

Super Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1943/016107/06)
LEI: 378900A8FDADE26AD654
Share code: SPG
ISIN: ZAE000161832
Debt Company Code: BISGL
("Super Group" or the "Company" or the "Group")

PROPOSED DISPOSAL BY SUPER GROUP OF ITS 53.584% INTEREST IN SG FLEET GROUP LIMITED AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Super Group shareholders ("Super Group Shareholders" or "Shareholders") and noteholders are referred to:

- the announcement released by SG Fleet Group Limited ("SG Fleet") on the Australian Stock Exchange ("ASX") on 25 November 2024 advising shareholders of SG Fleet ("SG Fleet Shareholders") that SG Fleet is in discussions with Pacific Equity Partners Pty Limited and certain of its affiliates ("PEP") in relation to a non-binding and indicative proposal from PEP to acquire all of the shares in SG Fleet ("SG Fleet Shares") at a price of AUD3.50 per share;
- the Super Group cautionary announcement released on the Stock Exchange News Service ("SENS") on 25 November 2024 making Super Group Shareholders aware of the SG Fleet announcement and placing Super Group under cautionary; and
- the announcement released by SG Fleet on the ASX today advising SG Fleet Shareholders that SG Fleet has entered into a Scheme Implementation Deed ("SID") with Westmann Bidco Pty Limited ("Bidco"), an entity owned and controlled by funds managed and advised by PEP under which Bidco has agreed to acquire 100% of the SG Fleet Shares by way of a scheme of arrangement ("Scheme") for a cash consideration of AUD3.50 per SG Fleet Share ("Scheme Consideration". A copy of the announcement can be accessed on the SG Fleet website at <https://investors.sgfleet.com/Investors/?page=asx-announcements>.

Should the Scheme be implemented, Super Group, through its wholly owned subsidiary, Bluefin Investments Limited ("Bluefin Investments") will, subject to the conditions precedent detailed in paragraph 5.4 below, dispose of its 53.584% interest in SG Fleet for a purchase

consideration of AUD641.4 million (c. R7.53 billion¹) ("Purchase Consideration") ("Proposed Transaction").

2. RATIONALE FOR SCHEME AND THE PROPOSED TRANSACTION

The board of directors of Super Group ("Super Group Board") believe that the Proposed Transaction is in the best interests of Super Group Shareholders based on the following:

- **Liquidity event:** The Proposed Transaction will create a liquidity event for Super Group after many years of investment in SG Fleet whilst still allowing the Group to continue its involvement in integrated logistics, transport and mobility solutions;
- **Ability for Super Group Shareholders to unlock significant value:** The Proposed Transaction provides an opportunity for Shareholders to unlock the material value in SG Fleet in the immediate term and realise a significant premium to the estimated value of SG Fleet as reflected in Super Group's share price. The Proposed Transaction also potentially demonstrates the significant undervaluation by the market of the remainder of Super Group's business. The offer price of AUD3.50 per SG Fleet Share represents a 31% premium to the SG Fleet closing share price on 22 November 2024, being the last trading date prior to the SENS and ASX announcements dated 25 November 2024 and a 30% premium to the 1-month volume weighted average price;
- **Acceleration of value:** The Proposed Transaction enables Super Group Shareholders to realise longer-term value upfront;
- **Potential for SG Fleet to remain undervalued in Super Group's share price:** Considering the market's valuation of SG Fleet as historically reflected in the Super Group share price, there is no guarantee that future value creation through SG Fleet would be fully reflected in the Super Group share price;
- **Enhancement of Super Group's financial profile and strengthening of the Group's financial position:** Super Group plans to use a portion of the proceeds (up to R1.96 billion) to reduce debt. The resulting net gearing of 171.8% at 30 June 2024 is estimated to reduce to 22.8%. The Group's net debt to EBITDA at 30 June 2024 of 2.96x is estimated to reduce to 0.77x on a pro-forma basis, resulting in a moderately geared balance sheet that mitigates risk

¹ Based on an exchange rate of ZAR/AUD of 11.7443 on December 2024, being the closing exchange rate on the day immediately preceding signature of the Scheme Implementation Deed

in high interest rate cycles and provides headroom to invest in growth;

- **Repositioning of Super Group:** Following completion of the Proposed Transaction, Super Group will be positioned as a leading, diversified, logistics and mobility solutions provider in sub-Saharan Africa, Europe and the United Kingdom ("UK") with a resilient, flexible and sustainable financial profile, and a cash generation ability. Looking forward, Super Group will continue to optimise its sub-Saharan Africa and international growth potential through its Supply Chain, Fleet Africa and Dealerships divisions;
- **Increased management and capital allocation focus on attractive growth opportunities:** The implementation of the Proposed Transaction will allow management to focus its capital allocation priorities on accelerating its supply chain and dealerships strategy in Africa, Europe and the UK and enhancing the delivery of value for Shareholders;
- **Simplification of Group structure:** Following the Proposed Transaction, the Group will have a simplified group structure with a single listed entry point providing greater visibility for investors; and
- **Other:** Super Group will retain exposure to hard currency earnings while benefitting from an increased proportion of earnings from South Africa and sub-Saharan Africa which are highly correlated to macroeconomic recovery.

3. DESCRIPTION OF SG FLEET

SG Fleet has been listed on the ASX since 4 March 2014. Headquartered in Sydney, Australia, SG Fleet is a leading provider of integrated mobility solutions, including fleet management, vehicle leasing, and salary packaging services. The company has a presence across Australia, as well as in the UK and New Zealand, employing approximately 1 300 staff and managing over 277 000 vehicles.

4. DESCRIPTION OF PEP

PEP is a leading Australian private equity firm, managing and advising the PEP funds, which have over AUD12 billion in assets under management. Founded in 1998, PEP has completed 46 primary transactions and over 170 follow-on investments across a range of target industries. The PEP funds have a strong track record investing behind and partnering with high quality management teams to support long-term business growth.

Funds that ultimately own or control Bidco include Pacific Equity Partners Fund VII (Australasia) and Pacific Equity Partners Fund VII, L.P. (collectively, the "Funds"). No natural persons owns or controls, directly or indirectly 25% or more of the beneficial interests of the Funds and the Funds are not "related parties" in relation to Super Group, as defined in section 10 of the JSE Listings Requirements.

5. SALIENT TERMS PROPOSED TRANSACTION

5.1 General

The terms of the Scheme have been documented in the SID entered into between Bidco and SG Fleet.

In terms of the Scheme, if implemented, Super Group, through its wholly owned subsidiary, Bluefin Investments will, subject to the conditions precedent detailed in paragraph 5.4 below, dispose of its 53.584% interest in SG Fleet for a purchase consideration of AUD641.4 million (estimated to be R7.53bn²).

In addition, Super Group and SG Fleet have entered into a Cooperation Agreement under which Super Group has agreed to convene the requisite general meeting of Super Group Shareholders ("Super Group Shareholders Meeting") with the unanimous recommendation of the Super Group Board (in the absence of a superior proposal and subject to the SG Fleet independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of SG Fleet Shareholders) and not to dispose of any interest in its SG Fleet shareholding during the term of the SID.

Under the SID, SG Fleet is required to pay a break fee to Bidco in certain limited circumstances. The amount of the break fee (should it become payable under the SID) is AUD12.267 million, being an amount equal to 1% of the aggregate Scheme Consideration.

5.2 Use of proceeds

After preliminary expenses and settling up to R1.96 billion of Super Group's South African interest-bearing borrowings, Super Group will utilise the remaining proceeds to declare a distribution to Shareholders of approximately R16.30 per share ("Special Distribution") comprising (i) a return of Contributed Tax Capital ("CTC") and (ii) a dividend. The return of CTC component of the Special Distribution will be R8.00 per Super Group share with the balance payable as a dividend. The final quantum of the dividend

² Based on an exchange rate of ZAR/AUD of 11.744 on 3 December 2024, being the closing exchange rate on the day immediately preceding signature of the Scheme Implementation Deed

will be determined with reference to the AUD/ZAR exchange rate applicable to the implementation of the Scheme. A dividend withholding tax of 20% will be applicable to the dividend proportion of the Special Distribution, unless the Shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

5.3 Categorisation of the Proposed Transaction

The Proposed Transaction constitutes a category 1 disposal for Super Group in terms of section 9 of the JSE Listings Requirements and requires Super Group Shareholder approval by way of an ordinary resolution ("Super Group Resolution").

5.4 Conditions precedent and approvals required

The Scheme and the Proposed Transaction are subject to the fulfillment, or waiver, where capable of waiver, of the following:

5.4.1 Conditions precedent to the Scheme and the Proposed Transaction

- the SG Fleet independent expert concluding in the independent expert's report (and continuing to conclude) that the Scheme is in the best interests of SG Fleet Shareholders;
- regulatory approvals in South Africa and Australia customary for a transaction of this nature; and
- SG Fleet shareholder and Australian court approval of the Scheme.

5.4.2 Conditions precedent to the Proposed Transaction

- approval of the Proposed Transaction by Super Group Shareholders as a category 1 transaction in terms of the JSE Listings Requirements;
- Bluefin Investments board and shareholder approvals of the Proposed Transaction by way of board and shareholder resolutions; and
- implementation of the Scheme.

5.4.3 Super Group approvals required

- Super Group noteholder approval (66.7%) for a waiver to condition 18.1.1.9 of the Domestic Medium Term Note ("DMTN") Programme which is in relation to Super Group or any of its guarantors. Bluefin Investments, being a DMTN Programme Guarantor, will be selling its controlling stake

in SG Fleet which is more than 50% of its assets, and therefore requires noteholder consent;

- consent from certain of Super Group's and Bluefin Investments' lenders to dispose of its 53.584% shareholding in SG Fleet; and
- Exchange Control approval from the Financial Surveillance Department of the South African Reserve Bank in terms of the conditions of the initial approval received when Super Group acquired SG Fleet in 2004.

5.5 Effective Date of the Proposed Transaction

Subject to the fulfilment or waiver of the conditions precedent set out in paragraph 5.4 above, the Company expects the effective date of the Proposed Transaction to occur in March 2025. The SID provides that the conditions precedent to the Scheme must be satisfied on or before the End Date which is defined as the later of (i) 30 June 2025 and (ii) such other date and time agreed in writing between SG Fleet and Bidco.

5.6 Support for the Scheme and the Proposed Transaction

Subject to the passing of the Super Group Resolution, Super Group intends to vote all its SG Fleet Shares, held through its wholly owned subsidiary Bluefin Investments, in favour of the Scheme at the SG Fleet Shareholder meeting to approve the Scheme, in the absence of a superior proposal and subject to the SG Fleet independent expert concluding in the independent expert's report (and continuing to conclude) that the Scheme is in the best interests of SG Fleet Shareholders.

Super Group has received written support for the Proposed Transaction from all Shareholders that it has engaged with, representing approximately 65% of the Super Group shares in issue as at the date of this announcement; in the absence of a superior proposal and subject to the SG Fleet independent expert concluding that the Scheme is in the best interest of SG Fleet Shareholders.

6. FINANCIAL INFORMATION

Super Group Shareholders and noteholders are advised that:

6.1 The book value of the net assets of SG Fleet attributable to Super Group Shareholders was AUD313.7 million (R3 811.8 million at 30 June 2024); and

6.2 The profits attributable to Super Group Shareholders relating to SG Fleet were AUD47.9 million (R587.1 million).

7. PRO FORMA INFORMATION

The following pro forma effects on the most recent audited financial results of Super Group are estimated after taking the Proposed Transaction and Special Distribution into account:

- 7.1 Net debt reducing from R24.96 billion (30 June 2024) to R2.95 billion;
- 7.2 Tangible net asset value increasing from R6.90 per share (30 June 2024) to R23.88 per share;
- 7.3 Net asset value decreasing from R42.90 per share (30 June 2024) to R38.29 per share; and
- 7.4 Headline earnings of 229.5 cents per share (year ended 30 June 2024: 353.8 cents per share).

The pro forma effects of the Proposed Transaction, as set out above, are the responsibility of the Super Group Board. The consolidated pro forma effects are presented in a manner consistent with the basis on which the historical financial information has been prepared and in terms of the Group's accounting policies, the JSE Listings Requirements, the Guide on Pro Forma Financial Information issued by SAICA. The pro forma effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of the Company's results and financial position post the implementation of the Proposed Transaction, and assume that the Proposed Transaction was implemented on 1 July 2023 for purposes of the pro forma consolidated income statement and 30 June 2024 for purposes of the pro forma consolidated statement of financial position, respectively.

8. ENGAGEMENT WITH NOTEHOLDERS

Super Group will be engaging with noteholders to seek approval (66.7%) for a waiver to condition 18.1.1.9 of the DMTN Programme which is in relation to Super Group or any of its guarantors. Bluefin Investments, being a DMTN Programme guarantor, will be selling its controlling stake in SG Fleet which is more than 50% of its assets, and therefore requires noteholder consent, as detailed in paragraph 5.4 above. Super Group will engage with noteholders to discuss and arrange the requisite noteholder votes in support of the waiver.

9. CIRCULAR TO SUPER GROUP SHAREHOLDERS

A circular setting out the full details of the terms of the Proposed Transaction ("Circular") will be distributed to Super Group

Shareholders in due course. The Circular will, inter alia, incorporate a notice convening the Super Group Shareholders Meeting at which Shareholders will be requested to consider, and if deemed fit, to pass, with or without modification the relevant resolutions required to approve the Proposed Transaction.

10. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders and noteholders of Super Group are advised that, as a result of the publication of this terms announcement, the cautionary announcement is accordingly withdrawn, and Shareholders and noteholders are no longer required to exercise caution when dealing in Super Group's securities.

Sandton
4 December 2024

Financial Advisor and Transaction Sponsor
Investec Bank Limited

Legal Advisor
Fluxmans Inc.

Debt Sponsor
Questco Proprietary Limited