

Argent Industrial Limited
 Registration number 1993/002054/06
 (Incorporated in the Republic of South Africa)
 Share code: ART ISIN code: ZAE000019188
 ('Argent' or 'the group' or 'the company')

ABRIDGED AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2022,
 DIVIDEND DECLARATION, NOTICE OF ANNUAL GENERAL MEETING AND DISTRIBUTION OF
 ANNUAL REPORT

Financial Highlights

| | |
|---|---------------|
| Profit for the year | R192 million |
| Earnings before interest, taxation, depreciation and amortisation 'EBITDA' | R319 million |
| Headline earnings per share | 339.2 cents |
| Gearing | 14.4% |
| Gearing - excluding IFRS 16 | 9.2% |
| Net asset value per share | 2 238.3 cents |

The abridged audited financial statements are presented on a consolidated basis.

| Consolidated Statement of Profit or Loss for the year ended 31 March | Audited 2022 | Audited 2021 |
|---|-----------------|-----------------|
| | R 000 | R 000 |
| Revenue | 2 432 702 | 1 965 960 |
| Cost of sales | (1 820 366) | (1 470 213) |
| Gross profit | 612 336 | 495 747 |
| Other operating income | 872 | 878 |
| Other operating expenses | (348 949) | (307 091) |
| Operating profit before finance income and expense | 264 259 | 189 534 |
| Finance income | 3 353 | 3 218 |
| Finance expense | (15 003) | (16 918) |
| Profit before taxation | 252 609 | 175 834 |
| Taxation | (60 533) | (43 779) |
| Profit for the year | 192 076 | 132 055 |
| Attributable to owners of the | | |
| - Parent | 190 208 | 130 362 |
| - Non-controlling interest | 1 868 | 1 693 |
| | 192 076 | 132 055 |
| Basic earnings per share (cents) | 330.0 | 217.3 |
| Diluted earnings per share (cents) | 325.3 | 216.0 |
| Headline earnings per share (cents) | 339.2 | 217.9 |
| Diluted headline earnings per share (cents) | 334.3 | 216.6 |
| Dividends per share (cents) | 0.0 | 0.0 |

Supplementary information

| | | |
|---|--------|--------|
| Shares in issue (000) | | |
| - at end of period excluding treasury shares | 56 392 | 58 425 |
| - at end of period including treasury shares | 57 239 | 60 551 |
| - weighted average | 57 634 | 59 999 |
| - diluted weighted average | 58 477 | 60 361 |
| Interest expense on lease liabilities (R 000) | 7 544 | 8 330 |
| Amortisation of intangibles (R 000) | 322 | 350 |
| Depreciation of right-of-use assets (R 000) | 22 493 | 22 639 |
| Depreciation of property, plant and equipment (R 000) | 32 022 | 28 897 |

Reconciliation between earnings and headline earnings (R 000):

| | 2022 Gross | 2022 Net | 2021 Gross | 2021 Net |
|---|---------------|-------------|---------------|-------------|
| Earnings attributable to ordinary shareholders | | 190 208 | | 130 362 |
| Adjusted for: | | | | |
| Loss on disposal of property, plant and equipment | 7 316 | 5 268 | 518 | 373 |
| Headline earnings attributable to ordinary shareholders | 7 316 | 195 476 | 518 | 130 735 |

| Consolidated Statement of other Comprehensive Income or Loss for the year ended 31 March | Audited 2022 R 000 | Audited 2021 R 000 |
|--|--------------------------|--------------------------|
| Profit for the period | 192 076 | 132 055 |
| Other comprehensive income for the period | | |
| Items that may be reclassified subsequently to profit and loss | | |
| Exchange differences on translating foreign operations | (9 473) | (22 315) |
| Items that will not be reclassified subsequently to profit and loss | | |
| Revaluation of land and buildings | 2 188 | - |
| Tax effect of above transaction | (591) | - |
| Transfer of reserve to retained earnings | (1 183) | - |
| Total other comprehensive income for the year | 183 017 | 109 740 |
| Attributable to owners of the | | |
| - Parent | 181 149 | 108 047 |
| - Non-controlling interest | 1 868 | 1 693 |
| | 183 017 | 109 740 |

| Consolidated Statement of Financial Position as at 31 March | Audited 2022 R 000 | Audited 2021 R 000 |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Property, plant and equipment | 456 745 | 452 494 |
| Intangible assets | 2 896 | 3 259 |
| Goodwill(1) (2) | 248 459 | 198 330 |
| Right-of-use assets | 54 719 | 76 535 |
| Long-term receivables | 5 523 | 9 610 |
| Deferred taxation | 2 881 | 2 235 |
| Non-current assets | 771 223 | 742 463 |
| Inventories | 529 579 | 344 261 |
| Trade and other receivables | 477 647 | 350 543 |
| Current portion of long-term receivables | 762 | 2 499 |
| Bank balance and cash | 183 468 | 246 234 |
| Current assets | 1 191 456 | 943 537 |
| Non-current assets held for sale | 17 000 | - |
| TOTAL ASSETS | 1 979 679 | 1 686 000 |

EQUITY AND LIABILITIES

| | | |
|--|-----------|-----------|
| Capital and reserves | | |
| Stated capital and treasury shares | 241 316 | 277 997 |
| Reserves | (2 693) | 5 846 |
| Retained earnings | 1 023 587 | 832 196 |
| Attributable to owners of the parent | 1 262 210 | 1 116 039 |
| Non-controlling interest | 15 187 | 17 369 |
| Total shareholders' funds | 1 277 397 | 1 133 408 |
| Interest-bearing borrowings | 83 779 | 72 494 |
| Lease liabilities | 40 708 | 62 345 |
| Other liabilities | - | 13 893 |
| Deferred tax | 56 610 | 48 481 |
| Non-current liabilities | 181 097 | 197 213 |
| Trade and other payables | 432 518 | 279 433 |
| Bank overdraft | 15 245 | - |
| Current portion of interest-bearing borrowings | 33 879 | 28 075 |
| Current portion of lease liabilities | 25 356 | 28 098 |
| Taxation | 14 187 | 19 773 |
| Current liabilities | 521 185 | 355 379 |
| TOTAL EQUITY AND LIABILITIES | 1 979 679 | 1 686 000 |
| Net asset value per share (cents) | 2 238.3 | 1 910.2 |

1. On 2 September 2021, the group purchased the entire issued share capital of American Shutters Proprietary Limited ('American Shutters') for a cash purchase consideration of R57.4 million. American Shutters is a major supplier of stylish door and window shutter systems that provides privacy, light control and security in various materials and finishes.

2. On 28 October 2021, the group purchased the entire share capital of Fluid Transfer Group Limited ('Fluid Transfer') for a cash consideration of GBP1. The acquisition was purchased through Argent Industrial UK Limited, a 100% held subsidiary of Argent. The effective date of the transaction was 1 November 2021.

Fluid Transfer is the leading UK manufacturer of aviation refuelling dispensers and refuellers and is a supplier of marine refuelling systems and standard fuel tankers. The company has a global customer base and has been trading since 1967.

The rationale for the transaction is an opportunity to compliment the product range offered by Fuel Proof Limited, who are leaders in the field of fuel storage and supply systems, which will reduce their cost basis through shared resources thus increasing their margins and product range.

The managing director of Fluid Transfer has an option to acquire 20% of Fluid Transfer for an amount of GBP263 000. The option must be exercised before the net asset value of Fluid Transfer exceeds GBP1 315 000 and within five years from date of acquisition.

The goodwill arising on acquisition is attributable to the anticipated profitability of the business.

The fair value of assets and liabilities assumed were as follows:

| | American Shutters R 000 | Fluid Transfer R 000 | Total 2022 R 000 |
|--|-------------------------------|----------------------------|------------------------|
| Property, plant and equipment | 1 443 | 10 477 | 11 920 |
| Right-of-use assets | 894 | - | 894 |
| Deferred taxation asset | - | 1 509 | 1 509 |
| Inventories | 10 072 | 20 754 | 30 826 |
| Trade and other receivables | 12 590 | 111 428 | 124 018 |
| Bank balance and cash | 2 680 | 6 444 | 9 124 |
| Trade and other payables | (15 683) | (119 441) | (135 124) |
| Lease liabilities | (899) | - | (899) |
| Interest-bearing borrowings | - | (30 366) | (30 366) |
| Goodwill/(excess of fair value) | 46 384 | (465) | 45 919 |
| Total purchase price | 57 481 | 340 | 57 821 |
| Deduct bank balance on acquisition | (2 680) | (6 444) | (9 124) |
| Cash flow on acquisition net of cash acquired | 54 801 | (6 104) | 48 697 |

| | 2022 R 000 |
|---|---------------|
| Fair value of consideration transferred | |
| Amount settled in cash | 57 821 |
| Total fair value of consideration transferred | 57 821 |

Goodwill on acquisition 45 919

| | |
|--|-----------|
| Revenue since acquisition date included in consolidated results for the year | 136 880 |
| Profit after taxation since acquisition date included in consolidated results for the year | 18 343 |
| Group revenue had the business combinations been included for the entire year | 2 561 984 |
| Group profit after taxation had the business combinations been included for the entire year | 177 666 |

| Abridged Consolidated Statement of Cash Flows for the year ended 31 March | Audited 2022 R 000 | Audited 2021 R 000 |
|--|--------------------------|--------------------------|
|--|--------------------------|--------------------------|

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|---|----------------|----------------|
| Cash generated from operations | 181 973 | 307 047 |
| Finance income | 3 353 | 3 218 |
| Finance expense | (15 003) | (16 918) |
| Normal taxation paid | (57 335) | (35 738) |
| Net cash inflow from operating activities | <u>112 988</u> | <u>257 609</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|--|-----------------|-----------------|
| Purchase of property, plant and equipment | (56 142) | (31 777) |
| Proceeds on disposal of property, plant and equipment | 4 846 | 13 372 |
| Acquisition of subsidiaries net of cash acquired | (48 697) | (40 265) |
| Share-based payments | 5 505 | 6 157 |
| Long-term receivables repaid | 1 774 | 2 623 |
| Net cash outflow from investing activities | <u>(92 714)</u> | <u>(49 890)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES

| | | |
|--|----------|-----------|
| Share buyback | (42 186) | (25 990) |
| Repayment of lease liabilities | (21 521) | (19 371) |
| Repayment of other liabilities | (13 893) | (33 745) |
| Proceeds from interest-bearing borrowings | 12 470 | 24 746 |
| Repayment of interest-bearing borrowings | (25 057) | (51 440) |
| Net cash outflow from financing activities | (90 187) | (105 800) |

| | | |
|--|----------|----------|
| Net (decrease)/increase in cash and cash equivalents | (69 913) | 101 919 |
| Cash and cash equivalents at beginning of year | 246 234 | 158 570 |
| Exchange differences on cash and cash equivalents | (8 098) | (14 255) |
| Cash and cash equivalents at end of year | 168 223 | 246 234 |

| Consolidated Statement of Changes in Equity for the year ended 31 March 2022 | Stated capital | Treasury shares | Employee share incentive reserve |
|--|----------------|-----------------|----------------------------------|
| | R 000 | R 000 | R 000 |
| Balance at 31 March 2020 | 386 021 | (88 191) | 973 |
| Share-based payments | - | 6 157 | 520 |
| Share buyback | (25 990) | - | - |
| Profit for the year | - | - | - |
| Non-controlling interest - dividend | - | - | - |
| Balance at 31 March 2021 | 360 031 | (82 034) | 1 493 |
| Share-based payments | - | 5 505 | 520 |
| Share buyback | (42 186) | - | - |
| Other comprehensive income | - | - | (1 183) |
| Profit for the year | - | - | - |
| Non-controlling interest - dividend | - | - | - |
| Balance at 31 March 2022 | 317 845 | (76 529) | 830 |

| Consolidated Statement of Changes in Equity for the year ended 31 March 2022 (continued) | Revaluation reserve | Foreign currency translation reserve | Retained earnings |
|--|---------------------|--------------------------------------|-------------------|
| | R 000 | R 000 | R 000 |
| Balance at 31 March 2020 | 8 068 | 18 600 | 701 834 |
| Share-based payments | - | - | - |
| Share buyback | - | - | - |
| Profit for the year | - | (22 315) | 130 362 |
| Non-controlling interest - dividend | - | - | - |
| Balance at 31 March 2021 | 8 068 | (3 715) | 832 196 |
| Share-based payments | - | - | - |
| Share buyback | - | - | - |
| Other comprehensive income | 1 597 | - | 1 183 |
| Profit for the year | - | (9 473) | 190 208 |
| Non-controlling interest - dividend | - | - | - |
| Balance at 31 March 2022 | 9 665 | (13 188) | 1 023 587 |

| Consolidated Statement of Changes in Equity for the year ended 31 March 2022 (continued) | Total attributable to owners of the parent | Non- controlling interest | Total shareholders' funds |
|---|---|---------------------------------|---------------------------------|
| | R 000 | R 000 | R 000 |
| Balance at 31 March 2020 | 1 027 305 | 20 176 | 1 047 481 |
| Share-based payments | 6 677 | - | 6 677 |
| Share buyback | (25 990) | - | (25 990) |
| Profit for the year | 108 047 | 1 693 | 109 740 |
| Non-controlling interest - dividend | - | (4 500) | (4 500) |
| Balance at 31 March 2021 | 1 116 039 | 17 369 | 1 133 408 |
| Share-based payments | 6 025 | - | 6 025 |
| Share buyback | (42 186) | - | (42 186) |
| Other comprehensive income | 1 597 | - | 1 597 |
| Profit for the year | 180 735 | 1 868 | 182 603 |
| Non-controlling interest- dividend | - | (4 050) | (4 050) |
| Balance at 31 March 2022 | 1 262 210 | 15 187 | 1 277 397 |

| Segmental review | Manufacturing | Steel trading | Properties | Consolidated |
|--|---------------|------------------|------------|--------------|
| | R 000 | R 000 | R 000 | R 000 |
| Business segments for the year ended 31 March 2022 | | | | |
| Revenue from external sales | 1 552 922 | 877 813 | 1 967 | 2 432 702 |
| Inter-segment sales | 138 625 | 116 722 | 22 322 | |
| Total revenue | 1 691 547 | 994 535 | 24 289 | |
| Profit before taxation | 159 644 | 79 902 | 13 063 | 252 609 |
| Taxation | | | | (60 533) |
| Profit for the year | | | | 192 076 |
| Segment assets | 1 307 990 | 415 592 | 256 097 | 1 979 679 |
| Segment liabilities | 372 253 | 202 693 | 127 336 | 702 282 |
| Capital expenditure | 51 690 | 1 899 | 2 553 | 56 142 |
| Depreciation / amortisation | 30 313 | 2 031 | - | 32 344 |
| Depreciation on right- of-use assets | 12 154 | 10 339 | - | 22 493 |
| Interest paid on lease liabilities | 2 155 | 5 389 | - | 7 544 |
| Finance income | 3 487 | (134) | - | 3 353 |
| Finance expense excluding lease liabilities | 1 094 | 84 | 6 281 | 7 459 |

| Segmental review (continued) | Manufacturing | Steel trading | Properties | Consolidated |
|---|------------------|----------------------|------------------|----------------|
| | R 000 | R 000 | R 000 | R 000 |
| Business segments for the year ended 31 March 2021 | | | | |
| Revenue from external sales | 1 315 537 | 650 236 | 187 | 1 965 960 |
| Inter-segment sales | 189 614 | 113 311 | 29 259 | |
| Total revenue | <u>1 505 151</u> | <u>763 547</u> | <u>29 446</u> | |
| Profit before taxation | <u>118 160</u> | <u>45 657</u> | <u>12 017</u> | 175 834 |
| Taxation | | | | (43 779) |
| Profit for the year | | | | <u>132 055</u> |
| Segment assets | 1 123 070 | 318 554 | 244 376 | 1 686 000 |
| Segment liabilities | 281 541 | 151 157 | 119 894 | 552 592 |
| Capital expenditure | 26 041 | 3 146 | 2 590 | 31 777 |
| Depreciation / amortisation | 27 277 | 1 970 | - | 29 247 |
| Depreciation on right- of-use assets | 12 300 | 10 339 | - | 22 639 |
| Interest paid on lease liabilities | 2 214 | 6 116 | - | 8 330 |
| Finance income | 2 600 | 384 | 234 | 3 218 |
| Finance expense excluding lease liabilities | 1 059 | 101 | 7 428 | 8 588 |
| Segmental review (continued) | South Africa | Rest of the world | Consolidated | |
| | R 000 | R 000 | R 000 | |
| Geographical segments for the year ended 31 March 2022 | | | | |
| Revenue from external sales | <u>1 828 960</u> | <u>603 742</u> | <u>2 432 702</u> | |
| Profit before taxation | <u>146 781</u> | <u>105 828</u> | <u>252 609</u> | |
| Taxation | | | (60 533) | |
| Profit for the year | | | <u>192 076</u> | |
| Segment assets | 1 476 425 | 503 254 | 1 979 679 | |
| Segment liabilities | 515 333 | 186 949 | 702 282 | |
| Capital expenditure | 19 168 | 36 974 | 56 142 | |
| Depreciation / amortisation | 18 434 | 13 910 | 32 344 | |
| Depreciation on right-of-use assets | 13 672 | 8 821 | 22 493 | |
| Interest paid on lease liabilities | 6 587 | 957 | 7 544 | |
| Finance income | 3 219 | 134 | 3 353 | |
| Finance expense excluding lease liabilities | 6 939 | 520 | 7 459 | |
| for the year ended 31 March 2021 | | | | |
| Revenue from external sales | <u>1 432 653</u> | <u>533 307</u> | <u>1 965 960</u> | |
| Profit before taxation | <u>76 299</u> | <u>99 535</u> | <u>175 834</u> | |
| Taxation | | | (43 779) | |
| Profit for the year | | | <u>132 055</u> | |

| | | | |
|---|-----------|---------|-----------|
| Segment assets | 1 338 355 | 347 645 | 1 686 000 |
| Segment liabilities | 450 367 | 102 225 | 552 592 |
| Capital expenditure | 12 701 | 19 076 | 31 777 |
| Depreciation / amortisation | 18 309 | 10 938 | 29 247 |
| Depreciation on right-of-use assets | 13 400 | 9 239 | 22 639 |
| Interest paid on lease liabilities | 7 059 | 1 271 | 8 330 |
| Finance income | 3 001 | 217 | 3 218 |
| Finance expense excluding lease liabilities | 8 110 | 478 | 8 588 |

Fair value measurement of financial instruments

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table sets out the group's assets and liabilities that are measured and recognised at fair value:

| 31 March 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|---------|
| | R 000 | R 000 | R 000 | R 000 |
| Recurring fair value measurements | | | | |
| Financial assets: | | | | |
| BEE minority shareholder loan | - | - | 5 026 | 5 026 |
| Total recurring financial assets | - | - | 5 026 | 5 026 |
| Non-financial assets: | | | | |
| Land and buildings | - | - | 269 624 | 269 624 |
| Total recurring non-financial assets | - | - | 269 624 | 269 624 |
| Non-recurring fair value measurements | | | | |
| Land and buildings held for sale | - | - | 17 000 | 17 000 |
| Total non-recurring fair value measurements | - | - | 17 000 | 17 000 |

| 31 March 2021 | Level 1 | Level 2 | Level 3 | Total |
|---|----------|------------|----------------|----------------|
| | R 000 | R 000 | R 000 | R 000 |
| Recurring fair value measurements | | | | |
| Financial assets: | | | | |
| BEE minority shareholder loan | - | - | 8 656 | 8 656 |
| Forward exchange contracts | - | 732 | - | 732 |
| Total recurring financial assets | - | 732 | 8 656 | 9 388 |
| Non-financial assets: | | | | |
| Land and buildings | - | - | 282 871 | 282 871 |
| Total recurring non-financial assets | - | - | 282 871 | 282 871 |

There have been no transfers between Level 1 and Level 2 recurring fair value measurements during 2022 and 2021.

The group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Measurement of fair value of financial and non-financial instruments
The group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the financial director (FD) and to the audit and risk committee. Valuation processes and fair value changes are discussed among the audit and risk committee and the valuation team at least every year, in line with the group's reporting dates. The valuation techniques used for instruments categorised in Level 2 and 3 are described below.

Foreign currency forward contracts (Level 2)

The group's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

BEE minority shareholder loan (Level 3)

The fair value of the loan was based on unobservable inputs. The fair value has been calculated by discounting the loan at a market related interest rate and with reference to the underlying value of the shares.

The reconciliation of the carrying amounts of financial assets classified within Level 3 is as follows:

| | 2022 | 2021 |
|--------------------------------------|--------------|--------------|
| | R 000 | R 000 |
| Opening balance | 8 656 | 12 737 |
| Cash inflow | (4 050) | (4 502) |
| Recognised in profit or loss | | |
| Fair value adjustment | 420 | 421 |
| BEE minority shareholder loan | 5 026 | 8 656 |

Land and buildings (Level 3)

The group's land and buildings are estimated based on appraisals performed by the directors. The valuation processes and fair value changes are reviewed by the board of directors and audit and risk committee at each reporting date.

The fair values of the land and buildings is estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields and take into account the type of property and the property's location.

The most significant inputs, all of which are unobservable, are the estimated rental value and the discount rate. The estimated fair value increases if the discount rates (market yields) decline. Rental base range is R31.40 to R63 per square metre (2021 - R31.40 to R63). Expense ratio range is from 10% to 38% (2021 - 7.6% to 38%).

A 1% increase or decrease in the discount rate will impact the fair value by R2.9 million (2021 - R2.1 million). A 1% increase or decrease in the rental rates will impact the fair value by R2.1 million (2021 - R2.3 million). The assumed discount rates applied for the future income streams range between 10.1% and 10.7% (2021 - 9.7% and 11.6%).

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

| | 2022 | 2021 |
|---|----------------|----------------|
| | R 000 | R 000 |
| Opening balance | 282 871 | 288 426 |
| Additions | 5 952 | 3 085 |
| Disposals | (3 304) | (5 024) |
| Reclassification to non-current assets held for sale | (17 000) | - |
| Recognised in other comprehensive income | | |
| Exchange difference on translation of foreign operation | (225) | (2 624) |
| Recognised in profit or loss | | |
| Revaluation | 2 188 | - |
| Depreciation | (858) | (992) |
| Land and buildings | 269 624 | 282 871 |

Financial overview

Argent Industrial Limited is a South African group with both local and international manufacturing and commodity trading interests.

The group has interests in South Africa ('SA'), the United Kingdom ('UK'), and the United States of America ('USA') and actively exports its products to over 35 countries around the world.

Results

The group exceeded its objectives for the 2022 financial year by investing in stable, developed international markets, by further growing its export markets, through efficiently sourcing of commodities globally, recognising and rewarding entrepreneurial management in its operations and through the repurchase of its own shares.

The consolidated earnings after taxation attributable to owners increased to R190.2 million, up significantly from R130.3 million in 2021. This is after accounting for a R0.973 million IFRS 16 expense and allowing for the amalgamation of Toolroom Services and Castor and Ladder, which resulted in a cost of R4.3 million in asset disposals, write downs and retrenchments. Headline earnings per share grew to 339.2 cents from 217.9 cents in 2021, calculated on the weighted average shares in issue over the financial year of 57.634 million shares.

American Shutters, a Cape Town based leading supplier of stylish door and window shutter systems in SA was purchased on 2 September 2021 for a cash consideration of R57.4. The rationale behind the transaction is to compliment the group's Xpanda Security product range and for the shutter company to benefit from Xpanda's extensive dealer network that would extend its presence throughout SA, Africa and the overseas dealer network, the impact of which is already being noticed.

The group also purchased the entire issued share capital of UK based Fluid Transfer Group Limited (Fluid Transfer) from Rockpool Investments Nominee Limited, through Argent Industrial UK Limited, a wholly owned subsidiary of Argent. The rationale for the acquisition is the opportunity to exploit the synergies in products, customers, and technologies of the two respective businesses. Fuel Proof Limited are leaders in the field of fuel storage and supply systems. Fluid Transfer Group on the other hand, specialise in the design and building of mobile aircraft refuelling systems, whose customer base is predominately in the UK, North Africa and the Middle East. The cash consideration was GBP1, settled on 29 October 2021 and there are no outstanding conditions precedent to the sale. The effective date of the transaction was 1 November 2021.

In line with Argent's share repurchase strategy, an additional 3.3 million shares were cancelled during this period at a cost of R42.1 million, equating to an average purchase price of R12.74 per share.

Prospects

The group increased its turnover from the overseas operations to R603 million and export revenue to R277 million, the strategy is to increase overseas exposure, our focus in the coming years.

All efforts will be on the following; to get Fluid Transfer readied for the increased activity and refuelling requirements with the return to capacity of the aviation industry, establishing an Xpanda Security operation in the

UK which is currently serviced through exports from SA, expanding Partington Engineering's manufacturing capabilities in the UK, bedding down the Castor and Ladder and Toolroom amalgamation, expanding the American Shutters operations into KwaZulu-Natal and finding additional businesses to acquire that suit our model, in the UK and USA.

During the year, the group sold the assets of Allan Maskew for R5.3 million, realising the net asset value of the business, and reorganised the Toolroom Services operation by removing uneconomical products and production lines and incorporated the balance into Castor and Ladder. Neither of these operations contributed to the groups bottom line and will not be missed.

All the assets required for Partington Engineering's business expansion has been brought into production except for the tube bender which is due to be delivered in July. The targeted orderbook for Fluid Transfer to build 42 refuelling trucks for this year has already been achieved, while Xpanda Security has received the first of several orders for securing the sensitive products of a major UK Retail Chain.

The relocation of Castor and Ladder to its new location is complete and the operation is back to full production. The new American Shutters showroom in Umhlanga Rocks in KwaZulu-Natal has been completed and the poorly located showroom and operation in Johannesburg has been relocated to a busy centre in Fourways, both of which will significantly improve the visibility of the brand. American Shutters also has an existing export market in the UK which we look to expand via their aluminium security shutters.

The group now has a buyer for the Alan Maskew property which is currently tenanted to an Argent subsidiary and several external tenants. The sale value of the property is R17 million which will be finalised on receipt of the bank guarantees.

Return to shareholders

Argent has adopted a policy of returning 30 percent of its after-tax income to shareholders either via a dividend or via share buybacks. This amount will be six monthly commencing from 1 October 2021.

Dividend

The directors have declared and approved a final gross dividend of 42 cents per share for the year ended 31 March 2022 from income reserves. Total ordinary dividends per share in respect of the financial year to 31 March 2022 therefore amounts to 42 cents (2021 - nil).

The following dates will apply to the abovementioned final dividend:

| | |
|---------------------------------|-------------------------|
| Last day to trade cum dividend: | Tuesday, 26 July 2022 |
| Trading ex-dividend commences: | Wednesday, 27 July 2022 |
| Record date: | Friday, 29 July 2022 |
| Dividend payment date: | Monday, 1 August 2022 |

Share certificates may not be dematerialised or re-materialised between Wednesday, 27 July 2022 and Friday, 29 July 2022, both days inclusive.

In determining the dividends tax of 20% to be withheld in terms of the Income Tax Act (No 58 of 1962), those shareholders who are not exempt from the dividend tax will therefore receive a dividend of 33.6 cents per share net of dividend tax. The company has 57 199 206 ordinary shares in issue as at 29 June 2022 and its income tax reference number is 9096/002/71/3.

Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited/updated on Monday, 1 August 2022.

Basis of preparation

The abridged audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the presentation and disclosure requirements of IAS 34 - Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in compliance with the Companies Act of South Africa (No. 71 of 2008) and the Listing Requirements of the JSE Limited.

The results have been prepared in terms of IFRS on the historical cost basis, except for the revaluation of land and buildings and certain financial instruments which are carried at either fair value or amortised cost as appropriate. The abridged audited consolidated financial statements have been prepared under the supervision of the Financial Director, Ms SJ Cox CA(SA).

The accounting policies are consistent with those of the previous annual financial statements.

The adoption of improved, revised, or new standards and interpretations did not have any significant impact on the financial statements.

Going concern

There has been no material impact from the COVID-19 pandemic nor the July 2021 civil unrest in South Africa.

Based on the above, no material uncertainties have been identified in relation to the ability of the company and group to remain going concerns for at least the next twelve months. The directors thus believe that the company and group are in a sound financial position and that they will continue to operate as going concerns for the foreseeable future.

As such, the financial statements have been prepared on the basis of accounting policies applicable to a going concern. This presumes the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

Events after the reporting period

No material facts or circumstances have occurred between the accounting date and the date of this report.

Changes to the board

During the reporting period there were no changes to the board of directors.

Annual Report and Notice of Annual General Meeting

The company's annual report ("**the Annual Report**"), including the full audited consolidated financial statements of the company for the financial year ended 31 March 2022 and the notice of the annual general meeting of the company ("**Notice of AGM**"), has been distributed to shareholders today, 29 June 2022. The annual report is available on the company's website, <https://argent.co.za/wp-content/uploads/2022/06/annual-report-2022.pdf>.

Notice is hereby given that Argent's annual general meeting ("**AGM**") of shareholders will be held in the company's boardroom at First floor, Ridge 63, 8 Sinembe Crescent, La Lucia Ridge Office Estate, Umhlanga, on Friday, 19 August 2022 at 11:00 to transact the business as stated in the abovementioned notice of AGM.

The date on which shareholders must be recorded as such in the share register to be eligible to vote at the AGM is Friday, 12 August 2022, with the last day to trade being Monday, 8 August 2022.

Audit opinion

The auditors, BDO South Africa Inc. (Mrs G Bass as designated auditor), have audited the group's financial statements for the year ended 31 March 2022 and their unqualified audit report is available for inspection at the company's registered office.

These abridged results are extracted from audited information but are not in itself audited. The directors therefore take full responsibility for the preparation of the abridged results and that the financial information has been correctly extracted from the underlying financial statements.

The auditor's report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company.

On behalf of the board

TR Hendry CA (SA) Umhlanga Rocks
Chief Executive Officer 29 June 2022

Registered Office: First floor, Ridge 63,8 Sinembe Crescent,
La Lucia Ridge Office Estate,4019
Tel: +27 (0) 31 791 0061

Auditors: BDO South Africa Inc. (Mrs G Bass as designated
auditor)

Sponsors: PSG Capital

Transfer Secretaries: JSE Investor Services

Company Secretary: Jaco Dauth

Directors: CD Angus (Independent Non-executive), PA Christofides (Independent Non-executive), Ms SJ Cox (Financial Director), TR Hendry (Chief Executive Officer), AF Litschka, K Mapasa (Independent Non-executive), T Scharrighuisen (Non-executive Chairman).