Est. 1892

TongaatHulett®

INTERIM RESULTS PRESENTATION

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021


Est. 1892
Huletts®
GROWN WITH
SOUTH AFRICAN
KINDNESS
Huletts
SunSweet
Brown Sugar
Huletts
White Sugar
Huletts
Icing Sugar
Huletts
Castor Sugar
PROUDLY SOUTH AFRICAN
A little Huletts sweetness goes a long way

WELCOME

#TOGETHER REIMAGINING A SWEET TOMORROW

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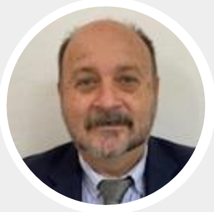
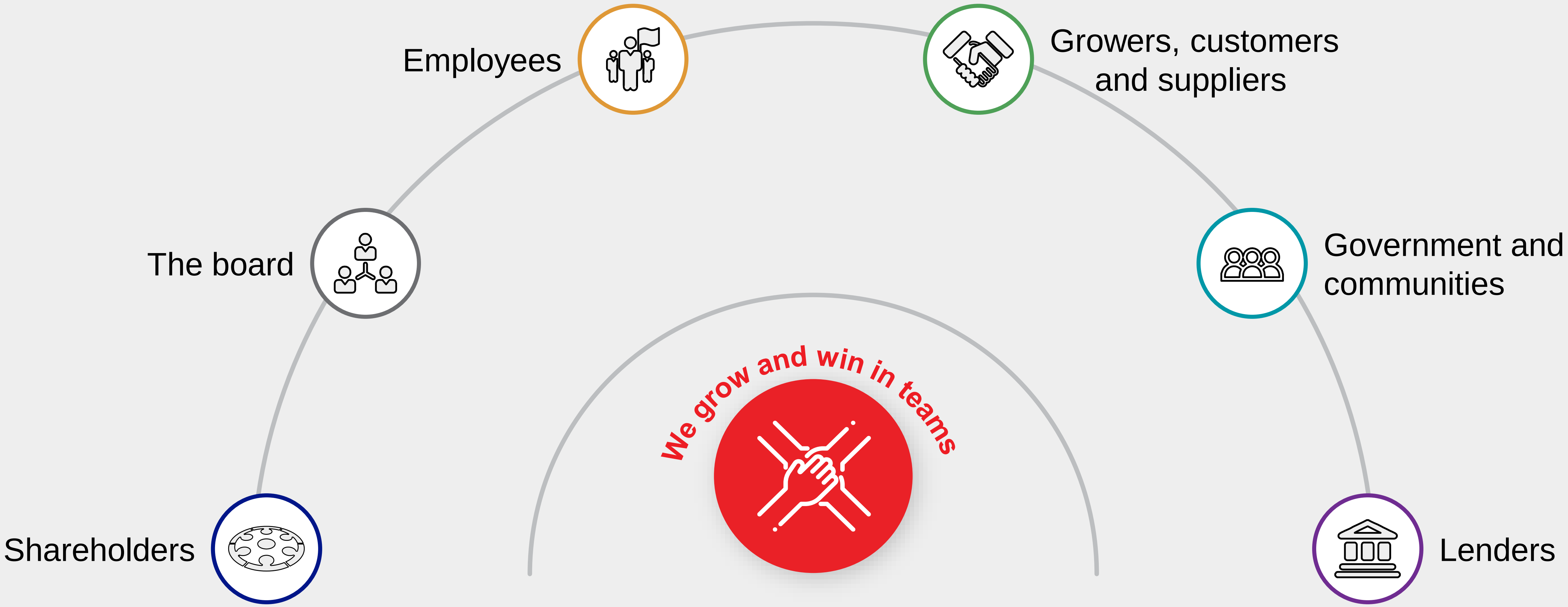



WE ACKNOWLEDGE AND VALUE YOUR ONGOING SUPPORT



OPERATIONAL REVIEW

PROGRESS ON KEY INITIATIVES

HEADWINDS

- Cyclone Eloise – Mozambique
- COVID-19 impact on operations
- Hyperinflation / administrative expenses in Zimbabwe
- KZN unrest disruptions across the business

COMPLETED

- 41% debt reduction; refinance completed
- R450m Escrow held from sale of starch received in full
- Strategic underwriter for rights offer secured
- Implemented key frameworks in financial controls, tax and treasury
- B-BBEE Level 2 in SA
- Continued payment of dividends and management fees from Zimbabwe
- Stakeholder relationships improved

GAINING MOMENTUM

- Asset Care Strategy and plan initiated
- Improved employee capability and capacity (70* employed / promoted)
- Quality and ISO certifications
- Step change in agricultural practices
- Land infrastructure commitments – unpacked; execution streamlined
- Working capital management
- Procurement transformation

* April – Nov 2021

OPERATIONAL HIGHLIGHTS

ZA

South Africa Sugar

- Strong improvement in free cashflow ▲
- Improved industry sales mix – Masterplan ▲
- Recovery of refinery performance ▲
- 3 marketing awards for Humthem campaign ▲
- Improved talent mix ▲
- Sales gaining momentum post Q1 challenges ▲
- R158m impact from KZN unrest ▼
- Plus COVID-19 impact on operations, resulting in lower sugar production ▼

MZ

Mozambique Sugar

- 11% local market sales growth ▲
- 3.2% yield improvements (despite floods) ▲
- 2% Improvement in refinery utilisation ▲
- Full quality certification ▲
- 11% recovery of the Metical against US$ ▲
- Cyclone Eloise ▼
- 3% interest rate increase ▼

OPERATIONAL HIGHLIGHTS

Zimbabwe Sugar

- 23% local market sales growth ▲
- R140m dividend and management fees ▲
- ~500ha outgrower crops replanted ▲
- Major dams near to capacity ▲
- Slow steady progress in land tenure ▲
- Hyperinflation; devaluation of currency ▼
- Increase in US denominated costs ▼
- Agriculture yields declined in line with region ▼

Property

- R106m of deals transferred and completed ▲
- R145m deals in the pipeline ▲
- R37m - Cashflow positive ▲
- Strengthened sales and execution team ▲
- COVID-19 impact on processes ▼
- KZN unrest affected investor appetite ▼

WE REMAIN STEADFAST ON OUR ESG JOURNEY

Governance
- Proactive risk management and compliance program implemented
- Fraud risk management strategy showing positive results
- Governance structures enhanced
- Stakeholder engagement – 3rd party assessment shows improvement
- PwC report findings being actioned

COVID-19 (target 100% vaccination)
- 81% of employees vaccinated by November 2021
- Introducing mandatory vaccination for staff and service providers

Environmental
- First ESG and Climate Change report in 2021 (TCFD compliant)
- Developing mitigation plans for identified climate risks

13% LTIFR Improvement (0.093)*
- ~78-million-person hours worked*
- Sadly, 1 fatality in Mozambique
- Targeting all sites to be ISO 45001 and ISO 14001 certified by June 2022

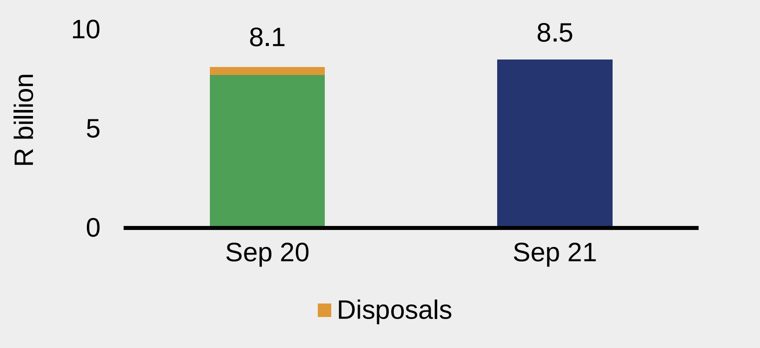
R79 million (excl. COVID-19 spend)
- Spent on Socio-economic development initiatives

- Construction of new effluent plant at Maidstone mill - completion 2022
- Pilot plant installed

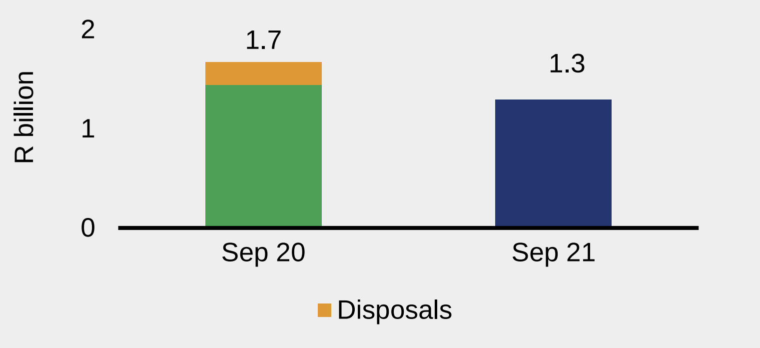
* Annual numbers to 31 March 2021

SALIENT FINANCIAL FEATURES*

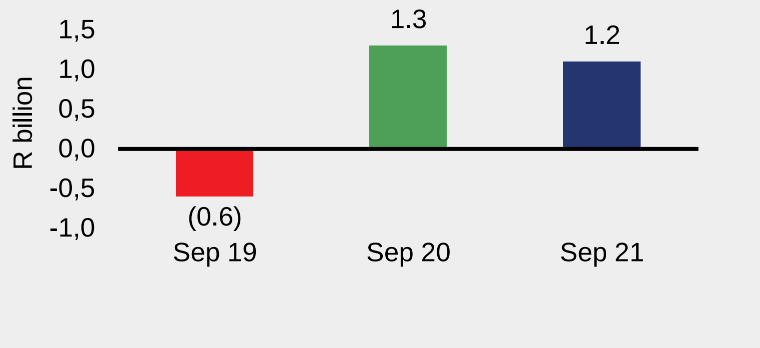
Revenue up 5% (up 10% excl disposals)



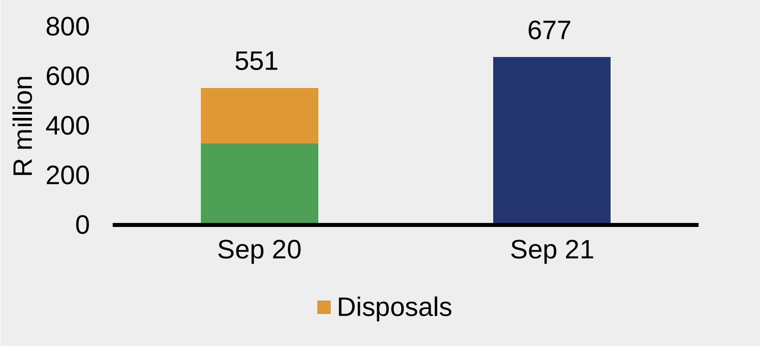
Operating profit down 23% (down 10% excl disposals)



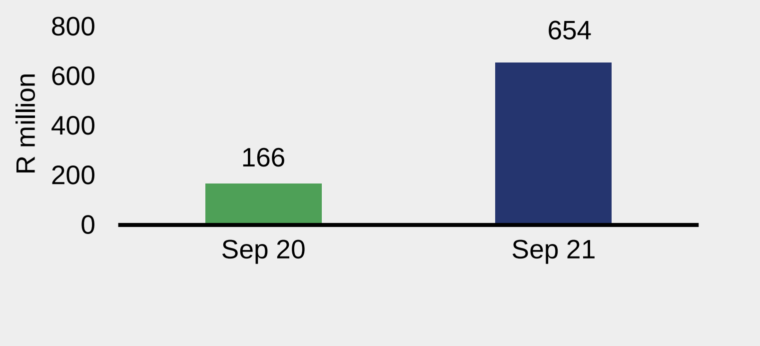
Cash flow from operations down 13%



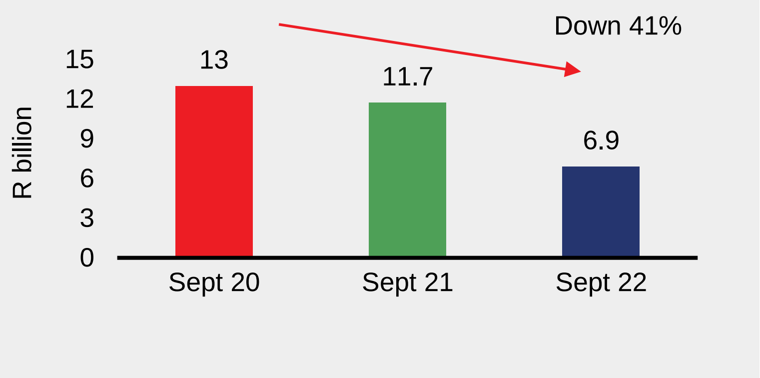
Profit before tax up 23% (up 106% excl disposals)



Tax rate of 97% (30% prior year)



Gross borrowings



* Continuing operations which excludes the starch operation, but includes Namibia and Eswatini up until the date of disposal.
Any reference to "excluding disposals" means an adjustment has been made to exclude the results of Namibia and Eswatini to improve comparability.

FINANCIAL RESULTS

A COMPLEX SET OF RESULTS

- Contribution from disposals (not defined as discontinued) in comparative financial information
- Restatement of prior period financial information
- Impact of hyperinflation and currency dynamics in Zimbabwe
- Civil unrest losses; impact on sugar production and land sales in South Africa
- Revaluation of biological assets
- Effective tax rate of 97%
- Mix of profits across entities with minority shareholders, translating to negative earnings

Loss Per Share*
174 cents
2020: Earnings of 80 cents**

Headline Loss Per Share*
188 cents
2020: Earnings of 44 cents**

No dividend declared

Our focus remains firmly on re-establishing a sustainable capital structure to provide stability to the business

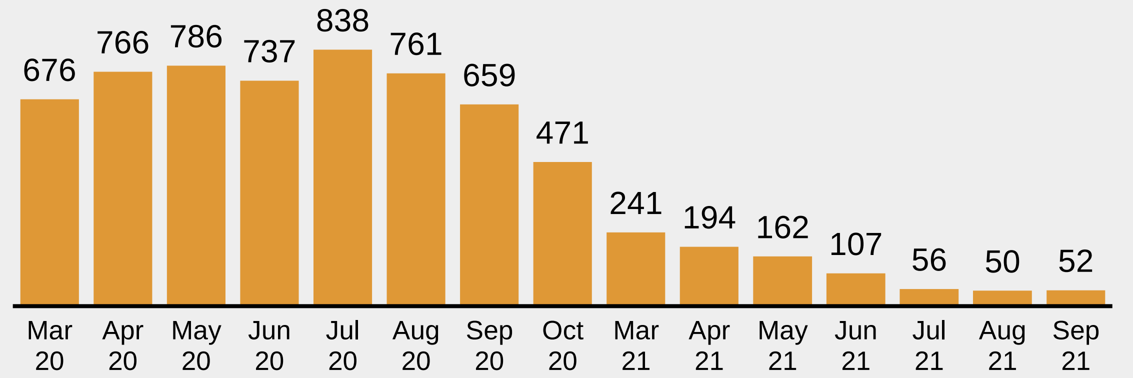
*Continuing operations; **Restated

ZIMBABWE HYPERINFLATION IMPACT ON RESULTS

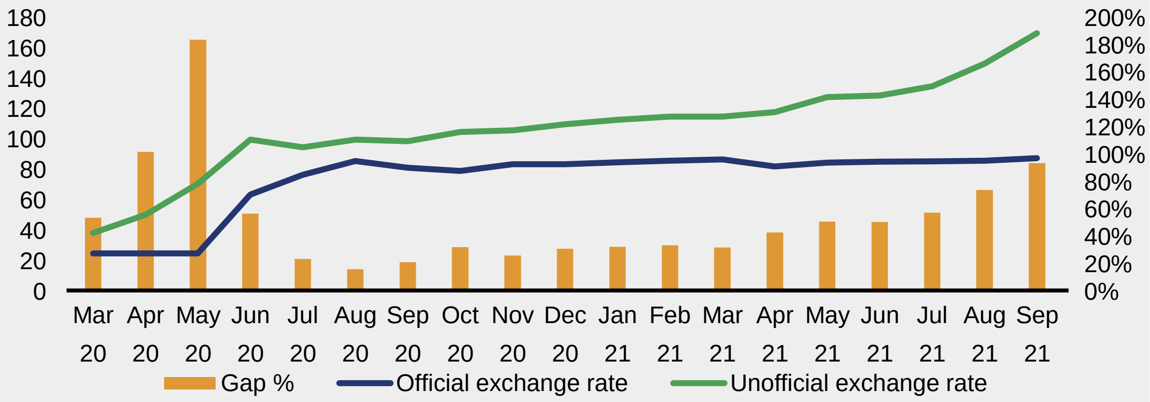
- **Inflation rate reduced from 838% peak to 52% (Nov 21: 58%)**
- **Widening premium on unofficial exchange rates**
- **Hyperinflation and currency dynamics resulted in:**
  - Impact on Rand profits of c.30% at Group and c.50% at Zimbabwe levels
  - Influences proportion of sales invoiced in foreign currency
  - Dollarisation of certain costs and more frequent cost revisions
  - Period-on-period movement in fair value of biological assets of R530m
  - A net monetary loss on financial assets of R110m (2020: R71m)

Rm	As reported (Official FX rate)	Sensitivity (Unofficial FX rate)	Difference
Exchange rate (vs US$)	ZWL 85:4	ZWL 170:0	
Revenue	3 725	1 872	(1 853)
Operating profit	1 043	524	(519)
Profit for the period	544	273	(271)
Net asset value	4 314	2 167	(2 147)
Total assets	7 727	3 882	(3 845)

Zimbabwe annual inflation rate (%)



Zimbabwe foreign exchange rates (vs USD)



RESTATEMENTS TO CONSIDER

Timing Errors

1. Sugar work in progress at 30 September 2020 not assigned a value – R42m increase in operating profit
2. Export proceeds not treated as income received in advance and related levies as a prepayment – R23m increase in operating profit

- Correction of errors improve earnings for 30 September 2021 results
- Timing differences resolved at the end of season
- No restatement of 31 March 2021 results

Rm	Sept 2020 *Restated*	Sept 2020 *Previous*	Difference
Revenue	8 121	8 248	(127)
Operating profit	1 670	1 910	(240)
Profit for the period	556	491	65
Cents			
Earnings per share - continuing ops	80	32	48
Earnings per share	214	166	48

Classification Errors

1. Sugar industry mechanism to equalise market exposure among millers reclassified out of revenue (Sept 2020: R127m; Mar 2021: R536m)
2. 'Cost of sales' was adjusted for hyperinflation from the date of sale and not the date of production (Sept 2020: R305m; Mar 2021: R711m)

- Restatement of 30 September 2021 and 31 March 2021 results
- Material reallocation between operating profit and net monetary loss
- No impact on 'profit for the year' or 'loss per share'

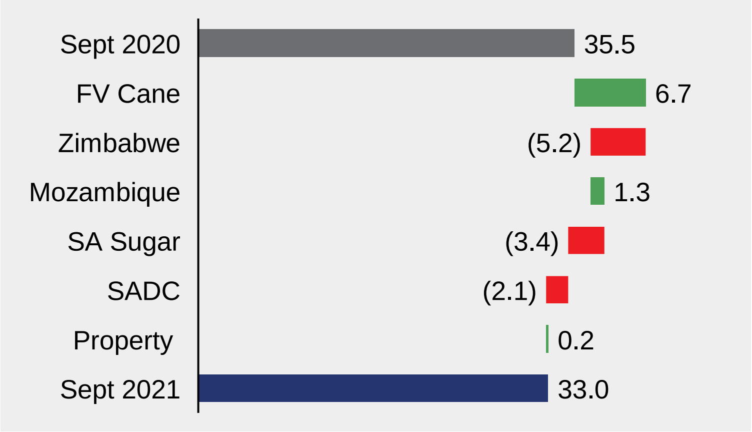
Rm	Mar 2021 *Restated*	Mar 2021 *Previous*	Difference
Revenue	15 454	14 918	536
Operating profit	1 107	1 818	(711)
Profit for the year	2 720	2 720	None
cents			
Loss per share - continuing ops	(689)	(689)	None
Loss per share	1 794	1 794	None

STATEMENT OF PROFIT AND LOSS

Rm	Sept 2021 *Reviewed*	Sept 2020 *Restated*
Revenue	**8 502**	**8 121**
Sugar industry equalisation	(84)	(125)
Cost of sales	(5 615)	(5 114)
Gross profit	**2 803**	**2 882**
Operating profit	**1 294**	**1 670**
Net finance costs	(525)	(1 053)
Finance costs (net)	(592)	(786)
Foreign exchange gain/(loss) (net)	67	(267)
Net monetary loss arising from hyperinflation	(110)	(71)
Share of net profit of associates	18	5
Profit before taxation	**677**	**551**
Taxation	(654)	(166)
Profit from continuing operations	**23**	**385**
Profit from discontinued operation		171
Profit for the period	**23**	**556**
Basic (loss)/earnings per share - continuing operations (cents)	**(174)**	**80**

Commentary

- Gross profit margin reduced from 35% to 33%:

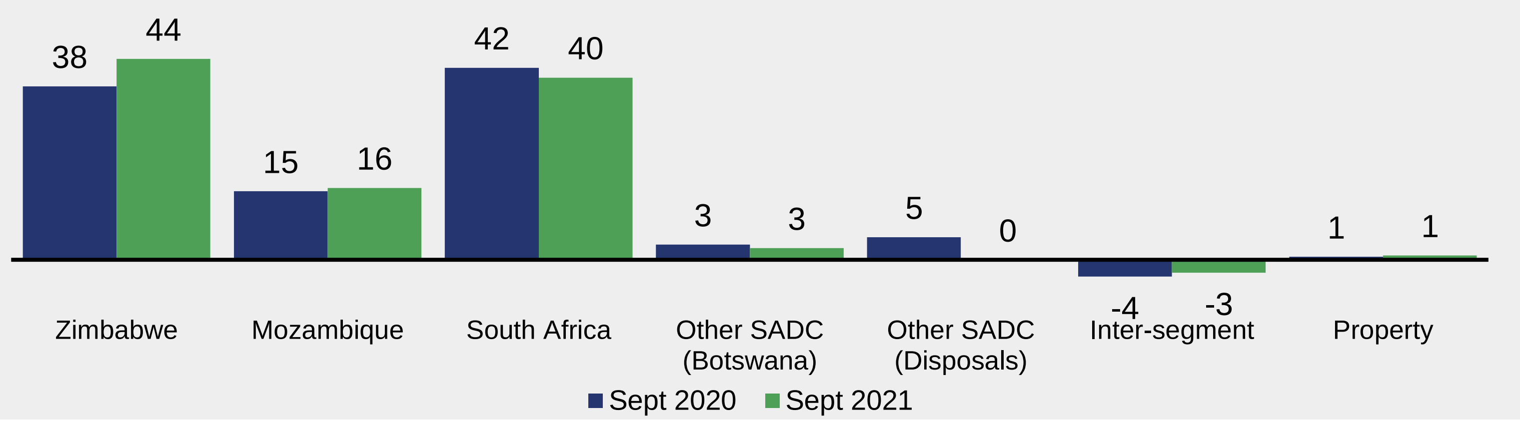


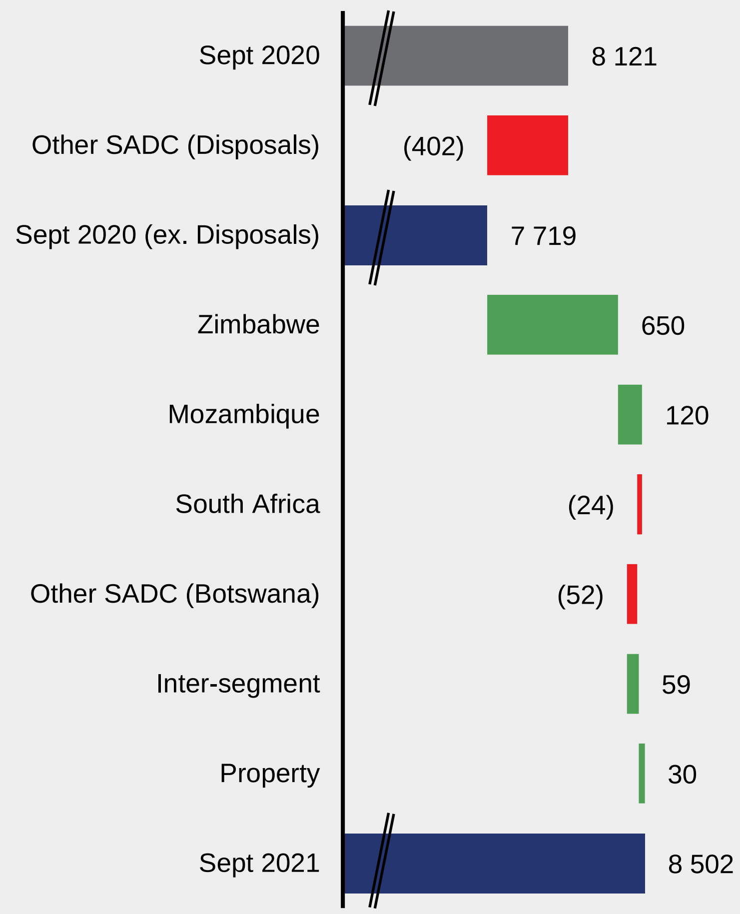
- Operating profit impacted by:
  - Disposal of Namibia and Eswatini in prior year (R230m)
  - Impact of riots on SA Sugar operation (c.R158m)
  - Production volumes 10% lower in a fixed cost business
- Net finance costs benefit – lower debt and forex movements
- Effective tax rate of 97%
  - Deferred tax assets on losses in South Africa not recognized
  - Non-deductible net monetary loss in Zimbabwe
- Profit mainly generated in Zimbabwe, interest and taxation carried in South Africa – Tongaat's share of profits is negative

REVENUE BY SEGMENT*

Rm	Sept 2021 *Reviewed*	Sept 2020 *Restated*	% change	% change ex. Disposals
Revenue	**8 502**	**8 121**	**5**	**10**
Sugar	**8 419**	8 068	4	10
Zimbabwe	**3 725**	3 075	21	
Mozambique	**1 334**	1 214	10	
South Africa	**3 380**	3 404	(1)	
Other SADC (Botswana)	**218**	270	(19)	
Other SADC (Disposals)		402	(100)	
Inter-segment	**(238)**	(297)	20	
Property	**83**	53	57	

Segmental contribution (%)

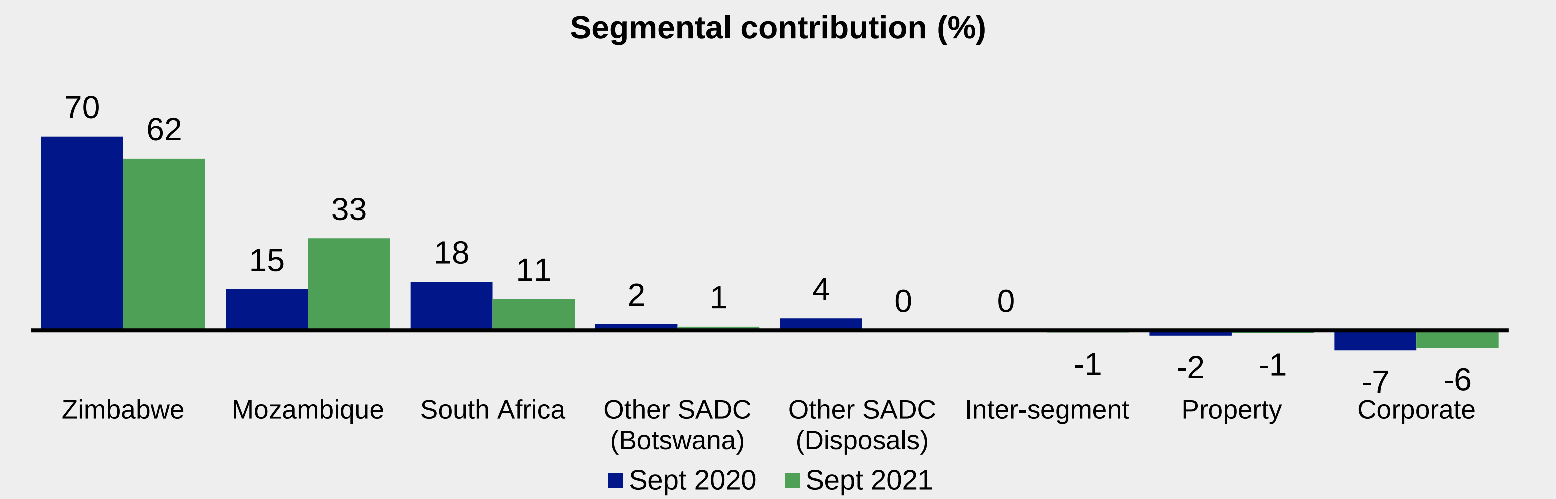


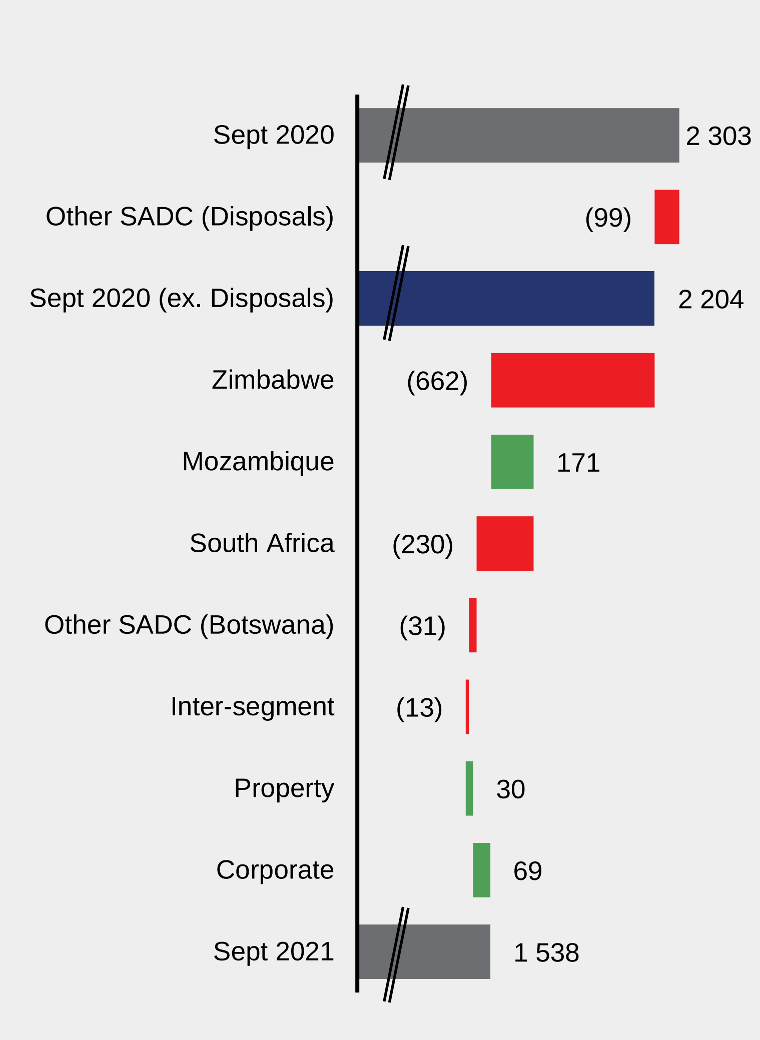


* Continuing operations which excludes the starch operation but includes Namibia and Eswatini up until the date of disposal

ADJUSTED EBITDA BY SEGMENT*

Rm	Sept 2021 *Reviewed*	Sept 2020 *Restated*	% change	% change ex. Disposals
Adjusted EBITDA	**1 538**	**2 303**	**(33)**	**(30)**
Sugar	**1 653**	2 517	(34)	(32)
Zimbabwe	**959**	1 621	(41)	
Mozambique	**513**	342	50	
South Africa	**174**	404	(57)	
Other SADC (Botswana)	**20**	51	(61)	
Other SADC (Disposals)		99	(100)	
Inter-segment	**(13)**		n/a	
Property	**(16)**	(46)	65	
Corporate	**(99)**	(168)	41	

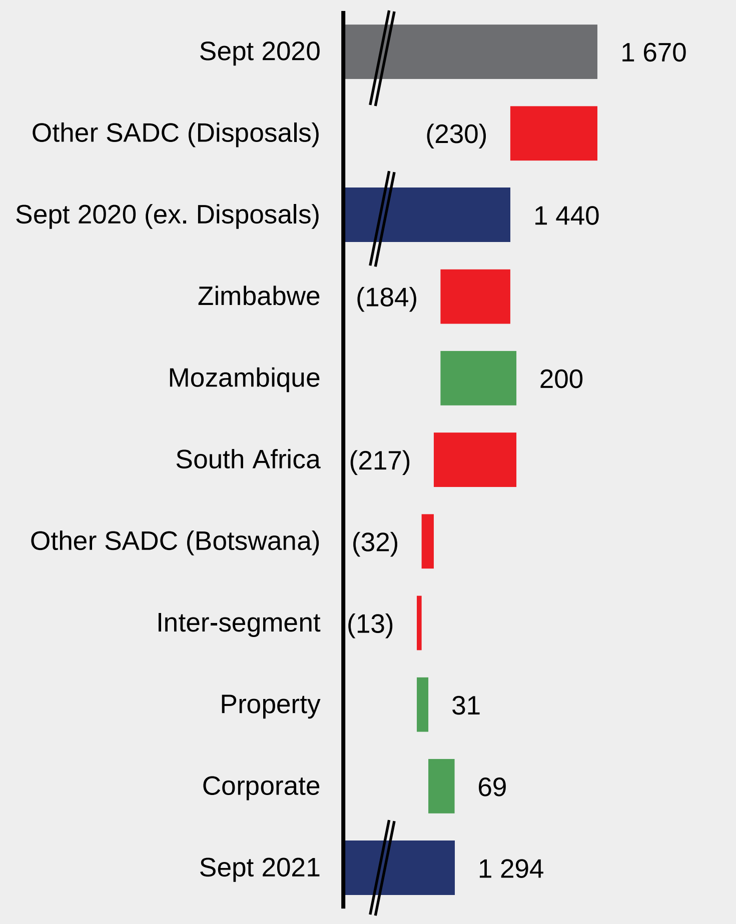




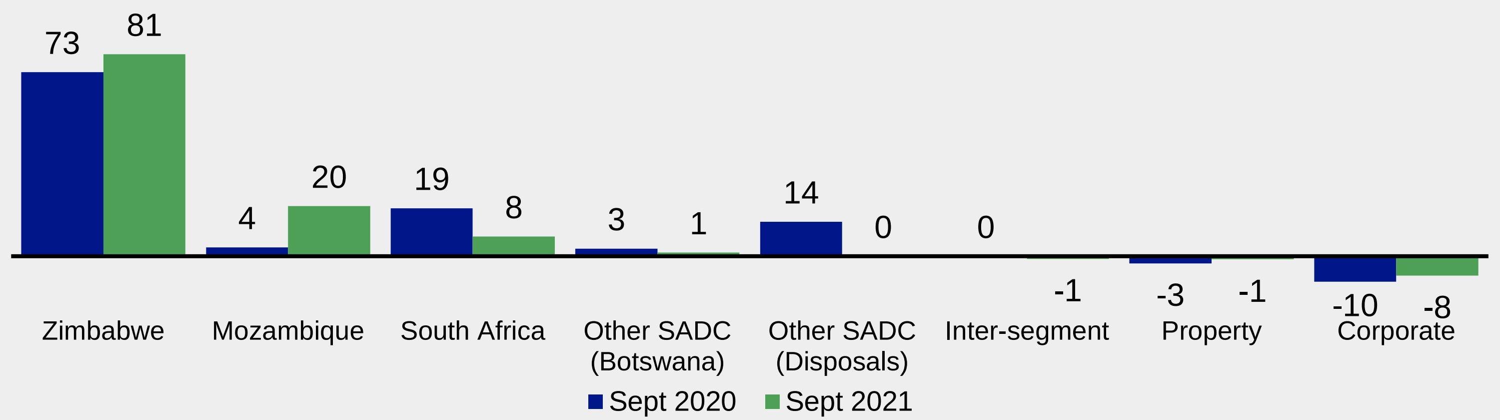
* Continuing operations which excludes the starch operation but includes Namibia and Eswatini up until the date of disposal

OPERATING PROFIT BY SEGMENT*

Rm	Sept 2021 *Reviewed*	Sept 2020 *Restated*	% change	% change ex. Disposals
Operating Profit	**1 294**	**1 670**	**(23)**	**(10)**
Sugar	**1 410**	1 886	(25)	(15)
Zimbabwe	**1 043**	1 227	(15)	
Mozambique	**259**	59	339	
South Africa	**102**	319	(68)	
Other SADC (Botswana)	**19**	51	(63)	
Other SADC (Disposals)		230	(100)	
Inter-segment	**(13)**		n/a	
Property	**(16)**	(47)	66	
Corporate	**(100)**	(169)	41	



Segmental contribution (%)



* Continuing operations which excludes the starch operation but includes Namibia and Eswatini up until the date of disposal

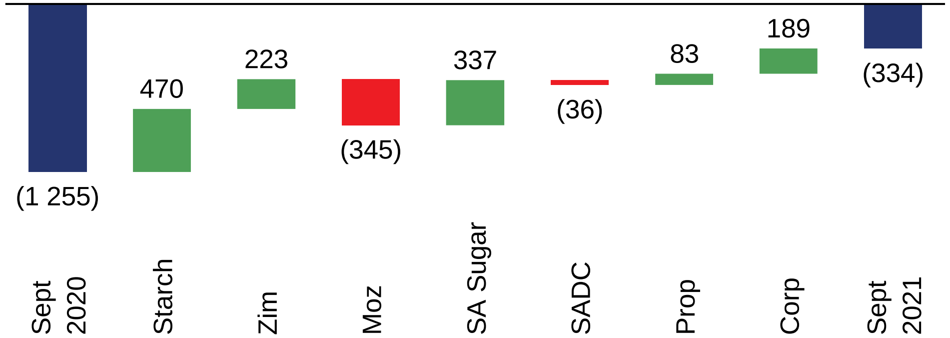
STATEMENT OF CASH FLOWS

Rm	Sept 2021 *Reviewed*	Sept 2020 *Restated*
Operating cash flows before working capital	**1 501**	**2 596**
Working capital movements	(334)	(1 255)
Cash generated from operations	**1 167**	**1 341**
Replacement of PPE and intangible assets	(212)	(234)
Other (proceeds on disposal, loans)	3	24
Segment cash flow (incl. discontinued operations)	**958**	**1 131**
Taxation paid	(129)	(153)
Proceeds from debt reduction transactions	36	220
Other cash flows (lease liabilities, dividends)	(61)	(167)
Cash flows before debt service	**804**	**1 031**
Net finance costs paid	(423)	(656)
Borrowings repaid	(361)	(180)
Increase in cash balances for the period	**20**	**195**

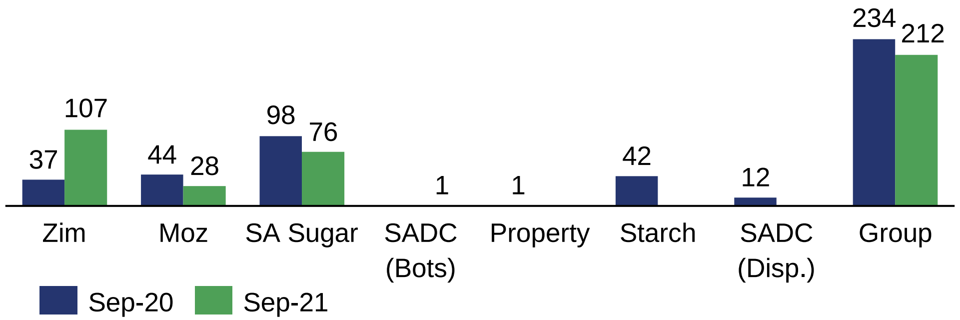
Roughly 80% of operational cash flows are generated in Zimbabwe and Mozambique but c.85% debt is located in South Africa

Commentary

- Investment in **working capital** reduced substantially
  - Disposal of starch, low prepayments in Zimbabwe, abnormally low stock in SA, normalisation of payables in Mozambique

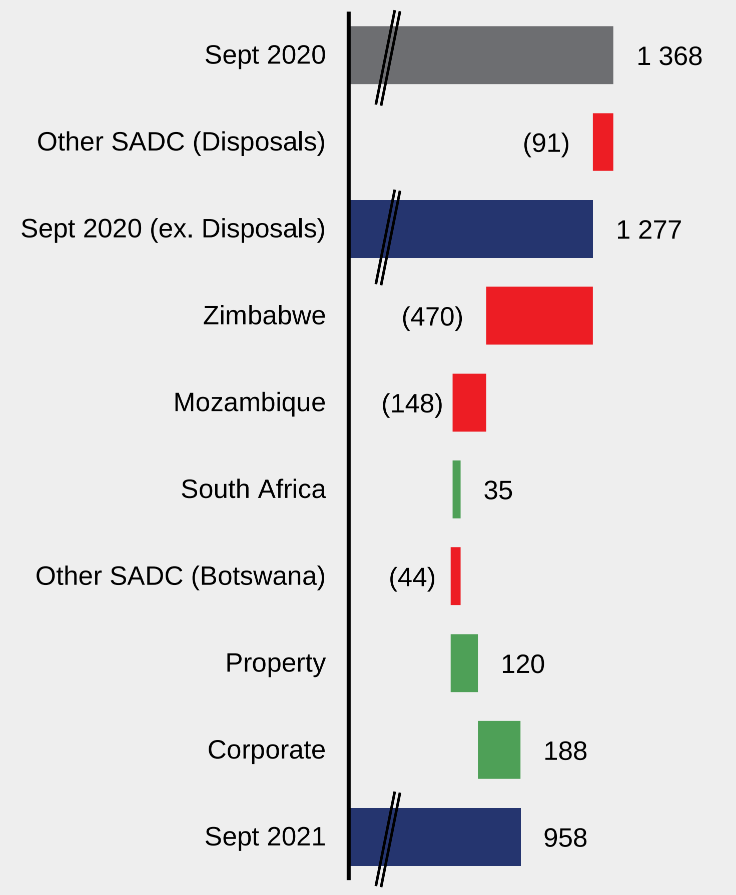


- Reinvestment programme into milling assets and root replanting
  - **Capex** increased R32m on like-for-like basis, prior period includes R55m on rehabilitation of second milling line in SA

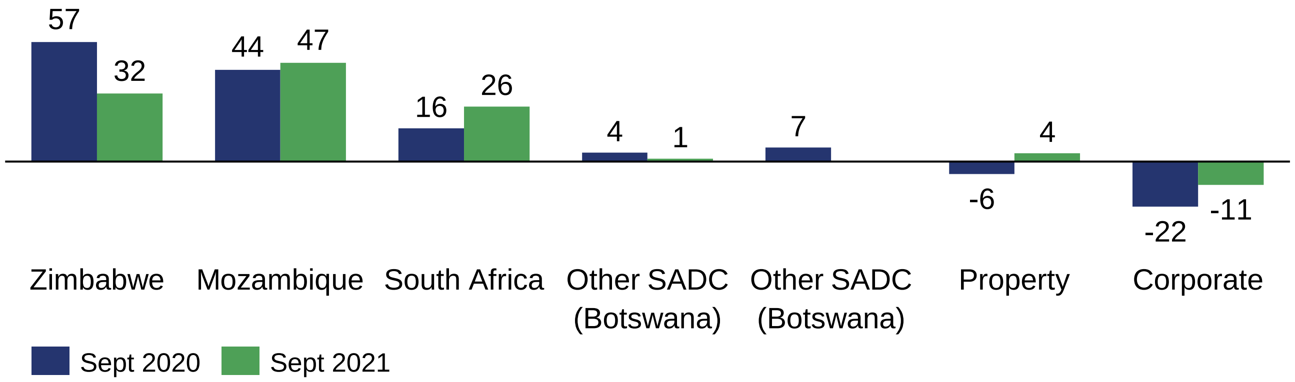


CASH FLOWS BY SEGMENT

Rm	Sept 2021 *Reviewed*	Sept 2020 *Restated*	% change	% change ex. Disposals
Segment cash flows	**958**	**1 368**	**(30)**	**(25)**
Sugar	**1 028**	1 746	(41)	(38)
Zimbabwe	**311**	781	(60)	
Mozambique	**452**	600	(25)	
South Africa	**252**	217	16	
Other SADC (Botswana)	**13**	57	(77)	
Other SADC (Disposals)		91	(100)	
Property	**37**	(83)	145	
Corporate	**(107)**	(295)	64	

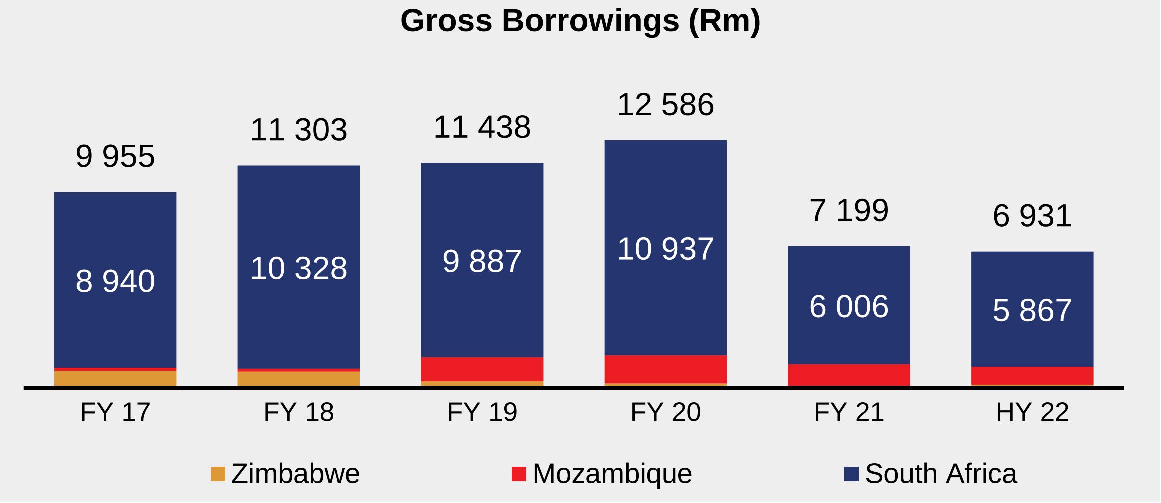


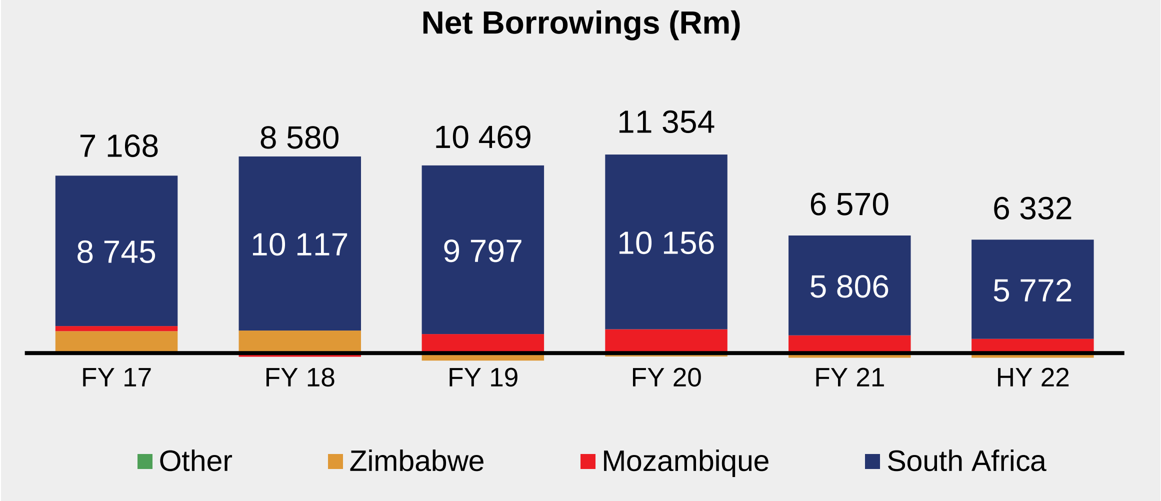
Segmental contribution (%)



REBUILDING THE BALANCE SHEET AND UNLOCKING LONG-TERM VALUE

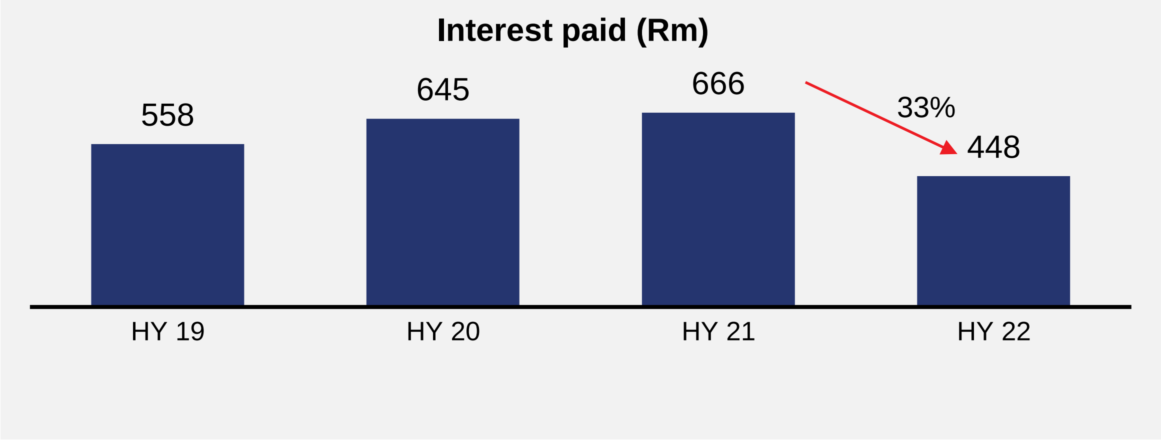
A SIGNIFICANT REDUCTION IN DEBT LEVELS



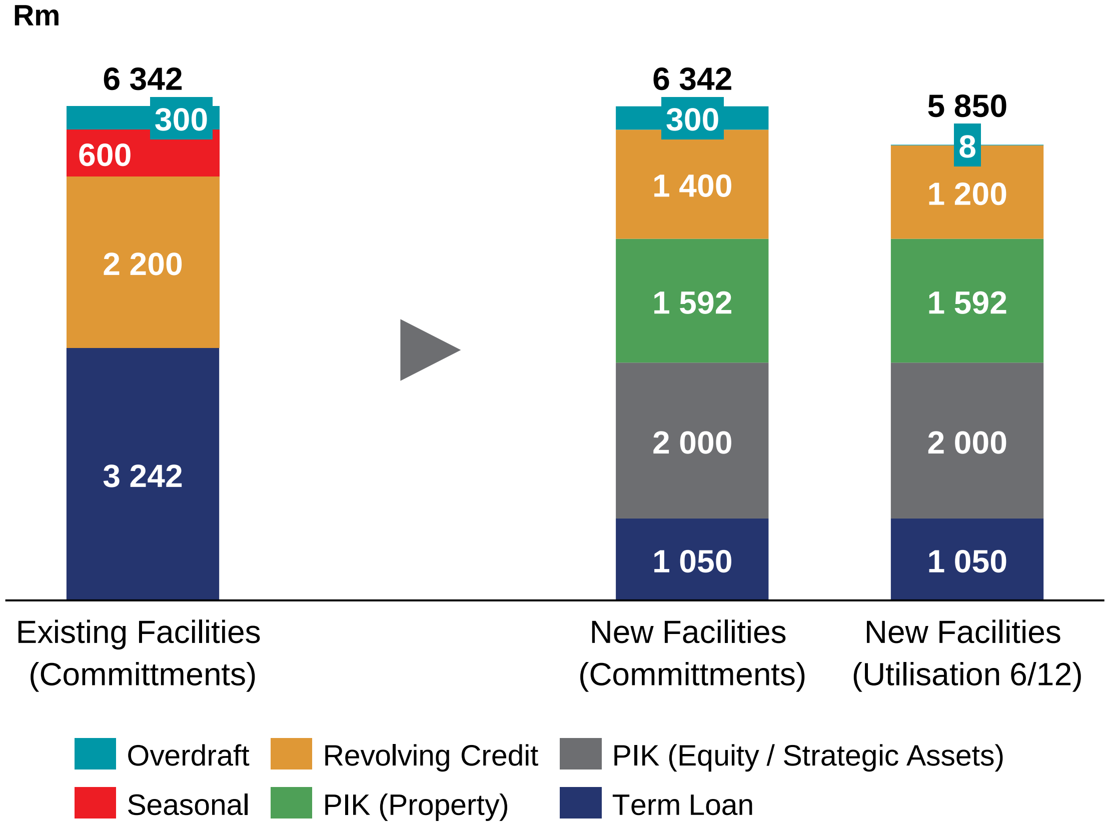


Commentary

- SA debt refinance concluded 6 December 2021 with R5.85bn utilisation
- Debt reduction transactions concluded to date of R6.57bn
- Gross borrowings at 30 September 2021 were R6.93bn, a further reduction of R268m since year-end, mainly due to escrow proceeds (R466m - incl. interest)
- Escrow proceeds reallocated to support liquidity and create headroom
- Net finance costs settled in cash of R423m – significant constraint to liquidity and imperative to reduce debt and improve operational cash flows
- Interest rates in Mozambique raised by 3% in January 2021, increasing cost of debt and contributing to covenant breach (subsequently waived)



SOUTH AFRICAN DEBT REFINANCE FINALISED



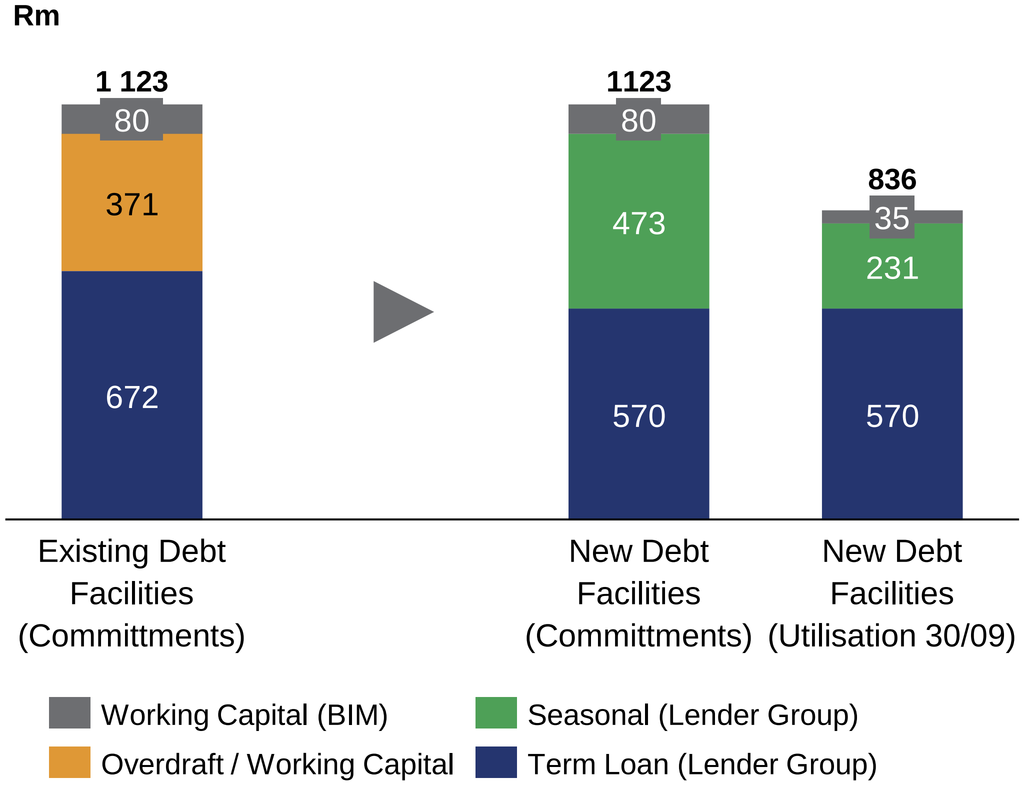
Refinance provides a sustainable debt solution bringing stability and allowing time to raise capital to repay remaining debt

Salient terms of new facilities

Facility	Repayment Date	Initial Interest	Facility Amount
Senior Facility A Term Loan	30 June 2024	JIBAR +5.05%	R1 050m
Senior Facility B Revolving Credit	30 June 2024	JIBAR +5.33%	R1 400m
Senior Overdraft Facilities *	30 June 2024	JIBAR +5.33%	R300m
Sustainable Debt Facilities			**R2 750m**
Senior Facility C PIK Facility	30 June 2024	JIBAR +5.97%	R2 000m
Senior Facility D PIK Facility	30 June 2024	JIBAR +6.69%	R1 592m
Total Debt Facilities			**R6 342m**

**To provide additional liquidity for the seasonal peak of the working capital cycle, the overdrafts increase to R500m between December and March each year.*

MOZAMBIQUE DEBT REFINANCE



Debt facilities were refinanced on 30 July 2021 providing certainty of funding for 24 months

Salient terms of new facilities

Facility	Repayment Date	Initial Interest	Facility Amount
Facility A Term Loan	30 July 2022	Moz. Prime -0.25%	R570m
Senior Facility B Seasonal	30 July 2022	Moz. Prime -0.50%	R473m
Working Capital	30 July 2022	Moz. Prime -0.25%	R80m
Total Debt Facilities			**R1 123m**

- At 30 September 2021, the amount outstanding debt of R902m (including a sale and leaseback obligation of R67m)
- Working capital cycle peaks after the maintenance period (March to July), with September being a low point in the cycle
- All facilities denominated in local currency
- Leverage ratio of 2.2 times is high in context of >18% prime lending rate – limits free cash flow to de-gear
- Restrictions on payment of dividends and management fees to South Africa
- Disposal of non-core assets continues to be explored


STRATEGIC UPDATE
#TOGETHER REIMAGINING
A SWEET TOMORROW

REBUILDING TONGAAT HULETT

Turnaround advanced

- Strengthened governance at all levels
- 41% debt reduction
- ESG & Climate Change report completed
- Asset care and investment programs implemented
- Cash flow improvements informing budgets
- Extensive categorisation of infrastructure obligations
- Attracted high calibre skills
- Level 2 B-BBEE contributor
- Legal action re inter alia restatements progressing

Restoring the balance sheet and delivering on our ESG commitments

SUGAR DEMAND SUPPORTED BY AFRICAN POPULATION AND ECONOMIC GROWTH TRENDS

*"…If it continues at its current growth rate, like Nigeria, **Africa's population will double by 2050.** That would be 2.5bn people, … a quarter of the world's people would be in Africa."*

The Economist 28th March 2020

*"…Sub-Saharan Africa … holds the greatest potential for sugar consumption growth of any global region, … potential for diversification into biofuels, cogeneration and cooking fuels... **Southern Africa holds some of the best production-cost credentials in the sugar world.**"*

International Sugar Organization

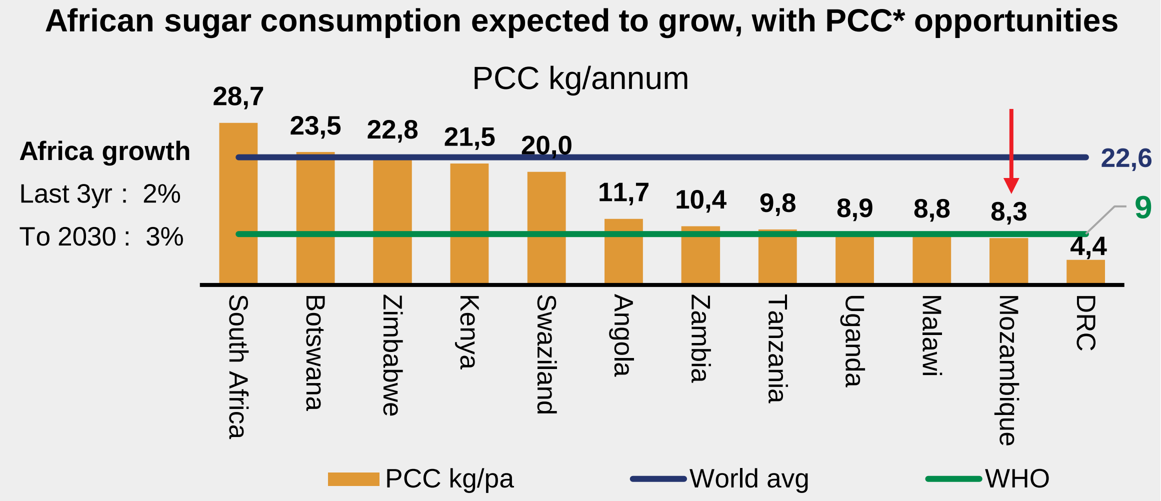
Profiling the African sugar market & future trade landscape

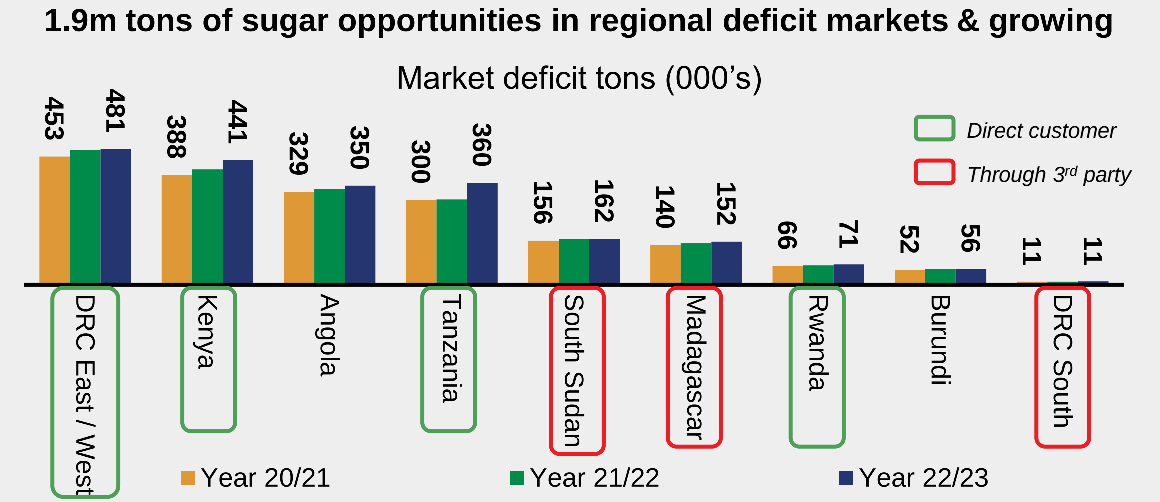
*"While **sub-Saharan Africa's per capita sugar consumption is approximately half of the global average,** the market **is set to have one of the largest increases in consumption in the coming years.**"*

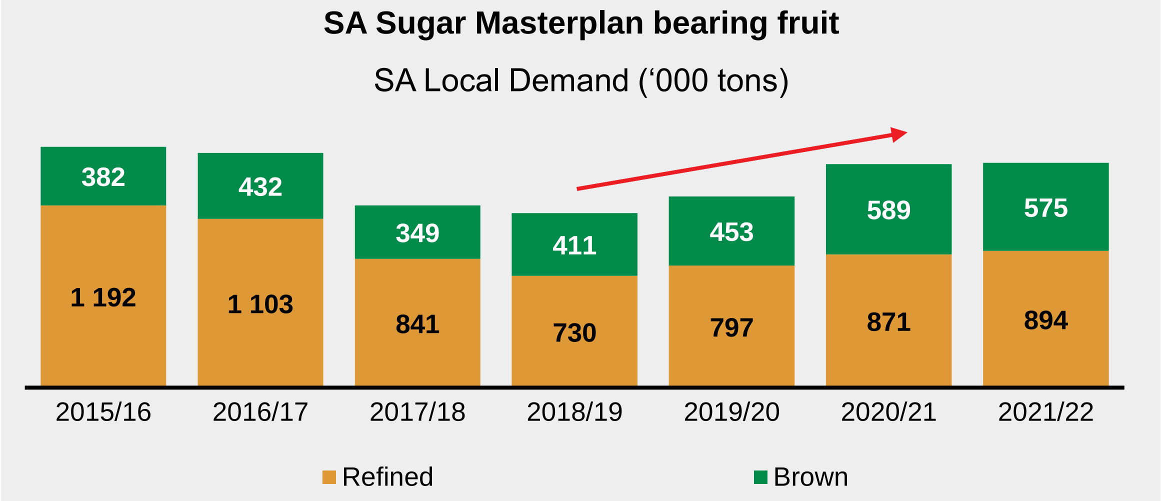
International Sugar Organization

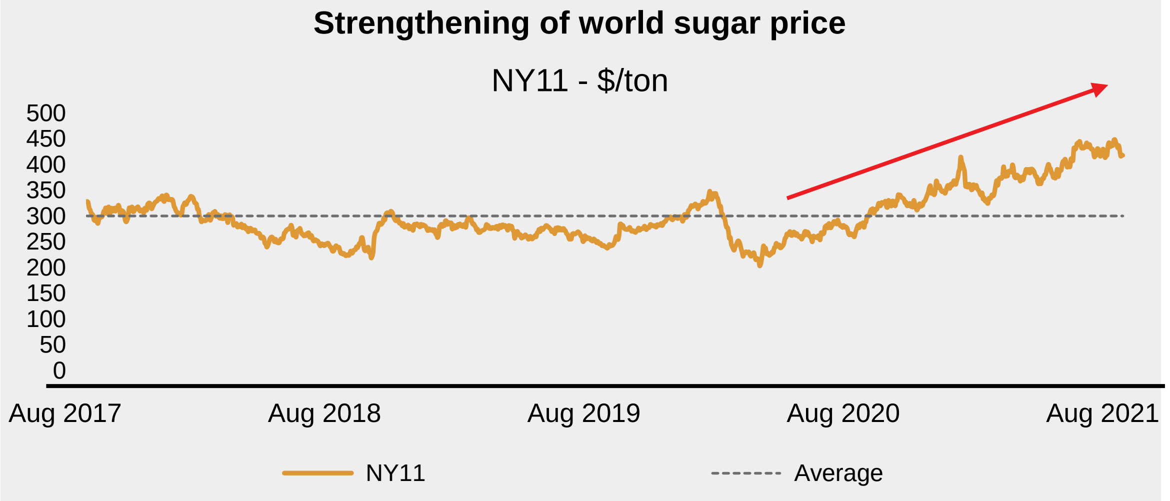
Focus report - How can Africa's leading sugar producers increase output (June 2021)

LEVERAGING POSITIVE MARKET CONDITIONS









*PPC = Per Capita Consumption

A MAJOR REGIONAL AGRI-BUSINESS

Material asset base

- 59k ha own-cane farmland
- Access to 118k ha 3rd party cane
- 16.4k ha developable land
- Capacity
  - 13.5m tons cane crush
  - 1.5m tons raw sugar; 745k tons refined sugar
  - 40m litres of ethanol
  - 400k tons animal feed

Societal Contribution

- ~28 000 employees
- ~500 000 value chain dependents (mostly rural)
- ~20 000 Small scale farmers – 15k in SA (PDI)
- Uzinzo Sugar Farming - the largest black farmer in the SA sugar industry
- 26 schools (~16 000 children a year)
- 10 clinics / hospitals treating ~200 000 patients a year

Commercial Opportunities

- Strong local demand in all markets (sugar and animal feeds)
- SA Sugar Masterplan yielding encouraging results
- 1.9m tons regional deficit market demand
- Per capita growth potential
- Green economy participation opportunities
- Adjacent diversification / growth options

OUR STRATEGY HAS EVOLVED

Vision – *to be the most trusted partner in all that we do*

Mission – *build our future by creating sustainable value for all our stakeholders*

Growing cane

- Agricultural excellence
- Vertical and horizontal growth
- Small-scale Grower (SSG) support
- Cost leadership

Cane + ~25%

Milling cane / Refining sugar

- Technical excellence
- Asset care
- Quality
- Cost leadership

Sugar + ~30%

Commercialising assets

- Enhance cashflow generation
- Maximise value of property
- ROI/ROE
- Diversification

Earnings Growth

Enabled by people and culture

ESG | **Systems and Processes** | **Relationships**

We success through excellence and innovation

We grow and win in teams

We take accountability

Integrity and ethics guide our way

We care and do our best

Safely home everyday

BUSINESS UNITS OUTLOOK – UNLOCKING LONG TERM GROWTH

Est. 1892

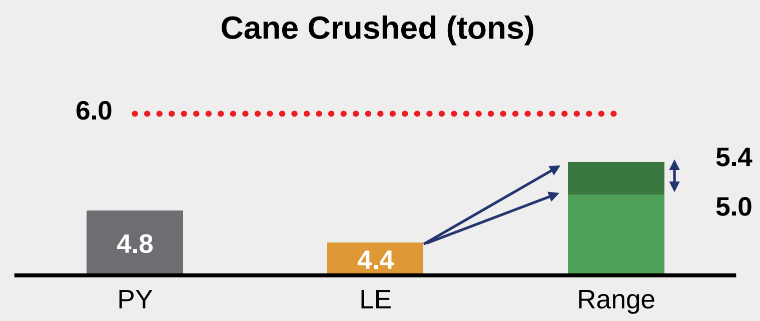
TongaatHulett®

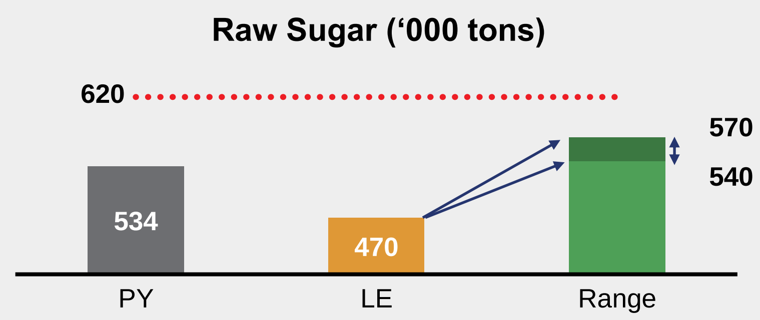
Dave Howells

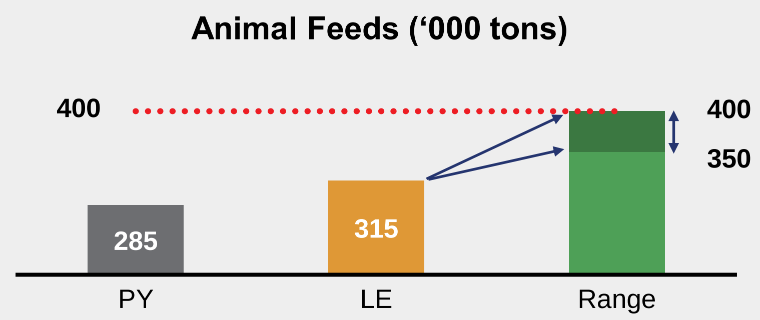
MD South Africa

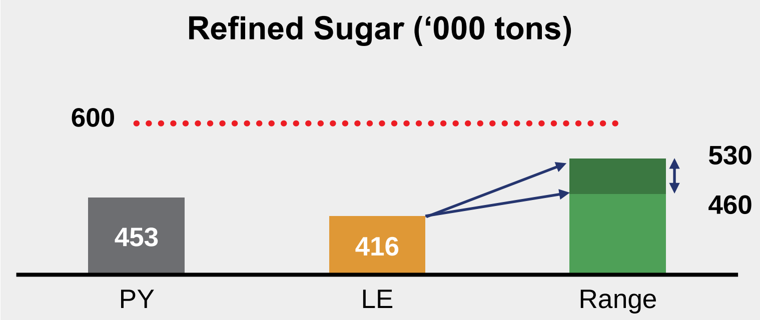
BOOSTING SUGAR AND ANIMAL FEEDS PRODUCTION IN SA

- **Crush all available cane by returning raw mills to optimal performance**
- **Increase raw and refined sugar produced by focusing on mill reliability and recoveries**
  - Strengthening technical resources throughout our factory operations
  - Prioritised resources for planning and execution of annual maintenance shutdown
  - Identified known critical repairs being addressed
  - Ongoing focus on refinery yield improvements
  - Accelerated inhouse training programs focusing on operating skills
- **Animal feed capacity benefits from improved raw sugar produced**









Capacity | Prior Year | Latest Estimate | Medium term range (3 – 5 years)

Capex R240m to R280m p.a

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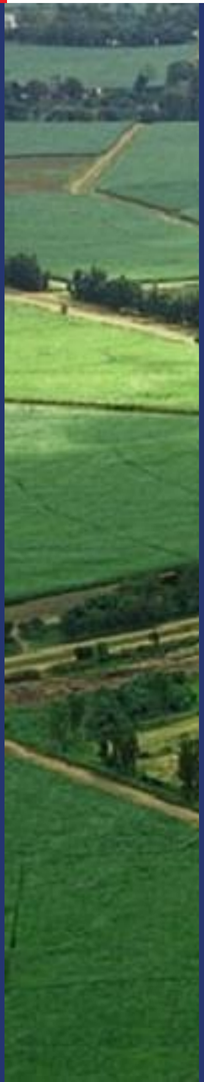
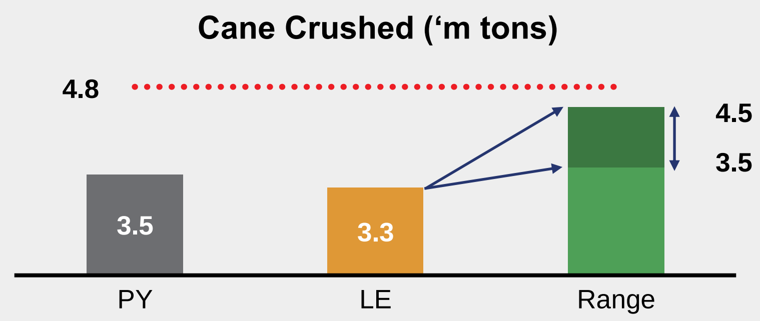


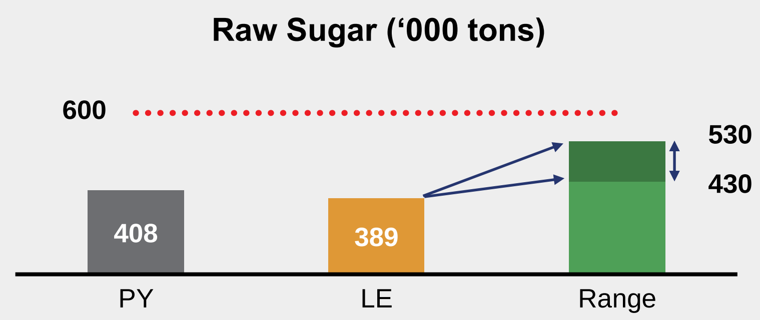
Aiden Mhere

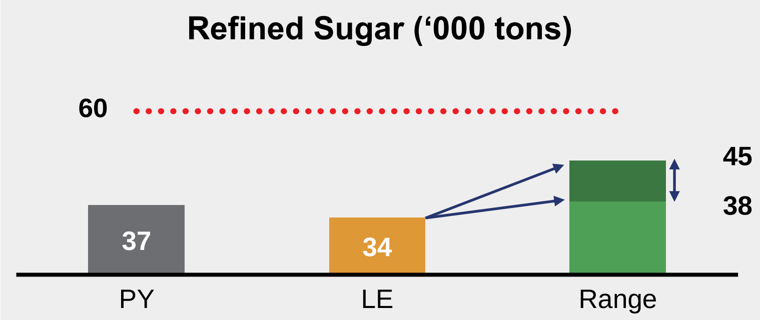
MD Zimbabwe

INCREASING FEEDSTOCK IN ZIMBABWE

- **Increase cane feedstock**
  - 10% replant per annum
  - Increase varieties from 2 to ~6 (resilience and yield)
  - Outsourced land preparation to specialists
  - Improved maintenance of cane (irrigation and pest control)
  - Plant an incremental 3 775 hectares (complete Kilimanjaro)
- **Increased feedstock improves mill utilisation**
  - Improved maintenance shutdown planning and execution
  - Execution of known critical repairs during maintenance shutdown
  - Improved technical capability
  - Increase quantity of bottler grade refined
- **Strong local demand and deficit market opportunities**
- **Expansion opportunity for Ethanol**
- **Sustained dividend flow**







Capacity | Prior Year | Latest Estimate | Medium term range (3 – 5 years)

Capex R350m to R450m p.a
Kilimanjaro – R600m to R700m (capex)

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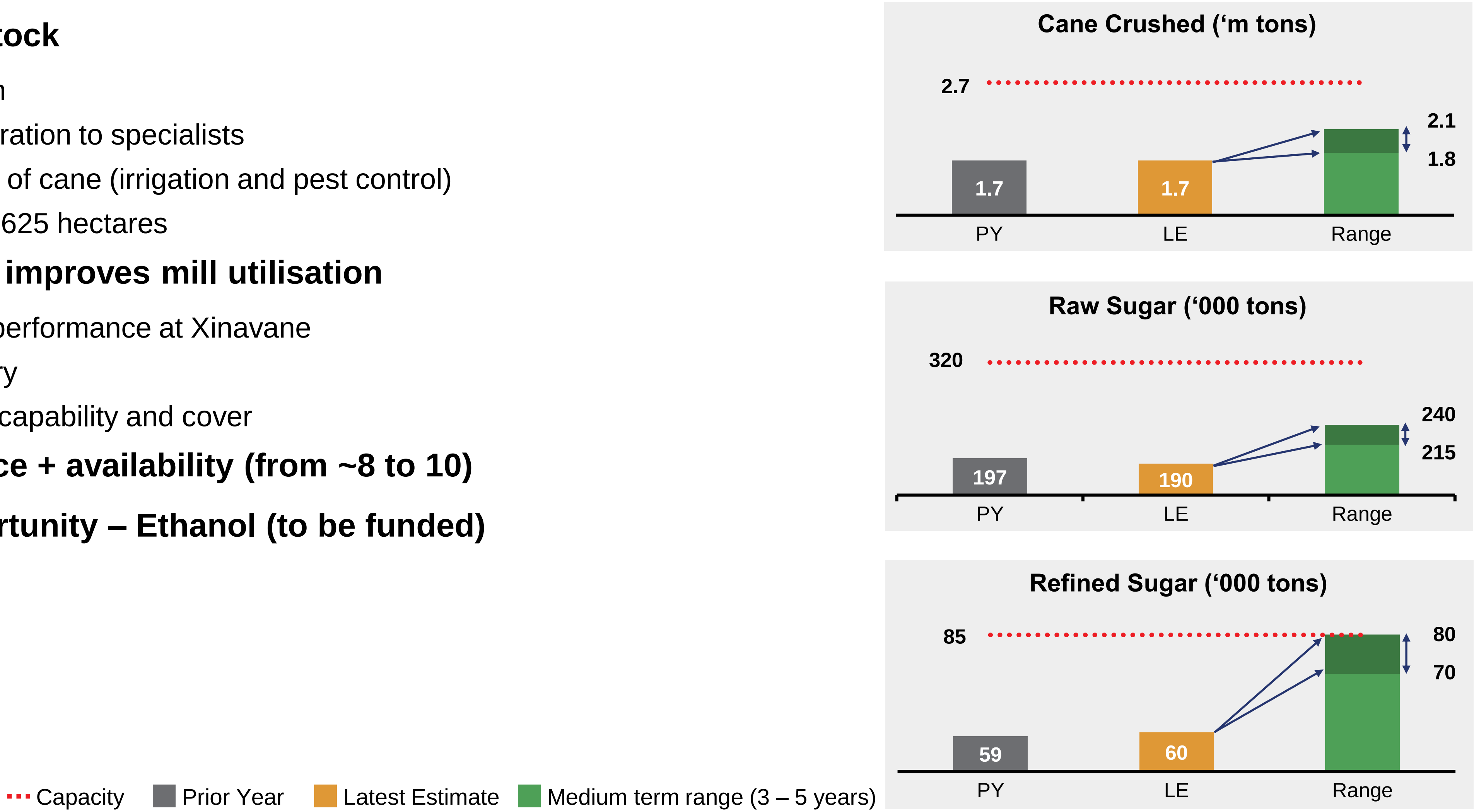
Lukas van Deventer

MD Mozambique

UTILISE MOZAMBIQUE CAPACITY

- **Increase cane feedstock**
  - 10% replant per annum
  - Outsourced land preparation to specialists
  - Improved maintenance of cane (irrigation and pest control)
  - Plant an incremental 1 625 hectares
- **Increased feedstock improves mill utilisation**
  - Maintain best in class performance at Xinavane
  - Full utilisation of refinery
  - Continue to build local capability and cover
- **Increased PCC = price + availability (from ~8 to 10)**
- **Diversification opportunity – Ethanol (to be funded)**
- **Dividends by 2024**



Capex R170m to R200m p.a

Est. 1892

TongaatHulett®

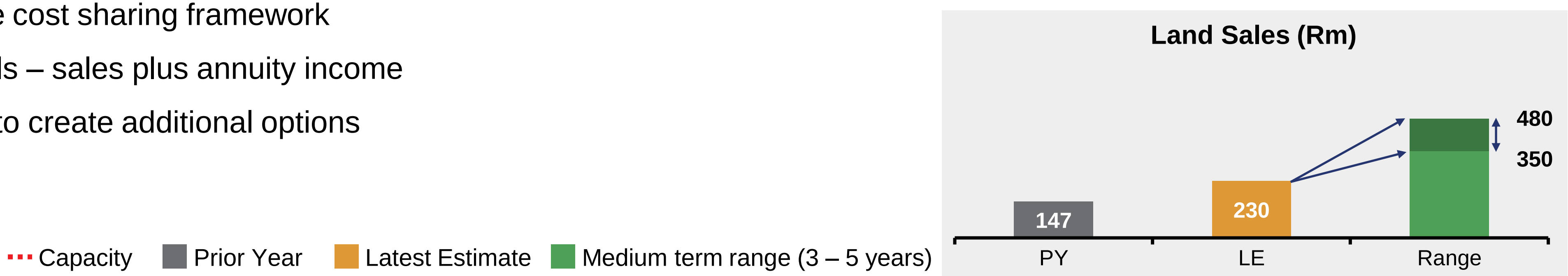
Dan Marokane

Chief Transformation Officer

PROPERTY – MEASURED APPROACH TO REALISING VALUE

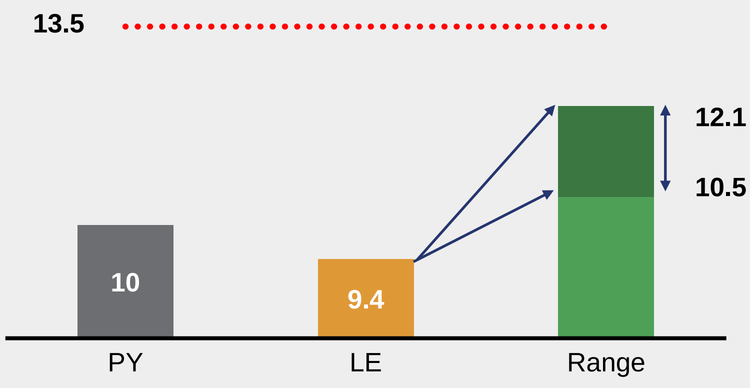
- **Market engagement with 75 development players**
  - Covid-19 induced growth in e-commerce
  - Demand for industrial parks and estate living for safety
  - Shift from speculative development
  - Risk averse bank lending criteria
  - Infrastructure capacity constraints
- **Resulting in**
  - High risk of closing on current sales leads
  - Value-unlock possible via partnerships and co-investment
- **Plan**
  - Conclude infrastructure cost sharing framework
  - New partnership models – sales plus annuity income
  - Increase deal pipeline to create additional options

Broll 2021 Independent Valuation	
Trading stock shovel ready	R2.1bn
Balance of development land at market value	R6.2bn
Total value	**R8.3bn**

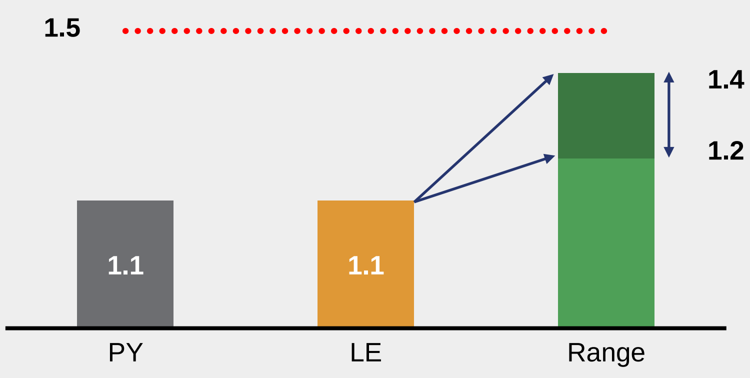


CLEAR MEDIUM-TERM OBJECTIVES

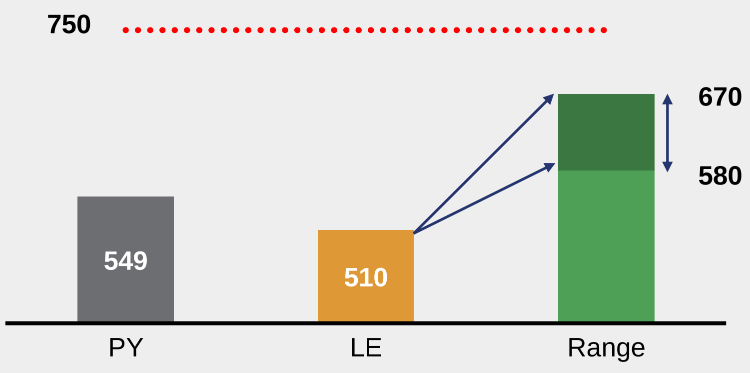
Cane Crushed (‘m tons)



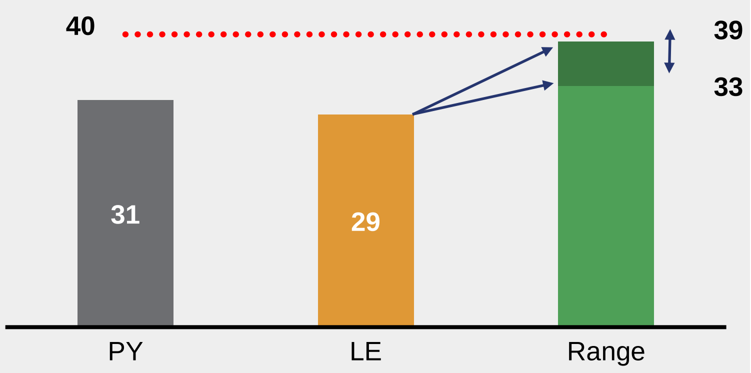
Raw Sugar (‘m tons)



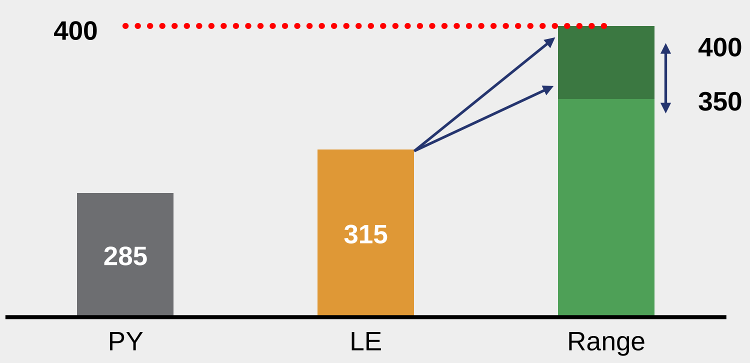
Refined Sugar (‘000 tons)



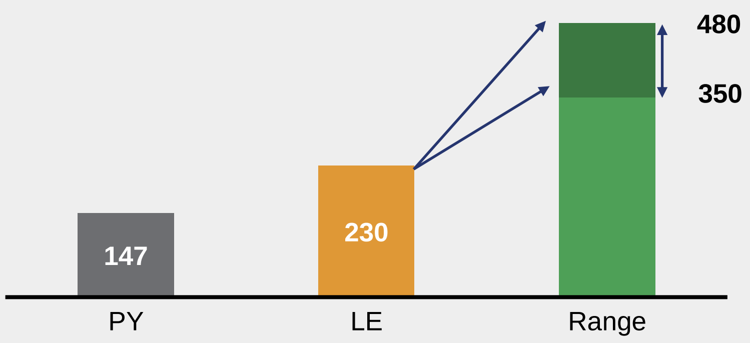
Ethanol (‘m litres)



Animal Feeds (‘000 tons)



Land Sales (Rm)



Capacity optimisation remains critical in a fixed cost business

Capacity Prior Year Latest Estimate Medium term range (3 – 5 years)

RIGHTS OFFER

INITIATE RIGHTS OFFER OR DISPOSE OF STRATEGIC ASSETS

- Sens announcement of 7 December 2021 - unsustainable debt levels amount to approximately R3.6bn, represented by two PIK instruments, at rates of approximately 6% above JIBAR. The interest rates will increase should a minimum Rights Offer of R2bn not be achieved.
- A Rights Offer of no less than PIK 1 plus accrued interest and transaction costs is an absolute minimum (circa R2.150bn), as a sale of assets is likely to yield lower values in the current environment, based on discussions held with third parties, and may not avoid the need for a Rights Offer in future as Cash flows from Zimbabwe and Botswana partially support debt in SA.
- Shareholder support at EGM is essential as disposals of strategic assets will destroy value well in excess of any dilution pursuant to Rights Offer.
- Keeps group intact and able to leverage regional sugar demand and improved operational performance.
- Considerable interest rate savings on all facilities and limits the impact of interest rate step-ups on PIK facilities not fully settled.

A Rights Offer is the only viable option to reset the balance sheet

BENEFITS OF MAGISTER AS STRATEGIC UNDERWRITER

- Essential to have underwritten Rights Offer to benefit all stakeholders
- Aligned in intent to create long-term value
- Magister agreed to protect liquidity post transaction:
  - Interest limited to 60%, post Rights Offer
  - Agreed thresholds for mandatory offers if interest exceeds certain levels (following waiver of initial 35%)
- Tongaat would benefit from having strategic shareholder, as many regional competitors have
- Aligned on turnaround strategy, debt restructuring: recognise impact of debt on growth and returns
- Supportive of current management

Magister

- Regional commodity trading and agriculture investment company
- Expertise in agriculture in complementary markets, access to opportunities to benefit Tongaat and facilitate growth in new and current markets
- Investment thesis based on adding value by supporting growth, leveraging experience in the region and capability in agriculture, logistics and trading

THL offers a platform for growth - both organic and inorganic across the region

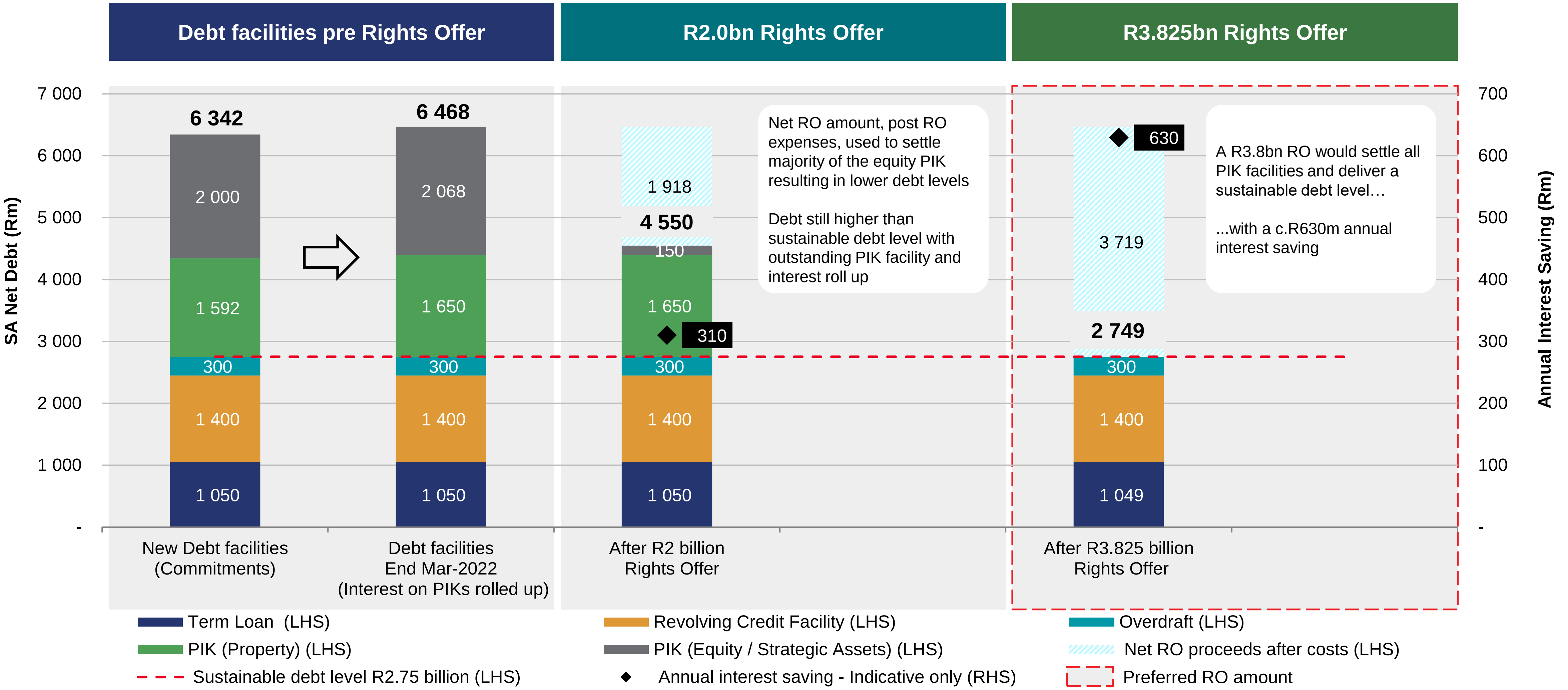
SIZE OF THE RIGHTS OFFER

RIGHTS OFFER SIZE CONSIDERATIONS

- **Minimum R2bn required to meet refinancing obligations - settles Equity / Strategic Asset PIK, not Property PIK**
  - Asset disposals as an alternative, would result in more value dilution
  - Selling cash generating assets impairs ability to achieve sustainable debt
- **Property PIK, with accrued interest (JIBAR + 6%), represents material portion of property available for disposal**
  - Property PIK interest obligation of R581m over 3 years, increases PIK obligation to R2.173bn
  - Represents c.35% of development land of R6.2bn, remaining R2.1bn of portfolio earmarked to fund infrastructure
  - Large property disposals challenging to date - limited investors for disposals required in three years
- **R2bn Magister commitment facilitates larger Rights Offer - critical given capital required relative to market cap**
  - Shareholder support needed for full use of Magister's R2bn commitment given 60% cap on Magister's holding
- **A Rights Offer of up to R3.825bn:**
  - Eliminates debt "overhang", expected to lead to share price reflecting value of THL's assets
  - Interest rate savings on all facilities; limits impact of interest rate step-ups on PIKs not fully settled
  - Allows management to focus on identified growth opportunities
  - Keeps group intact to leverage regional sugar demand and improved operational performance

R2bn Rights Offer does not achieve desired balance sheet de-gearing

RIGHTS OFFER IMPACT ON NET SA DEBT



SOUTH AFRICAN DEBT REFINANCE – PIK FACILITIES

Senior Facility C (PIK Facility)

Equity Raise

31 Jan 21 – EGM Circular
28 Feb 22 – Share Placing / Underwriting Agreement
20 Mar 22 – Resolution Passed & Lodged
20 Mar 22 – Rights Offer Circular
31 Mar 22 – Required Closure

Timeline accelerates if the above default milestones are not met, or if the requisite amount of capital is not raised

Strategic Asset Sell-down

31 Mar 23 – Binding Term Sheet Signed
30 Sep 23 – Required Closure

- The equity raise quantum required is the higher of R2bn or the aggregate amounts owing on Senior Facility C at 31 March 2022 (including accrued interest)
- If proceeds not received by 14 April 2022, then a margin ratchet will apply to all the debt facilities (not just the PIKs)
- If the equity raise is less than the required amount or if the above milestones are not met, then strategic asset sale of non-SA sugar businesses is to be progressed
- If the above two processes do not raise the requisite amount to repay Senior Facility C, then an event of default occurs

Senior Facility D (PIK Facility)

Property Disposals

30 Jun 23 – Binding Term Sheet Signed
30 Jun 24 – Required Closure

- Detailed disposal plan to be submitted to lenders by 31 March 2022 and agreed by 30 April 2022, otherwise 2% margin step up applied to Facility D
- If binding term sheets or cash proceeds are less than the amount owing under Senior Facility D (including accrued interest) then an event of default occurs
- The maximum loan to value ratio (based on the market value of the total land portfolio) shall not exceed 25%

Trigger dates | **Applicable asset sale key date** | **Process required closure**

UNLOCKING LONG-TERM GROWTH

TONGAAT HULETT: UNLOCKING LONG-TERM GROWTH AND SHAREHOLDER VALUE

Through a ~R4bn Rights Offer, Tongaat will unlock long-term growth and protect inherent shareholder value

- We remain optimistic about the future of Tongaat and its growth potential
- Keeping the group intact enables us to exploit the extensive regional asset base and create shared value
- Management must concentrate on growth and shareholder value
- Having a strategic partner adds additional benefit
- Potential to drive value through diversification opportunities
- Allows time to maximise value from the property portfolio
- Corporate simplification, restructuring to create efficiencies and cost savings
- Creates legacy for > 500 000 dependents on the Tongaat business
- We ask shareholders to support our rights issue


#GROWINGASWEETFUTURE


QUESTIONS AND ANSWERS
#TOGETHER REIMAGINING
A SWEET TOMORROW