BRIMSTONE
INVESTMENT CORPORATION LIMITED

INTEGRATED REPORT 2023

About this Report

REPORT PROFILE
This report is for the year ended 31 December 2023. This is the 15th Integrated Report produced by Brimstone.

For any enquiries on this report please contact: Nisaar Pangarker (npangarker@brimstone.co.za), Paige Govender (pgovender@brimstone.co.za) or Tiloshani Moodley (tmoodley@brimstone.co.za) at the e-mail addresses provided or telephone number +27 21 683 1444.

REPORT SCOPE AND BOUNDARY
As an investment holding company Brimstone reports on all unlisted businesses which it controls. Where the business is separately listed or Brimstone does not enjoy control, it has chosen to influence the principles of sustainability within the context of that business, but will however not report on the landscape and progress. Brimstone currently has three operating subsidiaries, i.e. House of Monatic, Obsidian Health and Sea Harvest. Sea Harvest is listed and the other two subsidiaries are unlisted but all are operated and managed as independent entities with their own boards of directors.

MATERIALITY
In keeping with our mission statement, we focus on material aspects that impact our ability to be profitable, empowering and have a positive social impact in the communities in which we operate. Material aspects are defined as any significant developments that would influence an assessment of Brimstone's performance or opportunities.
In achieving our mission, various capitals are consumed.

PRIMARY REPORTING FRAMEWORK
This report is prepared under the guidance of the International Integrated Reporting <IR> Framework which has been adopted by the Board.

INDEPENDENT ASSURANCE
Independent assurance and assessment has been provided over the financial and certain non-financial information presented in this report. Ernst & Young Inc. as our external auditors has issued an unmodified audit opinion on the consolidated annual financial statements. Premier Verification has issued certificates verifying the B-BBEE ratings presented.

REPORT APPROVAL
The Board believes that the Integrated Report has been prepared in accordance with best practice, appropriately addresses material aspects of Brimstone's business and is a fair representation of the integrated performance of the Group.

BRIMSTONE
INVESTMENT CORPORATION LIMITED

Corporate Profile

Brimstone is a black controlled and managed investment holding company incorporated and domiciled in the Republic of South Africa, employing in excess of 4 400 employees in its subsidiaries and more than 30 000 in its associates and joint ventures and companies in which it has invested. Brimstone seeks to achieve above average returns for its shareholders by investing in wealth creating businesses and entering into strategic alliances to which it contributes capital, innovative ideas, management expertise, impeccable empowerment credentials and a values driven corporate identity.

Mission Statement

Brimstone Investment Corporation Limited seeks to be Profitable, Empowering and to have a Positive Social Impact on the businesses and the individuals with whom it is involved, including shareholders, employees, suppliers, customers and the greater community.

Contents

www.brimstone.co.za

Group Structure

A schematic representation of Brimstone and its operating subsidiaries, including information regarding their number of employees and ownership interest.

SEA HARVEST

Sea Harvest

Shareholding

53.4%

Number of employees

4 440

OBSIDIAN HEALTH

OBSIDIAN HEALTH

Shareholding

70%

Number of employees

74

ASSOCIATES, JOINT VENTURES AND INVESTMENTS

AON RE AFRICA

EQUITES PROPERTY FUND

FPG PROPERTY FUND

MTN ZAKHELE FUTHI

MULTICHOICE PHUTHUMA NATHI

OCEANA GROUP

SEAVUNA

SOUTH AFRICAN ENTERPRISE DEVELOPMENT

STADIO HOLDINGS




Sea Harvest
Crisp & Chunky
GREAT TASTE
NEW SHAPE
BETTER VALUE
GARLIC & HERB
6
Wild-caught Fish Fillet portions in a garlic and herb crumb
UNCOOKED KEEP FROZEN
MSC


GAMMEX
PI Hybrid


LUCKY STAR

Checkers
Bargain Books

Investment Profile

COMPANY	INTEREST	COMPANY INFORMATION
Sea Harvest	53.4%	■ Listed on the JSE ■ The Sea Harvest group is a leading, internationally recognised vertically integrated fishing and branded FMCG business established in 1964 with operations in South Africa and Australia. The principal business of the group is fishing of MSC-certified Cape Hake and Shark Bay tiger and king prawns, processing of the catch into frozen and chilled seafood, and the marketing of these products, locally and internationally. ■ Owns market-leading brands including Ladismith Cheese ■ Level 1 B-BBEE contributor www.seaharvest.co.za
Oceana Group	25.1%	■ Listed on the JSE, NSE and A2X ■ Oceana is a global fishing company with operations in South Africa, Namibia and USA ■ Core fishing business is the catching, procuring, processing, marketing and distribution of canned fish, fishmeal, fish oil, horse mackerel, hake, lobster and squid ■ Owns market-leading brand Lucky Star ■ Level 1 B-BBEE contributor www.oceana.co.za
Aon Re Africa	18%	■ Unlisted ■ Aon Re Africa is a leading reinsurance and retrocession intermediary in Sub-Saharan Africa, based in Johannesburg, South Africa with an office in Harare, Zimbabwe www.aon.co.za
Equites Property Fund	1.8%	■ Listed on the JSE ■ Specialist logistics property developer and landlord listed as a REIT www.equites.co.za
FPG Property Fund	10.1%	■ Unlisted ■ Black-owned and managed property fund with a portfolio of properties specialising in the retail convenience market www.fpggroup.co.za

COMPANY	INTEREST	COMPANY INFORMATION
Obsidian Health	70%	▪ Unlisted ▪ Leading supplier of innovative solutions to healthcare providers and clinicians within Sub-Saharan Africa www.obsidianhealth.co.za
Stadio Holdings	5.1%	▪ Listed on the JSE ▪ Focussed on the acquisition of, investment in, growth and development of higher education institutions www.stadio.co.za
MultiChoice Phuthuma Nathi	2.8%	▪ Listed on the Equity Express Securities Exchange ▪ Black-owned investment company that holds 20% of MultiChoice South Africa www.phuthumanathi.co.za
MTN Zakhele Futhi	1.5%	▪ Black-owned investment company that holds approximately 4% of MTN Group www.mtnz.co.za
SAED South African Enterprise Development	25%	▪ Unlisted ▪ Provides equity capital to high growth potential small and medium sized enterprises www.saenterprise.co.za
SeaVuna	49.8%	▪ Unlisted ▪ Hake-inshore trawl fishery and processing

LAUREUS SPORT FOR GOOD FOUNDATION IS A RECENT BENEFICIARY OF BEST. THIS PICTURE WAS TAKEN AT THE FIRST EDITION OF KLAPMUTS SPORT FOR PEACE 5KM RUN/WALK INITIATED BY LAUREUS.

THE PURPOSE OF THE EVENT IS FOR ORGANIZATIONS DRIVEN BY THE PASSION FOR SPORT TO SHOW UP AND MAKE A COLLECTIVE STATEMENT FOR PEACE.

Salient Financial Highlights

for the year ended 31 December 2023

R'000	2023	RESTATED[1] 2022
Revenue	**6 528 963**	6 212 852
Operating profit	**455 096**	509 565
Earnings per share (cents)	**117.9**	76.6
Headline earnings per share (cents)	**71.6**	69.0
Total assets	**12 255 704**	11 655 588

Five Year Financial Review

	YEAR ENDED 31 DECEMBER 2023	RESTATED[1] YEAR ENDED 31 DECEMBER 2022	YEAR ENDED 31 DECEMBER 2021	YEAR ENDED 31 DECEMBER 2020	YEAR ENDED 31 DECEMBER 2019
Operating results (R'000)					
Revenue	**6 528 963**	6 212 852	5 054 739	4 714 720	4 440 085
Operating profit	**455 096**	509 565	711 951	550 025	656 109
Headline earnings/(loss)	**176 978**	170 926	748 460	(155 545)	(139 226)
Financial Position (R'000)					
Total assets	**12 255 704**	11 655 588	10 498 264	10 343 576	11 267 145
Net assets	**3 577 628**	3 323 504	2 924 444	2 491 312	2 516 238
Performance per share					
Headline earnings/(loss) (cents)	**71.6**	69.0	298.9	(61.5)	(54.2)
Dividend (cents)	**40.0**	33.0	30.0	—	—
Net Asset Value (Rands)	**14.57**	13.40	11.80	9.85	10.66
Intrinsic Net Asset Value (Rands)	**12.13**	13.25	13.14	12.99	14.19
Share statistics					
Weighted average number of shares in issue net of treasury shares	**247 071 285**	247 897 992	250 365 621	252 803 480	256 661 171
Shares in issue at end of year net of treasury shares	**245 512 481**	248 091 300	247 770 369	252 803 480	235 979 441
Closing share price: Ordinary (Rands)	**5.11**	5.26	6.30	5.81	7.65
Closing share price: "N" Ordinary (Rands)	**4.85**	5.63	6.49	6.50	7.75
Market capitalisation: Ordinary shares (R'000)[2]	**187 114**	193 287	232 228	214 175	282 003
Market capitalisation: "N" Ordinary shares (R'000)[2]	**1 013 142**	1 189 871	1 368 798	1 403 612	1 543 152
Total (R'000)	**1 200 256**	1 383 158	1 601 026	1 617 787	1 825 155

[1] The restatement relates to the finalisation of the MG Kailis business combination. Refer to note 49.2

[2] Net of treasury shares

10-Year Review

1 500 | 1 525 | 1 700 | 1 650

2014

10

30

Acquired 4.97% of Grindrod

Acquired further 1.16m MTN Zakhele shares

Acquired further 1.1m Phuthuma Nathi shares

1 600 | 1 495 | 1 350 | 1 270

2015

30

Subscribed for additional 2.8m shares in Oceana rights offer

Acquired further 19.7m shares in Taste Holdings

Old Mutual and Nedbank transactions matured

Disposed of investment in Scientific Group at a profit of R44.8m

Increased shareholding in Grindrod to effective 6.62%

Acquired further 1.96m Phuthuma Nathi shares

Acquired 10% of Equites for R350m

1 350 | 1 180 | 1 299 | 1 200

2016

20

35

Increased stake in Sea Harvest to 85%

Disposed of investment in Rex Trueform and African & Overseas realising R51.8m

Disposed of investment in Taste Holdings realising R143.4m

Disposed of investment in Afena Capital realising R11m

Participated in Equites private placement of shares in the amount of R100m

1 300 | 1 300 | 1 300 | 1 125

2017

42

Listing of Sea Harvest on the JSE

Acquired 17.2m shares in Life Healthcare rights offer

Acquired 40m shares in Long4Life ahead of its listing

Disposed of investment in MTN Group

Acquired 33.8m shares in Stadio BEE transaction

1 000 | 1 000 | 1 050 | 949

2018

42

Disposed of investment in Tiger Brands

Acquired 10% of FPG Property Fund

Disposed of investment in Long4Life

Lion of Africa placed into run-off

Share price at 30 June: BRT Share Price (cents), BRN Share Price (cents)

Share price at 31 December: BRT Share Price (cents), BRN Share Price (cents)

Special Dividend (cents)

Ordinary Dividend (cents)

Year	BRT Share Price (cents) at 30 June	BRN Share Price (cents) at 30 June	BRT Share Price (cents) at 31 December	BRN Share Price (cents) at 31 December	Ordinary Dividend (cents)
2019	850	916	765	775	45
2020	500	550	581	650	
2021	674	590	630	649	30
2022	704	600	526	563	33
2023	545	500	511	485	40

2019

Acquired a further 21.4m shares in Sea Harvest for R300m

Acquired a further 9.5m shares in Oceana for R686m

Raised R1.2bn in Zero Cost Collar funding arrangement

2020

National lockdown as a result of COVID-19 pandemic

Capitalisation issue of 17.3m Brimstone "N" Ordinary shares

Increased shareholding in Oceana to 25.01%

Disposed of 20.9m Equites shares for R321.4m

Disposed of 1.9m Phuthuma Nathi shares for R175.3m

Repaid more than R1.0b in debt to funders

2021

Disposal of Life Healthcare shares

Repaid R1.2b in debt to funders

Repurchase of 5.8m Brimstone "N" Ordinary shares

2022

Invested further R27m in FPG Property Fund rights offer

Invested further R20.4m in Milpark

2023

Entered into agreement to dispose of entire stake in Milpark

Repurchased 4.1m Brimstone shares for R21.6m

Our Business Model

KEY INPUTS

HUMAN CAPITAL
- Market sensing investment team
- Strong and committed leadership and back office
- Professional service providers

SOCIAL AND RELATIONSHIP CAPITAL
- Business networks
- Unique and broad shareholder profile
- Long-term investment focus
- Proven track record of successful partnering
- Strong BEE credentials

INTELLECTUAL CAPITAL
- Track record of adding value
- Reputation for fair and ethical business practices
- Balance sheet management expertise
- Optimisation of financial capital

FINANCIAL CAPITAL
- Debt and equity funding
- Vendor funding
- Reinvestment of retained earnings
- Available borrowing facilities

OUR ACTIVITIES

IDENTIFY INVESTMENT OPPORTUNITIES
- Leveraging networks
- Researching publicly available information
- Approaches from investment banks and corporate finance houses
- Approaches from businesses seeking BEE partner
- Restricted BEE equity ownership schemes

RIGOROUS EVALUATION OF OPPORTUNITIES
- Preferred sectors
- Good growth potential
- Strong cash flows and record of profitability
- Minimum hurdle rates met, including ESG considerations
- Minimise discount to INAV
- Listed vs unlisted and significant influence or control
- Ethical, competent and like-minded management team
- Board representation required where possible

ROBUST NEGOTIATION AND CONSIDER SOURCES OF FUNDS
- Robust negotiation for the best terms
- Optimal funding and investment holding structure
- Involving necessary specialists in process
- Approvals framework adhered to

MONITORING INVESTMENT PERFORMANCE
- Board representation and committee involvement
- Contribution of management expertise to investee
- Providing strategic insight to investee
- Dedicated executives assigned to subsidiaries
- Regular review of performance
- Robust discussions with investee

GOVERNANCE

OUR BUSINESS CONTEXT

12

EXTERNAL FACTORS

- Macro-economic factors on South African economy
- New B-BBEE Act
- Increased volatility of equity market

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OUR MATERIAL RISKS

1 Political instability
2 Investment concentration in highly regulated industries
3 Sustained stock market downward correction
4 Funding of transactions while maintaining BEE ownership
5 Intrinsic Net Asset Value ("INAV") discount
6 Economic instability
7 Inadequate review of investment performance
8 Cash flow constraints
9 Non-compliance with ESG requirements by investees
10 IT security

KEY OUTCOMES

R38 million
TAXES PAID TO SARS

4 529
TOTAL WORKFORCE IN GROUP

R5 852 million
PAID TO EMPLOYEES AND SUPPLIERS

R5 million
CSI SPEND

R412 million
INTEREST PAID TO FINANCIERS

R2 979 million
REINVESTED

R3 287 million
INTRINSIC NET ASSET VALUE

FINANCIAL RETURNS

OUTPUT

VALUE DELIVERED

External Factors Impacting our Business Model

Macro-Economic Factors on South African Economy

The B-BBEE Act and Sector Codes

Increased Volatility of Equity Market

South Africa's economic growth weakened further in 2023, to an estimated 0.6% (2022: 2.5%; 2021: 4.9%). This paltry growth reflects the effects of widespread power outages and transport bottle necks (freight rail and at ports) disrupting economic activity and limiting the country's export potential. In addition, consumers remained under pressure from high living costs.

Power outages hit record highs in 2023, with debilitating effects on manufacturing and mining production. Additionally, state owned logistics infrastructure failing to cope with current levels of imports and exports, has resulted in producers and manufacturers slowing down operations and adjusting their output.

The South African Reserve Bank (the "SARB") expects the economy to grow by an average of 1.6% over the next three years. This forecast, according to the SARB, is based on an expected recovery in household spending as inflation declines, a decline in the frequency of power cuts and an increase in energy-related fixed investments.

Inflation in 2023 was 6.0% and the SARB expects inflation for 2024 to ease to 5.0%, to 4.6% in 2025, and to 4.5% in 2026. Interest rates are expected to decrease as inflation slows down to within the threshold targets set by the SARB.

The Rand weakened from R17.01 to the US dollar at the beginning of 2023 to R18.30 to the US dollar at the end of 2023.

While the businesses in Brimstone's portfolio coped very well with the ravages of the Covid-19 pandemic, post-Covid they have had to deal with a range of new challenges, such as systemic supply chain disruptions (including state owned logistics infrastructure failures), rampant global inflation resulting in material increases in input costs, all exacerbated by the wars in Ukraine and Gaza. This very difficult operating environment negatively impacted the financial performance of these businesses. However, the more significant businesses in Brimstone's portfolio such as Sea Harvest and Oceana, through their diversification have nevertheless managed to produce resilient results in the case of Sea Harvest and exceptional results in the case of Oceana.

The higher interest rates during 2023 compared to the prior year, had a negative impact on the Group's results. Subsequent to year end, the Group implemented its debt reduction strategy and disposed of certain non-core investments, the proceeds of which was utilised to pay-down debt by R307.5 million. This process will continue for the foreseeable future.

The B-BBEE Commission ("the Commission") is responsible for monitoring compliance and adherence with the B-BBEE Act No. 53 of 2003 as amended by Act 46 of 2013 (the "Act"). The Commission's latest report available is the annual report on the *National Status and Trends of Broad-Based Black Economic Empowerment* 2021.

Some key findings of the research were as follows:

- Section 13G of the Act makes it compulsory for all JSE listed entities to submit compliance reports, however, only 40% (2020: 33%, 2019: 42%) complied with the reporting requirement. The Commission is recommending that the Minister amend the Act to ensure that consequences for non-compliance are included in the form of administrative penalties as well as criminal sanctions.
- JSE listed entities achieving at least B-BBEE contribution level 4, have increased by 4% compared to 2020. The analysis indicates that 59% (2020: 55%) of entities are level 4 to level 1 and 41% (2020: 45%) are between level 5 and non-compliant.
- Black ownership is 29.5% (2020: 31%) and black women ownership is 12.4% (2020: 15%).
- Control of the boards of JSE listed entities improved over the prior year, with 61% (2020: 72%) in the hands of white people and foreign nationals. 39% (21% male and 18% female) of board positions were held by black people.

The analysis of submissions shows a slow pace in the transformation and achievement of the B-BBEE for the priority elements: Ownership, Skills Development and Enterprise and Supplier Development. A company will not be able to achieve a reasonable level of B-BBEE compliance without meeting the priority elements of the relevant sector code.

Ownership remains a critical element in most of the sector codes and the procurement element is heavily weighted towards procuring from black-owned businesses as opposed to the highest-rated businesses. The increased monitoring which the Commission has implemented and proposed amendments to the Act to legislate consequences for organisations that do not meet the desirable level of compliance should over time result in an increased level of B-BBEE deals to improve the level of ownership.

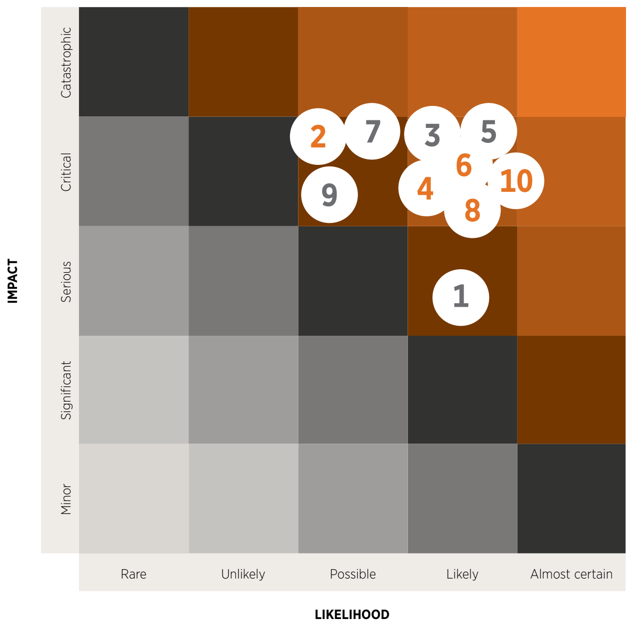
Brimstone with its strong black ownership credentials, together with its more than 27-year track record of deal-making is well placed to partner with companies looking for a B-BBEE partner.

Investments in listed companies, accounted for at fair value through profit or loss in Brimstone's consolidated financial statements (Equities, MTN Zakhele Futhi, Phuthuma Nathi and STADIO), remained relatively flat at 12% (2022: 13%) of the intrinsic gross asset value of Brimstone's investment portfolio. Despite the relatively low proportion remaining fairly flat year on year, the decrease in the market price of these listed shares compared to the much lower decrease in 2022, caused significant volatility in the statement of profit or loss.

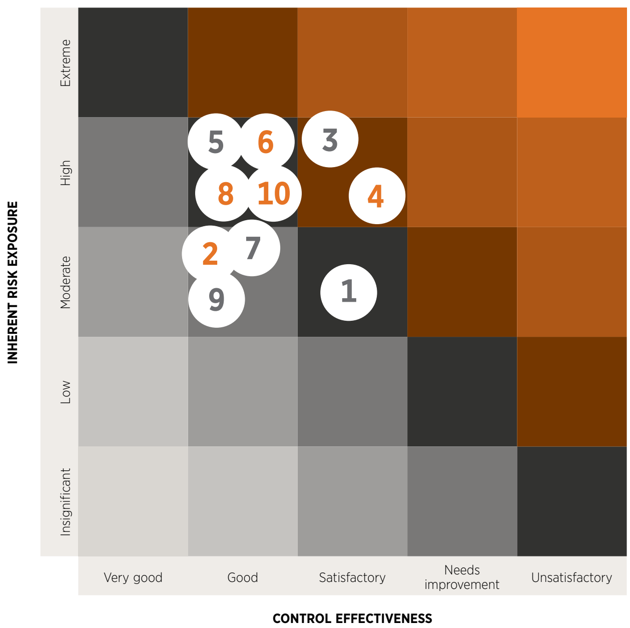
Managing our Material Risks

RISK HEAT MAPS

Inherent risk exposure



Residual risk exposure



TOP 10 MATERIAL RISKS (BY RESIDUAL RISK PRIORITY)

1 Negative effect of political instability on the returns of the Group

2 Investment concentration in highly regulated industries

3 Sustained stock market downward correction

4 Inability to fund transactions while maintaining transformation ownership

5 INAV ongoing and increasing discount

6 Negative growth due to economic instability

7 Inadequate review of investment performance

8 Cash flow constraints

9 Non-compliance with ESG requirements by investees

10 Inadequate IT security

RISK CONTEXT	RESPONSE MEASURES
■ Increase in corruption awareness in public and private sector ■ Severe social instability ■ Governance failure ■ Strike action/protests ■ Political leadership's inability to create policy certainty ■ Government's inability to commercially stabilise state owned entities' finances ■ Government's ability to successfully prosecute transgressors ■ Low investor confidence ■ Politically facilitated organised crime ■ Emergence of coalition politics	■ Interaction between management and government ■ Actively supporting anti-corruption initiatives ■ Business initiatives to assist in improving the economy and preventing further unemployment ■ Supporting/establishing emerging businesses ■ Financial support and monitoring progress of current group skills development projects ■ Improved labour relations ■ Insurance cover ■ Physical security ■ Monitoring physical security and information sharing
■ The Group has interests in industries which are subject to strict regulation ■ Increased scrutiny from competition authorities	■ Monitor policy and legislative changes, and engage actively with relevant authorities on policy and legislative framework through industry groups ■ Reduce reliance on South African market ■ Geographic and industry diversification of sources of revenue ■ Establishing employment skills development programmes
■ Significant investments in listed companies exposes the Group to market volatility ■ Market conditions in relation to exchange rates impacting negatively on subsidiaries ■ Impact on valuation-based debt covenants	■ Assess value protection/hedging strategies where liquidity is available ■ Continuous monitoring of debt covenants ■ Conservative debt policy ■ Determine optimal mix of investments ■ Increase exposure to unlisted investments ■ Reduce debt whenever possible ■ Monitor compliance with foreign exchange hedging policies
■ Restrictions on capital base ■ Ability to gear/leverage ■ Ability to issue shares to qualifying shareholders ■ Maintain minimum B-BBEE control	■ Treasury function continues to optimise balance sheet ■ Continuous monitoring of discount to INAV ■ Continuous monitoring of debt covenants ■ Maintaining relationships with bankers ■ Exploring alternative sources of funding
■ Impact of market perception of Brimstone's investment philosophy and portfolio on share price ■ Debt levels ■ Impacts Brimstone's ability to raise capital	■ Implementation of updated strategy and plan ■ Increase communication with the investment community ■ Decisive action on under performing assets ■ Monitoring and reduction of debt
■ Sustained and increasing load shedding ■ Low investor confidence ■ Sluggish economic growth impacting investment returns ■ Volatility of the Rand ■ Volatility of commodity prices ■ Geopolitical power struggles and the impact on the global economy ■ Systematic failure of public infrastructure	■ Continuous evaluation of offshore opportunities of subsidiary companies ■ Hedging strategies ■ Debt management plan ■ Diversification of investment portfolio
■ Retaining under-performing investments ■ Sub-standard due diligence	■ Bi-annual investment portfolio report review ■ Review and monitoring by Investment Committee ■ Board representatives in subsidiary companies ■ Ongoing training and permitted information sharing
■ High interest rates ■ High inflation ■ Reduced dividends	■ Hedging strategies ■ Reduce debt ■ Cost saving initiatives ■ Cash flow forecasting for extended period ■ Refinancing of debt package
■ Impact on profitability of investees due to climate change	■ Board representatives in investee companies ■ Review of ESG reports ■ Ongoing training and permitted information sharing
■ Increase in cyber-attacks and cyber crime ■ Mobile devices security ■ Increased remote access ■ Compliance with the POPI Act	■ Data protection software ■ Data security policy ■ Back up data security and disaster recovery plan/procedures ■ Cyber security as part of the Fraud Prevention Plan ■ IT security policies ■ Security risk assessment ■ Vulnerability assessment ■ Outsourced service provider ■ Cyber controls ■ Bi-annual testing of IT disaster recovery plan ■ Annual review of insurance policy

Board of Directors

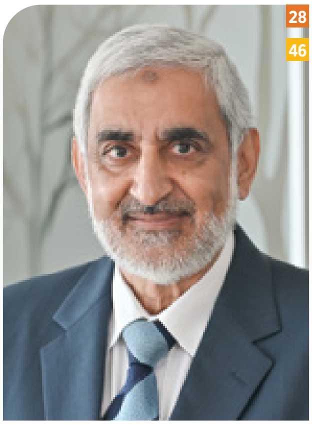
Executive directors

Years of service at Brimstone

Years of work experience

FRED ROBERTSON (69)
DPhil (h.c.)
EXECUTIVE CHAIRMAN

Board committees
- Social and Ethics



MUSTAQ BREY (70)
BCompt (Hons); CA(SA)
CHIEF EXECUTIVE OFFICER

Board committees
- Social and Ethics

IQBAL KHAN (58)
BCompt (Hons); CA(SA)
CHIEF OPERATING OFFICER

GEOFF FORTUIN (57)
BCom (Acc) (Cum Laude); BCom (Acc) (Hons); CA(SA)
FINANCIAL DIRECTOR

TILOSHANI MOODLEY (49)
BA (Law); LLB
EXECUTIVE DIRECTOR: LEGAL & COMPLIANCE

Independent non-executive directors

LEON CAMPHER (76)
BEcon
LEAD INDEPENDENT DIRECTOR

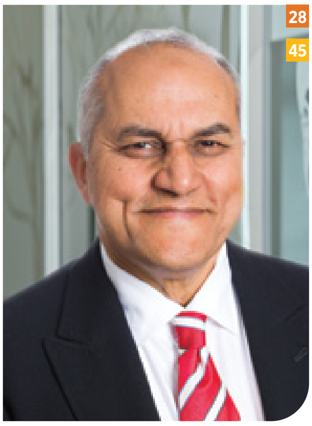
Board committees
- Audit and Risk
- Investment
- Remuneration and Nominations
- Social and Ethics

LIYAQAT PARKER (70)

Board committees
- Audit and Risk
- Investment

MDUDUZI NDLOVU (51)
BCom; Mphil; CFA

Board committees
- Audit and Risk
- Investment



NAZEEM KHAN (68)
BSc(QS); MAQS; AAArb

Board committees
- Audit and Risk
- Investment
- Remuneration and Nominations
- Social and Ethics

MZWANDILE HEWU (60)
BCom (Hons); BPhil (Hons)

Board committees
- Remuneration and Nominations
- Social and Ethics

FELICIA ROMAN (60)
BA; Post Graduate Secondary Teacher's Diploma

Board committees
- Audit and Risk

LOGAN WORT (60)
BA; MPA

Board committees
- Audit and Risk
- Social and Ethics

Team Brimstone

Years of service at Brimstone

Years of work experience

TAKULA TAPELA
BCompt
MANAGING EXECUTIVE

RICHARD SIDDLE
BBusSc; PGDA; MFin; CA(SA)
SENIOR INVESTMENT ANALYST

NISAAR PANGARKER
BBusSc; MBA
MANAGING EXECUTIVE

PAIGE GOVENDER
BBusSc; PGDA; CA(SA)
GROUP FINANCIAL MANAGER

LWAZI MDANA
BTech; PGDIA;
Professional Accountant (SA)
ASSISTANT ACCOUNTANT

SABIRA DHANSAY
BCom; PGDA; CA(SA)
ACCOUNTANT

VIRGINIA FELEZA
RECEPTION & PA

NAZEEMA JOGEE
SHAREHOLDER LIAISON AND MARKETING

ZUKISWA NKEJANE
OFFICE SUPPORT

FATIMA ALLIE
PA: CHAIRMAN & CEO

Chairman's Report

I am pleased to present the Integrated Report of Brimstone Investment Corporation Limited and financial results for the year ended 31 December 2023. Despite the challenges presented by an extremely difficult macro-economic environment littered with low growth, high inflation, high fuel and energy costs, and high interest rates coupled with business interruptions exacerbated by loadshedding, pressure in the ports, general degrading infrastructure and pervasive criminality our Group delivered a solid set of results for the year.

While I am happy to report on the strong Group results despite our domestic economic challenges, I would be failing in my duty if I do not reflect on the current tension in the Middle East and its potential to escalate more widely in the region and its global impact. South Africa has a long dark history of apartheid and oppression which we overcame as the resolve of our people remained strong. Yet this cannot compare with the scale of the conflict that has claimed many thousands of lives. The situation in Palestine, particularly, is untenable and cannot continue. I commend South Africa and our government for rising up as a beacon of democracy on the international stage and would urge all parties to work hard to de-escalate the situation and strive for peace in the region. Peace is always better than war!

Globally, the shifts in geo-politics in important regions have been both welcome and scary. New global alliances, the further emergence of right-wing leadership in key economies in Europe, the expansion of BRICS have all added to the complexity of our world. The symptoms of climate change, continued conflict and wars are being felt in various ways, especially by businesses that operate in multiple geographies.

Stats SA reported that the South African economy grew for a second consecutive year, expanding by 0.6% in 2023, down from a higher growth rate of 1.9% in the previous year. The agriculture, forestry and fishing sector in which our two largest investments are concentrated, reported negative growth during the 2023 year. The low growth rate is a concern, as our country desperately needs to grow the economy and create jobs for our nation to prosper. The South African Reserve Bank has forecast an average growth rate of 1.6% per annum over the next three years. This increase is welcome, but to achieve that growth rate we need to eliminate impediments to growth like loadshedding and reduce interest rates in the short to medium term.

Electricity supply shortages have constrained South Africa's growth for several years. This severe electricity shortfall has disrupted economic activity and increased operating costs for businesses, many of which rely on diesel generators to sustain its business activities. Potential further increases in global fuel prices due to the conflict in the Middle East will impact businesses which are reliant on diesel as an alternative energy source.

"Despite the challenges presented by an extremely difficult macro-economic environment, our Group delivered a solid set of results for the year."

FRED ROBERTSON
EXECUTIVE CHAIRMAN

Chairman’s Report (continued)

I cannot overemphasise the importance of job creation. Latest statistics released by Stats SA report an official unemployment rate of 32.1%. To place it in context this translates to a staggering 7.9 million unemployed people in South Africa. Per age group, sadly, unemployment amongst youth (age between 15 and 24 years old) in South Africa continue to be the highest at over 60%. The youth is the future of our country, and unless we create more jobs and arrest this massive unemployment rate, we will continue to see the scourge of poverty and ultimately crime.

This is an election year for South Africa and soon we will head to the polling booths. This year we also celebrate 30 years of our democracy, which many people died for in their fight against the oppressive apartheid regime. I urge everybody eligible to vote, young and old, to proceed to the polls and exercise their right with conviction and confidence. The right to vote is the foundation of a democracy and it should be used effectively to ensure that we have credible, ethical and dynamic leadership at the helm of our government.

High inflation and high interest rates are negatively impacting the South African consumer who is already under pressure. This characteristic is confirmed by the consumer behaviour we are observing in our investments in the food sector.

In summary, our Group reported a 30% increase in profit for the year of R421.9 million, up from R324.5 million in the prior year. This increase in profit is mainly due to the strong performance by our major associate, Oceana Group Limited which contributed R366.4 million, an increase of R171 million compared to the prior year. We have been invested in Oceana since our inception in 1995 and it is currently the largest asset in our portfolio.

Brimstone's total assets increased by 5.1% to R12.3 billion from R11.7 billion in the prior year. Net asset value per share increased to R14.57 per share, up from R13.40 per share at prior year end.

Brimstone's Intrinsic Net Asset Value (INAV) decreased to R12.13 per share at year end from R13.25 at the previous year end. Brimstone shares were trading at a discount of between 57% and 60% to INAV by year end. By any account this discount is very high and we are constantly looking at ways to reduce it. The discount is symptomatic of investment holding companies and I am convinced that many fund managers are unaware or do not appreciate the role of and value we bring to our associates and subsidiaries. We have expressed a clear intention of reducing our debt and buying back shares which hopefully will also assist in reducing this discount. We have seen many companies including some of our peers engage in more drastic corporate actions including unbundling assets and even delisting from the JSE in the recent past. We will continue to evaluate and consider all our options going forward.

Brimstone declared a dividend of 40 cents per share, up by 21% from 33 cents per share in the previous year. I am pleased to advise that this is the 20th year that Brimstone has declared a dividend. Dividends are an important component of our value proposition to a large part of our vast shareholder base. For many of our shareholders and particularly the NGO shareholders who are doing stellar work in their respective areas, the dividend is an important contributor towards their annual income. We continue to hear of many great success stories of how particularly community-based shareholders have utilised their dividends, many to expand their community programmes and others who use the dividends to upgrade their infrastructure.

I am proud to report that we continued to track, locate and pay outstanding dividends to "lost shareholders". It is imperative that our shareholders update their contact and banking details when it has changed. We are happy that we have been able to trace more shareholders over the last year, updated their details, and to date returned more than R2 million in unclaimed dividends to their rightful owners.

As mentioned earlier, Brimstone has clearly expressed its intention to reduce its debt by at least R600 million by the end of 2025. I am pleased to advise that our debt reduction programme is ahead of its schedule and we had already repaid more than half of this target at the time of writing. With a low growth economy, forthcoming elections, volatile global markets, a bleak domestic economic outlook, and high interest rates we will continue to reduce debt at Brimstone as fast as practically possible. This should go a long way to reinforce and strengthen the Company's balance sheet and possibly reduce the wide discount to INAV. We have repurchased shares during the financial year and will continue to do so during this year. We will also continue to review and look critically at our holding company cost structure and seek ways to reduce these costs. To this extent I wish to advise that, as part of our cost cutting exercise, the entire executive management team at Brimstone have foregone any salary increases for the 2024 financial year.

Brimstone's social commitment is a core part of its mission of being Profitable, Empowering and Making a Positive Social Impact. Integral to our social commitment is the activity of Brimstone Empowerment Share Trust (BEST). BEST is governed by an independent board of trustees. They follow a rigorous process in awarding shares to worthy non-profit organisations who are doing exemplary work in their areas of impact. During the year under review BEST allotted shares to two organisations, namely District Six Museum and Laureus Sport for Good Foundation. To date BEST has allotted more than 2.4 million shares to over 40 organisations who are supporting more than 3.5 million beneficiaries in South Africa and beyond our borders.

Sadly, we recently lost Alan Roberts, the chairperson of BEST. Alan served Brimstone for many years as a director and, after his retirement from the Brimstone board, as a trustee and chairperson of BEST. Alan's heart was always with the impoverished communities – his recent work in the Delft community will long be remembered. He was an activist, a fierce fighter for democracy and stood up for the voiceless in our society. I extend our sincerest condolences to Alan's family and friends – may his dear soul rest in eternal peace. We will ensure that the work of BEST continues in the same spirit and with the diligence that all the past and present trustees have set as a precedent.

I thank our non-executive directors for their continuous support and good counsel, our executive team and staff as well as the management and staff of all our subsidiaries, associates and investee companies for their contribution and support during the year.

Finally, I thank our shareholders and all other stakeholders who have supported us over the years and who continue to keep us accountable. We value your continued input through various forums that enable us to stay true to our mission of being profitable, empowering and having a positive social impact.

Fred Robertson
EXECUTIVE CHAIRMAN

Chief Executive Officer's Report

In a year where we experienced higher interest rates, high inflation, a weaker currency, higher fuel costs, supply chain disruptions due to the deteriorating situation at our ports and continued load shedding, Brimstone produced a strong set of results reporting a 30% increase in profit for the year. The resilience and diversification of our portfolio companies have enabled this stellar result.

The high unemployment rate continued to impact consumer spending in an environment where the consumer was already under pressure.

Operating conditions remained challenging and we expect that the current headwinds of slow economic growth, high inflation and Rand weakness will persist over the medium term.

Despite the operating environment, the Group reported a profit for the year under review of R421.9 million (2022: R324.5 million), mainly due to a strong performance by major associate Oceana Group Limited, the largest fishing company in Africa, which contributed R366.4 million, an increase of R171 million compared to the prior year. Brimstone declared a dividend of 40 cents per share, up by 21% from 33 cents per share in the prior year.

Intrinsic net asset value ("INAV")

INAV at 31 December 2023 calculated on a line-by-line basis, totalled R2.98 billion, or R12.13 per share (31 December 2022: R3.29 billion or R13.25 per share), representing a decrease of 9.4% from 2022 (a decrease of 8.4% on a per share basis). As at 31 December 2023, Brimstone Ordinary shares were trading at a discount of 57.9% to INAV (31 December 2022: 60.3%) and "N" Ordinary shares traded at a discount of 60.0% to INAV (31 December 2022: 57.5%). This discount to INAV is not unique to Brimstone and has plagued JSE-listed investment holding companies in recent years.

"We note that the local consumer is under pressure and expect the tough operating environment to continue but we remain confident that our portfolio and strategic initiatives will yield positive results for all our stakeholders."

MUSTAQ BREY
CHIEF EXECUTIVE OFFICER

Portfolio Performance

Sea Harvest

Brimstone held 159.6 million shares (53.4%) in Sea Harvest with a fair value of R1.5 billion at year end (31 December 2022: R1.9 billion). Sea Harvest's share price closed at R9.45 per share, down from R12.00 per share at 31 December 2022. Sea Harvest delivered earnings before interest and tax of R577 million, up by 15% (2022: R500 million) and headline earnings per share of 100 cents, down by 5% (2022: 105 cents).

The group's performance benefitted from strong demand across all markets and channels and improved pricing, while the group's hard currency exposure allowed it to benefit from the weaker Rand. The result was, however, constrained by lower volumes as a result of difficult fishing conditions, above inflation cost increases, load shedding, and significantly lower global prawn prices. The primary driver of lower earnings was the 71% increase in finance costs.

Oceana

Brimstone held 32.7 million shares (25.1%) in Oceana with a market value of R2.3 billion at year end (31 December 2022: R2.1 billion). Oceana's share price closed at R70.67 per share, up from R63.29 per share at 31 December 2022. Brimstone recognised R366.4 million (2022: R195.4 million) as its share of profits of the associate based on Oceana's reported profit for the year to 30 September 2023.

Brimstone received cash dividends of R142.4 million (2022: R194.1 million) from Oceana during the year under review. The prior year dividend included an amount of R80.9 million which was the delayed final dividend received in respect of Oceana's 2021 financial year.

Vuna Fishing Company ("Vuna")

Vuna is a fully integrated fishing business based in Mossel Bay, fishing for Cape hake, sole, monkfish and kingklip. It processes and packages its catch, providing value-added chilled and frozen food products to foodservice customers throughout South Africa and abroad. Vuna contributed R1 million (2022: R3.2 million) in equity accounted earnings during the year under review.

Aon Re Africa

Aon Re Africa is a leading reinsurance broker licensed and operating in South Africa and the rest of Africa. Brimstone recorded R22.5 million (2022: R13.9 million) in equity accounted earnings and received dividends of R15.4 million (2022: R12.7 million) from Aon Re Africa during the year under review.

Equites

Equites' share price closed at R13.95 per share, down from R16.84 per share at 31 December 2022. The investment was revalued downwards by R40.3 million to R194.7 million at year end. Brimstone received a dividend of R21.4 million (2022: R23.2 million) from Equites during the year under review.

Subsequent to year end, Brimstone disposed of 8.8 million of its 13.9 million shares in Equites for a total cash consideration of R123.9 million, on the open market.

FPG Property Fund

FPG Property Fund is a Cape-based black-owned and managed unlisted property fund specialising in the retail convenience market. It owns 34 convenience shopping centres in South Africa with an expanding footprint in the United Kingdom. The property portfolio is independently valued in excess of R8 billion on a gross basis. The investment was revalued upwards by R50.3 million to R362.6 million at year end. Brimstone received a dividend of R4.3 million (2022: R3.3 million) from FPG during the year under review.

Milpark Education ("Milpark")

Milpark contributed R24.9 million (2022: R14.6 million) in equity accounted earnings during the year under review. Brimstone received a dividend of R13.8 million (2022: R15.1 million) from Milpark during the year under review. The carrying value of Milpark at year end was R87.5 million (2022: R76.5 million). Subsequent to year end, Brimstone disposed of its entire holding in Milpark for a total cash consideration of R117.5 million.

MTN Zakhele Futhi

MTN Zakhele Futhi's share price closed at R17.17 per share, down from R19.40 per share at 31 December 2022. The investment was revalued downwards by R4.1 million to R31.2 million at year end. The MTN Zakhele Futhi scheme matures on 25 November 2024.

Phuthuma Nathi

Phuthuma Nathi's share price closed at R93.00 per share, down from R133.11 per share at 31 December 2022. The investment was revalued downwards by R76 million to R176.3 million at year end. Brimstone received a dividend of R38.6 million (2022: R42.1 million) from Phuthuma Nathi during the year under review. Subsequent to year end, Brimstone disposed of 1 million of its 1.8 million Phuthuma Nathi shares, for a total cash consideration of R100 million.

STADIO

STADIO is a listed group servicing the needs of the higher education market in South Africa through its investment in three prestigious tertiary institutions, which collectively offer over 90 accredited programmes, from Higher Certificates to Doctorates. STADIO enrols over 46 000 students via contact and distance learning. STADIO's share price closed at R5.22 per share, up from R4.91 per share at 31 December 2022. The investment was revalued upwards by R13.5 million to R227.4 million at year end. Brimstone received a dividend of R3.9 million (2022: R2 million) from STADIO during the year under review.

Chief Executive Officer's Report (continued)

Portfolio Performance (continued)

Obsidian Health ("Obsidian")
Brimstone holds 70% of subsidiary Obsidian, a leading supplier of innovative healthcare solutions to both the private and public healthcare sectors within Sub-Saharan Africa. Obsidian contributed R3.7 million (2022: R5.2 million) to Group profit during the year under review.

Obsidian managed to grow revenue by regaining market share which was lost during the COVID-19 period due to stock outs, benefiting from increased caseloads as hospitals returned to normal operations post COVID-19, and achieving additional sales to existing customers through organic growth of existing agency product portfolios. Profitability was however impacted due to a decline in margins driven by large global manufacturer price increases combined with the depreciation of the Rand and increased freight costs.

South African Enterprise Development ("SAED")
SAED is an investment vehicle providing equity growth capital to high potential small and medium sized enterprises. Its interests include stakes in High Duty Castings (45%), Tombake Holdings (32.6%), Decision Inc. (48.4%), ASG Holdings (33.5%), Specialised Food Investment Holdings (46.4%), and Seapro SA (22.5%). SAED contributed R8.7 million (2022: R1.9 million) in equity accounted earnings to Brimstone during the year under review. Brimstone accrued a dividend of R1.6 million (2022: R1.6 million) from SAED during the year under review.

Conclusion

We have previously expressed a clear intention on reducing debt over the medium term. To this extent the Group continued with its debt reduction strategy, by disposing or partially disposing of certain investments subsequent to year end. Net proceeds of R307.5 million, was utilised to pay-down debt. This process is ongoing and is aimed at significantly reducing Brimstone's gearing.

As a Group we will continue to consider all value enhancing mechanisms which may contribute to decreasing the discount of the Company's share price to INAV, including share repurchases.

Enhancing shareholder returns remains a focus for the Board and management, hence the Group repurchased 4.1 million Ordinary and "N" Ordinary shares for R21.6 million during the year under review. In addition, a further 1.5 million "N" Ordinary shares were repurchased for R7.2 million, subsequent to year end.

We note that the local consumer is under pressure and expect the tough operating environment to continue but we remain confident that our portfolio and strategic initiatives will yield positive results for all our stakeholders.

I wish to thank my fellow board members for their continued commitment, good counsel and advice. I also extend my thanks to our executive management team and staff, and the teams at our investee companies for contributing to these stellar results.

Thank you to our shareholders and all other stakeholders for your support and input over the years.

Mustaq Brey
CHIEF EXECUTIVE OFFICER


LUCKY STAR
PILCHARDS
IN TOMATO SAUCE

Corporate Social Investment

Nature, scope and effectiveness of all programmes on communities

Brimstone's social commitment is an extension of its mission of being profitable, empowering and to have a positive social impact on the businesses and the individuals with whom it is involved.

As presented in this Integrated Report, the Group's activities and its impact, be it corporate, social or environmental are measured against these yardsticks to ensure long-term sustainability.

Brimstone directly employs more than 4 500 individuals in its subsidiaries and over 33 000 in its associates and investments.

Brimstone through its own corporate social initiatives and those of its subsidiaries and investments is involved in education, training and development, the arts and the support of specific charitable and social campaigns.

Apart from its internal corporate social investment programmes, Brimstone has established the Brimstone Empowerment Share Trust to extend the long-term reach and sustainable impact of its initiatives.

Brimstone Empowerment Share Trust ("BEST")

BEST was established in 2005 with the intention of supporting a broad range of NGOs and non-profit organisations through the allotment of Brimstone shares. These shares have a vested value and can be sold by the nominated beneficiaries after a period of five years, in tranches of 20% per annum. The beneficiary organisations participate fully in any dividends declared by Brimstone from the date of receipt of the shares. BEST is governed by an independent board of trustees. To date, BEST has allotted more than 2.4 million Brimstone shares to 42 organisations across South Africa. These organisations support more than 3.5 million beneficiaries in South Africa and beyond our borders. During the year under review BEST allotted 55 000 shares each to the Laureus Sport for Good Foundation and District Six Museum.

Sadly, the chairperson of BEST, Alan Roberts, succumbed to his illness in January 2024. Alan served Brimstone and BEST for many years since its inception, first as a board member of Brimstone and thereafter as a trustee and chairperson of BEST. We express our sincere condolences to his loved ones on his passing.

The full list of beneficiary organisations are available at www.brimstone.co.za/csi/best/

DISTRICT SIX MUSEUM – A RECENT BENEFICIARY OF BEST

COOLPLAY IS A SPORT FOR DEVELOPMENT PROGRAMME RUN BY LAUREUS SPORT FOR GOOD FOUNDATION THAT WORKS IN UNDERPRIVILEGED COMMUNITIES IN SOUTH AFRICA

MANDELA DAY VISIT TO A DAYCARE CENTRE IN PHILLIPI

Corporate Social Investment (continued)

DAILY WINTER FEEDING PROGRAMME WITH NAKHLISTAN

THE 21KM SLAVE ROUTE CHALLENGE

Corporate Social Initiatives

Starting during the period of Ramadan 2023, Brimstone in collaboration with Nakhlistan commenced with a daily feeding programme to those in need. This programme commenced well into the winter months with a daily meal of soup and bread. As the harsh winter conditions accelerated across the Cape the programme was extended throughout winter. An estimated 110 000 people were served during this period.

The wellness of communities is a cornerstone of Brimstone's outreach programmes. During the year Brimstone supported two of its sports related projects in the form of Brimstone Itheko Sport Athletic Club and Siyavuselela Sports & Like Skills, based in Gugulethu. Both these initiatives are testimony to how sports can be used as a tool by which communities can rise above its social challenges, foster a healthier lifestyle and improve mental wellness.

Amongst the other initiatives supported during the year were bursaries, Hanover Cricket Club, Fit for Hajj, St Georges Cathedral, Animal Anti Cruelty League and Gift of the Givers.

This year saw the return of the Slave Route Challenge half marathon after a two year gap. This race, a firm favourite on the annual athletics calendar, is run in the CBD of Cape Town and traces sites along the route significant to the slave history. The race was a tremendous success with approximately 7 000 runners participating this year.

Social relevance at Obsidian Health

As one of its community support projects, Obsidian Health selected a local school from an informal settlement to support. After discussions with the educators and staff, Obsidian was requested to assist with the provision of some basic sanitary items. The team put together packs for boys and girls which included various sanitary, toiletry and cosmetic products. Their budget allowed for four distributions, one per quarter. Feedback from the school following the first distribution has been very positive with teachers commenting on the impact it has had on many learners' self-confidence and self-esteem.

RUNNERS AT THE START OF THE 21KM SLAVE ROUTE CHALLENGE

Intrinsic Net Asset Value Report

The INAV of Brimstone at 31 December 2023 was R2 978.9 million (2022: R3 287.2 million), translating to R12.13 per share (2022: R13.25 per share), based on 245.5 million shares (2022: 248.1 million shares) in issue, net of treasury shares. Fully Diluted INAV per share was R11.88 per share (2022: R13.02 per share), based on 250.8 million shares (2022: 252.6 million shares) in issue, net of treasury shares after taking into account unvested forfeitable shares.

The Book Net Asset Value ("Book NAV") of Brimstone on 31 December 2023 was R3 577.6 million (2022: R3 323.5 million), translating to R14.57 per share (2022: R13.40 per share), based on the respective number of shares in issue.

The closing share prices on 31 December 2023 of Brimstone Ordinary and "N" Ordinary shares on the JSE were R5.11 and R4.85 (2022: R5.26 and R5.63) per share respectively.

	31 DEC 23	31 DEC 22
INAV of Brimstone (R'm)	2 978.9	3 287.2
Book NAV (R'm)	3 577.6	3 323.5
INAV per share (Rand)	12.13	13.25
Fully Diluted INAV per share (Rand)	11.88	13.02
Book NAV per share (Rand)	14.57	13.40
Market price per share (Rand)		
▪ Ordinary shares	5.11	5.26
▪ "N" Ordinary shares	4.85	5.63
Discount to INAV:		
▪ Ordinary shares %	57.9%	60.3%
▪ "N" Ordinary shares %	60.0%	57.5%

Oceana
The INAV of the 25.1% shareholding in Oceana was based on the closing share price of Oceana on the JSE at 31 December 2023 of R70.67 per share.

Sea Harvest
The INAV of the 53.4% shareholding in Sea Harvest was based on the closing share price of Sea Harvest on the JSE at 31 December 2023 of R9.45 per share.

Equites
The INAV of the 1.8% shareholding in Equites was based on the closing share price of Equites on the JSE at 31 December 2023 of R13.95 per share.

Phuthuma Nathi
The INAV of the 2.8% shareholding in Phuthuma Nathi was based on the closing share price of Phuthuma Nathi on the Equity Express Securities Exchange at 31 December 2023 of R93.00 per share.

STADIO
The INAV of the 5.1% shareholding in STADIO was based on the closing share price of STADIO on the JSE at 31 December 2023 of R5.22 per share.

MTN Zakhele Futhi
The INAV of the 1.5% shareholding in MTN Zakhele Futhi was based on the closing share price of MTN Zakhele Futhi on the JSE at 31 December 2023 of R17.17 per share.

Milpark
The INAV of the 12.8% shareholding in Milpark was based on the market approach.

FPG Property Fund
The INAV of the 10.1% shareholding in FPG Property Fund was based on book value.

Aon Re Africa
The INAV of the 18% shareholding in Aon Re Africa was based on a price-to-earnings multiple.

Obsidian
The INAV of the 70% shareholding in Obsidian was based on book value.

SAED
The INAV of the 25% shareholding in SAED was based on book value.

INAV analysis by asset

An analysis of the INAV of Brimstone as at 31 December 2023 is set out below, including the valuation basis of each asset. Where applicable, INAV is net of ring-fenced debt and potential CGT relating to that asset.

ASSET	% HELD	VALUATION BASIS	GROSS VALUE (R'000)	DEBT (R'000)	CGT (R'000)	INAV (R'000)
Oceana[1]	25.1%	Market value per share	2 313 321	–	–	2 313 321
Sea Harvest[1]	53.4%	Market value per share	1 507 831	–	–	1 507 831
FPG Property Fund	10.1%	Book value	362 625	–	(43 806)	318 819
STADIO	5.1%	Market value per share	227 410	–	(16 469)	210 941
Equites	1.8%	Market value per share	194 723	–	(2 616)	192 107
Phuthuma Nathi	2.8%	Market value per share	176 275	–	–	176 275
Milpark	12.8%	Market approach	100 470	–	(6 246)	94 224
Aon Re Africa	18.0%	PE valuation	78 089	–	(15 143)	62 946
Obsidian	70.0%	Book value	71 947	–	(7 440)	64 507
SAED	25.0%	Book value	70 932	–	–	70 932
MTN Zakhele Futhi	1.5%	Market value per share	31 229	–	–	31 229
Other Investments, Assets & Liabilities	Various	Valuation	34 192	–	29 531	63 723
Cash/(Net debt)	100%	Book value	111 848	(2 239 840)	–	(2 127 992)
Total			5 280 892	(2 239 840)	(62 189)	2 978 863

INAV per share (Rands)[2]	21.51	(9.12)	(0.25)	12.13
Fully Diluted INAV per share (Rands)[3]	21.05	(8.93)	(0.25)	11.88

1 No CGT provided on shareholding in Oceana and Sea Harvest due to potential use of the corporate relief provisions of the Income Tax Act.
2 Based on 245.5 million shares (December 2022: 248.1 million shares) in issue, net of treasury shares.
3 Based on 250.8 million shares (December 2022: 252.6 million shares) in issue, net of treasury shares after taking into account unvested forfeitable shares.

Governance Report

Governance and Stakeholder Engagement

Corporate governance approach

The Board of directors (the "Board") remains fully committed to the principles of integrity, competence, responsibility, fairness, transparency and accountability in its dealings with all its stakeholders. The Board is the focal point of the Company's corporate governance system and remains ultimately accountable and responsible for its performance and affairs.

Application of and compliance with King IV

Brimstone endorses and endeavours to adhere to the guidelines and principles of The King IV Report on Corporate Governance for South Africa, 2016 ("King IV"). The Board is satisfied that Brimstone is in substantive alignment with the principles of King IV.

The Board has recognised that it is the custodian of corporate governance of the Company and has ensured that directors lead ethically and effectively; supported an ethical culture; set the strategic direction for the Company for the year ahead; approved policies and planning and administered and monitored the Company's risks and opportunities, business model, performance and sustainable development.

The full King IV disclosure report is available on Brimstone's website at www.brimstone.co.za.

Ethical leadership

The Board is responsible for providing leadership, either directly or through its committees, to Brimstone and its subsidiaries in order to deliver long-term value to shareholders and other stakeholders. A formal Code of Conduct has been approved by Brimstone and its subsidiary companies and requires directors and employees to observe the highest ethical standards when conducting the Group's business.

Governance framework and structure

Board of directors

The Board has a formal charter setting out, *inter alia*, its composition, meeting frequency, powers and responsibilities, particularly with regard to financial, statutory, administrative, regulatory and human resource matters.

Key responsibilities in terms of the charter include the following:

- Determining the Company's vision, mission and key objectives;
- Determining the Group's values and incorporating them into the Code of Conduct;
- Appointment of new directors;
- Providing strategic direction to the Company, and taking responsibility for the adoption of strategic plans;
- Monitoring compliance with laws and regulations and codes of best business practice;
- Ensuring that relevant and accurate information is timeously communicated to stakeholders; and
- Evaluating the going concern status of the Company and the Group.

The Board is satisfied that it has discharged its duties and obligations as described in the board charter, during the past financial year.

To ensure a balance with no individual having unfettered powers of decision-making, a clear division of responsibilities exists between the Board and executive management.

The Board provides effective leadership and vision, aiming to enhance shareholder value and ensure long-term sustainable development and growth of the Company for the benefit of shareholders and other stakeholders over time.

The Board meets at least four times a year. Additional meetings are convened as and when necessary. All members of the Board have unlimited access to the services of the Company Secretary and senior management, as well as all Company records.

The diagram below illustrates Brimstone's group governance structure, reflecting the Brimstone Board as having ultimate oversight:

Composition of the Board

The composition of the Board reflects a balance of executive and non-executive directors.

The Board has formally adopted a board Diversity Policy which reflects the Board's view that ensuring gender and race diversity at board level is an essential element to maintain a competitive advantage as well as contributing to society at large.

In reviewing the Board's composition, the Remuneration and Nominations Committee is committed to considering the benefits of all aspects of diversity, specifically gender diversity, in order to effectively discharge its duties and responsibilities. This committee continues to discuss and agree on an annual basis the objectives for achieving gender and race diversity at board level and duly recommend such objectives to the Board.

Taking into account the size of the Board, diversity and demographics, the majority of directors are independent. The Board believes that the current mix of knowledge, skill, culture, age and experience meet the requirements to lead the Company effectively.

The demographics of the Board are depicted below:

Demographics

Gender

Independence

At year end, the Board consisted of five executive and seven independent non-executive directors (one of whom is the Lead Independent Director).

Non-executive directors are selected to serve on the Board for their broader knowledge and experience and are expected to contribute effectively to decision-making and the formulation of policy. The independence of non-executive directors, who have served on the Board for more than twelve years, is subject to review by the Board.

In terms of the memorandum of incorporation ("MOI") of the Company at least one third of the directors must retire by rotation annually and may make themselves available for re-election at an annual general meeting.

Ms Keneilwe Moloko retired from the Board at the Company's Annual General Meeting which took place on 29 May 2023 and subsequently ceased to be a member of the audit and risk committee.

The roles and responsibilities of the Chairman of the Board and the Chief Executive Officer are separated. One of the principles of King IV is that the Chairman of the Board be an independent non-executive director.
Mr F Robertson was appointed Executive Chairman early in 2013. The Board believes that Mr Robertson (who previously served as Executive Deputy Chairman since 2002) has the required level of expertise and experience to act as Chairman of the Company and oversee the strategy of unlocking shareholder value for the benefit of shareholders.
Mr PL Campher serves as Lead Independent Director, in compliance with King IV and the JSE Limited ("JSE") Listings Requirements.

Board committees and individual directors are evaluated by its members. The Board has commenced the review of future strategy and implemented the strategy of reducing debt and containing costs. While this is being bedded down, no Board vacancies will be filled.

The results of evaluations are not disclosed in the Integrated Report, but the nomination for reappointment of directors only occurs after the evaluation of the members by the Board.

Induction of directors

To assist directors, the Board has established an orientation programme for new directors which include background material, meetings with executive directors and senior management and visits to the various Group companies' locations. In addition, new directors will also receive information on the Companies Act of South Africa and the JSE Listings Requirements and the duties they impose on directors.

Should circumstances arise where a non-executive director needs to obtain independent professional advice in order to act in the best interest of the Company, that director is encouraged to seek such advice with all reasonable costs being borne by the Company.

Company Secretary's role and responsibilities

The Company Secretary performs the company secretarial function which ensures that Board procedures and relevant legislation and regulation is observed and complied with and ensures that proper governance principles are adhered to. All directors have unlimited access to the services of the Company Secretary, Ms T Moodley.

The Board has considered and satisfied itself of the competence and qualifications of the Company Secretary.

The Board is further satisfied that as far as is reasonably possible, an arm's length relationship between the Company Secretary and the Board exists.

Governance Report (continued)

Board committees (below and overleaf)

Specific responsibilities have been delegated to board committees with defined terms of reference set out in their respective charters. Copies of the Board and committee charters, which are reviewed annually, are available on request from the Company Secretary.

Each committee adopted its charter with the terms of reference approved by the Board. All committee charters were reviewed during the year with changes being made, where so required, to take into account new regulatory requirements and King IV to ensure best governance practices. The current subcommittees of the Board are the Audit and Risk Committee, Investment Committee, Remuneration and Nominations Committee and the Social and Ethics Committee.

Notwithstanding the delegation of functions to Board committees, the Board remains ultimately responsible for the proper fulfilment of such functions, except for the functions of the Audit and Risk Committee relating to the appointment, fees and terms of engagement of the external auditor.

Policy on trading in company securities

In accordance with the JSE Listings Requirements, the Company has adopted a Code of Conduct for insider trading. Directors and employees may not trade in the Company securities during prohibited and closed periods.

Directors and designated employees may only deal in the Company's securities outside of the prohibited and closed periods, with the approval of the Chairman, Chief Executive Officer or Lead Independent Director.

Risk management

The Board is responsible for overseeing governance and risk. The Board charter outlines the directors' responsibilities for ensuring that an appropriate system and process of risk management is implemented and maintained.

Compliance

The Board is ultimately responsible for the governance of compliance with applicable laws, codes and standards and was satisfied with the compliance to the relevant legal and regulatory requirements.

Conflicts of interest

All directors of the Company and its subsidiaries and senior management, are reminded of the requirement to submit, at least annually, a list of all their directorships and interests in contracts with Brimstone.

Directors are required to disclose their personal financial interests, and those of persons related to them, in contracts or other matters in which Brimstone has a material interest or which are to be considered at a board or committee meeting. Where a potential conflict exists; directors are expected to recuse themselves from relevant discussions and decisions.

REM

REMUNERATION AND NOMINATIONS COMMITTEE

NAME	ROLE, PURPOSE AND PRINCIPAL FUNCTIONS	KEY FOCUS FOR THE YEAR UNDER REVIEW
PL Campher (chairman) Appointed: February 2012 **MJT Hewu** Appointed: July 2013 **N Khan** Appointed: March 2019	■ Determine, approve and develop the Company's (a) general philosophy on remuneration and (b) specific philosophy in respect of executive remuneration ■ Review and determine the remuneration packages of executives, including bonus incentive schemes, increases and shares ■ Prepare for inclusion in the Company's Integrated Report an annual remuneration policy ■ Review the general level of remuneration for directors of the Board, including its committees. Put forward to the Board the necessary proposals in this respect for final approval by shareholders at the annual general meeting ■ Approve appointments and promotions of senior executives ■ Annually review the effectiveness of the Company's Code of Conduct ■ Evaluate cases of unethical behaviour by senior managers and executives of the Company ■ The approval of amendments to the Brimstone Share Schemes ■ Ensure the Company has proper succession planning in place. ■ Make recommendations to the Board in respect of senior management succession and senior talent development and education ■ Review the structure, size and composition of the Board ■ Make recommendations to the Board with regard to the appointment of new directors ■ Identify and nominate candidates to fill Board vacancies ■ Ensure that formal succession plans for the Chairman, Chief Executive Officer, Financial Director and Senior Management are developed and implemented ■ Review the Board and committee charters	■ Reviewed long-term and short- term incentive payments to executive directors, management and staff ■ Reviewed bonus calculations against approved targets ■ Reviewed Remuneration Report for inclusion in the Integrated Report before recommending to the Board for approval ■ Reviewed profiles of directors coming up for re-election at the annual general meeting ■ Reviewed the annual re-election of the Lead Independent Director and Non-Executive Director over the age of 70 years.

AUDIT AND RISK COMMITTEE

ARC

<table>
<tr><th>NAME</th><th>ROLE, PURPOSE AND PRINCIPAL FUNCTIONS</th><th>KEY FOCUS FOR THE YEAR UNDER REVIEW</th></tr>
<tr><td>N Khan
(chairman)
Date first appointed: January 1999

LA Parker
Date first appointed: January 1999

PL Campher
Date first appointed: November 2006

F Roman
Date first appointed: May 2009

KR Moloko
Date first appointed: November 2013
(Retired 29 May 2023)

LAD Wort
Date first appointed: November 2021

M Ndlovu
Date first appointed: December 2021</td><td>■ The Audit and Risk Committee shall provide an open avenue of communication between the internal auditors, external auditors, and the Board
■ Consider in consultation with external and internal auditors, their audit scope and plans
■ Review with internal audit and the representative of the external auditors the co-ordination of audit effort to ensure completeness of coverage, reduction of redundant efforts and effective use of audit resources
■ The Audit and Risk Committee shall review with the internal and the external auditors:
– The adequacy and effectiveness of the Company's internal controls, including computerised information system controls and security;
– The quality of financial information produced to ensure integrity and reliability;
– Compliance with the requirements for Audit and Risk Committees as set out by the King Report on Corporate Governance;
– Any related significant findings and recommendations of the internal and external auditors together with management's responses thereto;
– The effectiveness of the risk management process;
– Oversee the external audit function and internal audit function; and
– Examine and review the interim and annual financial statements before submission to the Board and publication
■ Determine the nature and extent of any non-audit services which the auditor may provide to the Company
■ To review significant cases of employee conflicts of interest, misconduct or fraud
■ Consider other topics as defined by the Board from time to time and investigate any activity which the Audit and Risk Committee, in its sole discretion, considers to fall within the scope of its powers
■ Review the Risk Management Policy for approval by the Board annually
■ Review policies and procedures with respect to senior executive discretionary expenditure including their expense accounts and use of corporate assets and consider the results of any review of these areas by the internal or external auditors
■ Obtain the requisite resources for the effective discharge of its responsibilities
■ Review the expertise, resources and experience of the Company's finance function, including satisfying itself of the suitability, expertise and experience of the Financial Director annually as required by the JSE Listings Requirements and disclose the results of the review in the Integrated Report</td><td>46 47
See the full Audit and Risk Committee Report on pages 46 to 47.</td></tr>
</table>

Governance Report (continued)

IC

INVESTMENT COMMITTEE

NAME	ROLE, PURPOSE AND PRINCIPAL FUNCTIONS	KEY FOCUS FOR THE YEAR UNDER REVIEW
PL Campher (chairman) Appointed: August 2006 **N Khan** Appointed: February 2007 **LA Parker** Appointed: August 2013 **M Ndlovu** Appointed: December 2021	■ Provide advice to the Board regarding investment principles, objectives and guidelines ■ Considers and recommends to the Board proposals for the investment of financial resources in new enterprises that are of strategic interest to the Company ■ Advises the Board on policy regarding borrowings, and recommend action to be taken within established policy in relation to requirements per the Company's delegated levels of authority ■ The Investment Committee, in carrying out its tasks under its terms of reference, may obtain such independent professional advice as it considers necessary to effectively carry out its duties ■ Considers the impact of investments on cash resources	■ Considered and recommended to the Board the annual year-end valuation of investments ■ Considered and recommended to the Board the Intrinsic Net Asset Values of investments ■ Monitored the Company's compliance with debt covenants in respect of its borrowing facilities ■ Considered and implemented the Group Restructure ■ Considered and approved the sale of the entire stake in Milpark ■ Considered and approved the sale of a portion of the stake in Phuthuma Nathi ■ Considered and approved an acquisition by subsidiary company

SE

SOCIAL AND ETHICS COMMITTEE

NAME	ROLE, PURPOSE AND PRINCIPAL FUNCTIONS	KEY FOCUS FOR THE YEAR UNDER REVIEW
MJT Hewu (chairman) Appointed: February 2018 **MA Brey** Appointed: November 2012 **PL Campher** Appointed: November 2012 **N Khan** Appointed: November 2012 **F Robertson** Appointed: February 2013 **LAD Wort** Appointed: November 2021	■ Monitors the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice ■ Considers and ensures appropriate resources and committees are in place to ensure transformation within the Group ■ Ensures the promotion of equality, prevention of unfair discrimination and minimisation/prevention of corruption within the Group ■ Monitors targets in respect of the B-BBEE Act within the Group ■ Considers and ensures appropriate programmes are in place in respect of CSI targets within the Group ■ Assists the Board in ensuring that the Company's ethical standards are integrated into all the Company's strategies and operations	38 See the full Social and Ethics Committee Report on page 38.

Directors' attendance at meetings

ATTENDANCE BY DIRECTORS	BOARD		REM REMUNERATION AND NOMINATIONS COMMITTEE		ARC AUDIT AND RISK COMMITTEE		IC INVESTMENT COMMITTEE		SE SOCIAL AND ETHICS COMMITTEE	
	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED	POSSIBLE	ATTENDED
F Robertson	4	4	2	2	3	3	4	4	2	2
MA Brey	4	4	2	2	3	3	4	4	2	2
MI Khan	4	4	2	2	3	3	4	4	2	1
GG Fortuin	4	4	2	2	3	3	4	4	2	2
T Moodley	4	4	2	2	3	3	4	4	2	2
PL Campher	4	4	2	2	3	3	4	4	2	2
MJT Hewu	4	4	2	2	—	—	—	—	2	2
N Khan	4	4	2	2	3	3	4	4	2	2
LA Parker	4	4	—	—	3	3	4	4	—	—
K Moloko*	2	2	—	—	1	1	—	—	—	—
FD Roman	4	4	—	—	3	3	—	—	—	—
LAD Wort	4	4	—	—	3	3	—	—	2	2
M Ndlovu	4	4	—	—	3	3	4	4	—	—

* K Moloko retired as a Non-Executive Director on 29 May 2023

Stakeholder Engagement

PRESCRIBED ENGAGEMENT ACTIVITIES	TARGETED GROUPINGS
JSE SENS announcements*	All
The publication of interim and annual results in printed media	All
The distribution of Integrated Report and Notice of AGM	All
Posting of interim and annual financial results on our website	All
AGM and other shareholder meetings	All shareholders

* The JSE provides an investor service to facilitate a listed company's prescribed and voluntary disclosures to the general investor public. SENS is an acronym for Stock Exchange News Service.

PROACTIVE ENGAGEMENT ACTIVITIES	TARGET GROUPINGS
Bi-annual results presentations posted on website	Institutional investors, analysts and financial media
Responded where necessary to analyst and media reports to improve accuracy	Analysts and financial media
Press announcements, together with media interviews for interim and annual results	All
Website provides a wide range of information, including dividend announcements, SENS announcements, share price information and Integrated Report	All

2024 Investor diary

SHAREHOLDERS	DATE
2023 Annual financial results presentation	6 March 2024
AGM	27 May 2024

Social and Ethics Committee Report SE

The Social and Ethics committee (the "Committee") was established to assist in monitoring the Group's performance as a good and responsible corporate citizen and to perform the statutory functions required of a social and ethics committee in terms of the Companies Act, No. 71 of 2008, as amended (the "Companies Act"). This report is presented by the Committee to describe how it has discharged its duties in terms of the Companies Act as well as its additional duties assigned to it by the Board in respect of the financial year ended 31 December 2023.

Membership and composition of the Committee

- MJT Hewu (Chairman)
- PL Campher
- N Khan
- F Robertson
- MA Brey
- LAD Wort

The Committee comprises of independent non-executive and executive directors with the majority being independent non-executive directors.

The executive director of the Group's subsidiary company, Obsidian Health is invited to attend all committee meetings.

In terms of the Committee's mandate at least two meetings should be held annually.

The Committee's role and responsibilities

Role

The Committee fulfils an oversight role with accountability to the Board. The main objective of the Committee is to assist the Board in monitoring the Group's performance as a good corporate citizen.

Responsibilities

The Committee performs all the necessary functions to fulfil its role as stated above, including the following statutory duties:

(a) Monitoring the Group's activities, having regard to any relevant legislation, other legal requirements, or prevailing codes of best practice, with regard to matters relating to:
- Social and economic development, including the Group's standing in terms of the goals and purposes of:
  - The 10 principles set out in the United Nations Global Compact Principles;
  - The Organisation for Economic Co-Operation and Development recommendations regarding corruption;
  - The Employment Equity Act; and
  - The Broad-Based Black Economic Empowerment Act.
- Good corporate citizenship, including the Group's
  - Promotion of equality, prevention of unfair discrimination, and reduction of corruption;
  - Contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
- Record of sponsorship, donations and charitable giving.
- The environment, health and public safety, including the impact of the Group's activities and of its products or services;
- Consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws; and
- Labour and employment, including:
  - The Group's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
  - The Group's employment relationships, and its contribution toward the educational development of its employees;

(b) Ensure that the Group's ethics, risks and opportunities are assessed;

(c) Ensure that the ethical standards guiding the Group's relationships with internal and external stakeholders are clearly identified;

(d) Ensure that the Group's ethical standards are integrated into all the Group's strategies and operations;

(e) Ensure that the Group's ethics performance is assessed, monitored, reported and disclosed;

(f) To draw matters within its mandate to the attention of the Board as may be required; and

(g) To report, through one of its members, to the shareholders at the Company's annual general meeting on matters within its mandate.

Report to shareholders

The Committee has reviewed and is satisfied with the content in the Integrated Report that is relevant to the activities and responsibilities of the Committee. Further highlights of the Committee's focus areas can be found on pages 26 to 29 of the Integrated Report.

MJT Hewu

CHAIRMAN OF THE SOCIAL AND ETHICS COMMITTEE

Remuneration Report

Presented on the following pages is the Remuneration Report for 2023 on behalf of the Remuneration and Nominations Committee (the "Committee"). In line with the recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV") we have split the report into three parts:

- Part 1: Remuneration background statement
- Part 2: Remuneration policy and philosophy
- Part 3: Implementation report

Part 1: Remuneration Background Statement

Business performance and the impact on remuneration outcomes

Having applied a cautious and successful approach in the post pandemic environment, Brimstone will continue to fairly remunerate its people taking into consideration market norms and Brimstone's forward moving strategy of reorganisation and debt reduction.

Policy changes and performance alignment

As before, all executives and senior employees continue to be evaluated relative to their focus areas within the strategic direction of Brimstone. The performance measures are weighted appropriately for each individual resulting in focused efforts to achieving these strategic goals. The Committee is satisfied that this focused measurement has achieved the required performance and focused outcomes of the executive and employees.

Within the remuneration structure, Brimstone continues it's commitment to responsible corporate governance practices, creating sustainable shareholder value through consistent growth in Intrinsic Net Asset Value ("INAV"), deal creation and cash generation. The Committee is satisfied that the remuneration policy (as set out in Part 2) is aligned with the Company's strategy and has achieved its stated objectives for 2023.

The remuneration policy was enhanced, positively, by the introduction of a Malus and Clawback policy and a Minimum Shareholding Requirement policy for senior employees with effect from January 2024.

Shareholding voting options

At the Annual General Meeting ("AGM") held on 29 May 2023, Brimstone received the following favourable votes from shareholders:

- 96.22% of shareholders voted in favour of the remuneration policy resolution
- 97.16% of shareholders voted in favour of the implementation report; and
- 99.3% voted in favour of the non-executive director's fees.

Key Performance Measures used to evaluate performance and related rewards have been consistently applied year on year. This consistency continues to cultivate the appropriate expected behaviour.

At the 2024 AGM, in line with the JSE Listings Requirements we will once again be putting Parts 2 and 3 of this report (containing the forwarding-looking remuneration policy and 2023 implementation report respectively) to non-binding shareholder votes. Brimstone is committed to maintaining an open dialogue with shareholders and welcomes any feedback or comments.

The Committee and management have used Bowman Gilfillan as external remuneration consultants to provide market practice and intelligence. The research and advice received was independent and objective.

Part 2: Remuneration Policy and Philosophy

Remuneration and Nominations Committee

The Committee has been appointed by the Board, has its own delegated authority to act on behalf of the Board and its own charter to guide it. All the members of the Committee are independent non-executive directors. The Committee meets regularly to deal with remuneration related matters. The attendance record of members is set out on page 37. Should any relevant matters be raised by shareholders, these would be dealt with by the Committee. No matters were raised at the AGM or in any other forum during the year.

The Committee's standing annual activities include:

- Recommending the remuneration of non-executive directors;
- As tasked by the Board through the Committee charter, confirming that remuneration policies, processes and practices are implemented and continuously reviewed, to at a minimum comply with the requirements of King IV;
- Monitoring remuneration practices and adherence to the remuneration policy, having met formally during the year;
- Evaluating and approving annual increases for all employees and executive directors;
- Approving the performance criteria and targets for both short-term and long-term incentives;
- Approving short-term incentive payments in terms of the designated scheme; and
- Approving the allocation and award of FSP shares in terms of the Company's long-term incentive plan rules.

Remuneration Report (continued) REM

Remuneration policy and philosophy

The forward-looking remuneration policy deals with fees of non-executive directors and the remuneration of executive directors, senior management and other employees. The remuneration mix between guaranteed and variable pay is linked to each role, it's seniority and its expected deliverables.

In determining remuneration, the Committee gives due consideration to the principle of fair and responsible remuneration. As there is no "one-size-fits-all" solution, the Committee develops initiatives, policies and arrangements to give effect to this principle in line with best practice, bearing in mind the Company's strategic objectives. The Committee takes the necessary steps to ensure that executive remuneration is justifiable in the context of overall employee remuneration. The Committee will continue to monitor remuneration to ensure that, to the extent possible, they are adhering to the principle of fair and responsible remuneration.

Elements of remuneration

The mix of remuneration varies per grade with higher grades, which have the ability to influence performance, receiving a higher proportion of variable pay.

In line with the Company's human resources and business strategies, the objective of the remuneration policy is to align the reward practices to create sustainable shareholder value given that, employees all remain shareholders as well. The principles of the remuneration policy are designed to attract, retain and motivate employees.

All employees receive total guaranteed pay and are eligible to participate in the short-term incentive scheme ("STI"), which requires the achievement of individual performance criteria and predetermined financial targets.

In addition to the STI, executive directors and senior managers are eligible to participate in the long-term incentive scheme ("LTI").

The elements of remuneration are discussed in further detail below.

Total guaranteed pay

Guaranteed pay is reviewed regularly and benchmarked to appropriate market data. The Company uses benchmarking to ensure that the remuneration policy remains competitive with the external market, allowing for the retention and recruitment of the talent required to execute the business strategy. It is Brimstone's policy to strive to align total remuneration with the 50th percentile of applicable market.

As a general principle, increases for all employees (including executive directors), are determined by taking into account the following factors:

- Performance of the individual and the Company;
- Competence and contribution to the wider group;
- Forecast profitability;
- Economic factors, including the consumer price index ("CPI"); and
- INAV management.

Benefits provided include medical aid, provident fund, group life and personal accident insurance cover.

A condition of employment for employees is to be a member of the Company's retirement fund. Contributions to the fund are used primarily for retirement funding and risk benefits. The risk benefits include benefits such as death and disability cover. An umbrella fund arrangement is in place for provident fund members, which offers investment choice.

STI

Under the STI, eligible employees have, on an annual basis, the opportunity to receive a cash payment based on the achievement of individual and corporate performance measures (see below for details). The weighting of these measures varies according to grade and seniority.

The maximum amount that can be earned under the STI is:

	% OF ANNUAL CTC*
Executive Chairman and Chief Executive Officer	95%
Executive directors and Senior managers	60% – 80%
Junior management and specialist staff	30% – 45%
Junior staff	17% – 25%

* CTC = Cost to company

Executive directors and senior management

In addition to the STI, executive directors and senior managers are eligible to participate in the LTI. The LTI is a Forfeitable Share Plan (FSP) which also requires the achievement of individual performance criteria and corporate performance and financial targets.

LTI

The purpose of the FSP is to retain, motivate and reward those executive directors and senior managers who are able to influence the performance of the Company and align their interests with those of the Company's stakeholders.

The LTI takes the form of an FSP under which, eligible employees, on an annual basis are granted a share award. The awards vest after 3 years, provided the employee remains in employment and subject to the achievement of individual and corporate performance measures. However, the shares remain restricted instruments while the Company is in a prohibited or closed period. During the vesting period, employees enjoy normal shareholder rights including the right to vote and the right to receive dividends.

The maximum expected value of shares that can be granted under the LTI is:

	% OF ANNUAL CTC
Executive Chairman and Chief Executive Officer	60%
Other executive directors and senior management	17% – 40%
Junior management and specialist staff	15%

Short and long-term incentives

Performance measures

Both the STI and LTI use the same pool of performance measures which focus on growth in INAV, deal creation, achievement of strategic objectives, cash management and personal performance of the individual. The STI is focused on the immediate year while LTI takes a longer view of a minimum of 3 years.

Brimstone has and continues to promote a share owning culture among all levels of staff both at Brimstone and its subsidiaries. Executive directors and senior staff are all invested in Brimstone shares in varying degrees and hence the performance of the share price is of critical importance to all staff and management, in terms of their long-term individual financial and retirement planning. This is an important concept to ensure employee and stakeholder alignment and it is for this reason that specific performance measures relating to share price is not included in annual performance evaluations.

The constant management of INAV is meant to have an effect on the share price in terms of how the market and shareholders interpret value and merit of management performance.

All performance measures differ per individual, in keeping with the principle of the different roles expected from different individuals.

All key performance indicators are contracted with the Committee by each employee and are continuously monitored throughout the year. While not specifically linked to the 6 capitals (set out by the International Integrated Reporting Council), the personal key performance indicators cover a broad spectrum of capitals and, most importantly, are aligned with Brimstone's strategic priorities.

For the STI, performance is evaluated to the end of the financial year, for the LTI, performance is evaluated over the 3 financial years between grant and vesting date.

Relative weightings for executive directors differ per executive but are comprised of the performance measures set out below:

1.1 Growth in INAV per share over a 12 month period relative to FINDI
1.2 Growth in INAV per share over a 36 month period relative to FINDI
1.3 Growth in INAV per share above CPI over a 36 month period
2. Cash at the centre – Sufficient cash must be held at the centre to cover operational and ad-hoc funding requirements
3. Deal Creation- Threshold being, deals worth R300 million a year, over a 3 year rolling period worth R900 million
4. Individual key performance indicators

Termination arrangements

In the event of an executive director and/or senior manager ceasing employment due to resignation or just cause dismissal, all STI and unvested LTI awards will be forfeited in their entirety. Where the executive director's or senior manager's employment is terminated due to death, ill-health, permanent disability, or retirement, STI and LTI awards will be treated in accordance with the relevant plan rules with awards being pro-rated for both time served during the performance cycle and the extent to which performance conditions are met.

Share dilution limits

In terms of the rules of the FSP, the maximum aggregate number of shares that may be allocated to all participants shall not exceed 2 157 271 Ordinary shares and 12 293 329 "N" Ordinary shares.

For any one participant the maximum aggregate number allocated shall not exceed 615 727 Ordinary shares and 3 479 333 "N" Ordinary shares. As at 31 December 2023 the actual number of shares that had been allocated to participants under the FSP is, in aggregate, 1 584 910 Ordinary shares and 9 116 381 "N" Ordinary shares.

Pay mix

Pay for performance is a key principle of our remuneration philosophy and a high weighting is placed on variable pay.

The table below sets out the mix between fixed and variable pay (STI and LTI) for each of our executive directors on a minimum, on-target and maximum basis.

ELEMENT	MINIMUM	ON-TARGET	MAXIMUM
Fixed (annual CTC)	Salary and benefits in line with those paid in the 2023 financial year (as reported in the single figure table)		
STI	Nil	50% of stretch of annual CTC	60% – 95% of annual CTC
LTI	Nil	The maximum number of instruments granted in 2023 multiplied by the share price on grant.	The maximum number of instruments granted in 2023 multiplied by the share price on grant.

Remuneration Report (continued) REM

Service agreements

All executive directors have service agreements in place and contain notice periods of one month by either party. No additional payments are made to executive directors upon termination of employment in terms of contractual arrangements (apart from those required in terms of labour legislation).

Non-Executive Directors

In terms of the Company's normal practice:

- Non-executive directors' remuneration is benchmarked by management to credible independent surveys and to companies of a similar size, nature and complexity to Brimstone. Where the benchmarking reveals a significant difference in remuneration, base adjustments are made with a view of achieving parity over a reasonable period of time.
- More specifically, the remuneration of the lead independent director has been set, taking into account the fact that Brimstone has an executive chairman and consequently the lead independent director has more responsibility.
- Remuneration for Board meetings is fixed and does not depend on attendance, while that of sub-committees is based on a fee per meeting attended. Non-executive directors do not receive any benefits or variable incentives. Travel expenses incurred during the course and scope of their duties are reimbursed by the Company.

The most recent benchmark, in terms of non-executive director fees, was done in 2022 using data provided by the Institute of Directors and certain base adjustments were made at the commencement of 2023. It is therefore proposed that no further adjustments be made to the non-executive directors fees at this point.

Non-executive directors' fees

To approve the non-executive directors' fees for the year ending 31 December 2024 as set out below. The fees are exclusive of VAT, which may be payable depending on the VAT status of the non-executive director.

R	1-JAN-23 TO 31-DEC-23 (APPROVED)	1-JAN-24 TO 31-DEC-24 (FOR APPROVAL)
Board (Annual fee)		
Chairman	–	–
Lead independent director	501 592	**501 592**
Member	275 494	**275 494**
Committees (Per meeting)		
Audit and Risk Committee		
Chairman	72 539	**72 539**
Member	38 337	**38 337**
Investment Committee		
Chairman	57 611	**57 611**
Member	33 973	**33 973**
Remuneration and Nominations Committee		
Chairman	57 611	**57 611**
Member	33 973	**33 973**
Social and Ethics Committee		
Chairman	57 611	**57 611**
Member	33 973	**33 973**

In addition, that non-executive directors be paid an amount of R3 000 (three thousand Rand) per hour excluding VAT, in respect of work performed by them as required by extraordinary circumstances, provided that payment in respect of any such additional work is approved by the Company's Remuneration and Nominations Committee and the chief executive officer.

Shareholder engagement

As mentioned in Part 1, we will be putting both the remuneration policy (Part 2 of this report) and the implementation report (Part 3 of this report) to a vote at the 2024 AGM. In the event that 25% or more of the shareholders vote against either or both the remuneration policy, or the implementation report, the Committee will commence engagement with shareholders to ascertain their reasons and legitimate concerns underlying their votes. Should this occur, the Committee will extend an invitation to shareholders in a Stock Exchange News Service announcement together with the results of the AGM, setting out the precise details of the manner, date and timing of engagement. Such methods may include written correspondence, individual meetings and Committee representation at shareholder engagement sessions. Any engagement will be led by the Committee chair.

Part 3: Implementation report

This section of the report sets out how the policy was applied during 2023 and the resulting remuneration outcomes.

2023 Environment

After having normalised, post the pandemic, the Company focused 2023 on finalising a forward facing strategy which included specific planning around debt reduction, in terms of the commitment given to funders on finalising the debt package during 2022.

During this period we continued to address our market competitiveness in terms of remuneration. The results of recent market surveys indicated that we were well below market in the related environment. We deemed it irresponsible to adjust remuneration levels immediately and rather felt it prudent to catch-up this adjustment over a period of time. This process had begun in 2021 and is ongoing taking into account, specifically, the debt and cost containment strategies.

Re-alignment

During our last review, all job gradings and related remuneration were adjusted to the 37.5 percentile of the market levels, and we hope to steadily adjust these to reach our aspiration of paying at the 50th percentile of the market. This will be done by using all the elements of remuneration at our disposal. We would like to emphasise that Brimstone strives to remunerate its people in a manner that is fair and competitive.

STI

Performance in respect of the year ended 31 December 2023 was individually assessed. In terms of growth in INAV performance none of the metrics were achieved, while the cash at the centre and deal creation metrics were fully achieved. Individual key performance indicators were assessed and varied per individual.

The evaluation detailed above resulted in the following STI payments made to executive directors in respect of the financial year.

NAME	TOTAL ACHIEVED AS % OF MAXIMUM	MAXIMUM STI (% OF CTC)	CTC FOR STI CALCULATION (R'000)	STI INCLUDED IN THE SINGLE FIGURE TABLE (R'000)
MA Brey	73%	95%	4 474	3 103
F Robertson	73%	95%	4 474	3 103
GG Fortuin	73%	80%	3 445	2 012
MI Khan	74%	80%	3 613	2 139
T Moodley	79%	60%	1 931	915

LTI

Awards were made to executive directors in terms of the FSP in 2020 with awards vesting subject to performance conditions and continued employment. The awards were subject to the same performance conditions and outcomes set out in the paragraph on STI in Part 2. The performance period for the awards made in February 2020 ended on 28 February 2023. The awards vested in 2023 and became unrestricted following the 2023 AGM at which the repurchase of FSP shares was approved by shareholders.

LTI awards granted in the year

During the financial year the Company made awards under the FSP as detailed in the policy. Details of the awards are set out in the table on executive director's interests on page 45. The performance conditions, weightings and targets are set out in Part 2.

Remuneration Report (continued) REM

Remuneration of directors

Executive directors' remuneration

The table below sets out deals of the amounts paid to or receivable by executive directors in respect of the financial year. We note the recommendation in terms of King IV to move towards disclosure of a single figure of remuneration. The table below includes all elements of remuneration.

Paid by the Company and Subsidiaries

2023 NAME (R'000)	BASIC SALARY	FEES PAID BY SUBSIDIARIES	OTHER BENEFITS[1]	STI	LTI AWARD VALUE	TOTAL
MA Brey	**3 974**	**–**	**500**	**3 103**	**2 685**	**10 262**
F Robertson	**4 018**	**1 343**	**456**	**3 103**	**2 685**	**11 605**
GG Fortuin	**3 115**	**–**	**330**	**2 012**	**1 378**	**6 835**
MI Khan	**3 262**	**–**	**351**	**2 139**	**1 445**	**7 197**
T Moodley	**1 716**	**–**	**215**	**915**	**772**	**3 618**
Total	**16 085**	**1 343**	**1 852**	**11 272**	**8 965**	**39 517**

2022 NAME (R'000)	BASIC SALARY	FEES PAID BY SUBSIDIARIES	OTHER BENEFITS[1]	STI	LTI AWARD VALUE	TOTAL
MA Brey	3 825	–	467	3 180	2 575	10 047
F Robertson	3 860	1 226[2]	432	3 180	2 575	11 273
GG Fortuin	2 928	–	322	2 080	1 300	6 630
MI Khan	3 082	–	327	2 154	1 364	6 927
T Moodley	1 623	–	199	896	729	3 447
Total	15 318	1 226	1 747	11 490	8 543	38 324

[1] Company contributions to retirement fund and medical aid

[2] Previously reported R0.8 million.

Non-executive directors' remuneration

Non-executive directors receive fees for membership of the Brimstone Investment Corporation Limited board. They also receive fees for work done on committees of the Board. The amounts below are exclusive of VAT.

2023 NAME (R'000)	BOARD FEES	COMMITTEE FEES	TOTAL
PL Campher	**502**	**529**	**1 031**
MJT Hewu	**275**	**183**	**458**
N Khan	**275**	**489**	**764**
K Moloko	**138**	**38**	**176**
LA Parker	**275**	**251**	**526**
FD Roman	**275**	**115**	**390**
M Ndlovu	**275**	**251**	**526**
LAD Wort	**275**	**183**	**458**
Total	**2 290**	**2 039**	**4 329**

2022 NAME (R'000)	BOARD FEES	COMMITTEE FEES	TOTAL
PL Campher	473	444	917
MJT Hewu	260	173	433
N Khan	260	430	690
K Moloko	260	124	384
LA Parker	260	205	465
FD Roman	260	109	369
M Ndlovu	260	205	465
LAD Wort	260	173	433
Total	2 293	1 863	4 156

Prescribed officers

The Board has determined that there are no prescribed officers in the employ of the Company as defined by the Companies Act, No.71 of 2008.

Executive directors' interest

The table below sets out details of all awards made under the FSP scheme in the current and prior years that, at the end of the financial year had not yet vested. The performance measures attached to the FSP's are set out in the remuneration policy.

NAME	DATE OF GRANT	FINAL VESTING DATE	INSTUMENT AWARDED	NUMBER OF INSTRUMENTS AWARDED	FSP NOTIONAL SHARE AMOUNT	INDICATIVE VALUE OF UNVESTED INSTRUMENTS
MA Brey	25-Feb-21	24-Feb-24	"N" Ordinary	437 752	6.41	1 592 323
	21-Feb-22	20-Feb-25	Ordinary	215 727	6.46	826 774
	20-Feb-23	19-Feb-26	"N" Ordinary	606 647	6.08	2 206 678
F Robertson	25-Feb-21	24-Feb-24	"N" Ordinary	437 752	6.41	1 592 323
	21-Feb-22	20-Feb-25	Ordinary	215 727	6.46	826 774
	20-Feb-23	19-Feb-26	"N" Ordinary	606 647	6.08	2 206 678
GG Fortuin	25-Feb-21	24-Feb-24	"N" Ordinary	204 138	6.41	742 552
	21-Feb-22	20-Feb-25	"N" Ordinary	50 440	6.73	183 476
	21-Feb-22	20-Feb-25	Ordinary	215 727	6.46	826 774
	20-Feb-23	19-Feb-26	"N" Ordinary	285 087	6.08	1 037 004
MI Khan	25-Feb-21	24-Feb-24	"N" Ordinary	237 196	6.41	862 800
	21-Feb-22	20-Feb-25	"N" Ordinary	63 014	6.73	229 213
	21-Feb-22	20-Feb-25	Ordinary	215 727	6.46	826 774
	20-Feb-23	19-Feb-26	"N" Ordinary	299 013	6.08	1 087 660
T Moodley	25-Feb-21	24-Feb-24	"N" Ordinary	131 842	6.41	479 575
	21-Feb-22	20-Feb-25	Ordinary	150 374	6.46	576 308
	20-Feb-23	19-Feb-26	"N" Ordinary	159 782	6.08	581 207

The table below sets out details of awards which were granted on 24 February 2020, and vested on 7 March 2023.

	NUMBER OF INSTRUMENTS AWARDED	NUMBER OF INSTRUMENTS VESTED	NUMBER OF INSTRUMENTS FORFEITED	VALUE OF VESTED INSTRUMENTS
MA Brey	439 273	338 240	101 033	2 080 176
F Robertson	439 273	338 240	101 033	2 080 176
GG Fortuin	197 814	152 316	45 498	936 743
MI Khan	232 593	178 321	54 272	1 096 674
T Moodley	124 290	101 089	23 201	621 697

Approval

The remuneration report was approved by the Remuneration and Nominations Committee of Brimstone Investment Corporation Limited.

PL Campher
CHAIRMAN OF THE REMUNERATION AND NOMINATIONS COMMITTEE

24 April 2024

Audit and Risk Committee Report ARC

The Audit and Risk Committee (the "Committee") is a formal committee of the Board. The responsibilities of the Committee are outlined in its written terms of reference which are reviewed annually and are in line with the Companies Act, No. 71 of 2008 as amended ("Companies Act"), the King IV Report on Corporate Governance for South Africa, 2016 ("King IV") and the JSE Limited ("JSE") Listings Requirements. The Committee has an independent role with accountability to the Board and shareholders.

This report of the Committee is presented to the shareholders in terms of section 94(7)(f) of the Companies Act and as recommended by King IV.

The members of the Committee were recommended by the Board and appointed by shareholders for the 2023 financial year.

Membership and composition of the Committee

The Committee comprises six independent non-executive directors and is chaired by Mr N Khan. All the Committee members are suitably skilled and experienced. The Committee meets at least three times per year. During the 2023 financial year, Ms K Moloko had indicated that she was not available for re-election and retired at the Company's Annual General Meeting ("AGM") held on 29 May 2023. Consequently, Ms Moloko ceased to be a member of the Audit and Risk Committee after the AGM.

The executive directors and senior management make themselves available to attend meetings and answer questions.

Roles and responsibilities

The Committee has a charter, approved by the Board, which is annually reviewed and ensures alignment with King IV.

The Committee's roles and responsibilities include its statutory and regulatory duties in accordance with the Companies Act and the JSE Listings Requirements, as well as the responsibilities assigned to it by the Board.

The finance committee of operating subsidiary company, Obsidian Health, reports to this Committee at each meeting by way of report back by the chairperson of the finance committee.

Statutory and regulatory duties

In the conduct of its duties, the Committee has in respect of the 2023 financial year performed the following statutory and regulatory duties:

- Ernst & Young Inc. ("EY") were appointed as Brimstone's external auditors at the Company's AGM in May 2023. Mr Pierre du Plessis is currently the designated individual partner. He has confirmed to the Committee that EY have complied with the independence requirements in terms of the Independent Regulatory Board for Auditors ("IRBA") and the South African Institute of Chartered Accountants standards; Evaluated the information required by paragraph 22.15(h) of the JSE Listings Requirements in its assessment of the suitability for appointment of the audit firm and the designated individual partner as required by paragraph 3.84(g)(iii) of the JSE Listings Requirements;
- Ensured that the appointment of the external auditors complies with the provisions of the Companies Act and any other legislation relating to the appointment of external auditors;
- Determined the fees to be paid to the external auditors and their terms of engagement;
- Determined the nature and extent of any non-audit services;
- Pre-approved any proposed agreement with the auditors for the provision of non-audit services; and
- Considered the Group structure and the nature and size of the components forming part thereof, to ensure that management have established appropriate procedures to ensure that all relevant components have submitted audited or reviewed financial reporting packages, prepared in accordance with International Financial Reporting Standards ("IFRS"), which have been included in the consolidated financial statements of Brimstone using an appropriate IFRS treatment, as required by paragraph 3.84(g))(ii) of the JSE Listings Requirements.

Independence of external auditors

The Committee is satisfied that the Company's external auditors are independent of the Company and are able to conduct their audit functions without any influence from the Company. The Committee has rules contained in its Policy on Use of External Auditors for Non-Audit Services, regulating the services and conditions of use of non-audit services provided by the external auditors. The Committee has furthermore been provided with the latest IRBA audit firm and registered auditors review findings which were used in the consideration of the external auditor's appointment.

Interaction with external and internal auditors

In terms of its charter this Committee is responsible for the appointment of the Company's internal auditors. Nexia SAB&T performed this function for the past year and were reappointed as internal auditors for the 2023 financial year.

The Committee meets at least three times a year with the Company's internal and external auditors together with management to review accounting, internal and external auditing, internal control and financial reporting matters. Both the internal and external auditors enjoy unrestricted access to the Committee and vice versa.

The Committee's chairman meets at least three times per year with both internal and external audit without management being present. In addition, they are also provided with the opportunity to meet with the full Committee without management being present, at every Audit and Risk Committee meeting.

The Committee approves the fees and scope of external and internal audit services. It is responsible for the maintenance of a professional relationship with both the external and internal auditors and oversees co-operation between these two parties.

Expertise and experience of the Financial Director and finance function

The Committee has satisfied itself of the appropriateness of the expertise and experience of the Financial Director, Mr Geoffrey George Fortuin. The Committee has furthermore considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the Company's finance function and the experience of the senior members of management responsible for the finance function.

Internal financial controls

Brimstone is responsible for ensuring that a sound system of internal control exists to safeguard shareholders' investments and the assets of the Group. The Group's internal controls, systems and procedures are designed to provide reasonable, but not absolute assurance as to the integrity and reliability of the annual financial statements, that assets are adequately safeguarded against material loss and that transactions are properly authorised and recorded.

The Committee has considered the approach adopted by management to ensure that the CEO and FD responsibility statement sign-off on the consolidated and separate annual financial statements and internal financial reporting controls in terms of the JSE Listings Requirement 3.84(k) is appropriately supported. In satisfying itself in this regard, the Committee has evaluated:

- The risk assessment and scoping framework, including the determination of materiality, applied to ensure that significant areas of risk, complexity and judgement are included for the evaluation of internal financial reporting controls;
- The process followed for the evaluation of the design of existing internal financial reporting controls and the need for amending and/or supplementing those controls;
- The ongoing implementation of the aforementioned controls and whether they have operated effectively during the reporting period under review; and
- The findings of assurance providers, including management declarations and internal audit findings, following their assessment of the operating effectiveness of internal financial reporting controls.

The Committee will continue to monitor progress in the implementation of amended and supplementary controls over financial reporting and formal remediation plans that have been developed to address control deficiencies identified in design and operating effectiveness.

The Committee has discussed and documented the basis for its conclusion, which includes discussions with internal and external auditors as well as management.

The Committee believes that the Group's internal financial reporting controls can be relied upon as a reasonable basis for the preparation of the consolidated and separate annual financial statements.

Financial statements

The Committee reviewed the consolidated and separate annual financial statements and is satisfied that they comply with IFRS and the requirements of the Companies Act, and that the accounting policies used are appropriate.

Key audit matter

The Independent Auditor's Report on pages 51 to 54 details the matter considered by the Committee and the external auditors to be significant in relation to the consolidated and separate annual financial statements for the year under review and the manner in which this key audit matter was addressed. The key audit matter was:

- Impairment assessment of Sea Harvest Australia goodwill and fishing licences with indefinite useful lives.

The Committee is satisfied that the key audit matter was adequately and appropriately addressed in the context of the audit.

JSE proactive monitoring reports

The Committee has received and considered the findings in the following reports on the JSE's proactive monitoring of financial statements for compliance with IFRS:

1. Report on Proactive Monitoring of Financial Statements in 2023 (issued 3 November 2023).
2. The following sections from The Proactive Monitoring Limited Scope Thematic Review: Cash flow information and disclosures of liquidity and going concern of October 2022:
   a. **Section 7.4:** Cash and cash equivalents; and
   b. **Section 7.8:** Changes in liabilities arising from financing activities.
   c. **Section 8:** Liquidity risk.
3. The following section from the Combined Findings Report (issued 27 October 2023):
   a. General (due care)(page 7).

The Committee has ensured that where applicable, the contents of these reports have been appropriately actioned in the preparation of the consolidated and separate annual financial statements for the year ended 31 December 2023.

Going concern

The Committee has reviewed a documented assessment by management of the going concern premise of the Group and the Company, before recommending to the Board that the Group and the Company will be a going concern for the foreseeable future.

Risk management

In giving effect to risk management responsibilities the Group has implemented a continuous risk management review programme to ensure a coherent governance approach throughout the Group.

The Group has ensured that no undue, unexpected or unusual risks have been undertaken in pursuit of reward.

Compliance

The Committee is responsible for reviewing any major breach of relevant legal, regulatory and other responsibilities. The Committee is satisfied with the compliance to these standards and with the applicable laws and regulations. Furthermore, the Committee is satisfied that it has complied with all its legal, regulatory and other responsibilities during the year under review.

IT and Technology Governance

The Committee has oversight responsibility for IT governance and risk management.

Recommendation of the Integrated Report for approval by the Board

The Committee has reviewed and considered the Integrated Report, the consolidated annual financial statements and the separate annual financial statements and has recommended it for approval by the Board.

N Khan

CHAIRMAN OF THE AUDIT AND RISK COMMITTEE

24 April 2024

Audited Consolidated Annual Financial Statements

for the year ended 31 December 2023

Contents

Approval and declarations

Directors' Approval of Consolidated Annual Financial Statements

The directors of the Company are responsible for the preparation, integrity and objectivity of the consolidated annual financial statements as well as for all other information contained in this Integrated Report. To fulfil this responsibility, the Group maintains controls to provide reasonable assurance that assets are safeguarded and that records accurately reflect the transactions of the Group.

The consolidated annual financial statements are prepared in terms of International Financial Reporting Standards and have been reported on by our auditors in conformity with International Standards on Auditing and the Companies Act of South Africa. The consolidated annual financial statements for the year ended 31 December 2023 which appear on pages 30 and 31, 44 to 47 and 55 to 128 were approved by the Board and authorised for issue on 24 April 2024.

On behalf of the Board:

F Robertson
EXECUTIVE CHAIRMAN

MA Brey
CHIEF EXECUTIVE OFFICER

Preparation of Consolidated Annual Financial Statements

The consolidated annual financial statements of Brimstone Investment Corporation Limited for the year ended 31 December 2023 have been prepared under the supervision of Financial Director, GG Fortuin, BCom (Acc) (Hons) CA(SA).

Chief Executive Officer and Financial Director Responsibility Statement

Each of the directors, whose names are stated below, hereby confirm that:

- the consolidated annual financial statements set out on pages 30 and 31, 44 to 47 and 55 to 128 fairly present, in all material respects, the financial position, financial performance and cash flows of the issuer in terms of International Financial Reporting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and remediated the deficiencies; and
- we are not aware of any fraud involving directors.

MA Brey
CHIEF EXECUTIVE OFFICER

GG Fortuin
FINANCIAL DIRECTOR

Certificate by Secretary

In terms of section 88(2)(e) of the Companies Act, I certify that the Company has lodged with the Commissioner all such returns and notices as are required by the Companies Act and that all such returns and notices are true, correct and up to date.

T Moodley
COMPANY SECRETARY

Independent Auditor’s Report

to the Shareholders of Brimstone Investment Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Brimstone Investment Corporation Limited and its subsidiaries (‘the group’) set out on pages 30 to 31 and 56 to 128, which comprise of the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the group in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A Key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report (continued)

to the Shareholders of Brimstone Investment Corporation Limited

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Impairment assessment of Sea Harvest Australia goodwill and fishing licences with indefinite useful lives The Group, through its wholly owned subsidiary in Australia, Sea Harvest Proprietary Limited, has indefinite useful life intangible assets relating to fishing licences and resultant goodwill from the acquisition, within the Fishing cash generating unit disclosed within the food segment. The Group in accordance with IAS 36 *Impairment of Assets* ("IAS 36") is required on an annual basis to assess the recoverable amount of the goodwill and the recoverable amount of the indefinite useful life intangibles assets. In response to the above management has prepared a carrying value impairment assessment which applies significant judgement and estimation in determining the recoverable amounts regarding future performance of the cash-generating unit by applying value in use discounted cash flow computations. The value in use of the cash generating unit which includes the indefinite useful life fishing licences and resultant goodwill which arose upon the acquisition required significant auditor attention and is considered a key audit matter due to the following factors: ■ Actual results were behind the budget for the 2023 financial year. ■ Increase in market interest rate. ■ Reduction in catch rates. ■ Oversupply in certain regions impacting global prawn prices.	For the Fishing cash generating unit, disclosed within the food segment, we have performed the following audit procedures: ■ Evaluated management's assessment of determination of cash generating unit. ■ Examined management's impairment models to assess whether the value in use model was prepared in accordance with the requirements of IAS 36. ■ Evaluated key assumptions included in the value in use model with reference to the 2023 financial year budget and actual results. ■ Involved EY valuation specialists to assess key macro-economic, catch rate and pricing assumptions used in the value in use model. ■ Assessed the carrying value of the Fishing cash generating unit, disclosed within the food segment in particular the completeness of assets, including intangibles being allocated to the cash generating unit. ■ Performed sensitivity analyses to ascertain the extent to which changes in key assumptions could lead to alternative conclusions specifically in relation to the terminal catch input for the Fishing cash generating unit, disclosed within the food segment. ■ We evaluated the completeness and accuracy of disclosure relating to the impairment assessments of goodwill and intangible assets with indefinite useful lives, to assess compliance with the requirements of IAS 36.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 128-page document titled "Brimstone Investment Corporation Limited Integrated Report 2023" which includes the "Brimstone investment Corporation Limited Audited Consolidated Annual Financial Statements for the year ended 31 December 2023", which includes the Directors' Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

to the Shareholders of Brimstone Investment Corporation Limited

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated a financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young has been the auditor of Brimstone Investment Corporation Limited for three years.

Ernst & Young Inc.

Ernst & Young Inc
DIRECTOR PIERRE GUSTAV DU PLESSIS
CHARTERED ACCOUNTANT (SA)
REGISTERED AUDITOR

24 April 2024

3rd Floor, Waterway House
3 Dock Road, V&A Waterfront
Cape Town

Directors' Report

for the year ended 31 December 2023

Principal activities of the Group

Brimstone is an investment holding company. It has a sector based approach to investments backed by research and focussing on food, healthcare, property, restricted B-BBEE and enterprise development.

Review of operations

The results for the year under review are set out in the attached financial statements.

Declaration of a cash dividend

Brimstone's board (the "Board") declared a final gross cash dividend of 40 cents per Brimstone share for the year ended 31 December 2023 (2022: 33 cents) paid on Monday, 15 April 2024.

Voting rights

Ordinary shares carry 100 votes per share, while "N" Ordinary shares carry one vote per share. "N" Ordinary shares rank pari passu with Ordinary shares in all other respects, including receipt of dividends and proceeds on the winding up of the Company.

Share capital

The following share movements occurred during the year under review:

	ORDINARY	"N" ORDINARY
Treasury shares		
Acquired during the year	129 378	3 965 804

There were no changes to the authorised Ordinary and "N" Ordinary share capital.

The unissued shares are the subject of a general authority granted to the directors in terms of the Companies Act, No. 71 of 2008 (as amended) (the "Companies Act"), which authority remains valid only until the forthcoming annual general meeting.

General authority

The Board is proposing that the general authority granted at the last annual general meeting held in May 2023, to permit the Company or a subsidiary to acquire the Company's own shares and to permit the Company to issue shares for cash, be renewed at the forthcoming annual general meeting. Full details are set out in the notice of annual general meeting.

Directors' interests in contracts

Details of relevant transactions during the year are included in note 48 to the financial statements.

Interests of directors in the shares of the Company

The details of directors' interest in the shares of the Company are set out on page 124. Details of the directors' interest in forfeitable shares in terms of the Company's share incentive scheme are set out on page 45.

Interest rate and currency risk management

The Board utilises appropriate expertise in controlling and managing material identified risks in asset holdings, borrowings and foreign currency exposure both in the holding company and in advising and assisting subsidiaries, associates and joint ventures.

Going concern

The directors believe that the Group and Company will be a going concern for the foreseeable future. Refer to note 51 for further details.

The Companies Act

The Board confirms that Brimstone Investment Corporation Limited has complied with the provisions of the Companies Act, specifically relating to its incorporation and has operated in conformity with its memorandum of incorporation during the year under review.

Directors and secretary

The names of the directors in office at the date of this report appear on pages 16 to 17 of the Integrated Report. MA Brey, GG Fortuin, LA Parker and FD Roman are due to retire by rotation in terms of the Company's memorandum of incorporation and, being eligible, offer themselves for re-election at the Company's forthcoming annual general meeting. Their appointments will be tabled at the Company's forthcoming annual general meeting.

The company secretary's name and her business and postal address appear on the inside back cover of the Integrated Report.

Audit and Risk Committee Report

The Audit and Risk Committee Report on the performance of its duties in terms of section 94(7) of the Companies Act is set out on pages 46 to 47 of the Integrated Report.

Events subsequent to 31 December 2023

Details of all events subsequent to 31 December 2023 are included in note 50 to the financial statements.

Litigation

There is no material litigation outstanding against the Company or its subsidiaries.

Consolidated Statement of Profit or Loss

for the year ended 31 December 2023

R'000	NOTES	2023	2022
Revenue	2	**6 528 963**	6 212 852
Sales and fee income		**6 460 762**	6 137 165
Dividends received		**68 201**	75 687
Net operating expenses[1]	3	**(6 073 867)**	(5 703 287)
Operating profit		**455 096**	509 565
Fair value (losses)/gains	4	**(37 220)**	34 324
Other investment gains/(losses)[2]	5	**95 522**	(38 253)
Share of profits of associates and joint ventures		**428 331**	228 351
Profit before net finance costs	6	**941 729**	733 987
Interest income	8	**29 866**	18 737
Finance costs	9	**(471 843)**	(306 295)
Profit before taxation		**499 752**	446 429
Taxation	10	**(77 878)**	(121 920)
Profit for the year		**421 874**	324 509
Profit attributable to:			
Equity holders of the parent		**291 267**	189 934
Non-controlling interests		**130 607**	134 575
		421 874	324 509
Earnings per share (cents)	12		
Basic		**117.9**	76.6
Diluted		**116.6**	75.7

1 Included in net operating expenses is net foreign exchange gains of R1.2 million (2022: R167.8 million), and insurance income of R65 million (2022: R25 million).

2 The current year includes R93.3 million relating to a gain on purchased loans. Refer to note 49.1.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

R'000	2023	2022
Profit for the year	**421 874**	324 509
Other comprehensive (loss)/income, net of tax	**91 258**	303 835
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges		
Loss arising during the year	**(62 974)**	(43 603)
Recycled to operating expenses	**716**	131
Cost of hedging reserve		
(Loss)/profit arising during the year	**(6 301)**	26 573
Recycled to operating expenses	**4 682**	(492)
Foreign currency translation		
Profit arising during the year	**85 677**	15 192
Share of other comprehensive income of associates		
Current year movement	**69 351**	303 053
Items that will not be reclassified subsequently to profit or loss		
Movement in investment at fair value through other comprehensive income	**(2 242)**	965
Measurement of defined benefit plans	**1 513**	2 129
Share of other comprehensive income/(loss) of associates	**836**	(113)
Total comprehensive income for the year	**513 132**	628 344
Total comprehensive income attributable to:		
Equity holders of the parent	**372 948**	494 719
Non-controlling interests	**140 184**	133 625
	513 132	628 344

Consolidated Statement of Financial Position

as at 31 December 2023

R'000	NOTES	2023	RESTATED[1] 2022
Assets			
Non-current assets		**9 368 582**	9 098 327
Property, plant, equipment and vehicles	13.1	**2 450 740**	2 408 651
Investment properties	13.2	**79 432**	3 700
Right-of-use assets	14	**209 658**	204 928
Biological assets	15	**71 410**	87 287
Goodwill	16	**1 036 759**	1 017 694
Intangible assets	17	**1 484 135**	1 426 207
Investments in associate companies and joint ventures	20	**2 927 839**	2 661 300
Investments	21	**883 421**	1 113 957
Loans receivable		**21 052**	14 624
Loans to supplier partners	22	**103 590**	92 670
Deferred taxation	39	**64 521**	35 584
Other financial assets	23	**36 025**	31 725
Current assets		**2 623 348**	2 557 261
Inventories	24	**1 089 380**	1 077 515
Biological assets	15	**118 266**	77 909
Trade and other receivables	25	**985 097**	952 604
Loans receivable		**2 385**	8 836
Other financial assets	23	**55**	48 928
Taxation		**6 336**	16 336
Cash and cash equivalents	26	**421 829**	375 133
Non-current assets held for sale	49.3	**263 774**	—
TOTAL ASSETS		**12 255 704**	11 655 588

[1] The restatement relates to the finalisation of the MG Kailis business combination. Refer to note 49.2

R'000	NOTES	2023	RESTATED[1] 2022
Equity and liabilities			
Capital and reserves		**5 104 476**	4 803 207
Share capital	27	**39**	39
Capital reserves	28	**627 487**	572 786
Revaluation reserves	29	**18 734**	19 989
Cash flow hedging reserve	30	**11 125**	47 457
Cost of hedging reserve	31	**(31 777)**	(30 731)
Foreign currency translation reserve	32	**91 205**	41 417
Changes in ownership	33	**489 918**	508 419
Retained earnings		**2 370 897**	2 164 128
Attributable to equity holders of the parent		**3 577 628**	3 323 504
Non-controlling interests	34	**1 526 848**	1 479 703
Non-current liabilities		**5 642 336**	5 367 695
Long-term interest bearing borrowings	35	**4 436 309**	4 217 686
Employee related liabilities	46.1, 46.2	**29 791**	22 170
Lease liabilities	38	**216 647**	210 964
Deferred grant income		**30 990**	34 342
Other financial liabilities	37	**3 252**	7 257
Deferred taxation	39	**925 347**	875 276
Current liabilities		**1 508 892**	1 484 686
Short-term interest bearing borrowings	35	**395 473**	372 660
Short-term provisions		**4 704**	10 704
Bank overdrafts	40	**56 116**	24 715
Trade payables		**598 869**	618 884
Other payables	36	**245 175**	318 375
Deferred grant income		**4 367**	2 776
Lease liabilities	38	**34 101**	31 051
Other financial liabilities	37	**166 975**	105 009
Taxation		**3 112**	512
Total equity and liabilities		**12 255 704**	11 655 588
NAV per share (cents)		**1 457**	1 340
Shares in issue at end of year (000's)		**245 512**	248 091

1 The restatement relates to the finalisation of the MG Kailis business combination. Refer to note 49.2.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

R'000	SHARE CAPITAL	CAPITAL RESERVES	REVALUATION RESERVES
Balance 1 January 2022	39	256 511	19 271
Attributable profit for the year	–	–	–
Other comprehensive income/(loss)	–	304 214	557
Total comprehensive income/(loss)	–	304 214	557
Recognition of share-based payments	–	38 873	–
Dividend paid	–	–	–
Share of other net asset changes of associate	–	4 094	–
Shares issued by subsidiaries	–	–	–
Shares repurchased by subsidiaries	–	(25 670)	161
Shares repurchased	–	(5 236)	–
Balance 31 December 2022	39	572 786	19 989
Balance 1 January 2023	**39**	**572 786**	**19 989**
Attributable profit for the year	**–**	**–**	**–**
Other comprehensive income/(loss)	**–**	**70 729**	**(1 299)**
Total comprehensive income/(loss)	**–**	**70 729**	**(1 299)**
Recognition of share-based payments	**–**	**38 671**	**–**
Further investment in subsidiary[1]	**–**	**–**	**–**
Arising on disposal of subsidiaries[2]	**–**	**–**	**–**
Dividend paid	**–**	**–**	**–**
Share of other net asset changes of associate	**–**	**(15 153)**	**–**
Shares repurchased by subsidiaries	**–**	**(17 935)**	**44**
Shares repurchased	**–**	**(21 611)**	**–**
Balance 31 December 2023	**39**	**627 487**	**18 734**

1 Arising on acquisition of non-controlling interests in Viking Aquaculture Proprietary Limited ("Viking Aquaculture"). Refer note 49.1.

2 Refer note 19.

CASH FLOW HEDGING RESERVE	COST OF HEDGING RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	CHANGES IN OWNERSHIP	RETAINED EARNINGS	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
70 323	(45 182)	32 211	540 679	2 050 592	2 924 444	1 466 072	4 390 516
—	—	—	—	189 934	189 934	134 575	324 509
(23 419)	14 787	8 646	—	—	304 785	(950)	303 835
(23 419)	14 787	8 646	—	189 934	494 719	133 625	628 344
—	—	—	—	—	38 873	2 904	41 777
—	—	—	—	(76 398)	(76 398)	(100 588)	(176 986)
—	—	—	—	—	4 094	—	4 094
—	—	—	—	—	—	9 976	9 976
553	(336)	560	(32 260)	—	(56 992)	(32 286)	(89 278)
—	—	—	—	—	(5 236)	—	(5 236)
47 457	(30 731)	41 417	508 419	2 164 128	3 323 504	1 479 703	4 803 207
47 457	**(30 731)**	**41 417**	**508 419**	**2 164 128**	**3 323 504**	**1 479 703**	**4 803 207**
—	**—**	**—**	**—**	**291 267**	**291 267**	**130 607**	**421 874**
(36 352)	**(937)**	**49 540**	**—**	**—**	**81 681**	**9 577**	**91 258**
(36 352)	**(937)**	**49 540**	**—**	**291 267**	**372 948**	**140 184**	**513 132**
—	**—**	**—**	**—**	**—**	**38 671**	**6 574**	**45 245**
—	**—**	**—**	**(21 328)**	**—**	**(21 328)**	**9 882**	**(11 446)**
—	**—**	**—**	**—**	**—**	**—**	**(26 722)**	**(26 722)**
—	**—**	**—**	**—**	**(84 498)**	**(84 498)**	**(63 314)**	**(147 812)**
—	**—**	**—**	**—**	**—**	**(15 153)**	**—**	**(15 153)**
20	**(109)**	**248**	**2 827**	**—**	**(14 905)**	**(19 459)**	**(34 364)**
—	**—**	**—**	**—**	**—**	**(21 611)**	**—**	**(21 611)**
11 125	**(31 777)**	**91 205**	**489 918**	**2 370 897**	**3 577 628**	**1 526 848**	**5 104 476**

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

R'000	NOTES	2023	RESTATED[1] 2022
Operating activities			
Profit for the year		421 874	324 509
Adjustments for non-cash and other items	41.1	322 724	328 788
Operating cash flows before movements in working capital		744 598	653 297
(Increase)/decrease in inventories		(8 762)	49 377
Increase in trade and other receivables		(77 689)	(107 542)
Decrease in trade and other payables		(25 979)	(15 426)
Cash generated from operations		632 168	579 706
Interest received		33 896	19 209
Proceeds from receipt of a government grant		2 353	6 813
Dividends received from associates and joint ventures		174 208	224 848
Dividends received from other equity investments		68 201	75 687
Income taxes paid	41.2	(37 674)	(63 307)
Finance costs paid	41.3	(411 545)	(329 426)
Net cash generated by operating activities		461 607	513 530
Investing activities			
Loans receivable repaid		—	6 747
Loans receivable advanced		(3 330)	—
Proceeds on disposal of property, plant, equipment and vehicles		64 184	9 074
Insurance proceeds		9 410	25 099
Acquisition of property, plant, equipment and vehicles		(466 654)	(266 030)
Acquisition of biological assets		(76 872)	(71 250)
Acquisition of subsidiaries		—	(768 430)
Acquisition of intangible assets		(286)	(2 861)
Acquisition of investments and investments in associates		—	(52 362)
Disposal of subsidiary	19	6 158	—
Supplier partner loans repaid		3 330	2 789
Supplier partner loans advanced		(250)	—
Net cash used in investing activities		(464 310)	(1 117 224)
Financing activities			
Dividends paid by Company and subsidiaries		(147 812)	(176 986)
Repayment of borrowings and lease liabilities	41.4	(175 379)	(1 101 452)
Loans raised	41.4	392 966	1 613 384
Shares repurchased		(21 611)	(5 236)
Shares repurchased by subsidiaries		(34 364)	(88 686)
Shares issued by subsidiaries		—	9 976
Repayment of other financial liabilities		—	(2 076)
Further investment in subsidiary		—	(592)
Settlement of contingent consideration		—	(110 000)
Increase/(decrease) in bank overdrafts	41.4	31 401	(28 313)
Net cash generated by financing activities		45 201	110 019
Net increase/(decrease) in cash and cash equivalents		42 498	(493 675)
Cash and cash equivalents at beginning of year		375 133	862 931
Foreign exchange differences		4 198	5 877
Cash and cash equivalents at end of year			
Bank balances and cash		421 829	375 133

[1] The restatement relates to the finalisation of the MG Kailis business combination. Refer to note 49.2.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

1. Presentation of financial statements

(a) Basis of preparation

Statement of compliance

The consolidated (or "Group") annual financial statements (or "financial statements") are prepared in accordance with International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements issued by the Financial Reporting Standards Council, the requirements of the JSE Limited Listings Requirements and the Companies Act of South Africa.

Basis of measurement

The consolidated financial statements have been prepared in accordance with the underlying assumption of going concern on the historical cost basis except for the revaluation of certain financial instruments, investment properties and biological assets that are measured at fair values or fair values less costs to sell at the end of each reporting period, as explained in the accounting policies.

The principal accounting policies set out below and in the individual notes, have been applied on a basis consistent with the previous year.

Functional and presentation currency

The consolidated financial statements are presented in South African Rand, which is the Group's functional currency, rounded to the nearest thousand, unless otherwise stated.

Disclosure of accounting policies

The Group discloses only those accounting policies which relate to material transactions, other events or conditions and:

- was changed during the reporting period because the Group was required to or chose to change its policy and this change resulted in a material change to the amounts included in the financial statements;
- was chosen from one or more alternatives in an IFRS Accounting Standard;
- was developed in accordance with paragraphs 10 to 12 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in the absence of an IFRS Accounting Standard that specifically applies;
- relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy and discloses those judgements or assumptions; or
- applies the requirements of an IFRS Accounting Standard in a way that reflects the Group's specific circumstances.

(b) Basis of consolidation

The consolidated financial statements include the total comprehensive income or loss, the financial position and the cash flows of the Company and its subsidiaries, associates and joint ventures. Details of the Company's related undertakings are presented in Appendices 1 and 2. In the case of associates and joint ventures, those entities are presented as single line items in the statement of profit or loss, statement of comprehensive income and statement of financial position (see note 20). Intercompany transactions and balances are eliminated on consolidation. Consistent accounting policies have been applied across the Group in the preparation of the consolidated financial statements.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company under the heading "changes in ownership".

(c) Foreign currency translation

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign currency translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Notes (continued)

for the year ended 31 December 2023

1. Presentation of financial statements (continued)

(d) Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These judgements and estimates are described within the notes and identified under the heading "significant judgements and estimates". The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(e) Intrinsic net asset value ("INAV")

INAV which is presented in the report appearing on pages 30 to 31 of the Integrated Report, is a key valuation tool used to measure the Brimstone Group's performance and compliance with financial covenants. In determining INAV,

- the intrinsic gross asset value of listed assets is valued using quoted market prices, whereas unlisted assets are valued using appropriate valuation methods as indicated in the fair value hierarchy note 47.12 to the financial statements. These values will not necessarily correspond with the carrying amounts in the consolidated statement of financial position since the latter are measured using the relevant IFRS which include historical cost, consolidation and the equity method of accounting;
- debt outstanding and ring fenced with the specific asset is deducted from the intrinsic gross asset value; and
- capital gains tax ("CGT") calculated on changes in the intrinsic gross asset value of the asset in relation to its base cost in terms of the Income Tax Act, No. 58 of 1962 (the "Act"), is deducted from the intrinsic gross asset value of the asset and added if a capital loss will be allowed to be off-set against other capital gains for tax purposes. In addition, where the Group is able to utilise any tax relief in the so-called Corporate Rules of the Act, it has been taken into account in the determination of CGT.

The balance outstanding on the Group's preference share funding facility utilised to fund all other assets is also deducted from the intrinsic gross asset value, in determining INAV.

INAV per share is determined by dividing INAV by the number of shares in issue at the reporting date after deducting treasury shares. Fully diluted INAV per share is determined by dividing INAV by the number of shares in issue at the reporting date after deducting treasury shares which have been adjusted for treasury shares which are likely to vest.

The INAV information presented in this report has been prepared on a basis consistent with that used in the Integrated Report for the year ended 31 December 2022.

(f) New standards, interpretations, and amendments effective and adopted

In the current year, the Group has applied amended IFRS Accounting Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(g) Standards that are issued but not yet effective

The amendments below will not be early adopted and will be implemented on the effective date. The impact of the new standards are in the process of being determined.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
  The amendments specify requirements for classifying liabilities as current or non-current. The amendments clarify what is meant by a right to defer settlement, that a right to defer settlement must exist at the end of the reporting period, classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The amendments also require additional disclosures. The amendments are effective for annual periods beginning on or after 1 January 2024.

2. Revenue

Accounting policy

Recognition and measurement

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excluding value added tax. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, which is normally on delivery. Delivery in the case of export sales is determined by reference to the sales contract and application of Incoterms. The normal credit terms in the Group ranges from 30 to 90 days after delivery.

The Group considers whether there are other promises in the sales order that are separate performance obligations to which a portion of the transaction price needs to be allocated such as warranties and customer loyalty points. The impact of warranties and customer loyalty points is insignificant.

Revenue from ship repairs and maintenance is recognised over time as the customer simultaneously receives and consumes the benefits provided by the entity's performance.

Dividend income is recognised when the right to receive payment has been established, which is normally the last date to trade.

R'000	2023	2022
Revenue for the year is analysed as follows:		
Revenue recognised at a point in time	**6 338 979**	6 079 322
Revenue recognised over time	**121 783**	57 843
	6 460 762	6 137 165
The Group's revenue comprises the following:		
Wild-caught fish	**3 387 715**	3 022 329
Shellfish	**559 516**	595 195
Convenience foods	**490 213**	489 511
Traded	**180 361**	189 600
Dairy	**1 586 971**	1 578 660
Food products	**6 204 776**	5 875 295
Clothing products	**213**	24 554
Healthcare products	**253 053**	235 112
	6 458 042	6 134 961
Fee income	**2 720**	2 204
Total sales and fee income	**6 460 762**	6 137 165
Dividends received		
■ listed investments	**63 899**	67 366
■ unlisted investments	**4 302**	8 321
Total dividends received	**68 201**	75 687
Total revenue	**6 528 963**	6 212 852

Notes (continued)

for the year ended 31 December 2023

R'000		2023	2022
2.	**Revenue** (continued)		
	Business and geographic segments:		
	The clothing and food products mentioned above were or are processed and manufactured in the Group's factories in the Western Cape and Australia. The table below shows the geographical breakdown of the clothing, food and healthcare product sales.		
	Sales revenue by geographical market:		
	South Africa	**3 435 373**	3 681 886
	Australia	**1 107 539**	869 463
	Europe	**1 347 646**	1 222 721
	Other markets	**567 484**	360 891
		6 458 042	6 134 961
3.	**Net operating expenses**		
	Production, selling and administration expenses[1]	**1 191 248**	968 277
	Raw materials and consumables used	**4 882 619**	4 735 010
	Total net operating expenses	**6 073 867**	5 703 287

[1] Includes holding company administration expenses of R80.6 million (2022: R76.1 million), after deducting external fee income, but before recoveries from subsidiary companies of R4.6 million (2022: R9.3 million) which have been eliminated on consolidation.

		2023	2022
4.	**Fair value (losses)/gains**		
	Changes in fair value of financial assets and liabilities and non-financial assets, at fair value through profit or loss and fair value less costs to sell:		
	■ mark-to-market revaluation of listed investments	**(106 917)**	(59 896)
	■ mark-to-market revaluation of unlisted investments	**55 515**	61 755
	■ revaluation of options	**2 748**	897
	■ revaluation of contingent consideration	**—**	20 444
	■ biological assets	**14 592**	4 330
	■ other financial instruments	**(3 158)**	6 794
	Total fair value (losses)/gains	**(37 220)**	34 324
5.	**Other investment gains/(losses)**		
	Other investment gains		
	■ profit on disposal of fishing trawlers	**2 912**	1 069
	■ gain on purchased loans	**93 310**	—
	■ reversal of impairment of property, plant, equipment and vehicles	**—**	3 489
	Total gains	**96 222**	4 558
	Other investment losses		
	■ impairment of assets of subsidiary	**—**	(39)
	■ loss on disposal of fishing trawlers	**—**	(1 808)
	■ deal costs incurred	**(95)**	(35 964)
	■ loss on disposal of subsidiary	**(578)**	—
	■ impairment of investment	**(27)**	(5 000)
	Total losses	**(700)**	(42 811)
	Other investment gains/(losses)	**95 522**	(38 253)

R'000	2023	2022

6. Profit before net finance costs

Profit before net finance costs includes the following items of income and expenditure not shown separately in the statement of profit or loss:

6.1 Income

Profit on disposal of property, plant, equipment and vehicles (excluding fishing trawlers)	**89**	6 015
Government grant income	**4 189**	5 328
Insurance proceeds	**64 863**	25 134
Foreign exchange gains	**13 852**	170 581

6.2 Expenditure

Auditors' remuneration	**12 444**	11 443
External audit	**11 551**	10 578
Other services	**893**	865
Loss on disposal of property, plant, equipment and vehicles (excluding fishing trawlers)	**1 114**	773
Foreign exchange losses	**12 662**	2 838
Employee related expenses	**1 389 663**	1 360 915
Staff costs	**1 324 208**	1 308 099
Post-employment benefits	**65 455**	52 816
Write down of inventory to net realisable value	**1 700**	15 533

7. Directors' emoluments

Paid by Company		
Fees for services as directors		
Non-executive directors	**4 329**	4 156
Management and other services		
Executive directors	**38 174**	37 100
Total paid by Company	**42 503**	41 256
Paid by subsidiaries		
Fees for services as directors		
Executive directors	**1 343**	1 226[1]
Total paid by subsidiary companies	**1 343**	1 226
Total paid by Company and subsidiaries	**43 846**	42 482

1 Previously reported R0.8 million.

Executive directors do not have fixed term contracts. They have employment agreements with the Company which are subject to a one month notice period by either party. Detailed information appears in the Remuneration Report starting on page 44. Directors' emoluments do not include non-performance related remuneration.

8. Interest income

Interest received on bank deposits and loans to associates and joint ventures	**27 197**	18 355
Other	**2 669**	382
	29 866	18 737

Notes (continued)

for the year ended 31 December 2023

R'000		2023	2022
9.	**Finance costs**		
	Interest on borrowings	**222 448**	123 715
	Interest on lease liabilities	**19 899**	15 381
	Preference dividends	**224 064**	160 513
	Other	**5 432**	6 686
		471 843	306 295
10.	**Taxation**		
10.1	**Taxation charge**		
	SA normal taxation	**77 878**	121 920
	Current – current year	**43 998**	55 075
	– under provision prior year	**4 422**	5 681
	Deferred – current year	**27 653**	62 528
	– under provision prior year	**1 805**	16 494
	– rate change	**—**	(17 858)
	Unutilised computed tax losses carried forward	**326 921**	314 490
	Saving in taxation attributable thereto at current rate	**88 269**	84 912
	No deferred tax asset was raised in respect of estimated tax losses in subsidiaries amounting to[1]	**273 778**	278 893
10.2	**Reconciliation of taxation charge**		
	Profit before taxation	**499 752**	446 429
	Tax at statutory rates (27%) (2022: 28%)[2]	**134 933**	125 002
	Adjustment for entities with different tax rates to the statutory company rate	**(1 403)**	(121)
	Under provided previous year	**6 227**	22 175
	Tax effect of changes in tax rate[2]	**—**	(21 505)
	Tax effect of share of results of associates and joint ventures	**(114 418)**	(63 839)
	Tax effect of fair value adjustments	**14 500**	(288)
	Tax effect of non-deductible expenses[3]	**92 759**	79 160
	Tax effect of non-taxable income[4]	**(61 402)**	(41 887)
	Tax effect of building allowance	**—**	(654)
	Tax effect of utilisation of prior year losses	**(1 810)**	—
	Deferred tax asset not raised	**9 375**	13 800
	Capital gains tax	**(883)**	10 077
	Taxation	**77 878**	121 920

1 Deferred tax assets are recognised on deductible temporary differences to the extent that it is probable that future taxable income will be generated against which to utilise the deductible temporary differences.

2 The change in the tax rate was substantively enacted on 23 February 2022, effective for years ending on or after 31 March 2023. As at 31 December 2022, current tax was calculated at a rate of 28%, and deferred tax was calculated at a rate of 27% as this is the tax rate that is applicable for periods ending 31 December 2023.

3 Non-deductible expenses consists primarily of preference dividends included in finance costs and the non-deductible portion of expenditure relating to an investment holding company.

4 Non-taxable income relates mainly to the gain on purchased loans, dividends received, reversal of prior year provisions, and learnership incentives received (2022: the reversal of contingent consideration, dividends received and learnership incentives received).

11. Dividends

On 6 March 2024, a final gross cash dividend of 40 cents per share (2022: 33 cents per share) was declared out of income reserves.

12. Earnings per share

The following is a reconciliation of the earnings figures used in the earnings and headline earnings per share calculations:

R'000	2023	2022
Basic earnings		
Profit attributable to equity holders of the parent	**291 267**	189 934

R'000	2023 GROSS	2023 NET[1]	2022 GROSS	2022 NET[1]
Headline earnings calculation				
Profit attributable to equity holders of the parent		**291 267**		189 934
Impairment of property, plant and equipment and vehicles	**26**	**26**	–	–
Reversal of impairment of property, plant equipment and vehicles	**–**	**–**	(3 489)	(3 489)
Impairment of investment	**–**	**–**	5 000	5 000
Insurance proceeds[2]	**(9 410)**	**(3 922)**	(25 134)	(10 337)
Loss on disposal of subsidiary	**578**	**293**	–	–
Profit on disposal of property, plant, equipment and vehicles	**(1 887)**	**(434)**	(4 503)	(4 713)
Adjustments relating to results of associates	**(467 000)**	**(110 252)**	(22 707)	(5 469)
Headline earnings	**no total**	**176 978**	no total	170 926
Headline earnings per share (cents)				
Basic		**71.6**		69.0
Diluted		**70.8**		68.2

NUMBER OF SHARES (000'S)	2023	2022
Calculation of weighted average number of shares ("WANOS")		
WANOS on which basic earnings and basic headline earnings per share is based	**247 071**	247 898
Dilutive effect of treasury shares (forfeitable share plan)	**2 760**	2 872
WANOS on which diluted earnings and diluted headline earnings per share is based	**249 831**	250 770

1 Net of tax and non-controlling interests

2 Relates only to insurance proceeds received in respect of property, plant, equipment and vehicles.

Notes (continued)

for the year ended 31 December 2023

13. Property, plant, equipment and vehicles and Investment properties

13.1 Property, plant, equipment and vehicles

Accounting policy

Recognition and measurement
Property, plant, equipment and vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Cost
Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of fishing trawler refits (major overhauls) includes expenditure on materials, direct labour and an allocated proportion of project overheads. Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss in the period in which they are incurred.

Gains or losses on disposals of property, plant, equipment and vehicles are determined by comparing proceeds with the carrying amount and are included in operating profit in the statement of profit or loss.

Depreciation
Property, plant, equipment and vehicles are depreciated to its estimated residual value on a straight-line basis over its expected useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Land and buildings comprise mainly factories and office buildings. Owned land is not depreciated. Leasehold improvements are depreciated over the lesser of the period of the lease and the useful life of the asset.

Impairment
The Group reviews the carrying amount of its property, plant, equipment and vehicles annually and if events occur which call into question the carrying amount of the assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated, being the higher of the asset's fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Where the carrying amount exceeds the estimated recoverable amount, such assets are written down to their recoverable amount.

Significant judgements and estimates

Depreciation and residual values
The Group depreciates its assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore, requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, operating conditions and maintenance programmes. These depreciation rates represent management's current best estimate of the useful lives of these assets.

Significant judgement is applied by management when determining the residual values for property, plant, equipment and vehicles. When determining the residual value, the following factors are taken into account:
- external residual value information (if available); and
- internal technical assessments for specialised plant and machinery.

The Group has reviewed the residual values and useful lives of its assets. No material adjustments resulted from the review in the current year.

The useful lives for classes of property, plant, equipment and vehicles are as follows:

Freehold buildings	5 – 50 years
Leasehold improvements	Term of lease
Plant and machinery	2 – 40 years
Fishing trawlers	5 – 45 years
Office furniture, equipment and computers	2 – 26 years
Motor vehicles	2 – 14 years

R'000	LAND AND BUILDINGS – FREEHOLD	LAND AND BUILDINGS – LEASEHOLD IMPROVE-MENTS	PLANT AND MACHINERY	FISHING TRAWLERS (INCLUDING REFITS)	OFFICE FURNITURE, EQUIPMENT AND COMPUTERS	MOTOR VEHICLES	TOTAL
2023							
Cost	458 364	66 694	1 140 009	1 711 258	138 536	51 697	3 566 558
Accumulated depreciation and impairment losses	(60 896)	(37 782)	(323 055)	(631 381)	(85 842)	(18 951)	(1 157 907)
Carrying value 1 January	397 468	28 912	816 954	1 079 877	52 694	32 746	2 408 651
Additions[1]	4 169	6 613	161 354	270 891	20 242	12 573	475 842
Disposals – cost	(61 583)	(1 145)	(4 996)	(43 546)	(1 391)	(3 888)	(116 549)
Disposal of subsidiary – cost	(23 166)	(1 932)	(37 183)	(4 283)	(2 339)	(4 581)	(73 484)
Effect of foreign currency differences on cost	2 142	—	5 990	25 422	3 340	378	37 272
Transfers between classes of assets – cost[2]	7 205	(3)	(63 281)	52 740	2 373	966	—
Depreciation for the year	(7 872)	(5 667)	(68 937)	(158 582)	(14 399)	(6 849)	(262 306)
Accumulated depreciation on disposals	(3 417)	796	2 684	40 334	801	2 617	43 815
Disposal of subsidiary – accumulated depreciation	3 849	195	16 894	883	369	905	23 095
Transfer to investment property[3]	(75 732)	—	—	—	—	—	(75 732)
Effect of foreign currency differences on depreciation	(738)	—	(234)	(5 717)	(2 999)	(176)	(9 864)
Balance at 31 December	242 325	27 769	829 245	1 258 019	58 691	34 691	2 450 740
Carrying value comprises:							
Cost	379 926	70 230	1 265 174	1 959 742	158 388	56 179	3 889 639
Accumulated depreciation and impairment losses	(137 601)	(42 461)	(435 929)	(701 723)	(99 697)	(21 488)	(1 438 899)
Carrying value at 31 December 2023	242 325	27 769	829 245	1 258 019	58 691	34 691	2 450 740

1 R9.1 million of additions for the year were non-cash and funded through instalment sale agreements.

2 Project costs are accumulated in a capital work in progress account, which is included in plant and machinery, and transferred to the relevant asset categories when the asset is complete and ready for use.

3 Refer to note 13.2.

Notes (continued)

for the year ended 31 December 2023

13. Property, plant, equipment and vehicles and Investment properties (continued)

13.1 Property, plant, equipment and vehicles (continued)

R'000	LAND AND BUILDINGS – FREEHOLD	LAND AND BUILDINGS – LEASEHOLD IMPROVE-MENTS	PLANT AND MACHINERY	FISHING TRAWLERS (INCLUDING REFITS)	OFFICE FURNITURE, EQUIPMENT AND COMPUTERS	MOTOR VEHICLES	TOTAL
2022							
Cost	443 980	69 689	1 090 112	1 476 388	131 955	48 143	3 260 267
Accumulated depreciation and impairment losses	(56 379)	(39 334)	(274 732)	(540 168)	(79 566)	(16 740)	(1 006 919)
Carrying value 1 January	387 601	30 355	815 380	936 220	52 389	31 403	2 253 348
Additions[1]	7 344	4 367	90 734	146 895	16 839	8 651	274 830
Disposals – cost	(423)	(7 304)	(23 124)	(44 042)	(10 988)	(5 283)	(91 164)
Acquisitions through business combinations	171	–	14 103	102 401	499	–	117 174
Effect of foreign currency differences on cost	(54)	–	2 244	3 007	174	80	5 451
Transfers between classes of assets – cost[2]	7 346	(58)	(34 060)	26 609	57	106	–
Depreciation for the year	(8 369)	(5 134)	(68 221)	(131 734)	(16 874)	(6 538)	(236 870)
Accumulated depreciation on disposals	377	6 686	20 778	40 903	10 810	4 326	83 880
Effect of foreign currency differences on depreciation	(14)	–	(880)	(382)	(212)	1	(1 487)
Reversal of impairment losses	3 489	–	–	–	–	–	3 489
Balance at 31 December	397 468	28 912	816 954	1 079 877	52 694	32 746	2 408 651
Carrying value comprises:							
Cost	458 364	66 694	1 140 009	1 711 258	138 536	51 697	3 566 558
Accumulated depreciation and impairment losses	(60 896)	(37 782)	(323 055)	(631 381)	(85 842)	(18 951)	(1 157 907)
Carrying value at 31 December 2022	397 468	28 912	816 954	1 079 877	52 694	32 746	2 408 651

1 Includes R8.8 million non-cash additions and set-off against loans to supplier partners.

2 Project costs are accumulated in a capital work in progress account, which is included in plant and machinery, and transferred to the relevant asset categories when the asset is complete and ready for use.

Cost of fully depreciated property, plant, equipment and vehicles still in use at 31 December 2023 is R162.5 million (2022: R220.6 million).

An amount of R9.4 million (2022: R25.1 million) was received as compensation from third parties for items of property, plant equipment and vehicles that were scrapped due to damage.

The registers containing details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered offices of the companies to which the relevant properties belong.

Government grants

A grant of R2.3 million (2022: R6.8 million) was received and used towards the purchase of the property, plant, equipment and vehicles. The government grant is treated as deferred income and released to the statement of profit or loss over the useful lives of the assets.

Details of encumbered assets

Other items of property, plant, equipment and vehicles with a net book value of R2.4 billion (2022: R2.2 billion) are encumbered by a notarial bond (refer note 35).

13.2 Investment properties

Accounting policy

Investment properties, which are held to earn rentals and for capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment property is measured at fair value. Gains or losses arising from changes in the fair value of an investment property are included in profit or loss in the period in which they arise.

R'000	2023	2022
Balance at the beginning of the year	3 700	3 700
Transfer from property, plant, equipment and vehicles	75 732	—
Balance at the end of the year	**79 432**	3 700

Investment property consists of commercial offices at The Estuaries in Century City, Cape Town and commercial and industrial property occupied by BM Foods Manufacturing Proprietary Limited ("BMFM") in Montague Gardens, Cape Town. Subsequent to the sale of 5% of BMFM, and the consequential loss of control, the property occupied by BMFM is no longer owner occupied and is held as investment property. The fair value has been determined by an independent valuer, using the income capitalisation approach.

The fair value estimate for investment property is classified as a Level 3 measurement within the fair value hierarchy. There were no transfers between fair value hierarchy levels in the current period.

The unobservable input applied in the valuation model is the capitalisation rate of 9%, taking into account the rental income potential, nature of the property, and prevailing market conditions.

A 10% increase in the capitalisation rate used will result in a decrease in fair value of R8.5 million, and a 10% decrease in the capitalisation rate used will result in an increase in fair value of R10.4 million.

14. Right-of-use assets

Accounting policy

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Notes (continued)

for the year ended 31 December 2023

14. Right-of-use assets (continued)

Accounting policy

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of certain properties and motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below R100 000). Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Judgement is required in determining whether the Group is reasonably certain to exercise its option to extend the lease or terminate the lease at inception of the lease. This is based on various factors including terms for renewal in relation to market rates, whether there has been significant leasehold improvements and the costs relating to termination.

The Group has entered into agreements to lease land and manufacturing/office buildings and retail shops, with lease terms between three and 15 years. The Group has the option, under some leases, to lease the assets for additional terms of three to five years. The likelihood of exercising these options is assessed on a lease-by-lease basis.

R'000	2023	2022
Cost	**332 910**	226 661
Accumulated depreciation	**(127 982)**	(94 150)
Carrying value at 1 January	**204 928**	132 511
New leases acquired	**42 104**	96 415
Acquisitions through business combinations	**—**	7 162
Disposal of subsidiary – cost	**(9 513)**	—
Effect of foreign currency exchange differences on cost	**5 516**	2 672
Depreciation for the year	**(37 991)**	(32 746)
Terminated leases	**(3 355)**	(6 111)
Accumulated depreciation on terminated leases	**2 483**	5 171
Disposal of subsidiary – accumulated depreciation	**5 068**	—
Effect of foreign currency exchange differences on depreciation	**418**	(146)
Balance at 31 December	**209 658**	204 928
Carrying value comprises:		
Cost	**371 017**	332 910
Accumulated depreciation	**(161 359)**	(127 982)
Carrying value 31 December	**209 658**	204 928
Amounts recognised in profit or loss:		
Depreciation expense on right-of-use assets	**(37 573)**	(32 892)
Expenses relating to leases of low-value assets	**(9 671)**	(10 217)
Gain on modification of leased asset	**194**	175
Interest expense on lease liabilities	**(19 899)**	(15 381)
Expenses relating to short-term leases	**(12 649)**	(1 367)

Leases relating to Sea Harvest Australia with a carrying amount of approximately R62.9 million (2022: R62.8 million) have been pledged to secure long-term borrowings. Refer to note 35.

15. Biological assets

Accounting policy

Recognition and measurement

Biological assets include abalone cultivated at aquaculture farms and are measured at their fair value less estimated point-of-sale costs. Fair value is determined based on the market prices of biological assets of similar age, breed and genetic merit. Point-of-sale costs include all costs that would be incurred in order to get the biological assets to the customer. Gains or losses arising from measurement on initial recognition or from a subsequent change in fair value less estimated point-of-sale costs is included in profit or loss in the period in which it arises.

Significant judgements and estimates

The fair value is determined based on market prices of biological assets of a similar age, breed, and genetic merit. In the absence of an active market, due to early stages of biological assets transformation, the capitalised costs are deemed to be the best estimate of fair value. Subsequent expenditure incurred in the development of abalone from a certain size up to the point of maturity, is capitalised in the cost.

In order to measure and value biological assets, management uses growth-formula and drip-and-purge-loss factors to determine the weight of animals at the reporting date. These formulas are based on empirical evidence and confirmed industry norms.

Included in inventory finished goods is an amount of R6.3 million (2022: R9.1 million) relating to canned, dried and frozen biological assets. The operating cycle is more than one year and therefore only abalone above and including 40 – 50g are classified as current assets.

The fair value adjustment to biological assets of R14.6 million (2022: R4.3 million) consists of a upward revaluation of R6.3 million (2022: downward revaluation of R6.1 million) relating to physical change in size and upward revaluation of R8.3 million (2022: upward revaluation of R10.4 million) relating to change in market price. A change in unobservable inputs would not have a significant change in fair value.

The Group has budgeted to spend R77 million (2022: R63 million) in further development and acquisition of the biological assets during the next reporting period.

There are no biological assets pledged as security for debt.

15.1 Reconciliation of biological assets

R'000	ABALONE	MUSSELS AND OYSTERS	FISH IN WATER	TOTAL
2023				
Balance as at 1 January	**148 556**	**16 640**	**–**	**165 196**
Increase due to additions and cost capitalised[1]	**73 696**	**9 116**	**–**	**82 812**
Decrease due to harvest and mortalities	**(52 842)**	**(13 779)**	**–**	**(66 621)**
Disposal of subsidiary	**–**	**(6 303)**	**–**	**(6 303)**
Fair value adjustment	**20 266**	**(5 674)**	**–**	**14 592**
Balance as at 31 December	**189 676**	**–**	**–**	**189 676**
Transferred to current	**(118 266)**			**(118 266)**
Total non-current	**71 410**	**–**	**–**	**71 410**
2022				
Balance as at 1 January	133 637	16 641	144	150 422
Increase due to additions and cost capitalised[1]	61 332	16 516	–	77 848
Decrease due to harvest and mortalities	(51 298)	(15 962)	(144)	(67 404)
Fair value adjustment	4 885	(555)	–	4 330
Balance as at 31 December	148 556	16 640	–	165 196
Transferred to current	(75 927)	(1 982)	–	(77 909)
Total non-current	72 629	14 658	–	87 287

Notes (continued)

for the year ended 31 December 2023

15. Biological assets (continued)

15.1 Reconciliation of biological assets (continued)

	ABALONE (TONS)
2023	
Quantities on hand at 31 December	**506**
Quantities harvested during the period	**233**
2022	
Quantities on hand at 31 December	446
Quantities harvested during the period	271

1 The additions and cost capitalised to biological assets include non-cash costs of R5.9 million (2022: R6.6 million)..

15.2 Risk management strategy related to aquacultural activities

Exchange rate risks

The Group is subject to changes in the exchange rate as abalone sales prices are denominated in US dollar and biological assets are measured at fair value which is also based on the US dollar market price. The Group's currency risk management is described in note 47.5.

Mechanical, environmental and disease risks

Reliance on plant and equipment to sustain a living environment for the abalone exposes the Group to certain risks. This risk is managed by allowing for redundancy of key equipment and the use of generators and wind turbines to mitigate shortage of electricity supply. Critical assets are monitored with sophisticated alarm systems.

Aquaculture farming is exposed to storms, red tides and water temperatures that could kill the animals and/or introduce stress related illnesses. As far as possible the farms have been placed within the biological parameters of the species being grown to minimise extreme temperature profiles. Each of the farms belong to a Veterinary Health Programme to ensure good husbandry to minimise disease risk. The abalone farms have well proven recirculation systems to prevent the abalone being exposed to red tides and other contaminants.

Strict testing and closure protocols are in place where animals cannot be removed from red tide events to prevent accidental human consumption and illness. The farms are insured against storm losses but not disease.

Kelp rights

The Aquaculture farms rely heavily on wild harvested kelp either from its own concession or third parties. These concessions are regulated by the Fishing Rights Allocation Process ("FRAP") processes and allocation is dependent on maintaining a good B-BBEE score.

Assumption sensitivity analysis

The Group has performed a sensitivity analysis relating to its exposure to a change in exchange rates used in the valuation of abalone. The sensitivity analysis demonstrate the increase/(decrease) on the biological assets, which could result from a change in this assumption.

	EXCHANGE RATE	FAIR VALUE ADJUSTMENT R'000
2023		
-10% (weakening of the Rand against the USD)	**$1/R20.27**	**15 889**
+10% (strengthening of the Rand against the USD)	**$1/R16.59**	**(15 889)**
2022		
-10% (weakening of the Rand against the USD)	$1/R18.72	10 225
+10% (strengthening of the Rand against the USD)	$1/R15.39	(10 225)

16. Goodwill

Accounting policy

Recognition and measurement

Goodwill arising on the acquisition of subsidiaries or businesses is presented separately in the statement of financial position and carried at cost less accumulated impairment losses.

Cost

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest, the acquisition date fair value of any previously held equity interest over the net identifiable assets acquired and liabilities assumed. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary or business acquired, the difference (gain on bargain purchase) is recognised in profit or loss.

The gain or loss recognised in profit or loss on the loss of control of a subsidiary is calculated after taking into account the carrying amount of any related goodwill.

Impairment

For the purposes of impairment testing, goodwill is allocated to the lowest level of cash generating unit (or "CGU"). Each of those cash generating units represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. Impairment assessments are performed annually, or more frequently if there are indicators that the carrying amount might be impaired. Impairment testing is performed by comparing the value-in-use of the cash generating unit to the carrying amount. Impairment testing is only performed on cash generating units that are considered to be significant in comparison to the total carrying amount of goodwill. In addition, the carrying values of intangible assets with an indefinite useful life have been included in the carrying amounts and fair values of the CGU's and therefore forms part of the overall impairment consideration.

Significant judgement and estimates

The value-in-use calculation used in the Australia, Aquaculture and Cape Harvest Foods CGU's requires management to estimate future cashflows and a discount rate in order to calculate present value. The South African Fishing CGU's recoverable amount is the fair value less costs to sell which requires earnings projections and price earnings multiple estimates.

Value-in-use

Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value-in-use. Future cash flows are estimated based on the most recent budgets and forecasts approved by management covering a period of up to five years and are extrapolated over the useful life of the asset to reflect the long-term plans of the Group using the estimated growth rate for the specific business or product. The estimated future cash flows and discount rates used are pre-tax based on an assessment of the current risks applicable to the specific asset and/or entity and country in which it operates or the product is sold.

Management determines the expected performance of the assets based on the following:

- an assessment of existing products against past performance and market conditions;
- an assessment of existing products against existing market conditions; and
- the pipeline of existing products under development, applying past experiences of launch success, existing market conditions and new markets

The growth rate used to extrapolate cash flow projections beyond the period covered by the budgets and forecasts takes into account the long-term average rates of the industry in which the cash generating unit is operating. Estimations are based on a number of key assumptions such as volume, price and product mix which will create a basis for future growth and gross margin. These assumptions are set in relation to historic figures and external reports on market growth. If necessary, these cash flows are then adjusted to take into account any changes in assumptions or operating conditions that have been identified subsequent to the preparation of the budgets and forecasts.

The weighted average cost of capital is derived from a pricing model based on credit risk and the cost of debt. The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating the future cash flows of the cash generating units. These values are sensitive to the cash flows projected for the periods for which detailed forecasts are not available and to the assumptions regarding the long-term sustainability of the cash flows thereafter.

Impairment losses recognised in respect of goodwill are not reversed in subsequent periods.

Notes (continued)

for the year ended 31 December 2023

R'000	2023	2022
16. Goodwill (continued)		
Balance at 1 January	**1 017 694**	865 192
Restatement[1]	**–**	(1 184)
Arising on acquisition of subsidiary/business	**–**	148 816
Foreign currency translation adjustment	**19 065**	4 870
Balance at 31 December	**1 036 759**	1 017 694
Allocation of goodwill to cash-generating units for the purpose of impairment reviews and testing		
Goodwill is allocated to the consolidated entity's cash-generating units identified according to geographical segments.		
The carrying amount of goodwill was allocated to CGU's as follows:		
South African Fishing operations	**463 325**	463 325
Australian operations[2]	**272 870**	254 989
Cape Harvest Foods	**230 581**	230 581
Aquaculture operations	**69 983**	69 983
	1 036 759	1 018 878

1 The restatement relates to the finalisation of the MG Kailis business combination. Refer to note 49.2.

2 In the current financial year, MG Kailis has been reorganised into the fishing and trading divisions within the Australia CGU.

South African Fishing

The recoverable amount of the CGU was determined on the basis of fair value less costs to sell. The fair value less costs to sell calculation used an average of actual 2023 earnings and 2024 projected earnings. A price earnings multiple of 9.28 (2022: 10.05) was used in the valuation, which is an average of listed companies operating in the same industry adjusted by a 15% (2022: 20%) risk factor for size, the unlisted nature of the CGU, and the completion of the Fishing Rights Allocation Process. The valuation resulted in a surplus over the carrying value of the CGU and thus the directors believe that a reasonably possible change in the multiple would not result in an impairment of the carrying value of goodwill.

The inputs applied in the valuation techniques to determine the recoverable amount are categorised as level 3 inputs in terms of IFRS 13 *Fair Value Measurement*.

Australian operations (including MG Kailis)

The recoverable amount of this CGU is determined based on a value-in-use calculation which requires the use of certain assumptions. The calculation uses cash flow projections based on financial budgets approved by the Sea Harvest board, covering a five-year period. The below key estimates are used in the value-in-use calculation:

%	2023	2022
Pre-tax discount rate	**11.88**	11.49
Revenue growth per annum	**3.00**	3.00
Inflation[1]	**3.00**	3.00
Terminal growth rate	**3.00**	2.50

The valuation resulted in a surplus over the carrying values of the CGU and thus the directors believe that a reasonably possible change in the assumptions would not result in an impairment of the carrying value of goodwill.

1 In line with the inflation rate in Australia.

Cape Harvest Foods

The recoverable amount of this CGU is determined based on a value-in-use calculation which requires the use of certain assumptions. The calculation uses cash flow projections based on financial budgets approved by the Sea Harvest board, covering a five-year period. The below key estimates are used in the value-in-use calculation:

%	2023	2022
Pre-tax discount rate	**15.37**	15.28
Revenue growth per annum (five-year average)	**8.20**	9.00
Inflation[1]	**6.00**	6.00
Terminal growth rate	**6.00**	6.00

1 In line with the inflation rate in South Africa.

The valuation resulted in a surplus over the carrying value of the CGU and thus the directors believe that a reasonably possible change in the assumptions would not result in an impairment of the carrying value of goodwill.

The carrying values of intangible assets with indefinite useful lives have been included in the carrying amounts and fair values of the Australian and Cape Harvest Foods CGUs.

Aquaculture operations

The recoverable amount of this CGU is determined based on a value-in-use calculation which requires the use of certain assumptions. The calculation uses cash flow projections based on financial budgets approved by the Sea Harvest board, covering a five-year period. The below key estimates are used in the value-in-use calculation:

%	2023	2022
Pre-tax discount rate	**16.36**	15.66
Revenue growth per annum (five-year average)[1]	**13.70**	9.30
Inflation[2]	**6.0**	6.00
Terminal growth rate	**6.0**	6.00

1 The increase in the growth rate is based on forecasting larger average-sized abalone, driving an enhanced, higher-margin of dried product in the sales mix.

2 In line with the inflation rate in South Africa.

Within the Aquaculture segment, with its main markets being in the Far East, slightly higher growth rates have been tapered by a slowing Hong Kong economy as a result of higher interest rates and the spillover from the Chinese real estate meltdown. As a result, significant judgement was required in estimating the future sale quantities of abalone.

The valuation resulted in a significant surplus over the carrying values of the CGU and thus the directors believe that a reasonably possible change in the assumptions would not result in an impairment of the carrying value of goodwill.

Notes (continued)

for the year ended 31 December 2023

17. Intangible assets

Accounting policy

Recognition and measurement

Intangible assets acquired separately are initially measured at cost. Intangible assets acquired separately include long-term fishing rights and permits, retail agency rights, trade names and brands, aquaculture-related intangibles and computer software. Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy either the separability criterion or contractual legal criterion in IFRS 3 *Business Combinations*. The cost of such intangible assets is their fair value at the acquisition date. Identifiable acquired intangible assets relating to business combinations include long-term fishing rights and permits, trade names and brands and aquaculture-related intangibles.

Accumulated amortisation

Subsequent to initial recognition, intangible assets with finite useful lives, are carried at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over the assets estimated useful lives, and is recognised as expenses in the statement of profit or loss. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment

An indefinite useful life intangible asset is an intangible asset where there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

An impairment assessment is performed on indefinite useful life intangible assets at the end of each reporting period, or more frequently if there are impairment indicators. Intangible assets with finite useful lives are reviewed at the end of each reporting period, but only assessed for impairment when there are impairment indicators. Impairment testing is performed by comparing the recoverable amount to the carrying amount of the intangible asset.

The recoverable amounts of the intangible assets are determined as the higher of value-in-use and fair value less costs to sell.

Value-in-use

Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value-in-use. Future cash flows are estimated based on the most recent budgets and forecasts approved by management covering a period of up to five years and are extrapolated over the useful life of the asset to reflect the long-term plans of the Group using the estimated growth rate for the specific business or product. The estimated future cash flows and discount rates used are pre-tax based on an assessment of the current risks applicable to the specific asset and/or entity and country in which it operates or the product is sold.

Management determines the expected performance of the assets based on the following:

- an assessment of existing products against past performance and market conditions;
- an assessment of existing products against existing market conditions; and
- the pipeline of products under development, applying past experiences of launch success and existing market conditions.

The growth rate used to extrapolate cash flow projections beyond the period covered by the budgets and forecasts takes into account the long-term average rates of the industry in which the cash generating unit is operating. Estimations are based on a number of key assumptions such as volume, price and product mix which will create a basis for future growth and gross margin. These assumptions are set in relation to historic figures and external reports on market growth. If necessary, these cash flows are then adjusted to take into account any changes in assumptions or operating conditions that have been identified subsequent to the preparation of the budgets and forecasts.

The weighted average cost of capital is derived from a pricing model based on credit risk and the cost of debt. The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating the future cash flows of the cash generating units. These values are sensitive to the cash flows projected for the periods for which detailed forecasts are not available and to the assumptions regarding the long-term sustainability of the cash flows thereafter.

Intangible assets that have been impaired in past financial years are reviewed for possible reversal of impairment at each reporting date.

Significant judgements and estimates

Intangible assets as a result of contractual or legal rights
Significant judgement is applied by management when determining the classification of long-term fishing rights and permits as finite or indefinite useful life intangible assets and in determining the amortisation period for finite useful life intangible assets.

Perpetual fishing licences
Australian fishing licences held in perpetuity by the Group subject to compliance with regulatory and financial obligations, which are probable of being complied with, are classified as indefinite useful life intangible assets.

Long-term fishing rights
Fishing rights allocated by the South African Department of Forestry, Fisheries and the Environment for a period of time in terms of its FRAP are classified as finite useful life intangible assets.

Indefinite useful life intangible assets constitute 93% of total intangible assets (2022: 92% of total intangible assets).

Amortisation of long-term fishing rights
The Group amortises long-term fishing rights over a longer period than the original term of the right, after considering the following factors:

- whether the Group intends and is able to renew the fishing rights;
- whether there are substantial costs associated with renewal; and
- whether there will be any material modifications to existing terms of the right.

The expectation of renewal of the long-term fishing rights is based on the Group's:

- transformation credentials;
- history of compliance with permit conditions and fishing responsibly;
- significant capital investment in order to conduct deep sea fishing operations;
- socio-economic impact on the communities in which it operates;
- assessment of the impact of new entrants on the FRAP;

and therefore requires a significant degree of judgement to be applied by management.

Due to the nature of the Group's intangible assets, management do not apply residual values to them.

Amortisation useful lives
The anticipated useful lives used to amortise the Group's intangible assets for the 2023 year are as follows:

Long-term fishing rights and permits (finite)	2 allocation cycles
Perpetual fishing licences	Indefinite
Retail agency rights	Indefinite
Brands	8 years – indefinite
Trade names and customer relationships	5 – 10 years
Aquaculture-related intangibles	8 – 14 years
Computer software	1 – 3 years

Notes (continued)

for the year ended 31 December 2023

17. Intangible assets (continued)

R'000	LONG TERM FISHING RIGHTS AND PERMITS	RETAIL AGENCY RIGHTS	TRADE NAMES AND BRANDS	AQUACULTURE RELATED INTANGIBLES	COMPUTER SOFTWARE DEVELOPMENT	TOTAL
2023						
Cost	**1 505 625**	**3 562**	**86 974**	**2 991**	**35 944**	**1 635 096**
Accumulated amortisation and impairment losses	**(163 689)**	**(87)**	**(8 152)**	**(1 017)**	**(35 944)**	**(208 889)**
Carrying value 1 January	**1 341 936**	**3 475**	**78 822**	**1 974**	**—**	**1 426 207**
Additions	**257**	**—**	**—**	**—**	**29**	**286**
Disposal of subsidiary	**—**	**—**	**(25 609)**	**—**	**—**	**(25 609)**
Effect of foreign currency differences on cost	**92 393**	**260**	**60**	**—**	**—**	**92 713**
Amortisation	**(7 733)**	**—**	**(1 413)**	**(226)**	**(9)**	**(9 381)**
Effect of foreign currency differences on amortisation	**(81)**	**—**	**—**	**—**	**—**	**(81)**
Balance at 31 December	**1 426 772**	**3 735**	**51 860**	**1 748**	**20**	**1 484 135**
Carrying value comprises:						
Cost	**1 598 275**	**3 822**	**61 425**	**2 991**	**35 973**	**1 702 486**
Accumulated amortisation and impairment losses	**(171 503)**	**(87)**	**(9 565)**	**(1 243)**	**(35 953)**	**(218 351)**
Carrying value at 31 December 2023	**1 426 772**	**3 735**	**51 860**	**1 748**	**20**	**1 484 135**
2022						
Cost	844 544	3 570	86 931	2 991	35 882	973 918
Accumulated amortisation and impairment losses	(155 660)	(87)	(4 908)	(791)	(35 844)	(197 290)
Carrying value 1 January	688 884	3 483	82 023	2 200	38	776 628
Additions	2 754	—	45	—	62	2 861
Acquisitions through business combinations	637 171	—	—	—	—	637 171
Effect of foreign currency differences on cost	21 156	(8)	(2)	—	—	21 146
Amortisation	(8 031)	—	(3 244)	(226)	(100)	(11 601)
Effect of foreign currency differences on amortisation	2	—	—	—	—	2
Balance at 31 December	1 341 936	3 475	78 822	1 974	—	1 426 207
Carrying value comprises:						
Cost	1 505 625	3 562	86 974	2 991	35 944	1 635 096
Accumulated amortisation and impairment losses	(163 689)	(87)	(8 152)	(1 017)	(35 944)	(208 889)
Carrying value at 31 December 2022	1 341 936	3 475	78 822	1 974	—	1 426 207

The fishing licences and retail agency rights in Australia are held in perpetuity and are classified as indefinite useful life intangible assets. The licences represent 10 of 18 licences, issued by the Western Australia Department of Fisheries for the Shark Bay Prawn Managed Fishery and 20 Spanish Mackerel licences. The licences acquired in the prior year acquisition of MG Kailis included 15 Exmouth prawn licences, five Pilbara fish trawl licences, two Pilbara wet line licences and one Western Deepwater trawl licence. There have been no breaches of financial or regulatory obligations. Fishing licences with a carrying value of R1.3 billion (2022: R1.2 billion) have been pledged to secure long-term borrowings with the Bank Commonwealth of Australia (CBA).

Refer to note 16 for the impairment assessment of the Australian operation.

Fishing licenses and permits with finite useful lives have a remaining useful life of 12.8 years (2022: 13.8 years).

18. Interest in subsidiaries

Details of non-wholly owned subsidiaries that have material non-controlling interests

%	2023	2022
Name of subsidiary		
Sea Harvest Group Limited[1]	**42.1**	42.3

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

R'000	2023	2022
Statement of financial position		
Assets		
Non-current assets	**5 659 961**	5 353 112
Current assets	**2 364 584**	2 286 289
Total assets	**8 024 545**	7 639 401
Equity and liabilities		
Non-current liabilities	**3 393 701**	3 235 428
Current liabilities	**1 253 432**	1 166 915
Equity attributable to owners of the company	**3 354 351**	3 185 042
Non-controlling interests	**23 061**	52 016
	8 024 545	7 639 401
Statement of profit or loss		
Revenue	**6 204 776**	5 875 295
Profit for the year	**269 359**	294 065
Profit attributable to owners of the company	**282 139**	310 610
Loss attributable to the non-controlling interests	**(12 780)**	(16 545)
Sea Harvest Group Limited		
Statement of comprehensive income		
Other comprehensive income, net of tax	**21 071**	895
Total comprehensive income for the year	**290 430**	294 960
Total comprehensive income attributable to owners of the company	**302 546**	313 992
Total comprehensive loss attributable to the non-controlling interests	**(12 116)**	(19 032)
Dividends paid to non-controlling interests	**50 399**	80 044
Cash flow information		
Net cash inflow from operating activities	**450 184**	481 027
Net cash outflow from investing activities	**(524 340)**	(1 070 605)
Net cash inflow from financing activities	**75 896**	115 372
Net cash inflow/(outflow)	**1 740**	(474 206)

[1] Calculation of interest excludes treasury shares

Notes (continued)

for the year ended 31 December 2023

19. Disposal of subsidiaries

With effect from 1 July 2023, Sea Harvest, through its wholly-owed subsidiary, Cape Harvest Food Group Proprietary Limited ("CHFG"), disposed of 5% of its equity interest in BMFM for R3 million to the BM Foods executive committee and staff trust. The transaction resulted in the group losing control of BMFM. BMFM is an equity accounted associate from 1 July 2023.

With effect from 1 September 2023, Viking Aquaculture sold all the shares in its oyster business, including West Coast Oyster Growers Proprietary Limited, West Coast Aquaculture Proprietary Limited and Luderitz Mariculture Proprietary Limited to Redburg Investments Proprietary Limited (non-controlling shareholder at Viking Aquaculture) ("Redburg") for R15.5 million, which was settled by Redburg in lieu of a portion of its loan claim against Viking Aquaculture.

R'000	BMFM	VIKING AQUACULTURE	TOTAL
Assets and liabilities disposed of			
Property, plant, equipment and vehicles	41 960	8 429	50 389
Biological assets	–	6 303	6 303
Intangible assets	25 609	–	25 609
Investment in associate	3 000	–	3 000
Right-of-use assets	365	4 080	4 445
Inventory	68 950	178	69 128
Trade and other receivables	50 231	1 950	52 181
Cash at bank balances	–	530	530
Borrowings	(29 726)	–	(29 726)
Lease liability	(435)	(6 733)	(7 168)
Trade and other payables	(71 378)	(2 520)	(73 898)
Taxation	(2 165)	–	(2 165)
Bank overdraft	(6 688)	–	(6 688)
Total assets and liabilities disposed of	**79 723**	**12 217**	**91 940**
Total consideration received			
Decrease in loan account	–	15 509	15 509
Trade and other receivables	2 989	–	2 989
	2 989	**15 509**	**18 498**
Net cash flow on disposal of subsidiary			
Consideration received in cash	–	–	–
Overdraft/(cash) balance disposed of	6 688	(530)	6 158
	6 688	**(530)**	**6 158**
(Loss)/profit on disposal of subsidiary			
Consideration	2 989	15 509	18 498
Assets and liabilities disposed of	(79 723)	(12 217)	(91 940)
Increase in related party loan (previously intra-group)	17 977	–	17 977
Non-controlling interests disposed of	29 546	(2 824)	26 722
Investment in associate recognised at fair value	28 165	–	28 165
	(1 046)	**468**	**(578)**

20. Investments in associate companies and joint ventures

Accounting policy

Recognition and measurement

Associates are entities in which the Group has an interest directly or indirectly and over which it has significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the entity. Where the Group holds at least an 20% equity interest it is presumed to have significant influence.

Joint ventures are entities in which the Group has an interest where it, along with one or more of the other shareholders, has contractually agreed to share control of the business and where the major decisions require the unanimous consent of the joint partners.

In both cases, the Group applies the equity method of accounting, under which the investments are initially recognised at the fair value of the purchase consideration, including acquisition related costs and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. The Group's share of any other changes of the investee's net assets, other than profit or loss or other comprehensive income and distributions received, is recognised in the Group's equity. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the investee, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee.

The most recent available financial statements of the associate or joint venture are used in applying the equity method. When the reporting period of the associate or joint venture is different to that of the Group by more than three months, the associate or joint venture prepares, for the use of the Group, financial statements as of the same date as the financial statements of the Group unless it is impracticable to do so. When the reporting period of the associate or joint venture is different to that of the Group by less than three months, adjustments are made for significant transactions occurring between the respective year ends.

Discontinuing the use of the equity method

The Group discontinues the use of the equity method where the investment in the investee becomes a subsidiary (the Group gains control), a financial asset (the Group loses significant influence) or is disposed of. The Group reclassifies to profit or loss the cumulative amount of other net asset changes previously recognised in the Group's equity when it discontinues the use of the equity method for any reason.

R'000	2023	2022
Cost of investment in associate companies and joint ventures	**1 678 960**	1 650 795
Loans to associate companies and joint ventures	**154 029**	137 313
Share of other comprehensive income of associates	**535 750**	465 563
Share of distributions made by associates and joint ventures	**(82 267)**	(82 267)
Share of other net asset changes of associate	**(100 067)**	(84 914)
Share of retained income since acquisition, net of dividends received	**828 933**	574 810
	3 015 338	2 661 300
Transferred to non-current assets held for sale	**(87 499)**	—
	2 927 839	2 661 300

Associates

Refer to Appendix 2 for full details of associate companies. The aggregate assets, liabilities and results of operations of associate companies are summarised below:

Notes (continued)

for the year ended 31 December 2023

20. Investments in associate companies and joint ventures (continued)

20.1 Details of material associate

DETAILS OF THE GROUP'S MATERIAL ASSOCIATE ARE AS FOLLOWS:	PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD BY THE GROUP	
%	2023	2022
Oceana Group Limited[1]	**27.20**	26.92

The above associate is accounted for using the equity method in these consolidated financial statements. Oceana Group Limited is incorporated and operates in South Africa.

The financial year end of Oceana Group Limited is 30 September. Brimstone does not have the authority to change this date. For purposes of applying the equity method of accounting, the financial statements of Oceana Group Limited for the year ended 30 September 2023 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2023. As at 31 December 2023, the fair value of the Group's interest in Oceana Group Limited, which is listed on the JSE, was R2.3 billion (2022: R2.1 billion) based on the quoted market price available on the JSE, which is a level 1 input in terms of IFRS 13 *Fair Value Measurement*.

R'000	2023	2022
Non-current assets	**8 840 000**	8 396 164
Current assets	**4 634 000**	4 420 400
Assets held for sale	**9 000**	378 967
Total assets	**13 483 000**	13 195 531
Non-current liabilities	**2 733 000**	3 461 310
Current liabilities	**2 781 000**	2 518 666
Liabilities held for sale	**–**	182 287
Non-controlling interests	**187 000**	219 967
Net assets	**7 782 000**	6 813 301
Statement of comprehensive income		
Revenue	**9 987 000**	8 148 466
Profit for the year	**1 343 000**	768 739
Other comprehensive income for the year	**228 000**	1 126 367
Total comprehensive income for the year	**1 571 000**	1 895 106
Dividend received from associate during the year	**142 393**	194 116

Reconciliation of the above summarised financial information to the carrying amount of the interest in Oceana Group Limited recognised in the consolidated financial statements.

Net assets of the associate	**7 782 000**	6 813 301
Proportion of the Group's ownership interest in Oceana Group Limited (%)	**27.20**	26.92
Share of net assets	**2 117 057**	1 834 267
Goodwill (notional)	**658 178**	658 178
Dividend received after 30 September	**(99 839)**	(95 256)
Carrying amount of the Group's interest in Oceana Group Limited	**2 675 396**	2 397 189

[1] Calculation of interest excludes treasury shares

R'000		2023	2022
20.2	**Aggregate information of associates that are not individually material**		
	Group's share of profits	**30 148**	30 816
	Group's share of other comprehensive income/(losses)	**836**	(113)
	Group's share of total comprehensive income	**30 984**	30 703
	Dividends received from associates during the year	**30 819**	29 736
	Aggregate carrying amount of the Group's interest in these associates	**267 102**	189 645

Joint ventures

Refer to Appendix 2 for full details of joint venture companies. The aggregate assets, liabilities and results of operations of joint ventures are summarised below:

		2023	2022
20.3	**Aggregate information of joint ventures that are not individually material**		
	Group's share of (losses)/profits	**(33)**	3 212
	Group's share of total comprehensive income	**(33)**	3 212
	Dividends accrued from joint ventures during the year	**996**	996
	Aggregate carrying amount of the Group's interest in these joint ventures	**72 840**	74 466

21. Investments

Accounting policy

The Group holds financial assets including listed and unlisted equities and derivatives to support the Group's capital strategies and hedge market risks, including loans to external parties, associates and joint ventures.

Classification and measurement in accordance with IFRS 9 *Financial Instruments*

The Group initially records all financial assets at fair value. The Group subsequently holds each financial asset at fair value ("fair value through profit or loss" ("FVTPL") or "fair value through other comprehensive income" ("FVTOCI")) or at amortised cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants. Amortised cost is the amount determined based on accreting the initial amount recognised for the financial instrument to the maturity value on a systematic basis using a fixed interest rate (effective interest rate), taking account of repayment dates and initial premiums or discounts.

Financial assets at amortised cost

Financial assets are measured at amortised cost when their contractual cash flows represent solely payments of principal and interest and they are held within a business model designed to collect cash flows. This classification typically applies to the Group's loans and trade receivables. The carrying value of amortised cost financial assets is adjusted for impairment under the expected loss model (see notes 22 and 25).

Financial assets at fair value through other comprehensive income

Financial assets are held at FVTOCI if it is an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognised in a business combination to which IFRS 3 applies, and the Group has at initial recognition made an irrevocable election to present subsequent changes in the fair value in other comprehensive income.

Financial assets at fair value through profit or loss

All other financial assets are held at FVTPL. The Group's financial assets at FVTPL principally comprise investments in equities and derivatives (also see note 23).

Notes (continued)

for the year ended 31 December 2023

	R'000	2023	2022
21.	**Investments** (continued)		
	Investments at FVTOCI		
	Unlisted investments		
	Shares at fair value (non-current)	**28 360**	31 219
	Investments at FVTPL		
	Unlisted investments		
	Shares at fair value (non-current)	**401 700**	346 186
	Listed investments		
	Shares at fair value (non-current)	**453 361**	736 552
	Total investments	**883 421**	1 113 957

Refer to Appendix 3 for full details on the investments.

Unlisted investments are regarded as a Level 3 financial instruments for fair value purposes.

	2023	2022
Reconciliation of level 3 fair value measurements		
Opening balance	**377 405**	287 420
Total gains or losses – in profit or loss	**55 514**	61 755
Total gains or losses – in other comprehensive income	**(2 859)**	1 230
Acquisitions	**—**	27 000
Closing balance	**430 060**	377 405

		2023	2022
22.	**Loans to supplier partners**		
	Balance at 1 January	**101 664**	108 092
	Advances to supplier partners[1]	**6 962**	2 703
	Interest charged	**8 470**	3 986
	Interest repaid	**(2 129)**	(1 528)
	Loans repaid[2]	**(822)**	(11 589)
	Balance at 31 December	**114 145**	101 664
	Non-current	**103 590**	92 670
	Current[3]	**10 555**	8 994
		114 145	101 664

The balance mainly relates to loans advanced to Nalitha Investments Proprietary Limited and South African Fishing Empowerment Corporation Proprietary Limited. These loans have no fixed terms of repayment and bear interest at JIBAR plus 2.65% and are repayable in equal quarterly instalments. The remaining loans relates to various supplier partners where loans are granted for the sale of part shares in vessels. These loans are interest free and have repayments terms of between 5 and 7 years. The Group has considered the expected credit losses on these loans and the impact is insignificant.

1 Includes R5.8 million relating to the non-cash sale of vessels to supplier partners.

2 In the prior year, R8.8 million of the loans repaid related to the non-cash acquisition of vessels from supplier partners.

3 The current portion of supplier partner loans is included in trade and other receivables.

R'000	2023	2022
23. Other financial assets		
Financial assets carried at FVTPL		
Foreign exchange contracts	–	41 637
Vuna Fishing Group call option	**36 060**	31 620
Other derivatives	**20**	7 396
	36 080	80 653
Non-current	**36 025**	31 725
Current	**55**	48 928
	36 080	80 653

Foreign exchange contracts

Comprises hedging contracts entered into by the Group for the purpose of minimising the Group's exposure to foreign currency and commodity price volatility. Please refer to note 47.5 for details on the Group's hedging process.

24. Inventories

Accounting policy

Recognition and measurement

The Group recognises inventories initially at cost when it has control of the inventories, expects it to provide future economic benefits and the cost can be measured reliably. Cost is determined on the first-in-first-out basis. Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location. Inventories are subsequently measured at the lower of cost and net realisable value. The carrying amounts of finished goods and work-in-progress include raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but exclude borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

A provision for obsolete inventories is established when there is evidence that no future economic benefits will be obtained for such inventories. The carrying amount of the inventories is reduced and the amount of the loss is recognised in profit or loss within raw materials and consumable used, if insignificant in amount, otherwise within net operating expenses.

Significant judgements and estimates

Determination of net realisable value of inventories

Management is required to exercise considerable judgement in the determination of net realisable value, specifically relating to the forecasting of demand.

Management is also required to exercise significant judgement in estimating the provision for obsolete inventory. Such judgement would take into account the following:

- change in fashion and season;
- change in market; and
- inventory nearing expiry dates.

R'000	2023	2022
Raw materials	**45 247**	109 825
Work-in-progress	**34 370**	61 098
Finished goods	**804 492**	734 049
Consumable stores	**205 271**	172 543
	1 089 380	1 077 515

Inventory with a carrying amount of R1 billion (2022: R1 billion), have been pledged to secure long-term borrowings (refer note 35).

Inventories have been stated at the lower of cost and net realisable value by the Group's subsidiaries with a total amount in their books of R75.6 million (2022: R111.2 million) being shown at net realisable value.

Notes (continued)

for the year ended 31 December 2023

25. Trade and other receivables

Accounting policy

Recognition and measurement

Receivables (except for trade receivables which are initially measured at transaction price) are initially recognised at fair value and subsequently measured at amortised cost, less impairments, using the effective interest rate method. No fair value adjustment is made for the effect of time value of money where receivables have a short-term profile. Other receivables comprise mainly of prepayments and value-added tax, initially recognised at fair value and subsequently at amortised cost. The Group applies the IFRS 9 simplified approach to measuring expected credit losses ("ECLs") which uses an expected credit loss allowance for all trade receivables.

IFRS 9 allows an entity to use a simplified "provision matrix" for calculating ECLs as a practical expedient for trade receivables, if consistent with the general principles for measuring ECLs. The provision matrix is based on an entity's historical default rates over the expected life of the trade receivables and is adjusted for forward looking factors specific to the debtors and economic environment by looking at the future prospects of the industries that the Group's debtors operate in, obtained from financial analysts and various forecast economic information relating to the debtors' core operations. We considered the ECLs on receivables other than trade receivables under the general model and the impact is not considered significant.

This provision is recognised through the use of an allowance account for losses. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for losses.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group for a period of greater than 180 days past due.

For corporate customer's management have made the assumption that a customer is in default when the debt is 180 days past due. This is on the basis of billing disputes taking time to resolve resulting in a high cure rate.

If, in a subsequent period, the amount of the impairment loss, decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is credited against administrative expenses in profit or loss.

R'000	2023	2022
Gross trade receivables	**788 594**	796 572
Less: Allowance for expected credit losses	**(27 844)**	(12 659)
Trade receivables	**760 750**	783 913
Other receivables	**224 347**	168 691
Prepayments	**65 691**	57 574
VAT receivable	**96 856**	70 076
Current portion of loans to supplier partners	**10 555**	8 994
Other receivables[1]	**51 245**	32 047
	985 097	952 604

[1] Other receivables consist of non-trade debtors and other sundry receivables.

No interest is charged on the trade receivables within agreed credit terms. Thereafter, interest is charged at prime bank overdraft rates on the overdue balance.

The granting of credit is controlled by application and credit-vetting procedures, which are reviewed and updated on an ongoing basis. Credit risk is reduced by other measures, such as credit guarantee insurance.

The following table shows the movement in lifetime ECLs that have been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9. The increase in the ECL allowance compared to the prior year is due to a specific allowance on a debtor that is in liquidation. This has also impacted the expected loss rate percentage, specifically in the over 120 days category.

R'000	2023	2022
Movement in the allowance for ECLs		
Balance at beginning of the year	**14 707**	11 579
Amounts written off during the year	**(6 890)**	(756)
Increase in allowance recognised in profit or loss	**20 864**	1 837
Disposal of subsidiary	**(864)**	—
Effect of foreign currency differences on the allowance	**27**	(1)
Balance at end of the year	**27 844**	12 659

R'000	GROSS TRADE RECEIVABLES	ALLOWANCE FOR ECLs	EXPECTED LOSS RATE (%)
2023			
Current	**656 688**	**—**	**—**
31 to 60 days	**57 778**	**1**	**—**
61 to 90 days	**14 328**	**24**	**0.2**
91 to 120 days	**6 718**	**5**	**0.1**
over 120 days	**53 082**	**27 814**	**52.4**
	788 594	**27 844**	
2022			
Current	661 618	—	—
31 to 60 days	74 673	—	—
61 to 90 days	28 903	213	0.7
91 to 120 days	5 673	581	10.2
over 120 days	25 705	11 865	46.2
	796 572	12 659	

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of trade receivables from the date credit was initially granted up to the reporting date. The Group considers a financial asset in default when contractual payments are 60 days and more past due. However, in certain cases, the Group also considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. This definition of default is consistent with the procedures required to comply with credit guarantee insurance. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. For material debtors, this will be once liquidation proceedings are finalised.

71% (2022: 64%) of the Group's trade receivables are insured against irrecoverability. However, the Group applies the IFRS 9 simplified model of recognising lifetime ECLs for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics and have been grouped on the days past due.

Included in the Group's trade receivables balance are receivables with a carrying value of R71.8 million (2022: R58.1 million) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Trade and other receivables with a value of R929.1 million (2022: R895.5 million) have been pledged to secure long-term borrowings (refer note 35).

Notes (continued)

for the year ended 31 December 2023

26. Cash and cash equivalents

Accounting policy

Actual bank balances are reflected. Outstanding cheques and deposits are included in accounts payable and accounts receivable respectively. For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held with banks. Bank overdraft is considered to be a financing activity.

R'000	2023	2022
Cash at banks and on hand	**421 829**	375 133

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents with a carrying amount of approximately R224.5 million (2022: R218.6 million) have been pledged to secure long-term borrowings (refer note 35).

	NUMBER OF SHARES		R'000	R'000
	2023	2022	2023	2022
27. Share capital				
27.1 Authorised				
Ordinary shares of 0.1 cents each	**500 000 000**	500 000 000	**500**	500
"N" Ordinary shares of 0.001 cents each	**1 000 000 000**	1 000 000 000	**10**	10
			510	510
27.2 Issued and fully paid				
Ordinary shares of 0.1 cents each	**39 874 146**	39 874 146	**40**	40
"N" Ordinary shares of 0.001 cents each	**224 975 962**	224 975 962	**2**	2
27.3 Held as treasury shares				
Ordinary shares of 0.1 cents each	**(3 256 948)**	(3 127 570)	**(3)**	(3)
"N" Ordinary shares of 0.001 cents each	**(16 080 679)**	(13 631 238)	**—**	—
Total share capital				
Ordinary shares of 0.1 cents each	**36 617 198**	36 746 576	**37**	37
"N" Ordinary shares of 0.001 cents each	**208 895 283**	211 344 724	**2**	2
			39	39
27.4 Movement in treasury shares				
Ordinary shares of 0.1 cents each				
Balance at the beginning of the year	**(3 127 570)**	(3 012 528)		
Repurchased for cash	**(129 378)**	(115 042)		
Net movement on forfeitable share plan	**—**	(1 584 910)		
Transferred to forfeitable share plan	**—**	1 584 910		
Balance at the end of the year	**(3 256 948)**	(3 127 570)		
"N" Ordinary shares of 0.001 cents each				
Balance at the beginning of the year	**(13 631 238)**	(14 067 613)		
Repurchased for cash	**(3 965 804)**	(636 832)		
Net movement on forfeitable share plan	**(1 097 633)**	1 073 207		
Transferred to forfeitable share plan	**2 613 996**	—		
Balance at the end of the year	**(16 080 679)**	(13 631 238)		

During the year, Brimstone, through its treasury share vehicle, bought back 129 378 Ordinary shares (2022: 115 042) and 3 965 804 "N" Ordinary shares (2022: 636 832) for a total cash consideration of R0.8 million (2022: R0.7 million) and R20.8 million (2022: R4.5 million), respectively. The Ordinary shares and "N" Ordinary shares were bought back for an average price of R6.01 (2022: R6.39) and R5.25 (2022: R7.07) per share, respectively. These shares are now classified as treasury shares.

R'000	2023	2022
28. Capital reserves		
Share premium		
Balance at 1 January	**179 111**	173 158
Specific repurchase of shares	**(21 611)**	(5 236)
Forfeitable share plan share issue (treasury shares)	**14 761**	11 189
Balance at 31 December	**172 261**	179 111
Share options reserve		
Balance at 1 January	**(1 893)**	(3 843)
Effect of changes in holding	**(17 956)**	(25 734)
Recognition of share-based payments	**45 245**	41 777
Forfeitable share plan share issue (treasury shares)	**(14 761)**	(11 189)
Non-controlling shareholders' share of reserves	**(6 574)**	(2 904)
Balance at 31 December	**4 061**	(1 893)
Share options exercised reserve		
Balance at 1 January and 31 December	**8 314**	8 314
Capital redemption reserve fund		
Balance at 1 January and 31 December	**3 655**	3 655
Actuarial gains/loss reserve		
Balance at 1 January	**6 057**	4 764
Effect of changes in holding	**21**	64
Current year movement	**1 513**	2 129
Non-controlling shareholders' share of reserve	**(636)**	(900)
Balance at 31 December	**6 955**	6 057
Share of other comprehensive income of associates		
Balance at 1 January	**462 455**	159 470
Current year movement	**70 187**	302 940
Non-controlling shareholders' share of reserves	**(335)**	45
Balance at 31 December	**532 307**	462 455
Share of other net asset changes of associate		
Balance at 1 January	**(84 913)**	(89 007)
Current year movement	**(15 153)**	4 094
Balance at 31 December	**(100 066)**	(84 913)
Total capital reserves	**627 487**	572 786
29. Revaluation reserves		
Investments revaluation reserve		
Balance at 1 January	**19 989**	19 271
Effect of changes in holding	**44**	161
Current year movement	**(2 860)**	1 230
Deferred taxation thereon	**618**	(265)
Non-controlling shareholders' share of reserves	**943**	(408)
Balance at 31 December	**18 734**	19 989

Notes (continued)

for the year ended 31 December 2023

	R'000	2023	2022
30.	**Cash flow hedging reserve**		
	Balance at 1 January	**47 457**	70 323
	Effect of changes in holding	**20**	553
	Current year movement	**(88 338)**	(59 860)
	Deferred taxation thereon	**25 364**	16 257
	Recycled to operating expenses	**981**	180
	Deferred taxation thereon	**(265)**	(49)
	Non-controlling shareholders' share of reserve	**25 906**	20 053
	Balance at 31 December	**11 125**	47 457
31.	**Cost of hedging reserve**		
	Balance at 1 January	**(30 731)**	(45 182)
	Effect of changes in holding	**(109)**	(336)
	Current year movement	**(8 630)**	37 910
	Deferred taxation thereon	**2 330**	(11 337)
	Recycled to operating expenses	**6 413**	(674)
	Deferred taxation thereon	**(1 732)**	182
	Non-controlling shareholders' share of reserve	**682**	(11 294)
	Balance at 31 December	**(31 777)**	(30 731)
32.	**Foreign currency translation reserve**		
	Balance at 1 January	**41 417**	32 211
	Effect of changes in holding	**248**	560
	Current year movement	**85 677**	15 192
	Non-controlling shareholders' share of reserve	**(36 137)**	(6 546)
	Balance 31 December	**91 205**	41 417
33.	**Changes in ownership**		
	Balance at 1 January	**508 419**	540 679
	Effect of changes in holding	**(6 167)**	(23 524)
	Disposal of subsidiary	**(21 328)**	–
	Arising on acquisition of shares by subsidiary	**–**	(15 130)
	Non-controlling shareholders' share of reserve[1]	**8 994**	6 394
	Balance 31 December	**489 918**	508 419

[1] Arises on issue of forfeitable share plan shares by Sea Harvest

		2023	2022
34.	**Non-controlling interests**		
	Balance at 1 January	**1 479 703**	1 466 072
	Share of profit for the year	**130 607**	134 575
	Share of other comprehensive income for the year	**9 577**	(950)
	Dividend paid	**(63 314)**	(100 588)
	Disposal of subsidiaries	**(26 722)**	–
	Further investment in subsidiary	**9 882**	–
	Recognition of share-based payments	**6 574**	2 904
	Issue of share capital by subsidiary	**–**	9 976
	Effect of changes in ownership	**(19 459)**	(32 286)
	Balance 31 December	**1 526 848**	1 479 703
	Sea Harvest Group Limited	**1 433 806**	1 397 983
	Other	**93 042**	81 720
		1 526 848	1 479 703

35. Interest bearing borrowings

Accounting policy

Recognition and measurement

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings.

Fees paid on the establishment of selected loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment against the loan and amortised over the period of the facility to which it relates.

The Group presents separately current and non-current borrowings in the statement of financial position. A liability is classified as current unless the Group expects, and has the discretion, to refinance or roll over the obligation for at least twelve months after the reporting period under an existing loan facility, in which case the Group classifies the obligation as non-current, even if it would otherwise be due within a shorter period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in profit or loss in the period in which they are incurred.

Financial liabilities at amortised cost

Borrowings are classified as “liabilities at amortised cost” in terms of IFRS 9. Financial liabilities are recognised on the transaction date when the Group becomes a party to the contract and thus has a contractual obligation and are derecognised when these contractual obligations are discharged, cancelled or expired.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment, unless if such costs or fees incurred are incremental and are directly related to the issue of the new debt instrument in which case any such costs or fees adjust the carrying amount of the liability and are amortised over the remaining term of the new financial liability. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Notes (continued)

for the year ended 31 December 2023

35. Interest bearing borrowings (continued)

R'000	2023	2022
Cumulative redeemable preference shares issued by Newshelf 1063 (RF) Proprietary Limited ("Newshelf 1063") During the prior financial year, the refinancing of the Class A5 and Class A6 variable rate redeemable preference shares was concluded.		
The company is obliged to, at its election, either redeem a portion of the outstanding preference shares, or retain in a reserve account, a specified percentage of the disposal proceeds relating to a disposal of assets that have been pledged as security, subject to covenant levels. If the total asset cover ratio ("TACR") is equal to or less than 2.50 times or the secured asset cover ratio ("SACR") is equal to or less than 2.0 times immediately after the disposal, then the specified percentage ("Specified Percentage") of the net disposal proceeds to be dealt with as per the above is 100% of the net disposal proceeds. If the TACR is greater than 2.50 times but less than 3.25 times or the SACR is greater than 2.0 times but less than 2.75 times then the specified percentage reduces to 50% of the net disposal proceeds and finally if the TACR is greater than 3.25 times and the SACR is greater than 2.75 times then the specified percentage is zero.		
As security for the A5 and A6 preference shares issued by Newshelf 1063, 32 734 131 Oceana Group Limited shares, 159 558 884 Sea Harvest Group Limited shares, 13 958 621 Equites Property Fund Limited shares were ceded to the financial institutions. The fair value of the shares at 31 December 2023 was R4.0 billion (2022: R4.2 billion).		
Class A5 preference shares Class A5 variable rate cumulative redeemable preference shares of R1.352 billion issued by subsidiary Newshelf 1063. The dividend rate is 87% of the prime rate nominal annual compounded monthly. The dividend rate decreases to 85% of prime if the TACR is greater than 2.75 but less than 3.2, and to 83% of prime if TACR is greater than 3.2. The company is obliged to declare and pay any scheduled preference share dividends that are deemed to accrue on 1 March and 1 September of each year. The Class A5 preference shares are redeemable on 7 December 2027.	**1 669 672**	1 582 810
Class A6 preference shares Class A6 variable rate cumulative redeemable preference shares of R535.8 million issued by subsidiary Newshelf 1063. The dividend rate is 84% of the prime rate nominal annual compounded monthly. The company is obliged to declare and pay any scheduled preference share dividends that are deemed to accrue on 1 March and 1 September of each year. The Class A6 preference shares are redeemable on 8 December 2025.	**563 318**	620 442

R'000	2023	2022
Loans from financial institutions to Sea Harvest Corporation Proprietary Limited ("SHC")		
Bullet loan – Standard Bank Limited The loan was raised as part of the refinancing in the current year. The loan period is for three years (with an option to extend for an additional year for two years) and is subject to a variable interest rate of three-month JIBAR plus 1.80%. A repayment of R600 million will be made at the end of the loan term. The loan is secured by marine bonds and a general notarial bond over all of SHC's assets.	**600 000**	–
Amortising loan – Standard Bank Limited The loan was raised as part of the refinancing in the current year. The loan period is for five years and is subject to a variable interest rate of three-month JIBAR plus 1.80%. Repayments of R60 million will be made every six months. The loan is secured by marine bonds and a general notarial bond over all of SHC's assets.	**600 000**	–
Revolving credit facility – Standard Bank Limited The loan was raised as part of the refinancing in the current year. The loan period is for three years and is subject to a variable interest rate of three-month JIBAR plus 1.80% and is secured by marine bonds and a general notarial bond over all of SHC's assets.	**286 000**	–
Senior debt – Standard Bank Limited The loan was refinanced during the year. Prior to the refinancing, the loan was subject to a variable interest rate of three-month JIBAR plus 2.28% (2022: 1.98%) and was secured by marine bonds and a general notarial bond over all of SHC's assets. No capital repayments were made in 2023 (2022: Rnil).	**–**	561 000
Revolving credit facility – Standard Bank Limited The loan was refinanced during the current year. Prior to refinancing, the loan was subject to a variable interest rate of three-month JIBAR plus 2.98% (2022: 1.98%) and secured by marine bonds and a general notarial bond over all of SHC's assets. The loan was fully repayable on 30 November 2023. Drawdowns of R300 million (2022: R400 million) and repayments of Rnil were made during 2023.	**–**	275 000
Sustainability term loan – Standard Bank Limited The loan was refinanced during the year. Prior to refinancing, the loan was subject to a variable interest rate of three month JIBAR plus 2.98% (2022: 1.98%) and was secured by marine bonds and a general notarial bond over all of SHC's assets. Capital repayments of R100 million were due annually until the final repayment date of 31 December 2026. Draw downs of Rnil (2022: R500 million) and capital repayments of R50 million (2022: R100 million) were made in 2023.	**–**	400 000
Loans from financial institutions to Sea Harvest Australia ("SHA")		
Cash advance facility – Commonwealth Bank of Australia ("CBA") The loan is subject to a variable interest rate of the Bank Bill Swap Yield (BBSY) plus 1.8% plus 0.7% available commitment fee (2022: BBSY plus 1.8% plis 0.7% available commitment fee) and is secured by a security interest and charge in the form of a General Security Agreement on the Personal Properties Security Register (PPSR) over all of the SHA's assets. Capital repayments will be made annually in December over 15 years commencing in 2025. A draw down of AUDnil (2022: AUD50 million) was made in 2023.	**622 510**	579 255
Trade finance facility – CBA The trade finance facility is a rolling facility, subject to not exceeding working capital requirements. The loan is subject to a variable interest rate of BBSY plus 1.3% plus 0.7% available commitment fee (2022: BBSY plus 1.3% plus 0.7% available commitment fee) and is secured by a security interest and charge in the form of a General Security Agreement on the Personal Properties Security Register (PPSR) over all of SHA's assets.	**137 498**	115 851
Premium Funding Agreement – Premium Finance Proprietary Limited The loan relates to group insurance policy, attracts interest at 1.9% (2022: 2.15%) and is repayable over 10 instalments.	**11 674**	13 511

Notes (continued)

for the year ended 31 December 2023

35. Interest bearing borrowings (continued)

R'000	2023	2022
Instalment sale agreements		
The instalment sale contracts over the fleet and assets with terms between 48 and 60 months, with variable interest rates from prime less 1.5% to prime and a fixed interest rate of 11%.	**34 926**	25 143
Loans from non-controlling shareholders of Viking Aquaculture Proprietary Limited		
▪ Loan from Viking Fishing Group Administration Proprietary Limited	**–**	248 488
▪ Odin Investments Proprietary Limited	**–**	55 009
▪ De Beers Matlafalang Business Development Proprietary Limited	**3 724**	–
▪ Redburg Investments Proprietary Limited	**46 280**	61 789
The loan from Redburg Investments (Proprietary) Limited) bears interest at prime plus 2% compounded monthly and payable monthly in arrears. R15.5 million of the loan was refinanced during the year as part of the disposal of the oyster business. Refer to note 19.		
Loans from financial institutions to BM Foods Group Proprietary Limited ("BMFG")		
Term loan – Investec		
The loan was derecognised upon losing control of BMFM on 1 July 2023. The loan bore interest at prime plus 1%, capital repayments were made monthly until maturity on 4 November 2024. The loan was secured by assets of BMFG.	**–**	30 817
Bond – Nedbank		
The loan bears interest at prime minus 1% with capital repayments made monthly until maturity in November 2027. The loan is secured by property of BMFG.	**21 508**	20 174
Loan – non-controlling shareholders		
The loan bears interest at prime plus 5% (2022: 5%), is unsecured, and has no fixed capital repayment terms.	**3 114**	1 057
Loans from non-controlling shareholders to Sea Harvest Aquaculture Proprietary Limited		
▪ Viking Fishing Group Administration Proprietary Limited	**193 800**	–
▪ Odin Investments Proprietary Limited	**33 652**	–
Loan claims with a face value of R303 million were purchased for a consideration of R210 million. Refer to note 49.1. The loans will be repaid in five annual instalments commencing on 1 January 2024 consisting of capital of R42 million plus interest calculated monthly at a rate equal to prime less 2%.		
Loan from director	**4 106**	–
The capital amount of the loan was R5 million, bears interest at CPI and is unsecured. The loan will be refinanced in five annual instalments consisting of interest and capital. During the current year, R1 million was repaid.		
Total interest bearing borrowings	**4 831 782**	4 590 346
Less: current portion of interest bearing borrowings	**(395 473)**	(372 660)
Long-term interest bearing borrowings	**4 436 309**	4 217 686

Covenants

The preference share facility and secured loans provided by the funders, are subject to covenant conditions using specific bank defined formulae as set out in the loan agreements and are regularly monitored by management to ensure these are complied with. In the event that an entity is at risk of breaching its covenants, negotiations are entered into with funders to remediate.

COVENANTS REGARDING PREFERENCE SHARE FACILITIES, TERM LOANS AND REVOLVING CREDIT FACILITIES	2023 REQUIRED COVENANT	2023 ACHIEVED	2022 REQUIRED COVENANT	2022 ACHIEVED
Newshelf 1063 (RF) Proprietary Limited				
Class A5 and Class A6 preference shares				
Total asset cover ratio	**2.00**	**Yes**	2.00	Yes
Secured asset cover ratio	**1.60**	**Yes**	1.50	Yes
Listed asset cover ratio	**1.75**	**Yes**	1.75	Yes
Sea Harvest Corporation Proprietary Limited				
Net debt: EBITDA ratio	**2.75**	**Yes**	2.00	Yes
Interest cover ratio	**3.75**	**Yes**	3.75	Yes
Senior debt service cover ratio	**n/a**	**n/a**	1.20	Yes
Sea Harvest Australia				
Interest cover ratio	**2.00**	**Yes**	2.00	Yes

The Board is satisfied with the Group's ability to make repayments as they fall due and will continue to review the covenants as part of the going concern assessment.

R'000	2023	2022
36. Other payables		
Employee-related payables	**45 936**	44 703
Bonus accrual	**17 546**	23 804
Leave pay accrual	**73 094**	73 772
Other accruals[1]	**46 554**	78 082
Other payables[2]	**62 045**	98 014
	245 175	318 375

1 Included in other accruals are deferred licence accruals.

2 Included in other payables is VAT payable, audit fees, tenant allowances and skimmed milk powder supply.

Notes (continued)

for the year ended 31 December 2023

R'000	2023	2022
37. Other financial liabilities		
Forward exchange contracts	**67 041**	5 075
Financial liability with contingent settlement provisions[3]	**99 934**	99 934
Other derivatives	**3 252**	7 257
	170 227	112 266
Non-current	**3 252**	7 257
Current	**166 975**	105 009
	170 227	112 266
Carrying value 1 January	**112 266**	102 334
Cash flows	**—**	(2 076)
Foreign exchange adjustments	**54 718**	12 211
Other changes	**3 243**	(203)
Balance as at 31 December 2023	**170 227**	112 266

[3] Represents liability recognised at date of sale of former subsidiary, Lion of Africa Insurance Company Limited, and equaled the net liabilities of the company disposed of.

38. Lease liabilities

Accounting policy

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

R'000	2023	2022
Carrying value 1 January	**242 015**	166 307
New leases acquired	**43 431**	95 003
Acquired through business combinations	**—**	7 532
Disposal of subsidiary	**(7 168)**	—
Terminated leases	**(1 061)**	(2 693)
Interest charged	**19 899**	15 381
Interest paid	**(18 883)**	(14 076)
Capital repaid	**(32 205)**	(30 112)
Effect of foreign currency exchange differences	**4 720**	4 673
Carrying value	**250 748**	242 015
Less: transfer to short-term lease liability	**(34 101)**	(31 051)
Carrying value at 31 December	**216 647**	210 964

R'000	2023	2022
Maturity analysis		
Year 1	**48 573**	48 592
Year 2	**47 171**	45 733
Year 3	**38 176**	43 586
Year 4	**35 060**	31 259
Year 5	**54 799**	27 300
Onwards	**118 034**	131 112
Total	**341 813**	327 582
Less: unincurred interest	**(91 065)**	(85 567)
	250 748	242 015

39. Deferred taxation

Accounting policy

Recognition and measurement

Deferred tax is provided using the liability method, providing for temporary differences arising between the tax base and the accounting carrying amount of amounts reflected in the consolidated financial statements. Deferred tax is, however, not provided for temporary differences that arise from the initial recognition of an asset or liability where that transaction affects neither accounting profit nor tax profit (tax loss). The only exception to this being when that asset or liability arises in terms of a business combination. Deferred tax is determined at tax rates that are enacted or substantively enacted at year-end and are expected to apply when the temporary difference reverses.

Deferred tax is not provided on temporary differences arising on investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are only offset to the extent that the balances are recoverable from the same tax authority and there is a legal right to offset them at settlement of those balances.

R'000	2023	2022
Deferred taxation asset	**(64 521)**	(35 584)
Deferred taxation liability	**925 347**	875 276
Net deferred taxation liability	**860 826**	839 692
The major components of the deferred tax balance are as follows:		
Difference between tax wear and tear allowances and depreciation charges on assets	**524 885**	547 939
Excess tax allowance over depreciation charges for investment properties	**5 763**	—
Excess of tax allowances over amortisation of intangible assets	**459 321**	387 826
Difference between doubtful debt allowance and amount allowable for tax purposes	**(177)**	—
Inventory	**(2 607)**	(13 913)
Derivative instruments	**5 410**	5 507
Arising from cash flow hedges and cost of hedging (taken directly to equity)	**(16 750)**	7 879
Prepayments	**3 680**	1 410
Government grants	**(779)**	(1 241)
Leases	**(19 953)**	45
Investments at FVTPL	**32 531**	31 837
Investments at FVTOCI	**4 658**	5 218
Provisions and accruals	**(38 917)**	(31 650)
Estimated tax losses	**(127 689)**	(106 445)
Biological assets	**12 742**	7 600
Other	**18 708**	(2 320)
	860 826	839 692

Notes (continued)

for the year ended 31 December 2023

39. Deferred taxation (continued)

R'000	2023	2022
Reconciliation of net deferred tax liability		
Opening balance	**839 692**	589 458
Recognised in profit or loss	**29 458**	61 164
Recognised in other comprehensive income	**(26 315)**	(4 788)
Recognition on acquisition of subsidiary	**—**	186 526
Derecognised on disposal of subsidiary	**(4 203)**	—
Effect of foreign currency exchange differences	**22 734**	6 330
Other	**(540)**	1 002
Net deferred tax liability at 31 December	**860 826**	839 692

40. Bank overdrafts

The Company has an overdraft facility amounting to R60 million (2022: R60 million). The facility bears interest at the bank's prime lending rate. The overdraft facility is unsecured.

41. Notes to the cash flow statement

41.1 Adjustments for non-cash and other items

	2023	2022
Share of profits of associates and joint ventures	**(428 331)**	(228 351)
Interest income and dividends received	**(98 067)**	(94 424)
Government grant income	**(4 114)**	(5 389)
Fair value losses/(gains)	**37 220**	(34 324)
Reversal of impairment of property, plant, equipment and vehicles	**—**	(3 489)
Amortisation of intangible asset	**9 381**	11 601
Loss on disposal of subsidiary	**578**	—
Unrealised foreign exchange losses	**5 348**	7 430
Finance costs	**471 843**	306 295
Taxation	**77 878**	121 920
Depreciation of non-current assets	**300 297**	269 616
Settlement of employee share trust liability	**—**	(39 795)
Share-based payment expense	**45 245**	45 826
(Decrease)/increase in long and short-term provisions	**(816)**	4 185
Biological assets mortalities	**7 964**	2 639
Other movement in non-cash items	**2 905**	(5 361)
Gain on purchased loans	**(93 310)**	—
Insurance proceeds	**(9 410)**	(25 099)
Profit on disposal of property, plant, equipment and vehicles	**(1 887)**	(4 492)
	322 724	328 788

41.2 Income taxes

	2023	2022
Income tax		
Prepaid at the beginning of the year	**(15 824)**	(12 346)
Other non-cash flow movements	**(311)**	75
Disposal of subsidiary	**2 165**	—
	(13 970)	(12 271)
Provided during year	**48 420**	59 754
Prepaid at the end of the year	**3 224**	15 824
Income tax paid	**37 674**	63 307

41.3 Finance costs paid

	2023	2022
Finance costs recognised in profit or loss	**471 843**	306 295
Interest paid relating to prior periods	**—**	23 131
Adjustment for non-cash items	**(60 298)**	—
Finance costs paid	**411 545**	329 426

R'000	BORROWINGS AND OVERDRAFTS	LEASE LIABILITIES	TOTAL

41.4 Changes in liabilities arising from financing activities

Balance as at 1 January 2022	4 111 466	166 307	4 277 773
Cash flows	513 731	(30 112)	483 619
New leases	–	95 003	95 003
Acquisitions through business combinations	–	7 532	7 532
Foreign exchange adjustments	14 844	4 673	19 517
Other changes[1]	(24 980)	(1 388)	(26 368)
Balance as at 31 December 2022	**4 615 061**	**242 015**	**4 857 076**
Cash flows	**281 193**	**(32 205)**	**248 988**
New leases	**–**	**43 431**	**43 431**
Disposal of subsidiary	**(29 726)**	**(7 168)**	**(36 894)**
Foreign exchange adjustments	**52 587**	**4 720**	**57 307**
Gain on purchased loans	**(93 310)**	**–**	**(93 310)**
Other changes[1]	**62 093**	**(45)**	**62 048**
Balance as at 31 December 2023	**4 887 898**	**250 748**	**5 138 646**

1 Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid.

42. Segmental information

Information reported to the Group's operating decision makers for the purpose of resource allocation and assessment of segment performance is specifically focused on the individual entity in which Brimstone has invested. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Brimstone, who makes strategic decisions. The Group's reportable segments under IFRS 8 *Operating Segments*, are food and investments. Investments include subsidiaries House of Monatic Proprietary Limited and Firefly Investments 306 Proprietary Limited, as well as, investments in associates and joint ventures, investments at fair value through other comprehensive income and investments at fair value through profit or loss.

R'000	2023	2022
Revenue	**6 528 963**	6 212 852
Food	**6 204 776**	5 880 295
Investments	**324 187**	332 557
Production, selling and administration expenses	**(1 191 248)**	(968 277)
Food	**(1 050 809)**	(829 459)
Investments	**(140 439)**	(138 818)
Raw materials and consumables used	**(4 882 619)**	(4 735 010)
Food	**(4 694 368)**	(4 537 353)
Investments	**(188 251)**	(197 657)
Staff costs	**(1 324 208)**	(1 308 099)
Food	**(1 253 912)**	(1 216 598)
Investments	**(70 296)**	(91 501)
Operating profit	**455 096**	509 565
Food[1]	**459 600**	513 483
Investments	**(4 504)**	(3 918)

1 Included in operating profit is insurance proceeds of R64.9 million (2022: R25.1 million) and net foreign exchange gains of R1.2 million (2022: R167.7 million).

Notes (continued)

for the year ended 31 December 2023

42. Segmental information (continued)

R'000	2023	2022
A reconciliation of operating profit from segments to profit for the year is provided below:		
Operating profit	**455 096**	509 565
Fair value (losses)/gains	**(37 220)**	34 324
Other investment gains/(losses)	**95 522**	(38 253)
Share of profits of associates and joint ventures	**428 331**	228 351
Interest income	**29 866**	18 737
Finance costs	**(471 843)**	(306 295)
Taxation	**(77 878)**	(121 920)
Profit for the year	**421 874**	324 509
Segment assets and liabilities[1]		
Total assets	**12 255 704**	11 655 588
Food	**8 017 556**	7 629 525
Investments	**4 238 148**	4 026 063
Total liabilities	**7 151 228**	6 852 381
Food	**4 647 749**	4 401 616
Investments	**2 503 479**	2 450 765
Other segmental information		
Total depreciation and amortisation	**309 678**	281 217
Food	**301 325**	268 606
Investments	**8 353**	12 611
Total additions to non-current assets	**524 922**	383 086
Food	**516 645**	374 591
Investments	**8 277**	8 495

The Group operates in two principal geographical areas – Republic of South Africa and Australia.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

R'000	2023	2022
Total sales revenue by geographical market	**6 528 963**	6 212 852
South Africa	**3 506 294**	3 759 777
Australia	**1 107 539**	869 463
Europe	**1 347 646**	1 222 721
Other markets	**567 484**	360 891
Non-current assets[1]	**9 368 582**	9 098 327
South Africa	**7 291 363**	7 182 255
Australia	**2 077 219**	1 916 072

[1] Total segment assets and liabilities have been restated. The restatement relates to the finalisation of the MG Kailis business combination. Refer to note 49.2

R'000	2023	2022

43. Contingent liabilities

The Group does not have any contingent liabilities at the end of the reporting period.

44. Capital commitments

	2023	2022
Commitments for the acquisition of property, plant, equipment and vehicles:		
Contracted for	13 048	6 326
Authorised by directors but not contracted for	276 115	264 696
Total commitments	289 163	271 022

The commitments will be funded from internal cash resources.

45. Share-based payments

Accounting policy

The Group has equity-settled compensation plans and a reclassified cash-settled compensation plan.

Equity-settled schemes

Equity-settled share-based payments to certain employees are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using the Monte Carlo method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Reclassification from equity-settled to cash-settled

Upon the reclassification or modification of an equity-settled share scheme to cash-settled, the Group measures the liability initially using the reclassification date fair value of the equity award based on the elapsed portion of the vesting period. This amount is recognised as a liability with the corresponding entry in equity. Subsequent to the modification of the share scheme, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted in profit or loss and the remaining fair value at modification date is transferred to the share-based payment liability as the services are rendered.

The fair value of the share-based payment liability is remeasured at each reporting date and at the date of settlement, with changes in fair value recognised in profit or loss.

The Group recognised total expenses of R45.2 million (2022: R41.8 million).

Notes (continued)

for the year ended 31 December 2023

45. Share-based payments (continued)

Forfeitable share plan

The Company adopted a forfeitable share plan ("FSP") which was approved by shareholders on 18 December 2014. In terms of the forfeitable share plan, executive directors, top and senior managers will be awarded performance shares in the Company.
The performance shares are linked to a requirement of continued employment over the prescribed period, the Company's performance and strategic, individual performance conditions which have to be met.

NUMBER OF FORFEITABLE SHARES	2023	2022
Ordinary shares		
Outstanding at beginning of year	**1 584 910**	–
Awarded during year	**–**	1 584 910
Forfeited	**–**	–
Vested during the year	**–**	–
Outstanding at end of year	**1 584 910**	1 584 910
"N" Ordinary shares		
Outstanding at beginning of year	**4 173 524**	5 459 918
Awarded during year	**3 285 370**	113 454
Forfeited	**(458 187)**	(326 641)
Vested during the year	**(1 516 363)**	(1 073 207)
Outstanding at end of year	**5 484 344**	4 173 524

GRANT DATE	NUMBER OF SHARES	GRANT DATE FAIR VALUE R'000	EXPECTED VESTING DATE
Ordinary shares			
21 February 2022	1 584 910	7 679	20 Feb 2025
"N" Ordinary shares			
25 February 2021	2 085 520	10 024	24 Feb 2024
21 February 2022	113 454	573	20 Feb 2025
20 February 2023	1 351 274	6 166	19 Feb 2026
2 June 2023	720 802	3 060	20 Feb 2025
2 June 2023	1 213 294	5 150	19 Feb 2026
	5 484 344		

The Sea Harvest Management Investment Trust No. 2

The Sea Harvest Management Investment Trust No 2 was established as an investment vehicle for senior executives of Sea Harvest Corporation Proprietary Limited to acquire an investment in the company. All shares vested in 2020.

Sea Harvest Employee Share Trust

The Sea Harvest Employee Share Trust was established as an investment vehicle for employees of Sea Harvest Corporation Proprietary Limited to acquire an economic exposure to an investment in shares in the company. In 2017, the scheme was modified and 50% of the options were settled. The remaining 50% of the options vested in 2022.

Forfeitable Share Plan

Sea Harvest Group Limited has a forfeitable share plan to attract, retain, incentivise and reward the right calibre of employees. Shares that have not been exercised in accordance with the rules of the plan are forfeited upon termination of employment, other than on death, retrenchment or retirement. The fair value of the equity-settled shares plan is estimated at the award date using the Monte Carlo model, taking into account the terms and conditions upon which the options were granted.

1. **Performance shares**

   Annual awards of performance shares to key executives and strategic management, as a percentage of guaranteed pay and the vesting of which will be subject to:

   i) the employment condition of three years post award date; and

   ii) sufficiently stretching performance conditions measured over a three year period which include a combination of headline earnings per share, return on capital employed and transformation.

2. **Bonus shares**

   Annual awards of bonus shares to key executives and strategic management in the form of a matched short-term incentive, the vesting of which will be subject to an employment condition of three years from award date.

3. **Retention shares**

   Once-off awards of retention shares upon listing in order to retain key executives and selected members of strategic management instrumental in delivering the Sea Harvest group's business strategy.

Notes (continued)

for the year ended 31 December 2023

46. Employee related liabilities and retirement benefits

46.1 Post-retirement medical assistance

The Sea Harvest group operates a post-employment medical benefit scheme that covers certain of its retirees. This benefit is no longer offered by the group to current employees or new employees. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The board of the Medical Assistance Fund is required by law and by its Articles of Association to act in the interest of the fund and of all relevant stakeholders. The liabilities are valued annually using the projected unit credit method and have been funded by contributions to an independent administered insurance plan. The latest actuarial valuation was performed at 31 December 2023.

R'000	2023	2022
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	**20 794**	22 417
Current service cost	**160**	201
Interest cost	**2 483**	2 375
Actuarial gain arising during the year	**(1 513)**	(2 129)
Benefits paid	**(1 904)**	(2 070)
Balance at the end of the year	**20 020**	20 794
Current portion transferred to trade and other payables	**(1 866)**	(1 949)
Non-current defined benefit obligation	**18 154**	18 845
The expected contribution to the plan for the next annual reporting period is R1.9 million (2022: R2.0 million).		
The principal assumptions of the actuarial valuation are:		
Discount rate (%)	**12.8**	12.5
Health care cost inflation (%)	**8.2**	8.1
Retirement age	**63**	63
The Group has performed a sensitivity analysis relating to its exposure to a change in the actuarial assumptions used in the valuation. This sensitivity analysis demonstrates the increase/(decrease) in the defined benefit obligation which could result from a change in these risks.		
The net unexpected actuarial gain of R1.5 million (2022: R2.1 million) arose as a result of a combination of the following factors:		
Change in real discount rate	**312**	1 825
(Higher)/lower than expected healthcare cost inflation including changes in members' benefit options	**(431)**	917
Health bonus correction	**—**	182
Unexpected changes in membership	**1 632**	(795)
	1 513	2 129
Actuarial assumption sensitivity analysis		
The Group has performed a sensitivity analysis relating to its exposure to a change in the actuarial assumptions used in the valuation. This sensitivity analysis demonstrates the increase/(decrease) in the defined benefit obligation that could result from a change in these risks.		
Discount rate		
+1%	**(1 408)**	(1 490)
-1%	**1 620**	1 719
Healthcare cost inflation		
+5% for 5 years	**3 000**	3 139
+10% for 5 years	**6 390**	6 686
Retirement age		
One year younger	**59**	28
One year older	**(24)**	(22)

R'000		2023	2022
46.2	**Leave pay accrual**		
	Balance at the beginning of the year	**72 542**	56 434
	Acquisition of a subsidiary	**—**	17 027
	Disposal of subsidiary	**(89)**	—
	Arising during the year	**37 028**	46 964
	Utilised during the year	**(27 003)**	(48 014)
	Effect of foreign currency exchange differences	**797**	131
	Balance at the end of the year	**83 275**	72 542
	Current portion of leave pay accrual	**(71 638)**	(69 217)
	Non-current portion of leave pay accrual	**11 637**	3 325

46.3 Retirement benefit information

Brimstone's Provident Fund is administered by the Old Mutual SuperFund Provident Fund. Contributions payable to the fund and charged to profit or loss amounted during the year to R2.17 million (2022: R2.08 million).

Employees of Obsidian Health Proprietary Limited, a partially-owned subsidiary, are members of the Obsidian Health Pension Fund, a defined contribution plan governed by the Pension Fund Act, 1956. Retirement benefits are determined with reference to both company and the employee contributions to the fund. The cost charged to profit or loss represents contributions payable to the scheme by the company at rates specified in the rules of the scheme. Contributions amounted to R3.19 million (2022: R3.02 million).

All permanent staff of Brimstone Investment Corporation Limited and its subsidiaries were members of a retirement fund.

Sea Harvest Group Limited

Defined contribution funds

The group provides for retirement benefit plans for all qualifying employees through independent funds. These funds (listed below) are governed by the Pension Funds Act of 1956 of the Republic of South Africa, except for the Australian Fund.

The only obligation of the group with respect to the retirement benefit plans' funds is to make the specified contributions each month.

The total expense recognised in profit or loss of R60.19 million (2022: R47.3 million) represents contributions payable to these funds by Sea Harvest at rates specified in the rules of the funds.

Notes (continued)

for the year ended 31 December 2023

47. Financial instruments

47.1 Capital risk management

The Group manages its capital to ensure that entities within the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 35 and 40, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves as disclosed in notes 28 and 33 and retained earnings.

The Group's Board reviews the capital structure on a regular basis and in particular when an acquisition of an investment is planned. As a part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from the previous year.

R'000	2023	2022
47.2 Categories of financial instruments		
Financial assets		
Classified as at FVTPL[1]	**1 031 336**	1 082 738
Classified as at FVTOCI	**28 360**	31 219
Derivative financial assets carried at fair value	**36 080**	80 653
Amortised cost (including cash and cash equivalents)	**1 474 190**	1 421 483
Trade receivables	**760 750**	783 913
Loans receivable	**23 437**	23 460
Loans to supplier partners	**114 145**	101 664
Cash and cash equivalents	**421 829**	375 133
Loans to associate companies and joint ventures	**154 029**	137 313
Financial liabilities		
Derivative financial liabilities carried at fair value	**70 293**	12 332
Financial liability with contingent settlement provisions	**99 934**	99 934
Amortised cost	**5 486 767**	5 233 945
Long and short-term borrowings	**4 831 782**	4 590 346
Bank overdrafts	**56 116**	24 715
Trade payables	**598 869**	618 884

[1] Includes R176.3 million relating to the investment in Phuthuma Nathi Investments (RF) Proprietary Limited ("Phuthuma Nathi") which is classified as a non-current asset held for sale.

47.3 Financial risk management objectives

A committee consisting of executives of the holding company and of the Group's subsidiaries monitors and manages the Group's financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The recommendations of this committee are presented to the Audit and Risk Committee and, if necessary, the board of directors for approval. The Group does not enter into or trade in financial instruments, including derivative instruments, for speculative purposes.

47.4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign exchange (see 47.5 below), interest rates (see 47.6 below) and equity price risk (see 47.10 below). There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

47.5 Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies which give rise to exchange rate fluctuations. The carrying amount of the Group's uncovered foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

R'000	2023	2022
Assets		
USD-denominated	**17 109**	18 675
GBP-denominated	**12 388**	6 989
EURO-denominated	**214 001**	176 300
AUD-denominated	**73 782**	61 307
Liabilities		
USD-denominated	**407**	5 245
EURO-denominated	**2 480**	518

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Rand against the respective foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A negative number indicates a decrease in profit where the Rand strengthens by 10% against the relevant currency. For a 10% weakening in the Rand against the relevant currency, there would be an equal and opposite effect on the profit.

	2023	2022
USD	**1 670**	1 343
GBP	**1 239**	699
EURO	**21 152**	17 578
AUD	**7 378**	6 131

All profits or losses are attributable to the exposure on outstanding receivables and payables at year end in the Group.

Commodity price risk management

Commodity price risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in commodity prices. The group's exposure to the risk of changes in commodity prices relates primarily to the group's operating activities which require the ongoing purchase of diesel fuel. Due to the volatility, the group enters into derivatives such as swaps and options for the forecasted diesel fuel purchase requirements for future fishing seasons.

Commodity price exposures are managed within approved policy parameters utilising a mix of cash settled commodity forward exchange contracts, swaps and options for diesel fuel.

Hedge accounting

Cash flow hedges

Due to the volatility in foreign currency rates and commodity prices, the Group enters into derivatives such as options, swaps and forward exchange contracts for the purpose of minimising the Group's exposure to fluctuations in cash flows over the hedging period that results from the volatility. The Group applies IFRS 9 for hedge accounting.

The derivatives are designated as effective cash flow hedging instruments at year end. The effective portion of changes in the fair value of the derivatives is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve. The hedges relate to highly probable forecast transactions, and critical terms of both the hedged items and the hedging instruments are the same. The Group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in the opposite direction in response to the movements in the underlying exchange rates.

The main sources of ineffectiveness in these hedge relationships are the effect of counterparty and the Group's own credit risk on the fair value of the forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in the foreign exchange rates. No other sources of ineffectiveness emerged from these relationships.

Notes (continued)

for the year ended 31 December 2023

47. **Financial instruments** (continued)

47.5 **Foreign currency risk management** (continued)

Forward exchange contracts

The Group enters into forward exchange contracts to buy and sell specified amounts of various foreign currencies in the future at a predetermined exchange rate. The contracts are entered into to manage the Group's exposure to fluctuations in foreign currency exchange rates on specific transactions. The contracts are matched by anticipated future cash flows in foreign currencies, primarily from sales. It is the Group's policy to enter into forward exchange contracts for all net foreign currency trade or capital items. Where a relatively short settlement period is involved and risk is minimal, no forward exchange contract is entered into.

The following tables detail the amounts that the Group is contracted to sell under forward exchange contracts in respect of future receivables:

	R'000	EXCHANGE RATE	CONTRACTUAL EXPIRY DATES
2023			
USD	**10 199**	**18.87**	**13 December 2023 – 22 January 2024**
EURO	**1 690 159**	**20.07**	**2 September 2022 – 31 December 2025**
GBP	**2 528**	**23.83**	**13 December 2023 – 5 January 2024**
AUD	**244 699**	**12.58**	**2 September 2022 – 31 December 2024**
2022			
USD	103 822	18.30	6 January 2023 – 31 January 2024
EURO	1 697 147	19.55	6 January 2023 – 31 December 2024
GBP	2 392	21.74	11 January 2023
AUD	262 815	12.29	13 January 2023 – 31 December 2024

The following table details the amounts that the Group is contracted to buy under forward exchange contracts in respect of future payables:

	R'000	EXCHANGE RATE	CONTRACTUAL EXPIRY DATES
2023			
USD	**5 233**	**18.93**	**12 October 2023 – 5 March 2024**
USD	**27 011**	**18.77**	**9 January 2024 - 28 March 2024**
EURO	**12 459**	**20.58**	**7 August 2023 – 1 March 2024**
EURO	**7 915**	**20.81**	**31 January 2024 - 28 March 2024**
GBP	**152**	**23.98**	**13 December 2023 – 17 January 2024**
AUD	**109**	**12.34**	**22 November 2023 – 16 January 2024**
2022			
USD	9 527	17.36	13 January 2023 – 3 April 2023
USD	19 174	16.95	31 January 2023 – 31 March 2023
EURO	14 953	18.31	4 January 2023 – 15 June 2023
EURO	7 640	18.11	31 January 2023 – 31 March 2023
GBP	1 976	21.34	6 January 2023 – 30 January 2023
AUD	1 604	11.95	9 March 2023
DKK	865	2.41	30 January 2023

R'000	2023	2022
Carrying value of foreign currency forward exchange contracts	**(66 249)**	29 201

The foreign exchange currency contracts have been acquired to hedge the underlying currency risk arising from firm commitments received from customers for the purchase of goods, as well as forecast sales.

The majority of cash flows are expected to occur and affect profit or loss within the next 24 months.

47.6 Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

The Group's exposure to interest rate risk on financial liabilities are detailed in the liquidity risk management section.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance date was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year would decrease/increase by R17.6 million (2022: R16.2 million) in the Group as a result of their exposure to interest rates on their variable rate borrowings.

47.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial assets which potentially subject the Group to concentrations of credit risk consist of cash and receivables. The maximum exposure to credit risk, excluding the value of any collateral or other security at the reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group's cash is placed with recognised financial institutions. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Because of this, the Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for. The Company, prior to advancing funds to subsidiaries, associates, joint ventures and investments, reviews through its Investment Committee the entity's ability to repay the funds.

Unutilised banking facilities	2023	2022
Total banking and loan facilities	**5 432 761**	5 454 490
Facilities utilised	**(4 887 898)**	(4 615 061)
Unutilised banking facilities	**544 863**	839 429
Unrestricted cash and cash equivalents	**421 829**	375 133
Unutilised banking facilities and cash and cash equivalents	**966 692**	1 214 562

Certain of the borrowing facilities may only be utilised subject to share cover ratios and the consent of the bankers.

Notes (continued)

for the year ended 31 December 2023

47. Financial instruments (continued)

47.8 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group does this by maintaining adequate reserves, banking facilities, and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest rate risk tables

The following tables detail the Group's remaining contractual maturity for non-derivative financial liabilities and assets. The liability tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the liabilities can be repaid and includes both interest and principal cash flows. The asset tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets and in the case when contractual maturities cannot be determined, using management best view of the period when the amounts will be recovered.

The Group's exposure to liquidity and interest rate risk and the effective rates of interest at reporting date are as follows:

2023	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	LESS THAN 1 YEAR R'000	1 – 5 YEARS R'000	OVER 5 YEARS R'000	TOTAL R'000
Assets					
Investments at FVTPL and at FVTOCI[1]	Interest free	176 275	—	883 421	1 059 696
Participating preference shares held in investment in associate	3.6	—	—	51 335	51 335
Loans to associate companies and joint ventures	Interest free	—	—	44 096	44 096
Loans to associate companies	prime plus 2%	3 861	48 462	—	52 323
Loans to associate companies	Jibar plus 5%	5 921	49 253	—	55 174
Loans receivable	18	6 728	3 138	—	9 866
Loans receivable	Interest free	62 652	—	—	62 652
Trade receivables	Interest free	760 750	—	—	760 750
Loans to supplier partners	Jibar plus 2.65%	10 556	42 224	137 699	190 479
Loans to supplier partners	Prime plus 1%	1 045	4 284	6 028	11 357
Loans to supplier partners	Interest free	—	—	20 925	20 925
Other financial assets	Interest free	55	—	36 025	36 080
Cash and cash equivalents	Bank deposit rates	421 829	—	—	421 829
		1 449 672	147 361	1 179 529	2 776 562
Liabilities					
Preference share facility	Refer note 35	225 460	2 787 905	—	3 013 365
Term loan borrowings – variable rates	Refer note 35	525 800	3 016 386	3 390	3 545 576
Instalment sale agreement borrowings – fixed rates	Refer note 35	10 899	33 270	—	44 169
Trade payables	Interest free	598 869	—	—	598 869
Other payables	Interest free	154 535	—	—	154 535
Other financial liabilities	Interest free	166 975	3 252		170 227
Bank overdrafts	Bank overdraft rate	56 116	—	—	56 116
		1 738 654	5 840 813	3 390	7 582 857

[1] Including investments classified as non-current assets held for sale.

2022	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	LESS THAN 1 YEAR R'000	1 – 5 YEARS R'000	OVER 5 YEARS R'000	TOTAL R'000
Assets					
Investments at FVTPL and at FVTOCI	Interest free	–	–	1 113 957	1 113 957
Participating preference shares held in investment in associate	3.6	–	–	49 728	49 728
Loans to associate companies and joint ventures	Interest free	–	–	46 596	46 596
Loans to associate companies	prime plus 2%	3 684	36 837	–	40 521
Loans to associate companies	Jibar plus 2.65%	–	13 765	–	13 765
Loans receivable	18	5 694	668	–	6 362
Loans receivable	Interest free	55 344	–	–	55 344
Trade receivables	Interest free	783 913	–	–	783 913
Loans to supplier partners	Jibar plus 2.65%	8 994	35 976	82 905	127 875
Loans to supplier partners	Interest free	–	–	17 262	17 262
Other financial assets	Interest free	48 928	–	31 725	80 653
Cash and cash equivalents	Bank deposit rates	375 133	–	–	375 133
		1 281 690	87 246	1 342 173	2 711 109
Liabilities					
Preference share facility	Refer note 35	130 394	2 151 727	–	2 282 121
Term loan borrowings – variable rates	Refer note 35	426 148	1 721 488	1 066 952	3 214 588
Trade payables	Interest free	620 068	–	–	620 068
Other payables	Interest free	221 577	–	–	221 577
Other financial liabilities	Interest free	105 009	7 257		112 266
Bank overdrafts	Bank overdraft rate	24 715	–	–	24 715
		1 527 911	3 880 472	1 066 952	6 475 335

47.9 Interest rate management

The factors which would be considered in the decision on fixed versus floating interest rates in respect of the Group's borrowings are:

- the perceived stage in the interest rate cycle
- the nature and characteristics of the borrowings concerned
- the nature of the assets financed by the borrowings in question

Interest rate swap contracts are entered into should conditions be such that it would be advantageous to switch from a fixed to a variable rate or vice versa. Such contracts would not be entered into for speculative reasons.

Notes (continued)

for the year ended 31 December 2023

47. Financial instruments (continued)

47.10 Equity price risk

The portfolio of listed equities and equities held through the subsidiaries which are carried in the statement of financial position at fair value, has exposure to significant equity price risk, being the potential loss in market value resulting from an adverse change in prices. The Group's holdings are diversified across more than one company. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary goal of the Group's investment strategy is to maximise investment returns without incurring undue market risk.

At 31 December, the exposure to equity price risk resulted from the financial assets listed in note 47.12.

47.11 Fair value of financial instruments

The estimated net fair values at 31 December 2023 have been determined using available market information and appropriate valuation methodologies and are not necessarily indicative of the amounts that the Group could realise in the ordinary course of business. The fair values of financial instruments in both the Group and the Company approximate the amounts reported in the statements of financial position.

The following methods and assumptions were used by the Company in establishing fair values:

Investments

These investments are valued each 6 months on the basis considered most appropriate to the investment concerned.

Cash and cash equivalents

The carrying amounts reported in the statements of financial position approximate fair values.

Trade receivables

The carrying value of trade receivables reported in the statements of financial position approximate fair values.

Other receivables

The carrying amounts reported in the statements of financial position approximate fair values.

Long-term interest bearing borrowings

The carrying amounts reported in the statements of financial position approximate fair values.

Short-term interest bearing borrowings

The carrying amounts reported in the statements of financial position approximate fair values.

Trade and other payables

The carrying amounts reported in the statements of financial position approximate fair values.

47.12 Fair value measurements recognised in the statement of financial position

This note provides information about how the Group determines fair values of various financial assets, non-financial assets and financial liabilities.

Some of the Group's financial assets, non-financial assets and financial liabilities are measured at fair value at each reporting date. The following table gives information about how the fair values of these financial assets, non-financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used). The directors consider that the carrying amounts of financial assets, non-financial assets and financial liabilities not measured at fair value on a recurring basis (but fair value disclosures are required) recognised in the condensed consolidated financial statements approximate their fair values.

R'000	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
31 December 2023				
Financial assets at FVTPL				
Derivative financial assets	—	36 080[1]	—	36 080
Listed shares	629 636[2]	—	—	629 636
Unlisted shares	—	—	401 700[3]	401 700
Non-financial assets at fair value				
Biological assets	—	—	189 676[4]	189 676
Investment properties	—	—	79 432[5]	79 432
Financial assets at FVTOCI				
Unlisted shares	—	—	28 360[6]	28 360
Total	629 636	36 080	699 168	1 364 884
Financial liabilities at FVTPL				
Derivative financial liabilities	—	70 293[1]	—	70 293
Financial liability with contingent settlement provisions	—	—	99 934[7]	99 934
Total	—	70 293	99 934	170 227
31 December 2022				
Financial assets at FVTPL				
Derivative financial assets	—	80 563[1]	—	80 653
Listed shares	736 552	—	—	736 552
Unlisted shares	—	—	346 185[3]	346 185
Non-financial assets at fair value				
Biological assets	—	—	165 196[4]	165 196
Financial assets at FVTOCI				
Unlisted shares	—	—	31 220[6]	31 220
Total	736 552	80 653	542 601	1 359 806
Financial liabilities at FVTPL				
Derivative financial liabilities	—	12 332[1]	—	12 332
Financial liability with contingent settlement provisions	—	—	99 934[7]	99 934
Total	—	12 332	99 934	112 266

The table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in Levels 1 to 3 based on the degree to which fair value is observable.

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

There are no changes to unobservable inputs that might result in a significantly higher or lower fair value measurement within level 2 and level 3 assets and liabilities.

There were no transfers between levels 1, 2 and 3 in the current or prior year.

Notes (continued)

for the year ended 31 December 2023

47. Financial instruments (continued)

47.12 Fair value measurements recognised in the statement of financial position

Notes

1 The following methods and inputs are used in valuing level 2 financial assets and liabilities:

- The fair value of the financial asset representing the call option to acquire shares in Vuna Fishing Company Proprietary Limited ("Vuna") was independently determined by an expert using the Black-Scholes option pricing model. The inputs applied in the option pricing model were i) the value of Vuna calculated using an average of actual 2022 and 2023 earnings and 2024 projected earnings multiplied by a price earnings multiple, ii) yield curve, and iii) volatility. A change in unobservable inputs would not have a material change in the fair value.
- Financial assets and liabilities relate to hedging contracts entered into by the Group for the purpose of minimising the Group's exposure to foreign currency and fuel price volatility. The valuation is performed by an independent valuer, taking into account forward exchange contracts spot and forward rates, current fuel prices, and discount factors.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

2. Includes R176.3 million relating to the investment in Phuthuma Nathi which is classified as a non-current asset held for sale. Refer note 49.3. If equities had been 10% higher/lower, profit for the year would increase/decrease by R49.4 million (2022: R57.2 million).

3. Value is based on the effective interest held in the net assets of the underlying entity. In assessing the net assets of the underlying entity, substantially all of the assets are carried at fair value and all of the liabilities are carried at amortised cost. The assets are valued using the capitalisation of net income method or open market values for existing use, on a three-year rolling basis, i.e. a third of the portfolio is independently valued annually. Therefore, application of Brimstone's percentage interest to the net asset value of the entity is the best indication of fair value of the investment. If the net assets of the underlying entity had been 10% higher/lower, profit for the year would increase/decrease by R28.4 million (2022: R24.5 million).

4. Biological assets are measured at fair value less costs to sell. Biological assets relate to abalone cultivated at aquaculture farms, and are measured at their fair value less estimated point-of-sale costs. Fair value is determined based on the dollar denominated market prices of biological assets of similar age, breed and genetic merit. In order to measure and value biological assets, management uses growth formula and drip-and-purge-loss factors to determine the weight of animals at the reporting date. These formulas are based on empirical evidence and confirmed industry norms. A fair value gain of R14.6 million (2022: R4.3 million) was recognised in profit or loss relating to the valuation of biological assets. A change in unobservable inputs would not result in a significant change in the fair value.

5. Subsequent to the sale of a 5% interest in subsidiary BMFM and the consequential loss of control, commercial and industrial properties occupied by BMFM are no longer owner occupied and are held as investment properties which resulted in an increase in investment properties of R75.7 million. The fair value has been determined by an independent valuer, using the income capitalisation approach. Refer to note 13.2.

6. Asset valuation performed by an independent valuer and represents unlisted shares in a vessel-owning company. The underlying vessel is valued based on the age and condition of the vessel and current market value derived by sales comparison of these or similar types of vessels adjusted for differences in age, condition, degree of upgrade already carried out on the vessel, and size. A change in unobservable inputs would not result in a significant change in the fair value.

7. The fair value of the financial liability with contingent settlement provisions is measured as the undiscounted amount that the Group could be required to repay immediately, and is represented by the net liabilities of Lion of Africa Insurance Company Limited at the date of disposal of the discontinued operation, which was 30 December 2021. There has been no significant change in the fair value of the financial liability at 31 December 2023.

48. Related party transactions and directors' interests

Compensation of key management personnel

The remuneration of executive directors and other key members of management during the year was as follows:

R'000	2023	2022
Short-term benefits	**39 571**	37 500
Post-employment benefits	**1 942**	1 829
Share-based payments	**11 420**	9 247
	52 933	48 576

F Robertson, an executive director of the Company, is a beneficiary of a trust which is the ultimate controlling shareholder of an insurance broker that provides services to the Company and certain of its subsidiaries. The services are performed on a strictly market related arms' length basis and total fees paid for the services during the year amounted to R165 516 (2022: R184 061).

Brimsure Proprietary Limited holds a 30% stake in Aon Re Africa Proprietary Limited, is jointly controlled by Brimstone (60%) and Commlife Holdings Proprietary Limited (40%), a company controlled by a trust of which F Robertson is a beneficiary.

In terms of a supply agreement between joint venture group, Vuna and SeaVuna Fishing Company Proprietary Limited ("SeaVuna"), and Sea Harvest's subsidiary, Sea Harvest Corporation Proprietary Limited ("Sea Harvest Corporation"), fish caught by Vuna and SeaVuna is marketed by Sea Harvest Corporation. Purchases from SeaVuna during the year amounted to R295.1 million compared to R283.9 million for the year ended 31 December 2022. Sales to SeaVuna during the year amounted to R14.8 million compared to R29.6 million for the year ended December 2022. Loans owing by Vuna and SeaVuna amounted to R66.8 million at 31 December 2023 compared to R68.4 million at 31 December 2022.

The Company earned dividends of R174.2 million (2022: R224.8 million) and interest of R5.3 million (2022: R4.9 million) from its associates and joint ventures.

The balances owing by associate companies and joint ventures are disclosed in Appendix 2.

The balances with associate companies and joint ventures will be settled by the transfer of funds.

Related party transactions reported by subsidiaries of the Company

R'000	2023	2022
Sea Harvest Group Limited		
■ Sales to Oceana Group Limited	–	1 725
Obsidian Health Proprietary Limited		
■ Sales to Oceana Group Limited	–	1 037

Related party transactions are concluded on an arm's length basis.

Notes (continued)

for the year ended 31 December 2023

49. Other transactions

49.1 Acquisition of a further 28% equity interest in Viking Aquaculture

On 8 March 2023, Sea Harvest, through its wholly-owned subsidiary, Sea Harvest Aquaculture Proprietary Limited, which owned 54% of the shares in Viking Aquaculture, entered into an agreement to acquire a further 28% of the shares in and loan claims with a face value of R303 million against Viking Aquaculture for a purchase consideration of R210 million from non-controlling shareholders. The acquisition of the loan claims resulted in a gain of R93.3 million ("gain on purchased loans") during the year.

The further acquisition fits within Sea Harvest's investment criteria and increases the group's ownership in Viking Aquaculture from 54% to 82%, allowing Sea Harvest to integrate Viking Aquaculture, extract operational synergies; and align operating structure, growth strategies and funding requirements with that of Sea Harvest.

The purchase consideration related to the 28% of the shares of R28 was settled in cash on the effective date of 15 March 2023. The purchase consideration of R210 million related to the loan claims will be settled in five equal instalments of R42 million, together with interest calculated at a rate equal to prime less 2% per annum, commencing on 1 January 2024 and ending on 1 January 2028.

A further 5% shareholding was also acquired from non-controlling shareholders in May 2023, increasing the group's shareholding in Viking Aquaculture to 87%.

49.2 Finalisation of the MG Kailis business combination

The initial accounting for the acquisition of MG Kailis was finalised at 30 June 2023. The final measurement period adjustment not already reported on at 31 December 2022 related to a decrease in the consideration paid of R1.2 million which impacted the goodwill and trade and other payables line items in the 2022 Consolidated Statement of Financial Position and the acquisition of subsidiaries line item in the 2022 Consolidated Statement of Cash Flows. Prior year amounts have been restated where applicable.

49.3 Non-current assets held for sale

The Group's investment in associate Milpark Investment SPV Proprietary Limited ("Milpark SPV") and the investment in Phuthuma Nathi Investments (RF) Proprietary Limited ("Phuthuma Nathi") shares have been classified as non-current assets held for sale at the reporting date, as the sale of both investments met the IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* criteria of held for sale. Subsequent to year end, the Group received R117.5 million on the disposal of Newshelf 1404 Proprietary Limited, which held the investment in Milpark SPV. In February 2024, the Group disposed of 1 000 000 of the 1 895 425 shares held in Phuthuma Nathi, for a total cash consideration of R100 million.

50. Events after the reporting period

Sale of investments

In addition to the sale of the Group's investment in Milpark SPV and Phuthuma Nathi referred to above, during February 2024, the Group disposed of a major portion of its investment in Equites Property Fund Limited ("Equites"), whereby 8 836 487 of its 13 958 621 shares held in Equites were disposed of for a total cash consideration of R123.9 million, on the open market.

Dividends

On 6 March 2024, a final gross cash dividend of 40 cents per share (2022: 33 cents per share) was declared out of income reserves.

SENS announcements

On 22 January 2024, Brimstone announced the proposed acquisition by subsidiary, Sea Harvest, of certain subsidiaries of Terrasan Group Limited for an initial purchase consideration of R964.8 million, which includes the issue of 60 000 000 Sea Harvest shares. Therefore, should the transaction be completed[1], Brimstone's ownership interest in Sea Harvest will dilute to below 50% at the time that Sea Harvest issues the shares, and Brimstone will therefore cease to have control of Sea Harvest in terms of IFRS 10 *Consolidated Financial Statements*. Consequently, Brimstone will be required to deconsolidate Sea Harvest and due to exercising significant influence over Sea Harvest, apply the equity method of accounting to its ownership interest.

On 26 February 2024, Brimstone announced that its shareholders voted in favour of the proposed transaction at a general meeting of shareholders.

[1] The transaction is subject to conditions normal for a transaction of this nature.

51. Going concern

The Brimstone board has assessed the funding facilities available to the Group and the projected cash flow forecast and is satisfied that sufficient funding and cash is available for a period of at least twelve months from the reporting date.

Supplementary Reports on Investments

as at 31 December 2023

Appendix 1

Principal subsidiaries

The Group's principal subsidiaries at 31 December 2023 are set out below. Unless otherwise stated, the subsidiaries have share capital consisting solely of ordinary shares that are held either directly by the Group, or indirectly by the Group through its subsidiaries. All subsidiaries are incorporated in the Republic of South Africa which is also their principal place of business.

NAME OF ENTITY	SHARE CAPITAL		EFFECTIVE PERCENTAGE HOLDING[1]		PRINCIPAL ACTIVITY OF SUBSIDIARY
	2023 R	2022 R	2023 %	2022 %	
Held directly by Brimstone					
Firefly Investments 306 Proprietary Limited	**–**	11 600 000	**–**	70	Investment holding
Brimco Proprietary Limited	**1**	1	**100**	100	Investment holding
House of Monatic Proprietary Limited	**30 572 408**	30 572 408	**100**	100	Retailer of clothing
Septen Investments Proprietary Limited	**–**	1	**–**	100	Holds treasury shares
Brimsure Proprietary Limited	**–**	100	**–**	60	Investment holding
Newshelf 1063 (RF) Proprietary Limited	**2 490 341 968**	167 163 234	**100**	100	Investment holding
Newshelf 1331 Proprietary Limited	**1**	1	**100**	100	Investment holding
Newshelf 1404 Proprietary Limited	**–**	1	**–**	100	Investment holding
Oceana SPV Proprietary Limited	**100**	100	**100**	100	Investment holding
Held indirectly by Brimstone through its subsidiaries					
Firefly Investments 306 Proprietary Limited	**11 600 000**	–	**70**	–	Investment holding
Obsidian Health Proprietary Limited	**10**	10	**70**	70	Distributor of healthcare products
Septen Investments Proprietary Limited	**1**	–	**100**	–	Holds treasury shares
Brimsure Proprietary Limited	**100**	–	**60**	–	Investment holding
Newshelf 1064 Proprietary Limited	**809 238 564**	809 238 564	**100**	100	Investment holding
Newshelf 1062 Proprietary Limited	**1**	1	**100**	100	Investment holding
Newshelf 1168 Proprietary Limited	**1**	1	**100**	100	Property owning
Newshelf 1169 Proprietary Limited	**1**	1	**100**	100	Investment holding
Newshelf 1269 (RF) Proprietary Limited	**1**	1	**100**	100	Investment holding
Newshelf 1404 Proprietary Limited	**1**	–	**100**	–	Investment holding
Newshelf 1409 Proprietary Limited	**1**	1	**51**	51	Investment holding
Newshelf 1411 Proprietary Limited	**1 656 483 997**	1 656 483 997	**100**	100	Investment holding
Newshelf 1416 Proprietary Limited	**1**	1	**100**	100	Investment holding
Vuna Fishing Group Proprietary Limited	**1 000**	1 000	**85**	85	Investment holding
Sea Harvest Group Limited	**1 689 419 432**	1 705 898 000	**53.4**	53.4	Investment holding

[1] Treasury shares have been included in the calculation of the percentage interest held.

A complete register of subsidiaries is available for inspection at the registered office of the Company.

Supplementary Reports on Investments (continued)

as at 31 December 2023

Appendix 2

Investments in associate and joint venture companies

	REPORTING DATE	EFFECTIVE PERCENTAGE HOLDING[1]		SHARES AT COST/ VALUATION		SHARE OF RETAINED INCOME/ (ACCUMULATED LOSSES) SINCE ACQUISITION		SHARE OF OTHER COMPREHENSIVE INCOME		SHARE OF DISTRIBUTIONS SINCE ACQUISITION		INDEBTEDNESS	
		2023 %	2022 %	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
South African Enterprise Development Proprietary Limited Entrepreneurial investments	31 Mar.	**25.00**	25.00	**–**	–	**7 043**	(80)	**–**	–	**–**	–	**63 388**	61 781
Hot Platinum Proprietary Limited Manufacturer of machinery for jewellery industry	28 Feb.	**20.66**	20.66	**288**	288	**(288)**	(288)	**–**	–	**–**	–	**–**	–
Aon Re Africa Proprietary Limited Insurance industry	31 Dec.	**18.00**	18.00	**13 359**	13 359	**29 011**	21 882	**10 184**	9 348	**–**	–	**–**	–
Oceana Group Limited Food industry	30 Sep.	**25.10**	25.10	**1 460 972**	1 460 972	**847 869**	623 861	**525 566**	456 215	**(159 012)**	(143 859)	**–**	–
Vuna Fishing Company Proprietary Limited Fishing and fish processing	31 Dec.	**49.80**	49.80	**36 432**	36 432	**(7 086)**	(7 053)	**–**	–	**(23 322)**	(23 322)	**66 816**	68 409
Milpark Investment SPV Proprietary Limited[2] Holds investment in Milpark Education	31 Dec.	**15.80**	15.80	**139 075**	139 075	**(52 199)**	(63 250)	**–**	–	**–**	–	**623**	623
Specialized Aquatic Feeds Proprietary Limited Producer of aquatic feed	31 Dec.	**30.00**	30.00	**669**	669	**(331)**	(262)					**4 000**	4 000
Alliance Foods Supplier of ingredients to food service industry	31 Dec.	**25.00**	25.00	**–**	–	**3 513**	–	**–**	–	**–**	–	**–**	2 500
BM Foods Manufacturing Proprietary Limited Manufacturer and distributor of chilled and frozen food products	31 Dec.	**46.00**	n/a	**28 165**	–	**1 401**	–		–		–	**19 202**	–
Total				**1 678 960**	1 650 795	**828 933**	574 810	**535 750**	465 563	**(182 334)**	(167 181)	**154 029**	137 313

Valuations are carried out every six months using bases considered appropriate to the underlying investment.

At 31 December 2023, the fair value, based on the quoted share price, of the investment in Oceana Group Limited was R2.3 billion (2022: R2.1 billion). The fair value is below the carrying amount of R2.7 billion (2022: R2.4 billion), however, no impairment was considered necessary as there was no objective evidence that the net investment was impaired (IAS 28.41A).

All amounts owing by associates and joint ventures have no fixed terms of repayment and are interest free, except for the following:

	INTEREST RATE	2023 R'000	2022 R'000
South African Enterprise Development Proprietary Limited	3.60%	**51 335**	49 728
Vuna Fishing Company Proprietary Limited	JIBAR + 5%	**12 801**	11 521
Vuna Fishing Company Proprietary Limited	Prime + 2%	**26 595**	29 469

The Group has not recorded any impairment in respect of amounts owed by the associate and joint venture (2022: Rnil). An assessment is undertaken at each reporting date by examining the financial position of the entity. In addition, the budgets of these entities for the forthcoming year are reviewed as part of this assessment.

1 Treasury shares have been included in the calculation of the percentage interest held.
2 Transferred to non-current assets held for sale. Refer note 49.3.

Appendix 3
Investments

	NUMBER OF SHARES		VALUATION OF SHARES	
	2023	2022	2023 R'000	2022 R'000
Investments at FVTOCI				
Unlisted				
Desert Diamond Fishing Proprietary Limited	**12**	12	**27 871**	30 730
MVB Atlantic Enterprises Fishing Proprietary Limited	**1 000**	1 000	**489**	489
Valuations are carried out every six months using bases considered appropriate to the underlying investment.				
Investments at FVTPL				
Listed				
Equites Property Fund Proprietary Limited	**13 958 621**	13 958 621	**194 723**	235 063
Stadio Holdings Proprietary Limited	**43 565 057**	43 565 057	**227 409**	213 904
Phuthuma Nathi Investments (RF) Limited[1]	**—**	1 895 425	**—**	252 300
MTN Zakhele Futhi (RF) Limited	**1 818 795**	1 818 795	**31 229**	35 285
Unlisted				
African Legend Investment Proprietary Limited	**3 075 844**	3 075 844	**36 534**	32 213
FPG Property Fund Proprietary Limited	**12 203 479**	12 203 479	**362 625**	312 348
Decision Inc Investment[2]	**n/a**	n/a	**2 541**	1 625
Total investments			**883 421**	1 113 957

[1] Transferred to non-current assets held for sale. Refer note 49.3.

[2] Brimstone has a 25% interest in the partnership.

A register of investments is available for inspection at the registered office of the Company.

Directors' Interests in Shares

as at 31 December 2023

Appendix 4

	DIRECT		INDIRECT			
DIRECTORS	BENEFICIAL	NON-BENEFICIAL	BENEFICIAL	NON-BENEFICIAL	TOTAL	PLEDGED
As at 31 December 2023						
Ordinary shares						
MA Brey	**1 354 762**	**—**	**4 843 772**	**104 184**	**6 302 718**	**2 855 757**
F Robertson	**520 300**	**—**	**5 951 710**	**—**	**6 472 010**	**5 861 719**
MI Khan	**17 473**	**—**	**—**	**10 089**	**27 562**	**—**
T Moodley	**22 799**	**—**	**—**	**17 095**	**39 894**	**—**
N Khan	**133 279**	**—**	**235 812**	**—**	**369 091**	**—**
LA Parker	**—**	**—**	**1 001 056**	**—**	**1 001 056**	**270 000**
	2 048 613	**—**	**12 032 350**	**131 368**	**14 212 331**	**8 987 476**
"N" Ordinary shares						
MA Brey	**1 236 081**	**—**	**18 651 620**	**199 589**	**20 087 290**	**15 222 007**
F Robertson	**242 996**	**—**	**17 592 281**	**—**	**17 835 277**	**17 197 769**
MI Khan	**261 278**	**—**	**—**	**980**	**262 258**	**—**
GG Fortuin	**483**	**—**	**—**	**—**	**483**	**—**
T Moodley	**768 801**	**—**	**—**	**123 072**	**891 873**	**—**
N Khan	**146 084**	**—**	**1 143 887**	**—**	**1 289 971**	**—**
LA Parker	**—**	**—**	**2 241 907**	**—**	**2 241 907**	**2 209 972**
	2 655 723	**—**	**39 629 695**	**323 641**	**42 609 059**	**34 629 748**
As at 31 December 2022						
Ordinary shares						
MA Brey	1 354 762	—	4 843 772	104 184	6 302 718	2 855 757
F Robertson	520 300	—	6 016 911	—	6 537 211	5 860 322
MI Khan	17 473	—	—	10 089	27 562	—
T Moodley	22 799	—	—	17 095	39 894	—
N Khan	133 279	—	235 812	—	369 091	—
LA Parker	—	—	1 001 056	—	1 001 056	270 000
	2 048 613	—	12 097 551	131 368	14 277 532	8 986 079
"N" Ordinary shares						
MA Brey	997 997	—	18 648 506	199 589	19 846 092	15 222 007
F Robertson	222 996	—	17 521 274	—	17 744 270	17 192 380
MI Khan	162 555	—	—	980	163 535	—
GG Fortuin	483	—	—	—	483	—
T Moodley	712 836	—	—	123 072	835 908	—
N Khan	146 084	—	1 152 887	—	1 298 971	—
LA Parker	—	—	2 241 907	—	2 241 907	2 209 972
	2 242 951	—	39 564 574	323 641	42 131 166	34 624 359

There have been changes between the end of the financial year and the date of approval of the consolidated financial statements in respect of which the requisite SENS announcements have been made.

Shareholding Information

as at 31 December 2023

Shareholder spread

	NO. OF SHAREHOLDERS IN S.A.		NO. OF SHAREHOLDERS OTHER THAN S.A.		TOTAL SHAREHOLDERS	
	NO.	%	NO.	%	NO.	%
Ordinary shares						
Public	1 875	99.63	16	100	1 891	99.6
Directors	5	0.27	–	–	5	0.3
Other	2	0.11	–	–	2	0.1
Total	1 882	100	16	100	1 898	100
"N" Ordinary shares						
Public	2 970	99.73	31	100	3 001	99.7
Directors	6	0.20	–	–	6	0.2
Other	2	0.07	–	–	2	0.1
Total	2 978	100	31	100	3 009	100

Share trading statistics

	ORDINARY SHARES	"N" ORDINARY SHARES
Market price per share (cents)		
High	650	724
Low	305	426
Year-end	511	485
Volume of shares traded (number)	1 074 576	25 503 211
Volume of shares traded as a % of issued shares	2.7%	11.3%
Value of shares traded	R5 946 539	R135 120 907
Number of transactions	212	919

Shareholding Information (continued)

as at 31 December 2023

Combined Ordinary and "N" Ordinary shareholdings

	ORDINARY	"N" ORDINARY	TOTAL	% OF ISSUED SHARE CAPITAL
Major shareholders				
MA Brey (direct and indirect, beneficial and non-beneficial)	6 302 718	19 846 092	26 148 810	9.9
F Robertson (direct and indirect, beneficial and non-beneficial)	6 537 211	17 744 270	24 281 481	9.2
Brostone Securities Proprietary Limited	2 855 757	15 222 007	18 077 764	6.8
Jasmynweg Beleggings 3 (RF)	2 855 757	15 222 007	18 077 764	6.8
Septen Investments Proprietary Limited (treasury shares)	1 672 038	10 596 335	12 268 373	4.6
Brimstone Investment Corporation Limited (FSP shares)	1 584 910	5 550 300	7 135 210	2.7
FRB ITF NINETY ONE Value Fund	–	11 202 915	11 202 915	4.2
SBSA ITF PSG Flexible Fund	–	11 055 783	11 055 783	4.2
SBSA ITF PSG Balanced Fund	–	7 329 813	7 329 813	2.8
FRB ITF Prime Worldwide Equity Fund	–	6 923 970	6 923 970	2.6
Citiclient Nominees No 8 NY GW	–	6 000 000	6 000 000	2.3
Max Brozin Investment Corporation	2 964 028	2 756 134	5 720 162	2.2
SBSA ITF PSG EQUITY FUND	–	5 453 547	5 453 547	2.1
	24 772 419	134 903 173	159 675 592	60.4

Public vs Non-public shareholding

	NUMBER OF SHARES	% OF ISSUED SHARE CAPITAL
Ordinary Shares		
Public shareholders	22 339 666	56.0
Non-public shareholders		
Directors and associates	14 277 532	35.8
Treasury shares		
Septen Investments Proprietary Limited	1 672 038	4.2
Brimstone Investment Corporation Limited (FSP shares)	1 584 910	4.0
Total	39 874 146	100
"N" Ordinary Shares		
Public shareholders	166 698 161	74.1
Non-public shareholders		
Directors and associates	42 131 166	18.7
Treasury shares		
Septen Investments Proprietary Limited	10 596 335	4.7
Brimstone Investment Corporation Limited (FSP shares)	5 550 300	2.5
Total	224 975 962	100

Number of shareholders

	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	NUMBER OF SHARES	% OF SHARES ISSUED
Ordinary shares				
Size of Holding				
1 – 5 000	1 463	77.1	804 655	2.0
5 001 – 10 000	211	11.1	1 294 987	3.2
10 001 – 100 000	180	9.5	4 755 017	11.9
100 001 – 1 000 000	35	1.8	9 468 729	23.8
over 1 000 000	9	0.5	23 550 758	59.1
	1 898	100	39 874 146	100
Major shareholders				
Friedshelf 1800 Proprietary Limited	1	0.05	5 515 000	13.8
Max Brozin Investment Corporation	1	0.05	2 964 028	7.4
Breyfin 2 (RF) Proprietary Limited	1	0.05	2 855 757	7.2
Brostone Securities Proprietary Limited	1	0.05	2 855 757	7.2
Jasmynweg Beleggings 3 (RF)	1	0.05	2 855 757	7.2
Breyfin Proprietary Limited	1	0.05	1 892 749	4.7
Brimstone Investment Corporation Limited (FSP shares)	1	0.05	1 584 910	4.0
Septen Investments Proprietary Limited	1	0.05	1 672 038	4.2
MA Brey	1	0.05	1 354 762	3.4
	9	0.45	23 550 758	59.1
Analysis of shareholders				
Close Corporations	12	0.63	130 748	0.33
Collective Investment Schemes	9	0.47	995 242	2.49
Control Accounts	2	0.11	51	—
Custodians	2	0.11	4 920	0.01
Foundations & Charitable Funds	17	0.90	312 825	0.78
Hedge Funds	1	0.05	49 918	0.13
Investment Partnerships	12	0.63	185 159	0.46
Private Companies	51	2.69	24 943 947	62.56
Public Companies	1	0.05	461 048	1.16
Retail Shareholders	1 727	90.99	8 465 944	21.23
Retirement Benefit Funds	3	0.16	20 020	0.05
Share Schemes	1	0.05	30 684	0.08
Stockbrokers & Nominees	2	0.11	2 732	0.01
Treasury	1	0.05	1 584 910	3.97
Trusts	57	3.00	2 685 998	6.74
	1 898	100.00	39 874 146	100.00

Shareholding Information (continued)

as at 31 December 2023

Number of shareholders (continued)

	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	NUMBER OF SHARES	% OF SHARES ISSUED
"N" Ordinary shares				
Size of Holding				
1 – 5 000	2 433	80.9	1 823 619	0.8
5 001 – 10 000	186	6.2	1 295 334	0.6
10 001 – 100 000	262	8.6	8 832 753	3.9
100 001 – 1 000 000	89	3.0	27 079 679	12.0
over 1 000 000	39	1.3	185 944 577	82.7
	3 009	100.00	224 975 962	100.00
Major shareholders				
Friedshelf 1800 Proprietary Limited	1	0.03	16 825 000	7.5
Breyfin 2 (RF) Proprietary Limited	1	0.03	15 222 007	6.8
Brostone Securities Proprietary Limited	1	0.03	15 222 007	6.8
Jasmynweg Beleggings 3 (RF)	1	0.03	15 222 007	6.8
FRB ITF NINETY ONE Value Fund	1	0.03	11 202 915	5.0
SBSA ITF PSG Flexible Fund	1	0.03	11 055 783	4.9
Septen Investments Proprietary Limited	1	0.03	10 596 335	4.7
SBSA ITF PSG Balanced Fund	1	0.03	7 329 813	3.3
FRB ITF Prime Worldwide Equity Fund	1	0.03	6 923 970	3.1
CITICLIENT NOMINEES NO 8 NY GW	1	0.03	6 000 000	2.7
SBSA ITF PSG EQUITY FUND	1	0.03	5 453 547	2.4
Brimstone Investment Corporation Limited (FSP shares)	1	0.03	5 550 300	2.5
	12	0.36	126 603 684	56.5
Analysis of shareholders				
Assurance Companies	1	0.03	184 890	0.09
Close Corporations	31	1.03	144 060	0.06
Collective Investment Schemes	29	0.96	50 162 781	22.30
Control Accounts	3	0.10	118	—
Custodians	9	0.30	13 665 295	6.07
Foundations & Charitable Funds	76	2.53	2 071 625	0.92
Hedge Funds	5	0.17	5 766 685	2.56
Investment Partnerships	18	0.60	241 381	0.11
Managed Funds	1	0.03	10 427	—
Private Companies	79	2.63	100 592 625	44.71
Public Companies	1	0.03	20	—
Retail Shareholders	2 619	87.04	21 920 908	9.74
Retirement Benefit Funds	13	0.43	17 717 757	7.88
Scrip Lending	2	0.07	537 769	0.24
Share Schemes	4	0.13	1 189 230	0.53
Stockbrokers & Nominees	12	0.40	786 253	0.35
Treasury	1	0.03	5 550 300	2.47
Trusts	104	3.46	4 433 837	1.97
Unclaimed Scrip	1	0.03	1	—
	3 009	100.00	224 975 962	100.00

Corporate Information

Company registration number
1995/010442/06

JSE share codes and ISIN numbers
Share code: BRT ISIN number: ZAE000015277
Share code: BRN ISIN number: ZAE000015285

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