BRIMSTONE
INVESTMENT CORPORATION LIMITED

INTEGRATED REPORT 2022

About this Report

REPORT PROFILE
This report is for the year ended 31 December 2022. This is the 14th 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.

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 5 000 employees in its subsidiaries and more than 33 000 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

5 400

OBSIDIAN HEALTH

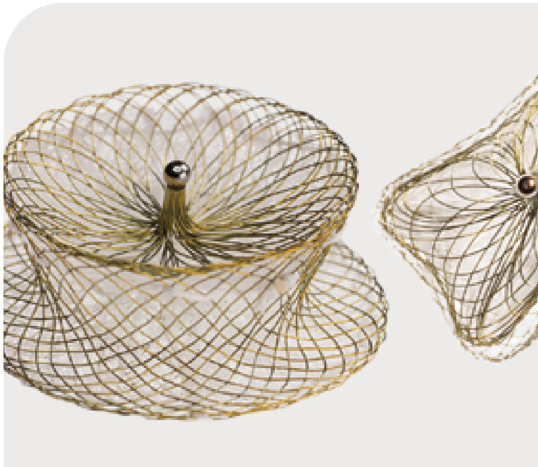
OBSIDIAN HEALTH

Shareholding

70%

Number of employees

71



ASSOCIATES, JOINT VENTURES AND INVESTMENTS

- Aon Re Africa
- Equites Property Fund
- FPG Property Fund
- Milpark Education
- MTN Zakhele Futhi
- MultiChoice Phuthuma Nathi
- Oceana Group
- SeaVuna
- South African Enterprise Development
- STADIO Holdings


Sea Harvest
CHUNKY
2
Wild-caught fish fillet portions coated in a lightly seasoned crumb.
THICK, JUICY HAKE FILLET PORTIONS IN A CRUNCHY HOMESTYLE CRUMB
OVEN BAKE OR AIR FRY
VERY HIGH IN OMEGA 3


Röhlig-Grindrod

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	10.2%	• 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 Share the Future	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
Milpark Education	12.8%	• Unlisted • Leading provider of higher education and further education and training qualifications www.milpark.ac.za

PROFITABILITY EMPOWERMENT POSITIVE SOCIAL IMPACT

Salient Financial Highlights

for the year ended 31 December 2022

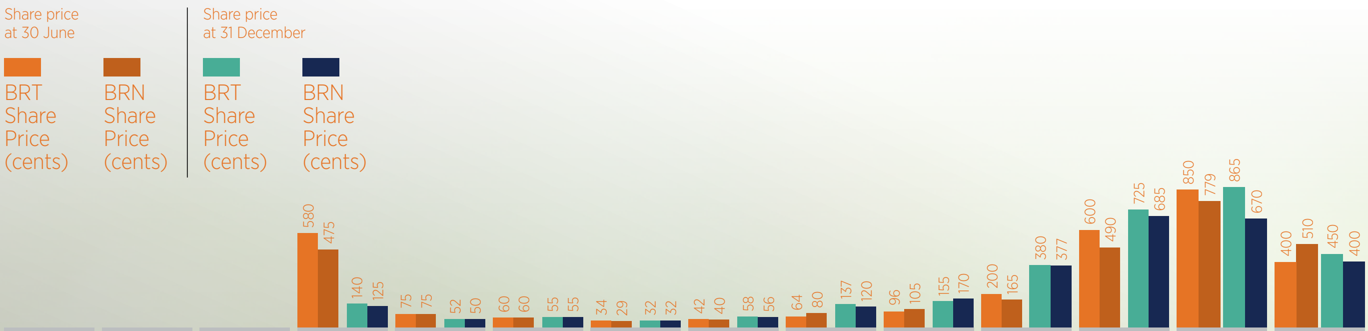
R'000	2022	2021
Revenue	**6 212 852**	5 054 739
• Continuing operations	**6 212 852**	5 054 726
• Discontinued operation	**—**	13
Operating profit	**509 565**	711 951
• Continuing operations	**509 565**	695 091
• Discontinued operation	**—**	16 860
Earnings per share (cents)	**76.6**	292.3
• Continuing operations	**76.6**	229.3
• Discontinued operation	**—**	63.0
Headline earnings per share (cents)	**69.0**	298.9
• Continuing operations	**69.0**	236.0
• Discontinued operation	**—**	62.9
Total assets	**11 656 772**	10 498 264

Five Year Financial Review

	YEAR ENDED 31 DECEMBER 2022	YEAR ENDED 31 DECEMBER 2021	YEAR ENDED 31 DECEMBER 2020	YEAR ENDED 31 DECEMBER 2019	YEAR ENDED 31 DECEMBER 2018
Operating results (R'000)					
Revenue	**6 212 852**	5 054 739	4 714 720	4 440 085	3 376 655
Operating profit	**509 565**	711 951	550 025	656 109	388 559
Headline earnings/(loss)	**170 926**	748 460	(155 545)	(139 226)	(51 015)
Financial Position (R'000)					
Total assets	**11 656 772**	10 498 264	10 343 576	11 267 145	10 896 551
Net assets	**3 323 504**	2 924 444	2 491 312	2 516 238	2 713 444
Performance per share					
Headline earnings/(loss) (cents)	**69.0**	298.9	(61.5)	(54.2)	(21.1)
Dividend (cents)	**33.0**	30.0	—	—	45.0
Net Asset Value (Rands)	**13.40**	11.80	9.85	10.66	11.24
Intrinsic Net Asset Value (Rands)	**13.25**	13.14	12.99	14.19	16.15
Share statistics					
Weighted average number of shares in issue net of treasury shares	**247 897 992**	250 365 621	252 803 480	256 661 171	241 946 011
Shares in issue at end of year net of treasury shares	**248 091 300**	247 770 369	252 803 480	235 979 441	241 445 838
Closing share price: Ordinary (Rands)	**5.26**	6.30	5.81	7.65	10.50
Closing share price: "N" Ordinary (Rands)	**5.63**	6.49	6.50	7.75	9.49
Market capitalisation: Ordinary shares (R'000)[1]	**193 287**	232 228	214 175	282 003	417 030
Market capitalisation: "N" Ordinary shares (R'000)[1]	**1 189 871**	1 368 798	1 403 612	1 543 152	1 914 406
Total (R'000)	**1 383 158**	1 601 026	1 617 787	1 825 155	2 331 436

[1] Net of treasury shares

Historic Review



1995

Incorporated in October

Acquired stake in Oceana for R7.5m

Raised initial capital of R3m from community shareholders

1996

Raised R13m from shareholders

Total investments R17.4m

Acquired stakes in Plessey Cellular, KFM Radio and Norwich Holdings

1997

Restructure of share capital

First AGM held

Raised more than R45m from previously disadvantaged shareholders

Raised R104m from institutions

1998

Raised R85m in various share issues

Asset base R300m

Sold stake in Norwich at profit of R21m

Acquired House of Monatic

Listed on JSE

Sold off non-core assets raising R62m

Acquired stake in Sea Harvest

Acquired stake in Nandos Group

1999

150

Paid back 150cps to all shareholders

Acquired 30% of Lion of Africa

Prof Jakes Gerwel appointed as Chairman of Board

2000

Acquired stake in Peoples Bank

Sold stake in KFM Radio

Started BrimEquity, a JV with Coronation Capital

2001

Received empowerment deal of the year award for Peoples Bank

Disposed of property investments

Acquisition of further shares in Sea Harvest

Market capitalisation drops to below R40m

2002

Declared maiden dividend of 4cps

2003

4

Disposed of stake in Nandos Group

Acquired 25% in Lenco Holdings for R52m

Doubled stake in Sea Harvest to 21.52% for R85.3m

Specific share repurchase

Paid maiden dividend of 4cps

2004

8

2005

10

Acquired stakes in Old Mutual and Nedbank

Acquired 18% stake in Life Healthcare

Clawback offer of R110m

2006

12

Acquired a further 10% stake in Oceana for R176m

Increased stake in Life Healthcare to 21.9%

2007

16

Sold Lenco stake for R203m

Acquired 18% stake in Aon Re Africa

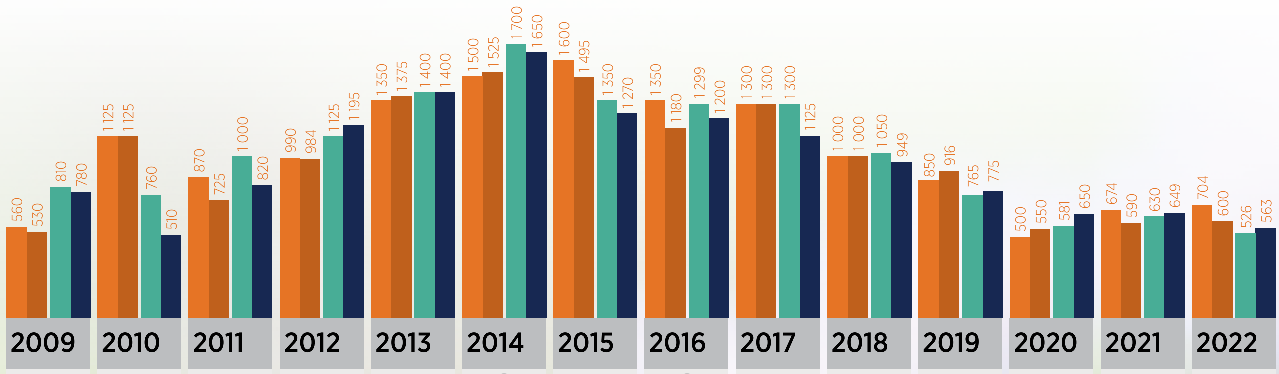
2008

32

10 years on the JSE

Acquired Phuthuma Nathi shares

"A TYPICAL YEAR LIKE THIS PAST YEAR IS ONE WHERE RESILIENCE IN ALL ITS FORMS IS TESTED."



Special Dividend (cents)

Ordinary Dividend (cents)

2009 — 24

Increased stake in Sea Harvest to 55.7%

Increased stake in Lion of Africa to 74%

Acquired option to subscribe for 1% of Tiger Brands

2010 — 32

Unbundled part of Life Healthcare stake to shareholders

Acquisition of remaining 26% of Lion of Africa

Acquired MTN Zakhele shares

2011 — 15

Increased stake in Scientific Group to 28.2%

Acquired further 8.5m shares in Oceana for R382m

2012 — 18

Acquired 12.3% of Taste Holdings

Disposed of 4.5m shares in Life Healthcare realising R140m

Acquired 25.1% of Afena Capital

2013 — 25

Total assets increase by R1.1bn

2014 — Special 10; Ordinary 30

Acquired 4.97% of Grindrod

Acquired further 1.16m MTN Zakhele shares

Acquired further 1.1m Phuthuma Nathi shares

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 share-holding in Grindrod to effective 6.62%

Acquired further 1.96m Phuthuma Nathi shares

Acquired 10% of Equites for R350m

2016 — Special 20; Ordinary 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

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

2018 — 42

Disposed of invest-ment in Tiger Brands

Acquired 10% of FPG Property Fund

Disposed of investment in Long4Life

Lion of Africa placed into run-off

2019 — 45

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 arrange-ment

2020

National lockdown as a result of COVID-19 pandemic

Capitalisa-tion issue of 17.3m Brimstone "N" Ordinary shares

Increased share-holding 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 — 30

Disposal of Life Healthcare shares

Repaid R1.2b in debt to funders

Repurchase of 5.8m Brimstone "N" Ordinary shares

2022 — 33

Invested further R27m in FPG Property Fund rights offer

Invested further R20.4m in Milpark

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 B-BBEE 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

External factors

P12

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

Our material risks

P14

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

Financial returns

Key outcomes

R63 million
TAXES PAID TO SARS

5 493
TOTAL WORKFORCE IN GROUP

R5 388 million
PAID TO EMPLOYEES AND SUPPLIERS

R12 million
CSI SPEND

R329 million
INTEREST PAID TO FINANCIERS

R2 164 million
REINVESTED

R3 287 million
INTRINSIC NET ASSET VALUE

OUTPUT

VALUE DELIVERED

External Factors Impacting our Business Model

Macro-Economic Factors on South African Economy

South Africa's economic growth in 2022 slowed markedly to an estimated 2.5% (2021: 4.9%). The projected 2022 economic recovery from the Covid-19 pandemic was disrupted by the effects of the war in Ukraine and by devastating floods in the provinces of KwaZulu-Natal and the Eastern Cape, resulting in loss of lives, large-scale displacements, and the destruction of homes, while also impacting critical infrastructure such as roads and ports.

Eskom's difficulty to keep the lights on and power the economy worsened the weak growth, with disruptions to operations and supply chains. In terms of foregone GDP from power cuts, 2022 was South Africa's worst year on record. It is estimated that up to October 2022, South Africans had already experienced more hours of loadshedding than in the previous eight years combined.

The South African Reserve Bank (the "SARB") expects the economy to grow by a paltry 0.3% in 2023, 0.7% in 2024 and 1.0% in 2025. The key reason for these low growth rates according to the SARB is the scale and extended duration of loadshedding in the country. These rolling blackouts are estimated to have decreased the annual growth outlook by 2.0%.

Rising inflation saw an aggressive monetary policy tightening cycle (eight consecutive rate hikes since November 2021) by the SARB's Monetary Policy Committee (the "MPC"). Average inflation for 2022 was 6.9%, which is above the 4.5% for 2021, which prompted the MPC to increase interest rates during 2022 by a total 350 basis points. This trend of interest rate hikes is expected to end in the first half of 2023, as inflation is reigned in.

The Rand weakened from R15.95 to the US Dollar at the beginning of 2022 to R17.02 to the US Dollar at the end of 2022. As the pace of monetary policy tightening in the United States moderates, largely as a result of recent bank failures, this trend is expected to reverse, with a weaker Dollar in 2023.

While the businesses in Brimstone's portfolio coped very well with the challenges presented by the Covid-19 pandemic, post-Covid they have had to deal with a range of new challenges, such as systemic supply chain disruptions, rampant global inflation resulting in material increases in input costs, all exacerbated by the war in Ukraine. 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.

The higher interest rates during 2022 had a negative impact on the Group's results, however, the impact was limited through well managed hedging policies.

The B-BBEE Act and Sector Codes

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 report 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 26-year track record of deal-making is well placed to partner with companies looking for a B-BBEE partner.

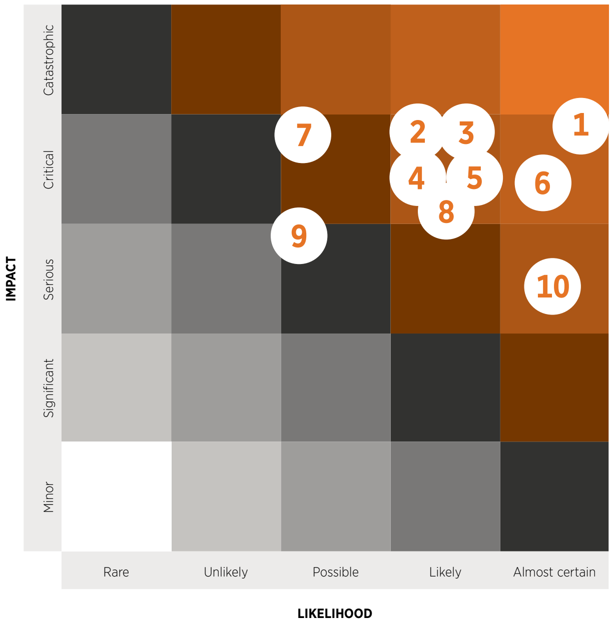
Increased Volatility of Equity Market

Investments in listed companies, accounted for at fair value through profit or loss in Brimstone's consolidated financial statements (Equites, MTN Zakhele Futhi, Phuthuma Nathi and STADIO), remained relatively flat at 13% (2021: 14%) of the intrinsic gross asset value of Brimstone's investment portfolio. Despite the relatively low proportion remaining fairly flat year on year, the increase in the market price of these listed shares was much lower than the increase in 2021 (off the 2020 low base), which caused significant volatility in the statement of profit or loss.

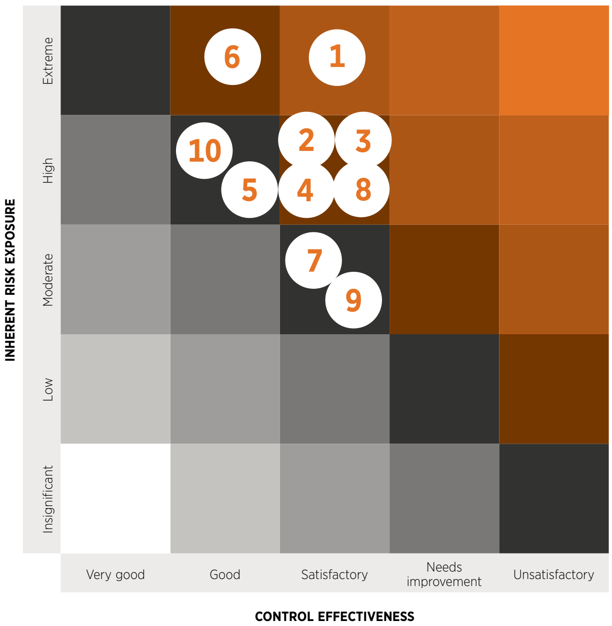
Managing our Material Risks

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 shock downward correction
4. Inability to fund transactions while maintaining transformation ownership
5. Intrinsic Net Asset Value ("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 motivated 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
• Group has interests in the fishing, healthcare and insurance 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 for coastal fishing communities • Sustaining the South African Small Scale Fisheries Development Fund
• 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 • 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 • Maintain minimum B-BBEE control	• Treasury function continues to optimise balance sheet • Continuous monitoring of discount to INAV • Continuous monitoring of debt covenants • Institutionalisation of relationships with bankers • Exploring alternative sources of funding • Institutionalisation of relationships with bankers
• Impact of market perception of Brimstone's investment philosophy and portfolio • Debt levels • Impacts Brimstone's ability to raise capital	• Implementation of the revised strategy and plan to become more focussed and proactive • Increase communication with the investment community • Decisive action on under performing assets • Monitoring and reduction of debt
• Sustained and increasing loadshedding • 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	• Supporting offshore opportunities by subsidiary companies • Hedging strategies • Debt management plan • Diversification of investment portfolio
• Retaining underperforming investments • Sub-standard due diligence	• Bi-annual investment portfolio report review • Review and monitoring by Investment Committee • Board representatives in subsidiary companies
• 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 prfitability of investees due to climate change	• Board representatives in investee companies • Review of ESG reports
• 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

Board of Directors

Executive directors

Years of service at Brimstone

Years of work experience

Fred Robertson (68)
DPhil (h.c.)
EXECUTIVE CHAIRMAN

Board committees
- Social and Ethics

Mustaq Brey (69)
BCompt (Hons); CA(SA)
CHIEF EXECUTIVE OFFICER

Board committees
- Social and Ethics

Iqbal Khan (57)
BCompt (Hons); CA(SA)
CHIEF OPERATING OFFICER

Geoff Fortuin (56)
BCom (Acc) (Cum Laude); BCom (Acc) (Hons); CA(SA)
FINANCIAL DIRECTOR

Tiloshani Moodley (48)
BA (Law); LLB
EXECUTIVE DIRECTOR: LEGAL & COMPLIANCE

Independent non-executive directors

Leon Campher (75)

BEcon

LEAD INDEPENDENT DIRECTOR

Board committees

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

Keneilwe Moloko (54)

NDip (Building Survey); BSc(QS); BCom; PGDA; CA(SA)

Board committees

- Audit and Risk

Liyaqat Parker (69)

Board committees

- Audit and Risk
- Investment

Mduduzi Ndlovu (50)

BCom; Mphil; CFA

Board committees

- Audit and Risk
- Investment

Nazeem Khan (67)

BSc(QS); MAQS; AAArb

Board committees

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

Mzwandile Hewu (59)

BCom (Hons); BPhil (Hons)

Board committees

- Remuneration and Nominations
- Social and Ethics

Felicia Roman (59)

BA; Post Graduate Secondary Teacher's Diploma

Board committees

- Audit and Risk

Logan Wort (59)

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

Nangamso Ngoma
BBusSc; PGDA; CA(SA)
INVESTMENT ANALYST

Richard Siddle
BBusSc; PGDA; MFin; CA(SA)
SENIOR INVESTMENT ANALYST

Nisaar Pangarker
BBusSc; MBA
MANAGING EXECUTIVE

Nazeema Jogee
SHAREHOLDER LIAISON AND MARKETING

Zukiswa Nkejane
OFFICE SUPPORT

Fatima Allie
PA: CHAIRMAN & CEO

Virginia Feleza
RECEPTION & PA

Zaheerah Harribi
LLB
ASSISTANT COMPANY SECRETARY

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

Chairman's Report

I herewith present the 2022 Integrated Report of Brimstone Investment Corporation Limited and its results for the year ended 31 December 2022. This is our 14th Integrated Report and another step in our journey of good corporate governance. Despite the challenges presented by an extremely difficult macro-economic environment, overlaid with many uncertainties like high inflation, high fuel and energy costs and increasing interest rates coupled with business interruptions manifested through events like loadshedding and corruption, our Group has still delivered credible profits.

The year under review has by all accounts proven to be a year driven by a complexity of global forces with a fair mix of domestic issues overlaid, adding further risk to any business operating in South Africa. Global energy costs remained high, inflation and interest rates reached new highs across the world, continued natural disasters occurred, many as a result of climate change, shifts in global geo-politics and new political alliances, continued conflict and war endured. A typical year like this past year is one where resilience in all its forms is tested and how corporate citizens adapt and react to the forces which shape them. The flexibility and adaptability of corporates has been challenged beyond the normal operating business environment.

The South African economy, as reported by Stats SA, grew for a second consecutive year, expanding by 2.0% between 2021 and 2022, from R4.5 trillion to R4.6 trillion; this was down from a high growth rate of 4.9% in the previous period. Although GDP reached an all-time high in 2022, the South African economy has only grown by 0.3% from the 2019 pre-pandemic reading of R4.58 trillion. This lags behind the 3.5% rise in the country's population over the same period. This is

"THE FLEXIBILITY AND ADAPTABILITY OF CORPORATES HAS BEEN CHALLENGED BEYOND THE NORMAL OPERATING BUSINESS ENVIRONMENT."

FRED ROBERTSON
EXECUTIVE CHAIRMAN

Chairman's Report (continued)

worrisome, concerning, as such low economic growth is not conducive to a higher population growth rate. The unemployment rate remains high in South Africa at around 32%. Sadly, youth in South Africa continue to be disadvantaged in the labour market with an unemployment rate higher than the national average. Recent statistics measured in 2022 shows the unemployment rate as high as 63.9% for youth aged between 15 and 24 years old.

Inflation is currently averaging around 7% with the main contributors to this rise being the food, non-alcoholic beverages and transport sectors. Latest statistical data from Stats SA indicate that prices for food and non-alcoholic beverages increased by 13.6% over the past 12 months. This reading in February 2023 is the highest since April 2009 when it was also 13.6%. Even more concerning is that annual inflation for bread and cereals was 20.5% and maize meal, an important staple for a large part of the nation, continues to see excessively high rates of inflation with the most recent published rate of 34.7%. This is a serious concern for us and we will cautiously monitor these rising food prices that have an even more severe impact on the poorest of the poor. Consumption patterns are changing due to household affordability and research indicates a shift in household consumption from more expensive proteins to cheaper carbohydrates, which in itself does not contribute to a healthy balanced diet.

I often wonder how far we are in principle from the nation which former president Nelson Mandela envisioned for this once proud country, the country where in the 90's we were the celebration of the world. On every global platform, be it World Economic Forum or the Olympics, South Africa was the country that gave hope to the world. Thirty years later, we still see one of the most unequal societies in the world. Sadly, today we witness the effects of rampant corruption, where infrastructure is disintegrating, and the poor remain the worst recipients of bad service delivery. Corruption is a scourge, which has cost our economy and our nation dearly. It is a terrible indictment that perpetrators and architects of corruption still walk free despite millions having been spent, unlimited evidence having been presented to the authorities, and continued incidents of corruption being exposed in the free media. It is time that we all honestly and critically look at the way forward and examine our own roles in building a society with zero tolerance for corruption – a society where people do not have to fear for speaking up against corruption. With looming elections next year, the results will be an indicator of where our nation's moral compass is pointed.

Electricity supply shortages have constrained South Africa's growth for several years. Load-shedding started in 2007 and have intensified exponentially, at times reaching close to 9 hours daily in 2022. This severe electricity shortfall has disrupted economic activity and increased operating costs for

businesses, many of which rely on costly diesel generators to keep their business activities alive. Current higher fuel costs has exacerbated the problem as businesses have no other option. We have seen this impact most of our underlying investee companies.

As one of the older truly broad based black owned B-BBEE groups, a responsible employer with a workforce of over 10 000 people in our subsidiaries and associates, we add our voice and call on government to urgently and constructively address the energy crisis and consider all the solutions including alternative energy to stabilise our energy resources.

In summary, the Group reported a profit for the year of R324.5 million, a decrease from R920.9 million in the prior year. This decrease in profit is mainly due to a decrease in operating profit of R185.5 million, a decrease in fair value gains of R239.6 million, an increase in finance costs of R87.3 million, and the prior year recognition of profit from discontinued operation of R157.7 million. Total assets increased by 11% to R11.7 billion from R10.5 billion in the prior year. Net asset value per share increased to R13.40 per share from R11.80 per share at prior year end.

Brimstone's Intrinsic Net Asset Value (INAV) increased to R13.25 per share at year end from R13.14 at the previous year end. Ordinary shares were trading at a discount of 60.3% to INAV and "N" Ordinary shares traded at a discount of 57.5% to INAV on 31 December 2022. Admittedly, this discount is very wide and higher than our preference. The phenomenon of wide discounts to INAV has become more prominent in the last few years and especially so for listed investment holding companies. While some critics may say that investment holding companies are out of favour and question the role and value of investment holding companies to their investee companies, I can confidently say that Brimstone plays a very significant role in its major assets, particularly at its two food assets. This role extends way beyond times of crises but is more of a continuum of active support that adds value, yet having full regard and respect for our oversight and governance role. We ensure that a fine balance is maintained between the executive and non-executive at all times but will never hesitate to contribute good counsel or innovative ideas for the benefit of all stakeholders.

Brimstone declared a dividend of 33 cents per share, up by 10% from 30 cents per share in the previous year. I am pleased to advise that this is the 19th year that the Company has declared a dividend. Dividends are an important component of our value proposition to our very broad shareholder base. For many of them and particularly the NGO shareholders, the dividend is an important contributor towards their annual income. We have heard many wonderful success stories over the years of how particularly community-based shareholders have utilised their dividends. Brimstone was started 27 years ago, and many of its original shareholders are still shareholders to this day. Over the years many of our shareholders have physically relocated and not updated their details with our share registrars. As a result we had in excess of R8 million in unclaimed dividends due to our shareholders. Whilst it is not obligatory or legislated to search for these shareholders, as a responsible corporate citizen we have made a concerted effort to trace these shareholders. We are happy that we have been able to trace many shareholders over the last year, updated their details, and returned in excess of R2 million in unclaimed dividends to their rightful owners.

Three years ago, in the midst of the pandemic, we reviewed our investment portfolio and capital structure. A conscious decision was made to reduce debt. We managed to reduce debt by approximately R2 billion over the past three years. Now, with a fragile economy, volatile global markets, a bleak and uncertain domestic economic outlook, and an upward interest rate cycle, we will continue to reduce debt at Brimstone. We believe that a debt reduction of approximately R600 million over the next three years is achievable and a key feature of our medium term de-gearing strategy. This will go a long way to reinforcing and strengthening our balance sheet and possibly reducing the discount to INAV.

Brimstone's social commitment is a core part of its mission of being Profitable, Empowering and Making a Positive Social Impact on the businesses and the individuals with whom it is involved. Integral to our social commitment is the activity of Brimstone Empowerment Share Trust (BEST) that is governed by an independent board of trustees who follow a rigorous process in awarding shares to worthy non-profit organisations (NPO's). We have allotted shares to the Douglas Murray Home for the Aged during the year and welcome them to the BEST family. To date BEST has allotted more than 2.4 million shares to 40 NGO's who are supporting more than 3.5 million beneficiaries in South Africa and beyond our borders.

We commend and thank all the organisations whom we support for the stellar work they continue to do in their respective communities. A strong network of NPO's is key to alleviating the harshest impacts of poverty brought about by inequality and unemployment. It is therefore important for businesses to continue to partner with credible NPO's that are able to fulfill their respective mandates in areas where government is unable to provide adequate support.

I extend my sincere appreciation to Ms Keneilwe Moloko who will be retiring from our board and not offer herself for re-election at our next Annual General Meeting. Ms Moloko has served Brimstone with diligence and provided good counsel during her tenure of 9 years as an independent non-executive board member. On behalf of the board I wish her well in her future endeavours.

I thank the Board for their support and good advice during the year. I thank 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.

I thank our shareholders and all other stakeholders who have supported us over many years and who continue to keep us to account for every decision we take. We value your support.

Fred Robertson
EXECUTIVE CHAIRMAN

Chief Executive Officer's Report

In a period where we experienced increasing interest rates, higher fuel and energy costs, supply chain disruptions, increased frequency of load shedding and higher international freight costs, these results still prove the resilience of the Group and its portfolio companies. This reporting period saw the announcement of the FRAP allocations, which brings certainty to our major fishing assets.

The Group reported an increase in revenue to R6.2 billion, up from R5.1 billion in the previous year. Profit for the year decreased to R324.5 million from R920.9 million in the prior year. This decrease in profit is mainly due to a decrease in operating profit of R185.5 million, a decrease in fair value gains of R239.6 million, an increase in finance costs of R87.3 million, and the prior year recognition of profit from discontinued operation of R157.7 million. Total assets increased by 11% to R11.7 billion from R10.5 billion in the prior year. Net asset value per share increased to R13.40 per share from R11.80 per share at prior year end. Brimstone declared a dividend of 33 cents per share, up by 10% from 30 cents per share in the previous year.

Brimstone was founded 27 years ago and we are pleased that many of our early shareholders are still shareholders in the Company. As we have moved to completely electronic payments of dividends we have started a dedicated project to trace shareholders with incomplete details. This project has yielded positive results as we continue to pay out unclaimed dividends to the rightful owners.

Intrinsic Net Asset Value ("INAV")

INAV at 31 December 2022 calculated on a line-by-line basis, totalled R3.29 billion, or R13.25 per share (31 December 2021: R3.26 billion or R13.14 per share), representing a marginal increase of 1% from 2021 (an increase of 0.8% on a per share basis). As at 31 December 2022, Brimstone Ordinary shares were trading at a discount of 60.3% to INAV (31 December 2021: 52.1%) and "N" Ordinary shares traded at a discount of 57.5% to INAV (31 December 2021: 50.6%).

"WE HAVE A CLEAR FOCUS ON REDUCING DEBT OVER THE MEDIUM TERM WHICH WOULD PROVE TO BE PARTICULARLY BENEFICIAL IN AN UPWARD INTEREST RATE CYCLE."

MUSTAQ BREY
CHIEF EXECUTIVE OFFICER

Portfolio Performance

Subsidiaries

Sea Harvest
Brimstone held 159.6 million (2021: 159.5 million) shares in Sea Harvest with a market value of R1.9 billion at 31 December 2022 (2021: R2.2 billion). Sea Harvest's share price closed at R12.00 per share, down from R13.80 per share at 31 December 2021.

Sea Harvest experienced a challenging year to 31 December 2022. Despite 10% volume losses from the Fishing Rights Allocation Process (FRAP) and a reduction in the total allowable catch, revenue was up in all segments with firm demand in all markets and strong pricing in all channels. This firm demand was, however, offset by unprecedented cost inflation with cost of sales increasing 42% (driven by a 93% increase in the cost of fuel), supply chain disruptions (including load shedding) and significant increases in local and international freight rates, whilst fixed costs were impacted by R36 million in once-off acquisition-related costs. Sea Harvest revenue for the year increased 27% to R5.88 billion (2021: R4.62 billion) with earnings before interest and tax of R500 million (2021: R670 million) and headline earnings per share of 105 cents (2021: 157 cents).

Sea Harvest completed the acquisition of MG Kailis on 23 May 2022, with this transformative transaction representing a significant step in the execution of the group's investment strategy of acquisitive growth in the international seafood space that focuses on businesses of scale in high-value seafood species. MG Kailis complements and diversifies the group's existing business operations in Australia from a wild-caught fishing, trading, engineering and sales perspective.

Obsidian Health (Obsidian)
Obsidian is a leading supplier of innovative healthcare solutions to both the private and public healthcare sectors within Sub-Saharan Africa. Obsidian contributed R5.2 million (2021: R20.7 million) to Group profit during the year under review.

Elective surgery caseloads have increased since the total removal of Covid-19 restrictions, while sales in Covid-19 antigen rapid tests and related personal protective equipment dropped off rapidly. Global supply challenges had a negative impact on inventory availability with intermittent stock outs on several of Obsidian's key products resulting in loss of market share hampering efforts to return its elective surgery product portfolio back to pre-Covid sales levels. It is pleasing to note that inventory supply has stabilised recently. Large supplier price increases driven by global inflation, the depreciation of the Rand and increased inbound shipping costs resulted in margin compression.

Associates and joint ventures

Oceana
Brimstone held 32.7 million (2021: 32.6 million) shares in Oceana with a market value of R2.1 billion at year end (R1.8 billion at 31 December 2021). Oceana's share price closed at R63.29 per share, up from R55.54 per share at 31 December 2021. Brimstone recognised R195.4 million as its share of profits of the associate (2021: R193.3 million) based on Oceana's reported earnings for the year to 30 September 2022. Brimstone received cash dividends of R194.1 million (2021: R35.9 million) from Oceana during the year under review, which included the delayed final dividend of R80.9 million in respect of Oceana's 2021 financial year.

Aon Re Africa
Aon Re Africa is a leading reinsurance broker licensed and operating in South Africa and the rest of Africa. Brimstone recorded R13.9 million (2021: R12.0 million) in equity accounted earnings and received dividends of R12.7 million (2021: R8.0 million) from Aon Re Africa during the year under review.

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 (Pty) Ltd (45%), Tombake Holdings (Pty) Ltd (32.6%), Decision Inc. (Pty) Ltd (48.4%), ASG Holdings (Pty) Ltd (33.5%), Specialised Food Investment Holdings (Pty) Ltd (46.4%) and Seapro SA (Pty) Ltd (22.5%). SAED contributed R1.9 million in equity accounted earnings (2021: R1.1 million) to Brimstone during the year under review. Brimstone accrued a dividend of R1.6 million (2021: R1.5 million) from SAED during the year under review.

Vuna Fishing Company (Vuna)
Vuna is a fully integrated fishing business based in Mossel Bay, fishing for Cape hake, sole, horse mackerel and sardines and the processing and packing thereof in order to provide value-added chilled and frozen food products to foodservice customers throughout South Africa and abroad. Vuna contributed R3.2 million in equity accounted earnings (2021: R2.0 million) for the year under review. Brimstone accrued R1.0 million (2021: R1.0 million) in dividends during the year under review.

Milpark Education (Milpark)
Milpark is a leading provider of higher education and training qualifications. Milpark contributed R14.6 million in equity accounted earnings (2021: R8.3 million) during the year under review. Brimstone received a dividend of R15.1 million (2021: R17.1 million) from Milpark during the year under review. Brimstone invested a further R20.4 million in Milpark to early-settle Milpark's acquisition of the business of CA Connect during the year under review.

Chief Executive Officer's Report (continued)

Investments

Equites

Equites' share price closed at R16.84 per share down from R22.99 per share at 31 December 2021. The investment was revalued downwards by R85.8 million to R235.1 million (2021: R320.9 million) at year end. Brimstone received a dividend of R23.2 million (2021: R22.2 million) from Equites during the year under review.

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 26 convenience shopping centres in South Africa with an expanding footprint in the United Kingdom. The property portfolio is independently valued in excess of R7.5 billion on a gross basis. Brimstone participated in a rights issue and invested a further R27.0 million in the fund. The investment was revalued upwards by R55.7 million to R312.3 million (2021: R229.6 million) at year end. Brimstone received a dividend of R3.3 million (2021: R2.6 million) from the fund during the year under review.

MTN Zakhele Futhi

MTN Zakhele Futhi's share price closed at R19.40 per share, down from R31.00 per share at 31 December 2021. The investment was revalued downwards by R21.1 million to R35.3 million (2021: R56.4 million) at year end. The MTN Zakhele Futhi scheme matures on 25 November 2024.

Phuthuma Nathi

Phuthuma Nathi's share price closed at R133.11 per share down from R134.95 per share at 31 December 2021. The investment was revalued downwards by R3.5 million to R252.3 million (2021: R255.8 million) at year end. Brimstone received a dividend of R42.1 million (2021: R42.1 million) from Phuthuma Nathi during the year under review.

STADIO

STADIO Holdings is a listed holding company investing in private higher (tertiary) education through multiple prestigious institutions which collectively offer over 90 accredited programmes, from Higher Certificates to Doctorates. STADIO enrols over 38 000 students via contact, distance and hybrid learning. STADIO's share price closed at R4.91 per share, up from R3.75 per share at 31 December 2021. The investment was revalued upwards by R50.5 million to R213.9 million (2021: R163.4 million) at year end. Brimstone received a maiden dividend of R2.0 million from STADIO during the year under review.

Conclusion

The Fishing Rights Allocation Process (FRAP) concluded in February 2022, and the Group's fishing businesses were generally pleased with the outcomes of the allocation process. There have been no material changes to previous rights allocated. The allocations are subject to the appeals process which is still in progress. We are hopeful that there will not be any significant changes to the current allocations post this appeals process.

I am confident that the Group's bona fide empowerment credentials together with our continued oversight role and support to our major investments, will continue to benefit those investee companies, and ultimately all stakeholders. We are closely monitoring the economy and the early signs of increased food inflation together with our national energy crisis which should be a concern to all. I am pleased that many of our investee companies have made huge strides in moving towards sustainable energy solutions.

As a Group we shall continue to consider all value enhancing mechanisms which may contribute to decreasing the discount of the Company's share price to intrinsic net asset value. We have a clear focus on reducing debt over the medium term which would prove to be particularly beneficial in an upward interest rate cycle.

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 subsidiaries, investments and associates for contributing to these stellar results.

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

Mustaq Brey
CHIEF EXECUTIVE OFFICER

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 5 000 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.

MANDELA DAY AT SAKHILE EDUCARE

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 2.2 million Brimstone shares (worth approximately R12 million at year end) to 40 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 to the Douglas Murray Home for the Aged.

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

▲ WATER CONTRIBUTION TO KWAZULU-NATAL

▼ SIYAVUSELELA SPORTS LIFE SKILLS SPORTS DAY

Corporate Social Investment (continued)

Corporate Social Initiatives

With part of the year still operating within pandemic related restrictions, Brimstone's regular spending on social initiatives was partially reduced.

KwaZulu-Natal province suffered from devastating floods early in the year and one of the direct consequences thereof was the destruction of infrastructure resulting in the shortage of drinking water. Brimstone donated 10 000 bottles of 5 litre water to the people of KwaZulu-Natal. This initiative was facilitated by Gift of the Givers. This evolved into a massive water collection drive in the Western Cape province and resulted in a total contribution of approximately 1 million litres of water to KwaZulu-Natal.

Starting during winter, Brimstone in collaboration with Nakhlistan commenced with a daily feeding programme to those in need. As the harsh winter conditions accelerated across the Cape the programme was extended until spring.

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.

Brimstone continues to create awareness about health and wellness. To this extent it hosted its annual Cancer Dialogue featuring cancer champions and medical specialists in partnership with Groote Schuur Hospital. The focus of this programme was on cervical cancer. Brimstone also hosted a dialogue on tuberculosis and diabetes. These programmes are available for viewing at www.brimstone.co.za

Social relevance at Obsidian Health

OBSIDIAN HEALTH

Obsidian's Point of Care division donated in excess of R500 000 worth of Covid-19 rapid tests to Aquity Innovations NPO during the year under review. These tests were utilised mainly for the benefit of persons who were unable to afford the tests.

Obsidian provides support to young learners from a local school in the Zandspruit informal settlement. Many of these children are left to raise themselves while parents are trying to make a living. The major needs, other than meals which the school provides, are essential cosmetic and hygiene items such as soap, toothpaste, deodorant and sanitary pads. Educators have noted that many of the kids had no self-confidence and these small items would have a great impact on their confidence which in turn could positively impact their schooling. During the year the Johannesburg office gathered in the training room to prepare the packs of essential goods, with separate packs for boys and girls. This small contribution will go a long way in making a positive difference in their lives.

▲ **DIALOGUE ON CERVICAL CANCER**
▼ **POST BUDGET BREAKFAST WITH FINANCE MINISTER ENOCH GODONGWANA**

Intrinsic Net Asset Value Report

The INAV of Brimstone at 31 December 2022 was R3 287.2 million (2021: R3 255.6million), translating to R13.25 per share (2021: R13.14 per share), based on 248.1 million shares (2021: 247.8 million shares) in issue, net of treasury shares. Fully Diluted INAV per share was R13.02 per share (2021: R12.93 per share), based on 252.6 million shares (2021: 251.9 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 2022 was R3 323.5 million (2021: R2 924.4 million), translating to R13.40 per share (2021: R11.80 per share), based on the respective number of shares in issue.

The closing share prices on 31 December 2022 of Brimstone Ordinary and "N" Ordinary shares on the JSE were R5.26 and R5.63 (2021: R6.30 and R6.49) per share respectively.

	31 DEC 22	31 DEC 21
INAV of Brimstone (R'm)	3 287.2	3 255.6
Book NAV (R'm)	3 323.5	2 924.4
INAV per share (Rand)	13.25	13.14
Fully Diluted INAV per share (Rand)	13.02	12.93
Book NAV per share (Rand)	13.40	11.80
Market price per share (Rand)		
• Ordinary shares	5.26	6.30
• "N" Ordinary shares	5.63	6.49
Discount to INAV:		
• Ordinary shares %	60.3%	52.1%
• "N" Ordinary shares %	57.5%	50.6%

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

FPG Property Fund
The INAV of the 10.2% 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.

South African Enterprise Development (SAED)
The INAV of the 25% shareholding in SAED was based on book value.

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 2022 of R63.29 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 2022 of R12.00 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 2022 of R16.84 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 2022 of R133.11 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 2022 of R4.91 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 2022 of R19.40 per share.

INAV analysis by asset

An analysis of the INAV of Brimstone as at 31 December 2022 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	2 071 743	—	—	2 071 743
Sea Harvest[1]	53.4%	Market value per share	1 914 707	—	—	1 914 707
Equites	1.8%	Market value per share	235 063	—	(11 330)	223 733
Phuthuma Nathi	2.8%	Market value per share	252 300	—	(3 365)	248 935
STADIO	5.1%	Market value per share	213 904	—	(13 552)	200 352
MTN Zakhele Futhi	1.5%	Market value per share	35 285	—	—	35 285
Milpark	12.8%	Market approach	100 470	—	(6 246)	94 224
Investment property	100%	Market approach	65 000	—	—	65 000
FPG Property Fund	10.2%	Book value	312 348	—	(32 947)	279 401
Aon Re Africa	18.0%	PE valuation	78 086	—	(15 143)	62 943
Obsidian	70.0%	Book value	65 804	—	(6 114)	59 690
SAED	25.0%	Book value	61 781	—	—	61 781
Other Investments, Assets & Liabilities	Various	Valuation	56 389	—	14 733	71 122
Cash/(Net debt)	100%	Book value	115 280	(2 216 954)	—	(2 101 674)
Total			**5 578 160**	**(2 216 954)**	**(73 964)**	**3 287 242**
INAV per share (Rands)[2]			22.48	(8.94)	(0.30)	13.25
Fully Diluted INAV per share (Rands)[3]			22.09	(8.78)	(0.29)	13.02

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 248.1 million shares (December 2021: 247.8 million shares) in issue, net of treasury shares.
3 Based on 252.6 million shares (December 2021: 251.9 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

AFRICAN/COLOURED/INDIAN: MALE
AFRICAN/COLOURED/INDIAN: FEMALE
WHITE MALE

Gender

MALE
FEMALE

Independence

EXECUTIVE DIRECTORS
INDEPENDENT NON-EXECUTIVE DIRECTORS

At year end, the Board consisted of five executive and eight 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 will be retiring from the Board at the Company's upcoming Annual General Meeting taking place on 29 May 2023 and will not be standing for re-election as an independent non-executive director and will therefore cease 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 results of these 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.

Board committees (see tables 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.

Governance Report (continued)

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.

	NAME	ROLE, PURPOSE AND PRINCIPAL FUNCTIONS	KEY FOCUS FOR THE YEAR UNDER REVIEW
REMUNERATION AND NOMINATIONS COMMITTEE	**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 • Consulted with remuneration experts to effect amendments to the Forfeitable Share Plan Scheme. • Oversaw the development of a Malus and Clawback policy to be presented to shareholders for approval, and the development of a Minimum Shareholding Requirement policy for implementation on 1 January 2024. • Reviewed profiles of directors coming up for re-election at the annual general meeting • Reviewed the annual re-election of the Lead Independent Director

<table>
<tr><th></th><th>NAME</th><th>ROLE, PURPOSE AND PRINCIPAL FUNCTIONS</th><th>KEY FOCUS FOR THE YEAR UNDER REVIEW</th></tr>
<tr><td>AUDIT AND RISK COMMITTEE</td><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

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>See the full Audit and Risk Committee Report on pages 46 to 47.</td></tr>
</table>

Governance Report (continued)

Conflicts of interest (continued)

	NAME	ROLE, PURPOSE AND PRINCIPAL FUNCTIONS	KEY FOCUS FOR THE YEAR UNDER REVIEW
INVESTMENT COMMITTEE	**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 • Considered and approved the refinancing of the Company's debt package • Considered and approved the sale of the investment property • Monitored the Company's compliance with debt covenants in respect of its borrowing facilities
SOCIAL AND ETHICS COMMITTEE	**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	See the full Social and Ethics Committee Report on page 38.

Directors' attendance at meetings

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

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

2023 Investor diary

SHAREHOLDERS	DATE
2022 Annual financial results presentation	8 March 2023
AGM	29 May 2023

Social and Ethics Committee Report

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 2022.

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 2022 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

The strategy of navigating through a post pandemic business environment with caution, has proven to be successful. We will continue with this cautious approach and will continue to strive to remunerate our people at the 50th percentile of the relevant market.

Policy changes and performance alignment

Individual executives and selected employees will continue to be evaluated specifically in relation to their focus areas within the overall strategic direction of Brimstone. The performance measures are weighted differently for different individuals resulting in focused efforts to achieving the strategic goals. Once again, the Committee is satisfied that this focused and role-aligning measurement has achieved the required performance and focused outcomes of the executive and employees.

Within the remuneration structure, Brimstone is committed 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 2022.

The remuneration policy for 2023 has been enhanced, positively, by the introduction of a Malus and Clawback policy, a refresh of an already successful Forfeitable Share Plan ("FSP") policy. In addition, a Minimum Shareholding Requirement policy for executive committee members, will become effective 1 January 2024.

Shareholding voting options

At the Annual General Meeting ("AGM") held on 30 May 2022, Brimstone received the following favourable votes from shareholders:

- 97.73% of shareholders voted in favour of the remuneration policy resolution
- 97.73% of shareholders voted in favour of the implementation report; and
- 99.99% voted in favour of the non-executive director's fees.

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

At the 2023 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 2022 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 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 framework 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;
- Determining 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)

Remuneration policy and philosophy

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

In determining the remuneration policy, the Committee gives due consideration to the principle of fair and responsible remuneration. As there is no "one-size-fits-all" solution, the Committee as well as the Board must develop 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.

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; and
- Economic factors, including the consumer price index ("CPI").

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.

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 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.

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 tested to the end of the financial year, for the LTI, performance is tested 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:

		WEIGHTINGS DIFFER PER INDIVIDUAL EXECUTIVE
1.1	Growth in INAV per share over a 12 month period relative to the FINDI	
1.2	Growth in INAV per share over a 36 month period relative to the 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 and requirements	
3.	Deal creation: Threshold: Deals worth R300 million over a 3 year rolling period worth R900 million over a 3 year rolling period	
4.	Individual key performance indicators	
		100%

Termination arrangements

In the event of an executive director and 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 215 727 Ordinary shares and 1 229 333 "N" Ordinary shares. However, due to certain participants reaching these limits, and no further awards may be made to them, shareholders will be asked at the upcoming AGM to approve a resolution increasing these Individual Limits. As at 31 December 2022, the actual number of shares that had been allocated to participants under the FSP is, in aggregate, 1 584 910 Ordinary shares and 4 173 524 "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 2022 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 2022 multiplied by the share price on grant.	The maximum number of instruments granted in 2022 multiplied by the share price on grant.

Remuneration Report (continued)

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.

A benchmarking of our non-executive director fees was done in respect of the 2022 year, based on the results of the latest benchmarking survey conducted by the Institute of Directors of South Africa (issued in October 2021). In response to this benchmarking, certain base adjustments were made.

Therefore, the proposal for the 2023 year is to increase the non-executive director fees by 6%.

Non-executive directors' fees

To approve the non-executive directors' fees for the year ending 31 December 2023 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-22 TO 31-DEC-22 (APPROVED)	1-JAN-23 TO 31-DEC-23 (FOR APPROVAL)
Board (Annual fee)		
Chairman	–	**–**
Lead independent director	473 200	**501 592**
Member	259 900	**275 494**
Committees (Per meeting)		
Audit and Risk Committee		
Chairman	68 433	**72 539**
Member	36 167	**38 337**
Investment Committee		
Chairman	54 350	**57 611**
Member	32 050	**33 973**
Remuneration and Nominations Committee		
Chairman	54 350	**57 611**
Member	32 050	**33 973**
Social and Ethics Committee		
Chairman	54 350	**57 611**
Member	32 050	**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 2023 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 2022 and the resulting remuneration outcomes.

2022 Environment

Thankfully the emphasis of the business this year was focused on aspects other than the pandemic. We focused on evaluating deals to enhance INAV and on refinancing our preference share debt facilities with our funders, which were due to expire during the latter half of 2023. The refinancing was successfully concluded.

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 last year and will continue for the next two to three years.

Against this background, we have sought advice from Remchannel and Bowman Gilfillan to position our packages to be able to be market competitive and help us attract and retain top talent.

Re-alignment

For 2022 all job gradings and related remuneration have been brought in line with the applicable market levels (37.5 percentile) 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 2022 was individually assessed. In terms of growth in INAV , only one measure was 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 performance detailed above resulted in the following STI payments to be 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	78%	95%	4 292	3 180
F Robertson	78%	95%	4 292	3 180
GG Fortuin	80%	80%	3 250	2 080
MI Khan	79%	80%	3 409	2 154
T Moodley	82%	60%	1 822	896

LTI

Awards were made to executive directors in terms of the FSP in 2019 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 2019 ended on 28 February 2022. The awards vested in 2022 and became unrestricted following the 2022 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)

Remuneration of directors

Executive directors' remuneration

The table below sets out deails 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

2022 NAME (R'000)	BASIC SALARY	FEES PAID BY SUBSIDIARY	OTHER BENEFITS[1]	STI	LTI AWARD VALUE	TOTAL
MA Brey	**3 825**	**–**	**467**	**3 180**	**2 575**	**10 047**
F Robertson	**3 860**	**773**	**432**	**3 180**	**2 575**	**10 820**
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**	**773**	**1 747**	**11 490**	**8 543**	**37 873**

2021 NAME (R'000)	BASIC SALARY	FEES PAID BY SUBSIDIARY	OTHER BENEFITS[1]	STI	LTI AWARD VALUE	TOTAL
MA Brey	3 124	–	448	3 180	2 104	8 856
F Robertson	3 200	773	372	3 180	2 104	9 629
GG Fortuin	2 217	–	266	1 739	981	5 203
MI Khan	2 611	–	280	2 073	1 140	6 104
T Moodley	1 417	–	179	875	634	3 105
Total	12 569	773	1 545	11 047	6 963	32 897

1 Company contributions to retirement fund and medical aid

Non-executive directors' remuneration

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

2022 NAME (R'000)	BOARD FEES	BOARD FEES PAID BY SUBSIDIARIES	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**
L Wort	**260**	**–**	**173**	**433**
Total	**2 293**	**–**	**1 863**	**4 156**

2021 NAME (R'000)	BOARD FEES	BOARD FEES PAID BY SUBSIDIARIES	COMMITTEE FEES	TOTAL
PL Campher	438	31	478	947
MJT Hewu	238	–	196	434
N Khan	238	31	405	674
K Moloko	238	–	95	333
LA Parker	238	–	171	409
FD Roman	238	275	95	608
Total	1 628	337	1 440	3 405

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.

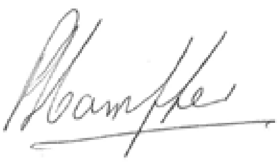
NAME	DATE OF GRANT	FINAL VESTING DATE	INSTUMENT AWARDED	NUMBER OF INSTRUMENTS AWARDED	FSP NOTIONAL SHARE AMOUNT	INDICATIVE VALUE OF UNVESTED INSTRUMENTS
MA Brey	24-Feb-20	23-Feb-23	"N" Ordinary	439 273	7.10	1 854 830
	25-Feb-21	24-Feb-24	"N" Ordinary	437 752	6.41	1 848 408
	21-Feb-22	20-Feb-25	Ordinary	215 727	6.46	851 043
F Robertson	24-Feb-20	23-Feb-23	"N" Ordinary	439 273	7.10	1 854 830
	25-Feb-21	24-Feb-24	"N" Ordinary	437 752	6.41	1 848 408
	21-Feb-22	20-Feb-25	Ordinary	215 727	6.46	851 043
GG Fortuin	24-Feb-20	23-Feb-23	"N" Ordinary	197 814	7.10	835 270
	25-Feb-21	24-Feb-24	"N" Ordinary	204 138	6.41	861 973
	21-Feb-22	20-Feb-25	"N" Ordinary	50 440	6.73	212 983
	21-Feb-22	20-Feb-25	Ordinary	215 727	6.46	851 043
MI Khan	24-Feb-20	23-Feb-23	"N" Ordinary	232 593	7.10	982 124
	25-Feb-21	24-Feb-24	"N" Ordinary	237 196	6.41	1 001 560
	21-Feb-22	20-Feb-25	"N" Ordinary	63 014	6.73	266 077
	21-Feb-22	20-Feb-25	Ordinary	215 727	6.46	851 043
T Moodley	24-Feb-20	23-Feb-23	"N" Ordinary	124 290	7.10	524 815
	25-Feb-21	24-Feb-24	"N" Ordinary	131 842	6.41	556 703
	21-Feb-22	20-Feb-25	Ordinary	150 374	6.46	593 225

The table below sets out details of awards which were granted on 4 March 2019, and vested on 7 June 2022.

	NUMBER OF INSTRUMENTS AWARDED	NUMBER OF INSTRUMENTS VESTED	NUMBER OF INSTRUMENTS FORFEITED	VALUE OF VESTED INSTRUMENTS
MA Brey	323 220	249 956	73 264	1 674 705
F Robertson	323 220	248 879	74 341	1 667 489
GG Fortuin	145 553	110 620	34 933	741 154
MI Khan	171 144	128 358	42 786	859 999
T Moodley	91 453	73 162	18 291	490 185

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 2023

Audit and Risk Committee Report

Introduction

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 2022 financial year.

Membership and composition of the Committee

The Committee comprises seven 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.

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, report 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 2022 financial year performed the following statutory and regulatory duties:

- Ernst & Young Inc. ("EY") were appointed as Brimstone's external auditors at the Company's Annual General Meeting in May 2022. 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 2022 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:

- Provisional purchase price allocation and goodwill recognition of MG Kailis acquisition

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 2022 (issued 4 November 2022).
2. The Audit Committee Briefing Document on Proactive Monitoring Limited Scope Thematic Review: Cash flow information and disclosures of liquidity and going concern (issued 6 October 2022)
3. The following sections from the Combined Findings Report (issued 28 October 2022):
   a. Income Tax (page 36 to 37, matters 3 and 5);
   b. Revenue (page 40, matters 1 and 2); and
   c. Interim Financial Reporting (page 49 to 52, matters 1 and 2).

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 2022.

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.

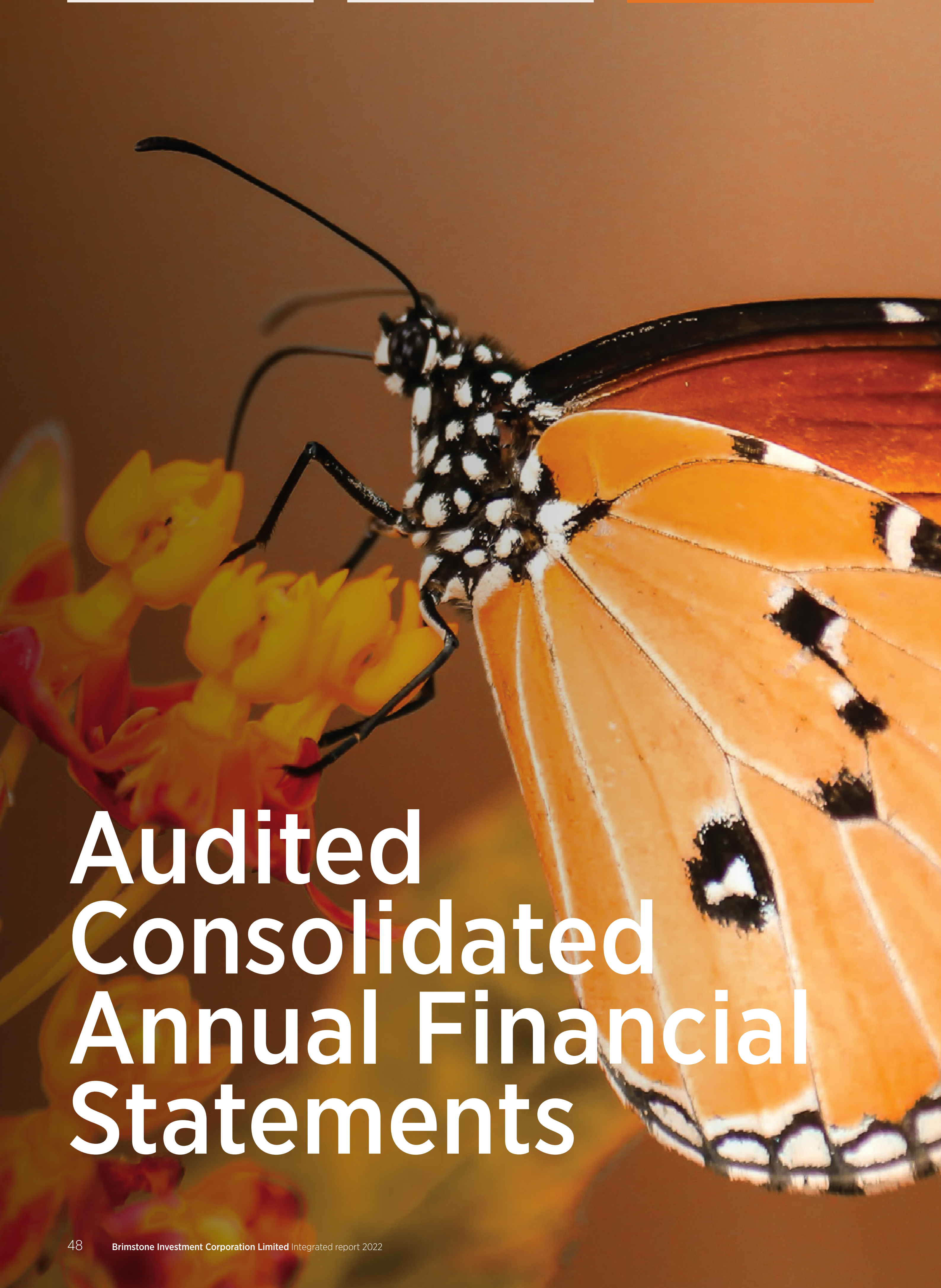
Recommendation of the Integrated Report for approval by the Board

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.

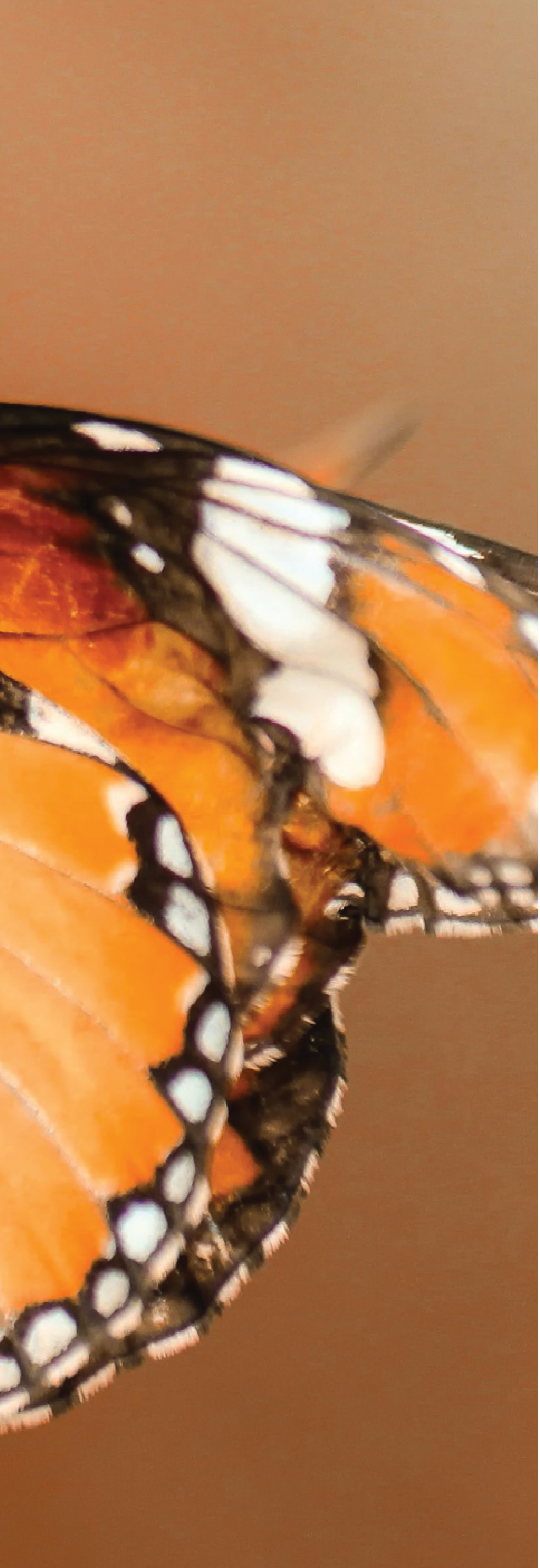
N Khan

CHAIRMAN OF THE AUDIT AND RISK COMMITTEE

24 April 2023



Audited Consolidated Annual Financial Statements



BRIMSTONE INVESTMENT CORPORATION LIMITED

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 2022 which appear on pages 30 and 31, 44 to 47 and 55 to 132 were approved by the Board and authorised for issue on 28 April 2023.

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 2022 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 132 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 2022, and the consolidated statement of 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 a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, 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 of 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 and 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 Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters. For each 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 these matters. 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 matters 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
Provisional purchase price allocation and goodwill recognition of MG Kailis acquisition The Group, through its subsidiary, Sea Harvest Group Limited; acquired selected net assets of the Western Australia-based MG Kailis (Pty) Ltd's fishing business and related subsidiaries ("MG Kailis") for total consideration of R769.6 million with effect from 23 May 2022. The acquisition which was determined by management to be a business combination rather than an asset acquisition, resulted in the recognition of goodwill of R148.8 million following the allocation of the purchase price. The disclosures required by IFRS 3: Business combinations are set out in note 19: Business Combination. In completing the purchase price allocation ("PPA") management engaged independent specialists to assist in valuing certain tangible and intangible assets involved in the transaction. Measurement period adjustments in terms of IFRS 3 were processed in order to adjust the provisional fair values reported to the updated fair values at reporting date. Given the magnitude of the transaction and the level of management judgement involved in identifying and fair valuing the acquired assets, including intangible assets, we consider the purchase price allocation to be a matter of most significance to the audit and identified it as a key audit matter.	• In conjunction with our internal financial reporting specialists, we evaluated the reasonableness of the recognition and adequacy of related disclosure of the acquisition in the financial statements in accordance with IFRS 3: Business Combinations. • We obtained an understanding of the process that management followed in order to provisionally allocate the purchase price. • We inspected the key contracts to obtain an understanding of the transaction and its key terms. • We evaluated whether the appropriate accounting treatment had been applied to the transaction. • We assessed the valuation and completeness of the recognised intangible assets (fishing licences) and plant and equipment, by performing the following: – We challenged the valuation approach, methodology and assumptions applied by management to value the fair value of tangible and intangible assets and residual goodwill. This included assessing the mathematical accuracy of the valuation models used by management. – We assessed the rights, obligations and completeness of intangible assets recognised. – We evaluated the appropriateness of management's independent specialist's work by validating key inputs or assessing them for reasonableness compared to independently sourced data. – We assessed the competence, objectivity, experience and independence of each of the independent valuers engaged by management. – We recalculated the deferred tax balances. • We assessed whether all associated transaction costs have been expensed correctly. • We assessed the determination of the fair values of the components of working capital. • We agreed the components of the purchase price cash settlements to payment documentation.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 132-page document titled "Brimstone Investment Corporation Limited Integrated Report 2022" which includes the "Brimstone Investment Corporation Limited Audited Consolidated Annual Financial Statements 2022", which includes the Directors' Report and the Certificate by Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's reports 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 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 consolidated 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 financial statements 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 Inc. has been the auditor of Brimstone Investment Corporation Limited for two years.

Ernst & Young Inc.

Ernst & Young Inc.
DIRECTOR – PIERRE GUSTAV DU PLESSIS
CHARTERED ACCOUNTANT
REGISTERED AUDITOR

24 April 2023

Waterway House
3 Dock Road
Cape Town

Directors' Report

for the year ended 31 December 2022

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 33 cents per Brimstone share for the year ended 31 December 2022 (2021: 30 cents) paid on Monday, 24 April 2023.

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	115 042	636 832

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, 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 2022, 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 50 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 128. Details of the directors' interest in forfeitable shares in terms of the Company's share incentive scheme are set out on page 110.

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 52 for further details.

Companies Act, No. 71 of 2008 (as amended)
The Board confirms that Brimstone Investment Corporation Limited has complied with the provisions of the Companies Act, No. 71 of 2008 (as amended) 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. PL Campher, MI Khan, N Khan and MJT Hewu 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. Ms K Moloko has indicated that she will not be offering herself for re-election at the 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 2022
Details of all events subsequent to 31 December 2022 are included in note 51 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 2022

R'000	NOTES	2022	2021
Continuing operations			
Revenue	2	**6 212 852**	5 054 726
Sales and fee income		**6 137 165**	4 979 804
Dividends received		**75 687**	74 922
Net operating expenses	3	**(5 703 287)**	(4 359 635)
Operating profit		**509 565**	695 091
Fair value gains	4	**34 324**	273 916
Other investment losses	5	**(38 253)**	(57 591)
Share of profits of associates and joint ventures		**228 351**	256 840
Profit before net finance costs	6	**733 987**	1 168 256
Interest income	8	**18 737**	19 797
Finance costs	9	**(306 295)**	(218 959)
Profit before taxation		**446 429**	969 094
Taxation	10	**(121 920)**	(205 941)
Profit for the year from continuing operations		**324 509**	763 153
Profit for the year from discontinued operation	26	**—**	157 708
Profit for the year		**324 509**	920 861
Profit attributable to:			
Equity holders of the parent		**189 934**	731 903
Non-controlling interests		**134 575**	188 958
		324 509	920 861
Earnings per share (cents)	12		
From continuing and discontinued operations			
Basic		**76.6**	292.3
Diluted		**75.7**	291.7
From continuing operations			
Basic		**76.6**	229.3
Diluted		**75.7**	228.8

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2022

R'000	2022	2021
Profit for the year	**324 509**	920 861
Other comprehensive income/(loss), net of tax	**303 835**	(157 704)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges		
(Loss)/profit arising during the year	**(43 603)**	59 886
Recycled to operating expenses	**131**	(31 047)
Cost of hedging reserve		
Profit/(loss) arising during the year	**26 573**	(34 660)
Recycled to operating expenses	**(492)**	20 540
Foreign currency translation		
Profit arising during the year	**15 192**	18 947
Share of other comprehensive income/(loss) of associates		
Current year movement	**303 053**	(188 588)
Recycled to other investment losses	**–**	(6 025)
Items that will not be reclassified subsequently to profit or loss		
Movement in investment at fair value through other comprehensive income	**965**	3 639
Measurement of defined benefit plans	**2 129**	324
Share of other comprehensive loss of associates	**(113)**	(720)
Total comprehensive income for the year	**628 344**	763 157
Total comprehensive income attributable to:		
Equity holders of the parent	**494 719**	558 321
Non-controlling interests	**133 625**	204 836
	628 344	763 157

Consolidated Statement of Financial Position

as at 31 December 2022

R'000	NOTES	2022	2021
Assets			
Non-current assets		**9 099 511**	7 696 471
Property, plant, equipment and vehicles	13	**2 408 651**	2 253 348
Investment property		**3 700**	3 700
Right-of-use assets	14	**204 928**	132 511
Biological assets	15	**87 287**	68 299
Goodwill	16	**1 018 878**	865 192
Intangible assets	17	**1 426 207**	776 628
Investments in associate companies and joint ventures	20	**2 661 300**	2 332 148
Investments	21	**1 113 957**	1 083 868
Loans and receivables		**14 624**	11 306
Loans to supplier partners	22	**92 670**	94 384
Deferred taxation	41	**35 584**	41 153
Other financial assets	23	**31 725**	33 934
Current assets		**2 557 261**	2 801 793
Inventories	24	**1 077 515**	979 870
Biological assets	15	**77 909**	82 123
Trade and other receivables	25	**952 604**	797 630
Loans and receivables		**8 836**	7 870
Other financial assets	23	**48 928**	58 866
Taxation		**16 336**	12 503
Cash and cash equivalents	27	**375 133**	862 931
Total assets		**11 656 772**	10 498 264

R'000	NOTES	2022	2021
Equity and liabilities			
Capital and reserves		**4 803 207**	4 390 516
Share capital	28	**39**	39
Capital reserves	29	**572 786**	256 511
Revaluation reserves	30	**19 989**	19 271
Cash flow hedging reserve	31	**47 457**	70 323
Cost of hedging reserve	32	**(30 731)**	(45 182)
Foreign currency translation reserve	33	**41 417**	32 211
Changes in ownership	34	**508 419**	540 679
Retained earnings		**2 164 128**	2 050 592
Attributable to equity holders of the parent		**3 323 504**	2 924 444
Non-controlling interests	35	**1 479 703**	1 466 072
Non-current liabilities		**5 367 695**	4 780 354
Long-term interest bearing borrowings	36	**4 217 686**	3 945 233
Employee related liabilities	48.1, 48.2	**22 170**	20 927
Lease liabilities	40	**210 964**	141 662
Contingent consideration	38	**—**	9 773
Deferred grant income		**34 342**	32 148
Other financial liabilities	39	**7 257**	—
Deferred taxation	41	**875 276**	630 611
Current liabilities		**1 485 870**	1 327 394
Short-term interest bearing borrowings	36	**372 660**	113 205
Short-term provisions		**10 704**	4 170
Bank overdrafts	42	**24 715**	53 028
Trade payables		**620 068**	594 302
Other payables	37	**318 375**	275 590
Contingent consideration	38	**—**	120 671
Deferred grant income		**2 776**	3 546
Lease liabilities	40	**31 051**	24 645
Share-based payment liability		**—**	35 746
Other financial liabilities	39	**105 009**	102 334
Taxation		**512**	157
Total equity and liabilities		**11 656 772**	10 498 264
NAV per share (cents)		**1 340**	1 180
Shares in issue at end of year (000's)		**248 091**	247 770

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

R'000	SHARE CAPITAL	CAPITAL RESERVES	REVALUATION RESERVES
Balance 1 January 2021	39	552 624	17 207
Attributable profit for the year	—	—	—
Other comprehensive (loss)/income	—	(194 860)	2 073
Total comprehensive (loss)/income	—	(194 860)	2 073
Recognition of share-based payments	—	26 044	—
Arising on acquisition of subsidiary	—	—	—
Dividend paid	—	—	—
Transfer to share-based payment liability subsequent to modification	—	(3 425)	—
Share of other net asset changes of associate[1]	—	(89 007)	—
Net shares repurchased by subsidiaries	—	29	(9)
Shares repurchased	—	(34 894)	—
Balance 31 December 2021	39	256 511	19 271
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**

1 Mainly relates to Group's share of associate's loss on repurchase of treasury shares from employee share trust, which were subsequently cancelled.

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
53 932	(37 172)	21 436	564 557	1 318 689	2 491 312	1 266 089	3 757 401
—	—	—	—	731 903	731 903	188 958	920 861
16 435	(8 020)	10 790	—	—	(173 582)	15 878	(157 704)
16 435	(8 020)	10 790	—	731 903	558 321	204 836	763 157
—	—	—	—	—	26 044	9 655	35 699
—	—	—	—	—	—	51 198	51 198
—	—	—	—	—	—	(72 784)	(72 784)
—	—	—	—	—	(3 425)	—	(3 425)
—	—	—	—	—	(89 007)	—	(89 007)
(44)	10	(15)	(23 878)	—	(23 907)	7 078	(16 829)
—	—	—	—	—	(34 894)	—	(34 894)
70 323	(45 182)	32 211	540 679	2 050 592	2 924 444	1 466 072	4 390 516
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**

Consolidated Statement of Cash Flows

for the year ended 31 December 2022

R'000	NOTES	2022	2021
Operating activities			
Profit for the year – continuing operations		**324 509**	763 153
Profit for the year – discontinued operation		**—**	157 708
Total profit for the year including discontinued operation		**324 509**	920 861
Adjustments for non-cash and other items	43.1	**328 788**	(38 204)
Operating cash flows before movements in working capital		**653 297**	882 657
Decrease/(increase) in inventories		**49 377**	(125 805)
(Increase)/decrease in trade and other receivables		**(107 542)**	37 262
(Decrease)/increase in trade and other payables		**(14 242)**	48 357
Net decrease in insurance assets		**—**	27 341
Net decrease in insurance liabilities		**—**	(89 622)
Cash generated from operations		**580 890**	780 190
Interest received		**19 209**	18 032
Proceeds from receipt of a government grant		**6 813**	3 049
Dividends received from associates and joint ventures		**224 848**	63 456
Dividends received from other equity investments		**75 687**	74 922
Income taxes paid	43.2	**(63 307)**	(144 817)
Finance costs paid	43.3	**(329 426)**	(122 304)
Net cash generated by operating activities		**514 714**	672 528
Investing activities			
Loans and receivables repaid		**6 747**	6 230
Proceeds on disposal of investments		**—**	906 969
Proceeds on disposal of property, plant, equipment and vehicles		**9 074**	2 605
Insurance proceeds		**25 099**	46 450
Acquisition of property, plant, equipment and vehicles		**(266 030)**	(269 837)
Acquisition of biological assets		**(71 250)**	(68 703)
Acquisition of subsidiaries	19	**(769 614)**	(65 116)
Acquisition of intangible assets		**(2 861)**	(2 045)
Acquisition of investments and investments in associates		**(52 362)**	(31 745)
Disposal of subsidiary	26	**—**	(5 672)
Supplier partner loans repaid		**2 789**	1 559
Net cash (used in)/generated by investing activities		**(1 118 408)**	520 695
Financing activities			
Dividends paid by Company and subsidiaries		**(176 986)**	(72 784)
Repayment of borrowings and lease liabilities	43.4	**(1 101 452)**	(1 187 355)
Loans raised	43.4	**1 613 384**	586 160
Shares repurchased		**(5 236)**	(34 894)
Shares repurchased by subsidiaries		**(88 686)**	(36 221)[1]
Shares issued by subsidiaries		**9 976**	19 505[1]
Repayment of other financial liabilities	39	**(2 076)**	(53 564)
Further investment in subsidiary		**(592)**	(111)
Settlement of contingent consideration[2]		**(110 000)**	—
(Decrease)/increase in bank overdrafts	43.4	**(28 313)**	20 286
Net cash generated by/(used in) financing activities		**110 019**	(758 978)
Net (decrease)/increase in cash and cash equivalents		**(493 675)**	434 245
Cash and cash equivalents at beginning of year		**862 931**	427 894
Foreign exchange differences		**5 877**	792
Cash and cash equivalents at end of year			
Bank balances and cash		**375 133**	862 931

1 These amounts were previously presented on a net basis, however, in order to achieve comparability with the current year, the prior year amounts were re-presented on a gross basis.

2 Given the probability of payment at initial recognition was virtually certain and the significant period between initial recognition and settlement of 3.5 years, the deferred nature of this payment is, in substance, a financing arrangement.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2022

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 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 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 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 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 2022

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 49.12 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 2021.

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

In the current year, the Group has applied amended IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2022. 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.

- **Definition of Accounting Estimates (Amendments to IAS 8)**
  The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments must be applied prospectively for annual periods beginning on or after 1 January 2023, with earlier application permitted.

- **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.

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

R'000	2022	2021
The Group's revenue comprises the following:		
Sale of goods recognised at a point in time		
Wild-caught fish	**3 022 329**	2 808 530
Shellfish	**595 195**	343 255
Convenience foods	**489 511**	246 588
Traded	**189 600**	132 005
Dairy	**1 578 660**	1 085 085
Food products	**5 875 295**	4 615 463
Clothing products	**24 554**	49 500
Healthcare products	**235 112**	309 308
	6 134 961	4 974 271
Fee income	**2 204**	5 533
Total sales and fee income	**6 137 165**	4 979 804
Dividends received		
• listed investments	**67 366**	47 238
• unlisted investments	**8 321**	27 684
Total dividends received	**75 687**	74 922
Total revenue	**6 212 852**	5 054 726

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:

R'000	2022	2021
South Africa	**3 681 886**	3 010 798
Australia	**869 463**	545 622
Europe	**1 222 721**	1 065 041
Other markets	**360 891**	352 810
	6 134 961	4 974 271

Notes (continued)

for the year ended 31 December 2022

	R'000	2022	2021
3.	**Net operating expenses**		
	Production, selling and administration expenses[1]	**968 277**	939 042
	Raw materials and consumables used	**4 735 010**	3 420 593
	Total net operating expenses	**5 703 287**	4 359 635

1 Includes holding company administration expenses of R76.1 million (2021: R79.5 million), after deducting external fee income, but before recoveries from subsidiary companies of R9.3 million (2021: R4.9 million) which have been eliminated on consolidation. The prior year holding company administration expenses included R4.2 million paid in 2021 in respect on the 2020 bonus which was deferred on a non-obligatory basis.

	R'000	2022	2021
4.	**Fair value gains/(losses)**		
	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	**(59 896)**	205 846
	• mark-to-market revaluation of unlisted investments	**61 755**	431 250
	• revaluation of options	**897**	(346 499)
	• revaluation of contingent consideration	**20 444**	(10 629)
	• biological assets	**4 330**	(5 642)
	• other financial instruments	**6 794**	(410)
	Total fair value gains	**34 324**	273 916
5.	**Other investment gains/(losses)**		
	Other investment gains		
	• profit on disposal of fishing trawlers	**1 069**	8 206
	• gains on bargain purchases	**—**	1 578
	• reversal of impairment of property, plant, equipment and vehicles	**3 489**	—
	Total gains	**4 558**	9 784
	Other investment losses		
	• impairment of property, plant, equipment and vehicles	**—**	(72)
	• impairment of assets of subsidiary	**(39)**	(6 153)
	• loss on disposal of fishing trawlers	**(1 808)**	(7 684)
	• deal costs incurred	**(35 964)**	(12 826)
	• loss on deemed disposal of associate	**—**	(40 640)
	• impairment of investment	**(5 000)**	—
	Total losses	**(42 811)**	(67 375)
	Other investment losses	**(38 253)**	(57 591)

R'000		2022	2021
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)	**6 015**	448
	Government grant income	**5 328**	2 235
	Insurance proceeds	**25 134**	46 450
	Foreign exchange gains	**170 581**	150 851
6.2	**Expenditure**		
	Auditors' remuneration	**11 443**	14 153
	External statutory audit	**10 578**	8 977
	Other services	**865**	5 176
	Loss on disposal of property, plant, equipment and vehicles (excluding fishing trawlers)	**773**	—
	Foreign exchange losses	**2 838**	373
	Employee related expenses		
	Staff costs	**1 308 099**	1 267 781
	Post-employment benefits	**52 816**	53 115
	COVID-19 related expenses	**947**	26 898
	Professional fees	**6 313**	7 157
	Write down of inventory to net realisable value	**15 533**	34 063
7.	**Directors' emoluments**		
	Paid by Company		
	Fees for services as directors		
	Non-executive directors	**4 156**	3 068
	Management and other services		
	Executive directors	**37 100**	34 851
	Total paid by Company	**41 256**	37 919
	Paid by subsidiaries		
	Fees for services as directors		
	Non-executive directors	**31**	337
	Executive directors	**773**	773
	Total paid by subsidiary companies	**804**	1 110
	Total paid by Company and subsidiaries	**42 060**	39 029

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.

		2022	2021
8.	**Interest income**		
	Interest received on bank deposits and loans to associates and joint ventures	**18 355**	19 760
	Other	**382**	37
		18 737	19 797

Notes (continued)

for the year ended 31 December 2022

	R'000	2022	2021
9.	**Finance costs**		
	Interest on borrowings	**123 715**	68 387
	Interest on lease liabilities	**15 381**	16 315
	Preference dividends	**160 513**	129 350
	Other	**6 686**	4 907
		306 295	218 959
10.	**Taxation**		
10.1	**Taxation charge**		
	• Continuing operations	**121 920**	205 941
	• Discontinued operation	**—**	(140 848)
	Total taxation	**121 920**	65 093
	SA normal taxation	**121 920**	65 093
	Current – current year	**55 075**	135 501
	– under provision prior year	**5 681**	286
	Deferred – current year	**62 528**	(41 575)
	– under/(over) provision prior year	**16 494**	(29 119)
	– rate change	**(17 858)**	—
	Unutilised computed tax losses carried forward	**314 490**	358 947
	Saving in taxation attributable thereto at current rate	**84 912**	100 505
	No deferred tax asset was raised in respect of estimated tax losses in subsidiaries amounting to[1]	**278 893**	237 847
10.2	**Reconciliation of taxation charge**		
	Profit before taxation		
	• Continuing operations	**446 437**	969 094
	• Discontinued operations	**—**	16 860
		446 437	985 954
	Tax at statutory rates (28%) (2021: 28%)[2]	**125 002**	276 508
	Adjustment for entities with different tax rates to the statutory company rate	**(121)**	(112)
	Over/(under) provided previous year	**22 175**	(28 833)
	Tax effect of changes in tax rate[2]	**(21 505)**	—
	Tax effect of share of results of associates and joint ventures	**(63 839)**	(71 915)
	Tax effect of fair value adjustments	**(288)**	(81 800)
	Tax effect of non-deductible expenses[3]	**79 160**	99 082
	Tax effect of non-taxable income[4]	**(41 887)**	(35 715)
	Tax effect of building allowance	**(654)**	(599)
	Tax effect of utilisation of prior year losses	**—**	(13 872)
	Tax effect of discontinued operation	**—**	(140 848)
	Deferred tax asset not raised	**13 800**	26 839
	Capital gains tax	**10 077**	36 358
	Taxation	**121 920**	65 093

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 consists primarily of dividends received.

11. Dividends

On 7 March 2023, a final gross cash dividend of 33 cents per share (2021: 30 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	2022	2021
Basic earnings		
Profit attributable to equity holders of the parent from continuing and discontinued operations	**189 934**	731 903
Profit attributable to equity holders of the parent from continuing operations	**189 934**	574 195

R'000	2022 GROSS	2022 NET[1]	2021 GROSS	2021 NET[1]
Headline earnings calculation				
From continuing and discontinued operations				
Profit attributable to equity holders of the parent		**189 934**		731 903
Impairment of property, plant and equipment and vehicles	**—**	**—**	6 225	3 578
Reversal of impairment of property, plant equipment and vehicles	**(3 489)**	**(3 489)**	—	—
Impairment of investment	**5 000**	**5 000**	—	—
Insurance proceeds[2]	**(25 134)**	**(10 337)**	(46 135)	(19 633)
Loss on deemed disposal of associate[3]	**—**	**—**	40 640	40 640
Profit on disposal of property, plant, equipment and vehicles	**(4 503)**	**(4 713)**	(970)	(553)
Gains on bargain purchases	**—**	**—**	(1 578)	(899)
Adjustments relating to results of associates	**(22 707)**	**(5 469)**	(8 367)	(6 576)
Headline earnings from continuing and discontinued operations	**no total**	**170 926**	no total	748 460
From continuing operations				
Profit attributable to equity holders of the parent		**189 934**		574 195
Impairment of property, plant and equipment and vehicles		**—**	6 225	3 578
Reversal of impairment of property, plant equipment and vehicles	**(3 489)**	**(3 489)**	—	—
Impairment of investment	**5 000**	**5 000**	—	—
Insurance proceeds[2]	**(25 134)**	**(10 337)**	(46 135)	(19 633)
Loss on deemed disposal of associate[3]	**—**	**—**	40 640	40 640
Profit on disposal of property, plant, equipment and vehicles	**(4 503)**	**(4 713)**	(970)	(553)
Gains on bargain purchases	**—**	**—**	(1 578)	(899)
Adjustments relating to results of associates	**(22 707)**	**(5 469)**	(8 367)	(6 576)
Headline earnings from continuing operations	**no total**	**170 926**	no total	590 752
Headline earnings per share (cents)				
From continuing and discontinued operations				
Basic		**69.0**		298.9
Diluted		**68.2**		298.3
From continuing operations				
Basic		**69.0**		236.0
Diluted		**68.2**		235.4

	2022	2021
Weighted average number of shares on which basic earnings and basic headline earnings per share is based (000's)	**247 898**	250 366
Weighted average number of shares on which diluted earnings and diluted headline earnings per share is based (000's)	**250 770**	250 938

1 Net of tax and non-controlling interests

2 In the prior year, an amount received from insurance for loss of biological assets was excluded from insurance proceeds.

3 Deemed disposal as a result of decrease in proportional interest in associate due to sale of treasury shares into the market by employee share trust.

Notes (continued)

for the year ended 31 December 2022

13. 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.

Depreciation rates

The rates used to depreciate the Group's assets for the 2022 year are as follows:

Buildings	2% – 10%
Leasehold improvements	20%
Fishing trawlers (including refits)	5.5% – 50%
Plant and machinery and computers	20% – 33.3%
Office furniture and equipment	10% – 17%
Motor vehicles	20%

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 in respect of 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.

Notes (continued)

for the year ended 31 December 2022

13. 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
2021							
Cost	257 295	63 054	1 091 548	1 405 723	122 430	33 440	2 973 490
Accumulated depreciation and impairment losses	(49 795)	(34 634)	(244 976)	(500 026)	(72 955)	(13 153)	(915 539)
Carrying value 1 January	207 500	28 420	846 572	905 697	49 475	20 287	2 057 951
Additions	1 223	7 379	98 374	133 203	17 689	11 969	269 837
Disposals – cost	(599)	(1 963)	(45 577)	(96 230)	(11 609)	(2 249)	(158 227)
Acquisitions through business combinations	110 533	1 764	46 092	—	2 197	3 460	164 046
Effect of foreign currency differences on cost	754	—	2 927	6 680	736	24	11 121
Transfers between classes of assets – cost[1]	74 774	(545)	(103 252)	27 012	512	1 499	—
Depreciation for the year	(6 163)	(6 496)	(65 605)	(118 492)	(17 049)	(5 123)	(218 928)
Accumulated depreciation on disposals	239	1 961	41 165	80 398	11 165	1 640	136 568
Effect of foreign currency differences on depreciation	(241)	—	(164)	(1 724)	(646)	(20)	(2 795)
Impairment losses	(419)	(165)	(5 152)	(324)	(81)	(84)	(6 225)
Balance at 31 December	387 601	30 355	815 380	936 220	52 389	31 403	2 253 348
Carrying value comprises:							
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 at 31 December 2021	387 601	30 355	815 380	936 220	52 389	31 403	2 253 348

1 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 2022 is R220.6 million (2021: R195.8 million).

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 R6.8 million (2021: R3.0 million) was received and used towards the purchase of property, plant, equipment and vehicles. The government grant is treated as deferred income and released to the statement of comprehensive income 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 R2.2 billion (2021: R2.2 billion) are encumbered by a notarial bond (refer note 36).

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.

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.

Notes (continued)

for the year ended 31 December 2022

R'000	2022	2021
14. Right-of-use assets (continued)		
Cost	**226 661**	215 264
Accumulated depreciation	**(94 150)**	(57 376)
Carrying value at 1 January	**132 511**	157 888
New leases acquired	**96 415**	7 784
Acquisitions through business combinations	**7 162**	3 243
Effect of foreign currency exchange differences on cost	**2 672**	370
Depreciation for the year	**(32 746)**	(30 123)
Terminated leases	**(6 111)**	(13 140)
Accumulated depreciation on terminated leases	**5 171**	6 807
Effect of foreign currency exchange differences on depreciation	**(146)**	(318)
Balance at 31 December	**204 928**	132 511
Carrying value comprises:		
Cost	**332 910**	226 661
Accumulated depreciation	**(127 982)**	(94 150)
Carrying value 31 December	**204 928**	132 511
Amounts recognised in profit or loss:		
Depreciation expense on right-of-use assets	**(32 892)**	(30 441)
Expenses relating to leases of low-value assets	**(10 217)**	(4 505)
Gain on modification of leased asset	**175**	1 198
Interest expense on lease liabilities	**(15 381)**	(16 315)
Expenses relating to short-term leases	**(1 367)**	(7 812)

Leases relating to Sea Harvest Australia with a carrying amount of approximately R62.8 million (2021: R4.1 million) have been pledged to secure long-term borrowings. Refer to note 36.

15. Biological assets

Accounting policy

Recognition and measurement

Biological assets include abalone, mussels, oysters and fish 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 of abalone, mussels, oysters, fish and spats are determined based on market prices of these 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, mussels, oysters, fish and spats 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 R9.1 million (2021: R9.9 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 and oysters above and including 50 – 60g size categories are classified as current assets.

The fair value adjustment to biological assets of R4.3 million (2021: R5.6 million) consists of a downward revaluation of R6.1 million (2021: R11.3 million) relating to physical change in size and an upward revaluation of R10.4 million (2021: R5.7 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 R63.0 million (2021: R81.3 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
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**
2021				
Balance as at 1 January	123 276	29 935	7 197	160 408
Increase due to additions and cost capitalised	50 065	15 296	3 342	68 703
Decrease due to harvest and mortalities	(42 606)	(21 014)	(9 428)	(73 048)
Fair value adjustment	2 902	(7 576)	(967)	(5 641)
Balance as at 31 December	133 637	16 641	144	150 422
Transferred to current	(80 325)	(1 654)	(144)	(82 123)
Total non-current	53 312	14 987	—	68 299

	ABALONE (TONS)	MUSSELS (TONS)	OYSTERS (MILLIONS)	FISH (TONS)
2022				
Quantities on hand at 31 December	**446**	**—**	**4**	**—**
Quantities harvested during the period	**271**	**—**	**2**	**—**
2021				
Quantities on hand at 31 December	501	—	8	41
Quantities harvested during the period	210	144	2	46

[1] The additions and cost capitalised to biological assets include non-cash costs of R6.6 million.

Notes (continued)

for the year ended 31 December 2022

15. Biological assets (continued)

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 49.5.

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 monitoring/detecting 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"), 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
2022		
–10% (weakening of the Rand against the USD)	**$1/R18.7232**	**10 225**
+10% (strengthening of the Rand against the USD)	**$1/R15.3910**	**(10 225)**
2021		
–10% (weakening of the Rand against the USD)	$1/R17.51453	10 610
+10% (strengthening of the Rand against the USD)	$1/R14.33007	(10 610)

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 estimates

The value-in-use calculation requires management to estimate future cashflows and a suitable 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 require 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 2022

R'000	2022	2021
16. Goodwill (continued)		
Balance at 1 January	**865 192**	862 492
Arising on acquisition of subsidiary/business	**148 816**	—
Foreign currency translation adjustment	**4 870**	2 700
Balance at 31 December	**1 018 878**	865 192
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	**254 989**	101 303
Cape Harvest Foods	**230 581**	230 581
Aquaculture operations	**69 983**	69 983
	1 018 878	865 192

Management has taken into account the effects of the COVID-19 pandemic in assessing goodwill for impairment.

%	2022	2021
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 2022 earnings and 2023 projected earnings. A price earnings multiple of 12.56 (2021: 11.05) was used in the valuation, which is an average of listed companies operating in the same industry adjusted by a 20% (2021: 20%) risk factor for size and the unlisted nature of the CGU. The valuation resulted in a surplus over the carrying value of the CGU and 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		
The recoverable amount of this CGU, excluding the current year MG Kailis acquisition, 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:		
Pre-tax discount rate	**11.49**	10.78
Revenue growth per annum	**3.00**	2.30
Inflation	**3.00**	2.00
Terminal growth rate[1]	**2.50**	2.50

[1] The 2.5% terminal growth rate is the mid-point of the long-term Reserve Bank of Australia inflation target of 2% to 3%.

Goodwill arising from the current year business combination has been excluded from the impairment assessment as the estimated amount is still provisional. The fair value of MG Kailis fishing licenses was determined on 23 May 2023 and management has concluded that the fair value is still reflective of the recoverable amount as at 31 December 2022.

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.

%	2022	2021
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:		
Pre-tax discount rate[1]	**15.28**	16.22
Revenue growth per annum (five-year average)	**9.00**	9.00
Inflation[2]	**6.00**	5.00
Terminal growth rate	**6.00**	5.00

1 The decrease in the discount rate is due to a lower company-specific risk premium as the business is mature and fully integrated within the group.

2 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:		
Pre-tax discount rate	**15.66**	15.29
Revenue growth per annum (five-year average)[1]	**9.30**	6.50
Inflation[2]	**6.00**	5.00
Terminal growth rate	**6.00**	4.00

1 The increase in the growth rate is based on forecasting higher profitability based on a higher margin product mix.

2 In line with the inflation rate in South Africa.

The Aquaculture segment, with its main markets being in the Far East, continued to experience the negative effects of COVID-19 as a direct result of continued lockdown restrictions in China and Hong Kong, the curtailment of air freight, and associated high freight costs from South Africa. Significant judgement was required in estimating the future sales quantities of abalone.

The valuation resulted in a significant 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 Group performed a scenario analysis on the sensitivity of the valuation to sales volume, prices and the discount rate. A reasonable decrease in sales volume and price still resulted in a surplus over the carrying value of the CGU.

Notes (continued)

for the year ended 31 December 2022

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 92% of total intangible assets (2021: 85% 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 2022 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 2022

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
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**
2021						
Cost	827 194	3 477	59 264	2 991	35 841	928 767
Accumulated amortisation and impairment losses	(147 761)	(87)	(1 810)	(565)	(35 744)	(185 967)
Carrying value 1 January	679 433	3 390	57 454	2 426	97	742 800
Additions	1 940	—	64	—	41	2 045
Acquisitions through business combinations	—	—	27 581	—	—	27 581
Effect of foreign currency differences on cost	15 410	93	22	—	—	15 525
Amortisation	(7 873)	—	(3 098)	(226)	(100)	(11 297)
Effect of foreign currency differences on amortisation	(26)	—	—	—	—	(26)
Balance at 31 December	688 884	3 483	82 023	2 200	38	776 628
Carrying value comprises:						
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 at 31 December 2021	688 884	3 483	82 023	2 200	38	776 628

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 current 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 R1.2 billion (2021: R0.6 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 13.8 years (2021: 14.8 years).

18. Interest in subsidiaries

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

%	2022	2021
Name of subsidiary		
Sea Harvest Group Limited[1]	**42.3**	43.1

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	2022	2021
Statement of financial position		
Assets		
Non-current assets	**5 353 112**	4 303 957
Current assets	**2 286 289**	2 534 227
Total assets	**7 639 401**	6 838 184
Equity and liabilities		
Non-current liabilities	**3 235 428**	2 590 745
Current liabilities	**1 166 915**	1 078 715
Equity attributable to owners of the company	**3 185 042**	3 112 218
Non-controlling interests	**52 016**	56 506
	7 639 401	6 838 184
Statement of profit or loss		
Revenue	**5 875 295**	4 615 463
Profit for the year	**294 065**	434 185
Profit attributable to owners of the company	**310 610**	469 890
Loss attributable to the non-controlling interests	**(16 545)**	(35 705)
Sea Harvest Group Limited		
Statement of comprehensive income		
Other comprehensive income, net of tax	**895**	37 629
Total comprehensive income for the year	**294 960**	471 814
Total comprehensive income attributable to owners of the company	**313 992**	507 519
Total comprehensive loss attributable to the non-controlling interests	**(19 032)**	(35 705)
Dividends paid to non-controlling interests	**80 044**	60 138
Cash flow information		
Net cash inflow from operating activities	**481 027**	636 945
Net cash outflow from investing activities	**(1 070 605)**	(352 422)
Net cash inflow from financing activities	**115 372**	131 163
Net cash (outflow)/inflow	**(474 206)**	415 686

[1] Calculation of interest excludes treasury shares

Notes (continued)

for the year ended 31 December 2022

19. Business combinations

Accounting policy

Recognition and measurement

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as stated in note 16.

Non-controlling interests at acquisition date is determined as the non-controlling shareholders' proportionate share of the fair value of the net assets of the subsidiary acquired.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as a financial liability is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

19.1 MG Kailis

With effect from 23 May 2022, subsidiary, Sea Harvest Group Limited ("Sea Harvest"), through its wholly-owned foreign subsidiaries, Sea Harvest Proprietary Limited and Sea Harvest Marine Proprietary Limited acquired selected net assets of the Western Australia based fishing and related businesses of MG Kailis and its subsidiaries ("MG Kailis").

MG Kailis is a vertically integrated prawn and fish trawling, seafood, trading and engineering business of scale with over 50 years' experience in the seafood industry in Australia which complements and diversifies Sea Harvest's existing business operations in Australia from a fishing, trading, engineering, and sales perspective.

The acquisition is a significant step in the execution of Sea Harvest's investment strategy of acquisitive growth in the international seafood space focusing on businesses of scale in high-value seafood species. The acquisition assets include vessels, licences, and fishing rights for prawns in the Exmouth region and trawled fish in the Pilbara region in Western Australia, providing the group with further security of supply and diversification of product

The initial accounting for the acquisition of MG Kailis has been provisionally determined at the reporting date, pending the finalisation of the measurement period adjustments. The measurement period adjustments to date relate to the finalisation of the intangible asset valuation as well as working capital adjustments, these adjustments also impacted the total consideration.

R'000	PROVISIONAL FAIR VALUES AS PREVIOUSLY REPORTED	MEASUREMENT PERIOD ADJUSTMENTS	UPDATED PROVISIONAL FAIR VALUES AT REPORTING DATE
Assets acquired and liabilities assumed			
Property, plant, equipment and vehicles	117 174	—	117 174
Right-of-use assets	7 162	—	7 162
Intangible assets	534 770	102 401	637 171
Inventories	75 624	—	75 624
Trade and other receivables	55 744	(688)	55 056
Deferred tax	(160 431)	(26 095)	(186 526)
Lease liabilities	(7 532)	—	(7 532)
Trade and other payables	(75 385)	(1 946)	(77 331)
Total identifiable assets and liabilities	547 126	73 672	620 798
Total consideration transferred			
Cash	761 305	8 309	769 614
Deferred payment	3 917	(3 917)	—
	765 222	4 392	769 614
Net cash flow on acquisition of subsidiary			
Consideration paid in cash	761 305	8 309	769 614
	761 305	8 309	769 614
Goodwill			
Consideration	765 222	4392	769 614
Less: Fair value of identifiable assets acquired and liabilities assumed	(547 126)	(73 672)	(620 798)
	218 096	(69 280)	148 816

Property, plant, equipment and vehicles with a fair value of R117.2 million includes fishing vessels with a carrying amount of R102.5 million which approximates its fair value at acquisition date. The valuations for fishing vessels were performed by an independent valuer.

The intangible assets identified were fishing licences. The fair value was determined by an independent industry expert valuer with reference to the best estimate of a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The fair value of trade and other receivables of R55.1 million includes trade receivables with a fair value of R47.3 million, which approximates the gross contractual amount.

Goodwill is attributable to the benefit of revenue growth, expected synergies and diversification into high value species.

19.2 Impact of the acquisition on the results of the Group

AMOUNTS INCLUDED IN THE GROUP'S RESULTS RELATING TO MG KAILIS SINCE THE DATE OF ACQUISITION:	R'000
Revenue	339 896
Profit for the year	50 620
RESULTS OF THE GROUP IF MG KAILIS HAD BEEN CONSOLIDATED FROM 1 JANUARY 2022:	
Revenue	6 345 135
Profit for the year	324 057

The directors consider these amounts to represent an approximate measure of the performance of the combined Group and to provide a reference point for comparison in future years.

Acquisition-related costs

Acquisition costs of R34.2 million for the period were recognised in profit or loss within other investment losses.

Notes (continued)

for the year ended 31 December 2022

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	2022	2021
Cost of investment in associate companies and joint ventures	**1 650 795**	1 625 432
Loans to associate companies and joint ventures	**137 313**	144 060
Share of other comprehensive income of associates	**465 563**	156 597
Share of distributions made by associates and joint ventures	**(82 267)**	(82 267)
Share of other net asset changes of associate	**(84 914)**	(89 007)
Share of retained income/(accumulated losses) since acquisition, net of dividends received	**574 810**	577 333
	2 661 300	2 332 148

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:

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	
%	2022	2021
Oceana Group Limited[1]	**26.92**	26.88

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 2022 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2022. As at 31 December 2022, the fair value of the Group's interest in Oceana Group Limited, which is listed on the JSE, was R2.1 billion (2021: R1.8 billion) based on the quoted market price available on the JSE, which is a level 1 input in terms of IFRS 13.

R'000	2022	2021
Non-current assets	**8 396 164**	7 879 826
Current assets	**4 420 400**	3 456 548
Assets held for sale	**378 967**	—
Total assets	**13 195 531**	11 336 374
Non-current liabilities	**3 461 310**	3 478 113
Current liabilities	**2 518 666**	2 355 146
Liabilities held for sale	**182 287**	—
Non-controlling interests	**219 967**	199 508
Net assets	**6 813 301**	5 303 607
Statement of comprehensive income		
Revenue	**8 148 466**	7 633 416
Profit for the year	**768 739**	718 500
Other comprehensive income/(loss) for the year	**1 126 367**	(507 826)
Total comprehensive income for the year	**1 895 106**	210 674
Dividend received from associate during the year	**194 116**	35 890
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	**6 813 301**	5 303 607
Proportion of the Group's ownership interest in Oceana Group Limited (%)	**26.92**	26.88
Share of net assets	**1 834 267**	1 425 546
Goodwill (notional)	**658 178**	658 178
Dividend received after 30 September	**(95 256)**	—
Carrying amount of the Group's interest in Oceana Group Limited	**2 397 189**	2 083 724

1 Calculation of interest excludes treasury shares

Notes (continued)

for the year ended 31 December 2022

R'000	2022	2021
20. Investments in associate companies and joint ventures (continued)		
20.2 Aggregate information of associates that are not individually material		
Group's share of profits	**30 816**	20 914
Group's share of other comprehensive losses	**(113)**	(721)
Group's share of total comprehensive income	**30 703**	20 193
Dividends received from associates during the year	**29 736**	26 570
Aggregate carrying amount of the Group's interest in these associates	**189 645**	167 934

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:

R'000	2022	2021
20.3 Aggregate information of joint ventures that are not individually material		
Group's share of profits	**3 212**	1 951
Group's share of total comprehensive income	**3 212**	1 951
Dividends received from joint ventures during the year	**996**	996
Aggregate carrying amount of the Group's interest in these joint ventures	**74 466**	80 490

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).

R'000	2022	2021
Investments at FVTOCI		
Unlisted investments		
Shares at fair value (non-current)	**31 219**	29 989
Investments at FVTPL		
Listed investments		
Shares at fair value (non-current)	**736 552**	796 448
Unlisted investments		
Shares at fair value (non-current)	**346 186**	257 431
Total investments at FVTPL	**1 082 738**	1 053 879
Total investments		
Non-current	**1 113 957**	1 083 868

Refer to Appendix 3 for full details on the investments.

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

Reconciliation of level 3 fair value measurements		
Opening balance	**287 420**	222 275
Total gains or losses – in profit or loss	**61 755**	60 421
Total gains or losses – in other comprehensive income	**1 230**	4 724
Acquisitions	**27 000**	—
Closing balance	**377 405**	287 420

22. Loans to supplier partners

Balance at the beginning of the year[1]	**108 092**	91 174
Advances to supplier partners[2]	**2 703**	18 695
Interest charged	**3 986**	3 037
Interest repaid	**(1 528)**	(1 272)
Loans repaid[2]	**(11 589)**	(3 542)
Balance at the end of the year	**101 664**	108 092
Non-current	**92 670**	94 384
Current[3]	**8 994**	13 708
	101 664	108 092

The balance relates mainly to loans advanced to Nalitha Investments Proprietary Limited and South African Fishing Empowerment Corporation Proprietary Limited. These loans bear interest at JIBAR plus 2.65% and are repayable in equal quarterly instalments.
The remaining loans relate to various supplier partners where loans are granted for the sale of part shares in vessels. These loans are interest free and have repayment terms of between 5 and 7 years. The group has considered the expected credit losses on these loans and the impact is insignificant.

1 The reconciliation was previously presented for the non-current portion of the supplier partner loans. The reconciliation has now been presented to include the current portion of the supplier partner loans.

2 In the prior year, advances to supplier partners were in the form of non-cash to assist the supplier partners to acquire portions of vessels from the Sea Harvest group. In the current year, R8.8 million of the loans repaid relates 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.

Notes (continued)

for the year ended 31 December 2022

R'000	2022	2021
23. Other financial assets		
Financial assets carried at FVTPL		
Foreign exchange contracts	**41 637**	58 971
Vuna Fishing Group call option	**31 620**	30 090
Other derivatives	**7 396**	3 739
	80 653	92 800
Non-current	**31 725**	33 934
Current	**48 928**	58 866
	80 653	92 800

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 49.5 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	2022	2021
Raw materials	**109 825**	96 510
Work-in-progress	**61 098**	35 323
Finished goods	**734 049**	717 341
Consumable stores	**172 543**	130 696
	1 077 515	979 870

Inventory with a carrying amount of R1.0 billion (2021: R0.9 billion), have been pledged to secure long-term borrowings (refer note 36).

The amount of inventory carried at net realisable value was R111.2 million (2021: R50.7 million).

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	2022	2021
Gross trade receivables	**796 572**	627 131
Less: Allowance for expected credit losses	**(12 659)**	(11 579)
Trade receivables	**783 913**	615 552
Other receivables	**168 691**	182 078
Prepayments	**57 574**	54 776
VAT receivable	**70 076**	81 082
Other receivables[1]	**41 041**	46 220
	952 604	797 630

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.

Before accepting any new customer, the Group uses credit agency reports to assess creditworthiness together with reports from agents, visits to and interviews with the customer when deemed necessary. Credit limits are set and debtor balances are reviewed monthly. In some instances, security by way of personal surety, cession of debtors or notarial bond over assets is obtained. There are no uninsured customers who represent more than 5% of the total balance of trade receivables.

Notes (continued)

for the year ended 31 December 2022

25. Trade and other receivables (continued)

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.

R'000	2022	2021
Movement in the allowance for ECLs		
Balance at beginning of the year	**11 579**	163 779
Amounts written off during the year	**(756)**	(3 926)
Increase in allowance recognised in profit or loss	**1 837**	4 793
Disposal of subsidiary	**—**	(153 072)
Effect of foreign currency differences on the allowance	**(1)**	5
Balance at end of the year	**12 659**	11 579

R'000	GROSS TRADE RECEIVABLES	ALLOWANCE FOR ECLs	EXPECTED LOSS RATE (%)
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**	
2021			
Current	469 367	—	—
31 to 60 days	109 573	111	0.1
61 to 90 days	19 864	110	0.6
91 to 120 days	9 723	849	8.7
over 120 days	18 604	10 509	56.5
	627 131	11 579	

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 90 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The concentration of credit risk is limited because of the customer base being large and unrelated.

64% (2021: 68%) 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 receivable balance are receivables with a carrying value of R58.1 million (2021: R61.1 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 R895.5 million (2021: R740.0 million) have been pledged to secure long-term borrowings (refer note 36).

26. Discontinued operation (relating to the 2021 financial year only)

26.1 Description

On 13 November 2018, the Group placed Lion of Africa Insurance Company Limited ("Lion") into run-off. The subsidiary was not previously classified as held-for-sale as a sale was not probable at the previous reporting date. On 30 December 2021, the Group disposed of its holding in Lion for a nominal value of R1 000. Net liabilities of Lion at the date of sale were R99.9 million.

Financial information relating to the discontinued operation for the prior year to the date of disposal is set out below.

26.2 Financial performance and cash flow information

R'000	AUDITED YEAR ENDED 31 DECEMBER 2021
Sales and fee income	13
Operating expenses	16 847
Profit before taxation	16 860
Gain on sale of subsidiary after taxation	140 848
Profit from discontinued operation	157 708
Net cash utilised in operating activities	(8 976)
Net decrease in cash utilised by the subsidiary	(8 976)

26.3 Details of the sale of the subsidiary

Consideration received	
• Cash	1
• Financial liability with contingent settlement provisions[1]	(99 934)
Total disposal consideration	(99 933)
Carrying amount of net liabilities sold	99 934
Gain on sale before taxation	1
Taxation[2]	140 847
Gain on sale after taxation	140 848

1 Represents liability recognised at date of sale and equals the net liabilities of Lion disposed of.

2 Represents capital losses incurred on the investment in Lion, crystallised upon disposal of the investment by Brimstone and utilised during the 2021 financial year.

In terms of the sale agreement, the run-off business was ring-fenced from the other business carried on by the acquirer of the ordinary shares. The acquirer continues to fully operate and administer the run-off business for a fee, under the mandate and control of the Lion board of directors through its appointed Run-Off Committee. The arrangement effectively amounts to a third party cell captive arrangement where Brimstone subscribed for 100% of a new class of shares relating to the run-off business only. Although Brimstone is the "cell owner" of the run-off business, it does not control the business, nor does the cell satisfy the deemed separate entity condition in paragraph B77 of IFRS 10 *Consolidated Financial Statements* and thus may not be consolidated.

The sale agreement included a contingent consideration which requires Brimstone to fund the run-off business to settle outstanding claims and other creditors until the completion of the run-off should the need arise, up to a currently envisaged maximum amount of R99.9 million (the "Instrument") which was the net liability value of the run-off business on the date of effective disposal, being 30 December 2021. The Instrument comprises mainly of "long-tail" liability claims which are at varying stages of the litigation process. The settlement amount may vary depending on the outcome of the litigation. The Instrument does not meet the definition of a financial guarantee in terms of IFRS 9 *Financial Instruments* due to its general nature. However, as it is a contractual obligation to deliver cash, the Instrument does satisfy the definition of a financial liability in terms of IAS 32 *Financial Instruments: Presentation* and has been recognised as a financial liability at fair value through profit or loss subsequent to initial recognition (refer to note 7). As the litigation could be finalised immediately and thus the Instrument could require immediate settlement, it has been measured at the full amount of the conditional obligation of R99.9 million at the time of sale (initial recognition) and called *Financial Liability with Contingent Settlement Provisions*.

At 31 December 2021, were no significant developments in the abovementioned litigation and therefore the fair value was still deemed to be R99.9 million. Consequently, no gain or loss was presented in the statement of profit or loss.

Notes (continued)

for the year ended 31 December 2022

26. Discontinued operation (relating to the 2021 financial year only) (continued)

26.3 Details of the sale of the subsidiary

The carrying amount of the assets and liabilities at the date of sale were:

R'000	31 DECEMBER 2021
Trade receivables	53 756
Insurance assets	42 812
Cash and cash equivalents	5 673
Total assets	102 241
Trade payables	58 931
Other payables	6 512
Insurance liabilities	136 591
Taxation	141
Total liabilities	202 175
Net liabilities	99 934

27. 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	2022	2021
Cash at banks and on hand	**375 133**	862 931

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

Cash and cash equivalents with a carrying amount of approximately R218.6 million (2021: R686.9 million) have been pledged to secure long-term borrowings (refer note 36).

		NUMBER OF SHARES		R'000	R'000
		2022	2021	2022	2021
28.	**Share capital**				
28.1	**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
28.2	**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
28.3	**Held as treasury shares**				
	Ordinary shares of 0.1 cents each	**(3 127 570)**	(3 012 528)	**(3)**	(3)
	"N" Ordinary shares of 0.001 cents each	**(13 631 238)**	(14 067 613)	**—**	—
	Total share capital				
	Ordinary shares of 0.1 cents each	**36 746 576**	36 861 618	**37**	37
	"N" Ordinary shares of 0.001 cents each	**211 344 724**	210 908 349	**2**	2
				39	39

		2022	2021
28.4	**Movement in treasury shares**		
	Ordinary shares of 0.1 cents each		
	Balance at the beginning of the year	**(3 012 528)**	(3 011 028)
	Repurchased for cash	**(115 042)**	(1 500)
	Net movement on forfeitable share plan	**(1 584 910)**	—
	Transferred to forfeitable share plan	**1 584 910**	—
	Balance at the end of the year	**(3 127 570)**	(3 012 528)
	"N" Ordinary shares of 0.001 cents each		
	Balance at the beginning of the year	**(14 067 613)**	(9 035 600)
	Repurchased for cash	**(636 832)**	(5 764 780)
	Net movement on forfeitable share plan	**1 073 207**	(1 082 889)
	Transferred to forfeitable share plan	**—**	1 815 656
	Balance at the end of the year	**(13 631 238)**	(14 067 613)

During the year, Brimstone, through its treasury share vehicle, bought back 115 042 Ordinary shares and 636 832 "N" Ordinary shares for a total cash consideration of R0.7 million (average price of R6.39 per share) and R4.5 million (average price of R7.07 per share), respectively.

These shares are now classified as treasury shares.

Notes (continued)

for the year ended 31 December 2022

R'000	2022	2021
29. Capital reserves		
Share premium		
Balance at 1 January	**173 158**	196 196
Specific repurchase of shares	**(5 236)**	(34 894)
Forfeitable share plan share issue (treasury shares)	**11 189**	11 856
Balance at 31 December	**179 111**	173 158
Share options reserve		
Balance at 1 January	**(3 843)**	(14 639)
Effect of changes in holding	**(25 734)**	33
Recognition of share-based payments	**41 777**	35 699
Forfeitable share plan share issue (treasury shares)	**(11 189)**	(11 856)
Transfer to share-based payment liability subsequent to modification	**—**	(3 425)
Non-controlling shareholders' share of reserves	**(2 904)**	(9 655)
Balance at 31 December	**(1 893)**	(3 843)
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	**4 764**	4 583
Effect of changes in holding	**64**	(4)
Current year movement	**2 129**	324
Non-controlling shareholders' share of reserve	**(900)**	(139)
Balance at 31 December	**6 057**	4 764
Share of other comprehensive income of associates		
Balance at 1 January	**159 470**	354 515
Current year movement	**302 940**	(189 308)
Recycled to operating expenses	**—**	(6 025)
Non-controlling shareholders' share of reserves	**45**	288
Balance at 31 December	**462 455**	159 470
Share of other net asset changes of associate		
Balance at 1 January	**(89 007)**	—
Current year movement	**4 094**	(89 007)
Balance at 31 December	**(84 913)**	(89 007)
Total capital reserves	**572 786**	256 511
30. Revaluation reserves		
Investments revaluation reserve		
Balance at 1 January	**19 271**	17 207
Effect of changes in holding	**161**	(9)
Current year movement	**1 230**	4 725
Deferred taxation thereon	**(265)**	(1 086)
Non-controlling shareholders' share of reserves	**(408)**	(1 566)
Balance at 31 December	**19 989**	19 271

R'000	2022	2021

31. Cash flow hedging reserve

Balance at 1 January	**70 323**	53 932
Effect of changes in holding	**553**	(44)
Current year movement	**(59 860)**	83 552
Deferred taxation thereon	**16 257**	(23 665)
Recycled to operating expenses	**180**	(43 122)
Deferred taxation thereon	**(49)**	12 074
Non-controlling shareholders' share of reserve	**20 053**	(12 404)
Balance at 31 December	**47 457**	70 323

32. Cost of hedging reserve

Balance at 1 January	**(45 182)**	(37 172)
Effect of changes in holding	**(336)**	10
Current year movement	**37 910**	(48 139)
Deferred taxation thereon	**(11 337)**	13 479
Recycled to operating expenses	**(674)**	28 528
Deferred taxation thereon	**182**	(7 988)
Non-controlling shareholders' share of reserve	**(11 294)**	6 100
Balance at 31 December	**(30 731)**	(45 182)

33. Foreign currency translation reserve

Balance at 1 January	**32 211**	21 436
Effect of changes in holding	**560**	(15)
Current year movement	**15 192**	18 947
Non-controlling shareholders' share of reserve	**(6 546)**	(8 157)
Balance 31 December	**41 417**	32 211

34. Changes in ownership

Balance at 1 January	**540 679**	564 557
Effect of changes in holding	**(23 524)**	1
Arising on acquisition of shares by subsidiary	**(15 130)**	(76)
Non-controlling shareholders' share of reserve[1]	**6 394**	(23 803)
Balance 31 December	**508 419**	540 679

[1] Arises on issue of FSP shares by Sea Harvest

35. Non-controlling interests

Balance at 1 January	**1 466 072**	1 266 089
Share of profit for the year	**134 575**	188 958
Share of other comprehensive (loss)/income for the year	**(950)**	15 878
Dividend paid	**(100 588)**	(72 784)
Arising on acquisition of subsidiary	**—**	51 198
Recognition of share-based payments	**2 904**	9 655
Issue of share capital by subsidiary	**9 976**	6 133
Effect of changes in ownership	**(32 286)**	945
Balance 31 December	**1 479 703**	1 466 072
Sea Harvest Group Limited	**1 397 983**	1 395 567
Other	**81 720**	70 505
	1 479 703	1 466 072

Notes (continued)

for the year ended 31 December 2022

36. 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.

R'000	2022	2021
Cumulative redeemable preference shares issued by Newshelf 1063 (RF) (Pty) Ltd ("Newshelf 1063")		
During the current financial year, the refinancing of the Class A5 and Class A6 variable rate redeemable preference shares was concluded. Brimstone Investment Corporation Limited has agreed to guarantee to the holders of the preference shares the due and full performance by the company of the guaranteed liabilities and to pay all guaranteed amounts to the holders.		
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, 32 627 113 Oceana Group Limited shares, 159 507 961 Sea Harvest Group Limited shares, 13 958 621 Equites Property Fund Limited shares and the entire issued share capital of Newshelf 1269 (RF) (Pty) Ltd were ceded to the financial institutions. The fair value of the shares at 31 December 2022 was R4.2 billion (2021: R4.3 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 company is entitled to a once-off deferral of dividends of approximately 5% of the aggregate issue price of the Class A5 preference shares. The Class A5 preference shares are redeemable on 7 December 2027.	**1 582 810**	1 577 626
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.	**620 442**	616 305

Notes (continued)

for the year ended 31 December 2022

36. Interest bearing borrowings (continued)

R'000	2022	2021
Loans from financial institutions to Sea Harvest Corporation (Pty) Ltd ("SHC")		
Senior debt – Standard Bank Limited		
The loan is subject to a variable interest rate of three-month JIBAR plus 2.13% and is secured by marine bonds and a general notarial bond over all of SHC's assets. No capital repayments were made in 2022 (2021: Rnil million) and the remainder of the balance is payable in full on 30 November 2024.	**561 000**	561 000
Revolving credit facility – Standard Bank Limited		
The loan is subject to a variable interest rate of three-month JIBAR plus 2.13%, is secured by marine bonds and a general notarial bond over all of SHC's assets, and is repayable in full on 30 November 2024. During the current year, R400 million was repaid (2021: R100 million) and an additional drawdown of R75 million was made (2021: R450 million).	**275 000**	600 000
Sustainability term loan – Standard Bank Limited		
The loan is subject to a variable interest rate of three-month JIBAR plus 1.98%, is secured by marine bonds and a general notarial bond over all of SHC's assets, and is repayable in annual instalments of R100 million until the final repayment date of 31 December 2026. During the current year, an initial drawdown of R500 million was made and R100 million of capital was repaid.	**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% margin 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 the SHA's assets. Capital repayments will be made annually in December over 15 years commencing in 2025. An initial drawdown of AUD50 million was made in the current year.	**579 255**	–
Trade finance facility – CBA		
The trade finance facility is a rolling facility, limited to working capital parameters. The loan is subject to a variable interest rate of BBSY plus 1.3% margin 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.	**115 851**	–
Senior loan – National Australia Bank ("NAB")		
The loan was settled in full in the current year. The loan was subject to a variable interest rate of BBSY plus funding margin of 0% plus customer margin of 2.38%. The loan is secured by a security interest and charge in the form of a General Security Agreement on the Personal Property Securities Register (PPSR) over all of SHA's assets.	**–**	130 639
Corporate market loan – NAB		
The loan was settled in full in the current year. The loan was subject to a variable interest rate of BBSY plus funding margin of 0% plus drawn margin of 3.08%. The loan is secured by a security interest and charge in the form of a General Security Agreement on the Personal Property Securities Register (PPSR) over all of SHA's assets.	**–**	58 053
Corporate receivables finance loan – NAB		
The loan was settled in full in the current year. The loan was subject to a variable interest rate of Lender Indicator rate plus customer margin of 1.39% plus purchase charge rate of 1.00% on facility limit. The loan was reviewed annually on or about 31 January.	**–**	31 858

R'000	2022	2021
Corporate market loan – NAB		
The loan was settled in full in the current year. The loan was subject to a variable interest rate of BBSY plus funding margin of 0% plus drawn margin of 2.38%. The loan was secured by a security interest and charge in the form of a General Security Agreement on the Personal Property Securities Register (PPSR) over all of SHA's assets.	**–**	23 221
COVID-19 Business Support Loan – NAB		
The loan was settled in full in the current year. The loan was subject to interest of 4.5% and was unsecured.	**–**	9 724
Premium Funding Agreement – Premium Finance (Pty) Ltd		
The loan relates to group insurance policy, attracts interest at 2.15% and is repayable over 10 instalments.	**13 511**	3 795
Instalment sale agreements		
The instalment sale agreements are between 48 to 60 months over the fleet, with variable interest rates from prime less 1.5% to prime and a fixed interest rate of 11%.	**25 143**	16 248
Loans from non-controlling shareholders of Viking Aquaculture (Pty) Ltd		
• Loan from Viking Fishing Group Administration (Pty) Ltd	**248 488**	248 488
• Odin Investments (Pty) Ltd	**55 009**	55 009
• Redburg Investments (Pty) Ltd	**61 789**	61 789
R110.5 million bears interest from 1 January 2021 at prime plus 2%, nominal annual compounded monthly and payable monthly in arrears. An additional R195 million bears interest from 1 January 2022 at prime plus 2%, nominal annual compounded monthly and payable monthly in arrears. The loan is unsecured and has no fixed terms of repayment. Repayment of the capital portion of the loan will be determined by directors when provided for in the budget as specified in the shareholders agreement. The balance of the loans are interest free and have no fixed terms of repayment and were provided to fund the growth and working capital of Viking Aquaculture.		
Loans from financial institutions to BM Foods Group (Pty) Ltd ("BMFG")		
Term loan – Investec		
The loan bears interest at prime plus 1%, is secured by property of BMFG and capital repayments are made monthly until maturity in 4 November 2024.	**30 817**	35 658
Loan – previous shareholders of Chelsea Pies (Pty) Ltd		
The loan was settled in full in the current year. The loan was owed to the previous shareholders of Chelsea Pies (Pty) Ltd (a former subsidiary of BMFG) and was interest free.	**–**	4 477
Bond – Nedbank		
The loan bears interest at prime minus 1%, is secured by the property of BMFG and capital repayments are made monthly until maturity in November 2027.	**20 174**	24 548
Loan – non-controlling shareholders		
The loan bears interest at prime plus 5%, is unsecured, and has fixed capital repayment terms.	**1 057**	–
Total interest bearing borrowings	**4 590 346**	4 058 438
Less: current portion of interest bearing borrowings	**(372 660)**	(113 205)
Long-term interest bearing borrowings	**4 217 686**	3 945 233

Notes (continued)

for the year ended 31 December 2022

36. Interest bearing borrowings (continued)

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 AND TERM LOANS AND REVOLVING CREDIT FACILITIES	2022 REQUIRED COVENANT	2022 ACHIEVED	2021 REQUIRED COVENANT	2021 ACHIEVED
Newshelf 1063 (RF) (Pty) Ltd				
Class A5 preference shares				
Class A6 preference shares				
Total asset cover ratio	2.00	Yes	2.25	Yes
Secured asset cover ratio	1.50	Yes	1.45	Yes
Listed asset cover ratio	1.75	Yes	1.75	Yes
Sea Harvest Corporation (Pty) Ltd				
Net debt: EBITDA ratio	2.00	Yes	2.00	Yes
Interest cover ratio	3.75	Yes	3.75	Yes
Free cashflow: Senior debt service cover ratio	1.20	Yes	1.20	Yes
Sea Harvest Australia				
Interest cover ratio	2.00	Yes	2.50	Yes

BM Foods Group (Pty) Ltd

BM Food Manufactures have quarterly covenants attached to the Investec debt which was in place before the business combination date of 2 September 2021. These covenants were breached in June 2022 and September 2022 and were condoned by the lender.

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

R'000	2022	2021
37. Other payables		
Employee-related payables	**44 703**	39 818
Bonus accrual	**23 804**	71 338
Leave pay accrual	**73 772**	61 404
Contract liability[1]	**—**	24 958
Other accruals[2]	**78 082**	25 775
Other payables[3]	**98 014**	52 297
	318 375	275 590

1 The Group has a revenue stream arising from the performance of services which relates to co-manufacturing and packaging contracts, the amount payable under contract as at 31 December 2022 was Rnil (2021: R25 million). The significant change in contract liability is due to no material input relating to the co-manufacturing being on hand as at 31 December 2022. The conversion cost in relation to the 31 December 2021 liability was recognised as revenue in the current financial year.

2 Included in other accruals are deferred licence accruals and stamp duty payable on fishing licences acquired as part of the MG Kailis acquisition.

3 Included in other payables is VAT payable, audit fees, and tenant allowances.

R'000	2022	2021

38. Contingent consideration

R'000	2022	2021
Viking Fishing Holdings (Pty) Ltd[1]	–	110 000
BM Foods Group (Pty) Ltd[2]	–	20 444
	–	130 444
Balance at beginning of year	**130 444**	99 974
Arising on acquisition of subsidiary	–	19 842
Effect of discounting	–	10 628
Reversal of contingent consideration	**(20 444)**	–
Settlement of contingent consideration	**(110 000)**	–
	–	130 444
Non-current	–	9 773
Current	–	120 671
	–	130 444

[1] The contingent consideration arrangement required the Group to pay the former owners of Viking Fishing for achieving certain earn-out targets for the 2018 and 2019 financial years, up to a maximum undiscounted amount of R110 million. The fair value of the contingent consideration arrangement was estimated calculating the present value of the future expected cash flows. The estimates were based on a discount rate equal to the prime lending rate and the assumption that the earn-out targets would be met based on the best available forecast information at acquisition date. The contingent consideration was settled on 1 January 2022.

[2] The contingent consideration required the Group to pay the former owners of BM Foods Group for achieving earn-out targets for the 12-month period ending 28 February 2022 and the 31 December 2022 financial year, respectively, up to a maximum undiscounted amount of R20 million. The fair value of the contingent consideration was estimated by calculating the present value of future expected cash flows. The estimates were based on a discount rate determined using the entity's specific risk and the assumption that the earn-out targets would be met based on the best available forecast information at acquisition date. The contingent consideration was reversed during the current year due to earn-out targets not being achieved.

The contingent consideration is regarded as a Level 3 financial instrument for fair value purposes.

39. Other financial liabilities

R'000	2022	2021
Forward exchange contracts	**5 075**	–
Financial liability with contingent settlement provisions[3]	**99 934**	99 934
Other derivatives	**7 257**	2 400
	112 266	102 334
Non-current	**7 257**	–
Current	**105 009**	102 334
	112 266	102 334
Carrying value 1 January	**102 334**	50 305
Cash flows	**(2 076)**	(53 564)
Foreign exchange adjustments	**12 211**	(323)
Other changes[4]	**(203)**	105 916
Balance as at 31 December 2022	**112 266**	102 334

[3] Represents liability recognised at date of sale of subsidiary and equals the net liabilities of Lion disposed of (refer to note 26.3).

[4] includes financial liability with contingent settlement provisions.

Notes (continued)

for the year ended 31 December 2022

40. 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	2022	2021
Carrying value 1 January	**166 307**	188 467
New leases acquired	**95 003**	7 781
Acquired through business combinations	**7 532**	3 279
Terminated leases	**(2 693)**	(7 531)
Interest charged	**15 381**	16 315
Interest paid	**(14 076)**	(14 774)
Capital repaid	**(30 112)**	(27 295)
Effect of foreign currency exchange differences	**4 673**	65
Carrying value	**242 015**	166 307
Less: transfer to short-term lease liability	**(31 051)**	(24 645)
Carrying value at 31 December	**210 964**	141 662
Maturity analysis		
Year 1	**48 592**	38 989
Year 2	**45 733**	35 897
Year 3	**43 586**	32 663
Year 4	**31 259**	29 644
Year 5	**27 300**	17 554
Onwards	**131 112**	85 254
Total	**327 582**	240 001
Less: unearned interest	**(85 567)**	(73 694)
	242 015	166 307

41. 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	2022	2021
Deferred taxation asset	**(35 584)**	(41 153)
Deferred taxation liability	**875 276**	630 611
Net deferred taxation liability	**839 692**	589 458
The major components of the deferred tax balance are as follows:		
Difference between tax wear and tear allowances and depreciation charges on assets	**547 939**	493 570
Excess of tax allowances over amortisation of intangible assets	**387 826**	222 192
Difference between doubtful debt allowance and amount allowable for tax purposes	**—**	(598)
Inventory	**(13 913)**	(12 253)
Derivative instruments	**5 507**	6 490
Arising from cash flow hedges and cost of hedging (taken directly to equity)	**7 879**	13 071
Prepayments	**1 410**	1 400
Government grants	**(1 241)**	(1 806)
Leases	**45**	185
Investments at FVTPL	**31 837**	23 174
Investments at FVTOCI	**5 218**	4 987
Provisions and accruals	**(31 650)**	(36 483)
Estimated tax losses	**(106 445)**	(128 056)
Biological assets	**7 600**	6 354
Other	**(2 320)**	(2 769)
	839 692	589 458
Reconciliation of net deferred tax liability		
Opening balance	**589 458**	614 872
Recognised in profit and loss	**61 164**	(70 694)
Recognised in other comprehensive income	**(4 788)**	7 186
Recognition on acquisition of subsidiary	**186 526**	35 734
Effect of foreign currency exchange differences	**6 330**	2 726
Other	**1 002**	(366)
Net deferred tax liability at 31 December	**839 692**	589 458

Notes (continued)

for the year ended 31 December 2022

42. Bank overdrafts

The Company has an overdraft facility amounting to R60 million (2021: R60 million). The facility bears interest at the bank's prime lending rate. The overdraft facility is unsecured.

43. Notes to the cash flow statement

R'000	2022	2021
43.1 Adjustments for non-cash and other items		
Share of profits of associates and joint ventures	**(228 351)**	(256 840)
Interest income and dividends received	**(94 424)**	(94 719)
Government grant income	**(5 389)**	(2 235)
Fair value gains	**(34 324)**	(273 916)
Impairment of property, plant, equipment and vehicles	**—**	6 225
Reversal of impairment of property, plant, equipment and vehicles	**(3 489)**	—
Amortisation of intangible asset	**11 601**	11 297
Gains on bargain purchases	**—**	(1 578)
Loss on deemed disposal of associate	**—**	40 640
Unrealised foreign exchange losses/(gains)	**7 430**	(10 892)
Finance costs	**306 295**	218 959
Taxation – continuing operations	**121 920**	205 941
Taxation – discontinued operation	**—**	(140 848)
Depreciation of non-current assets	**269 616**	249 051
Settlement of employee share trust liability	**(39 795)**	—
Share-based payment expense	**45 826**	36 510
Increase/(decrease) in long and short-term provisions	**4 185**	(766)
Biological assets mortalities	**2 639**	19 470
Other movement in non-cash items	**(5 361)**	(826)
Insurance proceeds	**(25 099)**	(46 450)
(Profit)/loss on disposal of property, plant, equipment and vehicles	**(4 492)**	2 773
	328 788	(38 204)
43.2 Income taxes		
Income tax		
Prepaid at the beginning of the year	**(12 346)**	(4 997)
Other non-cash flow movements	**75**	—
Acquisitions through business combinations	**—**	1 313
	(12 271)	(3 684)
Provided during year	**59 754**	136 155
Prepaid at the end of the year	**15 824**	12 346
Income tax paid	**63 307**	144 817
43.3 Finance costs paid		
Finance costs recognised in profit or loss	**306 295**	218 959
Interest paid relating to prior periods	**23 131**	—
Adjustment for non-cash items	**—**	(96 655)
Finance costs paid	**329 426**	122 304

R'000	BORROWINGS AND OVERDRAFTS	LEASE LIABILITIES	TOTAL
43.4 Changes in liabilities arising from financing activities			
Balance as at 1 January 2021	4 457 742	188 467	4 646 209
Cash flows	(553 614)	(27 295)	(580 909)
New leases	–	7 781	7 781
Acquisitions through business combinations	103 755	3 279	107 034
Foreign exchange adjustments	8 443	65	8 508
Other changes[1]	95 140	(5 990)	89 150
Balance as at 31 December 2021	**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**

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.

44. 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 (Pty) Ltd and Firefly Investments 306 (Pty) Ltd, as well as, investments in associates, joint ventures, investments at fair value through other comprehensive income and investments at fair value through profit or loss.

R'000	2022	2021
Revenue	**6 212 852**	5 054 726
Food	**5 880 295**	4 623 463
Investments	**332 557**	431 263
Production, selling and administration expenses	**(968 277)**	(939 042)
Food	**(829 459)**	(720 321)
Investments	**(138 818)**	(218 721)
Raw materials and consumables used	**(4 735 010)**	(3 420 593)
Food	**(4 537 353)**	(3 191 608)
Investments	**(197 657)**	(228 985)
Staff costs	**(1 308 099)**	(1 267 781)
Food	**(1 216 598)**	(1 166 195)
Investments	**(91 501)**	(101 586)
Operating profit	**509 565**	695 091
Food[1]	**513 483**	711 533
Investments	**(3 918)**	(16 442)

1 Included in operating profit is insurance proceeds of R25.1 million (2021: R46.5 million) and net foreign exchange gains of R167.7 million (2021: R150.5 million).

Notes (continued)

for the year ended 31 December 2022

44. Segmental information (continued)

R'000	2022	2021
A reconciliation of operating profit from segments to profit after taxation is provided below:		
Operating profit	**509 565**	695 091
Fair value gains	**34 324**	273 916
Other investment losses	**(38 253)**	(57 591)
Share of profits of associates and joint ventures	**228 351**	256 840
Interest income	**18 737**	19 797
Finance costs	**(306 295)**	(218 959)
Taxation	**(121 920)**	(205 941)
Profit after taxation	**324 509**	763 153
Segment assets and liabilities		
Total assets	**11 656 772**	10 498 264
Food	**7 630 709**	6 829 430
Investments	**4 026 063**	3 668 834
Total liabilities	**6 853 565**	6 107 748
Food	**4 402 800**	3 670 639
Investments	**2 450 765**	2 437 109
Other segmental information		
Total depreciation and amortisation	**281 217**	260 348
Food	**268 606**	246 033
Investments	**12 611**	14 315
Total additions to non-current assets	**383 086**	340 585
Food	**374 591**	291 654
Investments	**8 495**	48 931

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	2022	2021
Sales revenue by geographical market	**6 212 852**	5 054 726
South Africa	**3 759 777**	3 091 253
Australia	**869 463**	545 622
Europe	**1 222 721**	1 065 041
Other markets	**360 891**	352 810
Non-current assets	**9 099 511**	7 696 471
South Africa	**7 182 255**	6 776 314
Australia	**1 917 256**	920 157

R'000	2022	2021

45. Contingent liabilities

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

46. Capital commitments

Commitments for the acquisition of property, plant, equipment and vehicles:		
Contracted for	**6 326**	21 189
Authorised by directors but not contracted for	**119 938**	197 914
Total commitments	**126 264**	219 103

The commitments will be funded from internal cash resources.

47. 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 R41.8 million (2021: R35.7 million).

Notes (continued)

for the year ended 31 December 2022

47. Share-based payments (continued)

Forfeitable share plan

The Company adopted a forfeitable share plan 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	2022	2021
Ordinary shares		
Outstanding at beginning of year	**–**	–
Awarded during year	**1 584 910**	–
Forfeited	**–**	–
Vested during the year	**–**	–
Outstanding at end of year	**1 584 910**	–
"N" Ordinary shares		
Outstanding at beginning of year	**5 459 918**	4 377 029
Awarded during year	**113 454**	2 085 520
Forfeited	**(326 641)**	(269 864)
Vested during the year	**(1 073 207)**	(732 767)
Outstanding at end of year	**4 173 524**	5 459 918

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			
24 February 2020	1 974 550	10 514	23 Mar 2023
25 February 2021	2 085 520	10 024	24 Feb 2024
21 February 2022	113 454	573	20 Feb 2025
	4 173 524		

Sea Harvest Group Limited – Share-based payment plans

The Group has controlled trusts that have been established as a vehicle through which certain executives, senior managers and employees have made an investment in or acquired an economic exposure to shares in the group.

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 2021.

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. Before the modification in 2017, the options were due to fully vest in 2022 and expire eight years after grant date. In 2017, the scheme was modified and 50% of the options vested. The remaining 50% of the options vested in 2022. As a result of the settlement of a significant portion of the scheme in cash, it was considered to be a cash-settled scheme with the fair value of the liability measured at each reporting date.

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 total shareholder return in relation to a comparator group, 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 2022

48. Employee related liabilities and retirement benefits

48.1 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 2022.

R'000	2022	2021
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at beginning of year	**22 417**	22 167
Current service cost*	**201**	198
Interest cost*	**2 375**	2 344
Actuarial gain arising in the current year*	**(2 129)**	(324)
Benefits paid	**(2 070)**	(1 968)
Balance at the end of the year	**20 794**	22 417
Current portion transferred to trade and other payables	**(1 949)**	(1 830)
Non-current defined benefit obligation	**18 845**	20 587
The expected contribution to the plan for the next annual reporting period is R2.0 million (2021: R1.9 million).		
The principal assumptions of the actuarial valuation are:		
Discount rate (%)	**12.5**	11
Health care cost inflation (%)	**8.1**	7.70 – 8.20
Retirement age	**63**	63 or 65
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 R2.1 million (2021: R0.3 million) arose as a result of a combination of the following factors:		
Change in real discount rate	**1 825**	(1 039)
Lower/(higher) than expected healthcare cost inflation including changes in members' benefit options	**917**	(46)
Change in subsidy valued	**—**	(308)
Health bonus correction	**182**	—
Unexpected changes in membership	**(795)**	1 717
	2 129	324
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%	**(1 490)**	(1 750)
-1%	**1 719**	2 040
Healthcare cost inflation		
+5% for 5 years	**3 139**	3 471
+10% for 5 years	**6 686**	7 397
Retirement age		
One year younger	**28**	30
One year older	**(22)**	1

* Recognised in other comprehensive income

R'000	2022	2021
48.2 Leave pay accrual		
Balance at the beginning of the year	**56 434**	45 829
Acquisition of a subsidiary	**17 027**	4 025
Arising during the year	**46 964**	28 533
Utilised during the year	**(48 014)**	(22 223)
Effect of foreign currency exchange differences	**131**	270
Balance at the end of the year	**72 542**	56 434
Current portion of leave pay accrual	**(69 217)**	(56 094)
Non-current portion of leave pay accrual	**3 325**	340

48.3 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 R2.08 million (2021: R1.91 million).

Wholly-owned subsidiary, House of Monatic (Pty) Ltd, is a member of the Clothing Industry National Bargaining Council and as such, it is compulsory for all qualifying employees to be members of the Clothing Industry Bargaining Council Provident Fund. Employees of House of Monatic (Pty) Ltd who do not qualify for membership of the Provident Fund are members of the House of Monatic Pension Fund. The fund is administered by Old Mutual Superfund. The contributions payable to the funds by the employer in terms of the rules of the funds are charged to profit or loss and during the year amounted to R0.45 million (2021: R1.51 million).

Employees of Obsidian Health (Pty) Ltd, 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 R3.02 million (2021: R3.08 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 R47.3 million (2021: R46.6 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 2022

49. Financial instruments

49.1 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 36 and 42, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves as disclosed in notes 29 to 34 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	2022	2021
49.2 Categories of financial instruments		
Financial assets		
Classified as at FVTPL	**1 113 957**	1 053 879
Classified as at FVTOCI	**31 219**	29 989
Derivative financial assets carried at fair value	**80 653**	92 800
Amortised cost (including cash and cash equivalents)	**1 412 489**	1 736 104
Trade receivables	**783 913**	615 552
Loans and receivables	**23 460**	19 176
Loans to supplier partners	**92 670**	94 384
Cash and cash equivalents	**375 133**	862 931
Loans to associate companies and joint ventures	**137 313**	144 061
Financial liabilities		
Contingent consideration at FVTPL	**–**	130 444
Derivative financial liabilities carried at fair value	**12 332**	2 400
Financial liability with contingent settlement provisions	**99 934**	99 934
Amortised cost	**5 235 129**	4 705 768
Long and short-term borrowings	**4 590 346**	4 058 438
Bank overdrafts	**24 715**	53 028
Trade payables	**620 068**	594 302

49.3 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.

49.4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign exchange (see 49.5 below), interest rates (see 49.6 below) and equity price risk (see 49.10 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.

49.5 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	2022	2021
Assets		
USD-denominated	**18 675**	13 166
GBP-denominated	**6 989**	2 762
EURO-denominated	**176 300**	157 290
AUD-denominated	**61 307**	15 754
Liabilities		
USD-denominated	**5 245**	505
GBP-denominated	**—**	1 400
EURO-denominated	**518**	500

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.

R'000	2022	2021
USD	**1 343**	1 266
GBP	**699**	136
EURO	**17 578**	15 679
AUD	**6 131**	1 575

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 2022

49. Financial instruments (continued)

49.5 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. There were open forward exchange contracts to the value of R1.9 billion (2021: R1.7 billion) at year end.

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
2022			
USD	**103 822**	**18.30**	**6 January 2023 to 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**
2021			
USD	2 952	16.01	1 January 2022
EURO	1 630 699	19.17	11 January 2022 – 29 December 2023
AUD	256 024	12.09	11 January 2022 – 29 December 2023

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
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**
2021			
USD	5 983	16.03	7 January 2022 – 4 March 2022
USD	16 588	15.69	25 January 2022 – 29 April 2022
EURO	2 811	18.26	3 January 2022 – 18 February 2022
EURO	2 371	21.69	5 January 2022 – 4 February 2022
EURO	6 974	17.95	31 January 2022 – 29 April 2022
DKK	619	2.46	23 February 2022

R'000	2022	2021
Carrying value of foreign currency forward exchange contracts	**29 201**	58 748

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.

49.6 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 R16.2 million (2021: R12.2 million) in the Group as a result of their exposure to interest rates on their variable rate borrowings.

49.7 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 comprise a large, widely spread customer base, avoiding an excessive concentration of risk with a small number of customers. 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.

R'000	2022	2021
Unutilised banking facilities		
Total banking and loan facilities	**5 454 490**	5 070 227
Facilities utilised	**(4 615 061)**	(4 111 466)
Unutilised banking facilities	**839 429**	958 761
Unrestricted cash and cash equivalents	**375 133**	862 931
Unutilised banking facilities and cash and cash equivalents	**1 214 562**	1 821 692

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 2022

49. Financial instruments (continued)

49.8 Liquidity risk management

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:

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 and receivables	18	5 694	668	–	6 362
Loans and receivables	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 36	130 394	2 151 727	–	2 282 121
Term loan borrowings – variable rates	Refer note 36	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

2021	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	–	–	1 083 868	1 083 868
Participating preference shares held in investment in associate	3.6	–	–	48 177	48 177
Loans to associate companies and joint ventures	Interest free	–	–	46 654	46 654
Loans to associate companies	prime plus 2%	3 402	49 237	–	52 639
Loans to associate companies	Jibar plus 2.65%	–	13 765	–	13 765
Loans and receivables	18	1 514	1 235	–	2 749
Loans and receivables	Interest free	57 774	2 751	–	60 525
Trade receivables	Interest free	615 552	–	–	615 552
Loans to supplier partners	Jibar plus 2.65%	13 708	75 792	12 040	101 540
Loans to supplier partners	Interest free	–	–	19 418	19 418
Other financial assets	Interest free	58 866	–	33 934	92 800
Cash and cash equivalents	Bank deposit rates	862 931	–	–	862 931
		1 613 747	142 780	1 244 091	3 000 618
Liabilities					
Term loan borrowings – variable rates	5.65	240 824	3 703 913	477 009	4 421 746
Corporate receivables finance loan – variable rates		33 256	23 982	–	57 238
Trade payables	Interest free	594 302	–	–	594 302
Other financial liabilities	2.35	46 326	22 388		68 714
Bank overdrafts	Bank overdraft rate	53 028	–	–	53 028
		967 736	3 750 283	477 009	5 195 028

49.9 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 2022

49. Financial instruments (continued)

49.10 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 below:

R'000	2022	2021
Investments		
Directly held equities	**736 552**	796 448

Equity price risk sensitivity

The sensitivity analysis below has been determined based on the exposure to equity price movements from listed and unlisted equities.

If equities had been 1% higher/lower, profit for the year would increase by R5.7 million (2021: increase by R6.2 million) in the Group.

49.11 Fair value of financial instruments

The estimated net fair values at 31 December 2022 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.

49.12 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.

Fair value of the Group's financial assets, non-financial assets and financial liabilities that are measured on a fair value basis on a recurring basis

Some of the Group's financial assets, non-financial assets and financial liabilities are measured at fair value at the end of 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 2022				
Financial assets at FVTPL				
Derivative financial assets	**—**	**80 653[1]**	**—**	**80 653**
Listed shares	**736 552**	**—**	**—**	**736 552**
Unlisted shares	**—**	**—**	**346 185[2]**	**346 185**
Non-financial assets at fair value				
Biological assets	**—**	**—**	**165 196[3]**	**165 196**
Financial assets at FVTOCI				
Unlisted shares	**—**	**—**	**31 220[4]**	**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[6]**	**99 934**
Total	**—**	**12 332**	**99 934**	**112 266**
31 December 2021				
Financial assets at FVTPL				
Derivative financial assets	—	92 800[1]	—	92 800
Listed shares	796 448	—	—	796 448
Unlisted shares	—	—	257 431[2]	257 431
Non-financial assets at fair value				
Biological assets	—	—	150 422[3]	150 422
Financial assets at FVTOCI				
Unlisted shares	—	—	29 989[4]	29 989
Total	796 448	92 800	437 842	1 327 090
Financial liabilities at FVTPL				
Contingent consideration	—	—	130 444[5]	130 444
Derivative financial liabilities	—	2 400[1]		2 400
Financial liability with contingent settlement provisions	—	–	99 934[6]	99 934
Total	—	2 400	230 378	232 778

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).

Notes (continued)

for the year ended 31 December 2022

49. Financial instruments (continued)

49.12 Fair value measurements recognised in the statement of financial position

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

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 financial assets and liabilities.

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 which was calculated using an average of actual 2022 earnings and 2023 projected earnings multiplied by a price earnings multiple, ii) yield curve, and iii) volatility.
- Financial assets and liabilities which relate to hedging contracts, are 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] 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 independently 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 R24.5 million (2021: R20.0 million).

[3] Biological assets are measured at fair value less costs to sell. Biological assets include abalone and oysters 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 R4.3 million (2021: R5.6 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.

[4] Asset valuation method 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.

[5] The fair value of the contingent consideration arrangements was estimated calculating the present value of the expected future cash flows. The estimates are based on discount rates and the assumption that the earn-out targets would be met based on the best available forecast information at acquisition date. As at 31 December 2022, there was a decrease of R130.4 million (2021: R10.6 million increase) as a result of the R110.0 million settlement of the Viking Fishing earn-out and a fair value gain of R20.4 million relating to the BM Foods contingent consideration. The fair value gain arose due to the 2021 and 2022 earn-out targets not being achieved.

[6] 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. There has been no significant change in the fair value of the financial liability at 31 December 2022. Refer to note 26 for further information.

R'000	2022	2021

50. 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:

	2022	2021
Short-term benefits	**37 500**	32 903
Post-employment benefits	**1 829**	1 660
Share-based payments	**9 247**	9 449
	48 576	44 012

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 R184 061 (2021: R391 408).

Brimsure (Pty) Ltd holds a 30% stake in Aon Re Africa (Pty) Ltd, is jointly controlled by Brimstone (60%) and Commlife Holdings (Pty) Ltd (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 Fishing Company Proprietary Limited ("Vuna") and SeaVuna Fishing Company Proprietary Limited ("SeaVuna"), and Sea Harvest Group Limited'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 R283.9 million compared to R240.2 million for the year ended 31 December 2021. Sales to and other recoveries from SeaVuna during the year amounted to R55.9 million compared to R26.7 million for the year ended 31 December 2021. Loans owing by Vuna and SeaVuna amounted to R68.4 million at 31 December 2022 compared to R76.6 million at 31 December 2021.

The Company earned dividends of R224.8 million (2021: R63.5 million) and interest of R4.9 million (2021: R3.9 million) (2021: R0.4 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	2022	2021
Sea Harvest Group Limited		
• Sales to Oceana Group Limited	**1 725**	2 343
Obsidian Health (Pty) Ltd		
• Sales to Oceana Group Limited	**1 037**	2 626

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

Notes (continued)

for the year ended 31 December 2022

51. Events after the reporting period

On 8 March 2023, the Group announced that it had, through its partially-owned subsidiary, Sea Harvest Aquaculture (Pty) Ltd, which currently owns 54% of the shares in Viking Aquaculture (Pty) Ltd ("Viking Aquaculture"), entered into an agreement to acquire a further 28% of the shares in and the related loan claims against Viking Aquaculture for a purchase consideration of R210 million.

On 7 March 2023, a final gross cash dividend of 33 cents per share (2021: 30 cents per share) was declared out of income reserves.

52. COVID-19 pandemic and going concern

The Group has assessed the impact of the COVID-19 pandemic on the consolidated financial statements and considered the potential impairment indicators for its various subsidiaries, associates and joint ventures, as well as the assumptions used in testing goodwill for impairment. As at the date of approving these consolidated financial statements, management has assessed that there is no material impact on the consolidated financial statements for the year ended 31 December 2022 that has not been recognised.

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 2022

Appendix 1
Principal subsidiaries

The Group's principal subsidiaries at 31 December 2022 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, and the proportion of ownership interests held equals the voting rights held by the Group. 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
	2022 R	2021 R	2022 %	2021 %	
Held directly by Brimstone					
Firefly Investments 306 (Pty) Ltd	**11 600 000**	11 600 000	**70**	70	Investment holding
Brimco (Pty) Ltd	**1**	1	**100**	100	Investment holding
House of Monatic (Pty) Ltd	**30 572 408**	30 572 408	**100**	100	Retailer of clothing
Septen Investments (Pty) Ltd	**1**	1	**100**	100	Holds treasury shares
Brimsure (Pty) Ltd	**100**	100	**60**	60	Investment holding
Newshelf 1063 (RF) (Pty) Ltd	**167 163 234**	167 163 234	**100**	100	Investment holding
Newshelf 1331 (Pty) Ltd	**1**	1	**100**	100	Investment holding
Newshelf 1404 (Pty) Ltd	**1**	1	**100**	100	Investment holding
Oceana SPV (Pty) Ltd	**100**	100	**100**	100	Investment holding
Held indirectly by Brimstone through its subsidiaries					
Obsidian Health (Pty) Ltd	**10**	10	**70**	70	Distributor of healthcare products
Newshelf 1064 (Pty) Ltd	**809 238 564**	809 238 564	**20**	20	Investment holding
Newshelf 1062 (Pty) Ltd	**1**	1	**100**	100	Investment holding
Newshelf 1168 (Pty) Ltd	**1**	1	**100**	100	Property owning
Newshelf 1169 (Pty) Ltd	**1**	1	**100**	100	Investment holding
Newshelf 1269 (RF) (Pty) Ltd	**1**	1	**100**	100	Investment holding
Newshelf 1409 (Pty) Ltd	**1**	1	**51**	51	Investment holding
Newshelf 1411 (Pty) Ltd	**1 656 483 997**	1 656 483 997	**100**	100	Investment holding
Newshelf 1416 (Pty) Ltd	**1**	1	**100**	100	Investment holding
Vuna Fishing Group (Pty) Ltd	**1 000**	1 000	**92.5**	92.5	Investment holding
Sea Harvest Group Ltd	**1 705 898 000**	1 769 070 000	**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 2022

Appendix 2

Investments in associate and joint venture companies

UNLISTED	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	
		2022 %	2021 %	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
South African Enterprise Development (Pty) Ltd (Entrepreneurial investments)	31 Mar.	**25.00**	25.00	**–**	–	**(80)**	(409)	**–**	–	**–**	–	**61 781**	60 231
Hot Platinum (Pty) Ltd (Manufacturer of machinery for jewellery industry)	28 Feb.	**20.66**	20.66	**288**	288	**(288)**	(288)	**–**	–	**–**	–	**–**	–
Aon Re Africa (Pty) Ltd (Insurance industry)	31 Dec.	**18.00**	18.00	**13 359**	13 359	**21 882**	20 674	**9 348**	9 461	**–**	–	**–**	–
Oceana Group Limited (Food industry)	30 Sep.	**25.01**	25.01	**1 460 972**	1 455 969	**623 861**	628 571	**456 215**	147 136	**(143 859)**	(147 952)		
Vuna Fishing Company (Pty) Ltd (Fishing and fish processing)	31 Dec.	**49.80**	49.80	**36 432**	36 432	**(7 053)**	(9 269)	**–**	–	**(23 322)**	(23 322)	**68 409**	76 649
Newshelf 1404 (Pty) Ltd (Holds investment in Milpark Investment SPV (Pty) Ltd	31 Dec.	**15.80**	14.50	**139 075**	118 715	**(63 250)**	(62 793)	**–**	–	**–**	–	**623**	623
Specialized Aquatic Feeds (Pty) Ltd (Producer of aquatic feed)	31 Dec.	**30.00**	30.00	**669**	669	**(262)**	847					**4 000**	4 000
Alliance Foods (Pty) Ltd (Supplier of ingredients to food service industry)	31 Dec.	**25.00**	25.00	**–**	–	**–**	–	**–**	–	**–**	–	**2 500**	2 557
Total Group				**1 650 795**	1 625 432	**574 810**	577 333	**465 563**	156 597	**(167 181)**	(171 274)	**137 313**	144 060

Valuations are carried out every six months using bases considered appropriate to the underlying investment.
At 31 December 2022, the fair value, based on the quoted share price, of the investment in Oceana Group Limited was R2.1 billion (2021: R1.8 billion). The fair value is below the carrying amount of 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	2022	2021
South African Enterprise Development (Pty) Ltd	3.60%	**49 728**	48 177
Vuna Fishing Company (Pty) Ltd	JIBAR + 2.65%	**11 521**	10 686
Vuna Fishing Company (Pty) Ltd	Prime + 2%	**29 469**	38 542

The Group has not recorded any impairment in respect of amounts owed by the associate and joint venture (2021: 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

Appendix 3
Investments

	NUMBER OF SHARES		VALUATION OF SHARES	
	2022	2021	2022 R'000	2021 R'000
Investments at FVTOCI				
Unlisted				
Desert Diamond Fishing (Pty) Ltd	**12**	12	**30 730**	29 500
MVB Atlantic Enterprises Fishing (Pty) Ltd	**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 (Pty) Ltd	**13 958 621**	13 958 621	**235 063**	320 909
Stadio Holdings (Pty) Ltd	**43 565 057**	43 565 057	**213 904**	163 369
Phuthuma Nathi Investments (RF) Limited	**1 895 425**	1 895 425	**252 300**	255 788
MTN Zakhele Futhi (RF) Ltd	**1 818 795**	1 818 795	**35 285**	56 383
Unlisted				
African Legend Investment (Pty) Ltd	**3 075 844**	3 075 844	**32 213**	26 124
FPG Property Fund (Pty) Ltd	**11 111 222**	11 111 222	**312 348**	229 681
Decision Inc Investment[1]	**n/a**	n/a	**1 625**	1 625
Total investments			**1 113 957**	1 083 868

1 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 2022

Appendix 4

	DIRECT		INDIRECT			
DIRECTORS	BENEFICIAL	NON-BENEFICIAL	BENEFICIAL	NON-BENEFICIAL	TOTAL	PLEDGED
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**
As at 31 December 2021						
Ordinary shares						
MA Brey	1 351 184	–	4 847 350	104 184	6 302 718	2 855 757
F Robertson	520 300	–	6 017 303	–	6 537 603	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
	2 045 035	–	12 101 521	131 368	14 277 924	8 986 079
"N" Ordinary shares						
MA Brey	654 994	–	18 675 302	199 589	19 529 885	15 222 007
F Robertson	222 996	–	17 529 283	–	17 752 279	17 192 380
MI Khan	120 965	–	–	980	121 945	–
GG Fortuin	483	–	–	–	483	–
T Moodley	629 833	–	–	123 072	752 905	–
N Khan	146 084	–	1 152 887	–	1 298 971	–
LA Parker	–	–	2 233 797	–	2 233 797	2 209 972
	1 775 355	–	39 591 269	323 641	41 690 265	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 2022

Shareholder spread

	NO. OF SHAREHOLDERS IN S.A.		NO. OF SHAREHOLDERS OTHER THAN S.A.		TOTAL SHAREHOLDERS	
	NO.	%	NO.	%	NO.	%
Ordinary shares						
Public	1 848	99.62	16	100	1 864	99.6
Directors	5	0.27	–	–	5	0.3
Other	2	0.11	–	–	2	0.1
Total	1 855	100	16	100	1 871	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	850	860
Low	526	515
Year-end	526	563
Volume of shares traded (number)	945 982	15 695 634
Volume of shares traded as a % of issued shares	2.4%	7.0%
Value of shares traded	R5 975 877	R103 289 591
Number of transactions	261	2 087

Shareholding Information (continued)

as at 31 December 2022

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	19 529 885	25 832 603	9.8
F Robertson (direct and indirect, beneficial and non-beneficial)	6 537 603	17 752 279	24 289 882	9.2
Brostone Securities (Pty) Ltd	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 (Pty) Ltd (treasury shares)	1 542 660	9 244 527	10 787 187	4.1
Brimstone Investment Corporation Limited (FSP shares)	1 584 910	4 472 145	6 057 055	2.3
SBSA ITF PSG Flexible Fund	–	11 055 783	11 055 783	4.2
FRB ITF NINETY ONE Value Fund	–	11 202 915	11 202 915	4.2
FRB ITF 36ONE SNN QI Hedge Fund	–	7 233 827	7 233 827	2.7
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	2 912 712	2 756 134	5 668 846	2.1
SBSA ITF PSG EQUITY FUND		5 453 547	5 453 547	2.1
	24 592 117	139 398 839	163 990 956	62.0

Public vs Non-public shareholding

	NUMBER OF SHARES	% OF ISSUED SHARE CAPITAL
Ordinary Shares		
Public shareholders	22 468 652	56.3
Non-public shareholders		
Directors and associates	14 277 924	35.8
Treasury shares		
Septen Investments (Pty) Ltd	1 542 660	3.9
Brimstone Investment Corporation Limited (FSP shares)	1 584 910	4.0
Total	39 874 146	100
"N" Ordinary Shares		
Public shareholders	169 569 025	75.4
Non-public shareholders		
Directors and associates	41 690 265	18.5
Treasury shares		
Septen Investments (Pty) Ltd	9 244 527	4.1
Brimstone Investment Corporation Limited (FSP shares)	4 472 145	2.0
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	1 419	75.8	840 453	2.1
5 001 – 10 000	214	11.4	1 312 258	3.3
10 001 – 100 000	194	10.4	5 172 998	13.0
100 001 – 1 000 000	35	1.9	9 178 373	23.0
over 1 000 000	9	0.5	23 370 064	58.6
	1 871	100	39 874 146	100
Major shareholders				
Friedshelf 1800 (Pty) Ltd	1	0.05	5 515 000	13.8
Max Brozin Investment Corporation	1	0.05	2 912 712	7.3
Breyfin 2 (RF) (Pty) Ltd	1	0.05	2 855 757	7.2
Brostone Securities (Pty) Ltd	1	0.05	2 855 757	7.2
Jasmynweg Beleggings 3 (RF)	1	0.05	2 855 757	7.2
Breyfin (Pty) Ltd	1	0.05	1 892 749	4.7
Brimstone Investment Corporation Limited (FSP shares)	1	0.05	1 584 910	4.0
Septen Investments (Pty) Ltd	1	0.05	1 542 660	3.9
MA Brey	1	0.05	1 354 762	3.4
	9	0.45	23 370 064	58.7
Analysis of shareholders				
Assurance Companies	2	0.11	68 311	0.17
Close Corporations	12	0.64	142 362	0.35
Collective Investment Schemes	9	0.48	900 453	2.26
Control Accounts	3	0.16	96	0.00
Custodians	1	0.05	4 800	0.01
Foundations & Charitable Funds	14	0.75	282 712	0.71
Hedge Funds	1	0.05	23 733	0.06
Insurance Companies	—	—	—	—
Investment Partnerships	12	0.64	185 159	0.46
Managed Funds	2	0.11	126	0.00
Private Companies	51	2.73	24 418 962	61.24
Public Companies	1	0.05	461 048	1.16
Retail Shareholders	1 690	90.33	8 515 210	21.36
Retirement Benefit Funds	3	0.16	20 020	0.05
Share Schemes	1	0.05	30 684	0.08
Stockbrokers & Nominees	8	0.43	504 898	1.27
Trusts	60	3.21	2 730 662	6.85
Treasury	1	0.05	1 584 910	3.97
Scrip lending	—	—	—	—
	1 871	100	39 874 146	100

Shareholding Information (continued)

as at 31 December 2022

	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	NUMBER OF SHARES	% OF SHARES ISSUED
"N" Ordinary shares				
Size of Holding				
1 – 5 000	2 409	80.1	1 914 145	0.9
5 001 – 10 000	187	6.2	1 304 414	0.6
10 001 – 100 000	282	9.3	9 753 357	4.3
100 001 – 1 000 000	92	3.1	28 042 736	12.5
over 1 000 000	39	1.3	183 961 310	81.7
	3 009	100	224 975 962	100
Major shareholders				
Friedshelf 1800 (Pty) Ltd	1	0.03	16 825 000	7.5
Breyfin 2 (RF) (Pty) Ltd	1	0.03	15 222 007	6.8
Brostone Securities (Pty) Ltd	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 (Pty) Ltd	1	0.03	9 244 527	4.1
SBSA ITF PSG Balanced Fund	1	0.03	7 329 813	3.3
FRB ITF 36ONE SNN QI Hedge Fund	1	0.03	7 233 827	3.2
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
ELLERINE GROUP INVESTMENTS (PTY) LT	1	0.03	4 615 980	2.1
Brimstone Investment Corporation Limited (FSP shares)	1	0.03	4 472 145	2.0
	14	0.42	136 023 528	60.7
Analysis of shareholders				
Assurance Companies	2	0.07	660 061	0.30
Close Corporations	34	1.12	302 014	0.13
Collective Investment Schemes	25	0.83	49 223 474	21.88
Control Accounts	3	0.10	118	0.00
Custodians	6	0.20	7 340 825	3.26
Foundations & Charitable Funds	70	2.33	1 944 577	0.86
Hedge Funds	6	0.20	11 081 837	4.93
Insurance Companies	—	—	—	—
Investment Partnerships	19	0.63	252 477	0.11
Managed Funds	4	0.13	204 943	0.09
Private Companies	74	2.46	99 862 514	44.39
Public Companies	2	0.07	39 347	0.02
Retail Shareholders	2 604	86.54	21 656 464	9.63
Retirement Benefit Funds	22	0.73	12 313 576	5.47
Scrip Lending	2	0.07	591 369	0.26
Share Schemes	4	0.13	1 171 230	0.52
Soverign Funds	2	0.07	8 644 063	3.84
Stockbrokers & Nominees	15	0.50	450 081	0.20
Treasury	1	0.03	4 472 145	1.99
Trusts	113	3.76	4 764 846	2.12
Unclaimed Scrip	1	0.03	1	0.00
	3 009	100	224 975 962	100

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

Registered office and business address
1st Floor, Slade House
Boundary Terraces
1 Mariendahl Lane
Newlands 7700

Postal Address
PO Box 44580
Claremont 7735

Telephone number
021 683 1444

Email
info@brimstone.co.za

Website
www.brimstone.co.za

Company secretary
Tiloshani Moodley

Attorneys
Cliffe Dekker Hofmeyr Inc.
DLA Piper South Africa (Pty) Ltd

Auditors
Ernst & Young Inc.

Bankers
Nedbank Ltd

Sponsor
Nedbank CIB

Transfer secretaries
Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg 2196
Private Bag X9000
Saxonwold 2132
Tel: 011 370 5000

BRIMSTONE
INVESTMENT CORPORATION LIMITED

Boundary Terraces, 1 Mariendahl Lane, Newlands 7700, South Africa
PO Box 44580, Claremont 7735, South Africa

www.brimstone.co.za