DIRECTORS’ REPORT

The directors present their report which forms part of the Annual Financial Statements of the Company and of the Group for the year ended 30 June 2021.

NATURE OF BUSINESS

Super Group Limited (Registration number 1943/016107/06), the holding company of the Group, is a company listed on the Main Board of the JSE in the “Industrial Transportation” sector, incorporated and domiciled in the Republic of South Africa. Super Group is a broad-based supply chain management business, operating predominantly in South Africa, with operations across sub-Saharan Africa and businesses in Australia, Europe, New Zealand and the United Kingdom. Its principal operating activities include supply chain management, dealerships and fleet management activities.

FINANCIAL RESULTS

The results for the year are set out in the Financial Statements presented on pages 16 to 120. The Annual Financial Statements are published on the Group’s website www.supergroup.co.za.

YEAR UNDER REVIEW

Despite ongoing macroeconomic challenges and tough trading conditions in a number of key markets and industry sectors, Super Group reported an outstanding set of results for the year ended 30 June 2021. Group revenue increased by 14.3% to R39.5 billion (June 2020: R34.6 billion). Operating profit increased by 44.0% to R2 273.0 million (June 2020: R1 578.0 million) with the operating profit margin increasing to a satisfactory 5.8% (June 2020: 4.6%).

Across the Group, businesses performed strongly to achieve this outcome, despite the continuing impact of the Covid-19 pandemic and related lockdowns in many of the economies in which the Group operates. The Group’s South African, European and UK operations were most severely impacted by lockdown regulations and restricted trading conditions. The UK dealerships market was closed from 5 November 2020 until 12 April 2021, negatively impacting them for a second year in a row, particularly as March is historically their strongest sales’ month.

The pandemic necessitated a thorough strategic review of all Super Group businesses and the rightsizing of operations to ensure that business models remain relevant to fluctuating levels of demand. The benefit of these initiatives manifested strongly in the European and South African supply chain businesses, with the SG Consumer and SG Convenience businesses delivering a particularly strong improvement in performance levels. Dealership operations in South Africa and the UK also demonstrated a significant recovery.

The proportion of Super Group’s revenue and operating profit derived from its non-South African businesses was 51% (June 2020: 46%) and 51% (June 2020: 43%), respectively.

Total capital items amounted to a gain of R10.0 million compared to an expense of R879.2 million for the year ended 30 June 2020 which included impairments against the carrying values of certain goodwill, intangible assets and properties. As a result, earnings per share (EPS) grew to 284.0 cents per share (June 2020: loss of 52.1 cents) which included the capital impairments in the prior financial year. Headline earnings per share (HEPS) increased by 88.8% to 285.4 cents for the year ended 30 June 2021 (June 2020: 151.2 cents).

Net finance costs, excluding finance costs on Right-of-Use (ROU) lease liabilities, decreased by 16.6% to R338.4 million (June 2020: R405.8 million). Profit before tax increased to R1 774.4 million (June 2020: R117.6 million).

Super Group’s net debt position, excluding IFRS 16’s ROU lease liabilities, at 30 June 2021 was R2 315.8 million, a decrease of R826.2 million, resulting in the net debt to equity (gearing) ratio, excluding SG Fleet and ROU lease liabilities, decreasing to 16.8% at 30 June 2021 (30 June 2020: 24.1%). The Group met its debt covenants and has sufficient debt facilities to meet its current obligations.

The net asset value per share increased by 3.8% from R31.16 as at 30 June 2020 to R32.35 as at 30 June 2021. The Group’s return on net operating assets (RNOA) increased to 9.2% from 6.1% as at 30 June 2020 with the Group’s weighted average cost of capital (WACC) being 8.2% (June 2020: 9.4%).

Cash generated from operations increased by 11.2% for the year to R4 784.5 million (June 2020: R4 301.9 million). Working capital inflow of R352.9 million was recorded. Super Group spent R2.5 billion in net additions and acquisitions.

Super Group listed senior unsecured notes to the value of R500 million during the year under review, namely SPG010 for R213 million (3 years) and SPGC02 for R287 million (12 months), in terms of the Company’s Domestic Medium-Term Note (DMTN) Programme.
SIGNIFICANT EVENTS

Raising of unsecured debt notes
The JSE listed Super Group’s senior unsecured notes, in terms of its DMTN Programme dated 29 April 2020 (as amended) as follows:

- SPGC02 was listed on 01 December 2020. The value of the SPGC02 issue was 287 million with interest of three-month Johannesburg Interbank Agreed Rate (Jibar) plus 112 basis points, coupon rate payable quarterly on 1 March, 1 June, 1 September and 1 December of each year. The maturity date of the issue is 01 December 2021.
- SPG010 was listed on 01 December 2020. The value of the SPG010 issue was R213 million with interest of three-month Jibar plus 173 basis points, coupon rate payable quarterly on 1 March, 1 June, 1 September and 1 December of each year. The maturity date of the issue is 01 December 2023.

Exchange rate movements
The Group operates in foreign countries which use currencies other than presentation currency. The main currencies used in the Group’s foreign operations are Australian Dollar, US Dollar, Euro and the Pound Sterling. The fluctuation of the Rand against these currencies has had an effect on the Group’s financial statements and has resulted in a foreign currency translation adjustment of R897 million decreasing total equity.

JSE DEBT LISTINGS REQUIREMENTS
Colin Brown was appointed as the Group Debt Officer effective 30 September 2020. The Board confirms that it is satisfied with the competence, qualifications and experience of the Group Debt Officer.

Refer to note 20.5 for details of the debt raised under the DMTN programme and the Group Audit Committee Report on pages 3 to 6 for confirmation of compliance with the applicable requirements. Refer to http://www.supergroup.co.za/investors/shareholder-centre for details on the implementation of King IV™.

SUBSEQUENT EVENTS

Protest actions mid-July 2021 in KwaZulu-Natal and Gauteng
The violent protests that occurred predominantly in KwaZulu-Natal and Gauteng over a couple of days in the middle of July 2021, had a severe financial impact on the Group’s operations. As at the date of this report, we estimate that the loss in revenue amounts to approximately R97.5 million and in capital replacement expenses to approximately R45.7 million.

Acquisition by SG Fleet of LeasePlan ANZ
On 31 March 2021, Super Group announced that SG Fleet, via a wholly owned subsidiary, SG Fleet Management (Pty) Ltd, entered into an agreement to acquire 100% of LeasePlan ANZ. Super Group holds 100% of the shares in Bluefin, which in turn holds 60.13% of the shares in SG Fleet.

LeasePlan ANZ is a provider of fleet management and leasing services in Australia and New Zealand to corporate businesses and governments. LeasePlan ANZ also offers novated leasing services in Australia.

The purchase consideration for the LeasePlan ANZ Acquisition increased from AUD387.4 million (R4.1 billion) at announcement date, end of March 2021, to AUD402.3 million (R4.3 billion) at completion date, which comprises AUD129.3 million (R1.4 billion) non-cash scrip consideration and AUD273.0 million (R2.9 billion) in cash. SG Fleet will fund the cash component of the LeasePlan ANZ Acquisition purchase consideration with AUD175.0 million (R1.9 billion) of new debt and AUD86.3 million (R924.3 million) from the proceeds of the issue of 35.2 million new shares in SG Fleet at AUD2.45 per share (“Entitlement Offer”) and existing cash of AUD11.7 million (R125.3 million). Super Group, through its subsidiary Bluefin, took up its entire pro rata share under the Entitlement Offer in April 2021, acquiring 21,188,171 shares at a price of AUD2.45 per share with a total value of AUD51.9 million (R555.8 million). The exchange rate used to calculate the Rand-amounts was the closing rate as at 30 June 2021 of R10.71 to AUD1.00. On 23 August 2021, SG Fleet announced that all conditions precedent to the LeasePlan ANZ Acquisition had been met and that it was completed on 1 September 2021. Bluefin’s interest in SG Fleet diluted to 52.30%.

Deal costs in relation to the LeasePlan ANZ Acquisition of R103.1 million were expensed in the current year, with R59.7 million included within operating expenses and R43.4 million in finance costs.

Dividends
Refer to note 27.1 in the financial statements for dividends declared subsequent to 30 June 2021.

Other than the matters disclosed, the directors are not aware of other matters or circumstances arising subsequent to the reporting date up to the date of this Report, which will require disclosure in these results.
SHARE CAPITAL

The authorised and issued share capital is detailed in note 14 of the Annual Financial Statements.

DIRECTORS AND GROUP COMPANY SECRETARY

The names of the directors and Group Company Secretary who currently hold office are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Details</th>
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<tbody>
<tr>
<td>Phillip Vallet:</td>
<td>Non-Executive Director and Chairman of the Company</td>
</tr>
<tr>
<td></td>
<td>Philip qualified as a lawyer in 1971. He was the senior partner and CEO of Fluxmans Attorneys until his retirement in February 2020. He continues to consult to Fluxmans on an executive basis. Philip joined the Board in 1999. From April 2009 to 29 July 2009 he acted as interim CEO until the appointment of Peter Mountford to the position. He assumed the position as Non-executive Chairman of the Company effective 1 November 2009.</td>
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<tr>
<td>Valentine Chitalu:</td>
<td>Lead Independent Non-Executive Director (appointed Lead Independent Non-Executive Director effective 30 September 2020)</td>
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<td></td>
<td>Valentine is an entrepreneur in Zambia and Southern Africa, specialising in Private Equity and General Investments. In the early part of his career, he worked at KPMG London Office. Valentine was previously CEO at the Zambia Privatisation Agency where he was responsible for the divestiture of over 240 enterprises. He later worked for CDC Group Plc, both in London and Lusaka, and recently retired as a Non-Executive Director of the CDC Group Plc; a Fund-of-Funds Group based in London. Valentine holds several other board positions in Zambia, Australia and the United Kingdom. He is currently Chairman of MTN (Zambia) Limited and the Phatisa Group, a Pan African Private Equity Fund Manager. Valentine is a UK Qualified Accountant and holds a Master's Degree in Development Economics from Cambridge University in the United Kingdom. Valentine was appointed as Lead Independent Director effective 30 September 2020.</td>
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<tr>
<td>David Cathrall:</td>
<td>Independent Non-Executive Director</td>
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<td></td>
<td>A highly skilled and accomplished Board-level professional, David was a Senior Partner at EY until his retirement in 2018. Working extensively with large, listed corporates during his considerable tenure, and as a member of the EY Executive and Remuneration Committees, he is well placed to guide the Group on regulatory, compliance, governance and financial management policy. David holds a Bachelor of Commerce (B.Com) and Bachelor of Accountancy (B.Acc) from the University of the Witwatersrand and is a member of the South Africa Institute of Chartered Accountants (CA(SA)).</td>
</tr>
<tr>
<td>Pitsi Mnisi:</td>
<td>Independent Non-Executive Director (effective 1 October 2020)</td>
</tr>
<tr>
<td></td>
<td>Pitsi Mnisi was appointed as an Independent Non-Executive Director with effect from 1 October 2020. She is a qualified Chartered Accountant (SA) with extensive experience across mining, investments, transportation, manufacturing and construction. She is founder and director of a wholly black owned and managed consulting and corporate finance advisory company, Lynshpin Cedar, as well as co-founder and a director of an investment holding business, Mcorp Investments, with interests across various sectors. Prior to this, Pitsi was Finance Manager on the Venetia Underground Project for De Beers. She has extensive experience in corporate governance matters having served on a number of Boards and Chaired a number of Finance and Audit Committees. She has also worked at Deloitte &amp; Touche as a senior tax consultant, providing both employees and corporate tax compliance and advisory services to various corporates, and was seconded to the UK as an assistant manager in the audit department. Being ambitious and an entrepreneur, she left formal employment in December 2013 to form Lynshpin Cedar.</td>
</tr>
<tr>
<td>Simphiwe Mehlomakulu:</td>
<td>Independent Non-Executive Director (effective 1 October 2020)</td>
</tr>
<tr>
<td></td>
<td>Simphiwe Mehlomakulu was appointed as an Independent Non-Executive Director with effect from 1 October 2020. Simphiwe is an entrepreneur and in September 2003, he, with his co-founders, formed the Reatile Group to invest in the Petroleum and Energy sectors of the Southern African economy. He was appointed Executive Chairman and has grown Reatile Group over a 17-year period. He started his career in 1993 at Sasol Limited where he spent time in the Sasol Technologies division, Sasol Phenolics division and Sasol Solvents division, the latter as Global Export Manager. He joined Old Mutual Limited in 2000 as General Manager: Strategy Effectiveness Broker. In 2002, Simphiwe joined PetroSA (Pty) Ltd as General Manager: Trading, Supply and Logistics and in 2003 was promoted to Managing Director PetroSA Europe. He served as Chairman of the Board of Governors, for the South African Petroleum Industry Association, in 2004.</td>
</tr>
</tbody>
</table>
**Peter Mountford: Group CEO**

Appointed CEO in July 2009, Peter is responsible for the Group’s strategic trajectory and the alignment of more than 13 000 people across 16 countries. With an enviable track record for navigating demanding and complex environments, his unwavering focus is on the delivery of superior shareholder value, and on the ongoing creation of sustainable competitive edge for both the Super Group business and its clients.

Under his leadership, the business has grown into a formidable force in global supply chain and mobility solutions - testament to his commercial acumen and ability to anticipate and leverage changes in the technology, environmental, competitor and public policy space.

A qualified Chartered Accountant with an MBA from Warwick University, Peter’s expansive leadership experience includes the role of managing director of SAB Diversified Beverages (which included SAB’s supply chain services and logistics interests). He was also CEO of the Consumer Logistics Division at Imperial Holdings Limited, and Managing Director of Super Group’s Logistics and Transport Division.

Peter is a long-serving director and the current Deputy Chairman of the Road Freight Association and a Master Category Winner of the EY World Entrepreneur Award for southern Africa.

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**Colin Brown: Group CFO and Debt Officer**

Colin is a seasoned Financial Executive and Board director with proven success in driving organisational performance in listed and multinational environments. Appointed as CFO in 2010 and Debt Officer in 2020, he guides the development, implementation and administration of all accounting and finance functions across the group. Colin is also an active member of the Deal and Risk Committees and serves as Chairman of the IT Steering Committee and subsidiary Audit Committees (excluding SG Fleet).

His broad financial and operational skillset spans strategic planning; investment prioritisation; due diligence; M&A; financial forecasting and modelling; risk assessment and mitigation; audit processes and financial reporting systems. Skilled at leveraging technologies that can accelerate productivity and provide competitive edge, Colin has extensive knowledge of IT systems designed to enhance the availability of crucial financial data. He has, for example, designed several treasury and reporting systems that streamline reporting across multiple divisions and geographies.

A qualified Chartered Accountant with an MBL from UNISA School of Business Leadership, Colin was previously CFO and Board member of Celcom Group Limited and served as Financial Director for EDS Africa Limited and Fujitsu Services South Africa.

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**John Mackay: Group Company Secretary**

Previously serving as the Group Executive for Marketing and Business Development, John was appointed as Group Company Secretary in January 2020, a role in which he provides governance, compliance and procedural support to the CEO, CFO and Board. He likewise advises Super Group companies on diverse issues such as legislative developments, acquisitions, intellectual property, brand strategy and new business opportunities.

John serves on the JSE’s Issuer Advisory Board Council and is also responsible for investor relations, ESG and Group marketing. Representing the Group, John is a Director of South Africa Day, a non-profit organisation focused on community building.

With over 25 years of director level experience, John’s executive roles include that of Managing Director of Patleys (Pty) Ltd and Board member of Bidvest Foods, Africa. At a pivotal time for the South African pharmaceutical industry, he held the role of CEO of The Link Investment Trust, the franchisor for Link Pharmacies, and was a member of the Clicks Healthcare Executive Team.

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There were no other Board changes to the date of publishing the financial statements.

Details of directors’ remuneration, share appreciation rights and options appear on pages 100 to 103.
DIVIDENDS
The Board has resolved to declare a dividend of 47 cents per share (June 2020: Nil) for the current year. This translates to a dividend cover of 6.0 times. The table below is based on the shareholders analysis as at 30 June 2021.

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
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<tbody>
<tr>
<td>Dividend (No 12) of 47 cents per share declared past year-end (2020: Nil)</td>
<td>174 609</td>
<td>-</td>
</tr>
<tr>
<td>Dividends received on treasury shares held by a subsidiary (2020: Nil)</td>
<td>(5 245)</td>
<td>-</td>
</tr>
<tr>
<td>Total dividend at 47 cents per share (2020: Nil)</td>
<td>169 364</td>
<td>-</td>
</tr>
</tbody>
</table>

RESOLUTIONS
During the year, other than the resolutions passed at the Annual General Meeting on 18 December 2020, the shareholders of the Company passed no other resolutions. No special resolutions, the nature of which might be significant to members in the appreciation of the affairs of the Group, were passed by any subsidiary companies during the year covered by the Annual Financial Statements.

SUBSIDIARY COMPANIES
Details of the principal subsidiary companies appear on pages 119 and 120.

SHARE OPTION SCHEMES
Refer to note 39 of the Annual Financial Statements for information relating to option schemes, share-based payments and the B-BBEE Staff Empowerment Scheme.

LITIGATION STATEMENT
Super Group is not involved in any material legal or arbitration proceedings or legal actions, nor are the directors aware of any proceedings that are pending or threatened, that may have, or have had, in the 12-month period preceding the date of the Annual Financial Statements, a material adverse effect on the Group’s financial position.

MATERIAL CHANGES
There have been no material changes in the financial or trading position of the Company and its subsidiaries between 30 June 2021 and the date of Annual Financial Statements other than those disclosed in subsequent events.

GOING CONCERN STATEMENT
The directors consider that the Group has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the Group and Company financial statements. The directors have satisfied themselves that the Company and its subsidiaries are in a sound financial position and that the Group has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The Annual Financial Statements of the Group and Company were approved by the directors on 30 September 2021 and were signed on their behalf by

Peter Mountford  Colin Brown
Chief Executive Officer  Chief Financial Officer and Debt Officer

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021