RISK DISCLOSURE

The board of directors ("**Board**") of African Dawn Capital Limited and its subsidiary companies ("**Afdawn Group**")acknowledges that it is accountable for Afdawn Group's process of risk management and systems of internal control. Each of Afdawn Group's operating subsidiaries similarly has its own board of directors responsible for the risk management and systems of internal control of such company and its business.

The following risk management measures have been implemented as a minimum at Afdawn Group and its investees:

- Detailed risk assessments, containing the identified risk(s) together with control(s) implemented to mitigate such risk(s) to the extent possible; and

- The internal audit tasks remain with the Afdawn Group audit and risk committee ("**Audit and Risk Committee**") for the time being until the internal audit department assumes responsibility for all internal audit matters.

The Board, on recommendation from the Audit and Risk Committee, concluded that the systems and processes of internal control and the risk management at Afdawn Group were effective for the financial year ended 28 February 2022. The Board was satisfied that there were no material breakdowns in controls at Afdawn Group during the past financial year.

Pursuant to paragraph 8.63(s) of the JSE Listings Requirements, please find below a description of immediately identifiable material risks at Afdawn Group. The risk disclosure contained herein should be read together with Afdawn Group's 2022 annual report.

KEY RISKS	RISK DESCRIPTION	RISK RESPONSE
Reputational risk	All other risks have an indirect impact on our reputation as a public company listed on the JSE Ltd.	Open and honest communication, full disclosure, etc.
Going concern / Funding risk	Lack of funding severely impacts Afdawn Group's ability to perform, to settle its creditors and to make a profit.	Post February 2022 year end, Afdawn Group has already raised an additional R4m. These funds will be used predominantly to extend loans through Elite's low cost distribution network as well as to fund operating expenses and settle historical creditors and improve solvency of Afdawn Group.
New investment and strategic Risk	Undesirable investments, poor sector performance, insufficient remedial action taken in respect of poor performance, etc.	Will in future consider investment opportunities against risk criteria.
Accounting Risk	Inaccurate accounting for significant transactions, inaccurate management information, etc.	Honest and hardworking finance team with appropriate skills and experience, budgetary control processes, technical accounting updates with the external auditor and group financial manager, ongoing communication with external auditor, continuous independent tax advice obtained, etc.
Compliance Risk	Inadvertent transgression of laws or regulations.	Continuous independent tax and legal advice obtained, as well as continuous interaction with our corporate advisors and JSE designated advisor to ensure ongoing regulatory compliance, etc.
Information technology Risk	Cyber-attacks, loss of data, business continuity, etc.	Cloud based backup of information; . All Elite operational data is backed up to Head office and from there to a offsite backup facility
People Risk	Loss of key management Personnel.	Main operating companies are covered; key management have been with company for a long time through tough times and have remained loyal; relevant continuity and succession plans have been implemented.