
EXTRACTS FROM THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF AFRIMAT FOR THE FINANCIAL YEARS ENDED 29 FEBRUARY 2020, 28 FEBRUARY 2019 AND 28 FEBRUARY 2018

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flow and notes of Afrimat for the financial years ended 28 February 2018, 28 February 2019 and 29 February 2020, have been extracted and compiled from the audited consolidated annual financial statements of Afrimat. Aforementioned consolidated annual financial statements were compiled by PGS de Wit CA(SA) and were approved by the Afrimat Directors on 22 June 2018, 18 June 2019 and 20 May 2020, respectively. The preparation of this **Annexure 5** is the responsibility of the Afrimat Directors.

The historical financial information of Afrimat was audited by PwC for the financial years ended 28 February 2018, 28 February 2019 and 29 February 2020 and was reported on without qualification for all of the aforementioned financial periods.

Afrimat Shareholders are referred to the complete set of financial results for the aforesaid periods on Afrimat's website at www.afrimat.co.za for a detailed overview of Afrimat's financial results.

STATEMENTS OF FINANCIAL POSITION at 29 February

	GROUP		
	2020	2019	Restated
	R'000	R'000	2018 R'000
Assets			
Non-current assets			
Property, plant and equipment	1 571 519	1 469 837	1 417 845
Investment property	3 040	3 040	3 040
Intangible assets	210 226	221 873	243 970
Investment in associates and joint venture	16 420	164	183
Other financial assets	53 015	56 698	59 446
Deferred tax	31 870	33 680	55 115
Total non-current assets	1 886 090	1 785 292	1 779 599
Current assets			
Inventories	260 526	261 249	242 124
Current tax receivable	4 757	13 250	9 181
Trade and other receivables	476 356	435 458	391 603
Cash and cash equivalents	167 533	191 763	112 208
Total current assets	909 172	901 720	755 116
Total assets	2 795 262	2 687 012	2 534 715
Equity and liabilities			
Equity			
Stated capital	245 988	258 292	266 985
Treasury shares	(108 365)	(85 822)	(59 660)
Net issued stated capital	137 623	172 470	207 325
Other reserves	(90 382)	(94 391)	(99 900)
Retained earnings	1 634 537	1 320 087	1 111 915

	GROUP		
	2020	2019	Restated 2018
	R'000	R'000	R'000
Attributable to equity holders of the parent	1 681 778	1 398 166	1 219 340
Non-controlling interests	7 129	11 351	9 980
Total equity	1 688 907	1 409 517	1 229 320
Liabilities			
Non-current liabilities			
Borrowings	138 761	235 542	271 954
Provisions	152 748	141 080	130 288
Deferred tax	215 943	214 576	207 583
Total non-current liabilities	507 452	591 198	609 825
Current liabilities			
Other financial liabilities	9 631	9 480	21 856
Borrowings	157 071	148 004	165 004
Current tax payable	11 109	4 143	11 485
Trade and other payables	421 072	390 517	407 022
Bank overdraft	20	134 153	90 203
Total current liabilities	598 903	686 297	695 570
Total liabilities	1 106 355	1 277 495	1 305 395
Total equity and liabilities	2 795 262	2 687 012	2 534 715

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February

	GROUP		
	2020	2019	Restated 2018
	R'000	R'000	R'000
Revenue	3 304 376	2 966 399	2 380 994
Cost of sales	(2 239 352)	(2 043 234)	(1 623 629)
Gross profit	1 065 024	923 165	757 365
Operating expenses	(478 400)	(451 497)	(406 205)
Other income	13 035	12 189	–
Other net gains and losses	8 657	4 225	–
Profit on disposal of property, plant and equipment	2 788	3 538	638
Impairment of property, plant and equipment	–	–	(1 399)
Impairment of goodwill	(10 152)	(20 468)	–
Operating profit	600 952	471 152	350 399
Finance income	18 179	14 771	32 930
Finance costs	(46 161)	(66 706)	(59 432)
Share of profit/(loss) of equity accounted investments	300	2 326	(8)
Profit before tax	573 270	421 543	323 889
Income tax expense	(108 094)	(117 328)	(78 511)
Profit for the year	465 176	304 215	245 378
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets	–	–	183
Exchange differences on translation of foreign operations	(3 586)	(1 430)	961
Income tax effect relating to these items	–	–	(41)
Items that will not be reclassified to profit or loss			
Net change in fair value of equity instruments at fair value through other comprehensive income	88	35	–
Income tax effect relating to these items	(17)	(8)	–
Other comprehensive income for the year, net of tax	(3 515)	(1 403)	1 103
Total comprehensive income for the year	461 661	302 812	246 481
Profit attributable to:			
Owners of the parent	462 512	301 363	245 668
Non-controlling interests	2 664	2 852	(290)
	465 176	304 215	245 378
Total comprehensive income attributable to:			
Owners of the parent	458 997	299 960	246 771
Non-controlling interests	2 664	2 852	(290)
	461 661	302 812	246 481
Earnings per ordinary share (cents)	341.6	221.0	180.3
Diluted earnings per ordinary share (cents)	337.7	219.5	179.0

STATEMENTS OF CASH FLOWS

for the year ended 29 February

	GROUP		
	2020	2019	2018
	R'000	R'000	R'000
Cash flows from operating activities			
Cash generated from operations	781 573	551 722	344 542
Finance income received	17 829	14 320	31 623
Dividends received	64	58	54
Finance costs paid	(37 305)	(58 565)	(52 752)
Tax paid	(85 351)	(97 051)	(122 507)
Net cash inflow from operating activities	676 810	410 484	200 960
Cash flows from investing activities			
Acquisition of property, plant and equipment	(154 245)	(93 889)	(118 918)
Proceeds on disposal of property, plant and equipment	34 320	14 369	22 975
Purchase of financial assets	(369)	(444)	(68 060)
Acquisition of businesses and investments	–	–	4 228
Acquisition of share in associate	(16 020)	–	–
Repayments from other financial assets	6 390	–	–
Net cash outflow from investing activities	(129 924)	(79 964)	(159 775)
Cash flows from financing activities			
Repurchase of Afrimat shares	(28 815)	(30 981)	(13 552)
Proceeds from borrowings	54 908	144 635	300 000
Repayment of borrowings	(305 050)	(309 847)	(119 871)
Capital elements of lease payments	(8 191)	–	–
Repayments from other financial liabilities	(1 212)	(3 488)	(25 143)
Acquisition of additional non-controlling interest	(10 854)	(9 014)	(37 521)
Dividends paid	(137 769)	(86 220)	(96 240)
Net cash (outflow)/inflow from financing activities	(436 983)	(294 915)	7 673
Net increase in cash, cash equivalents and bank overdrafts	109 903	35 605	48 858
Cash, cash equivalents and bank overdrafts at the beginning of the year	57 610	22 005	(26 853)
Cash, cash equivalents and bank overdrafts at the end of the year	167 513	57 610	22 005

STATEMENTS OF CHANGES IN EQUITY
for the year ended 29 February

	GROUP					
	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 March 2017	285 842	(70 999)	(101 263)	1 085 792	7 547	1 206 919
Total comprehensive income						
Profit for the year	–	–	–	245 668	(290)	245 378
Other comprehensive income for the year	–	–	1 103	–	–	1 103
Net change in fair value of available-for-sale financial assets	–	–	183	–	–	183
Income tax effect	–	–	(41)	–	–	(41)
Currency translation differences	–	–	961	–	–	961
Income tax effect	–	–	–	–	–	–
Total comprehensive income	–	–	1 103	245 668	(290)	246 481
Transactions with owners of the parent						
Contributions and distributions						
Share-based payments	–	–	5 456	–	–	5 456
Purchase of treasury shares	–	(13 552)	–	–	–	(13 552)
Settlement of employee Share Appreciation Rights exercised and reserve transfer, net of tax	(20 357)	11 391	(5 196)	5 196	–	(8 966)
Dividends paid	–	–	–	(95 600)	(640)	(96 240)
Total contributions and distributions	(20 357)	(2 161)	260	(90 404)	(640)	(113 302)
Changes in ownership interests						
Initial non-controlling interest acquired	–	–	–	–	(64 257)	(64 257)
Additional non-controlling interest acquired due to:						
– Infractors	–	–	–	(104)	83	(21)
– Afrimat Bulk Commodities	1 500	13 500	–	(19 268)	1 768	(2 500)
– Demaneng	–	–	–	(109 769)	65 769	(44 000)
Total changes in ownership interests	1 500	13 500	–	(129 141)	3 363	(110 778)
Total transactions with owners of the parent	(18 857)	11 339	260	(219 545)	2 723	(224 080)

	GROUP					
	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Balance at 28 February 2018 as originally presented	266 985	(59 660)	(99 900)	1 111 915	9 980	1 229 320
Change in accounting policy	–	–	–	(10 812)	–	(10 812)
Restated balance at 1 March 2018	266 985	(59 660)	(99 900)	1 101 103	9 980	1 218 508
Total comprehensive income						
Profit for the year	–	–	–	301 363	2 852	304 215
Other comprehensive income for the year	–	–	(1 403)	–	–	(1 403)
Net change in fair value of equity instruments at fair value through other comprehensive income	–	–	35	–	–	35
Income tax effect	–	–	(8)	–	–	(8)
Currency translation differences	–	–	(1 430)	–	–	(1 430)
Income tax effect	–	–	–	–	–	–
Total comprehensive income	–	–	(1 403)	301 363	2 852	302 812
Transactions with owners of the parent						
Contributions and distributions						
Share-based payments	–	–	7 247	–	–	7 247
Deferred tax on share-based payments	–	–	2 039	–	–	2 039
Purchase of treasury shares	–	(30 981)	–	–	–	(30 981)
Settlement of employee Share Appreciation Rights exercised and reserve transfer, net of tax	(8 693)	4 819	(2 374)	2 374	–	(3 874)
Dividends paid	–	–	–	(84 745)	(1 475)	(86 220)
Total contributions and distributions	(8 693)	(26 162)	6 912	(82 371)	(1 475)	(111 789)
Changes in ownership interests						
Additional non-controlling interest acquired due to:						
– Infrasers	–	–	–	(8)	(6)	(14)
Total changes in ownership interests	–	–	–	(8)	(6)	(14)
Total transactions with owners of the parent	(8 693)	(26 162)	6 912	(82 379)	(1 481)	(111 803)
Balance at 28 February 2019 as originally presented	258 292	(85 822)	(94 391)	1 320 087	11 351	1 409 517
Impact of IFRS 16 adoption on retained earnings	–	–	–	(12 958)	–	(12 958)

	GROUP					
	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Restated balance at 1 March 2019	258 292	(85 822)	(94 391)	1 307 129	11 351	1 396 559
Total comprehensive income						
Profit for the year	-	-	-	462 512	2 664	465 176
Other comprehensive income for the year	-	-	(3 515)	-	-	(3 515)
Net change in fair value of equity instruments at fair value through other comprehensive income	-	-	88	-	-	88
Income tax effect	-	-	(17)	-	-	(17)
Currency translation differences	-	-	(3 586)	-	-	(3 586)
Income tax effect	-	-	-	-	-	-
Total comprehensive income	-	-	(3 515)	462 512	2 664	461 661
Transactions with owners of the parent						
Contributions and distributions						
Share-based payments	-	-	15 074	-	-	15 074
Deferred tax on share-based payments	-	-	(917)	-	-	(917)
Purchase of treasury shares	-	(28 815)	-	-	-	(28 815)
Settlement of employee Share Appreciation Rights exercised and reserve transfer, net of tax	(12 304)	6 272	(6 633)	6 633	-	(6 032)
Dividends paid	-	-	-	(136 051)	(1 718)	(137 769)
Total contributions and distributions	(12 304)	(22 543)	7 524	(129 418)	(1 718)	(158 459)
Changes in ownership interests						
Additional non-controlling interest acquired due to:						
- Afrimat Logistics Limitada	-	-	-	-	12	12
- Infrasers	-	-	-	(5 686)	(5 180)	(10 866)
Total changes in ownership interests	-	-	-	(5 686)	(5 168)	(10 854)
Total transactions with owners of the parent	(12 304)	(22 543)	7 524	(135 104)	(6 886)	(169 313)
Balance at 29 February 2020	245 988	(108 365)	(90 382)	1 634 537	7 129	1 688 907