



GRAND PARADE

INVESTMENTS LIMITED

2023

INTEGRATED  
ANNUAL  
REPORT







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# ABOUT THIS REPORT

## REPORT SCOPE, BOUNDARY

Grand Parade Investments Ltd's ("GPI" or "the Group") integrated annual report 2023 ("this report") provides a succinct review of our strategy and business model, operating context, material stakeholder interests, key risks, and performance and governance practices, covering the financial year ending 30 June 2023. This report is supplemented by our separate Consolidated Annual Financial Statements 2023 ("AFS"). The report focuses on the activities of GPI as an investor in gaming assets, and includes an analysis of our underlying investments, both in the Executive Reviews section and the Investment Reviews section, focusing on the most material investments only.

## TARGET AUDIENCE AND MATERIALITY

This report has been prepared primarily for current and prospective investors, although it is also relevant for any other stakeholder who has an interest in GPI's performance and prospects. This report focuses on those issues that we have identified as being most material to our capacity to create value and deliver on our strategic growth objectives. In addressing these material issues, we review what we do (page 3), identify the material interests of priority stakeholders (page 12), assess the principal risks and opportunities arising from the operating context and review our performance and governance practices (pages 34 to 39) aimed at ensuring value.

## EXTERNAL ASSURANCES

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

## REPORTING PRINCIPLES TARGET

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

## FORWARD-LOOKING STATEMENT

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

## APPROVAL OF THE INTEGRATED ANNUAL REPORT

The Board acknowledges its responsibility to ensure the integrity of the integrated annual report. The directors confirm they have collectively assessed the content of the report and believe that it is a fair representation of the Group's material issues, performance and prospects. The Board has therefore approved the integrated annual report 2023 for release to stakeholders.

# ABOUT GPI

Grand Parade Investments ("GPI") is an investor in quality assets in the gaming sector.

The Company was founded in 1997 for the purpose of partnering with Sun International South Africa (Pty) Ltd as its primary black economic empowerment partner

in the Western Cape. R28 million was raised from over 10 000 previously disadvantaged community members.

Since then, GPI has grown its investment portfolio within the gaming industry and currently holds interests in some of the best performing gaming assets in South Africa. GPI is also listed on the main board of the JSE Limited ("JSE").

## INVESTMENTS AND EFFECTIVE HOLDINGS



**100%**  
GPI  
Properties



**30%**  
Sun Slots



**26%**  
Infiniti Gaming  
Africa



**15.1%**  
Worcester  
Casino



**15.1%**  
SunWest



# CHAIRMAN'S REVIEW 2023



**GASANT ORRIE**

Going forward, we, like any other business faced with an uncertain economic environment and challenging trading conditions, will have to be agile, proactive, and resourceful in protecting our investments and maximising our returns.

It is with great pleasure that I pen this, my first, review as Chairman of GPI. I do so at a very exciting time in the history of the company.

Having successfully completed its value unlock initiatives, GPI is now under the stewardship of a reconstituted Board of Directors and Chief Executive Officer in Greg Bortz. As mentioned in the Chief Executive Officer's report, the company will refocus on its core gaming business, and identify and assess new opportunities in both the land-based and online gaming sectors. Under Greg's leadership, GPI is well placed to continue to identify, evaluate and pursue various options to continue to unlock value for shareholders.

Trading conditions during the year under review remained challenging especially in the gaming sector and load-shedding continued to place a damper on the performance of the company's gaming assets. Going forward, we, like any other business faced with an uncertain economic environment and challenging trading conditions, will have to be agile, proactive, and resourceful in protecting our investments and maximising our returns.

Under my Chairmanship, the Board is committed to practising high standards of corporate governance to promote sustained value creation for all our stakeholders. In the process of setting the strategic direction and monitoring of the company's performance, the Board will ensure an appropriate balance between meeting shareholder expectations in terms of value creation, and ensuring that the company meets its legal and other obligations.

I wish to thank my predecessor and our former Chairman, Alex Abercrombie, our former Chief Executive Officer, Mohsin Tajbhai, and former Chief Financial Officer, Jayson October, for their dedicated service to the company and, in particular, for their role in the implementation of the company's strategic efforts to unlock value for shareholders.

Thank you,

**Gasant Orrie**  
Chairman





# BOARD OF DIRECTORS

EXECUTIVE DIRECTORS



Gregory Mark Bortz  
(54)

**GROUP  
CHIEF EXECUTIVE  
OFFICER**

Appointed:  
27 March 2023

Gregory is a chartered accountant holding a BBusSci degree with an honours in finance, as well as a postgraduate diploma in accounting. He formed the Bortz Bortz Family Office after retiring from a career in investment banking, private equity and accounting. The Bortz Family Office invests in private equity, real estate and publicly traded equities and bonds, and is engaged in numerous philanthropic activities.

The Bortz Family Office focuses its investment activities primarily in the United States and South Africa. Gregory serves as the Chairman of GMB Investments (Pty) Ltd ("GMBI"). GMBI is the South African holding company of the Bortz Family Office, and is involved in private equity, real estate, and public and private investing in South Africa. In addition, Gregory currently serves as Chairman of its wholly owned subsidiaries, GMB Liquidity Corporation (Pty) Ltd and GMB Support Services (Pty) Ltd. Furthermore, Gregory serves as Chairman of one of its portfolio investments, Kenilworth Racing (Pty) Ltd, the operator of horse racing in the Western Cape. GMB Liquidity Corporation (Pty) Ltd, is a majority shareholder in Grand Parade Investments Limited.



Gayasuddin Ahmed  
(43)

**FINANCIAL  
DIRECTOR**

Appointed:  
01 October 2023

Gayasuddin is a chartered accountant and holds the qualification BCompt (Hons). He has over 15 years professional experience including serving as the financial manager during his time with the Company.

Prior to joining GPI, Gayasuddin's experience included various roles across a diverse range of industries, including financial services, management consulting and retail.



Gasant Orrie  
(58)

**CHAIRMAN**

Appointed:  
25 April 2023

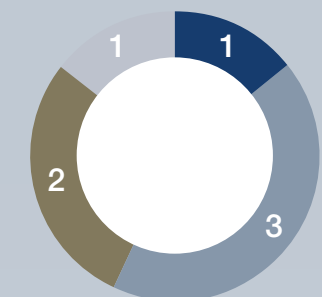
Gasant is an admitted attorney and a senior partner in global law firm Clyde & Co's corporate & commercial advisory practice.

Gasant has close to 30 years of experience and has advised clients (including companies listed on the JSE and state-owned companies) on some of South Africa's largest domestic and cross-border transactions.

He has a long history with GPI, having advised GPI as external legal counsel for many years.

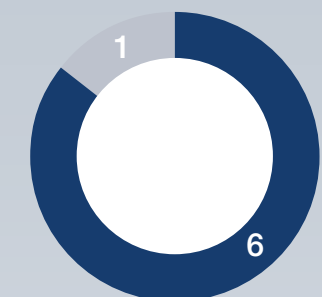
Gasant also serves on the Board of Grand Casino Investments (Pty) Ltd.

BOARD DIVERSITY: AGE



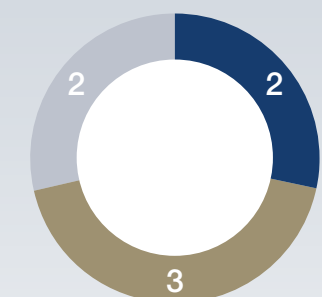
■ 31 – 40yrs ■ 40 – 50 yrs ■ 50 – 60 yrs ■ >60 yrs

BOARD DIVERSITY: TENURE



■ 0 – 5 yrs ■ 5 – 10 yrs ■ 10 – 20 yrs ■ 20+ yrs

BOARD DEMOGRAPHIC %








■ White male ■ Black female  
■ Black male



BOARD OF DIRECTORS

CONTINUED

NON-EXECUTIVE DIRECTORS		<div>Mohsin Tajbhai</div> <div>(43)</div>	<div>NON-EXECUTIVE</div> <div>DIRECTOR</div>	<div>Appointed to the Board on 28 November 2018 as an executive director and assumed the position as a non-executive director as of 04 May 2023.</div> <div>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.</div>
		<div>Rozanna Kader</div> <div>(39)</div>	<div>LEAD INDEPENDENT</div> <div>NON-EXECUTIVE</div> <div>DIRECTOR</div>	<div>Appointed: 01 February 2020</div> <div>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 and Zevocept. 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.</div>
		<div>Walter Geach</div> <div>(68)</div>	<div>INDEPENDENT</div> <div>NON-EXECUTIVE</div> <div>DIRECTOR</div>	<div>Appointed: 17 September 2013</div> <div>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.</div>
		<div>Kaamilah Finch</div> <div>(46)</div>	<div>INDEPENDENT</div> <div>NON-EXECUTIVE</div> <div>DIRECTOR</div>	<div>Appointed: 27 March 2023</div> <div>Kaamilah is a human resource professional with a BCom Honours degree in industrial psychology, a registered psychometrist with the Health Professions Council of South Africa; and a Chartered HR Professional with the South African Board of People Practices. Kaamilah has over 20 years human resources management experience. She is currently a director on the Kenilworth Racing (Pty) Ltd board and her career included, amongst other roles, being a board member of the Foodbev Seta Council and a member of the MBAWC Executive Committee.</div>







OUR  
STRATEGIC  
BUSINESS  
CONTEXT



# CRITICAL RELATIONSHIPS AND RISK MANAGEMENT

Our capacity to deliver value depends ultimately on the quality of our relationship with those stakeholders who are fundamental to our business model, and on our demonstrated ability to address their material interests. Therefore, we track the varying quality of our stakeholder relationships closely in conjunction with anticipating and strategically responding to their material issues, needs and concerns.

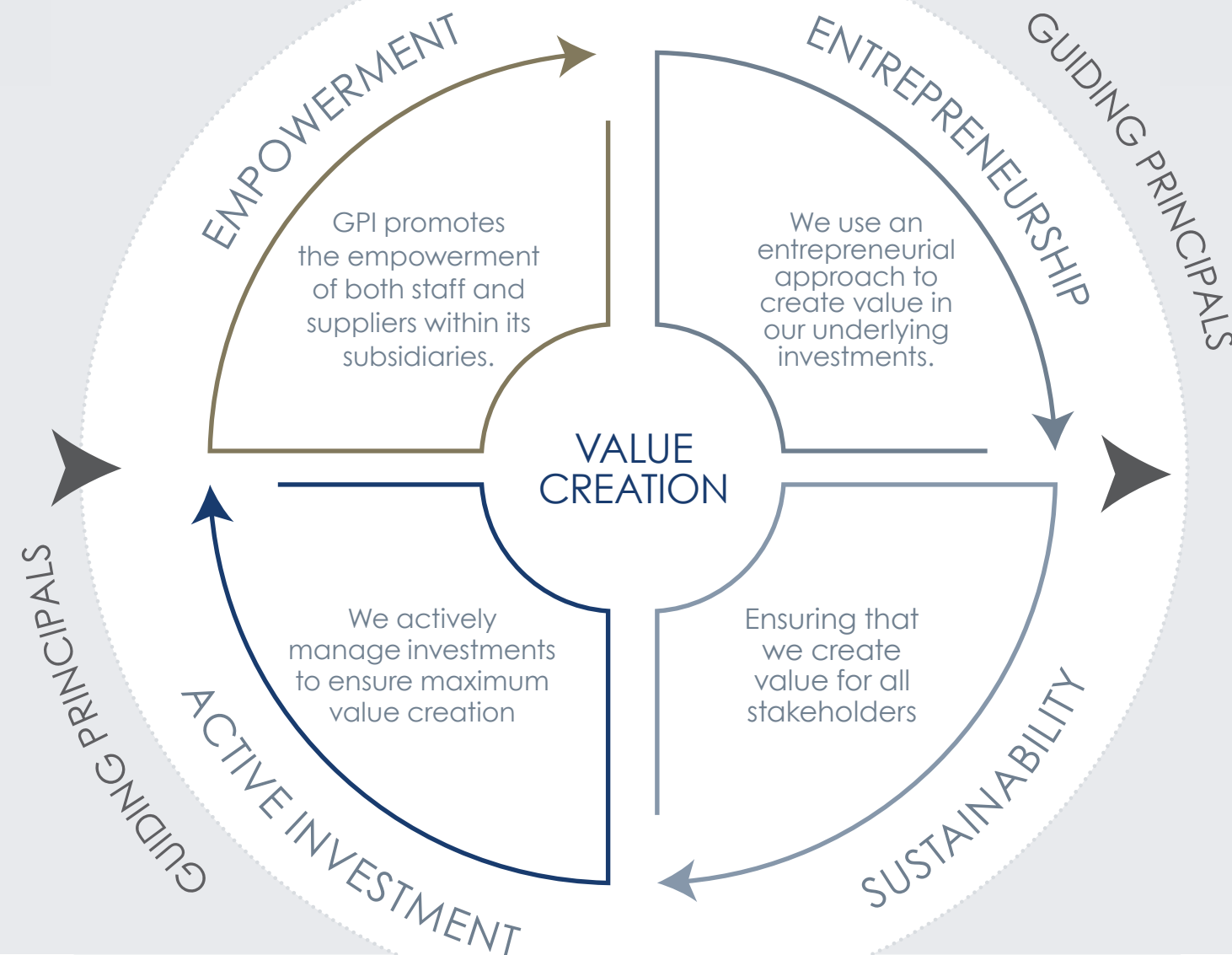
STAKEHOLDERS	MATERIAL ISSUES NEEDS AND CONCERNS	MANNER OF ENGAGEMENT
 Shareholders, investors and analysts	<ul style="list-style-type: none"> <li>• Clarity on value creation strategy</li> <li>• Detail on financial performance</li> <li>• Candid communication that manages performance expectations</li> <li>• Evidence of ability to effectively execute delivery on strategy</li> <li>• Sound corporate governance</li> <li>• Transparent executive remuneration</li> </ul>	<ul style="list-style-type: none"> <li>• Analyst presentations and one-on-one meetings held</li> <li>• Annual General Meetings held</li> <li>• Communication with the general market through SENS announcements</li> </ul>
 Community and non-governmental	<ul style="list-style-type: none"> <li>• Evidence of good corporate citizenship</li> <li>• Through its investments:             <ul style="list-style-type: none"> <li>• Address negative social impacts associated with gaming</li> <li>• Build strong relationships and positively impact local communities</li> </ul> </li> <li>• Supporting local initiatives</li> <li>• Support community upliftment</li> </ul>	<ul style="list-style-type: none"> <li>• Community and non-governmental concerns and issues are addressed through its board representation and engagement with management teams of investment entities</li> </ul>
 Employees and representatives	<ul style="list-style-type: none"> <li>• Appropriate remuneration</li> <li>• Employee engagement and retention</li> <li>• Empowerment and employment equity issues</li> <li>• Safe, healthy and congenial working conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Regular staff updates including biannual results presentation to staff members</li> <li>• Social network created to facilitate communication between staff members</li> </ul>
 Government and regulators	<ul style="list-style-type: none"> <li>• Compliance with regulatory requirements</li> <li>• Job creation, localisation, transformation and BBBEE delivery through our investments</li> <li>• Sustained contribution to national tax base</li> <li>• Transparency and clear communications</li> </ul>	<ul style="list-style-type: none"> <li>• Engaging with regulatory bodies to ensure compliance</li> <li>• Engagement with Sponsor to ensure JSE compliance</li> <li>• Regular engagement with legal counsel regarding regulatory issues</li> <li>• Regular engagement directly with national and provincial gaming boards</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>• Timely payment and fair contract terms</li> <li>• Localisation and support for enterprise development</li> </ul>	<ul style="list-style-type: none"> <li>• Direct engagement with suppliers</li> <li>• Provide feedback on service delivery</li> </ul>
 Media	<ul style="list-style-type: none"> <li>• Transparency on strategy, performance and governance</li> <li>• Evidence of responsiveness to material stakeholder interest</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly publish media releases</li> <li>• Interviews with various media houses</li> </ul>
 Lenders	<ul style="list-style-type: none"> <li>• Detail on financial performance</li> <li>• Performance against debt covenants</li> <li>• Strength of the Group's financial position</li> <li>• Sound corporate governance</li> <li>• Liquidity and solvency of the business</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly submission of results together with liquidity plans</li> <li>• Continuous engagement with lenders and institutions</li> <li>• Actively managing debt covenants</li> </ul>



# STAKEHOLDERS VALUE CREATING BUSINESS MODEL

## INVESTMENT PHILOSOPHY

-   
**IDENTIFY OPPORTUNITIES**
-   
**ACTIVELY MANAGE INVESTMENTS**
-   
**MAXIMISE VALUE**
-   
**TIMED EXIT**



## STAKEHOLDER VALUE

-   
**DELIVERING PROFIT**
-   
**LEVERAGE ASSETS**
-   
**SUSTAINABLE PLANET**
-   
**PEOPLE CENTRIC**
-   
**EMPOWERMENT OPPORTUNITIES**



# MATERIAL RISKS

	RISK	RISK DESCRIPTION	IMPACT(S) TO BUSINESS	RISK MITIGATION	STATUS
1	Loss of GrandWest exclusivity	The period of exclusivity for GrandWest has lapsed. The Western Cape High court has compelled the Western Cape Gambling & Racing Board ("WCGRB") to consider an application for the relocation of an existing outlying casino licence. This could result in the relocation of a casino within the catchment area of GrandWest.	The licence relocation will negatively affect GrandWest Casino's revenues and market share within the Western Cape.	Regular engagement with the WCGRB during the implementation of the legal framework.	Increasing
2	Decline in value of gaming assets	Load shedding has impacted the performance of the gaming assets (specifically Sun Slots) which may have an impact on the valuations of these businesses.	The decline in the value could lead to impairments of the gaming investments and a reduction of the GPI's intrinsic NAV.	Alternative power rollouts to sites affected by load-shedding. This will be done by using generators/inverters as the back up power supply.	Increasing
3	Constrained Liquidity	Load-shedding impacted the gaming businesses, specifically Sun Slots. As a result, the cash flow of Sun Slots was negatively impacted. This may affect the dividend flow from this investment, which could affect GPIs liquidity.	The negative impact on the cash flow of Sun Slots could affect GPI's liquidity and restrict the Group's cash flow.	Liquidity planning was forecasted for a period of 24 months, to understand cash requirements. Robust cash flow monitoring was implemented. The Group has the advantage of having no debt on balance sheet."	Increasing
4	B-BBEE status	Non-compliance to B-BBEE regulations	Adverse reputational impact to GPI and the possible exclusion of economic interest in the Gaming sector, due to non-compliance. The possibility of gaming licenses being denied exists, which could affect the Group's current investments.	To focus on improving the B-BBEE score through Skill Development and Enterprise & Supplier Development initiatives.	Increasing
5	Non-compliance with King IV™	Non-compliance to King IV™ regulations	Suspension of share trading, personal liability of directors, investigations from CIPC & Tribunals and fines from the JSE could be incurred.	An external company secretary has been appointed. A refresher course for King IV to be done. Charters to ensure the alignment with King IV to be reviewed.	Stable





# OUR INVESTMENT PERFORMANCE



# CHIEF EXECUTIVE OFFICER'S REVIEW



GREGORY BORTZ

The Company will continue to weigh up its options in terms of returning capital to its shareholders through dividends or saving and deploying its income in new gaming opportunities.

The 2023 financial year marked the end of the company's strategic efforts to unlock value, and the beginning of a new phase under new ownership and management.

By the end of 2023 financial year, GPI had returned to its roots as a pure-play gaming holding company, with all non-gaming investments exited. Furthermore, a new investment group (of which I am Chairman), GMB Liquidity Corporation (Pty) Ltd, acquired a majority ownership stake in GPI in the latter half of the financial year.

## ENDINGS AND NEW BEGINNINGS

In keeping with the theme of closing a chapter, our former Chief Executive Officer, Mohsin Tajbhai, and our former Chief Financial Officer Jayson October, both recently exited the company. The stakeholders of GPI owe a debt of gratitude to Mohsin and Jayson for the expert and professional way the unlock strategy was implemented. I am grateful to both Mohsin and Jayson for the manner in which they have ensured a smooth, seamless transition to new ownership, and the professionalism and expertise they demonstrated throughout the process. Fortunately for all of us, Mohsin remains on the board of GPI, and we look forward to relying on his input and guidance for many years to come. Furthermore, enormous credit must go to Jayson for his mentorship of Gayasuddin Ahmed, who received a well-deserved promotion to Financial Director. I look forward to working with Gayasuddin for many years ahead.

As a result of the change in ownership, the board of directors saw significant change. Outgoing directors included the non-executive chairman, Alexander ("Alex") Abercrombie and non-executive directors Ronel van Dijk and Mark Bowman. A big thank you is extended to them for their enormous contribution to GPI. In particular, a special acknowledgment of Alex's outstanding service to GPI is warranted. Alex joined the board of GPI in 1997 and served with distinction throughout. Thank you, Alex!

While Alex leaves behind big shoes to fill, we are so fortunate to have Gasant Orrie assuming this role going forward. Gasant has advised the company expertly over the years as the company's lead attorney. He knows our business intimately and brings a wealth of knowledge, expertise, and experience to our business. I look forward to working closely with Gasant in the years ahead.

I am grateful to Professor Walter Geach and Rozanna Kader for their continuing outstanding service on the board. I am most fortunate that they are willing to continue to serve and provide their expertise and service going forward. I would also like to welcome Kaamilah Finch to the board. As a seasoned and experienced HR executive, Kaamilah brings a unique set of skills to the board – we are lucky to have her!

## FY 2023 OBJECTIVES

The principal objectives of the Company in the past financial year were to exit all the non-gaming assets, reduce indebtedness, and unlock value for shareholders. All were achieved. This culminated in GMB Liquidity Corporation (Pty) Ltd's mandatory offer to all shareholders at R3.33 per share. This offer was completed on March 31, 2023.

Post-year-end, the Company completed the sale of all its properties and repaid all its outstanding indebtedness.

## STRATEGIES GOING FORWARD

With a return to its core gaming focus, and sitting in a debt-free, net cash position, GPI intends to identify and assess new opportunities in both the land-based and online gaming sectors. And of course, GPI will continue to contribute at the board level to the smooth running of its current outstanding suite of land-based gaming and leisure assets, which include its 30% stake in Sun Slots, its 15.1% stake in SunWest (with outsized voting rights and joint control), its 15.1% stake in Worcester Casino and its 26% stake in Infiniti Gaming. All businesses in South Africa face economic challenges as a result of an uncertain economic environment, load-shedding, and other macroeconomic factors. This requires us to be nimble, proactive and resourceful in protecting our investments and maximising our returns.

The Company will continue to weigh up its options in terms of returning capital to its shareholders through dividends or saving and deploying its income in new gaming opportunities.

## CONCLUSION

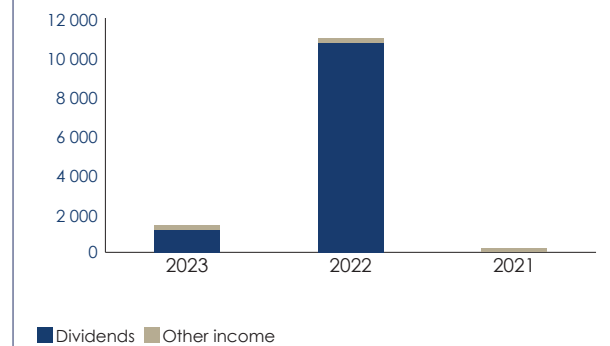
I am grateful to the efforts of the GPI management team and board for all their efforts over the past year. Although only in the CEO seat for a few months, I am enthused by the opportunities that lie ahead and look forward to working with the dedicated GPI employees and board in maximising GPI shareholder value in the years ahead.



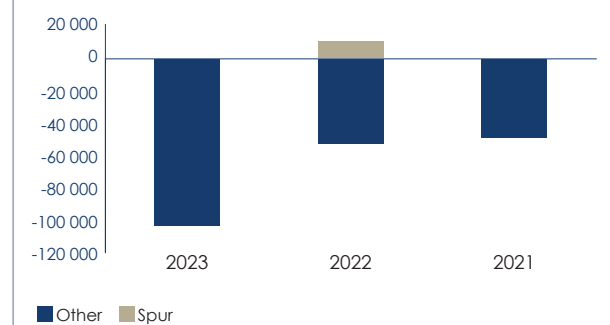
# SALIENT FEATURES

## Group information

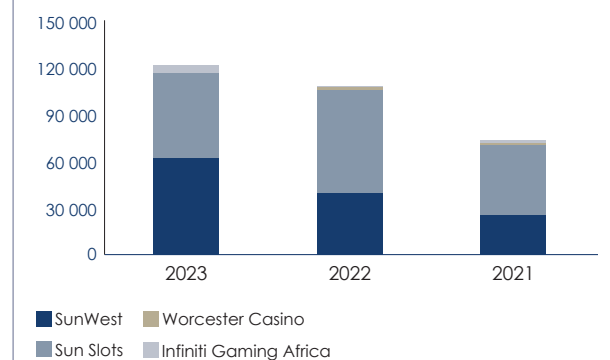
REVENUE R'000



EBITDA R'000



EQUITY ACCOUNTED EARNINGS R'000



**R24.8m**

INCREASE  
IN HEADLINE  
EARNINGS

**R85.9m**

DECREASE IN  
TOTAL DEBT

**R20.8m**

INCREASE IN  
NPAT FROM  
CONTINUING  
OPERATIONS

**R105.1m**

NET DECREASE  
IN CASH  
(AFTER DEBT  
AND DIVIDEND  
PAYMENTS)

**12 cents**

DIVIDEND PAID  
IN DECEMBER  
2022



# GROUP FINANCIAL DIRECTOR'S REVIEW



GAYASUDDIN AHMED

The gaming assets' headline earnings contribution increased by R13.0 million, from R107.9 million in the prior period, to R120.9 million in the current period.

## INTRODUCTION

Grand Parade Investments (GPI) performed well over the financial year with headline profit for the year improving by R24.7 million (180%) from a headline loss of R13.7 million to a headline profit of R11.0 million.

The positive performance of the Group was driven by the gaming assets, which performed well over the financial year, despite the challenges faced by increased load-shedding and other macro-economic issues. The business of Sun Slots was particularly affected by these power cuts. Despite the challenges faced, the gaming assets contributed R120.9 million to headline earnings over the year, an increase of R13.0 million (12%), compared to the prior year.

GPI's implementation of its strategy to unlock value in the prior years, with the exit of the food businesses and the liquidation of loss-making subsidiaries, yielded positive results for the 2023 year with the Group returning to positive headline earnings.

## GROUP FINANCIAL REVIEW

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

GPI reported a significant improvement in its headline earnings from a loss of R13.7 million to a profit of R11.2 million. The major contributing factors are outlined below:

- The gaming assets' headline earnings contribution increased by R13.0 million, from R107.9 million in the prior period, to R120.9 million in the current period. The increase in earnings is largely due to the recovery of SunWest in the current year compared to the prior year.
- Central costs increased by R54.2 million in the current period, largely due to transaction costs related to the mandatory offer and the restructuring of the Group.
- The loss-making subsidiary, Mac Brothers was liquidated during the prior year, which resulted in an increase in the earnings.

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

	30 June 2023 R'000	30 June 2022 R'000	Movement	
			R'000	%
<b>Food</b>	–	9 279	(9 279)	(100%)
Spur	–	9 279	(9 279)	(100%)
<b>Gaming</b>	<b>120 987</b>	107 904	13 083	12%
SunWest	<b>61 988</b>	39 174	22 814	58%
Sun Slots	<b>53 905</b>	65 831	(11 926)	(18%)
Worcester Casino	<b>(173)</b>	2 248	(2 421)	(108%)
Infiniti Gaming Africa	<b>5 267</b>	651	4 616	709%
<b>Central costs</b>	<b>(100 787)</b>	(46 571)	(54 216)	(116%)
Corporate costs (excluding transaction costs, legal fees, tax and finance costs)	<b>(32 052)</b>	(26 881)	(5 171)	(19%)
Transaction costs, legal fees and taxation	<b>(68 792)</b>	(15 082)	(53 710)	(356%)
Net corporate finance costs	<b>57</b>	(4 608)	4 665	101%
<b>Expected credit loss and write-off of receivables relating to Mac Brothers</b>	–	(61 677)	61 677	100%
Loan impairment	–	(48 081)	48 081	100%
Receivable write-off	–	(13 596)	13 596	100%
<b>Headline earnings – Continuing operations</b>	<b>20 200</b>	8 935	11 265	126%
<b>Discontinued operations</b>	<b>(9 166)</b>	(22 684)	13 518	60%
Burger King	–	12 091	(12 091)	100%
Mac Brothers	–	(31 412)	31 412	100%
Grand Foods Meat Plant	–	265	(265)	100%
GPI Properties	<b>(9 166)</b>	(3 628)	(5 538)	(153%)
<b>Headline earnings (B+C)</b>	<b>11 034</b>	(13 749)	24 783	180%



GROUP FINANCIAL DIRECTOR’S REVIEW CONTINUED

DIVIDENDS

An ordinary dividend of 12 cents per share was paid on 5 December 2022 relating to the 2022 financial year.

CAPITAL STRUCTURE

The Group reduced its debt by R85.9 million during the year due to a repayment of R50.0 million on its preference debt and R35.9 million on its term loan and finance leases.

Description		30 June 2023 R'000	30 June 2022 R'000	Movement R'000	%
Holding company facilities		50 000	100 000	(50 000)	50%
SunWest and Sun Slots	Preference shares	50 000	100 000	(50 000)	50%
Subsidiary facilities		–	35 868	(35 868)	100%
GPI Properties	Term loans (Mortgage)	–	35 868	(35 868)	100%
Total debt		50 000	135 868	(85 868)	63%

\* Total debt refers to the non-current and current portions of the preference shares and interest-bearing borrowings.

REVIEW OF GAMING OPERATIONS

SunWest

SunWest’s revenue increased by R527.0 million from R1.719 billion in the prior year to R2.245 billion in the current year. EBITDA increased by 27% from R533.2 million in the prior year to R729.6 million in the current year.

Net Profit after tax increased by 47% to R410.5 million for the year (2022: R218.8 million).

Total dividends of R315.0 million were paid for the year of which the Group’s portion was R47.60 million.

Sun Slots

The Sun Slots business has been affected by the increased load-shedding experienced in the current year, which reduced the footfall of patrons at sites.

Despite the impact of load-shedding on the businesses of Sun Slots, revenue increased by 6% from R1.414 billion in the prior year, to R1.493 billion in the current year.

EBITDA decreased by 10% from R401.7 million in the prior year to R361.7 million in the current year.

Net Profit after Tax decreased by R39.7 million from R219.4 million in the prior year to R179.7 million in the current year. Dividends of R260 million were paid for the year of which the Group’s portion was R78 million.

Worcester Casino

Worcester Casino revenue increased by R10.9 million from R120.2 million in the prior year to R131.1 million in the current year. EBITDA for the current year remained unchanged from prior year at R10.9 million.

Dividends of R6.5 million were paid for the year of which the Group’s portion was R0.9 million.

OTHER

Central costs

The Group’s net central costs (excluding funding cost and transaction costs) for the year amounted to R32.0 million, which is 19% higher than the central costs of R26.9 million in the prior year. This is primarily a result of the increased audit fees relating to the BKSA audit in the prior year and the 2022 audit fee for the Group.

Share capital

No new shares were issued or bought back during the period. Details of the share and the share capital of the Company both authorised and issued have been disclosed in note 26 of the Consolidated Annual Financial Statements.

Treasury shares

At, 30 June 2023, a total of 39.3 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 0.49 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 5 000 redeemable preference shares (SunWest) held by RMB at a redemption price of R10 000 per share, totaling R50.0 million.

Borrowings

The terms of the Group’s borrowings are fully disclosed in note 22 of the Consolidated Annual Financial Statements. In terms of the Memorandum of Incorporation of the Company and its subsidiaries, the borrowing powers of the Directors of these companies are unlimited.

Directors and Company Secretary

During the year, directorate changes took place. Refer to the Composition of the Board on page 36.

The Company Secretariat remained unchanged.

Directors’ interest in contracts

Details of the directors’ interests in contracts and transactions with the Group are disclosed in note 8 of the Consolidated Annual Financial Statements.

Going concern

The Consolidated Annual Financial Statements have been prepared on the going concern basis.

Management performed various scenario analyses considering the likelihood of a further impact on the underlying businesses of potential macro-economic shocks and the continued negative effects of load shedding. Based on this assessment and the available financial resources of the Group, together with anticipated cash flows from continuing operations, management is satisfied and comfortable to confirm the going concern status of the Group. The Board has performed a review of the Group’s ability to continue trading as a going concern in the foreseeable future and based on this review, considered the presentation of the financial statements on a going concern basis to be appropriate.

There are no pending or threatened legal or arbitration proceedings that have had or may have a material effect on the financial position of the Group.







 **15.1%**  
Effective ownership

 **R61.9m**  
Contribution to GPI  
**Headline earnings**  
(2022: R39.2m contribution)

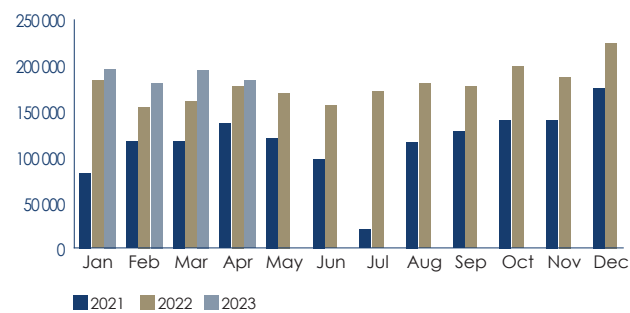
 **R47.6m**  
Dividends received  
(2022: R52.9m)

 **15.1%**  
Effective ownership

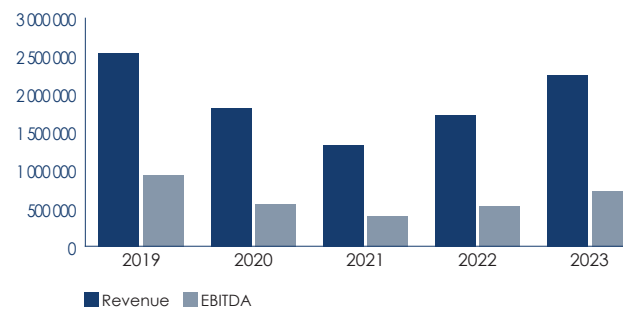
 **R0.2m**  
Contribution to GPI  
**Headline earnings**  
(2022: R2.2m loss)

 **R0.9m**  
Dividends received  
(2023: R3.8m)

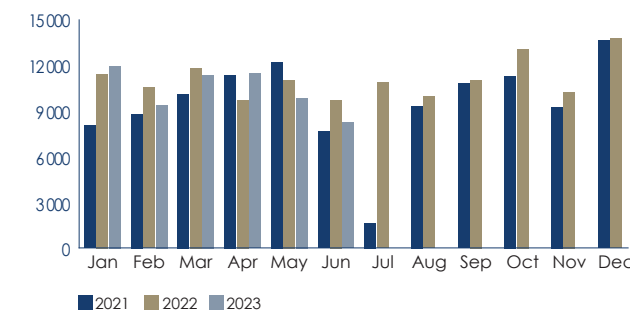
REVENUE R'000



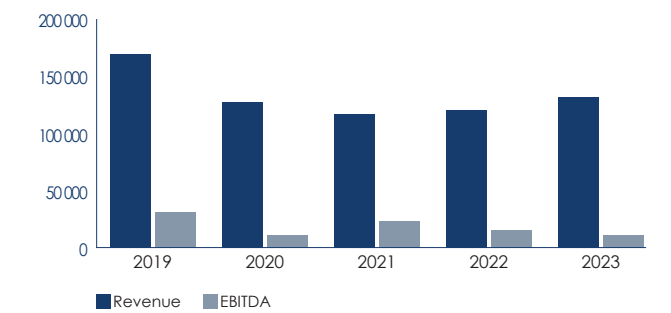
EBITDA R'000



REVENUE R'000



EBITDA R'000







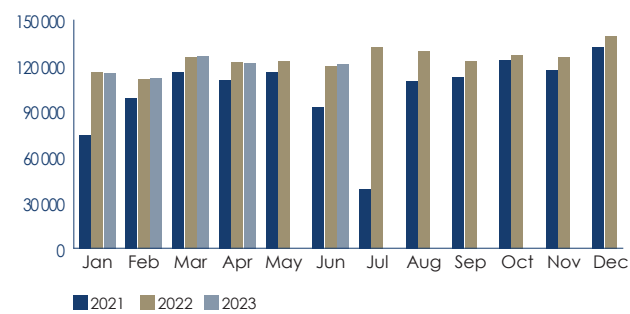
Sun Slots

**30.0%**  
Effective ownership

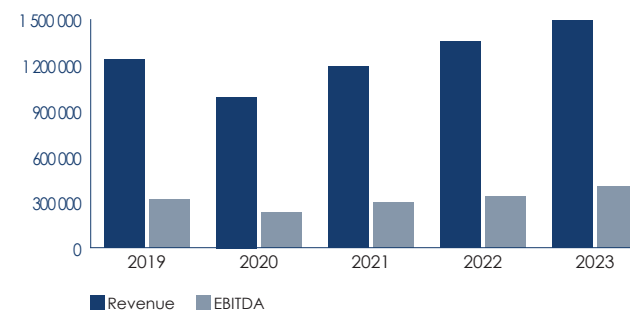
**R53.9m**  
Contribution to GPI  
**Headline earnings**  
(2022: R65.8m contribution)

**R78m**  
Dividends received  
(2022: R75m)

REVENUE R'000



EBITDA R'000



Infiniti Gaming

**26%**  
Effective ownership

**R5.3m**  
Contribution to GPI  
**Headline earnings**  
(2022: R0.7m)

**R53.4m**  
**REVENUE**  
(2022: R41.3m contribution)





GPI Properties

 **100%**  
Effective ownership

 **R9.1m loss**  
Contribution to GPI  
**Headline earnings**  
(2022: R3.6m contribution)

 **Rnil**  
Dividends received  
(2022: Rnil)







# CORPORATE GOVERNANCE



# CORPORATE GOVERNANCE REPORT

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

Responsibility for ensuring full and effective control of the Group's businesses, as well as the overall strategy, performance and governance of the Group, rests with the Board. The day to-day responsibility for ensuring that the Group's businesses are managed appropriately rests with executive management who have clearly defined roles and reporting lines to the Board. The directors confirm that, to the best of their knowledge, during the 2023 reporting period the Group has in all material respects applied the principles and recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") and where such application has not been complied with, explains the factors and circumstances resulting in an alternative application.

## COMPLIANCE WITH LAWS AND REGULATIONS

The directors confirm that, to the best of their knowledge, GPI i) complied with the provisions of the Companies Act of South Africa, and ii) operated in accordance with its memorandum of incorporation, during the year under review.

## KING IV™

King IV™ came into operation on 1 November 2016 and on 19 June 2018 the JSE Listings Requirements ("Listings Requirements") were amended to include the provision for the adoption of certain King IV™ recommendations and other governance arrangements. GPI's King IV application register and its material risk register are available on the GPI website [www.grandparade.co.za](http://www.grandparade.co.za).

## THE BOARD OF DIRECTORS

The Board believes that its composition does reflect:

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

### BOARD STRUCTURE

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

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

### Composition of the Board

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

During the financial year, and up until the date of this report the following changes to the directorate took place:

- G Bortz, appointed 27 March 2023 to the Board and became CEO of the Group with effect from 02 May 2023
- G Orrie, appointed 25 April 2023 as Chairman of the Group
- K Finch, appointed 27 March 2023 to the Board
- M Tajbhai, resigned in May 2023 as CEO of the Group and was appointed as a non-executive director
- G Ahmed, appointed 01 October 2023 to the Board
- A Abercrombie, resigned 07 April 2023
- M Bowman, resigned 06 April 2023
- R van Dijk, resigned 06 April 2023
- M Nkosi, resigned 14 November 2022
- J October, resigned 30 September 2023

### Broader diversity policy

The Board has adopted a broader diversity Policy at Board level to formalise its objectives for the continued achievement of diversity.

The Remuneration and Nomination Committee, in collaboration with the Social and Ethics Committee, consider and annually agree on measurable targets for achieving race and gender diversity at Board level. In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider individuals on merit against objective criteria and with due regard for the potential benefits of race and gender diversity.

The Group has set a target to ensure that the Board composition remains at a minimum 20% of female and 60% black representation and has complied with this during the reporting period to 30 June 2023.

### Board appointments

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

Proposals for election/re-election to the Board are, after review, recommended by the Nomination Committee to the Board for consideration and nomination for final approval by the shareholders.

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

At the AGM on 08 December 2023, by rotation Prof. Walter Geach will retire and offer himself for re-election.

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

### Director independence

Kaamilah Finch is classified as an independent non-executive director. The Board is satisfied that this director, through her conduct at Board and Committee meetings, have displayed independence of mind in her decision-making and that there are no relationships or circumstances which could affect, or could appear to affect her independence.

Professor Walter Geach stepped down as the Lead Independent non-executive Director with effect from 01 July 2023 and will remain on the board as an independent non-executive director and chairperson of the audit committee.

The Board has appointed Rozanna Kader who has served on the Board since 2020 as the new lead independent non-executive director to strengthen independence on the Board and to chair discussions and decision-making by the Board on matters where the chair has a conflict of interest.

### Board Committee composition

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

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

Further details about the Committee memberships and their terms of reference are given in the individual Committee reports on pages 40 to 48.

### Board and Committee evaluations

No Board and/or Committee evaluations were conducted during the Reporting period due to the substantial changes to the Board composition during the Reporting period. The Chairperson of the Remuneration and Nomination Committee, in consultation with the Chairman and Company Secretary, will evaluate the effectiveness of the Board in the next 12 months.

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



# CORPORATE GOVERNANCE REPORT CONTINUED

## Group Financial Director

The Audit and Risk Committee and the Board are satisfied that Gayasuddin Ahmed possesses the appropriate experience and qualifications for this position. A review of the effectiveness of the Group Financial Director and the Finance function has been undertaken by the Audit and Risk Committee and the Committee is satisfied as to their effectiveness and that appropriate financial reporting procedures are in place and are operating. In this regard refer to the report of the Audit and Risk Committee on page 40 of this report.

## Company Secretary

All directors have access to the support and services of the Company Secretary, Statucor (Pty) Ltd who is responsible for the duties set out in section 89 of the Companies Act, No.71 of 2008, as amended, ("Companies Act") and for ensuring compliance with the Listings Requirements.

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

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

## DEALING IN SECURITIES AND INSIDER TRADING

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

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

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

## DISCLOSURES AND CONFLICTS OF INTEREST

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

## DIRECTORS' REMUNERATION

Details of the remuneration paid to directors in the reporting period ended 30 June 2023 are contained in the financial statements, the Notice of AGM posted to shareholders on 31 October 2023 and are included in the Remuneration and Nomination Committee Report on page 42.

Non-executive directors' remuneration is based on a scale that considers the director's role on the Board and the various Board committees. Fees are accordingly not linked to the performance of the Group and non-executive directors do not participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to the non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The Remuneration and Nomination Committee, with the Board's endorsement, have not proposed any increase or changes to the fees of non-executive directors for the ensuing year.

At the 2022 AGM of the Company, the shareholders, votes indicated their endorsement of the Company's Remuneration Policy as well as the report of the implementation of the Remuneration Policy within the business with the votes cast on these resolutions in favour thereof at 98.84% and 98.88% respectively.

## BOARD MEETINGS

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

An overview of Board and Committee meeting attendances during the Reporting period is provided in table 1 on page 39.

## GOVERNANCE PRACTICES

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

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

### Values and ethics

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

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

## Oversight of risk

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

A complete review of the Group's risk management processes and reporting framework has been completed and reviewed by the Audit and Risk Committee.

## IT governance

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

**Table 1: Director Board and committee meeting attendance during the 2023 financial year**

Director	Designation	GPI Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Investment Committee
G ORRIE	Non-executive Chairperson	2/8	2/6			
G BORTZ	Chief Executive Officer	3/8				
M TAJBHAI	Non-executive director	8/8			1/1	
W GEACH	Independent non-executive director	8/8	5/6	3/4		
R KADER	Lead Independent non-executive director	7/8		4/4	1/1	
K FINCH	Independent non-executive director	3/8		3/4		
A ABERCROMBIE	Non-executive director	4/8		1/4	1/1	1/1
J OCTOBER	Chief Financial Officer	8/8	6/6			
M BOWMAN	Independent non-executive director	3/8	2/6	1/4		1/1
R VAN DIJK	Independent non-executive director	5/8	4/6			
M NKOSI	Non-executive director	3/8		1/4		1/1

Refer to page 36 for changes to the directorate.



# BOARD COMMITTEES AND REPORTS

## AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is a formally constituted committee of the Board. It is appointed by the shareholders to assist the Board with its corporate governance oversight duties. The Committee operates independently of management and acts in accordance with its statutory duties and the delegated authority of the Board as documented in a formal Charter. The composition of the Audit and Risk Committee of Grand Parade Investments Limited complies with all statutory requirements relating thereto including the Companies Act (No. 71 of 2008) of South Africa (Companies Act). The committee is made up of WD Geach (CA (SA), BA LLB (CPT), MCom FCIS), Chairman, K Finch (BCom Honours Industrial Psychology) and G Orrie (BA LLB (CPT)).

The board has considered Mr Orrie's role as a member of the audit and risk committee, whilst being the chairman of the board, and is satisfied that the applicable principles of King IV™ are complied with, and that all its members are independent.

The following members resigned from the committee during the financial year – Ronel van Dijk and Mark Bowman (06 April 2023).

All four meetings of the Committee have been attended by the majority of the members.

During the reporting period, the Committee attended to the following:

### Engagement with external auditors

- nominated and recommended to shareholders the appointment of the external auditor of the Company and the Group who is a registered auditor;
- satisfied itself that the incoming external auditor is independent of the Company, as set out in Section 94(8) of the Companies Act, and suitable for appointment by considering *inter-alia*, paragraph 3.84 (g)(iii), and the information stated in paragraph 22.15(h) of the JSE Limited Listings Requirements ("JSE Listings Requirements");
- considered and approved the terms of engagement of the external auditor and the extent and scope of the audit and the timing thereof;
- in consultation with management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2023 financial year;
- prior to the commencement of the audit, determined and recommended the audit fees to be paid to the auditor;
- approved the nature and extent of non-audit services that the external auditor may provide; and
- reviewed and made recommendations to the Board in respect of the publicly disclosed financial information including the interim results for the six months ended 31 December 2022 and the audited annual results for the 2023 financial year.

### Internal financial controls, and internal audit function

- reviewed and approved the internal audit annual work plan, as well as the quarterly internal audit report;
- reviewed the internal auditor's reports and noted the findings thereof and reported to the Board in connection therewith;
- assessed internal financial controls and concluded that, although there were deficiencies in the internal financial controls, noted adequate measures have been taken where appropriate to provide reasonable assurance that the annual financial statements fairly present in all material respects the financial position, performance and cash flows of the Group; and
- considered and confirmed its satisfaction with the effectiveness of the internal audit function, as well as the expertise and experience of the internal auditor.

### Oversight of risk management including IT

- satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditor, that the risk management processes and systems of internal financial controls are effective and forms a basis for the preparation of reliable financial statements;
- reviewed and considered the report by internal audit on the integrity and robustness of the Group's risk management processes;
- reviewed and considered the status of financial, Information Technology and internal controls, for the year under review, and reviewed and accepted the reports relating thereto; and
- implemented POPIA Framework and associated policies across the business that promotes a robust level of protection and ethical use of Personal Data.

### Complaints and concerns

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

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

### Annual financial statements and reporting

- satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that the Company be regarded as a going concern;
- reviewed the accounting policies and financial statements for the year ended 30 June 2023 and, based on the information provided to the committee, considered that the Company and Group complies, in all material respects, with the requirements of International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act and the JSE Listings Requirements;
- considered and reviewed management implementation of the JSE Limited's ("JSE") latest report on the proactive monitoring of financial statements for compliance with IFRS and ensured that the listing requirements were complied with;
- ensured that the appropriate financial reporting procedures exist and are operating as required by the JSE Listing Requirements paragraph 3.84(g)(ii);
- satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the Company's CFO, as well as the group finance function, has the appropriate expertise and experience and where weaknesses were identified that appropriate remedial action was put in place and have been communicated to the committee and its external auditors; and
- undertook the prescribed functions in terms of section 94(7) of the Companies Act, on behalf of the subsidiary companies of the group.

### Key audit matters

The Committee considered the following areas of audit emphasis and key audit matters raised by the external auditors in relation to the audit of the consolidated financial statements:

The Committee interrogated the following areas of audit emphasis and key audit matters raised by the external auditors in relation to their audit of the consolidated financial statements:

- Measurement, valuation and disclosure of discontinued operations. Based on the work performed by the external audit and management support the committee is satisfied with these key audit matters.

Based on the work performed by the external audit and management support the committee is satisfied with these key audit matters.



**W GEACH**  
Chairman  
Audit and Risk Committee

31 October 2023



# BOARD COMMITTEES AND REPORTS CONTINUED

## REMUNERATION AND NOMINATION COMMITTEE REPORT

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

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

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

### Membership

As at 30 June 2023, the Committee comprised of three non-executive directors and is chaired by an Independent non-executive director. During the 2023 financial year, the Committee was constituted as follows:

- Kaamilah Finch, Chairperson (independent non-executive director)
- Rozanna Kader (independent non-executive director)
- Walter Geach (independent non-executive director)

The following members resigned from the committee during the financial year –

Alex Abercrombie (07 April 2023)

Mark Bowman (06 April 2023)

Monde Nkosi (14 November 2023)

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

The committee's annual meeting schedule makes provision for two meetings per year and provision is made for additional meetings to be held when the need arises. Details of the meetings held during the 2023 financial year and members' attendance at the meetings are included in the table on page 39.

### Terms of reference

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

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

- the annual review of the remuneration policy and practices applied in the Group and reporting thereon to the Board or making recommendations to the Board for amendment of the policy and/or practices;
- reviewing and recommending (to the Board) the remuneration for executive directors, non-executive directors, divisional Company directors (where applicable) and/or senior executives ensuring that the remuneration is fair and responsible in the context of overall employee remuneration (i.e. that the gap between the remuneration of executives and employees at the lower end of the pay scale is addressed);
- reviewing and approving the remuneration principles that are applied in respect of all other employee levels in the Group, including changes to the benchmarking methodology used for setting base salaries and incentive targets; the methodology to be applied in respect of performance-based rewards and/or incentive and retention bonuses;
- determining and recommending to the Board the terms and conditions of executive directors' employment agreements, including the performance criteria or metrics to be applied in setting the executive directors' and senior executives' remuneration levels;
- considering and measuring the individual performances of executive directors and senior executives against the criteria or metrics approved by the Board, ensuring performance aligns with positive outcomes relative to the Group strategic, operating and financial objectives and merits the rewards being recommended to the Board;
- considering management's proposals for annual salary adjustments for employees in the Group and making recommendations in this regard to the Board;

- overseeing the preparation of the annual remuneration report for approval by the Board and for consideration by shareholders by means of the non-binding shareholder vote at the Annual General Meeting. The Committee must ensure that the remuneration report provides the necessary level of disclosure set out in King IV™;
- engagement with Dissenting Shareholders and framing of measures that appropriately address such shareholders' legitimate and reasonable objections and concerns, including amendment of the remuneration policy or clarifying or adjusting remuneration governance processes;
- adopting a formal and transparent procedure for the nomination of candidates for appointment to the Board (including interviewing potential candidates) and subsequently, for referring recommendations for nominations to the Board;
- making recommendations to the Board on the re-election of directors retiring by rotation, taking into account governance requirements such as director independence, evaluation of the performance and attendance of such directors, and taking into account the director's past performance and contribution to the Board;
- overseeing the annual evaluation of the Board's effectiveness and that of the Committees of the Board according to a formal process (either externally facilitated or by means of an internal methodology approved by the Board). The evaluation must be performed at least every two years; and
- determining and recommending to the Board appropriate long-term succession plans for all key positions in the Group, particularly for the chairperson, executive directors and senior executives in the Group, and ensure implementation of approved succession plans.

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

## REMUNERATION REPORT

In accordance with King IV™ and in compliance with the JSE Listings Requirements, the GPI remuneration policy and implementation of the policy have been proposed for endorsement by shareholders at the Company's 2023 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 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 shifted strategy to unlock value through a controlled sale of assets and in doing so, the remuneration policy was changed to align the incentives with the proposed strategy. During 2023 GPI completed its value unlock strategy and accordingly the remuneration policy has been updated to align incentives accordingly.

### Remuneration policy and approach

The remuneration of executive directors comprises a total guaranteed cost to company component and a performance incentive. Given the completion of the value unlock strategy, the Group reinstated its short term and long-term incentives which are aligned with the present strategy of the Group.

The proposed incentive is aligned with the major objectives of the Group which are:

- to provide strict oversight and input at the board level of all our existing investments.
- to firmly monitor the gaming investments' dividend policies to ensure maximum cash flow to GPI.
- to sell all GPI's non-gaming assets, investments, and properties.
- to evaluate selective mergers and acquisitions opportunistically and proactively in the gaming/gaming-related space.

### Guaranteed pay

Guaranteed pay has been benchmarked against the peer group included in the local salary survey. The table below outlines the proposed total fixed pay for the CEO with CFO oversight duties and the FD.

### Total guaranteed pay for the CEO and FD

Job title	Median	Upper quartile	Total guaranteed pay
Chief Executive Officer* (including CFO oversight duties)	4 754 456	5 605 397	8 300 000
Financial Director	1 421 231	1 705 478	1 300 000

\* The median and upper quartile salary benchmarks are for the CEO role only. The GPI executive fulfills the role with CEO responsibilities, including CFO oversight duties.



BOARD COMMITTEES AND REPORTS CONTINUED

Short-term incentives

The executive directors will be eligible to participate in the short-term incentive scheme in accordance with the rules of the scheme.

The short-term incentives are based on pre-determined Key Performance Indicators (KPIs) for the executive directors. The KPIs differ between the CEO and the FD.

Chief Executive Officer

The short-term incentive for the CEO is capped at 200% of the CEO's guaranteed pay. The KPIs and the weighting thereof is shown in the table below:

Key performance indicator	STI weight
Growth in normalised HEPS	35%
Growth in dividends paid	35%
Strategic achievements	20%
Improvements in B-BBEE level	10%
	100%

<sup>(1)</sup> Growth in normalised HEPS will be calculated after adjustment for any abnormal items

<sup>(2)</sup> Growth in dividends paid will exclude any special dividends paid

<sup>(3)</sup> The assessment of the Strategic achievements score will be based on a portfolio of evidence presented by the CEO to the Remco.

Financial Director

The short-term incentive for the FD is capped at 30% of the FD's guaranteed pay. The KPIs and the weighting thereof is shown in the table below:

Key performance indicator	STI weight
Decrease in central cost	14.3%
Audit overruns	14.3%
Treasury management	14.3%
Timeous delivery of results	14.3%
Accuracy of results	14.3%
Budgeting (income and cash flow)	14.3%
CEO/ARC subjective performance review	14.3%
	100.0%

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 fulfill 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 fulfill 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 Claw back 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; and/or
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; and/or
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 2023 financial year. The annual salary increases were based on various factors, ranging from but not limited to the company's performance, average CPI and market salary increase indicators, amongst others. During the 2023 financial year, the Remco benchmarked the salaries against the PwC's report on executive directors' remuneration and trends. Incentives for the 2023 financial year were calculated based on the KPI's aligned with the Groups strategy to unlock value through a controlled sale of assets.

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. 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.

Voting at the previous Annual General Meeting

As prescribed by the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") and required by the JSE Listing requirements, GPI presented its remuneration policy and the implementation report thereon to shareholders for a non-binding advisory vote at its previous AGM held on 30 November 2022. Shareholders representing 47.12% of the total votes exercisable were in attendance whether in person, by proxy or authorised representative, and the results from their voting were:

Vote	Resolutions For	Resolutions Against
Non-binding endorsement of remuneration policy	98.84%	1.16%
Non-binding endorsement of implementation report on the remuneration policy	98.88%	1.12%

Table 1: Non-executive directors' fees

	PROPOSED FEES 1 January 2024 to 31 December 2024			
	Number of meetings per annum (indicative)	Base fee R	Attendance R	Attendance fee above minimum number of meetings R
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
Chairpersons of the Audit & Risk Committee, Remuneration & Nomination Committee, Social & Ethics Committee and Investment Committee	4	45 980	31 350	
Members of the Audit & Risk Committee, Remuneration & Nomination Committee, Social & Ethics Committee and Investment Committee	4	31 350	16 198	

Note: All amounts are exclusive of VAT

Remuneration received by directors in the 2023 financial year

Details of the remuneration, STIs and LTIs received by the executive and non-executive directors during the 2023 financial year can be found at Table 2 on pages 46 and 47 respectively.

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 2023 financial year are set out above.

The Remco, with the Board's endorsement, have proposed that there be no increase in the fees paid to non-executive directors for the ensuing 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 fees currently paid to non-executive directors for their services as directors as well as the proposed fees to be paid from 1 January 2024 are contained in Table 1 above.



K Finch  
Chairperson  
Remuneration and Nomination Committee

31 October 2023



# BOARD COMMITTEES AND REPORTS CONTINUED

## DIRECTORS EMOLUMENTS

Table 2: Executive and non-executive directors' fees paid for 2023

2023	Salary R'000	Long-term benefits <sup>(1)</sup> R'000	Bonuses R'000	Directors' fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Share-based payment expense R'000
<b>Executive directors</b>										
M Tajbhai <sup>(2)</sup>	1 450	215	9 150	–	–	–			10 815	161
J October	1 135	113	5 761	–	–	–			7 009	58
G Bortz	1 093	65	–	–	–	–			1 158	–
<b>Sub-total</b>	<b>3 678</b>	<b>393</b>	<b>14 911</b>	<b>–</b>	<b>–</b>	<b>–</b>			<b>18 982</b>	<b>219</b>
<b>Non-executive directors</b>										
A Abercrombie <sup>(2)</sup>	–	–	–	670	–	39	39	66	814	–
W Geach	–	–	–	324	181	–	–	–	505	–
M Bowman <sup>(2)</sup>	–	–	–	196	55	113	39	–	403	–
R van Dijk <sup>(2)</sup>	–	–	–	274	90	–	–	–	364	–
M Nkosi <sup>(2)</sup>	–	–	–	108	–	31	45	–	184	–
R Kader	–	–	–	137	–	95	6	47	285	–
M Tajbhai	–	–	–	53	–	–	–	7	60	–
G Orrie	–	–	–	172	38	–	8	–	218	–
K Finch	–	–	–	100	39	104	–	–	243	–
<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 034</b>	<b>403</b>	<b>382</b>	<b>137</b>	<b>120</b>	<b>3 076</b>	<b>–</b>
<b>Total</b>	<b>3 678</b>	<b>393</b>	<b>14 911</b>	<b>2 034</b>	<b>403</b>	<b>382</b>	<b>137</b>	<b>120</b>	<b>22 058</b>	<b>219</b>

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

<sup>(2)</sup> These directors have resigned during the financial year. M Tajbhai resigned as the Chief Executive Officer of GPI and he was appointed as a non-executive director on the board in May 2023.



## BOARD COMMITTEES AND REPORTS CONTINUED

### SOCIAL AND ETHICS COMMITTEE REPORT

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

The Committee is constituted in terms of the Companies Act, No 71 of 2008, as amended and comprises of both non-executive and executive directors. During the 2023 financial year, the Committee was constituted as follows:

- Mohsin Tajbhai (Chairperson non-executive director)
- Gregory Bortz (executive director)
- Rozanna Kader (non-executive director)

The following member resigned from the committee during the financial year –

Alex Abercrombie (07 April 2023)

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

- The Company's standing with regard to the 10 principles set out in the United Nations Global Compact Principles ("Principles");
- The Company's standing with regard to the recommendations of the Organisation for Economic Co-operation and Development ("OECD") regarding corruption;

- The Employment Equity Act (No 55 of 1998), the purpose of which is to achieve equity in the workplace;
- The Broad-Based Black Economic Empowerment Act (No 53 of 2003), the objectives of which are to facilitate B-BBEE;
- Environment, health and public safety including the impact of the company's activities and its products or services on the environment, health and public safety;
- Consumer relationships, including ethically founded advertising, public relations and compliance with consumer protection laws; and
- Labour and employment.

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

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



**MOHSIN TAJBHAI**

*Chairman: Social and Ethics Committee*

## GENERAL INFORMATION RELATING TO SHAREHOLDERS

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	1 757	26.25%	441 981	0.09%
1 001 – 10 000	3 618	54.06%	17 283 697	3.68%
10 001 – 100 000	1 224	18.29%	31 746 617	6.75%
100 001 – 1 000 000	86	1.28%	21 145 194	4.50%
Over 1 000 000	8	0.12%	399 405 252	84.98%
<b>Total</b>	<b>6 693</b>	<b>100.00%</b>	<b>470 022 741</b>	<b>100.00%</b>

Distribution of Shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Banks, Brokers and Nominees	7	0.10%	515 273	0.11%
Close Corporations	23	0.34%	2 555 592	0.54%
Employee Share Schemes	2	0.03%	496 130	0.11%
Non-SA Custodians	3	0.04%	204 410	0.04%
NPO and Charity Funds	2	0.03%	4 022	0.00%
Private Companies	53	0.79%	246 530 578	52.45%
Public Companies	1	0.01%	107 279 427	22.82%
Retail Individuals	6 549	97.85%	64 132 002	13.64%
Treasury Shares	1	0.01%	24 000 000	5.11%
Trusts and Investment Partnerships	52	0.78%	24 305 307	5.17%
	<b>6 693</b>	<b>100.00%</b>	<b>470 022 741</b>	<b>100.00%</b>

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	4	0.06%	265 117 499	56.41%
Employee Share Schemes	2	0.03%	496 130	0.11%
Directors and Associates (Indirect Holding)	2	0.03%	264 621 369	56.30%
<b>Public shareholders</b>	<b>6 689</b>	<b>99.94%</b>	<b>204 905 242</b>	<b>43.59%</b>
<b>Total</b>	<b>6 693</b>	<b>100.00%</b>	<b>470 022 741</b>	<b>100.00%</b>

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
GMB Liquidity Corporation (Pty) Ltd	240 621 369	51.19%
Sun International Ltd	107 279 427	22.82%
GPI Management Services (Pty) Ltd	24 000 000	5.11%
GPI Woman's BBBEE Empowerment Trust	14 814 815	3.15%
<b>Total</b>	<b>386 715 611</b>	<b>82.28%</b>



# GLOSSARY OF TERMS

AFS	Consolidated Annual Financial Statements for 2021
AGM	Annual General Meeting
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
Board	GPI Board of directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Companies Act	Companies Act, No. 71 of 2008, as amended
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FD	Financial Director
GPI	Grand Parade Investments Ltd
GPI Properties	GPI House Properties (Pty) Ltd
GrandWest	GrandWest Casino and Entertainment World
Group	GPI and all its subsidiaries
HEPS	Headline earnings per share
IAR	Integrated annual report
IFRS	International Financial Reporting Standards
iNAV	Intrinsic net asset value
IT	Information technology
JSE	JSE Ltd
King IV™	King IV Report on Governance for South Africa, 2016
KPIs	Key performance indicators
LID	Lead Independent Director
NAV	Net asset value
NPAT	Net profit after tax
Standard Bank	Standard Bank of South Africa Ltd
Sun International	Sun International Ltd
SunWest	SunWest International (Pty) Ltd
Worcester Casino	Worcester Casino (Pty) Ltd

# CORPORATE INFORMATION

Directors	G Orrie (Non-executive Chairman) G Bortz (Chief Executive Officer) G Ahmed (Financial Director) R Kader (Lead independent) WD Geach (Non-executive) K Finch (Non-executive)
Public Officer	G Ahmed CA(SA)
Registration number	1997/003548/06
Domicile and country of incorporation	South Africa
Nature of business	Investor in gaming assets
Registered office	Kenilworth Racecourse First Floor, Block D 105 Rosmead Avenue Kenilworth 7708
Company Secretary	Statucor (Pty) Ltd 6th Floor 119 – 123 Hertzog Boulevard Foreshore Cape Town 8001
Transfer Secretaries	Computershare Investor Services (Pty) Ltd Private Bag X9000 Saxonwold 2132
Sponsors	PSG Capital (Pty) Ltd 1 <sup>st</sup> Floor, Ou Kollege Building 35 Kerk Street, Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599)  and  Suite 1105, 11th Floor, Sandton Eye Building, 126 West Street, Sandton, 2196  (PO Box 650957, Benmore, 2010)
Auditors	Moore Cape Town Incorporated 2nd Floor, Block 2, Northgate Park Corner Section Street & Koeberg Road Paarden Eiland, Cape Town, 7405  (PO Box 1955, Cape Town, 8000)
Attorneys	Cliffe Dekker Hofmeyr 11 Buitengracht Street Cape Town 8001
Bankers	The Standard Bank of South Africa Limited First Rand Bank Limited