



GRAND PARADE  
INVESTMENTS LIMITED

2020

INTEGRATED  
ANNUAL REPORT



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## ABOUT THIS REPORT

### REPORT SCOPE, BOUNDARY

Grand Parade Investments Ltd's ("GPI" or "the Group") integrated annual report 2020 ("this report") provides a succinct review of our strategy and business model, operating context, material stakeholder interests, key risks, and performance and governance practices, covering the financial year ending 30 June 2020. This report is supplemented by our separate Consolidated Annual Financial Statements 2020 ("AFS"). The report focuses on the activities of GPI as an investment holding company, and includes an analysis of our underlying investments, both in the Executive Reviews section (pages 20 – 27) and the Investment Reviews section (pages 30 – 39), focusing on the most material investments only). Since last year there have been no significant changes to the Group's organisational structure, and no material restatements of data during the year.

### TARGET AUDIENCE AND MATERIALITY

This report has been prepared primarily for current and prospective investors, although it is also relevant for any other stakeholder who has an interest in GPI's performance and prospects. This report focuses on those issues that we have identified as being most material to our capacity to create value and deliver on our strategic growth objectives. In addressing these material issues, we review what we do (page 4), identify the material interests of priority stakeholders, assess the principal risks and opportunities arising from the operating context and review our performance and governance practices (pages 42 – 45) aimed at ensuring value.

### EXTERNAL ASSURANCES

Independent external auditors, EY, audited the AFS in accordance with the International Standards on Auditing. The opinion of the external auditors is provided in the full AFS. The Group has not sought external assurance on the contents of this report.

### REPORTING PRINCIPLES TARGET

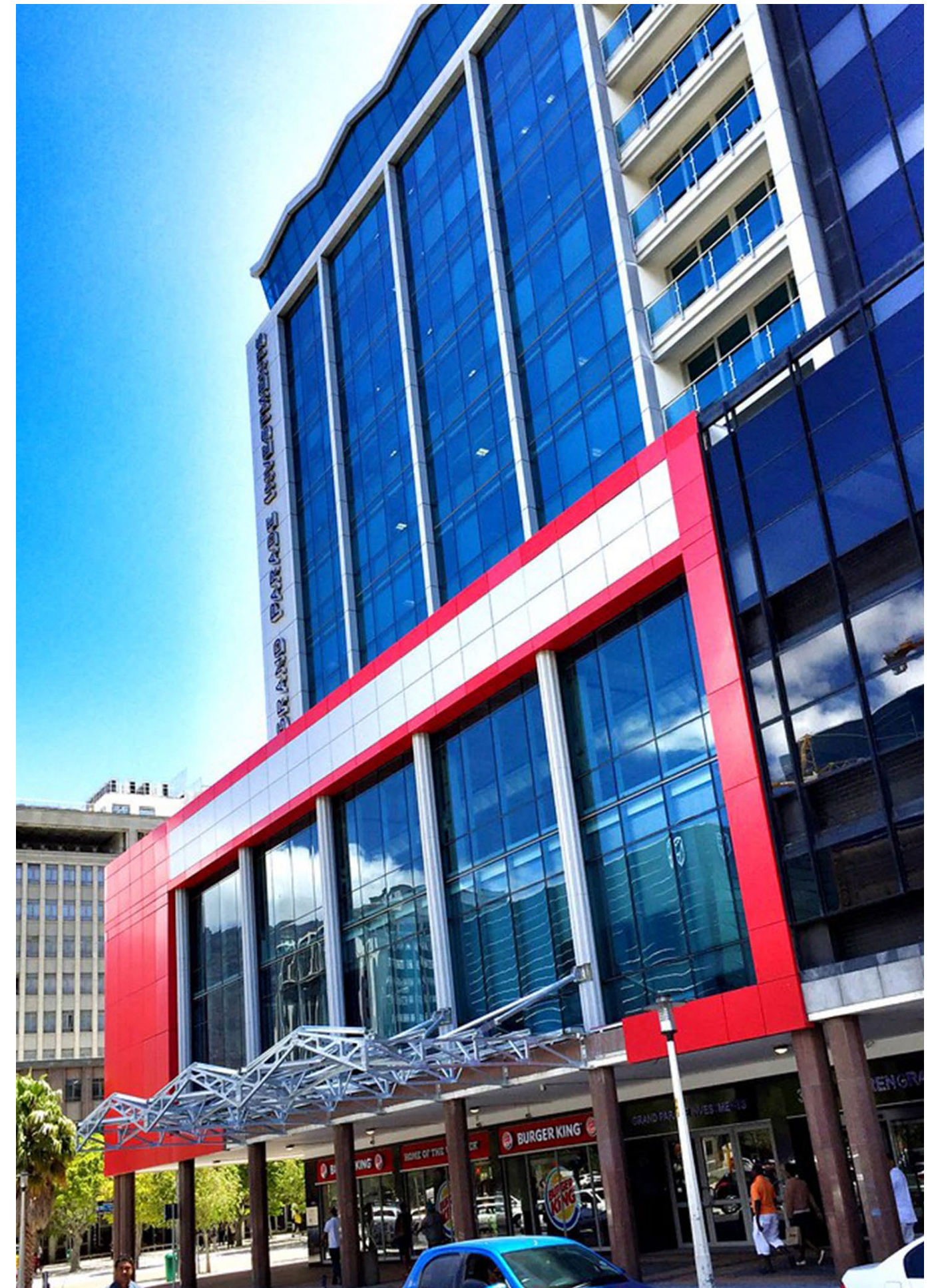
This report was prepared in accordance with International Financial Reporting Standards ("IFRS"), the JSE Listings Requirements and the Companies Act, No. 71 of 2008, as amended ("the Companies Act"), where relevant. The report has sought to apply the International <IR> Framework of the International Integrated Reporting Council ("IIRC"). GPI has applied the majority of the principles and recommendations outlined in the King IV Report on Governance™ for South Africa 2016 (King IV™); a summary of those principles that were not fully applied is presented on the Company's website at [www.grandparade.co.za](http://www.grandparade.co.za).

### FORWARD-LOOKING STATEMENT

This report contains certain forward-looking statements that relate to the financial position and results of the operations of GPI and its investments. These statements, by their very nature, involve risk and uncertainty as they relate to future events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global and national economic conditions, interest rates, exchange rates and regulatory delays or changes. The forward-looking statements have not been reviewed or reported on by the Group's external auditors.

### APPROVAL OF THE INTEGRATED ANNUAL REPORT

The Board acknowledges its responsibility to ensure the integrity of the integrated annual report. The directors confirm they have collectively assessed the content of the report and believe that it is a fair representation of the Group's material issues, performance and prospects. The Board has therefore approved the integrated annual report 2020 for release to stakeholders.







## ABOUT GPI

Grand Parade Investments ("GPI") is an empowering investment holding company that actively manages investments in its current focus areas of food and gaming.

The Company was founded in 1997 for the purpose of partnering with Sun International South Africa (Pty) Ltd as its primary black economic empowerment partner in the Western Cape. R28 million was raised from over 10 000 previously disadvantaged community members.

Since then we have grown our investment portfolio within the gaming industry, and in recent years have diversified into food, having acquired the South African master franchise licences for BURGER KING®. GPI listed on the main board of the JSE Limited (JSE) in 2008.



**BURGER KING  
SOUTH AFRICA**

INVESTMENT & EFFECTIVE HOLDING

**91.1%**



**GRAND PARADE  
FOODS  
MEAT PLANT**

INVESTMENT & EFFECTIVE HOLDING

**100%**



**MAC BROTHERS CATERING  
EQUIPMENT**

INVESTMENT & EFFECTIVE HOLDING

**100%**



**SPUR CORPORATION**

INVESTMENT & EFFECTIVE HOLDING

**9.3%**



**SUNWEST**

INVESTMENT & EFFECTIVE HOLDING

**15.1%**



**WORCESTER  
CASINO**

INVESTMENT & EFFECTIVE HOLDING

**15.1%**



**SUN SLOTS**

INVESTMENT & EFFECTIVE HOLDING

**30%**



**GPI  
PROPERTIES**

INVESTMENT & EFFECTIVE HOLDING

**100%**



## CHAIRMAN'S REVIEW

ALEX ABERCROMBIE

"I AM SATISFIED THAT WE HAVE ADHERED TO ALL OUR COMPLIANCE OBLIGATIONS AND THAT THE REPORTING MECHANISMS PUT IN PLACE WILL ENSURE THAT WE CONTINUE TO DO SO. FURTHERMORE THE GROUP IS FULLY COMPLIANT WITH ALL THE LEGISLATION AS WELL AS THE PRESCRIPTS OF KING IV™."

**"Our Investments in Burger King and the Gaming Assets are performing well against the prior year and will continue its upward trajectory on condition that we stay on Lockdown Level 1 or lower."**

The year under review has been a turbulent one for GPI and South Africa in general. Last year GPI turned the corner and swung into profits following a sustained period of losses. In the first half FY2020 GPI continued this positive momentum posting a solid set of results which showed signs of a promising 2020 financial year. The businesses that GPI are invested in were just coming out of the economic slowdown of recent years when we were hit by the COVID-19 pandemic and the government imposed lockdown restrictions. Millions of people globally have succumbed to the virus while others have lost their livelihoods. Our heartfelt condolences to the deceased and their families especially those of our shareholders. We pay a special tribute to those who work on the frontline – all the health practitioners.

I was appointed Non-executive Chair on 1 February 2020 barely two months before a National State of Disaster was declared which led to a nationwide lockdown.

Suddenly the progress on our strategic vision to unlock value through a controlled sale of assets, was halted and faced dire setbacks. Several deals that had been approved could not be finalised for one or other reason or had to be renegotiated as prospective purchasers looked to reduce the purchase price of assets considerably.

The Board, its Committees and management worked relentlessly to deal with the issues at hand and I'm pleased to announce that very good progress has been made with overcoming most of the obstacles we faced and we are back on track with our strategic vision to unlock value for all shareholders. Management have also acted swiftly during these

unprecedented and uncertain times to manage liquidity by implementing several cost-cutting and liquidity management initiatives. These included rental reductions and rental holidays, salary reductions and temporary layoffs, cancellations of all non-essential services and the acceleration of the sale of non-core assets.

The action taken during this time has allowed us to navigate through the worst of lockdown and I am pleased to report that all of our businesses have resumed operations.

Our investments in Burger King and the Gaming Assets have showed great resilience following the hard lockdown and are performing well against the prior year. We are confident that they will continue this upward trajectory provided that we remain on Lockdown Level 1 or lower. The CEO, Mohsin Tajbhai, and the

CFO, Jayson October, will deal with the financial matters in their report.

One of the biggest risks in the business is the issue related to GrandWest's exclusivity. The Western Cape Twentieth Gambling and Racing Amendment Bill and the Western Cape Twenty-First Gambling and Racing Amendment Bill were both published on 8 May 2020 in the Provincial Gazette Extraordinary, Notice Number 8235 which provides for the relocation of a casino licence to the new Helderberg zone. If the Bills are passed, GrandWest's exclusivity zone will be reduced from 75kms to 25kms. Together with Sun International we have submitted comments on the bill, and we await a response.

The issue of a dividend is a burning issue because despite our stated objective of being dividend active we have not been able to do so for reasons beyond our control. However, should the sale of Burger King be

finalised subject to solvency and liquidity, a dividend could possibly then be declared.

I am satisfied that we have adhered to all our Compliance obligations and that the reporting mechanisms put in place will ensure that we continue to do so. Furthermore the Group is fully compliant with all the legislation as well as the prescripts of King IV™. I wish to thank my fellow Board members and especially the CEO, Mohsin Tajbhai, and his management team as well as the representative of our Company Secretary, Amber Hensberg, for ensuring compliance in this regard

Finally, I wish you all a wonderful festive season and to those celebrating religious festivities have a blessed time with your families and friends.

Stay safe!



# BOARD OF DIRECTORS

## EXECUTIVE DIRECTORS



**MOHSIN TAJBHAI (40)**

**GROUP CEO**

Appointed to the Board on  
28 November 2018  
Appointed 1 July 2019

Mohsin is a professional structural engineer with a Master's degree in engineering from the University of Cape Town ("UCT") and also holds a Master's degree in Business Administration (MBA) from the Graduate School of Business at UCT. He started his career at GPI as the chief operating officer ("COO") of manufacturing and properties and progressed to group COO. Prior to his career at GPI, he served as the chief executive officer of Nadeson Consulting Services, a Cape Town based civil engineering company.



**JAYSON OCTOBER (39)**

**GROUP FINANCIAL DIRECTOR**

Appointed to the Board on  
1 April 2020  
Appointed 1 April 2020

Jayson holds the qualifications BCompt (Hons), CA(SA). He has over 14 years professional experience including serving as Group management accountant, Group financial manager, and deputy chief financial officer during his time with the Company. Prior to joining GPI, Mr. October served as an audit supervisor at Mazars.

## NON-EXECUTIVE DIRECTORS



**ALEXANDER ABERCROMBIE (69)**

**NON-EXECUTIVE CHAIRMAN**

Appointed to the Board on  
20 October 1997  
Appointed on 1 February 2020

Alex is an attorney by profession and a Consultant to the national law firm Cliffe Dekker Hofmeyr. His association with GPI dates back to the inception of the Company in 1997 when he was appointed as a non-executive director. On 11 June 2012, he was appointed as the executive director responsible for the Group's gambling operations until his retirement from the executive role on 28 February 2015.

He remains on the Board as a non-executive director as well as continuing on the board of the GPI/Sun International slots group of companies in which GPI has an interest. Alex is chairperson of these companies, including the holding company, Sun Slots, the management company, the six slots routes owned by Sun Slots countrywide and the Grand Gaming Corporate Social Investment Company.

In addition, Alex is the Chairman of the board of Worcester Casino Proprietary Limited and represents GPI on the board of Sun West International Proprietary Limited. He is also a member of the Board's Investment Committee, Social and Ethics Committee and the Remuneration and Nomination Committee.

Alex is a qualified International Commercial Mediator, a former Judge of the Cape High Court and until recently he was the Deputy Chair of the Council of the College of Cape Town.

He is well known in sports circles having been appointed by the Minister of Sport as Chair of the Appeal Board of the South African Institute for Drug-Free Sport (SAIDS). He is also Chairman of the Appeal Board of the South African Football Association and has received a Special State President's Award: "In Recognition of Services to South African Football" from then, former President, Nelson Mandela.



**MARK BOWMAN (54)**

**NON-EXECUTIVE DIRECTOR\***

Appointed to the Board on  
5 December 2018

Mark was until the end of 2016 Managing Director for Africa for SABMiller. He has spent the majority of his career with SABMiller in various leadership roles. Over the span of his career he managed ABL (the listed soft drinks division of SAB) in South Africa, and in Poland he was MD for Kompania Piwowarska a successful part of the SABMiller CEE business. From 2007 until his departure in late 2016 Mark managed SABMiller Africa, a business of over \$10bn in revenue, and \$1.8bn in EBIT, which represented a third of group earnings. His business experience lies in growing FMCG businesses in Africa. Mark is a non-executive director of Tiger Brands, Dischem, and Mr Price. He variously also sits on Remco, Audit/Risk, and Investment sub-committees of these Boards.



**RONEL VAN DIJK (48)**

**NON-EXECUTIVE DIRECTOR\***

Appointed to the Board  
5 December 2018

Ronel joined Spur Corporation Limited as group financial manager in January 2003. In January 2005 she was appointed as chief financial officer and company secretary, and was appointed to the board of directors in September 2006. As CFO, Ronel was responsible for the finance, company secretarial, administrative, legal and compliance functions of the group, as well as corporate governance and risk management. She also fulfilled a supervisory function for IT and HR. Since 2014 she had a dual role after being appointed COO of International business and was responsible for the international growth strategy of the group. As an executive director Ronel was instrumental in determining and implementing group strategy and she also founded, and served as Chair of the Spur Foundation. Ronel left Spur Corporation Limited in March 2018 and is now enjoying working on a tech start-up in the car rental industry when she is not travelling.



**ROZANNA KADER (36)**

**NON-EXECUTIVE DIRECTOR**

Appointed 1 February 2020

Rozanna has extensive casino, hospitality and management experience. She currently serves as a non-executive director on the boards of Nadeson Enterprises, Zevocept and Afriserv. Prior to her current role as a consultant focusing on management performance, Rozanna served as the chief operating officer of three of the GPI group companies, namely Grand Coffee House (Pty) Ltd (Dunkin' Donuts South Africa), Grand Bakery and Grand Ice Cream (Pty) Ltd (Baskin Robbins South Africa). She joined GPI in 2012 as Head of Marketing and Communications, and helped drive the successful launch of Burger King into South Africa.



**MONDE NKOSI (30)**

**NON-EXECUTIVE DIRECTOR**

Appointed 4 December 2019

Monde is an investment professional with experience in private and listed businesses in South Africa and the USA. He is currently a senior investment professional and executive director at Value Capital Partners ("VCP"), an investment firm that acts as an engaged shareholder in several JSE-listed companies. Prior to VCP, Monde was on the investment team of FFL Partners, a San Francisco-based private equity firm managing over USD2 billion. Monde is currently a non-executive director of Adcorp Holdings Limited. He holds a Bachelor of Business Science from the University of Cape Town, a Master of Arts from Stanford University and a Master of Business Administration from Stanford University.



**WALTER GEACH (65)**

**LEAD INDEPENDENT  
NON-EXECUTIVE DIRECTOR\***

Appointed 9 September 2019  
Appointed to Board on  
17 September 2013

Walter is a chartered accountant (CA) (SA), an admitted advocate of the High Court of South Africa and a Professor and Head of the Department of Accounting at the University of the Western Cape. Among his many other academic achievements, he has also authored/co-authored over 14 published books on a variety of subjects such as company law, corporate governance, financial accounting, taxation, financial planning and trusts. The books are used extensively in practice by accountants, consultants, lawyers and financial planners.

In addition, Walter serves as a non-executive director on the boards of Grindrod Ltd and Grindrod Bank and is a member of the audit committee of both companies.

## EFFECTIVE GOVERNANCE AND CONTROL

### OUR ORGANISATION IS BUILT ON A FIRM FOUNDATION ...

The Company's ethical values are based on integrity, transparency, fairness and trust and a commitment to making a meaningful contribution to broad-based black economic empowerment as inclusively as possible; to uphold the highest ethical and moral standards; and to invest in the finest people and promote their personal growth.

### ...THAT INFORMS HOW WE APPOINT OUR LEADERSHIP ...

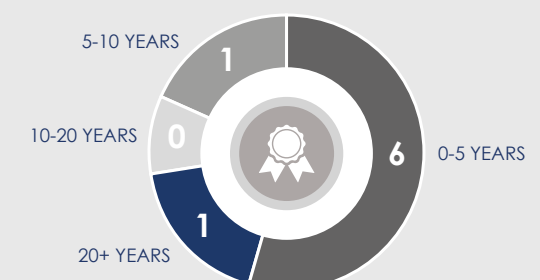
Directors are appointed by the Board in a formal manner. The Remuneration and Nomination Committee, in consultation with the Chairman, considers suitable candidates and nominates persons for appointment as directors taking into account the requirements of the business. Proposals for election/re-election to the Board are, after review, recommended by the Nomination Committee and are considered by the Board, subject to the approval/ratification of shareholders.

### AND ULTIMATELY EVALUATE THEIR PERFORMANCE AND SUCCESSSES

During the Reporting period the Chairman of the Remuneration and Nomination Committee, in consultation with the Executive Chairman, evaluates the effectiveness of the Board and the Board committees. This year, no issues of material concern were raised in the evaluations and the Board is satisfied with its performance and effectiveness. Additionally, the Group obtained the services of an external firm to conduct board and committee member evaluations.

\* Denotes independent non-executive directors

### TENURE AND SERVICE



One-third of the company's non-executive directors are required to retire by rotation at the Annual General Meeting (AGM) of shareholders.



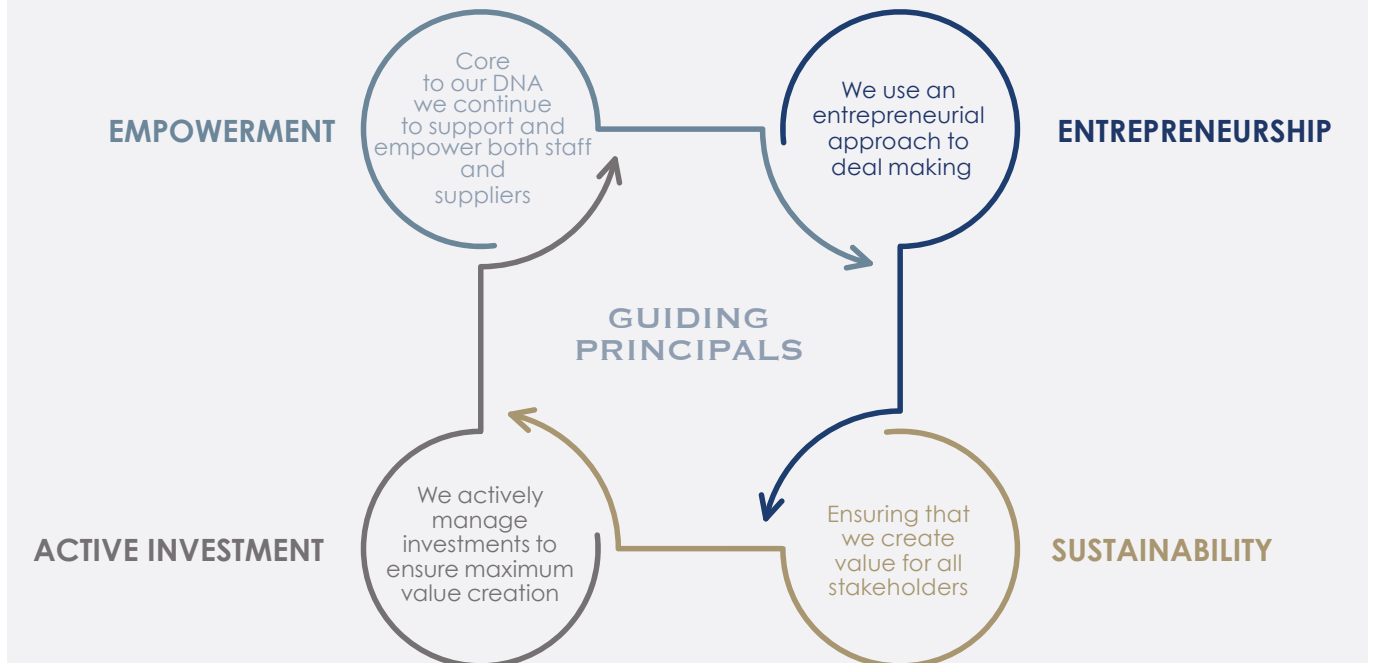


## OUR STRATEGIC BUSINESS CONTEXT





## GUIDING PRINCIPLES



## INVESTMENT PHILOSOPHY



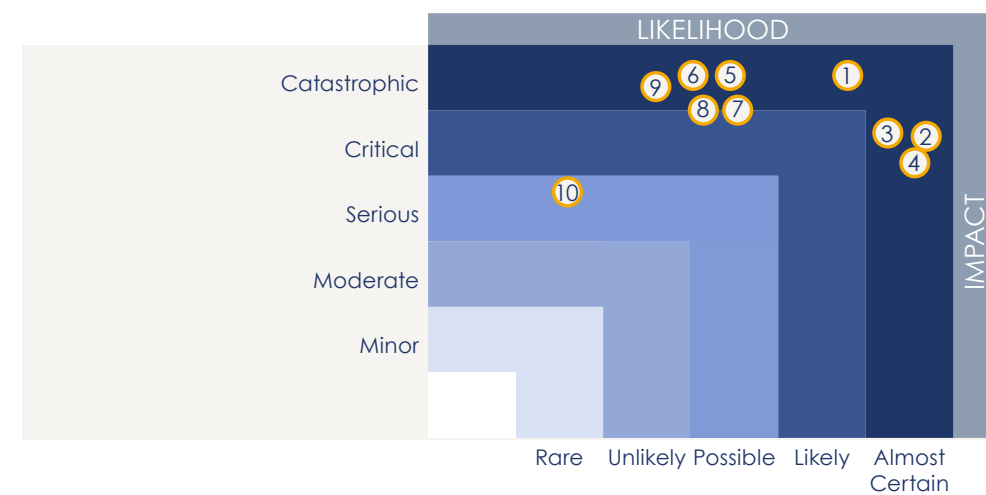
## STAKEHOLDER VALUE



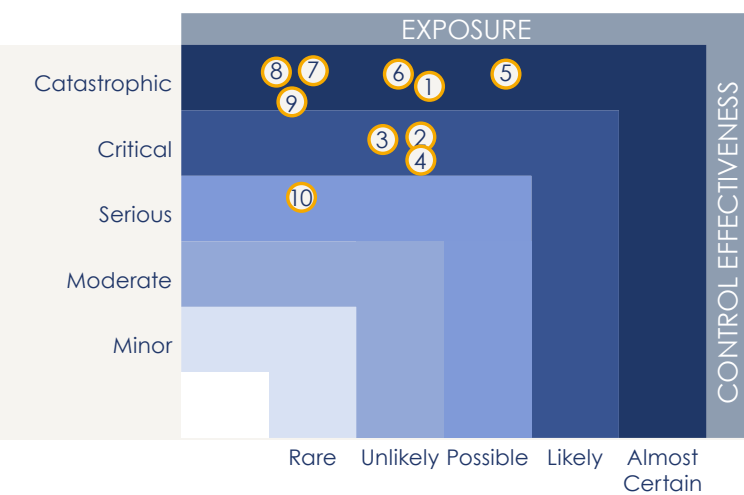


## MATERIAL RISK

### INHERENT RISK



### RESIDUAL RISK



NO.	RISK DESCRIPTION	PROBABILITY	IMPACT	SEVERITY	RESIDUAL PROBABILITY	RESIDUAL IMPACT		RESIDUAL SEVERITY	BUSINESS IMPACT
1	Constrained liquidity	4. Likely	5. Catastrophic	20	2. Unlikely	5. Catastrophic		10	Unable to carry on business operations due to restricted cashflow
2	Decline in economy country-wide	5. Almost Certain	4. Critical	20	2. Unlikely	4. Critical		8	<ul style="list-style-type: none"> <li>Value of all assets reduced</li> <li>Reduced earnings within businesses</li> <li>Extended time period to complete asset sales</li> </ul>
3	Loan to value covenant breach	5. Almost Certain	4. Critical	20	2. Unlikely	4. Critical		8	<ul style="list-style-type: none"> <li>Restriction on liquidity</li> </ul>
4	Delayed in timing in relation to asset sales	5. Almost Certain	4. Critical	20	2. Unlikely	4. Critical		8	Reduction in shareholder value
5	Decline in gaming assets	3. Possible	5. Catastrophic	15	3. Possible	5. Catastrophic		15	<ul style="list-style-type: none"> <li>Inability to generate required income</li> <li>Unable to realise value</li> </ul>
6	Data breach	3. Possible	5. Catastrophic	15	2. Unlikely	5. Catastrophic		10	<ul style="list-style-type: none"> <li>Reputational impact</li> <li>Loss of data</li> <li>Legal implications</li> </ul>
7	Non-compliance with gambling legislation	3. Possible	5. Catastrophic	15	1. Rare	5. Catastrophic		5	<ul style="list-style-type: none"> <li>Loss of gambling licenses</li> </ul>
8	Non-compliance with King IV™	3. Possible	5. Catastrophic	15	1. Rare	5. Catastrophic		5	<ul style="list-style-type: none"> <li>Suspension of share trading</li> <li>Personal liability of Directors</li> <li>Investigations from CIPC &amp; Tribunals</li> <li>Fines from JSE</li> <li>Censure from JSE</li> </ul>
9	Risk of second hard lockdown	2. Unlikely	5. Catastrophic	10	1. Rare	5. Catastrophic		5	<ul style="list-style-type: none"> <li>BKSA deal falls through</li> <li>Contribution of capital to maintain operations</li> <li>Decline in value of gaming assets</li> <li>Extended time period to complete asset sales</li> <li>Strategic objectives not realizable</li> </ul>
10	Non-readiness for POPI Act implementation	2. Unlikely	3. Serious	6	1. Rare	3. Serious		3	Non-compliance to Act



## CRITICAL RELATIONSHIPS AND RISK MANAGEMENT

Our capacity to deliver value depends ultimately on the quality of our relationship with those stakeholders who are fundamental to our business model, and on our demonstrated ability to address their material interests.

Therefore, we track the varying quality of our stakeholder relationships closely in conjunction with anticipating and strategically responding to their material issues, needs and concerns.



### INVESTORS AND ANALYSTS

#### MATERIAL ISSUES, NEEDS AND CONCERNS

- Clarity on value creation strategy
- Detail on financial performance
- Candid communication that manages performance expectations
- Evidence of ability to effectively execute delivery on strategy
- Sound corporate governance
- Transparent executive remuneration



### COMMUNITY AND NON-GOVERNMENTAL

#### MATERIAL ISSUES, NEEDS AND CONCERNS

- Evidence of good corporate citizenship, including water and waste management, recycling, supply chain and human rights
- Addressing negative social impacts associated with gaming
- Addressing negative social impacts associated with sugar, salt and fat content of quick service restaurant ("QSR") foods



### EMPLOYEES AND REPRESENTATIVES

#### MATERIAL ISSUES, NEEDS AND CONCERNS

- Appropriate remuneration
- Empowerment and employment equity issues
- Safe, healthy and congenial working conditions



### GOVERNMENT AND REGULATIONS

#### MATERIAL ISSUES, NEEDS AND CONCERNS

- Compliance with regulatory requirements
- Job creation, localisation, transformation and BBBEE delivery
- Sustained contribution to national tax base
- Transparency and clear communications



### CUSTOMERS

#### MATERIAL ISSUES, NEEDS AND CONCERNS

- Positive customer experience
- Taste, quality, price, accessibility and food safety (food investments)
- Fair operating practices (gaming investments)



### SUPPLIERS

#### MATERIAL ISSUES, NEEDS AND CONCERNS

- Timely payment and fair contract terms
- Localisation and support for enterprise development



### MEDIA

#### MATERIAL ISSUES, NEEDS AND CONCERNS

- Transparency on strategy, performance and governance
- Evidence of responsiveness to material stakeholder interest





## OUR INVESTMENT PERFORMANCE





## CHIEF EXECUTIVE OFFICER'S REVIEW

MOHSIN TAJBHAI

Management have made significant advances in reducing operational costs over the last two years, this continues to be a key area of focus particularly with the shift away from operationally intense investments.

The 2020 financial year has been a tale of two halves. In the first six months GPI delivered a strong set of results with all major financial metrics up on the prior year. Revenue for the first six months increased by 19% while comparable EBITDA was up 18%. The second half of the year was dominated by the impact of COVID-19 and the government-imposed lockdown restrictions. Under the level 5 restrictions all GPIs operational businesses were closed for the entire month of April while all gaming-related businesses remained closed for the period from April to June. The cessation of operations eroded all gains achieved in the first half of the year. Revenue for the year is down by R97 million, operating profit is down R2.5 million and headline earnings per share is down 23c.

During this period management acted swiftly and shifted focus to preserve cash through a series of cost-cutting and liquidity management initiatives that included:

- Rental reductions and rental holidays;
- Salary reductions and temporary layoffs;
- Cancellation of all non-essential services; and
- The acceleration of non-core asset sales.

In addition to the financial impact that COVID-19 has had on the business, the pandemic has also affected the strategy to unlock value through a controlled sale of assets. Before the lockdown, GPI was in the process of disposing its 30% stake in Sun Slots and had announced the sale of Burger King South Africa ("BKSA") and Grand Foods Meat Plant. As a direct result of COVID-19, the Sun Slots deal was not consummated and management was forced to renegotiate the BKSA sale.

Although the strategic objectives have changed in accordance with the shift in strategy, the objectives for the 2020 financial year included:

1. Exiting non-profitable businesses;
2. Restructuring head office to reduce central costs;
3. Improving profitability of existing operational businesses;
4. Exiting all non-core investments to reduce debt;
5. Growing of Burger King;
6. Building a high-performance culture; and
7. Compliance with all regulatory bodies.

"THE 2020 FINANCIAL YEAR HAS BEEN A TALE OF TWO HALVES. IN THE FIRST SIX MONTHS GPI DELIVERED A STRONG SET OF RESULTS WITH ALL MAJOR FINANCIAL METRICS UP ON THE PRIOR YEAR."

Initiatives	Status	Impact
<b>Exit non-profitable businesses</b>		
Liquidation of Dunkin' Donuts and Baskin-Robbins	Complete	Resulting in a R36.6 million saving in its loss contribution.
Closing down of Grand Foods Bakery	Ongoing	Asset held for sale and will be disposed in the next financial year
<b>Restructure to reduce head office costs</b>		
Reduced the size of the head office team	Complete	22% reduction in head office costs
Optimised the central cost charge back model to a consumption-based model	Compete	Improvements allowed management to identify areas of efficiency
<b>Improve profitability of operational foods businesses</b>		
Focus on driving bottom line profitability of Burger King	Not achieved	Due to the impact of COVID-19 and related lockdown this was not achieved
Close down unprofitable restaurants	Complete	Closed down three poor performing restaurants over the period
Improve bottom line profitability of Meat Plant and reduce cash burden on the Group	Not achieved	Due to the impact of COVID-19 and related lockdown this was not achieved
Improve Profitability of Mac Brothers	Not achieved	Due to the impact of COVID-19 and related lockdown this was not achieved
<b>Exit all non-core investments to reduce debt to EBITDA to four times</b>		
Sale of BEE Spur shares back to Spur Corporation	Complete	Sale of B-BBEE shares complete. Proceeds used to reduce debt. Overall debt reduced by R300m. Debt to equity improved by 53%
Sale of 33 Heerengracht	Ongoing	Offer to purchase 33 Heerengracht signed for R90m. Deal expected to close in February 2021
Sale of N1 City	Complete	Sale of N1 City for R26m complete. Transfer complete 16 October 2020
Sale of No 6 Epping	Ongoing	Sale of No 6 Epping Circle complete, transfer is expected at the end of November 2020
<b>Growth of Burger King</b>		
Restaurant growth	Complete	Eight new restaurants opened
System-wide revenue growth	Not achieved	Due to the impact of COVID-19 and related lockdown this was not achieved
Same store sales growth	Not achieved	Due to the impact of COVID-19 and related lockdown this was not achieved
EBITDA growth of 2x	Not achieved	Due to the impact of COVID-19 and related lockdown this was not achieved
<b>Building a high-performance culture</b>		
Business unit objectives and KPIs aligned with Group objectives and KPIs	Complete	Alignment of KPIs improved motivation and overall performance
Rewards and recognition programme	Ongoing	Aim is to drive objectives and KPIs of the Group through the programme and reduce staff turnover
<b>Compliance with all regulatory bodies</b>		
Gaming board compliance	Complete	Compliant
B-BBEE Compliance	Complete	Achieved a Level 3
Master Franchise Development Agreement	Compete	Compliant



## CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

**DESPITE THE SETBACKS CAUSED BY COVID-19 GPI HAS MADE GOOD PROGRESS ON ITS VALUEUNLOCK STRATEGY AND REMAINS FOCUSED ON DELIVERING VALUE TO SHAREHOLDERS THROUGH A CONTROLLED SALE OF ASSETS.**

### REVIEW OF INVESTMENT OPERATIONS

#### Food

##### BURGER KING

Burger King's total revenue for the year remained flat at R1.010 billion compared to R1.015 billion in the prior year despite being closed during the month of April and only drive-thru sales during May and opening in June 2020.

Average monthly restaurant revenues ("ARS") decreased by 6.4% from R1.036 million last year to R0.969 million this year, largely as a result of the limited trade during the period March to June with the implementation of the nationwide lockdown. For the first time since 2017, Burger King is reporting negative comparative sales of 12.85% (2019: positive 10.32%).

Drive-Thrus as a service mode has remained resilient throughout the period that the business was allowed to operate and increased by 40%, while sales for Dine-In (-85%) and Take-Away (-30%) services modes have been under severe pressure due to the uncertainty created by the COVID-19 pandemic which resulted in a trend away from sit-down to contactless service modes.

The total number of Burger King restaurants as at 30 June was 97 of which 90 are corporate owned. The net restaurant movement for the year totalled five, which included the opening of eight new restaurants and the closure of three unprofitable restaurants.

##### GRAND FOODS MEAT PLANT

Grand Foods Meat Plant is influenced by Burger King's performance through their agreement with Burger King's main supplier, Digistics. As a result, the Grand Foods Meat Plant's revenue decreased by 7% to R142 million compared to prior year's R153 million.

Gross profit decreased by 6% from R136.5 million to R128.5 million, as a result of the decrease in revenue and gross margin. Gross margin for the year decreased by 2% from 11% to 9% due to higher beef prices in the second quarter of the year.

Grand Foods Meat Plant's earnings for the year resulted in a R1.65 million loss after tax, compared to the R1.63 million net loss after tax incurred in the prior year.

##### MAC BROTHERS

The past financial year was marked by the negative impact of a contracting local economy, weakened sales team and the COVID-19 lockdown during the last quarter of the 2020 financial year. Severely restricted trading in the catering, gaming and leisure sector during the national lockdown meant that revenue only returned in the month of June, resulting in a R40.2 million loss for the year with all divisions and all revenue lines severely impacted. Various cost-cutting measures are being implemented across the Company, including short time, temporary lay-off and permanent retrenchments.

#### Gaming

The gaming businesses were severely affected by the lockdown and completely shut down operations from the 24 March to the end of June. These businesses have subsequently resumed operations under extremely strict operational protocols.

Over the last financial year Sun Slots revenue decreased by 20% from R1.2bn in the prior year to R989 000 in the current year. EBITDA for the year decreased by 25% from R316 million to R235 million. Sun Slots has shown great resilience since opening and was trading at 50% of prior year revenue for the month of July and 75% for the month of August.

Revenue for SunWest is down 29% over the year while EBITDA is down 40% from R938 million to R516 million over the financial year. Grand West resumed operations in July and was up to 30% of prior year sales for the month of July. This has improved to under 60% for the month of August. The further relaxation of the lockdown restriction under level 1 will further assist the recovery of the business.

### PROSPECTS

The South African economy was already battling recessionary territory prior to the national lockdown. COVID-19 and related lockdown restrictions have caused further decline with the second quarter of 2020 recording a 16.5% decline, the worst decline recorded in almost a century. Despite the setbacks caused by COVID-19, GPI has made good progress on its value-unlock strategy and remains focused on delivering value to shareholders through a controlled sale of assets.

Management have made significant advances in reducing operational costs over the last two years, this continues to be a key area of focus particularly with the shift away from operationally intense investments. Management will continue to restructure and reduce costs over the next year to create a lean head office structure and limit dividend leakage. Another area of focus over the next year is to implement and execute a remediation plan for the Mac Brothers business aimed at improving earnings and overall valuation of the business.

In February 2020, GPI announced the sale of BKSA and with that a shift in strategy to unlock value through a controlled sale of assets. The strategy is underpinned by its intrinsic net asset value which is estimated at R4.49 per share (the table below outlines the intrinsic net asset value of GPI). The proposed BKSA sale is the first step in the process of unlocking value and represents over R1 per share in value. The Spur and Gaming investments will also be re-evaluated at an appropriate time. The successful implementation of the Group's strategy would unlock in the region of 50% in value based on the current trading price, which represents an attractive return for shareholders.

Company	Valuation method	EV less debt (R'000)	GPI Holding %	GPI equity value (R'000)	Related holding co borrowings (R'000)	Intrinsic NAV (R'000)
<b>Food investments</b>				<b>675 005</b>	<b>–</b>	<b>675 005</b>
Burger King	ECP transaction	510 000	95.78	488 478	–	488 478
Grand Foods Meat Plant	ECP transaction	18 000	100.00	18 000	–	18 000
Mac Brothers	DCF	25 000	100.00	25 000	–	25 000
Spur	Spot	1 842 452	7.79	143 527	–	143 527
<b>Gaming and Leisure</b>				<b>1 327 116</b>	<b>(204 000)</b>	<b>1 123 116</b>
<b>Other investments</b>				<b>159 000</b>	<b>(53 491)</b>	<b>105 509</b>
GPI Properties	Independent appraisal	<b>159 000</b>	<b>100</b>	<b>159 000</b>	<b>(53 491)</b>	<b>105 509</b>
	Value					<b>1 903 630</b>
	Cash net anticipated head office cost					22 943
	iNAV					1 926 573
	Issued shares					429 486
	<b>iNAV per share (cents)</b>					<b>4.49</b>
	Current share price					2.04
	Discount					(55%)

### Appreciation

This year has been particularly challenging given the impact that COVID-19 has had on the business. In these uncertain times it has been a great honour to be part of a high-performance executive management team. I thank the team for their continued support and effort which has allowed GPI to navigate through these challenging conditions with ease.

Grand Parade Investments employs over 3 000 employees and I would like to take this opportunity to thank each one for their contribution to the success of the business.

I thank our Chairman, Mr Alex Abercrombie, for his guidance and mentorship as well as the GPI Board for their effort in driving the strategic direction of the business and their support in our constant search for excellence.





## GROUP FINANCIAL DIRECTOR'S REVIEW

JAYSON OCTOBER

“WE CONTINUE TO INVEST IN PEOPLE TO ENSURE A WELL-DEVELOPED STAFF COMPONENT THAT DEALS WITH 21ST CENTURY DIGITAL APPLICATIONS.”

Operating profit from continuing operations remained in line with prior year reducing slightly from a profit of R44.2 million to a profit of R41.7 million.

### INTRODUCTION

For the 2020 financial year, GPI reported a considerable decrease of 262% in its headline earnings, deteriorating from a profit of R38.0 million to a loss of R61.7 million in the current year as a result of a sharp decline in both the Food and Gaming businesses as well as the prospective application of IFRS 16.

In this financial year, GPI has adopted IFRS 16, which has impacted the disclosure surrounding leases, the accounting for leases and the comparability of the statement of comprehensive income.

Operating profit from continuing operations remained in line with the prior year, reducing slightly from a profit of R44.2 million to a profit of R41.7 million. This is largely as a result of the adoption of IFRS 16 in the current year whereby rentals were accounted for on the statement of financial position with finance charges and depreciation accounted for lower down on the statement of comprehensive income.

### GROUP FINANCIAL REVIEW

The Group uses headline earnings to assess the underlying investment contributions to the Group's earnings. The reason for using headline earnings is that it eliminates the once-off effects of the Group's investment activities and therefore provides a comparable view of the Group's continuing earnings.

GPI reported a significant decrease in headline earnings of 262%. Headline earnings deteriorated from a profit of R38.0 million in the prior year to a loss of R61.7 million at the end of June 2020.

The main contributors to the decline in headline earnings are:

- Burger King has reported a decline in its headline earnings contribution of 317%. Adding back the effect of IFRS 16, Burger King made a small loss despite being closed for April 2020 and only operating through home delivery for May 2020. Burger King returned to full operations during June 2020 and has shown resilience during these uncertain times with sales returning to comparable levels despite a sharp decline in sit-down sales.

- Mac Brothers was affected by the slow-down in the manufacturing industry in the first half of the year, reporting a loss contribution of R9.6 million for the first six months. The decline in the construction and manufacturing sectors was further exacerbated by a complete shutdown of the business during the month of April and May which resulted in a decline of R41.0 million in headline earnings contributions for the year.
- The gaming businesses were severely affected by the government imposed lockdown restrictions and remained completely shut down from April to June. Sun Slots and SunWest reported a year-on-year decline in headline earnings contribution of R24.4 million and R35.0 million respectively. Both these businesses have resumed operations during July under very strict COVID-19 operational protocols.

The following improvements offset the effect of the declines mentioned above:

- The investment in Spur improved headline earnings contribution by R6.6 million as a result of a reduction in debt and finance-related expenses.
- Grand Foods Meat plant reduced headline loss contribution by R0.7 million.
- The savings associated with the liquidation and subsequent closure of Dunkin' Donuts and Baskin-Robbins led to an improvement in the loss contribution of Dunkin' and Baskin-Robbins of R36.6 million.
- Corporate costs before net central finance income for the period decreased by 22% to R34.1 million compared to R43.6 million in the prior year. This is largely due to the restructuring of the head office and cost-cutting initiatives implemented by management at the start of the lockdown.

### OPERATIONAL HIGHLIGHTS

- 90 corporate-owned Burger King restaurants as at 30 June 2020
- In excess of R1 billion in annual revenue was achieved by Burger King despite the lockdown
- Finalised the liquidation of Dunkin' Brands
- 22% to R34.1 million reduction in central costs' headline loss contribution for the period under review

At 30 June 2020 a total of 40.5 million GPI shares were held as treasury shares by the Grand Parade Share Incentive Trust, GPI Management Services and the GPI Women's B-BBEE Empowerment Trust.



## GROUP FINANCIAL DIRECTOR'S REVIEW (CONTINUED)

The table below shows the contribution each investment made to the Group headline earnings/(losses):

	30 June 2020 R'000	30 June 2019 R'000	Movement R'000	%
<b>Food</b>	<b>(60 256)</b>	10 454	(70 710)	(676)
Burger King	(25 501)	11 749	(37 250)	(317)
Mac Brothers	(40 986)	(212)	(40 774)	19 233
Spur	7 077	512	6 565	1 282
Grand Foods Meat Plant	(846)	(1 595)	748	47
<b>Gaming</b>	<b>68 954</b>	132 136	(63 182)	(48)
SunWest	39 899	74 855	(34 956)	(47)
Sun Slots	30 744	55 121	(24 377)	(44)
Worcester Casino	(50)	2 160	(2 210)	(102)
Infinity Gaming	(1 639)	–	(1 639)	–
<b>Central costs</b>	<b>(63 396)</b>	(61 039)	(2 357)	(4)
Corporate costs (excluding net finance income)	(34 094)	(43 551)	9 457	22
Transaction costs and legal fees	(11 475)	(327)	(11 148)	(3 409)
Net corporate finance income	(13 394)	(16 932)	3 538	21
GPI Properties	(4 433)	(229)	(4 204)	(1 836)
<b>Headline (Loss)/earnings from continuing operations</b>	<b>(54 698)</b>	81 551	(136 249)	(167)
<b>Discontinued operations</b>	<b>(6 963)</b>	(43 564)	36 601	84
Dunkin' Donuts	(3 549)	(25 147)	21 598	86
Baskin-Robbins	(1 686)	(11 466)	9 780	85
Grand Bakery	(1 728)	(6 951)	5 223	75
<b>Headline loss from discontinued operations</b>	<b>(6 963)</b>	(43 564)	36 601	84
<b>Headline (loss)/earnings</b>	<b>(61 661)</b>	37 987	(99 648)	(262)

### DIVIDENDS

No dividends were declared and paid during the financial year.

### CAPITAL STRUCTURE

The Group reduced its debt by R302.3 million during the year due to a repayment of R287.5 million on its preference debt and R14.8 million on its term loan and finance leases.

	30 June 2020 R'000	30 June 2019 R'000	Movement R'000	%
<b>Holding company facilities</b>	<b>203 095</b>	490 551	(287 456)	(59)
SunWest and Sun Slots	203 095	230 267	(27 172)	(12)
Spur	–	260 284	(260 284)	(100)
<b>Subsidiary facilities</b>	<b>54 972</b>	69 800	(14 828)	(21)
GPI Properties	53 491	59 776	(6 285)	(11)
Mac Brothers	1 125	4 267	(3 143)	(74)
GF Meat Plant	–	5 093	(5 093)	(100)
Burger King	356	628	(272)	(43)
GPIMS	–	36	(36)	(100)
<b>Total debt</b>	<b>258 067</b>	560 351	(302 284)	(54)
<b>Debt/EBITDA</b>	<b>5.19</b>	3.37	1.82	54
<b>Debt/equity</b>	<b>15.3%</b>	30.3%	(15.0%)	49.5

### CENTRAL COSTS

The Group's net central costs excluding funding for the year amounted to R34.1 million, which is 22% lower than the central costs of R43.6 million last year. This is as a direct result of a restructure in the holding company which led to an improvement in efficiency. The overall savings were partially offset by once-off termination costs and special general meetings held during the year.

### SHARE CAPITAL

No new shares were issued or bought back during the period.

### TREASURY SHARES

At 30 June 2020 a total of 40.5 million GPI shares were held as treasury shares by the Grand Parade Share Incentive Trust, GPI Management Services and the GPI Women's B-BBEE Empowerment Trust. These entities are controlled by the Group, with the Grand Parade Share Incentive Trust holding 1.72 million treasury shares, GPI Management Services holding 24 million shares and the GPI Women's B-BBEE Empowerment Trust holding 14.82 million treasury shares.

### PREFERENCE SHARES

During the current year, the Group redeemed 1 024 redeemable preference shares (SunWest) to Standard Bank at an issue price of R25 400 per share, totalling R26.0 million, and 70 000 redeemable preference shares (Spur Class "A") to Standard Bank at an issue price of R1 000 per share, totalling R70.0 million. 60 000 redeemable preference shares (Spur Class "B") to Standard Bank at an issue price of R1 000 per share totalling R60.0 million. 72 328 redeemable preference shares (Spur Class "C") to Standard Bank at an issue price of R1 000 per share totalling R72.3 million.

### DIRECTORS AND COMPANY SECRETARY

Colin Priem resigned as Group Financial Director of the Company with effect from 31 March 2020. Jayson October was appointed as Group Financial Director with effect from 1 April 2020. Hassen Adams retired as Chairperson and non-executive director of the Company with effect from 31 January 2020.

Alex Abercrombie was appointed as non-executive Chairperson of the Board with effect from 1 February 2020. Rozanna Kader was appointed as a non-executive director of the Company with effect from 1 February 2020. Monde Nkosi was appointed as a non-executive director of the Company on 4 December 2019. Keshan Pillay, who was appointed as an independent non-executive director of the Company on 11 July 2019, resigned as such on 21 November 2019.

Particulars of the present Directors and Company Secretary are given on page 58.

### SUBSEQUENT EVENTS

In February 2020, GPI announced the sale of BKSA and Grand Foods Meat Plant to Emerging Capital Partners ("ECP"). The deal was announced as part of a strategic shift to unlock shareholder value through a controlled sale of assets. Although COVID-19 has an impact on the overall plan, management have made good progress on various deals associated with the wind-down.

### BURGER KING SOUTH AFRICA AND GRAND FOODS MEAT PLANT

After several months of negotiation, management have successfully renegotiated the deal with ECP and have accepted a revised offer for BKSA and GFMP of R570 million and R23 million respectively. The deal has been negotiated on a cash basis with no earnings warranty. Management are in the process of negotiating a share purchase agreement after which a special general meeting of GPI shareholders will be held to approve the transaction.

### SUN SLOTS

In September 2019, GPI entered into an agreement to sell 30% of its stake in Sun Slots to Sun International. The deal was conditional on regulatory approval. At the end of June 2020, the parties had not received approval from the Gauteng Gaming Board and the proposed transaction had lapsed. GPI therefore retained its 30% interest in Sun Slots.

### PROPERTIES

#### 33 Heerengracht Property

In June 2020, GPI entered into an agreement to sell its head office building in Cape Town to Aragon Property for R90 million. The deal is subject to a due diligence and a 6-month leasing period. Aragon have completed the due diligence and have progressed to the leasing phase of the deal.

#### N1 City

In June 2020, GPI entered into an agreement to sell the N1 City building for R26 million. GPI has received a guarantee for the full purchase price and is in the process of transferring the property.

#### No 3 Epping Circle

In July GPI accepted an offer to sell No 3 Epping Circle property for R6 million. The transaction is subject to the completion of a due diligence and funding approval. GPI has received a deposit of 10% of the purchase price and awaits the transfer of the property.

### RELATED PARTIES

The Group, in the ordinary course of business, entered into various transactions with related parties consistent with those as reported at 30 June 2020.



## SALIENT FEATURES

**R2.5 million**

DECREASE IN OPERATING PROFIT  
FROM CONTINUING OPERATIONS  
VERSUS PRIOR YEAR

**R99.7 million**

DECREASE IN  
HEADLINE EARNINGS

**23.4 cents**

DECREASE IN  
HEADLINE EARNINGS PER SHARE

**50%**

DECREASE IN DEBT/EBITDA FROM  
CONTINUING OPERATIONS

## OPERATIONAL HIGHLIGHTS

**90**

CORPORATE-OWNED BURGER  
KING RESTAURANTS AS AT  
30 JUNE 2020

REDUCED CENTRAL COSTS'  
HEADLINE LOSS CONTRIBUTION

BY **22%**

TO **R34.1 MILLION** FOR THE  
PERIOD UNDER REVIEW

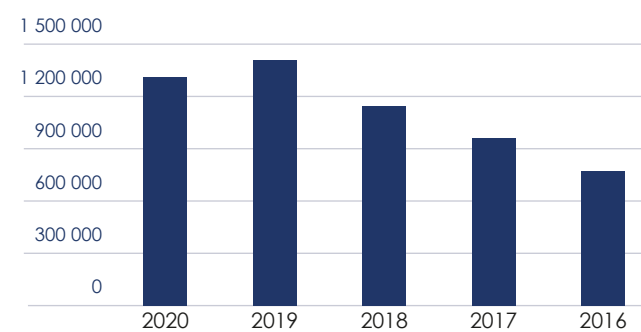
BURGER KING ACHIEVED ANNUAL  
REVENUE IN EXCESS OF

**R1 BILLION**

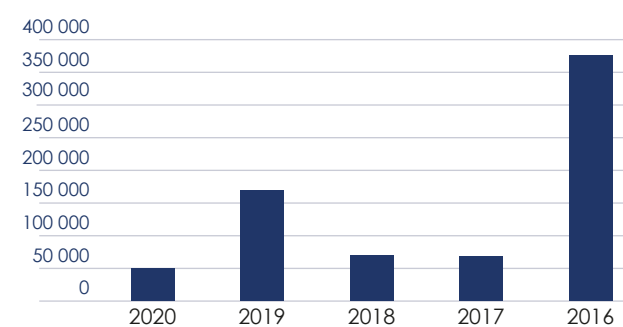
DESPITE LOCKDOWN

## GROUP INFORMATION

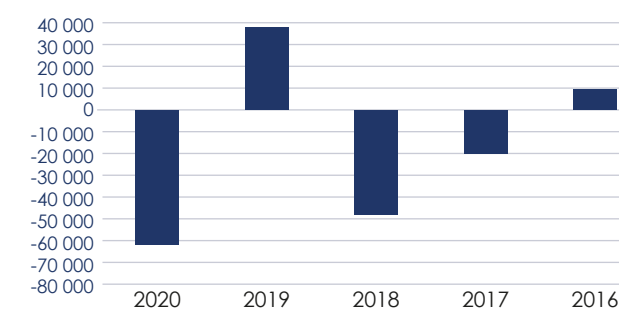
REVENUE



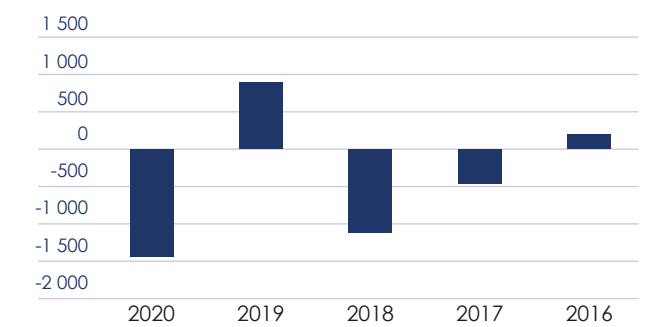
EBITDA



HEADLINE EARNINGS (R'000)



HEADLINE EARNINGS/PER SHARE (cents)







## SUNWEST

### OVERVIEW

**15.1%**

**EFFECTIVE  
OWNERSHIP**

**R39.9M**

**CONTRIBUTION TO GPI  
HEADLINE EARNINGS**  
(2019: R74.9M CONTRIBUTION)

**R61.2M**

**DIVIDENDS**  
(2019: R66.4M)



## WORCESTER CASINO

### OVERVIEW

**15.1%**

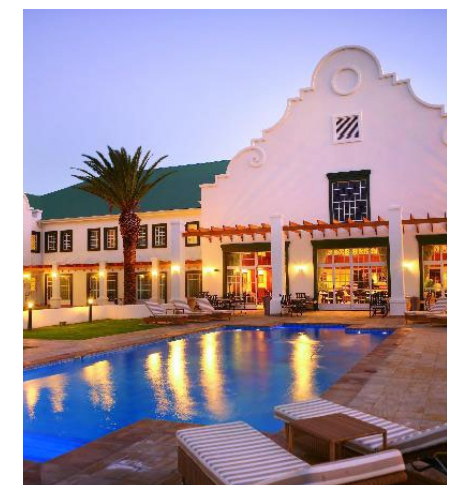
**EFFECTIVE  
OWNERSHIP**

**R0.5M**

**CONTRIBUTION TO GPI  
HEADLINE EARNINGS**  
(2019: R2.2M CONTRIBUTION)

**R4.7M**

**DIVIDENDS**  
(2019: R2.4M)











## BURGER KING SOUTH AFRICA

### OVERVIEW

**91.1%**

**EFFECTIVE  
OWNERSHIP**

**R25.5M**

**LOSS TO GPI  
HEADLINE LOSS**  
(2019: R11.7M  
CONTRIBUTION)

**R1.08B**

**REVENUE**  
(2019: R1.08)

**2 862**

**EMPLOYEES**  
(2019: 2 431)



Burger King's performance for the year has been deeply impacted by the challenging and limited trading conditions imposed on the business as a result of COVID-19 and the lockdown regulations.

The effect of the pandemic already impacted sales at foot traffic locations like Malls and In-Lines two weeks before the lockdown was affected from the 27 March 2020.

The impact of COVID-19 remains a dominant theme throughout the business and in the short term we had to raise R50 million of working capital during the period April to June 2020 to meet our most material commitments. During this period we implemented the following initiatives to minimise the working capital required by reducing head office salaries by 13%, placing all staff on annual leave, converting restaurant manager fixed salaries to hourly salaries, successfully applying for TERS from the UIF and successfully realising approximately R13m of funding from the UIF.

We also placed all capital remodelling and capital-intensive investments on hold. Advertising communications were put on hold, and we negotiated with various creditors to place opex services on hold. The major other saving was on rent relief negotiated with Landlords where we managed to save approximately R7.6 million of rent relief.

Drive-Thrus and Home Delivery as service modes remained resilient throughout the period that the business was allowed to operate and increased during the month of June 2020 compared to the prior year by 34.4% and 59.2% respectively. Sales for Dine-In (-100%) and Take Away (-18.4%) services modes have been under severe pressure due to the uncertainty created by the COVID-19 pandemic which resulted in a trend away from sit down to contactless service modes.

Burger King's total revenue for the year remained flat at R1.010 billion compared to R1.015 billion in the prior year.

ARS decreased by 6.4% from R1.036 million last year to R0.969 million this year, largely as a result of the limited trade during the period March to June with the implementation of the nationwide lockdown. For the first time since 2017 Burger King is reporting negative restaurant comparative sales of 12.85% (2019: 10.32%).

The total number of Burger King restaurants as at 30 June was 97 of which 90 are corporate owned. The net restaurant movement for the year totalled five, which included the opening of eight new restaurants and the closure of three unprofitable restaurants.

Burger King realised a Company EBITDA of R27.35 million during FY2020 compared to R53.62 million in the prior year. Of significant importance is the rental reductions received from landlords and increased ETI contributions from the government. Despite the significant decrease in profit, the business showed great resilience during this time and remains optimistic about the future.

### PROSPECTS

Burger King's vision remains the creation of a profitable restaurant network by delivering the best customer experience and serving the best quality burgers, made by confident, bold people.

2021 will be a period that can easily be impacted by renewed flare ups in COVID-19 infection rates.

If the infection rate continues its declining trend as at 25 August 2020, then based on the performance of our restaurants having fully recovered sales to prior year levels, our margins at the unit economic level remain intact, albeit with our Drive-Thrus subsidising our food courts and in-lines.

We expect the sales mode shift to Delivery and Drive-Thru as a higher proportion of sales in exchange for lower Dine sales to continue. To this end, we are deploying additional services modes with technology to serve the order and collect, kerbside collection and own delivery channels.

Burger King remains cash generative and we anticipate that we will continue to open restaurants as the unit economics of the new Drive-Thrus opened post lockdown has not been too negatively affected and we were surprised at the upside to our initial COVID-19 expectations. As the new restaurant returns remain intact, we will continue to grow.

We might be more circumspect with our renewals during the next 12 months, especially in sit-down and food court locations.

Our focus will remain on filling product innovation gaps and capitalising on opportunities like Home Delivery.





## GRAND FOODS MEAT PLANT

### OVERVIEW

**100%**

**EFFECTIVE  
OWNERSHIP**

**R0.9M**

**LOSS TO GPI  
HEADLINE LOSS**  
(2019: R1.6M LOSS)

**R142M**

**REVENUE**  
(2019: R153M)

**36**

**EMPLOYEES**  
(2019: 33)

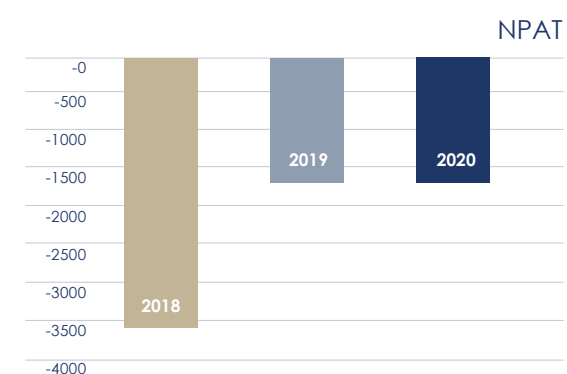
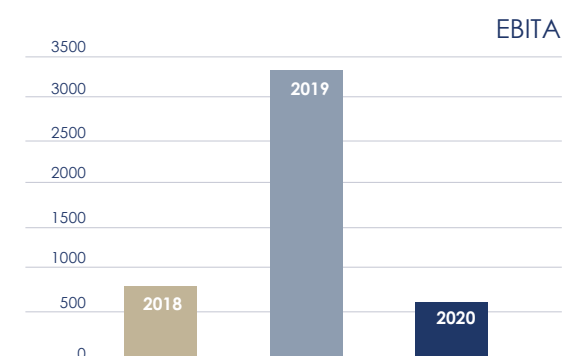
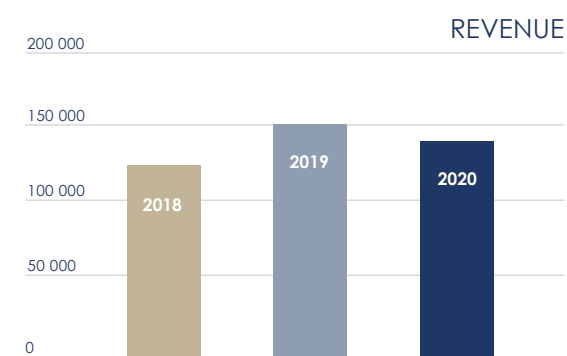
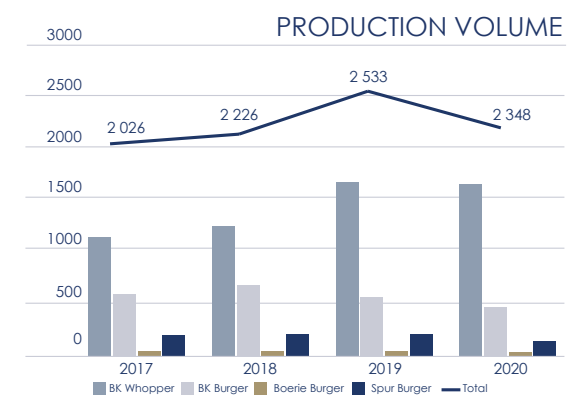
Grand Foods Meat Plant is directly influenced by Burger King's performance through its agreement with Burger King's main supplier - Dlgistics. Burger King remains the largest customer accounting for 90% of sales. The plant also supplies the Spur Group with frozen patties.

As a result, the Grand Foods Meat Plant's revenue decreased by 7% to R142 million compared to prior year's R153 million. Burger King's revenue remained level for the same period with no increase compared to prior year.

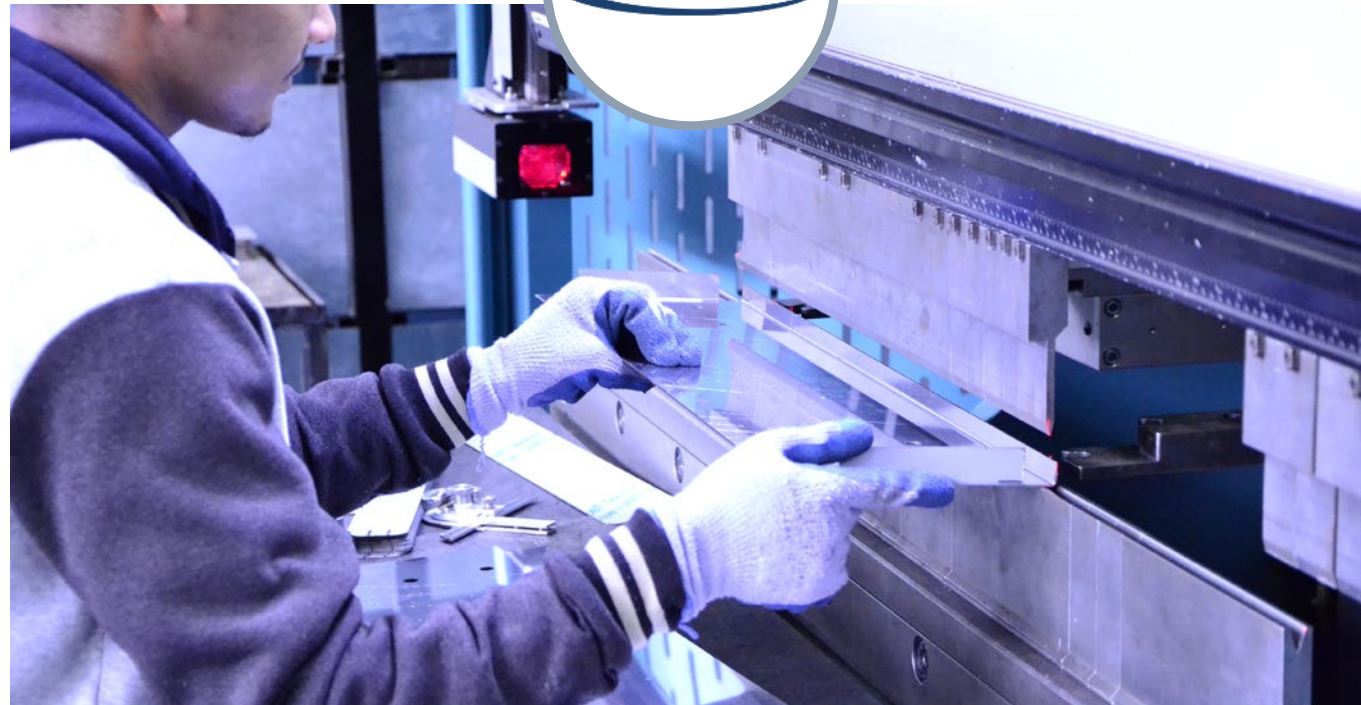
The decrease in revenue is primarily as a result of the nationwide lockdown implemented due to the outbreak of the COVID-19 pandemic. The restriction of trading conditions during the months of April and May significantly affected the plant's revenue as those months have historically been critical to the plant's performance.

Cost of sales in the current year decreased by 6% from R136.5 million to R128.5 million, as a result of the lower revenue base. Gross margin for the year decreased by 2% points from 11% to 9% due to higher beef prices in the second quarter of the year. Grand Foods Meat Plant's earning for the year resulted in a R1.65 million loss after tax, compared to the R1.63 million net loss after tax incurred in the prior year.

Production decreased by 7% over the year from 2 533 tonnes to 2 348 tonnes. The decrease is directly attributed to the lockdown implanted due to the COVID-19 pandemic outbreak which restricted trading for the months of April and May in the current year. The maximum capacity of the plant with the existing infrastructure is 6 600 tonnes, leaving the current capacity at 35.5%.







## MAC BROTHERS CATERING EQUIPMENT

### OVERVIEW

**100%**

**EFFECTIVE  
OWNERSHIP**

**24%**

**FEMALE  
(2019: 26%)**

**83%**

**HISTORICALLY  
DISADVANTAGED  
INDIVIDUALS  
(2019: 83%)**

**R34M LOSS**

**EBITDA  
(2019: R7M)**

**43%**

**YOUTH EMPLOYED  
(2019: 43%)**

**197**

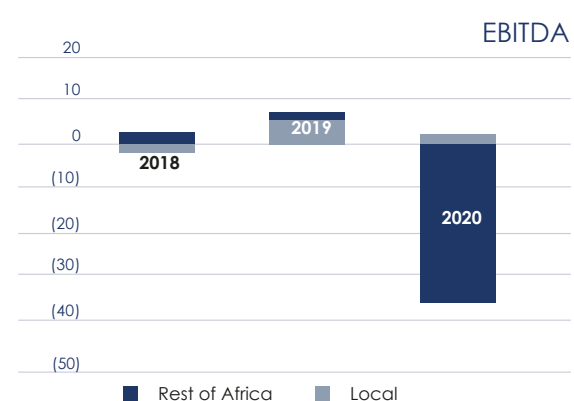
**EMPLOYEES  
(2019: 207)**

The effect of the sharp drop in turnover due to COVID-19 lockdown resulted in a R41 million decrease in EBITDA was compounded by:

- high operating leverage
- lower gross margins for the period
- increased provision for doubtful debts
- stock write-offs

**• OPERATIONAL FOOTPRINT**

Catering, refrigeration and hospital equipment manufacturing facility in Cape Town. Branches in Cape Town, Durban, Johannesburg and Harare. Established agency network throughout Africa.



### OPERATING CONTEXT AND PERFORMANCE

42% decrease in revenue due to a slow start to the year that was compounded by Xenophobic attacks in second quarter and COVID-19 lockdown in fourth quarter.

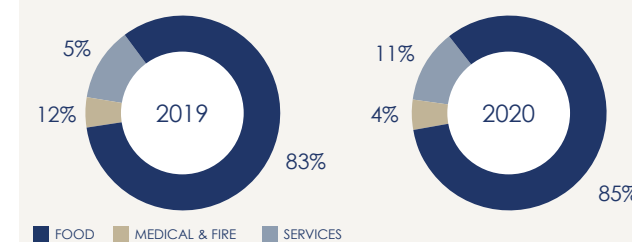
Africa division's sales were similarly impacted decreasing from R36 million to R19 million but still providing a positive EBITDA contribution to overall results.

58% decrease in gross profit. Lower sales and gross margin were impacted by tougher trading due to continued economic slow-down, lower new built stores by traditional franchise chains and stock write-offs.

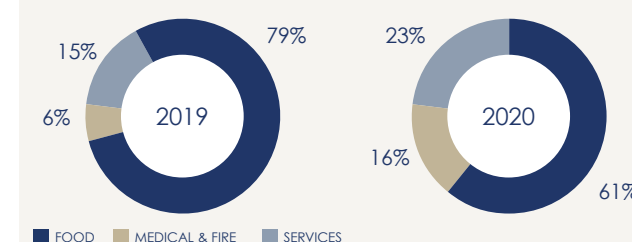
Operating expenditure has been curtailed through restructuring plans developed in 2018/2019 to outsource non-core divisions thereby reducing head count from 207 (2019) to 197. On a comparable bases operating expenses for the FY2020 of R53.7 million before property leases were 5% higher than the prior year adjusted amount of R51.3 million and 5% below the budgeted amount of R56.5 million.



### TURNOVER MIX



### GROSS PROFIT MIX



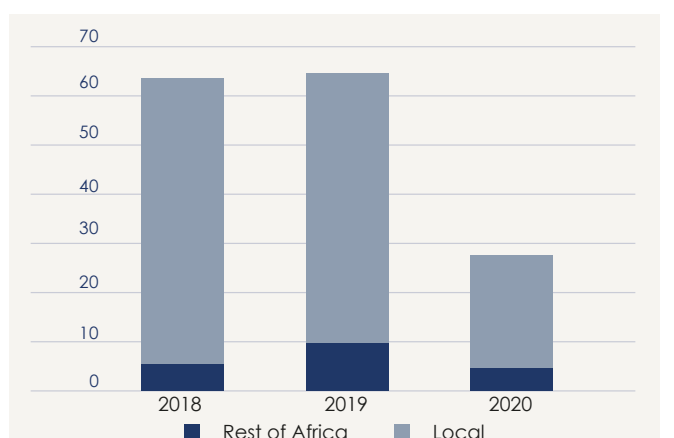
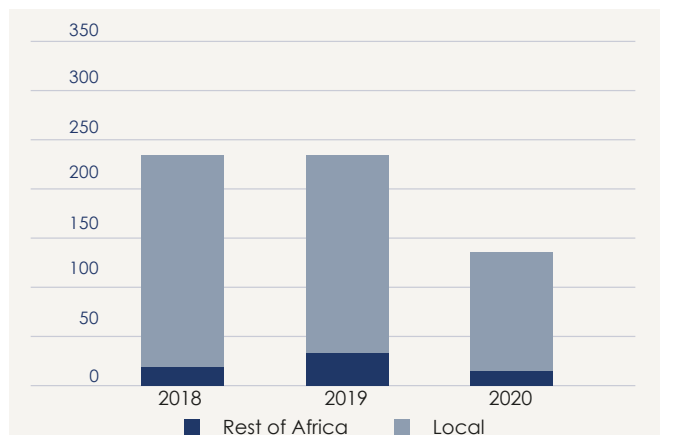
### PROSPECTS

COVID-19 has resulted in a significant downturn in our sector with a slow recovery expected. Further rationalisation of costs was necessary and will result in cost savings of R15 million due to a 27% headcount reduction (56) of R10 million and further reduction of R5 million in other opex.

Armed with a turnkey solution suited for the African market and a range of products developed for new markets under the Mac Care brand, the prospects for Mac Brothers look promising.

The strategic vision is to be the leading manufacturer of stainless steel equipment on the continent within the next five years. Our plan is to grow our footprint in Africa through our agency networks, enhance our existing food range with bespoke cooking and bar suites and develop traction with Mac-Care medical and Amerex fire suppression equipment through better quality and service at competitive prices.

Another key focus will be to increase the mix of Manufactured vs Buy-Ins goods sold from 34% to 47% by 2023. With our advance design, R&D and manufacturing capabilities and the current Rand weakness, locally manufactured goods provide a great opportunity to scale the business.







## CORPORATE GOVERNANCE



# CORPORATE GOVERNANCE REPORT

**AS A BLACK ECONOMIC EMPOWERMENT COMPANY, GPI STRIVES TO ENSURE THAT ITS WORKFORCE AND BOARD COMPOSITION IS REPRESENTATIVE IN TERMS OF RACE AND GENDER DIVERSITY.**

As the ultimate governing body of the GPI Group, the Board is committed to providing ethical, accountable and effective leadership and to ensuring that the businesses and affairs of the Group are managed responsibly. The Board continued to practice corporate governance aimed at promoting value creation and long-term sustainability to generate value and benefits for all stakeholders.

Responsibility for ensuring full and effective control of the Group's businesses, as well as the overall strategy, performance and governance of the Group, rests with the Board. The day-to-day responsibility for ensuring that the Group's businesses are managed appropriately rests with executive management who have clearly defined roles and reporting lines to the Board. The directors confirm that during the 2020 Reporting period the Group has in all material respects applied the principles and recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") and where such application has not been complied with, explains the factors and circumstances resulting in an alternative application.

## COMPLIANCE WITH LAWS AND REGULATIONS

The directors confirm that, to the best of their knowledge, GPI 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.

### King IV™

King IV™ came into operation on 1 November 2016 and on 19 June 2018 the JSE Listings Requirements ("Listings Requirements") were amended to include provision for the adoption of certain King IV™ recommendations and other governance arrangements.

## THE BOARD OF DIRECTORS

The Board believes that its composition must reflect:

- a wide range of attributes and competencies (as opposed to similar overlapping qualities) that will position the Board to collectively provide good corporate governance and strategic oversight; and
- a diversity of perspective and views that will lead to more innovation, better risk management, and will better enable the Board to anticipate and consider the concerns and perspectives of all key stakeholders.

### BOARD STRUCTURE

The Board provides direction and leadership to the Group and is ultimately accountable for the overall governance, performance, strategy and affairs of the Group. The Board delegates authority to the relevant Board Committees to ensure that all aspects of strategy, performance and governance are applied.

The roles of the Chairman and the Chief Executive Officer ("CEO") are clearly defined. The Chairman is responsible for leading the Board and ensuring that the Board and its committees are effective and act with integrity. The Chief Executive Officer is responsible for managing and running the Company's business effectively in accordance with the strategy and objectives approved by the Board.

### Composition of the Board

The Group has a unitary Board structure and at the end of the Reporting period had six non-executive directors of which three were independent and two full-time salaried executive directors.

During the financial year Dr Hassen Adams retired as non-executive Chairman on 31 January 2020 and Alex Abercrombie was appointed as non-executive Chairman of the Group on 1 February 2020. Keshan Pillay, who was appointed as an independent non-executive director on 11 July 2019, resigned from the Board on 21 November 2019. On 4 December 2019 Monde Nkosi was appointed as non-executive director and Rozanna Kader was appointed as a non-executive director with effect from 1 February 2020. Colin Priem resigned as Group Financial Director with effect from 31 March 2020 and Jayson October was appointed as Group Financial Director on 1 April 2020.

The Board and Board members have clearly defined responsibilities and this division of responsibilities ensures a balance of authority and power, with no individual director having unrestricted powers and decision-making authority.

The Board is of the view that it possesses the appropriate mix of knowledge, experience, skills, age and culture and that these attributes collectively contribute to better decision-making and effective governance at Board level.

### Race and gender diversity policy

As a black economic empowerment company, GPI strives to ensure that its workforce and Board composition is always representative in terms of race and gender diversity. The Board has nevertheless adopted a Policy on gender and race diversity at Board level to formalise its objectives for the continued achievement of diversity.

The Remuneration and Nomination Committee, in collaboration with the Social and Ethics Committee, will consider and annually agree on measurable targets for achieving race and gender diversity at Board level. In identifying suitable candidates for appointment to the Board, the Nomination Committee

will consider individuals on merit against objective criteria and with due regard for the potential benefits of race and gender diversity.

The Group has set a target to ensure that the Board composition remains at a minimum 20% female and 60% black representation and have complied with this during the reporting period to 30 June 2020.

### Board appointments

Directors are appointed by the Board in a formal manner. The Remuneration and Nomination Committee, in consultation with the Chairman of the Board, considers suitable candidates and nominates persons for appointment as directors taking into account the requirements of the business. These include skills, qualifications and experience as well as race and gender diversity requirements to ensure that the Board and Committees' compositions are appropriately balanced.

Proposals for election/re-election to the Board are, after review, recommended by the Nomination Committee and are considered by the Board, subject to the approval/ratification of shareholders.

One-third of the company's non-executive directors are required to retire by rotation at the Annual General Meeting ("AGM") of shareholders. Retiring directors may offer themselves for re-election and directors appointed during the period are required to have their appointments ratified at the following AGM. Details of these directors are given in the Notice of AGM which is distributed to shareholders and is also available online on the Company's website [www.grandparade.co.za](http://www.grandparade.co.za).

At the AGM on 7 December 2020, Prof Walter Geach and Mr Mark Bowman will retire and offer themselves for re-election.

On appointment, a director receives a formal letter of appointment together with a pack of the relevant statutory information to ensure an understanding

of the provisions of the Act and the obligations of directors. The director is also provided with information on the Group's strategy, operational activities, and the products and services offered by the various divisions. New directors are informed of the closed periods for dealing in the Company's securities, the procedure they are required to follow before dealing in securities as well as details pertaining to related party transactions.

### Director independence

Professor Walter Geach, Mr Mark Bowman and Ms Ronel van Dijk are classified as independent non-executive directors. The Board is satisfied that these directors, through their conduct at Board and Committee meetings, have displayed independence of mind in their decision-making and that there are no relationships or circumstances which could affect, or could appear to affect, their independence.

Mr Alex Abercrombie has been a director of GPI since its inception 21 years ago. The Board is of the view that the historical knowledge that Mr Abercrombie has of the Company and its businesses, together with the specific skills he contributes, has contributed to the effectiveness of the Board and the committees on which they serve. The extended tenure of Mr Abercrombie is balanced by the remaining directors who have brought new perspectives and additional skills to the table.

### Board Committee composition

Board Committees are constituted with due regard to the skills and experience required by each Committee in order to fulfil the relevant Committee's mandate and to ensure a balanced distribution of power. The Board Committees have clear terms of reference that define their powers and duties, and these are documented in Committee Charters which are regularly reviewed by each Committee and amended with the approval of the Board.

Management are invited to attend Board Committee meetings by way of standing invitations or on an ad hoc basis when specific contributions in their fields of expertise are required.

Further details about the Committee memberships and their terms of reference are given in the individual Committee reports on pages 46, 48 and 55.

### Board and Committee evaluations

During the Reporting period the Chairman of the Remuneration and Nomination Committee, in consultation with the Chairman and Company Secretary, evaluated the effectiveness of the Board and the Board Committees. No issues of material concern were raised in the evaluations and the Board is satisfied with its performance and effectiveness. Additionally, the Group has obtained the services of an external firm to conduct Board and Committee member evaluations.

The Board is similarly satisfied that all Board Committee members collectively have the skills and acumen to fulfil the respective committee's mandate and that all Committees have indeed performed their responsibilities in accordance with their terms of reference during the Reporting period.

### Group Financial Director

The Audit and Risk Committee and the Board are satisfied that Mr Jayson October possesses the appropriate experience and qualifications for this position. A review of the effectiveness of the Group Financial Director and the Finance function has been undertaken by the Audit and Risk Committee and the Committee is satisfied as to their effectiveness and that appropriate financial reporting procedures are in place and are operating. In this regard refer to the report of the Audit and Risk Committee on page 46 of this report.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Company Secretary

All directors have access to the support and services of the Company Secretary who is responsible for the duties set out in section 88 of the Companies Act, No. 71 of 2008, as amended, ("Companies Act") and for ensuring compliance with the Listings Requirements.

The Company Secretary has been appointed as secretary of the standing committees of the Board and coordinates the functioning of the Board and its committees. In addition, the Company Secretary also ensures that the appropriate statutory and other records are maintained.

The Board confirms that the Company Secretary maintains an arm's-length relationship with the Board and the directors and is not a director of the Company. The Board is of the opinion that the Company Secretary has the requisite competence, qualifications, knowledge and experience to carry out the duties of a secretary of a public company.

### DEALING IN SECURITIES AND INSIDER TRADING

A policy on share dealings and insider trading is applied across the Group to all Company directors, the Company Secretary, prescribed officers and certain identified senior executives with access to financial results and other price-sensitive information. These individuals may not deal in shares of the Company during the "closed periods" as defined in the Listings Requirements or whilst in the possession of unpublished price sensitive information concerning the business and affairs of the Group and its subsidiaries. The policy prohibits the dissemination of price-sensitive information pertaining to the Company by employees.

Directors, prescribed officers and the Company Secretary are obliged to obtain the Chairman's written clearance (or in his absence, the LIDs) prior to dealing in the Company's shares and all requests are referred through the Company Secretary for record-keeping purposes and to liaise with the Company's sponsors to disclose such dealings to shareholders on SENS.

During the Reporting period, the share trading policy was adhered to and the necessary clearance contemplated in the Listings Requirements was given prior to trading in GPI shares.

### DISCLOSURES AND CONFLICTS OF INTEREST

Directors are obliged to avoid situations that may place them in conflict with the interests of the Company or the Group. In addition, interests must be declared before each Board meeting and procedures are in place for directors to provide the Company Secretary with full disclosure of any related-party transactions to which they or their immediate families may be party.

### DIRECTORS' REMUNERATION

Details of the remuneration paid to directors in the Reporting period ended 30 June 2020 are contained in the financial statements, the Notice of AGM posted to shareholders on 30 October 2020 and are included in the Remuneration and Nomination Committee Report on pages 48 – 49.

Non-executive directors' remuneration is based on a scale that considers the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and neither do non-executive directors participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to the non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The Remuneration and Nomination Committee, with the Board's endorsement, have proposed that the fees of non-executive directors be increased in line with the general salary increase paid to employees in the Group. A small adjustment to the fee structure in respect of the fees paid to the Chairperson and members of the Social and Ethics Committee and Investment Committee have also been proposed to bring them in line with the fees paid to other Board committees.

A special resolution to obtain shareholder approval for the change in remuneration for non-executive directors has been included (as special resolution number 1) in the Notice of AGM that was posted to shareholders on 30 October 2020.

Following the dissenting vote at the 2019 AGM, the Remuneration Committee engaged with dissenting shareholders and assured them of their commitment to ensuring that the current management team is being fairly paid and properly incentivised to achieve the business strategy.

### BOARD MEETINGS

As a rule, the Board meets quarterly to discharge its statutory obligations and to ensure adherence with the Company's strategic focus. Additional meetings were held during the reporting period to attend to other specific business as and when the need arose.

An overview of Board and Committee meeting attendances during the Reporting period is provided in table 1 on page 45.

### GOVERNANCE PRACTICES

A schedule indicating how the Group is applying the King IV™ principles is available on the Company's website at: [www.grandparade.co.za](http://www.grandparade.co.za) under the investor relations section.

An outline of the Board's approach to governance as well as the policies and processes that are aimed at protecting stakeholder value and achieving the King IV™ outcomes.

#### Values and ethics

The Company's ethical values are based on integrity, transparency, fairness and trust and a commitment to making a meaningful contribution to B-BBEE as inclusively as possible; to uphold the highest ethical and moral standards; and to invest in the finest people and promote their personal growth.

The Board expects all in the business to apply the above values in their personal conduct, ensuring that they are never compromised in favour of personal gain, or to benefit the business at the expense of the values. Directors of the Company and of the subsidiaries, as well as key management, are required to disclose their directorships in other companies as well as any interests in contracts or related party transactions. These disclosures are updated and reviewed annually.

### Oversight of risk

The Board assumes ultimate accountability for the risk management process and the Group's system of internal control. In collaboration with the Group Audit and Risk Committee, the Board has adopted a Risk Management Framework aimed at achieving the Group's overall strategic objectives and the creation of long-term value for shareholders.

A complete review of the Group's risk management processes and reporting framework is in the process of being finalised.

### IT governance

The IT governance processes are continuously evaluated with the Group Technology Officer providing the Audit and Risk Committee with reports at all Committee meetings. The Audit and Risk Committee is responsible for considering the efficacy of IT controls, policies and processes to the extent that these pose a risk to the financial reporting process, the effectiveness of financial controls and the continuity of the Group's operations.

**Table 1: Director Board and committee meeting attendance during the 2020 financial year**

		GPI Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Investment Committee
	Director designation					
H ADAMS	Non-executive Chairman*	5/9				3/8
A ABERCROMBIE	Non-executive Director**	8/9		4/4	2/2	8/8
M TAJBHAI	Chief Executive Officer	9/9			2/2	
CM PRIEM	Financial Director***	8/9				
J OCTOBER	Financial Director***	1/9				
W GEACH	Lead independent non-executive Director	9/9	4/4	1/4		
M BOWMAN	Independent non-executive Director	8/9	3/4	4/4		7/8
R VAN DIJK	Independent non-executive Director	9/9	4/4			
M NKOSI	Non-executive Director****	5/9		3/4		6/8
R KADER	Non-executive Director*****	4/9		3/4	2/2	
K PILLAY	Independent non-executive Director*****	2/9	1/4			

\* H Adams retired as a non-executive director with effect from 31 January 2020.

\*\* A Abercrombie appointed as Chairman on 31 January 2020.

\*\*\* C Priem resigned as financial director with effect from 31 March 2020 and J October was appointed as financial director with effect from 1 April 2020.

\*\*\*\* M Nkosi was appointed as a non-executive director with effect from 4 December 2019.

\*\*\*\*\* R Kader was appointed as a non-executive director with effect from 1 February 2020.

\*\*\*\*\* K Pillay was appointed as an independent non-executive director with effect from 11 July 2019 and he resigned on 21 November 2019.



## BOARD COMMITTEES AND REPORTS

### AUDIT AND RISK COMMITTEE REPORT

#### Membership

The Audit and Risk Committee is a statutory Board sub-Committee that assists the Board in its corporate governance responsibilities and is appointed by the shareholders in terms of section 94(2) of the Companies Act. The Committee comprises three independent non-executive directors whose collective relevant qualifications and experience are assessed by the Nomination Committee prior to their appointment by shareholders.

Members are elected by the shareholders at each Annual General Meeting of the Company and for the 2020 financial year the members were:

- Professor Walter Geach – Chairperson (Lead independent non-executive director)
- Ronel van Dijk (Independent non-executive director)
- Mark Bowman (Independent non-executive director) – Appointed 1 February 2020
- Keshan Pillay (Independent non-executive director) – Resigned 21 November 2019

Colin Priem resigned as Group Financial Director with effect from 31 March 2020 and Jayson October was appointed as Group Financial Director with effect from 1 April 2020. Following the resignation of Keshan Pillay as an independent non-executive director of the Company with effect from 21 November 2020, Mark Bowman was appointed as a member of the Audit and Risk Committee with effect from 1 February 2020.

The Audit and Risk Committee operates independently of management, and is free of any organisational restraint or pressure, and acts in accordance with its statutory duties within formally approved terms of reference, reviewed and approved annually by the Board.

Whilst operating independently of management, the Chief Executive Officer, Financial Director, Group Internal Auditor and the external auditors attend meetings of the Committee by invitation. The Committee also holds confidential meetings, excluding management, with the internal and external auditors and is at liberty to hold meetings with management should the Committee so require. The external and internal auditors have unrestricted access to the members of the Committee.

The Audit and Risk Committee meets quarterly to attend to business and details of members' attendances at the meetings are included in the table on page 45.

#### Terms of reference

The Audit and Risk Committee performs its duties within clear terms of reference delegated to it by the Board. The terms of reference are aligned with the Companies Act, King IV™ and the Listings Requirements and include the following:

- ensuring that adequate accounting records are maintained and that financial reporting and internal control systems are effective;
- reviewing and recommending to the Board publicly disclosed information, and ensuring that published financial reports comply with relevant legislation, reporting standards, JSE Listings Requirements and good governance;
- ensuring that Group assets are safeguarded by monitoring the implementation of effective systems of internal control to safeguard assets and support business sustainability;
- maintaining oversight over information technology, governance and reporting;
- confirming the nomination and appointment of the external auditor and ensuring that the appointment complies with relevant legislation;
- reviewing and assessing the external auditor's work plan, staffing, independence, effectiveness, audit findings, key audit risks, and external audit report;
- approving the terms of engagement and fees paid to the external auditor;

- approving the provision of non-audit services by the external auditor and assessing whether any such work negatively impacts on the external auditor's independence;
- considering the findings arising from the annual external audit;
- monitoring the functioning and approval of the internal audit plan ensuring that there is adequate audit coverage in the Group;
- fulfilling the function of Audit Committee to Group subsidiaries;
- reviewing the expertise, resources and experience of the Group's finance function and the expertise and experience of the Finance Director;
- recommending for approval by the Board, the audited financial statements and results, as well as the integrated annual report; and
- ensuring the effectiveness and reliability of the group's risk management processes within the framework of a combined assurance model and ensuring that the assessment and disclosure regarding risk is comprehensive, timely and relevant.

During the reporting period, the Committee performed its duties within its terms of reference as described above, and specifically attended to the following:

#### Engagement with the external auditors

- nominated and recommended to shareholders at the upcoming AGM, the appointment of a registered auditor as the external auditor of the Company and the Group;
- satisfied itself that the external auditor is independent of GPI, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Ltd Listings Requirements. In considering whether the external auditor is independent, the Committee, in relation to the Company (and other companies within the Group), ascertained that the auditor does not receive any direct or indirect remuneration or

other benefit from the Company, except as auditor, or for rendering other services to the Company, to the extent permitted in terms of the Companies Act and as agreed with the Committee. The Committee also ensured compliance with other criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act;

- considered and approved the terms of engagement of the external auditor and the extent and scope of the audit and the timing thereof;
- prior to the commencement of the audit, determined and recommended the audit plan and audit fees to be paid to the auditor;
- ensured that the appointment of the auditor complies with the Companies Act, and other legislation relating to the appointment of the auditor; and
- determined the nature, scope and extent of any non-audit services that the auditor may provide to the Group and the fees relating to such services and satisfied itself that the nature of such services and fees relating thereto did not adversely impact on the independence of the external auditor.

#### Internal financial controls, and internal audit function

- evaluated the independence, effectiveness and performance of the internal audit function;
- reviewed and approved the internal audit annual work plan, as well as the quarterly internal audit report;
- reviewed the internal auditor's reports and noted the findings thereof and reported to the Board in connection therewith;
- ensured that the appropriate financial reporting procedures exist and are operating as contemplated in paragraph 3.84(g)(ii) of the Listings Requirements
- assessed internal financial controls and concluded that no material breakdowns in the functioning of the internal financial controls were noted during the year under review and that the results of the internal audit

tests conducted indicate that the internal financial controls provided a sound basis for the preparation of financial statements; and

- considered and confirmed its satisfaction with the effectiveness of the internal audit function, as well as the expertise and experience of the internal auditor.

#### Oversight of risk management including IT

- monitored the implementation of the Group risk policy and Group risk plan as approved by the Board and reviewed the risk management framework and made appropriate recommendations to the Board;
- reviewed and considered business unit risk reports presented to the Committee;
- reviewed and considered the report by internal audit on the integrity and robustness of the Group's risk management processes; and
- reviewed and considered the status of financial, Information Technology and internal controls, for the year under review, and reviewed and accepted the reports relating thereto.

#### Complaints and concerns

The Committee did not receive any complaints or concerns from neither from within or outside the Company, or find any concerns on its own initiative, relating to the following:

- the accounting practices and internal audit of the Company;
- the content or auditing of the Company's financial statements;
- the internal financial controls of the Company; or
- any other matter.

#### Annual financial statements and reporting

- satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Ltd Listings Requirements that the Group Chief Financial Officer, as well as the Group finance function, has the appropriate expertise and experience;

- reviewed and made recommendations to the Board in respect of the publicly disclosed financial information including the interim results for the six months ended 31 December 2018 and the audited annual results for the 2019 financial year; and
- reviewed the Annual Financial Statements ("AFS"), including the valuation of unlisted investments and loans, prior to submission to the Board. In the course of the review the Audit and Risk Committee ensured that in all material respects, the AFS comply with IFRS, the JSE Listing Requirements and the Companies Act, and fairly present the results of operations, financial position, and cash flows of the Group. On this basis the Committee recommended that the Board of directors approve the annual financial statements.

The Committee is satisfied that there have been no instances of material noncompliance with legislation and regulation, or non-adherence with codes of best practice, in relation to the areas within the Committee's mandate.

The Chairman of the Audit Committee, or in his absence the other members of the Audit Committee, will attend the Annual General Meeting to answer questions falling within the mandate of the Committee.

The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.



WALTER GEACH  
Chairman: Audit and Risk Committee



## BOARD COMMITTEES AND REPORTS (CONTINUED)

### REMUNERATION AND NOMINATION COMMITTEE REPORT

GPI's combined Remuneration and Nomination Committee ("Remco") assists the Board in ensuring that the remuneration policies and practices that are applied in the Group reflect a fair, responsible and transparent approach to remuneration to achieve the strategic objectives and positive outcomes in the short, medium and long terms.

To this end, Remco has oversight over the Group remuneration strategy and policy and is responsible for ensuring the ongoing application of a policy aligned with the Group strategic, operating and financial objectives and best practice remuneration principles. All elements of remuneration offered in the Group, and the mix of these, are set out in the Group policy.

Remco is also tasked with nominating candidates for appointment to the Board and for making recommendations to the Board on the re-election of directors retiring by rotation.

#### Membership

As at 30 June 2020, the Committee comprised of four non-executive directors and is chaired by an Independent non-executive director. During the 2020 financial year, the Committee was constituted (and reconstituted) as follows:

- Mark Bowman, Chairperson (independent non-executive director)
- Alex Abercrombie (non-executive director)
- Monde Nkosi (non-executive director) – Appointed 1 February 2020.
- Rozanna Kader (non-executive director) – Appointed 1 February 2020.
- Prof Walter Geach (independent non-executive director) – Resigned 9 September 2019
- Dr Hassen Adams (non-executive director) – Resigned 31 January 2020

Remco operates independently of management but the Chief Executive Officer and Financial Director are invitees to meetings of the Committee and are recused from aspects of the committee's discussions when so required and are specifically excused from discussions that relate to their performance and remuneration.

The committee's annual meeting schedule makes provision for two meetings per year and provision is made for additional meetings to be held when the need arises. Details of the meetings held during the 2020 financial year and members' attendance at the meetings are included in the table on page 45.

#### Terms of reference

The Committee has clear terms of reference that are aligned with King IV™ and the Listings Requirements.

Within the context and framework of the above, the Committee is responsible for:

- the annual review of the remuneration policy and practices applied in the Group and reporting thereon to the Board or making recommendations to the Board for amendment of the policy and/or practices;
- reviewing and recommending (to the Board) the remuneration for executive directors, non-executive directors, divisional Company directors (where applicable) and/or senior executives ensuring that the remuneration is fair and responsible in the context of overall employee remuneration (i.e. that the gap between the remuneration of executives and employees at the lower end of the pay scale is addressed);
- reviewing and approving the remuneration principles that are applied in respect of all other employee levels in the Group, including changes to the benchmarking methodology used for setting base salaries and incentive targets; the methodology to be applied in respect of performance-based rewards and/or incentive and retention bonuses;

- determining and recommending to the Board the terms and conditions of executive directors' employment agreements, including the performance criteria or metrics to be applied in setting the executive directors' and senior executives' remuneration levels;
- considering and measuring the individual performances of executive directors and senior executives against the criteria or metrics approved by the Board, ensuring performance aligns with positive outcomes relative to the Group strategic, operating and financial objectives and merits the rewards being recommended to the Board;
- considering management's proposals for annual salary adjustments for employees in the Group and making recommendations in this regard to the Board;
- overseeing the preparation of the annual remuneration report for approval by the Board and for consideration by shareholders by means of the non-binding shareholder vote at the Annual General Meeting. The Committee must ensure that the remuneration report provides the necessary level of disclosure set out in King IV™;
- overseeing management's engagement with Dissenting Shareholders and framing of measures that appropriately address such shareholders' legitimate and reasonable objections and concerns, including amendment of the remuneration policy or clarifying or adjusting remuneration governance processes;
- adopting a formal and transparent procedure for the nomination of candidates for appointment to the Board (including interviewing potential candidates) and subsequently, for referring recommendations for nominations to the Board;

- making recommendations to the Board on the re-election of directors retiring by rotation, taking into account governance requirements such as director independence, evaluation of the performance and attendance of such directors, and taking into account the director's past performance and contribution to the Board;
- overseeing the annual evaluation of the Board's effectiveness and that of the Committees of the Board according to a formal process (either externally facilitated or by means of an internal methodology approved by the Board). The evaluation must be performed at least every two years; and
- determining and recommending to the Board appropriate long-term succession plans for all key positions in the Group, particularly for the chairperson, executive directors and senior executives in the Group, and ensure implementation of approved succession plans.

The Chairman of the Committee or in his or her absence, another designated member of the Committee attends the Annual General Meeting of the Company to answer and remuneration related questions.

### REMUNERATION REPORT

In accordance with King IV™ and in compliance with the JSE Listings Requirements, the GPI remuneration policy and implementation of the policy have been proposed for endorsement by shareholders at the Company's 2020 Annual General Meeting.

#### Background

GPI's remuneration philosophy is aimed at rewarding and retaining talent across the Group. One of the key objectives of the remuneration policy is to align the key decision makers in the Group with the expectations of shareholders in order to promote value creation. The GPI Board thus views its remuneration policy as a key enabler to affect this Group philosophy. In February 2020 GPI has shifted strategy to unlock value through a controlled sale of assets in doing so the remuneration policy has also been changed to align incentives with the proposed strategy.

#### Remuneration policy and approach

The remuneration of executive directors comprises a total guaranteed cost to company component and a wind-down incentive. The group has done away with both short term and long-term incentives and created a wind down incentive which is aligned with the group's strategy to unlock value

through a controlled sale of assets. The proposed incentive is aligned with the major objectives of the group which are:

1. Maximise value creation through asset sales;
2. Reduce time to complete asset sales;
3. Reduce central costs; and
4. Improve profitability of operational businesses.

#### Guaranteed pay

Guaranteed pay is benchmarked against the 25th percentile of the local salary survey. Benchmarking is intentionally aimed at the lower end of the scale with performance-based remuneration being weighted at the higher end of the scale. The table below outlines the total guaranteed pay for the CEO and CFO and a comparison against the benchmark.

Job Title	25th	50th	Total Guaranteed Pay	% Benchmark
Chief Executive Officer	2 825 724	3 415 956	2 200 000	(22%)
Chief Financial Officer	2 183 844	2 599 980	1 650 000	(24%)

#### Wind-down incentives

The wind-down incentives are calculated using a multiple of the total guaranteed package based on achieving a particular target. Key Performance Indicators ("KPIs") have been designed and aligned with the Groups strategy to unlock value through a controlled sale of assets and have been weighted in order of importance. The table below outlines the KPIs and associated weighting:



## BOARD COMMITTEES AND REPORTS (CONTINUED)

Wind-Down Incentive KPI	Weight
Time to complete asset sales	7.5%
Cumulative central costs and transaction costs	7.5%
Value realised – Burger King and Meat Plant	15%
Value realised – Spur	10%
Value realised – SunWest	20%
Value realised – Sun Slots	15%
Value realised – Golden Valley	5%
Value realised – GPI Properties	10%
Value realised – Mac Brothers	5%
Mac Brothers Headline Earnings	5%

### IMPLEMENTATION REPORT

The Remuneration and Nomination Committee ("Remco") is satisfied that GPI complied with its remuneration policy in the 2020 financial year.

The annual salary increases were based on various factors, ranging from but not limited to the; company's performance including the impact of COVID-19 on the business, average CPI, market salary increase indicators, amongst other.

During the 2020 financial year, the Remco benchmarked the salaries against the PwC's report on executive directors' remuneration and trends.

STIs and LTIs for the 2020 financial year were calculated based on the group's results. The executives new KPI's, as detailed in the Remuneration Report above, have been designed and aligned with the Groups strategy to unlock value through a controlled sale of assets and have been weighted in order of importance.

#### Engagement with dissenting shareholders following the previous Annual General Meeting

Since the non-binding votes on GPI's remuneration policy and implementation report on the remuneration policy garnered less than 75% of the votes exercised at the Annual General Meeting held on 28 November 2019, GPI engaged with dissenting shareholders on 12 June 2020, as required, by inviting them via the JSE's Stock Exchange News Service ("SENS") to forward their concerns/questions on the remuneration policy and the implementation thereof to the Company Secretary in writing and to

attend a video conference arranged for 2 July 2020 from 10h00 to 11h00.

Of the 49.66% who voted against the policy and the 48.61% who voted against the implementation of the policy, six parties, representing 25.05% shareholding in GPI, participated in the video conference.

Shareholders participating in the video conference raised concerns regarding historical short-term and long-term incentives paid to executives as well as the targets and weighting of KPIs for executive management given the change in the businesses strategy going forward. The Remco advised that it remains committed to ensuring that the current management team is being fairly paid and properly incentivised to achieve the business strategy.

#### Voting at upcoming Annual General Meeting

Both GPI's remuneration policy and its implementation report on the remuneration policy will be presented to shareholders for separate non-binding advisory votes thereon at GPI's upcoming Annual General Meeting to be held on 7 December 2020. In the event that 25% or more of shareholders vote against either or both the remuneration policy or the implementation report at the Annual General Meeting, GPI will engage with shareholders through dialogue, requesting written submissions or otherwise, in order to address shareholders concerns, always with due regard to meeting GPI's stated business objectives while being fair and responsible towards both the employee and shareholders.

#### Non-executive director remuneration

GPI's non-executive directors' remuneration is based on a scale that takes into account the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and neither do non-executive directors participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The fees are tabled annually for approval by GPI's shareholders and the fees paid to non-executive directors in the 2020 financial year are set out below.

The Remco, with the board's endorsement, have proposed that the fees of non-executive directors be increased in line with the general salary increase paid to employees in the Group.

A special resolution to obtain shareholder approval for the remuneration of non-executive directors has been included (as special resolution number 1) in the notice of Annual General Meeting.

The fees currently paid to non-executive directors for their services as directors as well as the proposed fees to be paid from 1 January 2021 are contained in Table 1 below. The fees received by non-executive directors for the financial year ended 30 June 2020 is provided in Table 2 on pages 52 – 53.

#### Independent external advice

PwC provided benchmarking data for guidance on executive remuneration and the grading of various non-executive positions in the Group.

#### Remuneration received by directors in the 2020 financial year

Details of the remuneration, STIs and LTIs received by the executive and non-executive directors during the 2020 financial year can be found at Tables 2 and 3 on pages 52 – 53 and page 54 respectively.

Table 1: Non-executive directors' fees

	PROPOSED FEES 1 January 2021 to 31 December 2021			
	No of meetings per annum (Indicative)	Base fee R's	Attendance fee R's	Attendance fee above minimum no of meetings R's
Non-executive Chairperson	4	658 580	19 855	11 495
Lead Independent Director	4	123 310	19 855	11 495
Non-executive Directors	4	81 510	19 855	11 495
Chairperson of the Audit & Risk Committee, Remuneration & Nomination Committee, Social & Ethics Committee and Investment Committee	4	45 980	31 350	
Members of the Audit & Risk Committee, Remuneration & Nomination Committee, Social & Ethics Committee and Investment Committee	4	31 350	16 198	

Note: All amounts are exclusive of VAT



## BOARD COMMITTEES AND REPORTS (CONTINUED)

### Directors' emoluments

Table 2: Directors emoluments for the years ended 30 June 2019 and 30 June 2020

	Salary R'000	Long-term benefits <sup>(1)</sup> R'000	Bonuses R'000	Severance pay R'000	Directors fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Loans advanced R'000	Share- based payment expense R'000
<b>2020</b>												
<b>Executive directors</b>												
M Tajbhai	1 711	212	1 700	–	–	–	–	–	–	3 623	–	452
C Priem <sup>(2)</sup>	1 141	146	1 500	733	–	–	–	–	–	3 520	–	938
J October <sup>(3)</sup>	305	14	–	–	–	–	–	–	–	319	–	–
Sub-total	3 157	372	3 200	733	–	–	–	–	–	7 462	–	1 390
<b>Non-executive directors</b>												
H Adams <sup>(4)</sup>	–	–	–	–	338	–	7	20	7	372	–	1 043
A Abercrombie <sup>(5)</sup>	–	–	–	–	298	–	87	79	80	544	–	–
W Geach	–	–	–	–	298	150	13	–	7	468	–	–
M Bowman	–	–	–	–	250	70	127	63	–	510	–	–
R van Dijk	–	–	–	–	261	84	–	–	–	345	–	–
K Pillay <sup>(6)</sup>	–	–	–	–	92	25	–	–	–	117	–	–
M Nkosi <sup>(7)</sup>	–	–	–	–	155	–	59	87	–	301	–	–
R Kader <sup>(8)</sup>	–	–	–	–	130	–	56	–	38	224	–	–
Sub-total	–	–	–	–	1 822	329	349	249	132	2 881	–	1 043
<b>Total</b>	3 157	372	3 200	733	1 822	329	349	249	132	10 343	–	2 433

<sup>(1)</sup> Long-term benefits relate to defined retirement contributions.

<sup>(2)</sup> C Priem resigned as Financial Director 31 March 2020, emoluments are for nine months.

<sup>(3)</sup> J October was appointed Financial Director on 1 April 2020, emoluments are for three months.

<sup>(4)</sup> H Adams resigned as executive director on 30 June 2019 and was appointed non-executive director and Chairman on 1 July 2019 and resigned as Chairman and non-executive director on 31 January 2020.

<sup>(5)</sup> A Abercrombie was appointed Chairman on 31 January 2020.

<sup>(6)</sup> K Pillay resigned as non-executive director on 21 November 2019.

<sup>(7)</sup> M Nkosi was appointed non-executive director on 3 December 2019.

<sup>(8)</sup> R Kader was appointed non-executive director on 1 February 2020.

	Salary R'000	Short-term benefits <sup>(1)</sup> R'000	Long-term benefits <sup>(2)</sup> R'000	Bonuses R'000	Severance pay R'000	Directors fees R'000	Audit and risk committee R'000	Remune- ration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remune- ration R'000	Loans advanced R'000	Share- based payment expense R'000
<b>2019</b>													
<b>Executive directors</b>													
H Adams <sup>(10)</sup>	4 418	1 365	–	3 034	5 955	–	–	–	–	–	14 772	–	366
P Moodley <sup>(3)</sup>	1 282	–	190	–	–	–	–	–	–	–	1 472	–	–
M Tajbhai <sup>(4)</sup>	961	–	123	–	–	–	–	–	–	–	1 084	–	59
C Priem <sup>(5)</sup>	1 319	–	196	–	–	–	–	–	–	–	1 515	–	64
Sub-total	7 980	1 365	509	3 034	5 955	–	–	–	–	–	18 843	–	489
<b>Non-executive directors</b>													
A Abercrombie	–	–	–	–	–	256	–	64	10	80	410	–	–
W Geach <sup>(11)</sup>	–	–	–	–	–	246	147	–	–	20	413	–	–
R Hargey <sup>(6)</sup>	–	–	–	–	–	123	41	30	–	–	194	–	–
N Maharaj <sup>(7)</sup>	–	–	–	–	–	253	63	73	–	36	425	–	–
N Mlambo <sup>(8)</sup>	–	–	–	–	–	123	–	30	–	–	153	–	–
M Bowman <sup>(9)</sup>	–	–	–	–	–	115	–	29	–	–	144	–	–
R van Dijk <sup>(9)</sup>	–	–	–	–	–	123	41	–	–	–	164	–	–
Sub-total	–	–	–	–	–	1 239	292	226	10	136	1 903	–	–
<b>Total</b>	7 980	1 365	509	3 034	5 955	1 239	292	226	10	136	20 746	–	489

<sup>(1)</sup> Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.

<sup>(2)</sup> Long-term benefits relate to defined retirement contributions.

<sup>(3)</sup> P Moodley was appointed 1 August 2018 and resigned as Chief Executive Officer and executive director on 7 December 2018.

<sup>(4)</sup> M Tajbhai was appointed as executive director on 28 November 2018. Director's emoluments are for seven months.

<sup>(5)</sup> C Priem was appointed as Chief Financial Officer at 1 July 2018.

<sup>(6)</sup> R Hargey was removed as non-executive director on 5 December 2018.

<sup>(7)</sup> N Maharaj resigned as non-executive director on 30 April 2019.

<sup>(8)</sup> N Mlambo was removed as non-executive director on 5 December 2018.

<sup>(9)</sup> M Bowman and R van Dijk were appointed as non-executive directors on 5 December 2018.

<sup>(10)</sup> Non-executive Chairman from 1 July 2019.

<sup>(11)</sup> Lead independent from 09 September 2019.



## BOARD COMMITTEES AND REPORTS (CONTINUED)

Table 3: Directors' equity-based remuneration

### Reconciliation of GPI share options granted in terms of the Grand Parade Share Incentive Trust

	Number of unvested share options 30 June 2019 '000	Granted during the year '000	Exercised during the year '000	Forfeited during the year '000	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2020 '000
<b>2020</b>							
H Adams <sup>(1)</sup>	5 641	–	(3 263)	(2 378)	–	–	–
M Tajbhai	1 504	911	–	–	2	–	2 415
C Priem <sup>(2)</sup>	1 471	804	–	–	2	–	2 275
<b>Sub-total</b>	<b>8 616</b>	<b>1 715</b>	<b>(3 263)</b>	<b>(2 378)</b>			<b>4 690</b>

<sup>(1)</sup> H Adams resigned as executive director on 30 June 2019. In terms of the mutual separation agreement he retained his share options which were to be exercised by 30 June 2020. H Adams exercised his share options in April 2020.

<sup>(2)</sup> C Priem resigned as executive and Financial Director on 31 March 2020. In terms of the mutual separation agreement he retained his share options which are to be exercised by 31 March 2021.

	Number of unvested share options 30 June 2018 '000	Granted during the year '000	Exercised during the year '000	Forfeited during the year '000	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2019 '000
<b>2019</b>							
H Adams	3 504	3 263	–	(1 126)	2	2	5 641
M Tajbhai <sup>(3)</sup>	–	1 504	–	–	–	2	1 504
C Priem <sup>(4)</sup>	–	1 471	–	–	–	2	1 471
<b>Sub-total</b>	<b>3 504</b>	<b>6 238</b>	<b>–</b>	<b>(1 126)</b>			<b>8 616</b>

<sup>(3)</sup> M Tajbhai was appointed as executive director on 28 November 2018.

<sup>(4)</sup> C Priem was appointed as Chief Financial Officer on 1 July 2018.

### SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee ("the Committee") assists the Board in providing effective ethical leadership by monitoring the Group's performance as a good corporate citizen to ensure accountability from a financial perspective and in terms of the Group's social and environmental impact.

The Committee is constituted in terms of the Companies Act, No 71 of 2008, as amended and comprises an equal number of non-executive and executive directors. During the 2020 financial year, the Committee was constituted as follows:

- Alex Abercrombie – Chairperson (non-executive director).
- Dr Hassen Adams (non-executive director) – Resigned 31 January 2020.
- Mohsin Tajbhai (executive director – Appointed 9 September 2019).
- Rozanna Kader (non-executive director) – Appointed 1 February 2020.

The Committee's primary objective is to assist the Board in providing effective leadership and corporate citizenship and it performs statutory functions as prescribed in regulation 43(5) under the Companies Act as well as certain delegated functions derived from King IV™ and/or functions specifically delegated to the Committee by the Board namely:

- The Company's standing with regard to the 10 principles set out in the United Nations Global Compact Principles ("Principles");
- The Company's standing with regard to the recommendations of the Organisation for Economic Co-operation and Development ("OECD") regarding corruption;
- The Employment Equity Act (No 55 of 1998), the purpose of which is to achieve equity in the workplace;
- The Broad-Based Black Economic Empowerment Act (No 53 of 2003), the objectives of which are to facilitate B-BBEE;
- Environment, health and public safety including the impact of the company's activities and its products or services on the environment, health and public safety;
- Consumer relationships, including ethically founded advertising, public relations and compliance with consumer protection laws; and
- Labour and employment.

The Committee makes recommendations to the Board in relation to the above activities and, specifically, in relation to policies for fair labour practices, sustainable development, responsible product sourcing and social and ethics matters across the Group.

During the year the Committee considered the Group's employment policies to satisfy itself that appropriate provision is made for the promotion of employment equity and fair labour practices and that the Group's standing as a black economic empowerment Company continues to be upheld.

The Committee also considered a revised Code of Ethics and Conduct, and will monitor implementation thereof to ensure the development of a good performance and ethics culture across the Group. Steps have also been taken in the respective businesses to include the Company's Code of Ethics and Conduct in the service level agreements with suppliers and contractors. The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.

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



ALEX ABERCROMBIE  
Chairman: Social and Ethics  
Committee



## GENERAL INFORMATION RELATING TO SHAREHOLDERS

### APPENDIX 4

Shareholder Spread	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
1 – 1,000	1 284	17.51%	522 887	0.11%
1,001 – 10,000	4 250	57.97%	20 289 116	4.32%
10,001 – 100,000	1 578	21.52%	43 039 574	9.16%
100,001 – 1,000,000	165	2.25%	43 999 065	9.36%
Over 1,000,000	55	0.75%	362 172 099	77.05%
<b>Total</b>	<b>7 332</b>	<b>100.00%</b>	<b>470 022 741</b>	<b>100.00%</b>

Distribution of Shareholders	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
Assurance Companies	9	0.12%	907 905	0.19%
Close Corporations	28	0.38%	1 596 903	0.34%
Collective Investment Schemes	26	0.35%	35 473 724	7.55%
Custodians	9	0.12%	562 856	0.12%
Foundations & Charitable Funds	3	0.04%	34 000	0.01%
Hedge Funds	8	0.11%	82 867 563	17.63%
Insurance Companies	3	0.04%	431 511	0.09%
Investment Partnerships	10	0.14%	1 661 958	0.35%
Managed Funds	1	0.01%	12 055 775	2.56%
Private Companies	85	1.16%	126 252 186	26.86%
Public Entities	1	0.01%	181 693	0.04%
Retail Shareholders	7 020	95.74%	108 956 314	23.18%
Retirement Benefit Funds	28	0.38%	63 373 521	13.48%
Share Schemes	2	0.03%	1 722 692	0.37%
Stockbrokers & Nominees	8	0.11%	5 321 985	1.13%
Trust	90	1.23%	28 622 154	6.09%
Unclaimed Scrip	1	0.01%	1	0.00%
	7 332	100.00%	470 022 741	100.00%

Shareholder Type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
<b>Non-Public Shareholders</b>	<b>19</b>	<b>0.26%</b>	<b>62 743 397</b>	<b>13.35%</b>
Directors and Associates (Direct Holding)	6	0.08%	6 565 402	1.40%
Directors and Associates (Indirect Holding)	10	0.14%	39 640 488	8.43%
GPI Woman's B-BBEE Empowerment Trust	1	0.01%	14 814 815	3.15%
Collective Investment Schemes	2	0.03%	1 722 692	0.37%
<b>Public Shareholders</b>	<b>7 313</b>	<b>99.74%</b>	<b>407 279 344</b>	<b>86.65%</b>
<b>Total</b>	<b>7 332</b>	<b>100.00%</b>	<b>470 022 741</b>	<b>100.00%</b>

Fund Managers With A Holding Greater Than 3% of The Issued Shares	Number of Shares	% of issued Capital
Value Capital Partners	98 211 186	20.89%
Arakot	47 268 792	10.06%
Kagiso Asset Mgt	38 302 539	8.15%
GPI Mgt Services	24 000 000	5.11%
Rozendal Partners	15 416 622	3.28%
<b>Total</b>	<b>223 199 139</b>	<b>47.49%</b>

Beneficial Shareholders With A Holding Greater Than 3% Of The Issued Shares	Number of Shares	% of issued Capital
Value Capital Partners H4 QI Hedge Fund	54 745 420	11.65%
Arakot	47 268 792	10.06%
Midnigt Storm Investments Pty Ltd	24 248 649	5.16%
GPI Mgt Services Pty Ltd	24 000 000	5.11%
Eskom Pension and Provident Fund	18 581 342	3.95%
Rozendal Flexible Prescient QI Hedge Fund	15 416 622	3.28%
GPI Woman's B-BBEE Empowerment Trust	14 814 815	3.15%
<b>Total</b>	<b>199 075 640</b>	<b>42.35%</b>

## GLOSSARY OF TERMS

<b>AFS</b>	Consolidated Annual Financial Statements for 2020
<b>AGM</b>	Annual General Meeting
<b>B-BBEE</b>	Broad-based black economic empowerment
<b>BEE</b>	Black economic empowerment
<b>Board</b>	GPI Board of directors
<b>Burger King South Africa/BKSA</b>	Burger King (RF) South Africa (Pty) Ltd
<b>CEO</b>	Chief Executive Officer
<b>Companies Act</b>	Companies Act, No. 71 of 2008, as amended
<b>EBIT</b>	Earnings before interest and tax
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EY</b>	Ernst & Young Inc.
<b>GFMP</b>	Grand Foods Meat Plant (Pty) Ltd
<b>GPI</b>	Grand Parade Investments Ltd
<b>GPIMS</b>	GPI Management Services (Pty) Ltd
<b>GPI Properties</b>	GPI House Properties (Pty) Ltd
<b>Grand Foods</b>	Grand Foods (Pty) Ltd
<b>GrandWest</b>	GrandWest Casino and Entertainment World
<b>Group</b>	GPI and all its subsidiaries
<b>HEPS</b>	Headline earnings per share
<b>IAR</b>	Integrated annual report
<b>IFRS</b>	International Financial Reporting Standards
<b>iNAV</b>	Intrinsic net asset value
<b>IT</b>	Information technology
<b>JSE</b>	JSE Ltd
<b>King IV™</b>	King IV Report on Governance for South Africa, 2016
<b>KPIs</b>	Key performance indicators
<b>LID</b>	Lead Independent Director
<b>Mac Brothers or MBCE</b>	Mac Brothers Catering Equipment (Pty) Ltd
<b>NAV</b>	Net asset value
<b>QSR</b>	Quick service restaurant
<b>Spur/Spur Corporation</b>	Spur Corporation Ltd
<b>Standard Bank</b>	Standard Bank of South Africa Ltd
<b>Sun International</b>	Sun International Ltd
<b>SunWest</b>	SunWest International (Pty) Ltd
<b>TNAV</b>	Tangible net asset value
<b>Worcester Casino</b>	Worcester Casino (Pty) Ltd



# CORPORATE INFORMATION

## DIRECTORS

A Abercrombie (Non-Executive Chairman)  
M Tajbhai (Group Chief Executive Officer)  
J October (Group Financial Director)  
WD Geach (Lead Independent Non-Executive Director)  
MJ Bowman (Independent Non-Executive Director)  
R van Dijk (Independent Non-Executive Director)  
M Nkosi (Non-Executive Director)  
R Kader (Non-Executive Director)

## NATURE OF BUSINESS

Investment Holding Company

## COMPANY SECRETARY

Statucor (Pty) Ltd  
6th Floor, 119 – 123 Hertzog Boulevard  
Foreshore, Cape Town, 8001

## PUBLIC OFFICER

J October

## TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd  
Rosebank Towers, 15 Biermann Avenue  
Rosebank, 2196

## AUDITORS

Ernst & Young Inc.

## ATTORNEYS

Cliffe Dekker Hofmeyr

## BANKERS

The Standard Bank of South Africa Limited

## SPONSORS

PSG Capital (Pty) Ltd

## REGISTERED OFFICE

Grand Parade Investments  
10th Floor, 33 on Heerengracht  
Heerengracht Street, Cape Town, 8001

## REGISTRATION NUMBER

1997/003548/06

## DOMICILE AND COUNTRY OF INCORPORATION

South Africa LISTING

JSE Limited  
Sector: Financial Services  
Grand Parade Investments Limited  
("GPI" or "the Company" or "the Group")  
Registration number: 1997/003548/06  
ISIN: ZAE000119814  
Share code: GPL

## PREPARER OF THE FINANCIAL STATEMENTS

The audited financial statements were prepared under supervision of Grand Parade Investments (GPI) Group Financial Director, J October.

## SHAREHOLDERS' INFORMATION

Annual General Meeting7 December 2020

### Financial reports

Announcement of interim results	March 2021
Announcement of annual results	September 2020
Annual Financial Statements	September 2020





GRAND PARADE

INVESTMENTS LIMITED