TRELLIDOR HOLDINGS LIMITED

INTEGRATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Strength. Quality. Variety.
Trellidor is a proudly South African company.

THE TRELLIDOR GROUP

The core values of the Group are built on the three pillars of
Innovation, Quality and Service.

With these pillars as our base we have successfully built a reputation for delivering **trusted high-quality products and exceptional service.**

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

TAYLOR
BLINDS & SHUTTERS Est.1959

nmc DESIGN ELEMENTS

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About this report

This is the company's seventh integrated annual report since listing on the JSE on 28 October 2015. The report covers the operational activities and financial performance of the group for the year from 1 July 2021 to 30 June 2022.

We endeavour to provide a transparent and balanced appraisal of the material issues that faced our business during the year under review and that impacted our ongoing ability to create value. The report is aimed primarily at our shareholders (current and potential) and aims to provide an account of our investment strategy and the operational, financial, economic, social and environmental performance of our assets.

Corporate information

The group's executive directors are CEO, Terry Dennison and CFO, Damian Judge. The Group's independent non-executive Chairman is Mark Olivier.

They can be contacted via Trellidor at 20 Aberdare Drive, Phoenix Industrial Park, Durban, Tel: +27 31 508 0800.

For additional contact details please refer to page 96 of this report. The group welcomes feedback and any suggestions for the company's future reports. Please forward any comments to:
investor.relations@trellidor.co.za.

Basis of preparation

This report was prepared in accordance with the requirements of the South African Companies Act, No. 71 of 2008, as amended ("Companies Act"), the JSE Listings Requirements, the principles and recommended practices of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV") (Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved) and the International Integrated Reporting Framework.

It strives to:

- provide a transparent and balanced appraisal of the material issues that faced our business during the year under review;
- provide in an integrated manner, an account of the financial and non- financial performance of the group; and
- address the material issues, risks and opportunities faced by the group in the normal course of business as well as the group's governance, social and environmental responsibilities to create value, in the short, medium and long term for each of its identified stakeholders.

The group's integrated annual report contains a summary extract of the annual financial statements.

The integrated annual report, as well as the comprehensive annual financial statements for the financial year ended 30 June 2022, are available on the company's website at holdings.trellidor.co.za.

Assurance

The company's external auditor, Mazars, have provided assurance on the annual financial statements and expressed an unqualified audit opinion.

The financial statements have been prepared under the supervision of Damian Judge the CFO of the group.

The content of the integrated annual report has been reviewed by the Board but has not been externally assured.

Forward-looking statements

This report may include certain forward-looking statements concerning the group's strategy, financial conditions, growth plans and expectations which have not been reviewed or audited by the external auditors.

These involve inherent risks and uncertainties and, if one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated.

Forward-looking statements apply only as of the date on which they are made, and the company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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.

Statement of responsibility

The Audit, Risk and Compliance Committee and the Board acknowledge their responsibility in ensuring the integrity of this integrated annual report, and the accurate extraction of the financial results.

Mark Olivier
Chairman

Terry Dennison
CEO

Ralph Patmore
Chairman Audit, Risk and Compliance Committee

TRELLIDOR HOLDINGS LIMITED
("Trellidor", "the Company" or "Group")
Registration number: 1970/015401/06
JSE share code: TRL
ISIN: ZAE000209342

Group Overview

Group Overview

Salient Points

Revenue for the year	**R513 million** (2021: R518 million)
Headline earnings per share	**0.4 cents** (2021: 40.7 cents)
Cash from operations for the year	**R39 million** (2021: R96 million)
Return on Invested Capital	**11%** (2021: 22%)
Total dividends declared per share	**0.0 cents** (2021: 21.0 cents)

Completed the purchase of the Johannesburg North and Cape Town South franchises.

Successfully installed 364 kWp of Solar energy generation at the Trellidor factory.

Sales of the aluminium louvre shutter product set increased 16% through the Trellidor factory.

Turnover in the recently acquired UK franchise increased 26% year-on-year on a like-for-like basis.

Provided for the impact of the Labour Court judgement during the year.

Who is the Trellidor Group

The Trellidor Group has a **proven track record** of over 45 years in the physical barrier security, window coverings and door opening solutions. Comprising two main trading brands, **Trellidor and Taylor**, we have become the **leading manufacturer of custom-made solutions** with an extensive franchisee distributor network that spans **South Africa, Africa, United Kingdom, and European countries.**

OUR CORE VALUES

The core values of the Group are built on the three pillars of Innovation, Quality and Service. With these pillars as our base we have successfully built a reputation for delivering trusted high-quality products and exceptional service.

OUR DEFINITION OF VALUE

Providing our customers with peace of mind, by keeping them safe. By supplying products that continue to put the protection of customers, their families and their assets first is at the centre of everything we do.

OUR VALUE CREATION STRUCTURE

TRELLIDOR HOLDINGS LIMITED

The JSE listed entity and ultimate investment company of the Group. The driver of overall Group strategies, capital allocation and investor relations.

TRELLIDOR (PTY) LTD. 100%

Property investment arm of the Group. Currently owns the Trellidor Factory premises.

TRELLICOR (PTY) LTD. 100%

Market leading manufacturer of custom-made barrier security Trellidor products, distributed via a dedicated and skilled franchise network operating throughout South Africa, Africa, United Kingdom and other European countries.

TRELLIDOR INNOVATIONS (PTY) LTD. 100%

Referenced as the "The Taylor Group" it incorporates Taylor, a major manufacturer and distributor of custom-made blinds, decorative and security shutters and NMC, an importer and distributor of cornicing and skirting products.

TRELLIDOR UK LTD. 100%

UK investment arm of the Group.

TRELLIDOR RETAIL (PTY) LTD. 100%

Currently owns and operates the Trellidor branches in Durban, Cape Town and Johannesburg. The retail arm of the local Trellidor business unit.

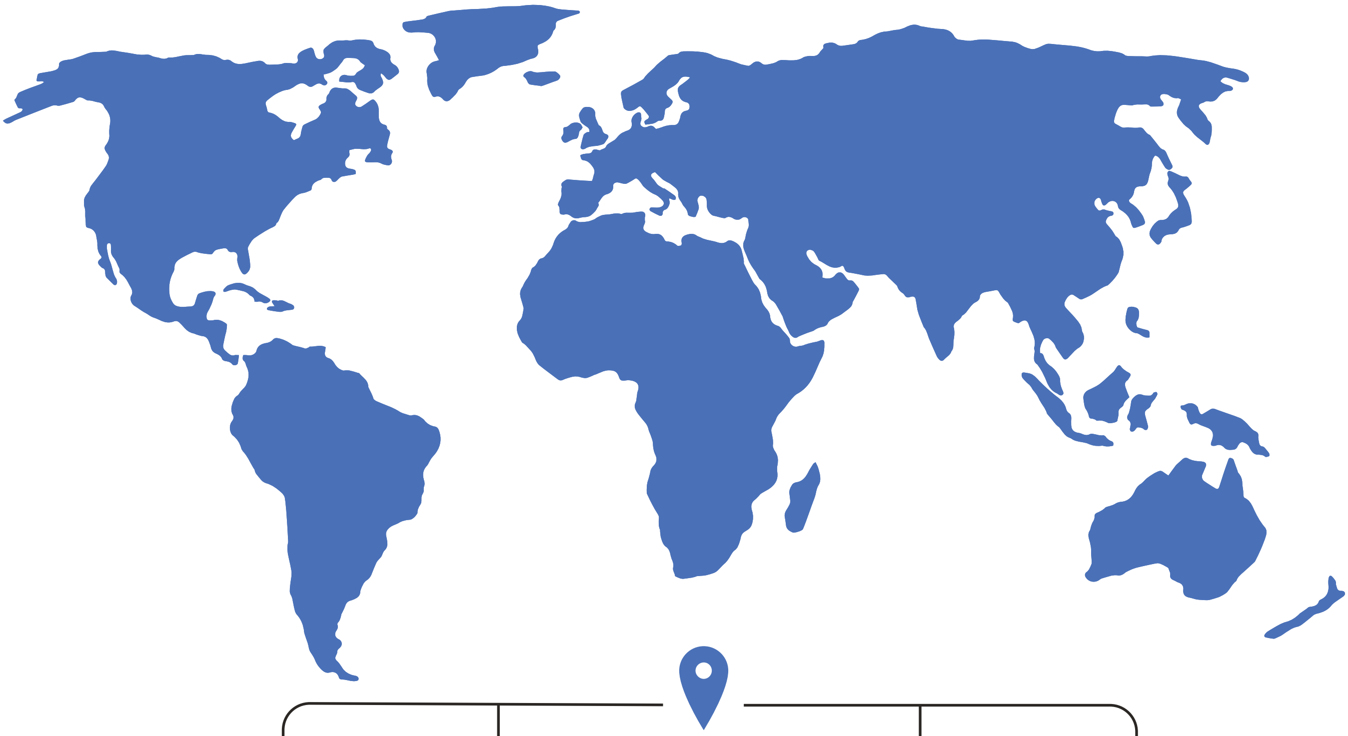
TRELLIDOR GHANA LTD. 85%

A Group owned and operated branch in Ghana which includes a trim shop operation for efficient speed to market of custom-made products.

REALLY SECURE COMPANY UK LTD. 100%

A Group owned and operated branch in UK which includes a trim shop operation for efficient speed to market of custom-made products.

Our Brands



Australia	Ghana	Mauritius	Reunion	South Africa
Botswana	Israel	Mozambique	Seychelles	Tanzania
Caribbean	Kenya	Mayotte	eSwatini	United Kingdom
DRC	Lesotho	Nigeria	Sweden	Zambia
Ethiopia	Malawi	Namibia	Switzerland	Zimbabwe

TRELLIDOR GROUP IS REPRESENTED IN **25** COUNTRIES

TRELLIDOR HAS **52** RSA FRANCHISES

TRELLIDOR HAS **5** BRANCHES

NMC HAS **3** BRANCHES

TAYLOR HAS **2** BRANCHES

TRELLIDOR FRANCHISES **46** DISTRIBUTING TAYLOR

TRELLIDOR® THE ULTIMATE CRIME BARRIER

Trellidor, brand strong in South Africa, is a name synonymous with sliding door security and is a leading manufacturer of barrier security products. The national and international distribution footprint sets Trellidor apart from its competitors with a presence in 21 African countries, United Kingdom, Israel, Australia and other European countries.

nmc DESIGN ELEMENTS

NMC Belgium, manufactures cornices, dado rails, skirtings and polystyrene mouldings which are designed for a wide variety of interior and exterior architectural applications and are distributed under license in Africa by Trellidor Innovations through dedicated branches in Cape Town, Johannesburg and Durban as well as through select Trellidor franchises.

TAYLOR BLINDS & SHUTTERS Est 1959

Taylor Blinds and Shutters is a leading manufacturer of made-to-measure Blind, Shutter and Screen solutions for window and door covering needs. Taylor also offers expert installation and after-sales service to clients across South Africa with dedicated branches in Cape Town and Johannesburg.

Our Leadership

Terence Mark Dennison* (55)

Group CEO | *CA(SA) ("Terry")*

Damian James Robert Judge* (39)

Group CFO | *CA(SA)*

Peter Walter Edward Rawson* (65)

Group Marketing and Sales Executive
BA (Rhodes) ("Pete") Prescribed Officer

**Invitees to committee meeting*

Board Functions

Ultimate control of the Group rests with the board of directors and the board is responsible for setting the strategic direction of the Group, while the CEO and executive management are responsible for the implementation of the Group's strategy and the day-to-day operational decisions and business activities.

The Chairman of the board provides independent leadership and guidance, facilitates suitable deliberation on matters requiring the board's attention and ensures the efficient operation of the board as a unit.

The non-executive directors are individuals of high caliber and credibility and have the necessary skills and experience to bring judgment to bear, independently of management, on issues of strategy formulation, performance management, resource planning and allocation, transformation and employment equity, standards of conduct, and other important decisions.

The Board operates according to a Board Charter, a copy is available at holdings.trellidor.co.za.

B

Trellidor Holdings Board

Terry Dennison (CEO), Damian Judge (CFO), Mark Olivier (Chairman), Ralph Patmore (lead independent), John Winship and Stuart Bird.

The Trellidor Board of directors are committed to upholding the highest standards of good governance by working towards the realisation of four key governance outcomes: ethical culture, good performance, effective control and legitimacy.

Detailed CVs are available at holdings.trellidor.co.za

Sub-Committees

Audit, Risk and Compliance Committee

Assists the Board in discharging its duties relating to the management of financial and other risks, the safeguarding of assets, internal controls and the preparation of accurate financial reporting and statements in compliance with all applicable accounting standards, legal requirements and corporate governance.

Remuneration and Nominations Committee

The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board that are fair and responsible for its consideration and final approval regarding the nomination, appointment and remuneration of directors, executives and senior management.

Social and Ethics Committee

(Also referred to as the Transformation, Social, Ethics and Sustainability Committee)

Develops strategies that empower the Group to make meaningful and measurable positive impact in the South African Community by prioritising socially and ethically conscious business practices and promoting equal opportunity and fairness for all citizens in the broader South African Community.

Committee Chair

Mark Cyril Olivier (53)

Chairman | *CA(SA)*

John Bartram Winship (68)

B. Business Science (UCT), Certificate of Investment (Institute of Actuaries)

Ralph Bruce Patmore (70)

Lead Independent | *BComm (Wits), MBL (SBL)*

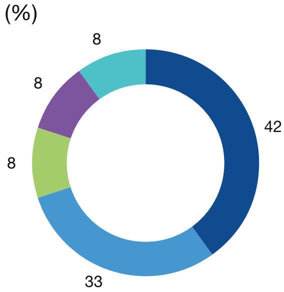
Stuart Ian Bird (62)

Independent non-executive Director
CA (SA)

Appointed 1 June 2022

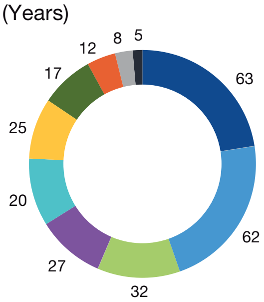
Trellidor Skills, Tenure and Sectoral Experience

Education
(%)



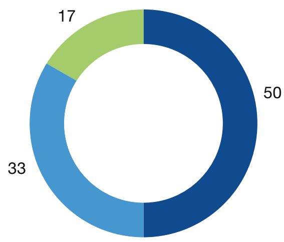
- B Comm
- CA(SA)
- B Business Science
- MBL (SBL)
- Certificate of Investment - Institute of Actuaries

Sectoral Experience
(Years)



- Asset Management
- Manufacturing
- Building and Construction
- Corporate Finance
- Property
- Retail
- Private Equity
- Agriculture
- Insurance
- Private Banking

Tenure
(%)



- 10+ years
- 3 to 10 years
- 0 to 3 years

Board & Committee outcomes

In addition to their ongoing "normal" responsibilities and duties, the Board and its Committees again spent time assessing the impact of Covid-19 on the Group's business, its employees and key stakeholders and monitored the implementation of the plans, processes, protocols and procedures that had been put in place following the ongoing assessment, to ensure the safety of the employees and the continuity of the business. This is reported on in more detail in the body of the report.

Evaluation

To improve the Board's effectiveness, formal evaluations of the Board, individual directors, Board Committees and the Chairman are conducted every two years. Appropriate measures are taken to address any weaknesses highlighted through this evaluation process. A formal evaluation was completed for the reporting period. The findings of the evaluation confirm that the Board and its Commitees had duly completed their responsibilities during the year in accordance with their Charters. This confirmation together with the review of the board and committee compositions completed during the year concluded that the Board and its Committees operate effectively and efficiently and no change to the Board or any of the Committees is envisaged; other than those effected during the reporting period.

How the Group Creates Value

How the Group Creates Value

Our Definition of Value

Positive growth drivers

- Strong cash generation enables reinvestment into the business
- Proven track record of high margin and profitable operations
- Skilled and experienced management teams to execute strategies across the Group
- Established and valuable brands supported by quality products
- An ongoing focus on continuous improvement of efficiencies and performance

Diversified geographies and product offering

- Well positioned in both South Africa, Africa and the UK
- Products distributed through more than 75 franchises and distributors across the globe
- A unique national distribution network for Trellidor and Taylor products
- Competitors tend to be regionally focused lacking country-wide distribution
- Dedicated product development teams focused on innovation of new and existing products

Strong market position

- Dominant market position in South Africa
- Premium custom-made products increase the barriers to entry and avoid the low margin commodity sector
- Internationally accredited manufacturing facilities with additional capacity to meet growing demand
- Member of Proudly SA

Our Growth Strategy

Internal organic growth is our key strategic objective and it is one we pursue with a long-term view. Expanding our African footprint by optimising our operational efficiency and deployment of experienced sales resources, acquiring strategic franchises in RSA and abroad, investing in our internal sales capacity by implementing training interventions and recruitment assistance, and through in-house innovation in our product offering to broaden our target market. Our long-term view is supported by short-term objectives that are designed to capacitate in realising this long-term goal.

Optimising our operational efficiency

Operating as efficiently as possible throughout the Group's operations is key to ensuring that the Group adequately responds to the changes in the economic environment and capitalise on the relevant opportunities.

Objective

Continue to enhance manufacturing and operational efficiencies, profitability and working capital utilisation, by leveraging off information system technology.

- *The implementation of phase 3 of the factory ERP system in Taylor was completed during F22.*
- *The final development of phase 4 is underway, which includes advanced features that will be implemented in both Trellidor and Taylor through the course of F23.*
- *The accounting ERP system has been standardised across all RSA and Ghana entities which sets the platform for our advanced business reporting solution to be rolled out through F23. The UK rollout of the ERP will be implemented through F23.*

Internal organic Growth

Ensuring that our sales and distribution network is operating as effectively as possible and that we have the human capacity to develop sales opportunities in new markets.

This assists the Group in maintaining its revenue levels in difficult economic conditions and makes it well placed to take advantage when there are signs of economic improvement.

Objective

Improve the effectiveness of the sales distribution network.

- *The purchase of four more franchises in Johannesburg (2), Cape Town (1) and Durban (1) which will add scale to our existing branches in the main cities.*
- *The UK franchise will focus on expanding its customer base by adding an additional national retailer as well as start to service the residential market.*
- *Our online Training Academy, focusing on sales and product training courses, was launched during F22. Courses will be continually added through F23 to provide our sales and installation network access to specialised training content from wherever they are based.*
- *Through F23 Trellidor will be implementing extensive recruitment and training interventions to provide selling capacity to the franchise base.*

In-house product Innovation

Development of new and innovation of our existing products to enhance the Group's brands and meet market demands. These can be manufactured and distributed by the Group's existing resources.

Objective

Investment in in-house product Innovation.

- *Trellidor's expansion of its aluminium shutter range, was launched through H2 F21 and has been well received by the market.*
- *In an effort to broaden Trellidor's product offering into gated communities, a new product range will be launched through F23 H1.*
- *Following extensive research and development into the Traditional Trellidor product set, new and updated products will be launched through F23.*
- *Trellidor has also released a high-end sectional overhead door. The sectional overhead door range, which will receive additional product derivatives during F23, will target the commercial and industrial market.*

Resource considerations:

Our long-term growth strategy is underpinned by a thoughtful deployment of our financial and non-financial capital that bolsters our operations, enables us to achieve our medium-term targets and create value. Our financial and non-financial capitals, which are either increased, decreased or transformed through the activities of the business, are broken down into six capital segments.

An Analysis of our Capitals

Financial Capital

Our financial capital is derived from a number of sources including investment from our shareholders, borrowings and retained income.

- Long-and short-term borrowings (interest-bearing debt)
- Effective management of cash and capital allocation
- Strong working capital management

Intellectual Capital

Our intellectual capital includes our tacit know-how and industry experience. This enables us to develop a diversified array of products and services and differentiate ourselves through an industry-leading business model.

- Strong, well-known brands in South Africa
- Growing brand awareness in Africa and overseas
- Research and development team with extensive experience and innovative ideas
- Ongoing market research
- ISO 9001: 2015 certification
- International certification on selected products
- Patented products and components
- Regulatory compliance

Human Capital

Our human capital is the life-blood of the business, comprising the human resources and labour that steer and drive the business.

- Properly constituted board and sub-committees with appropriate skills, experience and independence
- Strict compliance with the Occupational Health and Safety Act, No. 85 of 1993
- Skilled installers
- Strong and effective marketing team
- Ongoing investment in training at in-house manufacturing facilities
- Provision of training for franchisees

Social and Relationship Capital

Our social and relationship capital are the strategic relationships and links we have with our internal and external operating environment, enabling us to pool a range of resources to execute our strategy.

- Franchisees and distributors
- Strong relationship with major suppliers
- Corporate social investment such as supporting schools, orphanages (community-based facilities)
- Consideration of environmental impact

Manufactured Capital

Our physical assets both provide the tangible resources we need to conduct our business but also provide the infrastructure to house our operations to generate our products and services.

- Modern manufacturing facilities in Durban and Cape Town producing steel, aluminum and textile products
- Assembly plants in Africa and the United Kingdom
- Manufacture to customer order
- Gas fired ovens

Natural Capital

We make use of various natural resources to optimally conduct our operations in a way that pursues our strategy. These natural resources make up our natural capital which we use in a diligent and sustainable way.

- Environmental initiatives
- Electricity consumption decreased through the installation of solar power generation
- Focus on reducing CO2 greenhouse gas emissions
- Adherence to high quality standards of waste water

Business Model

Our two main operating segments, **Trellidor** and **Taylor** have unique processes in producing **premium barrier security, blinds and shutters.**

Capital inputs

Financial Capital

Intellectual Capital

Human Capital

Social and Relationship Capital

Manufactured Capital

Natural Capital

Our set of capital inputs enable optimal conditions for the group to create market-leading, custom-made products throughout our business activities.

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Our Brands

TRELLIDOR®
THE ULTIMATE CRIME BARRIER

Trellidor is one of the strongest brands in South Africa and is a name synonymous with sliding door security.

Trellidor's strong brand commands a premium on pricing for its products. The Trellidor brand is built on its reputation for trusted, high-quality security products and exceptional service. Trellidor's production process takes place from its modern manufacturing plant in Durban where customer orders are tracked end-to-end using a bespoke ordering system.

TAYLOR
BLINDS & SHUTTERS Est 1959

Taylor Blinds and Shutters is a leader in the window and door covering market in South Africa. Innovation, quality and service are the pillars of the business.

The Taylor brand continues to grow from strength to strength as it utilises the Trellidor franchise network to increase its market reach. Taylor's blinds and shutters are produced at its 8 000m^2 manufacturing plant in Cape Town. Customer orders are tracked using a bespoke ordering system and products are produced in industry leading time. Innovation, quality and service are the pillars of the business.

nmc DESIGN ELEMENTS

NMC South Africa was established in 1999 and is the exclusive importer of NMC Products.

Process

Roll forming

Fabricating

Powder coating

Assembly

Packaging

Design

Manufacturing

Marketing

Distribution

Servicing

Our business model is underpinned by a strong appreciation for the interrelated parts of our value creation process, including;

Products	Distribution	Capital inputs

Barrier Security

Traditional Trellidor
Mesh Security
Aluminium Roller Shutters
Window Security
Aluminium Louvre Shutters
Sectional Overhead Doors

see page 38

Trellidor has a well-established, loyal and extremely effective branch and franchise network with the unique capacity to design, measure and install custom-made Trellidor products country wide.

The Franchise Network includes:

- **5** Branches in South Africa, the UK, and Africa
- **52** Franchises in South Africa
- **18** Franchises in 18 other African countries

Blinds and Shutters

Aluminium Louvre Shutters
PVC Louvre Shutters
Timber Louvre Shutters
Blinds

see page 43

NMC Products

Closed-cell Polystyrene
Polyurethane Decorative Moulding

see page 45

Taylor has an accomplished distribution network that services various parts of the Western and Southern Cape, with strong distribution channels emerging in Gauteng. It continues to develop a channel through the Trellidor franchise network.

NMC distributes their products out of branches in Johannesburg, Durban and Cape Town, with the majority of the distribution out of Johannesburg.

Financial Capital
Intellectual Capital
Human Capital
Social and Relationship Capital
Manufactured Capital
Natural Capital

see page 19

Agile risk management

see page 22

Strong strategic focus

see page 18

Stakeholder inclusivity

see page 23

Risk and Opportunities

Material matters	Risks	Mitigations	Opportunities
Economic climate	The continued negative economic pressures both macro and micro within South Africa will impact the consumer for an extended period, and will impact our ability to achieve top line growth and maintain GP margins. Prolonged challenging economic conditions impact negatively on smaller owner-managed business, like many of our existing franchises.	Geographic spread assists with diversifying and reducing impact of microeconomic factors. We continue to manage negative economic pressures by remaining focused on maintaining GP margins and returns. Timeous review and updating of price lists, driving operational efficiencies and strict overhead controls. Broad product range targets middle income, upper-middle income and upper income consumers, mitigating pressure in any single market segment. Sale of select Taylor products through the Trellidor franchise network continues to grow and has enabled the franchise owner to diversify their product offering and reduce their reliance on a single product stream in tough trading conditions.	Trellidor has established an African footprint, achieved with limited capital investment, through appointing a network of franchisees. Through the continued development and appointment of franchisees in new African territories we reduce our exposure to a single economy and increase demand for production to service multiple countries. The purchase of the United Kingdom franchise presents an opportunity to increase the human capacity in the branch to not only maintain existing relationships, but expand sales in the region.
Maintaining competitiveness	Trellidor is the leading brand in barrier security and sets the standard in its field. In an ever-changing global environment, maintaining this position is an ongoing challenge.	The successful development and launching of new products that meet and enhance the group's brands and meet new market demands that can be manufactured and distributed by the group's existing resources. Before launching new products, a vigorous testing process is applied and all consultants and installers in the distribution network undergo a comprehensive training and certification process. Member of Proudly SA to solidify our status as a producer of home grown quality products.	Acquisitions that offer the opportunity to capitalise on group knowledge and know-how, synergies in manufacturing, distribution and/or product and brand strength will assist in maintaining our competitive edge. The group is investing in its digital route-to-market in response to changing consumer behaviors in regard to the selling process. Acquisition targets are high-quality and well-established businesses serving similar markets and with a potential to maximise on synergies within the group.
Foreign exchange	The group remains reliant on imported raw materials for a number of product sets and therefore is potentially, exposed to currency fluctuation risk.	Mitigation of foreign exchange risk by "self-hedging" where possible using foreign currency sales to generate foreign currency required to fund imported materials. In businesses where "self-hedging" is not available forward exchange contracts are utilised to manage the impact of fluctuating exchange rates.	The expansion of the group with synergistic acquisitions, like in the case of Taylor, presents an opportunity for group buying of key raw materials and components and enables the group to leverage improved pricing from suppliers with the increased volumes.

Our Stakeholders

Trellidor's relationships are critical to its ability to **create value and enhance the business' sustainability. The Group seeks to engage all stakeholders productively and proactively** on all material issues, and in doing so identify and address opportunities and risks. Trellidor regularly engages with the stakeholder groups described in the table below.

Stakeholder	Key issues for stakeholders	Key issues for Trellidor	How we communicate
Investors	• Stable investment performance • Risk management • Ability to execute on strategy • Profitability and ROI (share price and dividends) • Cash generation • Corporate governance • Growth prospects • Transparent leadership • Sustainability	• Access to capital • Support and feedback	• Annual and interim results announcements • SENS announcements • Annual General Meeting • One-on-one meetings communicating non-price sensitive information • Investor presentations at results roadshows • Integrated annual report • Website and emails • Social media presence on LinkedIn
Funders	• Capital management • Sustainability • Profitability • Cash generation • Liquidity and solvency • Corporate governance and compliance • Risk management	• Access to debt • Favourable rates	• Agreed reporting frameworks • Annual and interim results announcements • Regular meetings • Integrated annual report • SENS announcements
Employees and trade unions	• Job security and sustainability • Fair remuneration • Personal growth and development • Employment equity and diversity • Skills development • Safe and healthy working conditions • Bargaining Council agreement	• Committed, energised and stable workforce • Upholding standards and brand value • Labour relations • OHS Act compliance	• Agreed reporting frameworks • Regular feedback meetings • Union meetings • Integrated annual report • Training programmes • Employment equity consultation • Bargaining Council agreement
Suppliers	• Timely payment • Sales volumes • Fair business practices	• Reliable supply of materials • Consistent quality	• Fair business practices
Franchisees	• Security of supply • Pricing, marketing, training and technical support	• Upholding standards and brand value	• One-on-one meetings • Conferences • Training seminars
Customers	• Quality • Reliability • Service levels	• Customer satisfaction and loyalty	• Marketing • Franchisees • Product brochures • Digital quoting and ordering systems
Government and regulators	• Employment equity • Environmental impact • Health and safety • Taxation • Adherence to the JSE Listings Requirements, King IV and company legislation • Skills development	• Continued operations and investment	• Regulatory returns • SENS announcements • Engagement as required

Chairman's report

MARK OLIVIER

Operating environment and performance

In last year's annual report, we projected that the measures taken by the Government to manage the pandemic were likely to have an enduring negative effect on business, consumer confidence and job creation in South Africa. We projected a weak economy that would dampen demand for the Group's products, particularly from the middle to upper-middle income segment of the market.

Unfortunately, our projections were proven accurate, and a weak operating environment was compounded by civil unrest, floods, and industrial action. South Africa's GDP and levels of employment have not recovered to pre-pandemic levels!

The economic impact of Covid has had a disproportionate negative impact on small businesses. In this respect, Trellidor's distribution network in both South Africa and Africa reduced sales and installation capacity to survive the lockdown and have been slow to rebuild given limited resources and an uncertain outlook.

Household budgets were stretched, and consumers traded down, resulting in lower demand for the Group's higher priced and premium products. In addition, the subdued residential property market and increasing trend in estate living has had a negative impact on sales of Trellidor's traditional retractable and fixed steel products.

A significant reduction in the Group's gross margin, due to rampant raw material and freight inflation, is the biggest driver of the Group's under performance compared to the previous year. In this respect, steel and aluminium prices increased on average by 87.1% and 51.6%, respectively, over the past two years.

Given the weak operating environment, achieving a 1% decline in revenue is acceptable, although still disappointing. The continued underperformance of Taylor, Africa and the traditional Trellidor products, were offset by a solid performance from strategies to broaden and enhance the distribution capacity through our newly acquired UK business and the establishment of branches in the main centres.

Review of growth strategies during the period

In line with the Board's forecast of a weak operating environment, we projected limited growth from the traditional business in South Africa, but that growth would be driven by the UK business, acquiring main centre franchises, product innovation and a recovery in Africa. The section below reviews the execution of the key strategies during the period.

UK acquisition - revenue growth 26% on like for like basis

The new management team in the UK business is high quality and has settled in well. The Board has signed off on an exciting strategy, developed by the team, to grow the business.

In this respect, progress was made on diversifying the customer base in the retail food segment of the market but execution of this plan has been slower than anticipated as capital budgets in the UK are being reviewed in an uncertain operating environment. Building sales and installation capacity is also making slow progress due to constraints in the UK labour market. The strategy to manufacture the shutter product in house and to cancel an existing supplier agreement was successfully executed.

Notwithstanding, the business performed well during the year and is well positioned to benefit from higher and growing levels of crime and reduced competition in the UK market, following the impact of the Covid-19 lockdown and the cost-of-living crisis.

Acquisition of main centre franchises - revenue growth 34%

Access to skills and entrepreneurial capital in South Africa have been severely depleted over the years. During covid, the franchise network was further weakened as franchise owners reduced sales and installation capacity to lower risk and remain solvent.

The strategy to allocate capital to acquiring franchises in the main centres and to operate through owned branches was established in 2019 by the Board to improve the capacity, flexibility, and quality of the distribution network. In addition, the restructure of the distribution network was necessary, prior to growing the Group's product set and accessing new segments of the market e.g., commercial, and industrial.

> *"Household budgets were stretched, and consumers traded down, resulting in lower demand for the higher priced and premium products. In addition, the Group's subdued residential property market and increasing trend in estate living has had a negative impact on sales of Trellidor's traditional retractable and fixed steel products."*

However, shareholders need to appreciate that this strategy requires a measured approach given the operating constraints of the franchise agreements that are in place and the importance of this route to market to the Group. Accordingly, main centre franchises are purchased when available.

Trellidor now owns four franchises in Durban, four in Johannesburg and three in Cape Town. As at 30 June 2022, a total of R16.3 million has been invested in the branch strategy. Increased scale will improve profitability and return on invested capital which is currently below target. Revenue targets are being met and the branches continue to outperform franchises in the main centres.

Product innovation - louvre shutter sales growth 16%

Product innovation in Trellidor has been focused on meeting the needs of different segments of the market i.e. residential estates or to provide better differentiation from competitor products. In this respect, Trellidor introduced three new derivatives of its existing product ranges during F21.

Overall, the strategy was successful. In particular, demand for the aluminium louvre shutter range which is focused on residential estates, has exceeded expectations with sales increasing 16% year-on-year.

The planned product enhancements in Taylor's range did not transpire given the vagaries of its supply chain and a decision to focus the new management team on stabilising the business.

Recovery in Africa - 29% decline in sales over last two years

Sales to African countries represents approximately 11.7% of Trellidor's sales and has been in decline over the last two years. Economic recovery in Africa following the Covid pandemic has been sluggish, the distribution network is taking time to rebuild capacity, and we have been slow to re-establish our management team focused on the Africa market.

However, the retiring Group Sales and Marketing Director has been asked to lead the rebuilding of the distribution network in Africa, establish a competent international team and identify opportunities for new growth. The results of this strategy and a recovery in Africa is evident in recent improvement in the area's performance.

Under performance of Taylor

Taylor was acquired to diversify and expand the Group's product range and distribution network in the home improvements segment of the market. Taylor's product offering was considered complementary to that of Trellidor with substantial value realisable by selling Taylor products through the Trellidor network in Africa and outside the Western Cape, where Taylor's distribution was predominantly focused.

The strategy was underpinned by certain Trellidor franchises already selling blinds and that the acquisition would result in the Group dominating the shutter segment of the market. The plan was to back the existing senior management team which had a particular strength in identifying home improvement trends and in managing the sales and marketing function.

Since acquisition in 2017, Taylor's turnover has declined 10% and gross margin has reduced from over 40% to 28%.

The inefficiencies in Taylor's manufacturing processes and its reliance on foreign supply chains and exchange rate fluctuations have been exposed by an enduring weak and volatile South African economy as well as the recent unionisation of the business and industrial action.

Sales price increases and terms with customers were not adjusted in time to reflect the change in operating environment and stock outs have resulted in lost revenue. Further, whilst the strategy to grow sales through the Trellidor franchise network was initially successful, it has stagnated partially due to the constraints in the network itself, which are discussed above.

In 2019, the Board focused a Group resource on improving manufacturing and operating efficiencies, to allow the existing management to drive the sales growth strategy. The execution of this strategy was delayed by the pandemic but successfully completed in the current year.

Following stabilisation of the manufacturing side of the business and after the resignation of the previous managing director, the Board took the decision, in the current year, to replace the existing senior management team. A new managing director has been appointed and he has replaced the sales, procurement, and finance managers. The previous managing director owned 7.5% of Taylor at the time Taylor was purchased. This equity has been acquired by the Group as part of an exit arrangement.

The new management team at Taylor is focused on rebuilding the fundamentals of the business that have deteriorated in the last few years with a focus on supporting sales growth in the trade and direct routes to market, margin improvement and cash generation.

The NMC operation is being unbundled from the Taylor business unit in F23 to enhance management focus in each of these brands to drive the growth strategies.

Labour Court Judgement

The Board took a decision in 2013 to dismiss 123 employees following several unprotected strikes and acts of violence and intimidation which threatened the safety of employees who had elected to continue to work. The Board's decision was informed by expert advice, designed to protect the business's assets and employees and an assessment that the relationship between an element of the labour force and management was irreparable.

Subsequent to the Board's decision, the Labour Court ruled that Trellidor's dismissal of the 81 day shift employees was fair but that the 42 night shift employees had been unfairly dismissed. The Labour court judgement was upheld on appeal in the current year requiring the reinstatement of the 42 night shift employees and limited back-pay from 1 January 2017. The financial effect of the judgement was provided for in the current financial year. Previously, based on the advice of our legal team, the event was disclosed as a contingent liability.

The Board has decided, based on a second legal opinion, to appeal to the Constitutional Court to review the Labour Court judgement, particularly as the night shift employees defied a court order and acted unlawfully with the day shift employees. The advice given to the Board is that there is no additional cost to the Company whilst the Constitutional Court is considering the application. The Board is also receiving advice on the practicalities of executing the Labour Court decision which is not clear.

Management of financial risk

Given the size of the Group and the fragility of the Taylor business, the Board is acutely focused on effective capital allocation and prudently managing financial risk.

Fortunately, Trellidor has historically been a prolific generator of cash. However, in the current year the financial risk in the business has been elevated due to the adverse Labour Court decision and the need to make provision for the ruling to pay back pay of R32.1 million.

The Group has net debt of R104.3 million (2021: R75.2 million) excluding lease liabilities. In response to the Labour Court judgement and taking account of the uncertain credit markets, an additional debt facility of R35.0 million has been made available to fund the settlement, which will be drawn down on the earlier of November 2022 or an adverse ruling by the Constitutional Court.

Taking account of the R35.0 million debt facility, net debt would increase to circa. R139.3 million, resulting in a net debt/EBITDA ratio of 2.3x based on the current year's EBITDA of R61.3 million (2021: R85.3 million) before taking account of the provision for the Labour Court decision.

The Group's gearing is in excess of the Board's target net debt/ EBITDA ratio of 1.5x. Whilst a business with the capacity to repay debt from free cash flows over approximately two years is not considered high risk, the Board is nevertheless taking a prudent approach to financial risk given an uncertain operating environment.

Accordingly, the Group's growth strategies in the short term will be financed by operating cash flows and capital will not be allocated to the payment of dividends and/or the buy-back of shares until gearing levels are in line with the Board's target.

Excess cash resulting from the facility to finance the labour court decision will be utilised to reduce debt levels over a short to medium term period. In this respect, the Group's capital structure may not be optimal if there is a delay between the drawdown of the debt facility and the Constitutional Court's judgement. However, the Board believes the cost of certainty is justified given uncertain credit markets.

GOVERNANCE

Operation and composition of the Board

During the year Stuart Bird joined the Board following a process conducted by the Chairman, in consultation with the Group CEO, to find a candidate that would bolster the Board's retail skills. The retirement of the Group Sales and Marketing Manager after over 25 years in the business (see below), the structural issues in the franchise network and a need for fresh thinking regarding the Group's routes to market were key drivers of the process.

Stuart has a very strong history in managing retail businesses, particularly as Group CEO of Mr Price, one of the strongest retail brands in SA. His experience of managing a multi-product business under a single brand and with various routes to market will be invaluable to the Group.

The Board followed both its Board Appointment and Broad Diversity Policies in selecting Stuart as the suitable candidate, identifying his experience and skill set in retail as being the elements of diversity deemed critical to fill the gap identified on the Board. The Company continues to support the principles and aims of appropriate broader diversity at board level and to this end no voluntary targets have been set.

Independent of this process, John Winship indicated that he would not be making himself available for re-election to the Board which he has served for over 16 years. John's independent and lucid thinking has been invaluable to the Board's decision-making process and will be missed. I thank him for his dedicated service over many years.

The Board and its committees have operated effectively. Following appropriate review, I am satisfied that all the committees are constituted with members of relevant skills, knowledge, and experience and that our stakeholders can take comfort with the Group's governances that are in place.

Shareholder interactions

The Group Executive conducts a webinar and roadshow presentation to shareholders on a bi-annual basis. In addition, the Chairman and Group CEO have made themselves available to shareholders to discuss the business. The Board welcomes constructive interactions with shareholders.

In this respect, over the years, shareholders have approached the Board to consider the appointment of their own representatives to the Board. Generally, the credentials of the individuals being put forward are credible. However, it has been the Board's assessment that they are not independent and have a conflict of interest between the shareholder's specific objectives (to take the business private and/or grow their stake in the company) and what might be in the longer-term interests of shareholders generally.

It is noteworthy that Board members and senior executives directly or indirectly control approximately 15% of Trellidor, excluding equity held by close family and friends. The Board believes its composition is well balanced in relation to independent non-executive directors and those directors that have a material equity interest in the business.

I am also satisfied, following a thorough review during the year, that the strategy established by the Board is appropriate and will, over time, create significant value for shareholders without putting the business at significant risk. See below for information on the strategy for 2023.

Group Executive

The Group Executive continues to work well during unprecedented times of uncertainty. The foundations of succession are also in place.

As noted last year, Peter Rawson the Group Sales and Marketing executive will be retiring in 2022 after over 25 years with Trellidor. On behalf of the Board, I would like to thank him for his dedicated service and in particular his inspirational management of the franchise network which is complex given the eclectic nature of this group of people.

The Group Sales and Marketing function has not been replaced. The Board is focusing resources and has enhanced the sales and marketing skills within the Taylor and Trellidor businesses rather than investing in a group coordination role. The former Group Sales and Marketing executive has been deployed, in the short term, to revive existing distributorships in Africa, establish new routes to market and build a management team to drive the international division going forward.

As the majority of key financial performance objectives were not met during the year, the Board determined that it was inappropriate to pay a short-term incentive to the Group CEO. The requirements for the payment of a long-term incentive have also not been met in the current year. The details of the two incentive schemes are covered in the Remuneration Committee Report. The remuneration of senior executives was adjusted by a general inflationary increase of 6% for the year ended June 2023.

Strategy 2023

The strategies established by the Board need to be considered in the context of an enduring weak operating environment, including: stagnant demand from households particularly for premium priced discretionary products, shortages in skilled labour which will slow the replacement of capacity in the franchise network and continual supply chain issues affecting margin and sales. Further, the trend of increased estate living is set to continue, negatively impacting the size of market for the traditional grille product.

Should the cost-of-living crisis and growing unemployment lead to civil unrest and an increase in crime it will be a net positive development for the Trellidor business but negative for Taylor which is sensitive to a downturn in consumer confidence.

Given capital constraints, changing consumer trends, fragility of the Taylor business and loss of capacity in the franchise network, the Board's strategies need to strike a prudent balance between restructure and growth, without taking excessive risk.

Accordingly, an organic and low risk approach to growth will continue to be pursued until the Taylor business has stabilised and the branch strategy has been delivered.

In this respect, the Board has reviewed its revenue growth strategies and is satisfied that they remain appropriate and that if diligently executed will, over time, generate significant shareholder value. These include:

- The continued buyback of franchises in the main centres to provide a new more effective and scalable route to market for a broader product set;
- Growing the UK market through enhancing the installation capacity, introducing new products, and growing market share in the retail segment;
- Development of new markets and reviving existing distribution in the rest of Africa;
- Diversification into a new segment of the market, the commercial and industrial segment, initially through specialist products;
- Enhancing the product range through internal innovation including "lifestyle" security products to access residential estates;
- Stabilisation of the Taylor business following the recruitment of a new management team;
- Rebuilding franchise selling capacity in South Africa through economic support and investment in training facilities and material to facilitate the hiring and retention of quality new sales recruits; and
- Upgrading the online ordering system to potentially reach more customers and to enhance the quality of customer interactions.

Over the last three years, in anticipation of leaner times, both Trellidor and Taylor have been "right sized" to reflect structurally lower sales volumes. Accordingly, in 2023 there is limited earnings growth anticipated from improvements in manufacturing efficiencies. Tight control of existing operational overheads will continue. However, there will be some growth in overhead as a result of an investment in the branch and commercial and industrial strategies described above.

Cash flow generation is anticipated to grow compared to last year due to an improvement in the performance of the business driven essentially by the revenue growth, growth strategies described above and an improvement in gross margin following recent selling price increases. Further, the investment in working capital is now optimal for the current operating environment and is not expected to increase in 2023, other than in relation to the UK's strategy to manufacture certain products in house.

Capital expenditure will be funded by operating cash flows and will include the acquisition of franchises, machinery necessary to manufacture products for the commercial and industrial segment of the market and phase two of the solar power project to reduce the Trellidor plant's energy costs from Eskom.

Dividend

The Group's dividend policy is to consider an interim and a final dividend in respect of each financial year taking into account the debt covenant requirements of the bank (2x EBITDA level). Depending on the need to retain funds for expansion or operating purposes, the Board may pass on the declaration of dividends. The final F21 dividend amounting to 11.0 cents per share was declared and paid during the year.

Given the weak operating environment and the possible further increase in debt, which may be required, to execute the Labour Court judgement pending the Constitutional Court decision on further leave to appeal and any subsequent ruling, the Board has deemed it prudent not to declare a final dividend in respect of the 12 months ended 30 June 2022.

Once gearing has stabilised in line with the Board's targeted debt levels of 1.5x EBITDA, consideration will be given by the Board as to the utilisation of excess cash to either be applied to share buybacks and/or the payment of a dividend after investment in growth opportunities that achieve the Group's targeted return on invested capital of 18% have been assessed.

The Board will also be extending its authority, previously granted by shareholders, to continue with a programme to buy back its shares in line with the above policy.

Appreciation

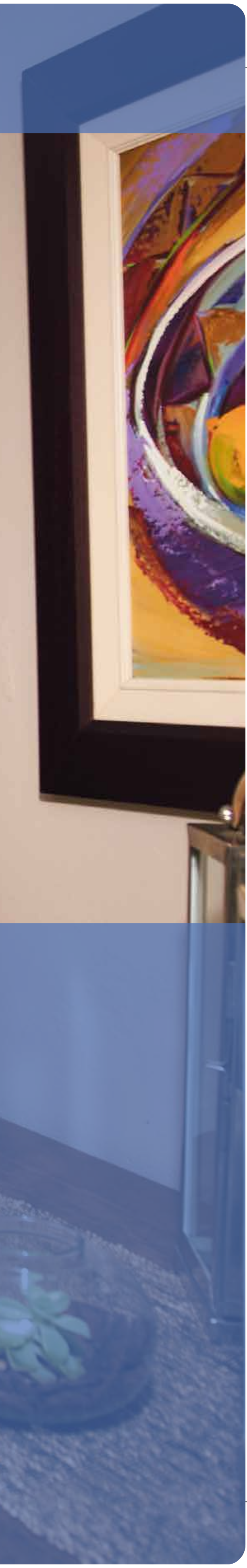
I would like to thank my fellow directors for their contribution to the governance processes and for their assistance in formulating and adapting strategy to reflect a volatile operating environment.

On behalf of the Board, I would also like to thank our executive directors and the senior management team for their commitment, drive and savvy demonstrated in extraordinary circumstances.

Finally, we thank our customers for their ongoing support and our franchisees, distributors, and suppliers for our continuing relationships.

Mark Olivier
Chairman

Value Outcomes



Value Outcomes

CEO’s Report

TERRY DENNISON

The Trellidor group comprises two main operating segments being Trellidor and the Taylor group.

Trellidor is the market leading manufacturer of custom-made barrier security products, distributed through a dedicated and skilled franchise network operating throughout South Africa and Africa with further representation in Israel, the UK and parts of Europe. Products are manufactured at our modern facility in Durban and supported by assembly shops in parts of Africa and the UK, including the company’s subsidiary in Ghana and the UK.

The Taylor Group business incorporates Taylor, a major manufacturer and distributor of custom-made blinds, decorative and security shutters and NMC, an importer and distributor of extruded cornicing and skirting products. The Taylor Group has a strong presence in the Western and Southern Cape. The Taylor blinds and shutter ranges are manufactured at our factory in Cape Town.

OPERATING ENVIRONMENT

The operating environment for the Group remained challenging throughout F22 due to both demand and supply related issues. Household budgets were stretched and consumers traded down, resulting in lower demand for the Group’s higher priced and premium products. In addition, the subdued residential property market and increasing trend in estate living has had a negative impact on sales of Trellidor’s traditional product.

Economic recovery in Africa following the Covid pandemic has been relatively slow, a factor of limited Government capacity to mitigate the fallout as well as lower international trade flows and foreign direct investment. Sales to African countries represents approximately 11.7% of Trellidor’s sales and has declined 29.0% over the past two years.

Trellidor’s distribution is predominantly through a national network of 52 franchise owners, essentially small businesses. Government’s response to the Covid pandemic has had a disproportionate negative impact on small businesses. In this respect, the franchise network has reduced and has been slow to replace capacity lost during the pandemic.

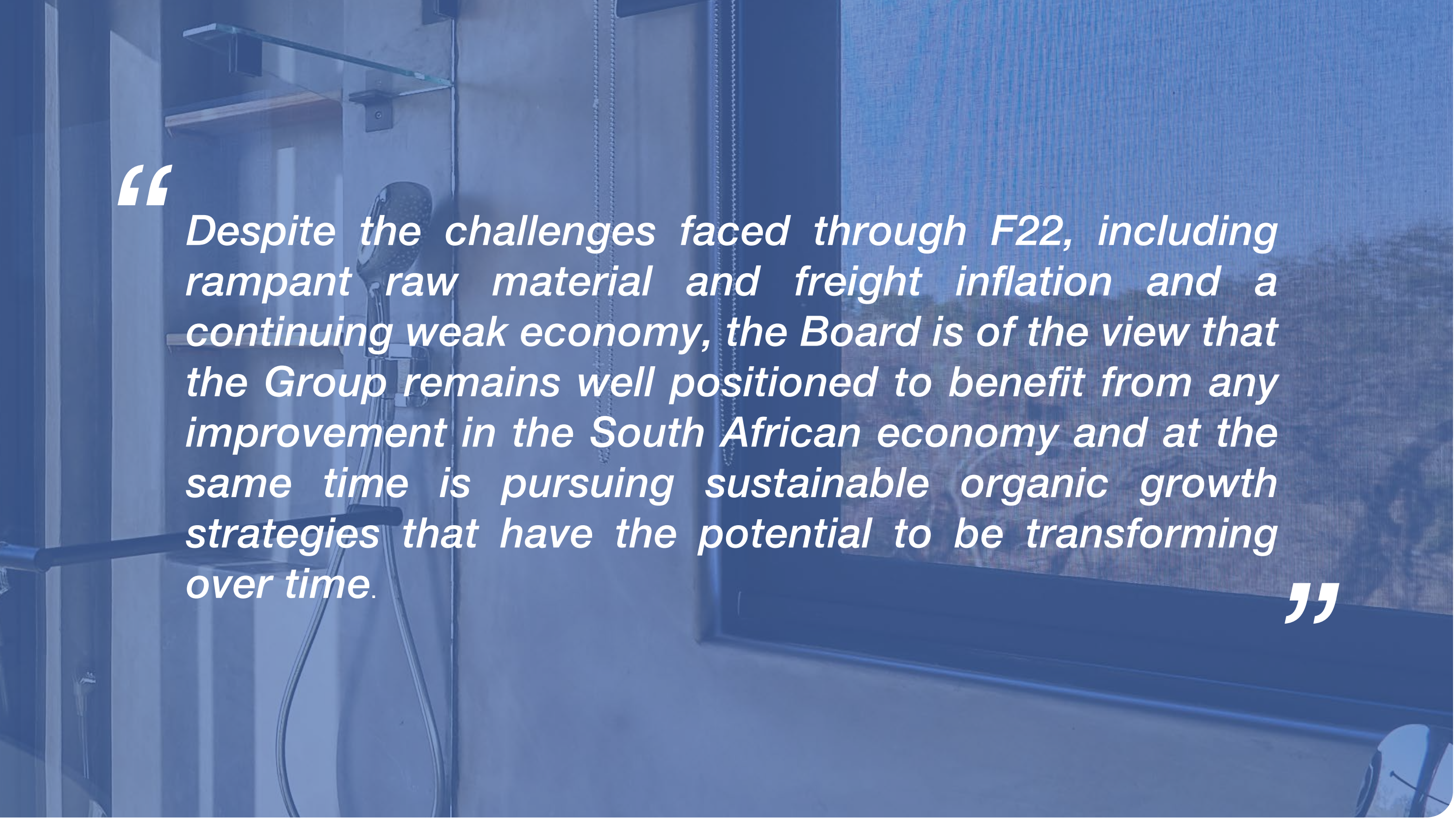
A significant reduction in the Group’s gross margin, due to rampant raw material and freight inflation, is the biggest driver of the Group’s under performance compared to the previous year. In this respect, steel and aluminium prices increased on average by 87.1% and 51.6%, respectively, over the past two years. Further, supply chain constraints have persisted, resulting in lost revenue due to stock outs, despite an increase in stock holdings in the Group to manage the risk.

The following, non-recurring events compounded the challenges of a weak operating environment and the enduring impact of the lockdown regulations:

- KwaZulu-Natal and parts of Gauteng encountered severe looting and riots from 12 July 2021 to 16 July 2021 which had resulted in substantial damage and loss to businesses and severely impacted consumer confidence in these areas. As a result of the unrest, the Group was forced to close their business for that period. Thankfully the unrest situation was temporary, and the company’s facilities were not damaged.

- Industrial action in the Metals industry in October 2021 caused the Trellidor factory to close for the majority of the month, meaning the lost capacity could not be recovered prior to the annual factory shut down in mid-December 2021. The subsequent wage settlement reached is a three-year agreement and further industry industrial action is not anticipated for the ensuing period.

- On Monday, 11 April 2022, KwaZulu-Natal experienced severe rainfall that resulted in unprecedented flooding and caused catastrophic devastation across the province. The Group’s facilities were



"Despite the challenges faced through F22, including rampant raw material and freight inflation and a continuing weak economy, the Board is of the view that the Group remains well positioned to benefit from any improvement in the South African economy and at the same time is pursuing sustainable organic growth strategies that have the potential to be transforming over time."

fortunately not damaged by the floods, but severe damage to infrastructure in the province caused disruption to employee movement leading to absenteeism and which also negatively impacted the local market.

Given the operating environment, and major events, achieving a 1% decline in revenue is acceptable although still disappointing. The declines in revenue in Taylor, from Africa and parts of South Africa in Trellidor, were offset by a commendable performance from our newly acquired UK business, as well as the continued solid performance from the main centre franchise areas recently acquired. Continued tight overhead management yielded savings, despite now accounting for the full and partial year consolidation of newly acquired businesses. The Group, as guided in the earlier SENS released, has now provided for the full impact of the Labour Court judgement. This provision and the loss in margin mentioned previously, are the biggest drivers of the Group's under performance to prior year.

GROWTH STRATEGIES

As reported in the F21 year end results, key strategic objectives set for the group during F22 were as follows:

In the UK, bed down management structure and establish strategic plan for growth F22 and beyond

The new management team in our UK business acquired in F21 Q2 has settled in and successfully transitioned the business from an owner managed business to a professional operation. The financial performance has been solid during F22 with revenue increasing 26% from prior year on a like-for-like basis. Increasing the selling capacity and diversifying the customer base in the UK will be a key strategy for F23.

In the RSA Main Centres, continue with our approach to acquire more areas, starting with Johannesburg and then Cape Town where we lack scale

The strategy of acquiring main centre franchises when available has been very successful, with comparative sales increasing by 34% in the period. The purchase of the Johannesburg North and Midrand franchises was completed in F22 Q1, and the acquisition of the Cape Town South franchise was completed in F22 Q3.

A further acquisition of the Durban Hillcrest franchise was completed in July 2022, and this leaves us owning and operating 4 franchises in Durban, 4 in Johannesburg and 3 in Cape Town. The increased scale is also boosting profitability in these units.

Leverage the introduction of the new products in F21 and F22

Trellidor introduced 3 new product derivatives of existing product ranges and Taylor 1 during F21. Demand for the aluminium louvre shutter range has been positive with sales increasing 16% year-on-year in the Trellidor business unit. Trellidor's planned additional enhancements to 2 of the product sets to further increase market uptake in targeted market niches will be launched through F23 H1.

Specialised sectional door products have been added to the Trellidor basket to target expansion into the commercial and industrial markets in RSA.

Re-establish focus on Africa, which has suffered through Covid

The impact of Covid related restrictions on the African economy have been disproportionate, with sales through this market decreasing 29% over the past two years. But with the situation starting to ease the timing is right to re-invest in our internal capacity to drive the recovery in Africa.

Focused management resources have been added to the International team to drive growth in the existing network and identify opportunities for new growth, which is a key strategy looking ahead to F23.

Rollout an ecommerce route-to-market strategy in NMC

Development of the online store was completed during F22 H2 following the finalisation of the warehouse logistics. The platform will go live through F23 H1.

Rollout of key ESG projects to reduce carbon-footprint impact and improve factory efficiencies

CEO's Report (continued)

During F22 we completed the installation of solar power on Factory A at the Trellidor facility with the aim of reducing our reliance on Eskom by 30% in this plant on an annualised basis, early results support achieving this goal. A solar power project for Factory B is in the planning process for F23.

A reverse-osmosis plant was commissioned to reduce the use of harmful chemicals in the production process and increase our grey water capacity to reduce our demand on municipal water for certain applications.

PROSPECTS

The Board has reviewed its strategies and is satisfied that they remain appropriate and that if diligently executed will, over time, generate significant shareholder value. These include:

- The continued buyback of franchises in the main centres;
- Growing the UK market following the recent acquisition of the UK business;
- Development of new markets and enhancing existing distribution in the rest of Africa;
- Investment in the commercial and industrial segment of the market in South Africa, initially through specialist products;
- Enhancing the product range through internal innovation including "lifestyle" security products to access gated estates; and
- Upgrading the online ordering system to potentially reach more customers and to enhance the quality of customer interactions.

Regarding prospects for the forthcoming year, the operating environment is expected to remain weak. Growth in sales will be driven organically by:

- Recovery in sales in the Africa market supported by the deployment of an experienced sales and marketing executive;
- Recruitment of additional selling resources in Trellidor UK to take advantage of the projected growth in the physical barrier security market;
- Product innovation remains a key strategy for both Trellidor and Taylor. During F23, Trellidor will be introducing new products to meet changing customer needs in the local and international market, with a key focus on expanding our product offering into the commercial property and industrial space in South Africa. Taylor will be bedding down the products recently introduced; and
- Rebuilding franchise selling capacity in South Africa through economic support and investment in training facilities and material to facilitate the hiring and retention of quality new sales recruits.

Both Trellidor and Taylor have implemented accelerated price increases early in F23 H1, which together with lower projected raw material prices, will support margin recovery.

The Trellidor owned and managed branches in three of the major cities in South Africa continue to show positive results. F23 will see the full year inclusion of the Cape Town Southern Suburbs franchise acquired in March 2022 and a further acquisition of one of the Durban franchises, Hillcrest, executed during July 2022 will provide additional scale.

The new management team at Taylor is focused on rebuilding the fundamentals of the business that have deteriorated in the last few years with a focus on supporting sales growth in the trade and direct routes to market, margin improvement and cash generation. The NMC operation is being unbundled from the Taylor business unit in F23 to enhance management focus in each of these brands to drive the growth strategies.

APPRECIATION

I would like to express my thanks to our shareholders, the Board, fellow executives, managers, employees, our franchisees, distributors and our suppliers for their support and commitment to the Group through the year in a challenging economic environment.

Terry Dennison
Group CEO

CFO's Report

DAMIAN JUDGE

RESULTS

Group revenue for the year decreased 1.0% to R513.2 million (2021: R518.4 million). Sales were not only impacted by the uncontrollable events described in the CEO's report but also due to weak demand locally and particularly in West Africa and the Indian Ocean Islands.

Notwithstanding, the Group has benefited from the successful implementation of the organic growth strategies of acquiring franchises in the main centres, broadening the product range and the acquisition of the UK franchise. As anticipated, the Group's gross profit margin of 38.4% was below the previous year (2021: 42.3%), due to rampant raw material price increases which were delayed in being passed on to customers.

Operating expenses, excluding the provision for the Labour Court judgement, were very well managed, decreasing by 0.9% year-on-year. The decrease includes a full 12 months consolidation of the UK franchise (versus eight months in F21), the two newly acquired Johannesburg franchises for twelve months and four months of the Southern Suburbs Trellidor franchise in Cape Town which was acquired in March 2022.

As reported in the 6 July 2022 SENS release, the Group has provided for the Labour Court judgement in its F22 results. The provision of R32.1 million includes limited back-pay inclusive of the F22 year, restructuring costs and legal costs. The impact of this provision is significant and accounts for a reduction in profit after tax of R23.4 million and a reduction in earnings per share of 24.6 cents. On 6 April 2022 the Group led an application for leave to appeal the judgement in the Constitutional Court and is awaiting feedback in this regard.

Accordingly, with weak revenue growth, lower margins and despite good cost management, the Group reports a profit after tax of R0.3 million (2021: R40.3million) and a basic earnings per share of 0.4 cents (2021: 40.7 cents) as at 30 June 2022. The abnormal events highlighted above, which are not anticipated to repeat themselves in F23, negatively impacted revenue and resulted in a loss of contribution.

Net cash from operations has decreased to R18.7 million for the year (2021: R70.5 million) as a result of lower earnings and a R14.4 million increased stock holding due to steel and aluminium cost increases and to mitigate supply challenges. Stock holding is now optimal for the current operating environment and debtors have been well managed.

The Group has interest-bearing liabilities of R96.4 million (2021: R80.4 million) which incurred R6.4 million (2021: R4.9 million) of net interest for the year ended 30 June 2022 excluding lease liabilities. The Group generated a free cash flow of R17.9 million and together with additional debt raised, the capital was utilised to:

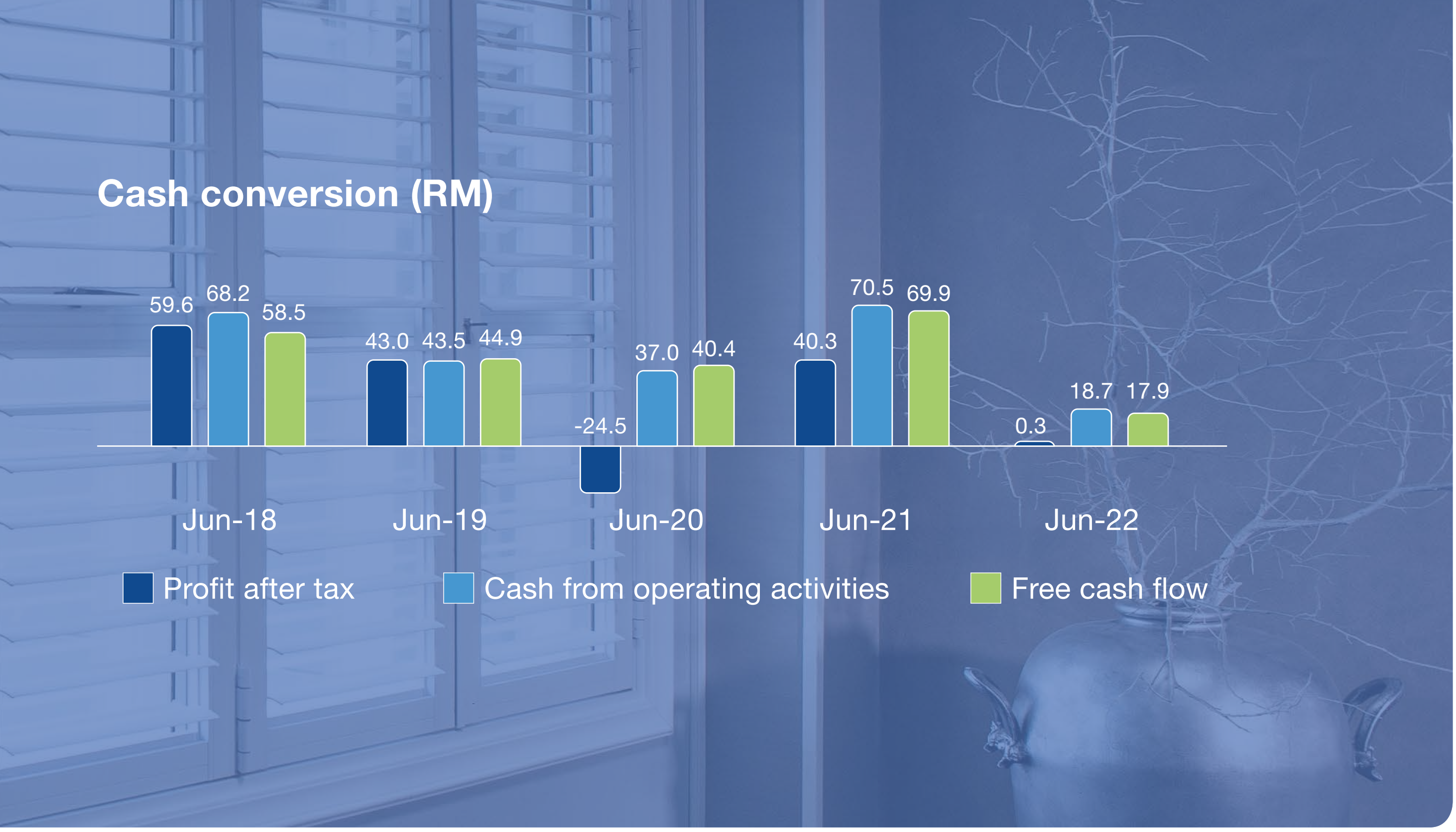
- purchase the Cape Town Southern Suburbs, Johannesburg North, and Midrand franchises (R9.5 million);
- make the final deferred and contingent payment for the purchase of Trellidor UK (R5.0 million);
- complete phase 1 of our solar power project at the Trellidor factory (R4.0 million); and
- distribute the F21 final dividend (R10.5 million).

In response to the Labour Court judgement, an additional debt facility of R35.0 million has been made available to fund the settlement, which will be drawn down on the earlier of November 2022 or an adverse ruling by the Constitutional Court. As a result, gearing levels may increase. Excess cash resulting from the new debt facility will be utilised to reduce debt levels over a short to medium term period.

TRELLIDOR

Revenue increased by 3.6% to R326.6 million (2021: R315.3 million) predominantly driven by the improved volumes of the aluminium louvre shutter range and a strong performance from Trellidor UK, which has shown a 26.2% increase in revenue over 12 months on a like for like basis. The negative impact of the July riots and October strikes, coupled with a slowdown in demand in South Africa and particularly in Africa, has offset these gains.

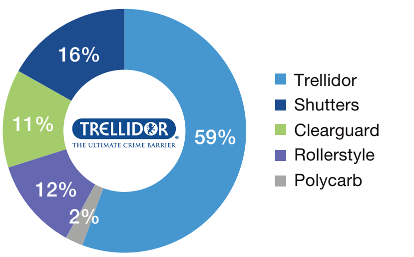
The Trellidor owned main centre branches were not immune to the challenges faced by the franchise network given the challenging operating environment. In F21 we reported a 46.0% increase in sales from our branches compared to 13.0% by the other main centre franchises. During F22 the branches managed to hold onto the gains from F21 only declining 1.3% off the higher base on a like for like basis. The other main centre franchise sales declined 3.6%.



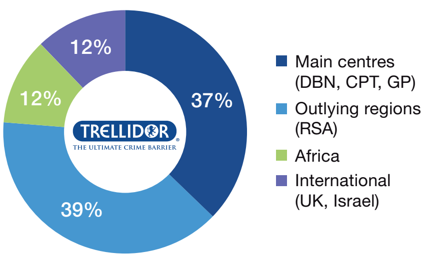
Trellidor's gross margin decreased to 44.2% (2021: 48.4%) primarily as a result of increased raw material costs which were not fully recovered through selling price increases implemented during F22. A further price increase was implemented on 1 September 2022 designed to improve margins.

Despite the challenges faced in the period, the Trellidor business generated cash of R28.4 million (2021: R42.0 million), which represents a solid performance with a cash conversion rate of 79.2%.

FACTORY THROUGHPUT BY PRODUCT (%)



FACTORY THROUGHPUT BY GEOGRAPHY (%)



TAYLOR

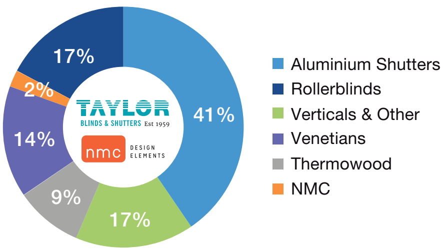
Revenue for the year decreased by 8.3% to R187.3 million (2021: R204.3 million) as a result of softer demand in the Western Cape and Gauteng. Despite a concerted effort to increase safety stock levels, severe logistical challenges resulted in periodic stock shortages which further impacted revenue. Further measures have been implemented to mitigate future risks in this regard.

Gross margin reduced to 28.2% (2021: 32.7%) primarily due to significant raw material price increases, which were not fully recovered through selling price increases implemented in F22. In addition, the delay in receiving imported raw materials caused manufacturing inefficiencies which has led to higher than anticipated manufacturing costs. Significant price increases were implemented during F22 H2 and we have started to see improvement in margin levels. A further selling price increase was implemented on 1 September 2022.

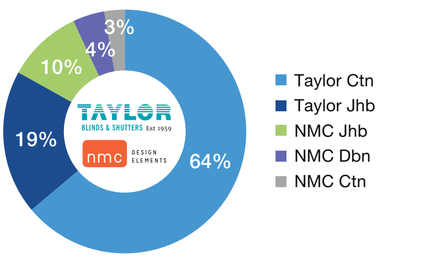
Cash generation has come under pressure as a result of lower earnings and logistical challenges which has resulted in an increase in inventory levels. Stock outs and resultant production inefficiencies have also led to some incomplete installations and therefore an increase in debtors. As a result, cash absorbed by operations of R2.3 million compares to cash generated of R15.6 million in F21. The investment in working capital has stabilised during F22 Q4 and cash generation is planned to improve through F23.

In response to continued underperformance of the business, the senior management team has been restructured under a new Managing Director who joined Taylor during F22 Q4. The team includes senior new placements in the sales, financial and procurement areas.

FACTORY THROUGHPUT BY PRODUCT (%)



FACTORY THROUGHPUT BY GEOGRAPHY (%)



DIVIDEND

The Group's dividend policy is to consider an interim and a final dividend in respect of each financial year taking into account debt covenant requirements. Depending on the need to retain funds for expansion or operating purposes, the board of directors of the Company ("Board") may pass on the declaration of dividends. The final F21 dividend amounting to 11.0 cents was declared and paid during the year.

CFO's Report (continued)

Given the weak operating environment and the possible further increase in debt, which may be required, to execute the Labour Court judgement pending the Constitutional Court decision on further leave to appeal and any subsequent ruling, the Board has deemed it prudent not to declare a final dividend in respect of the 12 months ended 30 June 2022.

Once gearing has stabilised in line with the Board's targeted debt levels of 1.5x EBITDA, consideration will be given by the Board as to the utilisation of excess cash to either be applied to share buybacks and the payment of a dividend after investment in growth opportunities that achieve the Group's targeted return on invested capital of 18% have been assessed.

ANNUAL REVIEW

The accounting policies applied in the preparation of the consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

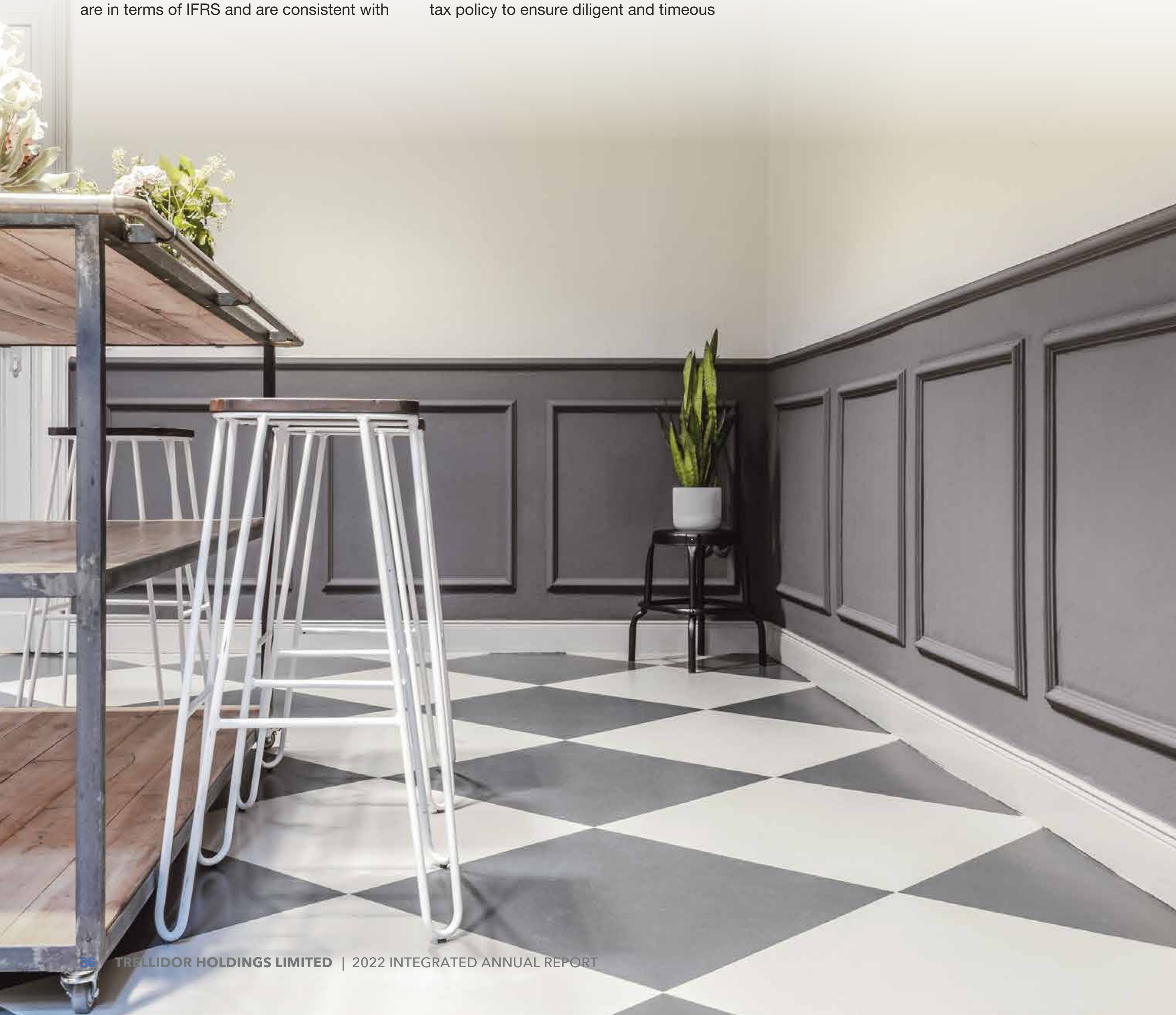
Consideration has also been given to the risks involved in the business, results of internal audit reviews, the size of the business and the nature of transactions and we are satisfied that the internal controls in place are adequate to address the key risks in the business.

During the year under review, there were no material breakdowns in internal control, although as result of ongoing system review, improvements have been identified. We have completed the implementation of a standard ERP system across all Group entities in RSA and Ghana with the UK planned for F23.

Phase 2 of the updated version of our bespoke online ordering and production system was implemented at Taylor during F22 with phase 3 planned in F23 for Taylor and Trellidor. The group maintains a transparent tax policy to ensure diligent and timeous reporting and payment of taxes to the respective authorities.

Management performed an assessment of the group's ability to remain a going concern and is satisfied that the Trellidor Group will continue to be in operational existence for the following financial year.

Damian Judge
Group CFO



How Trellidor Creates Value

Trellidor supplies our network of branches and franchisees with a range of high quality custom-made security and home improvement products for installation. We leverage our manufacturing capability, intellectual property, experience, skills and support infrastructure to ensure our products are market leaders.

The Trellidor brand

Trellidor's strong brand commands a premium on pricing for our products. The Trellidor brand is built on our reputation for delivering trusted, high-quality security products and exceptional service. Trellidor is brand strong in South Africa and is a name synonymous with sliding door security.

Brand awareness in Africa is growing along with our sustained expansion across the continent. Innovation, quality and service are the pillars of the business.

Trellidor products are produced at its modern manufacturing plant in Durban where customer orders are tracked end-to-end using a bespoke ordering system. The manufacturing process includes roll forming, fabricating, powder coating, assembly and packaging. Production processes are ISO 9001:2015 certified.

Manufacturing

Trellidor products are manufactured to each customer's specification and generally dispatched within two weeks of placement of the order. In South Africa products are delivered by outsourced road logistic services to the franchisee.

Trellidor's Ghanaian subsidiary operates an assembly plant that services West Africa, shortening lead times, and reducing duties and transport costs. Franchisee owned and operated assembly shops service markets in Zambia, Zimbabwe, Reunion, Mauritius, Seychelles, DRC, Tanzania, Mayotte, Kenya and Ethiopia. The newly acquired branch in the United Kingdom operates an assembly plant that services the whole of the UK and Ireland.

Materials used in the manufacturing process include steel, aluminum, fasteners, cylinders, locks and paint, much of which is imported. Trellidor practices a just-in-time purchasing system and as such has a relatively low inventory requirement. The manufacturing process adds significant value to the material in the roll forming, fabricating and powder coating processes.

Products

Trellidor offers non-commodity, custom designed, manufactured and installed barrier security products. Residential security solutions include door, window, patio, safe zone and gated estate approved barrier products. Products for commercial customers include specialist retail and office barriers.

The Company's newer products are "lifestyle" security barriers which aesthetically make them more appealing for upmarket residential homes. Trellidor's leading research and development team ensures that product offerings are constantly evolving to meet current market demands, incorporating new technology and materials. In addition, ongoing research is enhanced by detailed analysis of burglary statistics, for example the methods used to gain entry to properties and the tools used by criminals, as well as research into international trends.

Products and components are patented where possible and certain products are certified by the London based Loss Prevention Certification Board (LPCB), which sets Trellidor apart from local competitors.

Trellidor Product Range

RETRACTABLE SECURITY

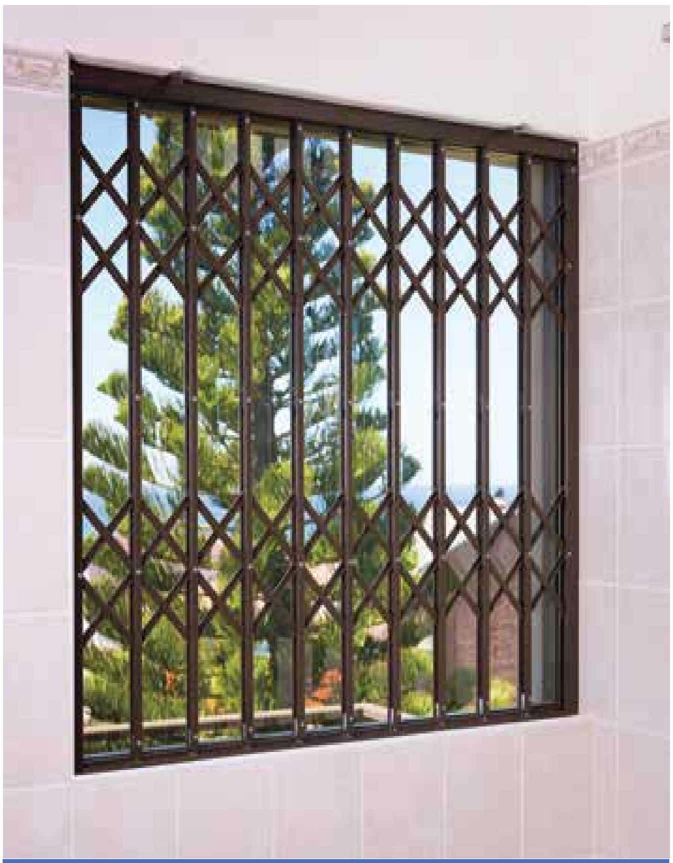
COTTAGE GUARD

POLYCARBONATE BAR

CLEAR GUARD


ROLLERSTYLE


SHUTTER SECURITY


FIXED SECURITY


BURGLAR GUARD

Trellidor Product Range (continued)

ESTATE SECURITY SHUTTER

COROVIEW

ROLLERSTYLE LDS

How Trellidor Creates Value (continued)

Distribution

Trellidor has a well-established, loyal and extremely effective national branch and franchise network with the unique capacity to design, measure and install custom-made Trellidor products country-wide.

A typical franchise comprises an owner operator, a sales team, admin staff and installers. The owner is usually the key customer-facing representative of the brand and has a vested interest in the Company's success.

Trellidor certifies the sales consultants and installers and monitors franchisee and branch performance to ensure the high levels of service synonymous with the brand are maintained.

Trellidor's franchise model is not royalty-based. Franchisees purchase Trellidor product at a set trade discount and contribute toward the marketing and advertising campaigns.

52

RSA FRANCHISES

1 Manufacturer under license in Israel

20

INTERNATIONAL FRANCHISES

18 African countries

5

BRANCHES

Company-owned assembly plants in Ghana and the UK.
RSA sales branches in Cape Town, Durban and Johannesburg.

Marketing and sales

Trellidor manages the national marketing and advertising campaigns across all media and determines the strategy for local marketing and advertising campaigns together with each franchisee and branch. The majority of leads are generated through existing customer relationships and a high percentage are converted to orders. Trellidor records and reviews lead levels and conversion rates, per franchise and sales consultant, through a bespoke IT system.

Installation and after sale service

The franchise and branches conduct installations on orders they generate. All product and installations include a three to five year warranty that is serviced by the franchisee or branch. Warranty claims are very low representing less than 0.5% of annual revenue.

Footprint

A national distribution footprint in South Africa sets Trellidor apart from its competitors, who tend to be more focused on urban areas. This positions the Company to take advantage of growing demand for high quality, respected security solutions across the country. Trellidor is well placed to service the growing African economies.

How Taylor Creates Value

Taylor comprises the Taylor Blinds and Shutters and NMC South Africa businesses. These businesses were acquired during July 2016.

The Brands

Taylor Blinds and Shutters was founded in 1959 and specialises in designing, manufacturing, marketing, distributing and servicing a wide range of blinds and shutters and is a leader in the window and door covering market in South Africa.

Innovation, quality and service are the pillars of this business.

NMC South Africa was established in 1999 as the exclusive importer of the Belgian-based world leader in the production of closed-cell polystyrene and polyurethane decorative mouldings, such as cornices, dado rails and skirting. NMC South Africa has the distribution rights for South Africa and several countries in sub-Saharan Africa.

Manufacturing

Taylor blinds and shutters are produced at its 8,000m2 manufacturing plant in Cape Town.

Customer orders are tracked using a bespoke ordering system and products are produced in industry leading time. Taylor blinds and shutters are custom-made, generally within one to two weeks of placement of order. The products are manufactured from the highest quality material and fittings, much of which are imported.

All NMC cornices and mouldings distributed in South Africa are imported under agreement from NMC Belgium where the products are manufactured.

Stock is held in the key centres of Johannesburg, Durban and Cape Town.

Products

Taylor offers high quality custom-made blind and shutter products that are aesthetically pleasing and often specified by architects and interior decorators.

The blinds offered are venetian, roller, woven and verticals. Shutters offered are timber, Thermowood® (wood substitute) shutters as well as aluminium hurricane wind resistant shutters and ShutterGuard and ShutterStyle security shutters. NMC distributes imported decorative mouldings for a wide variety of interior and exterior architectural applications focusing on cornices and skirtings.

All Taylor blinds and shutters and NMC products are built around the three pillars of innovation, quality and service.

Distribution

Taylor has a well-established, loyal distribution network and customers for both the blinds and shutters, concentrated in the Western and Southern Cape. However, strong growth has been achieved more recently in Gauteng.

Geographic growth opportunities exist and continues to be of strategic importance for the Group with expansion through the Trellidor franchise network on certain Taylor products and investment in internal sales-resources being the key focus. NMC distributes their products out of branches in Johannesburg, Durban and Cape Town, with the majority of the distribution out of Johannesburg. Wholesalers form a large part of the route to market in the outlying regions.

Marketing and Sales

Marketing and advertising spend focuses on creating growing awareness for Taylor's products and brands. Continued innovation is targeted to keep products up-to-date and desirable to our markets.

Marketing spend encompasses all key communication channels where we aim to drive fresh, modern and innovative messaging.

Installation and After Sales Service

Branches in Cape Town and Johannesburg, supported by a network of skilled distributors, design and install products to customer specifications.

Installation is a key factor in delivering a top-quality solution and cements the overall quality and customer centric ethos. Taylor and NMC offer installation training to all our distributors on a regular basis. A dedicated customer service department deals with all customer service department deals with all after sales service and warranty requirements.

All Taylor products are backed by warranties and serviced by the branch and distributor network

Footprint

Taylor Blinds and Shutters has two branches, one in Cape Town and the second in Gauteng. NMC South Africa branches are located in Gauteng, Durban and Cape Town.

Taylor Product Range

SHUTTERGUARD®

HURRICANE SHUTTERS

THERMOWOOD® SHUTTERS

WOVEN BLINDS

WOODEN VENETIAN BLINDS

ALUMINIUM VENETIAN BLINDS

VERTICAL BLINDS

ROLLER BLINDS

TIMBER SHUTTER

OUTDOOR BLINDS

SHUTTERSTYLE

NMC Product Range

CORNICES

DADO RAILS

SKIRTINGS

POLYSTYRENE MOULDINGS

How the Group is Governed

How the Group is Governed

Corporate Governance Report

Social and Ethics Committee Report

Remuneration Report

Corporate Governance Report

Governance structure at the date of this report

TRELLIDOR HOLDINGS BOARD

Terry Dennison (CEO)^
Damian Judge (CFO)^
Mark Olivier (Chairman)$
Ralph Patmore (Lead Independent)$
John Winship$
Stuart Bird$ (1)

BOARD SUB-COMMITTEES

Audit, Risk and Compliance Committee

Ralph Patmore C
Mark Olivier
John Winship
Stuart Bird (1)

Remuneration and Nominations Committees

Mark Olivier (Nominations) C
John Winship (Remuneration) C
Ralph Patmore
Stuart Bird (1)

Social and Ethics Committee

Mark Olivier
Ralph Patmore
John Winship
Damian Judge
Stuart Bird C(1)

Attendance at meetings during the financial year

Attendees at meetings	Board	Audit, Risk and Compliance	Remuneration and Nominations +	Social and Ethics
Mark Olivier	4(4)	4(4)	5(5)	2(2)
Ralph Patmore	4(4)	4(4)	5(5)	2(2)
John Winship	4(4)	4(4)	5(5)	2(2)
Terry Dennison	4(4)	4(4)#	5(5)#	2(2)#
Damian Judge	4(4)	4(4)#	4(4)#	2(2)
Peter Rawson (2)	4(4)#	4(4)#	-	2(2)#
Stuart Bird (1)	-	-	-	-

Invitee to the committee/board | $ Independent Non-executive director | C Chairman of particular committee | ^ Executive director
+ Includes 1 special Nomination Committee meeting | (1) Appointed 1 June 2022 | (2) Retired 30 June 2022

Meeting attendance

The Board and committee meetings were held quarterly in line with the Group's financial reporting cycle. All directors attended all the meetings of the Board and the committees on which they served during the 2022 financial year. In addition, one special Nominations Committee meeting was held. The details are reflected in the schedule above.

Expertise

The Board together with the Nominations Committee have assessed the expertise of the directors and are comfortable with the Board and Committee members' level of expertise as well as with the Committee compositions.

Board composition

As evidenced below, the Board has the appropriate balance of knowledge, skills, experience, diversity, and independence to discharge its governance role and responsibilities objectively and effectively. The diversity in membership experience creates value by promoting better decision-making and effective governance. The diversity of experience set out over the page reflect the composition of the Board as at the date of this report.

Board committees

- **Audit, Risk and Compliance Committee** – AR&CC
- **Remuneration and Nominations Committees** – REMCO
- **Transformation, Social, Ethics and Sustainability Committee** – SETCOM
- **Chairman of particular committee** – C

Diversity of expertise

Policy: To create an experienced Board with the appropriate balance of knowledge and skills in areas relevant to the Group.

Name	Education	Tenure	Previous Sectoral Experience	
John Winship $	B Business Science – actuarial Certificate of Investment – Institute of Actuaries	Appointed 26/10/2006	Insurance Private banking Asset management	- long-term & short-term - 8 years (overseeing & director) - 5 years (overseeing role) - 46 years
Mark Olivier $	BCom CA(SA)	Appointed 26/10/2006	Asset management Property Corporate finance Private equity	- 17 years - 17 years - 27 years - 17 years
Ralph Patmore $	BCom, MBL	Appointed 28/10/2015	Manufacturing Building & Construction NED experience	- 22 years (Executive & Non-executive) - 32 years (Executive & Non-Executive) - 12 years
Stuart Bird $	CA(SA)	Appointed 01/06/2022	Retail Manufacturing Property	- 25 years (Executive) - 5 years - 3 years
Terry Dennison ^	BCom CA(SA)	Appointed 01/06/2002	Manufacturing Agri-processing Agriculture	- 24 years (Executive) - 6 years - 6 years
Damian Judge ^	BCom CA(SA)	Appointed 01/03/2019	Manufacturing	- 11 years (Executive)

$ independent non-executive | *^ executive*

Meeting attendance

The position of the Board remains unchanged in terms of their approach to governance and how governance is managed.

The Board members continue to accept responsibility as the custodians of corporate governance within the Group and are therefore accountable to stakeholders for the provision of value-enabling governance. The Board is constituted, in terms of the Company's Memorandum of Incorporation, of a majority of independent non-executive directors who bring diversity to Board deliberations and create sustained value by constructively challenging management.

Trellidor continues to be committed to upholding the highest standards of ethics and good governance while pursuing wealth and value creation for its stakeholders. This process encompasses a stakeholder inclusive approach which includes timely, relevant, and meaningful reporting to shareholders and other stakeholders providing a proper and objective perspective of the Company and its activities. The members of the Board act with independence of mind and in a manner that they believe is reasonable, accountable, fair, and transparent.

The Board remains the focal point of good governance and exercises sound judgement and leadership with integrity, guided by principles of responsibility, accountability, fairness, and transparency. The Board assessed the application of the principles set out in King IV and continues to strive towards achieving the four desired governance outcomes, namely ethical culture, good performance, effective control, and legitimacy. The relevant recommended practices associated with each principle are applied to give effect to that principle. The Company's King IV application register is available at holdings.trellidor.co.za. The Board remains committed to continuously improving governance and continues, on an ongoing basis, to review its governance practices in line with updated recommended practice notes to fully meet the requirements of King IV.

In line with its Code of Ethics, the Company continues to promote the highest standards of ethical behaviour among all persons involved in the Group's operations. This is upheld by the Board and is communicated to employees. The Code provides detailed guidance as to their ethical conduct and they are required to adhere to the Code in all daily interactions.

The Company's zero-tolerance policy in respect of the committing or concealment of fraudulent acts by employees, contractors, or suppliers remains in place. Trellidor's employees and directors accept that any breach of the code of ethics exposes them to the possibility of disciplinary action, which could result in the termination of employment or office.

As part of the Board's commitment to best practices in corporate governance and in order to ensure application and compliance with King IV and relevant laws, regulations and responsible corporate citizenship, mechanisms, and policies, which are appropriate to the Company's business, are in place. The Board reviews these from time to time.

By continuing to uphold the highest possible corporate governance standards, Trellidor is comfortable that it provides its stakeholders with confidence that it is a well- governed and well-conducted business.

The formal steps taken by the directors are summarised on the following pages.

Corporate Governance Report (continued)

Trellidor Board

Composition	The Board at the time of issuing this report consisted of two executive directors and four non-executive directors, all of whom are independent. The Board has ensured that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals can dominate the Board's decision-making. The non-executive directors are individuals of caliber and credibility and have the necessary skills and experience to bring judgement to bear, independently of management, on issues of strategy formulation, performance management, resources planning and allocation, transformation, diversity and employment equity, standards of conduct and other important decisions. The Board has again applied its mind, as recommended by King IV, practice recommendations 7.29 and 7.30(d), to the independence of Mark Olivier and John Winship who have both served as non-executive directors since 2006 and is comfortable that they remain independent. They also bring valuable expertise and experience to the Board. Although not required but in the interest of enhanced governance, in 2017, the Board appointed a lead independent non-executive director. Ralph Patmore continues as the lead independent non-executive director. The non-executive directors are required to sign a formal letter of appointment, in which they confirm their commitment to the Board and any committees they may be appointed to. An overview of each director's age and experience is set out on pages 12 and 13 of this integrated annual report, with their detailed CVs on the Company's website at holdings.trellidor.co.za.
Frequency of meetings	Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. The Board met four times prior to the end of the financial year. These were the standard quarterly meetings.
Roles and responsibilities	The Chairman, Mark Olivier, is an independent non-executive director whose role continues to be separate from that of the CEO, Terry Dennison. Their roles and responsibilities have been clearly defined and are distinct to ensure checks and balances in terms of decision-making. The Chairman is considered to be independent in terms of King IV. Damian Judge is appointed as the Group's full time financial director. The Chairman provides independent Board leadership and guidance, facilitates suitable deliberation on matters requiring the Board's attention and ensures the efficient operation of the Board as a unit. Ultimate control of the Group rests with the Board of directors and the Board is responsible for setting the strategic direction of the Group, and although still responsible for, it has delegated to the CEO and executive management the responsibility for the implementation of the Group's strategy and the day-to-day operational decisions and business activities. The Board is also responsible for key policies and for approving financial objectives and targets. The Board, as a whole, continues to act as the focal point for and custodian of the Company's corporate governance, ensuring that Trellidor is a responsible corporate citizen in light of the impact its operations might have on the environment and the society in which it operates. The Board is also responsible for identifying and managing the Group's risks. The Board has analysed these risks and agreed their tolerance levels. The ongoing management of these risks is addressed by the Audit, Risk, and Compliance Committee and the executive directors. The Board is of the view that the risk management processes that are in place effectively assist in managing the Group's risks. A risk assessment, identifying the various risks together with the associated mitigating measures has been completed and the major material risks as well as identified opportunities, appear on page 22 of this integrated annual report. The Board operates according to a Board Charter, which is available at holdings.trellidor.co.za. The Charter ensures compliance with the principles of King IV and relevant legislation. It sets out the powers of the Board and provides a clear division of responsibilities and the accountability of Board members, both collectively and individually. The information needs of the Board are reviewed annually and directors have unrestricted access to all Company information, records, documents, and property to enable them to discharge their responsibilities sufficiently. Efficient and timely methods of informing and briefing Board members prior to Board meetings are in place and in this regard key risk areas, key performance areas and non-financial aspects relevant to the Company have been identified and continue to be monitored. Directors are provided with information in respect of key performance indicators, variance reports and industry trends.
Evaluation	The Board has agreed that in order to improve its effectiveness, regular evaluations (formally every two years) of the Board, individual directors, Board Committees, and the Chairman are conducted. Appropriate measures are taken to address any weaknesses highlighted through the evaluation processes. On completion of the latest formal evaluation for the current reporting period, it was found that the Board has duly completed its responsibilities in accordance with its Charter. The Board together with the Nominations Committee has considered the results of the evaluation together with the current composition of both the Board and its various committees as well as the independence of the non-executive directors and believe that the Board members bring a wealth of industry and financial experience with the non-executive directors remaining independent. The Board is comfortable that the size and composition of the Board and the various Committees is appropriate for the size of the Company. In summary the Board confirmed that it is comfortable with both the performance and composition of the Board of Directors and of the individual Board sub-committees. Directors' and officers' liability insurance is provided by the Company. This cover is reviewed annually.

Appointments to the Board

There is both a formal Diversity Policy# and Board Appointment Policy in place and appointments to the Board follow a formal and transparent process, and are considered by the Board as a whole following the recommendation of the Nominations Committee. In this way the Board ensures that it has the right balance of skills, experience, background, independence, and business knowledge necessary to discharge its responsibilities. The appointments are subject to confirmation by the shareholders at the Annual General Meeting. They are free from dominance of any one particular shareholder.

The Board, in conjunction with the Company Secretary and Sponsors, has established a formal orientation programme which will enable any incoming directors to familiarise themselves with the Company's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. New directors with no or limited board experience would, as part of their induction, receive development and education to inform them of their duties, responsibilities, powers, and potential liabilities.

All non-executive directors will be subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the Memorandum of Incorporation.

Meetings of the Board and Committees are formally minuted; these include any meetings at which appointment of directors is discussed and/or confirmed.

Directors' personal interests and conflict of interest

The Board has determined a policy for detailing the manner in which a director's interest in transactions is declared and the interested director's involvement in the decision-making process. This policy is followed by all directors.

A full list of directors, their shareholdings, additional directorships and any potential conflicts of interest is maintained, considered at each Board and Committee meeting, and reconfirmed annually with directors. Directors are required to recuse themselves from any discussion and decision in which they may have a material financial interest.

Dealing in securities by the directors

The Group has adopted a policy that regulates dealings in the Group's securities by directors, Group employees and their associates, as required by and in line with the JSE Listings Requirements. In addition, Trellidor maintains a closed period from the end of a financial reporting period to the date of publication of the financial results, any period while the Company is trading under cautionary announcement and at any other time deemed necessary by the Board. Directors, Group employees and their associates are not permitted to deal in the Group's securities during these closed periods.

The trading policy is managed by the Company Secretary with the persons authorised to clear directors for trading in open periods being the Chairman and, in his absence, (or in the case of any potential conflict) the lead independent director.

Board committees and delegation of authority

The Board delegates certain functions to well-structured committees. These committees assist the Board by giving detailed attention to certain of the Board's responsibilities and they operate within defined written terms of reference/charters, as well as within the Group's approved delegation of authority framework.

The Board determines and amends, as necessary, the scope and responsibilities of the committees, as well as the appointment of new committee members.

The Board has approved a delegation of authority framework, which delegates certain responsibilities and/or decisions to the Executive and the Board Committees while retaining authority, where appropriate, at Board level.

The framework in addition to delegating authority, also defines authority limits. The delegated responsibilities in terms of certain functions to the Audit, Risk and Compliance Committee, the Remuneration and Nominations Committee and the Transformation, Social, Ethics and Sustainability Committee remain unchanged.

The Board remains conscious of the fact that such delegation of duties is not an abdication of their Board member responsibilities.

The Board continues to maintain effective control. The various committees' terms of reference / charters and the authority framework are reviewed at least annually.

External advisers and executive directors who are not members of specific committees are invited to attend committee meetings by invitation, if deemed appropriate by the relevant committee. These invitees are not entitled to any fees for their attendance at these meetings.

The Chairman continues to provide leadership to the Board in all deliberations ensuring independent input and oversees its efficient operation.

While the CEO reports directly to the Board, the CEO and CFO continue to be responsible for proposing, updating, implementing, and maintaining the strategic direction of Trellidor as well as ensuring controlled operations. In this regard, they are assisted by senior management of the Group.

The Board approved and adopted a Broader Diversity Policy in line with the JSE Listings Requirements and assesses factors such as gender, skill set, race, integrity, age, field of knowledge and experience. A copy is available on the Group's website holdings.trellidor.co.za

Corporate Governance Report (continued)

Trellidor Board

Audit, Risk and Compliance Committee

Composition	Four members Ralph Patmore (Chairman), John Winship, Mark Olivier, and Stuart Bird, all of whom are independent non- executive directors. The Chairman of the Board is a member of the Committee. Despite this being contrary to the recommendations of King IV, the Board is of the opinion that Mr Olivier is sufficiently independent to discharge his duties as a member of the Committee. Members contribute extensive financial expertise and experience as well as knowledge of Trellidor.
Frequency of meetings	Committee meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. The committee met four times prior to the end of the financial year with all of the members present at each meeting.
Responsibilities	The committee's primary objective is the provision to the Board of additional assurance regarding the efficacy and reliability of the financial information used by the directors to assist them in the discharge of their duties. The committee has and will continue to provide satisfaction to the Board that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified and are being suitably managed, and that satisfactory standards of governance, reporting and compliance are in operation. Refer to further detail in the committee report on page 70. The committee operates according to a Charter, which is available at holdings.trellidor.co.za. The Committee confirms that it has fulfilled its responsibilities in terms of its charter, for the period under review.

Nominations Committee#

Composition	Four members Mark Olivier (Chairman), John Winship, Ralph Patmore and Stuart Bird, all of whom are independent non-executive directors. Members contribute extensive expertise and experience as well as knowledge of Trellidor.
Frequency of meetings	Committee meetings are held at least bi-annually, with additional meetings convened when circumstances necessitate. The committee has however scheduled a meeting to take place prior to each quarterly board meeting and they met five times prior to the end of the financial year. Four of the meetings were scheduled and one was an extraordinary meeting. All of the members were present at each meeting.
Responsibilities	The Nominations Committee is responsible for assisting the Board with the appointment of directors by making appropriate recommendations in this regard. It is responsible for reviewing the Board composition and structures, including the size and composition of the various Board Committees, and considering whether there is an appropriate split between executive, non-executive and independent directors. It is responsible for the appropriate induction and training of directors and conducting performance reviews of the Board and various Board Committees. It is also responsible for ensuring the proper and effective functioning of the Board and assists the Chairman in this regard. This includes the consideration of succession planning in respect of the executive directors and senior management. A formal succession plan has been presented to, and has been approved by, the committee and recommended to and approved by the board. In the event of a vacancy the committee will consider candidates, in line with both the Board Appointment Policy and the Group's Diversity Policy, on merit, against objective criteria and with due regard for the potential benefits of diversity at Board level. The committee will continue to discuss and annually agree on all measurable targets for achieving diversity on the Board. The committee operates according to a Charter, which is available at holdings.trellidor.co.za. The Committee confirms that it has fulfilled its responsibilities in terms of its charter, for the period under review. *# The Remuneration and Nominations Committees meet jointly, the Chairmanship changes to address Nominations and Remuneration matters separately.*

Remuneration Committee#

Composition	Four members John Winship (Chairman), Ralph Patmore, Mark Olivier and Stuart Bird, all of whom are independent non- executive directors. Members contribute extensive expertise and experience as well as knowledge of Trellidor.
Frequency of meetings	Committee meetings are held at least bi-annually, with additional meetings convened when circumstances necessitate. The committee has however scheduled a meeting to take place prior to each quarterly board meeting and they met four times prior to the end of the financial year with all of the members present at each meeting.
Responsibilities	The Remuneration Committee is constituted as a committee of the Board for the purposes of considering executive and non-executive director's remuneration. It also appraises the performance of the CEO and CFO at least annually. The committee further has the responsibility and authority to consider and make recommendations to the Board on, inter alia, the Remuneration Policy of the Company, the payment of performance bonuses, executive remuneration, short, medium, and long-term incentive schemes, and employee retention schemes. The committee uses external market surveys and benchmarks to determine executive directors' remuneration and benefits as well as non-executive directors' fees. Refer to further detail in the Remuneration Committee report on page 62. The committee operates according to a Charter, which is available at holdings.trellidor.co.za. The Committee confirms that it has fulfilled its responsibilities in terms of its charter, for the period under review.

 # The Remuneration and Nominations Committees meet jointly, the Chairmanship changes to address Nominations and Remuneration matters separately.

Social and Ethics Committee

(Also referred to as the Transformation, Social, Ethics and Sustainability Committee)

Composition	Five members, Stuart Bird (Chairman), Mark Olivier, Ralph Patmore, John Winship and Damian Judge which comprise four independent non-executive directors and one executive director. During most of the reporting period, the Chairman of the Board chaired this Committee. Despite this being contrary to the recommendation of King IV, the Board was of the opinion that Mr Olivier was sufficiently independent to discharge his duties as the Committee chair. With the appointment of Mr Bird to the board on 1 June 2022, it was agreed that he would be appointed as a member of this committee and would also assume the role of Chairman. This aligning the committee's composition to the King IV recommendations. Members contribute extensive expertise and experience and knowledge of Trellidor.
Frequency of meetings	Committee meetings are held at least bi-annually, with additional meetings convened when circumstances necessitate. The committee met twice prior to the end of the financial year with all of the members present at each meeting.
Responsibilities	The Committee's responsibilities encompass monitoring, measuring and regulating the impacts of the Group on its material stakeholders and environments, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, and the impact of the Company's activities and of its products or services), consumer relationships and labour and employment issues. Ethical standards, in dealings with all stakeholder Groups, including suppliers, customers, business partners, government, communities and society at large, are in place and their ongoing implementation is monitored by the committee. Although management is tasked with overseeing the day-to-day operational sustainability of their respective areas of business, and reporting thereon to the committee, the Board retains ultimate responsibility. The committee also takes responsibility for advising the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Group and which influence the Group's triple bottom-line reporting. The committee will also draw to the Board's attention any other matters within its mandate and also reports to the shareholders at the Company's Annual General Meeting. In order to carry out its functions, the committee is entitled to request information from any directors or employees of the Company, attend and be heard at shareholders' meetings, and receives notices in respect of such meetings. Refer to further detail in the committee report on page 56. The committee has fulfilled its mandate as prescribed by the Regulations to the Companies Act and that there were no instances of material non-compliance to disclose. The committee operates according to a Charter, which is available at holdings.trellidor.co.za. The Committee confirms that it has fulfilled its responsibilities in terms of its charter, for the period under review.

Employment equity

The Group is compliant with the requirements of the Employment Equity Act. A summary of the Employment Equity Plan, submitted to the Department of Labour is tabled below.

Group	Male	Female
African	34%	21%
Indian	3%	1%
Coloured	24%	9%
White	4%	3%

The Employment Equity Reports have a different cut-off period to the year under review.

Broad-based Black Economic Empowerment Annual Compliance Report

The JSE requires a listed company to publish its report on its compliance with section 13(G)(2) of the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended (the "B-BBEE Act"), that it provides to the B-BBEE Commission, in the prescribed form, a report on its compliance with broad- based black economic empowerment.

Trellidor is compliant with both the JSE Listings Requirements and section 13(G)(2) of the B-BBEE Act and is in the process of having the relevant documentation finalised. A copy of the relevant documents are available on the Company's website, holdings.trellidor.co.za. The Group continues with its strategy to improve its B-BBEE scorecard.

King IV Compliance Review and Application Register

The Board endorses the Code of Corporate Practices and Conduct as contained and recommended in King IV and the JSE Listings Requirements. The details of the King IV gap analysis, together with the ongoing progress that has been made, are recorded in the application register, which is included on the Trellidor website, holdings.trellidor.co.za.

The Board remains comfortable that all the relevant gaps identified have either been addressed or are well progressed in terms of being addressed.

For the 2022 financial year, the Board hereby confirms that the Company has applied the principles of King IV and explained the application of the relevant recommended practices to achieve the principles.

The Board continues to strive to ensure that the material interests of all the Company's stakeholders are protected and that adherence to the principles of good corporate governance espoused by King IV remains a commitment of the Group.

It is the intention of all directors that the principles of integrity and the highest ethical standards are upheld by all who serve the Company and its stakeholders.

The Board is satisfied that appropriate governance structures exist and are operational within the Company, and it has implemented the procedural recommendations that have emanated from King IV as well as appropriate legislation.

Governance documents available on the Company's website:

- Board and committee charters.
- Chairman's charter.
- Lead independent director charter.
- Director trading, external communication confidentiality policy.
- Declaration of interest policy.
- King IV application register.
- Ethics and code of conduct policy.
- Board appointment policy.
- Diversity policy.
- Form B-BBEE 1 lodged with B-BBEE Commission.
- SENS announcements.
- PAIA Manual.
- POPI Policy.

Covid-19

In terms of the Companies Act, No. 71 of 2008, as amended, the Board of directors is ultimately responsible for guiding and managing the Company, and as such would be the body vested with the responsibility of ensuring that the Company emerges from a crisis of the nature that was faced by South Africa.

In formulating their response to the Covid-19 pandemic, the Trellidor directors were comfortable that they have adhered to their common law and codified duties, set out in the Companies Act. They confirm that they acted in good faith; for proper purpose; and in the best interests of the company; and with the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the company as carried out by that director, and having the general knowledge, skill and experience of that director.

The Board communicated regularly in order to address the ongoing impact of the pandemic on the Company, its employees, and other stakeholders. The Board is comfortable that appropriate action was and is being taken by the Company in order to manage the financial implications of the pandemic, its ongoing financial obligations and also to ensure that its operations, including its facilities, operated in terms of the Lockdown regulations issued in terms of the Disaster Management Act, 2002 and all other applicable areas of law such as employment, health and safety and data protection.

The Group continued to operate efficiently and effectively, albeit remotely, during the Government Lockdown period.

Independent advice

All independent non-executive directors have unrestricted access to management and all Company information and resources, as well as to the Company Secretary, the Group's external and internal auditors. Further, all directors are entitled to seek independent professional advice, at the Group's expense, on any matters pertaining to the Group as they deem necessary. The information needs of the Board are reviewed annually.

Company Secretary

The Company Secretary advises the Board of any relevant regulatory changes and/or updates. In addition, she provides a central source of guidance to the Board, individual directors, and sub-committees on how to discharge their responsibilities in the best interests of the Company as well as on matters of ethics and good corporate governance.

The Company Secretary attends all Board and committee meetings and is responsible for overseeing the preparation in advance of comprehensive agendas and meeting packs. Further, responsibility lies with her for overseeing the accurate recording and dissemination of the minutes of these meetings.

This includes any meetings at which appointment of directors is discussed and/ or confirmed. Whenever deemed necessary she also reviews the rules and procedures applicable to the conduct of the affairs of the Board. If necessary, she involves the JSE Sponsor and other experts in this regard to ensure that the directors have adequate information to discharge their responsibilities efficiently.

The Company Secretary, Paula Nel, a suitably qualified, competent and experienced Company Secretary, has been appointed and appropriately empowered to fulfill duties and provide assistance to the Board. The Company Secretary is an independent contractor and not a director or employee of the Company. She has an arm's length relationship with the Board, who can also remove her from office.

The Company Secretary is subject to an annual evaluation by the Board. Having completed the evaluation process, the Board is satisfied with the expertise, experience, competence, and qualifications of the Company Secretary and confirms that the relationship between the Board and the Company Secretary remains at arm's length.

Information and technology ("IT") governance

The Board is ultimately responsible for information and technology governance. The risks and controls over information and technology assets and data are reviewed and monitored by the Audit, Risk and Compliance Committee.

The Information and technology functions of the Group are outsourced, where appropriate, to approved external service providers. The risks regarding the security, back-up, conversion and update of the information and technology systems are continually assessed, reviewed, and monitored by the Audit, Risk and Compliance Committee. Disaster recovery plans are regularly reviewed as disruptions to critical management information could have an impact on continuing operations.

Information and technology governance is an integral part of the Company's approach to governance. Executive management is tasked with managing IT risks, with oversight from the committee.

The Board is mindful of the importance of safeguarding Company information and intellectual capital and ensures that appropriate technology architecture is maintained to protect information. Executive management, with the committee's oversight, ensure effective management of IT resources and facilitates achieving the Company's strategic objectives.

The committee together with the Board review opportunities for improved efficiencies and value that technology can add to the business. Equally, they are conscious of risks that may affect the security of classified information and intellectual capital.

The CFO is responsible for IT and has the appropriate levels of knowledge and experience and interacts regularly with the committee on IT governance matters.

The Board continued to monitor the remote operations that were necessitated by the extended National Lockdown in the earlier part of the reporting period, and the Board remained comfortable that Management had continued to manage the administrative and sales side of the business without compromising the integrity or security of the IT systems.

Promotion of access to information Act ("PAIA")

There were no requests for information lodged with the Group in terms of the Promotion of Access to Information Act, No 2 of 2000 as amended. The PAIA manual is available on the Company's website. holdings.trellidor.co.za

Protection of Personal Information Act ("POPIA")

The Board is comfortable that Management have amended and/or implemented systems, processes and procedures to ensure that the Group is POPIA compliant. The POPIA policy is available on the Company's website holdings.trellidor.co.za.

Internal control framework

The Board is responsible for the Group's systems of internal control and risk management. The Audit, Risk and Compliance Committee assist in this regard. Together they evaluate the adequacy and effectiveness of internal control systems and processes, and monitor whether internal control recommendations have been implemented. The internal control framework together with the required assurance is formally documented and annually reviewed by the Audit, Risk and Compliance Committee.

The systems are designed in such a way as to manage rather than eliminate risk and to safeguard and maintain accountability of the Group's assets. This will assist in identifying and curtailing significant fraud, potential liability, loss, and material misstatement while ensuring compliance with applicable statutory laws and regulations.

Internal audit

The internal audit function is outsourced to an external service provider and the responsibilities of the internal auditors are set out in a written charter approved by the board. For the period under review PKF (Durban) and PKF (Cape Town) were the appointed internal auditors but with PKF having been appointed as the Group's external auditors, we have following a tender process appointed BDO as the internal auditors for the FY2023.

Internal audit is an independent, objective assurance and consulting activity established to support and improve the Group's operations. It follows a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, control and governance processes. The Audit, Risk and Compliance Committee oversees the internal audit function and agrees their annual combined internal audit plan and scope of work.

The Group's internal audit activities are co-ordinated by the Group CFO and have unrestricted access to the Group CEO and Audit Committee chairman.

Internal audit has confirmed that nothing has come to its attention to indicate that there was any material breakdown in the system of internal or financial control in the group during the year. This conclusion is based on the internal audit work it performed in terms of the approved combined internal audit plan for the year, the scope of work, the results of evaluations and the overall audit opinion ratings for the audited areas, together with feedback on follow-up audits.

External audit

The external auditors are responsible for reporting on whether the financial statements are fairly presented in compliance with IFRS, and their audit to this end includes an assessment of internal controls. The preparation of the annual financial statements remains the responsibility of the Board.

The Audit, Risk and Compliance Committee meets regularly with the external auditors and in this way ascertains their efficacy and independence.

Recommendations thereon are then made to the Board. The responsible audit partners rotate in accordance with legislation and audit firm requirements. Noted as detailed in the Audit Committee Report that the External Auditor has changed due to regulatory rotational requirements from FY2023 onwards. The new auditors are PKF Durban. As a rule, the Board does not engage the external auditors for any tax compliance or for assistance with company secretarial duties. Where the external auditors are appointed for non-audit services, the Board assisted by the Audit, Risk and Compliance Committee ensures that there is a strict separation of divisions in order to maintain independence.

Combined assurance

The group has adopted a combined assurance model, which model ensures:

- The completeness of the group-wide inherent risk profile;
- That key mitigation factors and processes are documented and aligned to the group's risk management model; and
- An adequate level of assessment of the control environment by assurance providers, both internal and external.

The combined assurance model aligns with the group's integrated governance model, with key assurance provider roles overlapped, which strengthens the robustness of assurance across key elements. The model is reviewed on an annual basis by the Audit, Risk and Compliance Committee.

Legal compliance

The Company Secretary, together with the Group's JSE Sponsor, monitors compliance with the recommendations set out in King IV, as well as the requirements of the JSE Listings Requirements and the Companies Act.

Legal and legislation-related matters are addressed at each Board meeting and, specifically, new legislation which affects the Company is discussed in detail.

The process of compliance with relevant legislation is managed by the Company and is monitored by the Audit, Risk and Compliance Committee. During the past financial year, no instances of material non-compliance were noted, and no judgments, damages, penalties, or fines were recorded or levied against Trellidor, its directors or employees for non-compliance with any legislation.

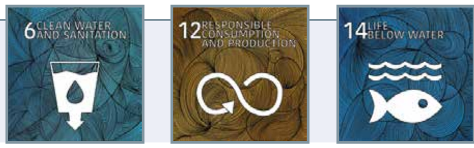
The Group directors have confirmed that, to the best of their knowledge, the Group i) complied with the provisions of the Companies Act of South Africa, and ii) operated in accordance with its Memorandum of Incorporation, during the year under review.

Social and Ethics Committee Report

TRELLIDOR believes that the livelihood of individuals can be improved through corporate initiatives which enable access to education and which support employment equity, enterprise development and preferential procurement. The information below constitutes the report of the Social and Ethics Committee ("Committee") in accordance with the requirements of the Companies Act, in respect of the F22 financial year of Trellidor Holdings Limited. As reported on page 53, the Committee comprises Mark Olivier, John Winship, Ralph Patmore, Stuart Bird and Damian Judge. The chairman during the reporting period being Mark Olivier.

ENVIRONMENTAL FOCUS AREAS

WATER CONSUMPTION MANAGEMENT



During the year Trellidor completed the installation of a new Reverse Osmosis system. In most production plants there are toxic by-products that must be managed responsibly. Making burglar bars, security doors, roller shutters, and louvre shutters for homes and commercial buildings is no different. The Trellidor waste disposal processes follow specified protocols, monitored monthly by local municipal officials. One of those processes is the cleaning out of resins in the filtration system. To do this, an average of 200 liters of hydrochloric acid and 100 liters of caustic soda in liquid form was used in any given month. This was pumped to an on-site effluent plant, where it was treated to remove all impurities.

This de-ionizing process yielded water with a PH level of between 6 and 9, which is acceptable enough for authorities to allow it to be flushed into the stormwater system. For a business that supplies steel and aluminium products worldwide, these are not substantial amounts of toxic waste. But the company has a hazardous waste policy in place and strives for ongoing improvement.

To make these improvements, the de-ionizing process was replaced by the installation of a Reverse Osmosis plant in January 2022. This has made the production process cleaner and greener because:

- No hydrochloric acid or caustic soda is used to treat water.
- Less wastewater is created because the greywater is reusable within the factory.
- A constant supply of de-ionized water is available for manufacturing processes.

The Reverse Osmosis process supplies greywater that will be utilized in two phases:

- Phase one is already in progress. The greywater is piped to the jig stripping plant, where it is used to clean the components used to make Trellidor products, contributing to the high-quality surface coating of all Trellidor security and lifestyle grilles and shutters.

- Phase two will be the use of the greywater to supply the ablution facilities at the factory and the head office administration building, saving on water wastage and costs.

As result we have reduced our use of toxic chemicals, produced less wastewater and doubled the volume of de-ionized water available for use in the factory. In a water-scarce country like South Africa, every one of these savings is vital.

Group CFO, Damian Judge, and Trellidor's Production Manager, Wayne Halgryn at the commissioning of the Reverse Osmosis Plant

WASTE MANAGEMENT

An accredited waste management company processes chemical waste, and where possible it is recycled for re-use.

GREEN INITIATIVES

Trellidor has taken active steps to reduce its energy needs through a R4.0m investment in 364 kWp maximum demand of Photo-Voltaic solar panels at its manufacturing plant in Durban. The grid tied system was installed as part of a 2 phase project to reduce our demand on Eskom and as part of our contribution to a more sustainable world for future generations.

The country has an energy resource base dominated by non-renewable, greenhouse gas generating fossil fuels and a recent history of frequent power outages. With year-round sunshine, however, it is the ideal place for cleaner energy options such as the solar panels installed at the Trellidor manufacturing plant.

The Trellidor head office and factory in Durban is perfectly positioned to make use of sunshine beating down on its extensive roof. The move towards cleaner power required the installation of 673 solar panels which cover an area of 1487m². The panels now contribute 30 percent of the plant's Factory A energy needs.

This project represents our most significant investment into sustainable manufacturing at our plant and is a clear indication that as the Trellidor Group we are serious about doing our part in working towards the Sustainable Development Goals as outlined by the United Nations. Phase 2 will commence through F23 with completion planned during F24.

Aerial view of the Trellidor production facility in Durban, KwaZulu-Natal.

Social and Ethics Committee Report
(continued)

SOCIAL FOCUS AREAS

MEMBER OF PROUDLY SOUTH AFRICAN

During the year the group continued its membership with Proudly South African (PSA) enabling the Trellidor and Taylor locally manufactured products to carry the iconic Proudly South African logo.

As members of PSA we contribute towards the work the organisation does in promoting and developing local businesses and products. These activities include:

- Business sector forums which present the case for local procurement to business owners.
- Public sector procurement forums which focus on the roles and responsibilities of supply chain and procurement officials from all 3 tiers of government and SOEs in respect of the PPPFA and on our tender monitoring system.
- Sector specific forums which focus on sectors in distress or those that offer the greatest number of direct as well as indirect job opportunities.
- The implementation and ongoing support of an online shopping platform dedicated to locally produced products (www.rsamade.co.za).

The hosting of the annual Buy Local Summit & Expo which showcases PSA member companies and specifically recruits procurement departments of various public and private organisations to interact with its members.

WORKPLACE AND EMPLOYMENT TRANSFORMATION AND EMPLOYMENT EQUITY

At Board level, in respect of Board appointments, the Group has adopted a Diversity Policy which is followed in conjunction with the Board Appointment Policy when considering any future Board appointments.

From an employee perspective, the Group is compliant with the Employment Equity Act. The detail is set out on page 54 of the Integrated Annual Report.

EMPLOYEE EDUCATION AND DEVELOPMENT

LEARNER EDUCATION AND TRAINING

As part of its continued commitment and focus to develop a learning organisation culture, within our internal and external communities, Trellidor successfully embarked on four South African Qualifications Authority (SAQA) recognised learnerships this year. This was done in conjunction with Innovative Shared Services (ISS), an accredited service provider.

National Certificate: Generic Management: NQF Level 5

This learnership opportunity was aimed at providing an opportunity for current Shift Leaders to enrol for the learnership, as the previous learnership excluded Shift leaders.

This qualification was specifically selected as it is designed to develop management skills for Team leaders. The learnership is aimed at the improvement of Team leaders' knowledge and skills to be more effective as Shiftleaders.

Learners to become more competent in building relationships; creating effective teams; managing performance and continuous improvement; delegation; recruitment and coaching; operational strategies; risk, financial and knowledge management; and business ethics. Candidates had to have passed English and Maths or Maths Literacy at Grade 12 NQF level 4 to qualify for the course. Learning was a combination of formats, including classroom-based, online, and blended learning.

We are expecting a 100% pass rate, with all seven Learners expected to complete the qualification. The timeframe to complete the qualification was extended as a result of operational requirements following the KZN floods and strike.

National Certificate: Generic Management: NQF Level 4

As planned we offered eight NQF level 4 Learnerships for employees in leadership positions who did not meet minimum learning qualifications requirements to register for the NQF level 5 Learnerships. Some of these learnerships (x3) are funded by the Company as we did not obtain grants for all the learners.

National Certificate: Freight Handling: NQF Level 6

Learners who passed the NQF 5 learnership have requested to continue with NQF level 6. Management agreed to subsidise 33% of the cost towards their studies on the basis that learners proceed with on-line studies, in their own time. This learnership was taken up by five of the learners. All learners are progressing well.

GETC: Transport NQF Level 3

Given our success the previous year with, training People with Disabilities on site and integrating Learners into the workplace to help create a culture of inclusion for all, we continued with eight learners.

The candidates attend class on-site two days a week and work at the Trellidor production plant two days a week. This is a 12-month programme, with the possibility of providing future employment for some of the candidates. As we were unable to place learners this year, we extended the opportunity for six of the learners to do a second learnership and recruited two new learners. All learners are progressing well.

Trellidor employees receiving their NQF Level 5 certificates.

PROTOCOLS ON DECENT WORK AND WORKING CONDITIONS

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

The Group has an explicit and detailed Safety, Health, Environment, Risk and Quality (SHERQ) Policy, including Covid-19 related regulations, and a SHERQ team who are dedicated to ensuring its implementation, monitoring and compliance.

Monthly Health and Safety Committee meetings are held to receive feedback regarding SHERQ and to allow the committee to respond accordingly.

Health and Safety performance (accidents, illnesses etc.) is measured and reported on regularly. Successful completion of annual audits ensure that the Trellidor Durban production processes are ISO 9001:2015 certified.

The Group encourages business relationships with suppliers, who pursue sound employment equity and black economic and empowerment programs.

Social and Ethics Committee Report
(continued)

During the year, the Trellidor Group responded to its social and economic development responsibilities by participating in several community development initiatives:

- The DHS Foundation is committed to the development and upliftment of Durban High School through partnership with the school community of Old Boys, parents, staff, and learners. We aim to ensure the continued growth of DHS as a centre of excellence, learning and opportunity.
- Ingane Yami Children's Village is a permanent, loving home for orphaned and vulnerable children; which, unlike a traditional orphanage, consists of individual homes. Each home is home to six children and a carefully selected foster mother. Their team includes social workers, an on-site Village Pastor, qualified teachers and a committed support team. Everyone works together to ensure each child's emotional, educational, physical and spiritual needs are met.
- Taylor continues to support Young Bafana, which is a non-governmental organization in Cape Town, offering a holistic development programme for children from historically and socially disadvantaged backgrounds in South Africa, by means of soccer and education by making monthly cash donations.
- Trellidor continues to make cash donations to Girls & Boys Town, which is a national non-profit organisation that runs proven and successful programmes to strengthen vulnerable youth.
- Made smaller donations to a number of organisations, including TAFTA and Noluthando School for the Deaf.

As part of these initiatives, the Group invested R600,000 (F21: R42,468) in Arts, Sport and Culture and R17,500 (F21: R268,495) in Education. In F21 R135,526 was spent on Basic Needs and Social Development.

Trellidor representatives at Durban High School for the breaking of ground at the new Astro facility.

GOVERNANCE FOCUS AREAS

PROCUREMENT

The Group encourages business relationships with suppliers, who pursue sound employment equity and black economic and empowerment programs.

The Group promotes the development of black-owned businesses and is proactively putting in place initiatives that it anticipates will assist it in improving its B-BBEE rating. This included financial support to the value of R1,150,000 (F21: R2,250,000) by way of interest-free loans and working capital funding.

The Group continues to seek opportunities to sustainably increase its participation in enterprise development. The Trellidor business model has assisted in the development of some 52 franchises in South Africa and 18 in Africa.

CUSTOMER DATA SECURITY AND PRIVACY

An external service provider manages all IT services within the Group. Their service level agreement ensures that the Group's IT systems and data are managed to ensure compliance with world class standards.

An IT Policy that governs both system use and data storage is in place and all employees are required to ensure compliance with the policy and its practices.

Users gain access to systems with an authenticated username and password. Confidential paperwork is sent offsite to an accredited Service provider who deals with the storage and where required destruction of documents in terms of industry standards.

The Group's compliance in terms of the Protection of Personal Information Act (POPIA) is monitored in line with the recommendations of the Act.

PREVENTION OF UNFAIR DISCRIMINATION

The Committee regularly reviews the various policies and procedures that management have put in place which ensure the prevention of unfair discrimination.

The Board, the Committee and management do not support and/or tolerate any behavior that is deemed or perceived to be discriminatory in any way.

TAX COMPLIANCE

Through its tax principles, internal policies, Group tax committee, expert tax consultants and actions, Trellidor is committed to being a socially responsible corporate fiscal citizen. In addition, numerous self-audits were requested by SARS for Trellidor and Taylor. These were performed and submitted with no amended assessments being issued. The Group pursues a long-term sustainable tax strategy with a focus on compliance with national and international tax laws and regulations.

In their 2022 Quarterly Compliance Confirmation, all Managing Directors/General Managers confirmed that there were no violations of applicable tax laws in their entities. A reasonable tax strategy with active management of tax matters ensures that the Group pays a fair share of tax in each of the 3 countries where it operates. During the year the Group paid R11,304,735 (F21: R16,602,982) in income tax of which R9,748,645 (F21: R16,535,676) was in South Africa.

ETHICS

As reported in the Governance section of this report, the adopted Code of Ethics underpins both the Board and employees conduct and behavior so as to ensure that they uphold the highest standard of ethics.

Committee Oversight

In accordance with its mandate, the Committee met twice during the year under review. Attendance at Committee meetings is set out on page 48 of the Integrated Annual Report.

The committee confirms that it has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act and that there were no instances of material non-compliance to disclose.

The Committee is satisfied that Trellidor is fulfilling its social and ethical obligations as a good corporate citizen as well as having fulfilled its statutory duties. The Committee will continue to make enhancements to its reporting and align its strategic focus areas with SDGs that are significant to the Group.

Mark Olivier
Chairman

Remuneration Report

The Remuneration Committee ("Remco") Chairman's letter

This is the remuneration report of Trellidor Holdings Limited ("Trellidor"), in line with the King IV guidelines it outlines the philosophy, policy and the implementation details of the remuneration of the executive directors, executive management, and non-executive directors, and at a high level, the rest of the employees of the Trellidor Holdings Group ("Group").

Committee responsibilities

The Remco fulfils the role of governing remuneration related matters, as delegated to it by the board of directors. The roles and responsibilities of the Remco are determined and approved by the Board, as explained, and detailed in the corporate governance section of Trellidor's integrated annual report, which deals with Board Committee structures and responsibilities.

The Committee is an independent and objective body, which is responsible for advising on, and then on the Board's behalf overseeing and monitoring the implementation of the Group's remuneration policy.

It is tasked with ensuring that directors and executives are remunerated fairly and responsibly and to this end the Committee reviews the mix of remuneration, bonuses and incentives (both short- and long- term), thereby ensuring alignment of total remuneration with the needs of the business's short- and longer-term objectives.

Key responsibilities of the Committee are to:

- review the Group's remuneration policy, which is presented annually for a non-binding advisory shareholder vote at the Annual General Meeting;
- oversee the implementation of the remuneration policy;
- review and approve the annual remuneration packages of the executive directors and senior executives, including annual cash- settled incentive schemes, ensuring they are appropriate and in line with the remuneration policy;
- recommend fees for the non-executive directors to the shareholders;
- issue guidelines for general salary increases across the Group;
- make recommendations to the Trustees of the Share Incentive Trust with regard to the long-term incentive and the resultant allocation of shares where applicable;
- in conjunction with the Transformation, Social, Ethics and Sustainability Committee review the human capital management practices in place with reference to key focus areas and those specifically required by South African labour legislation;
- annually review the Committee's Charter and recommend amendments thereto as required;
- undertake an annual assessment of the effectiveness of the Committee and report these findings to the Committee and the Board. A formal review is done every two years and an informal review annually; and
- review the remuneration report and disclosure of directors' remuneration that appears in the Group's integrated annual report.

To fulfil its remuneration responsibilities, the Committee has unrestricted access to any information required from any employee and, if necessary, to obtain external legal or other independent professional advice. The Group's remuneration policy and remuneration implementation report are tabled at the AGM for non-binding advisory votes by shareholders.

During the period under review, the Remuneration Committee ("Remco") comprised three independent non-executive directors: myself John Winship (Committee Chairman), Ralph Patmore and Mark Olivier with a fourth member Stuart Bird also an independent non-executive director being appointed on 1 June 2022, coinciding with his appointment to the Board. The CEO and CFO attend meetings by invitation. I will be stepping down as the Committee Chair and as a non-executive director of the Group at the annual general meeting, currently scheduled for 9 November 2022, where I come up for rotational retirement. Stuart Bird has been identified as my successor to take over the reigns as the Committee Chairman.

The Committee's Charter requires the Committee to meet twice annually, with additional meetings if required. The Committee has scheduled a meeting to take place prior to each quarterly Board meeting for the past year. Attendance at Committee meetings is set out in the Corporate Governance Report. The formal Remuneration Committee Charter sets out the Committee's responsibilities. The Charter is reviewed annually to ensure compliance with King IV, the JSE Listings Requirements and the Companies Act, and to incorporate relevant best practice developments.

The Board assesses the effectiveness of the Committee annually and formally evaluates the Committee every two years. Having completed the evaluation and assessment this year, it was found that the Remuneration Committee

has duly completed its responsibilities during the year, in accordance with its Charter and is functioning effectively.

Shareholder engagement

The Group presented its remuneration policy and implementation report to shareholders for non-binding advisory votes at its annual general meeting ("AGM") on 10 November 2021.

The non-binding vote in respect of the remuneration policy was 95.08% (2021: 90.15%) for and 4.92% (2021: 9.85%) against.

The non-binding vote in respect of the implementation report was 95.08% (2021: 96.32%) for and 4.92% (2021: 3.68%) against.

The Remuneration Committee takes comfort in the guidance from shareholders with these voting results continuing to be well above the thresholds recommended in King IV. No further engagement with shareholders was necessitated as the votes were passed by the requisite majorities.

Where practical, the Remco continues to constructively engage with dissenting as well as other shareholders on matters related to disclosure, performance conditions and the structuring of remuneration packages.

In the event that either the Trellidor remuneration policy (as contained in Part 1 of this report) or the remuneration implementation report (as contained in Part 2 of this report), or both, are voted against by 25.0% or more of voting rights exercised by shareholders on such votes the Remco will take the following steps as a minimum:

- An engagement process to ascertain the reasons for dissenting votes.
- Appropriately address legitimate and reasonable objections raised, which may include amending the remuneration policy or clarifying or adjusting the remuneration governance and/or processes.

The executive directors remained unchanged during the year. The executive directors together with the greater executive management team remain committed to and focused on the Group strategy and its implementation. The Group Strategy is set out in the Chairman's Report which forms part of the Integrated Report which report is available on the Trellidor website holdings.trellidor.co.za.

The operating environment remained challenging through F22 due to, in part, many of the same pandemic related issues we faced in F21 but these were compounded by additional challenges, namely the riots and looting in July and the three week metal industry strike in October 2021 and the KZN floods in April and May 2022. These events resulted in lost sales, higher levels of working capital and production inefficiencies, including the forced closure of our manufacturing facility in Durban. In addition, the cost of raw materials continued on their upward trajectory, albeit at a slower rate, and enduring logistical delays which have led to stock outages and margin pressure. We have also felt the impact of the Russian invasion of the Ukraine which has adversely impacted certain material and energy prices and caused higher than anticipated inflation.

As in the prior year, the STI scheme, as detailed and explained in the Policy section, has remained unchanged. The Share Option LTI scheme will also remain in place until the awards already made have vested or expired. This scheme expired in October 2021 for the original award and runs to October 2022 for the subsequent award. It remains unlikely that any benefit will accrue to the share option scheme. The Cash LTI, which was implemented in F21 to replace the Share Option LTI, remains unchanged and is also detailed and explained in the Policy section.

The focus of the Remuneration Committee of the Board ("Remco") for next year continues to be on ensuring that the STI and LTI drive the desired behaviours and achieve the short- and longer-term objectives aligned to stakeholders' interests as well as continuing to implement best practice protocols in accordance with the remuneration policy principles.

We believe the objectives of the remuneration policy are being achieved. If identified and where possible improvements in the report, policies and practices to ensure better alignment with the Group, shareholder, and stakeholder interests, will be undertaken. The improvement of the Group's alignment to King IV remains ongoing.

The content of this report was provided by the Group and the final draft approved by the Chairman of the Remco. The Remco is satisfied with the Group's application of both the requirements of King IV and the JSE Listings Requirements.

I would like to take this opportunity to thank the members of the Remco for their support and advice not only over this reporting period but over the period of my tenure as the committee Chairman and I wish the Trellidor Board and executive team every success as they continue to drive the business forward.

John Winship
Remco - Chairman

PART 1: OVERVIEW OF THE REMUNERATION POLICY

Non-binding advisory vote on remuneration policy

This remuneration policy is subject to an advisory vote by shareholders at the forthcoming AGM.

Remuneration philosophy

The philosophy is to align remuneration with the strategy, mission, vision, and values of the Group by applying a total reward approach to pay. The intent is to attract, motivate and retain the right skills and talent for the Group to meet its desired outcomes whilst considering various stakeholders' perspectives.

The policy aims to establish a balance between fixed and variable pay (short- and long-term incentives) which rewards and motivates superior performance. The policy aims to ensure an appropriate level of equity, transparency, and consistency across the Group.

Key principles of the remuneration policy

In designing a remuneration policy which is fair, transparent and responsible, Trellidor considered the following factors:

- remuneration which motivates executive management to achieve the business strategy and targets;
- remuneration which creates a strong, performance-oriented environment for executive management and all employees;
- remuneration which drives and rewards executives and all employees fairly based on their performance and which ensures alignment between executive management and shareholder interests to create shareholder value;
- remuneration of executive management which is fair and reasonable in the context of overall employees;
- remuneration which attracts, motivates and aims to retain high-calibre talent while keeping within market benchmark pay levels; and
- remuneration which promotes an ethical culture and responsible corporate citizenship.

Elements of remuneration

The remuneration structure for the executives and selected managers consists of the following elements:

1. Total Guaranteed Pay (TGP)

TGP on a cost-to-company basis consisting of, inter alia, a base salary, contributions to pension and/or provident funds, medical aid, group life and income disability. Travel allowances and/or the use of a company vehicle form part of agreed cost to company remuneration where justified.

Trellidor regularly conducts benchmarking studies to establish appropriate remuneration levels and practices to ensure fair, transparent and responsible remuneration for all staff including management. Trellidor makes use of market surveys to conduct remuneration benchmarking for all staff.

2. Variable pay

Short-Term Incentive (Annual Incentive): Participation is for executives and selected managers. The incentive is linked to the financial performance of the Company and individual performance. The committee retains the overall discretion to review and moderate any calculated STI to avoid unintended outcomes, as well as to modify and amend the design of the scheme from time-to-time as it sees fit.

The Share Option Long-Term Incentive (Share Scheme): In the form of share options for selected key employees. The Share Incentive Scheme is governed by the Share Incentive Trust, whose trustees are two of the non-executive directors, currently Ralph Patmore and John Winship.

Shareholders have approved a maximum share option allocation of 10 000 000 shares and with the maximum to any individual of 5 000 000 shares. No new tranches have been issued after the initial two allocations and this share option scheme will not be renewed after the final tranches have vested.

The Cash Long-Term Incentive (Cash Incentive): Participation is for executives. The incentive is linked to the financial performance of the Company. The committee retains the overall discretion to review and moderate any calculated LTI to avoid unintended outcomes, as well as to modify and amend the design of the scheme from time-to-time, as it sees fit.

The table overleaf sets out the elements of the Trellidor remuneration design and how they link to Company performance and strategy:

Remuneration element	Key features	Eligibility	Link to strategy
Total Guaranteed pay	Total Guaranteed pay is the fixed remuneration which comprises both a cash element and benefits. These benefits are inclusive of pension and/or provident funds, medical aid, group life and income disability. Where justified a travel allowance and/or use of a company vehicle may be structured as part of the remuneration.	All employees	Attraction, retention and recruitment of talented executives and competent employees to drive business performance.
Short-Term Incentive Scheme	The primary objective of the bonus scheme is to serve as a short-term incentive designed to motivate and reward the participants for achieving the annual goals set at the beginning of the year. The STI provides executives and senior managers with the opportunity to earn an annual bonus dependent on Group and individual performance. The factors taken into consideration when making payments are: • annual financial results relative to target; and • individual performance against key performance indicators (KPIs). The STI pool is capped as follows: 6% of earnings before interest and tax (EBIT) before provision for incentive provided that the pool is less than or equal to the growth in EBIT over the prior year. ROIC must be 18% or more for any pool to be created. This is a hurdle/ gatekeeper. In addition, each individual participant will have a maximum short-term incentive payment based on the following: • CEO - 100 % of TGP • CFO and senior executives - 60% of TGP • Other participants - 40% of TGP Allocation of the pool is determined using the following: • Group Financial targets - 33.33% • Individual KPIs - 33.33% • Remco discretion - 33.33% Individual KPIs: based on assessment rating of the individual where: 0 = unacceptable = 0% 1 = progress made toward measure = 50% 2 = acceptable performance= 100% 4 = above expectation = 125%	Executives and key employees #	To reward successful achievement of Company targets and personal performance. The financial measures used are: • Earnings before Interest and Tax (EBIT) • Return on Invested Capital (ROIC) calculated as follows: (EBIT - effective tax) / (Audited opening balance of operating invested capital - final dividends declared not paid) ROIC hurdle of 18% or more ensures that a minimum rate of return is provided for shareholders before the participants pool accumulates. The ROIC hurdle was reduced to 12% for the F21 financial year to take into consideration the impact of Covid-19 on the economy but reverted to 18% for F22. EBIT, higher than the previous year, is directly related to the growth strategy and sharing an amount in excess of the hurdle ensures only above target performance is rewarded. Financial measures linked to Company and business units drives performance linked to an individual's area of focus. The individual KPIs for each executive and selected manager cascaded from the Group scorecard aligns all participants with the strategy. The Remco discretionary 33.33% provides Remco the opportunity to reward individuals who, over and above the other measures, have performed above expectation. In the event that there is no incentive pool, the Remco may award, at its sole discretion, one or more individuals a bonus up to a maximum of 20% of total guaranteed pay (TGP) for that individual in recognition of their exceptional performance.
Share Option Long-Term Incentive Scheme (Share Incentive Scheme)	The primary objective of the Share Incentive Scheme is to incentivise and retain key employees by awarding options in Trellidor shares. These options vest in four equal tranches on the second, third, fourth and fifth anniversaries of the option award date, with each tranche having to be exercised by the participant within a 30-day period (unless extended at the discretion of the Board), thereafter, failing which such options lapse.	Executives and key employees #	To drive the long-term strategic business priorities of the Group. The original Share Incentive Scheme had its final vesting in October 2021 and the subsequent award has its fifth vesting in October 2022. The original Share Incentive Scheme completed its vesting options and no subsequent awards have been or will be issued in its place. This scheme will be phased out.
Cash Long-Term Incentive (Cash Based)	The primary objective of the Cash Incentive is to incentivise and retain key employees by deferring and distributing cash incentives over a 3 year period. The LTI provides executives and key senior managers with the opportunity to receive a bonus over an extended period dependent on Group financial performance. The factors taken into consideration when making payments are: • annual financial results; • minimum shareholder return; and • the individual participant remaining employed by the Group The LTI pool is capped at 2.4% of earnings before interest and tax (EBIT) before any incentive provided that the pool is less than or equal to the growth in EBIT over the prior year. ROIC must be 18% or more for any pool to be created. This is a hurdle/gatekeeper. The annual pool is divided between the participants and vests in equal instalments over the following three year period, provided that the participant remains an employee as at the vesting date. Allocation of the pool is determined at the discretion of REMCO.	Executives and key employees #	To reward successful achievement of Company targets and retain key employees. The financial measures used are: • Earnings before Interest and Tax (EBIT) • Return on Invested Capital (ROIC) calculated as follows: (EBIT - effective tax)/(Audited opening balance of operating invested capital - final dividends declared not paid) ROIC hurdle of 18% or more ensures that a minimum rate of return is provided for shareholders before the participants pool accumulates. The ROIC hurdle was reduced to 12% for the F22 financial year to take into consideration the impact of Covid-19 on the economy but reverted to 18% for F22. EBIT, higher than the previous year, is directly related to the growth strategy and sharing an amount in excess of the hurdle ensures only above target performance is rewarded. Financial measures linked to Company and business units drives performance linked to an individual's area of focus. In the event that there is no incentive pool, no LTI will be payable.

Non-executive directors do not participate.

Remuneration Report (continued)

Executive and prescribed officers' contracts

Employment agreements are in place for the executive directors being Terry Dennison and Damian Judge. These employment agreements include standard termination and other provisions, for contracts of this nature. Similar employment contracts are in place for the other senior executives.

Termination policy

In the event of a termination, the Company has the discretion to allow the relevant employee to either work out their notice or to pay the TGP for the stipulated notice period in lieu of notice. Furthermore, the rules of the various plans clearly outline termination provisions under different circumstances, as set out below:

Plan	Voluntary, resignation, dismissal	Retirement, ill-health disability	Retrenchment and death
STI	Automatic forfeiture of award for current year.	Award is pro-rated.	Award is pro-rated.
Share Incentive Scheme	All unvested awards shall be forfeited in their entirety and will lapse immediately on the date of termination.	If the participant retires, falls ill or is disabled prior to the vesting date, they shall remain entitled to the same rights and obligations for the next 12 months as if they remained employed by the Company. Any rights and obligations after the 12 month period lapse.	If the participant is retrenched or dies prior to the vesting date, they or the executor/legal representative shall remain entitled to the same rights and obligations for the next 12 months as if they remained employed by the Company. Any rights and obligations after the 12 month period lapse
New LTI	All unpaid cash-awards shall be forfeited in their entirety and will lapse immediately on the date of termination.	If the participant retires, falls ill or is disabled prior to payment date, they shall remain entitled to the same cash-awards for the next 12 months as if they remained employed by the Company. Any cash-awards payable after the 12 month period lapse.	If the participant is retrenched or dies prior to the payment date, they or the executor/ legal representative shall remain entitled to the same cash-awards for the next 12 months as if they remained employed by the Company. Any cash-awards payable after the 12 month period lapse

Non-executive directors' remuneration

In reviewing the fees for non-executive directors, the Board, assisted by the Committee, makes recommendations on the fees payable to the non-executive directors taking into consideration fees paid to non-executive directors of comparable companies and the importance attached to the retention and attraction of high-calibre individuals as non-executive directors.

As required by the Companies Act the remuneration of non-executive directors will be presented for a binding vote by a special resolution at the AGM at least every second year. The table below sets out the non-executive directors' fees template for the Board and Committees.

	2023		2022	
	Annual fee Rand	Per meeting fee Rand	Annual fee Rand	Per meeting fee Rand
Board Chairman	52 840	41 105	49 850	38 775
Director	46 960	29 365	44 300	27 700
Audit, Risk and Compliance Committee				
Chairman	-	35 225	-	33 230
Member	-	23 490	-	22 160
Remuneration and Nominations Committee				
Chairman	-	17 620	-	16 620
Member	-	11 740	-	11 075
Social and Ethics Committee				
Chairman	-	11 740	-	11 075
Member	-	8 810	-	8 310

Following a 5.0% increase in fees for the 2022 financial year, the fees proposed for the 2023 financial year reflect a 6.0% increase. Fees exclude Value Added Tax. The 2023 fees will be proposed to the shareholders at the Annual General Meeting on 9 November 2022.

Note that:
1. No fees are paid to any invitees to the Board or committee meetings.
2. The executive directors are not paid any fees for their membership and/or attendance at the Board or committee meetings.

PART 2: IMPLEMENTATION REPORT

Shareholders will be requested to cast a non-binding advisory vote on the remuneration implementation report as contained in this part 3 of the Remuneration Report.

In this part of the report, details are provided of the remuneration paid to executive and non- executive directors for the financial year ended 30 June 2022. The Remco considers these payments are in line with Company's remuneration policy.

Non-executive director fees*

2022	Directors' fees Rands	Total Rands
MC Olivier	356 011	356 011
JB Winship	323 135	323 135
RB Patmore	344 985	344 985
SI Bird	-	-
	1 024 131	1 024 131
2021		
MC Olivier	342 875	342 875
JB Winship	311 226	311 226
RB Patmore	332 326	332 326
	986 427	986 427

** These fees are approved at the AGM and the increased fee is paid from the quarter following the AGM.*

Guaranteed package increases

In determining the guaranteed package increases for the CEO, CFO and Prescribed Officers for F22, the Remco considered relevant market survey data from various publicly available market surveys. The remuneration for executives is benchmarked against companies of comparable size and complexity with reference to market capitalisation, revenue, profitability, and number of employees.

For F23 the committee approved an average increase of 6.00% (F22: 8.7%) for the CEO, CFO and the other Group executive.

Single figure of remuneration

The total remuneration of executive directors and prescribed officers on a single figure basis, as required by King IV is shown below:

2022	Guaranteed package Rand	STI[2]	Cash LTI[1][4]	LTI[3]	Total remuneration Rand
TM Dennison	3 572 317	-	106 000	-	3 678 317
DJR Judge	2 347 906	140 000	106 000	-	2 593 906
PWE Rawson	2 636 336	-	106 000	-	2 742 336
	8 556 559	140 000	318 000	-	9 014 559

2021	Guaranteed package Rand	STI[1]	Cash LTI[1]	LTI[3]	Total remuneration Rand
TM Dennison	3 400 210	1 269 000	106 000	-	4 775 210
DJR Judge	2 005 152	374 000	106 000	-	2 485 152
PWE Rawson	2 553 908	361 000	106 000	-	3 020 908
	7 959 270	2 004 000	318 000	-	10 281 270

(1) For the purpose of this report, this is the amount approved by the board of directors. For the purpose of the financial statements it is the amount accrued for at year-end before approval.

(2) STI awards made for the year were based on the discretion of the remuneration committee due to the Group not achieving targeted performance.

(3) The final tranches of share options vested in October 2021 and had no value when they vested.

(4) The Cash LTI award relates to the 2nd tranche of the F21 award. No Cash LTI awards were made in F22 due to the Group not achieving targeted performacne.

Short-term incentive payments for F22

There was no growth in EBIT over the prior year, therefore no incentive pool was created for F22. Discretionary STI awards were made at Remco's discretion totalling R756 000.

Share options Long-term incentive payments for F22

On 18 October 2016, 5 060 984 options were awarded to key employees of the Group. Further options totalling 1 830 920 were approved for award on 18 October 2017 to key employees of the Group.

No further awards were made or will be made under this scheme. For further details refer to the Annual Financial Statements on the company website, holdings.trellidor.co.za.

This brought the total options awarded to 6 891 904. Shareholders have approved a maximum share option allocation of 10 000 000 shares with the maximum to any individual of 5 000 000 shares.

The fourth vesting of the options was in October 2021 and as the options were underwater, zero value vested and the options expired. There is one tranche outstanding which vests in October 2022. The results of the vesting will be reported on in the remuneration report covering the vesting period. Options totalling 1 281 991 vested and expired in October 2021.

Cash Long-term incentive payments for F22

The incentives were determined using the Cash LTI scheme as presented in the Policy section. In F21 the ROIC hurdle target was achieved along with growth in EBIT and therefore an incentive payment pool was created. As result the second LTI distribution was made in line with the 2.4% cap of earnings before interest and tax (EBIT) before STI and LTI provision and the pool did not exceed the growth in EBIT over the prior year. In F22 the ROIC hurdle target was not achieved and there was no growth in EBIT and therefore no incentive payment pool was created for this period.

Annual Financial Results

Annual Financial Results

Audit, Risk and Compliance Committee Report

The information below constitutes the report of the Audit, Risk and Compliance Committee ('committee') in respect of the year under review, as required by the Companies Act of South Africa, for the Trellidor Holdings Limited group.

The committee is an independent statutory committee and, in addition to having specific statutory responsibilities to the shareholders in terms of the Companies Act, also assists the board through advising and making submissions on financial reporting, oversight of the risk management process and internal financial controls, the external and internal audit functions, information and technology governance, as well as the statutory and regulatory compliance of the company.

Terms of reference/charter

The committee has adopted a formal charter which has been approved by the board and which has also been incorporated in the Board charter. The charter sets out the committee's responsibilities and it is reviewed annually to confirm compliance with King IV™ and the Companies Act and to ensure the incorporation of further best practice developments. *King IV™ (Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved).

1. Membership

The committee comprises four independent non-executive directors. Three of whom have served on the committee throughout the period, and the fourth SI Bird having been appointed on 1 June 2022 in line with his appointment to the Trellidor Board. The CEO, CFO and representatives from the external and internal auditors attend the committee meetings by invitation only. The external and internal auditors have unrestricted access to the committee.

At the date of this report, the committee comprised the following directors:

Name	**Period served**
RB Patmore (Chairman)	28 October 2015 - current
JB Winship	28 October 2015 - current
MC Olivier	28 October 2015 - current
SI Bird	01 June 2022 - current

The nomination committee and the board are satisfied that these members have the requisite knowledge and experience as set out in Section 94(5) of the Companies Act and Regulation 42 of the Companies Regulations, 2011. They have also considered and are comfortable with the committee composition. On the recommendation of the nomination committee reappointment of committee members will be a matter for consideration by shareholders at the forthcoming Annual General Meeting.

As communicated in the SENS dated 31 May 2022, the board of directors, advised that JB Winship, after serving on the Trellidor Board since 2006, has indicated that he will not be making himself available for re-election to the board at the AGM, currently scheduled for 09 November 2022.

The Nomination Committee, having assessed the skill set gap on the board approached SI Bird with an offer of an appointment as an independent non-executive director of the company as well as a member of the Audit, Risk & Compliance Committee, Nomination & Remuneration and the Social & Ethics Committee (which committee he will also chair), which appointment he accepted, with effect from 01 June 2022.

The company secretary is the secretary of this committee.

RB Patmore, representing the committee, attends the Annual General Meeting to answer any questions relating to matters within the committee's ambit.

2. Meetings

The committee performs the duties required of it by Section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

Four scheduled meetings of the committee were held during the financial year, this being in accordance with its charter, King IV and the Companies Act.

The committee meets with external audit and the Chairman with internal audit and external audit without the presence of management at least once per annum.

A formal evaluation of the committee is completed every two years by the board whilst an assessment of its effectiveness is completed every year by the committee itself. The evaluation was completed in the prior year and will be completed again in the 2023 financial period in line with the evaluation cycle. Following a review of this assessment during the year, the committee was found to be effective and to have duly completed and discharged all its responsibilities in accordance with its written terms of reference.

3. Responsibilities

In the execution of its statutory duties relating to the financial year under review, the committee:

- Reviewed the principles, policies and practices adopted in the preparation of the financial statements of the group to ensure that the financial statements of the group and any other formal announcements relating to the financial performance complied with all statutory and regulatory requirements as was required;

- Ensured that both the consolidated interim and consolidated final financial statements of the group, in respect of the first six-month period and the full financial period respectively, complied with all statutory and regulatory requirements;
- Nominated and recommended the appointment of the external auditors Mazars to the shareholders at the Annual General Meeting, under section 90 of the Companies Act; a registered auditor who, in the opinion of the committee, is independent;
- Determined the auditor's terms of engagement, and approved their fees;
- Ensured that the appointment of the auditor complied with the provision of the Companies Act, and any otherlegislation relating to the appointment of auditors;
- Reviewed the group's compliance with applicable legislation and requirements of regulatory authorities;
- Reviewed the reports of the group's external and internal auditors to ensure the adequacy and effectiveness of the group's financial, operating compliance and risk management controls;
- Determined the nature and extent of any non-audit services performed by the external auditors and ensured that these were kept to a minimum;
- Pre-approved any proposed agreement with the auditors for the provision of non-audit services to the company or group;
- Received and dealt appropriately with any concerns or complaints, whether from within or outside the company, or on its own initiative, in relation to the matters as set out in the Companies Act;
- Performed duties that are attributed to it by its mandate from the board, the Companies Act, the JSE ListingsRequirements and regulatory requirements;
- Considered the JSE's proactive monitoring report as issued in November 2021 and the possible impact on the annual financial statements;
- Approved materiality for the group consolidated financial statements in terms of IFRS Practice Statement 2 - Making Materiality Judgements;
- Evaluated and concluded that it is satisfied with the accounting treatment and disclosures of the provision arising from the labour court dispute;
- Considered proposed changes to the Companies Act, JSE Listings Requirements and King IV.

In addition to its statutory duties, the committee also performed the following duties:
- Reviewed and approved the group's Internal Audit Charter;
- Reviewed the scope and report provided by the internal auditors;
- Reviewed the effectiveness of the internal financial controls;
- Reviewed the expertise and experience of the CFO, and the finance function;
- Reviewed the group's going concern status;
- Discussed and addressed the company and group's tax matters.

The committee is satisfied that the internal controls are effective.

4. Risk management

The committee, is responsible for monitoring that management's processes and procedures are adequate to identify, assess, manage, and monitor group-wide risks.

The committee has performed the following duties:
Overseen risk management by reviewing and approving the key risks facing the group;
Reviewed the management of risk and monitored compliance effectiveness within the group;
Assisted the board in its review of the group's risk management and compliance policies;
Monitored compliance with the JSE Listings Requirements.

The committee is satisfied that the appropriate risk management processes and policies are in place.

5. External auditor

Independence of external auditors

The committee reviewed the independence of Mazars as external auditor with T Erasmus as the independent individual registered auditor who undertook the audit for the current year. The committee considered all information as required by Section 3.84 and 3.86 of the JSE Listings Requirements in assessing Mazars's independence, registration as a Registered Auditor and the ability to perform a quality audit of the group. Mazars has been the auditor of Trellidor Holdings Limited for 16 years.

Audit, Risk and Compliance Committee Report (continued)

After considering the factors below and the auditor's tenure, the committee is satisfied that Mazars is independent of Trellidor Holdings Limited.

This assessment was made after considering the following:

- Confirmation from the external auditors that they, or their immediate family, do not hold any direct or indirect financial interest or have any material business relationship with Trellidor Holdings Limited. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence;

- The current auditors do not, other than in their capacity as external auditors or rendering permitted non-audit services, receive any remuneration or other benefits from Trellidor Holdings Limited;

- The future auditors, who previously acted as the company's internal auditors, ceased their role as internal auditors during the current financial period and have been replaced for the forth coming financial period. In addition none of the staff members who were involved in the internal audit function, will be part of the external audit;

- The auditor's independence was not impaired by the non-audit work performed having regard to the nature of the non-audit work undertaken and the quantum of the audit fees relative to the total fee base;

- 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 (IRBA);

- Information provided by the auditors in terms of the JSE Listings Requirements, Paragraph 22.15(h); and

- The audit firm and the designated auditor are accredited with the JSE.

The committee confirms that the external auditor has functioned in accordance with its terms of reference for the 2022 financial year.

External auditors' fees

The committee:

- Approved, in consultation with management, the audit fee and engagement terms for the external auditors for the 2022 financial year;
- Reviewed and approved the non-audit services fees for the year under review and ensured that the fees were in line with the non-audit service policy; and
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services through the Audit Committee charter.

External auditors' performance

The committee:

- Reviewed and approved the external audit plan, ensuring that material risk areas were included, and that coverage of the significant business processes was acceptable;
- Monitored the effectiveness of the external auditors in terms of audit quality and expertise; and
- Reviewed the external audit reports and management's response and considered their effect on the financial statements and internal financial control.

Mandatory Audit Firm Rotation

In accordance the rules published by IRBA, audit firms of public interest companies are subject to Mandatory Audit Firm Rotation (MAFR), where such audit firm were appointed as auditors for more than 10 consecutive financial years.

Following the conclusion of a comprehensive tender process and the committee considering the requirements of Section 3.84 and 3.86 of the JSE Listings Requirements in assessing independence, registration as a Registered Auditor and the ability to perform a quality audit of the group, the Audit, Risk and Compliance Committee has recommended, and the board of directors has endorsed, the appointment of PKF Durban, with TC Marti-Warren as the designated audit partner, as the external auditors of the company for the financial year ending 30 June 2023. The appointment is subject to shareholder approval at the AGM in November 2022.

The incumbent external auditors, Mazars will continue to serve as Trellidor Holdings Limited external auditor in respect of the current financial year ending 30 June 2022.

6. Internal audit

Due to the size of the group, the board does not consider it to be cost-effective to maintain a full-time internal audit function and therefore continues to outsource the internal audit function. PKF Durban have previously performed this outsourced function but with the appointment of PKF Durban as the incoming external auditors of the company, the committee again followed a comprehensive tender process in order to source new internal auditors and following the conclusion of this process, the committee appointed BDO as the internal auditors.

The group's situation and needs in terms of an internal audit function are reassessed on an annual basis.

7. Annual Financial Statements

The committee has reviewed the comprehensive consolidated and separate financial statements of the group and company for the financial year ended 30 June 2022, which are available on the group's website (holdings.trellidor.co.za), and is satisfied that they comply, in all material aspects, with the requirements of the Companies Act, International Financial Reporting Standards ('IFRS'), International Financial Reporting Interpretation Committee ('IFRIC') interpretations, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited.

These financial statements, have been reviewed and recommended by the committee to the board for approval. The board subsequently approved the annual financial statements and they will be open for discussion at the forthcoming Annual General Meeting.

8. Chief Financial Officer and finance function

The external auditor has expressed an unqualified opinion on the financial statements for the year ended 30 June 2022.

The committee on an annual basis obtains feedback from the external auditors and considers and satisfies itself as to the appropriateness of the expertise and experience of the CFO and must confirm this by reporting to shareholders in its annual report that the committee has executed this responsibility.

In this regard, the committee is satisfied that after assessing the competence and performance of the CFO, they believe he possesses the appropriate expertise and experience to meet his responsibilities in that position. The committee is also satisfied with the expertise of the financial staff and the adequacy of resources within the finance function. The committee in making these assessments has satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements.

Based on the processes and assurances obtained the committee is of the view that the accounting practices are effective and that appropriate financial reporting procedures exist and are working.

9. Regulatory compliance

The committee has complied with all the applicable regulatory and legal responsibilities.

10. Going concern

The committee through its review of the 2023 budget, cash flows, and discussions with executive management reported to the board that it supports management's view that the group will continue to operate as a going concern for the foreseeable future. Consideration has also been given to the weak local economy and negative global macro impacts and the impact thereof on the going concern status of the business, and the committee is comfortable that although there has been a negative impact it has not impacted the going concern status of the business. The annual financial statements have been prepared on the going concern basis.

11. Integrated Annual Report

The committee has reviewed and commented on the financial information and the disclosure of sustainability issues included in the integrated annual report to ensure that they are reliable and do not conflict with the financial information disclosed in the annual financial statements. It has recommended the approval of the integrated annual report, to the board, which report the board has formally approved.

12. Subsequent events

The committee has considered the events that have occurred between the date of the financial statements and the date of this report, as disclosed in the subsequent events note to the financial statements. The committee has reviewed this note as well as management's assessment of events and where appropriate provided its input thereto.

13. Complaints and/or concerns

No complaints or concerns were received by the Committee on any matters relating to the accounting practices and internal audit of the group, the content or auditing of the consolidated and separate annual financial statements, the internal financial controls of the group or on any other related matter during the year under review.

RB Patmore
Audit, Risk and Compliance Committee Chairman
Durban

Directors’ Approval

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group and company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied unless stated otherwise 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 set 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. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group and company’s cash flow forecast for the year to 30 June 2023, which has adequately considered the weak local economy and negative global macro factors, and in light of this review and the current financial position, they are satisfied that the group and company has or will have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group and company’s annual financial statements. The annual financial statements have been examined by the group and company's external auditor and their report is presented on pages 76 to 78.

The annual financial statements set out on pages 69 to 92, which have been prepared on the going concern basis, were approved by the board of directors on 01 September 2022 and were signed on their behalf by:

TM Dennison

DJR Judge

Group Chief Executive Officer and Group Chief Financial Officer Responsibility Statement

Each of the directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 69 to 92, 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 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 annual financial statements. Having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- We are not aware of any fraud involving directors; and
- Where we were not satisfied, we disclosed to the Audit, Risk and Compliance Committee and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls, and remediated the deficiencies.

TM Dennison
Chief executive officer
01 September 2022

DJR Judge
Chief financial officer
01 September 2022

Group Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, as amended, I certify that the group and company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

P Nel
Company Secretary
01 September 2022

Independent Auditor's Report

The unmodified independent auditor's report can be found on page 11 of the annual financial statements on Trellidor's website holdings.trellidor.co.za Tertius Erasmus is the designated audit partner responsible for the audit.

Director’s Report

Directors' Responsibilities and Approval

The directors have pleasure in submitting their report on the annual financial statements of Trellidor Holdings Limited and the group for the year ended 30 June 2022.

1. Nature of business

Trellidor Holdings Limited is an investment entity incorporated in South Africa. The company's subsidiaries are engaged in the manufacture and sale of custom-made barrier security products, blinds, decorative and security shutters and the importing and selling of cornicing/skirting products.

The group operates principally in South Africa, United Kingdom, and Ghana.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), the International Financial Reporting Interpretation Committee ('IFRIC') interpretations, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited, and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year unless stated otherwise.

During the year under review the operations of the business have been negatively impacted by the following events which are not reasonably expected to recur in the forseeable future:

KwaZulu-Natal encountered severe looting and riots from 12 July 2021 to 16 July 2021 which had resulted in substantial damage and loss to businesses in the province. As a result of the unrest, the company was forced to close their business for that period. The unrest situation was temporary therefore no material impact to our customers and supply chain had occurred.

In the Taylor Segment, ongoing severe supply chain challenges caused by the COVID related lockdowns in China specifically, have led to stock shortages causing certain product lines to be unavailable for sale during the period negatively impacting revenue.

On Monday, 11 April 2022, KwaZulu-Natal experienced severe rainfall that resulted in unprecedented flooding and caused tremendous devastation across the province. The company's facilities were not damaged by the floods, but severe damage to infrastructure in the province caused disruption to employee movement and negatively impacted the market.

The directors are aware of the conflicts currently occurring in Europe and the impact thereof on the global economy, and are monitoring the situation to determine if and when any impacts are expected on business operations. In addition, the National Metalworkers industrial action in October 2021 caused factory closure for 15 days. This was late in the calendar year meaning the lost capacity could not be recovered prior to annual factory shut down in mid-December 2021.

Full details of the financial position, results of operations and cash flows of the group and company are set out in these annual financial statements.

3. Stated capital

Refer to note 15 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Shareholder analysis

Refer to page 95 of this report for the shareholder analysis.

5. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends. Due to the possible financial impact of the Labour Court ruling, the board of directors, in line with the Companies Act solvency and liquidity test, have recommended that the company not make any distributions to shareholders for the 2022 financial year end.

Refer to note 32 of the comprehensive consolidated annual financial statements for further details relating to distributions in prior period.

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
TM Dennison	Chief Executive Officer	Executive	
DJR Judge	Chief Financial Officer	Executive	
MC Olivier	Chairman	INED	
JB Winship	Director	INED	
RB Patmore	Director	INED	
SI Bird	Director	INED	Appointed 01 June 2022

#INED - Independent non-executive

JB Winship will be stepping down from his responsibility as an independent non-executive director post the Annual General Meeting (currently scheduled for 09 November 2022). SI Bird has been appointed to the board effective 01 June 2022.

7. Directors' interests in shares

As at 30 June 2022, the directors of the company held direct and indirect beneficial interests in its issued ordinary shares, as set out below:

Interest in shares

Directors	2022 Direct	2022 Indirect	2021 Direct	2021 Indirect
TM Dennison	8 819 342	-	8 819 342	-
MC Olivier	-	1 884 333	-	1 884 333
JB Winship	-	1 642 039	-	1 642 039
DJR Judge	405 785	5 300	405 785	5 300
	9 225 127	3 531 672	9 225 127	3 531 672

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

8. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the group had an interest and which significantly affected the business of the group.

9. Directors' emoluments and service contracts

The executive directors have service contracts with the company which include a three-month notice period. The nonexecutive directors enter a formal letter of appointment on acceptance of their board position. During the prior year loans were advanced to two directors of the group for the purchase of shares in the company. Loans advanced to directors and the directors' emoluments are disclosed in notes 9 and 38 of the annual financial statements.

10. Interests in subsidiaries

Details of the group's interest in subsidiaries are presented in note 7 of the comprehensive consolidated annual financial statements.

11. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the group are unlimited. However, all borrowings by the group are subject to board approval.

12. Events after the reporting period

On 01 July 2022 we completed the acquisition of the Trellidor Hillcrest franchise in Durban. This franchise will be absorbed into our existing Durban operation and included in the Trellidor Retail business unit.

Effective 01 September 2022, Trellidor Innovations Proprietary Limited sold its NMC Moldings operations to Trellidor Decor Proprietary Limited, a wholly owned subsidiary of Trellidor Holdings Limited. This intragroup transfer has been implemented to improve the operating effectiveness of both Taylor and NMC operations and to drive strategic growth through focused management.

The directors are not aware of any further material events which occurred after the reporting date and up to the date of this report.

13. Litigation statement

The group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

A claim has been instituted by former employees of the group who were dismissed. Refer to note 11 of this report for further details.

14. Insurance

The group has appropriate insurance cover against crime risks as well as professional indemnity. This cover was assessed and confirmed by the Audit, Risk and Compliance Committee and the board.

15. Promotion of Access to Information Act

There were no requests for information lodged with the company in terms of the Promotion of Access to Information Act, No 2 of 2000.

Director's Report (continued)

16. Auditors

Mazars continued in office as auditors for the company and its subsidiaries for the 30 June 2022 period in terms of section 90 of the Companies Act.

At the AGM, the shareholders will be requested to approve the appointment of PKF Durban as the independent external auditors of the group and company and to confirm TC Marti-Warren as the designated lead audit partner for the 2023 financial year.

17. Governance

The board remains aligned with the King IV recommendations and continues to explore the six capitals (financial, manufactured, human, intellectual, natural, and social and relationship) and link them appropriately into the strategy.

18. Secretary

The company secretary is P Nel.

- Postal and business address: 71 Cotswold Drive
Westville
3629

19. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 01 September 2022. No authority was given to anyone to amend the annual financial statements after the date of issue.

20. Going concern

The directors are of the opinion that the group and company have adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the group's financial statements.

The directors have satisfied themselves that the group and company are in a sound financial position, have adequately considered the weak local economy and negative global macro factors on future performance and that they have access to sufficient borrowing facilities to meet its foreseeable cash requirements including the provision for the Labour Court judgement should this settlement be required.

The directors have also performed the liquidity and solvency tests required by the Companies Act and are satisfied that the group and company is sufficiently liquid and solvent.

21. Special resolutions

No additional special resolutions were passed during the 2022 financial year other than those passed at the company's Annual General Meeting.

Statement of Financial Position

for the year ended 30 June 2022

	Notes	Audited 30 June 2022 R'000	Audited 30 June 2021 R'000
Assets			
Non-current assets			
Property, plant and equipment		59 929	57 591
Right-of-use assets ('RoU assets')		42 235	15 356
Goodwill	3	55 795	46 773
Intangible assets		43 654	41 695
Loans receivable		3 253	4 807
Deferred tax		16 166	7 577
		221 032	**173 799**
Current assets			
Loans receivable		3 369	4 001
Inventories	8	122 030	107 607
Trade and other receivables		55 296	61 459
Current tax receivable		3 331	1 528
Cash and cash equivalents		13 522	17 758
		197 548	**192 353**
Total assets		**418 580**	**366 152**
Equity and liabilities			
Equity			
Equity attributable to equity holders of the parent			
Stated capital		401	401
Reserves		5 034	5 845
Retained income		162 412	169 928
		167 847	176 174
Non-controlling interest		(985)	2 934
		166 862	**179 108**
Liabilities			
Non-current liabilities			
Lease liabilities		31 234	7 361
Other financial liabilities	9	80 906	63 653
Deferred tax		764	395
		112 904	**71 409**
Current liabilities			
Lease liabilities		10 262	7 560
Bank overdraft		21 423	12 580
Other financial liabilities	9	15 508	22 623
Trade and other payables	10	58 366	70 876
Current tax payable		772	1 447
Provisions	11	32 483	549
		138 814	**115 635**
Total liabilities		**251 718**	**187 044**
Total equity and liabilities		**418 580**	**366 152**

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2022

	Notes	Audited 30 June 2022 R'000	Audited 30 June 2021 R'000
Revenue	5	513 234	518 387
Cost of sales		(315 991)	(298 972)
Gross profit		**197 243**	**219 415**
Other operating income		8 091	6 389
Movement in credit loss allowance	6	149	1 434
Other operating expenses		(163 234)	(164 707)
Labour court settlement provision expense	11	(32 058)	-
Operating profit (loss)		**10 191**	**62 530**
Investment income		941	1 392
Finance costs		(10 185)	(8 024)
Profit (loss) before taxation		**947**	**55 898**
Taxation		(607)	(15 569)
Profit (loss) for the year	6	**340**	**40 329**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		(905)	(1 004)
Total comprehensive income (loss) for the year		**(565)**	**39 325**
Profit (loss) attributable to:			
Owners of the parent		418	39 755
Non-controlling interest		(78)	574
		340	**40 329**
Total comprehensive income (loss) attributable to:			
Owners of the parent		(393)	38 822
Non-controlling interest		(172)	503
		(565)	**39 325**
Earnings (loss) per share for the period attributable to the owners of the parent			
Basic and diluted earnings per share (cents)	7	0.40	40.7

Statement of Changes in Equity

for the year ended 30 June 2022

	Stated capital R'000	Foreign currency translation reserves R'000	Share-based payment reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to equity holders of the Group R'000	Non-controling interests R'000	Total equity R'000
Balance at 01 July 2020	**12 143**	**(1)**	**6 777**	**6 776**	**139 845**	**158 764**	**2 432**	**161 196**
Profit for the year	-	-	-	-	39 755	39 755	574	40 329
Other comprehensive income	-	(931)	-	(931)	-	(931)	(72)	(1 004)
Total comprehensive income for the year	-	**(931)**	-	**(931)**	**39 755**	**38 824**	**502**	**39 325**
Buy-back of shares	(11 742)	-	-	-	-	(11 742)	-	(11 742)
Dividends	-	-	-	-	(9 672)	(9 672)	-	(9 672)
Balance at 01 July 2021	**401**	**(932)**	**6 777**	**5 845**	**169 928**	**176 174**	**2 934**	**179 108**
Profit for the year	-	-	-	-	418	418	(78)	340
Other comprehensive income	-	(811)	-	(811)	-	(811)	(94)	(905)
Total comprehensive loss for the year	**-**	**(811)**	**-**	**(811)**	**418**	**(393)**	**(172)**	**(565)**
Dividends	-	-	-	-	(10 473)	(10 473)	-	(10 473)
Changes in ownership interest - control not lost	-	-	-	-	2 539	2 539	(3 747)	(1 208)
Balance at 30 June 2022	**401**	**(1 743)**	**6 777**	**5 034**	**162 412**	**167 847**	**(985)**	**166 862**

Statement of Cash Flows
for the year ended 30 June 2022

	Audited 30 June 2022 R'000	Audited 30 June 2021 R'000
Cash flows from operating activities		
Cash generated from operations	39 127	96 350
Interest income	941	1 392
Finance costs	(10 029)	(7 938)
Tax paid	(11 304)	(19 328)
Net cash from operating activities	**18 735**	**70 476**
Cash flows from investing activities		
Purchase of property, plant and equipment	(9 941)	(7 080)
Proceeds on sale of property, plant and equipment	556	144
Purchase of other intangible assets	(2 640)	(2 323)
Business combination	(9 500)	(11 535)
Advances of loans receivable	–	(3 400)
Receipts from loans receivable	2 090	3 311
Net cash (used in)/from investing activities	**(19 435)**	**(20 883)**
Cash from financing activities		
Buy-back of shares	–	(11 742)
Proceeds from other financial liabilities	36 194	–
Repayment of other financial liabilities	(20 920)	(17 845)
Repayment of loans from minority	(4 376)	(867)
Acquisition of minority shareholding	(1 208)	–
Repayment of lease liabilities	(11 484)	(12 299)
Dividends paid	(10 473)	(17 688)
Net cash (used in)/from financing activities	**(12 267)**	**(60 441)**
Total cash movement for the year	(12 967)	(10 848)
Cash at the beginning of the year	5 179	16 071
Effect of exchange rate movement on cash balances	(113)	(45)
Total cash at end of the year	**(7 901)**	**5 178**

Notes to the Financial Results
for the year ended 30 June 2022

1. Basis of preparation

The summarised consolidated audited results for the year ended 30 June 2022 (results for the year) have been prepared in accordance with framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations, Committee (IFRIC) interpretations, the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The report contains the information required by International Accounting Standard (IAS) 34: Interim Financial Reporting and are in compliance with the Listings Requirements of the JSE Limited.

The accounting policies as well as the methods of computation used in the preparation of the results for the year ended 30 June 2022 are in terms of IFRS and are consistent with those applied in the audited annual financial statements for the year 30 June 2021. The group's directors are responsible for the preparation and fair presentation of the summarised consolidated annual results. These results have been compiled under the supervision of the Chief Financial Officer, DJR Judge CA(SA).

2. Business combinations

During the year, Trellidor Retail Propietary Limited, acquired two Trellidor Franchises. The franchises, one in Cape Town and one in Johannesburg, form an integral part of the Trellidor network in these cities. The franchises, in conjunction with the other owned franchises will be managed as owned Trellidor branches, with the expectation of improving service delivery in these regions and improve efficiency to the end user. Goodwill of R8.9 million arising from the acquisition consist largely of market awareness of the brand that has been created by the previous franchise owners. Goodwill is not deductible for Income tax purposes.

	Audited 30 June 2022 R'000
FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED:	
Property, plant and equipment	656
Trade and other receivables	(93)
Goodwill	8 937
	9 500
ACQUISITION DATE FAIR VALUE OF CONSIDERATION PAID	
Cash	(9 500)

The acquisition of the additional franchises during the year increased the revenue of the entity by R14.1 million and a loss before tax of R0.4 million. This was for the period 01 July 2021 to 30 June 2022 and was significantly impacted by the civil unrest in July and metal union strikes in October 2021. On acquisition, the franchises within the same geographical area were consolidated into one "branch" and a number of the administrative operations of all the acquired franchises were centralised at the Group's head office. Revenue that was derived by the acquired franchises from the sale of products outside the Group's direct product offerings were also discontinued on acquisition. Given that the entity has increased the number of owned franchises from 5 to 7 during the year, the impact on performance during the F23 is expected to show improvement. Uncertainty still remains in terms of the forecasted performance given the weak economic environment in South Africa and the rising cost of living for consumers.

The Group has not disclosed annualised pro forma financial information in respect of revenue and profit for the acquisitions as it does not have access to the relevant information with respect to the acquired franchises for the Group's full reporting period up to the date of the acquisition. The preparation and presentation of this information is therefore deemed impracticable.

Notes to the Financial Results (continued)
for the year ended 30 June 2022

3. Goodwill

Goodwill includes the Taylor and NMC acquisition goodwill, which has a carrying value of R34.2 million (2021: R34.2 million), the Trellidor UK acquisition goodwill, with a carrying value of R8.0m (2021: R8.0 million), and the Trellidor RSA franchise acquisitions with a carrying value of R11.2 million (2021: R2.3 million), which management has tested for impairment during the year and based on the results of the test performed, no impairment was identified. In assessing future income, management has considered the assumptions relating to sustainable growth. In assessing sustainable growth, management has taken into consideration the continued economic impact of the Covid-19 pandemic, political uncertainty and civil unrest both locally and globally, and the probable impact it could have on the performance of the two CGU's over the next 24 months.

	Opening balance R'000	Additions through business combinations R'000	Foreign exchange movements R'000	Total R'000
AS AT 30 JUNE 2022				
Goodwill	46 773	8 937	85	55 795
AS AT 30 JUNE 2021				
Goodwill	39 244	8 018	(489)	46 773

4. Segment information

The Group has three reportable segments that are used by the Chief Executive Officer to assess for resource allocation and to make key operating decisions and assess performance. These operating segments are differentiated and identified by the products they manufacture, the services they provide and the markets they operate in. These reportable segments as well as the products and services from which each of them derives revenue are set out below:

REPORTABLE SEGMENT	PRODUCTS AND SERVICES
Trellidor	Manufacture and distribution of custom-made barrier security products
Taylor	Manufacture and distribution of custom-made blinds, decorative and security shutters and distribute cornicing/skirting products
Holdings	Management of the Group treasury function and receives management fee income

4. Segment information (continued)

	Trellidor R'000	Taylor R'000	Holdings R'000	Internal R'000	Consolidated R'000
AS AT 30 JUNE 2022					
South Africa	248 113	184 748	38 043	(38 799)	432 105
Rest of Africa	38 073	2 601	-	-	40 674
Rest of World	40 455	-	-	-	40 455
REVENUE BY LOCATION	**326 641**	**187 349**	**38 043**	**(38 799)**	**513 234**
Security products	324 463	-	-	-	324 463
Decorative products	1 343	187 349	-	(756)	187 936
Management fee	-	-	13 941	(13 941)	-
Royalty income	835	-	-	-	835
Dividends	-	-	19 000	(19 000)	-
Interest income	-	-	5 102	(5 102)	-
REVENUE BY SOURCE	**326 641**	**187 349**	**38 043**	**(38 799)**	**513 234**
EBITDA	**19 347**	**10 761**	**24 036**	**(24 881)**	**29 263**
PROFIT BEFORE TAX	**5 618**	**(6 178)**	**20 951**	**(19 444)**	**947**
Net finance cost	(4 258)	(7 046)	(3 064)	5 124	(9 244)
Depreciation	(6 180)	(1 616)	(21)	-	(7 817)
Depreciation of RoU assets	(3 117)	(7 769)	-	313	(10 573)
Amortisation	(173)	(509)	-	-	(682)
Movement in ECL allowance	327	(178)	438	(438)	149
Employee costs	(86 838)	(44 088)	(7 819)	-	(138 745)
Advertising	(20 967)	(7 160)	-	-	(28 127)
SEGMENT ASSETS	**226 290**	**190 647**	**154 485**	**(152 841)**	**418 581**
Cash and cash equivalents	11 299	558	1 665	-	13 522
Capital expenditure – assets	11 186	2 015	35	-	13 236
Capital expenditure – RoU assets	931	37 233	-	-	38 164
Deferred tax assets	11 403	4 250	513	-	16 166
SEGMENT LIABILITIES	**(148 189)**	**(147 552)**	**(55 809)**	**99 832**	**(251 718)**
Bank overdraft	**(2 586)**	**(18 837)**	**-**	-	**(21 423)**

Notes to the Financial Results (continued)
for the year ended 30 June 2022

4. Segment information (continued)

	Trellidor R'000	Taylor R'000	Holdings R'000	Internal R'000	Consolidated R'000
AS AT 30 JUNE 2021					
South Africa	244 303	198 215	49 362	(50 587)	441 293
Rest of Africa	47 884	6 125	-	-	54 009
Rest of World	23 085	-	-	-	23 085
REVENUE BY LOCATION	**315 272**	**204 340**	**49 362**	**(50 587)**	**518 387**
Security products	312 025	-	-	-	312 025
Decorative products	1 933	204 340	-	(1 225)	205 048
Management fee	-	-	12 817	(12 817)	-
Royalty income	1 314	-	-	-	1 314
Dividends	-	-	32 000	(32 000)	-
Interest income	-	-	4 545	(4 545)	-
REVENUE BY SOURCE	**315 272**	**204 340**	**49 362**	**(50 587)**	**518 387**
EBITDA	**60 185**	**25 900**	**36 485**	**(37 313)**	**85 257**
PROFIT BEFORE TAX	**47 495**	**7 372**	**33 548**	**(32 517)**	**55 898**
Net finance cost	(2 982)	(5 239)	(2 923)	4 512	(6 632)
Depreciation	(6 198)	(1 489)	(14)	-	(7 701)
Depreciation of RoU assets	(3 250)	(6 839)	-	183	(9 906)
Amortisation	(259)	(4 960)	-	-	(5 219)
Movement in ECL allowance	1 214	220	544	(544)	1 434
Employee costs	(80 039)	(43 473)	(9 146)	-	(132 658)
Advertising	(18 010)	(6 555)	-	-	(24 565)
SEGMENT ASSETS	**204 221**	**157 578**	**136 091**	**(131 738)**	**366 152**
Cash and cash equivalents	11 936	1 816	4 008	-	17 760
Capital expenditure – assets	9 368	2 976	504	-	12 848
Capital expenditure – RoU assets	4 908	2 394	-	(913)	6 389
SEGMENT LIABILITIES	**(110 910)**	**(109 945)**	**(46 780)**	**80 590**	**(187 045)**
Bank overdraft	**(2 782)**	**(9 798)**	**-**	-	**(12 580)**

Segment assets include foreign non-current assets in Ghana of R2.9 million (2021: R3.9 million) and R11.5 million (2021: R12.3 million) in the UK.

5. Disaggregation of revenue from customers

	Audited 30 June 2022 R'000	Audited 30 June 2021 R'000
Revenue from source type	513 234	518 387
Sale of security products	324 463	312 026
Sale of decorative products	187 936	205 047
Royalty income	835	1 314
Revenue by geographical location	513 234	518 387
South Africa	432 105	441 294
Rest of Africa	40 674	54 008
Rest of World	40 455	23 085
Revenue recognised by timing of transfer		
Point in time – delivery date	513 234	518 387

In terms of security products the factory throughput of our traditional Trellidor type products made up 59% (2021: 67%), the Polycarbonate Bar 2% (2021: 2%), the Clearguard range 11% (2021: 14%), the Rollerstyle product set 12% (2021: 5%) and the aluminium security shutters contributed 16% (2021: 17%).

The factory throughput of decorative products were made of 41% (2021: 43%) of aluminium shutters, PVC shutters contributed 9% (2021: 9%), the blind range 33% (2021: 33%) and the NMC product set 17% (2021: 15%).

From a South African perspective, the factory throughput of Trellidor product can be split into two key areas, Main Centres, being Durban, Cape Town, Johannesburg and Pretoria, which contributed 37% (2021: 37%), and the Outlying Regions, or the rest of South Africa, which made up 39% (2021: 41%). In terms of Innovations, Johannesburg contributed 29% (2021: 30%), Cape Town 67% (2021: 65%) and Durban 4% (2021: 5%) to factory throughput.

Africa made up 12% (2021: 15%) of factory throughput in Trellidor and 1% (2021: 3%) in Innovations. The rest of the world contributed 12% (2021: 7%) in Trellidor.

6. Operating profit before interest and taxation

	Audited 30 June 2022 R'000	Audited 30 June 2021 R'000
Operating profit before interest for the year is stated after accounting for the following, amongst others :		
Advertising	28 127	24 565
Amortisation on intangible assets	682	5 219
Auditor's remuneration	2 042	2 110
Cartage	8 722	10 393
Commission	9 804	8 818
Consulting fees	4 100	4 118
Movement on ECL allowance	(149)	(1 435)
Depreciation on RoU asset	10 573	9 907
Depreciation on property, plant and equipment	7 817	7 702
Gas, electricity and water	7 994	7 603
Labour court settlement provision expense	32 058	-
Loss on exchange differences	801	3 281
Post-employment benefits	5 625	5 583
Short-term employee benefits	133 661	127 076

Notes to the Financial Results (continued)

for the year ended 30 June 2022

7. Earnings per share

	Audited 30 June 2022 R'000	Audited 30 June 2021 R'000
Profit (loss) attributable to ordinary shareholders	**419**	**39 755**
Adjusted for:		
Profit (loss) on disposal of property, plant and equipment	**(24)**	**55**
Gross amount	(33)	82
Non-controlling interest	-	(4)
Tax effect	9	(23)
HEADLINE EARNINGS	**395**	**39 810**

		Audited 30 June 2022 '000	Audited 30 June 2021 '000
Number of shares in issue		95 210	95 210
Weighted and diluted weighted average number of ordinary shares in issue during the period		95 210	97 682
Earnings and diluted earnings per share	(cents)	0.4	40.7
Headline and diluted headline earnings per share	(cents)	0.4	40.8

8. Inventories

	Audited 30 June 2022 R'000	Audited 30 June 2021 R'000
Raw materials	116 748	99 403
Work in progress	2 028	1 561
Finished goods	4 519	4 443
Goods in transit	4 625	7 270
	127 920	**112 677**
Provision for obsolescence	(5 890)	(5 070)
	122 030	**107 607**

9. Other financial liabilities

	Number of shares	
	Audited 30 June 2022 R'000	Audited 30 June 2021 R'000
FNB – Holdings Facility	46 428	43 886
FNB – Holdings Facility 2	7 033	-
FNB – Innovations Facility	9 917	1 670
FNB – Property Finance	-	30 415
FNB – Property Finance 2	33 036	-
Novaspectacular Investments Proprietary Limited	-	4 385
J. Millburn – Deferred Consideration	-	5 921
	96 414	**86 277**

10. Trade and other payables

Financial instruments		
Trade payables	25 829	34 586
Non-financial instruments		
Amounts received in advance	11 619	13 316
Accrued leave pay and bonus	7 436	11 209
Accrued expenses	5 800	7 071
VAT	2 647	952
Other payroll accruals	5 035	3 742
	58 366	**70 876**

11. Provisions

	Opening balance R'000	Additions R'000	Reversed during the year R'000	Total R'000
AS AT 30 JUNE 2022				
Labour Court judgement	-	32 058	-	32 058
Product Warranties	548	-	(123)	425
	548	**32 058**	**(123)**	**32 483**

A dispute, which has previously been disclosed, is in process relating to former employees who were dismissed by a subsidiary of the company during the 2013 financial period. On 17 April 2020 the Labour Court delivered its judgement in respect of the dismissal dispute and found that the dismissal of certain employees was substantively fair but the dismissal of certain "night shift" employees was substantively unfair. The judgement ordered reinstatement of the 42 night shift employees and limited back-pay from 1 January 2017. We filed for Leave to Appeal the judgement which was subsequently denied.

On 7 September 2020, the Judge President was petitioned for leave to appeal and on 9 November 2020 the petition was granted. The Labour Appeal Court upheld the judgement in February 2022 and as a result a provision for the backpay, restructuring costs and legal fees has been provided for in the current year.

On 6 April 2022, legal counsel submitted an affidavit to the Constitutional Court to appeal the judgement but as at 30 June 2022, the appeal has not been granted. Given that the court have not provided clarity on whether or not they would grant leave to appeal at year-end, the timing of the settlement of the cost is uncertain until the Constitutional Court ruling is received. Confirmation has been received that the matter is awaiting direction and therefore a ruling is expected during the 2023 financial period. The Group has secured from its bankers in order to settle the estimated provision, which has been determined in line with the requirements of the judgement, assuming all 42 employees are reinstated, however the final number of employees has yet to be determined.

Shareholder Information

Shareholder Analysis

Shareholder type	Number	Shareholding	%
• Directors and associates of the company - direct holding	4	12 656 763	13.29 %
• Directors and associates of the company - indirect holding	3	3 531 672	3.71 %
• Own holdings	-	-	-%
Public shareholders	3 216	79 021 385	83.00 %
	3 223	95 209 820	100.00 %
Fund managers with a shareholding greater than 5% of issued shares			
Mazi Asset Management Proprietary Limited	29	11 945 191	12.55 %
Aylett and Co. Proprietary Limited	4	9 744 649	10.23 %
Peresec Prime Brokers Proprietary Limited	1	6 933 488	7.28 %
Fortuna Investment Holdings Proprietary Limited	1	5 870 899	6.17 %
	35	34 494 227	36.23 %
Beneficial shareholders with a holding greater than 5% of issued shares			
Government Employees Pension Fund	1	4 444 819	4.67 %

	Number of shares 2022	2021
Authorised		
No par value shares	5 000 000 000	5 000 000 000
Issued		
Reconciliation of number of shares issued:	**95 209 820**	**95 209 820**
Opening balance as at 1 July	95 209 820	100 203 596
Shares repurchased and cancelled	-	(4 993 776)
Closing balance as at 30 June	95 209 820	95 209 820

Shareholder Diary

Financial year-end	30 June 2022
Announcement of annual results	5 September 2022
Integrated annual report made available	20 October 2022
Annual general meeting	9 November 2022
Announcement of interim results	Mid to end March 2023

Corporate Information

Trellidor Holdings Limited
(Registration number 1970/015401/06)
20 Aberdare Drive, Phoenix Industrial Park,
Durban
(PO Box 20173, Durban North 4016)
Share Code: TRL
ISIN: ZAE000209342
(“Group”)

Directors of Trellidor
MC Olivier (Chairman)* #
TM Dennison (Chief Executive Officer)
DJR Judge (Chief Financial Officer)
JB Winship* #
RB Patmore* #
SI Bird* #

** Non-executive*
 # Independent non-executive

Company Secretary
P Nel
(BComm ACIS)
71 Cotswold Drive
Westville, 3629

Registered office
20 Aberdare Drive Phoenix Industrial Park,
Durban, 4001
(PO Box 20173, Durban North, 4016)

Date of incorporation
23 November 1970

Place of incorporation
South Africa

Auditors and Independent Reporting Accountants
Mazars
Ridgeside Office Park,
21 Richeford Circle,
Umhlanga Ridge,
Durban, 4319
(PO Box 70584, Overport, 4067)

Corporate sponsor
PSG Capital (Pty) Ltd
(Registration Number 2006/015817/07)
1st Floor, Ou Kollege Building,
35 Kerk Street,
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

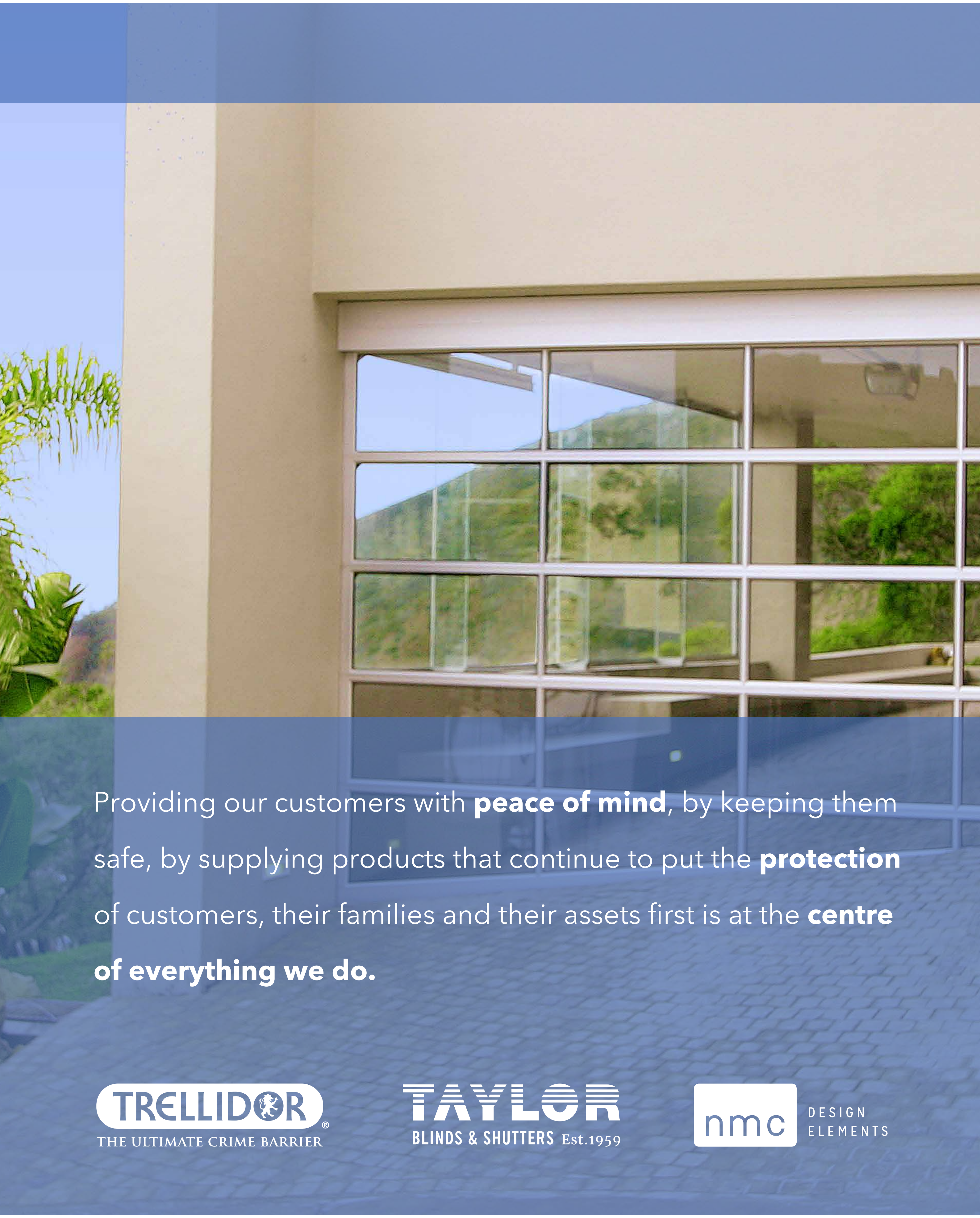
and

Suite 1105, 11th floor,
Sandton Eye Building,
126 West Street,
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Transfer Secretaries
Computershare Investor Services (Pty) Ltd
(Registration Number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Notes

Notes



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