Long4Life Limited
("L4L", "the group", or "the company")
Incorporated in the Republic of South Africa
Registration number: 2016/216015/06
Share code: L4L
ISIN: ZAE000243119

AUDITED PROVISIONAL SUMMARISED RESULTS FOR THE ELEVEN MONTH PERIOD ENDED 28 FEBRUARY 2018

HIGHLIGHTS

- Successfully listed on the JSE on 7 April 2017: R2 billion capital raised
- Acquisitions of Sportsmans Warehouse, Outdoor Warehouse and Performance Brands (housed within previously listed Holdsport Limited), Sorbet, and Inhle Beverages, as well as Chill Beverages (post period end)
- Decentralised operating structure implemented
- Reported results include trading results of acquired companies for a four month period while interest earned on capital raised pursuant to the listing, net of corporate expenses, is for the full eleven months
- Strong balance sheet with R1,7 billion in cash
- Well-resourced to continue pursuit of growth opportunities including additional acquisitions
- Maiden dividend of 5.40 cents declared

COMMENTARY

Long4Life Limited ("L4L", "the Company" or "the group") was listed on the JSE Limited on 7 April 2017. On listing, 405 million shares were issued with R2 billion of capital raised, after which L4L commenced its activities as an investment company.

The focus since listing has been on the constitution of the board and bringing together an executive team that has a proven entrepreneurial business record and operating philosophy. Subsequent thereto, foundation assets primarily in the leisure and lifestyle sector, were targeted and acquired. In aggregate, roughly 484 million L4L shares were issued and cash of the R436 million paid pursuant to these acquisitions.

FINANCIAL OVERVIEW

The group's revenue for the period ended 28 February 2018, generated from the acquired assets for a four-month period, amounted to R730.66 million. Operating profit generated totalled R117.04 million, while interest earned on cash balances, which totalled R1.7 billion at the end of the period, amounted to R128.48 million. Basic earnings attributable to shareholders of the Company amounted to R168.95 million with headline earnings at R170.39 million. Based on 564,066,872 weighted average number of outstanding shares in issue, this translated into basic earnings and headline earnings of 30.0 cents and 30.2 cents, respectively.

ACQUISITIONS

During the period under review, the Company acquired Sportsmans Warehouse, Outdoor Warehouse and Performance Brands (housed within previously listed Holdsport Limited), Sorbet and Inhle Beverages, while Chill Beverages has been acquired post period end. The businesses were acquired on the basis of them generating approximately R540 million EBITDA creating a significant platform for growth. These acquisitions have been decentralised into the group's divisional structures of Sport and Recreation, Personal Care and Wellness, and Beverages.

BBBEE AND VENTURE CAPITAL INITIATIVES

BBBEE

L4L is committed to enhancing black economic empowerment and participation, and to this end is currently negotiating the introduction of additional BBBEE shareholders. If successfully implemented, it is anticipated that this will increase effective BBBEE ownership in L4L to approximately 20%. This, together with addressing other elements of BBBEE across the group's operating companies, is expected to yield meaningful benefits for the Company and all affected stakeholders alike.

Venture Capital

The L4L board recently approved the allocation of R100 million to venture capital opportunities. The fund will provide seed-funding in selected opportunities aimed at enhancing our vision in leisure and lifestyle. Additionally, this will assist in the development of South Africa's vast collective of emerging entrepreneurs, by supporting individuals and small- to medium-sized companies in the pursuit of their respective endeavours of bringing products and services to market. An early investment for the fund is the acquisition of a 49% stake in lifestyle footwear company, Veldskoen Shoes. This company owns the iconic Veldskoen and Plakkies trademarks and operates the website www.veldskoen.shoes.

PROSPECTS

As the South African economy transforms further under its new political leadership, and even though the full extent and benefit of these changes is still to materialise, L4L is ideally positioned to take advantage of the opportunities that will result. This relates not only to the current portfolio of assets that have the capability of expansion and an ability to enhance efficiencies to adapt to current market circumstances, but also to pursue other value enhancing businesses. The executive team's entrepreneurial flair, the Company's balance sheet strength, access to an appropriate transactional pipeline as well as a wide spectrum of investors, are all catalysts for its ongoing yet diligent assessment of organic and acquisitive possibilities.

The Company's overriding objectives continue to be expansion at a pragmatic rate and delivering above-average growth. This will be achieved by ensuring quality operating earnings from strong cash generating businesses and acquisitions with appropriately assessed risk characteristics.

OPERATIONAL REVIEW

Introduction

L4L has a small corporate office with a skilled and experienced team. The group's emphasis on decentralisation of operations and management responsibility is complemented by strategic and financial input, guidance and support to the management teams within the various structures. These teams carry responsibility and accountability for the day-to-day operation of their respective businesses and are required to focus on being disciplined in the deployment of capital, while being ambitious on returns.

L4L's acquired businesses have performed in line with expectations and have been positioned for growth. The companies are primarily wholly owned, which enables the full benefit of cash flows. Management is currently focused on numerous opportunities that exist to leverage off the foundation of these assets, including the extension of existing products and services, expanding the geographic footprint, as well as through complementary and bolt-on acquisitions.

Sport and Recreation Division

The acquisition of Sportsmans Warehouse, Outdoor Warehouse and Performance Brands (all previously held under the Holdsport company structure) has been transformational for L4L. It has added substance and scale while presenting considerable opportunity over and above the existing product and service offering that was already firmly established at the time of purchase.

Sportsmans Warehouse: This is a complete sports concept with a three-decade legacy that differentiates from other retailers in terms of its breadth and depth of offering. It provides sporting equipment and apparel, including "athleisure", and sources brands from international principals, as well as from its Performance Brands unit. Although it already boasts a vast national base, there is a cautious approach to expanding the footprint further, simultaneously remaining focused on ensuring superior returns and maximising sales per square metre. Examples of the latter are two newly-designed stores that recently opened, which are smaller in size, still offering a comprehensive product range and the same exemplary in-store experience. Trading over the period was in line with expectation.

Outdoor Warehouse: This unique offering was also established 30 years ago and remains focused on the outdoor apparel and equipment market with an offering that has been successfully evolving, including the range of offerings, in-store services, and specialist advice. Despite a tough market environment, Outdoor Warehouse has been trading above expectation. It is entrenched as a destination business, where considerable opportunity exists, and has embarked on a positioning process aimed at enhancing the look and feel of the stores.

Performance Brands: The division's Performance Brands, specifically, First Ascent, Cape Storm, Second Skins and African Nature are well-established in the market. A mix of internal sales as well as to external clients, such as corporate entities, schools, and game lodges in South and southern Africa, have been gaining momentum. Exciting prospects are evident with the unit performing well and showing signs of good market acceptance and growth.

Online: The division's fledgling e-commerce strategy is an important component that complements the in-store experience. Progress has been good, albeit coming off a low-base, but the potential is evident for robust future sales and profitability. The recently-launched rewards programme is also showing good signs of acceptance, which offers another compelling opportunity. Additionally, the e-commerce learnings, techniques and applications for other L4L divisions are significant.

Personal Care and Wellness Division

Sorbet: Sorbet was acquired to form the basis for the group's foray into the wellness, health and beauty sector, which has the potential for significant expansion through acquisition and bolt-on opportunities. Sorbet's highly recognised and respected brand, its national footprint and proven business model, have enabled the business to grow sustainably over the last few years. Satisfactory same-store growth is being achieved with new openings boosting overall revenue. With close on 200 stores run by a carefully selected group of franchisees, the full extent and leverage of Sorbet's offering, new products and ongoing initiatives is still to be derived. Additionally, meaningful benefits are anticipated through planned refinements to the supply chain and improved efficiencies in several areas of the business.

Beverages Division

L4L's first acquisition in this division was Inhle Beverages (Inhle), this subsequently having been complemented by the acquisition (post period end) of Chill Beverages (Chill).

Inhle: Inhle, based near Heidelberg in Gauteng, is a beverage contract packaging (co-packaging) business that has the potential for strong growth and development. Inhle specialises in the canning and bottling of energy drinks and natural mineral water using cans and polyethylene terephthalate (PET). Direct access to the largest market in the country as well as its proximity to surrounding territories, positions Inhle extremely well from an expansionary point of view. This is augmented by the recently secured liquor licence (for packaging purposes) which represents an additional industry opportunity.

Chill: Chill, based in the Western Cape, is a leading producer, packer and distributor of a range of beverages with storage and distribution facilities located in major cities across South Africa. Chill provides a fully integrated in-house business platform from product conception and development, through production, to sales and marketing, in addition to providing co-packing services to a number of market leading entities. Chill owns a portfolio of recognised brands, including Score Energy, Fitch & Leedes, Bashews and Country Club, amongst others.

Through the acquisition of both Inhle and Chill, L4L has manged to accelerate its entrée into the beverage industry. The various synergies that exist and which can be brought to bear between these complementary businesses, coupled with a broader national coverage afforded by their respective operational locations, presents exciting opportunities for L4L to enhance its presence in the growing South African beverage space. L4L sees this as an important and essential component of its chosen area of focus, namely the lifestyle, wellness and leisure sector.

DIVIDENDS

The board has declared a maiden dividend gross of 5.40 cents per ordinary share in respect of the period ended 28 February 2018. The dividend is based on earnings from the group's businesses for the four months since acquisition, net of acquisition and corporate costs incurred for the full eleven months to 28 February 2018.

The dividend has been declared out of income reserves as defined in the Income Tax Act. Where applicable, the dividend will be subject to South African dividends withholding tax at a rate of 20% which will result in a net dividend of 4.32 cents per share payable to those shareholders who are not exempt from paying dividends withholding tax.

The number of ordinary shares in issue as at the date of this declaration is 911,728,057 and the company’s tax reference number is 9745546169.

The salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend:	Tuesday, 29 May 2018
Shares commence trading ex dividend:	Wednesday, 30 May 2018
Record date:	Friday, 1 June 2018
Payment date:	Monday, 4 June 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 30 May 2018 and Friday, 1 June 2018, both days inclusive.

Signed on behalf of the board

Brian Joffe — Chief executive officer
Peter Riskowitz — Chief financial officer

Johannesburg, South Africa
8 May 2018

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the period ended 28 February 2018

	Note	Audited 11 months 2018 R'000	Audited 9 months 2017 R'000
Revenue		730 661	-
Cost of sales		(312 131)	-
Gross profit		418 530	-
Operating expenses		(286 797)	(130)
Other income		15 717	-
Trading profit (loss)		147 450	(130)
Share-based payment expense		(12 100)	-
Acquisition costs		(16 839)	-
Net capital items	2	(1 469)	-
Operating profit (loss)		117 042	(130)
Net finance income		122 298	-
Finance income		128 481	-
Finance charges		(6 183)	-
Profit (loss) before taxation		239 340	(130)
Taxation		(69 680)	-
Profit (loss) for the period		169 660	(130)
Attributable to			
Shareholders of the Company		168 948	(130)
Non-controlling interests		712	-
		169 660	(130)
Basic earnings (loss) per share (cents)		30,0	(130)
Diluted basic earnings (loss) per share (cents)		29,6	(130)
Headline earnings (loss) per share (cents)	2	30,2	(130)
Diluted headline (loss) earnings per share (cents)		29,8	(130)

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the period ended 28 February 2018

	Audited 11 months 2018 R'000	Audited 9 months 2017 R'000
Profit (loss) for the period	169 660	(130)
Other comprehensive income net of taxation		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translating foreign operations	(393)	-
Total comprehensive income (loss) for the period	169 267	(130)
Attributable to		
Shareholders of the Company	169 061	(130)
Non-controlling interest	206	-
	169 267	(130)

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 28 February 2018

	Note	Audited 2018 R'000	Audited 2017 R'000
Assets			
Non-current assets		2 800 362	-
Property, plant and equipment		198 955	-
Intangible assets		644 127	-
Deferred taxation assets		6 692	-
Goodwill		1 927 606	-
Investments	5	22 982	-
Current assets		2 344 015	*
Inventories		580 363	-
Trade and other receivables		66 642	-
Cash and cash equivalents		1 691 662	*
Taxation receivable		5 348	-
Total assets		5 144 377	*
Equity and liabilities			
Capital and reserves		4 523 863	(18 893)
Stated capital	4	4 339 723	(18 893)
Reserves attributable to shareholders of the company		163 361	
Non-controlling interests		20 779	-
Non-current liabilities		257 089	-
Deferred taxation liabilities		159 610	-
Long-term provisions		2 126	-
Other financial liability	5	48 000	-
Long-term portion of straight-lining of leases		47 353	-
Current liabilities		363 425	18 893
Trade and other payables		200 377	18 893
Taxation		2 710	-
Borrowings		160 338	-
Total equity and liabilities		5 144 377	*
Net asset (deficit) value per share attributable to shareholders of the company (cents)		506	(18 893 000)

* Amount below R1 000

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 28 February 2018

	Note	Audited 11 months 2018 R'000	Audited 9 months 2017 R'000
Cash flows from operating activities		200 135	-
Cash generated by operations		151 702	-
Finance income received		128 481	-
Finance charges paid		(6 183)	-
Taxation paid		(73 865)	-
Cash effects of investment activities		(489 878)	-
Investments acquired		(64 927)	-
Additions to property, plant and equipment		(41 234)	-
Additions to intangible assets		(58)	-
Proceeds on disposal of property, plant and equipment		15 650	-
Net cash outflow on acquisition of subsidiaries	3	(399 309)	-
Cash effects of financing activities		1 981 411	-
Capital raised on listing		2 000 000	-
Borrowings repaid		(17 850)	-
Dividends paid to non-controlling interests		(739)	-
Net increase in cash and cash equivalents		1 691 668	-
Cash and cash equivalents at beginning of period		*	*
Effects of exchange rate fluctuations on cash and cash equivalents		(6)	-
Cash and cash equivalents at end of period		1 691 662	*

* Amount below R1 000

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 28 February 2018

	Note	Audited 2018 R'000	Audited 2017 R'000
Equity attributable to shareholders of the company		4 503 084	(18 893)
Stated capital	4	4 339 723	*
Balance at beginning of the period		-	*
Shares issued during the period		4 339 723	-
Transactional costs for issuing equity instruments		(20 435)	(18 763)
Balance at beginning of the period		(18 763)	-
Transaction costs incurred		(1 672)	(18 763)
Foreign currency translation reserve		(393)	-
Balance at beginning of the period		-	-
Exchange differences on translating foreign operations		(393)	-
Equity-settled share-based payment reserve		15 371	-
Balance at beginning of the period		-	-
Recognition of share-based payments		12 100	-
Deferred taxation recognised directly in reserve		3 271	-
Retained earnings (loss)		168 818	(130)
Balance at beginning of the period		(130)	-
Profit for the period		168 948	(130)
Equity attributable to non-controlling interests of the company		20 779	-
Balance at beginning of the period		-	-
Other comprehensive income		206	-
Profit for the period		712	-
Exchange differences on translating foreign operations		(506)	-
Dividends paid		(739)	-
Arising on acquisition of subsidiaries		21 312	-
Total equity		4 523 863	(18 893)

* Amount below R1 000

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These summarised consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and includes, at a minimum, disclosure as required by IAS 34 Interim Financial Reporting, the Companies Act of South Africa and the JSE Listings Requirements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the group's financial position and performance.

The accounting policies applied in these summarised consolidated financial statements are in terms of IFRS and, where applicable, are consistent with those applied in the consolidated financial statements for the period ended 31 March 2017. During the period additional accounting policies, where required, were adopted.

These summarised consolidated financial statements are extracted from the audited consolidated financial statements. The directors take full responsibility for the preparation of the financial results and confirm that the financial information and related commentary has been correctly extracted from the underlying audited consolidated financial statements.

PREPARER OF THE SUMMARISED PROVISIONAL CONSOLIDATED FINANCIAL STATEMENTS

The summarised and consolidated financial statements have been prepared by Sarah Bishop CA(SA) (group financial manager) under the supervision of Peter Riskowitz CA(SA) (chief financial officer) and were approved by the board of directors on 8 May 2018.

REPORT OF THE INDEPENDENT AUDITORS

The auditors, Deloitte & Touche, have issued their opinion on the consolidated financial statements for the 11 month period ended 28 February 2018. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified opinion.

A copy of the auditor's report together with a copy of the audited consolidated financial statements are available for inspection at the company's registered office.

These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. These summarised consolidated financial statements have been audited by the company's auditors who have issued an unmodified opinion. The auditor's report does not necessarily report on all of the information contained in this announcement.

Shareholders are advised, that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying financial information from the company's registered office. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors.

EVENTS AFTER THE REPORTING PERIOD

L4L acquired 100% of the issued share capital of Chill Holdings (Pty) Ltd ("Chill") effective on 1 March 2018 for a consideration settled in a combination of cash and shares of R 476 million. A contingent consideration remains payable based on the outcome of the audited 30 June 2018 EBITDA, refer to the SENS released on 28 Novemeber 2018 available on the L4L website at www.long4life.co.za. Management is still in the process of completing the initial allocation of goodwill acquired.

The board approved a R100 million venture capital fund on 8 May 2018 aimed at investing in, and supporting, individual entrepreneurs and small- to medium-sized companies to pursue and realise their respective visions of bringing products and services to market. An early investment for the fund was the acquisition of a 49% stake in lifestyle footwear company Veldskoen Shoes (Pty) Ltd (Veldskoen). Veldskoen owns the iconic Veldskoen and Plakkies trademarks.

Other than the above, no other material events have occurred between the reporting date up to the date of the financial statements.

CHANGE IN FINANCIAL YEAR-END AND COMPARATIVE FIGURES

The Company changed its financial year end from the end of March to the end of February, to align with that of its largest investee company. It is noted that the Company was, for all intents and purposes, dormant as at 31 March 2017, and accordingly the financial information presented is not meaningful from a comparative point of view.

CHANGE IN DIRECTORATE

During the period Kevin Hedderwick and Jason Joffe resigned from the board on 6 October 2017 and 7 December 2017, respectively.

Syd Muller and Keneilwe Moloko were appointed as independent non-executive directors of the group with effect from 24 October 2017 and 1 November 2017, respectively. On 1 January 2018, Colin Datnow's status as a non-executive changed to that of full time executive director.

SEGMENTAL REPORT

	Audited 11 months 2018 R'000	Audited 9 months 2017 R'000
Having acquired various businesses during the period, the group has the following reportable segments: sport and recreation, personal care and wellness, beverages and corporate.		
Operating segments are identified based on the nature of the		

underlying businesses and on the same basis that financial information is reported internally for the purpose of allocating resources between segments and assessing their performance by the group's chief operating decision maker, defined as the group executive committee. Reportable segments have been identified after applying the quantitative thresholds per IFRS 8: Operating Segments, and after aggregating operating segments with similar economic characteristics.

Segmental revenue		
Trading operation	730 661	-
Sport and recreation	637 508	-
Personal care and wellness	32 769	-
Beverages	60 384	-
Segmental operating profit/(loss)		
Trading operation	164 604	-
Sport and recreation	133 722	-
Personal care and wellness	8 261	-
Beverages	22 621	-
Corporate	(47 562)	(130)
Operating profit	117 042	
Net finance income	122 298	-
Profit before tax	239 340	-
Segmental assets and liabilities		
Segmental assets		
Trading operation	4 167 907	-
Sport and recreation	3 962 188	-
Personal care and wellness	104 573	-
Beverages	101 146	-
Corporate	5 095 365	-
	9 263 272	
Inter-group loan eliminations	(4 118 895)	-
Total assets	5 144 377	-
Segmental liabilities		
Trading operation	3 034 633	-
Sport and recreation	2 968 997	-
Personal care and wellness	39 225	-
Beverages	26 411	-
Corporate	1 704 776	18 893
	4 739 409	18 893
Inter-group loan eliminations	(4 118 895)	-
Total liabilities	620 514	18 893

Headline earnings (loss) per share

Profit (loss) attributable to shareholders of the company	168 948	(130)
Adjusted for:		
Loss on disposal of property, plant and equipment	105	-
Impairment of associate	1 364	-
Tax effects	(29)	-
Headline earnings	170 388	(130)
Weighted average number of shares in issue ('000)	564 067	*
Headline earnings (loss) per share (cents)	30.2	(130)

*Amount below R 1 000

ACQUISITION OF SUBSIDIARIES

L4L acquired 100% of Holdsport, Sorbet and Inhle during the financial period. The effective date of each of these transactions was 1 November 2017 and were funded through a combination of cash and shares. Goodwill arose on the acquisitions as the anticipated value to the group exceeded the fair value of the net assets acquired.The consideration paid for the business combinations effectively included amounts in relation to the benefit of revenue growth and future market development of Holdsport, Sorbet and Inhle. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The acquisitions have enabled the group to establish its presence in the lifestyle sector and as a consequence, has broadened the group's base in the marketplace.

	Audited 2018				Audited 2017
	Holdsport R'000	Sorbet R'000	Inhle R'000	Total R'000	R'000
Fair value of tangible assets/ (liabilities) acquired					
Property, plant equipment	145 585	7 981	43 208	196 774	-
Trademarks	563 900	80 630	-	644 530	-
Other intangible assets	-	45	-	45	-
Investments	92 790	-	-	92 790	-
Inventories	598 381	5 812	5 341	609 534	-
Trade and other receivables	41 782	9 716	16 136	67 634	-
Cash and cash equivalents	12 139	(5 294)	41 511	48 356	-
Straight lining of leases	(44 676)	(465)	-	(45 141)	-
Borrowings	(160 000)	(331)	(18 538)	(178 869)	-
Put option liability	(48 000)	-	-	(48 000)	-
Trade and other payables	(180 017)	(27 954)	(15 651)	(223 622)	-
Provisions	-	(136)	(2 000)	(2 136)	-
Deferred taxation	(140 256)	(17 679)	(4 043)	(161 978)	-
Taxation	12 067	52	(7 878)	4 241	-
Net assets acquired	893 695	52 377	58 086	1 004 158	-
Consideration transferred					
Cash	181 613	39 820	214 848	436 281	-
Issue of shares	2 203 907	75 150	56 916	2 335 973	-
Fair value of previously held interest	45 408	-	-	45 408	-
Inter-group loan	92 790	-	-	92 790	-
	2 523 718	114 970	271 764	2 910 452	
Plus: Non-controlling interest measured at their share of fair value of net assets	6 355	14 957	-	21 312	-
Less: Fair value of identifiable net assets acquired	(893 695)	(52 377)	(58 086)	(1 004 158)	-
Goodwill arising at acquisition	1 636 378	77 550	213 678	1 927 606	-
Consideration paid in cash	(181 613)	(39 820)	(214 848)	(436 281)	-
Overdraft/(cash) acquired	12 139	(5 294)	41 511	48 356	-
Costs incurred in respect of acquisitions	(8 269)	(1 703)	(1 412)	(11 384)	-
Net cash outflow on acquisition of subsidiaries	(177 743)	(46 817)	(174 749)	(399 309)	-
Contribution to results for the period					
Revenue	637 508	32 769	60 384	730 661	-
Operating profit	133 722	8 261	22 621	164 604	-

Had these acquisitions been effective from 1 April 2017, the revenue of the group would have been R2.1 billion and the profit before taxation would have been R 407.6 million for period ended 28 February 2018. The directors consider this to represent an approximate measure of the performance of the combined group for the full eleven months. In determining the profit before taxation on this basis the directors have excluded once-off pre-acquisition costs not associated with ordinary operating activities.

Stated capital

	Audited 2018 R'000	Audited 2017 R'000
Balance at beginning of the period	*	*
Shares issued pursuant to listing on the JSE	2 000 000	-
Shares issued for business acquisitions	2 335 973	-
Shares issued for executive remuneration	3 750	-
Balance at the end of the period	4 339 723	*

*Amount below R 1 000

Authorised
4 000 000 000 ordinary shares of no par value (2017: 4 000 000 000 ordinary shares of no par value)

Issued
889 775 767 ordinary shares of no par value (2017: 100 ordinary shares of no par value)

Stated capital and treasury shares
No par value ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new no par value ordinary shares are deducted against the stated capital account.

Shares in the company, held by its subsidiary, are classified as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares. The cost price of the treasury shares is presented as a deduction from total equity. Distributions received on treasury shares are eliminated on consolidation.

FINANCIAL INSTRUMENTS

When measuring the fair value of an asset or a liability, the group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques categorised as follows:

Level 1: Measured using unadjusted, quoted prices in an active market for identical financial instruments.

Level 2: Valued using techniques based significantly on observable market data. Instruments in this category are valued using:
(a) Quoted prices for similar instruments or identical instruments in markets which are not considered to be active, or
(b) Valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3: Valued using valuation techniques that incorporate information other than observable market data and where at least one input (which could have a significant effect on instruments' valuation) cannot be based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Level	Carrying amount R'000	Current year R'000	1 -2 years R'000	2 - 5 years R'000	More than 5 years R'000
At 28 February 2018						
At fair value						
Financial assets						
Investments						
- Listed held-for-trading	1	22 982	22 982	-	-	-
Financial liabilities						

Foreign exchange contracts	1	(5 334)	(5 334)	-	-	-
Other financial liability - NCI put option	3	(48 000)	-	(23 721)	(24 279)	-
Total		(53 334)	(5 334)	(23 721)	(24 279)	-

Valuation technique

The value of the put option liability was determined using a profit multiple designed to approximate the fair value of the shares of the non-controlling interest's (NCI's) proportionate share of the profit after tax for the period ending 28 February 2018, discounted using a risk-adjusted discount rate.

Significant unobservable inputs	
Profit after tax growth rates	25% to 32%
Profit after tax multiple	9.0 to 9.5
Risk-adjusted discount rate	16%

Inter-relationship between significant unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:

- the Profit after tax were higher (lower); or
- the risk-adjusted discount rate were lower (higher)

Capital commitments

	Audited 2018 R'000	Audited 2017 R'000
Capital expenditure approved:		
Contracted for	17 500	-
Not contracted for	89 700	-
	107 200	-

Capital expenditure is in respect of property, plant and equipment. It is anticipated that capital expenditure will be financed out of existing cash resources.

ADMINISTRATION

DIRECTORS

Independent non-executive directors
Graham Dempster (Chairman)
Lionel Jacobs
Keneilwe Moloko
Syd Muller
Tasneem Abdool-Samad

Executive directors
Brian Joffe (Chief executive officer)
Peter Riskowitz (Chief financial officer)
Colin Datnow

COMPANY SECRETARY
Marlene Klopper

CORPORATE INFORMATION

Long4Life Limited
("L4L", "the group", or "the company")
Incorporated in the Republic of South Africa
Registration number: 2016/216015/06
Share code: L4L
ISIN: ZAE000243119

Transfer secretaries
Computershare Investor Services
Proprietary Limited

Independent auditors
Deloitte & Touche
Practice number: 902276
Deloitte Place, The Woodlands
20 Woodlands Drive, Woodmead, Sandton,
2193
Private Bag X6, Gallo Manor, 2052

Registered office
7th Floor, Rosebank Towers

Registration number: 2004/003647/07
1st Floor, Rosebank Towers
13-15 Biermann Avenue
Rosebank, Johannesburg, 2196
PO Box 61051, Marshalltown, 2107
Telephone +27 (11) 370 5000

Sponsor
The Standard Bank of South Africa Limited
30 Baker Street, Rosebank
South Africa, 2196

www.long4life.co.za

Johannesburg

09 May 2018

13-15 Biermann Avenue
Rosebank, Johannesburg, 2196
Box 521870, Saxonwold, 2132

Further information regarding our group can be found on the Long4Life website:

www.long4life.co.za