that if the combined energy input of the generators under the Group's control exceeds the 10 MWth, then Cashbuild is required to report the emission from these installations to the Department of Environment, Forestry and Fisheries (DEFF).

Cashbuild's activities were reassessed in the year under review to determine whether Cashbuild still exceeds the threshold and whether the Group is required to maintain its registration for Carbon Tax and reporting requirements. Cashbuild has a diesel generator installed at each of its stores across the country and at its Corporate and Support Offices. The Group has 24 different generator models throughout the country and is in the process of standardising them to a specific or limited range of generator models, based on efficiency and availability of spares.

Cashbuild's total installed capacity was calculated to be 13.83 MWth (2023: 13.25 MWth). Due to the Group exceeding the 10 MWth threshold, Cashbuild continues to report its GHG emissions to the DEFF via SAGERS. It must be noted that the CO_2e calculations for the DA180 environmental levy are for a calendar year, namely from January to December. The Group's total emissions for January 2023 to December 2023 were calculated to be 2 121.29 tonnes (2023: 1 266.50 tonnes) of CO_2e (carbon dioxide equivalent). The main reason for the significant increase, 67.5%, in the Scope 1 emissions is due to the increased amount of diesel volumes consumed, driven by more frequent and severe occurrences of loadshedding in the 2023 calendar year. It was almost double the amount of loadshedding experienced in the 2022 calendar year, with stage 4 being the most common stage during the 2023 calendar year. (Source: Daily Investor)

Cashbuild registered and submitted its DA180 environmental levy form with SARS and renewed its Carbon Tax licence in November 2023. Cashbuild had a Carbon Tax liability of zero given that the only emissions generated are from diesel, which has already been taxed and included in the pump price of diesel.

Although electricity usage is recorded at each of its stores, Cashbuild is unable to determine the electricity usage of the 44 stores that use the prepaid meter system.

A summary of the Group's carbon footprint for the year ended 30 June 2024 is tabled below:

Carbon emissions	Unit	2024	2023	% change
Scope 1 (vehicles, mobile machinery, stationary fuels)	tonnes	**2 121.29**	1 266.50	67.5
Scope 2 (electricity – location)[1]	tonnes	**–**	–	
Total carbon emissions		**2 121.29**	1 266.50	67.5
Electricity consumed[2]	kWh	**14 002 490**	14 419 112	(2.9)
Carbon Tax paid	R'm	**–**	–	–

1. *Not calculated.*
2. *Prepaid electricity meter readings are not included as this information cannot be accurately recorded.*

TRANSPORTATION

Cashbuild stores

The distribution of products to the network of Cashbuild stores is the responsibility of the Group's suppliers and is in most instances outsourced to specialist logistics and transportation companies. In this regard, Cashbuild has implemented a number of practices with its suppliers, aimed at optimising transportation efficiencies and therefore, minimising the respective carbon footprints of these suppliers.

The services provided by delivery drivers subcontracted to deliver products to customers presents a minimal opportunity for the Group to introduce or apply improvement interventions. The delivery drivers are not employed by Cashbuild, which makes the measurement of their carbon footprint difficult. Cashbuild already assists the drivers in minimising their emissions through effective route planning and scheduling of deliveries. For the year under review, Cashbuild had 377 (2023: 331) drivers across southern Africa.

Cashbuild implemented a CRM (Customer Relationship Management) system in March 2022, with the purpose of managing and improving the relationship with its customers, streamlining the sales process, with a specific emphasis on deliveries, as well as enhancing customer satisfaction and loyalty. After a delivery purchase order is completed on the CRM system, a customer is notified via an sms that their order is being processed. Should the customer wish to communicate with the store, i.e. inform the store who will accept the delivery, they can simply do so on the chat function. When the order is invoiced and is being loaded for delivery, the customer is then notified that their delivery is on the way. After the delivery is made, the customer is able to rate the service. This CRM process helps the Group to better understand and serve its customers.

P&L Hardware stores

P&L Hardware makes use of the same suppliers in 95% of the cases, smaller local suppliers are used such as brick suppliers to support local businesses and reduce the transport cost. This enables P&L Hardware to be more competitive in the market.

In addition, P&L Hardware also has its own fleet of four-tonne and eight-tonne trucks as well as LDVs or bakkies that transport smaller loads. The total of heavy delivery trucks is 18 (2023: 69). A decision was made to reduce the number of trucks as part of the Group's cost-saving initiatives. P&L Hardware has an internal fleet department that manages its fleet and strives to offer a 24 to 48-hour delivery service and combine loads where possible to reduce multiple deliveries in the same areas, thus reducing costs. The vehicles are well maintained and serviced at the appropriate and recommended service intervals, eliminating excess carbon emissions.

WATER USAGE AND CONSERVATION

Cashbuild acknowledges that it operates in countries that are considered water scarce. Given the nature of its operations, Cashbuild does not have a material impact on freshwater withdrawal. The Group mitigates water interruptions in the following ways:

- for the stores that regularly experience water outages, water storage tanks are installed to ensure continuous supply to the stores; and
- the Corporate (10 000L) and Support Offices (14 440L) have water supply tanks to ensure that in the case of water interruptions, the bathroom facilities can still be used.

The Group is cognisant of the fact that the construction industry, on which its core business relies, is particularly water intensive, in both the upstream and downstream components of the value chain. Cashbuild works with suppliers and customers to minimise the water footprint of their activities, but given the nature of the business, the opportunities for meaningful interventions remain limited.

The failure by municipalities to timeously read water meters results in delays in identifying water leaks or losses. Remote water meters have been installed at certain stores to monitor consumption and reduce losses.

The Group only commenced with monitoring its water usage effective 1 July 2023, therefore there is no comparable information available.

	Unit	2024
Water usage[1]	kl	**148 503**

1. Prepaid water meter readings are not included as this information cannot be accurately recorded.

WASTE GENERATION AND RECYCLING

Cashbuild does not currently measure the volume of waste generated in its operations. However, as a matter of policy, the Group contracts with responsible waste collection agencies (whether public or private) to remove, recycle and dispose of waste, mostly bulk packaging materials that are generated, particularly at our stores. Our stores in South Africa make use of plastic shopping bags (made of 100% recycled plastic), with the aim of reducing waste to landfill, which is becoming a critical issue in South Africa given the lack of landfill space in the majority of local municipalities.

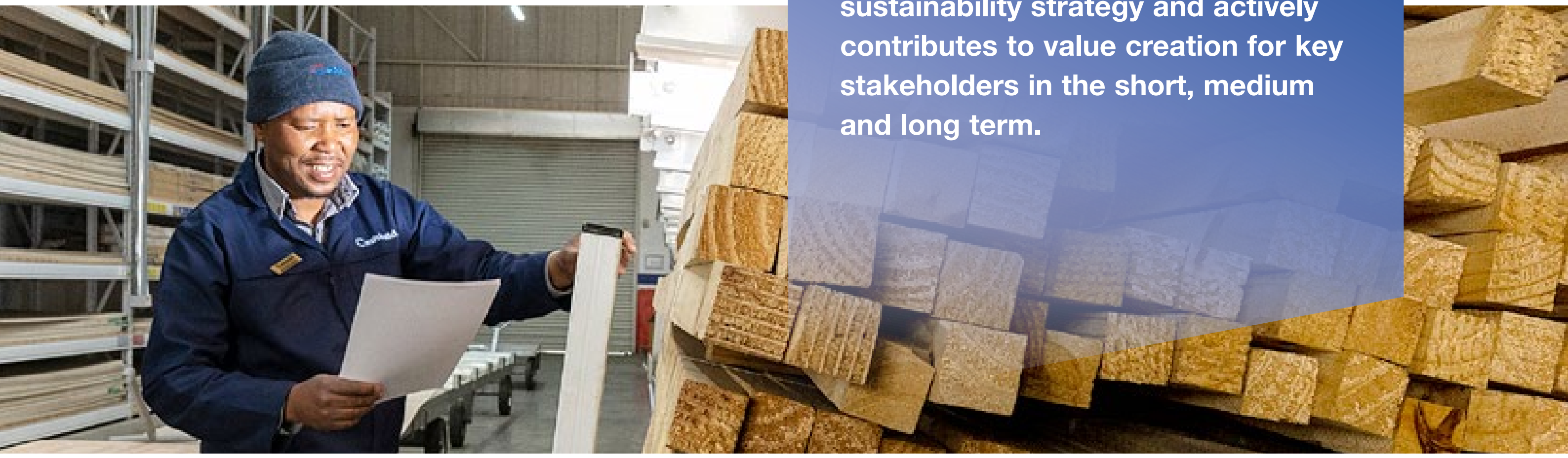
At the Corporate and Support Offices, used paper is confidentially shredded through outsource partners and pulped, and the proceeds from this process are donated to various charity organisations by the Group. Other recycling initiatives are in place.

As a retail operation, Cashbuild's opportunities to meaningfully influence the environmental impacts arising from either the manufacture or application of its products are limited. However, Cashbuild remains committed to making full use of those opportunities that do present themselves to affect positive changes particularly in the following areas:

- the circular economy;
- energy efficiency;
- greenhouse gas emissions reductions;
- water conservation;
- waste management;
- product stewardship (in both manufacture and disposal); and
- biodiversity conservation.

Social Investment

Cashbuild's Human Capital strategy is integral to the Group's overall sustainability strategy and actively contributes to value creation for key stakeholders in the short, medium and long term.



The Group's mature procedures and processes in this area, in particular The Cashbuild Way, drive institutional imperatives of internal excellence, entrepreneurship and innovation.

The Group established a variety of Social Capital initiatives to create support, involvement and commitment from the communities in which the Group's stores are located. We focus on recruiting local talent into all our stores from the regions in which we trade.

Through investment in our Human Capital, we ultimately will enhance our Intellectual Capital where we support HDSAs through a Bursary Programme, learnerships, as well as a variety of other initiatives.

OUR EMPLOYEES

The recognition and reward of employees is a key component of Cashbuild's pursuit of employee excellence. Our employee share schemes, the Cashbuild Empowerment Trust and the Operations Management Member Trust are incentive schemes aimed at encouraging excellence and teamwork at all levels of the Group, while at the same time financially empowering employees, encouraging loyalty and improving retention.

Cashbuild acknowledges and rewards exceptional performance throughout the Group. At store level, each manager identifies and recognises an 'Employee of the Month'. At the annual Cashbuild Hall of Fame awards event, employees are financially rewarded for extended length of service (in excess of 20, 30 and 40 years) as well as for exceptional performance by individuals and teams. At the awards ceremony, the Group recognises, based on internal criteria covering growth in profits, expense management and controls, audited financial results and growth in new stores amongst others, the top five Store Managers and top three Divisional Managers.

Recruitment and succession planning is based on an 18-month view which considers internal development and planned store growth and is closely aligned to the Group's transformation objectives and short to medium term growth strategies. This ensures the necessary Human Capital to successfully execute its ongoing programme of store expansion and development.

The Group's HR polices can be summarised as follows:

- We employ directly and locally where each of our stores are located.
- We make extensive use of decentralised employee forums to promote fair internal growth and development, with significant support from our Social and Ethics Committee as well as Corporate and Support Offices driving a transformation agenda.
- We provide ongoing opportunities for training through our internal skills development and learnership programmes, with the firm intention that once qualified, learners will be absorbed into the Group as permanent employees.

As at 30 June 2024, Cashbuild employed 5 472 (2023: 6 046) individuals across the Group. These individuals have clearly demonstrated that they constantly strive to understand and meet their customers' needs, and they are the right people for Cashbuild.

The Group's Employee Forum Steering Committee continues to facilitate harmonious working relationships within the Group by providing a formal communication structure between management and employees.

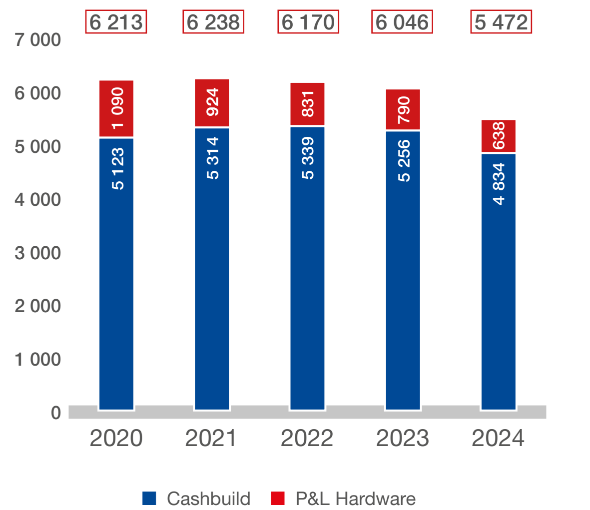
The Group has 17 (2023: 17) full-time HR employees who are responsible for supporting line managers in (and holding them accountable for) the ongoing training and development of all employees. We are extremely proud of the success that has been achieved by the growing wealth of enthusiastic, committed and capable talent that the Group has attracted and retained over many years, at all levels of the business.

The ongoing promotion of continued adherence to The Cashbuild Way, as well as various incentive and reward schemes based on revenue and profit growth, have all resulted in improved employee productivity and retention.

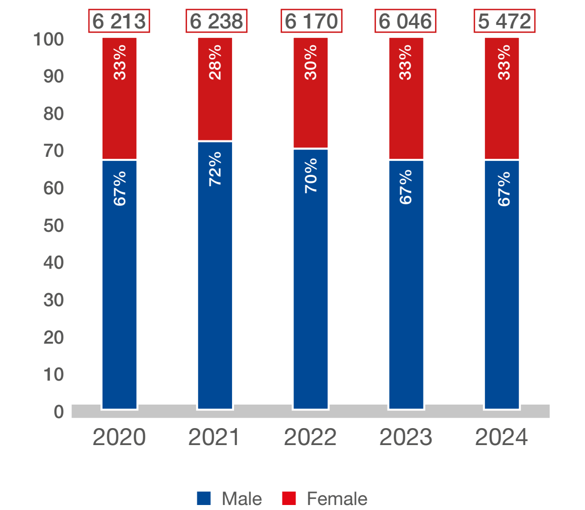
Employment statistics

for the year ended 30 June 2024

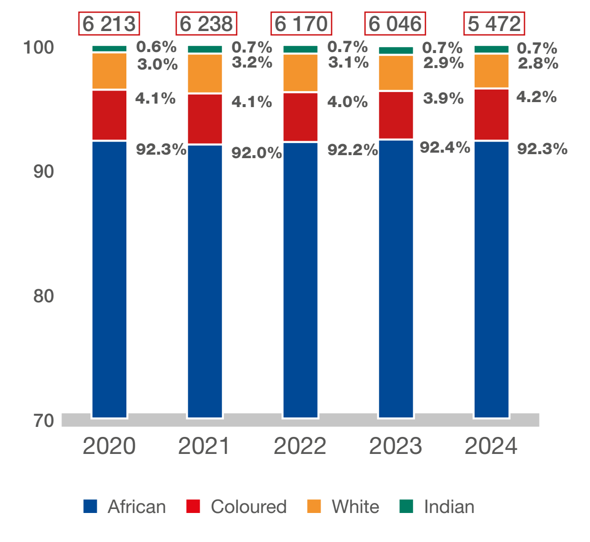
TOTAL EMPLOYEES



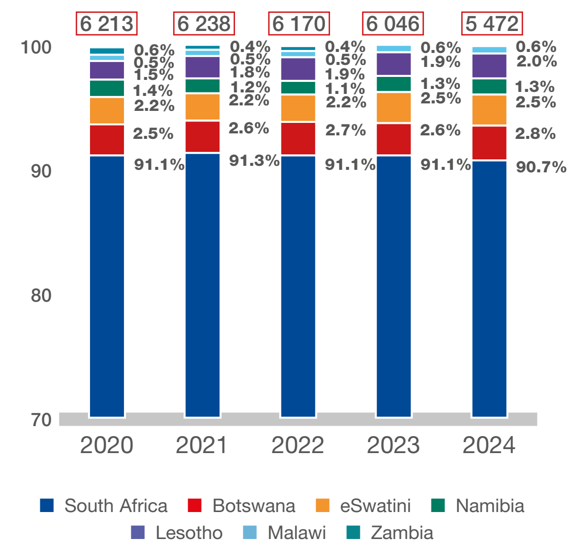
EMPLOYEES BY GENDER



EMPLOYEES BY ETHNIC GROUP

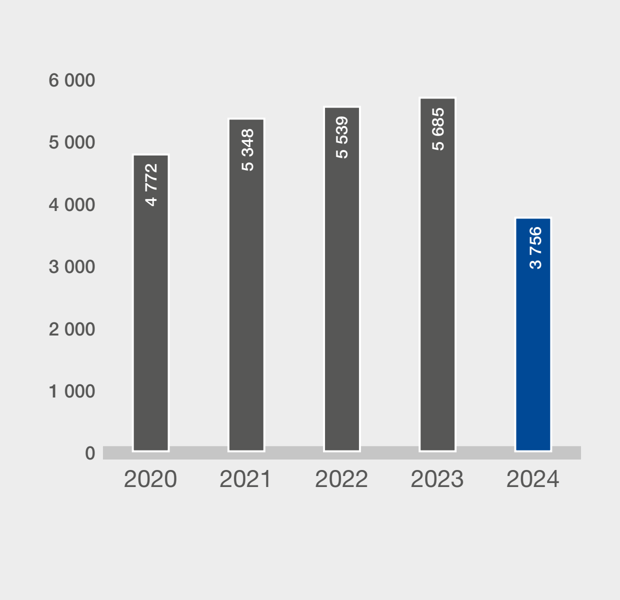


EMPLOYEES BY GEOGRAPHY

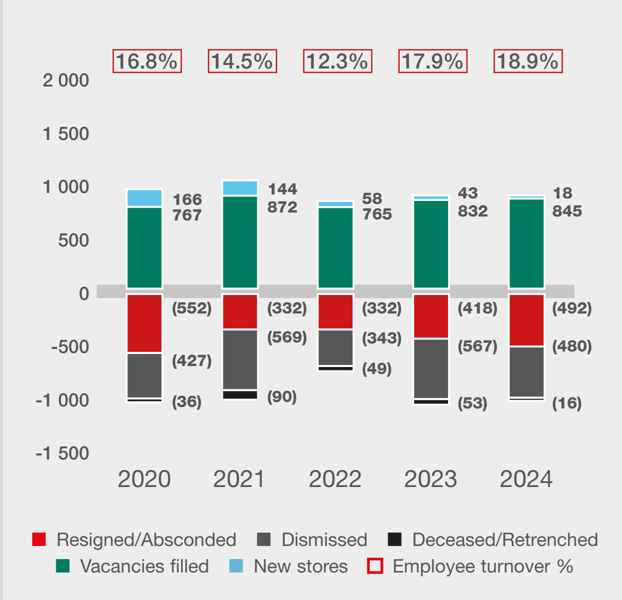


Social Investment (continued)

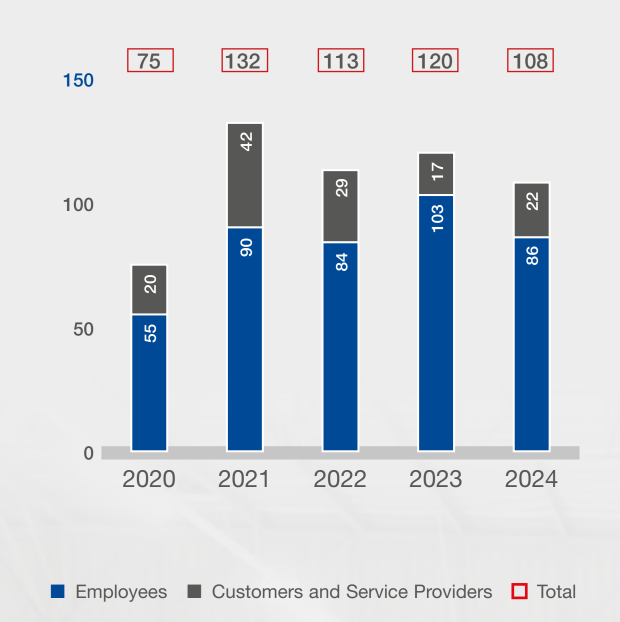
EMPLOYEES TRAINED



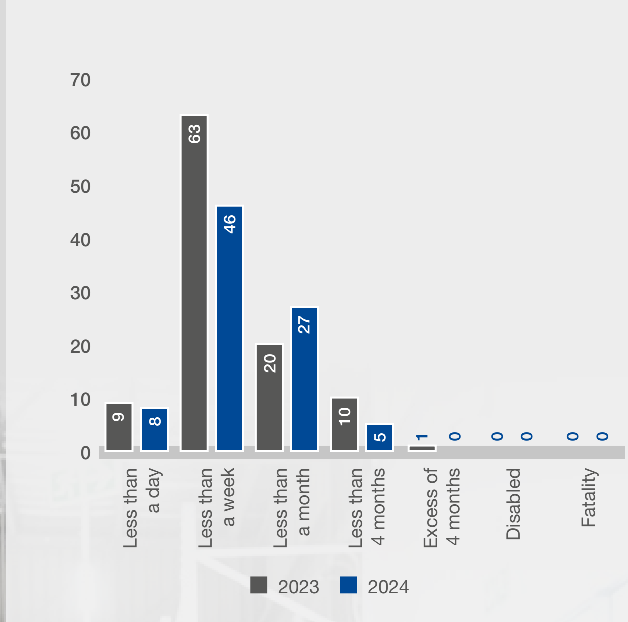
EMPLOYEE TURNOVER



REPORTED INJURIES



SERIOUSNESS OF EMPLOYEE INCIDENTS, MEASURED IN TERMS OF RECOVERY PERIOD



Human capital challenges

Cashbuild continues to be affected by the general skills shortage in the country's labour market, and the resulting challenges related to employee retention.

Cashbuild's policy of promotion of staff from within, aimed at creating and maintaining an organisational culture based on employee loyalty and growth, has to some degree inhibited the Group's ability to transform the structures of the Cashbuild Corporate and Support Offices due to low staff turnover. To address this issue, the Group's medium to long term HR strategy directs significant levels of investment into the development of the current employee base to fill vacancies as they arise over time.

A detailed transformation and succession strategy relating to Executive Directors, Executive Management and key personnel has been developed. This strategy is reviewed and updated on a regular basis. All Executive Directors, Executive Management and key personnel have identified back-ups for any short-term or unforeseen absences.

Cashbuild's influence over suppliers regarding their respective transformation programmes is limited and considered adequate at these levels.

The retrenchments that took place were as a result of some store closures and restructuring of the P&L Hardware Support Office where staff were unable to accept transfers to other stores or locations within the Group.

Employee training and development

Cashbuild staff members undergo training courses in areas such as customer service, management, role-specific functional training and product knowledge enhancement.

Cashbuild is an accredited training provider with the Wholesale and Retail SETA. A total of 56 (2023: 179) learnerships were offered to employed and unemployed individuals across the Group. In addition, 3 756 (2023: 5 685) employees were trained in their positions as well as in back-up roles to mitigate the risk of unforeseen absences by key staff. The total cost of training was R7.1 million (2023: R11.8 million). The significant decline in number of learnerships and bursaries offered was due to reduced funding received from the Wholesale and Retail SETA during this financial year.

To further facilitate effective long-term succession planning, we have placed seven (7) employees on a 24-month Executive Development Programme, which commenced in September 2023.

Learnership programmes

Cashbuild's learnership programme is implemented through the Wholesale and Retail SETA and is intended to support staff continuity and succession planning.

To date, 1 716 learnerships have been successfully completed within the Group. As at the end of the 2024 financial year, 102 of these learners are still employed within the Group.

The table below illustrates the learnerships granted during the current year:

NQF	**2024**	2023
Level 2	**25**	120
Level 4	**31**	59
Total	**56**	179

Bursaries

In 2014, Cashbuild established a Bursary Programme extended to the children of HDSAs. The bursary includes all tuition, books and accommodation, and where required, a monthly allowance. In addition, Cashbuild guarantees employment to its bursars on successful completion of their studies.

Cashbuild will continue to spend approximately R1 million per annum on its bursary programme. Eighteen (18) students have been put in the programme since inception, 12 have passed, three are still in the programme and three (3) have failed to complete the course. Four (2023: four) bursaries were awarded for the 2024 academic year. Of the 12 students that have passed, five (5) are still employed within the Group, three are accountants and two are Assistant Store Managers.

Occupational health and safety

Cashbuild considers occupational health and safety to be a direct responsibility of all management representatives within the Group, including the office of the Chief Executive Officer. The Group's policies and practices in this area are enforced at all levels and across all operational areas, through intensive and ongoing training as well as retaining an external service partner possessing specialist health and safety skills.

Social Investment (continued)

Health and safety representatives, with at least one appropriately trained and qualified first aid provider, are appointed for each store and nine representatives have been appointed to perform the function at the Corporate and Support Offices. The Group also strictly adheres to appropriate regulatory requirements and OHASA guidelines regarding the availability of medical and first aid supplies at Cashbuild stores as well as the Corporate and Support Offices.

Injuries in the year totalled 108 (2023: 120) and largely impacted our staff, mainly as a result of non-compliance to Cashbuild's OHASA policy. Appropriate disciplinary action was taken against these staff members. The Group encourages awareness through weekly communication via the CB Mail, a drive and focus by the Executive Management Team to ensure that there is compliance with regards to reporting of such incidents and improved collaboration between our insurers and the Group Risk Management Department, ensuring that all incidents are logged with the insurers and recorded internally. No incidents were identified where the Group deviated from its legal or regulatory responsibilities.

The seriousness of employee incidents is measured by the recovery period. The injuries did not result in any disruption or any downtime to our operations and there were no permanent disabilities or fatalities as a result of these reported injuries.

Cashbuild is committed to continued improvement in this area, and to maintaining a safe working environment for its employees, customers and service providers.

Ethics

Our culture of ethics and integrity defines who we are as a Group, and how we as colleagues treat each other, our customers and our suppliers. Our business success rests on a foundation of values – upholding integrity, serving our customers, growing our people and accepting responsibility – and our reputation depends on us continuing to make the right choices, every day. Our values set us apart from others and have become a competitive advantage that we can never compromise in our actions and decisions. Our Code of Ethics contains principles that provide guidance for our behaviour.

As a team, it is our responsibility to continue building on our already strong ethical foundation and retain and further enhance Cashbuild's standing as an excellent and highly ethical organisation. With this in mind, an ethics awareness and a diversity management training programme is in place to increase support and enhance the ethics within the Group.

Each store, Corporate and Support Offices department facilitates communication and training programmes for employees on values, standards and compliance to procedures. Proficiency in these areas is taken into consideration when assessing the suitability of prospective employees and candidates for promotion and in delegating discretionary authority. Cashbuild has a zero-tolerance approach towards fraud, theft, corruption, illegal behaviour, and non-compliance to our ethical standards as recorded in our philosophy, values, and The Cashbuild Way.

Any employee found behaving in a manner contrary to our ethical standards is subject to disciplinary proceedings, which may lead to dismissal from the Group.

Compliance with The Cashbuild Way is monitored through our Internal Audit function. Frequency of audits at stores is based on quarterly updated risk status associated with each store. High risk stores are audited four times per annum, medium risk stores three times per annum, and low risk stores twice per annum. A similar risk-based approach is applied at the Corporate and Support Offices with high-risk business support focus areas audited twice per annum, medium risk focus areas once per annum and low risk focus areas once during every 18 to 24-month period. Cashbuild has contracted Tip-offs Anonymous, which provides a secure system for the reporting of unethical or risky behaviour. All tip-offs logged are investigated and action taken to address any instances of non-compliance.

Acceptance of gifts from third parties is governed by a policy requiring detailed declaration and approval that is targeted towards removing any potential conflicts of interest.

The directors are fully committed to the ethical principles entrenched in the Group and support unwavering enforcement thereof.

Transformation and B-BBEE

Cashbuild remains fully committed to the principles and practices of empowerment and transformation. The broad geographical footprint of our stores provides us with a richly diverse workforce.

Cashbuild is an equal opportunity employer, promoting non-discrimination and fair and equal treatment in all employment and HR practices, in line with the Group's commitment to the UN Global Compact Principles as well as the UN SDGs.

As at 30 June 2024, the Group (South Africa only) had 628 (2023: 640) HDSAs in management level positions, which equates to 82.7% (2023: 81.5%) of management level employees.

	Race				
Occupational level	African	Coloured	Indian	White	**Total**
Top Management	1	–	–	4	**5**
Senior Management	1	–	–	11	**12**
Professionally Qualified	29	7	7	48	**91**
Skilled Technical	510	47	25	69	**651**
Semi-skilled	3 987	175	7	20	**4 189**
Unskilled[1]	16	1	–	–	**17**
Grand total	4 544	230	39	152	**4 965**

This table is as per legislated Employment Equity reporting for Cashbuild (South Africa) (Pty) Ltd and P&L Hardware (Pty) Ltd and excludes subsidiaries in neighbouring countries.

1. *Unskilled numbers relate to unemployed individuals employed on the NQF 2 learnership programme.*

Cashbuild continues to give preference to local suppliers drawn from the areas in which stores are located, and is constantly increasing its support for targeted B-BBEE initiatives. The Group also continues to develop and implement the HR strategies necessary to drive internal cultural change, transformation and wealth creation amongst employees.

Cashbuild's B-BBEE rating is a Level 8 (2023: Level 7) on the Construction sector scorecard. P&L Hardware is also rated as a Level 8 (2023: Level 8). Strategies have been put in place to improve on these ratings over the short term. The Group has put a supplier and enterprise development improvement strategy in place. The Group has implemented an EE aligned and targeted recruitment plan, particularly, at management level. Cashbuild is committed to economic empowerment and plans to continually improve its transformation efforts.

Industrial relations

Union membership within the Group is 2.60% (2023: 2.60%). Discussions regarding remuneration, working conditions and other relevant issues take place primarily through the Group's Employee Forum. For more information regarding the role, function and composition of this Forum, refer to page 86 of this Report.

Cashbuild manages its industrial relations internally and we use outsourced service providers for any specialist or technical advice.

Cashbuild follows the principles of the International Labour Organisation protocol on decent work and working conditions. It involves opportunities for work that is productive and derives a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

Cashbuild subscribes to the UN Global Compact Principles.

Communication with employees takes place through a number of channels, including the monthly Employee Forum meetings, weekly CB Mail, weekly P&L Hardware news via email, and through the intranet, with all this being aimed at informing employees of developments taking place within the Group.

Gender equality

Cashbuild's policy and goal towards achieving gender equality is guided by a vision of fairness and acknowledges the principle that gender plays no part in merit and will actively manage its HR development to ensure women and men have equal opportunity to participate in management at all levels. Cashbuild's female to male ratio of 33%:67% remained unchanged.

Neither women nor men can be considered as a homogenous group and individual capabilities will drive advancement. Women and men have different skill sets whereby either or both can be developed for the advancement of the Group. However, our policy acknowledges that the means of developing various gender skills may require different emphasis and practices. Cashbuild rejects any form of unfair discrimination based on gender in the Group. Refer to the Group's website for the Gender Equality Policy.

Other UN guidelines and principles

In line with its commitment to the UN Global Compact Principles and the UN SDGs, the Group has a zero-tolerance policy with regard to child labour and forced or compulsory labour amongst the delivery contractors, delivery drivers and suppliers that the Group conducts business with.

Social Investment (continued)

OUR COMMUNITY INVOLVEMENT

Our store locations are right in the middle of communities, and our CSI and SED initiatives aim to improve our surrounding areas where our stores are located. Community support is part of the Company's DNA, hence the focus of our CSI and SED initiatives.

We have committed to several CSI, supplier development and entrepreneurial support initiatives, mainly focused on creating tangible mutual benefits. The growth in our Financial Capital allows us to invest more in our Social Capital. Our Human Capital is affected by these CSI initiatives as it enhances the communities in which our employees live and where their children go to school. By investing in our delivery driver employment initiative, Social Capital is enhanced.

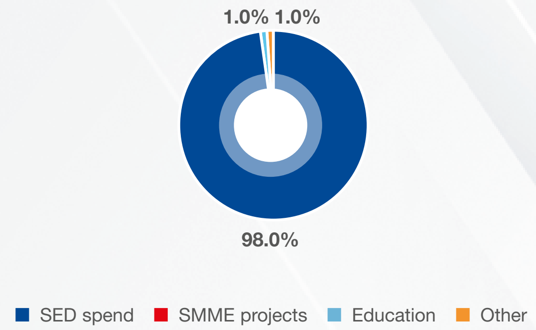
Cashbuild's total CSI and SED spend, which includes donations and social upliftment projects, amounted to R188.0 million (2023: R188.4 million), a marginal 0.2% decrease from the prior year.

The amount was spent as follows:

		% change	**June 2024**	June 2023
Number of schools contributed to		(41.2)	**127**	216
Value of school donations	R'000	(41.2)	**1 905**	3 240
SMME projects	R'000	(99.4)	**21**	3 267
Other	R'000	(4.0)	**1 759**	1 832
Payments to delivery drivers	R'000	2.4	**184 361**	180 013
Total CSI and SED spend	R'000	(0.2)	**188 046**	188 352

The categories that were supported were as follows:

Cashbuild's total CSI and SED spend, which includes donations and social upliftment projects, amounted to R188.0 million (2023: R188.4 million), a marginal 0.2% decrease from the prior year.



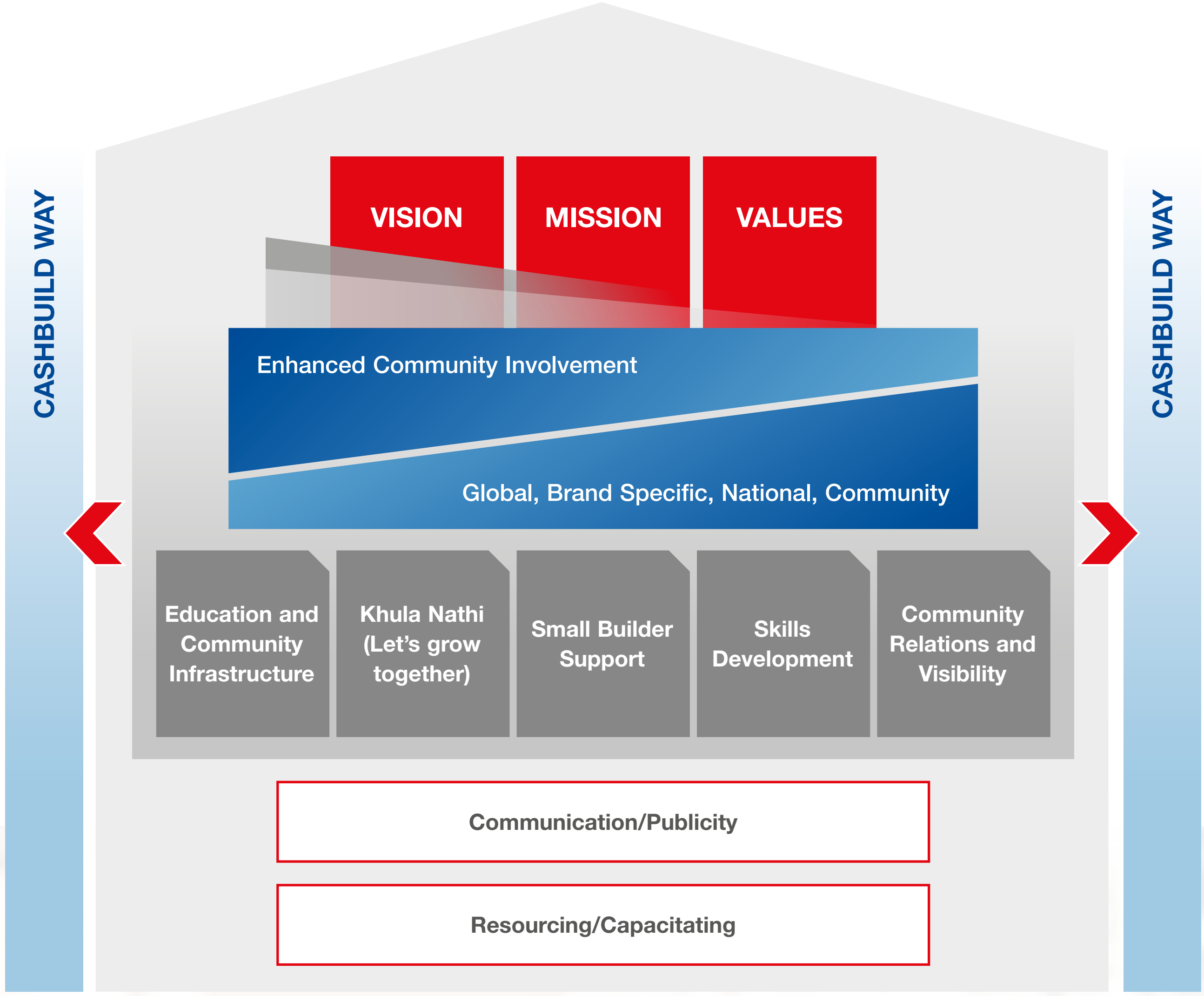
CSI and SED

A significant trigger point for many of these CSI and SED initiatives is the opening of new, relocation of existing, or the re-opening of refurbished stores. During each such event, an established sequence of activities takes place to provide maximum benefit for Cashbuild and the surrounding communities. Local community leaders are actively engaged by store management before and following the store opening.

Cashbuild

Five years ago, Cashbuild developed and implemented a new streamlined CSI and SED strategy, which is now beginning to bear fruit.

The pillars of our CSI and SED strategy, which anchor our Group strategy, are complemented by a focus on education and community infrastructure, small builder support, skills development as well as impactful community relations and visibility initiatives that seek to leave a lasting legacy in communities where we trade.


CASHBUILD WAY
VISION
MISSION
VALUES
Enhanced Community Involvement
Global, Brand Specific, National, Community
Education and Community Infrastructure
Khula Nathi (Let's grow together)
Small Builder Support
Skills Development
Community Relations and Visibility
Communication/Publicity
Resourcing/Capacitating
CASHBUILD WAY

Social Investment (continued)

Our projects are aimed to assist local enterprises in communities where we trade, which are in line with South Africa's National Development Plan (NDP). The plan envisages the creation of employment opportunities in this country. Small businesses must be supported and aided as this will create a thriving economy. The plan observes that SMME firms will play an important role in employment creation. Our efforts to create thriving local enterprises through our Khula Nathi programme is aligned with the country's national goals and we believe that it will play a role in helping the country achieve its stated objectives.

Our efforts to provide skills and know-how to the local enterprise were highlighted through workshops aimed at small, locally-based Brick and Block Makers. This is step one towards our supplier development programme. Whilst we may not assist everyone who needs assistance with their small local-based block yards, we can ensure everyone has the correct information that they can use to build their own business.

Measuring our impact is probably the most critical aspect of our work. It links our set strategic objectives to our desired long-term goals. Impact measurement and monitoring help us direct our efforts into making the desired impact, refine our thinking and act as an expectation management tool. Impact monitoring further helps stakeholders develop a shared understanding of what we are trying to accomplish. Authentic change happens when our work is aligned with long-term goals, and authentic change is our final goal. This renewed focus on impact measurement helps us frame our thinking as we engage with communities and other partners because it acts as an evaluation tool for new projects and informs our planning for social intervention programmes. The road toward our final goal is usually long and complex. To arrive at our destination, we must make many stops, take many steps and overcome many challenges as we meander towards our final destination. This is our pathway of change. Certain preconditions must be met and therefore must exist, enablers must be in place as a signpost and specific indicators must show that we are on the right path towards our final goal.

Cashbuild continues to emphasise the impact of these CSI programmes. Mechanisms and methodology are being applied to ensure that we do not get involved in CSI initiatives to tick the box. Still, there should be a demonstrable impact, and the real benefit must accrue to the host communities. Impact and long-term sustainability are fundamental principles guiding our community investment. To this end and to demonstrate this intent, Cashbuild continues to assist the community of Soweto in maintaining the soccer field donated a couple of years ago. This involves maintenance and a stipend being paid to the two groundskeepers employed by the community to keep the facility in good order. Our efforts to create a thriving place are bearing fruit. In the township of Soweto, we set out to create a quality soccer pitch for local soccer teams and players, enabling the production of future sports stars whilst keeping young people creatively engaged. More than 700 soccer matches have been played at this facility so far. The outdoor gym is very popular with all age groups, especially elderly ladies, to the point of being oversubscribed. Another exciting project launched is Sporting Chance. This is a programme where we donate sports kits to community-based teams. This is part of Cashbuild's effort to get young people off the street and onto the playing fields.

Our programmes to support glass cutters, delivery truck drivers, brick and block makers and building local enterprise spaces are vital in expanding and growing local economies. This helps create more employment opportunities as we redraw the contours of the social landscape from ubiquitous poverty and chronic joblessness to hope, economic vitality and a montage of other possibilities. The creation of thriving local enterprises is a force for social good whose fruits are harvested not only by Cashbuild, but also by communities near our stores. In Meadowlands, we donate shipping containers to local entrepreneurs whose businesses have a long association with Cashbuild.

Subsequent to year end, Cashbuild teamed up with the National Housing Finance Corporation (NHFC) to introduce Zakhelikhaya, a project designed to enhance investment in the affordable housing market. Zakhelikhaya seeks to address South Africa's pressing affordable housing shortage by offering accessible housing options. The programme aims to alleviate the nation's significant housing backlog, which, as at 2023, includes over 2.4 million households registered on the National Housing Needs Register. Nearly half of this backlog is concentrated in Gauteng, the country's economic centre. A standout feature of Zakhelikhaya is its provision of customisable house plan options. This allows customers to select designs that best fit their personal preferences and requirements. Cashbuild ensures these plans are affordable and provides clients with extensive support and financial assistance.

Zakhelikhaya™ seeks to address South Africa's pressing affordable housing shortage through an agreement with NHFC

- Facilitate NHFC first-time homeowner grant applications through our stores
- Access to "top-up" finance provided by financial institutions in-store
- Pre-costed house plan options

Social Investment (continued)

The main CSI initiatives supported during the 2024 reporting period are showcased below.

Khula Nathi

ENTERPRISE DEVELOPMENT IN ALEXANDRA, GAUTENG

Ditebogo Gifts

Another local enterprise project has been successfully completed. The Alex Flower Shop, owned by Tebogo Mosweu in Alexandra, is now officially operating out of a remodelled and customised shipping container designed to her specifications. Tebogo Mosweu, also the proprietor of Ditebogo Gifts, sells flowers for various events such as funerals, weddings, corporate events, Valentine's Day, birthdays, Christmas, and anniversaries. Recently, she secured a contract with Mr Delivery (Mr D) to be listed on their database for flower supply.

Previously, Tebogo operated her business from her in-laws' house before receiving the container. She currently employs two people. "I am eternally grateful for the beautiful container which met every spec I needed for my business. I want you to know that your donation will not go to waste. I will be employing more people and will use the shop to upskill the youth. I have already spoken to a primary school principal, and we will be working with learners to train them in flower arranging. Children who are already part of our tutoring programme will also benefit from learning about floral arrangements, which we intend to use to help them understand complex subjects like mathematics. Without your support, it wouldn't have been easy to carry out this responsibility that lies in our hearts. Thank you very much."

Social Investment (continued)

Community visibility

CONSTRUCTION OF AN OUTDOOR GYM IN SEBOKENG, GAUTENG

Etelang Pele Community Services

The objective of Cashbuild donating recreational facilities in the communities within which we trade is multifaceted:

- We aim to build strong relationships with the community, and this is a way to show commitment to the wellbeing of residents.
- We strive to have a positive brand image as well as enhance our reputation by showing that we care about more than just profits. We continue to contribute to the social and physical wellbeing of the community, which can lead to a healthier, more engaged, and productive population. Gyms promote physical activity and healthy lifestyles among community members, which can reduce healthcare costs and improve overall quality of life. These spaces also offer relaxation and recreation that can improve mental health and reduce stress levels in the community.

Our involvement in the community inevitably creates a positive work environment for our staff by boosting employee morale because we show that the Company they work for is committed to giving back to the community. More and more employees are now attracted to working for companies that contribute positively to the community.

Cashbuild employs a multi-faceted approach to measure the impact of our donations of recreational facilities on the local community. We use both quantitative and qualitative metrics to assess the outcomes. Some of the key methods include:

- Conducting regular surveys and collecting feedback from community members to gauge their satisfaction and the perceived benefits of the facilities.
- Tracking the utilisation rates of the recreational facilities to understand how frequently they are used and by whom.

The key strategic goals we aim to achieve through the donation of recreational facilities are closely aligned with our overarching corporate social responsibility (CSR) objectives. These goals include the improvement of the quality of life for local residents by providing safe and accessible spaces for physical activity, social interaction, and relaxation. By investing in local infrastructure, we aim to strengthen our ties with the community, fostering goodwill and mutual respect. This helps us build a loyal customer base and enhances our reputation as a responsible corporate citizen.

We are committed to promoting healthy lifestyles. Our recreational facilities encourage physical activity, which can lead to better health outcomes and reduced healthcare costs for the community. Our commitment to sustainable development is reflected in our efforts to create long-lasting, environmentally friendly recreational spaces that can be enjoyed by future generations. By demonstrating our commitment to social responsibility, we aim to boost employee morale and attract top talent who value working for a company that makes a positive impact. Mpho Molakeng, director of Etelang Pele Community Services said: “Etelang Pele Community Services would like to thank Cashbuild for the gym. As an organisation we are happy for the sponsorship as we are the first organisation in the history of NPOs to get a sponsorship of this kind. Our community is so thankful to Cashbuild. The gym will be helping us as a community to promote the physical and mental health of the community of Zone 11 and rounding areas. The outdoor gym will lower the risk of lifestyle diseases like high blood pressure, sugar diabetes, cholesterol and heart diseases. Our organisation is in the area where most of the members of the community are from disadvantaged households and less privileged due to the high level of unemployment. Thank you, Cashbuild, for all the financial support towards the outdoor gym.”


Cashbuild


Cashbuild


Cashbuild


Cashbuild

Social Investment (continued)

Community visibility

CONSTRUCTION OF A SOCCER FIELD IN MHLUZI, MPUMALANGA

Mthombeni soccer field

As part of our community visibility programme, we have installed a soccer field in Mhluzi, Mpumalanga. The handover and launch took place on 22 February 2024, with various community stakeholders in attendance. Notable attendees included Mr Linda Zwane, the National Vice-President of SAFA, members of the Local Football Association, CPF, SAPS, the Local Municipality, the Mayor's office, and community leaders.

The project contractor, Mayivhuthe Contractors, was selected by stakeholders during the sod-turning meeting. The contractor generously donated tanks and a borehole system for watering the field. After several meetings between Cashbuild and stakeholders, it was agreed to name the field after the local school, Mthombeni Primary School, where the field is located.

The Local Football Association and Mthombeni Primary School have agreed to maintain the field. Currently, the field has not been utilised as the grass is not yet fit to host matches. The Mthombeni Sports Field will benefit local schools and football teams.

"We are extremely happy with the donation; it will have a lasting impact and benefit future generations. As a school, we promise to maintain the field and care for the grounds. This donation highlights the partnership Cashbuild has with the community and their commitment to its wellbeing. We will always mention Cashbuild in parents' meetings, during tournaments, and share the good work they do," said Mr PS Motaung, a teacher and football coach.

INSTALLATION OF A COMMUNITY GARDEN IN MAMELODI, GAUTENG

Fenya Tlala Community Welfare

We are committed to empowering communities with the resources they need to cultivate and sustain their own food. As part of our Socio-Economic Development programme, we have supported a NPO in Mamelodi by establishing a community garden. This initiative not only enhances food security but also provides numerous societal benefits.

Community gardens contribute significantly to local food security by ensuring that residents have access to fresh, nutritious produce. They also foster social cohesion, as members of the community come together to work towards a common goal. These gardens create opportunities for education and skill development, teaching individuals about sustainable agriculture and healthy eating habits.

Furthermore, community gardens also contribute to environmental sustainability by promoting biodiversity and reducing the carbon footprint associated with food transportation.

The NPO in Mamelodi currently has five team members and is planning to employ more young people, further contributing to local economic development. By providing jobs and engaging youth in meaningful activities, the garden helps to reduce unemployment and build a stronger, more resilient community.

Overall, community gardens serve as vital hubs for promoting health, education, and economic opportunities, demonstrating the profound impact such initiatives can have on society.

Team member, Ms Sibongile Leshaba of the Fenya Tlala Community Welfare commented: “We would like to express our heartfelt gratitude for your generous support in refurbishing the Fenya Tlala Community Garden. Your contribution has been valuable, and we are deeply thankful for your commitment to our garden. Your donation has enabled us to have necessary resources for our community. Your investment in our community garden demonstrates your dedication to making a positive impact in our lives. Please accept our sincere appreciation for your kindness and support. Your contribution has made a significant difference in our community, and we are forever grateful.”

Social Investment (continued)

P&L Hardware

P&L Hardware KwaThema was opened during the year under review, and two stores were refurbished where the P&L Hardware Helping Hearts initiative was implemented. This initiative continues to be very well received within the communities and the children participated with song and dance events, exhibiting great talent and excitement. P&L Hardware donates R5 000 in the form of in-store accounts to five schools with each new store opening, refurbishment or relocation as per the Group's policy, bringing the total donation amount to R25 000 per event.

Opportunities for local artisans

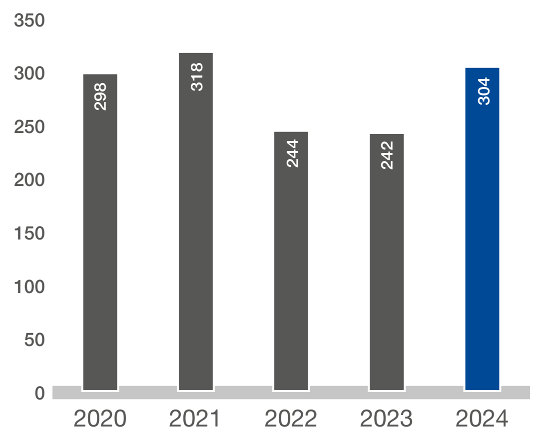
The Group remains committed to its programme of supporting local artisans and entrepreneurs, including brick makers, glass cutters and glazers. This programme offers entrepreneurs the opportunity to produce products such as bricks, blocks and lintels, which are purchased and re-sold by Cashbuild. It also offers glass cutters and glazers the chance to work rent-free on Cashbuild premises.

During the financial year, Cashbuild has supported Tseisi Capital and Advisory, a small black-owned brick and block manufacturing company located in the Maranikhwe Village, Makhado, Limpopo. Cashbuild has invested R2 million to help the company relocate, upscale, and automate its manufacturing plant, enhancing efficiency and streamlining operations to remain competitive in the marketplace. This milestone marks Cashbuild's first investment of this nature, transforming the beneficiary from a small informal operation into a competitive, automated entity, contributing positively to the entire construction industry in the Limpopo province.

The delivery and installation of the new machinery are complete, and production has begun. Cashbuild will continue to monitor the quality and consistency of the bricks manufactured through our cement partners, ensuring these products are eventually available at Cashbuild stores.

Cashbuild remains committed to identifying and supporting other beneficiaries through its supplier development initiatives. We have developed a due diligence framework with the assistance of providers such as BEE123 and Raizcorp, ensuring suitable candidates are included in the programme.

NUMBER OF GLASS CUTTERS



Store openings and relocations

In the year under review, six (6) (2023: six) new stores were opened and two (2) (2023: none) stores were closed due to underperformance. Cashbuild refurbished 20 (2023: 20) stores during the year under review.

These new stores created between 14 and 20 new local employment opportunities per store opening.

For every new store we empower our communities in the following ways:
- new staff are employed;
- local delivery drivers, formally contracted by Cashbuild, are provided with support in the development of their own enterprises; and
- local artisans (glass cutters, brick makers, etc.) are trained and supported in the establishment and development of their own enterprises, either on the Cashbuild premises, or in close proximity to stores.

For every new, relocated and refurbished store opened, Cashbuild:
- donates R120 000 worth of building materials to various schools in the neighbouring community;
- awards, through the Group's Art@Heart programme, prizes to local scholars. Their artwork is displayed in the store for a period of six years; and
- actively engages, through the store management team, the local community leaders prior to and following the store opening.

The children's artwork, by means of a colouring-in book provided to them, will be displayed at the store for a period of three years.

As previously mentioned, P&L Hardware will be donating R5 000 in the form of in-store accounts to five schools with each new store opening, refurbishment or relocation as per the Group's policy, bringing the total donation amount to R25 000 per event.

Indigenous rights

The Group is committed to community engagement and makes every effort to respect and collaborate with local leadership structures, both elected and traditional (where relevant). In this regard, Cashbuild is not aware of any incidents of violation of indigenous rights, across any of its operations and in particular during the establishment of new stores, during the reporting period.

We employed 863 new employees in our stores to fill vacancies due to staff turnover and the total number of staff is marginally down on the previous year due to the closure of five stores.

Delivery driver contractors

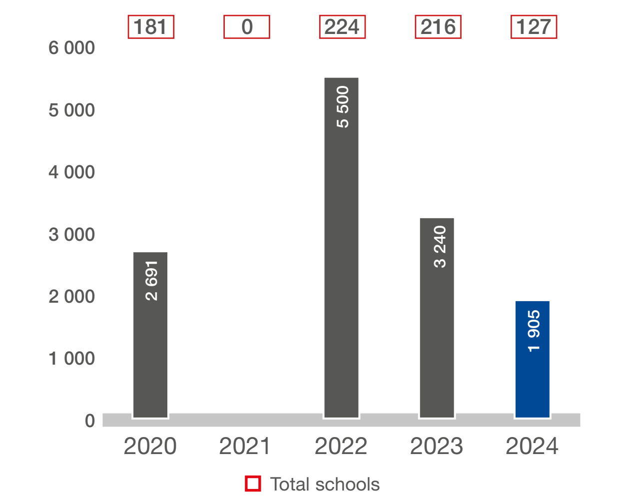
Cashbuild's policy of free local deliveries provides a value-added service to customers and directly supports local entrepreneurship and employment creation. As at the end of the financial year, 377 (2023: 331) delivery drivers were contracted across the Group's stores. For this service Cashbuild spent R184.4 million (2023: R180.0 million), an increase of 2.4%.

P&L Hardware offers a free local delivery service to its customers. These deliveries are done via our own fleet and drivers employed by the company. We have an active drive to increase our delivery services to a company benchmark of 25% deliveries to sales as well as transactions concluded per store.

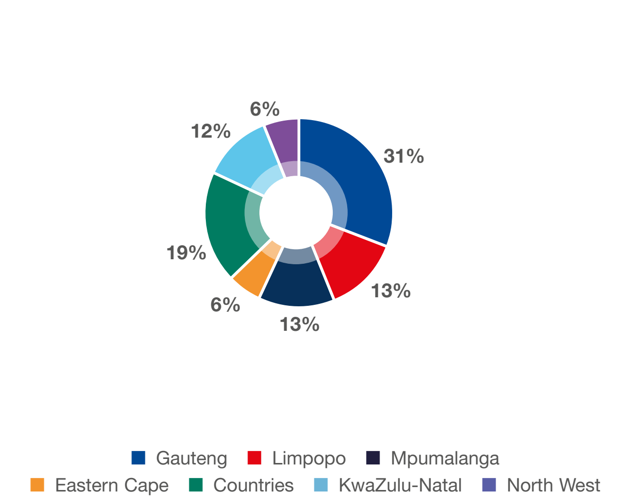
School donations

Cashbuild has, in conjunction with new store openings and/or re-openings, conducted a programme of donations of building materials to schools in each community in which such an opening or relaunch takes place. Access to these building materials is strictly controlled by the Cashbuild Store Manager, in order to ensure that they are used for the intended school improvement purpose. Since the inception of the programme in 2001, Cashbuild has donated building materials worth R53.75 million to 4 114 schools.

SCHOOL CONTRIBUTIONS (R'000)



SCHOOL CONTRIBUTIONS BY PROVINCE AND COUNTRY

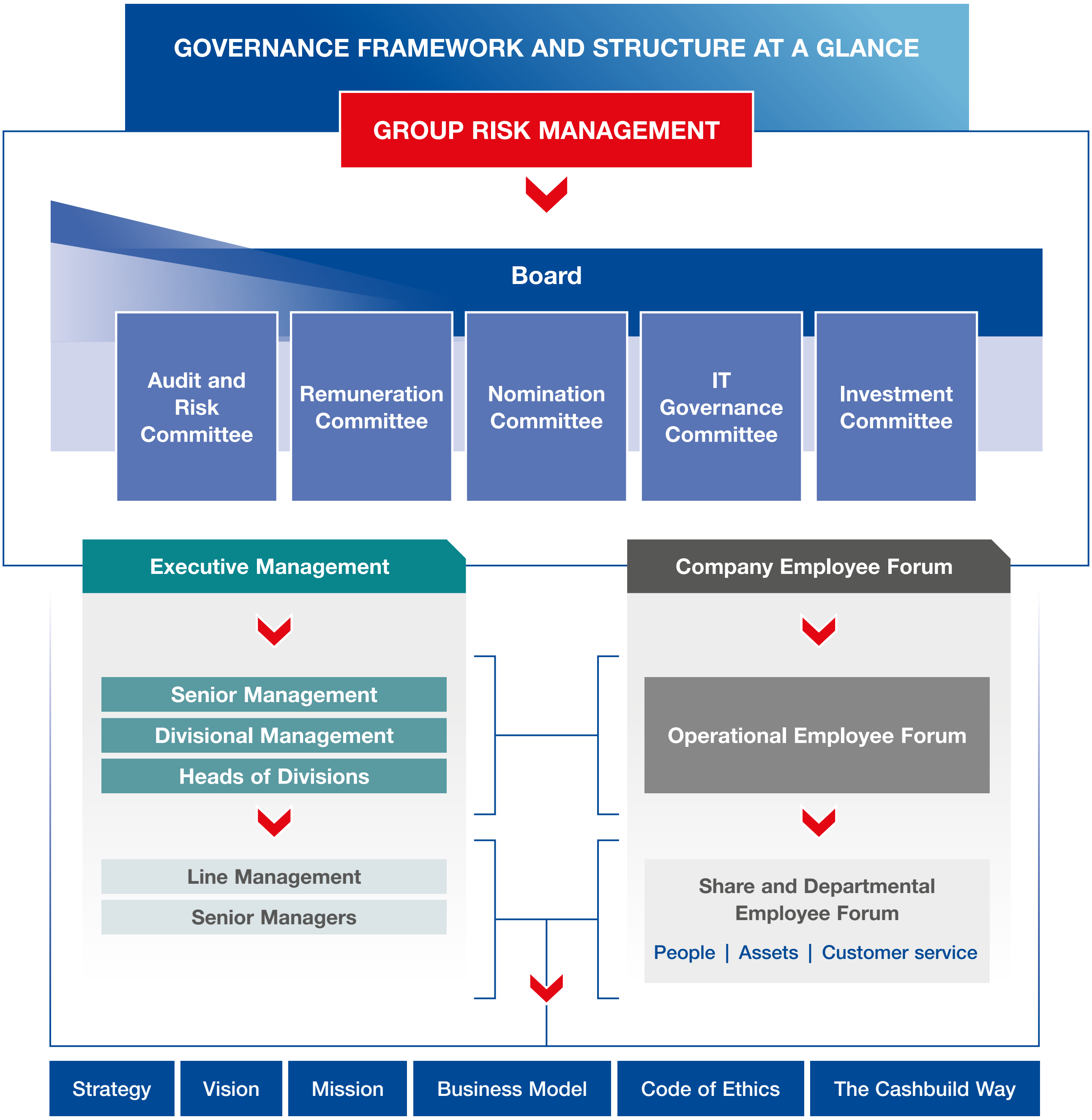


Governance

We believe that our governance practices are sound and comply with the JSE Listings Requirements, King IV™ as well as guidelines provided by the IIRC's International < IR > Framework in terms of reporting according to the Six Capitals.

There are no material changes to the contents of the governance section of the Integrated Report compared to the 2023 Integrated Report.

Cashbuild endorses and continuously assesses the principles of King IV™ and, where applicable, tailors these as appropriate to the organisation.



KING IV™ APPLICATION ASSESSMENT

The assessment of compliance against King IV™ Principles is available on the Cashbuild website.

The principles are:

	Description
1	Ethical leadership – The governing body should lead ethically and effectively.
2	Organisational values, ethics and culture – The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.
3	Responsible corporate citizenship – The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.
4	Strategy implementation and performance – The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.
5	Reports and disclosure – The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.
6	Primary role and responsibility of the governing body – The governing body should serve as the focal point and custodian of corporate governance in the organisation.
7	Composition of the governing body – The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.
8	Committees of the governing body – The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of its duties.
9	Performance evaluations – The governing body should ensure that the evaluation of its performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.
10	Delegation to management – The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.
11	Risk governance – The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.
12	Technology and IT governance – The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
13	Compliance governance – The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
14	Remuneration governance – The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.
15	Assurance – The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.
16	Stakeholders – In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

Governance (continued)

BOARD OF DIRECTORS

Board responsibilities

The Board is accountable and responsible for the performance and affairs of the Group. The terms of reference outlining its responsibilities are contained in the Board Charter. The Board takes responsibility for guiding and monitoring compliance with all applicable laws, regulations and codes of business practices, maintains oversight over compliance and risk management, but delegates operational control to management.

The Board has delegated relevant matters to the Executive Directors and senior management based on detailed authority levels and believes it has full and effective control over the Group and oversight of management activities. The Board meets on a quarterly basis. All directors have to attend each meeting, other than where a valid reason is provided for not being able to attend.

The directors are bound by, and comply with, the JSE Listings Requirements.

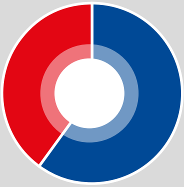
Board composition

The Board operates a unitary board structure comprising four Executive and six Independent Non-Executive Directors. The Chairman of the Board is an Independent Non-Executive Director and the role of Chairman and Chief Executive Officer is separated. The Nomination Committee reviews the composition of the Board annually, in accordance with the King IV™ recommendations and it considers the number of directors, and the collective knowledge, skills and experience required for conducting the business of the Board. The Nomination Committee is satisfied with the composition of the Board and its committees. The Independent Non-Executive Directors, who are trained and experienced, bring insight and expertise to Board deliberations. There is a policy in place which ensures a clear balance of power and authority at Board level and that no one director has unfettered powers of decision-making.

The Board acknowledges its responsibility towards equality and diversity at Board level. Cashbuild strives for a diversified Board that is not dominated by a specific grouping, be it race, gender or age, with due consideration of the Equity and Diversity Policy.

DIRECTORS

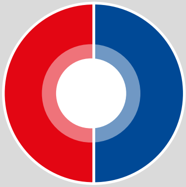
40%
Executive Directors



60%
Independent Non-Executive Directors

DEMOGRAPHICS

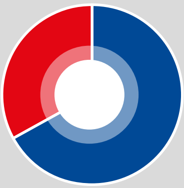
50%
Black Independent Non-Executive Directors



50%
White Independent Non-Executive Directors

GENDER

33%
Female Independent Non-Executive Directors



67%
Male Independent Non-Executive Directors

INDEPENDENT NON-EXECUTIVE DIRECTOR TENURES

0 to 5	6 to 10	>11
3	1	2

Years

INDEPENDENT NON-EXECUTIVE DIRECTOR TENURES

Independent Non-Executive Director experience

Board	Finance	Communications and marketing	Risk	Technology
6	3	2	2	2

Governance (continued)

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

WF de Jager (53)
Chief Executive Officer

Appointed: 1 March 2012
CA(SA)

Werner obtained his CA(SA) qualification in 1994 and completed his articles with PwC.

He joined Cashbuild on 1 December 2004 as Financial Director. Prior to joining Cashbuild, he worked in the retail industry where he gained invaluable knowledge. On 1 March 2011, he was appointed Marketing and Procurement Director and on 1 March 2012, Chief Executive Officer of the Group. Werner is a board member of the Global Home Improvement Network.

H Bester (45)
Chief Financial Officer

Appointed: 1 July 2024
CA(SA), MCom (SA and International Tax)

Hanré completed his articles at PwC in 2003 where he specialised in taxation as a multi-disciplined tax practitioner. Prior to joining Cashbuild as Chief Financial Officer, he held senior finance positions in the distribution and warehousing sectors of the Building and Construction industry, as well as Information and Communications Technology industry.

SA Thoresson (61)
Operations Director

Appointed: 27 March 2007

Shane joined Cashbuild on 22 August 2005 and has over 30 years of operations experience in the retail sector, over 20 years of which was in sub-Saharan African countries. He has worked for well-respected retail companies such as Woolworths, Foschini and the Mr Price Group. He was appointed as the Operations Director on 1 March 2007.

WP van Aswegen (57)
Commercial and Marketing Director

Appointed: 2 April 2018
CA(SA)

Wimpie obtained his CA(SA) qualification and completed his articles at PwC. He joined Cashbuild in April 2008 as General Manager Creditors. In 2010 he became Procurement Executive and was appointed as the Commercial and Marketing Director of Cashbuild on 2 April 2018. Wimpie is also responsible for the procurement of the Group.

RETIRED

Etienne Prowse

Etienne joined Cashbuild in June 2005 as Financial Controller. He was appointed as the Chief Financial Officer on 1 March 2011, until his retirement on 30 June 2024. We would like to thank Etienne for his unwavering dedication and hard work. We wish him a restful retirement.

INDEPENDENT NON-EXECUTIVE DIRECTORS

AGW Knock (73)
Chairperson of the Board and of the Nomination Committee

Appointed: 1 July 2011
Pr Eng (ret), BSc (Eng) (Wits), MSc (Eng) (Wits), MDP (Cape Town)

Alistair is a former board member of the Mining SETA, Chairman of the SAP African User Group NPO and the Minerals and Mining Standards Generating Body as well as Council Member of the Association of Mine Managers. He was appointed as Chairman of the Board effective 3 September 2019.

M Bosman (Mr) (67)
Chairperson of the Audit and Risk Committee and of the Investment Committee

Appointed: 1 March 2019
B.Acc (Hons) (SU), CA(SA)

Marius was with the Shoprite group for more than 25 years, serving on the boards of the material subsidiaries and served as Shoprite Holdings' Chief Financial Officer from 2014 until his retirement in July 2018.

M Bosman (Ms) (53)

Appointed: 1 August 2021
B.Acc (Hons) (UJ), CA(SA)

Melanie runs a consulting practice focused on the financial services sector. She is a non-executive director of Land Bank Insurance Company and Land Bank Life Insurance Company SOC Limited, as well as an independent member of the Audit Committee of the Discovery Health Medical Scheme. She is a former board member of Credit Guarantee Insurance Corporation of Africa and Escap SOC Limited (a subsidiary of Eskom).

DSS Lushaba (Dr) (58)
Chairperson of the Social and Ethics Committee and of the Remuneration Committee

Appointed: 1 July 2011
BSc Adv. Biochemistry (Hons) (Zululand), GDip (Co Dir), PGD (Digital Marketing), MSc, MBA (Wales), DBA (UKZN), CD (SA)

Simo is a Governance Specialist at the Institute of Directors of South Africa where he performs board assessments and director development programmes. He has 22 years of boardroom experience in different industries including mining, technology, waste management, sporting bodies and water utilities. He has worked for, amongst others, Transnet, Rand Water and Lonmin.

AJ Mokgwatsane (46)

Appointed: 1 August 2021
Integrated Marketing and Communications Diploma (AAA School of Advertising), MBA (Oxford University)

Abey is the Group Chief Marketing Officer of Investec. His previous roles include that of Managing Executive: Brand and Communications of the Vodacom Group, CEO of Ogilvy South Africa, CEO of VWV Group, Group Marketing Manager of South African Breweries, and board member of the Vodacom Foundation.

GM Tapon Njamo (46)
Chairperson of the IT Governance Committee

Appointed: 2 April 2018
BCom (UCT), CA(SA)

Gloria is the CEO of Santam Partnership Solutions. She has over 15 years' experience as a Financial Executive and business leader.

She is a non-executive director of Centriq, Santam Structural Insurance, Clinix Health Group and Lonsa Everite Group. She was previously Head of Santam Investor Relations and has also worked for JP Morgan, Woolworths Financial Services, Sturrock Grindrod Maritime and GE Transportation.

Governance (continued)

Board appointments

The appointment of new directors is approved by the Board as a whole on the recommendation of the Nomination Committee. Directors are appointed through a formal and transparent process, outlined in the Board Charter, which includes the identification of suitable candidates and conducting background verifications prior to nominations. Executive Director appointments are formalised through an agreed contract of service between the Company and the director.

Directors have been and will be nominated based on their calibre, knowledge, experience and the impact they are expected to have, as well as the time and attention they can devote to their roles. New directors are taken through an induction programme and are provided with all the necessary background and information to familiarise them with issues affecting the Board.

Board meetings

The Board met five times during the year, one of which was a strategy Board meeting. The Chairman of the Board and the Chief Executive Officer meet monthly. The Chairman of the Board and the Chief Executive Officer, in consultation with the Company Secretary, take responsibility for setting the agenda for each Board meeting. Board meetings are scheduled well in advance and management ensures that Board members are timeously provided with all the relevant information and facts necessary to enable them to meet their objectives and make well-informed decisions.

Board and Board Committee meetings attendance:

Name	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee	IT Governance Committee	Investment Committee	Nomination Committee
Non-Executive							
AGW Knock	C – 5/5	I – 4/4	M – 4/4	I – 4/4	M – 5/5	–	C – 3/3
M Bosman (Mr)	M – 5/5	C – 4/4	–	–	–	C – 3/3	M – 3/3
M Bosman (Ms)	M – 5/5	M – 4/4	–	M – 4/4	–	–	–
DSS Lushaba	M – 5/5	M – 4/4	C – 4/4	C – 4/4	–	–	–
AJ Mokgwatsane	M – 5/5	I – 4/4	–	M – 4/4	M – 4/5	–	–
GM Tapon Njamo	M – 5/5	M – 4/4	M – 4/4	–	C – 5/5	M – 3/3	–
Executive							
WF de Jager	M – 5/5	I – 4/4	I – 4/4	M – 4/4	M – 5/5	M – 3/3	I – 3/3
AE Prowse	M – 5/5	I – 4/4	I – 4/4	–	M – 5/5	M – 3/3	–
SA Thoresson	M – 5/5	I – 4/4	–	–	I – 5/5	–	–
WP van Aswegen	M – 5/5	I – 4/4	–	M – 4/4	I – 5/5	–	–

C Chairperson of the Board/Committee
M Member of the Board/Committee
I Attendance by invitation

Independence of directors

King IV™ requires the Board to holistically review the independence of Non-Executive Directors. The Board conducted the review for the financial year and was satisfied that all of the Non-Executive Directors are independent of the Company. The matter of independence of directors is addressed during the recruitment process and revisited annually when directors are required to declare any conflict of interests. No conflict of interest or any factor hampering independence of any director has been identified during the 2024 financial year.

Board and committee performance evaluation

Cashbuild undertakes an annual Board evaluation, as recommended by King IV™. During the year under review, the internal evaluation process was conducted as follows:

- By the Chairpersons of the various Committees, using questionnaires completed by each member and attendee. The results of which were deliberated upon at each relevant committee and presented to the Board for its consideration.
- By the Chairperson of the Board using questionnaires completed by each member on the Board. The results of which were presented to the Board for its consideration.

- Through one-on-one discussions between the Chairperson of the Board and each member of the Board. The results of which were reported on formally to the Board for its consideration.
- By Board members (excluding the Chairperson), evaluating the performance of the Chairman. The results of which were formally reported to the Board by the Chairperson of the Remuneration Committee.

Each of the performance assessments indicated that the Board, its Committees, its members and its Chairperson were performing their duties and responsibilities effectively and efficiently.

Directors' appointments and rotation

In terms of the MOI, one-third of the Independent Non-Executive Directors retire by rotation every year and, if eligible and available, offer themselves for re-election by the shareholders at the Annual General Meeting. Amongst other matters, the Board considers the performance of each director due for re-election at the Annual General Meeting. Directors appointed during the financial year are required to be ratified by the shareholders at the first Annual General Meeting after their appointment. The details of the directors due for re-election, and directors appointed during the year are as reflected in the Notice of Annual General Meeting to be held on 25 November 2024.

The Board applies its Gender and Diversity Policy in filling directorship positions with a view of ensuring a balance of gender, race and ethnic diversity on the Board. Cashbuild reviewed its Board Gender and Diversity Policy during the 2024 financial year and reaffirmed its voluntary target as being that the Board should not be dominated by a specific grouping, be it race, gender or age.

Conflicts of interest and other directorships

The directors declare actual, potential and perceived conflicts of interest to their fellow directors and ensure that the declarations are included in the minutes of Board meetings. They also recuse themselves from the relevant Board meeting while their fellow directors deliberate on the specific matter.

Executive Directors do not hold directorships outside the Group and participate in various industry bodies and associations in different capacities. The Board believes that other directorships held by Independent Non-Executive Directors do not affect their ability to fully discharge their responsibilities as Cashbuild directors. Details of other directorships held by Cashbuild directors are provided on pages 80 and 81 of this Report.

Dealing in securities

The Company has a dealing in securities policy requiring all directors, management, prescribed officers and the Company Secretary to obtain prior written clearance from the Chairperson (or the respective delegated individual) to deal in the Company's securities. Should the Chairperson wish to deal in Cashbuild securities, he in turn obtains prior written clearance from the Chairperson of the Audit and Risk Committee. Closed periods (as defined in the Listings Requirements) are observed as prescribed. During these periods, the directors, management, prescribed officers, the Company Secretary and employees privy to price sensitive information are not permitted to deal in the Company's securities. Additional closed periods are enforced when the Group commences with a corporate activity and where a cautionary announcement (as defined in the Listings Requirements) is published.

Legal compliance and compliance with applicable laws

The Board takes full responsibility for legislative and regulatory compliance in the Group. There were no cases of material legislative or regulatory non-compliance during the year and no penalty sanctions were imposed on the Group or any of its directors or officers during the year.

Cashbuild is:

- compliant with the provisions of the Companies Act or laws of establishment, specifically relating to its incorporation; and
- operating in conformity with its MOI and relevant constitutional documents.

Access to information

Directors have full and unrestricted access to all relevant Company information. Independent Non-Executive Directors enjoy unrestricted access to the Executive Management Team and frequently meet with the Executive Management to discuss Group affairs. All directors have unrestricted access to independent professional advice at the Company's expense, by arrangement with the Chief Financial Officer and the approval of the Chief Executive Officer.

Company Secretary

The Company Secretary provides guidance to the Board as a whole and to individual directors, in the ordinary course of the discharge of their responsibilities.

The Company Secretary is empowered to fulfil his duties and the Board is satisfied that the responsibilities of the Company Secretary are exercised in a meaningful and competent manner. The Company Secretary is not a director of the Company and maintains an arms-length relationship with the Board.

The Company Secretary is Mr T Ṋengovhela. The Board considered his competence, qualifications and experience at its meeting held on 2 September 2024, and is satisfied that he is competent and has the appropriate qualifications and experience to serve as the Company Secretary.

Governance (continued)

BOARD COMMITTEES

The directors have delegated specific functions to committees to assist the Board in meeting its oversight responsibilities. The committees all have documented mandates which are reviewed annually. The Chairperson of each committee reports back to the Board on matters discussed in the committees at every Board meeting.

The Board has six committees, namely the:

- Audit and Risk Committee;
- Remuneration Committee;
- Nomination Committee;
- Social and Ethics Committee;
- IT Governance Committee; and
- Investment Committee.

All of these committees are chaired by an Independent Non-Executive Director and operate in accordance with their respective terms of reference which are approved by the Board. The committees operate independently and report to the Board. Each committee is evaluated annually by its Chairperson using questionnaires completed by each member of the committee and reports the outcomes thereof to the Board.

Audit and Risk Committee

Members: Mr M Bosman (Chairperson); Ms M Bosman; Dr DSS Lushaba and Ms GM Tapon Njamo

In terms of the Companies Act, the members of the Audit and Risk Committee were individually elected at the Annual General Meeting on 27 November 2023. Three members of the Committee will be standing for election at the Annual General Meeting to be held on 25 November 2024.

Deloitte is the current external auditor. The Committee will make a recommendation at the Annual General Meeting, to be held on 25 November 2024, for the re-appointment of Deloitte, represented by Mr James Welch as the Designated Auditor.

The Audit and Risk Committee performs its statutory duties in accordance with section 94(7) of the Companies Act. Further details of the role, responsibilities and functions of the Audit and Risk Committee are set out in the Audit and Risk Committee Report on pages 101 to 105 of this Integrated Report.

Remuneration Committee

Members: Dr DSS Lushaba (Chairperson); Mr AGW Knock and Ms GM Tapon Njamo

The Remuneration Committee is responsible for providing an overview and oversight of the Remuneration Policy and related processes in meeting the strategy of the business. The scope of this responsibility includes incentive schemes, the pension fund, and medical aids associated with Cashbuild.

Further details pertaining to the responsibilities and functions of the Remuneration Committee are set out in the Remuneration Report on page 87 of the Integrated Report.

Social and Ethics Committee

Members: Dr DSS Lushaba (Chairperson); Ms M Bosman; Mr AJ Mokgwatsane; Mr WF de Jager and Mr WP van Aswegen

The Social and Ethics Committee operates in terms of section 72(8) of the Companies Act. The details pertaining to the Committee's duties, responsibilities and functions are set out in the Social and Ethics Committee Report on page 50 of this Integrated Report.

Nomination Committee

Members: Mr AGW Knock (Chairperson) and Mr M Bosman

The Nomination Committee is responsible for developing selection criteria and identifying appropriate candidates for appointment to the Board.

Further details of the role, responsibility and functions of the Nomination Committee are set out in the Nomination Committee Report on page 97 of the Integrated Report.

IT Governance Committee

Members: Ms GM Tapon Njamo (Chairperson); Mr AGW Knock; Mr AJ Mokgwatsane; Mr WF de Jager; and Mr AE Prowse (retired effective 30 June 2024)

The details pertaining to the responsibilities and functions of the IT Governance Committee are set out in the IT Governance Committee Report on page 95 of this Integrated Report.

Investment Committee

Members: Mr M Bosman (Chairperson); Ms GM Tapon Njamo; Mr WF de Jager; and Mr AE Prowse (retired effective 30 June 2024)

The Investment Committee is responsible for assessing investment opportunities to ensure that the Group makes sound capital investments taking into account all risks pertaining to such transactions.

EXECUTIVE MANAGEMENT

Executive Management responsibility

Authority has been granted by the Board to the Chief Executive Officer, supported by the Executive Management Team, to determine and implement Group strategy. The Board is apprised of progress through Board meetings and communication with management.

Formal Executive Management Team meetings chaired by the Chief Executive Officer are held once a week (every Monday) with members of the Executive Management Team invited on an “as required” basis to monitor and review progress and achievement of business objectives, which includes the appropriate discharge of corporate governance responsibilities in all areas of the business.

The Cashbuild Executive Management Team takes full responsibility for corporate governance within the Group and consists of Executive Directors and the following members:

EXECUTIVE MANAGEMENT OF CASHBUILD

Samantha Bowen (43)
Procurement Executive

Peter Champion (57)
Human Resource Executive

Fanie Craggs (39)
Trainee Operations Executive

Anton Hattingh (58)
Operations Executive

André Havenga (57)
Risk and Audit Executive

Disemelo Masala (54)
Divisional Director Operations

Zandile Matolo (44)
Financial Director Cashbuild brand entities

Ian Mc Kay (58)
Senior Operations Executive

Gillian Mead (50)
Finance Shared Services Executive

Tyron Myburgh (51)
Operations Executive

Attie Nel (51)
Procurement Executive

Mark Scholes (60)
Operations Executive

Hennie Steenberg (52)
IT Executive

Roger Wentzel (48)
Store Development Executive

Takie Ṋengovhela (38)
Company Secretary

Governance (continued)

It is with heavy hearts that we inform stakeholders of the untimely passing of Willie Dreyer (Operations Executive) on 15 May 2024 after a short illness. Willie had been with the Company for 14 years and his passing leaves a void in the Group. He will be sorely missed and the Company expresses its sincere condolences to his family.

Succession/emergency planning and continuity of management

The Board regularly participates in the review of succession and/or emergency planning for key senior executive positions. The directors periodically discuss succession planning and are re-evaluating that, in the event of any executive and senior management transition, plans are in place to ensure a smooth transition.

Other than the announcement regarding the retirement of Etienne Prowse and appointment of Hanré Bester as Chief Financial Officer, no other member of the Executive Management Team has given an indication of his/her intention to resign or retire between 30 June 2024 and the date of this Report.

Prescribed officers

Prescribed officers are defined as Cashbuild employees who:

- report to the Operations Director and/or are in charge of an operational business unit; and
- exercise general management control over members of Cashbuild senior management; or
- have general management control over a significant portion of Cashbuild's business defined; and
- are eligible for appointment as a director or prescribed officer in terms of section 69 of the Companies Act.

The Company did not have prescribed officers at 30 June 2024. Ms Masala ceased to be a prescribed officer effective 17 October 2023.

Employee Forum

Employee Forum structure

Cashbuild's Employee Forum structure allows Store Representatives more direct access to the Senior and Executive Management Team.

Role of the Employee Forum

Employee Forum meetings are established to facilitate interaction and consultation between management and employees in the workplace. The role of the Store Employee Forum is to discuss and reach agreement on store and departmental specific issues with regards to the results of operations, shrinkage, audits, customer service issues, training needs, staff scheduling, back-up/succession planning and general issues of concern raised by employees within the store or department.

The role of the Employee Forum is to ensure store forums are functioning effectively, discuss Group specific issues and any general issues of concern raised by employees within divisions but not resolved at divisional level are dealt with. This committee monitors, implements and ensures the achievement of agreed strategies.

It also forms the Training Committee for the Group to identify consolidated training needs in line with its strategy. The Forum monitors implementation and achievement of agreed strategies, and forms the Group Employment Equity Committee to be consulted with by the Group as required by the Employment Equity Act. Employee Forums form an integral part of Cashbuild Governance Framework and aim to optimise the governance relationship between Cashbuild management and staff.

The Cashbuild Employee Forum constitutes the principal means of communication between employees and the Executive Management Team.

In addition, various mechanisms exist for employees and other stakeholders to engage directly with members of the Board (particularly Independent Non-Executive Directors). The most direct of these is the Group's Annual General Meeting. In extraordinary circumstances however, the possibility exists for stakeholders to engage directly with Independent Non-Executive Directors.

Remuneration Report

The Remuneration Committee (the Remco) strives to ensure that our Executive Directors through to our staff are fairly remunerated to ensure that we retain competent skills within the Group.

REMCO

Chairperson
Dr DSS Lushaba

Members
AGW Knock; GM Tapon Njamo

Independence
All Remco members are Independent Non-Executive Directors.

Meetings
Three times per annum.

For this financial year, four meetings were held.

Role and function
The Remco's role is delegated to it by the Board to ensure that:
- the Remuneration Policy is kept current;
- remuneration packages are in line with industry norm; and
- criteria for performance measurement and remuneration packages for Cashbuild's Executive Management Team is maintained and updated.

In addition, the Remco:
- facilitates a transparent process of performance review and evaluation for Executive Directors on behalf of the Board;
- ensures that remuneration, in particular as it relates to Executive Management, is motivated by the dual criteria of delivering sustainable financial return to shareholders and the recognition and reward for outstanding performance; and
- ensures that executive compensation is linked to the achievement of both the organisation's financial and non-financial goals.

Responsibilities
The Remco's responsibilities include:
- that all positions are graded using the Paterson grading methodology;
- remuneration packages are benchmarked every three years by way of formal salary surveys using external remuneration specialists;
- Cashbuild's policy is to remunerate staff at the 50th percentile, with scarce skills being pitched at the 75th percentile; and
- that the Executive Directors' remuneration mix, in respect of "guaranteed pay" and "non-guaranteed/variable pay", is appropriate, so as to align the directors' interests with those of shareholders.

Assurance
The Remco is governed by good corporate governance principles and the Group's value statement. The members of the Committee hereby confirm that they were diligent in exercising their duties of care and skill and that they have taken reasonable steps to ensure that they performed their duties in accordance with the Committee's mandate.

In terms of King IV™, the Company should obtain the endorsement of its shareholders pertaining to the Company's Remuneration Policy and the Implementation Report of this policy at the Annual General Meeting. If more than 25% of the total votes cast by the shareholders, present and by proxy, are against either resolution, the Company will issue an announcement on SENS inviting shareholders who voted against the resolutions to meet with the members of the Committee. The process to be followed will be set out in a SENS announcement (if applicable).

The Company's Remuneration Policy has remained consistent in all material respects with the prior year.

The Company's Remuneration Policy and Implementation Report received support from the shareholders at the most recent and prior Annual General Meetings as follows:

Percentage of "For" votes	**27 November 2023**	28 November 2022
Endorsement of the Remuneration Policy	**75.65%**	73.4%
Endorsement of the implementation of the Remuneration Policy	**79.50%**	78.3%

For the year, the Company remains open to engaging on 'votes against' resolutions, on the basis of publicly available information to ensure increased support of the Remuneration Policy and the implementation.

ACTIVITIES UNDERTAKEN BY THE REMCO DURING THE YEAR
During the year under review, the Remco reviewed the Remuneration Policy to ensure that it is aligned with applicable regulations and remuneration principles contained in the Group's value statement as well as corporate governance guidelines.

The Remuneration Report is aligned to the King IV™ Principles to articulate and demonstrate the link between strategy, value creation, performance and remuneration.

The Remco also reviewed the remuneration packages and structure of executives to ensure that they are competitive in the market and are aligned with shareholders' interests as well as with the Group's strategy and performance. An extensive remuneration survey was also conducted for every position within the Group, which provided the assurance that our remuneration is market-related throughout the Group.

Remuneration Report (continued)

SECTION A

REMUNERATION POLICY

In order to achieve the Group strategy and maintain the high performance expected of individuals within Cashbuild, the attraction, motivation and retention of staff at all levels is critical. Reward and recognition play an important role in the achievement of these objectives. All permanent employees qualify for an annual cost-of-living increase, irrespective of individual performance.

The average CPI percentage over the preceding 12 months plus an agreed factor is used as the basis for the calculation of the annual cost-of-living increase. This formula and final percentage cost-of-living increase is discussed with and agreed to by the Employee Forum. This year, the cost-of-living increase was implemented in July 2024.

A potential exceptional performance salary increase may be given over and above the annual cost-of-living increase, to those employees who display and deliver exceptional performance.

In addition, there are monthly and quarterly bonuses that employees at stores can earn, based on store and divisional performance. An annual bonus is available to all store and divisional management, based on their areas' performance with Corporate and Support Offices' staff as well as Executive Management qualifying for annual bonuses based on the Group's results and performance.

EXECUTIVE EMPLOYEE CONTRACTS

All Executive Directors and managers have employment contracts requiring one month's notice of resignation and do not contain any restraint of trade clauses in the ordinary course of business.

The Group has a Malus and Clawback Policy which forms part of the Remuneration Policy and allows for the adjustment, reduction or recoupment of the variable incentive remuneration benefits awarded to participants, and sets out the circumstances where the Remco may, amongst others:

- adjust or cancel benefits that have been awarded to participants before vesting and/or settlement of the award (Malus); and/or
- recover the cash value of the benefits or variable pay from participants after they have vested or settled to the participant (Clawback). The Clawback period is up to three years after the vesting or settlement of an incentive remuneration award.

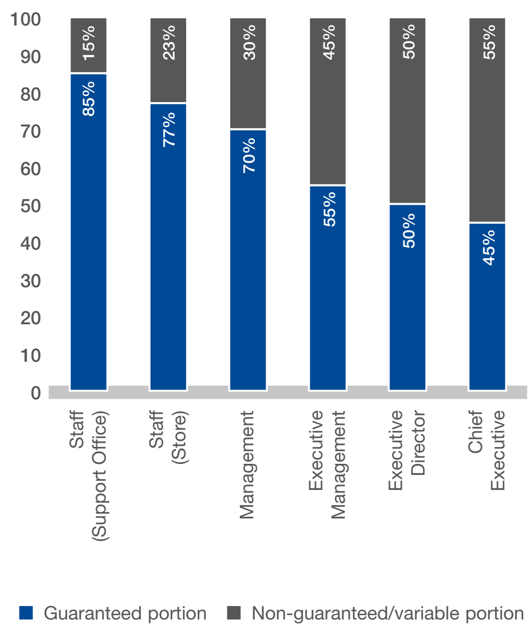
REMUNERATION STRUCTURE

Remuneration in the Group is structured between guaranteed and non-guaranteed or variable pay and the balance between these categories varies depending on the employee's Paterson grading within the organisation. Guaranteed pay consists of basic pay, allowances and employee benefits whilst the components of non-guaranteed pay consist of short-term incentives (STI), the bonus scheme for all staff and long-term incentives (LTI) comprising the Cashbuild Empowerment Trust, the Cashbuild Store Operations Management Member Trust, the Forfeitable Share Plan (FSP), and the Cash-Settled Share Scheme (CSSS).

There are specific contract workers, in the Group's contractor stores, whose remuneration structure consists of a base pay and performance-based commission.

The chart indicates the components of the remuneration structure for various roles of employees in the Group.

REMUNERATION STRUCTURE



GUARANTEED PAY

Basic salary

Management and staff are paid on a cost-to-company basis. The guaranteed cost-to-company package for all employees is set in line with the three-yearly salary survey conducted by an external remuneration specialist. The last salary survey was conducted during the 2023 financial year and presented to the Remco on 8 May 2023.

Executive Directors and senior management packages are benchmarked three-yearly against pre-agreed medium-sized market capitalisation companies on the JSE. A benchmarking exercise was conducted during the 2023 financial year and presented to the Remco on 8 May 2023.

The rationale behind this benchmarking exercise is the retention of key members of the Company's Executive Directors and senior management.

The sustainability of the business is paramount in determining remuneration. The Board is satisfied that the current structure of remuneration for Executive Directors and senior management does not encourage increased or undue risk taking.

Details of all Executive Directors' remuneration and Independent Non-Executive Directors' fees are detailed on page 92 of this Report.

The set performance of the Chief Executive Officer is assessed against pre-defined performance criteria, by the Board, while the performance of Executive Directors and senior managers is evaluated against similar performance criteria set by the Chief Executive Officer and reviewed by the Remuneration Committee. Any increases given over and above the July cost-of-living increase are directly related to the individual's performance as well as market remuneration levels.

Retirement funds

Membership of the retirement fund is compulsory for Cashbuild employees, but voluntary for P&L Hardware employees. The retirement fund is part of the AlexForbes Umbrella Fund. The fund has performed well in comparison to other such funds and benchmarks set. The fund is managed by a Management Committee that meets twice a year and consists of 50% employer and 50% employee elected representatives. In order to facilitate financial decision-making aligned to Group policies, the Group's Board Chairman, Chief Executive Officer and Chief Financial Officer are employer elected members of this committee.

Medical aid

Membership of the medical aid scheme is voluntary. The medical aid schemes offered to the Group's employees are Discovery and Momentum. A more affordable scheme through Momentum was added in the 2024 financial year. Approximately 2% of employees have elected to join these medical schemes and this level is consistent with that of the prior year.

SHORT-TERM INCENTIVE SCHEME (STI)

Operations management and staff participate in a monthly, quarterly and annual STI scheme which is directly related to the financial performance of their operating unit.

The criteria for these awards relate to sales, transaction and gross contribution targets. The Executive Directors' targets are set on the Group's performance. Management and staff targets are set on either Cashbuild or P&L Hardware performance depending on the area of responsibility. Once the criterion has been met and dependent on the occupational level, an incentive of between 9% and 50% of annual cost-to-company for employees is calculated, with

COMPOSITION OF STI

Category	Weighting	Objectives	Approximate sub-weighting	Achievement in FY2024
Group financial	30%	Revenue	25% – 50%	✗
		Gross profit	0% – 25%	✗
		PBT	25% – 50%	✗
Company financial	50%	Revenue	0% – 10%	✗
		PBT	30% – 40%	✓
		Store space growth	10% – 30%	✗
		Specific (e.g. ESG)	0% – 30%	✓
Personal	20%	Cost growth (<5%on prior year)	50%	✓
		Special projects based on individual's role	50%	✓

Remuneration Report (continued)

stretch performance targets set allowing this to increase to 17% and 90%, respectively.

CASHBUILD EMPOWERMENT TRUST

The philosophy of having all staff share in the success of the Group, and in so doing create a sense of belonging and ownership, is embodied in the Cashbuild Empowerment Trust to which all permanent staff, irrespective of seniority or length of service, belong. Additionally, it aligns the goals of staff with those of the shareholders.

This Trust owns 1 764 999 shares, 7.45% of the issued share capital at 28 June 2024.

Dividends are paid when declared by Cashbuild Limited (historically twice per year) to all members of the Trust on an equal basis. In the last financial year, a total of R11.6 million (2023: R19.0 million) was paid and shared between all permanent members of staff. Since inception in 2005, the Trust has disbursed a total of R362.9 million to staff.

STORE OPERATIONS MANAGEMENT MEMBER TRUST

The Store Operations Management Member Trust was established in 2011. Its objectives are to:

- promote the continued growth and profitability of stores within the Group, and the growth of the Group, by recognising and rewarding qualifying members;
- empower and retain management members in the Group;
- foster an ethical mindset of ownership, responsibility and accountability within the Group; and
- promote Black Economic Empowerment and increase broad-based and effective participation in the Group by HDSAs.

This Trust pertains to management of stores, divisions and operational areas achieving predetermined targets for the financial year as set out in the Trust Deed. The managers of these areas receive a share of profits in excess of predetermined targets generated by their store, division or operations area, divided equally into cash and shares. The share portion will vest on the third anniversary of the financial year in which these were awarded, on condition that the employee is still employed by Cashbuild at the time of vesting. Dividends accrue to the individual from date of award.

Since inception in 2011, a total of R83.3 million has been earned by 345 store managers and divisional managers.

Scheme	Number of shares	Share and cash value	Employees qualified
2024	**3 128**	**R1.0 million**	**13**
2023	11 461	R1.9 million	4
2022	4 337	R2.2 million	13
2021	85 617	R47.4 million	123
2020	2 580	R0.7 million	7
2019	9 007	R5.1 million	27
2018	4 996	R3.2 million	21
2017	1 594	R1.1 million	16
2016	13 343	R9.5 million	56
2015	9 685	R5.8 million	35
2014	3 524	R1.2 million	8
2013	2 980	R0.2 million	3
2012	16 760	R4.0 million	19
Total	169 012	R83.3 million	345

LONG-TERM INCENTIVE SCHEME (LTI)

In line with local and global best practice, as approved by shareholders in 2015, Cashbuild has a share incentive plan, namely the Cashbuild Forfeitable Share Plan (FSP) for Executive Directors and senior management. For positions with a Paterson grading of D2 – D5 a Cash Settled Share Scheme, which uses the same criteria as the FSP was introduced in 2024. However, shares are not issued but rather cash to the equivalent value had shares been offered.

Under the FSP, participants become owners of the performance shares and/or retention shares from the award date and immediately benefit from dividends and have shareholder voting rights in respect of the performance shares and/or retention shares over the vesting period. The shares cannot be disposed of by the participants prior to the vesting date and will be subject to forfeiture conditions until the vesting date.

The number of performance shares awarded to a participant is based on the participant's annual salary and job grade.

The vesting of performance shares is subject to predetermined performance conditions and the employment conditions. The performance conditions are utilised as follows:

Criteria	Weighting of LTI	Threshold (30% vesting)	Target (100% vesting)
EPS	**30%**	**CPI p/a**	**CPI +5% p/a**
Relative TSR	**30%**	**Median own peer group**	**Upper quartile of own peer group***
ROCE	**40%**	**Cashbuild WACC**	**Cashbuild WACC +5% p.a.**
Total	**100%**		

* *Own peer group approved annually by the Remco.*

Linear vesting will be applied for performance between the above levels provided threshold has been achieved. The Remuneration Committee will set appropriate performance conditions, performance periods, employment conditions and employment periods as relevant for each award taking into account the business environment at the time of making the awards. These will be conveyed to the participant in their award letter. The rules of the FSP are flexible in order to allow for settlement in any of the following manners:

- by way of a market purchase of shares;
- use of treasury shares; or
- issue of shares.

The employer companies, as regulated by the recharge policy, remain responsible to procure the settlement of shares under the FSP to the participants employed by them at all times, at the expense and cost of the employer companies. In order to affect any forfeiture of awards, performance shares and retention shares are held by an escrow agent on behalf of the participants until the vesting date.

The maximum aggregate number of shares which may at any time be allocated in respect of this FSP together with the Group's existing share scheme to all participants shall not exceed 5% of the issued shares.

The maximum number of shares allocated to any participant in respect of all vested and unvested awards under the FSP together with the Group's existing share scheme shall not exceed 0.5% of the issued shares.

Limits apply to shares allocated in total over multiple award years, it is still not envisaged that any limits will be exceeded in the foreseeable future.

The Remuneration Committee may alter or vary the rules of the FSP as it deems fit. However, in the following instances, the FSP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- the category of persons who are eligible for participation in the FSP;
- the number of shares which may be utilised for the purpose of the FSP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which awards are made;
- the amount payable upon the award, settlement or vesting of an award;
- the voting, dividend, transfer and other rights attached to the awards, including those arising on liquidation of the Group;
- the adjustment of awards in the event of a variation of capital of the Group or a change of control of the Group; and
- the procedure to be adopted in respect of the vesting.

Cashbuild Cash-Settled Share Scheme (CSSS)

Cashbuild introduced a CSSS for management at a D2 and above Paterson grading as approved by the Remuneration Committee on 3 October 2023.

The CSSS is based on the same rules and principles as the FSP and in terms of the CSSS, the value of the vested shares and dividends would be redeemed in cash equivalents.

The management at D2 and above Paterson grading that formed part of FSP tranches 6 (awarded in 2021) would exit over time as the tranche vests.

Remuneration Report (continued)

SECTION B

REMUNERATION

The remuneration of the Executive Directors and prescribed officers who served during the year under review was as follows:

R'000	Year	Basic salary	Bonus[1]	Shares vesting value	Expenses and travel allowance	Medical benefits	Company's pension scheme contributions	Total
Executive Directors								
WF de Jager	**2024**	**7 586**	**3 073**	**1 186**	**142**	**388**	**717**	**13 092**
	2023	7 068	745	2 282	113	250	658	11 116
AE Prowse[2]	**2024**	**4 948**	**1 524**	**674**	**142**	**–**	**376**	**7 664**
	2023	4 476	296	1 422	136	–	341	6 671
SA Thoresson	**2024**	**4 106**	**799**	**612**	**223**	**–**	**359**	**6 099**
	2023	3 740	269	1 293	193	–	330	5 825
WP van Aswegen	**2024**	**4 012**	**799**	**516**	**208**	**–**	**374**	**5 909**
	2023	3 652	261	1 090	186	–	342	5 531
Total	**2024**	**20 652**	**6 195**	**2 988**	**715**	**388**	**1 826**	**32 764**
	2023	18 936	1 571	6 087	628	250	1 671	29 143
Prescribed officers								
DS Masala[3]	**2024**	**2 299**	**345**	**303**	**120**	**157**	**242**	**3 466**
	2023	2 122	184	639	123	160	226	3 454
Total	**2024**	**2 299**	**345**	**303**	**120**	**157**	**242**	**3 466**
	2023	2 122	184	639	123	160	226	3 454

Notes
1. *Bonus accrued for the current year.*
2. *Retired effective 30 June 2024.*
3. *DS Masala ceased being a prescribed officer with effect from 17 October 2023. The remuneration disclosed is for the full financial year and has not been apportioned for the effective period as prescribed officer. The directors have not nominated a prescribed officer into office for the remainder of the financial year.*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent Non-Executive Director fees are recommended by the Remuneration Committee, supported by the Board, and approved at the Annual General Meeting. Independent Non-Executive Directors are remunerated based on an annual retainer; per Board and Board Committee meeting attendance; and per hour for ad hoc governance meetings, dependent on the seniority of the committee and their position as member or chairperson.

The fees paid to the Independent Non-Executive Directors who served during the year under review are as follows:

Independent Non-Executive Directors	2024 R'000	2023 R'000
M Bosman (Mr)	**963**	782
M Bosman (Ms)	**745**	658
AGW Knock	**1 287**	992
DSS Lushaba	**1 013**	972
AJ Mokgwatsane	**603**	526
GM Tapon Njamo	**922**	778
Total	**5 533**	4 708

FSP SHARES AWARDED TO DIRECTORS AND PRESCRIBED OFFICERS

The table sets out the FSP awards granted to the Executive Directors and prescribed officers since inception of the FSP:

	Scheme	Vesting date	Share price Rand	Awarded R'000	Vested R'000	Forfeited^ R'000	Balance at 30 June 2024 R'000	Number of shares at 30 June 2024
Executive Directors								
WF de Jager	Scheme 1	27/09/2019	408.37	3 467	693	2 774	–	–
	Scheme 2	04/12/2020	383.20	3 727	377	3 350	–	–
	Scheme 3	01/10/2021	285.06	4 579	2 516	2 063	–	–
	Scheme 4	07/10/2022	236.78	5 303	2 282	3 021	–	–
	Scheme 5	12/10/2023	219.44	6 114	1 759	4 355	–	–
	Scheme 6	04/10/2024	255.77	6 358	–	–	6 358	24 859
	Scheme 7	03/10/2025	201.18	7 372	–	–	7 372	36 642
	Scheme 8	23/10/2026	143.63	7 902	–	–	7 902	55 020
Total				44 822	7 627	15 563	21 632	116 521
AE Prowse	Scheme 1	27/09/2019	408.37	2 311	462	1 849	–	–
	Scheme 2	04/12/2020	383.20	2 485	251	2 234	–	–
	Scheme 3	01/10/2021	285.06	3 148	1 730	1 418	–	–
	Scheme 4	07/10/2022	236.78	3 306	1 422	1 884	–	–
	Scheme 5	12/10/2023	219.44	3 471	999	2 472	–	–
	Scheme 6	04/10/2024	255.77	3 610	–	–	3 610	14 113
	Scheme 7	03/10/2025	201.18	4 570	–	–	4 570	22 718
	Scheme 8	23/10/2026	143.63	4 900	–	–	4 900	34 112
Total				27 801	4 864	9 857	13 080	70 943
SA Thoresson	Scheme 1	27/09/2019	408.37	2 119	424	1 695	–	–
	Scheme 2	04/12/2020	383.20	2 277	230	2 047	–	–
	Scheme 3	01/10/2021	285.06	2 862	1 573	1 289	–	–
	Scheme 4	07/10/2022	236.78	3 005	1 293	1 712	–	–
	Scheme 5	12/10/2023	219.44	3 155	908	2 248	–	–
	Scheme 6	04/10/2024	255.77	3 282	–	–	3 282	12 830
	Scheme 7	03/10/2025	201.18	3 833	–	–	3 833	19 054
	Scheme 8	23/10/2026	143.63	4 109	–	–	4 109	28 610
Total				24 642	4 428	8 991	11 224	60 494
WP van Aswegen	Scheme 1	27/09/2019	408.37	1 356	271	1 085	–	–
	Scheme 2	04/12/2020	383.20	1 458	148	1 310	–	–
	Scheme 3	01/10/2021	285.06	2 413	1 326	1 087	–	–
	Scheme 4	07/10/2022	236.78	2 534	1 090	1 444	–	–
	Scheme 5	12/10/2023	219.44	2 661	766	1 895	–	–
	Scheme 6	04/10/2024	255.77	3 182	–	–	3 182	12 442
	Scheme 7	03/10/2025	201.18	3 833	–	–	3 833	19 054
	Scheme 8	23/10/2026	143.63	4 109	–	–	4 109	28 610
Total				21 546	3 601	6 821	11 124	60 106
Total Executive Directors				118 811	20 520	41 232	57 060	308 064
DS Masala[1]	Scheme 1	27/09/2019	408.37	1 034	207	827	–	–
	Scheme 2	04/12/2020	383.20	1 111	112	999	–	–
	Scheme 3	01/10/2021	285.06	1 336	734	602	–	–
	Scheme 4	07/10/2022	236.78	1 484	639	845	–	–
	Scheme 5	12/10/2023	219.44	1 558	449	1 110	–	–
	Scheme 6	04/10/2024	255.77	1 621	–	–	1 621	6 337
	Scheme 7	03/10/2025	201.18	1 708	–	–	1 708	8 491
	Scheme 8	23/10/2026	143.63	1 831	–	–	1 831	12 750
Total				11 683	2 141	4 383	5 160	27 578
Total prescribed officers				11 683	2 141	4 383	5 160	27 578
Grand total				130 494	22 661	45 615	62 220	335 642

^ *These shares are subject to forfeiture restrictions based on the Group's performance.*
1. *Ceased being a prescribed officer on 17 October 2023.*

Remuneration Report (continued)

FSP Scheme 6 – vesting award outcome

The performance conditions applicable to the FSP Scheme 6 – 2021 award outcome are noted below:

Measurement	Threshold (30%)	Target (100%)	Actual result	Vesting	Weighted vesting
Growth in EPS (50% weighting) from the financial year ended June 2021 to the financial year ended June 2024 compared to a margin above CPI.	**5.96%**	**10.96%**	**48.70%**	**–**	**–**
The Company's TSR (from share price growth and dividends) (30% weighting) compared to the companies included in the JSE INDI 25 Index over the three-year period ended June 2024.	**7.92%**	**47.92%**	**34.53%**	**–**	**–**
The average of the Company's ROCE (20% weighting) for the 2022, 2023 and 2024 financial years compared to the average of WACC in those years.	**13.63%**	**23.63%**	**15.08%**	**40.15%**	**14.05%**

Based on the above, the vesting percentage of the FSP Scheme 6 – 2021 award is 14.05%.

INTERESTS OF DIRECTORS IN THE SHARE CAPITAL OF CASHBUILD

The aggregate beneficial holdings of the directors of the Company and their immediate families in the issued ordinary shares of the Company are detailed below. There have been no changes in these shareholdings between 30 June 2024 and the date of approval of this report.

	Number of shares held			
	30 June 2024		25 June 2023	
	Direct	**Indirect**	Direct	Indirect
Beneficial				
WF de Jager	**20 837**	**–**	16 548	–
AJ Mokgwatsane	**1 135**	**–**	1 135	–
AE Prowse[1]	**–**	**22 666**	–	22 666
SA Thoresson	**18 052**	**–**	13 915	–
WP van Aswegen	**11 400**	**–**	11 400	–
Total	**51 424**	**22 666**	42 998	22 666

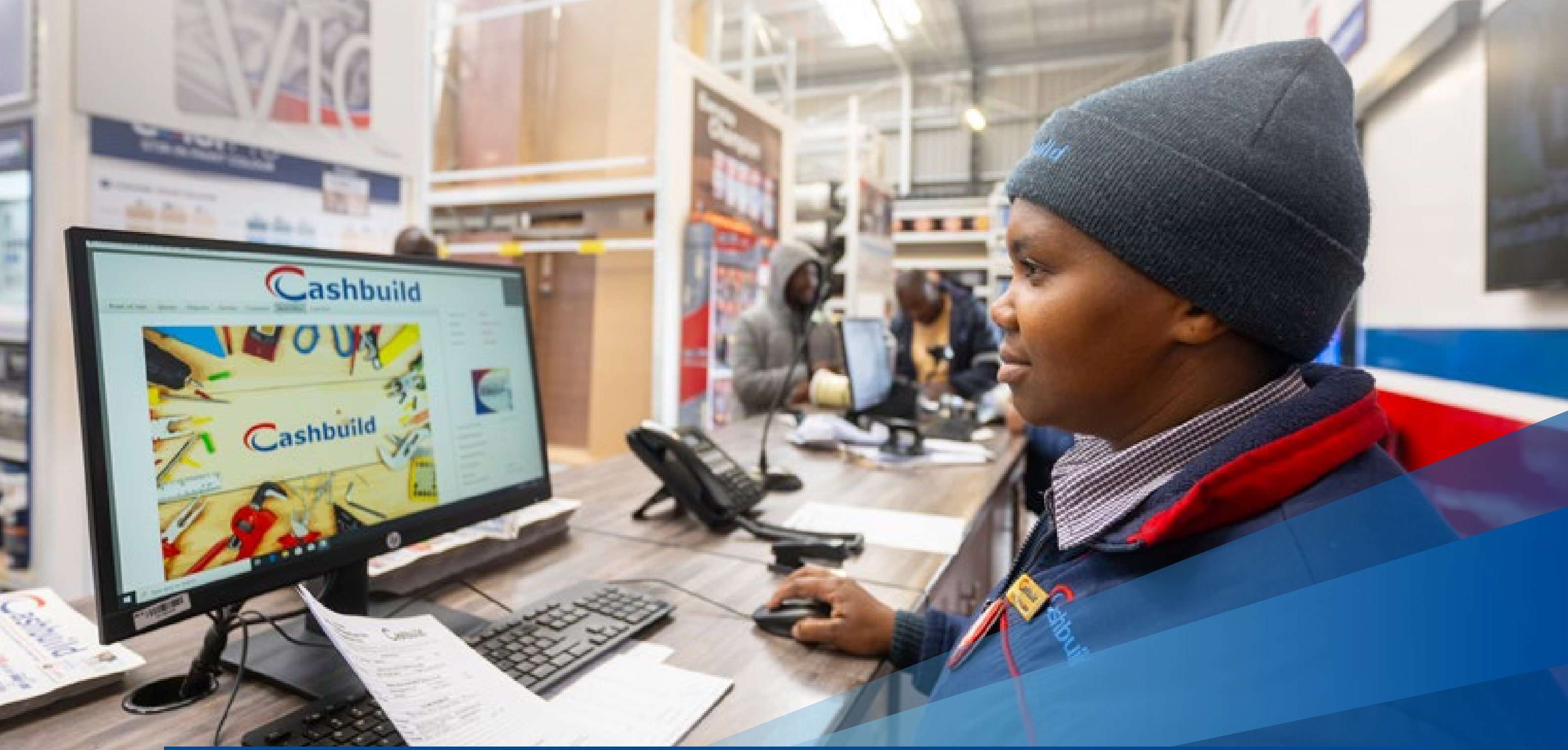
1. *Retired effective 30 June 2024.*

There are no interests held by associates, and no non-beneficial shareholdings for the abovementioned directors.

Dr DSS Lushaba
Remuneration Committee Chairperson

2 September 2024

Information and Technology Governance Report



Information Technology is critical to the strategic transformation and organisational performance of Cashbuild. The Information and Technology Governance Committee (ITGov) strives to ensure that the IT application systems are well suited and maintained to adequately support and enhance the Group's strategic objectives.

ITGOV

Chairperson
GM Tapon Njamo

Members
AGW Knock; AJ Mokgwatsane; WF de Jager; AE Prowse (retired effective 30 June 2024)

Independence

Three of the ITGov members are Independent Non-Executive Directors, namely Ms GM Tapon Njamo, Mr AGW Knock and Mr AJ Mokgwatsane. As this is a committee of the Board and integral to the day-to-day operations of the Group, the Board is comfortable with the composition of the ITGov.

Meetings

Four times per annum.

Role and function

The ITGov assists the Board in monitoring Cashbuild's governance and risk management of its responsibilities of the IT infrastructure.

Responsibilities

ITGov is responsible for the oversight of:

- the governance of the Group's IT environment including related projects;
- how IT enables the strategic objectives of the business;
- the value delivery of IT focusing on optimising expenditure and proving the value of IT;
- risk management addressing the identification, assessment and monitoring of Group-wide IT risks, including cyber risk;
- IT resource management, which includes optimising IT knowledge and infrastructure;
- business continuity management (BCM) plans formulated and validated through testing of the IT service continuity process; and
- selects IT outsource partners.

Assurance

This report is prepared in accordance with the requirements of the Companies Act and describes how the ITGov has discharged its statutory duties in terms of the Companies Act and the additional duties assigned to it by the Board in respect of the financial year ended 30 June 2024. The ITGov

Information and Technology Governance Report (continued)

is satisfied that it has fulfilled all its duties during the year under review and has made further progress in formalising all relevant policies and implementing identified plans.

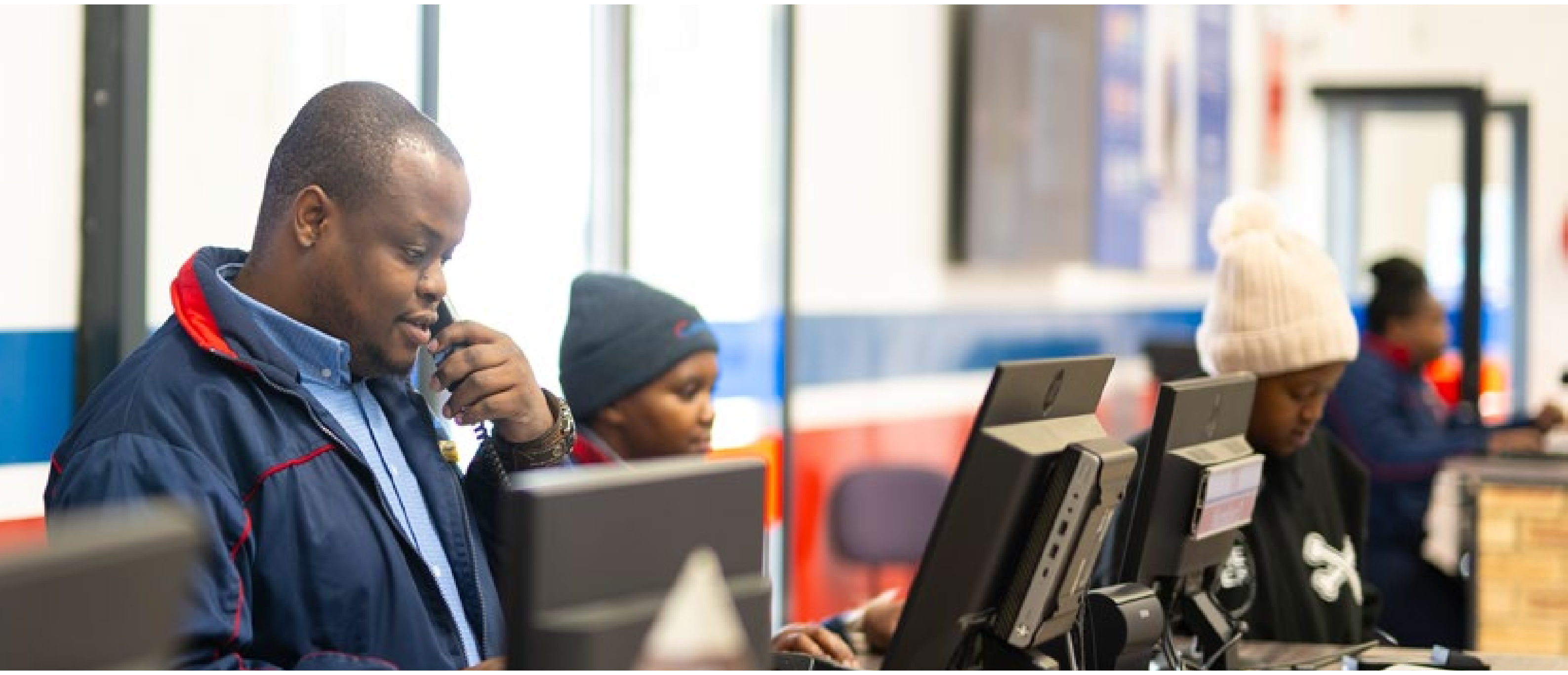
Activities undertaken by ITGov during the year

During the year under review, the ITGov:

- continued monitoring the achievement of its objectives at its meetings held quarterly as IT governance is an integral part of the Group's business;
- oversaw the review of the Committee Performance Evaluation;
- ensured that the appropriate IT risks and related business objectives were properly addressed;
- monitored the execution of the rolling three-year IT Audit Plan identified during ongoing IT risk assessments conducted by the IT audit function, a service currently outsourced to Ernst & Young;
- continued to evaluate the best means of monitoring cyber-crime trends and the appropriate application of defences to mitigate risks and threats;
- monitored the continued improvement of the Group's cyber risk awareness and resilience;
- monitored the performance of the IT Project Management Office that serves to ensure effective management of IT project deliverables that are presented quarterly to the ITGov to ensure that the IT projects deliver value to the business for the benefit of improved client experience and are linked to the business strategy;
- oversaw the continuous refinement and improvement of the Group's integrated Active Retail, Linx/AS and SAP All-in-One solutions. Business imperative items received continued and focused attention including daily balancing of transactional data between Active Retail, Linx/AS and SAP;
- monitored the execution of the IT Strategy and ensuring alignment to the Group's Business Strategy;
- monitored the performance and improvement of key IT service delivery components, ensuring alignment to the Group's IT services requirements;
- continued monitoring of the requirements for PCI Compliance, thereby ensuring that card holder data is effectively secured to prevent unauthorised dissemination of information;
- monitored the successful execution of the annual Disaster Recovery fail-over tests;
- monitored the planning of the schedule associated with the SAP S4/HANA roadmap and related activities;
- monitored the adequacy of the toolsets and virtual applications which empower personnel to work efficiently within the structure of a hybrid working environment;
- monitored the continued guidance and education of personnel regarding the risks relating to data privacy and security awareness; and
- monitored the Group's business transformation initiatives such as e-Commerce, customer relationship management and the Cashbuild Shopper platform.

GM Tapon Njamo
Information and Technology Governance Committee Chairperson

2 September 2024



Nomination Committee Report

The Nomination Committee (the Nomco) has an independent role and ensures that the Board has the appropriate composition; that directors are appointed through a formal process; that directors' induction and the ongoing training and development of directors takes place; and that formal back-up/emergency/succession plans for the Board, Chief Executive Officer, Executive Directors and Executive Management are in place.

NOMCO

Chairperson

AGW Knock

Members

M Bosman (Mr)

Independence

All committee members are Independent Non-Executive Directors.

Meetings

At least two per annum.

Responsibilities

The Nomco's responsibilities include:

- Recommendations to the Board on the appointment of Executive Directors and the re-appointment of Independent Non-Executive Directors; including the assessment of the appropriate balance between Executive and Independent Non-Executive Directors.
- Ensuring the establishment of a formal process for the appointment of Independent Non-Executive Directors, the Chief Executive and the Chief Financial Officers.
- Annually reviewing the independence of Non-Executive Directors, taking into account all applicable corporate governance requirements.
- Assessing back-up/emergency/succession planning at Executive and Senior Management levels. The Chief Executive Officer, in consultation with the committee, is responsible for ensuring that adequate plans are in place.
- From time-to-time, reviewing the Board structure, size and composition.
- Recommendation of the directors retiring by rotation for re-election at the Annual General Meeting.
- Overseeing the development of a formal induction programme for new directors and a continuous development programme for directors.

Assurance

The Nomco is governed by good corporate governance principles and the Group's value statement. The members of the Nomco hereby confirm that they were diligent in exercising their duties of due care and skill and that they have taken reasonable steps to ensure that they performed their duties in accordance with the Committee's mandate.

Activities undertaken by the Nomco during the year

The Nomco reviewed amongst others:

- emergency plans for the positions of Chief Executive and Chief Financial Officers, Commercial and Marketing Director, Operations Director, Executive Management and satisfied itself, and the Board, that adequate plans were in place in this regard;
- the Board and Chairman back-up/emergency/succession plans and recommended them to the Board for approval;
- the Group's policy on diversity and satisfied itself of its adequacy and relevance; and
- the appointment of Mr Hanré Bester as Chief Financial Officer.

AGW Knock

Nomination Committee Chairperson

2 September 2024

04

"The year was challenging with margin pressures being experienced. We have however shown resilience, given the environment in which we operate, with positive sales growth and cost containment.

Our Balance Sheet remains robust, and on the back of various internal initiatives and improving external macroeconomic factors, we are positive about the new financial year.

The dividend cover policy of the Company has been maintained at 1.5 times cover based on earnings, before the impairments."

Hanré Bester
Chief Financial Officer, Cashbuild

ANNUAL FINANCIAL STATEMENTS

Five Year Performance Review

The management of Cashbuild's Financial Capital is pivotal to the sustainability of the Group in order to generate continued profits which enables Cashbuild to utilise funds towards expansion and growth of the business. The growth of Financial Capital is dependent on all of the other Capitals functioning optimally.

Year ended June		**2024 53 weeks**	2023 52 weeks	2022 52 weeks	2021 52 weeks	2020 52 weeks
Group Income Statement						
Revenue	R'm	**11 192**	10 653	11 145	12 616	10 091
Profit before tax	R'm	**138**	178	787	968	394
Earnings attributable to owners of the Company	R'm	**89**	106	474	665	267
Group Statement of Financial Position						
Total assets	R'm	**5 594**	6 273	6 637	7 332	6 346
Total equity	R'm	**1 832**	1 956	2 365	2 588	2 155
Total liabilities	R'm	**3 762**	4 317	4 272	4 744	4 191
Group Cash Flow						
Net cash from operations	R'm	**264**	779	846	1 506	2 108
Working capital movements	R'm	**(515)**	(39)	(389)	102	1 242
Capital investment	R'm	**(152)**	(159)	(263)	(196)	(171)
Key performance statistics						
Returns and profitability						
Revenue per employee	R'000	**2 045**	1 762	1 806	2 022	1 624
Operating profit margin	%	**1.7**	2.2	7.9	8.2	5.2
Profit before tax margin	%	**1.2**	1.7	7.1	7.7	3.9
Profit before tax per employee	R'000	**25**	29	128	155	63
Basic EPS	cents	**396**	457	2 095	2 936	1 177
Basic HEPS	cents	**947**	1 222	1 929	2 873	1 138
Total dividend per share	cents	**561**	732	1 264	2 935	707
NAV per share^	cents	**7 667**	8 068	9 350	10 212	8 470
Return on shareholders' funds	%	**4.7**	5.0	19.4	20.4	14.2
Return on average capital employed	%	**10.0**	10.8	35.4	37.5	15.0
Total asset return	%	**3.2**	3.6	12.5	15.2	10.1
Total assets per employee	R'000	**1 022**	1 038	1 076	1 175	1 021
Solvency and liquidity						
Dividend payout ratio[1]	%	**151**	172	67	100	50
Current ratio	times	**1.2**	1.2	1.3	0.9	1.2
Total liabilities to total shareholders' funds	times	**2.1**	2.2	1.8	1.9	2.0
Interest-free liabilities to total assets	times	**0.7**	0.7	0.6	0.6	0.7
Share performance						
Market value per share						
– At year end	cents	**15 381**	16 300	25 744	27 700	14 200
– Highest (year to June)	cents	**18 776**	27 699	31 189	34 599	28 200
– Lowest (year to June)	cents	**12 601**	15 600	22 355	13 501	10 101
PE ratio at year end	times	**38.8**	35.6	12.3	9.4	13.3
Market capitalisation – at year end	R'm	**3 644**	3 896	6 433	6 922	3 548
Volume traded (year to June)	'000	**4 953**	6 953	10 103	9 551	14 543
Weighted number of shares	'000	**21 180**	22 174	22 621	22 642	22 722
Issued shares at end of June	'000	**23 695**	23 901	24 990	24 990	24 990
Other statistics						
Number of employees		**5 472**	6 046	6 170	6 238	6 213
Number of stores		**322**	318	318	319	318

^ *Based on ordinary number of shares in issue.*
1. *Dividend cover policy maintained at 1.5 times, excluding the goodwill impairments.*

Directors' Responsibilities and Approvals

The directors are required in terms of the Companies Act, No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the Group's Annual Consolidated Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Group's Annual Consolidated Financial Statements fairly present the state of affairs of the Group as at the end of the reporting period and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditor is engaged to express an independent opinion on the Group's Annual Consolidated Financial Statements.

The Group's Annual Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. The Group endeavours to minimise operating risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors have reviewed the Group's cash flow forecasts for the period up to 2 September 2025 and, in light of this review and the current financial position, they are satisfied that the Group had access to adequate resources to continue in operational existence for the foreseeable future.

The Group's Annual Consolidated Financial Statements set out on pages 101 to 173, which have been prepared on the going concern basis under the supervision of the Chief Financial Officer, Mr H Bester CA(SA), were approved by the Board of Directors on 2 September 2024 and were signed on their behalf by:

Alistair Knock
Chairman

Werner de Jager
Chief Executive Officer

2 September 2024

Audit and Risk Committee Report

1. INTRODUCTION

The Audit and Risk Committee has pleasure in submitting this report, as required by section 94 of the South African Companies Act, No. 71 of 2008, as amended and the JSE Listings Requirements. The Audit and Risk Committee acts for the Company and all its subsidiaries and is accountable to the Board and the shareholders. It operates within a documented terms of reference and complies with all relevant legislation, regulations and governance codes and executes its duties in terms of the requirements of the King Report on Corporate Governance.

The performance of the Audit and Risk Committee is evaluated against its terms of reference on an annual basis and the Committee was deemed to be working satisfactory and effectively during the current year.

The Audit and Risk Committee consists of four independent Non-Executive Directors:

- M Bosman (Mr) (Chairperson)
- M Bosman (Ms)
- Dr DSS Lushaba
- GM Tapon Njamo

2. MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The Committee held four meetings during the year under review. Attendance has been set out in the Directors' Report.

The internal and external auditors also attended all of the Committee meetings during the year ended 30 June 2024 and reported their activities and findings at these meetings. The Chairperson of the Board, Executive Directors and relevant Senior Managers attended these meetings.

Each Audit and Risk Committee meeting concludes with a confidential meeting between the Committee Members, Non-Executive Directors and the Internal and External auditors, as well as another confidential meeting held with the Chief Executive and Finance Director. The Committee chairperson also meets separately with external and internal auditors between committee meetings.

3. FUNCTIONS OF THE COMMITTEE

Responsibilities and duties

The Audit and Risk Committee fulfils its responsibilities and duties as set out in its terms of reference.

The oversight role of the Audit and Risk Committee includes:

- reviewing the Condensed Consolidated Interim Financial Statements and Annual Consolidated Financial Statements and Integrated Report and making recommendations to the Board;
- reviewing the external audit reports, after the review of the Condensed Consolidated Interim Financial Statements and audit of Annual Consolidated Financial Statements;
- assessing the external auditor's independence and performance;
- approving the audit fees in respect of both the interim review and year-end audit;
- specifying guidelines and authorising contract conditions for the award of non-audit services to the external auditors;
- reviewing the internal audit and risk management reports and making recommendations to the Board, where necessary;
- ensuring that a combined assurance model has been applied to provide a coordinated approach to all assurance activities;
- evaluating the appropriateness and effectiveness of risk management, internal controls and the governance processes;
- dealing with concerns relating to accounting practices, internal audit, the audit or content of Annual Consolidated Financial Statements and internal financial controls; and
- reviewing the solvency and liquidity tests and going-concern statements and recommending proposals to the Board in respect of interim and final dividends.

External auditor

Independence

During the year under review, the Audit and Risk Committee reviewed the independence of the auditor.

Deloitte & Touche (Deloitte) was the Group's external auditor with Mr James Welch as the independent individual registered auditor. The Committee satisfied itself of Deloitte's independence before recommending its re-election to the shareholders with the prior support of the Board.

Audit and Risk Committee Report (continued)

3. FUNCTIONS OF THE COMMITTEE (continued)

External auditor (continued)

Independence (continued)

The independence assessment was made after considering the following:

- confirmation from the external auditor that all their partners, team members, or their immediate family, do not hold any direct or indirect financial interest or have any material business relationship with Cashbuild. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence;
- the auditor does not, other than in their capacity as external auditors for rendering permitted non-audit services, receive any remuneration or other benefits from Cashbuild;
- the auditor's independence was not prejudiced as a result of any previous appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements;
- the criteria specified for independence by the Independent Regulatory Board for Auditors; and
- Deloitte submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary. There are no significant matters to report to the shareholders in this regard.

The appointment of Deloitte as external auditor and Mr James Welch as the independent individual registered auditor of the Group was confirmed by the shareholders at the Annual General Meeting held on 27 November 2023.

External audit fees

The Audit and Risk Committee:

- determined, in consultation with management, the interim review and audit fee and engagement terms for the external auditors for the June 2024 financial year;
- reviewed and approved the non-audit services fees for the year under review and ensured that the fees were within limit and in line with the non-audit services policy; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services.

External audit performance

The Audit and Risk Committee:

- reviewed and approved the external audit plan, ensuring that material risk areas were included, and that coverage of the significant business processes were acceptable; and
- reviewed the external audit reports and management's response, and considered their effect on the financial statements and internal financial controls.

The Committee confirms that the external auditor has functioned in accordance with the Committee's terms of reference for the year ended 30 June 2024.

Key audit matter

The Audit and Risk Committee has considered the matters noted in the independent auditor's report and reviewed the process followed by the auditor. Discussions have taken place with management, and the Committee is satisfied that the procedures followed by management are appropriate to address the matters noted, being the valuation of the P&L Hardware Goodwill.

Financial statements

Responsibility

The Committee reviewed the Annual Consolidated Financial Statements, including the public announcements of the Group's financial results for the year ended 30 June 2024, and made recommendations to the Board for their approval. During its review, the Committee:

- took appropriate steps to ensure that the Annual Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS);
- considered the appropriateness of accounting policies and disclosures made; and
- completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the Annual Consolidated Financial Statements.

The Committee was not required to deal with any complaints relating to accounting practices, Internal Audit, the content and audit of the Annual Consolidated Financial Statements, nor the internal financial controls and related matters.

3. FUNCTIONS OF THE COMMITTEE (continued)

Expertise and experience of Financial Director

As required by JSE Listings Requirement 3.84(h), the Audit and Risk Committee has satisfied itself that the Chief Financial Officer, Mr H Bester, has the appropriate expertise and experience to meet the responsibilities of his appointed position as required by the JSE Listings Requirements.

Adequacy of finance function

The Audit and Risk Committee has considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

Quality of earnings

The reconciliation between attributable earnings and headline earnings is set out in note 29 of the Annual Consolidated Financial Statements.

Internal controls

The Cashbuild Way

Internal controls within Cashbuild are based on established policies and procedures contained in The Cashbuild Way policies and procedures. The Cashbuild Way is aligned with ISO 9001 principles and provides a uniform Company-wide standard regarding the defining, implementation and maintenance of policies, procedures and templates within all Cashbuild support and operational areas. Internal controls as contained in The Cashbuild Way are communicated throughout the Group and form the baseline of training provided to staff members. The Audit and Risk Committee satisfied itself as to the establishment of appropriate financial reporting procedures and that those procedures are operating. This included consideration of all entities included in the consolidated group IFRS financial statements, to ensure that the Audit and Risk Committee has access to all the financial information of the Group to allow Cashbuild to effectively prepare and report on company and the Group's annual financial statements.

Internal Audit team

The internal audit function within the Cashbuild Group consists of a team of 28 members with three auditors and an internal audit manager dedicated to support-office based audits, and 18 auditors dedicated to the auditing of key processes at stores. Two internal audit managers and two senior internal auditors take responsibility for quality assurance within the internal audit function. A Data Analyst is dedicated on a full-time basis towards supporting the internal audit team with data analytics, automation of audit tests, and embedding continuous auditing within the internal audit service delivery function. An Operations Risk Manager assists the Risk and Audit Executive with monitoring and reporting on Issues Management (e.g. tip-offs, burglaries and robberies, OHSA incidents, etc.). Cashbuild's Risk and Audit Executive reports administratively to the Chief Executive Officer with a functional reporting line to the Chairman of the Audit and Risk Committee. Internal Audit results are reported to the Audit and Risk Committee with emphasis placed on areas of high risk requiring management attention as identified in terms of non-compliance to key controls.

Internal Audit approach and methodology

Cashbuild's internal audit approach and methodology is risk-based in that key controls addressing identified business control risks are the focus areas driving Internal Audit service delivery. Cashbuild has a 95% target for compliance to key controls designed to mitigate business risk and diligently monitors achievement of this target through review and follow up of internal audit results. Detailed audit results are shared with store and line management for follow-up and correction.

In terms of the King Report on Corporate Governance, Internal Audit provides a written assessment on the effectiveness of the Group's system of internal control and risk management. This assessment is addressed specifically to the Audit and Risk Committee.

Service delivery by the Group Risk Management department, which includes risk management, issues management and internal audit, aims to achieve the following best practice guidelines during performance of its internal control assessment process:

- identify strategic, sustainability, operational, compliance and financial objectives;
- assess risks that prevent the achievement of these objectives; and
- perform tests and gather evidence relating to the internal controls in place to manage these risks and the adequacy and effectiveness of such internal controls.

Audit and Risk Committee Report (continued)

3. FUNCTIONS OF THE COMMITTEE (continued)

Internal Audit approach and methodology (continued)

The content of the quarterly Audit and Risk Committee reports are designed in such a way as to provide the necessary information to members of the Audit and Risk Committee to obtain a level of assurance on the Group's system of internal control and risk management. In order to do this, the content of each quarterly Audit and Risk Committee report is aimed at providing the reader with enough information on the following topics:

- the scope of internal auditing activities, which includes the appropriate level and quality of work based on the Group's risks;
- the cycle on which audit plans are based;
- consideration of the control components and limitations of control;
- the status of follow-up activities;
- a discussion of serious problems and solutions; and
- the overall assessment statement for the year.

Risk management

The Board is responsible for risk governance within the Group. Responsibility for the monitoring thereof has been allocated to the Audit and Risk Committee.

Cashbuild management is responsible for the design, implementation and maintenance of a risk management approach, methodology and systems. Monitoring of the status of risks is the responsibility of management risk owners. Formalised monitoring and updating on the status of risks by the Executive Management team takes place on a quarterly basis during scheduled Group risk management review workshops.

Integrated Report

The Committee fulfils an oversight role regarding Cashbuild's Integrated Report and the reporting process. Accordingly, it has considered and assessed the consistency with operational, financial and other information known to the Audit and Risk Committee members, as well as the Annual Consolidated Financial Statements.

4. COMBINED ASSURANCE

Cashbuild's combined assurance framework has the objective of aligning assurance processes and assurance service delivery throughout the Group to maximise risk and governance oversight and control efficiencies and optimise overall assurance to the Audit and Risk committee. The Cashbuild Group Combined Assurance Model consists of the following five levels of defence to mitigate risk that the Company is exposed to and in doing so provide an appropriate level of assurance to the Board via the Audit and Risk Committee:

- First line of defence being management oversight and controls (also referred to as People, Systems and Controls). Management-based assurance includes establishing policies and procedures, management oversight, strategy implementation, performance measurement, control self-assessment and continual monitoring mechanisms and systems.
- Second line of defence being risk management and compliance services. These are corporate support functions providing assistance to management with regards to the discharging of their responsibility of managing identified business risks.
- Third line of defence being internal audit providing an independent and objective level of assurance over the controls, risk management and governance activities as provided by the first and second lines of defence.
- Fourth line of defence being external assurance providers providing certifications, regulatory reviews, external audits, forensic investigations, external management reviews, valuations, culture climate surveys (as examples of external assurance service delivery).
- Fifth line of defence being Board and Board sub-committee functions prompting and assessing the level of assurance provided by the first four lines of defence.

The level of assurance provided increases with each line of defence being applied with the least assurance being provided by the first line of defence (internal management oversight) and the highest level of assurance being provided by the fourth line of defence (external objective and independent assurance service provider), and the application of the fifth line of defence providing a final level of governance assurance being oversight by the Board and Board sub-committees on the extent of assurance provided on identified risks.

Financial statements

The Directors' Report is set out in pages 107 to 110.

4. COMBINED ASSURANCE (continued)

External audit

The Independent Auditor's Report is set out on pages 111 to 114.

Quality

Deloitte submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors (IRBA) and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary for the 2024 interim period and year-end.

The Audit and Risk Committee reviewed the following in terms of the Listings Requirements:

- A summary report of the most recent IRBA inspection policy report and decision letter from IRBA, the findings report and a copy of the proposed remedial action plan;
- A summary of the information on the designated auditor, Mr J Welch, the results of which were satisfactory;
- The IRBA letters for the latest reviews of the firm (2022); and
- The Deloitte Commitment to Audit Quality document.

The Audit and Risk Committee concluded that there were no matters of concern raised during the year under review.

Key audit matter

The Audit and Risk Committee has considered the matters noted in the independent auditor's report and reviewed the process followed by the auditor.

The key audit matter is "the valuation of the P&L Hardware Goodwill" which is a continuous focus for the Audit and Risk Committee. The Committee agrees that the processes followed by the external auditors are appropriate and that management have appropriately accounted for this.

The processes followed included discussions with management, understanding of the process, consideration of procedures followed and review of the final report. Confirmation of the appropriate reporting is then obtained from the external auditors as a final procedure.

Internal audit

Considering all of these factors set out in the Internal control and Risk management paragraphs above, the following assessment statement is presented by Cashbuild's Internal Audit: "Work performed by the Cashbuild Group Risk Management Department during the current reporting period (July 2023 to June 2024) supports the assertion that Cashbuild's system of internal controls and risk management is effective, and that any serious problem and/or concern identified by the Group Risk Management Department during performance of its risk management, issues management and internal audit duties are reported on in the quarterly Audit and Risk Committee Reports".

On behalf of the Audit and Risk Committee

M Bosman (Mr)
Audit and Risk Committee Chairperson

2 September 2024

Chief Executive Officer and Chief Financial Officer's Responsibility Statement

In terms of section 3.84(k) of the JSE Listings Requirements, each of the directors, whose names are stated below hereby confirm that:

- the Annual Consolidated Financial Statements set out on pages 115 to 171, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Consolidated Financial Statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Signed by the Chief Executive Officer and the Chief Financial Officer on behalf of the Board of Directors by:

Werner de Jager
Chief Executive Officer

Hanré Bester
Chief Financial Officer

2 September 2024

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Takalani Ṋengovhela
Company Secretary

2 September 2024

Directors' Report

The directors have pleasure in submitting their report on the Annual Consolidated Financial Statements of Cashbuild Limited for the year ended 30 June 2024.

1. NATURE OF THE BUSINESS

Cashbuild is southern Africa's leading retailer of quality building materials and associated products, selling direct to a predominantly cash-paying customer base through our chain of stores 322 stores at the end of the financial year. Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

Cashbuild has built its credibility and reputation by consistently offering its customers quality building materials at the best value through a purchasing and inventory policy that ensures customers' requirements are always met.

2. FINANCIAL SUMMARY

Revenue for the year increased by 5%. Revenue for stores in existence prior to July 2022 (pre-existing stores – 310 stores) increased by 4% and our 12 new stores contributed 1% growth. Transactions through the tills increased by 3% compared to the previous year. Selling price inflation was 1.7% at the end of June 2024 when compared to June 2023. Gross profit increased by 2% with gross profit margin percentage decreasing from 25.4% to 24.7%.

Operating expenses increased by 4% (existing stores increasing by 3% and new stores contributed 1%). Operating expenses, excluding the P&L Hardware goodwill and trademark impairments of R136.7 million (June 2023: R155.9 million) increased by 6%. Operating profit decreased by 19% (excluding the impairments decreased by 16%).

The effective tax rate of 36.6% (June 2023: 35.5%) for the year is higher than the prior year, mainly as a result of the net effect of the lower non-tax deductible impairment of the P&L Hardware goodwill and lower earnings of the current year.

Basic earnings per share decreased by 13% whilst headline earnings per share decreased by 22%.

The cash and cash equivalents reduction of 37% to R998.9 million was mainly due to the June 2024 suppliers' payments being processed within the reporting period, in contrast to the prior year where the supplier payments were processed subsequent to the reporting period end. Stock levels, including new stores, have increased by 5% with stock days similar to the prior year at, 90 days. Net asset value per share decreased by 5%, from 8 068 cents (June 2023) to 7 667 cents due to the share buybacks, as well as dividend payments exceeding earnings.

During the year, the Group opened 6 new stores and closed 2 under performing stores. The Group further refurbished 20 stores and relocated 1 store. Cashbuild will continue its store expansion, relocation, and refurbishment strategy in a controlled manner, through its feasibility process. The opening of new Cashbuild Small Model Store (SMS) initiative remains on track.

The pro forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2024:

Cashbuild has reported financial results for the 53 weeks to 30 June 2024, it is appropriate and good practice to illustrate pro forma information of the comparative 52 trading week period for the user of these financial statements to indicate how such information compares to the audited results of the group for the prior 52-week period ended 25 June 2023. The pro forma information presented below has been prepared for illustrative purposes only, because of its nature, it may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

Directors' Report (continued)

2. FINANCIAL SUMMARY (continued)

The pro forma financial information is based on the audited financial information of the Group as at and for the 53 weeks ended 30 June 2024 and is presented in accordance with the JSE Listings Requirements and the SAICA Guide on Pro Forma Financial Information, where applicable. Deloitte & Touche's independent auditors's report on the pro forma financial information is included on pages 172 and 173 of the Annual Consolidated Financial Statements. The directors of the Group are responsible for the compilation, contents and preparation of the pro-forma financial information below:

R'000	**Audited* June 2024 (53 weeks)**	**Adjustments^ June 2024 (53rd week)**	**Pro forma June 2024 (52 weeks)**	Audited June 2023 (52 weeks)	% Change
Revenue	**11 191 654**	**239 868**	**10 951 786**	10 653 193	3
Gross profit	**2 769 729**	**67 564**	**2 702 165**	2 704 755	(0)
Operating profit	**189 145**	**57 134**	**132 011**	233 225	(43)
Profit before tax	**138 177**	**57 182**	**80 995**	178 047	(55)
Net profit attributable to owners of the Company	**88 601**	**41 524**	**47 077**	106 346	(56)
Adjusted attributable earnings	**83 954**	**41 524**	**42 430**	101 312	(58)
Headline earnings	**200 625**	**41 524**	**161 114**	270 858	(41)
Earnings per share (cents)	**396**		**200**	457	(56)
Diluted earnings per share (cents)	**396**		**200**	456	(56)
Headline earnings per share (cents)	**947**		**757**	1 222	(38)
Diluted headline earnings per share (cents)	**942**		**749**	1 218	(39)

* *The figures used for the 53 weeks ended 30 June 2024 are based on the audited Annual Consolidated Financial Statements.*

^ *Adjustments represents sales and incremental income and costs resulting from sales in the 53rd week. The figures used for the Sales and direct Cost of Sales adjustments were obtained from the June 2024 management accounts and store trading transactions for the 53rd week. Other costs and income that vary directly in relation to sales were estimated using the relevant average income/expense ratios for the year. Income and costs that remain unchanged regardless of a 52/53 week year have not been included in the adjustments.*

3. REPORTING PERIOD

The Group adopts the retail accounting calendar, which comprises the reporting year ending on the last Sunday of the month June 2024: 30 June 2024 (53 weeks); 25 June 2023 (52 weeks). "Year" refers to a 53 week period in the current year.

4. SHARE CAPITAL

During the year under review, the Company repurchased 397 787 ordinary shares as part of a general share repurchase, of the shares repurchased, 205 935 were delisted and cancelled. The average share price for the shares repurchased during the year was R143.5. Refer to note 16 for more information.

5. DIVIDENDS

The Board has declared a final dividend of (No. 63) of 236.0 cents (June 2023: 332.0 cents) per ordinary share, out of income reserves, excluding the impact of the P&L Hardware Goodwill and Trademark impairment, to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 23 694 712 (June 2023: 23 900 647) shares in issue at the date of the dividend declaration. The net local dividend amount is 188.8 cents per share for shareholders liable to pay Dividends Tax and 236.0 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 561.0 cents (June 2023: 732.0 cents). Local Dividends Tax is 20%. Cashbuild Limited's tax reference number is 9575168712.

The relevant dates for the declaration are as follows:

Date dividend declared	Wednesday, 4 September 2024
Last day to trade "CUM" the dividend	Monday, 23 September 2024
Date to commence trading "EX" the dividend	Wednesday, 25 September 2024
Record date	Friday, 27 September 2024
Date of payment	Monday, 30 September 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 September 2024 and Friday, 27 September 2024, both dates inclusive.

6. DIRECTORATE

The directors in office at the date of this report are as follows:

WF de Jager (53)	Chief Executive Officer, CA(SA)	Executive
H Bester (45)*	Chief Financial Officer, CA(SA), MCom (SA and International Taxation)	Executive
SA Thoresson (61)	Operations Director	Executive
WP van Aswegen (57)	Commercial and Marketing Director, CA(SA)	Executive
M Bosman (Mr) (67)	CA(SA)	Independent Non-Executive
M Bosman (Ms) (53)	CA(SA)	Independent Non-Executive
AGW Knock (73)	Chairman, BSc Eng (Hons); MSc (Engineering); MDP	Independent Non-Executive
Dr DSS Lushaba (58)	BSc Advanced Biochemistry (Hons), MBA, DBA, CD(SA)	Independent Non-Executive
AJ Mokgwatsane (46)	Diploma in Integrated Marketing and Communication, MBA	Independent Non-Executive
GM Tapon Njamo (46)	CA(SA)	Independent Non-Executive

* *Appointed 1 July 2024.*

Details of the directors' remuneration are set out under note 40 of the financial statements.

7. BOARD COMMITTEES AND ATTENDANCE

Name	Board	Audit and Risk Committee	Remune-ration Committee	Social and Ethics Committee	IT Governance Committee	Investment Committee	Nomination Committee
Non-Executive							
AGW Knock	**C – 5/5**	**I – 4/4**	**M – 4/4**	**I – 4/4**	**M – 5/5**	**–**	**C – 3/3**
M Bosman (Ms)	**M – 5/5**	**M – 4/4**	**–**	**M – 4/4**	**–**	**–**	**–**
M Bosman (Mr)	**M – 5/5**	**C – 4/4**	**–**	**–**	**–**	**C – 3/3**	**M – 3/3**
DSS Lushaba	**M – 5/5**	**M – 4/4**	**C – 4/4**	**C – 4/4**	**–**	**–**	**–**
AJ Mokgwatsane	**M – 5/5**	**I – 4/4**	**–**	**M – 4/4**	**M – 4/5**	**–**	**–**
GM Tapon Njamo	**M – 5/5**	**M – 4/4**	**M – 4/4**	**–**	**C – 5/5**	**M – 3/3**	**–**
Executive							
WF de Jager	**M – 5/5**	**I – 4/4**	**I – 4/4**	**M – 4/4**	**M – 5/5**	**M – 3/3**	**I – 3/3**
AE Prowse^	**M – 5/5**	**I – 4/4**	**I – 4/4**	**–**	**M – 5/5**	**M – 3/3**	**–**
SA Thoresson	**M – 5/5**	**I – 4/4**	**–**	**–**	**I – 5/5**	**–**	**–**
WP van Aswegen	**M – 5/5**	**I – 4/4**	**–**	**M – 4/4**	**I – 5/5**	**–**	**–**

^ *Retired effective 30 June 2024.*

Legend

C *Chairperson of the Board/Committee.*

M *Member of the Board/Committee.*

I *Attendance by invitation.*

8. INTERESTS IN SUBSIDIARIES AND OTHER INVESTMENTS

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the Annual Consolidated Financial Statements in notes 7 and 10.

9. DIRECTORS' INTERESTS IN CONTRACTS

During the financial period, no contracts were entered into whereby directors or officers of the Group had an interest and which significantly affected the business of the Group.

Directors' Report (continued)

10. BORROWING POWERS

In terms of the Memorandum of Incorporation of Cashbuild Limited, borrowing powers are unrestricted. Flexible term general banking facilities available are R290 million (June 2023: R235 million) with various banks. See note 39.

11. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. PROSPECTS

Group revenue for the six weeks subsequent to period end is 5% higher than the prior year's comparative six-week period. Management expects trading conditions to remain challenging. This information has not been reviewed and reported on by the Group's auditor.

13. GOING CONCERN

The directors have assessed the cash flow forecast for the period up to 2 September 2025 and conclude that the Group will be able to continue as a going concern. All proposed financing arrangements and capital expenditures are evaluated and monitored to assess the impact on the Group's ability to meet its obligations. Detailed solvency and liquidity analysis are performed when dividends are declared to ensure the capital base of the Group is not adversely impacted.

14. AUDITOR

Deloitte & Touche was the auditor for the Group for the year ended 30 June 2024.

15. SECRETARY

The Company Secretary is Mr Takalani Ṋengovhela.

Independent Auditor's Report

TO THE SHAREHOLDERS OF CASHBUILD LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Cashbuild Limited and its subsidiaries (the group) set out on pages 115 to 171, which comprise the consolidated statement of financial position as at 30 June 2024; the consolidated statement of profit or loss; consolidated statement of other comprehensive income; consolidated statement of changes in equity; the consolidated statement of cash flows for the year then ended; and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cashbuild Limited and its subsidiaries as at 30 June 2024, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Materiality	*R111 million (2023: R106 million).*
Basis for determining materiality	*A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. Revenue was used as the primary benchmark for determining materiality, with consideration of supporting benchmarks of Gross profit and Total assets. Revenue is considered to be a factor on which users are focused, as it provides an indication of the performance of the Group.*

Based on our professional judgement, for the group we determined materiality to be R111 million which approximates 1% of revenue.

Group Audit Scope

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the group, and assessing the risks of material misstatement at the Group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

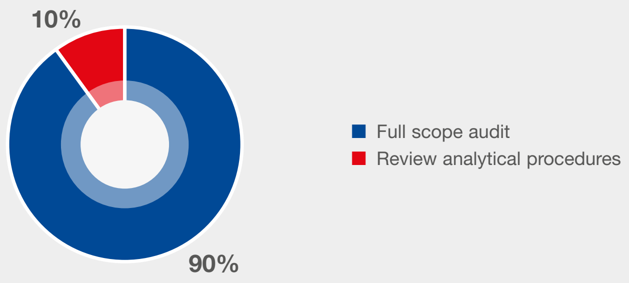
Based on our assessment, we performed work at 8 components (2023: 8 components), representing the Group's most material retail operations. The following audit scoping was applied:

- 2 components (2023: 2 components) were subject to a full scope audit; and
- 6 components (2023: 6 components) were subject to group analytical review procedures where the extent of our testing was based on our assessment of the risk of material misstatement of certain specific financial balances and the materiality of the Group's operations at those locations.

Independent Auditor's Report (continued)

The 2 components which were subject to a full scope audit accounts for approximately 90% of the Group's total assets and 90% of the Group's revenue.

REVENUE AND TOTAL ASSETS



Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key Audit Matter	How the matter was addressed in the audit
IMPAIRMENT ASSESSMENT OF GOODWILL AND INTANGIBLE ASSETS FOR P&L HARDWARE	
As disclosed in note 5, total impairments amounted to R147.2 million of which R136.8 million relates to goodwill and intangible assets on for the year. IAS 36 – Impairment of assets (IAS 36) requires goodwill and intangible assets that are not subject to amortisation to be assessed for impairment annually, irrespective of whether any impairment indicators exist. The directors performed an impairment assessment over the P&L Hardware cash generating unit (CGU) by assessing the recoverable amount of the CGU using a value-in-use discounted cash flow model and compared it to the carrying amount of the CGU. We considered the goodwill and intangible assets for the P&L Hardware CGU to be a matter of most significance and a key audit matter due to the required audit effort, the significant value of the intangibles before impairment and the associated impairment indicators that were identified. The impairment assessment also requires significant judgement and estimation to be applied by the directors in determining the value-in-use of the CGU and selecting the appropriate key inputs as disclosed in note 5: ▪ Growth rates; ▪ discount rate (WACC); and ▪ terminal growth rate.	Our audit procedures included the following: ▪ We obtained an understanding of the process by evaluating the design and testing the implementation of relevant controls over the assessment of goodwill impairment for the P&L Hardware CGU; ▪ We evaluated whether the value-in-use model, including the discount rate, used by the directors complies with the requirements of IAS 36 with appropriate input from our internal corporate finance specialists; ▪ Analysed and robustly challenged the revenue growth rates and trading profit margins with reference to the budgets and the probability of achieving future targets; ▪ Tested the forecasts with reference to historical performance; and ▪ Reviewed the appropriateness of the disclosure in the financial statements. Based on the procedures performed, we concluded that the impairment and related disclosures as set out in note 5 to the financial statements are considered to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cashbuild Limited Annual Consolidated Financial Statements" and in the document titled "Cashbuild Limited Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte has been the auditor of Cashbuild Limited for 2 years.

DocuSigned by:

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Deloitte & Touche
Registered Auditor
Per: James Welch
Partner

2 September 2024

5 Magwa Crescent
Waterfall City
2090
Johannesburg
South Africa

Consolidated Statement of Financial Position

as at 30 June 2024

Figures in Rand thousand	Note(s)	Year ended June 2024	Year ended June 2023
Assets			
Non-current assets			
Property, plant and equipment	4	**2 273 844**	2 383 569
Investment property	6	**38 600**	39 953
Investment in associate	7	**30 000**	30 000
Intangible assets	8	**124 134**	270 537
Deferred tax	9	**144 276**	134 154
Prepayments	11	**2 351**	–
		2 613 205	2 858 213
Current assets			
Prepayments	11	**26 341**	22 520
Current tax receivable	31	**27 485**	–
Inventories	12	**1 787 338**	1 698 486
Trade and other receivables	13	**134 264**	89 771
Cash and cash equivalents	14	**998 811**	1 582 166
		2 974 239	3 392 943
Non-current assets held for sale	15	**6 829**	21 787
		2 981 068	3 414 730
Total assets		**5 594 273**	6 272 943
Equity and liabilities			
Equity			
Equity attributable to equity holders of parent			
Share capital	16	**(678 971)**	(621 112)
Reserves		**167 814**	164 483
Retained income		**2 327 803**	2 385 008
		1 816 646	1 928 379
Non-controlling interest		**15 734**	27 155
		1 832 380	1 955 534
Liabilities			
Non-current liabilities			
Joint operation loan payable	7	**18 619**	18 619
Deferred tax	9	**12 506**	38 759
Lease liabilities	19	**1 224 850**	1 346 527
Cash-settled share-based payments	20	**5 506**	1 591
		1 261 481	1 405 496
Current liabilities			
Lease liabilities	19	**288 353**	254 058
Trade and other payables	21	**2 212 059**	2 629 522
Current tax payable	31	**–**	28 333
		2 500 412	2 911 913
Total liabilities		**3 761 893**	4 317 409
Total equity and liabilities		**5 594 273**	6 272 943

The accounting policies on pages 121 to 131 and the notes on pages 132 to 171 form an integral part of the Annual Consolidated Financial Statements.

Consolidated Statement of Profit or Loss

for the year ended 30 June 2024

Figures in Rand thousand	Note(s)	**Year ended June 2024**	Year ended June 2023
Revenue	22	**11 191 654**	10 653 193
Cost of sales	23	**(8 421 925)**	(7 948 438)
Gross profit		**2 769 729**	2 704 755
Other income	24	**11 010**	25 069
Selling and marketing expenses	25	**(1 995 414)**	(1 929 480)
Administrative expenses	25	**(427 541)**	(407 406)
Other operating expenses*	25	**(167 868)**	(159 713)
Impairment losses of financial assets and contract assets	25	**(771)**	–
Operating profit~		**189 145**	233 225
Finance income	26	**113 558**	100 777
Finance cost	27	**(164 526)**	(155 955)
Profit before taxation		**138 177**	178 047
Taxation	28	**(50 602)**	(63 145)
Profit for the year		**87 575**	114 902
Profit attributable to:			
Owners of the parent		**88 601**	106 346
Non-controlling interests		**(1 026)**	8 556
		87 575	114 902
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Per share information			
Basic earnings per share (cents)	29	**396.4**	456.9
Diluted earnings per share (cents)^	29	**396.4**	455.6

* *Included in other operating expenses is the impairment of P&L Hardware Goodwill and P&L Hardware Trademark. Refer to note 5 for further information.*

~ *Operating profits is gross profit minus operating expenses.*

^ *June 2024 diluted earnings per share is limited to the basic earnings per share due to the diluted earnings per share being anti-dilutive in nature for the financial year.*

The accounting policies on pages 121 to 131 and the notes on pages 132 to 171 form an integral part of the Annual Consolidated Financial Statements.

Consolidated Statement of Other Comprehensive Income

for the year ended 30 June 2024

Figures in Rand thousand	Notes	Year ended June 2024	Year ended June 2023
Profit for the year		**87 575**	114 902
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations attributable to:			
Owners of the parent	18	**(11 415)**	8 597
Non-controlling interests		**(7 984)**	(4 485)
Total movement in foreign currency translation reserve (FCTR)		**(19 399)**	4 112
Other comprehensive income for the year net of taxation		**(19 399)**	4 112
Total comprehensive income		**68 176**	119 014
Total comprehensive income attributable to:			
Owners of the parent		**77 186**	114 943
Non-controlling interests		**(9 010)**	4 071
		68 176	119 014

The accounting policies on pages 121 to 131 and the notes on pages 132 to 171 form an integral part of the Annual Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

Figures in Rand thousand	Share capital	Share premium
Balance as at 26 June 2022	227	(324 651)
Total comprehensive income for the year	–	–
Recognition of share-based payments	–	–
Shares repurchased	(2)	(46 512)
Shares repurchased and cancelled	(11)	(212 398)
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan	(2)	(37 763)
Dividends	–	–
Balance at 25 June 2023	212	(621 324)
Total comprehensive income for the year	**–**	**–**
Recognition of share-based payments	**–**	**–**
Shares repurchased	**–**	**–**
Shares repurchased and cancelled	**(2)**	**(30 713)**
Shares purchased by Cashbuild South Africa for the Forfeitable Share Plan	**(1)**	**(27 143)**
Dividends	**–**	**–**
Balance at 30 June 2024	**209**	**(679 180)**
Note(s)	16	16

Refer to note 29 for more information on dividend per share.

Total share capital	FCTR	Share-based payments reserve	Total reserves	Retained income	Non-controlling interest	Total equity
(324 424)	(13 704)	146 856	133 152	2 527 829	28 449	2 365 006
–	8 597	–	8 597	106 346	4 071	119 014
–	–	22 734	22 734	–	–	22 734
(46 514)	–	–	–	–	–	(46 514)
(212 409)	–	–	–	–	–	(212 409)
(37 765)	–	–	–	–	–	(37 765)
–	–	–	–	(249 167)	(5 365)	(254 532)
(621 112)	(5 107)	169 590	164 483	2 385 008	27 155	1 955 534
–	**(11 415)**	**–**	**(11 415)**	**88 601**	**(9 010)**	**68 176**
–	**–**	**14 746**	**14 746**	**–**	**–**	**14 746**
–	**–**	**–**	**–**	**–**	**–**	**–**
(30 715)	**–**	**–**	**–**	**–**	**–**	**(30 715)**
(27 144)	**–**	**–**	**–**	**–**	**–**	**(27 144)**
–	**–**	**–**	**–**	**(145 806)**	**(2 411)**	**(148 217)**
(678 971)	**(16 522)**	**184 336**	**167 814**	**2 327 803**	**15 734**	**1 832 380**
16	18	17				

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

Figures in Rand thousand	Note(s)	Year ended June 2024	Year ended June 2023
Cash flows from operating activities			
Cash generated from operations	30	**263 960**	779 483
Finance cost paid	27	**(164 526)**	(155 955)
Taxation paid	31	**(144 294)**	(153 284)
Net cash generated from operating activities		**(44 860)**	470 244
Cash flows from investing activities			
Additions to property, plant and equipment	4	**(146 849)**	(152 591)
Proceeds on disposal of non-current asset held for sale	33	**–**	1 030
Proceeds on disposal of property, plant and equipment and intangible assets	34	**12 629**	13 018
Finance income received		**71 653**	100 777
Additions to intangible assets	8	**(4 675)**	(6 316)
Net cash utilised in investing activities		**(67 242)**	(44 082)
Cash flows from financing activities			
Shares repurchased	16	**–**	(46 514)
Shares repurchase by Cashbuild Limited and cancelled	16	**(30 715)**	(212 409)
Shares purchased for the Forfeitable Share Plan	17	**(27 144)**	(37 765)
Lease liability payments	19	**(254 597)**	(229 917)
Dividends paid	32	**(145 806)**	(249 167)
Dividends paid to non-controlling interests	32	**(2 411)**	(5 365)
Net cash utilised in financing activities		**(460 673)**	(781 137)
Total cash and cash equivalents movement for the year		**(572 775)**	(354 975)
Cash and cash equivalents at the beginning of the year		**1 582 166**	1 938 639
Effect of exchange rate movement on cash and cash equivalents balances		**(10 580)**	(1 498)
Total cash and cash equivalents at the end of the year	14	**998 811**	1 582 166

Accounting Policies

CORPORATE INFORMATION

Cashbuild Limited is a public company incorporated and domiciled in South Africa.

1. Material accounting policies

Cashbuild is Southern Africa's leading retailer of quality building materials and associated products, selling direct to a predominantly cash-paying customer base through our chain of 322 stores at the end of this financial year. Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

The principal accounting policies applied in the preparation of these Annual Consolidated Financial Statements are set out below.

1.1 Basis of preparation

The Annual Consolidated Financial Statements are prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to companies reporting under IFRS and the IFRS Interpretations Committee (previously known as International Financial Reporting Interpretations Committee (IFRIC)), the South African Companies Act, the JSE Listings Requirements, and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Guides as issued by the Financial Reporting Council. The Financial Statements are authorised for issue by the Company's Board of Directors.

The Annual Consolidated Financial Statements are prepared on the basis that the Group will continue to be a going concern.

These Annual Consolidated Financial Statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The Annual Consolidated Financial Statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rand, which is the Group's functional currency.

These accounting policies are consistent with the prior year.

1.2 Consolidation

Basis of consolidation

The Annual Consolidated Financial Statements incorporate the Annual Financial Statements of the Company and all subsidiaries. Subsidiaries are entities which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through using its power over the entity.

The results of subsidiaries are included in the Annual Consolidated Financial Statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made where necessary to the Annual Financial Statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity.

The Group's proportionate share of assets and liabilities from investments in joint operators are included in the Annual Consolidated Financial Statements from the effective date of acquisition.

Transactions with non-controlling interests that do not result in loss of control, are accounted for as equity transactions and are recognised directly in the Consolidated Statement of Changes in Equity.

Accounting Policies (continued)

1. Material accounting policies (continued)

1.3 Investment property

Investment property are assets which the Group holds to earn rentals. Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation less any accumulated impairment losses. Depreciation is calculated on the straight-line basis over a useful life of 50 years.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of investment property, determined as the difference between the disposal proceeds, if any, and the carrying amount of the item, is included in the Consolidated Statement of Profit or Loss when the item is derecognised.

1.4 Property, plant and equipment

Property, plant and equipment are assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost, which includes all of the expenditure which is directly attributable to the acquisition or construction of the asset. Subsequently, property, plant and equipment is measured at historical cost less accumulated depreciation and accumulated impairment losses. Expenditure incurred on work in progress projects are capitalised until the project is completed. Work in progress assets are then transferred to the relevant asset categories.

Expenditure incurred subsequently to refurbish, expand or replace property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Maintenance costs are included in profit or loss in the year in which they are incurred.

Assets are depreciated when an asset is available for use, and depreciated on a straight-line basis over its expected useful lives. Assets which are expected to have a material disposal value are allocated residual values, these assets are depreciated up to residual value and residual values are reassessed annually. Land is not depreciated. The useful lives are reassessed annually, and adjusted accordingly, where appropriate.

The details including the useful lives of items of property, plant and equipment have been disclosed in note 4.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount. Impairment losses reversals are limited to what the carrying amount of the asset would have been, should no impairment have been recognised.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the disposal proceeds, if any, and the carrying amount of the item, is included in the Consolidated Statement of Profit or Loss when the item is derecognised.

1.5 Intangible assets

Goodwill

Goodwill arises on a business combination, and is the amount by which the fair value of consideration transferred and the amount of any non-controlling interest recognised, exceeds the identifiable assets and liabilities recognised in accordance with IFRS 3. Goodwill is carried at cost less accumulated impairment losses.

Trademarks

Trademarks which have a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over its estimated useful lives of 10 years.

1. Material accounting policies (continued)

1.5 Intangible assets (continued)

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. At year-end, there are no trademarks as the P&L Hardware trademark was fully impaired during the year.

This intangible asset is regarded as having an indefinite useful life due to there being, based on all relevant factors, no foreseeable limit to the period over which the asset is expected to generate net cash inflows. This position is assessed on an annual basis. Amortisation is not provided for these intangible assets, however, these assets are tested for impairment annually and when there is an indication that the asset may be impaired. No impairment will arise if the present value of the expected net cash inflows into perpetuity support the fair value of the intangible asset acquired.

Estimates and judgements considered in determining the indefinite useful life of trademarks are disclosed in note 2.

Computer software

Computer software is capitalised on the basis of the costs incurred to acquire and bring the specific software into use. These costs are amortised on a straight-line basis over its estimated useful lives of three to five years.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Computer software is carried at cost less accumulated amortisation.

Refer to note 8 for details of the Group's intangible assets.

1.6 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets measured at amortised cost
- Financial liabilities measured at amortised cost

Financial assets at amortised cost

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore, are all classified as current assets.

Trade receivables and cash and cash equivalents have been classified at amortised cost as its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest and the Group's business model is to collect the contractual cash flows on these financial instruments.

Financial liabilities measured at amortised cost

Trade payables are financial liabilities measured at amortised cost. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Borrowings consist of overdraft facilities available to the Group. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the financial position date.

Recognition and measurement

Financial assets at amortised cost

Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group has made use of the practical expedient where the Group presumes that a trade receivable does not have a significant financing component as the expected term is less than one year. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore, measures them subsequently at amortised cost using the effective interest method.

Cash and cash equivalents are initially recognised at fair value. Subsequently, cash and cash equivalents are measured at amortised cost.

Financial liabilities measured at amortised cost

Trade payables, lease liabilities and refundable customer deposits are initially measured at fair value plus transaction costs, if any, and are subsequently measured at amortised cost, using the effective interest rate method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and redemption value is recognised in the Consolidated Statement of Profit or Loss over the period of the borrowings using the effective interest rate method.

Accounting Policies (continued)

1. Material accounting policies (continued)

1.6 Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As a practical expedient, the Group uses a provision matrix based on the Group's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Refer to note 13 for the impact of the expected credit loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

These amounts are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

Foreign currency bank accounts are translated into the functional currency using the exchange rates prevailing at the Consolidated Statement of Financial Position date. Foreign exchange gains and losses resulting from the revaluation of these balances are recognised in the Consolidated Statement of Profit or Loss.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to its present location and condition. Unrealised trade, settlement and other discounts as well as unrealised rebates are netted off against the inventory balance.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

Inventories include a "right-to-return-goods asset" which represents the Group's right to recover products from customers where customers exercise their right of return under the Group's returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

Refer to note 12 for disclosures of inventory and related values.

1.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1. Material accounting policies (continued)

1.9 Impairment of assets

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual year and at the same time every year;
- tests goodwill acquired in a business combination for impairment on an annual basis.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss.

Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. Refer to note 5 for details thereof.

Trademarks are assessed for impairment annually or more frequently if indicators of impairment exist.

The significant assets considered for impairment indicators for the 12 months ended 30 June 2024 are the goodwill and trademark acquired from the P&L Hardware business combination. Refer to note 5 for details thereof.

1.10 Share capital and equity

Ordinary shares are classified as equity. Where group companies purchase Cashbuild Limited's share capital, the consideration paid including attributable transaction costs (net of income taxes), is deducted from equity attributable to the Group's equity holders as treasury shares until they are cancelled, re-issued or sold. Where such shares are subsequently sold or re-issued, any consideration received net of directly attributable incremental transaction costs and related income tax effects is included in shareholders' funds.

The shares held by The Cashbuild Empowerment Trust, Cashbuild Management Member Trust, Cashbuild (South Africa) Proprietary Limited and Cashbuild Limited are classified as treasury shares.

Dividends received on treasury shares are eliminated on consolidation, except the dividends on which participants are entitled to in terms of The Cashbuild Empowerment Trust deed, which is accounted for as a staff expense in the Consolidated Statement of Profit or Loss.

Details of share capital and share premium including the impact of treasury shares are disclosed in note 16.

1.11 Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave, which are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service awards

The Group has an obligation to pay long service awards to employees who reach certain predetermined milestone periods of service. Costs incurred in relation to the obligation are debited against the liability as incurred. Movements in the liability arising from the valuation are charged to the Consolidated Statement of Profit or Loss upon valuation. Gains and losses are recognised immediately in full.

Accounting Policies (continued)

1. Material accounting policies (continued)

1.11 Employee benefits (continued)

Bonuses

The Group's bonus structure allows monthly and quarterly bonuses that employees at stores can earn based on store and divisional performance. An annual bonus is available to all store and divisional management, based on their areas' performance. Support Office staff and Executive Management qualifying for annual bonuses which is dependent on the Group's results and performance. Annual bonuses are calculated with reference to a formula that takes into consideration the revenue and profit before tax. The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Defined contribution plans

The Group provides for retirement benefits for employees by making payments to independent defined contribution funds and contributions are expensed. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions, if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

1.12 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

After its initial recognition, contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. When realisation of income is virtually certain, the related asset is recognised. Contingencies are disclosed in note 36.

1.13 Joint arrangements and associates

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either classified as a joint operation or a joint venture.

Joint operations

The Group recognises the following in relation to its interests in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

Associates

An associate is an entity that the Group has significant influence over. The Group has significant influence over an entity if it holds more than 20% of the voting rights and there is no joint control. The Group accounts for its interests in associates using the equity method. Investment in associates are accounted for at cost and is increased with the Group's share of profit when applicable.

1.14 Prepayments

Prepayments comprise general prepayments for goods or services to be provided after year-end. Current prepayments relate to general prepayments that will realise within 12 months after year-end.

1. Material accounting policies (continued)

1.15 Tax

Current tax assets and liabilities

Current tax for current and prior years are, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior years are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset because there is a legally enforceable right to set off current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

At each reporting period, the Group assesses the recoverability of deferred tax assets. Measurement adjustments are recognised when the Group expects that the deferred tax assets will not result in future tax benefits.

For details of deferred tax assets and liabilities for the year refer to note 9.

Tax expenses

Current and deferred taxes are recognised as an income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different year, to the Consolidated Statement of Comprehensive Income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different year, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different year, directly in equity.

Components of the tax expense and effective tax rate is disclosed in note 28.

1.16 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantive right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgements and sources of estimation uncertainty section of these accounting policies.

Accounting Policies (continued)

1. Material accounting policies (continued)

1.16 Leases (continued)

Group as lessee

The Group has entered into various leases in respect of premises. Leases for premises are on average contracted for periods between five and 15 years with renewal options for a further five to 10 year periods.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less. For these leases, the Group recognises the lease payments as an operating expense (note 25) on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The probability of utilising extension and termination options are considered when determining the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments which are based on an index or rate are included in the lease liability. In the event of a modification which does not result in a separate lease, the lease liability is remeasured with a corresponding adjustment to the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Refer to note 4 for details relating to the right-of-use assets.

The lease payments are discounted using the incremental borrowing rate. The incremental borrowing rate is determined by using the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

A number of lease contracts include the option to renew the lease for a further period or terminate the lease earlier. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the Group's business planning cycle, significance of related leasehold improvements and past history of terminating/not renewing leases. The lease term is reassessed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

1. Material accounting policies (continued)

1.16 Leases (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when the following remeasurements occur:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Company will exercise a purchase termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the Consolidated Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Details of leasing arrangements where the Group is a lessee are presented in note 19 Leases (Group as lessee).

1.17 Share-based plans and related payments

The Group operates a number of equity-settled, share-based compensation plans:

Cashbuild Forfeitable Share Scheme (FSP)
Shares are offered under a forfeitable share award scheme to Executive Directors and selected management. The scheme has a vesting period of three years. The impact is recognised directly in the Consolidated Statement of Profit or Loss, with a corresponding adjustment to equity. The effect of all shares issued under this scheme is taken into account when calculating the diluted and headline earnings per share.

The fair value determined at the award date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The fair value at award date is determined as the share price at award date.

Cashbuild Operations Management Member Trust (OMT)
Share incentives under this operational managers scheme entitles qualifying store management members to receive a bonus that is split in equal proportion between cash and shares. The cash portion will be received immediately and the share portion will vest at the end of a three-year period, or such earlier dates as provided in the Trust Deed.

Dividends from The Cashbuild Empowerment Trust
Amounts paid to beneficiaries of the Trust, being employees of the Group, are treated as staff cost in the Consolidated Statement of Profit or Loss. The amounts paid out to the members are equal to dividends received by the Trust less specific cost incurred by the Trust.

Additional detail relating to distributions made by the Trust is disclosed in note 38.

1.18 Cash-settled share-based payments

Cash-settled share-based payment liabilities are initially measured at fair value and subsequently remeasured to fair value at each reporting date as well as at the date of settlement, with any changes in fair value recognised in profit or loss. The expense is recognised on a straight-line basis over the vesting period, with a corresponding increase in the liability. The fair value of the shares represents the liability that will ultimately be paid to the employee, as derived from the ruling share price at date of settlement.

Accounting Policies (continued)

1. Material accounting policies (continued)

1.19 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it satisfies the performance obligation. The performance obligation would be the sale of goods and this would be satisfied at the point of sale.

The following is a description of principal activities where the Group generates revenue. The Group has disclosed the nature, timing of satisfaction of performance obligations and significant payment terms:

Sale of goods – retail

The Group is required to disclose the revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

The Group operates a chain of retail stores selling building materials. Revenue from the sale of goods is recognised when a group entity sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the building materials and takes delivery in store. There are repayment agreements with certain customers. It is the Group's policy to sell its products to the end customer with a right of return. Therefore, a refund liability (included in trade and other payables) is recognised for the products expected to be returned based on the average number of days it would take a customer to return goods. Accumulated experience is used to estimate such returns at the time of sale. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Customers are entitled to volume rebates. Rebates will be awarded based on purchases as per agreed rebate structure with the customer. A corresponding reduction in revenue is recognised to account for rebates achieved.

1.20 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

The related settlement discounts and rebates received on inventories are deducted from cost of sales.

Cost of sales is reduced by the amount recognised in inventory as a "right-to-return-goods asset" which represents the Group's right to recover products from customers where customers exercise their right of return under the Group's returns policy.

1.21 Translation of foreign currencies

Foreign currency transactions and Group translation

Stores which trade in foreign countries trade in foreign currencies being Botswana Pula, Malawian Kwacha, Zambian Kwacha and US Dollar. These are translated into reporting currency (Rand) at the end of the reporting period.

The results of and financial positions of all the Group entities (none of which have the currency of a hyperinflation economy) that have a functional currency different from the presentation currency, are translated into the presentation currency as follows:

- income and expenses for each Statement of Profit or Loss line item are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transactions);
- assets and liabilities for each financial position presented are translated at the closing rates at the date of that financial position; and
- all resulting exchange differences are recognised through other comprehensive income.

Cash flows arising from transactions in a foreign currency are recorded in Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

2. ESTIMATES AND JUDGEMENTS

The preparation of the Annual Consolidated Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. These are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. The key estimates and assumptions relating to these areas are disclosed in the relevant notes to the Annual Consolidated Financial Statements.

All estimates and underlying assumptions are based on historical experience and various other factors that management believes are reasonable under the circumstances. The results of these estimates form the basis of judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and any affected future periods.

Judgements

There are no critical estimates or judgment that are likely to have a risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year. Other non-critical estimates and judgments have been applied in the financial statements and disclosed below:

- **Inventory net realisable value** – Impairment allowances are raised against inventory when it is considered that the amount realisable from such inventory's sale is considered to be less than its carrying amount. The impairment allowance is estimated with reference to an inventory age analysis, stock turnover and margin which have an element of estimation uncertainty. Refer to note 12 for more information.
- **Goodwill impairment assessment** – The impairment assessment used the value-in-use method. The discount rate applied is derived from the entity specific weighted average cost of capital (WACC), adjusted for tax and specific risks relating to the operation. Estimation of the expected future sales and cost of sales for the store requires judgement. This forecast period covers a five-year period, after which a terminal value has been determined. The modelling of the future cash flows and consideration to Capital structures being the debt and right of use asset utilisation is continuously being re-assessed. Refer to note 5 for more information.
- **Right-of-use asset impairment assessment** – The impairment assessment is performed at a store level. When a loss-making store has been identified, a cash flow forecast is performed for the remaining lease term in order to determine the value-in-use of the store. The discount rate applied is derived from the Group weighted average cost of capital (WACC), adjusted for tax and specific risks relating to the country of operation. Estimation of the expected future sales and cost of sales for the store requires judgement. Impairments related to store closures for stores that reached the end of its lease term. Refer to note 25 for more information.
- **IFRS 16 lease term** – In determining the lease term, the Group must assess whether it is reasonably certain to exercise extension or early termination options. Renewal options have only been included where a decision to renew the lease has been made, which is when it is reasonably certain that the lease will be renewed. Cashbuild considers various factors in the decision to renew or not, which include profitability, location of the stores as well as overall business strategy. This judgement is important as it affects the amount recorded for the lease obligation and related right-of-use asset. Refer to note 19 for more information.
- **Incremental borrowing rate** – The incremental borrowing rate is estimated with reference to country-specific borrowing rates (linked to prime) that Cashbuild is subject to, inflated by a margin derived from government bond yields that is linked to the term of the lease contract from inception. Refer to accounting policy 1.16 for more information.

Notes to the Annual Consolidated Financial Statements

for the year ended 30 June 2024

3. SEGMENTAL INFORMATION

The Executive Directors are the chief operating decision makers (CODM). The information presented below is used by the CODM in discharging their duties which includes allocating resources and assessing the performance of each operating segment.

The Group's operating segments include the Cashbuild model stores (based in South Africa, Botswana, eSwatini, Lesotho, Namibia, Malawi and Zambia) and the P&L Hardware model stores (based only in South Africa). The Zambian stores were closed due to continued losses being made after various attempts to make the operations profitable.

The Group's operating segments are also considered to be reportable segments.

The Group's reportable segments are as follows:
- Cashbuild South Africa (based in South Africa)
- P&L Hardware (based in South Africa)
- Cashbuild common monetary operations (eSwatini, Lesotho and Namibia)
- Cashbuild non-common monetary operations (Botswana, Malawi and Zambia)

The Group's common monetary operations consist of the countries that form part of the Rand common monetary area.

The Group's non-common monetary operations consist of the other countries which Cashbuild trades in. These other countries have foreign exchange differences when compared to the Rand.

All operating segments are in the business of retail of building materials and associated products.

The Group evaluates the performance of its operating segments based on revenue and operating profit. Operating profit is the earnings before interest and tax.

	Cashbuild South Africa	P&L Hardware	Cashbuild common monetary	Cashbuild non-common monetary	Total
June 2024					
Revenue	**9 174 661**	**824 070**	**721 216**	**471 707**	**11 191 654**
Cost of Sales	**(6 847 474)**	**(663 132)**	**(560 951)**	**(350 369)**	**(8 421 925)**
Operating expenses^	**(2 047 938)**	**(306 742)**	**(127 030)**	**(109 884)**	**(2 591 594)**
Operating profit/(loss)*	**285 275**	**(141 324)**	**33 631**	**11 563**	**189 145**
Depreciation and amortisation	**(362 914)**	**(33 431)**	**(16 022)**	**(9 746)**	**(422 113)**
Finance income	**94 716**	**5 432**	**10 525**	**2 885**	**113 558**
Finance costs	**(144 430)**	**(8 742)**	**(7 374)**	**(3 980)**	**(164 526)**
Taxation	**(64 973)**	**26 160**	**(9 870)**	**(1 920)**	**(50 603)**

* *The Operating loss for P&L Hardware includes the impairment raised on the P&L Hardware Goodwill of R40.4 million and on the P&L Hardware Trademark of R96.4 million.*

^ *Operating expenses comprise of the following categories of expenses: selling and marketing, administrative (which includes depreciation and amortisation), other operating expenses and impairment losses of financial assets and contract assets.*

	Cashbuild South Africa	P&L Hardware	Cashbuild common monetary	Cashbuild non-common monetary	Total
June 2023					
Revenue	8 643 699	826 110	690 482	492 902	10 653 193
Cost of Sales~	(6 389 809)	(665 135)	(530 910)	(362 583)	(7 948 438)
Operating expenses^~	(1 935 087)	(355 019)	(120 346)	(86 147)	(2 496 599)
Operating profit/(loss)*	331 029	(191 433)	39 279	54 350	233 225
Depreciation and amortisation	(335 885)	(28 755)	(15 977)	(10 582)	(391 199)
Finance income	87 045	3 242	7 919	2 571	100 777
Finance costs	(135 417)	(9 217)	(7 814)	(3 507)	(155 955)
Taxation	(56 423)	12 686	(10 509)	(8 899)	(63 145)

* *The Operating loss for P&L Hardware includes the impairment raised on the P&L Hardware Goodwill of R155.9 million.*

^ *Operating expenses comprise of the following categories of expenses: selling and marketing, administrative (which includes depreciation and amortisation), other operating expenses and impairment losses of financial assets and contract assets.*

~ *The segmental information for FY23 has been represented in light of the guidance provided by the IFRS Interpretations Committees (IFRIC) final agenda decision relating to the IFRS 8:* Operating Segments *on the disclosure of income and expense line items for reportable segments. The group has elected to provide additional disclosure in light of the IFRIC agenda decision.*

3. SEGMENTAL INFORMATION (continued)

Segment assets and liabilities

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the Consolidated Statement of Financial Position.

	Capital investment*	Total assets	Total liabilities
June 2024			
Cashbuild South Africa	**133 816**	**4 485 126**	**(2 686 786)**
P&L Hardware	**12 300**	**477 277**	**(740 159)**
Cashbuild common monetary	**7 254**	**400 165**	**(189 793)**
Cashbuild non-common monetary	**7 814**	**231 705**	**(145 155)**
Total	**161 184**	**5 594 273**	**(3 761 893)**
June 2023			
Cashbuild South Africa	145 065	4 944 741	(3 168 137)
P&L Hardware	6 670	604 905	(749 852)
Cashbuild common monetary	6 483	430 489	(231 916)
Cashbuild non-common monetary	689	292 808	(167 504)
Total	158 907	6 272 943	(4 317 409)

* *Capital investment relates to total additions during the year of property, plant and equipment, excluding the additions to right-of-use asset (note 4) and intangible assets (note 8).*

4. PROPERTY, PLANT AND EQUIPMENT

	June 2024			June 2023		
	Cost	Accumulated depreciation/ impairment	Carrying value	Cost	Accumulated depreciation/ impairment	Carrying value
Group						
Land and buildings	**811 342**	**(110 010)**	**701 332**	772 429	(84 901)	687 528
Leasehold improvements	**244 094**	**(169 246)**	**74 848**	229 586	(153 645)	75 941
Furniture and equipment	**1 711 550**	**(1 253 509)**	**458 041**	1 613 657	(1 142 688)	470 969
Vehicles	**34 538**	**(30 885)**	**3 653**	35 426	(27 165)	8 261
Right-of-use asset	**2 845 697**	**(1 809 727)**	**1 035 970**	2 679 264	(1 538 394)	1 140 870
Total	**5 647 221**	**(3 373 377)**	**2 273 844**	5 330 362	(2 946 793)	2 383 569

Notes to the Annual Consolidated Financial Statements
(continued)

for the year ended 30 June 2024

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property plant and equipment – Group – June 2024

	Opening balance	Additions	Disposals~
Land and buildings	687 528	–	–
Leasehold improvements	75 941	–	(247)
Furniture and equipment**	470 969	9 660	(11 650)
Vehicles	8 261	–	(4 554)
Right-of-use asset	1 140 870	14 378	(3 187)
Capital work in progress*	–	146 849	–
Total	2 383 569	170 887	(19 638)

* *Capital work in progress mainly relates to store refurbishments during the year.*
~ *Disposal of right-of-use of assets relates to the early termination of lease agreements. The right-of-use asset and lease liability, net of the early termination payment if applicable, is derecognised and any gain or loss is recognised in the Consolidated and Separate Statement of Profit or Loss.*
+ *The lease remeasurements relate to the exercising of the renewal option in the lease agreements, which did not result in a separate lease. The lease liability was remeasured with corresponding adjustments to the right-of-use asset for this remeasurement.*
^ *Refer to note 15 for details of buildings classified as held for sale.*
# *The impairment on right-of-use asset relates to the loss-making stores. Refer to note 5 for further detail.*
** *The additions in furniture and equipment relates to transfers from computer software to computer equipment.*

Reconciliation of property, plant and equipment – Group – June 2023

	Opening balance	Additions	Disposals~
Land and buildings	704 897	–	(1 143)
Leasehold improvements	87 256	–	(388)
Furniture and equipment	460 474	–	(7 262)
Vehicles	12 939	–	(368)
Right-of-use asset	1 177 385	82 037	(14 610)
Capital work in progress*	–	152 591	–
Total	2 442 951	234 628	(23 771)

* *Capital work in progress mainly relates to store refurbishments during the year.*
~ *Disposal of right-of-use of assets relates to the early termination of lease agreements. The right-of-use asset and lease liability, net of the early termination payment if applicable, is derecognised and any gain or loss is recognised in the Consolidated Statement of Profit or Loss.*
+ *The lease remeasurements relate to the exercising of the renewal option in the lease agreements, which did not result in a separate lease. The lease liability was remeasured with corresponding adjustments to the right-of-use asset for this remeasurement.*
^ *Refer to note 15 for details of buildings classified as held for sale.*
# *The impairment on land and buildings relates to the impairment of the Kafue Road property in Zambia and Katimo Mulilo in Namibia. The remaining impairment relates to loss-making stores and vehicles. Refer to note 5 for further detail.*

Classified as held for sale^	**Transfers**	**Lease remeasure-ments+**	**Foreign exchange movements**	**Depreciation**	**Impairment#**	**Closing balance**
12 000	**27 675**	**–**	**(762)**	**(25 109)**	**–**	**701 332**
–	**14 885**	**–**	**(130)**	**(15 601)**	**–**	**74 848**
–	**100 623**	**–**	**(739)**	**(110 750)**	**(72)**	**458 041**
–	**3 666**	**–**	**–**	**(3 720)**	**–**	**3 653**
–	**–**	**158 606**	**(3 364)**	**(262 317)**	**(9 016)**	**1 035 970**
–	**(146 849)**	**–**	**–**	**–**	**–**	**–**
12 000	**–**	**158 606**	**(4 995)**	**(417 497)**	**(9 088)**	**2 273 844**

Classified as held for sale^	Transfers	Lease remeasure-ments+	Foreign exchange movements	Depreciation	Impairment#	Closing balance
(21 787)	13 711	–	4 217	(7 886)	(4 481)	687 528
–	5 315	–	226	(16 468)	–	75 941
–	133 514	–	1 008	(113 159)	(3 606)	470 969
–	51	–	–	(696)	(3 665)	8 261
–	–	150 096	2 946	(248 434)	(8 550)	1 140 870
–	(152 591)	–	–	–	–	–
(21 787)	–	150 096	8 397	(386 643)	(20 302)	2 383 569

Notes to the Annual Consolidated Financial Statements
(continued)

for the year ended 30 June 2024

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation rates

The depreciation methods and average useful lives of property, plant and equipment have been assessed as follows:

■ Buildings	Straight-line basis – 50 years
■ Leasehold improvements	Straight-line basis – 10 years (limited to lease term)
■ Furniture and equipment*	Straight-line basis – 3 to 15 years
■ Vehicles	Straight-line basis – 5 to 6 years
■ Right-of-use asset^	Straight-line basis – lease term
■ Forklifts*	Running hours – 14 000

* *Forklifts are included in the furniture and equipment asset class within the property, plant and equipment reconciliation.*

^ *Right-of-use assets relate to leased store properties.*

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Amounts recognised in profit and loss for the year:		
(Loss)/profit on disposal of property, plant and equipment	**(3 822)**	3 614
Profit on disposal of non-current assets held for sale	**–**	80
Profit on disposal of right-of-use asset	**1 949**	3 159
Repairs and maintenance expenditure	**59 243**	54 032

5. IMPAIRMENT OF ASSETS

Goodwill impairment assessment

The below impairment assessment was performed over the goodwill arising on acquisition of P&L Hardware and indefinite lived intangible assets relating to the P&L Hardware trademark.

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Goodwill allocation		
P&L Hardware (net of impairment)	**–**	40 393
Cashbuild (South Africa)	**112 833**	112 833
Total Goodwill	**112 833**	153 226
P&L Hardware indefinite lived trademark	**–**	96 409

P&L Hardware cash-generating unit:

P&L Hardware Goodwill was fully impaired during the financial year that ended 30 June 2024. Listed below are the assumptions applied in the value-in-use calculation for the P&L Hardware cash-generating unit.

The recoverable amount of the P&L Hardware cash generating unit has been determined based on a value-in-use calculation for the forecast period. This forecast period covers the five-year period up to June 2029, after which a terminal value has been determined.

The value-in-use of P&L Hardware was determined using assumptions regarding company profitability, growth rates, discount rates and target net working capital days. An impairment assessment was conducted and it was noted that the headroom on the P&L Hardware cash-generating unit has diminished and has resulted in a full impairment of the Goodwill. The decline in headroom leading to an impairment is ascribed to the lower performance of the cash-generating unit due to challenging economic conditions and delayed results from management's action plans within the business which further reduced the available headroom. The impact of the aforementioned resulted in an impairment of the P&L Hardware Goodwill (June 2024: R40.4 million; June 2023: R155.9 million) and an impairment of the P&L Hardware Trademark (June 2024: R96.4 million; June 2023: Rnil), which have been included in the other expenses line of the Consolidated Statement of Profit or Loss. The recoverable amount of the P&L Hardware cash-generating unit was determined as R181.0 million (June 2023: R262.0 million).

5. IMPAIRMENT OF ASSETS (continued)

	June 2024 Assumptions applied	June 2023 Assumptions applied
P&L Hardware cash-generating unit:		
Growth rate*	**7.5%**	9.0%
Terminal growth rate	**5.5%**	5.5%
Discount rate – pre-tax	**16.6%^**	17.5%-18.5%
Discount rate – post-tax	**13.9%^**	14.4%-15.4%

* *The P&L Hardware expected growth rate has decreased due to P&L's performance in the current financial year, management considers this to be reflective of the short to medium-term growth rate. The rate is supported by internal budgets and operational analysis and management expects that future performance of P&L Hardware should stabilise in line with the terminal growth rate used.*

^ *No range disclosed due to the Goodwill and the Trademark being fully impaired therefore this is the discount rate that resulted in the impairment.*

Sensitivity analysis

Due to the P&L Hardware Goodwill and P&L Hardware Trademark being fully impaired, no sensitivity has been provided.

	June 2024 Assumptions applied	June 2023 Assumptions applied
Cashbuild South Africa cash-generating unit:		
Growth rate#	**4.5%**	4.5%
Terminal growth rate#	**5.0%**	5.0%
Discount rate – pre-tax@	**16.5%-17.5%**	17.3%-18.3%
Discount rate – post-tax@	**13.2%-14.2%**	13.8%-14.8%

\# *Whilst the South African inflation rate increased year-on-year, we believe that our growth rate and terminal growth rate is reflective of the long-term growth prospect of the cash-generating unit. Inflationary increases will be transferred to the customer base to maintain a constant gross profit margin.*

@ *The discount rate decreased due to the decrease in risk free rate and decrease in Beta.*

Key assumptions used to determine value-in-use

The recoverable amount of the Cashbuild operating cash-generating unit has been determined based on a value-in-use calculation for the forecast period. This forecast period covers the five-year period up to June 2029, after which a terminal value has been determined. Due to significant headroom available, no sensitivity analysis has been provided.

Value-in-use – loss-making stores

Based on past experience, when a store is closed, 57% of the assets are sold for proceeds below book value, excluding the right-of-use assets and inventory. Therefore, loss-making stores are identified for possible impairment of the assets held by these stores. For each loss-making store that leases premises, the value-in-use is calculated as the net present value of the monthly forecasted cash flows per store (calculated to the end of the lease term). A store model specific WACC rate was applied to the cash flow projections.

If at period end, a store is no longer loss-making and management believes that it will continue on this trend, any previous impairments raised are reversed.

Notes to the Annual Consolidated Financial Statements
(continued)

for the year ended 30 June 2024

5. IMPAIRMENT OF ASSETS (continued)

	Year ended June 2024	Year ended June 2023
Key assumptions used for loss making stores included the P&L Hardware operating segment		
Growth rate	**10.0%-20.0%**	5.0%-10%
Discount rate – pre-tax	**18.2%-19.2%**	17.5%-18.5%
Key assumptions used for loss making stores included the Cashbuild operating segment		
Growth rate	**7.0%-10.0%**	8.0%-9.7%
Discount rate – pre-tax	**18.2%-19.2%**	17.3%-18.3%
Impairment losses recognised on property, plant and equipment		
Land and buildings	**–**	4 481
Furniture and equipment	**72**	3 606
Vehicles	**–**	3 665
Right-of-use assets	**9 016**	8 550
	9 088	20 302

During the year, 8 (June 2023: 1) Cashbuild South Africa and 2 (June 2023: 8) P&L Hardware stores were impaired. The impairment losses recognised are included in the selling and marketing line of the Consolidated Statement of Profit or Loss. Impairment losses were recognised in the Cashbuild South Africa segment of R10.7 million (June 2023: R6.5 million), P&L Hardware segment recognised a reversal of R3.0 million (June 2023: R9.2 million loss), Common monetary segment of R1.4 million (June 2023: R1.7 million) and the Non-Common Monetary operations segment recognised Rnil in the current reporting period (June 2023: R2.8 million).

	June 2024 Assumptions applied	June 2023 Assumptions applied
Reconciliation of the accumulated impairment		
Opening balance	**188 355**	37 843
Total impairment recognised	**147 243**	176 211
Impairment for the year relating to loss-making stores	**26 917**	15 369
Impairment reversal relating to loss-making stores	**(17 829)**	(3 213)
Impairment relating to vehicles	**–**	3 665
Impairment relating to P&L Hardware Goodwill	**40 393**	155 909
Impairment relating to P&L Hardware Trademark	**96 409**	–
Impairment relating to Nasrec investment property	**1 353**	–
Impairment relating to non-current assets held for sale^	**–**	4 481
Disposal of accumulated impairment due to sale of assets	**–**	(6 041)
Disposal of accumulated impairment on looted furniture and equipment~	**–**	(20 384)
Foreign exchange movements	**(1 002)**	726
Closing balance	**334 596**	188 355

^ *Refer to note 4 for more information.*

~ *This disposal of accumulated impairment relates to the furniture and equipment that was impaired as a result of the looting. The assets have been disposed.*

6. INVESTMENT PROPERTY

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Reconciliation of investment property		
Investment in Nasrec Corner – joint operation	**38 600**	39 953
Reconciliation of investment property		
Opening balance	**39 953**	39 953
Investment in Nasrec Corner	**(1 353)**	–
– Additions	**–**	–
– Depreciation~	**–**	–
– Impairment~	**(1 353)**	–
Closing balance*	**38 600**	39 953

~ The fair value of Cashbuild's share in the investment property is R38.6 million based on the external valuation obtained in June 2024. The recoverable amount of the property was lower than its carrying amount, this has resulted in an impairment of R1.4 million.

** There has been no additions and no depreciation in the periods.*

Investment property is carried at cost and depreciated on a straight-line basis over 50 years. Where the residual value of investment property exceeds the carrying value, no depreciation is recognised.

7. INTERESTS IN ASSOCIATE AND JOINT OPERATIONS

Joint operations – Nasrec Corner

During the 2014 financial year, Cashbuild entered into a joint operation agreement for the Nasrec Corner Shopping Centre in Johannesburg, South Africa. This consortium comprises a right to extend and develop a shopping centre. Cashbuild has 50% participation and control in the owner consortium with the other 50% participant being S-Identity Holdings (Pty) Ltd. Decisions relating to the operations of the consortium requires unanimous consent.

S-Identity Holdings (Pty) Ltd has, in its own capacity, raised finance from a third party and funded the remaining construction of the shopping centre. Profits of the joint operation will only be shared when the financed amounts are fully repaid to the third party. Cashbuild is entitled to its share of the assets and liabilities of the joint operation as stipulated in the joint operation agreement.

The information presented below is the standalone financial information of the Nasrec Corner joint operation at 100% with the application of the Group accounting policies and therefore, does not represent Cashbuild's share.

The table below summarises the financial position of Nasrec Corner as at 30 June 2024:

	Summarised financial information (100%)	
Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Investment property	**77 200**	79 906
Total current assets	**43 040**	37 809
Total assets	**120 240**	117 715
Joint operator loan	**85 018**	85 018
Total current liabilities	**35 222**	32 697
Total liabilities	**120 240**	117 715

Notes to the Annual Consolidated Financial Statements
(continued)

for the year ended 30 June 2024

7. INTERESTS IN ASSOCIATE AND JOINT OPERATIONS (continued)

The table below summarises the Statement of Profit or Loss of Nasrec Corner for the year:

Figures in Rand thousand	Summarised financial information (100%) Year ended June 2024	Year ended June 2023
Rental income	**6 854**	7 581
Operating expenses	**(6 854)**	(7 581)
Net profit for the period	**–**	–
Loan to joint operator		
The loan payable in Nasrec Corner relates to the other party of the joint operation contributing more assets to the joint operation than Cashbuild. No party can contractually call upon this amount.		
Below is a reconciliation of the movement for the current year.		
Opening balance	**(18 619)**	(18 619)
Movement due to change in joint operators contributions	**–**	–
Closing balance	**(18 619)**	(18 619)

Associate – Ekhaya mall

During the 2019 financial year, Cashbuild entered into a consortium agreement for the Ekhaya mall in Mpumalanga, South Africa. This consortium comprises a right to extend and develop a shopping centre. Cashbuild has 20% participation and significant influence in the consortium. S-Identity Holdings (Pty) Ltd holds 60% of the participation and control in the consortium and Nomatiki Trading Enterprise (Pty) Ltd holds the remaining balance of 20%. Cashbuild holds significant influence as their voting right is equal to their shareholding percentage. The investment in Ekhaya mall is classified as an associate in terms of the consortium agreement. Control was assessed in terms of the agreement which resulted in the Company having significant influence, as opposed to joint control.

Cashbuild has contributed R30 million in cash towards the development costs and no further contributions have been made subsequently.

Figures in Rand thousand	Summarised financial information (100%) Year ended June 2024	Year ended June 2023
Investment in associate balance	**30 000**	30 000

No profits will be distributed to the participants of the agreement until the loan secured has been repaid.

7. INTERESTS IN ASSOCIATE AND JOINT OPERATIONS (continued)

The table below summarises the financial position of Ekhaya mall as at 30 June 2024:

Figures in Rand thousand	Summarised financial information (100%) Year ended June 2024	Year ended June 2023
Investment property	**119 477**	119 477
Total current assets	**7 278**	6 900
Total assets	**126 755**	126 377
Fair value reserve	**2 697**	2 697
Consortium holders loans	**60 872**	80 319
Total current liabilities	**63 186**	43 361
Total liabilities	**124 058**	123 680
The table below summarises the Statement of Profit or Loss of Ekhaya mall for the year:		
Rental income	**17 465**	16 858
Operating expenses	**(17 465)**	(16 858)
Net profit for the period	**–**	–

8. INTANGIBLE ASSETS

Figures in Rand thousand	June 2024 Cost	June 2024 Accumulated amortisation/ impairment	June 2024 Carrying value	June 2023 Cost	June 2023 Accumulated amortisation/ impairment	June 2023 Carrying value
Trademarks^	**99 403**	**(99 403)**	**–**	99 403	(2 988)	96 415
Computer software	**106 305**	**(95 004)**	**11 301**	111 290	(90 394)	20 896
Goodwill	**309 135**	**(196 302)**	**112 833**	309 135	(155 909)	153 226
Total	**514 843**	**(390 709)**	**124 134**	519 828	(249 291)	270 537

^ *Refer to note 5 for more information on the impairments raised on Goodwill and the Trademark.*

Notes to the Annual Consolidated Financial Statements
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8. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets – Group – June 2024

Figures in Rand thousand	Opening balance	Additions	Disposals	Foreign exchange movements	Amortisation	Impairment^	Closing balance
Trademarks^	96 415	–	–	–	(6)	(96 409)	–
Computer software*	20 896	4 675	(9 660)	–	(4 610)	–	11 301
Goodwill	153 226	–	–	–	–	(40 393)	112 833
Total	**270 537**	**4 675**	**(9 660)**	**–**	**(4 616)**	**(136 802)**	**124 134**

Reconciliation of intangible assets – Group – June 2023

Figures in Rand thousand	Opening balance	Additions	Disposals	Foreign exchange movements	Amortisation	Impairment^	Closing balance
Trademarks^	96 427	–	–	–	(12)	–	96 415
Computer software	19 432	6 316	(243)	(65)	(4 544)	–	20 896
Goodwill	309 135	–	–	–	–	(155 909)	153 226
Total	424 994	6 316	(243)	(65)	(4 556)	(155 909)	270 537

^ *Refer to note 5 for more information on the impairments raised on Goodwill and the Trademark.*
* *The disposals in computer software relates to transfers from computer software to computer equipment.*

Amortisation rates

– Trademarks (excluding indefinite lived)	Straight-line basis – 10 years
– Computer software	Straight-line basis – 5 years

9. DEFERRED TAX

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Deferred tax liability:		
Property, plant and equipment	**(49 279)**	(50 355)
Right of use asset^	**(275 023)**	(302 496)
Prepayments	**(5 796)**	(4 927)
Intangible assets	**–**	(26 010)
Dividend withholding tax#	**(2 264)**	(2 484)
Unrealised foreign exchange differences	**(8 603)**	(9 901)
Total deferred tax liability	**(340 965)**	(396 173)
Deferred tax asset:		
Provisions and accruals	**37 074**	33 672
Deferred lease incentive	**883**	485
Assessed losses*	**20 616**	19 874
IFRS 16 lease liability^	**413 504**	436 980
IFRS 15 sales return provision	**638**	557
Intangible assets	**20**	–
Total deferred tax asset	**472 735**	491 568

The following are the movements of the deferred tax liabilities and assets recognised by the Group during the current year:

Figures in Rand thousand	Opening balance	Charge to profit or loss	Exchange differences	Closing balance
Deferred tax liability reconciliation:				
Property, plant and equipment	(50 355)	1 622	(546)	(49 279)
Right of use asset^	(302 496)	26 506	967	(275 023)
Prepayments	(4 927)	(889)	20	(5 796)
Intangible assets	(26 010)	26 030	–	20
Dividend withholding tax#	(2 484)	220	–	(2 264)
Unrealised foreign exchange differences	(9 901)	1 591	(293)	(8 603)
Deferred tax asset reconciliation:				
Provisions and accruals	33 672	4 139	(737)	37 074
Deferred lease incentive	485	398	–	883
Assessed losses*	19 874	412	330	20 616
IFRS 16 lease liability^	436 980	(22 240)	(1 236)	413 504
IFRS 15 sales return provision	557	85	(4)	638
	95 395	37 874	(1 499)	131 770

\# *Dividend withholding tax relates to withholding tax payable on future dividend distributions by foreign subsidiaries.*

* *The deferred tax asset recognised on tax losses, mainly for P&L Hardware, represents the future tax benefit that the Group expects to realise when utilising the assessed losses. It is probable that sufficient taxable income will be generated in future for the Group to utilise these benefits based on the assumptions applied in the value-in-use for the P&L Hardware cash-generating unit. Refer to note 5 for more information. The total assessed loss income for the Group is R76.4 million (June 2023: R73.6 million), which relates to the P&L Hardware operating segment. The increase in the deferred tax asset from prior periods is due to the continued losses incurred by the segment.*

^ *The Group considered the lease as a single transaction in which the right-of-use asset and lease liability were integrally linked in June 2023. An amendment to IAS 12 which became effective in January 2024 which requires the lease liability and right of use asset to be disclosed separately in June 2024. The comparatives have been represented for the adoption of the new amendment.*

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9. DEFERRED TAX (continued)

Tax losses

The following are the tax losses available to the Group at the end of the financial year:

Figures in Rand thousand	Gross amount	Deferred tax asset
Total recognised	76 703	20 616
Total not recognised	11 733	3 168
Closing tax losses	88 436	23 878

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Deferred tax liability	(12 506)	(38 759)
Deferred tax asset	144 276	134 154
Total net deferred tax asset	131 770	95 395

The deferred tax asset/(liability) balances presented above are the aggregated net positions of each individual company within the Group.

Deferred tax assets are supported by the expected taxable income generated by the applicable operating entities in the Group.

Amounts expected to be recovered or settled are as follows:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Deferred tax to be recovered after more than 12 months	90 105	58 604
Deferred tax to be recovered/(paid) within 12 months	41 665	36 791
	131 770	95 395

10. INVESTMENTS IN SUBSIDIARIES AND RELATED TRANSACTIONS

The following trusts were created for the purpose of facilitating employee benefit schemes:

- Cashbuild Empowerment Trust
- Cashbuild Store Operations Management Member Trust

The above trusts are controlled by the Group in accordance with IFRS 10: *Consolidated Financial Statements*. Refer to note 17 and note 38 for further details.

The Give-a-Brick trust was established for corporate social initiatives.

The above trusts are consolidated by the Group.

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

	Issued share capital June 2024	Issued share capital June 2023	Nature of business	**% holding June 2024**	% holding June 2023
Cashbuild (Botswana) (Pty) Ltd	**P1 500 000**	P1 500 000	A	**100**	100
Cashbuild (Lesotho) (Pty) Ltd	**M100 000**	M100 000	A	**80**	80
Cashbuild (Lilongwe) Ltd	**MWK100 000**	MWK100 000	A	**51**	51
Cashbuild (Namibia) (Pty) Ltd	**N$1**	N$1	A	**100**	100
Cashbuild (South Africa) (Pty) Ltd	**R54 000**	R54 000	A	**100**	100
Cashbuild (Swaziland) (Pty) Ltd	**E500**	E500	A	**100**	100
P&L Hardware (Pty) Ltd	**R101**	R101	A	**100**	100
Cashbuild (Zambia) Ltd	**ZMK10 000**	ZMK2	B	**100**	100
Oldco PandL (Pty) Ltd	**R100**	R100	D	**100**	100
P&L Boerebenodighede Investments (Pty) Ltd	**R1 000**	R1 000	D	**100**	100
Rio Ridge 1027 (Pty) Ltd	**R100**	R100	D	**100**	100
Cashbuild (Management Services) (Pty) Ltd	**R1**	R1	C	**100**	100

A – Trading company.
B – Dormant company.
C – Holding company of subsidiaries.
D – Deregistration in process.

Credit risk of loans to subsidiaries

The loans between subsidiaries relate to loans within the Cashbuild Group. Due to the low credit risk, Cashbuild assumes no increase in credit risk on these instruments occurred during the financial year. There are also no factors noted which raise concern about the recoverability of the loans.

Non-controlling interests

There are no individual subsidiaries within the Group that have material non-controlling interests in value. The aggregate non-controlling interests are also not material to the Group, therefore no additional disclosures required by IFRS 12: *Disclosure of Interests in Other Entities* have been included.

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for the year ended 30 June 2024

11. PREPAYMENTS

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Non-current prepayments^	2 351	–
Current prepayments*	26 341	22 520
Total prepayments	**28 692**	22 520

^ *Non-current prepayments mostly relate to prepaid advertising which will be utilised after the next 12 months.*
* *Current prepayments relate mostly to prepaid advertising, IT and insurance premiums which will be utilised within the next 12 months.*

12. INVENTORIES

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Merchandise	1 787 338	1 698 486

Cost of inventories recognised as an expense and included in cost of sales amounted to R8.4 billion (June 2023: R7.9 billion).

The provision for the net realisable value of inventory at reporting period is R87.4 million (June 2023: R58.9 million). The value of inventories carried at net realisable value is R473.5 million (June 2023: R281.5 million). The provision is made against slow moving, obsolete and damaged items. Damaged inventories are identified and written down through inventory verification processes. Provision for slow moving and obsolete inventories are assessed continuously. Obsolescence is assessed based on a comparison of the level of inventory holding and the projected likely future sales, taking into account factors existing at the reporting date.

The right of return relating to the sales returns provision included in the amount above is R11.6 million (June 2023: R10.5 million).

Cost of inventories written off and included in cost of sales amounted to R25.3 million (June 2023: R29.5 million).

13. TRADE AND OTHER RECEIVABLES

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Financial instruments:		
Trade and rebates receivables	102 048	98 599
Loss allowance	(17 603)	(16 832)
Trade receivables at amortised cost	**84 445**	81 767
Other receivables*	48 208	5 088
Total financial instruments	**132 653**	86 855
Non-financial instruments:		
VAT	1 611	2 916
Total trade and other receivables	**134 264**	89 771

* *Included in other receivables in R41.9 million related to interest accrued from fixed deposits which will mature in the next 12 months.*

13. TRADE AND OTHER RECEIVABLES (continued)

Credit risk of trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected credit losses for trade receivables have been grouped based on shared credit risk characteristics and the days past due. The status of the current nature of the client as well as trade experience are also considered.

The expected loss rates are based on the payment profiles of receivables over a period of 24 months before year-end and the corresponding historical credit losses experienced within this period.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Refer to note 24 for the related impairment losses.

The historical loss rate is determined by considering the repayment history of debtors and historical bad debt write-offs. Cashbuild receives warnings should the circumstances of debtors change. This includes information about if they are defaulting on repayments or start losing credit with other creditors. Cashbuild reassesses the credit exposure and adjusts the expected credit loss provision accordingly. Unused credit facilities are removed regularly, and debtors are required to reapply. The Group’s exposure to credit risk is reassessed on a continuous basis. The factors mentioned previously are used to inform the historical loss rate.

The Group considered the impact of forward-looking information on the risk of default of trade and other receivables. These factors include the trading conditions, credit ratings and reports provided by credit bureaus and the payment patterns of customers. Considering all information available at Cashbuild's disposal, without undue costs or efforts, the estimated impact of forward-looking information on the calculation of expected credit losses is deemed to be immaterial.

Trade receivables are written off when there is no reasonable expectation of recovery and there has been no movement on the debtors account for three years. Once a debtor account fails to meet credit terms for 90 days they are considered to be in default, the account is blocked and the debtor can make no further purchases.

Credit risk of other receivables

Other receivables primarily consist of deposits held and staff loans. The risk of impairment on these financial instruments are considered to be immaterial.

Charge cards

Cashbuild is predominantly a cash business, however, credit is offered at all Cashbuild Stores in the form of charge cards. Developers and contractors doing specific contracts with/for Cashbuild can apply for this form of credit. Credit checks are performed and credit limits are set by retrieving credit ratings. A memo is compiled with the information received which is then reviewed and approved by management based on the credit limit applied for.

The expected credit losses (ECL) are a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. As ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due. Where we have an offset agreement with the debtor/supplier, risk for default is considered low.

Legal debtors:

Charge cards are classified as legal debtors once amounts owed are handed over for collections.

Rebate debtors:

The amount owing on rebate debtors are for suppliers who owe the Group money for rebate and advertising contributions as per the trade agreements. The contribution is based on purchases made and is calculated on either a percentage of purchases or volume.

Rebate debtors are immaterially affected by the IFRS 9 expected loss calculation due to these amounts being highly recoverable as we have the ability to deduct it from payments due to suppliers once final approval has been obtained from the supplier. The expected credit loss amount relates to debtors where we do not have set-off rights.

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for the year ended 30 June 2024

13. TRADE AND OTHER RECEIVABLES (continued)

Expected credit loss allowance

The loss allowance as at June 2024 for the trade receivables for which the provision has been applied is determined as follows:

Figures in Rand thousand	June 2024		June 2023	
Expected credit loss	**Estimated gross carrying amount at default**	**Loss allowance (lifetime expected credit loss)**	Estimated gross carrying amount at default	Loss allowance (lifetime expected credit loss)
Sundry debtors				
Current	**587**	**(207)**	2 202	–
30 days past due	**24**	**–**	1 375	–
60 days past due	**12**	**–**	–	–
90 days past due	**–**	**–**	1 438	–
120 days past due	**97**	**–**	78	(41)
150 days past due	**1 674**	**(473)**	615	(184)
	2 394	**(680)**	5 708	(225)
Legal debtors				
Current	**–**	**–**	196	(17)
30 days past due	**–**	**–**	–	–
60 days past due	**221**	**(29)**	173	(75)
90 days past due	**–**	**–**	96	(66)
120 days past due	**83**	**(14)**	357	(233)
150 days past due	**13 275**	**(11 009)**	19 408	(13 487)
	13 579	**(11 052)**	20 230	(13 878)
Charge cards				
Current	**15 418**	**(1 688)**	14 103	(234)
30 days past due	**8 146**	**(431)**	8 791	(209)
60 days past due	**2 315**	**(215)**	3 779	(180)
90 days past due	**364**	**(127)**	1 282	(109)
120 days past due	**524**	**(277)**	695	(71)
150 days past due	**8 771**	**(3 133)**	7 268	(1 461)
	35 538	**(5 871)**	35 918	(2 264)
Rebate debtors				
Current	**50 537**	**–**	36 743	(465)
Total	**102 048**	**(17 603)**	98 599	(16 832)

13. TRADE AND OTHER RECEIVABLES (continued)

Each debtor is assessed on an individual basis. The table below indicates the loss allowance rate net effect for each debtors class.

	Sundry debtors	Charge cards	Legal debtors	Rebate debtors
June 2024				
Current	**35%**	**11%**	**0%**	**0%**
30 days past due	**0%**	**5%**	**0%**	**0%**
60 days past due	**0%**	**9%**	**13%**	**0%**
90 days past due	**0%**	**35%**	**0%**	**0%**
120 days past due	**0%**	**53%**	**17%**	**0%**
150 days past due	**28%**	**36%**	**83%**	**0%**
June 2023				
Current	0%	2%	9%	1%
30 days past due	0%	2%	0%	0%
60 days past due	0%	5%	43%	0%
90 days past due	0%	9%	69%	0%
120 days past due	53%	10%	65%	0%
150 days past due	30%	20%	69%	0%

^ *Where the loss allowance rates for June 2024 are higher than the rates in June 2023, it is as a result of debtors default status at the end of the financial year.*

Below is a reconciliation between the opening and closing balance of the expected credit loss recognised.

Figures in Rand thousand	June 2024	June 2023
Opening balance	**16 832**	17 121
Additional provision	**7 405**	3 378
Provision used	**(6 634)**	(3 667)
Closing balance	**17 603**	16 832

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Cash on hand	**1 743**	1 744
Bank balances	**997 068**	1 580 422
	998 811	1 582 166

For more information regarding facilities and financial management risks please refer to note 39.

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15. NON-CURRENT ASSETS HELD FOR SALE

The following assets were classified as held for sale during the current financial year:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Land and buildings held for sale		
Cashbuild South African operations		
– Erf 214 Thohoyandou	**1 083**	1 083
Cashbuild common monetary operations		
– Katimo Mulilo – Namibia	**–**	12 000
Cashbuild non-common monetary operations		
– Kafue Road – Zambia	**5 746**	8 704
	6 829	21 787

Erf 214 Thohoyandou was classified as held for sale in the 2023 financial year. The proceeds from the sale have been received and held in-trust with attorneys. The transfer documents have been signed and we await a proceed to lodge instruction to be issued by the second purchaser's banking institution.

Katimo Mulilo – Namibia was classified as held for sale in the 2023 financial year. An offer was received for R12.0 million and was accepted by the Board. The purchaser could not get financing and the directors have subsequently decided to develop a store on the property.

Kafue Road – Zambia was classified as held for sale in the 2023 financial year with the closure of the Zambian stores. The property is in the process of being disposed of. 95% of the purchase price has been received from the purchaser and the proceeds recorded as money received in advance until the sale is concluded. The property is subject to an infringement case where the court is to decide on ownership. We expect the sale and the transfer to be concluded in the next 12 months.

For more information regarding the proceeds on disposal of non-current assets held for sale refer to note 33.

16. SHARE CAPITAL

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Authorised		
35 000 000 ordinary shares of 1 cent each	**350**	350
There has been no change in the authorised share capital in the current or previous reporting period.		
Reconciliation of shares issued:		
Total shares issued	**237**	239
Treasury shares held	**(28)**	(27)
Total share capital	**209**	212
Movement reconciliation of the share capital:		
Opening balance	**212**	227
Shares repurchased and cancelled	**(2)**	(11)
Treasury shares held	**(1)**	(4)
Total share capital	**209**	212

16. SHARE CAPITAL (continued)

The total number of shares in issue as at 30 June 2024 is 23 694 712 (June 2023: 23 900 647). The total number of treasury shares held as at 30 June 2024 is 2 839 954 (June 2023: 2 701 724). The average share price for the shares repurchased during the year was R143.5.

Figures in Rand	Year ended June 2024	Year ended June 2023
Share premium		
Opening balance	**(621 324)**	(324 651)
Shares repurchased and cancelled	**(30 713)**	(212 398)
Shares repurchased	**–**	(46 512)
Purchase by Cashbuild SA for the Forfeitable Share Plan	**(27 143)**	(37 763)
Total share premium	**(679 180)**	(621 324)
Consisting of:		
Share premium	**(239 176)**	(208 463)
Treasury share premium	**(440 004)**	(412 861)
Total share premium	**(679 180)**	(621 324)
Total share capital and premium	**(678 971)**	(621 112)

17. SHARE-BASED PAYMENTS

Forfeitable Share Plan

Cashbuild adopted and implemented a share incentive plan in the 2017 financial year being the Cashbuild Limited Forfeitable Share Plan (FSP) for Executive Directors and senior management. Under the FSP, participants will become holders of ordinary shares after meeting the performance conditions and retention period, and will immediately benefit from dividends and have shareholder voting rights in respect of the shares over the vesting period. The shares cannot be disposed of by the participants prior to the vesting date as they are subjected to forfeiture restrictions until the vesting date.

The fair value determined at the award date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The fair value at award date is determined as the share price at award date.

The number of performance shares awarded to a participant is based on the participant's current year's annual salary and grade.

Details of the active and vested share awards under this scheme are as follows:

	Year ended June 2024	Year ended June 2023
Opening balance	**982 358**	764 845
Share movement*	**331 768**	217 513
Total performance shares awarded	**1 314 126**	982 358

* *Share movements relates to shares that were granted and forfeited on active share schemes during the financial year.*

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17. SHARE-BASED PAYMENTS (continued)

Details of the active share awards under this scheme are as follows:

Figures in Rand thousand	Weighted average price per share on date of the grant Year ended June 2024	Number of shares Year ended June 2024
Opening balance	223.6	584 272
Shares granted during the year	143.6	334 243
Shares vested during the year	219.4	(53 187)
Shares forfeited during the year	216.7	(133 222)
Total performance shares awarded	188.2	732 106

	6th Award	7th Award	8th Award
Share awards			
Issue date	4 Oct 2021	3 Oct 2022	2 Oct 2023
Vesting date	4 Oct 2024	3 Oct 2025	2 Oct 2026
Exercise price	Nil	Nil	Nil
Expected lifetime	3 years	3 years	3 years
Share price at grant date	255.77	201.18	143.63

Vesting conditions consist of Group performance conditions (refer to detail below) and a retention condition that the employees remain in the employ of the Group up to vesting date.

	Applicable to Award 6		Applicable to Awards 7 and 8	
	Threshold	Target	Threshold	Target
Performance conditions:				
EPS	CPI +2% p.a. (i.e. 2% real growth p.a.)	CPI +10% p.a. (i.e. 10% real growth p.a.)	CPI p.a.	CPI +5% p.a. (i.e. 5% real growth p.a.)
Relative TSR	Median of INDI 25	Upper quartile of INDI 25	Median of own peer group	Upper quartile of own peer group
ROCE	CB WACC	CB WACC +10% p.a.	CB WACC	CB WACC +5% p.a.

17. SHARE-BASED PAYMENTS (continued)

	Number of shares as at 30 June 2024^	Award face value* R'000
Executive directors:		
WF de Jager	**116 513**	**21 632**
AE Prowse – retired as at 30 June 2024	**70 939**	**13 080**
SA Thoresson	**60 490**	**11 224**
WP van Aswegen	**60 103**	**11 125**
	308 045	**57 061**
Key management:		
W Dreyer	**28 603**	**5 352**
A Hattingh	**37 974**	**7 318**
DS Masala	**27 577**	**5 160**
I McKay	**27 325**	**5 113**
T Myburgh	**23 410**	**4 381**
	144 889	**27 324**

^ *These shares are subject to forfeiture restrictions.*
* *Face value of awards calculated as a percentage (65% to 90%) of total annual cost to company, before adjusting for any probability of vesting or attrition.*

Operations Management Member Trust Schemes
The operational managers scheme considers all stores that generate an operating margin in excess of 10%. The profit share amount is determined with reference to a specified hurdle rate that takes into account the prior year operating margin of the qualifying store. The calculated profit share is split equally between a cash bonus and an amount utilised for the purchase of Cashbuild Limited shares. The cash bonus is recognised as an expense in the year in which the store qualifies. The attributable equity portion is treated as an equity-settled share-based payment expense and recognised equally over the four-year period which is linked to employment. At the end of the period (third anniversary of the date of distribution) the shares will vest to the employees.

The first to ninth schemes (2012 to 2020 schemes respectively) have fully vested. The tenth 2021 scheme qualified for 83 403 shares, the eleventh 2022 scheme qualified for 4 798, the twelfth 2023 scheme qualified for 4 067 shares and the thirteenth scheme provisionally qualified for 3 128 shares.

Summary of share-based payments for all schemes
The Group's expense and related movement in the share-based payment reserve is R14.7 million (June 2023: R22.7 million).

The movement in the share-based payments reserve for the various share schemes can be summarised as follows:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Share-based payments reserve:		
Opening balance	**169 590**	146 856
– Forfeitable Share Scheme: 4th award	**–**	1 803
– Forfeitable Share Scheme: 5th award	**1 966**	7 097
– Forfeitable Share Scheme: 6th award	**417**	3 864
– Forfeitable Share Scheme: 7th award	**3 492**	5 821
– Forfeitable Share Scheme: 8th award	**4 087**	–
– Operations Management Member Trust Schemes	**4 784**	4 149
	184 336	169 590

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18. FOREIGN CURRENCY TRANSLATION RESERVE (FCTR)

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Opening balance	**(5 107)**	(13 704)
Currency translation differences	**(11 415)**	8 597
Closing balance	**(16 522)**	(5 107)

19. LEASES

The Group has entered into various leases in respect of premises. Leases for premises are on average contracted for periods between 3 and 10 years with renewal options.

Details pertaining to leasing arrangements, where the Group is the lessee are presented below:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Carrying amounts of right-of-use assets		
Buildings subject to lease arrangements*	**1 035 970**	1 140 870
* *Refer to Note 4 for the reconciliation of the opening and closing balance of the right-of-use assets.*		
Other disclosures		
Interest expense on lease liabilities	**161 877**	154 520
Variable lease payments	**1 012**	1 419
The Group entered into lease agreements where the lease term is less than 12 months. The practical expedient for short-term leases have been applied by the Group.		
No other practical expedients have been applied in the current financial year.		
The undiscounted payment maturity analysis of lease liabilities are as follows:		
Within one year	**428 037**	397 217
Lease liability current portion, including finance costs	**428 037**	397 217
Two to five years	**1 267 015**	1 504 395
More than five years	**271 426**	248 969
Lease liability non-current portion, including finance costs	**1 538 441**	1 753 364
Total amount repayable	**1 966 478**	2 150 581

19. LEASES (continued)

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
IFRS 16 lease liability reconciliation		
Opening balance	**1 600 585**	1 612 896
Payments	**(416 474)**	(384 437)
– Capital repayments	**(254 597)**	(229 917)
– Interest repayments	**(161 877)**	(154 520)
Interest	**161 877**	154 520
Additions	**14 378**	82 037
Remeasurement^	**158 606**	150 096
Disposals~	**(5 136)**	(17 769)
Foreign exchange movement#	**(633)**	3 242
Total lease liability	**1 513 203**	1 600 585

^ *Lease remeasurements represent the change in scope of an existing lease. Modifications relate to the extension of the lease term and renegotiation of the lease payments. The lease liability is remeasured with reference to the revised lease payments and is discounted over the remaining lease term using a revised incremental borrowing rate. The revised discount rate is used to determine the effective interest on the lease liability. A corresponding adjustment is made to the right-of-use asset to account for any changes in the remeasurement of the lease liability.*

~ *Lease disposals relate to early lease terminations. Termination options are evaluated and where a penalty lump sum needs to be paid this is considered a disposal.*

Foreign exchange movements relate to the conversion of leases denominated in foreign currency. The stores located in Botswana and Malawi have lease agreements in Malawi Kwacha (MWK) and Botswana in Pula (BWP).

Analysis of lease liabilities

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Current	**288 353**	254 058
Non-current	**1 224 850**	1 346 527
Total lease liability	**1 513 203**	1 600 585

Notes to the Annual Consolidated Financial Statements
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for the year ended 30 June 2024

20. CASH-SETTLED SHARE-BASED PAYMENTS

Cash-settled scheme

During the 2023 financial year, Cashbuild implemented a cash-settled scheme for middle management whereby participants would become entitled to a cash payment at the end of the vesting period. The payment is determined with reference to the ruling share price at date of vesting, subject to the achievement of performance conditions. The fair value of shares is the closing share price at the reporting date.

The cash-settled scheme is subject to the achievement of the following performance conditions and continued employment.

	Applicable to Award 1 and 2	
	Threshold	**Target**
Performance conditions:		
EPS	CPI p.a.	CPI +5% p.a. (i.e. 5% real growth p.a.)
Relative TSR	Median of own peer group*	Upper quartile own peer group*
ROCE	CB WACC	CB WACC +5% p.a.

* *Based on the median of own peer group as at the award date.*

	1st Award	**2nd Award**
The cash-settled scheme key features are as follow:		
Award date	3 Oct 2022	3 Oct 2023
Vesting date	3 Oct 2025	2 Oct 2026
Fair value per share at reporting date	R154	R154
Vesting period	3 years	3 years

Summary of cash-settled share-based payments

The Group's expense and related liability is R4.6 million (including the dividend payout) and R5.5 million respectively for the current reporting period, compared to the prior year expense and liability of R1.9 million (including the dividend payout) and R1.6 million respectively.

The movement in the cash-settled share-based payments liability can be summarised as follows:

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Cash-settled share-based payment liability:		
Opening balance	1 591	–
– Cash-settled scheme: 1st award	1 715	1 591
– Cash-settled scheme: 2nd award	2 200	–
	5 506	1 591

21. TRADE AND OTHER PAYABLES

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Financial instruments:		
Trade payables	**929 834**	1 534 859
Accruals#	**151 086**	159 367
Retirement awards and gifts	**14 607**	13 280
Refundable customer accounts*	**956 829**	807 998
Non-financial instruments:		
Employee-related accruals	**58 927**	46 748
VAT	**100 776**	67 270
	2 212 059	2 629 522

\# *This relates to accruals where the Group has received goods/services invoicing and payment will take place after year-end.*

* *Refundable customer accounts are made up of amounts received from customers in respect of future purchases. These amounts are refundable to the customer on demand.*

22. REVENUE

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Revenue from contracts with customers		
Sale of goods (recognised at point in time)^	**11 191 654**	10 653 193

^ *Refer to Note 3 for the revenue per operating segment.*

Revenue for the sale of goods is recognised at a point in time when the Group transfers control of the goods and measured net of expected returns, discounts and volume rebates.

A refund liability for the expected refunds to customers of R14.0 million (2023: 12.6 million) is recognised as a reduction to revenue with a corresponding sales refund liability recognised as part of trade payables. The accumulated experience of the Group's returns has been utilised to estimate such refund liability at the time of sale.

Disaggregation of revenue from contracts with customers

Cashbuild's revenue is derived from the sale of building materials. The nature of Cashbuild's operations is that goods are sold in retail stores and customers pay for related goods upon exiting the store. Control transfers to the customer at a point in time when goods are sold. Customers are entitled to volume rebates. A corresponding reduction in revenue is recognised to account for rebates achieved. The breakdown below illustrates the contribution to revenue (net of volume rebates) recognised by category.

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Revenue categories per segment		
Revenue categories		
Cement 22% (June 2023: 23%)	**2 511 291**	2 432 821
Decorative 14% (June 2023: 14%)	**1 609 877**	1 503 684
Roofing – Covering 9% (June 2023: 9%)	**948 874**	919 191
Timber 7% (June 2023: 7%)	**783 385**	742 947
Openings 7% (June 2023: 7%)	**824 881**	768 617
Bricks 7% (June 2023: 7%)	**768 938**	728 439
Other 34% (June 2023: 33%)	**3 744 408**	3 557 494
	11 191 654	10 653 193

Notes to the Annual Consolidated Financial Statements
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for the year ended 30 June 2024

23. COST OF SALES

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Sale of goods	**8 421 925**	7 948 438

Included in cost of sales is rebates received from suppliers of R620.9 million (June 2023: R569.7 million).

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
24. OTHER INCOME		
Sundry income*	**9 061**	1 961
Reversal of provision for impaired receivables	**–**	289
Profit on sale of non-current assets	**–**	3 694
Profit on disposal of right-of-use asset	**1 949**	3 159
Net foreign exchange gains	**–**	15 966
	11 010	25 069

* *Sundry income in June 2024 includes insurance income of R7.1 million received for stores.*

25. OPERATING PROFIT

Operating profit for the year includes the following significant items:

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Expenses by nature:		
Employee costs	**1 069 047**	1 038 976
Depreciation and amortisation	**422 113**	391 199
Advertising expenses	**187 188**	177 609
Impairment loss in accordance with IAS 36	**147 243**	176 211
Delivery charges	**142 436**	149 531
Bank and speed point charges	**89 273**	86 270
Municipal utility charges	**86 394**	76 348
Repairs and maintenance	**59 243**	54 032
Security	**39 023**	35 822
Software licences	**36 487**	28 322
Fuel and oil	**26 629**	29 056
Travel	**24 398**	21 489
Net foreign exchange loss	**23 983**	–
Printing and stationery	**15 964**	15 072
Insurance	**15 319**	14 132
Telephone and fax	**14 200**	14 110
Short-term lease expense*	**6 793**	12 332
Consumables	**6 198**	6 367
Subscriptions	**5 943**	6 109
Loss on sale of non-current assets	**3 822**	–
Legal expenses	**2 966**	11 576
Staff recruitment	**2 011**	1 034
Other expenses	**45 676**	24 564
	2 472 349	2 370 161

* *The practical expedient noted in accounting policy 1.16 has been applied to all short-term leases. These leases have been expensed in the Consolidated Statement of Profit or Loss over the lease term.*

25. OPERATING PROFIT (continued)

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Remuneration paid for outsourced services:		
Information technology	**90 299**	100 380
Administrative	**13 461**	13 637
Secretarial	**432**	536
Technical	**6 946**	1 779
Taxation services	**645**	1 732
Audit services	**7 462**	8 374
	119 245	126 438
Total	**2 591 594**	2 496 599
Classified on Statement of Profit or Loss as:		
Selling and marketing expenses	**(1 995 414)**	(1 929 480)
Administrative expenses	**(427 541)**	(407 406)
Other operating expenses	**(167 868)**	(159 713)
Impairment losses of financial assets and contract assets	**(771)**	–
	(2 591 594)	(2 496 599)
Employee costs:		
Salary cost	**903 672**	865 626
Pension fund contributions – defined contribution fund	**133 344**	128 197
Employee benefits – long service awards	**3 389**	5 347
Share-based payments	**14 746**	22 734
Cash-settled share-based payments	**4 619**	1 865
Distribution paid to participants of The Cashbuild Empowerment Trust	**9 277**	15 207
	1 069 047	1 038 976

The external auditor's remuneration amount paid during the year is disclosed below:

Figures in Rand thousands	Deloitte Network 2024	Non-Deloitte Network 2024	Deloitte Network 2023	Non-Deloitte* Network 2023
Audit of the Group's annual consolidated and separate financial statements~	**7 029**	**2 124**	4 290	7 235
Non-audit services^	**1 429**	**–**	94	3
	8 458	**2 124**	4 384	7 238

* *Included in the non-Deloitte network audit fees is R5.0 million paid to PWC.*
~ *Remuneration paid to Deloitte network includes interim review fees of R0.3 million (June 2023: R0.3 million).*
^ *Remuneration paid to Deloitte network includes tax services of R0.1 million (June 2023: Rnil).*

26. FINANCE INCOME

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Earned on bank balances*	**113 558**	100 776
Revenue authorities	**–**	1
	113 558	100 777

* *June 2024 finance income earned on bank balances includes R41.9 million finance income accrued on fixed deposits.*

Notes to the Annual Consolidated Financial Statements
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for the year ended 30 June 2024

27. FINANCE COST

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Bank overdraft	**886**	58
Lease liability interest	**161 877**	154 520
Interest on loan	**1 447**	1 374
Revenue authorities	**316**	3
	164 526	155 955

28. TAX EXPENSE

Major components of the tax expense:		
Normal taxation		
Current	**80 247**	92 249
Overprovision in prior years	**(11 730)**	(4 572)
Withholding taxation	**5 402**	11 434
Foreign income taxation – current year	**14 557**	24 488
	88 476	123 599
Deferred taxation		
Current year temporary differences	**(37 111)**	(21 753)
Under/(over) provision in prior years	**3 130**	(28 724)
Foreign – Current year temporary differences	**(2 930)**	(2 376)
Foreign – Overprovision prior period	**(743)**	(3 521)
Withholding taxation	**(220)**	(4 080)
	(37 874)	(60 454)
	50 602	63 145
Reconciliation of effective tax rate:		
Applicable tax rate	**27.0%**	27.0%
Exempt income	**(1.3%)**	(2.3%)
Prior year adjustment*	**(6.8%)**	(20.6%)
Foreign tax rate differences	**(0.8%)**	(0.1%)
Disallowable charges^	**12.4%**	28.8%
Deferred tax asset not recognised**	**2.4%**	(1.5%)
Withholding tax on dividends#	**3.9%**	6.5%
Deferred withholding tax on dividends◊	**(0.2%)**	(2.3%)
	36.6%	35.5%

^ *Disallowable charges mainly relate to the P&L Hardware Goodwill. The other disallowed charges relate to equity-settled IFRS 2 adjustments, donations, disallowed legal fees, and the dividends distributed to employees through the Cashbuild Empowerment Trust.*

* *Prior year tax adjustments relate to overprovision of prior year taxes.*

Withholding tax on dividends relate to the dividend declared during the year. The decrease is due to lower profits realised by the subsidiaries in the current year, declaring lower dividends.

◊ *Deferred withholding tax on dividends relates to withholding tax payable on future dividend distributions by foreign subsidiaries. The movement for June 2023 is due to the release of deferred tax on the declaration of dividends by foreign subsidiaries during the period.*

** *Deferred tax asset not recognised relates P&L Hardware deferred tax asset impairment.*

29. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of shares in issue is calculated net of treasury shares acquired/sold during the period. Shares held by The Cashbuild Operations Management Member Trust and Cashbuild (South Africa) (Pty) Ltd have been included in the calculation from date of acquisition. Shares held by The Cashbuild Empowerment Trust have been included in the calculation from 7 February 2005.

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Attributable earnings	**88 601**	106 346
Less: Dividends attributable to participants of the share incentive schemes on unvested shares	**(4 647)**	(5 034)
Adjusted attributable earnings	**83 954**	101 312
Weighted number of shares in issue ('000)	**21 180**	22 174
Basic earnings per share (cents)	**396.4**	456.9
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares in issue beginning of the year	**23 901**	24 990
Less: Weighted average number shares repurchased and cancelled	**(12)**	(281)
Less: Weighted average number of treasury shares:	**(2 709)**	(2 535)
– The Cashbuild Empowerment Trust	**(1 765)**	(1 765)
– The Cashbuild Operations Management Member Trust	**(96)**	(100)
– Cashbuild (South Africa) (Pty) Ltd*	**(688)**	(595)
– Cashbuild Limited	**(160)**	(75)
	21 180	22 174

* *Shares held for Cashbuild Forfeitable Share Purchases share scheme's current and future share allocations.*

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Adjusted attributable earnings	**83 954**	101 312
Plus: Dividends attributable to participants of the share incentive schemes on unvested shares with dilutive impact	**1 927**	–
Less: Anti-dilutive impact	**(613)**	–
Diluted Adjusted attributable earnings	**85 268**	101 312
Diluted number of ordinary shares in issue ('000)	**21 511**	22 239
Diluted earnings per share (cents)	**396.4**	455.6
Fully diluted weighted average number of ordinary shares in issue ('000)		
Weighted number of shares in issue ('000)	**21 180**	22 174
Dilutive effect of the following:		
– Future potential issue of shares	**331**	65
	21 511	22 239

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(continued)

for the year ended 30 June 2024

29. EARNINGS PER SHARE (continued)

Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding at the period end.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Reconciliation between earnings and headline earnings:		
Adjusted attributable earnings	**83 954**	101 312
Adjusted for:		
Net loss on disposal of property, plant and equipment	**(445)**	(719)
Gross loss/(profit) on disposal of property, plant and equipment	**1 873**	(3 694)
Tax effect*	**(2 318)**	2 975
Net impairment	**119 129**	170 265
Gross impairment	**147 243**	176 211
Tax effect~	**(28 114)**	(5 946)
Net profit effect of property, plant and equipment from insurance income	**(2 013)**	–
Insurance income for property, plant and equipment	**(2 758)**	–
Tax effect	**745**	–
Headline earnings	**200 625**	270 858
Headline earnings	**200 625**	270 858
Weighted average number of shares in issue ('000)	**21 180**	22 174
Headline earnings per share (cents)	**947.2**	1 221.5
Headline earnings	**200 625**	270 858
Plus: Dividends attributable to participants of the share incentive schemes on unvested shares with dilutive impact	**1 927**	–
Diluted headline earnings	**202 551**	–
Diluted weighted average number of shares in issue ('000)	**21 511**	22 239
Diluted headline earnings per share (cents)	**941.6**	1 217.9
Dividends per share		
Interim (c)^	**325#**	400
Final (c)^	**236#**	332

* *The tax effect is high in relation to the (profit)/loss recognised on disposal due to the high recoupment of wear and tear allowances on assets disposed of.*

~ *The tax effect is high in June 2024 due to deferred tax expense of R26.0 million related to the P&L Hardware trademark which was impaired in the current financial year.*

^ *The dividend is based on a cover ratio of 1.5 times earnings.*

The dividend based on earnings excluding the impact of the impairment of the P&L Hardware Goodwill and P&L Trademark.

30. CASH GENERATED FROM OPERATIONS

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Profit before taxation	138 177	178 047
Adjustments for:		
Depreciation and amortisation	422 113	391 199
Impairment of assets	147 243	176 211
Profit on disposal of assets held for sale	–	(80)
Loss/(profit) on sale of non-current assets	3 822	(3 614)
Profit on disposal of right-of-use asset	(1 949)	(3 159)
Finance income	(113 558)	(100 777)
Finance costs	164 526	155 955
Movements in equity-settled share-based payments reserve	14 746	22 734
Movements in cash-settled share-based payments balance	3 915	1 591
Changes in working capital:		
Increase in inventories	(88 852)	(178 184)
(Increase)/decrease in trade and other receivables	(2 588)	46 026
(Increase)/decrease in prepayments	(6 172)	76
(Decrease)/increase in trade and other payables	(417 463)	93 458
	263 960	779 483

31. TAXATION PAID

Balance at the beginning of the year	(28 333)	(58 018)
Current taxation for the year	(88 476)	(123 599)
Balance at the end of the year	(27 485)	28 333
	(144 294)	(153 284)

32. DIVIDENDS PAID

Final dividend – prior period (Div. 61)	(74 815)	(156 442)
Interim dividend – current period (Div. 62)	(70 991)	(92 725)
Amounts paid to non-controlling shareholders	(2 411)	(5 365)
	(148 217)	(254 532)

Dividends are paid out of income reserves.

33. PROCEEDS ON DISPOSAL OF NON-CURRENT ASSETS HELD FOR SALE

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Net book value	–	950
Profit on sale of assets	–	80
	–	1 030

34. PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Net book value	16 451	9 404
(Loss)/profit on sale of assets	(3 822)	3 614
	12 629	13 018

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Figures in Rand thousand	Year ended June 2024	Year ended June 2023
35. COMMITMENTS		
Authorised capital expenditure:		
Capital expenditure to be funded from internal resources as approved by the directors:		
Authorised, contracted	**48 337**	73 225
Authorised but not contracted for	**110 079**	68 519

The capital commitments are for building and infrastructure for new stores, store refurbishments or relocations.

36. CONTINGENCIES

The Group has contingent liabilities in respect of bank and other guarantees in the ordinary course of business from which it is anticipated that no material liabilities will arise. These guarantees consist of amounts held in the interests of suppliers, landlords and revenue authorities.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Bank guarantees	**17 690**	2 549
37. RELATED PARTIES		
Relationships		
Ultimate holding company		
Cashbuild Limited		
Intermediate holding company		
Cashbuild Management Services Proprietary Limited		
Loan accounts – Owing (to)/by related parties		
– Kier and Kawder (Pty) Ltd*	**–**	(1 960)

* *The loan was repaid in November 2023.*

The directors are not aware of any related party transactions that occurred during the reporting period.

38. THE CASHBUILD EMPOWERMENT TRUST

In terms of the broad-based BEE transaction approved by the shareholders on 7 February 2005, 2 580 535 shares were issued to the Cashbuild Empowerment Trust. The shares were issued for a total consideration of R75.1 million (R29.09 per share). The trust was funded by way of an interest-free loan from Cashbuild (Management Services) Proprietary Limited. As at 30 June 2024, Cashbuild Limited had 23 694 712 (June 2023: 23 900 647) shares in issue.

On 6 December 2010, a resolution was passed to repurchase 615 536 ordinary shares from the Cashbuild Empowerment Trust for a total consideration of R50.0 million. The proceeds on the share repurchase that were distributed as a dividend to beneficiaries of the Trust, equal to R20.0 million. In the 2016 financial year, a resolution was passed to repurchase a further 200 000 shares from the Trust which resulted in a distribution of R61.9 million to the beneficiaries of the Trust, which excludes transaction costs associated with the transaction of R1.6 million. As at 30 June 2024, the Cashbuild Empowerment Trust held 1 764 999 (June 2023: 1 764 999) shares in Cashbuild Limited.

The aggregate number of shares which may be acquired by the Trust shall not exceed 10% of the issued share capital of Cashbuild Limited. The majority of Cashbuild employees are previously disadvantaged. In terms of income benefits, the empowered employees will share in the net dividend of the scheme shares underlying the Trust on an equal basis. In addition to this, the empowered employees of Cashbuild will also benefit on an equitable basis should the capital of the Trust be distributed following a corporate restructuring resulting in a change of control or liquidation.

38. THE CASHBUILD EMPOWERMENT TRUST (continued)

Dividends paid to the Trust and distributed to employees as follows:

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
– Final 2023 (Dividend 61)	**5 860**	11 949
– Interim 2024 (Dividend 62)	**5 736**	7 060
	11 596	19 009

39. RISK MANAGEMENT

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Financial risk management		
Categories of financial instruments		
Financial assets at amortised cost		
Trade and other receivables	**132 653**	86 855
Cash and cash equivalents	**998 811**	1 582 166
Total	**1 131 464**	1 669 021
Financial liabilities at amortised cost		
Lease liability*	**1 513 203**	1 600 585
Refundable customer accounts*	**956 829**	807 998
Trade and other payables	**1 095 527**	1 707 506
Total	**3 565 559**	1 707 506

* *The items in the table above are disclosed in the liquidity risk section of this note.*

This note presents information about the Group's exposure to each of its applicable financial risks: liquidity risk, foreign exchange risk, credit risk, and interest rate risk. The information below contains the Group's objectives, policies, and processes for managing the risk, the methods used to measure the risk, and the Group's capital management. Further quantitative disclosures are included throughout these Annual Consolidated Financial Statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Through its training and management standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure of the Group consists of debt, which includes lease liabilities as disclosed in note 19 and equity as disclosed in the Consolidated Statement of Financial Position.

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39. RISK MANAGEMENT (continued)

The Group monitors capital using a gearing ratio. The ratio is calculated as debt (interest-bearing borrowings and trade and other payables) divided by capital. Total capital is calculated as the sum of "equity" and "debt" as shown in the Consolidated Statement of Financial Position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure and gearing ratio of the Group at the reporting date was as follows:

Figures in Rand thousand	**Year ended June 2024**	Year ended June 2023
Lease liabilities	**1 513 203**	1 600 585
Trade and other payables	**2 212 059**	2 629 522
Debt	**3 725 262**	4 230 107
Equity	**1 832 380**	1 955 534
Total capital	**5 557 642**	6 185 641
Gearing ratio	**0.67**	0.68

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Potential concentrations of credit risk consist mainly of cash and cash equivalents and trade and other receivables.

Exposure to credit risk mainly relates to cash equivalents and trade receivables. The Group only deposits cash with major banks and limits exposure to any one counterparty.

Funds are only invested with authorised financial service providers. Cash balances deposited with these financial institutions are kept to an operational minimum and are transferred, subject to exchange control regulations and available suitable foreign currency, to financial institutions with acceptable credit ratings. The Group has policies that limit the amount of credit exposure to any one financial institution.

Sales to retail customers are settled in cash or using debit and credit cards. Except for the total exposure represented by the respective Consolidated Statement of Financial Position items, the Group has no other significant concentration of credit risk. Accounts receivable comprise a widespread client base and the Group has policies in place to ensure that all sales of goods and services on credit are made to customers with an appropriate credit history. These policies include reviewing the Group's own credit history with the customer, verifying the credit history with an external credit bureau, as well as a formalised application process where the creditworthiness of the customer is assessed. With the exception of special orders where an upfront deposit is held, no collateral is held for other customers.

Refer to note 13 for detail relating to the expected credit loss allowance.

Trade receivables are not insured. The carrying amount of all financial assets represents the maximum exposure to credit risk. The carrying amount is equivalent to fair value for trade and other receivables, cash and cash equivalents and trade other payables. A credit policy has been established where each new credit customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms are offered.

Credit quality of cash at bank, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Internal credit rating as at 30 June 2024	External credit rating	**Year ended June 2024**	Year ended June 2023
Moderate	B	**997 068**	1 580 422
Total cash held at financial institutions		**997 068**	1 580 422

39. RISK MANAGEMENT (continued)

The internal credit rating represents Cashbuild's view on the credit risk ascribed to the financial institutions at which cash resources are held. Below investment-grade institutions are viewed as moderate credit risk, but are still within acceptable limits. Fitch Ratings agency is used to determine the credit risk ratings of the financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities are maintained.

The Group has unsecured unutilised banking facilities of R290 million (June 2023: R235 million) with various banks.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Non-derivative financial liabilities	30 days or less	More than 30 days but less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
June 2024						
Lease liabilities	**(36 101)**	**(391 936)**	**(420 532)**	**(846 483)**	**(271 426)**	**(1 966 478)**
Trade liabilities	**(838 387)**	**(257 140)**	**–**	**–**	**–**	**(1 095 527)**
Refundable customer accounts*	**(956 829)**	**–**	**–**	**–**	**–**	**(956 829)**
June 2023						
Lease liabilities	(34 081)	(363 136)	(401 210)	(1 103 185)	(248 969)	(2 150 581)
Trade liabilities	(762 183)	(945 323)	–	–	–	(1 707 506)
Refundable customer accounts*	(807 998)	–	–	–	–	(807 998)

* *Refundable customer accounts are included in 30 days or less, as it is due on demand.*

We expect that trade liabilities and accruals will be settled by cash resources and changes in working capital. At reporting date, the Group held cash of R998.8 million (June 2023: R1 582.2 million), which is expected to readily generate cash inflows to manage any liquidity risk.

Foreign currency risk

The Group operates throughout southern Africa and is exposed to foreign exchange risk arising from various currencies, primarily the Botswana Pula, Malawi Kwacha, Zambian Kwacha and United States Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign entities. A portion of the Group's income is earned in foreign currencies. The Group also has a translation risk arising from the consolidation of foreign entities into South African Rand.

Exposure from exchange rate fluctuations on transactions denominated in foreign currency is managed by reviewing foreign currency exposure in order to determine if foreign exchange contracts should be utilised on an ongoing basis. Foreign currency forward exchange contracts protect the Group from movements in exchange rates by establishing the rates at which a foreign currency asset or liability will be settled. The exposure to forward exchange contracts are not significant as the Group only had one open forward contract of which the value is considered to be immaterial.

Interest rate risk

As the Group is operating with a low gearing ratio, interest rate risk on borrowings is minimised. Surplus funds are invested in call and other notice accounts in order to maximise interest potential. The Group is exposed to interest rate risk that relates to bank borrowings, deposits and lease liabilities. The incremental borrowing rate on lease liabilities are linked to the prime interest rate. Refer to note 19 for detail relating to the lease liabilities.

An increase of 1% (2023: 1%) in the average interest rates for the reporting period would have increased profit by R0.3k (2023: decreased R780.0k). The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency exchange rates, remain constant and has been performed on the same basis for 2023. A decrease of 1% in the interest rates at the reporting date would have had the equal opposite effect.

Notes to the Annual Consolidated Financial Statements
(continued)

for the year ended 30 June 2024

39. RISK MANAGEMENT (continued)

Price risk

The Group is not exposed to significant commodity price risk.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Foreign currency exposure at the end of the reporting period		
Rand exposed to Botswana Pula		
Trade receivables	**1 509**	1 387
Cash and cash equivalents	**18 268**	29 267
Trade payables	**(1 182)**	(7 501)
Rand exposed to Malawi Kwacha		
Trade receivables	**88**	1 646
Cash and cash equivalents*	**23 912**	51 171
Trade payables	**(104)**	(4 450)
Rand exposed to Zambia Kwacha		
Trade receivables	**–**	771
Cash and cash equivalents^	**695**	5 192
Rand exposed to US Dollar (Zambia)		
Cash and cash equivalents^	**122**	8 343

* *The cash and cash equivalents decrease in Malawi is mainly due to 44% devaluation of Malawi Kwacha to South African Rand that occurred in November 2023.*

^ *The cash and cash equivalents decreased in Zambia mainly due to bank accounts as operations are closed in the country.*

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Exchange rates used for conversion were:		
Botswana Pula – Reporting date rate	**1.37**	1.40
Botswana Pula – Average rate	**1.38**	1.38
Malawi Kwacha – Reporting date rate	**0.010**	0.018
Malawi Kwacha – Average rate	**0.012**	0.017
Zambia Kwacha – Reporting date rate	**0.71**	1.07
Zambia Kwacha – Average rate	**0.79**	1.00
US Dollar – Reporting date rate	**18.74**	18.97

A sensitivity analysis was performed to evaluate the impact of exchange rate fluctuations on the exchange rate risk. This considers the impact if currency had weakened/strengthened by 10% and all other variables remained constant. The below table illustrates the net impact on the foreign denominated trade receivables, cash and cash equivalents and trade payables.

Figures in Rand thousand	Year ended June 2024	Year ended June 2023
Rand exposed to Botswana Pula	**1 860**	2 315
Rand exposed to Malawi Kwacha	**2 390**	4 837
Rand exposed to Zambia Kwacha	**70**	596
Rand exposed to US Dollar (Zambia)	**12**	834

40. DIRECTORS', KEY STAFF AND PRESCRIBED OFFICER'S EMOLUMENTS

Executive

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus~	Shares vesting value	Total
June 2024							
WF de Jager	**7 586**	**142**	**388**	**717**	**3 073**	**1 186**	**13 092**
AE Prowse*	**4 948**	**142**	**–**	**376**	**1 524**	**674**	**7 664**
SA Thoresson	**4 106**	**223**	**–**	**359**	**799**	**612**	**6 099**
WP van Aswegen	**4 012**	**208**	**–**	**374**	**799**	**516**	**5 909**
	20 652	**715**	**388**	**1 826**	**6 195**	**2 988**	**32 764**

~ *Bonus accrued for the current year.*
* *Retired 30 June 2024.*

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus~	Shares vesting value	Total
June 2023							
WF de Jager	7 068	113	250	658	745	2 282	11 116
AE Prowse	4 476	136	–	341	296	1 422	6 671
SA Thoresson	3 740	193	–	330	269	1 293	5 825
WP van Aswegen	3 652	186	–	342	261	1 090	5 531
	18 936	628	250	1 671	1 571	6 087	29 143

~ *Bonus accrued for the prior year and paid in the current year.*

Share schemes granted to directors

Refer to note 17 for details of share incentive schemes of which directors are beneficiaries at year-end.

Non-Executive

	Directors' fees	
Figures in Rand thousand	**June 2024**	June 2023
M Bosman (Mr)	**963**	782
M Bosman (Ms)	**745**	658
AGW Knock	**1 287**	992
Dr DSS Lushaba	**1 013**	972
AJ Mokgwatsane	**603**	526
GM Tapon Njamo	**922**	778
	5 533	4 708

Notes to the Annual Consolidated Financial Statements
(continued)

for the year ended 30 June 2024

40. DIRECTORS', KEY STAFF AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

Prescribed Officers and key staff are paid by the subsidiary company Cashbuild (South Africa) Proprietary Limited.

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus~	Shares vesting value	Total
June 2024							
W Dreyer	**2 191**	**159**	**–**	**232**	**281**	**314**	**3 177**
A Hattingh	**3 267**	**372**	**–**	**298**	**437**	**530**	**4 904**
DS Masala*	**2 299**	**120**	**157**	**242**	**345**	**303**	**3 466**
I Mckay	**2 478**	**174**	**94**	**217**	**319**	**300**	**3 582**
T Myburgh	**1 842**	**592**	**211**	**183**	**251**	**59**	**3 138**
M Scholes	**2 276**	**237**	**–**	**208**	**277**	**59**	**3 057**
	14 353	**1 654**	**462**	**1 380**	**1 910**	**1 565**	**21 324**

~ *Bonus accrued for the current year.*

* *DS Masala stopped being a prescribed officer with effect from 17 October 2023. The directors have not nominated a prescribed officer into office for the remainder of the financial year.*

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Bonus+	Shares vesting value	Total
June 2023							
W Dreyer	2 358	131	–	236	164	662	3 551
A Hattingh	3 047	80	–	278	233	1 119	4 757
DS Masala*	2 122	123	160	226	184	639	3 454
I Mckay	2 232	217	87	196	156	633	3 521
T Myburgh	1 728	359	177	170	134	113	2 681
H Roos	2 088	151	–	214	141	569	3 163
M Scholes	2 006	162	–	185	134	114	2 601
	15 581	1 223	424	1 505	1 146	3 849	23 728

* *Prescribed officer.*

\+ *Paid in the current financial year.*

41. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that require adjustment or disclosure.

42. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations effective, not yet effective or relevant

	Effective date: Years beginning on or after	Expected date of implementation	Expected impact
Standard/Interpretation: **Effective for year-end 30 June 2024** IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Accounting Estimates: Clarification on how companies should distinguish changes in accounting policies from changes in accounting estimates	**1 January 2023**	**1 July 2023**	Did not impact results or disclosures
IAS 12 Income Taxes – The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items	**1 January 2023**	**1 July 2023**	Impact illustrated in Note 9
IFRS 17 Insurance contracts – One accounting model for all insurance contracts in all jurisdictions that apply IFRS	**1 January 2023**	**1 July 2023**	Did not impact results or disclosures
Issued but not yet effective for year-end 30 June 2024 IFRS 16 Leases – Amendment on requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction	**1 January 2024**	**1 July 2024**	Not expected to impact results or disclosures
IAS 1 Presentation of Financial Statements – current and non-current liability classification and material accounting policies disclosure	**1 January 2024**	**1 July 2024**	Not expected to impact results or disclosures
IAS 7 and IFRS 7 – Supplier finance – These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk	**1 January 2024**	**1 July 2024**	Not expected to impact results or disclosures
IAS 21 Lack of Exchangeability – guidance on exchange rate to be used on measurement date for translation of non-exchangeable foreign exchange transaction and balances	**1 January 2025**	**1 July 2025**	Not expected to impact results or disclosures
IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments – clarification regarding timing of recognition and derecognition of financial assets and liabilities, solely payments of principal and interest (SPPI) criterion, disclosure updates, etc.	**1 January 2026**	**1 July 2026**	Not expected to impact results or disclosures
IFRS 18 Presentation and Disclosure in Financial Statements – This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss	**1 January 2027**	**1 July 2027**	Expected to impact the structure and disclosure of the Statement of Profit or Loss
IFRS 19 Subsidiaries without Public Accountability: Disclosures – An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19	**1 January 2027**	**1 July 2027**	Expected to impact the disclosure by subsidiaries in their stand-alone financial statements

Independent Auditor's Assurance Report

Independent Auditor's Assurance Report on the compilation of pro forma financial information included in the Annual Consolidated Financial Statements

To the Directors of Cashbuild Limited
Cashbuild Limited
2 Handel Road
Ormonde
Johannesburg
2001
Address

Dear Sirs/Mesdames

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information Included in the Annual Consolidated Financial Statements (Financial Statements) for Cashbuild Limited for the year ended 30 June 2024.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Cashbuild Limited by the directors. The pro forma financial information, is set out in paragraph 2 of the Directors report titled "*The pro forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2024*", to be dated on or about 2 September 2024. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and in paragraph 2 of the Directors report.

The pro forma financial information has been compiled by the directors to illustrate the impact the additional 53rd week of trading when compared to the prior year has had on the entity's financial *performance* for the year ended 30 June 2024. As part of this process, information about the company's financial performance has been extracted by the directors from the company's financial statements for the year ended 30 June 2024, on which an *unmodified auditor's report* was issued on 2 September 2024.

DIRECTORS' RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 2 of the Directors report titled "The pro forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2024".

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to an engagement of this nature*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the financial statements is to illustrate the impact the additional 53rd week of trading when compared to prior year has had on the entity's financial performance for the period ended 30 June 2024. We do not provide any assurance that the actual outcome of the event or transaction at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

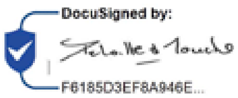
Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 2 of the Directors report titled "The pro forma information illustrating the impact of the 53rd week on the annual results for the year ended 30 June 2024".



Deloitte & Touche
Registered Auditor
Per: James Welch
Partner

2 September 2024

5 Magwa Crescent
Waterfall City
2090
Johannesburg
South Africa

05

GENERAL INFORMATION

Shareholders' Analysis

For the year ended 30 June 2024

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000	1 896	78.97%	373 758	1.58%
1 001 – 10 000	352	14.66%	1 136 311	4.80%
10 001 – 100 000	124	5.16%	3 780 645	15.96%
100 001 – 1 000 000	22	0.92%	7 158 049	30.21%
Over 1 000 000	7	0.29%	11 245 949	47.46%
Total	2 401	100.00%	23 694 712	100.00%
Distribution of shareholders				
Assurance Companies	23	0.96%	263 193	1.11%
Close Corporations	27	1.12%	24 351	0.10%
Collective Investment Schemes	115	4.79%	6 718 534	28.35%
Custodians	24	1.00%	1 406 713	5.94%
Foundations and Charitable Funds	21	0.87%	183 805	0.78%
Hedge Funds	1	0.04%	59 811	0.25%
Insurance Companies	3	0.12%	300 574	1.27%
Investment Partnerships	8	0.33%	4 112	0.02%
Managed Funds	7	0.29%	13 014	0.05%
Medical Aid Funds	7	0.29%	215 633	0.91%
Organs of State	7	0.29%	3 674 516	15.51%
Private Companies	70	2.92%	5 920 010	24.98%
Public Companies	11	0.46%	22 648	0.10%
Retail Shareholders	1 826	76.05%	1 167 216	4.93%
Retirement Benefit Funds	125	5.21%	1 513 908	6.39%
Scrip Lending	4	0.17%	85 826	0.36%
Share Schemes	2	0.08%	1 861 227	7.86%
Stockbrokers and Nominees	11	0.46%	66 319	0.28%
Trusts	108	4.50%	193 255	0.82%
Unclaimed Scrip	1	0.04%	47	0.00%
Total	2 401	100.00%	23 694 712	100.00%
Shareholder type				
Non-public shareholders	9	0.37%	2 914 044	12.30%
Directors and Associates (excluding Employee Share Schemes)	6	0.25%	74 090	0.31%
Cashbuild Empowerment Trust	1	0.04%	1 764 999	7.45%
Cashbuild (South Africa)	1	0.04%	978 727	4.13%
Cashbuild Store Operations Management Trust	1	0.04%	96 228	0.41%
Public shareholders	2 392	99.63%	20 780 668	87.70%
Total	2 401	100.00%	23 694 712	100.00%
Beneficial shareholders with a holding > 5% of the issued shares				
SRA Investments (Pty) Ltd (and entities related thereto)			4 889 900	20.64%
Allan Gray			4 026 109	16.99%
Government Employees Pension Fund			3 486 005	14.71%
Cashbuild Empowerment Trust			1 764 999	7.45%
Total			14 167 013	59.79%

Shareholders' Diary

Final results published	4 September 2024
Final dividend paid	30 September 2024
2024 Integrated Report posted to shareholders	25 October 2024
Annual General Meeting	25 November 2024
Interim results for the six months ending 29 December 2024	March 2025
Annual results for the year ending 30 June 2025	August 2025

Notice of Annual General Meeting

CASHBUILD LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1986/001503/06
ISIN: ZAE000028320
JSE Code: CSB
("Cashbuild" or "the Company")

Notice is hereby given that the 38th Annual General Meeting of shareholders of Cashbuild will be held in the Boardroom, Cashbuild Corporate Office, 2 Handel Road, Ormonde, Johannesburg (and by way of electronic communication (in accordance with section 63(2) of the Companies Act No 71 of 2008, as amended ("the Companies Act")) on Monday, 25 November 2024 at 10:00.

RECEIPT OF ANNUAL FINANCIAL STATEMENTS, AUDIT COMMITTEE REPORT AND SOCIAL AND ETHICS COMMITTEE REPORT

- To receive the audited Annual Financial Statements of the Company and of the Group (being Cashbuild and its subsidiaries) for the year ended 30 June 2024, together with the reports of the directors, the Audit Committee and the Independent Auditor. The Annual Financial Statements can be obtained from the Cashbuild website at https://www.cashbuild.co.za/pdf/investorrelations/reports/2024/annual_financial_statement-2024.pdf or can be requested from the Company Secretary.
- To receive the report of the Social and Ethics Committee for the year ended 30 June 2024, as required in terms of Regulation 43 of the Companies Regulations, 2011, promulgated under the Companies Act, as set out in the Integrated Report.

ORDINARY RESOLUTIONS

Each of the ordinary resolutions will be considered by way of a separate vote, and for each such resolution to be adopted, the support of more than 50% (fifty percent) for ordinary resolutions 1 to 5.3 and more than 75% (seventy-five percent) on a non-binding advisory basis for ordinary resolutions 6 and 7 of the voting rights on the resolutions cast by shareholders present or represented by proxy at this AGM is required.

To consider and, if deemed fit, to approve, with or without modification, the ordinary resolutions set out below, in the manner required by the Memorandum of Incorporation ("MOI") and the Companies Act, as read with the JSE Listings Requirements ("Listings Requirements"):

1. Ordinary Resolution Number One: Election of H Bester as a Director

To RESOLVE to elect Mr H Bester as a director. Mr Bester was appointed by the Board in terms of clause 13.2.7.1 of the Company's MOI following the previous Annual General Meeting with effect from 1 July 2024. Mr Bester offers himself for election by the shareholders.

Mr Bester was appointed as the Company's Chief Financial Officer. His brief biography is contained on page 80 of the Integrated Report.

2. Ordinary Resolution Number Two: Re-election of M Bosman (Ms) as a Director

To RESOLVE to re-elect Ms M Bosman in terms of clause 13.4 of the MOI, who became a director on 1 August 2021, and who retires by rotation but, being eligible, offers herself for re-election. The Board supports the re-election.

A brief biography of Ms Bosman is contained on page 81 of the Integrated Report.

The Board is satisfied that Ms Bosman is regarded as independent in terms of King IV™.

3. Ordinary Resolution Number Three: Re-election of GM Tapon Njamo as a Director

To RESOLVE to re-elect Ms GM Tapon Njamo in terms of clause 13.4 of the MOI, who became a director on 2 April 2018, and who retires by rotation but, being eligible, offers herself for re-election. The Board supports the re-election.

A brief biography of Ms Tapon Njamo is contained on page 81 of the Integrated Report.

The Board is satisfied that Ms Tapon Njamo is regarded as independent in terms of King IV™.

4. Ordinary Resolution Number Four: Re-appointment of Independent Auditor

To RESOLVE to re-appoint Deloitte to act as the Independent Auditor of the Company for the financial year ending 29 June 2025 until the conclusion of the next Annual General Meeting in November 2025. The individual registered auditor responsible for the audit is Mr James Welch (IRBA 373206).

Notice of Annual General Meeting (continued)

The Audit Committee assessed the independence of Deloitte at its meeting held on 2 September 2024 and was satisfied that the audit firm and individual registered auditor are independent of the Company and recommended their re-appointment to the Board and to shareholders at the Annual General Meeting.

5. Ordinary Resolution Number Five: Re-appointment of the Audit Committee Members

To RE-APPOINT, by separate resolutions, the following members to the Audit Committee:

5.1 M Bosman (Mr) as Chairperson;
5.2 M Bosman (Ms) (subject to the approval of Ordinary Resolution Number Two); and
5.3 GM Tapon Njamo (subject to the approval of Ordinary Resolution Number Three).

Dr DSS Lushaba did not offer himself for re-election as a member of the Audit Committee.

Brief biographies of the above members are contained on page 81 of the Integrated Report.

NON-BINDING ADVISORY VOTES

To consider and vote on the resolutions set out below, in the manner required by King IV™, as read with the Listings Requirements.

Should more than 25% of the total votes cast be against either of the non-binding advisory votes, the Company will issue, in its voting results announcement, an invitation to shareholders who voted against the resolutions to meet with members of the Remuneration Committee. The process will be as outlined in the voting results announcement.

Motivation for non-binding advisory endorsement

In terms of King IV™ and the Listings Requirements, a non-binding advisory vote should be obtained from the shareholders on the Company's Remuneration Policy as well as the implementation of said policy. The vote allows shareholders to express their views on the Remuneration Policy and the implementation thereof but will not be binding on the Company.

6. Ordinary Resolution Number Six: Endorsement of the Company's Remuneration Policy

To ENDORSE, on a non-binding advisory basis, the Company's Remuneration Policy as set out in Section A of the Remuneration Report contained in the Integrated Report.

7. Ordinary Resolution Number Seven: Endorsement of the Implementation of the Company's Remuneration Policy

To ENDORSE, on a non-binding advisory basis, the implementation of the Company's Remuneration Policy as set out in Section B of the Remuneration Report contained in the Integrated Report.

SPECIAL RESOLUTIONS

Each of special resolutions 1 to 3 will be considered by way of a separate vote. For each such resolution to be adopted, the support of at least 75% (seventy-five percent) of the voting rights on the resolution cast by shareholders present or represented by proxy at this meeting is required.

To consider and, if deemed fit, to approve, with or without modification, the special resolutions set out below, in the manner required by the MOI and the Companies Act, as read with the Listings Requirements.

8. Special Resolution Number One: Remuneration of Independent Non-Executive Directors

To APPROVE the remuneration of the Independent Non-Executive Directors of the Company for the period 1 July 2024 to 30 June 2025, as set out below:

		Excluding VAT	Payable
Annual retainer	Chairman	437 500	Annually
	Director	237 500	Annually
Board and Strategy meetings	Chairman	83 000	Per meeting
	Director	41 500	Per meeting
Audit and Risk Committee meetings	Chairman	71 000	Per meeting
	Member	35 500	Per meeting
All other meetings	Chairman	47 250	Per meeting
	Member	23 750	Per meeting
Ad hoc governance meetings	Chairman	8 500	Per hour
	Director	4 250	Per hour

Explanatory note in respect of Special Resolution Number One
In terms of section 65(11)(h) of the Companies Act, read with sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years, and only if it is not prohibited in terms of the Company's MOI.

75% of voting rights exercised will be required for this special resolution to be adopted.

9. Special Resolution Number Two: Financial Assistance to Associated or Group Companies

To AUTHORISE, to the extent required in terms of section 45 of the Companies Act, the Board, as it in its discretion deems fit, but subject to compliance with the requirements of the MOI and the Companies Act, to grant authority to the Company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act to a related or inter-related company or corporation as contemplated in the Companies Act, for any purpose in the ordinary course of business of the Group at any time during a period of two years following the date on which this resolution is passed.

The Board will, before making any such financial assistance, satisfy itself that:

- immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test as set out in the Companies Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

Explanatory note in respect of Special Resolution Number Two
Special Resolution Number Two is required in order to authorise financial assistance by the Company to other associated or Group companies.

In terms of section 45 of the Companies Act, the directors of the Company may not authorise the Company to provide financial assistance by way of loans, guarantees, the provision of security or otherwise, to any company which is related or interrelated to Cashbuild, i.e. directly or indirectly, its subsidiaries, unless such financial assistance is pursuant to a special resolution of shareholders. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the Company.

10. Special Resolution Number Three: General Repurchase of Shares

To RESOLVE, that the Company or any of its subsidiaries be and is hereby authorised, by way of a general approval, to acquire ordinary shares issued by the Company, in terms of sections 46 and 48 of the Companies Act, and in terms of the Listings Requirements, being that:

- any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement between the Company and the counter party;
- this general authority shall be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond 15 months from the date of passing this special resolution;
- the Company (or any of its subsidiaries) is duly authorised by its MOI to do so;
- acquisition of shares in the aggregate in any one financial year may not exceed 5% of the Company's issued ordinary share capital as at the date of passing this special resolution;
- in determining the price at which shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value on the JSE over the five trading days immediately preceding the repurchase of such shares;
- at any point in time the Company (or any of its subsidiaries) may appoint only one agent to effect any repurchase on its behalf;
- repurchase may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements) unless a repurchase programme is in place (where dates and quantities of shares to be repurchased during the prohibited period are fixed and not subject to variation). The Company must instruct only one independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company and full details have been submitted to the JSE in writing prior to the commencement of the prohibited period;
- an announcement will be published as soon as the Company or any of its subsidiaries have repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the repurchase pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate repurchased thereafter, containing full details of such repurchases; and

Notice of Annual General Meeting (continued)

- the Board must resolve that the repurchase is authorised, the Company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the Group.

In accordance with the Listings Requirements the directors record that although there is no immediate intention to implement a repurchase of the shares of the Company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action.

The directors undertake to confirm that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the repurchase general authority, for a period of 12 months after the date of notice of this Annual General Meeting:

- the Company and the Group will, in the ordinary course of business, be able to pay its debts;
- the assets of the Company and the Group will exceed the liabilities of the Company and the Group. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest Audited Annual Financial Statements of the Group; and
- the Company and Group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the Integrated Report of which this notice forms part, is provided in terms of paragraph 11.26 of the Listings Requirements for purposes of this general authority:

Major beneficial shareholders	Page 175 of the Integrated Report
Capital structure of the Company	Page 150 of the Integrated Report

Explanatory note in respect of Special Resolution Number Three
The reason for Special Resolution Number Three is to permit the Company or any of its subsidiaries, by way of a general approval, to repurchase ordinary shares by the Company as and when suitable opportunities to do so arise.

Directors' responsibility statement as it pertains to this special resolution
The directors whose names appear on pages 80 and 81 of the Integrated Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act and the Listings Requirements.

Material change as it pertains to this special resolution
Other than the facts and developments reported on in the Integrated Report of which this notice forms part, there have been no material changes in the affairs of or financial position of the Company and its subsidiaries since the date of signature of the Independent Auditor's Report for the financial year ended 30 June 2024 and up to the date of this Notice of Annual General Meeting.

QUORUM FOR ALL RESOLUTIONS

The quorum for all resolutions is sufficient persons being present to exercise, in aggregate, at least 25% of all of the voting rights, subject to three shareholders being physically present at the Annual General Meeting.

RECORD DATE

The record date in terms of section 59 of the Companies Act, for shareholders to be recorded on the shareholders' register of the Company, in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 15 November 2024, with the last day to trade in order to be able to participate and vote at the Annual General Meeting being Tuesday, 12 November 2024.

ELECTRONIC PARTICIPATION

Should any shareholder (or any proxy of a shareholder) wish to participate in the Annual General Meeting by way of electronic participation, that shareholder should contact the Transfer Secretaries, JSE Investor Services (Pty) Ltd, at its address below, to be received by the Transfer Secretaries at least 24 hours prior to the Annual General Meeting in order for the Transfer Secretaries to arrange for the shareholder (or its representative or proxy) to provide reasonably satisfactory identification to the Transfer Secretaries for the purposes of section 63(1) of the Companies Act, and for the Transfer Secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The Company reserves the right to elect not to provide for electronic participation at the Annual General Meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder so accessing the electronic participation.

VOTING AND PROXIES

Shareholders are reminded that:

- a shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy (or more than one proxy) to attend, participate in and vote at the Annual General Meeting in the place of the shareholder, and shareholders are referred to the attached Form of Proxy;
- a proxy holder need not also be a shareholder of the Company; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.

For the convenience of certificated shareholders and dematerialised shareholders with “own-name” registration, a Form of Proxy is attached hereto. Duly completed Forms of Proxy must be lodged with the Transfer Secretaries at the address set out in the Form of Proxy, 24 hours before the commencement of the Annual General Meeting (or any adjournment of the Annual General Meeting) or handed to the Chairman of the Annual General Meeting or Transfer Secretaries at the Annual General Meeting before the appointed proxy exercises any of the relevant shareholder’s rights at the Annual General Meeting (or any adjournment of the Annual General Meeting).

Dematerialised shareholders without “own-name” registration who wish to attend the Annual General Meeting in person should request their CSDP or Broker to provide them with the necessary letter of representation in terms of their custody agreement with their CSDP or Broker. Dematerialised shareholders without “own-name” registration who do not wish to attend but wish to be represented at the Annual General Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised shareholders without “own-name” registration should contact their CSDP or Broker with regard to the cut-off time for their voting instructions.

By order of the Board

T Ṋengovhela
Company Secretary

2 September 2024

Notes

Form of Proxy

CASHBUILD LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1986/001503/06
ISIN: ZAE000028320 JSE Code: CSB
("Cashbuild" or "the Company")

For the use of shareholders who hold certificated shares and shareholders who have dematerialised their shares in "own name" registrations.

ANNUAL GENERAL MEETING TO BE HELD IN THE BOARDROOM, CASHBUILD CORPORATE OFFICE, 2 HANDEL ROAD, ORMONDE, JOHANNESBURG ON MONDAY, 25 NOVEMBER 2024 AT 10:00 AND BY WAY OF ELECTRONIC COMMUNICATION

I/We	(name)
of	(address)
being a shareholder/shareholders of Cashbuild and entitled to	vote
do hereby appoint	
or failing him/her,	

or failing him/her, the Chairman of the Annual General Meeting as my/our proxy to act for me/us at the Annual General Meeting of the Company to be held on Monday, 25 November 2024 at 10:00 and at any adjournment thereof, and to vote for me/us in respect of the undermentioned resolutions in accordance with the following instructions:

	Number of votes (one vote per share)		
	For	**Against**	**Abstain**
1. Ordinary Resolution Number One: Election of H Bester as a Director.			
2. Ordinary Resolution Number Two: Re-election of M Bosman (Ms) as a Director.			
3. Ordinary Resolution Number Three: Re-election of GM Tapon Njamo as a Director.			
4. Ordinary Resolution Number Four: Re-appointment of Independent Auditor.			
5. Ordinary Resolution Number Five: Re-appointment of the Audit Committee Members.			
5.1 M Bosman (Mr)			
5.2 M Bosman (Ms) (subject to the approval of Ordinary Resolution Number Two)			
5.3 GM Tapon Njamo (subject to the approval of Ordinary Resolution Number Three)			
6. Ordinary Resolution Number Six: Endorsement, on a non-binding advisory basis, of the Company's Remuneration Policy.			
7. Ordinary Resolution Number Seven: Endorsement, on a non-binding advisory basis, of the Implementation of the Company's Remuneration Policy.			
8. Special Resolution Number One: Remuneration of Independent Non-Executive Directors.			
9. Special Resolution Number Two: Financial Assistance to Associated or Group Companies.			
10. Special Resolution Number Three: General Repurchase of Shares.			

Signed at	on	2024
Signature	Assisted by me	(where applicable – see note 7)

A shareholder qualified to attend and vote at the Annual General Meeting is entitled to appoint a person to attend, speak and vote in his/her stead. A proxy holder needs not be a shareholder of the Company.

NOTES TO FORM OF PROXY

Shareholders holding certificated shares or dematerialised shares registered in their own name.

1. Only shareholders who hold certificated shares and shareholders who have dematerialised their shares in "own name" registrations may make use of this Form of Proxy.

2. Each such shareholder is entitled to appoint one or more proxy holders (none of whom needs to be a shareholder of the Company) to attend, speak and, vote on a poll, in place of that shareholder at the Annual General Meeting, by inserting the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

3. A shareholder's instructions to the proxy holder must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box/es provided. Failure to comply with the above will be deemed to authorise the Chairman of the Annual General Meeting, if he is the authorised proxy holder, to vote in favour of the resolutions, or any other proxy to vote or to abstain from voting at the Annual General Meeting, as he deems fit, in respect of all the shareholder's votes.

4. A shareholder or his or her proxy is not obliged to vote in respect of all the shares held or represented, but the total number of votes for or against the resolutions in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or his proxy is entitled.

5. Any power of attorney and any instrument appointing a proxy or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney shall be deposited at the office of the Transfer Secretaries, 24 (twenty-four) hours before the time appointed for holding the Annual General Meeting or at the Annual General Meeting.

6. The completion and lodging of this Form of Proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxyholder appointed.

7. Where there are joint holders of shares any one holder may sign the proxy form. The vote of only one holder in order of seniority (determined by sequence of names on the Company register) will be accepted, whether in person or by proxy, to the exclusion of the vote(s) of other joint holders.

8. Shareholders should lodge or post their completed Forms of Proxy with the Transfer Secretaries:
   JSE Investor Services (Pty) Ltd
   Hand deliveries:
   One Exchange Square, Gwen Lane, Sandown, Sandton, 2196
   OR postal deliveries:
   PO Box 4844
   Johannesburg, 2000

   OR email:
   meetfax@jseinvestorservices.co.za

   by not later than 24 hours before the Annual General Meeting, being Friday, 22 November 2024 at 10:00, or handed to the Chairman of the Annual General Meeting or Transfer Secretaries at the Annual General Meeting before the appointed proxy exercises any of the relevant shareholder's rights at the Annual General Meeting (or any adjournment of the Annual General Meeting).

Shareholders holding dematerialised shares

9. Shareholders who have dematerialised their shares through a CSDP or broker (except those shareholders who have elected to dematerialise their shares in "own name" registrations) and all beneficial shareholders holding their shares (dematerialised or certificated) through a nominee should provide such CSDP, broker or nominee with their voting instructions in sufficient time to allow them to advise the Transfer Secretaries of the Company of their voting instructions before the closing time set out in 8 above or at the Annual General Meeting.

10. All such shareholders wishing to attend the Annual General Meeting in person may do so only by requesting their CSDP, broker or nominee to issue the member with a letter of representation in terms of the custody agreement. Such letter of representation must be lodged with the Transfer Secretaries before the closing time set out in 8 above or presented at the Annual General Meeting.

Electronic Participation Form

PARTICIPATION AT THE ANNUAL GENERAL MEETING VIA ELECTRONIC COMMUNICATION
CAPITALISED TERMS USED IN THIS FORM SHALL BEAR THE MEANINGS ASCRIBED THERETO IN THE NOTICE OF ANNUAL GENERAL MEETING TO WHICH THIS PARTICIPATION FORM IS ATTACHED

Shareholders or their duly appointed proxy(ies) that wish to participate in the Annual General Meeting via electronic communication (Participants), must apply to JSE Investor Services (Pty) Ltd, by delivering the duly completed Form to: One Exchange Square, Gwen Lane, Sandown, Sandton, 2196 or posting it to PO Box 4844, Johannesburg, 2000 (at the risk of the Participant), or by email to meetfax@jseinvestorservices.co.za so as to be received by JSE Investor Services (Pty) Ltd by no later than 09:00 on Monday, 25 November 2024. JSE Investor Services (Pty) Ltd will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

IMPORTANT NOTICE
The Company shall, by no later than 24 hours prior to the Annual General Meeting at 10:00 on Monday, 25 November 2024, notify Participants that have delivered valid notices in the form of this Form, by email of the relevant details through which Participants can participate electronically.

Application form
Full name of Participant:

ID number:

Email address:

Cell number:

Telephone number: (code) (number)

Name of CSDP or broker (if shares are held in dematerialised format):

Contact number of CSDP/broker:

Contact person of CSDP/broker:

Number of shares certificate (if applicable):

Signature:

Date:

Terms and conditions for participation in the Annual General Meeting via electronic communication:

1. The cost of electronic participation in the Annual General Meeting is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies Cashbuild against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participants via the electronic services to the Annual General Meeting.
3. The application to participate in the Annual General Meeting electronically will only be deemed successful if this application form has been completed and signed by the Participant.
4. Cashbuild cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

Participant's name:

Signature:

Date:

Abbreviations and Definitions

"Basic EPS"	Earnings for the year attributable to equity holders of Cashbuild divided by the weighted average number of ordinary shares in issue during the year
"B-BBEE"	Broad-Based Black Economic Empowerment
"Cashbuild" or "the Group"	Cashbuild Limited and its subsidiaries
"CB"	Cashbuild
"CO_2e"	Carbon dioxide equivalent
"CPI"	Consumer Price Index
"Closing PE ratio"	Market value per share at June divided by HEPS
"Companies Act"	Companies Act No 71 of 2008, as amended
"CSDP"	Central Securities Depositary Participants
"CSI"	Corporate Social Investment
"CSSS"	Cash-Settled Share Scheme
"Deloitte"	Deloitte & Touche
"Dividend cover"	EPS divided by dividend per share
"Earnings yield"	HEPS as a percentage of market value per share
"EDP"	Executive Development Programme
"EPS"	Earnings per share
"ERP"	Enterprise Resource Planning system
"ESG"	Environmental, Social and Governance
"FSP"	Forfeitable Share Plan
"GNU"	Government of National Unity
"GRI"	Global Reporting Initiative
"HDSAs"	Historically Disadvantaged South Africans
"HEPS"	Headline earnings divided by the weighted average number of ordinary shares in issue during the year
"HY"/"FY"/"Q"	Half year/Full year/Quarter
"IFRS"	International Financial Reporting Standards
"IIRC"	International Integrated Reporting Council
"IR"	Integrated Report
"IT"	Information Technology
"ITGov"	Information and Technology Governance Committee
"JSE"	JSE Limited
"King IV™"	King Report on Corporate Governance for South Africa 2016
"kWh"	Kilowatt per hour
"LDVs"	Light Delivery Vehicles
"Listings Requirements"	Listings Requirements of the JSE
"Ltd"	Limited
"LTI"	Long-Term Incentive
"MOI"	Memorandum of Incorporation
"MWth"	Megawatts thermal
"NAV"	Net asset value

"NAV per share"	The net asset value of the Company divided by the number of shares in issue, after deducting treasury shares, at the end of the year
"Nomco"	Nomination Committee
"NQF"	National Qualifications Framework
"OHASA"	Occupational Health and Safety Act
"Operating profit margin"	Operating profit as a percentage of revenue
"P&L Hardware"	P&L Hardware (Pty) Ltd
"PBT"	Profit before tax
"PCI"	Payment Card Industry
"PE"	Price earnings, market value per share divided by HEPS
"POPIA"	Protection of Personal Information Act
"Pty"	Proprietary
"R"	Rand
"Remco"	Remuneration Committee
"ROCE"	Return on Capital Employed
"SABS"	South African Bureau of Standards
"SANAS"	The South African National Accreditation System
"SARS"	South African Revenue Service
"SASB"	Sustainability Accounting Standards Board
"SDGs"	Sustainable Development Goals
"SECOM"	Social and Ethics Committee
"SED"	Socio Economic Development
"SENS"	Stock Exchange News Service
"SETA"	Sector Education and Training Authority
"SHE"	Safety, Health and Environment
"SMME"	Small, Medium and Micro Enterprises
"STI"	Short-Term Incentive
"the Board"	The Board of directors of Cashbuild
"the Company"	Cashbuild Limited
"the current year"	The financial year ended 30 June 2024
"the next year"	The financial year ending 29 June 2025
"the previous year"	The financial year ended 25 June 2023
"TCFD"	Task Force on Climate Related Financial Disclosures
"TSR"	Total Shareholder Return
"UN"	United Nations
"VAT"	Value Added Tax
"WACC"	Weighted-Average Cost of Capital

Corporate Information

Registration number
1986/001503/06

Share code
CSB

ISIN
ZAE000028320

Registered office
2 Handel Road, Ormonde, Johannesburg, 2001

Postal address
PO Box 90115, Bertsham, 2013

Telephone number
+27 (0)11 248 1500

Facsimile
+27 (0) 86 666 3291

Website
www.cashbuild.co.za

Company Secretary
T Ṋengovhela

Sponsor
Nedbank Corporate and Investment Banking,
a division of Nedbank Limited
(Registration number 1966/010630/06)
135 Rivonia Road, Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Auditors
Deloitte & Touche
5 Magwa Crescent, Waterfall City, Waterfall, Gauteng, 2090
(Private Bag X6, Gallo Manor, 2052)

Transfer Secretaries
JSE Investor Services (Pty) Ltd
(Registration number 2000/007239/07)
One Exchange Square, Gwen Lane, Sandown
Sandton, 2196
(PO Box 4844, Johannesburg, 2000)

Investor Relations
Keyter Rech Investor Solutions CC
(Registration number 2008/156985/23)
299 Pendoring Road, Blackheath, Randburg, 2195
(PO Box 653078, Benmore, 2010)

Transactional Bankers
Nedbank Limited
The Standard Bank of South Africa Limited
First National Bank, a division of FirstRand Limited

Any queries regarding this Integrated Report or its contents should be addressed to:
Belinda Rabé
Group Financial Manager
E-mail: brabe@cashbuild.co.za

Any queries regarding Cashbuild's Investor Relations should be addressed to:
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Tel: +27 83 701 2021