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**PEMBURY LIFESTYLE GROUP LIMITED**  
Incorporated in the Republic of South Africa  
(Registration number 2013/205899/06)  
Share code: PEM ISIN: ZAE000222949  
(“Pembury” or “the Company” or “the Group”)

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**QUARTERLY PROGRESS REPORT**

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In terms of paragraph 1.11(c) of the JSE Listings Requirements of the JSE Limited (“JSE”) pertaining to the continuing obligations of suspended companies, shareholders are hereby provided with a quarterly progress report on the current state of affairs of the Company.

Shareholders are referred to the quarterly progress report released on SENS on 5 July 2021, which referenced previous announcements, including the announcement released on SENS on 6 August 2020, (and using the terms defined therein unless otherwise stated) dealing with, *inter alia*, the Share Subscription Agreement with Verityhurst for a total consideration of R18 900 000 and the disposal of the PLG Retirement Villages.

Further to the Company’s motivation to the JSE around the pricing of the issue of the Subscription Shares, including the supporting valuation calculations for the share price while the Company was suspended, the JSE concluded that the Share Subscription cannot proceed under the general authority to issue shares for cash previously obtained as it has since expired and would therefore require shareholder approval.

The Company subsequently requested the JSE to enable the issue of shares at pricing as per the Share Subscription Agreement under the rescue provisions of the JSE Listings Requirements. The JSE will only consider this option if support is obtained from shareholders, which the Company is currently working to obtain.

Shareholders are referred to the announcements released on 26 August 2021 and 21 September 2021 pertaining to the restructuring of the Board.

The newly constituted Board is reviewing the current state of the Company and considering the options available to stabilise and turn the Company around. Part of the restructure will include seeking and identifying a suitable candidate to fulfil the role of Chief Executive Officer to ensure the implementation and execution of the turnaround.

The Company continues to address the finalisation of the audit for the financial years ended 31 December 2019 and 31 December 2020, on a back-to-back basis, which requires, *inter alia*, an additional injection of cash in order to meet the expected audit cost, which is substantial.

The Audit and Risk Committee, together with the Board continues to explore every possible means to complete the audit of the 31 December 2019 financial statements and the 31 December 2020 financial statements in order to get the suspension lifted and the shares trading again.

Shareholders are reminded that various cost saving initiatives have been undertaken to start the turnaround of the Company. The newly constituted Board is investigating further initiatives, and this will be communicated to shareholders in due course.

Whilst a number of claims and surprises keep appearing, these are less frequent and are being managed as they arise. Certain liabilities are disputed or are not those of the holding company and its remaining subsidiaries, but the Company or the Group have been cited. It is expected that all these matters will be settled in due course.

As previously announced, as a result of the aforementioned interventions, five of the schools are at a positive or breakeven EBITDA level, before allocation of head office costs and the impact of collections. Improving collections and pupil numbers, whilst containing the costs, remain a key driver for the turnaround of the Group. The Group still needs to raise additional capital in the interim and efforts are ongoing. Interest from third parties in acquiring a shareholding in the Company remains.

Shareholders are reminded that it takes time to turn a business around, particularly during a period where the economic environment is tough due to COVID-19, the various lockdowns, the economic impact on the country and some of the schools' parents, through job losses or salary cuts. The turnaround is still expected to take another 12 to 18 months.

The Board extends its thanks to all stakeholders, and specifically suppliers of the Group, for showing patience and understanding during this turnaround phase. Furthermore, the Board extends thanks to all parents, pupils and staff for their loyalty and resilience during this period.

Shareholders are reminded that the Company remains under cautionary until further announcements have been made.

Johannesburg  
30 September 2021

**Designated Adviser**  
Merchantec Capital