

From our Home  
to Yours



Notice of Annual  
General Meeting  
for the year ended 31 December

2021



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**LIBSTAR HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

(“**Company**”)

**Dear shareholder**

## Notice of publication of Libstar’s integrated annual report, audited annual financial statements and notice of annual general meeting for the financial year ended 31 December 2021 (“**AGM**”)

Please find enclosed the notice of annual general meeting of Libstar Holdings Limited (“**Libstar**” or the “**Company**”), to be held on **Wednesday, 1 June 2022 at 10:00** through electronic communication.

This notice of AGM and abridged annual financial statements (“AGM Notice”) were distributed to the registered shareholders of the Company through electronic communication only.

The AGM of Libstar will be held through electronic communication at **10:00 on Wednesday, 1 June 2022**. Shareholders wishing to participate will need to register before **09:00 on Monday, 30 May 2022**. A “registration to participate” form and a “virtual meeting guide for shareholders” are included as Annexures D and E in the notice of the AGM.

In accordance with section 31(1) of the Companies Act, No 71 of 2008, as amended (“**Companies Act**”) shareholders are notified that the Libstar Holdings Limited 2021 integrated annual report (“**integrated annual report**”) and audited annual financial statements have been made available on the Libstar website ([www.libstar.co.za/investors/publications-and-presentations](http://www.libstar.co.za/investors/publications-and-presentations)) from Friday, 22 April 2022. Should shareholders wish to receive a printed copy of the 2021 integrated annual report or the audited annual financial statements, they may request these from the company secretary at [compsecretary@libstar.co.za](mailto:compsecretary@libstar.co.za).

The Company has retained the services of The Meeting Specialist (Pty) Ltd (“TMS”) to host the AGM on an interactive electronic platform to facilitate remote participation and voting by shareholders. TMS will also act as scrutineer.

We request that shareholders send their proxies to TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) by no later than **10:00 on Monday, 30 May 2022** to allow time for the tallying of votes and completion of the administrative processes relating to the meeting. Forms of proxy submitted on the day of the AGM must be emailed to TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) prior to the commencement of the AGM, before any proxy seeks to exercise any right granted to it.

Further details for the form of proxy submission are contained in point 7 on page 3 and in the notes to the form of proxy on page 13 of this notice of AGM.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with “own name” registration, should contact their Central Securities Depository Participant (“CSDP”) or broker in the manner and time stipulated in their agreement with their CSDP or Broker:

- to furnish them with their voting instructions; and
- in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.

**CorpStat Governance Services (Pty) Ltd**

Company secretary

22 April 2022

# Notice to the shareholders of the annual general meeting of the Company

## LIBSTAR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

## 1 Notice

- 1.1 Notice is hereby given to the shareholders that the annual general meeting ("AGM") of Libstar Holdings Limited ("the Company" or "Libstar") in respect of the financial year ended 31 December 2021 will be held at **10:00 on Wednesday, 1 June 2022, entirely through electronic communication** as permitted by the Companies Act, 71 of 2008, as amended ("Companies Act") and the Company's Memorandum of Incorporation ("Moi").
- 1.2 Shareholders will need to register by 09:00 on **Monday, 30 May 2022** to attend and participate in the AGM. Details to register are explained under point 4 and on the "Registration form to participate", marked as **Annexure D**, on page 14. "A virtual meeting guide for shareholders" is included as **Annexure E** on page 16.
- 1.3 The purpose of this AGM is to:
  - 1.3.1 present the audited annual financial statements of the Company and its subsidiaries for the year ended 31 December 2021, the directors' report and the Group audit committee report in accordance with section 30(3)(d) and section 61(8)(a) of the Companies Act;
  - 1.3.2 consider and approve certain matters required to be dealt with at an AGM in respect of the Company's Moi, the Companies Act, and the JSE Listings Requirements. Such matters are set out in the ordinary and special resolutions under the meeting agenda on page 4 to 9. Shareholders will be required to consider and, if deemed fit, pass such resolutions, with or without modification; and
  - 1.3.3 consider any other matters raised by the shareholders.

## 2 Reports available online

The following documents are available online at [www.libstar.co.za](http://www.libstar.co.za):

- Notice of AGM 2021\*, including the Abridged Annual Financial Statements which have been distributed via electronic communication to all the registered shareholders of the Company;
- Audited annual financial statements 2021;
- Integrated annual report 2021;
- Governance report 2021;
- The social and ethics committee report 2021, as required in terms of Regulation 43 of the Companies Act Regulations, 2011;
- Remuneration policy and report 2021; and
- Libstar's B-BBEE Certificate, and B-BBEE Compliance Report.

## 3 Record dates

1. The date for the purpose of determining which shareholders are entitled to receive this Notice of AGM is **Thursday, 14 April 2022**.
2. Last date for shareholders to trade is on **Tuesday, 17 May 2022**.
3. Shareholders entitled to participate and vote at the meeting are those registered in the Libstar securities register as at **Friday, 20 May 2022**.
4. To allow time for the tallying of votes and completion of the administrative processes relating to the meeting, the last date for lodging proxy forms electronically is at **10:00 on Monday, 30 May 2022**.
5. In the interest of logistical arrangements and verification, the last date to register to attend and participate in the AGM is at **09:00 on Monday, 30 May 2022**.  
  
This will not in any way affect the rights of shareholders to register for participation in the AGM after this date nor to vote at the AGM, if fully verified and registered at its commencement.

\* Reference to 2021 means the financial year-end dated 31 December 2021.

## Notice to the shareholders of the annual general meeting of the Company (continued)

## 4 Electronic participation

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with “own name” registration, should contact their Central Securities Depository Participant (“CSDP”) or broker in the manner and time stipulated in their agreement with their CSDP or Broker:

- to furnish them with their voting instructions; and
- in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.

The Company has retained the services of The Meeting Specialists (Pty) Ltd (“TMS”) to host the AGM on an interactive electronic platform to facilitate remote participation and voting by shareholders. TMS will also act as scrutineer.

Shareholders who intend to participate in the virtual meeting and who wish to vote at the meeting are required to contact TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) by submitting the completed registration form, attached to this notice of AGM on page 14 as soon as possible, but no later than **09h00 on Monday, 30 May 2022**. **Shareholders who wish to attend the virtual meeting should instruct their CSDP or broker to issue them with the necessary letter of representation to attend the meeting as stipulated in the agreement with their custodians.**

A virtual meeting guide for shareholders is included in this notice of AGM as **Annexure E** (page 16).

**Although the electronic platform provides for voting during the meeting, shareholders are strongly encouraged to submit their votes by proxy prior to the meeting to TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za).**

## 5 Identification

In terms of section 63(1) of the Companies Act, any person attending or participating in an AGM must present reasonably satisfactory identification. Upon receiving the registration form, TMS will follow a verification process to be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as proxy for a shareholder) has been verified.

TMS will request certain particulars from shareholders when receiving the registration form to comply with this verification process and the following identification will be required:

- if the shareholder is an individual, a certified copy of his/her identity document and/or passport and/or driver's license;
- if the shareholder is not an individual, a certified copy of a resolution by the relevant entity to represent the entity, and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. This resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication;
- a valid email address and/or mobile telephone number.

## 6 Voting

6.1 In terms of clause 25.1 of the Mol, as read with section 65(7) of the Companies Act, for an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution;

6.2 In terms of clause 25.2 of the Mol, as read with section 65(9) of the Companies Act, for a special resolution to be approved by the shareholders, it must be supported by the holders of at least 75% of the voting rights exercised on the resolution.

## 7 Proxies

7.1 In terms of section 62(3)(e) of the Companies Act and clause 24 of the Mol, shareholders are hereby notified that:

7.1.1 each shareholder entitled to attend and vote at the AGM is entitled to appoint one (or two or more proxies concurrently) to participate in, speak and vote at the AGM in place of the shareholder; and

7.1.2 such proxy needs not be a shareholder.

7.2 Shareholders who are unable to attend the AGM, but who wish to be represented at the meeting, are required to complete and return the form of proxy attached hereto as **Annexure B** on page 12 to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za), by no later than **10:00 on Monday, 30 May 2022**. Any proxy forms not received by this time can still be submitted to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) prior to the commencement of the meeting.

7.3 If you are the beneficial shareholder and not the registered shareholder:

7.3.1 and wish to attend the meeting, you must obtain the necessary letter of authority to represent the registered shareholder of your shares from your CSDP or broker; or

7.3.2 do not wish to attend the meeting, but would like your vote to be recorded at the meeting, you should contact the registered shareholder of your shares through your CSDP or broker and furnish them with your voting instructions;

7.3.3 you must NOT complete the attached form of proxy.

7.4 Shareholders are also referred to the notes of the proxy form, as set out in **Annexure C**.

# AGENDA

## Presentation of annual financial statements – 31 December 2021 (non-voting agenda point)

The audited annual financial statements of the Company for the period ended 31 December 2021, including the directors' report, the independent auditor's report and various sub-committee reports, to be presented at an AGM, as required in terms of section 30(3)(d) of the Companies Act, No 71 of 2008, as amended ("**the Companies Act**"), are hereby presented. The abridged annual financial statements for the year ended 31 December 2021 are included in this notice of AGM. These have been circulated to shareholders and are available on the Company's website [www.libstar.co.za](http://www.libstar.co.za).

## Ordinary resolutions

### 1. Ordinary Resolution Numbers 1.1 and 1.2: Rotation and re-election of directors

**"IT IS RESOLVED**, as ordinary resolutions of the shareholders, that the following independent non-executive directors be re-elected by way of separate resolutions following their retirement due to rotation.

1.1 Ms Wendy Luhabe; and

1.2 Mr JP Landman."

Brief resumes of these directors appear in **Annexure A**.

#### Explanatory note:

In terms of clauses 27.3.2.2, 27.3.2.3 and 27.3.2.4 of the MoI and the JSE Listings Requirements, at least one third of the non-executive directors who have been in office the longest shall retire from office at each AGM. It is noted that as both the directors are eligible, they made themselves available for re-election with immediate effect. The board of the Company has assessed the performance of Ms Luhabe and Mr Landman and has found them suitable for re-election.

*The percentage voting rights required for Ordinary Resolution Numbers 1.1 and 1.2 to be adopted: more than 50% of the voting rights exercised on each resolution.*

### 2. Ordinary Resolution Numbers 2.1 to 2.4: Appointment of audit and risk committee members

**"IT IS RESOLVED**, as ordinary resolutions of the shareholders, that the following independent non-executive directors be appointed by way of separate resolutions as members of the Company's audit and risk committee, with immediate effect until the next AGM:

2.1 Mr JP Landman (subject to his re-election as a director in terms of Ordinary Resolution 1.2);

2.2 Ms Anneke Andrews;

2.3 Ms Sibongile Masinga; and

2.4 Mr Sandeep Khanna."

#### Explanatory note:

In terms of section 94 of the Companies Act and clause 21.2.4.3 of the MoI, the Company must at each AGM appoint the members of the audit and risk committee for the following financial year. It is expressly noted that the board is satisfied that these directors have the necessary qualifications and/or experience in the areas required to fulfil their responsibilities as members of the audit and risk committee. Further, the Company has satisfied itself of the independence of Mr Landman, Ms Andrews, Ms Masinga and Mr Khanna. In respect of Mr Khanna, please refer to the detailed governance review at <https://www.libstar.co.za/investors/governance/> for further details relating to his independence.

Brief resumes for each of the committee members appear in **Annexure A**.

*The percentage voting rights required for Ordinary Resolution Numbers 2.1 to 2.4 to be adopted: more than 50% of the voting rights exercised on each resolution.*

### 3. Ordinary Resolution Number 3: Re-appointment of the independent external auditors

**"IT IS RESOLVED**, as an ordinary resolution of the shareholders, that Moore Cape Town Incorporated ("Moore"), practice number 900908, be and is hereby re-appointed as the Company's independent external auditor until the next AGM. Ms Adele Smit (IRBA number 812 781) is the individual designated auditor who has undertaken the audit of the Company for the financial year."

#### Explanatory note:

The reason for proposing Ordinary Resolution Number 3 is that the Company's independent external auditors must be appointed or re-appointed at each AGM in compliance with section 90 of the Companies Act and clause 21.2.4.3 of the Company's MoI and the JSE Listings Requirements. The audit and risk committee and the board has evaluated the performance of Moore, having regard to the matters enumerated in section 94(8) of the Companies Act and the applicable provisions of the JSE Listings Requirements, and has recommended their re-appointment as independent external auditors.

*The percentage voting rights required for Ordinary Resolution Number 3 to be adopted: more than 50% of the voting rights exercised on the resolution.*

## Agenda (continued)

#### 4. Ordinary Resolution Number 4: Endorsement of the remuneration policy

**“IT IS RESOLVED**, as an ordinary resolution of the shareholders, that as a non-binding advisory vote of the shareholders, the remuneration policy of the Libstar Group be and is hereby endorsed.”

##### Explanatory note:

The reason for Ordinary Resolution Number 4 is that section 3.84(j) of the JSE Listings Requirements requires that the remuneration policy must be tabled every year for a non-binding advisory vote by shareholders at the AGM. The remuneration report and policy can be found on the Group’s website, [www.libstar.co.za](http://www.libstar.co.za).

*If the remuneration policy is voted against by 25% or more of the votes exercised, the board shall afford such dissenting shareholders the opportunity to engage with the Company regarding the contents of the remuneration policy.*

#### 5. Ordinary Resolution Number 5: Endorsement of the remuneration implementation report

**“IT IS RESOLVED**, as an ordinary resolution of the shareholders, that as a non-binding advisory vote of the shareholders, the remuneration implementation report of the Libstar Group be and is hereby endorsed.”

##### Explanatory note:

The reason for Ordinary Resolution Number 5 is that section 3.8.4(j) of the JSE Listings Requirements requires that the remuneration implementation report must be tabled every year for a non-binding advisory vote by shareholders at the AGM.

The remuneration report and policy can be found on the Group’s website, [www.libstar.co.za](http://www.libstar.co.za).

*If the remuneration implementation report is voted against by 25% or more of the votes exercised, the board shall afford such dissenting shareholders the opportunity to engage with the Company regarding the contents of the remuneration implementation report.*

#### 6. Ordinary Resolution Number 6: General authority to issue shares for cash

**“IT IS RESOLVED**, as an ordinary resolution of the shareholders, that the board be and is hereby authorised by way of a general authority, to allot and issue ordinary shares in the capital of the Company for cash, including within the scope of such authority, the ability to issue options and securities that are convertible into ordinary shares, subject to the limitations, as set out in the Mol, the provisions of the Companies Act and the JSE Listings Requirements from time to time on the following basis:

- (i) the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class of shares already in issue;
- (ii) there will be no restrictions with regard to the parties to whom the shares may be issued to, provided that such shares are to be issued to public shareholders (as defined by the JSE Listings Requirements) and not to related parties (as defined by the JSE Listings Requirements);
- (iii) the total aggregate number of ordinary shares which may be issued for cash in terms of this authority may not exceed an amount equal to 5% of the aggregate number of ordinary shares in the total issued share capital of the Company immediately before such issue (which, at the date of this notice, constitutes 34 096 070 ordinary shares (excluding treasury shares));
- (iv) in the event of sub-division or consolidation prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- (v) this authority shall be valid until the Company’s next AGM or for 15 months from the date of the passing of the ordinary resolution, whichever is the earlier, provided that it shall not extend beyond 15 months from the date that this authority is given;
- (vi) the maximum discount at which the shares may be issued is 10% of the weighted average traded price of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed to between the Company and the party/ies subscribing for the shares. The JSE should be consulted for a ruling if the Company’s shares have not traded in such a 30-business day period; and
- (vii) upon any issue of ordinary shares which, together with prior issues of ordinary shares during the same financial year, will constitute, on a cumulative basis, 5% or more of the total number of ordinary shares in issue prior to that issue, the Company shall publish an announcement in terms of section 11.22 of the JSE Listings Requirements, giving full details hereof, including:

## Agenda (continued)

- (a) the number of ordinary shares issued;
- (b) the average discount to weighted average traded price of the ordinary shares over the 30 business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares; and
- (c) in respect of:
  - (A) an issue of options and convertible securities issued for cash, the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or
  - (B) an issue of shares for cash, an explanation, including supporting information (if any), of the intended use of funds.”

**Explanatory note:**

The reason for Ordinary Resolution Number 6 is to authorise the directors of the Company to allot and issue ordinary shares in the capital of the Company for cash.

The percentage voting rights required for Ordinary Resolution Number 6 to be adopted: at least 75% of the voting rights exercised on the resolution in terms of the JSE Listings Requirements.

### 7. Ordinary Resolution Number 7: General authorisation

**“IT IS RESOLVED**, as an ordinary resolution of the shareholders, that any one director of the Company be and is hereby authorised to do all such things, perform all such actions and sign all such documents as may be necessary to implement the ordinary and special resolutions, as set out in this notice of AGM.”

The percentage voting rights required for Ordinary Resolution Number 7 to be adopted: more than 50% of the voting rights exercised on the resolution.





## Special resolutions

### 1. Special Resolution Numbers 1.1 to 1.12: Remuneration of directors

**“IT IS RESOLVED** to approve in terms of section 66(8), read with section 66(9), the remuneration to the non-executive directors, by way of separate special resolutions, for their services to the Company, as follows:

	2022 Proposed fee 1 January 2022 to 31 December 2022 Rand	2021 Proposed fee 1 January 2021 to 31 December 2021 Rand
<b>Board of directors</b>		
1.1 Chairman	<b>771 750</b>	735 000
1.2 Independent director	<b>297 680</b>	283 500
<b>Audit and risk committee</b>		
1.3 Chairman	<b>286 650</b>	273 000
1.4 Committee member	<b>154 350</b>	147 000
<b>Remuneration and nomination committee</b>		
1.5 Chairman – Remuneration	<b>275 630</b>	262 500
1.6 Committee member – Remuneration	<b>121 280</b>	115 500
1.7 Chairman – Nomination	<b>220 500</b>	210 000
1.8 Committee member – Nomination	<b>110 250</b>	105 000
<b>Social and ethics committee</b>		
1.9 Chairman	<b>220 500</b>	210 000
1.10 Committee member	<b>110 250</b>	105 000
<b>Investment committee</b>		
1.11 Chairman	<b>220 500</b>	210 000
1.12 Committee member	<b>110 250</b>	105 000

#### Explanatory note:

In terms of section 66(8), read with section 66(9) of the Act, except to the extent that the Mol provides otherwise, the Company may pay remuneration to its directors for their service as directors. Any such remuneration must be approved by special resolution of shareholders within the previous two years.

### 2. Special Resolution Number 2: Financial assistance to related or inter-related companies

**“IT IS RESOLVED**, as a special resolution of the shareholders, that, in terms of section 45 of the Companies Act, the Company be and is hereby authorised, at any time and from time to time during the period of two years commencing on the date of adoption of this special resolution, to provide any direct or indirect financial assistance as contemplated in such section of the Companies Act, to any related or inter-related Company or corporation within the Libstar Group, provided that –

- (i) the recipient or recipients of such financial assistance, and the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the board from time to time; and
- (ii) the board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the board is satisfied that all those requirements of section 45 of the

Companies Act which is required to be met in order to authorise the Company to provide such financial assistance, have been met; and

- (iii) such financial assistance to a recipient thereof is, in the opinion of the board, required for the purpose of
  - (i) meeting all or any of such recipient’s operating expenses (including capital expenditure), and/or
  - (ii) funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or
  - (iii) funding such recipient for any other purpose which in the opinion of the board is directly or indirectly in the interests of the Company, including the acquisition of securities in the Company or in a related or inter-related Company, as contemplated in section 44 of the Companies Act.”

The reason for and effect of Special Resolution Number 2 is to grant the board the general authority to provide such direct or indirect financial assistance, including in the form of loans or guarantees. This authority will be in place for a period of two years from the date of adoption of this resolution in terms of section 45(3)(a)(ii) of the Companies Act. The board of directors of a Company

## Special resolutions (continued)

may not authorise any financial assistance unless pursuant to a special resolution of the shareholders adopted within the previous two years, either as general or specific authority.

*The percentage voting rights required for Special Resolution Number 2 to be adopted: at least 75% of the voting rights exercised on the resolution.*

### 3. Special Resolution Number 3: General authority to repurchase shares

**“IT IS RESOLVED**, as a special resolution of the shareholders, that the Company and/or any subsidiary of the Company be and is hereby authorised, by way of a general authority, to acquire ordinary shares in the capital of the Company (either directly or through a subsidiary) upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, in terms of and subject to:

- (i) a limit of 5% of the aggregate number of ordinary shares in issue (excluding treasury shares) on the date of the passing of this Special Resolution Number 3;
- (ii) sections 4, 46 and 48 of the Companies Act;
- (iii) the applicable provisions of the Mol; and
- (iv) the JSE Listings Requirements, being, as at the date of this resolution, that:
  - (a) any acquisition of ordinary shares shall be purchased through the order book of the trading system of the JSE, and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty (provided that if the Company purchases its own ordinary shares from any wholly-owned subsidiary of the Company for the purposes of cancelling such treasury shares pursuant to this general authority, the above provisions will not be applicable to such purchase transaction);
  - (b) the general repurchase by the Company, and by its subsidiaries, of the Company's ordinary shares is authorised by the Mol (or the Mol of such subsidiaries, as applicable);
  - (c) this general authority shall be valid until the Company's next AGM or for 15 months from the date of adoption of this special resolution, whichever period is shorter;
  - (d) repurchases must not be made at a price greater than 10% above the weighted average of the market value of the ordinary shares for

*the five business days immediately preceding the date on which the transaction is effected and the JSE should be consulted for a ruling if the applicant's securities have not traded in the five-day period;*

- (e) at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- (f) the passing of a resolution by the board authorising the repurchase, that the Company and the relevant subsidiaries passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Libstar Group;
- (g) subject to the exceptions contained in the JSE Listings Requirements, the Company and the relevant subsidiaries will not repurchase ordinary shares during a prohibited period (as defined in the JSE Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of ordinary shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period; and
- (h) The Company may not, in any one financial year, acquire in excess of 5% of the aggregate number of ordinary shares in issue (excluding treasury shares) as it stands on the date of the passing of this Special Resolution Number 3.
- (i) an announcement complying with section 11.27 of the JSE Listings Requirements will be published by the Company or its subsidiary (i) when the Company and/or its subsidiary/ies have cumulatively repurchased 3% of the ordinary shares in issue as it stands on the date of the passing of this Special Resolution Number 3; and (ii) for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries.”

*The directors will utilise the general authority conferred by the shareholders in terms of this resolution to repurchase ordinary shares, as and when suitable opportunities present themselves, which may require expeditious and immediate action.*

## Special resolutions (continued)

**Explanatory note:**

The reason for Special Resolution Number 3 is to afford the Company or a subsidiary of the Company, a general authority to effect a repurchase of the Company's ordinary shares listed on the JSE. The resolution will allow the directors to have the authority, subject to the JSE Listings Requirements and the Companies Act, to effect repurchases of the Company's shares on the JSE.

The board shall authorise and implement a repurchase of the Company's shares only if prevailing circumstances (including the tax dispensation and market conditions) warrant same. After considering the impact of the maximum share repurchase, as allowed in terms of Special Resolution Number 3, the board is satisfied that:

- (i) for a period of 12 months after the date of this notice of AGM, the consolidated assets of the Company and the Libstar Group, fairly valued in accordance with International Financial Reporting Standards and in accordance with the accounting policies used in the integrated annual report, will be in excess of the consolidated liabilities of the Company and the Libstar Group;
- (ii) the Company and the Libstar Group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of AGM;
- (iii) the issued share capital and reserves of the Company and the Libstar Group will be adequate for the ordinary business purposes of the Company and the Libstar Group for a period of 12 months after the date of the notice of AGM; and
- (iv) the Company and the Libstar Group will have adequate working capital for ordinary business purposes for a period of 12 months after the date of the notice of AGM.

*The percentage voting rights required for Special Resolution Number 3 to be adopted: at least 75% of the voting rights exercised on the resolution.*

**Disclosures for the purposes of Special Resolution Number 3**

The following disclosures are required in terms of section 11.26(b) of the JSE Listings Requirements:

- (i) major shareholders in the Company – refer to page 48 of the abridged annual financial statements, included in this notice of AGM;
- (ii) statement of material change – refer to material change statement, included in this notice of AGM;
- (iii) share capital of the Company – refer to page 38 of the abridged annual financial statements, included in this notice of AGM; and
- (iv) directors' responsibility statement – refer to the directors' responsibility statement, included in this notice of AGM.

**Statement of material change**

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the financial or trading position of the Company and the Libstar Group since the date of signature of the Annual Financial Statements for the financial year ended 31 December 2021 and approval thereof by the board.

**Directors' responsibility statement**

Each of the directors of the Company, collectively and individually, accept full responsibility for the accuracy of the information pertaining to Special Resolution Number 3, and certify that:

- (i) to the best of their knowledge and belief there are no other facts, if omitted, would make any statement false or misleading;
- (ii) they have made all reasonable enquiries to ascertain such facts; and
- (iii) Special Resolution Number 3 contains all information required by law and the JSE Listings Requirements.

**Other business**

To transact any other business that may be transacted at an AGM.

BY ORDER OF THE BOARD

**CorpStat Governance Services (Pty) Ltd**

Company Secretary

22 April 2022

## Annexure A

# Profiles of directors offering themselves for re-election or for election as a member of the audit and risk committee

### Re-election as a director



**RNC**  
**SEC**

**Wendy Luhabe (64)**  
Chairperson and independent non-executive director  
BCom – University of Lesotho  
Management Advancement Programme – Wits Business School  
**Date of board appointment: 2018**


Wendy has been a pioneer and a thought leader in the economic empowerment of women in South Africa for more than 27 years. She is a serial social entrepreneur in diverse sectors of the economy, including Smart BioTech, human capital development and the mentorship of younger generations to realise their potential and fulfil their aspirations.

She has received four Honorary Doctorate degrees for her work with women, including from the Universities of Fort Hare and Stellenbosch. In 1993, Wendy pioneered the founding of WIPHOLD, South Africa's first investment company aimed at inspiring women to drive their involvement in South Africa's economy. In 2013, she founded Women Private Equity Fund, South Africa's first venture capital company that invests in companies owned by women. She has served as a non-executive director and chairman on the boards of diverse industries since 1992.

She was the chairman of Vodacom and Industrial Development Corporation and served as non-executive director on various boards, including Tiger Brands and Telkom. Wendy currently serves as the chairman of Pepkor Holdings, as a non-executive director of Compagnie Financière Richemont SA, and as a board member of the Social Justice Initiative.

Her entrepreneurial skills and significant board experience are extremely valuable to the board and management team.

### Re-election as a director and as a member of the audit and risk committee




**ARC**  
**RNC**  
**IC**

**JP Landman (66)**  
Lead independent non-executive director  
BA LLB – University of Stellenbosch  
MPhil in Future Studies (cum laude) – University of Stellenbosch  
Programme on Macroeconomic Policy Management – Harvard  
The Economies of the BRICS Countries – Oxford University, Continuing Education  
**Date of board appointment: 2018**

JP is an independent analyst, focusing on trends in politics, economics, demographics and social capital. His experience as a top-rated analyst in the listed environment gives him a good understanding of listed entities and relevant market forces.

JP has previously served on President Thabo Mbeki's economic advisory panel and was a member of the National Planning Commission. With this in-depth knowledge of the economy and market environment, he provides key input to the board and management, especially as Libstar's strategy is built on identifying market trends and implementing a strategy that withstands economic cycles.

### Election as a member of the audit and risk committee



**ARC**

**Anneke Andrews (53)**  
Independent non-executive director  
BCom Accounting (cum laude) – University of Pretoria  
BCom Accounting Honours – University of Pretoria  
**Date of board appointment: 2020**

Anneke is a chartered accountant who served as a partner and director for 19 of her 28 years at Deloitte, where she held several leadership roles and served as a lead client services director on a number of key clients. Her diverse experience spans audit, risk and governance, finance, human capital, business management and leadership across a wide spectrum of industries.

She has extensive experience in assisting management in achieving their goals by mobilising the appropriate strategies and allocating the required resources in a prioritised manner. Her ability to find creative solutions, coupled with innovative thinking and a keen interest in the opportunities that future trends and technologies offer, are particularly valuable to Libstar in challenging existing paradigms.

*The remuneration and nomination committees were combined in November 2020. JP is the chairman overseeing nomination-related matters of the combined committee.*

**ARC** Audit and risk committee

**RNC** Remuneration and nomination committee

**SEC** Social and ethics committee

**IC** Investment committee

**Chairman**

## Annexure A – Profiles of directors offering themselves for election or re-election (continued)

Election as a member of the  
audit and risk committee
**Sibongile Masinga (55)**  
 Independent non-executive  
 director

BCom – Unisa  
 US-SA Leadership & Entrepreneurship  
 Programme – Wharton School of  
 Business

**Date of board appointment: 2018**

Sibongile is a co-founder and shareholder of Afropulse Group, a women-led investment, corporate advisory and investor relations group. She has served as a non-executive director of several JSE-listed companies. She currently serves on the boards of Bidvest Limited and Botshilu Private Hospitals and their related sub-committees. She acted as the interim CEO of Delta Property Fund Limited and is currently overseeing a hand-over as an executive. She serves as a member of the Council of the Durban University of Technology, and serves on related board sub-committees.

Her past directorship of the finance and grant committee of the Manufacturing, Engineering and Related Services Sector (merSETA) has given her the relevant knowledge to assist Libstar as a manufacturer.

As the previous chairman and now a member of the audit and risk committee, Sibongile has provided valuable advice on the formulation of Libstar's risk management framework.

Election as a member of the  
audit and risk committee
**Sandeep Khanna (48)**  
 Independent non-executive  
 director

Chartered Global Management  
 Accountant  
 Associate Member of the Chartered  
 Institute of Management Accountants (UK)

**Date of board appointment: 2014**

Sandeep is a seasoned investor and pioneer of private equity, with more than 25 years of investing and fund management experience in Africa. This experience ranges from venture capital and early-stage investing to management buyouts and building of companies in sub-Saharan Africa across several sectors.

His track record of investing in Africa through direct investment, investment committee membership and senior key leadership positions held at two leading emerging market fund management firms provides relevant experience to Libstar as an African group that continues to evaluate acquisitions that will ensure growth.

As a chartered management accountant in the United Kingdom, Sandeep's understanding of the global markets to which Libstar exports has allowed him to provide critical input as member of the investment committee.

*The remuneration and nomination committees were combined in November 2020. Sandeep is the chairman overseeing remuneration-related matters of the combined committee.*

**ARC** Audit and risk  
 committee

**RNC** Remuneration and  
 nomination committee

**SEC** Social and ethics  
 committee

**IC** Investment  
 committee

Chairman

## Annexure B

### Form of proxy

#### LIBSTAR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

#### Annual General Meeting ("AGM")

Wednesday, 1 June 2022 at 10:00 entirely through electronic communication.

I/We,

being a Shareholder of Libstar Holdings Limited do hereby appoint

or, failing him/her

or, failing him/her, the chairman of the AGM, as my/our proxy to vote or abstain from voting on my/our behalf at the AGM of the Company to be held through electronic communication on **Wednesday, 1 June 2022 at 10:00** and at any adjournment thereof, in respect of the resolutions below (without modifications thereto) as follows:

Ordinary resolutions	Number of voting rights (shares)		
	In favour	Against	Abstain
1. Re-election of directors			
1.1 Re-election of Ms W Luhabe as director			
1.2 Re-election of Mr JP Landman as director			
2. Appointment of audit and risk committee members			
2.1 Election of Mr JP Landman as member			
2.2 Election of Ms A Andrews as member			
2.3 Election of Ms S Masinga as member			
2.4 Election of Mr S Khanna as member			
3. Re-appointment of Moore Cape Town Incorporated as independent external auditor			
4. Endorsement of remuneration policy			
5. Endorsement of remuneration implementation report			
6. General authority to issue shares for cash			
7. General signatory authority			
<b>Special resolutions</b>			
1. Approval of the remuneration of directors			
1.1 Chairman of the board of directors			
1.2 Independent non-executive director			
1.3 Chairman of the audit and risk committee			
1.4 Member of the audit and risk committee			
1.5 Chairman of the remuneration committee			
1.6 Member of the remuneration committee			
1.7 Chairman of the nomination committee			
1.8 Member of the nomination committee			
1.9 Chairman of the social and ethics committee			
1.10 Member of the social and ethics committee			
1.11 Chairman of the investment committee			
1.12 Member of the investment committee			
2. General authority to provide financial assistance			
3. General authority to repurchase shares			

(Indicate instructions to proxy by way of a cross in the spaces provided above, failing which the proxy may vote as he/she thinks fit.)

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2022

Signature \_\_\_\_\_

Each holder entitled to attend and vote at the meeting is entitled to appoint one or more individuals as proxy/ies to attend, participate in, speak and vote or abstain from voting in his/her/its stead.

A proxy need not be a person entitled to vote at the meeting. My/our proxy may (subject to any restriction set out herein)/may not delegate the proxy's authority to act on behalf of me/us to another person (delete as appropriate).

This form of proxy will lapse and cease to be of force and effect immediately after the AGM of the Company or any adjournment(s) thereof, unless it is revoked earlier.

## Annexure C

### Notes to the form of proxy

#### LIBSTAR HOLDINGS Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

1. Shareholders are advised that the Company has appointed The Meeting Specialists (Pty) Ltd ("TMS") as its proxy receiving agent
  2. Proxy appointment must be in writing, dated and signed by the shareholder.
  3. Forms of Proxy must be presented via email to TMS at **proxy@tmsmeetings.co.za** to be received on or before **10:00 on Monday, 30 May 2022.**
  4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the holder's choice in the space provided, with or without deleting "the chairman of the meeting". Any such deletion must be initialled by the shareholder.
  5. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant percentage of voting rights exercisable by that holder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting, as he deems fit, in respect of all the shareholder's voting rights exercisable thereat, but where the proxy is the chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
  6. A shareholder or his proxy is not obliged to use all the voting rights exercisable by the shareholder or by his proxy, but the total of the voting rights cast and in respect whereof abstention is recorded may not exceed the total of the voting rights exercisable by the shareholder or by his proxy.
  7. A shareholder's authorisation to the proxy, including the chairman of the meeting, to vote on his or her behalf, shall be deemed to include the authority to vote on procedural matters at the meeting.
  8. The completion and lodging of this Form of Proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat and the exclusion of any proxy appointed in terms hereof should such shareholder wishes to do so.
  9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this form. Without limiting the generality hereof, the Company will accept a valid identity document, a valid driver's licence or a valid passport as satisfactory identification.
  10. Any alteration to this form must be initialled by the signatory(ies).
  11. A shareholder may revoke the proxy appointment by: (i) cancelling it in writing with a copy to the Company secretary, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to proxy@tmsmeetings.co.za to be received before the replacement proxy exercises any rights of the shareholder, or any adjournment(s) thereof.
  12. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's/proxies' authority to act on behalf of the shareholder as of the later of: (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument was delivered as required in paragraph 11.
- In compliance with the provisions of Section 58(8)(b)(i) of the Act, a summary of the rights of a shareholder to be represented, as set out in Section 58 of the Act, is set out immediately below:**
1. A shareholder entitled to attend and vote at the AGM may appoint any individual (or two or more individuals) as a representative/proxy or as representatives/proxies to attend, participate in and vote at the AGM. A representative/proxy need not be a shareholder of the Company.
  2. A letter of representation or proxy appointment must be in writing, dated and signed by the shareholder appointing a representative/proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the AGM.
  3. A representative/proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the representative/proxy.
  4. The appointment of a representative/proxy is suspended at any time and to the extent that the shareholder who appointed such representative/proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
  5. The appointment of a representative/proxy is revocable by the shareholder in question cancelling it in writing or making a later inconsistent appointment of a representative/proxy, and delivering a copy of the revocation instrument to the representative/proxy and to the Company. The revocation of a representative/proxy appointment constitutes a complete and final cancellation of the representative/proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
  6. If the instrument appointing the representative/proxy or representatives/proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Act or the Company's Mol to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the representative/s, proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

## Annexure D

# Registration form to participate in the virtual annual general meeting

To be held on 1 June 2022 at 10:00

### LIBSTAR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

- Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication ("**Participants**"), must register with the Company's meeting scrutineers to do so by sending the signed form below ("**the application**") to The Meeting Specialists (Pty) Ltd ("**TMS**") at email [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) by no later than **09:00 on 30 May 2022**.
- The application may also be delivered to The Meeting Specialists (Pty) Ltd, JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, 2196, so as to be received by the meeting scrutineers by no later than the time and date set out above.
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant ("**CSDP**") or Broker in the manner and time stipulated in their agreement with their CSDP or Broker:
  - to furnish them with their voting instructions; and
  - the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the AGM through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the AGM, must provide TMS with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between **26 May 2022 to 30 May 2022** via email/mobile with a unique link to allow them to participate in the virtual general meeting.
- The cut-off time, for administrative purposes, to participate in the meeting will be at **09:00 on 30 May 2022**.
- The Participant's unique access credentials will be forwarded to the email/cell number provided below.
- Please take note of the virtual meeting guide for shareholders in Annexure E.

Application form	
Name and surname of shareholder	
Name and surname of shareholder representative (If applicable)	
ID number of shareholder or representative	
Email address	
Cell number	
Telephone number	
Name of CSDP or Broker (If shares are held in dematerialised format)	
SCA number/Broker account number or own name account number	
Number of shares	
Signature	
Date	



**Annexure D** – Registration form to participate in the virtual annual general meeting (continued)

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Libstar Holdings Limited, the Johannesburg Stock Exchange Limited ("**JSE**"), The Meeting Specialists (Pty) Ltd ("**TMS**") (virtual platform service provider) and/or its third party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Libstar Holdings Limited, the JSE, TMS and/or its third party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the annual general meeting.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and delivered or e-mailed to TMS at **proxy@tmsmeetings.co.za**.

By signing this registration form, I agree and consent to the processing of my personal information above for the purpose of participation in the annual general meeting.

Shareholder name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

## Annexure E

# Virtual meeting guide for shareholders

### How to access the virtual meeting

1. In order to participate and vote in the meeting, each user must have an internet-enabled device (phone, laptop, desktop) capable of browsing to a regular website (in order to vote and participate).
2. Closer to the meeting date or on the day of the virtual meeting, you will receive a link and a password to enter the virtual meeting room.
3. Click on the link and you will be directed to the meeting platform.
4. An additional unique link will be sent, individually, to each shareholder who has made contact with The Meeting Specialist (Pty) Ltd at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) and who has successfully been validated to vote at the meeting.
5. Guests will only be allowed to observe and listen to the proceedings of the meeting.

### Navigating the meeting platform

1. Shareholders who would like to pose questions, please click on the Q&A icon on the bottom of your screen, to ask your question.
2. If you have a question on a particular resolution, please type your name, the resolution number, followed by your question and press enter or send.
3. Alternatively, if you would like to address the meeting directly, please click on the raise your hand icon. Once the chairperson has identified you, your microphone will be un-muted, and you will be able to address the meeting.

### How to exercise your votes

1. All shareholders or their representatives, who have requested to vote, would have received a link from Digital Cabinet to either their phone number or email address.
2. The voting will be available on all the resolutions when the chairman opens the meeting.
3. Please click on the **vote now** link and it will direct you to the voting platform.
4. You will notice that the voting platform contains all the resolutions which have been published in the notice of meeting, with your votes automatically defaulted to Abstain.
5. Please note – Once you click submit, your votes can not be retracted and re-voted.
6. You may vote on all the resolutions simultaneously by defaulting all your votes as either “For” or “Against” or keeping it as an “Abstained” vote and then clicking on the submit button on the bottom of the electronic ballot form.
7. You may also indicate your votes individually, per resolution, by selecting the relevant option (For, Against or Abstain), on a resolution by resolution basis.
8. Once you have voted on all the resolutions, scroll down to the bottom of the page and click submit.
9. You will receive a message on your screen confirming that your votes have been received.
10. Once again, please ensure that you have selected the correct option on a resolution. Either For or Against or Abstain before clicking the submit button.

**You will only be able to access both the meeting platform and the voting platform 10 minutes prior to commencement of the virtual meeting.**

## Annexure F

### Abridged annual financial statements 2021

#### Condensed consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 R'000	2020* R'000
<b>CONTINUING OPERATIONS</b>			
Revenue		10 001 375	9 339 423
Cost of sales		(7 697 789)	(7 060 843)
<b>Gross profit</b>		<b>2 303 586</b>	2 278 580
Other income	6	18 839	44 255
Gains/(losses) on foreign exchange and disposal of property, plant and equipment	7.1	31 663	371
Operating expenses	7.2	(1 841 700)	(1 973 426)
<b>Operating profit</b>		<b>512 388</b>	349 780
Investment income		26 245	44 705
Finance costs		(182 800)	(218 668)
<b>Profit before tax</b>		<b>355 833</b>	175 817
Income tax expense		(53 113)	(106 496)
<b>Profit for the year from continuing operations</b>		<b>302 720</b>	69 321
<b>DISCONTINUED OPERATIONS</b>			
(Loss)/profit for the year from discontinued operations	8	(148 315)	4 210
<b>TOTAL PROFIT FOR THE YEAR</b>		<b>154 405</b>	73 531
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>			
<b>Items that may be reclassified to profit or loss</b>		(26 974)	3 340
(Loss)/gains on hedging reserves		(16 755)	10 241
Hedging gains reclassified to profit or loss		(10 241)	(8 067)
<b>Items that will never be reclassified to profit or loss</b>		22	1 166
Defined benefit plan actuarial gains			
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>127 431</b>	76 871
Profit attributable to:			
Equity holders of the parent		157 945	73 713
Non-controlling interest		(3 540)	(182)
		<b>154 405</b>	73 531
Total comprehensive income attributable to:			
Equity holders of the parent		130 971	77 053
Non-controlling interest		(3 540)	(182)
		<b>127 431</b>	76 871
Total comprehensive income attributable to equity holders of the parent arises from:			
Continuing operations		279 286	72 843
Discontinued operations		(148 315)	4 210
		<b>130 971</b>	77 053
Basic earnings per share (cents)			
	9.1	26.5	12.4
From continuing operations	9.1	51.4	11.7
From continuing and discontinued operations	9.1	(24.9)	0.7
Diluted earnings per share (cents)			
	9.2	26.5	12.3
From continuing operations	9.2	51.3	11.6
From continuing and discontinued operations	9.2	(24.8)	0.7

\* The comparative profit or loss is restated as if the Chet Chemicals and Contactim operations had been discontinued from the start of the prior year.

Annexure F – Abridged annual financial statements 2021 (continued)

## Condensed consolidated statement of financial position

**AS AT 31 DECEMBER 2021**

	Notes	2021 R'000	2020 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>5 891 291</b>	6 445 545
Property, plant and equipment	10	1 456 947	1 507 815
Right-of-use assets	11	504 352	649 533
Goodwill		2 275 328	2 337 192
Intangible assets		1 644 890	1 938 095
Other financial assets		8 200	11 402
Deferred tax assets		1 574	1 508
<b>Current assets</b>		<b>3 687 791</b>	4 089 453
Inventories		1 407 955	1 314 971
Trade and other receivables		1 609 923	1 752 824
Biological assets		33 214	31 294
Other financial assets		3 996	37 962
Current tax receivable		40 101	16 189
Cash and bank balances		592 602	936 213
<b>Assets classified as held for sale</b>	8.3	<b>408 397</b>	–
<b>TOTAL ASSETS</b>		<b>9 987 479</b>	10 534 998
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity holders of the parent</b>		<b>5 337 756</b>	5 357 635
Share capital		4 727 314	4 727 314
Defined benefit plan reserve		(901)	(923)
Share-based payment reserve		6 554	7 798
Retained earnings		696 712	688 373
Premium on acquisition of non-controlling interests		(75 168)	(75 168)
Hedging reserves		(16 755)	10 241
<b>Non-controlling interests</b>		<b>6 171</b>	9 711
<b>Total equity</b>		<b>5 343 927</b>	5 367 346
<b>Non-current liabilities</b>		<b>2 707 329</b>	3 446 977
Other financial liabilities		1 579 495	2 073 079
Lease liabilities	11	566 474	692 372
Deferred tax liabilities		536 923	659 191
Employee benefits		8 650	8 400
Share-based payments		15 787	13 935
<b>Current liabilities</b>		<b>1 711 943</b>	1 720 675
Trade and other payables		1 476 696	1 456 852
Other financial liabilities		140 652	171 325
Lease liabilities		93 302	90 596
Current tax payable		1 293	1 717
Bank overdraft		–	185
<b>Liabilities directly associated with assets classified as held for sale</b>	8.3	<b>224 280</b>	–
<b>Total liabilities</b>		<b>4 643 552</b>	5 167 652
<b>Total equity and liabilities</b>		<b>9 987 479</b>	10 534 998

Annexure F – Abridged annual financial statements 2021 (continued)

## Condensed consolidated statement of changes in equity

### FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital R'000	Defined benefit plan reserve <sup>1</sup> R'000	Share-based payment reserve <sup>2</sup> R'000	Premium on acquisition of non-controlling interests <sup>3</sup> R'000	Retained earnings R'000	Hedging reserves <sup>4</sup> R'000	Non-controlling interests R'000	Total R'000
<b>Balance at 1 January 2020</b>	4 727 314	(2 089)	2 211	(75 168)	764 266	8 067	9 893	5 434 494
<b>Total comprehensive income/(loss) for the year</b>	–	1 166	–	–	73 713	2 174	(182)	76 871
Profit/(loss) for the year	–	–	–	–	73 713	–	(182)	73 531
Other comprehensive income for the year	–	1 166	–	–	–	2 174	–	3 340
<b>Transactions with owners of the Company</b>								
<b>Contributions and distributions</b>	–	–	–	–	(149 606)	–	–	(149 606)
Dividends paid	–	–	–	–	(149 606)	–	–	(149 606)
<b>Share-based payment expenses</b>	–	–	5 587	–	–	–	–	5 587
Group share plan	–	–	5 587	–	–	–	–	5 587
<b>Balance at 31 December 2020</b>	<b>4 727 314</b>	<b>(923)</b>	<b>7 798</b>	<b>(75 168)</b>	<b>688 373</b>	<b>10 241</b>	<b>9 711</b>	<b>5 367 346</b>
<b>Total comprehensive income for the year/(loss)</b>	–	<b>22</b>	–	–	<b>157 945</b>	<b>(26 996)</b>	<b>(3 540)</b>	<b>127 431</b>
Profit/(loss) for the year	–	–	–	–	<b>157 945</b>	–	<b>(3 540)</b>	<b>154 405</b>
Other comprehensive income/(loss) for the year	–	<b>22</b>	–	–	–	<b>(26 996)</b>	–	<b>(26 974)</b>
<b>Transactions with owners of the Company</b>								
<b>Contributions and distributions</b>	–	–	–	–	<b>(149 606)</b>	–	–	<b>(149 606)</b>
Dividends paid	–	–	–	–	<b>(149 606)</b>	–	–	<b>(149 606)</b>
<b>Share-based payment expenses, net of tax</b>	–	–	<b>(1 244)</b>	–	–	–	–	<b>(1 244)</b>
Group share plan	–	–	<b>668</b>	–	–	–	–	<b>668</b>
Payment	–	–	<b>(1 912)</b>	–	–	–	–	<b>(1 912)</b>
<b>Balance at 31 December 2021</b>	<b>4 727 314</b>	<b>(901)</b>	<b>6 554</b>	<b>(75 168)</b>	<b>696 712</b>	<b>(16 755)</b>	<b>6 171</b>	<b>5 343 927</b>

1. Defined benefit plan reserve comprises actuarial gains or losses in respect of defined benefit obligations that are recognised in other comprehensive income.

2. Share-based payment reserve represents the grant date fair value of the Group's equity settled share-based payments (GSP) over the vesting period of GSP.

3. Premium on non-controlling interest represents the difference between the carrying amount of the non-controlling interests and the fair value of the consideration given on acquisition of non-controlling interests.

4. Hedging reserves represents the gains relating to foreign currency transactions recognised in other comprehensive income.

Annexure F – Abridged annual financial statements 2021 (continued)

## Condensed consolidated statement of cash flows

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 R'000	2020 R'000
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>786 055</b>	637 832
Cash generated from operations	13	<b>1 035 040</b>	908 679
Finance income received		<b>26 245</b>	44 720
Finance costs paid		<b>(128 732)</b>	(165 146)
Taxation paid		<b>(146 498)</b>	(150 421)
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>(219 106)</b>	(322 189)
Purchase of property, plant and equipment and computer software		<b>(226 403)</b>	(328 042)
Proceeds on disposal of property, plant and equipment and computer software		<b>933</b>	8 085
Other loans repaid to the Group		<b>6 364</b>	4 772
Other loans granted by the Group		–	(8 200)
Loans repaid by shareholders to the Group		–	1 812
Acquisition of business		–	(616)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(910 375)</b>	(234 230)
Repayment of other loans payable		–	(2 235)
Repayment of loans from related parties		<b>(2 118)</b>	–
Capital portion of lease payments		<b>(155 990)</b>	(149 132)
Proceeds from term loans and asset based financing		–	156 727
Repayment of term loans and asset based financing		<b>(602 661)</b>	(89 984)
Dividend paid		<b>(149 606)</b>	(149 606)
Net (decrease)/increase in cash and cash equivalents		<b>(343 426)</b>	81 413
Cash and cash equivalents at the beginning of the year		<b>936 028</b>	854 615
Cash and cash equivalents at the end of the year		<b>592 602</b>	936 028
Cash flows of discontinued operation	8.1	<b>(29 362)</b>	(45 501)

\* The Consolidated Statement of cash flows represents both continued and discontinued operations' combined cash flows.

Annexure F – Abridged annual financial statements 2021 (continued)

## Condensed consolidated segmental information

FOR THE YEAR ENDED 31 DECEMBER 2021

### Basis of segmentation

The executive management team of the Group, the chief operating decision maker, has chosen to organise the Group into categories and manage the operations in that manner. The information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is based on five categories.

The following summary describes each segment:



#### PERISHABLES

Perishable products are products that are refrigerated.



#### GROCERIES

Groceries (also known as “shelf-stable” groceries) is a category of foods that can be stored and preserved at room temperature. The category also includes beverages and specialised food packaging.



#### SNACKS & CONFECTIONERY

Premium snacks and confectionery products.



#### BAKING & BAKING AIDS

Baked goods, specialised gluten free offerings and baking aids.



#### HOUSEHOLD & PERSONAL CARE

Detergents and household cleaning products as well as personal care products.



## Annexure F – Abridged annual financial statements 2021 (continued)

	2021 R'000	2020 R'000
<b>INFORMATION ABOUT REPORTABLE SEGMENTS</b>		
<b>Revenue from contracts with customers</b>		
Perishables	5 208 847	4 648 219
Groceries	3 337 462	3 254 215
Snacks and Confectionery	539 940	574 257
Baking and Baking Aids	859 626	802 178
Household and Personal Care	55 500	60 554
	<b>10 001 375</b>	9 339 423
Revenue comprised as follows:		
Total revenue for reportable segments	<b>10 106 739</b>	9 377 522
Elimination of inter segment revenue	<b>(105 364)</b>	(38 099)
Perishables	<b>(24 479)</b>	(7 552)
Groceries	<b>(70 121)</b>	(23 965)
Snacks and Confectionery	<b>(6 843)</b>	(3 203)
Baking and Baking Aids	<b>(3 921)</b>	(3 179)
Household and Personal Care	–	(200)
	<b>10 001 375</b>	9 339 423
<b>Operating profit (EBIT)</b>		
Perishables	<b>251 123</b>	13 383
Groceries	<b>354 175</b>	344 019
Snacks and Confectionery	<b>73 832</b>	53 538
Baking and Baking Aids	<b>47 945</b>	55 710
Household and Personal Care	<b>(82 382)</b>	1 370
Corporate	<b>(132 305)</b>	(118 240)
	<b>512 388</b>	349 780
<b>Reconciliation of operating profit per segment to profit before tax</b>		
Operating profit	<b>512 388</b>	349 780
Investment income	<b>26 245</b>	44 705
Finance costs	<b>(182 800)</b>	(218 668)
Profit before tax	<b>355 833</b>	175 817

The chief operating decision maker reviews the revenue and operating profit on a regular basis. The chief operating decision maker does not evaluate any of the Group's assets or liabilities on a segmental basis for decision making purposes.



## Annexure F – Abridged annual financial statements 2021 (continued)

	2021 R'000	2020 R'000
<b>NORMALISED EBIT AND EBITDA</b>		
<b>Group – continuing operations</b>		
Operating profit	512 388	349 780
Amortisation of customer relationships	127 339	127 339
Due diligence costs	–	286
Expenses relating to share-based payments	4 568	13 990
Government grants	(706)	(840)
Impairment losses on goodwill and other assets	73 253	203 820
Loss on disposal of property, plant and equipment	357	2 823
Restructuring	–	–
Retrenchment and settlement costs	35 765	15 749
Strategic advisory fees	10 786	–
Unrealised (gain)/loss on foreign exchange	(20 553)	21 733
<b>Normalised EBIT</b>	<b>743 197</b>	<b>734 680</b>
Amortisation of software and website costs	12 991	12 009
Depreciation of property, plant and equipment and right-of-use assets	312 500	296 932
<b>Normalised EBITDA (including effect of IFRS 16)</b>	<b>1 068 688</b>	<b>1 043 621</b>
Less: lease payments and lease modifications	(144 467)	(129 152)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>924 221</b>	<b>914 469</b>
<b>Perishables</b>		
Operating profit	251 123	13 383
Amortisation of customer relationships	48 991	43 610
Government grants	(19)	(72)
Impairment losses on goodwill and other assets	–	203 820
Profit on disposal of property, plant and equipment	(3 255)	(1 260)
Retrenchment and settlement costs	22 366	5 128
Unrealised (gain)/loss on foreign exchange	(7 054)	6 487
<b>Normalised EBIT</b>	<b>312 152</b>	<b>271 096</b>
Amortisation of software and website costs	4 251	4 146
Depreciation of property, plant and equipment and right-of-use assets	143 512	133 626
<b>Normalised EBITDA (including effect of IFRS 16)</b>	<b>459 915</b>	<b>408 868</b>
Less: lease payments and lease modifications	(49 824)	(44 069)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>410 091</b>	<b>364 799</b>
<b>Groceries</b>		
Operating profit	354 175	344 019
Amortisation of customer relationships	65 859	71 240
Government grants	(526)	(607)
Loss on disposal of property, plant and equipment	2 108	3 006
Retrenchment and settlement costs	4 286	4 341
Unrealised (gain)/loss on foreign exchange	(12 082)	14 525
<b>Normalised EBIT</b>	<b>413 820</b>	<b>436 524</b>
Amortisation of software and website costs	2 176	1 897
Depreciation of property, plant and equipment and right-of-use assets	94 719	90 494
<b>Normalised EBITDA (including effect of IFRS 16)</b>	<b>510 715</b>	<b>528 915</b>
Less: lease payments and lease modifications	(53 247)	(50 209)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>457 468</b>	<b>478 706</b>

## Annexure F – Abridged annual financial statements 2020 (continued)

	2021 R'000	2020 R'000
<b>Snacks and Confectionery</b>		
Operating profit	<b>73 832</b>	53 538
Amortisation of customer relationships	<b>4 402</b>	4 402
Government grants	<b>(16)</b>	–
Loss on disposal of property, plant and equipment	<b>865</b>	564
Retrenchment and settlement costs	<b>–</b>	2 109
Strategic advisory fees	<b>536</b>	–
Unrealised (gain)/loss on foreign exchange	<b>(1 318)</b>	666
<b>Normalised EBIT</b>	<b>78 301</b>	61 279
Amortisation of software and website costs	<b>3 299</b>	2 099
Depreciation of property, plant and equipment and right-of-use assets	<b>28 800</b>	26 283
<b>Normalised EBITDA (including effect of IFRS 16)</b>	<b>110 400</b>	89 661
Less: lease payments and lease modifications	<b>(21 408)</b>	(12 450)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>88 992</b>	77 211
<b>Baking and Baking Aids</b>		
Operating profit	<b>47 945</b>	55 710
Amortisation of customer relationships	<b>6 870</b>	6 870
Loss on disposal of property, plant and equipment	<b>606</b>	458
Retrenchment and settlement costs	<b>–</b>	391
Unrealised (gain)/loss on foreign exchange	<b>(99)</b>	55
<b>Normalised EBIT</b>	<b>55 322</b>	63 484
Amortisation of software and website costs	<b>1 164</b>	986
Depreciation of property, plant and equipment and right-of-use assets	<b>39 696</b>	39 537
<b>Normalised EBITDA (including effect of IFRS 16)</b>	<b>96 182</b>	104 007
Less: lease payments and lease modifications	<b>(14 941)</b>	(16 833)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>81 241</b>	87 174
<b>Household and Personal Care</b>		
Operating (loss)/profit	<b>(82 382)</b>	1 370
Amortisation of customer relationships	<b>1 217</b>	1 217
Impairment losses on goodwill and intangible assets	<b>73 253</b>	–
Loss on disposal of property, plant and equipment	<b>5</b>	–
Retrenchment and settlement costs	<b>465</b>	–
<b>Normalised EBIT</b>	<b>(7 442)</b>	2 587
Amortisation of software and website costs	<b>–</b>	–
Depreciation of property, plant and equipment and right-of-use assets	<b>1 703</b>	2 081
<b>Normalised EBITDA (including effect of IFRS 16)</b>	<b>(5 739)</b>	4 668
Less: lease payments and lease modifications	<b>(1 857)</b>	(1 736)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>(7 596)</b>	2 932

## Annexure F – Abridged annual financial statements 2021 (continued)

	2021 R'000	2020 R'000
<b>Corporate</b>		
Operating loss	(132 305)	(118 240)
Due diligence costs	–	286
Expenses relating to share-based payments	4 568	13 990
Government grants	(145)	(161)
Loss on disposal of property, plant and equipment	28	55
Retrenchment and settlement costs	8 648	3 780
Strategic advisory fees	10 250	–
<b>Normalised EBIT</b>	<b>(108 956)</b>	(100 290)
Amortisation of software and website costs	2 101	2 881
Depreciation of property, plant and equipment and right-of-use assets	4 070	4 911
<b>Normalised EBITDA (including effect of IFRS 16)</b>	<b>(102 785)</b>	(92 498)
Less: lease payments and lease modifications	(3 190)	(3 856)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>(105 975)</b>	(96 354)
<b>Export revenue</b>		
The Group mainly operates in South Africa. Revenue derived from customers domiciled within South Africa is classified as revenue from South Africa. Revenue from customers domiciled outside of South Africa is classified as export revenue.		
Export revenue for the year	1 214 705	1 181 794

	2021 %	2020 %
<b>Major customers</b>		
During the year under review, revenue from certain customers exceeded 10% of total revenue.		
Customer A	22%	22%
Customer B	14%	16%
Customer C	9%	10%

The above customers trade with the Group across all five segments. The contribution of each customer to total revenue is therefore spread across multiple segments.

**Revenue by channel**

Previously the Group disaggregated and disclosed revenue solely by segment. In order to improve and align the disclosures contained outside of the results, the revenue disaggregation by channel and each channel's contribution to revenue, has been disclosed for the first time in the consolidated annual financial statements.

	2021 R'000	2020 R'000	Change %
Retail and wholesale	5 697 209	5 681 420	0.3
Food service	1 865 498	1 397 776	33.5
Exports	1 214 705	1 181 793	2.8
Industrial and contract manufacturing	1 223 963	1 078 434	13.5
<b>Total Group revenue</b>	<b>10 001 375</b>	9 339 423	7.1

## Annexure F – Abridged annual financial statements 2021 (continued)

## Contribution to Group revenue

	2021 %	2020 %
Retail and wholesale	57.0	60.8
Food service	18.7	15.0
Exports	12.1	12.7
Industrial and contract manufacturing	12.2	11.5
<b>Total Group revenue</b>	<b>100.0</b>	<b>100.0</b>

2021	Perishables	Groceries	Snacks and Confectionery	Baking and Baking Aids	Household and personal care	Total
<b>Revenue by channel</b>						
Retail and wholesale	3 048 648	1 432 775	436 308	723 978	55 500	5 697 209
Food service	1 472 228	296 864	4 082	92 324	–	1 865 498
Exports	266 696	908 445	8 057	31 507	–	1 214 705
Industrial and contract manufacturing	421 275	699 378	91 493	11 817	–	1 223 963
	<b>5 208 847</b>	<b>3 337 462</b>	<b>539 940</b>	<b>859 626</b>	<b>55 500</b>	<b>10 001 375</b>
<b>2020</b>						
<b>Revenue by channel</b>						
Retail and wholesale	2 956 702	1 486 529	485 280	692 355	60 554	5 681 420
Food service	1 120 889	212 700	312	63 875	–	1 397 776
Exports	208 520	930 700	8 324	34 249	–	1 181 793
Industrial and contract manufacturing	362 108	624 286	80 341	11 699	–	1 078 434
	4 648 219	3 254 215	574 257	802 178	60 554	9 339 423

Annexure F – Abridged annual financial statements 2021 (continued)

# Notes to the condensed consolidated financial statements

**FOR THE YEAR ENDED 31 DECEMBER 2021**

## 1. Reporting entity

Libstar is a leading producer and supplier of high-quality products in the CPG industry and markets a wide range of products in South Africa and globally. The Group provides a multi-product offering in several categories across multiple channels, while strategically positioning itself within the food and beverage sector and maintaining the flexibility to capitalise on growth areas in the CPG industry.

## 2. Basis of preparation and report of the independent auditor

The summarised consolidated financial statements of the Group for the year ended 31 December 2021 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements (“The Listings Requirements”) for preliminary reports, and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the information required by IAS 34 – Interim Financial Reporting. This summarised report is extracted from audited information, but has not been audited.

These summarised consolidated financial statements and the audited consolidated annual financial statements, were prepared under the supervision of CB de Villiers CA(SA), the Group Chief Financial Officer. The results were approved by the board of directors on 15 March 2022 and the directors take full responsibility for the preparation thereof.

The consolidated annual financial statements were audited by Moore Cape Town Inc., who expressed an unmodified opinion thereon. The audited consolidated annual financial statements and the auditor’s report thereon are available for inspection at the Company’s registered office.

## 3. Accounting policies

The accounting policies used in the preparation of the condensed consolidated annual financial statements were derived from and are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

Certain new accounting standards and interpretations have been published that are effective for the current year. These standards are not considered to have a material impact on the Group in the current or future consolidated annual financial statements.

### **New standards and interpretations in issue not yet effective**

Standards, amendments and interpretations issued but not yet effective have been assessed for applicability to the Group and management has concluded that they are neither applicable to the business of the Group nor will have a material impact on future financial statements.

## 4. Judgements and key sources of estimation uncertainty

Management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates.

In preparing these consolidated financial statements, the significant judgements made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were consistent with those applied in the prior year.

The effects of COVID have resulted in certain judgements and estimates being significant in the current year when they had not been in the past. This is due to the uncertainty introduced by the effects of the pandemic, such as collection risk for customers and the cash flows included in estimates of recoverable amounts. Refer to note 16 for further information related to the impact of COVID on the Group.

## Annexure F – Abridged annual financial statements 2021 (continued)

## 5. Normalised EBIT and Normalised EBITDA

The Group adopts normalised earnings before interest and tax (“Normalised EBIT”), normalised earnings before interest, tax, depreciation and amortisation (“Normalised EBITDA”), normalised earnings per share (“Normalised EPS”) and normalised headline earnings per share (“Normalised HEPS”) as financial measures to review, measure and benchmark the operational performance of the individual divisions (that consolidate into the Group) as well as for strategic planning and other commercial decision-making purposes relating to each division.

To arrive at the normalised EBIT and normalised EBITDA measures, respectively, the following adjustments are made to EBIT (operating profit from continuing operations as disclosed in the financial statements).

	Adjustment included in calculation of:	
	Normalised EBIT	Normalised EBITDA
Add back: amortisation of intangible assets in relation to customer contracts and brands with definitive useful lives	Yes	Yes
Add back: amortisation of intangible assets in relation to computer software and website costs	No	Yes
Add back: depreciation on property, plant and equipment and right-of-use assets	No	Yes
Add back: impairment losses on property, plant and equipment, goodwill and intangible assets	Yes	Yes
Add back or deduct: unrealised foreign exchange translation gains or losses	Yes	Yes
Add back: non-recurring items of an operating nature including government grants, due diligence costs in respect of business acquisitions, strategic advisory fees, retrenchment and settlement costs and restructuring costs including amounts payable in respect of onerous contracts.	Yes	Yes
Add back: securities transfer tax paid	Yes	Yes
Add back or deduct: gains and losses on disposal of property, plant and equipment, gains and losses on disposals of assets or disposal groups (businesses) held for sale.	Yes	Yes
Add back: the cost of the Long-term Incentive Plan (LTIP) and the Group Share Plan (GSP).	Yes	Yes

### Normalised EPS and Normalised HEPS

To arrive at normalised EPS, the after-tax earnings from continuing operations (as disclosed in the financial statements), is adjusted for the after-tax impact of the normalised EBIT adjustments shown above.

To arrive at Normalised HEPS, the normalised EPS is adjusted for the after-tax impact of the Headline Earnings Re-measurements, the most common examples of which are (i) impairment losses on property, plant and equipment, goodwill and intangible assets and (ii) gains and losses on disposal of property, plant and equipment, excluding the after-tax impact of separately identifiable re-measurements as defined in accordance with circular 1/2021 Headline Earnings, read with IAS 33 Earnings per share.

	2021 R'000	2020 R'000
<b>6. Other income</b>		
Insurance claims received	11 003	532
Sundry income <sup>1</sup>	5 059	38 012
Government grants <sup>2</sup>	2 086	1 253
Rental income	573	4 103
Bad debts recovered	81	315
Commissions received	37	40
	<b>18 839</b>	<b>44 255</b>

1. Included in prior year's sundry income are two loans payable (Gham Gourmet: R10.0m and G McGregor: R19.7m) which was written off in the prior year.

2. Income from government grants includes income received under the Skills Development Program and the Employer Tax Incentive program.

## Annexure F – Abridged annual financial statements 2021 (continued)

	2021 R'000	2020 R'000
<b>7. Operating profit</b>		
Operating profit from continuing operations is calculated after taking into account the following:		
<b>7.1 GAINS/(LOSSES) ON FOREIGN EXCHANGE AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT</b>		
Gain on foreign exchange	<b>32 020</b>	3 194
Realised gain on foreign exchange	<b>11 467</b>	24 927
Unrealised gain/(loss) on foreign exchange	<b>20 553</b>	(21 733)
Loss on disposal of property, plant and equipment	<b>(357)</b>	(2 823)
	<b>31 663</b>	371
<b>7.2 OPERATING EXPENSES</b>		
Depreciation of property, plant and equipment	<b>60 290</b>	67 458
Depreciation of right-of-use assets	<b>54 773</b>	52 405
Amortisation of computer software	<b>12 991</b>	12 009
Amortisation of customer relationships	<b>127 339</b>	127 339
Impairment loss on goodwill	<b>25 158</b>	198 000
Impairment loss on intangible assets	<b>48 095</b>	–
Impairment loss on buildings	–	5 820
Employee benefits	<b>567 416</b>	588 229
Salaries and wages	<b>532 925</b>	571 471
Retrenchment and settlement costs	<b>34 491</b>	16 758
Due diligence costs	–	286
Credits relating to share appreciation rights granted (LTI scheme)	–	(2 370)
Charges relating to long-term incentive scheme (LTIP scheme)	<b>4 384</b>	7 741
Charges relating to share-based payments (GSP)	<b>184</b>	8 619
Research and development costs expensed as incurred	<b>443</b>	1 420
Auditors remuneration	<b>8 249</b>	7 948
<b>7.3 NATURE OF OPERATING EXPENSES IN COST OF SALES</b>		
Depreciation of property, plant and equipment	<b>141 951</b>	135 881
Depreciation of right-of-use assets	<b>55 486</b>	53 197
Employee benefits	<b>682 556</b>	677 463
Salaries and wages	<b>681 381</b>	677 463
Retrenchment and settlement costs	<b>1 175</b>	–
Lease rentals	<b>21 579</b>	15 401
	<b>2021 R'000</b>	2020 R'000
<b>8. (Loss)/profit from discontinued operations</b>		
(Loss)/profit from discontinued operations	<b>(148 315)</b>	4 210

There were no discontinued operations related to the prior year. The current year loss from discontinued operations recognised in the statement of profit or loss and other comprehensive income consists of the following discontinued operation:

#### 8.1 OPERATIONS HELD FOR SALE – CHET CHEMICALS AND CONTACTIM WITHIN HOUSEHOLD AND PERSONAL CARE SEGMENT

During the last quarter of the reporting period management initiated an active plan to dispose of a significant part of the HPC segment. The associated assets and liabilities were consequently presented as held for sale in the current year. On 21 February 2022 the Group announced its intention to sell the divisions within the HPC segment. The Group signed a binding conditional offer in respect of two of the divisions namely Chet Chemicals and Contactim within the HPC segment. The operations are intended to be sold effective 30 June 2022 and are reported in the current year as discontinued operations.

## Annexure F – Abridged annual financial statements 2021 (continued)

	Note	2021 R'000	2020 R'000
<b>8. (Loss)/profit from discontinued operations</b> (continued)			
<b>8.1 OPERATIONS HELD FOR SALE – CHET CHEMICALS AND CONTACTIM WITHIN HOUSEHOLD AND PERSONAL CARE SEGMENT</b> (continued)			
<b>Financial performance and cash flow information</b>			
The loss for the year from discontinued operations is set out below:			
Revenue		700 046	790 872
Cost of sales		(619 635)	(640 020)
<b>Gross profit</b>		<b>80 411</b>	150 852
Other income		1 434	–
Impairment loss	8.2	(102 557)	–
Operating expenses		(137 065)	(135 194)
<b>Operating (loss)/profit</b>		<b>(157 777)</b>	15 658
Investment income		191	–
Finance costs		(9 168)	(11 448)
<b>(Loss)/profit before tax</b>		<b>(166 754)</b>	4 210
Income tax		18 439	–
<b>(Loss)/profit for the year from discontinued operation</b>		<b>(148 315)</b>	4 210
(Loss)/profit from discontinued operation attributable to:			
Equity holders of the parent		(148 315)	4 210
Non-controlling interest		–	–
		<b>(148 315)</b>	4 210
Net cash inflow from operating activities		39 403	21 121
Net cash outflow from investing activities		(43 509)	(43 767)
Net cash outflow from financing activities		(25 256)	(22 854)
Net decrease in cash generated by the operations		<b>(29 362)</b>	(45 501)
<b>8.2 DETAILS OF THE IMPAIRMENT LOSS RECOGNISED</b>			
Fair value of disposal group less cost to sell		209 320	–
Carrying amount of net assets recognised as held for sale		311 877	–
Property, plant and equipment		123 118	–
Right-of-use assets		69 074	–
Intangibles		98 555	–
Goodwill		36 706	–
Inventories		77 959	–
Trade and other receivables		105 542	–
Lease liabilities		(78 679)	–
Trade and other payables		(120 397)	–
Impairment loss on discontinued operations		102 557	–
Goodwill		36 706	–
Intangibles*		65 851	–
Tax credit on loss		(18 438)	–
Impairment loss after income tax		<b>84 119</b>	–

\* The impairment of intangibles consists of R20 970 (R'000) Brands and R44 881 (R'000) Customer relationships.



## Annexure F – Abridged annual financial statements 2021 (continued)

	Note	2021 R'000	2020 R'000
<b>8. (Loss)/profit from discontinued operations</b> (continued)			
<b>8.3 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE</b>			
The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2021:			
Assets classified as held for sale			
Property, plant and equipment		123 118	–
Right-of-use assets		69 074	–
Intangibles		32 704	–
Inventories		77 959	–
Trade and other receivables		105 542	–
<b>Total assets of disposal group held for sale</b>		<b>408 397</b>	–
Liabilities directly associated with assets classified as held for sale			
Lease liability		78 679	–
Deferred taxation liability		25 204	–
Trade and other payables		120 397	–
<b>Total liabilities of disposal group held for sale</b>		<b>224 280</b>	–

	Note	2021 R'000	2020 R'000
<b>9. Earnings per share</b>			
<b>9.1 BASIC EARNINGS PER SHARE</b>			
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:			
Earnings used in the calculation of basic earnings per share		157 945	73 713
From continuing operations		306 260	69 503
From discontinued operations	8	(148 315)	4 210
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)		595 812	595 812
Basic earnings per share in cents			
From continuing operations		51.4	11.7
From discontinued operations		(24.9)	0.7
From continuing and discontinued operations		26.5	12.4
<b>9.2 DILUTED EARNINGS PER SHARE</b>			
The earnings used in the calculation of diluted earnings per share does not require adjustments. Refer to note 9.1 above for the earnings used in the calculation of diluted earnings per share.			
The weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:			
Weighted average number of ordinary shares for the purposes of diluted earnings per share ('000)		597 430	596 932
Diluted earnings per share in cents			
From continuing operations		51.3	11.6
From discontinued operations		(24.8)	0.7
From continuing and discontinued operations		26.5	12.3
Reconciliation of weighted average number of shares used as the denominator:			
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share		595 812	595 812
Adjustments for calculation of diluted earnings per share:			
Deferred Shares – GSP <sup>1</sup>		1 618	1 120
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share		597 430	596 932

1. Awards to deferred shares granted to executives under the GSP are included in the calculation of diluted earnings per share, assuming all outstanding awards will vest. The deferred shares are not included in the determination of basic earnings per share.

## Annexure F – Abridged annual financial statements 2021 (continued)

	2021 R'000	2020 R'000
<b>9. Earnings per share</b> (continued)		
<b>9.3 NORMALISED EARNINGS PER SHARE (EPS)</b>		
To arrive at Normalised EPS, the after-tax earnings from continuing operations is adjusted for the after-tax impact of the following:		
Profit for the year from continuing operations	<b>306 260</b>	69 503
Normalised for:	<b>112 986</b>	128 189
Amortisation of customer relationships	<b>91 684</b>	91 684
Due diligence costs	–	286
Expenses relating to share-based payments	<b>3 289</b>	10 073
Government grants	<b>(706)</b>	(840)
Retrenchment and settlement costs	<b>25 751</b>	11 339
Strategic advisory fees	<b>7 766</b>	–
Unrealised (gain)/loss on foreign exchange	<b>(14 798)</b>	15 647
Normalised earnings used in the calculation of basic earnings per share	<b>419 246</b>	197 692
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	<b>595 812</b>	595 812
Normalised basic earnings per share in cents	<b>70.4</b>	33.2

**9.4 HEADLINE EARNINGS**

The headline earnings used in the calculation of headline earnings and diluted headline earnings per share are as follows:

	Notes	2021		2020	
		Gross	Net of tax	Gross	Net of tax
<b>Continuing operations</b>					
Basic earnings from continuing operations			<b>306 260</b>		69 503
Adjustments		<b>73 610</b>	<b>60 063</b>	206 643	205 902
Loss on disposal of property, plant and equipment		<b>357</b>	<b>277</b>	2 823	2 082
Impairment of buildings		–	–	5 820	5 820
Impairment of goodwill		<b>25 158</b>	<b>25 158</b>	198 000	198 000
Impairment of intangible assets		<b>48 095</b>	<b>34 628</b>	–	–
Headline earnings from continuing operations			<b>366 323</b>		275 405
<b>Discontinued operations</b>					
Basic earnings from discontinued operations			<b>(148 315)</b>		4 210
Adjustments		<b>102 557</b>	<b>84 119</b>	–	–
Impairment of goodwill	8.2	<b>36 706</b>	<b>36 706</b>	–	–
Impairment of intangible assets	8.2	<b>65 851</b>	<b>47 413</b>	–	–
Headline earnings from discontinued operations			<b>(64 196)</b>		4 210

## Annexure F – Abridged annual financial statements 2021 (continued)

	2021 R'000	2020 R'000
<b>9. Earnings per share</b> (continued)		
<b>9.4 HEADLINE EARNINGS</b> (continued)		
Headline earnings from continuing and discontinued operations	<b>302 127</b>	279 615
Headline earnings per share in cents		
From continuing operations	<b>61.5</b>	46.2
From discontinued operations	<b>(10.8)</b>	0.7
From continuing and discontinued operations	<b>50.7</b>	46.9
Diluted headline earnings per share in cents		
From continuing operations	<b>61.3</b>	46.1
From discontinued operations	<b>(10.7)</b>	0.7
From continuing and discontinued operations	<b>50.6</b>	46.8
<b>9.5 NORMALISED HEADLINE EARNINGS PER SHARE (HEPS)</b>		
To arrive at normalised HEPS, the Normalised EPS is adjusted for the after-tax impact of the below:		
	2021 Net	2020 Net
Normalised basic earnings from continuing operations	<b>419 246</b>	197 692
Adjustments	<b>60 063</b>	205 902
Impairment of goodwill	<b>34 628</b>	198 000
Impairment loss on intangible assets	<b>25 158</b>	–
Impairment of building	–	5 820
Loss on disposal of property, plant and equipment	<b>277</b>	2 082
Normalised headline earnings from continuing operations	<b>479 309</b>	403 594
Normalised headline earnings per share from continuing operations in cents	<b>80.4</b>	67.7

## 10. Property, plant and equipment

During the reporting period, the Group continued to invest in capacity-enhancing projects in targeted growth areas. Capital expenditure of R305 million was incurred during the reporting period (2020: R328 million), representing 3.1% of net revenue (2020: 3.5%). This is in line with the Group's target range of 2.0% to 3.0%, as previously indicated.

As committed, all delayed capital projects were completed in 2021 and are contributing to profitability. Although the majority of projects are now performing at expected revenue levels, as reported before, one project at Millennium Foods and one at Amaro Foods performed behind expectation during H1 2021. At Millennium Foods, the division experienced significant revenue growth in the latter part of H2 2021 owing to a strong performance in frozen own-branded and fresh-private label offerings. The utilisation of the par-bake frozen line at Amaro Foods also continued to improve during the year under review with further roll-out of the products ongoing.

Capital expenditure included a further R94 million investment in respect of hard cheese packing facility upgrades at Lancewood, which brings the total investment in hard cheese production and packaging facilities since 2019 to R199 million. The project is expected to enable Lancewood to service the growing demand for its branded and private label hard cheese products, whilst leveraging economies of scale through increased operating efficiencies. The investment supported a strong double-digit growth in dairy-category Normalised EBITDA during the year under review.

The Finlar division invested R19 million to improve production levels at the beef plant.

There has been no major change in the nature of property, plant and equipment, the policy regarding the use thereof, or the encumbrances over the property, plant and equipment as disclosed in the audited financial statements for the year ended 31 December 2020.

## Annexure F – Abridged annual financial statements 2021 (continued)

	Notes	2021 R'000	2020 R'000
<b>11. Leases</b>			
This note provides information for leases where the Group is a lessee.			
<b>Amounts recognised in the consolidated statement of financial position</b>			
<b>Right-of-use assets</b>			
Non-current asset		<b>504 352</b>	649 533
<b>Lease Liability</b>			
Non-current liabilities		<b>(566 474)</b>	(692 372)
Current liabilities		<b>(93 302)</b>	(90 596)
<b>Right-of-use assets<sup>1</sup></b>			
Right-of-use assets at 1 January		<b>649 533</b>	655 596
Lease modifications <sup>2</sup>		<b>21 353</b>	(761)
Additions		<b>29 096</b>	118 357
Derecognitions		<b>(514)</b>	–
Reclassified as held for sale	8.3	<b>(69 074)</b>	–
Depreciation from continuing operations		<b>(110 259)</b>	(105 602)
Depreciation from discontinued operations		<b>(15 783)</b>	(18 057)
Right-of-use assets at 31 December		<b>504 352</b>	649 533
<b>Lease Liabilities</b>			
Lease liabilities recognised as at 1 January		<b>(782 968)</b>	(753 386)
Lease modifications <sup>2</sup>		<b>(21 049)</b>	761
Additions and terminations		<b>(28 255)</b>	(115 105)
Reclassified as held for sale	8.3	<b>78 679</b>	–
Finance costs		<b>(62 173)</b>	(64 370)
Lease payments		<b>155 990</b>	149 132
Balance at 31 December		<b>(659 776)</b>	(782 968)
1. The majority of the value of the right-of-use assets relate to property leases. Other equipment leases are not material and not disclosed separately.			
2. Lease modifications mainly consist of lease extensions that occurred in the current and prior year.			
<b>Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>			
Depreciation of right-of-use assets from continuing operations		<b>(110 259)</b>	(105 602)
Depreciation of right-of-use assets from discontinued operations		<b>(15 783)</b>	(18 057)
Finance costs in respect of lease liabilities from continuing operations		<b>(55 360)</b>	(59 509)
Finance costs in respect of lease liabilities from discontinued operations		<b>(6 813)</b>	(4 861)
Short-term lease charges*		<b>(20 151)</b>	(31 535)

\* Short-term lease charges are due within the next twelve months.

The total cash outflow for leases in the current year was R156.0m (2020: R149.1m).

There were no significant variable payments related to leases in the current and prior year.

## Annexure F – Abridged annual financial statements 2021 (continued)

**12. Financial Instruments**

At the reporting dates, the financial instruments are classified consistently and at the same levels within the fair value hierarchy. At the reporting dates, the financial assets and liabilities of the Group that are classified at fair value through other comprehensive income comprise forward exchange contracts. These are classified at a Level 2 in terms of the fair value hierarchy.

	2021 R'000	2020 R'000
<b>13. Cash generated from operations</b>		
Profit before taxation from:	<b>189 080</b>	180 027
From continuing operations	<b>355 833</b>	175 817
From discontinued operations	<b>(166 753)</b>	4 210
Adjustments for:	<b>839 076</b>	846 312
Depreciation and amortisation	<b>497 091</b>	491 021
Loss on disposal of property, plant and equipment	<b>5 881</b>	2 683
Impairment loss on intangible assets	<b>25 158</b>	198 000
Impairment loss on building	<b>48 095</b>	–
Impairment loss on discontinued operations	<b>–</b>	5 820
Expected credit loss allowance movement on other financial assets	<b>102 557</b>	–
Expected credit loss allowance movement on trade and other receivables	<b>–</b>	653
Non-cash lease modifications, additions and terminations	<b>(1 956)</b>	(11 590)
Investment income	<b>(903)</b>	(3 252)
Finance costs	<b>(26 245)</b>	(44 720)
Other financial assets written off	<b>191 968</b>	230 130
Sundry income – loans payable written off	<b>–</b>	946
Fair value adjustment on forward exchange contracts	<b>–</b>	(29 754)
Movements in employee benefits – medical aid plan	<b>(2 784)</b>	(427)
Employee benefits contributions paid	<b>281</b>	(17)
Other non-cash movements in employee benefits	<b>(633)</b>	(585)
Movements in share-based payments	<b>914</b>	568
Share-based payments in terms of LTI scheme	<b>124</b>	6 819
Share-based payments	<b>–</b>	(4 139)
Other non-cash movements in share-based payments	<b>(4 444)</b>	–
Changes in working capital:	<b>4 568</b>	10 958
Increase in inventories*	<b>6 693</b>	(117 660)
Decrease in trade and other receivables*	<b>(170 943)</b>	(115 352)
Increase in biological assets	<b>39 293</b>	5 229
Increase/(decrease) in trade and other payables*	<b>(1 920)</b>	(1 887)
	<b>140 263</b>	(5 650)
	<b>1 035 040</b>	908 679

\* Included in the changes in working capital are the non-cash transfers of R77 959 (R'000) inventories, R105 542 (R'000) trade and other receivables and R120 397 (R'000) trade and other payables to assets classified as held for sale.

**14. Subsequent events****ACQUISITION OF UMATIE (PTY) LTD**

On 1 January 2022, the Group acquired a 60% shareholding in Umatie (Pty) Ltd for a consideration of R1.2m which was paid on 31 December 2021. Umatie (Pty) Ltd is a local baby food manufacturer and distributor. The acquisition of the Umatie brand, is expected to expand the Group's Retail and Wholesale footprint within the Perishables segment.

The Group is also in the process of acquiring the factory building for a consideration of R4.1m.

## Annexure F – Abridged annual financial statements 2021 (continued)

**15. Goodwill impairment****2021 IMPAIRMENT**

During the current year the cash-generating group, HPC, which is also a reportable segment within the Group reflected indications of impairment – the segment started to incur losses in the current year. The three divisions within HPC namely Chet Chemicals, Contactim and Glenmor were all impacted. The value in use calculation performed on the whole HPC cash-generating group indicated that an impairment was required. Management is in the process of disposing of Chet Chemicals and Contactim. These divisions were reclassified as held for sale and impaired to fair value less costs to sell in the current year. Refer to Note 7 for impairment losses related to Chet Chemicals and Contactim.

With Glenmor the only remaining division in the HPC cash-generating group an estimate was made that there was no value remaining in the brands and customer contracts based on the consolidated value in use.

A total impairment loss of R73.3m was recognised in the current year in relation to the intangible assets attributable to Libstar's investment in Glenmor. The impairment losses recognised represent the carrying values of goodwill, brands and customer relationships of Glenmor at the time of the impairment. At 31 December 2021 these carrying values are Rnil. Other asset classes within Glenmor were not impacted.

**2020 IMPAIRMENT**

The carrying amount of the Denny Mushrooms division within the Perishables cash-generating group was reduced to its recoverable amount through recognition of an impairment loss against goodwill.

The effect of COVID was most apparent in the Group's sales channels. In particular, the food service channel was most adversely affected by the closure of hospitality venues and restaurants due to the second quarter level 5 lockdown restrictions and subsequent lower restaurant occupancy rates during the second half of the prior year. The food service channel slowdown had a particularly pronounced impact on the Denny Mushrooms division. The impact of the lower mushroom sales volumes on the innately high fixed-cost nature of Denny Mushrooms' farming operations, adversely impacted profitability. Corrective actions taken by the Group have included increased mushroom price realisation, the containment of costs and the significant recovery of its retail channel market share from previous lows. Despite these efforts, the prevailing competitive market conditions, high operating cost structure and declining sale volumes have interrupted Denny Mushrooms' recovery. Considering these factors, the Group has applied a conservative downward revision of Denny Mushrooms' five-year growth forecasts.

In so doing, an impairment loss of R198m was recognised in the prior year in relation to goodwill attributable to Libstar's investment in Denny Mushrooms. The recoverable amount of Denny Mushrooms was calculated at a conservative terminal growth rate of 4.7% and an after-tax discount rate of 13.0%. No class of asset other than goodwill related to Denny Mushrooms was impaired.

The remaining unimpaired carrying value of goodwill within Denny Mushrooms as at 31 December 2020 was R97.8m. There was not further impairment loss recognised on Denny Mushrooms in the current year due to the corrective actions taken by the Group as described above.

**16. Reclassification of trading term expenses in the published consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020 (“Prior Period”)**

Certain trading term expenses of the Group's divisions were incorrectly classified in the Prior Period. These expenses were included in Cost of Sales on the face of the statement of profit or loss and other comprehensive income instead of being classified as estimations of variable consideration which should be deducted from Revenue in accordance with IFRS 15 Revenue from Contracts with Customers. This misclassification has no effect on the previously published headline earnings per share (HEPS), earnings per share (EPS), net asset value (NAV), tangible net asset value (TNAV) or cash flow. The corrected disclosure, however, does result in the overstatement of Revenue by R155.6m and the overstatement of Cost of Sales by the same amount in the Prior Period. The effect of the amended disclosure to the Prior Period Consolidated Annual Financial Statements is summarised below:

**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 Restated R'000	2020 Reported R'000	Difference R'000
Revenue	9 339 423	9 495 009	(155 586)
Cost of Sales	(7 060 843)	(7 216 429)	155 586

## Annexure F – Abridged annual financial statements 2021 (continued)

## 17. Impact of COVID

The Group continued to be impacted by COVID during the current year. The Group continues to incur costs to maintain a safe working environment for its employees. During the current year, the total direct COVID related expenses amounted to R15m (2020: R65m).

COVID is expected to continue to impact the Group into the next year. The Board expects the following factors may continue to have an impact on the Group:

- Additional operating costs attributable to the COVID pandemic;
- Supply chain disruptions; and
- A weak macro-economic climate, high rate of national unemployment and weakening consumer disposable income.

## 18. Directors' remuneration

Name	Designation	Basic salary R'000	Retirement R'000	Bonuses R'000	Total remuneration and benefits R'000
<b>2021</b>					
AV van Rensburg	Executive Director	6 325	–	613	6 938
RW Smith	Executive Director	5 073	13 112	578	18 763
CB de Villiers	Executive Director	3 850	–	360	4 210
W Luhabe	Chairman Non-Executive Director	1 166	–	–	1 166
JP Landman	Lead Independent Non-Executive Director	756	–	–	756
S Masinga	Independent Non-Executive Director	693	–	–	693
S Khanna	Independent Non-Executive Director	968	–	–	968
A Andrews	Independent Non-Executive Director	504	–	–	504
<b>TOTAL</b>		<b>19 335</b>	<b>13 112</b>	<b>1 551</b>	<b>33 998</b>
<b>2020</b>					
AV van Rensburg	Executive Director	6 111	–	2 065	8 176
RW Smith	Executive Director	4 200	–	621	4 821
CB de Villiers	Executive Director	3 500	–	928	4 428
W Luhabe	Chairman Non-Executive Director	1 110	–	–	1 110
JP Landman	Lead Independent Non-Executive Director	720	–	–	720
S Masinga	Independent Non-Executive Director	730	–	–	730
S Khanna	Independent Non-Executive Director	860	–	–	860
A Andrews	Independent Non-Executive Director	72	–	–	72
<b>TOTAL</b>		<b>17 303</b>	<b>–</b>	<b>3 614</b>	<b>20 917</b>

Mr RW Smith resigned on 31 December 2021. The Group concluded a mutual separation agreement with Mr RW Smith, in terms of which he retired as an executive director of the Company with effect from 31 December 2021 after 16 years of service. Mr RW Smith, who co-founded the Company, played a significant role in the development and growth of Libstar. The termination payment is in full and final settlement of any and all claims Mr RW Smith may have against the Group. The payment includes leave pay, notice pay, application of the good leaver provisions of the LTIP and GSP share-based payment schemes (refer to Note 22 for the related share-based payments), and a discretionary amount equivalent of two times Annual Total Guaranteed Pay. His employment agreement provided for a 3-month notice period and a 36-month restraint of trade.

In the prior year, Mr CB De Villiers was appointed as executive director effective 1 January 2020 and Ms A Andrews was appointed as an independent non-executive director, effective 1 November 2020.

## Annexure F – Abridged annual financial statements 2021 (continued)

	2021 R'000	2020 R'000
<b>19. Share capital</b>		
Share capital	4 727 314	4 727 314
<b>Authorised capital comprises:</b>		
10,000,000,000 ordinary shares of no par value		
1,000,000 preference shares		
<b>Issued capital comprises:</b>		
595,812,263 (2020: 595,812,263) fully paid ordinary shares of no par value <sup>1</sup>	4 727 314	4 727 314
1,000,000 preference shares of no par value	–	–
	<b>4 727 314</b>	<b>4 727 314</b>

There were no changes in share capital in the current year and prior year. Ordinary shares entitle the holder to participate in dividends. These rights are subject to the prior entitlements of the preference shares. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

The unissued shares are under the control of the directors until the forthcoming annual general meeting.

During the year under review Business Venture Investments No 2072 (Pty) Ltd subscribed for 524 301 subscription shares at a subscription price of R16.02 per share on 20 April 2021, and during the prior year 517 473 subscription shares at a subscription price of R14.88 per share on 30 April 2020 and 554 723 subscription shares at a subscription price R15.32 per share on 30 September 2020. Libstar Holdings repurchased the same number of Nominal BEE shares at R0.01 per share on the respective dates.

During the year under review Business Venture Investments No 2071 (Pty) Ltd subscribed for 614 807 subscription shares at a subscription price of R16.02 per share on 20 April 2021, and during the prior year 604 838 subscription shares at a subscription price of R14.88 per share on 30 April 2020 and 646 089 subscription shares at a subscription price R15.32 per share on 30 September 2020. Libstar Holdings repurchased the same number of Nominal BEE shares at R0.01 per share on the respective dates.

1. Included in the number of shares are 73,049,783 treasury shares with a share capital value of R0.7m wholly-owned by Employee Share Trusts established for the benefit of employees of the Group.

## 20. Share-based payments

	2021 R'000	2020 R'000
<b>Non-current liabilities:</b>		
Cash-settled share-based payments (LTIP)	15 787	13 935
<b>Equity:</b>		
Equity settled share-based payments (GSP)	6 554	7 798

### 20.1 DETAILS OF THE PREVIOUS CASH-SETTLED SHARE APPRECIATION RIGHTS SCHEME OF THE GROUP (LTI SCHEME)

The Group wound down the LTI scheme during the prior year, and the final allocations in terms of this scheme that were made in 2018 vested in the prior year.

The first allocation of units vested in full on 31 December 2018. The second allocation of units vested in full on 31 December 2019 and the last units vested in full on 31 December 2020. Vested units have been fully settled in the prior year.

### 20.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP (LTIP SCHEME)

In the 2019 year the Group developed a new cash-settled long term incentive scheme (known as the LTIP). The LTIP is designed as a cash-settled incentive scheme whereby senior employees may be awarded notional units which are linked to the price of ordinary shares of the Group. The LTIP is regulated by a detailed set of rules. As with the previous LTI scheme, the LTIP seeks to attract and retain senior employees and promote ongoing loyalty, commitment and motivation. All Senior Employees are eligible to participate in the LTIP. The LTIP is implemented by the Board through the direction of the Remuneration Committee. On an annual basis, senior employees may be offered three components:

- (i) allocations of Share Appreciation Rights ("SARs");
- (ii) awards of the Performance Share Plan ("PSP"); or
- (iii) grants of the Forfeitable Share Plan ("FSP").

A summary of each component of offer under LTIP is set out below.



Annexure F – Abridged annual financial statements 2021 (continued)

## 20. Share-based payments (continued)

### 20.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP – (LTIP SCHEME) (continued)

#### 20.2.1 Share appreciation rights (SARs)

On 4 April 2019, 8 April 2020 and 8 April 2021, eligible employees were allocated conditional and notional awards, at an allocation price of R8.08, R6.33 and R6.75 respectively, which if settled in the future will be settled in cash. Settlement is contingent on the extent to which the performance criteria has been met and the holder exercising their right. Award holders shall be settled a cash amount to the value of X, which will be determined as follows:

A = appreciation in Libstar share market value = Libstar share market value at exercise date (allocation price)

N = number of vested rights exercised

$X = N \times A$

Award holders are not entitled to dividends during the life of the award. The awards vest 3 years after allocation, from which point the rights may be exercised to the extent that the performance condition, as described below, has been met. The awards may be exercised for the next 4 years, i.e.: between the vesting date of 4 April 2022 and the maturity date of 4 April 2026 for the 2019 grant; between the vesting date of 8 April 2023 and the maturity date of 8 April 2027 for the 2020 grant; and between the vesting date of 8 April 2024 and the maturity date of 8 April 2028 for the 2021 grant.

The performance condition is measured over a minimum of a three year period starting at the allocation date and ending at the vesting date. The real growth in normalised headline earnings (“NHE”) of Libstar is compared to the consumer price index (“CPI”) using a vesting scale of the NHE versus CPI to determine the portion of awards that will vest. Vesting is further contingent on the award holder remaining employed by the Group.

The SARs was valued by utilising the binomial Tree approach valuation method. The result of which represent the fair value per unit (excluding pre-vesting forfeiture), which is fixed in time. A range of expected vesting percentages for the NHE vs. CPI performance condition were utilised. The number of awards was adjusted by these expected vesting percentages as well as adjusted for pre-vesting forfeiture to arrive at a number of awards expected to vest. The fair value per unit was then multiplied by the number of awards expected to vest to arrive at a total value. Refer to 20.2.4 for the inputs and assumptions used in the measurement of the fair values at grant date and reporting date.

Refer to 20.2.5 for number of awards issued during the current and prior year. None of the SARs had vested as at 31 December 2021.

#### 20.2.2 Performance Share Plan (PSP)

On 4 April 2019, 8 April 2020 and 8 April 2021, eligible employees were allocated conditional and notional awards, which if settled in the future will be settled in cash equal to the value of Libstar shares. Settlement is contingent on the extent to which the three performance criteria have been met and the award holder exercising their right.

In contrast to the SARs, the award holders receive the cash equal to the Libstar share value in full. The awards vest and mature 3 years after allocation, from which point the rights may be exercised to the extent that certain performance conditions, as described below, has been met. The performance conditions are measured over the three year period starting at the allocation date and ending at the vesting date which is also the maturity date.

The PSP is subject to the following performance conditions in the proportions stated:

1. NHE vs. CPI performance condition (as described in section 20.2.1) – 30%;
2. ROAA vs. WACC performance condition (as described below) – 30%; and
3. TSR performance condition (as described below) – 40%.

The Libstar return on adjusted assets (“ROAA”) is compared to the Libstar adjusted weighted average cost of capital (“WACC”) using a vesting scale to determine the portion of awards that will vest under the ROAA versus WACC performance condition.

Libstar’s total shareholder return (“TSR”) will be compared to the TSR of a group of peer companies, each weighted by their market capitalisation using a vesting scale to determine the portion of awards that will vest under the TSR performance condition.

Vesting is further contingent on the award holder remaining employed by the Group.

Refer to 20.2.5 for number of awards issued during the current and previous year. None of the PSPs had vested as at 31 December 2021.

Annexure F – Abridged annual financial statements 2021 (continued)

## 20. Share-based payments (continued)

### 20.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP (LTIP SCHEME)

(continued)

#### 20.2.3 Details of the Forfeitable Share Plan (FSP)

On 4 April 2019, 8 April 2020 and 8 April 2021, eligible employees were allocated conditional and notional awards which if settled in the future will be settled in cash equal to the value of Libstar shares. Settlement is contingent on the extent to which the performance criteria has been met and the holder exercising their right. Award holders shall be settled a cash amount to the value of X, which will be determined as follows:

S = Libstar share market value at allocation, reduced for expected dividends during the vesting period

N = number of vested rights exercised

$X = N \times S$

In contrast to the SARs, the award holders receive the cash equal to the Libstar share value in full.

The awards vest three years after allocation when the rights may be exercised to the extent that the performance condition, as described below, has been met.

The performance condition is measured over the three year period starting at the allocation date and ending at the vesting date. Subject to the discretion of the Board and remuneration committee, the awards will vest if Libstar attains a "Compliant Contributor" status in terms of B-BBEE and Transformation on an all-or-nothing basis. Vesting is further contingent on the award holder remaining employed by the Group.

Refer to 20.2.5 for number of awards issued during the current and prior year. None of the FSPs had vested as at 31 December 2021.

#### 20.2.4 Fair value of the LTIP

##### Valuation methods:

The SARs was valued by utilising the Binomial Tree approach valuation method. The result of which represent the fair value per unit (excluding pre-vesting forfeiture), which is fixed in time. A range of expected vesting percentages for the NHE vs. CPI performance condition were utilised. The number of awards was adjusted by these expected vesting percentages as well as adjusted for pre-vesting forfeiture to arrive at a number of awards expected to vest. The fair value per unit was then multiplied by the number of awards expected to vest to arrive at a total value. Refer to below for the inputs and assumptions used in the measurement of the fair values at grant date and reporting date.

The PSP was valued in two parts:

##### 1. Fair value per unit (excluding performance conditions)

The fair value per unit (excluding performance conditions) is calculated as the share price at valuation date, reduced for expected dividends over the remainder of the vesting period. The fair value per unit is then multiplied by the number of shares remaining adjusted for forfeiture.

##### 2. Proportion of shares vesting under the performance conditions

To determine the number of shares that will vest at the end of the vesting period as a result of the performance conditions, a model was built that has both stochastic (i.e. random future outcomes) and deterministic (i.e. fixed future outcomes) features. Awards subject to the NHE vs. CPI and ROAA vs. WACC performance conditions were modelled deterministically and awards applicable to the TSR condition were modelled stochastically with a Monte Carlo Simulation Model.

The FSP was valued in two parts:

##### 1. Fair value per unit (excluding forfeiture)

The fair value per unit (excluding forfeiture) is calculated as the share price at valuation date, reduced for expected dividends over the vesting period. The fair value per unit is then multiplied by the number of shares remaining adjusted for forfeiture.

##### 2. Proportion of shares expected to vest

A range of expected vesting percentages for the B-BBEE performance condition were provided by Management. The number of awards was adjusted by these expected vesting percentages as well as adjusted for forfeiture to arrive at a number of awards expected to vest.

The fair value per unit was then multiplied by the number of awards expected to vest to arrive at a total value.

## Annexure F – Abridged annual financial statements 2021 (continued)

**20. Share-based payments** (continued)**20.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP – (LTIP SCHEME)**

(continued)

**20.2.4 Fair value of the LTIP** (continued)**Valuation methods** (continued):

The following inputs were used as at 31 December 2021 to calculate a fair value for the three components of the LTIP. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair values.

	2021 Grant	2020 Grant	2019 Grant
Valuation date – 31 December 2021			
Grant date	<b>8 April 2021</b>	8 April 2020	4 April 2019
Vesting date	<b>8 April 2024</b>	8 April 2023	4 April 2022
Maturity date*	<b>8 April 2028</b>	8 April 2027	4 April 2026
Share price at valuation date		R6.65	
Awards issued remaining – SARs	<b>9 551 982</b>	8 865 233	5 371 458
Awards issued remaining – PSP	<b>1 430 319</b>	1 341 210	1 005 351
Awards issued remaining – FSP	<b>357 411</b>	335 218	251 389
Forfeiture rate p.a		20%	
Dividend yield p.a		See Table below	
Risk-Free interest rate		BESA Swap Curve	
Volatility		See Table below	
Exercise Multiple		1.8	
Non-Market performance conditions vesting percentages		See Table below	

\* The maturity date only applies to the SARs. The units under the PSP and FSP do not have a maturity date and it is assumed that settlement occurs at the above respective vesting dates.

	2021
<b>Expected Dividend Yields</b>	
<b>Scenario</b>	
Lower Bound	<b>2.50%</b>
Mid Estimate	<b>2.75%</b>
Upper Bound	<b>3.00%</b>
<b>Volatility Range</b>	
<b>Scenario</b>	
Lower Bound	<b>39.88%</b>
Mid Estimate	<b>42.38%</b>
Upper Bound	<b>44.88%</b>

Volatility was calculated based on the daily returns of the share price, under the assumption that the natural logarithm of the share price returns are normally distributed. Since Libstar share price data only exists from 8 May 2018, the standard deviation of the daily log returns on the available data as at the valuation date of 31 December 2021 was considered to arrive at a range which is deemed to be reasonable.

## Annexure F – Abridged annual financial statements 2021 (continued)

**20. Share-based payments** (continued)**20.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP (LTIP SCHEME)**  
(continued)**20.2.4 Fair value of the LTIP** (continued)**Non-Market Performance Conditions Vesting Percentages at 31 December 2021**

	Expected Vesting Percentage 2021 Grant	Expected Vesting Percentage 2020 Grant	Expected Vesting Percentage 2019 Grant
<b>NHE vs. CPI Performance Condition</b>			
<b>Scenario</b>			
Lower Bound	55.00%	15.00%	0.00%
Mid Estimate	60.00%	20.00%	5.00%
Upper Bound	65.00%	25.00%	10.00%
<b>ROAA vs. WACC Performance Condition</b>			
<b>Scenario</b>			
Lower Bound	65.00%	55.00%	55.00%
Mid Estimate	70.00%	60.00%	60.00%
Upper Bound	75.00%	65.00%	65.00%
<b>BBBEE Performance Condition</b>			
<b>Scenario</b>			
Lower Bound	70.00%	70.00%	90.00%
Mid Estimate	75.00%	75.00%	95.00%
Upper Bound	80.00%	80.00%	100.00%

**20.2.5 Movements in LTIP components during the year**

The following table reconciles the three LTIP components outstanding:

	Number issued/ (forfeited) Units	Value R'000
<b>Share Appreciation Rights (SARs)</b>		
<b>Balance at 1 January 2020</b>	7 110 829	2 774
2019 Awards forfeited in current year	(954 081)	–
Movement in fair value of 2019 units (including forfeiture)	–	636
2020 Awards issued – 8 April 2020	11 610 050	–
2020 Awards forfeited in current year	(1 444 865)	–
Movement in fair value of 2020 units (including forfeiture)	–	2 996
<b>Balance at 31 December 2020</b>	16 321 933	6 406
2019 Awards forfeited in current year	<b>(785 290)</b>	–
Movement in fair value of 2019 units (including forfeiture)	–	<b>(3 402)</b>
2020 Awards forfeited in current year	<b>(670 256)</b>	–
Movement in fair value of 2020 units (including forfeiture)	–	<b>(1 629)</b>
2021 Awards issued – 8 April 2021	<b>10 622 799</b>	–
2021 Awards forfeited in current year	<b>(1 070 817)</b>	–
Movement in fair value of 2021 units (including forfeiture)	–	<b>1 837</b>
Share-based payments	<b>(629 696)</b>	<b>(28)</b>
<b>Balance at 31 December 2021</b>	<b>23 788 673</b>	<b>3 184</b>

## Annexure F – Abridged annual financial statements 2021 (continued)

**20. Share-based payments** (continued)**20.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP (LTIP SCHEME)**  
(continued)**20.2.5 Movements in LTIP components during the year** (continued)

	Number issued/ (forfeited) Units	Value R'000
<b>Performance Share Plan (PSP)</b>		
<b>Balance at 1 January 2020</b>	1 377 944	2 740
2019 Awards forfeited in current year	(276 114)	–
Movement in fair value of 2019 units (including forfeiture)	–	1 330
2020 Awards issued – 8 April 2020	1 897 120	–
2020 Awards forfeited in current year	(232 544)	–
Movement in fair value of 2020 units (including forfeiture)	–	2 490
<b>Balance at 31 December 2020</b>	2 766 406	6 560
2019 Awards forfeited in current year	<b>(96 479)</b>	–
Movement in fair value of 2019 units (including forfeiture)	–	<b>1 531</b>
2020 Awards forfeited in current year	<b>146 208</b>	–
Movement in fair value of 2020 units (including forfeiture)	–	<b>2 372</b>
2021 Awards issued – 8 April 2021	<b>1 597 510</b>	–
2021 Awards forfeited in current year	<b>(167 191)</b>	–
Movement in fair value of 2021 units (including forfeiture)	–	<b>1 688</b>
Share-based payments	<b>(469 574)</b>	<b>(1 734)</b>
<b>Balance at 31 December 2021</b>	<b>3 776 880</b>	<b>10 417</b>
<b>Forfeitable Share Plan (FSP)</b>		
<b>Balance at 1 January 2020</b>	344 593	680
2019 Awards forfeited in current year	(69 149)	–
Movement in fair value of 2019 units (including forfeiture)	–	(62)
2020 Awards issued – 8 April 2020	474 226	–
2020 Awards forfeited in current year	(58 237)	–
Movement in fair value of 2020 units (including forfeiture)	–	351
<b>Balance at 31 December 2020</b>	691 433	969
2019 Awards forfeited in current year	(24 055)	–
Movement in fair value of 2019 units (including forfeiture)	–	901
2020 Awards forfeited in current year	36 623	–
Movement in fair value of 2020 units (including forfeiture)	–	586
2021 Awards issued – 8 April 2021	<b>399 209</b>	–
2021 Awards forfeited in current year	<b>(41 798)</b>	–
Movement in fair value of 2021 units (including forfeiture)	–	<b>500</b>
Share-based payments	<b>(117 394)</b>	<b>(770)</b>
<b>Balance at 31 December 2021</b>	<b>944 018</b>	<b>2 186</b>
<b>Total balance of the 2019 LTIP at 31 December 2020</b>	7 534 022	8 098
<b>Total balance of the 2019 LTIP at 31 December 2021</b>	<b>6 628 198</b>	<b>7 128</b>
<b>Total balance of the 2020 LTIP at 31 December 2020</b>	12 245 750	5 837
<b>Total balance of the 2020 LTIP at 31 December 2021</b>	<b>10 541 661</b>	<b>7 166</b>
<b>Total balance of the 2021 LTIP at 31 December 2021</b>	<b>11 339 712</b>	<b>1 493</b>
<b>Total balance of the LTIP at 31 December 2021</b>	<b>28 509 571</b>	<b>15 787</b>

## Annexure F – Abridged annual financial statements 2021 (continued)

**20. Share-based payments** (continued)**20.3 DETAILS OF THE GROUP SHARE PLAN – GSP**

In the prior year the Group also developed a new share-settled Group Share Plan (known as the “GSP”). On an annual basis, senior employees may be offered three components:

- (i) allocations of Share Appreciation Rights (“SARs”);
- (ii) awards of the Performance Share Plan (“PSP”); or
- (iii) grants of the Forfeitable Share Plan (“FSP”).

These allocation methods of the three components are substantially similar to those used in the LTIP. The difference is that the GSP is settled in Libstar shares to the value of the awards as opposed to the LTIP which is settled in cash. The GSP is an equity-settled share scheme and the grant dates were 31 July 2019 and 8 April 2020. Further details of the GSP components are not included and should be read together with of the LTIP scheme components above. Refer to section 20.2.1 – 20.2.3.

**20.3.1 Fair value of the GSP**

The valuation methods used to value the three components of the GSP are substantially similar to the valuation methods of the LTIP, except that the GSP valuation is a once off valuation at grant date where the LTIP is at grant date and subsequently at every reporting date due to it being cash-settled. Refer to section 20.2.4 for further details.

The following inputs were used as at 31 December 2021 to calculate a fair value for the three components of the GSP. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair values.

	2020 Grant	2019 Grant
Valuation date	<b>8 April 2020</b>	31 July 2019
Grant date	<b>8 April 2020</b>	31 July 2019
Vesting date	<b>8 April 2023</b>	31 July 2022
Maturity date	<b>8 April 2027</b>	31 July 2026
Share price at grant date	<b>R6.20</b>	R8.65
Awards issued remaining – SARs	<b>1 982 714</b>	1 382 806
Awards issued remaining – PSP	<b>1 341 210</b>	838 907
Awards issued remaining – FSP	<b>335 218</b>	209 783
Forfeiture rate p.a	<b>20.00%</b>	20.00%
Dividend yield p.a	See Table in section 20.2.4	
Risk-Free interest rate	BESA Swap Curve	
Volatility	See Table in section 20.2.4	
Exercise Multiple	1.8	
Non-Market performance conditions vesting percentages	See Table in section 20.2.4	

## Annexure F – Abridged annual financial statements 2021 (continued)

**20. Share-based payments** (continued)**20.3 DETAILS OF THE GROUP SHARE PLAN – GSP** (continued)**20.3.2 Movements in GSP components during the year**

The following table reconciles the three GSP components as at 31 December 2021:

	Number issued Units	Value R'000
<b>Share Appreciation Rights (SARs)</b>		
<b>Balance at 1 January 2020</b>	2 269 550	597
Recognition of fair value of 2019 awards over vesting period	–	1 223
2020 Awards issued – 8 April 2020	2 824 546	808
Balance at 31 December 2020	5 094 096	2 628
Recognition of fair value of 2019 awards over vesting period	–	(1 820)
2019 Awards forfeited in current year	(886 744)	–
Recognition of fair value of 2020 awards over vesting period	–	(488)
2020 Awards forfeited in current year	(451 413)	–
Good leaver share-based payments	(390 419)	(28)
<b>Balance at 31 December 2021</b>	<b>3 365 520</b>	<b>292</b>
<b>Performance Share Plan (PSP)</b>		
<b>Balance at 1 January 2020</b>	1 274 590	1 391
Recognition of fair value of 2019 awards over vesting period	–	3 242
2020 Awards issued – 8 April 2020	1 897 120	2 482
Balance at 31 December 2020	3 171 710	7 115
Recognition of fair value of 2019 awards over vesting period	–	(276)
2019 Awards forfeited in current year	(435 683)	–
Recognition of fair value of 2020 awards over vesting period	–	1 740
2020 Awards forfeited in current year	(264 769)	–
Good leaver share-based payments	(291 141)	(1 414)
<b>Balance at 31 December 2021</b>	<b>2 180 117</b>	<b>7 165</b>
<b>Forfeitable Share Plan (FSP)</b>		
<b>Balance at 1 January 2020</b>	318 796	223
Recognition of fair value of 2019 awards over vesting period	–	493
2020 Awards issued – 8 April 2020	474 226	371
Balance at 31 December 2020	793 022	1 087
Recognition of fair value of 2019 awards over vesting period	–	538
2019 Awards forfeited in current year	(109 013)	–
Recognition of fair value of 2020 awards over vesting period	–	490
2020 Awards forfeited in current year	(66 223)	–
Good leaver share-based payments	(72 785)	(470)
<b>Balance at 31 December 2021</b>	<b>545 001</b>	<b>1 645</b>
<b>Total balance of the 2019 GSP at 31 December 2020</b>	<b>3 862 936</b>	<b>7 169</b>
<b>Total balance of the 2019 GSP at 31 December 2021</b>	<b>2 431 496</b>	<b>5 611</b>
<b>Total balance of the 2020 GSP at 31 December 2020</b>	<b>5 195 892</b>	<b>3 661</b>
<b>Total balance of the 2020 GSP at 31 December 2021</b>	<b>3 659 142</b>	<b>3 491</b>
<b>Total balance of the GSP at 31 December 2021</b>	<b>6 090 638</b>	<b>9 102</b>
Weighted average remaining contractual life of the GSP outstanding at end of period:		
2019 GSP		0.58 years
2020 GSP		1.27 years

## Annexure F – Abridged annual financial statements 2021 (continued)

**20. Share-based payments** (continued)**20.3 DETAILS OF THE GROUP SHARE PLAN – GSP** (continued)**20.3.2 Movements in GSP components during the year** (continued)

The range of exercise prices for the GSP at end of period:

	Lower Bound Value (price per unit)	Mid Estimate Value (price per unit)	Upper Bound Value (price per unit)
<b>2019 GSP</b>			
SARs	R1.69	R1.89	R2.09
PSP	R7.68	R7.86	R8.03
FSP	R4.74	R5.05	R5.34
Total	R14.11	R14.80	R15.46
<b>2020 GSP</b>			
SARs	R1.17	R1.33	R1.48
PSP	R5.37	R5.50	R5.63
FSP	R3.21	R3.43	R3.64
Total	R9.75	R10.26	R10.75

None of the SARs, awards of the PSP and FSP vested as at 31 December 2021, except for the payments made during the current year relating to Mr RW Smith.

**20.4 EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS**

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2021 R'000	2020 R'000
Credits relating to share appreciation rights granted (LTI scheme)	–	(2 370)
Charges relating to long-term incentive scheme (LTIP scheme)	4 384	7 741
Charges relating to share-based payments (GSP)	184	8 619
	<b>4 568</b>	13 990

**20.5 IMPACT OF ECONOMIC ENVIRONMENT AND COVID ON FAIR VALUE MEASUREMENTS AND AWARDS**

The LTIP and GSP share-based payments are valued based on the valuation results of the external valuator. These valuation results are based on the valuation inputs and assumptions as described above. The inputs and assumptions used in the current and prior year valuations have been adjusted to factor in the economic conditions and the impact of COVID. The valuation results include a lower bound, mid estimate and upper bound scenario. Pre-COVID, in the 2019 year, the mid estimate scenario was used to value the share-based payments.

Management, after consideration of the economic conditions and continued impact of COVID, has valued the 2019 LTIP, 2020 LTIP, 2021 LTIP, 2019 GSP and 2020 GSP share-based payments based on the lower bound scenario.

The Group continued to make LTIP awards in the current year amidst the current economic impacts. The Remuneration Committee will continue to evaluate the social and economic impacts prior to making future awards.



# Shareholder Analysis

## ORDINARY SHARES AS AT 31 DECEMBER 2021

### DIRECTORS' INTERESTS

Director	Direct shares held	Held indirectly or by an associate	Total shares held	Total % held
<b>31 December 2021</b>				
AV van Rensburg	6 040 381	–	6 040 381	0.89%
RW Smith <sup>^</sup>	–	–	–	0.00%
CB de Villiers <sup>2</sup>	7 742	–	7 742	0.00%
W Luhabe	–	–	–	0.00%
JP Landman <sup>1</sup>	–	105 000	105 000	0.02%
S Masinga	–	–	–	0.00%
S Khanna	–	–	–	0.00%
A Andrews <sup>2</sup>	–	–	–	0.00%
<b>31 December 2020</b>				
AV van Rensburg	6 040 381	–	6 040 381	0.89%
RW Smith <sup>^</sup>	–	–	–	0.00%
CB de Villiers <sup>2</sup>	7 742	–	7 742	0.00%
W Luhabe	–	–	–	0.00%
JP Landman <sup>1</sup>	–	95 000	95 000	0.01%
S Masinga	–	–	–	0.00%
S Khanna	–	–	–	0.00%
A Andrews <sup>2</sup>	–	–	–	0.00%

<sup>^</sup> Retirement in the current year: RW Smith.

1. Indirect shares held by Ruland Trust, an associate of JP Landman.

2. Appointed in the prior year: CB de Villiers, A Andrews

Where directors have resigned in the current financial period, the table above shows nil values in respect of the current period and the direct and indirect shareholding held at the end of the prior period. Where directors have been appointed in the year under review, the table above shows nil values in respect of the prior period.

There has been no change in directors' interests or any share dealings by directors in the ordinary shares of the Company subsequent to 31 December 2021 and to the date of this report.

## Shareholder Analysis (continued)

**PREFERENCE SHARE CAPITAL**

No directors held a direct interest in preference share capital during the current or prior periods.

The following directors held an indirect interest in preference share capital due to their participation in the Ratchet Trust (100% shareholder of preference share) – van Rensburg held 12.9 units, Smith held 11.1 units and de Villiers held 1.5 units at the close of the current and prior period.

Ordinary shareholder spread	Number of shareholders	Number of shares	% of shares in issue
Public	1 921	256 316 221	37.6%
Non-public	8	425 605 187	62.4%
– Directors	2	6 048 123	0.9%
– Associates of directors	1	105 000	0.0%
– The trustees of any employees' share scheme or pension fund established for the benefit of any directors or employees of the applicant and its subsidiaries;	2	73 049 783	10.7%
– Treasury shares <sup>^</sup>	1	13 059 362	1.9%
– Persons interested in 10% or more (other than directors or associates of directors)	2	333 342 919	48.9%
<b>Total issued shares</b>	<b>1 929</b>	<b>681 921 408</b>	<b>100.0%</b>

<sup>^</sup> Libstar Operations (Pty) Ltd an subsidiary of Libstar Holdings Ltd, purchased 13,059,362 treasury shares during the 2018 and 2019 financial year at an average price of R7,62 per share and these shares reverted to authorised but unissued.

In so far as it is known to the company, the following shareholders, directly or indirectly, beneficially hold 5% or more of the issued shares.

Major ordinary shareholders	Number of shares	% of shares in issue
APEF Pacific Mauritius Ltd	252 463 077	37.0%
Government Employees Pension Fund	80 879 842	11.9%
Business Venture Investments 2071 <sup>*</sup>	39 334 499	5.8%
Business Venture Investments 2072 <sup>^</sup>	33 715 284	4.9%

<sup>\*</sup> Business Venture Investments No 2071 (RF) (Pty) Ltd (ESOP SPV), is wholly-owned by an Employee Share Trust established for the benefit of employees of the Group.

<sup>^</sup> Business Venture Investments No 2072 (RF) (Pty) Ltd (BDT SPV), is wholly-owned by an BEE Development Trust established for the benefit of employees of the Group.

Ordinary shareholder spread	Number of shareholders	% of shareholders	Number of shares	% of shares in issue
1 – 1 000 000 shares	1 859	96.4%	64 004 695	9.4%
1 000 001 – 3 000 000 shares	39	2.0%	67 329 409	9.9%
3 000 001 – 6 000 000 shares	15	0.8%	66 656 584	9.8%
6 000 001 – 40 000 000 shares	14	0.7%	178 912 203	26.2%
More than 40 000 000 shares	2	0.1%	305 018 517	44.7%
	<b>1 929</b>	<b>100.0%</b>	<b>681 921 408</b>	<b>100.0%</b>

## Corporate information

### COMPANY AND REGISTERED OFFICE

**Libstar Holdings Limited**

Registration Number: 2014/032444/06  
Libstar House, 43 Blouelie Crescent,  
Plattekloof, Western Cape, 7500  
South Africa  
(PO Box 15285, Panorama, Western Cape, 7506)

### WEBSITE

[www.libstar.co.za](http://www.libstar.co.za)

### DIRECTORS

**Wendy Yvonne Nomathemba Luhabe**

(chairman – independent non-executive director)

**Johannes Petrus (JP) Landman**

(lead independent non-executive director)

**Sibongile Masinga**

(independent non-executive director)

**Sandeep Khanna**

(independent non-executive director)

**Anneke Andrews**

(independent non-executive director)

**Andries Vlok van Rensburg**

(chief executive officer)

**Charl Benjamin de Villiers**

(chief financial officer)

### COMPANY SECRETARY

**Corpstat Governance Services (Pty) Ltd**

Bryanston Gate, Block 4, 1st Floor, Homestead Avenue,  
Bryanston 2191

### SPONSOR

**The Standard Bank of South Africa Limited**

30 Baker Street, Rosebank,  
Johannesburg, 2196, South Africa  
(PO Box 61344, Marshalltown, Johannesburg, 2107)

### AUDITORS

**Moore Cape Town Inc.**

Block 2, Northgate Park, Corner Section Street  
and Koeberg Road, Paarden Eiland  
Cape Town, 7405, South Africa  
(PO Box 1955, Cape Town, 8000)

### TRANSFER SECRETARIES

**Computershare Investor Services Proprietary Limited**

Rosebank Towers, 15 Biermann Avenue,  
Rosebank, Johannesburg, 2196, South Africa  
(PO Box 61051, Marshalltown, Johannesburg, 2107)

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