

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 2021,
 NOTICE OF ANNUAL GENERAL MEETING AND DISTRIBUTION OF ANNUAL REPORT

Financial Highlights

Profit for the year	R132 million
Earnings before interest, taxation, depreciation and amortisation 'EBITDA'	R241 million
Headline earnings per share	217.9 cents
Gearing	16.9%
Gearing - excluding IFRS 16	8.9%
Net asset value per share	1 910.2 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 2021	Audited 2020
	R 000	R 000
Revenue	1 965 960	1 727 721
Cost of sales	(1 470 213)	(1 274 361)
Gross profit	495 747	453 360
Net operating income	878	17 947
Net operating expenses	(307 091)	(337 924)
Operating profit before finance costs	189 534	133 383
Finance income	3 218	1 857
Finance expense	(16 918)	(16 578)
Profit before taxation	175 834	118 662
Taxation	(43 779)	(20 748)
Profit for the year	132 055	97 914
Attributable to owners of the		
- Parent	130 362	96 221
- Non-controlling interest	1 693	1 693
	132 055	97 914
Basic earnings per share (cents)	217.3	130.8
Diluted earnings per share (cents)	216.0	130.1
Headline earnings per share (cents)	217.9	133.4
Diluted headline earnings per share (cents)	216.6	132.8
Dividends per share (cents)	0.0	0.0

Supplementary information

Shares in issue (000)		
- at end of period excluding treasury shares	58 425	61 370
- at end of period including treasury shares	60 551	64 916
- weighted average	59 999	73 589
- diluted weighted average	60 361	73 947
Interest expense on lease liabilities (R 000)	8 330	12 140
Amortisation of intangibles (R 000)	350	386
Amortisation of right-of-use assets (R 000)	22 639	27 030
Depreciation and amortisation (R 000)	28 897	28 078

Calculation of headline earnings (R 000)		
Earnings attributable to ordinary shareholders	130 362	96 221
Adjusted for:		
Loss on disposal of property, plant and equipment	518	2 504
Impairment of property, plant and equipment	-	177
Gross	130 880	98 902
Total tax effects of adjustments	(145)	(701)
Headline earnings attributable to ordinary shareholders	130 735	98 201

Consolidated Statement of other Comprehensive Income or Loss for the year ended 31 March	Audited 2021 R 000	Audited 2020 R 000
Profit for the period	132 055	97 914
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translating foreign operations	(22 315)	19 454
Total other comprehensive income for the year	109 740	117 368
Attributable to owners of the		
- Parent	108 047	115 675
- Non-controlling interest	1 693	1 693
	109 740	117 368

Consolidated Statement of Financial Position as at 31 March	Audited 2021 R 000	Audited 2020 R 000
ASSETS		
Property, plant and equipment	452 494	466 120
Intangible assets	3 259	4 314
Goodwill(1)	198 330	150 144
Right-of-use assets	76 535	100 945
Long-term receivables	9 610	15 928
Deferred taxation	2 235	2 537
Non-current assets	742 463	739 988
Inventories	344 261	366 565
Trade and other receivables	350 543	309 129
Current portion of long-term receivables	2 499	3 304
Bank balance and cash	246 234	158 570
Current assets	943 537	837 568
TOTAL ASSETS	1 686 000	1 577 556

EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital and treasury shares	277 997	297 830
Reserves	5 846	27 641
Retained earnings	832 196	701 834
Attributable to owners of the parent	1 116 039	1 027 305
Non-controlling interest	17 369	20 176

Total shareholders' funds	1 133 408	1 047 481
Interest-bearing borrowings	72 494	115 782
Long-term loans	15	15
Lease liabilities	62 345	94 661
Other liabilities	13 893	35 383
Deferred tax	48 481	46 840
Non-current liabilities	197 228	292 681
Trade and other payables	279 418	193 706
Taxation	19 773	12 389
Current portion of lease liabilities	28 098	18 744
Current portion of interest-bearing borrowings	28 075	12 555
Current liabilities	355 364	237 394
TOTAL EQUITY AND LIABILITIES	1 686 000	1 577 556
Net asset value per share (cents)	1 910.2	1 674.0

1. The group purchased the entire issued share capital of Partington Engineering Limited ("Partington") for a maximum amount GBP3.1 million. Effective date of the transaction was commencement of business on 1 June 2020.

The initial purchase consideration of GBP2.5 million was settled in cash in the buyer's solicitor's account on 16 June 2020.

Two additional purchase considerations of GBP300 000 each will be settled in cash if sales to its major customer have grown cumulatively by 15% for each 12-month period. The first period is 1 January 2020 to 31 December 2020 and the second period is 1 January 2021 to 31 December 2021.

Due to COVID related delays in deliveries, the targets and payment dates are in the process of being extended and renegotiated.

A clawback payment of GBP150 000 is payable from the sellers if sales to its major customer have decreased by 15% for each 12-month period mentioned above when compared to the actual for the 12-month period ended December 2019. This will also have to be extended and renegotiated. The outstanding order book for Partington at 31 March 2021 was GBP1 487 064.

The contingent liability of GBP599 223 initially represents the present value of the groups estimate of the probable cash outflow. It reflects management's estimate of a 100% probability that the targets will be achieved. The contingent considerations were discounted using a rate of 0.1% with reference from the Bank of England.

Partington is a major supplier of bespoke trolleys to both the traditional and e-commerce retail industries in the United Kingdom.

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:

	<u>R 000</u>
Property, plant and equipment	5 211
Inventory	9 055
Trade and other receivables	8 932
Bank balance and cash	14 831
Trade and other payables	(14 153)
Deferred taxation liability	(954)
Taxation liability	(3 133)
Interest-bearing borrowings	(624)
Goodwill	48 186
Total purchase price and acquisition costs	<u>67 351</u>
Fair value of contingent consideration	(12 255)
Deduct bank balance on acquisition	(14 831)
Cash flow on acquisition net of cash acquired	<u>40 265</u>
Fair value of consideration transferred	<u>R 000</u>
Amount settled in cash	55 096
Fair value of contingent consideration	12 255
Total fair value of consideration transferred	<u>67 351</u>
GOODWILL ON ACQUISITION	<u>48 186</u>
	<u>R 000</u>
Revenue since acquisition date included in consolidated results for the year	74 457
Profit after taxation since acquisition date included in consolidated results for the year	5 816
Group revenue had the business combination been included for the entire year	1 976 021
Group profit after taxation had the business combination been included for the entire year	132 330

Abridged Consolidated Statement of Cash Flows for the year ended 31 March	Audited 2021 R 000	Audited 2020 R 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	307 047	173 071
Finance income	3 218	1 857
Finance expense	(8 588)	(16 578)
Normal taxation paid	(35 738)	(19 396)
Net cash inflow from operating activities	<u>265 939</u>	<u>138 954</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(31 777)	(41 048)
Additions to intangible assets	-	(8)
Proceeds on disposal of property, plant and equipment	13 372	19 918
Acquisition of subsidiaries net of cash acquired	(40 265)	-
Long-term receivables repaid	2 623	4 681
Net cash outflow from investing activities	<u>(56 047)</u>	<u>(16 457)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share buy-back	(19 833)	(94 979)
Repayment of lease liabilities	(27 701)	(12 877)
Repayment of other liabilities	(33 745)	-
Repayment of long-term loans	-	(2 606)
Proceeds from interest-bearing borrowings	24 746	129 713
Repayment of interest-bearing borrowings	(51 440)	(16 461)
Net cash(outflow)/inflow from financing activities	<u>(107 973)</u>	<u>2 790</u>
Net increase in cash and cash equivalents	101 919	125 287
Cash and cash equivalents at beginning of year	158 570	19 877
Exchange differences on cash and cash equivalents	(14 255)	13 406
Cash and cash equivalents at end of year	<u>246 234</u>	<u>158 570</u>

Consolidated Statement of Changes in Equity for the year ended 31 March 2021	Stated capital R 000	Treasury shares R 000	Employee share incentive reserve R 000
Balance at 31 March 2019	485 855	(93 046)	452
Share-based payments	-	-	521
Share buyback	(99 834)	4 855	-
Total comprehensive income	-	-	-
Balance at 31 March 2020	<u>386 021</u>	<u>(88 191)</u>	<u>973</u>
Share-based payments	-	-	520
Share buyback	(25 990)	6 157	-
Total comprehensive income	-	-	-
Non-controlling interest - dividend	-	-	-
Balance at 31 March 2021	<u>360 031</u>	<u>(82 034)</u>	<u>1 493</u>

Consolidated Statement of Changes in Equity for the year ended 31 March 2021 (continued)	Revaluation reserve	Foreign currency translation reserve	Retained earnings
	R 000	R 000	R 000
Balance at 31 March 2019	8 068	(854)	605 613
Share-based payments	-	-	-
Share buyback	-	-	-
Total comprehensive income	-	19 454	96 221
Balance at 31 March 2020	8 068	18 600	701 834
Share-based payments	-	-	-
Share buyback	-	-	-
Total comprehensive income	-	(22 315)	130 362
Non-controlling interest - dividend	-	-	-
Balance at 31 March 2021	8 068	(3 715)	832 196

Consolidated Statement of Changes in Equity for the year ended 31 March 2021 (continued)	Total attributable to owners of the parent	Non-controlling interest	Total shareholders' funds
	R 000	R 000	R 000
Balance at 31 March 2019	1 006 088	18 483	1 024 571
Share-based payments	521	-	521
Share buyback	(94 979)	-	(94 979)
Total comprehensive income	115 675	1 693	117 368
Balance at 31 March 2020	1 027 305	20 176	1 047 481
Share-based payments	520	-	520
Share buyback	(19 833)	-	(19 833)
Total comprehensive income	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

Segmental review	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	1 505 151	763 547	29 446	
Profit before taxation	118 160	45 657	12 017	175 834
Taxation				(43 779)
Profit for the year				132 055
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	5 668	384	(2 834)	3 218
Finance expense excluding lease liabilities*	1 059	101	7 428	8 588
* As per the group policy, finance costs and finance income derived from primary banking is netted off.				

Segmental review	Manufacturing	Steel trading	Properties	Consolidated
	R 000	R 000	R 000	R 000
Business segments for the year ended 31 March 2020				
Revenue from external sales	1 226 997	499 970	754	1 727 721
Inter-segment sales	63 639	118 475	25 123	
Total revenue	1 290 636	618 445	25 877	
Profit before taxation	99 283	10 933	8 446	118 662
Taxation				(20 748)
Profit for the year				97 914
Segment assets	1 015 923	315 368	246 265	1 577 556
Segment liabilities	276 899	133 271	119 905	530 075
Capital expenditure	5 102	1 937	34 017	41 056
Depreciation / amortisation	26 420	2 035	9	28 464

Depreciation on right-of-use assets	15 518	11 512	-	27 030
Interest paid on lease liabilities	4 662	7 478	-	12 140
Finance income	1 377	480		1 857
Finance expense excluding lease liabilities*	(3 859)	(697)	8 994	4 438

* As per the group policy, finance costs and finance income derived from primary banking is netted off.

Segmental review (continued)	South Africa	Rest of the world	Consolidated
	R 000	R 000	R 000
Geographical segments for the year ended 31 March 2021			
Revenue from external sales	1 192 345	773 615	1 965 960
Profit before taxation	76 299	99 535	175 834
Taxation			(43 779)
Profit for the year			132 055
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
for the year ended 31 March 2020			
Revenue from external sales	1 143 520	584 201	1 727 721
Profit before taxation	42 912	75 750	118 662
Taxation			(20 748)
Profit for the year			97 914
Segment assets	1 192 786	384 770	1 577 556
Segment liabilities	418 506	111 569	530 075
Capital expenditure	20 138	20 918	41 056
Depreciation / amortisation	18 865	9 599	28 464
Depreciation on right-of-use assets	18 793	8 237	27 030
Interest paid on lease liabilities	10 781	1 359	12 140
Finance income	1 285	572	1 857
Finance expense excluding lease liabilities*	4 433	5	4 438

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 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
Recurring fair value measurements				
Financial liabilities:				
Contingent consideration	-	-	13 893	13 893
Total recurring financial liabilities	-	-	13 893	13 893
31 March 2020	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	-	-	12 737	12 737
Forward exchange contracts	-	814	-	814
Total recurring financial assets	-	814	12 737	13 551

Non-financial assets:				
Land and buildings	-	-	288 426	288 426
<hr/>				
Total recurring non-financial assets	-	-	288 426	288 426
<hr/>				
Financial liabilities:				
Contingent consideration	-	-	35 383	35 383
<hr/>				
Total recurring financial liabilities	-	-	35 383	35 383
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There have been no transfers between Level 1 and Level 2 recurring fair value measurements during 2020 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 going forward 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:

	2021	2020
	R 000	R 000
Opening balance	12 737	12 316
Cash inflow	(4 502)	-
Recognised in profit or loss		
Fair value adjustment	421	421
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BEE minority shareholder loan	8 656	12 737

Contingent consideration (Level 3)

The fair value of the contingent consideration related to the acquisition of Partington Engineering Limited based on unobservable inputs. The fair value of the contingent consideration is based on the fair value of probable cash outflow. This reflects management's estimate of a 100% probability that targets will be achieved. The contingent considerations were discounted using a rate of 0.1% (2020 - 0.10%) with reference from the Bank of England.

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

	2021	2020
	R 000	R 000
Opening balance	35 383	29 832
New business combination	12 255	-
Cash outflow	(35 383)	-
Recognised in profit or loss		
Fair value of deferred consideration	-	694
Fair value of contingent consideration	-	4 857
Contingent consideration	12 255	35 383

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 estimated rental increases, vacancy levels decline or if discount rates (market yields) decline. A 1% increase or decrease in the discount rate will impact the fair value by R2.1 million. A 1% increase or decrease in the rental rates will impact the fair value by R2.3 million. The assumed discount rates applied for the future income streams range between 9.7% and 11.6% (2020 - 9% and 11.75%).

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

	2021	2020
	R 000	R 000
Opening balance	288 426	279 053
Additions	3 085	6 799
Disposals	(5 024)	-
Recognised in other comprehensive income		
Exchange difference on translation of foreign operation	(2 624)	3 314

Recognised in profit or loss		
Depreciation	(992)	(740)
Land and buildings	282 871	288 426

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

31 March 2021	Level 1	Level 2	Level 3	Total
	R 000	R 000	R 000	R 000
Recurring fair value measurements				
Financial assets:				
Employee share incentive scheme loan	-	-	14 716	14 716
Total recurring financial assets	-	-	14 716	14 716

Employee share incentive scheme loan (Level 3)

The fair value of the loan is linked to the market price of shares in Argent Industrial Limited. The fair value of the employee share incentive scheme loan has been fair valued based on observable market share prices of Argent Industrial Limited.

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

	2021	2020
	R 000	R 000
Opening balance	12 922	20 425
Recognised in profit or loss		
Share options exercised	(6 158)	(4 853)
Fair value adjustment	7 952	(2 650)
Employee share incentive scheme loan	14 716	12 922

Financial overview

The group had great results, successfully steering around the many COVID issues, and consolidating its market share opportunities.

The consolidated results after taxation attributable to owners amounted to R130.4 million which is after accounting for a R3.3 million IFRS 16 expense, a loss of R0.5 million on sale of assets, retrenchment costs of R6.5 million and R9 million stock impairments at Toolroom Services. In addition, the group sold its Klerksdorp property for R4 million and acquired Partington Engineering Limited on 1 June 2020, which is based in the United Kingdom, for an amount of GBP3.1 million.

Partington is a major supplier of bespoke trolleys to both traditional and e-commerce retail industries in the United Kingdom. The acquisition brings our number of offshore entities to six.

Headline earnings per share amounted to 217.9 cents based on weighted average shares in issue over the financial year of 59.999 million. The actual shares in issue as at 31 March 2021 was 58.425 million (excluding treasury shares) which yields a headline earnings of 223.76 cents.

In line with the Argent share repurchase strategy, 4 364 890 shares were cancelled in the 2021 financial year at a cost of R25 990 120, equating to an average price of R5.95 per share.

Capital allocation

We have successfully allocated excess capital within the group towards share buybacks. Since the start of our buyback programme, we have reduced the number of shares in issue from 96 490 604 to 60 550 705 at an average price of R5.16, far below our assessment of intrinsic value. We continue to believe share buybacks are the best use of excess capital while the share price is below our assessment of fair value.

Prospects

On the back of decent order books, high steel prices and improved market share, the group has had a good start to the new year. We will focus on growing our group brands and look for acquisition opportunities in the United Kingdom as well as continue with the current share buyback programme, using the opportunity to add value to our long-term shareholders.

Dividend

No dividends were declared by the Board of Directors for the year ended 31 March 2021. Excess funds will be utilised for the share buyback programme.

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. 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.

Impact of COVID-19

On 15 March 2020, a national state of disaster was declared in South Africa due to the COVID-19 pandemic and subsequently on 23 March 2020, all South African citizens and businesses were to adhere to a nationwide lockdown for 21 days, effective from midnight on 26 March 2020 to midnight on 16 April 2020. This was then extended for a further 14 days to 30 April 2020. On

1 May 2020, certain restrictions on economic activities were lifted.

Together with a new strain of the virus and increased surge of infections, on 28 June 2021, South Africa was placed on adjusted alert level 4, which is currently still in place.

The United Kingdom and the United States of America remain with various levels of COVID-19 restrictions and encourage people to restrict unnecessary movement, same as in South Africa but both countries have vaccinated their population.

The impact of COVID-19 on accounting standards that require use of forward-looking information was assessed based on information available as at 31 March 2021 and has not resulted in any other adjustments and/or disclosures as the impact was assessed to be not material. All operations worldwide are fully operational.

The impact of the national state of disaster and the COVID-19 pandemic was taken into account in the preparation of budgets and cashflow forecasts as per the Going Concern note to the financial statements.

Going concern

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company and group's ability to continue as going concerns. The directors believe that the COVID-19 pandemic will not have a material impact on the business activities of the company and group, due to the company and group achieving results which are aligned to those achieved in pre-lockdown periods. Subsequent to year-end and up to date of the assessment, there has been no significant change in circumstances which suggests that the above reviews are no longer valid.

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. The timing of the additional two purchase considerations of Partington of GBP300 000 each are in the process of being extended and renegotiated due to COVID related delays in deliveries.

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 annual report including full audited consolidated financial statements for the financial year ended 31 March 2021, has been distributed to shareholders today ("**the Annual Report**"). The annual report is available on the company's website, www.argent.co.za/info/annual_reports.

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, 20 August 2021 at 11:00 to transact the business as stated in the notice of AGM circulated together with the annual report. The date on which shareholders must be recorded as such in the share register to be eligible to vote at the AGM is Friday, 13 August 2021, with the last day to trade being Tuesday, 10 August 2021.

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 2021 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 2021

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).