



LONG4LIFE LIMITED

UNAUDITED RESULTS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2017

“ Long4Life is a work in progress, and we intend building a company that can deliver quality operating earnings from good cash generating businesses, with low- to medium-risk characteristics and with a reasonable line-of-sight to profitability. Our foundational investments are exciting and attractively positioned to deliver future growth, while also providing the platform to conclude additional, larger, value enhancing transactions going forward. ”

Brian Joffe
CEO

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

| R'000s | Half year ended 30 September 2017 Unaudited | Year-end 31 March 2017 Audited |
|---|---|---|
| Gain in remeasurement of investment | 5 966 | – |
| Operating expenses | (10 905) | (130) |
| Staff and personnel costs | (8 340) | (130) |
| Administrative and other costs | (2 565) | – |
| Trading loss | (4 939) | (130) |
| Acquisition costs | (5 431) | – |
| Conditional share plan expense | (5 292) | – |
| Loss before interest and taxation | (15 662) | (130) |
| Net finance income | 72 594 | – |
| Profit (loss) before taxation | 56 932 | (130) |
| Taxation | (15 589) | – |
| Profit (loss) for the period | 41 343 | (130) |
| Shares in issue | | |
| Total ('000) | 405 500 | * |
| Weighted ('000) | 391 776 | * |
| Basic earnings (loss) per share (cents) | 10.55 | (130.00) |
| Headline earnings (loss) per share (cents) | 10.55 | (130.00) |

*Less than R1 000

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| R'000s | Half year ended 30 September 2017 Unaudited | Year-end 31 March 2017 Audited |
|--|---|---|
| ASSETS | | |
| Non-current assets | 59 341 | – |
| Property, plant and equipment | 6 877 | – |
| Intangible assets | 32 | – |
| Deferred taxation | 1 491 | – |
| Investments | 50 941 | – |
| Current assets | 1 995 549 | * |
| Trade and other receivables | 6 651 | – |
| Cash and cash equivalents | 1 988 898 | * |
| TOTAL ASSETS | 2 054 890 | * |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | 2 027 775 | (18 893) |
| Stated capital | 2 002 500 | * |
| Transactional costs for issuing equity instruments | (21 230) | (18 763) |
| Share-based payments reserve | 5 292 | – |
| Retained income (loss) | 41 213 | (130) |
| Non-current liabilities | 34 | – |
| Operating lease liability | 34 | – |
| Current liabilities | 27 081 | 18 893 |
| Trade and other payables | 10 000 | 18 893 |
| Provision for taxation | 17 081 | – |
| TOTAL EQUITY AND LIABILITIES | 2 054 890 | * |
| Net asset value (deficit) per share (cents) | 500.07 | (188.93) |

* Less than R1 000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| R'000s | Half year ended 30 September 2017 Unaudited | Year-end 31 March 2017 Audited |
|---|---|---|
| Equity attributable to shareholders of the Company | | |
| Stated capital | 2 002 500 | * |
| Balance at beginning of the period | * | * |
| Shares issued during the period | 2 002 500 | – |
| Equity-settled share-based payment reserve | 5 292 | – |
| Balance at beginning of the period | – | – |
| Arising during the period | 5 292 | – |
| Transactional costs for issuing equity instruments | (21 230) | (18 763) |
| Balance at the beginning of the period | (18 763) | – |
| Arising during the period | (2 467) | (18 763) |
| Retained earnings | 41 213 | (130) |
| Balance at the beginning of the period | (130) | – |
| Profit (loss) for the period | 41 343 | (130) |
| Total equity | 2 027 775 | (18 893) |

* Less than R1 000

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| R'000s | Half year ended 30 September 2017 Unaudited | Year-end 31 March 2017 Audited |
|--|---|---|
| Cash flow from operating activities | 61 788 | – |
| Operating loss | (15 662) | |
| Depreciation and amortisation | 475 | (130) |
| Non-cash items | 2 025 | – |
| Cash generated before changes in net working capital | (13 162) | (130) |
| Working capital changes excluding transactional costs for issuing equity instruments | 2 356 | 130 |
| Cash generated by operations | (10 806) | – |
| Net finance income | 72 594 | – |
| Cash effects of investment activities | (52 523) | – |
| Additions to property, plant and equipment | (7 352) | – |
| Additions to intangible assets | (32) | – |
| Acquisition of investments | (45 139) | – |
| Cash effects of financing activities | 1 979 633 | – |
| Proceeds from shares issued | 1 979 633 | – |
| Net increase in cash and cash equivalents | 1 988 898 | – |
| Cash and cash equivalents at beginning of year | * | * |
| Cash and cash equivalents at end of year | 1 988 898 | * |

* Less than R1 000

COMMENTARY

INTRODUCTION

Long4Life Limited (“L4L”) is an investment holding company which was listed on the Johannesburg Stock Exchange on 7 April 2017, through the placement of shares, raising capital of R2 billion. Further details are contained in L4L’s Pre-Listing Statement which was issued on 31 March 2017. The company’s income for the period was mainly derived from interest earned on the capital raised.

BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its Interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 30 September 2017, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council. The results are presented in accordance with IAS 34 – Interim Financial Reporting, and comply with the Listings Requirements of the JSE Limited and the Companies Act of South Africa, 2008.

In preparing these interim condensed consolidated financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

These results have not been audited or reviewed by the group’s auditors. The condensed consolidated financial statements have been prepared by Sarah Bishop CA(SA), under the supervision of Peter Riskowitz CA(SA), and were approved by the board on 26 October 2017.

COMPARATIVE FIGURES

The company was incorporated in June 2016 and was dormant during the period to 30 September 2016, and accordingly no comparatives are presented for the period then ended. Comparative figures are, however, presented for the nine months ended 31 March 2017 during which period limited activity took place, with the company only commencing and pursuing its activities as an investment holding company following its listing on 7 April 2017.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the group’s consolidated financial statements as at and for the period ended 31 March 2017.

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:

Listed and unlisted investments are classified as investments at fair value through profit or loss or available-for-sale financial assets. Fair value of listed investments is calculated by reference to stock exchange quoted selling prices at the close of business on the reporting date. Fair value of unlisted investments is determined by using appropriate valuation models:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

| R'000s | Current assets | | |
|---|----------------|---------------|---------------|
| | Investments | Total | Level 1 |
| 30 September 2017 | | | |
| Financial assets measured at fair value (769 124 Holdsport shares) | 50 941 | 50 941 | 50 941 |

EVENTS AFTER THE REPORTING PERIOD

The following acquisitions, each of which remained subject to the fulfilment of certain conditions as at 30 September 2017, and are accordingly not included in the interim results presented herewith, have subsequently become unconditional. L4L has acquired 100% of the issued share capital in each of these companies.

Holdsport Limited (“Holdsport”): Holdsport is the leading nationwide retailer of specialist sports and outdoor apparel and equipment. Holdsport, which will be key in building the L4L investment platform, has a strong balance sheet and is cash generative, thus facilitating acquisitive in addition to organic growth.

Sorbet Holdings Proprietary Limited (“Sorbet”): The Sorbet group, which comprises a network of roughly 200 stores, offers a range of professional and beauty therapy treatments, as well as premium body and skincare products for women and men. Sorbet represents an excellent platform for the group to expand its interests in the health, beauty and grooming sector.

Inhle Beverages Proprietary Limited (“Inhle”): Inhle is a well-established contract packing (co-packing) business and specialises in the canning and bottling of carbonated soft drinks, energy drinks and natural mineral water using cans and polyethylene terephthalate (or PET). Opportunities exist to expand capacity and Inhle’s offerings to the market.

Further detail on each of these acquisitions is contained in various Stock Exchange News Services (“SENS”) announcements published by L4L.

Change of financial year-end

The board of L4L considers it appropriate to align the company’s financial year to that of its largest investee company, Holdsport, and accordingly L4L’s financial year-end will be changed to the end of February, effective 28 February 2018.

DIVIDENDS

The board intends to commence the payment of dividends with effect from the February 2018 financial year. This will be based on the operating income of the group, excluding passive income, with appropriate dividend cover.

DIRECTORATE

Kevin Hedderwick resigned from the board on 6 October 2017. Syd Muller and Keneilwe Moloko were appointed to the board as independent non-executive directors with effect from 24 October 2017 and 1 November 2017, respectively.

PROSPECTS

With the newly acquired companies, L4L’s market capitalisation will increase substantially as it now gains substance and scale as a JSE-listed entity. This places the group in a position to conclude larger acquisition transactions going forward.

The future of the South African economy remains uncertain in the short- to medium-term. Invariably in these circumstances, opportunities present themselves and L4L is ideally positioned to take advantage of this situation. L4L is well capitalised and under-gearred, creating capacity for both organic and acquisitive growth into 2018.

Signed on behalf of the board

Brian Joffe
Chief executive officer

Peter Riskowitz
Chief financial officer

Johannesburg, South Africa
26 October 2017



DIRECTORS

Independent non-executive directors

Graham Dempster (Chairman)
Colin Datnow
Lionel Jacobs
Syd Muller
Tasneem Abdool-Samad

Executive directors

Brian Joffe (Chief executive officer)
Peter Riskowitz (Chief financial officer)

Alternate director

Jason Joffe

COMPANY SECRETARY

TMF Corporate Services (South Africa) Proprietary Limited represented by 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
Registration number: 2004/003647/07
1st Floor, Rosebank Towers
13-15 Biermann Avenue
Rosebank, Johannesburg, 2196
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Telephone +27 (11) 370 5000

Sponsor

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

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

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Further information can be found on
the Long4Life website:
www.long4life.co.za

