

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this Circular apply to this Circular in its entirety.

Action required

- This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action Required By Shareholders", which commences on page 3.
- If you are in any doubt as to what action you should take, please consult your accountant, broker, banker, attorney, CSDP or other professional adviser immediately.
- If you have disposed of all your Imperial Shares, this Circular should be handed to the purchaser of such Imperial Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Imperial does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or broker including, without limitation, any failure on the part of the CSDP or broker of any beneficial owner of Imperial Shares to notify such beneficial owner of the details set out in this Circular.

Imperial™

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IMPERIAL LOGISTICS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1946/021048/06)
Ordinary share code: IPL ISIN: ZAE000067211
("Imperial" or "Company" or "Group")

CIRCULAR TO SHAREHOLDERS:

relating to:

- **the introduction of a 25% B-BBEE shareholding in ILSA Group, a wholly owned subsidiary of Imperial, by way of:**
 - the disposal by Converting Trade (an indirect subsidiary of Afropulse), of its 25% shareholding in ILA, and the acquisition, on a value for value basis, of a 9.9% shareholding in ILSA Group;
 - the acquisition by Willowton of an 8.52% shareholding in ILSA Group by way of a subscription for shares; and
 - the acquisition by Afropulse (via an indirect wholly owned subsidiary, Canefields) of a 6.58% shareholding in ILSA Group by way of a subscription for shares;
- **approval by Shareholders of the disposal by Converting Trade and the acquisition by Afropulse, as a related party transaction;**

and incorporating:

- a Notice of the General Meeting; and
- a form of proxy (blue) in respect of the General Meeting (for use by Certificated Shareholders and "Own-Name" Dematerialised Shareholders only).

**Sole Financial Advisor and Transaction
Sponsor to Imperial**



Independent Expert



**Independent Reporting Accountants
to Imperial**

Deloitte.

Legal Advisor to Imperial



Date of issue: Friday, 25 June 2021

This Circular is only available in English. Copies may be obtained from the registered office of the Company during office hours on Business Days from Friday, 25 June 2021, at the addresses set out in the "Corporate Information" section. A copy of this Circular will also be available on Imperial's website <https://www.imperiallogistics.com/inv-circular.php>. Further information for obtaining a copy of this Circular is set out in section 3 of the "Action Required by Shareholders" section.

FORWARD-LOOKING STATEMENT DISCLAIMER

The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* to this forward-looking statement disclaimer.

This Circular contains statements about the Group that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and may generally be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and/or depend on circumstances that may or may not occur in the future. Imperial cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the Group operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by the Group, as communicated in publicly available documents by the Group, all of which estimates and assumptions, although believed by the Group to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to the Group or not currently considered material by the Group.

Shareholders should keep in mind that any forward-looking statement(s) made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement(s) is made, being the Last Practicable Date. New factors that could cause the business of the Group to not perform as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. The Group has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law. No forward-looking statements have been reviewed or reported on by the external auditors of Imperial.

CORPORATE INFORMATION

Company secretary (acting) and registered office of Company

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Imperial Place
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Bedfordview
2007
South Africa
(PO Box 3013, Edenvale, 1610, South Africa)

Sole Transaction Advisor and Transaction Sponsor

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank
2196
South Africa
(PO Box 61344, Marshalltown, 2107)

Independent Reporting Accountants

Deloitte & Touche
Deloitte Place
5 Magwa Crescent
Waterfall City, Midrand
Johannesburg
2090
South Africa
(Private Bag X6, Gallo Manor, 2052, South Africa)

Independent Expert

PricewaterhouseCoopers Corporate Finance Proprietary Limited
4 Lisbon Lane Waterfall City
Jukskei View
2090
South Africa
(Private Bag X36, Sunninghill, 2157)

Legal advisor

Tugendhaft Wapnick Banchetti and Partners
20th Floor
Sandton City Office Towers
5th Street
Sandown
2196
South Africa
(PO Box 786728, Sandton, 2146)

Place and date of incorporation: Johannesburg, South Africa, 15 February 1946

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ACTION REQUIRED BY SHAREHOLDERS

This Circular is important and requires your immediate attention. The action you need to take is set out below. The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis*, to this Action Required By Shareholders section.

If you are in any doubt as to what action to take, consult your accountant, broker, banker, attorney, CSDP or other professional advisor immediately.

If you have disposed of all your Imperial Shares, please forward this Circular to the purchaser of such Imperial Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

The General Meeting, convened in terms of the Notice of General Meeting, will be held entirely by electronic communication, as permitted by the JSE, the provisions of the Companies Act and the MOI on Monday, 26 July 2021 commencing at 09:00 CAT.

In this respect, the Company has retained the services of TMS to host the General Meeting on an interactive electronic platform remotely, in order to facilitate remote participation and voting by Shareholders. TMS will also act as scrutineer.

Shareholders who wish to join the General Meeting electronically and/or vote at the General Meeting are required to contact TMS on proxy@tmsmeetings.co.za or alternatively contact their office on +27 11 520 7950/1/2 as soon as possible, but in any event, for administration purposes by no later than 09:00 on Thursday, 22 July 2021. However, this will not in any way affect the rights of Shareholders to register for the General Meeting after this date, provided however, that only those Shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act) and subsequently registered at the commencement of the General Meeting, will be allowed to participate in and/or vote by electronic means.

TMS will assist Shareholders with the requirements for electronic participation in, and/or voting, at the General Meeting. TMS is further obliged to validate (in correspondence with the Company and in particular, the Transfer Secretaries, Computershare Investor Services Proprietary Limited, and your CSDP) each such Shareholder's entitlement to participate in and/or vote at the General Meeting, before providing it with the necessary means to access the General Meeting and/or the associated voting platform. For further information in this regard, please see the details contained in the Notice of General Meeting.

While the Company will incur all costs for the hosting by TMS of the General Meeting by way of a remote interactive electronic platform, Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of the JSE, the Company and/ or TMS. None of the JSE, the Company nor TMS can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the General Meeting.

If you have dematerialised your Imperial Shares other than with "Own-Name" registration:

1. VOTING AT THE GENERAL MEETING

Your CSDP/broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP/broker to ascertain how you wish to cast your vote at the General Meeting and thereafter to cast your vote in accordance with your instructions.

If you have not been contacted, it would be advisable for you to contact your CSDP/broker and furnish it with your voting instructions.

If your CSDP/broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP/broker.

You should NOT complete the attached form of proxy (blue).

2. **Attendance and representation at the General Meeting**

If you wish to attend the General Meeting, you must advise your CSDP/broker in accordance with the agreement concluded between you and your CSDP/broker, and your CSDP/broker will issue you with the necessary letter of representation for you to attend the General Meeting.

Unless you advise your CSDP/broker, in accordance with the terms of the agreement concluded between you and your CSDP/broker, that you wish to attend the General Meeting and have been provided with a letter of representation from it or instructed it to send its proxy to represent you at the General Meeting, your CSDP/broker may assume that you do not wish to attend the General Meeting and act in accordance with the agreement between you and your CSDP/broker.

3. **If you have not dematerialised your Imperial Shares or you have dematerialised your Imperial Shares with “Own-Name” registration:**

Voting, attendance and representation at the General Meeting

- i. Shareholders are strongly encouraged to submit votes by proxy before the General Meeting.
- ii. You are, however, entitled to attend and vote at the General Meeting by electronic communication and may speak at and vote at the General Meeting.
- iii. If you are unable to attend the General Meeting, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy (blue) in accordance with the instructions it contains and returning it to TMS to be received by email at proxy@tmsmeetings.co.za by no later than 09:00 CAT on Thursday, 22 July 2021, for administration purposes. Alternatively, such forms of proxy may be lodged with the Chairman of the General Meeting at any time before the meeting by email, care of Jeetesh Ravjee at jeetesh.ravjee@imperiallogistics.com.
- iv. Where there are joint holders of Imperial Shares, any one of such persons may vote at the General Meeting in respect of such Imperial Shares as if that person is solely entitled thereto, but if more than one of such joint holders are present or represented at the General Meeting, the person whose name appears first in the Register in respect of such Imperial Shares or its/his/her proxy, as the case may be, shall alone be entitled to vote in respect of such Imperial Shares.

Shareholders were advised on SENS to obtain a copy of the Circular as follows:

- i. by accessing an electronic copy of the Circular on the Company's website, available at <https://www.imperiallogistics.com/inv-circular.php>;
- ii. by contacting the Transfer Secretaries, Computershare on +27 11 370 7701 or at #ZACSJHBClientService1@Computershare.co.za to request an electronic copy of the Circular;
- iii. by contacting their CSDP to request an electronic copy of the Circular;
- iv. by contacting the Acting Company Secretary, jeetesh.ravjee@imperiallogistics.com or EVP: Corporate Affairs and Investor Relations, Esha Mansingh at Esha.Mansingh@imperiallogistics.com in order to request an electronic copy of the Circular or to make reasonable alternative arrangements to obtain a copy.

4. **If you wish to dematerialise your Imperial Shares, please contact your broker.**

5. **Identification of Shareholders and proxies**

In terms of section 63(1) of the Companies Act, before any person may participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate and vote at the General Meeting, either as an Imperial Shareholder, or as a proxy or a representative for an Imperial Shareholder, has been reasonably verified. Acceptable forms of identification include a valid green-bar coded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport. Only those Shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act) and subsequently registered at the commencement of the General Meeting with TMS in accordance with what is set out above, will be allowed to participate in and/or vote by electronic means.

SALIENT DATES AND TIMES

Important dates and times in relation to the General Meeting are set out below.

2021

Record Date for Imperial Shareholders to receive the Circular and Notice of General Meeting	Friday, 11 June
Circular and Notice of General Meeting distributed and announced on SENS	Friday, 25 June
Last Date to Trade to be eligible to participate in and vote at the General Meeting	Tuesday, 13 July
General Meeting Record Date for Imperial Shareholders to be entitled to participate in and vote at the General Meeting	Friday, 16 July
Last date to lodge forms of proxy with TMS by 09:00 CAT	Thursday, 22 July
Last date to lodge forms of proxy with the Chairman of the General Meeting by 09:00 CAT	Thursday, 22 July
General meeting to be held (by way of electronic participation) at 09:00 CAT	Monday, 26 July
Results of the General Meeting published on SENS	Monday, 26 July
Results of the General Meeting published in the press	Tuesday, 27 July

Notes:

1. The dates and times provided for in this Circular are subject to amendment. Any material amendments will be published on SENS.
2. All times referred to in this Circular are based in CAT.
3. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting, unless the contrary is stated on such form of proxy.
4. Imperial Shareholders are reminded that Imperial Shares can only be traded in dematerialised form. It is therefore suggested that Certificated Shareholders on the Register only dematerialise their Imperial Shares prior to the Last Date to Trade. No orders to dematerialise or rematerialise Imperial Shares will be processed from the Business Day following the Last Date to Trade up to and including the General Meeting Record Date, but such orders will again be processed from the first Business Day after the General Meeting Record Date.
5. The Register for Certificated Shareholders will be closed between the Last Date to Trade and the General Meeting Record Date.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless the context indicates otherwise, the words in the first column shall have the meanings assigned to them in the second column, the singular includes the plural and *vice versa*, an expression which denotes one gender includes the other gender, a natural person includes a juristic person and *vice versa*, and cognate expressions shall bear corresponding meanings.

“Act” or “Companies Act”	the Companies Act, No. 71 of 2008, as amended or repealed from time to time, including any regulations promulgated thereunder;
“affiliate”	with respect to any juristic person: <ul style="list-style-type: none">• any other person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person; and• its directors and officers;
“Afropulse”	Afropulse Group Proprietary Limited (registration number 2005/043298/07), a private company duly registered and incorporated in accordance with the laws of the RSA, the shares of which are held equally by Ms Phumzile Langeni and Ms Bongzi Masinga, making it a 100% black women owned enterprise; Afropulse is also a current Imperial B-BBEE partner holding a 61% stake in Opal Corp which in turn owns 100% in Converting Trade which holds a 25% stake in ILA and translates into an effective 15.25% shareholding for Afropulse in ILA;
“attend”, “present”, “participate” or similar wording	includes being able to attend, be present or participate by means of electronic participation;
“B-BBEE”	broad-based black economic empowerment as defined in the B-BBEE Act;
“B-BBEE Act”	Broad-Based Black Economic Empowerment Act, No.53 of 2003, as amended or repealed from time to time, including any regulations promulgated thereunder;
“B-BBEE Codes”	the B-BBEE Codes of Good Practice issued under section 9(1) of the B-BBEE Act, as amended or repealed from time to time;
“B-BBEE Entity”	a company incorporated in accordance with the laws of the RSA, and which is both a “B-BBEE owned company” and a “B-BBEE controlled company” (as each of those terms are defined in the B-BBEE Codes);
“B-BBEE Legislation”	the B-BBEE Act, B-BBEE Codes and any other charter, law or regulation pursuant to which ownership and/or voting control by Black People in Imperial (or any material business conducted by it or its South African subsidiaries) is measured;
“B-BBEE Shareholders”	Canefields, Willowton and Converting Trade;
“B-BBEE Transaction” or “Transaction”	the acquisition of a 25% B-BBEE shareholding in ILSA Group, post the consolidation of the ILA and ILSA businesses, achieved by (i) the disposal by Converting Trade of its existing 25% B-BBEE shareholding in ILA and the acquisition by it on a value for value basis of a 9.9% shareholding in ILSA Group; (ii) the subscription by Canefields of a 6.58% shareholding in ILSA Group; and (iii) the subscription by Willowton of an 8.52% shareholding in ILSA Group;
“Black People” or “Black Person”	have the meanings assigned to such terms in the B-BBEE Codes;

“Board”, “Board of Directors” or “Directors”	the board of directors of Imperial from time to time;
“Business Day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“CAT”	Central Africa Time;
“Canefields”	Canefields 1523 Proprietary Limited (registration number 2020/892368/07), a private company duly registered and incorporated in accordance with the laws of the RSA and a wholly owned subsidiary of Raining Buckets, which is in turn a wholly owned subsidiary of Afropulse;
“Certificated Shareholders”	shareholders who hold Imperial Shares, represented by a share certificate, which Imperial Shares have not been dematerialised in terms of the requirements of Strate;
“Circular”	this Circular, dated Friday, 25 June 2021, including the annexures and attachments thereto;
“Converting Trade”	Converting Trade (RF) Proprietary Limited (registration number 2018/570389/07), a private company duly registered and incorporated in accordance with the laws of the RSA, a 100% of which is owned by Opal Corp which is in turn owned 61% by Afropulse, with Willowton holding the remaining 39% and which, prior to the implementation of the Transaction holds a 25% shareholding in ILA;
“CSDP”	Central Securities Depository Participant;
“dematerialise” or “dematerialisation”	the process by which securities held by Certificated Shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or broker;
“Dematerialised Shareholders”	shareholders who hold Imperial Shares which have been dematerialised in terms of the requirements of Strate;
“Earn-Out Amount”	the additional amount payable by Canefields and Willowton in the event that ILSA Group achieves a cumulative EBITDA over Year 1, Year 2 and Year 3 which is greater than the cumulative target EBITDA for the same period, in which case an EV/EBITDA multiple of 6.0x shall be applied to the additional EBITDA generated;
“EBITDA”	the aggregate consolidated earnings of the ILSA Group before interest, tax, depreciation and amortisation as determined in the applicable audited financial statements in accordance with IFRS;
“Effective Date”	effective date of the Transaction will be dependent on the fulfilment of the suspensive conditions to the Transaction and is expected to occur during the third quarter of 2021;
“fairness opinion”	the report prepared by the Independent Expert, in respect of the fairness of the Related Party Transaction in accordance with the JSE Listings Requirements;
“form of proxy”	the form of proxy (blue) incorporated into this Circular for use by Certificated Shareholders and Dematerialised Shareholders with “Own-Name” registration only, for purposes of appointing a proxy to represent such Imperial Shareholder at the General Meeting;
“General Meeting”	the General Meeting of Imperial Shareholders to be held at 09:00 CAT on Monday, 26 July 2021, entirely by electronic communication on the platform hosted by TMS (including any adjournment or postponement thereof);

“IFRS”	International Financial Reporting Standards;
“Imperial” or “Company” or “Group”	Imperial Logistics Limited (registration number 1946/021048/06), a public company duly incorporated in accordance with the laws of the RSA;
“Imperial deferred ordinary shares”	deferred ordinary shares of 4 cents each in the issued share capital of Imperial;
“ILA”	Imperial Logistics Advance Proprietary Limited (registration number 2018/515721/07), a private company duly registered and incorporated in accordance with the laws of the RSA, prior to the implementation of the Transaction the shareholding of which is held 75% by ILSA Holdings and 25% by Converting Trade;
“ILSA Group”	Imperial Logistics South Africa Group Proprietary Limited (registration number 1993/003465/07), a private company duly registered and incorporated in accordance with the laws of the RSA, a wholly-owned subsidiary of ILSA Holdings, which in turn is a wholly-owned subsidiary of Imperial;
“ILSA Holdings”	Imperial Logistics South Africa Holdings Proprietary Limited (registration number 2017/270514/07), a private company duly registered and incorporated in accordance with the laws of the RSA, a wholly owned subsidiary of Imperial and the holding company of Imperial's South Africa operations;
“Imperial ordinary shares”	ordinary no par value shares in the issued share capital of Imperial;
“Imperial Shareholder(s)” or “Shareholder(s)”	the holder(s) of Imperial Shares;
“Imperial Shares”	Imperial ordinary shares and/or Imperial deferred ordinary shares, as applicable;
“Income Tax Act”	the Income Tax Act No.58 of 1962, as amended or repealed from time to time including any regulations promulgated thereunder;
“Independent Expert”	PricewaterhouseCoopers Corporate Finance Proprietary Limited (registration number 1970/003711/07);
“Independent Reporting Accountants”	Deloitte & Touche, practice number 902276, Registered Auditors, acting as the Auditors and Independent Reporting Accountants to Imperial;
“JSE”	the JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, No.19 of 2012;
“JSE Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“Last Date to Trade”	Tuesday, 13 July 2021, being the last Business Day to trade Imperial Shares in order to reflect in the Register so as to be eligible to vote at the General Meeting;
“Last Practicable Date”	Monday, 14 June 2021 being the last practicable date prior to the finalisation of this Circular;
“Listed Share Flip-Up”	the right of each of the B-BBEE Shareholders, at its election, to dispose its shares in ILSA Group to Imperial which will in return be settled by Imperial Shares as consideration within the 30 day period preceding the expiry of the Lock-in Period;

“Lock-in Period”	the period commencing on the Effective Date and enduring for 5 years, during which none of the B-BBEE Shareholders are permitted to sell, transfer or otherwise dispose of any shares in ILSA Group, it being the express purpose of the Transaction to maintain a 25% B-BBEE shareholding in ILSA Group for the aforesaid 5 year period;
“MOI”	the memorandum of incorporation of the Company;
“Notice of General Meeting”	the notice to Imperial Shareholders convening the General Meeting for the purpose of considering and, if deemed fit, approving with or without modification, the resolutions set out in such Notice of General Meeting relating to the Related Party Transaction and which notice together with the form of proxy is attached to, and forms part of, this Circular;
“Opal Corp”	Opal Corp Trading (RF) Proprietary Limited (registration number 2018/570361/07), a private company duly registered and incorporated in accordance with the laws of the RSA, 61% of which is held by Afropulse and 39% of which is held by Willowton; Converting Trade is a wholly-owned subsidiary of Opal Corp;
“Own-Name registration”	Dematerialised Shareholders who have instructed their CSDP to hold their Imperial Shares in their own name on the uncertificated register of Imperial;
“prime rate”	the publicly quoted basic prime overdraft rate of interest per annum of The Standard Bank of South Africa Limited (or its successor-in-title) from time to time (as certified by any manager of The Standard Bank of South Africa Limited, whose appointment and authority it shall not be necessary to prove), calculated on a daily basis, compounded annually in arrears and determined on a 365 day year factor, irrespective of whether the year in question is a leap year or not;
“Raining Buckets”	Raining Buckets Proprietary Limited (registration number 2020/892410/07), a private company duly registered and incorporated in accordance with the laws of the RSA and a wholly owned indirect subsidiary of Afropulse;
“Rand” or “R” or “ZAR”	South African Rand;
“Register”	the Company’s securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act;
“Related Party Transaction”	collectively – <ul style="list-style-type: none"> – the disposal by Converting Trade (an associate of Afropulse) of its 25% shareholding in ILA, and the acquisition, on a value for value basis, of a 9.9% shareholding in ILSA Group; and – the acquisition by Afropulse (via Canefields) of a 6.58% shareholding in ILSA Group by way of a subscription for shares, a small portion of which is funded by a loan of circa ZAR15.06 million from ILSA Holdings for an aggregated consideration of ZAR628 million, as increased by the Specified Rate reckoned from 1 July 2020 to the Effective Date;
“RSA” or “South Africa”	the Republic of South Africa;
“SENS”	the Stock Exchange News Service of the JSE;
“Specified Rate”	a rate equal to the greater of: <ul style="list-style-type: none"> (i) the prime rate plus 400 basis points, and (ii) 11% (nominal annual compounded monthly (nacm));

“Strate”	Strate Proprietary Limited (registration number 1998/0222242/07), a private company duly registered and incorporated in accordance with the laws of the RSA and a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“TMS”	The Meeting Specialist Proprietary Limited (registration number 2017/287419/07), a private company duly registered and incorporated in accordance with the laws of the RSA, host and scrutineer of the General Meeting on an interactive electronic platform;
“Transaction Agreements”	the written agreements executed in order to implement the Transaction, namely, the ILSA Group shareholders agreement, the transaction steps agreement, ILSA Group subscription agreement, the Converting Trade subscription agreement, the ILA subscription and buy-back agreement, and the ILSA Group asset for share agreement /flip-up agreement;
“Transaction Consideration”	ZAR502.8 million as increased by the Specified Rate reckoned from 1 July 2020 to the Effective Date, subject to the achievement by ILSA Group of certain agreed performance hurdles in Year 1, Year 2 and/or Year 3 and subject further to ILSA Holdings’ entitlement to clawback any shortfall in Year 3 if ILSA Group fails to achieve any of the aforesaid performance hurdles, but nonetheless achieves the performance hurdles on average over the 3 year period;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of the RSA and the transfer secretaries of Imperial;
“Ukhamba”	Ukhamba Holdings Proprietary Limited (RF) (registration number 1998/017702/07), a private company with limited liability incorporated in accordance with the laws of RSA;
“Ukhamba Trust”	the Ukhamba Trust (trust registration number IT11896/98);
“VAT”	Value-Added Tax as levied in terms of the Value-Added Tax Act No.89 of 1991, as amended or repealed from time to time, including any regulations promulgated thereunder;
“VWAP”	Volume Weighted Average Price of an Imperial Share traded on the JSE over a period of 30 trading days immediately prior to the expiry of the Lock in Period;
“Willowton”	Willowton Group Investments One Proprietary Limited (registration number 2019/296340/07), a private company duly registered and incorporated in accordance with the laws of the RSA, the shares of which are held by 6 black women (Faiza Hassam – 20%, Hamida Banu Moosa – 20%, Ghazala Moosa – 20%, Tasmia Banoo Mahomed – 15%, Shabana Moosa – 15% and Fatima Moosa – 10%) making it a 100% black women owned enterprise; Willowton is also a current Imperial B-BBEE holding it’s a 39% shareholding in Opal Corp, which in turn owns 100% of Converting Trade, which holds an effective 9.75% shareholding for Willowton in ILA;
“Year 1”	the 12 month period commencing on 1 July 2020 and ending on 30 June 2021;
“Year 2”	the 12 month period commencing on 1 July 2021 and ending on 30 June 2022; and
“Year 3”	the 12 month period commencing on 1 July 2022 and ending on 30 June 2023.



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(Incorporated in the Republic of South Africa)
(Registration number 1946/021048/06)
Ordinary share code: IPL ISIN: ZAE000067211
("Imperial" or "Company" or "Group")

Directors

Non-executive

P Langeni (Chairman)
RJA Sparks*
P Cooper*
GW Dempster* (Lead Independent Director)
D Reich*
NB Duker*
CJ Anammah*
HA Adesola*

*Independent

Executive

M Akoojee (Chief Executive Officer)
JG de Beer (Chief Financial Officer)

CIRCULAR TO IMPERIAL SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

As set out in the announcement published on SENS on Friday, 23 April 2021, the Board of Imperial has entered into the Transaction Agreements with Afropulse, Willowton and Converting Trade in relation to a proposed transaction that will provide the B-BBEE Shareholders with an opportunity to participate in a 25% B-BBEE shareholding in ILSA Group. Subsequent to the implementation of the Transaction, ILSA Group will house a significant majority of the Group's South African operations.

Converting Trade, (of which Afropulse and Willowton effectively hold 61% and 39% respectively) currently holds a 25% shareholding in ILA. ILSA Holdings holds the remaining 75%. As a result, ILA is effectively more than 51% black-owned and more than 30% black woman-owned enterprise.

Afropulse and Willowton are existing partners of Imperial given their participation as shareholders in the previous B-BBEE transaction in ILA concluded during 2018 and 2019 respectively. Both parties have and continue to utilise their own sources of funding. As strategic partners in ILA, Afropulse and Willowton have provided significant new business opportunities to ILA that contributed to the growth of this business since the introduction of these partnerships. In light of this, the Board believes that they are the appropriate partners to pursue this broader B-BBEE transaction across the majority of Imperial's South African operations at an ILSA level.

Both partners continue to bring significant commercial opportunities to the table for Imperial in terms of new business given their existing operations and investments. Willowton is a diversified investment holding company focused on generating shareholder value by investing in various sectors of the South African economy, including FMCG, real estate, listed investments and logistics. Afropulse is an investment and advisory business established in 2006 and holds investments across a number of key South African sectors, contributing to relationships across an array of sectors. Imperial continues to leverage these relationships to gain material new business opportunities.

The shareholders of Willowton are all females who are beneficiaries, and in some cases, trustees of various family trusts that are the ultimate beneficial shareholders of Willowton Group.

The investment in Willowton was funded by these female shareholders, effectively through the distributions made by these family trusts to these beneficiaries.

Willowton also has common shareholders with Willowton Group Investments Two Pty Ltd (“WG2”) and Willowton Group Investments Three (“WG3”). The shareholders of Willowton, WG2 and WG3 are substantially the same and are all female.

The sole directors of Willowton, WG2 and WG3 are both female. They currently also act as directors of other entities, including Willowton Logistics Pty Limited, indicating their involvement in the logistics business, which is most relevant to Imperial.

The Willowton Group has been in operation since 1970 and has grown to become one of Africa’s leading edible oil processors, as well as one of the leading competitors in the South African FMCG market. A wide range of products encompasses edible oils, rice, sugar, margarines and spreads, beauty, toilet and laundry soaps, candles, baking and industrial fats, often distributed through its subsidiary Willowton Logistics. The Group has recently entered the milling industry with the launch of D’lite Super Maize meal within Southern Africa. Well-known brands include, among others, Sunfoil, Sunshine D, D’lite, Crown, WoodenSpoon, and Allsome rice. Willowton furthermore has other minor investments in several small property owning companies, while WG2 and WG3 have other significant investments in other companies/funds

Afropulse’s executive chairman and co-founder, Ms Phumzile Langeni, owns 50% of Afropulse. Ms Phumzile Langeni is also the chairman and a non-executive director of Imperial. Accordingly, in terms of the JSE Listings Requirements, Afropulse is deemed to be an associate of a director and therefore subject to the “Related Party Transaction” requirements as set out in Section 10 of the JSE Listings Requirements.

Afropulse holds a 61% shareholding in Opal Corp, which in turn owns 100% of Converting Trade. Converting Trade currently owns 25% of ILA and pursuant to the conclusion of the Transaction will own 9.9% of ILSA Group. Following the fulfilment of the suspensive conditions set out in the Transaction Agreements, Afropulse is also subscribing for a further 6.58% in ILSA Group *via* its indirectly wholly-owned subsidiary, Canefields. Afropulse is therefore deemed to be an associate of a related party in terms of the JSE Listings Requirements.

Accordingly, the Related Party Transaction is subject to Shareholder approval by way of an ordinary resolution.

The purpose of this Circular is to:

- provide Imperial Shareholders with the requisite information in accordance with the JSE Listings Requirements to enable Imperial Shareholders to make an informed decision in respect of the Related Party Transaction as set out in this Circular; and
- give notice convening the General Meeting at which the resolutions necessary to approve and implement the Related Party Transaction, as more fully detailed in this Circular, will be considered and, if deemed fit, approved with or without modification by Imperial Shareholders. The notice convening the General Meeting is attached to and forms part of this Circular.

Shareholders will also be requested to approve an ordinary resolution authorising the flip-up by the B-BBEE Shareholders, of which further details are set out in paragraph 8 of this Circular.

2. **RATIONALE FOR THE TRANSACTION**

Imperial has communicated to shareholders the Group’s strategic intent to become a ‘One Imperial’ business and serve as the ‘Gateway to Africa’ to its clients, principals and customers. A key component to deliver on this strategy remains the strengthening of, and consequently ensuring the appropriate empowerment of, its South African operations to provide it with the appropriate base to develop across the continent. Improving the B-BBEE ownership and status of Imperial’s South African operations is thus critical for the future prospects of Imperial given its exposure to the South African market as part of its ‘Gateway to Africa’ strategy.

With transformation being a key focus for Imperial, its B-BBEE policies have been developed to ensure that measurable progress is made towards black economic empowerment. The Transaction will ensure significant B-BBEE ownership for the majority of Imperial’s South African operations and reiterates Imperial’s commitment to sustainable empowerment and transformation. The Transaction is being undertaken in anticipation of the wind-down of the Ukhamba structure in 2025.

Ukhamba has been a meaningful shareholder of Imperial since 1998 and will continue to be a key partner to the Group until 2025.

Ukhamba is an investment holding company, formed by Imperial in 1998 as a venture between Imperial and the Ukhamba Trust.

The Ukhamba Trust gave some 15 575 black historically disadvantaged people who were employees of Imperial an opportunity, free of any consideration, to acquire units in the Ukhamba Trust, which in turn represented a shareholding in Ukhamba, and through it, inter alia, a shareholding in Imperial. Instead of “locking-in B-BBEE participants”, and in order to expedite the interests of the B-BBEE participants, the B-BBEE participants’ shares were placed on a trading platform for trade and provided a mechanism for B-BBEE participants to realise their shares in Ukhamba, as and when they choose to do so, in order to satisfy their own financial needs.

By 2012, the 15 575 beneficiaries of the Ukhamba Trust received R415 179 804. Upon the listing with Equity Express Securities Exchange Proprietary Limited, a licensed exchange under the Financial Markets Act, each beneficiary received on average 1 206 listed “A” shares in 2013 with a total value of approximately R441 928 658. In total a value of c.R900 million was created. During the period 2014 to 2021, dividend payments of R66 901 340 have been paid to the holders of the listed “A” shares.

The Transaction will enhance Imperial’s competitiveness and appeal to its clients and customers in South Africa which will contribute to sustaining current earnings and achieving future growth as well as protect existing contracts and retaining clients where B-BBEE is a mandatory requirement, particularly once the Ukhamba structure comes to an end in 2025. The effective B-BBEE ownership of ILSA Group post implementation of the Transaction will be more than 51%, with more than 30% black women ownership until the Ukhamba structure ends.

3. OVERVIEW OF THE TRANSACTION

3.1 Background to ILSA Group and ILA

ILSA Group constitutes the largest component of Imperial’s South African operations in terms of revenue and is currently a wholly-owned subsidiary of ILSA Holdings, which in turn is a wholly-owned subsidiary of Imperial. ILSA Group comprises Imperial’s Dedicated Contracts, Cargo, Managed Solutions, Health Sciences, Truck Rental, Resolve, Fast ‘n Fresh and cross-border businesses. It also houses certain treasury functions and the Market Access Head Office, however, post the consolidation of the businesses of ILSA Group and ILA pursuant to the implementation of the Transaction, these will be excluded.

ILA comprises the Tanker Services Fuel and Gas, Tanker Services Food and Chemicals and KWS businesses. It also has a 75% investment in Imperial Tanker Services Botswana Proprietary Limited and 70% in Imperial Logistics Motion Proprietary Limited. The core capability of ILA is the bulk road transportation management of liquid, gases, powders, ores and grains, which requires specialised assets and skills.

3.2 Transaction overview

The purpose of the Transaction is to consolidate the businesses of ILSA Group and ILA and create an enlarged ILSA Group, with a 25% B-BBEE shareholding. The B-BBEE Shareholders will acquire their respective shares in ILSA Group as follows:

- Converting Trade will dispose of its 25% shareholding in ILA, and will acquire, on a value for value basis, a 9.9% shareholding in ILSA Group; and
- Willowton will acquire an 8.52% shareholding in ILSA Group by way of a subscription for shares and Afropulse (via Canefields, a subsidiary) will acquire a 6.58% shareholding in ILSA Group by way of a subscription for shares, in aggregate a 15.1% shareholding in ILSA Group.

The 15.1% shareholding in ILSA Group is valued at ZAR628.4 million, before any discounts are applicable. The 25% B-BBEE shareholding is subject to a five-year lock-in from the Effective Date of the Transaction and given the minority position as well as lack of marketability of this shareholding, Imperial will provide an upfront 20% discount to Willowton and Afropulse, implying a cash consideration of ZAR502.8 million. The combined minority and marketability discount that is being provided by Imperial is in line with market precedents for similar transactions.

The Transaction will be implemented via a “locked-box” mechanism that would be effective as at 1 July 2020. In order to account for the delay between the “locked-box” date and the Effective Date, the consideration payable by the B-BBEE Shareholders shall be increased by an interest factor, the Specified Rate, reckoned from 1 July 2020 to the Effective Date.

ILSA Holdings will advance an amount equal to circa ZAR15.06 million to Canefields, (being that amount by which the consideration payable by Canefields is increased by the Specified Rate). The loan to Canefields will bear interest at the Specified Rate reckoned from the Effective Date until the fifth anniversary of the Effective Date, whereupon it shall become repayable. ILSA Holdings has passed the necessary shareholder and board resolutions in terms of section 44 and 45 of the Companies Act authorizing it to advance the loan to Canefields.

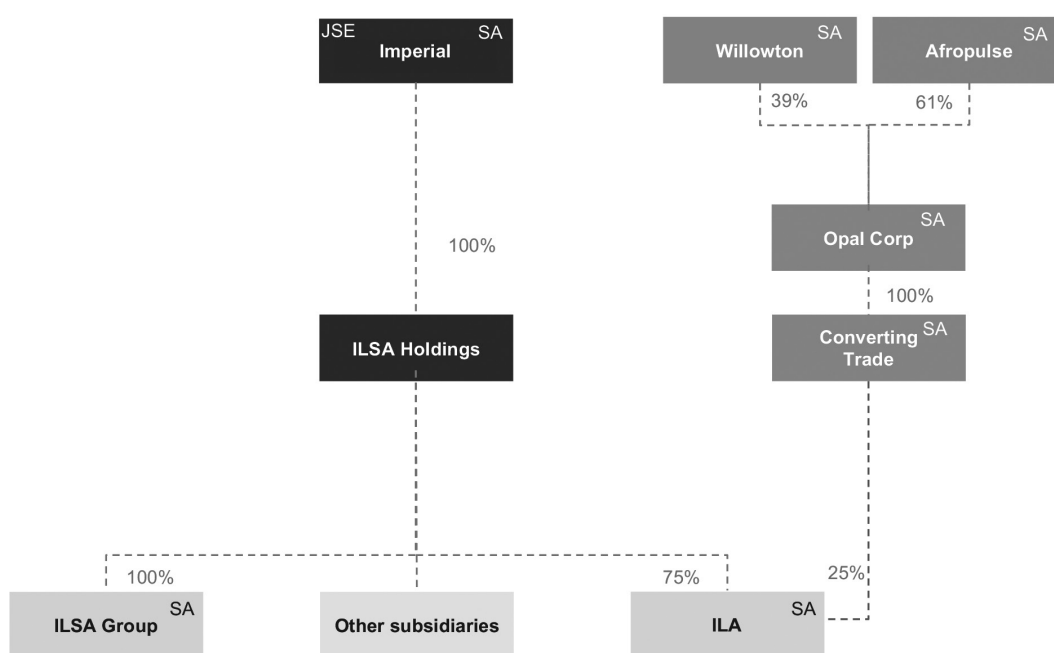
To the extent that the loan is not repaid by then, it will be set-off against the number of shares which Canefields will be entitled to receive in terms of the flip-up.

The effective B-BBEE shareholding of Afropulse in ILSA Group post the implementation of the Transaction will be 12.6% and of Willowton will be 12.4%.

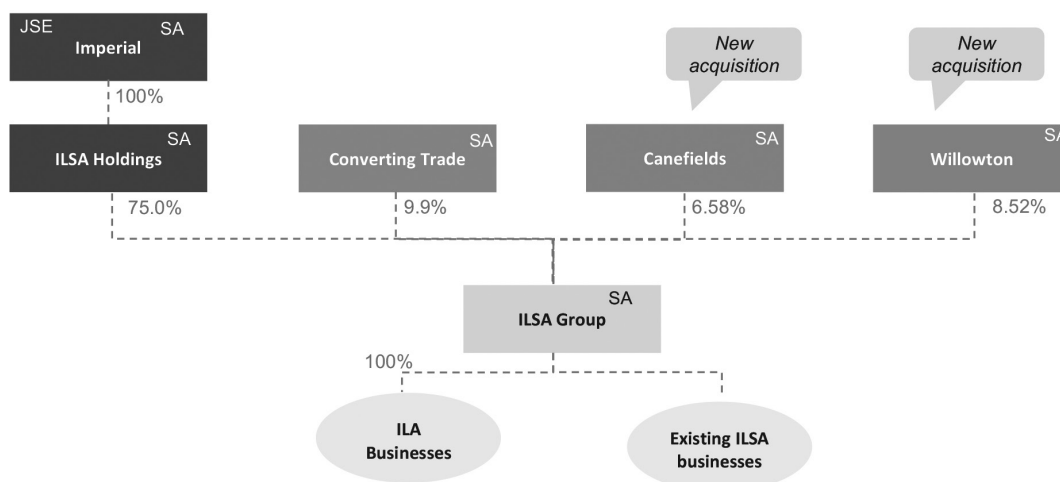
Following the implementation of the Transaction, the B-BBEE Shareholders will collectively be 25% shareholders in ILSA Group with ILSA Holdings holding the remaining 75% shares in ILSA Group.

3.3 Structure before and post the implementation of the Transaction

3.3.1 Current structure



3.3.2 After structure



4. **PAYMENT MECHANISM**

The Transaction will result in the acquisition by Converting Trade, Canefields and Willowton of its 25% shareholding in ILSA Group at the Effective Date, as follows:

Converting Trade will utilise the proceeds received by it in respect of the disposal of its 25% shareholding in ILA, to acquire 9.9% of ILSA Group, valued at ZAR408.7million, on a value-for-value basis.

Canefields will subscribe for a 6.58% shareholding in ILSA Group for a consideration of ZAR219 million (post the application of the 20% discount provided by Imperial) as increased by an interest factor reckoned from 1 July 2020 to the Effective Date.

Willowton will subscribe for an 8.52% shareholding in ILSA Group for a consideration of ZAR284 million (post the application of the 20% discount provided by Imperial) as increased by an interest factor reckoned from 1 July 2020 to the Effective Date.

Willowton and Canefields will therefore pay an amount of ZAR502.8 million (as increased by the Specified Rate reckoned from 1 July 2020 to the Effective Date) (post the application of the 20% discount provided by Imperial) in order to acquire a combined 15.1% shareholding, which payment obligation shall be discharged by:

- an initial payment of 60%, equal to ZAR302 million (as increased by the Specified Rate reckoned from 1 July 2020 to the Effective Date), of the Transaction Consideration upon implementation of the Transaction;
- a payment of 10% of the Transaction Consideration, up to a maximum of ZAR51 million, upon completion of the first full year financial reporting period for ILSA Group post the implementation of the Transaction, subject to achievement of agreed performance hurdles;
- a payment of 15% of the Transaction Consideration, up to a maximum of ZAR75 million, upon completion of the second full year financial reporting period for ILSA Group post the implementation of the Transaction, subject to achievement of agreed performance hurdles; and
- a payment of 15% of the Transaction Consideration, up to a maximum of ZAR75 million, upon completion of the third full year financial reporting period for ILSA Group post the implementation of the Transaction, subject to achievement of agreed performance hurdles.

The payments upon completion of Year 1, Year 2 and Year 3 are subject to the achievement of the minimum performance hurdle for each of the financial years.

ILSA Group is required to achieve at least 70% of the EBITDA it is forecast to achieve in Year 1, Year 2 and Year 3 to meet the minimum performance hurdle and receive at least 50% of the payment for that year.

If ILSA Group achieves more than 80% and less than 90% of its forecast EBITDA then 75% of the deferred payment for the year shall be payable. If ILSA Group achieves more than 90% of its forecast EBITDA for the year, 100% of the deferred payment for the year shall be payable.

The net proceeds from the Transaction will be retained by ILSA Group to reduce interest bearing borrowings.

The above payment mechanism was the most effective mechanism to ensure that Imperial receives the appropriate value for the sale of shares in ILSA to the B-BBEE shareholders, while accounting for the uncertainty in forecast performance of the ILSA operations as a result of the COVID-19 related interruptions.

5. **CLAWBACK MECHANISM**

The performance hurdles, if achieved, will mean that ILSA Group will be paid a maximum of ZAR51 million, ZAR75 million and ZAR75 million in Year 1, Year 2 and Year 3, respectively, in total ZAR201 million. If, however, ILSA Group does not achieve any one or more of the performance hurdles and underperforms in any of Year 1, Year 2 or Year 3, it will have an opportunity to make up the shortfall, to the extent that the amount received by it does not exceed R201 million, if on average, over the 3 year period it has achieved the agreed performance hurdles.

6. **EARN-OUT**

An earn-out payment shall be due from Canefields and Willowton to the extent that the cumulative EBITDA achieved by ILSA Group over Year 1, Year 2 and Year 3 is more than the cumulative target EBITDA for ILSA Group for the same period.

An EV/EBITDA multiple of 6.0X shall be applied to the additional EBITDA generated by ILSA Group to the extent that the EBITDA achieved exceeds the cumulative target EBITDA to determine the quantum of earn-out payable. If the Earn-Out Amount is greater than ZAR100 million, then ZAR100 million shall be paid by Canefields and Willowton along with the payment due at the end of Year 3 and any balance outstanding shall be paid within a period of twelve months thereafter.

7. **LOCK-IN PERIOD**

The shareholding in ILSA Group held by the B-BBEE Shareholders shall be subject to the Lock-in Period during which the B-BBEE Shareholders shall be precluded from a sale of their respective shares in ILSA Group.

8. **FLIP-UP INTO IMPERIAL**

Upon the expiry of the Lock-in Period, each of the B-BBEE Shareholders shall be entitled to sell its shares in ILSA Group to Imperial at a price equal to the value of the B-BBEE shareholding in ILSA Group, which shall be determined using a DCF methodology based on a forecast budget for ILSA Group prepared by ILSA Group management, less net debt. Imperial shall discharge the purchase price payable to the B-BBEE Shareholder concerned (as an asset for share swap transaction) by issuing to it so many Imperial Shares, using the 30-day VWAP calculated as:

$(\text{DCF Valuation for ILSA Group} \times \% \text{shareholding of B-BBEE Shareholder selling its shares in ILSA Group}) / 30\text{-day VWAP of Imperial Shares}$

The Flip-Up has been categorised based on the maximum potential consideration and is deemed to be a category 2 transaction in terms of the JSE Listings Requirements.

As agreed between the Company and the B-BBEE Shareholders, following the Listed Share Flip-Up, each of the B-BBEE Shareholders shall be entitled to dispose of its shareholding in the open market subject to a limit of:

- up to 30% of its *pro-rata* shareholding in ILSA Group in the year immediately following the completion of the Lock-In Period; and
- the remaining shareholding in Imperial being available for disposal over the second year following the Lock-In Period.

Following the Lock-In Period, each of the B-BBEE Shareholders shall be allowed to dispose of its entire shareholding in Imperial to any other B-BBEE Entity, subject to the identity of the person or entity being approved by Imperial.

9. **CONDITIONS PRECEDENT TO THE TRANSACTION**

The Transaction is conditional upon certain conditions precedent in respect of the Related Party Transaction being fulfilled or waived on or before 30 June 2021 or such later date as agreed to by all the parties including:

- Imperial Shareholders approving the Related Party Transaction; and
- all Transaction Agreements been duly executed in accordance with its terms.

10. **RELATED PARTY CONSIDERATIONS**

Afropulse's executive chairman and co-founder, Ms Phumzile Langeni, owns 50% of Afropulse. Ms Phumzile Langeni is also the chairman and a non-executive director of Imperial. Accordingly, in terms of the JSE Listings Requirements, Afropulse is deemed to be an associate of a director and therefore subject to the "Related Party Transaction" requirements as set out in Section 10 of the JSE Listings Requirements.

As set out in paragraph 1 to this Circular, Afropulse holds a 61% shareholding in Opal Corp, which in turn owns 100% of Converting Trade. Converting Trade currently owns 25% of ILA and pursuant to the conclusion of the Transaction will own 9.9% of ILSA Group. Afropulse is also subscribing for a further 6.58% in ILSA Group *via* its indirectly wholly-owned subsidiary, Canefields. Afropulse is therefore deemed to be an associate of a related party in terms of the JSE Listings Requirements.

Although Phumzile Langeni and her associates will be taken into account in determining a quorum at the General Meeting, Phumzile Langeni and her associates (including Afropulse and Converting Trade) will be excluded from voting at the General Meeting.

11. INDEPENDENT EXPERT OPINION AND BOARD RECOMMENDATION

PricewaterhouseCoopers has been appointed as the independent professional expert by the Board and provided the Board with a fairness opinion with regard to the Related Party Transaction in which they have advised the Board that they believe the terms of the Related Party Transaction are fair to Imperial Shareholders.

The Board confirms that it is of the opinion that the Related Party Transaction is fair insofar as Shareholders are concerned. This decision was reached having had due regard to the fairness opinion issued by the Independent Expert which are set out in a letter addressed to the Board, a copy of which is set out in Annexure 1 to this Circular.

The Directors hereby recommend that Imperial Shareholders vote in favour of the resolutions necessary to approve the Related Party Transaction, which will be proposed at the General Meeting. The Directors who hold Imperial Shares intend voting their shares in favour of all resolutions proposed at the General Meeting.

12. PRO FORMA FINANCIAL EFFECTS

The consolidated pro forma financial effects of the Transaction on Imperial's basic earnings per share, headline earnings per share, diluted basic earnings per share, diluted headline earnings per share and net asset value per share for the six months ended 31 December 2020 are set out below.

The pro forma financial information has been prepared for illustrative purposes only, to provide information of how the Transaction may have affected the financial position of Imperial. Due to its nature, the consolidated pro forma financial effects, the pro forma condensed consolidated statement of profit or loss and pro forma condensed consolidated statement of financial position, (collectively, "the consolidated pro forma financial information"), may not give a fair reflection of Imperial's financial position, changes in equity, results of operations and cash flows subsequent to the Transaction.

The consolidated pro forma financial information is set out in Annexure 2 to this Circular and is presented in accordance with the provisions of the Listings Requirements and the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants. The consolidated pro forma financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors of Imperial and has been prepared for illustrative purposes only, to provide information on how the Transaction may have impacted on the historical financial results of Imperial for the six months ended 31 December 2020.

The pro forma condensed consolidated statement of profit or loss for the six months ended 31 December 2020 and the pro forma condensed consolidated statement of financial position of Imperial as at 31 December 2020 and the explanatory notes thereto are set out in Annexure 2 to this Circular and should be read in conjunction with the independent reporting accountant's assurance report thereon which is presented in Annexure 3.

The consolidated pro forma financial information is compliant with IFRS and are consistent with Imperial's accounting policies and with those applied in the interim financial statements of Imperial for the six month period ended 31 December 2020. It has been assumed, for purposes of the pro forma financial effects, that the Transaction took place with effect from 1 July 2020 for the pro forma condensed consolidated statement of profit or loss and as at 31 December 2020 for the pro forma condensed consolidated statement of financial position.

The consolidated pro forma financial effects of the Transaction on Imperial are as follows:

	Notes	Published interim results	Pro forma results after Transaction	% Change
NAV per ordinary share (cents)	1	3 718	3 923	6
NTAV per ordinary share (cents)	1	403	608	51
Earnings per share				
Continuing operations				
– Basic EPS (cents)		125	73	(42)
– Diluted EPS (cents)		120	69	(43)
Discontinued operations				
– Basic EPS (cents)		312	312	
– Diluted EPS (cents)		301	296	(2)
Total				
– Basic EPS (cents)		437	385	(12)
– Diluted EPS (cents)		421	365	(13)
Headline earnings per share				
Continuing operations				
– Basic HEPS (cents)		180	128	(29)
– Diluted HEPS (cents)		173	121	(30)
Discontinued operations				
– Basic HEPS (cents)		5	5	
– Diluted HEPS (cents)		5	5	
Total				
– Basic HEPS (cents)		185	133	(28)
– Diluted HEPS (cents)		178	126	(29)
Shares in issue net of shares repurchased (million)		190,7	190,7	
Weighted average number of shares in issue for basic (million)		186,4	186,4	
Weighted average number of shares in issue for diluted (million)		193,5	196,9	

1. NAV and NTAV has been calculated using the Equity attributable to owners of Imperial by the number of shares in issue net of shares repurchased. If calculated based on Total Equity the NAV would reduce from 4 128 cents to 4 091 cents, and NTAV would reduce from 813 cents to 776 cents.

Detailed notes and assumptions regarding the consolidated pro forma financial information are set out in Annexure 2 of this Circular.

13. DIRECTORS' INTERESTS

13.1 Directors' interests in Imperial Shares

Set out below are the beneficial interests of Directors in the Company at 30 June 2020. There are no indirect beneficial holdings by the Directors in the Company.

	Number of Shares	Percentage (%)
Non-executive directors		
GW Dempster	99	0
RJA Sparks	40 000	0.02
Executive directors		
M Akoojee	236 638	0.12
JG de Beer	76 817	0.04

There have been no dealings in Imperial Shares by Directors since 30 June 2020 other than the awards and vesting of rights in terms of Imperial Share Incentive Schemes, as announced on SENS on 17 September 2020 and 3 December 2020, respectively.

13.2 Directors' interests in transactions

Save for the details relating to the Related Party Transaction, none of the Directors of Imperial has or had any material beneficial interest, direct or indirect, in any transactions that were effected by Imperial during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or underperformed.

13.3 Directors' service contracts

At present, all executive Directors of Imperial have employment contracts with Imperial, the terms of which are detailed in the Imperial Remuneration Report.

14. MAJOR BENEFICIAL SHAREHOLDERS

Insofar as is known to Imperial, the name of any Shareholder, other than a Director, that, directly, is beneficially interested in 5% or more of Imperial Shares, together with the amount of each such Shareholder's interest as at 28 May 2021 is set out in the table below.

For the avoidance of doubt, no Imperial Shares in which a Director has a direct or indirect beneficial interest are included in the table below.

Shareholder	Total number of Shares held ('000)	Percentage of issued voting capital net of treasury shares (%)
Public Investment Corporation	22 846	11.31
M&G Investment (London)	20 895	10.34
PSG Asset Management	18 773	9.29
Ukhamba Holdings South Africa	16 718	8.27
Abax Investments	11 848	5.86
Imperial Corporate Services South Africa	11 336	5.61
Total	102 416	50.68

15. MATERIAL CHANGES

15.1 Material Contracts

Other than the Transaction Agreements, the Group has entered into the following material contracts within the two years prior to the date of issue of this Circular:

- 15.1.1 The disposal by Imperial of its interest, being shares and claims, in its European shipping business to Häfen und Güterverkehr Köln AG, Cologne, Germany as announced on 4 May 2020 and which was deemed to be a Category 1 transaction in terms of the JSE Listings Requirements.
- 15.1.2 The small related party transaction in terms of which Opal Corp shareholders provided Standard Bank with a guarantee up to R10 million, and ILSA a further guarantee to Standard Bank of to R37 million ("Imperial Guarantee") of which details were announced on 9 September 2020. This was undertaken that funding covenants were not breached as a result of the impact of COVID-19 on ILA operations
- 15.1.3 The sale by Imperial Mobility International BV, Imperial Logistics International B.V. & Co. KG and Imperial Fleet Services GmbH, all wholly owned subsidiaries of Imperial, of its respective interest, being assets, shares and claims, in its South American shipping business to Hidrovias do Brasil S.A. and other wholly owned subsidiaries of Hidrovias do Brasil as announced on 19 April 2021 and which was deemed to be a Category 2 transaction in terms of the JSE Listings Requirements.

15.2 Material Changes

There have been no material changes in the financial or trading position of Imperial and its subsidiaries since 31 December 2020, being the end of the last financial period for which unaudited interim financial results were published on 23 February 2021.

16. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which Imperial is aware, that may have or have had, in the recent past, being the previous 12 months, a material effect on Imperial and its subsidiaries' financial position.

17. GENERAL MEETING AND VOTING RIGHTS

A General Meeting of Imperial Shareholders will be held entirely by electronic communication on Monday, 26 July 2021 at 09:00 CAT in order to consider, and if deemed fit, pass, with or without modification, the resolutions set out in the Notice of General Meeting attached and forming part of this Circular.

Shareholders are referred to the Notice of General Meeting attached to this Circular for details on the resolutions to be proposed at the General Meeting and to the "Action Required By Shareholders" section of this Circular for information on the procedure to be followed by Shareholders in order to participate and to exercise their votes at the General Meeting.

Every Shareholder present or represented by proxy at the General Meeting shall have all votes determined in accordance with the voting rights associated with the Imperial Shares held by that Shareholder.

The quorum requirement for the General Meeting to begin or for a matter to be considered at the General Meeting is at least three Shareholders present in person. In addition:

- the General Meeting may not begin until sufficient persons are present or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting; and
- a matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Every Shareholder present or represented by proxy and entitled to exercise voting rights at the General Meeting shall be entitled to vote on a show of hands, irrespective of the number of the voting rights that Shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the General Meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Shares held by that Shareholder.

The General Meeting will be held entirely by electronic communication in accordance with the MOI and the Companies Act.

18. EXPENSES

The costs that are expected or have been provided for in connection with the Related Party Transaction (exclusive of VAT) are set out below:

Description	Name	R'000
Sole Financial Advisors and Transaction Sponsor fees	Standard Bank	10 000
Independent Reporting Accountants' fee	Deloitte	1 202
Legal Advisors	TWB	3 800
Independent Expert	PwC	1 500
JSE inspection fees	JSE	68
Printing, publication, distribution and advertising expenses	Ince	85
Meeting scrutineers	TMS	31
Total		16 686

Shareholders are advised that Standard Bank acts as Sole Financial Advisor and Transaction Sponsor in relation to this Circular.

In its capacity as transaction sponsor, Standard Bank has confirmed to the JSE and Imperial that there is no matter that would impact on its ability to exercise reasonable care and judgement to achieve and maintain independence and objectivity in professional dealings in relation to Imperial and that would impact on its ability to act within the Code of Conduct as set out in the Listings Requirements.

Standard Bank has various stringent internal procedures in place to ensure that its ability to act independently as JSE sponsor, is not compromised. It furthermore identifies and manages any conflicts of interest in relation to its role as sponsor and its and its approved executives which could be expected to impair their independence and objectivity in relation to an applicant issuer for a transaction or corporate action.

Pursuant to these internal procedures, Standard Bank has a Compliance Control Room function that identifies and manages conflicts risks and ensures that strict “Chinese Walls” are maintained to ensure that as JSE sponsor, it is able to act independently from other divisions within the bank. Standard Bank also enforces and implements physical and logical access restrictions to information, which is limited to deal teams for whom the information is relevant, for the purpose of fulfilling the client mandate.

19. **CONSENTS**

The Sole Financial Advisor and Transaction Sponsor, Independent Expert, Independent Reporting Accountants and Legal Advisors have consented in writing to act in the capacities stated and to their names being stated in this Circular and where applicable, reference to their reports in the form and context in which they appear, and have not withdrawn their consents prior to the publication of this Circular.

20. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors, whose names are set out on page 11 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the JSE Listings Requirements.

21. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the registered offices of Imperial at Imperial Place, 79 Boeing Road East, Bedfordview, Gauteng, and will also be electronically available by making an email request to the Company at jeetesh.ravjee@imperiallogistics.com, from the date of publication of this Circular up to and including the date of the General Meeting:

- the Memorandum of Incorporation of Imperial and its major subsidiaries;
- the signed consent letters of the parties referred to in paragraph 19;
- a copy of the Transaction Agreements;
- a copy of the fairness opinion report presented in Annexure 1;
- Imperial's annual financial statements for the three years ended 30 June 2020, 2019 and 2018, as well as the interim results for the six-month period ended 31 December 2020;
- a copy of the Independent Reporting Accountants' report presented in Annexure 3;
- copies of service agreements with Directors entered into during the last three years; and
- a signed copy of this Circular.

(Being duly authorised hereto to sign this Circular for and on behalf of each and every Director of the Company in accordance with a round robin resolution of the Board signed by each and every Director)

Imperial Logistics Limited

Mohammed Akoojee

Group Chief Executive Officer

Friday, 25 June 2021

INDEPENDENT EXPERT OPINION

23 June 2021

The Board of Directors
Imperial Logistics Limited
Imperial Place
79 Boeing Road East
Bedfordview
2007
South Africa

Dear Directors

Fairness opinion in connection with a Transaction relating to the introduction of a 25% Broad Based Black Economic Empowerment shareholding in Imperial Logistics South Africa Group Proprietary Limited

Introduction

As set out in the announcement by Imperial Logistics Limited (“Imperial”) published on SENS on 23 April 2021, transaction agreements have been entered into whereby Afropulse Group Proprietary Limited (“Afropulse”) and Willowton Group Investments One Proprietary Limited (“Willowton”) through their subsidiary Converting Trade (RF) Proprietary Limited (“Converting Trade”) will participate in a 25% broad based black economic empowerment (“B-BBEE”) shareholding in Imperial Logistics South Africa Group Proprietary Limited (“ILSA Group”) (“the Transaction”). Afropulse holds 61% and Willowton holds 39%, respectively, of Converting Trade and are together referred to as (“the B-BBEE Shareholders”). Converting Trade currently holds a 25% shareholding in Imperial Logistics Advance Proprietary Limited (“ILA”) and is a subsidiary of Imperial Logistics South Africa Holdings Proprietary Limited (“ILSA Holdings”), which holds the remaining 75%.

The Transaction will be implemented through a merger of the businesses of ILA and ILSA Group and create an enlarged ILSA Group with a 25% B-BBEE shareholding. Subsequent to the implementation of the Transaction, ILSA Group will house a significant majority of the Imperial’s South African operations.

The introduction of the B-BBEE Shareholders will be implemented through, *inter alia*:

- Converting Trade will through a series of transactions, dispose of its existing 25% ownership in ILA and will acquire, on a value-for-value basis, a 9.9% shareholding in ILSA Group.
- Willowton will acquire an 8.52% shareholding in ILSA Group by way of a subscription for shares and Afropulse (via an indirect wholly owned subsidiary namely, Canefields 1523 Proprietary Limited) will acquire a 6.58% shareholding in ILSA Group by way of a subscription for shares, in the aggregate a 15.1% shareholding (“the Additional Investment”) in ILSA Group.

The 15.1% shareholding in ILSA Group is valued at R628.4 million, before the application of any discounts. Imperial will provide an upfront 20% discount to Willowton and Afropulse, implying a cash consideration of R502.8 million, subject to an earn-out structure based on the achievement of agreed upon performance hurdles. Additionally, a clawback mechanism will be in place to allow Imperial to recoup any reduced consideration in a prior year as a result of underperformance.

Following the conclusion of the Transaction, the B-BBEE Shareholders would collectively hold a 25% interest in ILSA Group, with ILSA Holdings holding the remaining 75%. The B-BBEE Shareholders shall be subject to a 5-year lock-in period, and at the end of the lock-in period, the B-BBEE Shareholders shall have the right to exchange their shares in ILSA Group for Imperial shares, which are listed on the JSE Limited (“JSE”).

Afropulse’s executive chairman and co-founder is Phumzile Langeni, who is also the chairman and non-executive director of Imperial. Afropulse holds 61% shareholding in Converting Trade and accordingly is deemed to be an associate of a related party in terms of the JSE Listings Requirements.

Accordingly, Afropulse is considered to be a related party of Imperial as defined in section 10.1 (b) (iv) of the JSE Listings Requirements and as such, the provisions of section 10.4 of the JSE Listings Requirements apply.

Section 10.4 (f) of the JSE Listings Requirements requires the issuer to *“include a statement by the board of directors confirming whether the transaction is fair insofar as the shareholders of the issuer are concerned and that the board of directors has been so advised by an independent expert acceptable to the JSE. The board of directors must obtain a fairness opinion (which must be included in the circular) prepared in accordance with Schedule 5, before making this statement”*.

The board of directors of Imperial (“the Board”) has therefore requested PwC to act as independent professional expert in terms of the JSE Listings Requirements.

Definition of Fairness

The JSE requires an opinion on fairness which, in the case of the Transaction where the issuer is the seller, would be considered Fair if the consideration received by the seller is greater than, or equal to, the underlying market value of the interest in the business sold in terms of the Transaction.

The Transaction would therefore be Fair if the purchase consideration received is greater than or equal to the Market Value of a 25.0% interest in ILSA Group. Therefore, as part of the process in determining whether the Transaction will be Fair, we estimated the Market Value, as defined above, of a 25.0% interest in ILSA Group, based on a sum of the parts valuation of ILA and ILSA and compared this value to the total consideration to be received, being the sum of the Market Value of a 25.0% interest in ILA and the Market Value of the Additional Investment consideration.

This valuation analysis included valuing the 25.0% interest in ILA held by Converting Trade, as this was used to acquire, on a value-for-value basis, a 9.9% shareholding in ILSA Group. Our valuation analysis was performed as at 31 March 2021 (“the Valuation Date”).

Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Fairness is primarily based on quantitative issues but certain qualitative issues surrounding the particular transaction may also need to be considered in arriving at our conclusion on the reasonability of the Transaction.

This Fairness opinion does not purport to cater for individual shareholders’ positions but rather the general body of shareholders. Should a shareholder be in doubt, he or she should consult an independent adviser as to the merits of the Transaction.

Sources of Information

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from Imperial management (“Management”) and Imperial’s transaction advisors, and from various public, financial, and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our valuation include:

- The terms and conditions of the Transaction as set out in the written agreements executed in order to implement the B-BBEE Transaction, namely, the ILSA Group shareholders agreement, the transaction steps agreement, ILSA Group subscription agreement, the Converting Trade subscription agreement, the ILA subscription buy-back agreement, and the ILSA Group Asset for Share Agreement /Flip-up agreement, and in the document “Project Compass: Memorandum of Understanding”;
- Financial projections for ILA and ILSA Group for the years ended 30 June 2021 to 30 June 2025 as received from Management, for each business unit;
- Key valuation assumptions and business unit overviews as at 30 June 2020 included in the document “Project Compass Valuation Materials”;
- Audited financial statements for ILA and ILSA Group for the years ended 30 June 2019 and 30 June 2020;
- Pro forma management accounts for ILA and ILSA Group as at 30 June 2018, 30 June 2019, 31 May 2020, 31 December 2020 and 31 March 2021;
- Revenue per ILA business unit for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as well as for the forecast years 30 June 2021 to 30 June 2025;
- Year to date capital expenditure for both ILA and ILSA Group up to and including 31 March 2021.
- Year-to-date 30 June 2020 revenue per customer for ILA;
- 30 June 2019 and 30 June 2020 top ten customer by revenue for ILSA Group;

- Budgeted and forecast management accounts as at 30 June 2020 and 30 June 2021 for ILSA Group and ILA;
- Analysis prepared by Management of historical deferred taxes for ILSA Group and ILA as at 31 March 2021;
- Representations made by Management;
- Industry information relating to the transport and logistics sectors obtained from public sources;
- For our macroeconomic research we used the following sources:
 - IHS Global Insight, Nedbank, Business Monitor International, Investec, Bureau for Economic Research, Absa Capital, International Monetary Fund; IDC; DekaBank; Deutsche Bank; EIU; Goldman Sachs; JP Morgan; KBC; Moody's Analytics; Oxford Economics; S&P Global; NKC African Economics; Fitch Solutions; FNB; SARB and Bloomberg; and
 - CapitalIQ for financial data in respect of comparable companies.
- PwC 2016/17 Valuation Methodology Survey and The PwC Valuation Methodology Survey, 9th Edition.

Where practicable, we have corroborated the reasonableness of the information provided to us for the purpose of supporting our opinion, whether in writing or obtained through discussions with Management.

Our procedures and enquiries did not constitute an audit in terms of the International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

Valuation Approach

For the purposes of our valuation we used the Income Approach (discounted cash flow) valuation as our primary approach. In addition, we considered the Market Approach (based on financial data for comparable publicly traded companies) as an alternative valuation approach to support the results of our Income Approach analysis.

In performing our income approach analysis, key external value drivers were considered. These key external factors include the forecast growth rates for the South African logistics sector, specifically expectations of revenue growth for each of the underlying business units of ILA and ILSA. In addition, we considered real gross domestic product growth rates and consumer price inflation based on consensus analyst forecasts for the South African economy. We held discussions with Management to understand the budgeting process and gain an understanding of how key contracts per division are expected to perform in the forecast period. Industry research sourced from independent sources was also considered in our analysis. Based on this and discussions with Management we were able to corroborate Management's projections.

The starting point of our analysis was management's current budgets and business plans available at the time of our analysis. Key internal value drivers related to revenue growth rates per division and per key customer, forecast profitability margins, capital expenditure and working capital forecasts. We performed sensitivity analyses based on the key assumptions and key value drivers for each of the businesses where an income approach was performed. We noted that the income approach valuation was most sensitive to changes in earnings before interest, taxation, depreciation and amortisation ("EBITDA") margins and revenue growth.

The resultant financial forecasts were discounted at a discount rate of between 14.4% and 15.3% for ILSA and 15.2% to 16.1% for ILA and we applied a perpetuity growth rate of 4.75%, in line with the PwC consensus South African long-term consumer price inflation rate. We tested the sensitivity of the valuations to changes in the cost of capital and perpetuity growth rates.

In order to reach a conclusion on the Fairness of the Transaction, we are also required to assess the Market Value of the consideration received. Specifically, in assessing the Market Value of the total Additional Investment, which is subject to an earn-out structure based on the achievement of agreed upon performance hurdles, a Monte Carlo simulation technique was applied to cater for the path dependent features of the Transaction. A Monte Carlo simulation is a type of model that is used to predict the extent and likelihood of various outcomes occurring when random variables are present. This modelling technique is commonly used to explain the impact of risk and uncertainty in prediction and forecasting models, valuing empowerment structures and valuing complex financial options.

Procedures

The procedures we performed comprised the following:

- Analysis of the terms and conditions of the Transaction;
- Consideration of conditions in, and the economic outlook for, the industry in which the businesses within ILA and ILSA Group operate, as represented by Management;
- Consideration of general market data including economic, governmental and environmental forces that may affect the values of the underlying interests in the businesses within ILA and ILSA Group;
- Discussions concerning the historical and future operations of the businesses within ILA and ILSA Group with Imperial management (“Management”);
- Discussions with Management to obtain an explanation and clarification of data provided;
- Consideration of the operating and financial results of the businesses within ILA and ILSA Group (including pro forma financial statements covering three years up to the date of valuation);
- Analysis of financial and operating projections including revenues, operating margins (e.g., earnings before interest and taxes), working capital investments and capital expenditures based on the historical operating results of the businesses within ILA and ILSA Group, industry results and expectations and Management representations. Such projections formed the basis for a discounted cash flow analysis;
- Gathering and analysis of financial data for publicly traded or private companies engaged in the same or similar lines of business to develop appropriate valuation multiples and operating comparisons to apply to ILA and ILSA Group as part of the Market Approach;
- Estimation of appropriate valuation discounts or premiums (e.g., marketability and controlling or minority interest) to apply to the results of our valuation analysis; and
- Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of value.

To determine the Market Value of the consideration to be received in terms of the Transaction, the procedures we followed included the application of a Monte Carlo simulation technique to cater for the path dependent features of the Transaction.

Assumptions

Our opinion is based on the following key assumptions:

- Current economic, regulatory and market conditions will not change materially;
- The businesses within ILA and ILSA Group are not involved in any material legal proceedings other than those conducted in the ordinary course of business;
- The businesses within ILA and ILSA Group have no material outstanding disputes with the South African Revenue Service;
- There are no undisclosed contingencies that could affect the value of ILA and ILSA Group;
- The Transaction will not give rise to any undisclosed tax liabilities;
- For the purposes of this engagement, we assumed the existing businesses within ILA and ILSA Group to be ongoing under current business plans and management; and
- Representations made by Management during the course of forming this opinion.

Opinion

Our opinion is based on the current economic, market, regulatory and other conditions and the information made available to us by Management up to 19 May 2021. Accordingly, subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Based upon our analysis, subject to the foregoing and after taking into account all financial and non-financial considerations, we are of the opinion that the terms and conditions in respect of the Transaction are Fair to the ordinary shareholders of Imperial.

In terms of the Transaction, upon the expiry of the lock-in period, each of the B-BBEE Shareholders shall be entitled to sell its shares in ILSA Group to Imperial at a price equal to the value of the B-BBEE shareholding in ILSA Group at a price that reflects a marketable, controlling interest value. The valuation of ILSA Group that formed the basis for the Transaction was also performed on a marketable, controlling basis. As the 25.0% interest in ILSA Group is a minority interest in an unlisted company, we performed our valuation on a non-marketable, minority basis, and accordingly concluded that the consideration received exceeds the Market

Value of the 25.0% interest in ILSA Group, after applying appropriate minority and marketability discounts. As the valuation that formed the basis for the Transaction is consistent with the basis on which the valuation that will be performed to implement the flip up, we consider the terms of the flip up to be reasonable.

The Transaction terms stipulate that the flip-up shall take place on a marketable, controlling basis. Therefore, in assessing the Fairness of the flip-up, we also considered whether the purchase consideration received is greater than or equal to the Market Value of a locked-in 25.0% interest in the ILSA Group, where the valuation of the ILSA Group is performed as at the Valuation Date on a marketable, controlling basis. As this analysis was performed as at the Valuation Date, we have assumed that the five-year lock-in period would remain in place and would also be applied to the Imperial shares that are received by the B-BBEE Shareholders in terms of the flip-up. Based upon our analysis, the terms of the flip-up are Fair to the ordinary shareholders of Imperial.

Independence

We confirm that PwC holds no shares in Imperial, directly or indirectly. We have no interest, direct or indirect, beneficial or non-beneficial, in Imperial or in the outcome of the Transaction.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent on the outcome of the Transaction.

Limiting conditions

This letter and opinion has been prepared solely for the Board in connection with, and for the purposes of, the Transaction in terms of JSE Listings Requirements. Therefore, it shall not be relied upon for any other purpose. We assume no responsibility to anyone if this letter and opinion are used for anything other than their intended purpose.

While our work has involved an analysis of financial information and the preparation of financial models, our engagement does not include an audit in accordance with International Standards on Auditing of the business records and financial data of ILA and ILSA Group. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

The valuation of companies and businesses is not a precise science, and conclusions arrived at in many cases will necessarily be subjective and dependent on the exercise of individual judgement. Further, whilst we consider our opinion to be defensible based on the information available to us others may have a different view and arrive at a different conclusion.

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to those projected/forecast by the management of Imperial.

Consent

We hereby consent to the inclusion of our independent expert's report in any required regulatory announcement or documentation.

Yours sincerely

Matthew Human

Director

matthew.human@pwc.com

PRO FORMA FINANCIAL INFORMATION

Basis of preparation

The definitions and interpretations commencing on page 6 of the Circular have been used throughout this annexure. The pro forma financial information should be read in conjunction with paragraph 3, 4, 7, 8 and 12 of the Circular.

The pro forma condensed consolidated statement of financial position and pro forma condensed consolidated statement of profit or loss are based on Imperial's unaudited interim results for the six months ended 31 December 2020. The pro forma condensed consolidated statement of financial position and the pro forma condensed consolidated statement of profit or loss (collectively, "consolidated pro forma financial information") have been prepared for illustrative purposes only to provide information on how the Transaction may have impacted the financial position of Imperial, assuming that the Transaction occurred on 31 December 2020, as set out below.

Due to its nature, the consolidated pro forma financial information may not fairly present Imperial's financial position, changes in equity, results of operations and cash flows subsequent to the Transaction.

The pro forma condensed consolidated statement of profit or loss has been prepared on the assumption that the Transaction took place on 1 July 2020. The pro forma condensed consolidated statement of financial position was prepared on the assumption that the Transaction took place on 31 December 2020. As a consequence there will be a disconnect between the amounts reflected in the pro forma condensed consolidated statement of profit or loss and the amounts presented on the pro forma condensed consolidated statement of financial position.

The consolidated pro forma financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors. The pro forma condensed consolidated statement of financial position has been prepared in compliance with the recognition and measurement principles of IFRS, the SAICA Guide on Pro Forma Financial Information and in accordance with the accounting policies of Imperial that were used in the preparation of the unaudited interim results for the six months ended 31 December 2020.

There are no other post balance sheet events which require adjustment in the consolidated pro forma financial information.

The pro forma condensed consolidated statement of financial position has been reviewed by the Independent Reporting Accountants whose report on the pro forma condensed consolidated statement of financial position is contained in Annexure 3.

Pro-forma condensed consolidated statement of profit or loss

R million	Notes	1	2	3	4	5	6	7	8	9	10	
		Published	Additional non-controlling interests share of profits for the period	Transaction costs	Interest savings	Commitment fees	Additional shares to be issued on swap to IPL shares and raise PUT option liability	IFRS 2 share based payment charge	Proceeds on disposal to non-controlling interests	Change to non-interest proportional share of equity	Settlement of taxes and debt	Pro forma results
CONTINUING OPERATIONS												
Revenue		26 360										26 360
Net operating expenses		(23 809)										(23 809)
Profit from operations before depreciation and recoupments		2 551										2 551
Depreciation, amortisation, impairments and recoupments		(1 350)										(1 350)
Operating profit		1 201										1 201
Profit on sale of properties net of impairments		10										10
Amortisation and impairment of intangible assets arising on business combinations		(195)										(195)
Foreign exchange gains		263										263
Other non-operating items		(435)						(105)				(540)
Profit before net finance costs		844						(105)				739
Net finance cost		(395)			10	(1)						(386)
Profit before share of results of associates and joint ventures		449			10	(1)		(105)				353
Share of results of associates and joint ventures		8										8
Profit before tax		457			10	(1)		(105)				361
Income tax expense		(158)			(3)							(161)
Profit for the period from continuing operations		299			7	(1)		(105)				200
DISCONTINUED OPERATIONS		582										582
Net profit from the European Shipping Business		582										582
Net profit for the period		881			7	(1)		(105)				782

R million	Notes	Published	1	2	3	4	5	6	7	8	9	10
		Additional non-controlling interests share of profits for the period	Transaction costs	Interest savings	Commitment fees	Unutilised facility/	Additional shares to be issued on swap to IPL shares and raise PUT option liability	IFRS 2 share based payment charge	Proceeds on disposal to non-controlling interests	Change to non-controlling interest proportional share of equity	Settlement of taxes and debt	Pro forma results
Net profit attributable to:												
Owners of Imperial		814	4	(1)	(105)							718
– Continuing operations		232	4	(1)	(105)							136
– Discontinued operations		582										582
Non-controlling interests		67	(4)	1								64
– Continuing operations		67	(4)	1								64
– Discontinued operations												
Earnings per share (cents)												
Continuing operations												
– Basic		125	2	(1)	(56)	3	(1)	(1)				73
– Diluted		120	2	(1)	(54)	3	(1)	(1)				69
Discontinued operations												
– Basic		312										312
– Diluted		301						(5)				296
Total operations												
– Basic		437	2	(1)	(56)	3	(1)	(1)				385
– Diluted		421	2	(1)	(54)	3	(1)	(1)				365
Headline earnings reconciliation												
Earnings (R million)		814	4	(1)	(105)	6	(1)	(1)				718
– Continuing operations		232	4	(1)	(105)	6	(1)	(1)				136
– Discontinued operations		582										582
Recoupment from the disposal of property, plant and equipment (IAS 16)		(31)										(31)
Impairment of goodwill (IAS 36)		11										11
Impairment reversal of investment in associates and joint ventures (IAS 28)		(2)										(2)

R million	Notes	Published	1	2	3	4	5	6	7	8	9	10
			Additional non-controlling interests share of profits for the period	Transaction costs	Interest savings	Commitment fees	Unutilised facility /	Additional shares to be issued on swap to IPL shares and raise PUT option liability	IFRS 2 share based payment charge	Proceeds on disposal to non-controlling interests	Change to non-controlling interest proportional share of equity	Settlement of taxes and debt
												Pro forma results
Loss on disposal of subsidiaries, associates and businesses (IFRS 10 and IAS 28)		54										54
Impairment of businesses held-for-sale		415										415
Foreign exchange gain reclassified to profit or loss (IAS 21)		(364)										(364)
Tax effects of remeasurements		8										8
Non-controlling interests' share of remeasurements		13										13
Net headline earnings adjustments for discontinued operations		(573)										(573)
Headline earnings		345	4		6	(1)			(105)			249
– Continuing operations		336	4		6	(1)			(105)			240
– Discontinued operations		9										9
Headline earnings per share (cents)												
Continuing operations												
– Basic		180	2		3	(1)			(56)			128
– Diluted		173	2		3	(1)		(2)	(54)			121
Discontinued operations												
– Basic		5										5
– Diluted		5										5
Total operations												
– Basic		185	2		3	(1)			(56)			133
– Diluted		178	2		3	(1)		(2)	(54)			126

R million	Notes	Published	1	2	3	4	5	6	7	8	9	10
		Additional non-controlling interests share of profits for the period	Additional shares to be issued on swap to IPL shares and raise PUT option liability	Unutilised facility / Commitment fees	Interest savings	Transaction costs	IFRS 2 share based payment charge	Proceeds on disposal to non controlling interests	Change to non-controlling interest proportional share of equity	Settlement of taxes and debt	Pro forma results	
ADDITIONAL INFORMATION												
Net asset value per share (cents)		3 718		(9)				158	56		3 923	
Dividend per ordinary share (cents)		83	1		1		(25)				60	
Number of ordinary shares in issue (million)												
– total shares		202,1									202,1	
– net of shares repurchased		190,7									190,7	
– weighted average for basic		186,4									186,4	
– weighted average for diluted		193,5									196,9	
Number of other shares (million)							3,4					
– Deferred ordinary shares to convert to ordinary shares		4,2									4,2	

Notes and assumptions to the pro forma consolidated statement of profit or loss

- The published numbers have been extracted, without adjustment, from Imperial's unaudited interim results for the six month period ended 31 December 2020 as published on SENS on 23 February 2021, can be accessed on Imperial's website at: <http://www.imperiallogistics.com>, and will be available for inspection at the registered office of Imperial as set out in paragraph 21 of this circular.
- To give effect to the transaction, assuming the disposal of the 9.9% interest through a share dilution (via the disposal of the 25% interest in ILA and the acquisition on a value for value basis of a 9.9% interest in ILSA Group) in ILSA Group occurs on 1 July 2020, this is the additional non-controlling interests share of the profits of ILSA Group for the six month period ended to 31 December 2020, as disclosed in the Imperial Interim Results and rounded to the nearest Rand million. As Imperial has an option to reacquire the 15,1% interest in the event of non-payment of deferred payments, the 15,1% interest is treated as an option instrument with no non-controlling interests being raised.
- The transaction costs on disposal of an equity interest does not impact the pro forma condensed consolidated statement of profit or loss. Transaction costs are recorded in equity as it relates to the disposal of an equity interest and therefore affects the pro forma condensed consolidated statement of financial position. The funding cost will be funded out of normal working capital.
- The assumption that the cash component of the proceeds is received on 1 July 2020 results in a decrease in interest-bearing borrowings of R302 million resulting in interest savings at 6.77% per annum. This rate is obtained by averaging the interest rates out of South African debt repayments. As it is assumed that the transaction occurs at the beginning of the period interest savings amount to R10.22 million with taxation thereon of R2.86 million for the six month period ended 31 December 2020. This adjustment will have a continuing effect.
- Cash proceeds (as noted in note 4 above) received on 1 July 2020 results in a decrease in interest-bearing borrowings leading to an increase in utilised facilities fees / commitment fees. As it is assumed that the Transaction occurs at the beginning of the period the costs amounting to R0.68 million with taxation thereon of R0.19 would be incurred.
- The number of shares calculated for dilution on swap of the 25% holding in ILSA Group into Imperial shares after the 5 year lock-in period. The number of shares has been based on the valuation of R409 million for the swap out of the 25% interest in ILA and R628 million valuation pre-discount for the 15,1% in ILSA Group.
- IFRS2 share based payment charge on the transaction. The value has been independently determined by PwC using the Monte-Carlo simulation model and arises from the unlocking of the initial 20% discount at the end of the Lock-in Period.
- The proceeds on disposal does not impact the pro forma condensed consolidated statement of profit or loss other than noted in items 4 and 5 above. As this is an equity transaction any gain or loss is accounted for within equity on the pro forma condensed consolidated statement of financial position, and therefore also affects the net asset value per share.
- Change to non-controlling interests' proportionate share of equity resulting from the disposal of the 9.9% interest in ILSA Group. The impact on profit or loss is described in note 2.

10. The settlement of the debt occurs on the interest-bearing borrowings line on the pro forma condensed consolidated statement of financial position. The impact on the pro forma condensed consolidated statement of profit or loss was dealt with under points 4 and 5.
11. There are no other subsequent events which require adjustment to the pro forma condensed consolidated statement of profit or loss.
12. The impact of 2, 4, 5 and 7 will be adjusted to the continuing operations line on the pro forma condensed consolidated statement of profit or loss.
13. Should the election to flip-up ILSA shares for Imperial shares be taken at flip-up date and based on the current valuation and Imperials average share price for the 6 months to December 2020, 27 821 246 Imperial shares would be issued at date of flip-up for the 25% interest in ILSA. The only impact on the pro forma condensed consolidated statement of profit or loss would be a reduction of non controlling interests of R 15 million. This in addition to the additional shares being issued would result in a decrease of continuing basic and diluted EPS of 2 cents and 1 cent respectively, and a decrease of continuing basic and diluted HEPS of 10 cents and 7 cents respectively for the six month period to 31 December 2020.
14. Should the election to flip-up ILSA shares into Imperial shares not be taken, the only change to the pro forma condensed consolidated statement of profit or loss would be an increase in the non controlling interests. There wouldn't be any additional shares being issued and hence no change in the number of shares in issue. This would result in an decrease in continuing basic and diluted EPS of 13 cents and 11 cents respectively, and a decrease of basic and diluted HEPS of 13 cents and 10 cents respectively for the six month period to 31 December 2020.

Pro forma condensed consolidated statement of financial position as at 31 December 2020

R million	Notes	1	2	3	4	5	6	7	8	9	10	
		Published	Additional non-controlling interests share of profits for the period	Transaction costs	Interest savings	Commitment fees	Additional shares to be issued on swap to IPL shares and raise PUT option liability	IFRS 2 share based payment charge	Proceeds on disposal to non-controlling interests	Change to non-controlling interests proportionate share of equity	Settlement of taxes and debt	Pro forma results
ASSETS												
Goodwill and intangible assets		6 322										6 322
Investment in associates and joint ventures		259										259
Property, plant and equipment		3 004										3 004
Transport fleet		3 308										3 308
Right-of-use assets		4 576										4 576
Deferred tax assets		1 468										1 468
Investments and other financial assets		458										458
Inventories		2 546										2 546
Tax in advance		134										134
Trade, other receivables and contract assets		7 474										7 474
Cash resources		1 596							302		(302)	1 596
Assets of disposal group		1 353										1 353
Total assets		32 498							302		(302)	32 498
EQUITY AND LIABILITIES												
Capital and reserves												
Share capital and share premium		1 030										1 030
Shares repurchased		(886)										(886)
Other reserves		532						105		107		1 046
Retained earnings		6 414		(17)				(105)				6 292
Attributable to owners of Imperial												
Imperial		7 090		(17)					302	107		7 482
Put arrangement over non-controlling interest		(218)					(354)					(572)
Non-controlling interests		1 000								(107)		893
Total equity		7 872		(17)			(354)		302			7 803

R million	Notes	Published	1	2	3	4	5	6	7	8	9	10
		Additional non-controlling interests share of profits for the period	Transaction costs	Interest savings	Commitment fees	Unutilised facility /	Additional shares to be issued on swap to IPL shares and raise PUT option liability	IFRS 2 share based payment charge	Proceeds on disposal to non-controlling interests	Change to non-controlling interests	Settlement of taxes and debt	Pro forma results
Liabilities												
Retirement benefit obligations		1 012										1 012
Interest-bearing borrowings		7 105									(302)	6 803
Lease obligations		5 185										5 185
Deferred tax liabilities		875										875
Other financial liabilities		1 073					354					1 427
Trade, other payables and provisions		9 014	17									9 031
Current tax liabilities		228										228
Liabilities associated with disposal group		134										134
Total liabilities		24 626	17				354				(302)	24 695
Total equity and liabilities		32 498							302		(302)	32 498
Net asset value per share (cents)		3 718	(9)						158			3 923
Tangible net asset value per share (cents)		403	(9)						158			608

Notes and assumptions to the pro forma consolidated statement of financial position

- The published numbers have been extracted, without adjustment, from Imperial's unaudited interim results for the six month period ended 31 December 2020 as published on SENS on 23 February 2021 and can be accessed on Imperial's website at: <http://www.imperiallogistics.com>, and will be available for inspection at the registered office of Imperial as set out in paragraph 21 of this circular.
- To give effect to the transaction, assuming the disposal of the 9.9% interest through a share dilution (via the disposal of the 25% interest in ILA and the acquisition on a value for value basis of a 9.9% interest in ILSA Group) in ILSA Group occurs on 31 December 2020, there is no additional non-controlling interests share of the profits of ILSA Group for the six month period ended to 31 December 2020, as disclosed in the Imperial Interim Results and rounded to the nearest Rand million.
- Estimated once-off transaction costs directly attributable to the disposal of an equity interest in ILSA Group. These include fees for independent reporting accountant, independent expert fees, sponsors fees, advisory fees, legal fees and publication fees as disclosed in paragraph 18 to the Circular. The total disposal costs are made up of payments R17 million with no tax effect as it would be capital in nature. Transaction costs are recorded in equity as it relates to the disposal of an equity interest. This will be funded out of normal working capital.
- Not applicable as the condensed consolidated pro forma statement of financial position is prepared on the assumption that the transaction occurs on the 31 December 2020.
- Not applicable as the condensed consolidated pro forma statement of financial position is prepared on the assumption that the transaction occurs on the 31 December 2020.
- Raise the PUT option financial liability on the 9.9% interest to issue shares at the end of the 5 year lock-in period as the non-controlling shareholders have an option to put these to Imperial at the end of the lock-in period. The PUT liability amount has been independently determined.
- IFRS2 share based payment charge on the transaction. The value has been independently determined by PwC using the Monte-Carlo simulation model and arises from the unlocking of the initial 20% discount at the end of the Lock-in Period.

8. The receipt of the proceeds of R302 million for the 15,1% interest in ILSA Group at 31 December 2020 (the assumed transaction date for the pro forma condensed consolidated statement of financial position). The R302 million received up-front is for 60% of the value with the remaining 40% to be received over a 3 year period. The deferred payments, totalling R201 million, are based on achieving certain EBITDA targets over a 3 year period. As Imperial has an option to reacquire the 15,1% interest in the event of non-payment of deferred payments, the 15,1% interest is treated as an option instrument credited to equity. In addition to this there is an additional earn out payment, with up to R 100 million payable at the time of the third deferred payment and any excess payable 12 months later, based on the excess over the EBITDA targets over the same 3 year period. We have estimated that the hurdle growth required to achieve these targets will likely not be met, and as such these earn outs have not been included in the consideration above.
9. Change in non-controlling interests' proportionate share of equity resulting from the disposal of the 9,9% interest in ILSA Group.
10. Applying the proceeds of R302 million to settle interest-bearing borrowings of R302 million.
11. There are no other subsequent events which require adjustment to the condensed consolidated pro forma statement of financial position.
12. Should the election to flip-up ILSA shares into Imperial shares be taken the only changes to the pro forma condensed consolidated statement of financial position above would be the additional share capital of R 1 037 million, the utilisation of the R 354 million put option liability, transfer of the put arrangement over non-controlling interest reserve and the non-controlling interests to the premium paid on purchase of non controlling interests reserve line (under other reserves). This in addition to the additional shares being issued would result in a reduction of the NAV to 3 422 cents and a reduction in the NTAV to 528 cents for the six month period to 31 December 2020.
13. Should the election to flip-up ILSA shares into Imperial shares not be taken the only changes to the pro forma condensed consolidated statement of financial position above would be the removal of the R 354 million put option liability and put arrangement over non controlling interest reserve, the R 302 million under other reserves would drop down to the non controlling interest line, and an increase in the non controlling interests line from the higher NCI percentage from 9,9% to 25%. This would result in a reduction of the NAV to 3 774 cents and a reduction in the NTAV to 459 cents for the six month period to 31 December 2020.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The Directors of Imperial Logistics Limited
Imperial Place
Jeppe Quondam
79 Boeing Road East
Bedfordview
2007

Dear Sirs/Mesdames

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information Included in a Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of the Imperial Logistics Limited ("the company") by the directors. The *pro forma* financial information, as set out in paragraph 12 and **Annexure 2** of the circular ("the Circular"), to be dated on or about 25 June 2021, consists of the *pro forma* consolidated statement of profit or loss and the *pro forma* consolidated statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Paragraphs 1 to 11 of the Circular, on the company's financial position as at 31 December 2020, and the company's financial performance for the six months period then ended, as if the corporate action or event had taken place at 1 July 2020 and for the period then ended. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's unaudited and unreviewed financial results for the six months period ended 31 December 2020, which were published on 23 February 2021.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Paragraph 12 and **Annexure 2** of the Circular.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Paragraph 12 and **Annexure 2** of the Circular.

Deloitte & Touche

Registered Auditor
Per: MLE Tshabalala
Partner

17 June 2021

Deloitte & Touche
5 Magwa Crescent
2066
Midrand
South Africa



beyond possibility

IMPERIAL LOGISTICS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1946/021048/06)

Ordinary share code: IPL ISIN: ZAE000067211

("Imperial" or "Company" or "Group")

NOTICE OF GENERAL MEETING OF IMPERIAL SHAREHOLDERS

Notice is hereby given that a general meeting of the Shareholders will be held on Monday, 26 July 2021 at 09:00 CAT entirely by electronic communication. Shareholders are referred to the "Action Required By Shareholders" section of this Circular for information on the procedure to be followed by Shareholders in order to participate and to exercise their votes at the General Meeting.

The purpose of the meeting is to transact the following business and resolutions, with or without amendments approved at the meeting.

Terms defined in the Circular to which this Notice of General Meeting is attached, shall have the same meanings in this Notice of General Meeting.

Only Shareholders who are registered in the Register on Friday, 16 July 2021 will be entitled to attend, speak and vote at the General Meeting. Therefore, the last date to trade to be eligible to participate and vote at the General Meeting of Imperial Shareholders is Tuesday, 13 July 2021.

In terms of section 62(3)(e) of the Companies Act:

- a Shareholder who is entitled to attend and vote at the General Meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the General Meeting in the place of the Shareholder; and
- a proxy need not be a Shareholder of the Company.

Kindly note that, in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a Shareholder or as a proxy for a Shareholder) has been reasonably verified. Accordingly, all Shareholders recorded in the registers of the Company on the voting record date will be required to provide identification satisfactory to the chairman of the General Meeting in order to participate in and vote at the General Meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

Ordinary resolution number 1 – approval of the Related Party Transaction

"RESOLVED THAT, the Company be and is hereby authorised to enter into the Transaction Agreements and implement the Transaction, in particular the Related Party Transaction, more specifically, the disposal by Converting Trade (an associate of Afropulse) of its 25% shareholding in ILA, and the acquisition by it, on a value for value basis, of a 9.9% shareholding in ILSA Group, and the acquisition by Afropulse (via an indirect wholly owned subsidiary, Canefields) of a 6.58% shareholding in ILSA Group by way of a subscription for shares, which is deemed to be a related party transaction in terms of the JSE Listings Requirements."

In order for Ordinary Resolution Number 1 to be adopted, the support of more than 50% of the voting rights exercised on the resolution by Shareholders, present in person or by proxy at the General Meeting, is required. Only Shareholders reflected on the Register as such on the voting record date are entitled to vote on the Ordinary Resolution Number 1.

Ms Phumzile Langeni and her associates will be taken into account in determining a quorum at the General Meeting. They will however be excluded from voting at the General Meeting.

Reason and effect:

The effect of Ordinary Resolution Number 1, if passed, will be to grant the requisite approval of the shareholders of the Company, of the Related Party Transaction, as required under the JSE Listings Requirements.

Ordinary resolution number 2 – Approval of the Listed Share Flip-Up

“**RESOLVED THAT**, the Company is authorised to proceed with the acquisition of the shares in ILSA Group from any or all of the B-BBEE Shareholders and to discharge the purchase price payable to the B-BBEE Shareholder concerned by issuing Imperial Shares to the B-BBEE Shareholder concerned at the end of the Lock-in Period in accordance with the Transaction Agreements.”

In order for Ordinary Resolution Number 2 to be adopted, the support of more than 50% of the voting rights exercised on the resolution by Shareholders, present in person or by proxy at the General Meeting, is required. Only Shareholders reflected on the Register as such on the voting record date are entitled to vote on the Ordinary Resolution Number 2.

Ms Phumzile Langeni and her associates will be taken into account in determining a quorum at the General Meeting. They will however be excluded from voting at the General Meeting.

Reason and effect:

The effect of Ordinary Resolution Number 2, if passed, will be the issue of Imperial Shares to the B-BBEE Shareholders in exchange for their shares in ILSA Group, with the required authority of the Shareholders.

Ordinary resolution number 3 – Authority granted to Directors

“**RESOLVED THAT**, any Director be and is hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of the resolutions passed at the General Meeting.”

In order for Ordinary Resolution Number 3 to be adopted, the support of more than 50% of the voting rights exercised on the resolution by Shareholders, present in person or by proxy at the General Meeting, is required. Only Shareholders reflected on the Register as such on the voting record date are entitled to vote on the Ordinary Resolution Number 3.

Reason and effect:

The reason for Ordinary Resolution Number 3 is to authorise any Director to sign all such documents and do all such things as may be necessary for or incidental to the implementation of the resolutions passed at the General Meeting. The effect of Ordinary Resolution Number 3, if passed, will be to grant the requisite authority to any Director to sign all such documents and do all such things as may be necessary for or incidental to the implementation of the resolutions passed at the General Meeting.

Electronic participation

The Company has made provision for Shareholders or their proxies to participate electronically in the General Meeting by way of an electronic platform hosted by TMS. Should you wish to participate in the General Meeting by electronic communication as aforesaid, you, or your proxy, will be required to advise the Company thereof by no later than 09:00 CAT on Thursday, 22 July 2021, for administration purposes only, by submitting by email to TMS at proxy@tmsmeetings.co.za, with relevant contact details, including an email address, cellular number and landline as well as full details of the Shareholder's title to securities issued by the Company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shares) and (in the case of dematerialised shares) written confirmation from the Shareholder's Central Securities Depository Participant ("CSDP") confirming the Shareholder's title to the dematerialised shares.

Upon receipt of the required information, the Shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the General Meeting. Shareholders must note that access to the electronic communication will be at the expense of the Shareholders who wish to utilise the facility.

Proxies and authority for representatives to act

A form of proxy (blue) is attached for the convenience of any Shareholder holding certificated Imperial Shares and dematerialised shareholder with "Own-Name" registration, who cannot attend the General Meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those Shareholders who are:

- holding Imperial Shares in certificated form; or
- recorded on the Company's sub-register in dematerialised electronic form with "Own-Name" registration.

All other beneficial owners who have dematerialised their Imperial Shares through a CSDP or broker and wish to attend the General Meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These Shareholders must not use a form of proxy.

Forms of proxy must be deposited with TMS by email at proxy@tmsmeetings.co.za to be received by no later than 09:00 CAT on Thursday, 22 July 2021, for administration purposes, or to the Chairman of the General Meeting at any time before the meeting commences by email, care of Jeetesh Ravjee, at jeetesh.ravjee@imperiallogistics.com. Any Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the General Meeting should the Shareholder decide to do so.

A company that is a Shareholder, wishing to attend and participate at the General Meeting should ensure that a resolution authorising a representative to so attend and participate at the General Meeting on its behalf is passed by its Directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the TMS forty-eight hours prior to the General Meeting, for administration purposes, or to the Chairman of the General Meeting at any time before the meeting commences by email, care of Jeetesh Ravjee, at jeetesh.ravjee@imperiallogistics.com.

The Company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such Shareholder of the General Meeting of Imperial Shareholders or any business to be conducted thereat.

By order of the Board

Imperial Logistics Limited
Friday, 25 June 2021

Registered office

Imperial Place
79 Boeing Road East
Bedfordview
Johannesburg



beyond possibility

IMPERIAL LOGISTICS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1946/021048/06)
Ordinary share code: IPL ISIN: ZAE000067211
("Imperial" or "Company" or "Group")

FORM OF PROXY – (FOR USE BY CERTIFICATED SHAREHOLDERS AND “OWN-NAME” DEMATERIALISED SHAREHOLDERS ONLY)

For completion by the aforesaid registered Shareholders who are unable to attend the General Meeting of Shareholders of the Company to be held on Monday, 26 July 2021 electronic communication (“the General Meeting of Imperial Shareholders”).

If you are a dematerialised shareholder, other than with “Own-Name” registration, do not use this form. Dematerialised Shareholders, other than with “Own-Name” registration, should provide instructions to their appointed Central Securities Depository Participant (“CSDP”) or broker in the form as stipulated in the agreement entered into between the Shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (ADDRESS)

Telephone number

Cell phone number

E-mail address

being a Shareholder (s) of the Company holding shares in the Company do hereby appoint:

1. _____ or failing him,

2. _____ or failing him,

3. The Chairman of the General Meeting of Imperial Shareholders

as my/our proxy to vote for me/our behalf at the General Meeting (and any adjournment thereof) for the purpose of considering and, if deemed fit, passing with or without modifications, the following resolutions to be considered at the General Meeting of Imperial Shareholders.

	Number of votes		
	*In favour of	*Against	*Abstain
Ordinary Resolution Number 1: Approval of the Related Party Transaction			
Ordinary Resolution Number 2: Approval of the Listed Share Flip-Up			
Ordinary Resolution Number 3: Authority granted to Directors			

Insert an X or the number of Imperial Shares in the appropriate block. If no indications are given, the proxy will vote as he/she deems fit. Each Shareholder entitled to attend, speak and vote and the meeting may appoint one or more proxies (who need not be a Shareholder of the Company) to attend, speak and vote in his/her stead.

Please read the notes on the reverse side hereof.

Signed at _____ on _____ 2021

Signature

Assisted by me (where applicable)

Completed forms of proxy must, for administrative purposes, be lodged with TMS by email at proxy@tmsmeetings.co.za) by no later than 09:00 (CAT) on Thursday, 15 July 2021. Alternatively, such forms of proxy may be lodged with the Chairman of the General Meeting at any time before the meeting by email, care of Jeetesh Ravjee, at jeetesh.ravjee@imperiallogistics.com.

Notes to form of proxy:

1. This form of proxy should only be used by Certificated Shareholders or Shareholders who have dematerialised their Imperial Shares with Own-Name registration.
2. All other Shareholders who have dematerialised their Imperial Shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the General Meeting, must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A Shareholder may insert the name/s of one or more proxies, none of whom need be a member of the Company, in the space provided, with or without deleting "the chairman of the General Meeting". The person whose name appears first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the General Meeting.
4. A Shareholder's instructions on the form of proxy must be indicated by the insertion of an "X" or the number of Imperial Shares in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairman of the General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the General Meeting, or any other proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all of the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the Shareholder or by his/her proxy.
5. In order to be effective, completed forms of proxy must reach TMS by 09:00 CAT on Thursday, 22 July 2021, for administration purposes, or to the Chairman of the General Meeting at any time before the meeting commences.
6. The completion and lodging of this form of proxy shall in no way preclude the Shareholder from attending, speaking and voting in person at the General Meeting to the exclusion of any proxy appointed in terms hereof.
7. Should this form of proxy not be completed and/or received in accordance with these notes, the chairman may accept or reject it, provided that in the case of acceptance, the chairman is satisfied as to the manner in which the Shareholder wishes to vote.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the TMS or waived by the chairman of the General Meeting.
9. The chairman shall be entitled to reject the authority of a person signing the form of proxy -
 - under a power of attorney; or
 - on behalf of a Company,
 - unless that person's power of attorney or authority is deposited at the registered office of the Company or TMS not less than forty- eight hours before the meeting.
10. Where Imperial Shares are held jointly, all joint holders are required to sign the form of proxy.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by TMS.
12. Any alteration of or correction to this form of proxy must be initialled by the signatory/ies.
13. On a show of hands, every Shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of Imperial Shares he/she holds or represents.
14. On a poll, every Shareholder present in person or represented by proxy shall have one vote for every Imperial Share held by such Shareholder.

Registered office
Jeetesh Ravjee
Jeetesh.Ravjee@imperiallogistics.com

The Meeting Specialist Proprietary Limited
proxy@tmsmeetings.co.za

