GRAND PARADE

INVESTMENTS LIMITED

2021

NOTICE OF ANNUAL GENERAL MEETING, FORM OF PROXY AND SUMMARISED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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GRAND PARADE INVESTMENTS LIMITED LETTER TO SHAREHOLDERS

Dear Shareholder,

I am pleased to notify you that the annual financial statements of Grand Parade Investments Ltd ("the Company") and the Group, for the financial year ended 30 June 2021, have been published and are available, without charge, on the Company's website at www.grandparade.co.za or upon request to the Company Secretary at amber@statucor.co.za.

You will find a copy of the Summarised Audited Financial Statements of the Company and the Group, for the financial year ended 30 June 2021 in this booklet and a copy thereof is also available on the Company's website as indicated in the paragraph above.

I am pleased to notify you that the Annual General Meeting of the shareholders of the Company will be held on Wednesday, 8 December 2021 entirely by electronic means as result of the COVID-19 pandemic, commencing at 18:00.

The notice of the Annual General Meeting is included and the Form of Proxy inserted.

Please ensure that Computershare has your current contact and banking details on record to prevent the non-delivery of our communications or the non-payment to you of any dividend payments. If you have not yet elected to receive communications by electronic means (email), please consider electing this as your preferred method of receiving communications from GPI and Computershare, as this will contribute to our efforts to embrace the use of technology to conserve our natural resources.

Sincerely,

Alex Abercrombie
Chairman
29 October 2021

NOTICE OF ANNUAL GENERAL MEETING

GRAND PARADE INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1997/003548/06)
Share code: GPL
ISIN: ZAE000119814

Notice is hereby given of the annual general meeting of shareholders of Grand Parade Investments Limited ("**GPI**" or "the **Company**"), to be held at 18:00 on Wednesday, 8 December 2021 via electronic participation ("the **Annual General Meeting**").

Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

Agenda

- Presentation of the audited annual financial statements of the Company and its subsidiaries ("the Group"), which includes the report of the board of directors, the independent auditor's report and the audit and risk committee report for the financial year ended 30 June 2021.
- The Group's audited annual financial statements for the year ended 30 June 2021 are available on the Company's website, at www.grandparade.co.za or may be obtained, at no charge, upon request to the Company Secretary at amber@statucor.co.za or in person at the Company's registered office during office hours.
- To consider and, if deemed fit, approve, with or without modification, the ordinary and special resolutions set out below.

ORDINARY RESOLUTIONS

For any of the ordinary resolutions numbers 1 to 8 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

1. RETIREMENT AND RE-ELECTION OF NON-EXECUTIVE DIRECTORS
(Biographical details of all of the directors of the Company are set out in **Annexure 2** hereto)

1.1 Ordinary resolution number 1

"Resolved that Mr Alexander Abercrombie, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a non-executive director of the Company."

1.2 Ordinary resolution number 2

"Resolved that Ms Ronel van Dijk, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as an independent non-executive director of the Company."

The reason for ordinary resolutions numbers 1 to 2 (inclusive) is that the memorandum of incorporation of the Company, the JSE Limited ("**JSE**") Listings Requirements and, to the extent applicable, the Companies Act, No. 71 of 2008, as amended ("the Companies Act"), require that a third of the non-executive directors rotate at every annual general meeting of the Company and, being eligible, may offer themselves for re-election as directors.

2. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

(Biographical details of all of the directors of the Company are set out in **Annexure 2** hereto)

Note:
For avoidance of doubt, all references to the audit and risk committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

2.1 Ordinary resolution number 3

"Resolved that, Prof Walter Geach, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

2.2 Ordinary resolution number 4

"Resolved that, subject to the approval of ordinary resolution number 2 above, Ms Ronel van Dijk, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

2.3 Ordinary resolution number 5

"Resolved that, Mr Mark Bowman, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

The reason for ordinary resolutions numbers 3 to 5 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of such company.

3. APPOINTMENT OF AUDITOR

Ordinary resolution number 6

"Resolved that Ernst & Young Inc. be and is hereby re-appointed as the independent external auditors of the Company for the ensuing financial year or until the next annual general meeting of the Company, whichever is the later, with the individual designated auditor being Mr David Christian, as registered auditor and partner in the firm on the recommendation of the audit and risk committee of the Company."

The board and the audit and risk committee have evaluated the independence and qualifications of Ernst & Young Inc. and Mr David Christian and recommends their re-appointment as external auditors and individual designated auditor of the Company.

The reason for ordinary resolution number 6 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed, as the case may be, each year at the annual general meeting of the Company as required by the Companies Act and the JSE Listings Requirements.

4. NON-BINDING ENDORSEMENT OF GPI'S REMUNERATION POLICY AND IMPLEMENTATION REPORT

To consider and, if deemed fit, pass, with or without modification, the following non-binding advisory resolutions. (A copy of the Remuneration Policy and Implementation Report is set out in **Annexure 3** hereto)

4.1 Ordinary resolution number 7: Approval of the Company's Remuneration Policy

"Resolved by way of a non-binding advisory vote, that the remuneration policy of the Company as set out in **Annexure 3** to this notice of annual general meeting, be and is hereby endorsed."

In terms of the King IV Report on Corporate Governance™ for South Africa (King IV™) and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the Company's remuneration policy. The vote allows shareholders to express their views on the remuneration policy adopted, but will not be binding on the Company. The Company's Remuneration Policy is set out in **Annexure 3** to this notice of annual general meeting.

4.2 Ordinary resolution number 8: Approval of the Company's Implementation Report

"Resolved by way of a non-binding advisory vote, that the implementation report in respect of its remuneration policy as set out in **Annexure 3** to this notice of annual general meeting, be and is hereby endorsed."

In terms of King IV™ and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the implementation report of the Company's remuneration policy at each annual general meeting of the Company. The vote allows shareholders to express their views on the extent of implementation of the Company's remuneration policy, but will not be binding on the Company. The Company's Implementation Report on the Remuneration Policy is set out in **Annexure 3** to this notice of annual general meeting.

Shareholders are reminded that in terms of King IV™ and the JSE Listings Requirements, should 25% or more of the votes cast be against one or both of these non-binding advisory resolutions, the Company undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations based on the feedback received.

SPECIAL RESOLUTIONS

To consider and, if deemed fit, pass, with or without modification, the following special resolutions.

For any of the special resolutions numbers 1 to 4 to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolutions numbers 1.1 to 1.3

Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors on the basis set out below, provided that this authority will be valid until the next annual general meeting of the Company.

5.1 Special resolution number 1.1: Remuneration of the chairperson of the board

Resolved that the chairperson of the board be paid the following fees:

	PROPOSED FEES 1 January 2022 to 31 December 2022			
	Number of meetings per annum (indicative)	**Base fee R**	**Attendance fee R**	**Attendance fee above minimum number of meetings R**
Non-executive Chairperson	4	658 580	19 855	11 495

Note: All amounts are exclusive of VAT

5.2 Special resolution number 1.2: Remuneration of the lead independent director

Resolved that the lead independent director of the board be paid the following fees:

	PROPOSED FEES 1 January 2022 to 31 December 2022			
	Number of meetings per annum (indicative)	**Base fee R**	**Attendance fee R**	**Attendance fee above minimum number of meetings R**
Lead Independent Director	4	123 310	19 855	11 495

Note: All amounts are exclusive of VAT

5.3 Special resolution number 1.3: Remuneration of the non-executive directors

Resolved that the non-executive board members be paid the following fees:

	PROPOSED FEES 1 January 2022 to 31 December 2022			
	Number of meetings per annum (indicative)	**Base fee R**	**Attendance fee R**	**Attendance fee above minimum number of meetings R**
Non-executive Directors	4	81 510	19 855	11 495
Chairpersons of the Audit and Risk Committee, Remuneration and Nomination Committee, Social and Ethics Committee, and Investment Committee	4	45 980	31 350	
Members of the Audit and Risk Committee, Remuneration and Nomination Committee, Social and Ethics Committee, and Investment Committee	4	31 350	16 198	

Note: All amounts are exclusive of VAT

The reason for special resolutions numbers 1.1 to 1.3 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolutions numbers 1.1 to 1.3, if passed, will be that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next annual general meeting of the Company.

6. SPECIAL RESOLUTION NUMBER 2: SHARE REPURCHASE BY GPI AND ITS SUBSIDIARIES

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the Company and the JSE Listings Requirements, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the Company and its subsidiaries ("the Group") have satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Group;
- the general repurchase is authorised by the Company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

The reason for and effect, if passed, of special resolution number 2 is to grant the directors a general authority in terms of the Company's memorandum of incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 2. This authority will provide the Board with the necessary flexibility to repurchase shares in the market, should a favourable opportunity arise, and it be in the best interest of the Company to do so.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

7. INTER-COMPANY FINANCIAL ASSISTANCE

7.1 Special resolution number 3: Inter-company financial assistance

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect, if passed, of special resolution number 3 is to grant the directors of the Company the authority, until the next annual general meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, *inter alia*, authorised to grant loans to its subsidiaries and to guarantee the debt of its wholly-owned subsidiaries.

7.2 Special resolution number 4: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related to the Company ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the board of the Company may determine for the purpose of, or in connection with the subscription for any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or of a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect, if passed, of special resolution number 4 is to grant the directors the authority, until the next annual general meeting of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or in any related or inter-related company or corporation. This means that the Company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for or acquiring any options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a wholly-owned subsidiary raises funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly-owned subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

Additional disclosure in respect of special resolutions numbers 3 and 4.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 3 and 4 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

In addition, the board will only approve the provision of any financial assistance contemplated in special resolutions numbers 3 and 4 above, where:

- the board is satisfied that the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's memorandum of incorporation have been met.

8. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

Information relating to the special resolutions

1. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 2 to the extent that the directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:
   - the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this annual general meeting and for a period of 12 months after the repurchase;
   - the consolidated assets of the Group (fairly valued) will at the time of the annual general meeting and at the time of making such determination, and for a period of 12 months thereafter, be in excess of the consolidated liabilities of the Group (fairly valued). The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
   - the ordinary capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the annual general meeting and after the date of the share repurchase; and
   - the working capital available to the Group after the repurchase will be sufficient for the Group's ordinary business purposes requirements for a period of 12 months after the date of the notice of the annual general meeting and for a period of 12 months after the date of the share repurchase.

   General information in respect of major shareholders, material changes and the share capital of the Company is set out in **Annexure 4** hereto, as well as the full set of annual financial statements, being available on the Company's website at www.grandparade.co.za or which may be obtained, at no charge upon request to the Company Secretary at amber@statucor.co.za or in person at the registered office of the Company during office hours.
2. The directors, whose names appear in **Annexure 2** hereto, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of annual general meeting contains all information required by law and the JSE Listings Requirements.

Voting

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company ("**the Share Register**") for purposes of being entitled to receive this notice is **Friday, 22 October 2021**.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this Annual General Meeting is **Friday, 3 December 2021**, with the last day to trade being **Tuesday, 30 November 2021**.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly bring a copy of their identity document, passport or driver's licence to the annual general meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Certificated shareholders and own-name dematerialised shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by such shareholders who wish to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting. Forms of proxy must be completed and lodged at or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za so as to be received by the transfer secretaries by no later than **18:00** on **Monday, 6 December 2021**, provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairman of the annual general meeting at any time before the appointed proxy exercises any shareholder rights at the annual general meeting.
5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
7. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

ELECTRONIC ATTENDANCE AND PARTICIPATION

1. The Company has retained the services of the transfer secretaries, being Computershare Investor Services Proprietary Limited to host the annual general meeting on an interactive platform, in order to facilitate electronic participation and voting by shareholders. Any shareholder (or a representative or proxy for a shareholder) who wishes to participate in and/or vote at the annual general meeting by way of electronic participation, must either:
   - register online using the online registration portal at www.smartagm.co.za, prior to the commencement of the annual general meeting; or
   - contact Computershare by sending an email to proxy@computershare.co.za by **18:00** on **Monday, 6 December 2021**, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how to access the annual general meeting by means of electronic participation. Shareholders may still register/apply to participate in and/or vote electronically at the annual general meeting after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the annual general meeting.

   All shareholders are entitled to attend and participate via the use of the electronic platform.

   In terms of section 63(1) of the Companies Act, any person participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a representative or proxy for a shareholder) has been reasonably verified. Shareholders of the Company who wish to participate in the annual general meeting electronically should provide such identification when making application to so participate.
2. The cost of electronic participation in the annual general meeting is for the expense of the participant and will be billed separately by the participant's own service provider.
3. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the annual general meeting.

The Company cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

By order of the board

Statucor (Pty) Ltd
Per **AJ Rich**
Company Secretary
29 October 2021
Cape Town

ANNEXURE 1 – SUMMARISED AUDITED FINANCIAL STATEMENTS

for the year ended 30 June 2021

INTRODUCTION

The 2021 financial year was impacted by the second wave of COVID-19 infections and the associated level 3 restrictions which were in place from December 2020 to February 2021. The restrictions and the general uncertainty following the second COVID-19 wave had a significant impact on the Gaming assets which in turn affected the group earnings. Notwithstanding the challenging trading conditions, the Gaming assets displayed signs of recovery. Sun Slots in particular has been buoyant and has recovered to pre COVID-19 levels and has resumed dividend payments. Overall headline loss for the year reduced as a result of the increase in earnings contribution from the Gaming assets and a significant reduction of the loss from the Food assets. Year to date headline loss contributions from the Foods businesses reduced by R17 million while the year to date headline loss contribution from the Gaming assets improved by R4.0 million. Overall headline loss for the group reduced by R35 million over the year.

GPI's Gaming assets consist of its interest in SunWest, Worcester Casino and Sun Slots. At the start of the financial year these assets resumed trading under extremely strict trading conditions including capacity restrictions, a ban on the sale of alcohol and early curfews. From July to November 2020 these restrictions were gradually lifted which improved the performance of the assets. However, in December 2020 further restrictions were imposed to mitigate the spread of the second wave of COVID 19 infections which eroded all gains made in the first half of the year. SunWest was particularly affected by the disruption in trading and although showing signs of recovery only managed to achieve 52% of 2019 Gross Gaming Revenue (GGR). Sun Slots on the other hand was resilient during these extremely challenging conditions. Revenue was marginally (5%) down on pre-COVID levels. The business is generating positive cash and has resumed dividend payments. For the financial year Sun Slots declared a R240 million dividend (2020: R110 million) resulting in a dividend to the Group of R72 million (2020: R33 million).

The Foods business reduced its headline loss by R17.0 million from a loss of R60.3 million in the prior period to a loss of R43.2 million in the current period. Burger King continued to perform well despite the COVID-19 challenges noted above with comparative sales up 5.9% compared to the prior period (excluding non-trading months). Despite the revenue growth profitability in the business is a concern with gross margins down 2% compared to the prior year due to a shift in sales to home delivery. The business has recently launched its own delivery platform which will assist in mitigating the decrease in profitability. Mac Brothers had a challenging year with revenue down R25.1 million for the year at a Group level. Despite this, the improvement in operational expenditure of R8.4 million, due to the restructure of the business.

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 one-off effects of the Group's investment activities and therefore provides a comparable view of the Group's continuing earnings.

GPI reported a significant reduction in its headline loss of 56%. Headline loss decreased from a loss of R61.7 million in the prior year to a loss of R27.0 million at the end of June 2021.

The main contributors to the reduction in headline loss are:

- Burger King's headline contribution improved by R11.8 million during the year from a loss of R25.5 million in the prior period to a loss of R13.7 million in the current period.
- Mac Brothers' loss contribution for the period improved by R18.0 million from R41.0 million in the prior period to R23.0 million in the current period, despite a significant decrease in sales as a direct result of the COVID-19 pandemic. The improvement can be attributed to the sharp decrease in operating costs of R8.7 million compared to the prior period.
- The gaming assets' headline earnings contribution increased by R4.0 million from R69.0 million in the prior period to R73.0 million in the current period. The increase in earnings is largely due to the recovery of Sun Slots and Infinity Gaming in the current year against prior year which was offset by a deterioration of earnings from Sunwest.
- The Investment in Spur accounted for a decline of R7.2 million during the current year. No dividends were received from Spur in the current year as they were preserving cash during this period.
- Grand Foods Meat plant increased its headline loss contribution by R5.6 million.
- The savings associated with the liquidation and subsequent closure of Dunkin' Donuts and Baskin-Robbins led to a reduction in the loss contribution of Dunkin' and Baskin-Robbins of R7.0 million.
- Central cost decreased by R6.6 million in the current period largely as a result of reduced finance cost and cost saving initiatives offset by higher transaction costs as a result of the Burger King transaction. Furthermore there was unrecognised tax amounting to R3.4 million in properties in the prior period.

The table below reflects the contribution each investment made to Group headline earnings:

	30 June 2021 R'000s	30 June 2020 R'000s	Movement R'000s	%
Food	**(43 241)**	(60 256)	17 015	28
Burger King	**(13 709)**	(25 501)	11 792	46
Mac Brothers	**(22 968)**	(40 986)	18 018	44
Spur	**(73)**	7 077	(7 150)	(101)
Grand Foods Meat Plant	**(6 491)**	(846)	(5 645)	(667)
Gaming	**72 978**	68 954	4 024	6
SunWest	**25 249**	39 899	(14 650)	(37)
Sun Slots	**44 770**	30 744	14 026	46
Worcester Casino	**1 389**	(50)	1 439	–
Infinity Gaming Africa	**1 570**	(1 639)	3 209	–
Central costs	**(56 765)**	(63 396)	6 631	10
Corporate costs (excluding Transaction costs, legal fees, tax and finance cost)	**(32 695)**	(34 094)	1 399	4
Transaction costs, legal fees and taxation	**(16 467)**	(11 475)	(4 992)	(44)
Net corporate finance costs	**(10 564)**	(13 394)	2 830	21
GPI Properties	**2 961**	(4 433)	7 394	167
Continuing operations	**(27 028)**	(54 698)	27 670	51
Discontinued operations	**–**	(6 963)	6 963	100
Dunkin Donuts	**–**	(3 549)	3 549	100
Baskin Robbins	**–**	(1 686)	1 686	100
Grand Bakery	**–**	(1 728)	1 728	100
Headline (loss)/earnings after tax	**(27 028)**	(61 661)	34 633	56

Dividends

No dividends were declared and paid during the financial year.

Capital structure

The Group reduced its debt by R26.3 million during the year due to a repayment of R16.1 million on its preference debt and R10.1 million on its term loan and finance leases.

		30 June 2021 R'000s	30 June 2020 R'000s	Movement R'000s	%
Holding company facilities		**186 970**	203 095	(16 125)	8
Sunwest	Preference shares	**186 970**	203 095	(16 125)	8
Spur	Preference shares	**–**	–	–	–
Subsidiary facilities		**44 846**	54 972	(10 126)	18
GPI Properties	Term loans (Mortgage)	**43 365**	53 491	(10 126)	19
Mac Brothers	Finance leases	**1 125**	1 125	–	–
Burger King	Finance leases	**356**	356	–	–
Total debt		**231 816**	258 067	(26 251)	10
Debt/EBITDA		**1.81**	5.19	(3.38)	(65)
Debt/equity		**13.8%**	15.3%	1.50%	9.15

REVIEW OF INVESTMENT OPERATIONS

FOOD

Burger King

Burger King's total revenue for the year grew to R1.349 billion compared to R1.010 billion in the prior year.

Average monthly restaurant revenues (ARS) increased by 31% from R0.896 million last year to R1.171 million this year, largely as a result of the strong growth in Drive Thru ARS (2020: R1.109 million 2021: R1.438 million)

The current financial period observed substantial changes in consumer traffic trends. Comparative (comparison of stores trading for a full 12 months) Traffic: 2021: -4.5%; 2020: -11.0%).

The changes in service mode mix towards Home Delivery (2021: 15.0% from 2020: 8.1%) and Drive Thru sales (2021: 46.2% from 2020: 36.7%) have resulted in a net comparative sales gain of 11% (2020: 0.8%; 2021: 11%) for all our Drive Thru locations. Overall comparative sales growth in 2021 was 5.9%. (Excluding April and May 2020 that we were closed).

The restrictions on Take Away & Dine In service modes resulted in Mall & In-Line Traffic reducing even further (2020: -12.3%; 2021: -16.6%) resulting in the mix of cash positive locations deteriorating substantially versus pre-COVID performance (Cash positive restaurants: YTD June 2021: 64% vs YTD Mar 2020: 72%).

The sales growth landscape has changed fundamentally for QSR in South Africa, restaurants in general are under pressure. With our focus since 2015 on suburban Drive Thru (DT) location growth (Portfolio Mix DT 2021: 60% vs 2020: 55% vs 2015: 21%) we need to look at mechanisms to capitalise in the Home Delivery growth of 141% we saw in 2021.

The total number of Burger King restaurants as at 30 June 2021 were 102 of which 95 are corporate owned. The net restaurant movement for the year totaled five, which included the opening of seven new restaurants and the closure of two unprofitable restaurants.

Burger King realised a Company EBITDA of R51.70 million during FY2021 compared to R34.62 million in the prior year.

Spur

The repayment of the debt resulted in no finance charges in the current year (2020: R6.8 million), and no dividends were received during the year (2020: R14.1 million). The result is that a small operating cost of R0.1 million (2020: R7.1 million) is reported for the year.

Grand Foods Meat Plant

Grand Foods Meat Plant is directly influenced by Burger King's performance through their agreement with Burger King's main logistics partner, Digistics Proprietary Limited. Grand Foods Meat Plant's revenue increased by 44% to R204 million compared to prior year's R142 million.

Cost of sales outpaced revenue increasing during the period increasing by 53% from R129.1 million to R196.7 million, as a result of the higher input cost. Gross margin for the year decreased by 5% points from 9% to 4% due to higher beef prices in the second and third quarter of the year.

Grand Foods Meat Plant's earnings for the year resulted in a R6.5 million loss after tax, compared to the R1.65 million net loss after tax incurred in the prior year.

Mac Brothers Catering Equipment

The past financial year was unfortunately characterised by a long and protracted recovery from the COVID-19 pandemic and slowdown in the local economy. The latter part of the year showed no improvement in global travel and further lock down restrictions hampered their core market in the leisure, hotel and gaming industry from gaining any real growth momentum. This resulted in a very lack lustre second half performance due to capital budgets of key customers being frozen and projects delayed. This resulted in revenue decreasing by R30.5 million from R131.5 million to R101 million and gross profit decreasing by R3 million from R28 million to R25 million for the year.

Operating costs reduced by R4 million from R53 million to R49 million which includes R1 million in restructuring costs. Spending was curtailed to essential services only and research and development limited to critical projects. On a comparable basis (i.e. excluding the grant income); EBITDA loss improved by R15 million from R24 million in 2020 to R9 million in 2021 and net losses after tax were curtailed to R22 million in 2021 a significant improvement from R40 million in 2020

OTHER

Central costs

The Group's net central costs (excluding funding cost) for the year amounted to R32.7 million, which is 4% lower than the central costs of R34.1 million last year. This is as a result of a restructure of the holding company which led to an improvement in efficiency. The overall savings were partially offset by one-off termination cost and additional transaction costs relating to the Bruger King transaction incurred during the year.

Share capital

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

Treasury shares

At 30 June 2021, a total of 40.3 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 1.49 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 631 redeemable preference shares (SunWest) to Standard Bank at an issue price of R25 400 per share, totalling R16.1 million.

Directors and Company Secretary

There were no changes in the Directors and Company Secretariate during year.

Subsequent events

Sale of Burger King and Grand Foods Meat Plant

In June 2021, the competition authorities prohibited the transaction due to public interest concerns and in particular the loss of Historical Disadvantaged Persons (HDP) ownership that would result from the transaction. Management have been in discussions with the buyer and the competition commissions and have now settled on a list of conditions that the competition commission has approved. Subsequently a request for reconsideration has been filed with the Competitions Tribunal which resulted in the transaction being approved with conditions. As the major condition precedent was not met at 30 June 2021 and significant uncertainty existed as to whether the transaction will be approved. Therefore these assets have not been classified as discontinued operations.

Related party loan

In August 2021, Dr Adams loan, which was granted during his tenure for acquisition of shares, was repaid in full including accrued interest. Subsequently all security has been released over the shares pledged as security for this loan.

INTRINSIC NET ASSET VALUE (INAV)

Management's assessment of the iNAV puts the value of the Group at R4.51 a share including an allowance for head office costs of R75 million (assuming a three-year wind-down) and excluding finance costs and capital gains tax implications. Based on this valuation GPI is trading at a 36% discount to the current share price which presents a good opportunity to unlock value through a controlled sale of assets.

Company		**Intrinsic NAV 2021 R'000**	Intrinsic NAV 2020 R'000
Food Investments		**638 886**	675 005
Gaming and leisure		**1 216 389**	1 123 116
GPI Properties		**77 635**	105 509
GPI Properties	Independent Appraisal	**77 635**	115 635
Value		**1 932 910**	1 903 630
Cash net of anticipated head office cost		**5 000**	22 943
iNAV		**1 937 910**	1 926 573
Issued shares		**429 718**	429 486
iNAV per share (cents)		**4.51**	4.49
Current share price (cents)		**2.89**	2.04
Discount		**(36%)**	(55%)

PROSPECTS

The South African economy grew by a better than expected 1.2% in the second quarter of the financial year, growing for four consecutive quarters. The pace of growth accelerated from 1.0% in the first quarter, which was revised lower from 1.1%. Although the economy is 19.3% larger than a year ago, having recovered off a low base, overall economic activity is now only back to 2017 levels and only expected to recover to pre-COVID levels by the end of 2022.

The work done by management over the last three years in exiting unprofitable businesses, reducing debt, improving the profitability of operational businesses, and reducing head office costs has positioned the group to deliver on its objective of unlocking value for shareholders. The imminent sale of Burger King South Africa and Grand Foods Meat plant will unlock more than R1.15 per share in value. Following the sale of BKSA, the way forward for GPI centres around three major themes:

1. To maximise the value of the business through the sale of the Group's property assets and exiting of MacBrothers.
2. To further reduce head office costs and reduce dividend leakage.
3. To return capital to shareholders by resuming dividend payments.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Notes	2021 R'000s	2020 R'000s
CONTINUING OPERATIONS			
Revenue	5	**1 675 828**	1 312 326
Cost of sales		**(934 433)**	(709 005)
Gross profit		**741 395**	603 321
Operating costs		**(683 785)**	(561 601)
Profit from operations		**57 610**	41 720
Profit from equity-accounted investments		**73 253**	69 395
Expected credit losses		**(742)**	(2 906)
Loss on sale of investment		**–**	(9 050)
Profit on sale of investment property		**2 289**	–
Impairment of assets		**(4 557)**	(10 799)
Impairment of goodwill	7.1	**–**	(38 598)
Depreciation		**(103 832)**	(95 016)
Amortisation		**(5 234)**	(6 814)
(Loss)/profit before finance costs and taxation		**18 787**	(52 068)
Finance income		**3 794**	5 343
Finance costs		**(62 031)**	(76 988)
(Loss)/profit before taxation		**(39 450)**	(123 713)
Taxation		**8 825**	11 903
(Loss)/profit for the period from continuing operations		**(30 625)**	(111 810)
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	6.2	**–**	(14 697)
Loss for the period		**(30 625)**	(126 507)
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss		**19 092**	(13 686)
Realised fair value adjustments on investments held at fair value through OCI		**–**	26 525
Unrealised fair value adjustments on investments held at fair value through OCI		**19 092**	(40 211)
Total comprehensive loss for the period		**(11 533)**	(140 193)

	Notes	2021 R'000s	2020 R'000s
(Loss)/profit for the period from continuing operations attributable to:			
– Ordinary shareholders		**(28 993)**	(108 830)
– Non-controlling interest		**(1 632)**	(2 980)
Loss for the period from discontinued operations attributable to:			
– Ordinary shareholders		**–**	(14 697)
– Non-controlling interest		**–**	–
		(30 625)	(126 507)
Total comprehensive loss from continuing operations attributable to:			
– Ordinary shareholders		**(9 901)**	(122 516)
– Non-controlling interest		**(1 632)**	(2 980)
Total comprehensive loss from discontinued operations attributable to:			
– Ordinary shareholders		**–**	(14 697)
– Non-controlling interest		**–**	–
		(11 533)	(140 193)
		Cents	Cents
Basic loss per share	3.5	**(6.75)**	(28.93)
– Continuing operations	3.5	**(6.75)**	(25.49)
– Discontinued operations	3.5	**–**	(3.44)
Diluted loss per share	3.5	**(6.75)**	(28.92)
– Continuing operations	3.5	**(6.75)**	(25.48)
– Discontinued operations	3.5	**–**	(3.44)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Notes	2021 R'000s	2020 R'000s
ASSETS			
Non-current assets		**2 268 137**	2 278 699
Investments in jointly controlled entities		**638 160**	612 911
Investments in associates		**351 611**	375 608
Investments held at fair value through OCI		**162 619**	143 527
Goodwill	7.1	**55 104**	55 104
Investment properties		**–**	7 599
Property, plant and equipment		**554 815**	566 263
Intangible assets		**20 703**	21 952
Right-of-use assets		**295 964**	318 192
Deferred tax assets		**189 161**	177 543
Assets classified as held for sale	8.1	**25 050**	43 959
Current assets		**324 507**	329 010
Inventory		**53 934**	64 313
Related party receivable		**22 473**	22 975
Trade and other receivables		**116 866**	122 576
Income tax receivable		**4 002**	1 917
Cash and cash equivalents		**127 232**	117 229
Total assets		**2 617 694**	2 651 668
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity		**1 710 243**	1 719 347
Ordinary share capital		**798 586**	798 586
Treasury shares		**(153 079)**	(153 962)
Accumulated profit		**1 176 897**	1 205 929
Investments held at fair value reserve		**(113 028)**	(132 120)
Share-based payment reserve		**867**	914
Non-controlling-interest		**(34 612)**	(32 980)
Total shareholders' equity		**1 675 631**	1 686 367
Non-current liabilities		**521 919**	575 165
Preference shares		**131 711**	183 696
Interest-bearing borrowings		**10 304**	16 703
Lease liabilities		**365 886**	364 682
Provisions		**10 580**	8 377
Deferred tax liabilities		**3 438**	1 707
Current liabilities		**420 144**	390 136
Preference shares		**55 260**	19 399
Interest-bearing borrowings		**33 061**	36 788
Lease liabilities		**33 344**	40 103
Provisions		**12 996**	7 719
Trade and other payables		**172 725**	178 824
Dividends payable		**10 129**	10 129
Income tax payable		**190**	888
Bank overdraft		**102 339**	96 286
Total equity and liabilities		**2 617 694**	2 651 668

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	Ordinary share capital R'000s	Treasury shares R'000s	Accumu-lated profits R'000s	Financial asset fair value reserve R'000s	Share based payment reserve R'000s	Non–controlling interest R'000s	Total equity R'000s
Balance at 30 June 2019	798 586	(166 286)	1 401 781	(154 229)	2 085	(30 000)	1 851 937
IFRS 16 transition adjustment	–	–	(33 879)	–	–	–	(33 879)
Total comprehensive income/(loss) for the year	–	–	(123 527)	(13 686)	–	(2 980)	(140 193)
– Loss for the year from continuing operations	–	–	(108 830)	–	–	(2 980)	(111 810)
– Loss for the year from discontinued operations	–	–	(14 697)	–	–	–	(14 697)
– Other comprehensive loss	–	–	–	(13 686)	–	–	(13 686)
Treasury shares allocated to employees	–	12 324	(4 464)	–	(1 791)	–	6 069
Share-based payment reserve expense	–	–	–	–	2 433	–	2 433
Share options lapsed	–	–	1 813	–	(1 813)	–	–
Disposal of Atlas Gaming Holdings	–	–	(1 493)	1 493	–	–	–
Disposal of Spur	–	–	(34 302)	34 302	–	–	–
Balance at 30 June 2020	**798 586**	**(153 962)**	**1 205 929**	**(132 120)**	**914**	**(32 980)**	**1 686 367**
Total comprehensive income/(loss) for the year	**–**	**–**	**(28 993)**	**19 092**	**–**	**(1 632)**	**(11 533)**
– Loss for the year from continuing operations	**–**	**–**	**(28 993)**	**–**	**–**	**(1 632)**	**(30 625)**
– Loss for the year from discontinued operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**
– Other comprehensive loss	**–**	**–**	**–**	**19 092**	**–**	**–**	**19 092**
Treasury shares allocated to employees	**–**	**883**	**(814)**	**–**	**(70)**	**–**	**(1)**
Share-based payment reserve expense	**–**	**–**	**–**	**–**	**748**	**–**	**748**
Share options lapsed	**–**	**–**	**775**	**–**	**(725)**	**–**	**50**
Balance at 30 June 2021	**798 586**	**(153 079)**	**1 176 897**	**(113 028)**	**867**	**(34 612)**	**1 675 631**

Notes

[1] *Shares bought back are deducted from share capital at cost.*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Note	2021 R'000s	2020 R'000s
Cash flows from operating activities			
Net cash generated from operations		**75 588**	40 933
Income tax paid/(received)		**(3 846)**	5 511
Finance income received		**3 794**	5 375
Net cash inflow from operating activities		**75 536**	51 819
Cash flows from investing activities			
Acquisition of property, plant and equipment (excluding land and buildings)		**(45 765)**	(85 671)
Acquisition of investment properties		**–**	–
Acquisition of intangibles		**(4 470)**	(6 380)
Investments made		**–**	–
Disposal of subsidiary		**–**	(1 231)
Proceeds from disposal of investment property		**32 000**	–
Proceeds from disposal of property, plant and equipment and intangible assets		**–**	3 670
Dividends received		**72 001**	112 922
Net cash inflow from investing activities		**53 766**	287 511
Cash flows from financing activities			
Dividends paid		**–**	(276)
Proceeds from employees on settlement of share awards		**–**	6 069
Preference share redemption		**(16 002)**	(228 338)
Repayment of interest-bearing loans		**(10 996)**	(7 500)
Repayment of lease liabilities		**(39 100)**	(29 207)
Finance costs		**(59 254)**	(131 593)
Net cash outflow from financing activities		**(125 352)**	(390 845)
Net increase/(decrease) in cash and cash equivalents		**106 289**	(51 515)
Reclassification of Bank overdraft out of cash and cash equivalents		**102 339**	–
Decrease in cash and cash equivalents		**3 950**	–
Cash and cash equivalents at the beginning of the year		**20 943**	72 458
Total cash and cash equivalents at the end of the year		**127 232**	20 943
Total cash and cash equivalents at year-end comprises of:		**127 232**	20 943
Cash and cash equivalents		**127 232**	117 229
Bank overdraft		**–**	(96 286)

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial results

The summarised audited financial statements for the period ended 30 June 2021 are prepared in accordance with the JSE Listings Requirements and the requirements of the Companies Act of South Africa in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: – Interim Financial Reporting. The summarised financial statements do not include all the information required by IFRS for full financial statements and should be read in conjunction with the 2021 audited Group annual financial statements. The accounting policies applied in the preparation of the audited Group annual financial statements, from which the summarised financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of previous audited Group financial statements except where the Group has applied new accounting policies or adopted new standards effective for annual reporting periods beginning on or after 1 July 2020. The Group has not early adopted any standard, interpretation or amendments that has been issued but is not yet effective. During the period, various new and revised accounting standards became effective, however, their implementation had no impact on the results of either the current or prior year except as indicated in note 1.2.

These summarised financial statements are not audited but are extracted from audited information. The audited Group annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The audited Group annual financial statements and the auditor's report thereon is available for inspection on the Company's website and at the Company's registered office. The directors take full responsibility for the preparation of these summarised financial statements and the financial information has been correctly extracted from the underlying audited Group annual financial statements. These summarised financial statements have been prepared under the supervision of the Chief Financial Officer, Jayson October.

1.2 Changes in accounting policies

The Group has adopted all the new, revised and amended accounting standards which were effective for the Group from 1 July 2020. None of the adoptions had a significant impact.

2. SEGMENT ANALYSIS

The chief decision-makers are considered to be the members of the GPI Executive Committee, who review the Group's internal reporting firstly by industry and secondly by significant business unit. The chief decision-makers do not review the Group's performance by geographical sector and therefore no such disclosure has been made. Listed below is a detailed segment analysis:

	External revenue 2021 R000's	External revenue 2020 R000's	Inter-segment revenue[1] 2021 R000's	Inter-segment revenue[1] 2020 R000's	Cost of sales 2021 R000's	Cost of sales 2020 R000's	Operating costs[2] 2021 R000's	Operating costs[2] 2020 R000's	Equity accounted earnings 2021 R000's	Equity accounted earnings 2020 R000's	EBITDA[3] 2021 R000's	EBITDA[3] 2020 R000's
Food	1 674 817	1 310 908	11 124	7 506	(934 433)	(709 005)	(639 863)	(521 552)	–	–	99 779	80 351
Burger King	1 366 630	1 028 976	–	–	(670 567)	(482 375)	(579 021)	(449 650)	–	–	116 300	96 951
Mac Brothers	104 198	125 605	11 124	7 506	(67 131)	(97 547)	(47 408)	(53 019)	–	–	(10 341)	(24 961)
Spur	–	14 086	–	–	–	–	(73)	(212)	–	–	(73)	13 874
Grand Food Meat Plant	203 989	142 241	–	–	(196 735)	(129 083)	(13 361)	(11 674)	–	–	(6 107)	1 484
Dunkin Donuts	–	–	–	–	–	–	–	(3 567)	–	–	–	(3 567)
Baskin Robbins	–	–	–	–	–	–	–	(1 701)	–	–	–	(1 701)
Bakery	–	–	–	–	–	–	–	(1 729)	–	–	–	(1 729)
Gaming and leisure	–	–	–	–	–	–	–	–	73 253	69 395	73 253	69 395
SunWest	–	–	–	–	–	–	–	–	25 250	39 869	25 250	39 869
Sun Slots	–	–	–	–	–	–	–	–	45 157	31 255	45 157	31 255
Worcester Casino	–	–	–	–	–	–	–	–	1 276	(90)	1 276	(90)
Infinity Gaming Africa	–	–	–	–	–	–	–	–	1 570	(1 639)	1 570	(1 639)
Group costs	1 011	1 418	39 155	58 414	–	–	(43 922)	(47 044)	–	–	(42 911)	(45 626)
GPI Properties	821	316	15 713	17 482	–	–	4 643	1 248	–	–	5 464	1 564
Central costs	190	1 102	23 442	40 932	–	–	(48 565)	(48 292)	–	–	(48 375)	(47 190)
	1 675 828	1 312 326	50 279	65 920	(934 433)	(709 005)	(683 785)	(568 596)	73 253	69 395	130 121	104 120

	Impairments of assets and goodwill 2021 R000's	Impairments of assets and goodwill 2020 R000's	Depreciation and amortisation 2021 R000's	Depreciation and amortisation 2020 R000's	Finance income 2021 R000's	Finance income 2020 R000's	Finance costs 2021 R000's	Finance costs 2020 R000's	Net profit/(loss) after tax 2021 R000's	Net profit/(loss) after tax 2020 R000's	Total assets 2021 R000's	Total assets 2020 R000's	Total liabilities 2021 R000's	Total liabilities 2020 R000's
Food	(4 557)	(57 060)	(107 902)	(99 932)	2 764	1 150	(45 676)	(53 939)	(47 823)	(121 154)	1 313 050	1 402 836	(670 598)	(751 113)
Burger King	(4 497)	(7 418)	(97 057)	(88 781)	2 691	1 039	(40 107)	(40 695)	(17 762)	(29 549)	994 442	1 065 000	(559 147)	(610 245)
Mac Brothers	(60)	(41 908)	(7 869)	(7 960)	–	–	(5 210)	(6 020)	(23 497)	(83 168)	89 539	127 844	(76 257)	(112 726)
Spur	–	–	–	–	–	26	–	(6 780)	(73)	7 106	162 709	143 648	(254)	(109)
Grand Food Meat Plant	–	–	(2 976)	(3 191)	73	52	(359)	(443)	(6 491)	(846)	55 553	55 537	(32 305)	(25 398)
Dunkin Donuts	–	(498)	–	–	–	18	–	(1)	–	(4 047)	4 379	4 379	(1 501)	(1 501)
Baskin Robbins	–	59	–	–	–	15	–	–	–	(1 627)	474	474	(537)	(537)
Bakery	–	(7 295)	–	–	–	–	–	–	–	(9 023)	5 954	5 954	(597)	(597)
Gaming and leisure	–	–	–	–	–	–	–	–	73 253	69 395	989 771	988 519	–	–
SunWest	–	–	–	–	–	–	–	–	25 250	39 869	638 160	612 911	–	–
Sun Slots	–	–	–	–	–	–	–	–	45 157	31 255	325 252	352 095	–	–
Worcester Casino	–	–	–	–	–	–	–	–	1 276	(90)	24 758	23 482	–	–
Infinity Gaming Africa	–	–	–	–	–	–	–	–	1 570	(1 639)	1 601	31	–	–
Group costs	–	(71)	(1 164)	(1 898)	1 030	4 225	(16 355)	(23 049)	(56 055)	(74 748)	314 873	260 313	271 465	(214 188)
GPI Properties	–	(35)	(1 089)	(1 395)	44	96	(4 700)	(5 537)	6 914	(2 290)	158 105	169 933	(64 101)	(77 917)
Central costs	–	(36)	(75)	(503)	986	4 129	(11 655)	(17 512)	(62 969)	(72 458)	156 768	90 380	(207 364)	(136 271)
	(4 557)	(57 131)	(109 066)	(101 830)	3 794	5 375	(62 031)	(76 988)	(30 625)	(126 507)	2 599 213	2 651 668	(942 063)	(965 301)

[1] *Transactions between segments are concluded at arm's length.*
[2] *Certain costs are presented pre elimination of intergroup charges and net profit is after these eliminations.*
[3] *EBITDA excludes inter–segment revenue, impairments and expected credit loses.*

3. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the Weighted Average Number of Ordinary Shares (WANOS) in issue during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders by the diluted WANOS in issue.

Headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the WANOS in issue for the year.

Diluted headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the diluted WANOS in issue for the year.

		2021 R'000s Gross	2021 R'000s Net	2020 R'000s Gross	2020 R'000s Net
3.1	***Reconciliation of the loss for the year attributable to ordinary shareholders***				
	Reconciliation of the loss for the year attributable to ordinary shareholders				
	Basic and diluted loss per share reconciliation				
	Loss for the year		**(30 625)**		(126 507)
	– Continuing operations		**(30 625)**		(111 810)
	– Discontinued operations		**–**		(14 697)
	Non-controlling interest		**1 632**		2 980
	Loss for the year attributable to ordinary shareholders		**(28 993)**		(123 527)
	No adjustments have been made to basic earnings in the calculation of diluted earnings.				
3.2	***Reconciliation of headline (loss)/earnings for the year***				
	Loss for the year attributable to ordinary shareholders		**(28 993)**		(123 527)
	Continuing operations:				
	Loss on sale of investments	**–**	**–**	9 050	9 050
	Impairment of goodwill	**–**	**–**	38 598	38 598
	Impairment of right-of-use assets	**–**	**–**	7 213	5 870
	Impairment of intangible assets	**242**	**174**	105	76
	Impairment of property, plant and equipment	**315**	**2 776**	3 481	2 283
	Profit on disposal of property, plant, equipment and intangibles	**–**	**–**	(1 722)	(1 305)
	Profit on disposal of investment property	**(2 289)**	**(752)**	–	–
	Adjustments by equity-accounted investments	**(324)**	**(233)**	(611)	(440)
	Impairment of investment	**–**	**–**	–	–
	(Profit)/Loss on disposal of plant and equipment	**(324)**	**(233)**	(611)	(440)
	Discontinued operations:				
	Impairment of assets held for sale	**–**	**–**	7 734	7 734
	Total headline (loss)/profit		**(27 028)**		(61 661)
	Total headline (loss)/profit				
	– Continuing operations		**(27 028)**		(54 698)
	– Discontinued operations		**–**		(6 963)
			(27 028)		(61 661)

		2021 R'000s Gross	2021 R'000s Net	2020 R'000s Gross	2020 R'000s Net
			000s		000s
3.3	***Reconciliation of WANOS – net of treasury shares***				
	Shares in issue at beginning of the year		**429 485**		426 223
	Treasury shares issued to employees		**17**		697
			429 502		426 920
3.4	***Reconciliation of diluted WANOS – net of treasury shares***				
	WANOS in issue – net of treasury shares		**429 502**		426 920
	Effects of dilution from:				
	Share options		**–**		154
	Diluted WANOS in issue – net of treasury shares		**429 502**		427 074
3.5	***Statistics***		**Cents**		Cents
	Basic loss per share		**(6.75)**		(28.93)
	– Continuing operations		**(6.75)**		(25.49)
	– Discontinued operations		**–**		(3.44)
	Diluted loss per share		**(6.75)**		(28.92)
	– Continuing operations		**(6.75)**		(25.48)
	– Discontinued operations		**–**		(3.44)
	Headline (loss)/profit per share		**(6.29)**		(14.44)
	– Continuing operations		**(6.29)**		(12.81)
	– Discontinued operations		**–**		(1.63)
	Diluted headline (loss)/profit per share		**(6.29)**		(14.44)
	– Continuing operations		**(6.29)**		(12.81)
	– Discontinued operations		**–**		(1.63)

4. EMPLOYEE BENEFITS

4.1 Director's emoluments

2021	Salary R'000s	Long-term benefits[1] R'000s	Bonuses R'000s	Severance pay R'000s	Director's fees R'000s	Audit and risk committee R'000s	Remunera-tion and nomination committee R'000s	Investment committee R'000s	Social and ethics committee R'000s	Total remuneration R'000s	Loans advanced R'000s	Share-based payment expense R'000s
Executive directors												
M Tajbhai	1 868	202	914	–	–	–	–	–	–	2 984	–	748
J October	1 492	108	792	–	–	–	–	–	–	2 392	–	–
Sub-total	3 360	310	1 706	–	–	–	–	–	–	5 376	–	748
Non-executive directors												
A Abercrombie	–	–	–	–	904	–	43	74	66	1 087	–	–
W Geach	–	–	–	–	322	159	–	–	–	481	–	–
M Bowman	–	–	–	–	284	89	86	58	–	517	–	–
R van Dijk	–	–	–	–	284	89	–	–	–	373	–	–
M Nkosi	–	–	–	–	275	–	58	109	–	442	–	–
R Kader					273	–	58	–	45	376	–	–
Sub-total	–	–	–	–	2 342	337	245	241	111	3 276	–	–
Total	3 360	310	1 706	–	2 342	337	245	241	111	8 652	–	748

[1] *Long-term benefits relate to defined retirement contributions.*

2020	Salary R'000s	Long-term benefits[1] R'000s	Bonuses R'000s	Severance pay R'000s	Director's fees R'000s	Audit and risk committee R'000s	Remunera-tion and nomination committee R'000s	Investment committee R'000s	Social and ethics committee R'000s	Total remuneration R'000s	Loans advanced R'000s	Share-based payment expense R'000s
Executive directors												
M Tajbhai	1 711	212	1 700	–	–	–	–	–	–	3 623	–	452
C Priem[2]	1 141	146	1 500	733	–	–	–	–	–	3 520	–	938
J October[3]	305	14	–	–	–	–	–	–	–	319	–	–
Sub-total	3 157	372	3 200	733	–	–	–	–	–	7 462	–	1 390
Non-executive directors												
H Adams[4]	–	–	–	–	338	–	7	20	7	372	–	1 043
A Abercrombie[5]	–	–	–	–	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[6]	–	–	–	–	92	25	–	–	–	117	–	–
M Nkosi[7]	–	–	–	–	155	–	59	87	–	301	–	–
R Kader[8]					130	–	56	–	38	224	–	–
Sub-total	–	–	–	–	1 822	329	349	249	132	2 881	–	1 043
Total	3 157	372	3 200	733	1 822	329	349	249	132	10 343	–	2 433

[1] *Long-term benefits relate to defined retirement contributions.*
[2] *C Priem resigned as executive directors and financial director 31 March 2020, emoluments are for nine months.*
[3] *J October was appointed financial director on 1 April 2020, emoluments are for three months.*
[4] *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.*
[5] *A Abercrombie was appointed chairman on 1 February 2020.*
[6] *K Pillay resigned as non-executive director on 21 November 2019.*
[7] *M Nkosi was appointed non-executive director on 3 December 2019.*
[8] *R Kader was appointed non-executive director on 1 February 2020.*

5. REVENUE

5.1 *Disaggregation of revenue*

	2021 R'000s	2020 R'000s
Revenue from transactions with customers		
Food sales	**1 348 060**	1 010 457
Meat sales	**203 698**	141 945
Equipment sales	**89 931**	124 040
	1 641 689	1 276 442
Other revenue		
Dividends received	**–**	14 086
Other income*	**33 318**	21 613
Rental income	**821**	185
	34 139	35 884
Total revenue		
Revenue from contracts with customers	**1 641 689**	1 276 442
Other revenue	**34 139**	35 884
	1 675 828	1 312 326

* *Other income includes SETA income and youth wage subsidy.*

6. GOODWILL

6.1 *Reconciliation of goodwill*

2021	Grand Foods Meat Plant R'000s	Mac Brothers R'000s	Disa Road R'000s	Total R'000s
Cost	**53 910**	**–**	**1 194**	**55 104**
Accumulated impairment	**–**	**–**	**–**	**–**
Carrying value at 1 July 2020	**53 910**	**–**	**1 194**	**55 104**
Impairment	**–**	**–**	**–**	**–**
Carrying value at 30 June 2021	**53 910**	**–**	**1 194**	**55 104**
Made up of:				
Cost	**53 910**	**–**	**1 194**	**55 104**
Accumulated impairment	**–**	**–**	**–**	**–**

2020	Grand Food Meat Plant R'000s	Mac Brothers R'000s	Disa Road R'000s	Total R'000s
Cost	53 910	38 598	1 194	93 702
Accumulated impairment	–	–	–	–
Carrying value at 1 July 2019	53 910	38 598	1 194	93 702
Impairment [(1)]	–	(38 598)	–	(38 598)
Carrying value at 30 June 2020	53 910	–	1 194	55 104
Made up of:				
Cost	53 910	–	1 194	55 104
Accumulated impairment	–	–	–	–

(1) *Refer to note 7.2.1 for details regarding the impairment.*
(2) *Burger King purchased a store from a franchisee on 1 February 2019. The store was purchased for a total consideration of R7.1 million, with identifiable assets of R5.9 million resulting in a goodwill of R1.2 million.*

6. GOODWILL (CONTINUED)

6.2 *Goodwill impairment testing*

An annual impairment test is performed to assess whether goodwill has been impaired. Goodwill has been allocated for impairment testing purposes to individual cash-generating units (CGUs). The recoverable amount of every CGU has been determined based on a value-in-use calculation using five-year cash flow projections approved by the senior management of each CGU.

1.1.1 Mac Brothers

The annual impairment test was performed on the CGUs and it was determined that the recoverable amounts were lower than the carrying amounts and therefore an impairment loss has been recognised.

Mac Brothers was significantly affected by the decline in the construction and manufacturing industries as well the high operating leverage.

Revenue of R101.5 million for the year ended 30 June 2021 was R13.0 million lower than reported in the prior period. EBITDA, a loss of R26.2 million for the year ended 30 June 2021 was R33.2 million lower than reported in the prior period.

The recoverable amount of the investment was determined to be the value-in-use (VIU) which was higher than fair value less cost to sell of the business.

	2020 R'000s
Impairment calculation:	
Carrying value of investment	79 291
Recoverable amount (VIU)	37 383
Impairment	(41 908)
The impairment has been allocated as follows:	
Goodwill	(38 598)
Right-of-use assets: Property	(3 310)
	(41 908)

The Group used the following inputs to calculate the recoverable amount, pre-tax WACC of 19.85% and EBITDA growth of 24%

7. THE ASSETS INCLUDED IN NON-CURRENT ASSETS HELD FOR SALE ARE AS FOLLOWS:

Non-current assets	2021 R'000s	2020 R'000s
Land and buildings	**19 100**	38 009
Property, plant and equipment	**5 950**	5 950
	25 050	43 959
1.1.2 Reconciliation of land and buildings		
Opening balance – 1 July[1]	**38 009**	26 395
Transfers from property, plant and equipment[2]	**–**	18 909
Disposal[2]	**(18 909)**	
Impairment[3]	**–**	(7 295)
Closing balance – 30 June	**19 100**	38 009
1.1.3 Reconciliation of property, plant and equipment		
Opening balance – 1 July	**5 950**	9 798
Disposals[4]	**–**	(3 409)
Impairment[5]	**–**	(439)
Closing balance – 30 June [1]	**5 950**	5 950
1.1.4 Impairment of non-current assets-held-for-sale		
Land and buildings	**–**	(7 295)
Property, plant and equipment	**–**	(439)
	–	(7 734)

(1) *In the prior year the building and the property, plant and equipment that was previously used by Grand Bakery to produce the doughnuts for Dunkin Donuts was transferred to non-current assets held-for-sale when it met the requirements in the prior year, management was unable to negotiate a suitable consideration for the building, in part as a result of the limited commercial activity during lockdown, and as such the sale of the building has not been concluded at 30 June 2021. Management remains committed to selling the building and is currently in negotiations with interested parties and thus the building remains classified as held-for-sale despite the sale not being concluded within 12 months of its initial classification as held-for-sale. Management expects the sale to be concluded within 12 months after 30 June 2021. The building is carried at fair value as determined by an independent valuer.*

(2) *In the prior year, the Group signed a sales agreement in June 2020 for the sale of the Group's N1 City building, this asset forms part of the group cost segment, GPI Properties. The sale was concluded in November 2020.*

(3) *In the prior year, the impairment relates to the Bakery building which was impaired to align the carrying value to the fair value determined by the valuation of the property on 30 June 2020.*

(4) *In the prior year, the Dunkin Donuts and Baskin-Robbins's property, plant and equipment was auctioned off on 22 August 2019 and sold for R2.5 million and R1.3 million respectively.*

(5) *In the prior year, the impairment relates to the property, plant and equipment of Dunkin Donuts and Baskin-Robbins's before it was auctioned on 22 August 2019.*

8. FINANCIAL INSTRUMENTS – DISCLOSURE

8.1 *Fair value of financial instruments*

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value and are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

As at 30 June, the Group held the following instruments measured at fair value:

	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
2021				
Investments held at fair value – Spur[1]	**162 619**	**–**	**–**	**162 619**
Investments held at fair value – Atlas Gaming	**–**	**–**	**–**	**–**
Total	**162 619**	**–**	**–**	**162 619**
2020				
Investments held at fair value – Spur[1]	143 527	–	–	143 527
Investments held at fair value – Atlas Gaming	–	–	–	–
Total	143 527	–	–	143 527

	2021 R'000s	2020 R'000s
Current asset	**–**	–
Non-current asset	**162 619**	143 527
	162 619	143 527

(1) Investments held at fair value – Spur

	Level 1 R'000s	Level 3 R'000s	Total R'000s
2021			
Opening balance – 1 July	**143 527**	**–**	**143 527**
Fair value adjustments	**19 092**	**–**	**19 092**
Disposal	**–**	**–**	**–**
Carrying value – 30 June	**162 619**	**–**	**162 619**
2020			
Opening balance – 1 July	183 736	228 868	412 604
Fair value adjustments	(40 209)	31 484	(8 725)
Disposal	–	(260 352)	(260 352)
Closing balance – 30 June	143 527	–	143 527

9. CAPITAL COMMITMENTS

	2021 R'000s	2020 R'000s
Authorised but not contracted		
Property, plant and equipment	**75 000**	67 500

Capital commitments relate mostly to the opening of new Burger King stores.

ANNEXURE 2 – DIRECTORS, RESUMÉS AND ATTENDANCE AT MEETINGS

for the year ended 30 June 2021

EXECUTIVE DIRECTORS

Mohsin Tajbhai (41) – Appointed to the board on 28 November 2018
Group Chief Executive Officer – Appointed 1 July 2019
BSc Eng, MEng, MBA, PrEng, CEng, MiStructE

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 (40) – Appointed to the board on 1 April 2020
Financial Director – Appointed 1 April 2020
BCompt (Hons), Chartered Accountant (SA)

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 (70) – Appointed to the board on 20 October 1997
Non-Executive Chairman – Appointed on 31 January 2020
Att. Adm. Dipl. (UWC), PgD (Company Law) (Stell), Cert. (Sports Law) (UCT)

Alex is an attorney by profession and a consultant to the national law firm Cliffe Dekker Hofmeyr. Alex is a former Acting Judge of the Cape High Court and a qualified International Commercial Mediator.

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 the non-executive chairman of GPI. Alex is chairperson of Sun Slots and its seven subsidiaries (the management company, the six slots routes owned by Sun Slots countrywide) and is a director of the Grand Gaming Corporate Social Investment Company.

In addition, Alex is the chairman of the board of Worcester Casino (Pty) Ltd and is a non-executive director of Sun West International (Pty) Ltd (incorporating Grand West Casino and the Table Bay Hotel). He is also a member of the GPI Board's Investment Committee, Social and Ethics Committee, and the Remuneration and Nomination Committee.

He is well known in sports and community 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 was 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. He was also appointed by the Minister of Education as Deputy Chair of the Council of the College of Cape Town. He is currently the Integrity Officer of the South African Football Association.

Walter Geach (66) – Appointed to board on 17 September 2013
Lead Independent Non-Executive Director – Appointed 9 September 2019
CA (SA) BA LLB (Cape Town) MCom FCIS

Walter is a chartered accountant (CA)(SA), an admitted advocate of the High Court of South Africa and a Professor at the University of the Western Cape. Among his many other academic achievements, he has 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, an example of such is 'Companies and other Business Structures' published by Oxford University Press, which Walter co-authored with Judge Dennis Davis.

Walter previously served as a non-executive director on the boards of Grindrod Limited and Grindrod Bank.

Mark Bowman (55)
Independent Non-Executive Director – Appointed to the board on 5 December 2018
BCom (WITS), MBA (UCT)

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 ABI (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 (49)
Independent Non-Executive Director – Appointed to the board 5 December 2018
B Rek (Hons) (USB), CA(SA)

Ronel has a B Rek (Hons) degree from the University of Stellenbosch. She qualified as a CA(SA) in December 1997 and thereafter spent a year working in the London office of Arthur Andersen & Co. She returned to Cape Town as audit manager with the firm and shortly thereafter 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 she was appointed to the board of directors in September 2006.

Ronel left Spur Corporation Limited in March 2018 and was appointed as a non-executive director and audit and risk committee member of GPI Limited and Adcorp Holdings Limited in December 2018 and June 2019 respectively. Ronel acted as CFO of PPC Limited from 1 November 2019 to 31 March 2021 and continues to consult with the company.

Ronel is an experienced CFO with exposure to corporate governance, internal controls and risk management, strategy development and implementation, and leadership development.

She is a founding Trustee of the Spur Foundation and is a founding member of the Western Cape Development Board of the Early Care Foundation.

Monde Nkosi (31)
Non-Executive director – Appointed 4 December 2019
B.Bus.Sci (UCT), MA (Stanford), MBA (Stanford)

Monde is an investment professional with experience in private and listed businesses in South Africa and the USA. He is currently an executive director of 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 ADvTECH Limited, Adcorp Holdings Limited and Net 1 UEPS Technologies Inc. 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.

Rozanna Kader (37)
Non-Executive director – appointed 1 February 2020
Casino and Resort Executive Management Graduate & International Hospitality Diploma

Rozanna has extensive hospitality, casino and resort management experience from her time with the Sun International Group. 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); and as the marketing executive for the GPI group and Burger King South Africa, successfully launching the brand in the country.

Table 1: Director Board and committee meeting attendance during the 2021 financial year

	Director designation	GPI Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Investment Committee
A Abercrombie	Non-Executive Chairperson	8/10		1/2	1/1	3/3
M Tajbhai	Chief Executive Officer	10/10			1/1	
J October	Financial Director	10/10				
W Geach	Lead Independent Director	10/10	4/4			
M Bowman	Independent Non-Executive Director	10/10	4/4	2/2		2/3
R van Dijk	Independent Non-Executive Director	10/10	4/4			
M Nkosi	Non-Executive Director	9/10		2/2		3/3
R Kader	Non-Executive Director	9/10		2/2	1/1	

ANNEXURE 3 – GPI GROUP REMUNERATION POLICY AND IMPLEMENTATION REPORT

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 2021 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 and 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 group therefore no longer requires a minimum shareholding policy. 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.

Total guaranteed pay for the CEO and CFO – 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 Group's 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:

Wind-down Incentive KPI	Weight
Time to complete asset sales	7.5%
Cumulative central costs and transaction costs (excluding the wind-down incentive)	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%

Malus and Clawback

The Company has incorporated the Malus and Clawback principles into its Remuneration Policy.

"Malus" means the reduction and/or cancellation of unpaid, unvested or unsettled remuneration benefits when a Trigger Event is discovered, and the Board seeks to fulfil its fiduciary duty to shareholders by invoking its discretion to reduce and/or cancel the benefits. "Clawback" means the recovery of settled and or paid remuneration benefits after a Trigger Event being discovered, and the Board seeks to fulfil its fiduciary duty to shareholders by invoking its discretion to recover settled or paid benefits.

Unvested remuneration benefits are subject to Malus while vested benefits are subject to Clawback if the following Trigger Events have occurred:

1. A material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any member of the Group.
2. The fact that any information used to determine the quantum of the remuneration benefit amount was based on error, or inaccurate or misleading information.
3. Action or conduct of a Participant which, in the reasonable opinion of the Board, amounts to serious misconduct

IMPLEMENTATION REPORT

The remuneration and nomination committee ("Remco") is satisfied that GPI complied with its remuneration policy in the 2021 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 2021 financial year, the Remco benchmarked the salaries against the PwC's report on executive directors' remuneration and trends.

STIs and LTIs for the 2021 financial year were calculated based on the Group's results. The executives new KPIs, as detailed in the Remuneration Report above, have been designed and aligned with the Group's strategy to unlock value through a controlled sale of assets and have been weighted in order of importance.

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 8 December 2021. 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 2021 financial year are set out below.

The Remco, with the Board's endorsement, have proposed that the fees of non-executive directors will not be increased for the 2022 calendar year.

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 Board has proposed that there be no increase in the fees paid to non-executive directors for their services as directors from 1 January 2022 and the fees contained in table 1 below are therefore the same as those approve by the shareholders for the 2021 calendar year. The fees received by non-executive directors for the financial year ended 30 June 2021 is provided in table 2 below.

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 2021 financial year

Details of the remuneration, STIs and LTIs received by the executive and non-executive directors during the 2021 financial year can be found in tables 2 and 3 below.

Table 1: Non-executive director fees.

	PROPOSED FEES 1 January 2022 to 31 December 2022			
	Number of meetings per annum (indicative)	**Base fee R's**	**Attendance fee R's**	**Attendance fee above minimum number 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 and Risk Committee, Remuneration and Nomination Committee, Social and Ethics Committee, and Investment Committee	4	45 980	31 350	
Members of the Audit and Risk Committee, Remuneration and Nomination Committee, Social and Ethics Committee, and Investment Committee	4	31 350	16 198	

Note: All amounts are exclusive of VAT

Table 2: Directors emoluments for the years ended 30 June 2020 and 30 June 2021

Directors' emoluments 2021	**Salary R'000s**	**Long-term benefits[1] R'000s**	**Bonuses R'000s**	**Severance pay R'000s**	**Directors' fees R'000s**	**Audit and Risk Committee R'000s**	**Remuneration and Nomination Committee R'000s**	**Investment Committee R'000s**	**Social and Ethics Committee R'000s**	**Total Remuneration R'000s**	**Loans advanced R'000s**	**Share-based payment expense R'000s**
Executive directors												
M Tajbhai	**1 868**	**202**	**914**	**–**	**–**	**–**	**–**	**–**	**–**	**2 984**	**–**	**748**
J October	**1 492**	**108**	**792**	**–**	**–**	**–**	**–**	**–**	**–**	**2 392**	**–**	**–**
Sub-total	**3 360**	**310**	**1 706**	**–**	**–**	**–**	**–**	**–**	**–**	**5 376**	**–**	**748**
Non-executive directors												
A Abercrombie	**–**	**–**	**–**	**–**	**904**	**–**	**43**	**74**	**66**	**1 087**	**–**	**–**
W Geach	**–**	**–**	**–**	**–**	**322**	**159**	**–**	**–**	**–**	**481**	**–**	**–**
M Bowman	**–**	**–**	**–**	**–**	**284**	**89**	**86**	**58**	**–**	**517**	**–**	**–**
R van Dijk	**–**	**–**	**–**	**–**	**284**	**89**	**–**	**–**	**–**	**373**	**–**	**–**
M Nkosi	**–**	**–**	**–**	**–**	**275**	**–**	**58**	**109**	**–**	**442**	**–**	**–**
R Kader					**275**	**–**	**58**	**–**	**45**	**376**	**–**	**–**
Sub-total	**–**	**–**	**–**	**–**	**2 342**	**337**	**245**	**241**	**111**	**3 276**	**–**	**–**
Total	**3 360**	**310**	**1 706**	**–**	**2 342**	**337**	**245**	**241**	**111**	**8 652**	**–**	**748**

[1] Long-term benefits relate to defined retirement contributions.

Directors' emoluments 2020	Salary R'000s	Long-term benefits[1] R'000s	Bonuses R'000s	Severance pay R'000s	Directors' fees R'000s	Audit and Risk Committee R'000s	Remuneration and Nomination Committee R'000s	Investment Committee R'000s	Social and Ethics Committee R'000s	Total Remuneration R'000s	Loans advanced R'000s	Share-based payment expense R'000s
Executive directors												
M Tajbhai	1 711	212	1 700	–	–	–	–	–	–	3 623	–	452
C Priem[2]	1 141	146	1 500	733	–	–	–	–	–	3 520	–	938
J October[3]	305	14	–	–	–	–	–	–	–	319	–	–
Sub-total	3 157	372	3 200	733	–	–	–	–	–	7 462	–	1 390
Non-executive directors												
H Adams[4]	–	–	–	–	338	–	7	20	7	372	–	1 043
A Abercrombie[5]	–	–	–	–	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[6]	–	–	–	–	92	25	–	–	–	117	–	–
M Nkosi[7]	–	–	–	–	155	–	59	87	–	301	–	–
R Kader[8]					130	–	56	–	38	224	–	–
Sub-total	–	–	–	–	1 822	329	349	249	132	2 881	–	1 043
Total	**3 157**	**372**	**3 200**	**733**	**1 822**	**329**	**349**	**249**	**132**	**10 343**	**–**	**2 433**

[1] *Long-term benefits relate to defined retirement contributions.*
[2] *C Priem resigned as financial director 31 March 2020, emoluments are for 9 months.*
[3] *J October was appointed financial director on 1 April 2020, emoluments are for 3 months.*
[4] *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.*
[5] *A Abercrombie was appointed chairman on 31 January 2020.*
[6] *K Pillay resigned as non-executive director on 21 November 2019.*
[7] *M Nkosi was appointed non-executive director on 4 December 2019*
[8] *R Kader was appointed non-executive director on 1 February 2020*

Table 3: DIRECTORS' EQUITY-BASED REMUNERATION

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

2021	Number of unvested share options 30 June 2020 000s	Granted during the year 000s	Exercised during the year 000s	Forfeited during the year 000s	Lapsed during the year 000s	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2021 000s
M Tajbhai	2 415	–	(53)	–	(323)	2.40	–	2 039
C Priem[1]	2 275	–	(317)	(1 958)	–	–	–	–
Sub-total	4 690	–	(370)	(1 958)	(323)			2 039

[1] *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 were exercised by 31 March 2021.*

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

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

[1] *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.*
[2] *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.*

ANNEXURE 4 – GENERAL INFORMATION RELATING TO SHAREHOLDERS

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%
Total	**7 332**	**100.00%**	**470 022 741**	**100.00%**

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
Non-public shareholders	**19**	**0,26%**	**62 743 397**	**13,35%**
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 BBBEE Empowerment Trust	1	0.01%	14 814 815	3.15%
Collective Investment Schemes	2	0.03%	1 722 692	0.37%
Public shareholders	**7 313**	**99.74%**	**407 279 344**	**86.65%**
Total	**7 332**	**100.00%**	**470 022 741**	**100.00%**

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Value Capital Partners	98 134 218	20.89%
Arakot	47 268 792	10.06%
Kagiso Asset Management	38 302 539	8.15%
GPI Management Services	24 000 000	5.11%
Rozendal Partners	15 416 622	3.28%
Total	**223 122 171**	**47.49%**

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%
Midnight Storm Investments Pty Ltd	24 248 649	5.16%
GPI Management 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 BBBEE Empowerment Trust	14 814 815	3.15%
Total	**199 075 640**	**42.35%**

ANNEXURE 5 – COMPANY INFORMATION

Directors

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

Public officer

J October CA(SA)

Registration number

1997/003548/06

Domicile and country of incorporation

South Africa

Nature of business

Investment Holding Company

Registered office

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

Company Secretary

Statucor Proprietary Limited
6th Floor
119-123 Hertzog Boulevard
Foreshore
Cape Town
8001

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
Private Bag X9000
Saxonwold
2132

Sponsors

PSG Capital Proprietary Limited

Auditors

Ernst & Young Inc.

Attorneys

Cliffe Dekker Hofmeyr

Bankers

The Standard Bank of South Africa Limited Nedbank Limited

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