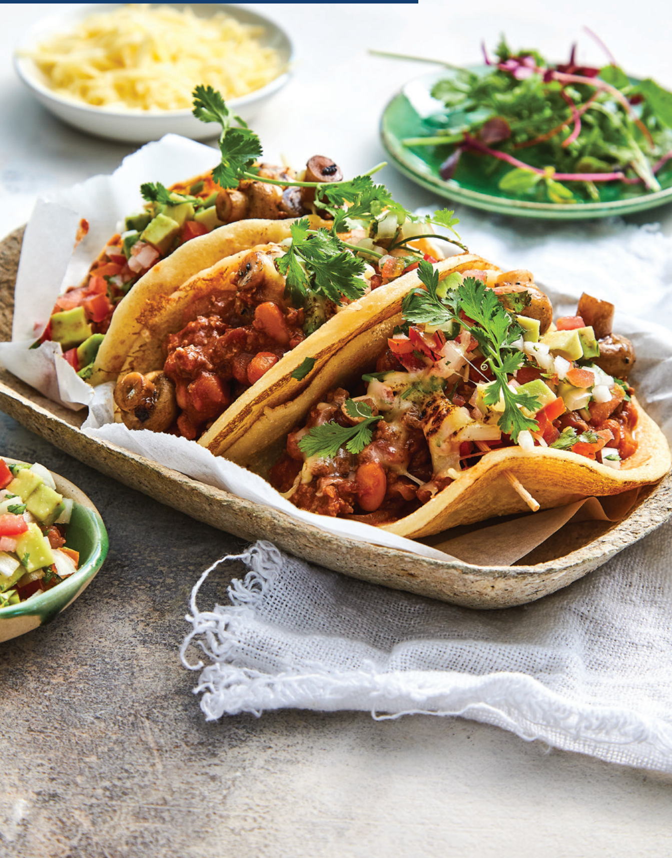
LIBSTAR

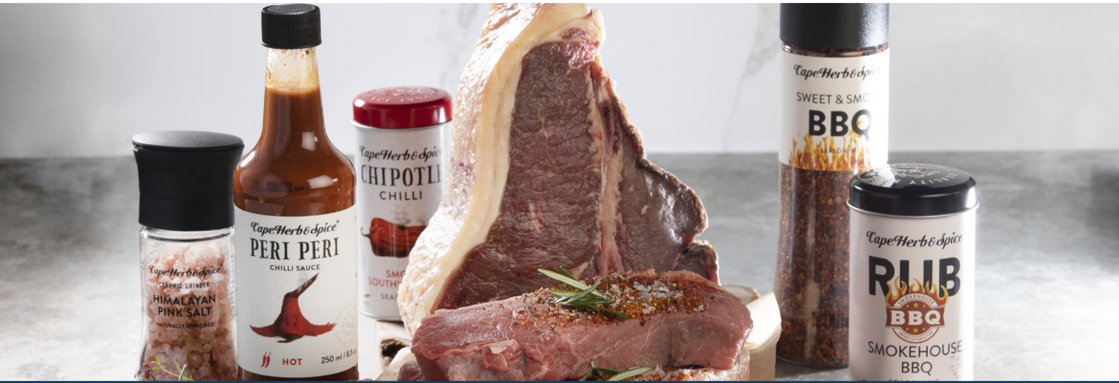


From our Home to Yours

Condensed consolidated financial statements

for the year ended 31 December

2021



Condensed consolidated financial statements

for the year ended 31 December 2021

Salient features

Introduction

Libstar navigated challenging market conditions during the 2021 financial year amidst unprecedented supply chain disruptions, input cost inflation and continued economic pressure on consumers.

In these difficult conditions, the Group achieved:

Revenue growth of
7.1%↑
(volumes up 0.5%; price/mix up 6.6%)

Strong cash generation, evidenced by an improved **Group cash conversion ratio** of
96%↑
(2020: 83%)

An improvement in **net interest cover to EBITDA** to
9.1x↑
(2020: 7.6x)

Growth in **Normalised EBITDA** of
2.4%↑

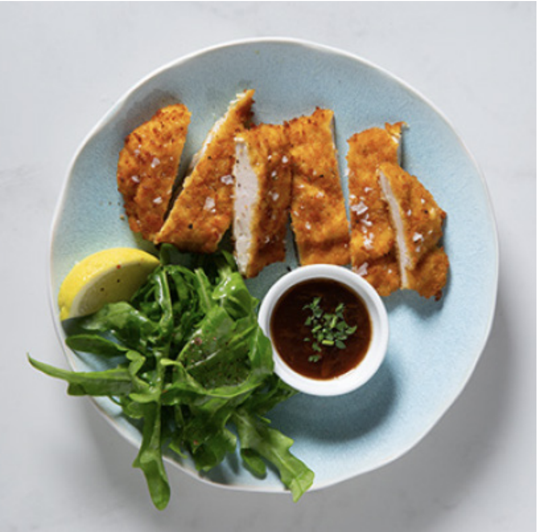
a reduction in **Group Gearing ratio** to
1.2↓
(2020: 1.4)

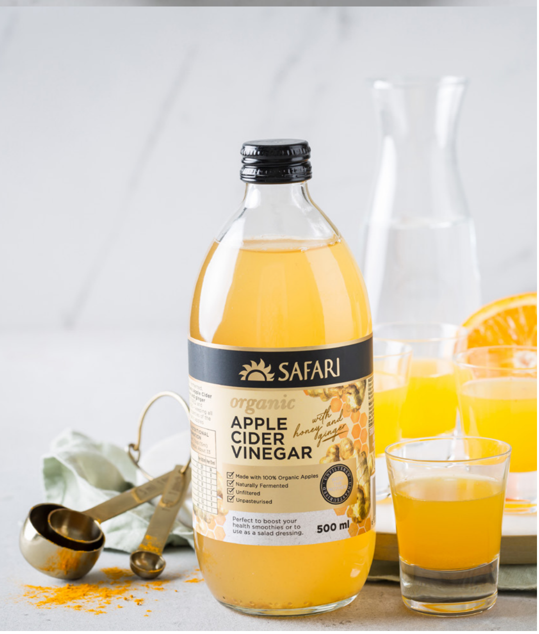
An increase in **return on invested capital** to
12.5%↑
(2020: 12.3%)

In line with the Group's traditional trading seasonality, Libstar produced most of its annual revenue and Normalised EBITDA during the second half of the year.

Against this backdrop, the Board of Libstar has declared a cash dividend of 25 cents per ordinary share (gross), in line with the prior year.

Key to the Group's growth during the year under review was its continued focus on the supply of innovative and value-added products to targeted markets. As has been proven by the Group's business model, these markets remained more resilient during the year under review. In addition, the Group continued to focus on low-cost manufacturing and procurement efficiencies to intensify its margin maintenance efforts in a volatile supply chain environment.





Repositioning of the Group's portfolio toward higher-margin food categories

The Group has taken active steps to reposition its portfolio of businesses toward valued-added and higher-margin food categories. In this regard, shareholders are referred to the announcement dated 21 February 2022 wherein it was advised that Libstar has received an offer from PAPE Fund Managers (Pty) Ltd and Kanaka Chemicals (Pty) Ltd ("Purchasers") to acquire a 70% equity interest in two of the Group's Household and Personal care divisions ("HPC"), Contactim and Chet Chemicals, for a total purchase consideration of R174.6 million.

The assets and liabilities attributable to these divisions have been classified as a disposal group held for sale at 31 December 2021 ("Discontinued Operations") and are separately presented in the statement of financial position in accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5"). The post-tax loss of R64.2 million attributable to the Discontinued Operations and the post-tax loss of R84.1 million recognised on the measurement of the assets and liabilities of the Discontinued Operations to fair value less cost to sell, are presented as a single amount in the statement of comprehensive income. The prior year's statement of comprehensive income has been re-presented to provide a like-for-like comparison.

A put and call option, exercisable by Libstar and the Purchasers respectively between 31 December 2023 and 30 June 2024, will be entered into in relation to Libstar's remaining 30% interest in Contactim and Chet Chemicals. The price at which the option may be exercised is based on the same valuation that was used to calculate the purchase consideration for the initial 70% equity interest to be acquired, less a discount of 20%, being an indicative amount of R42.72 million.

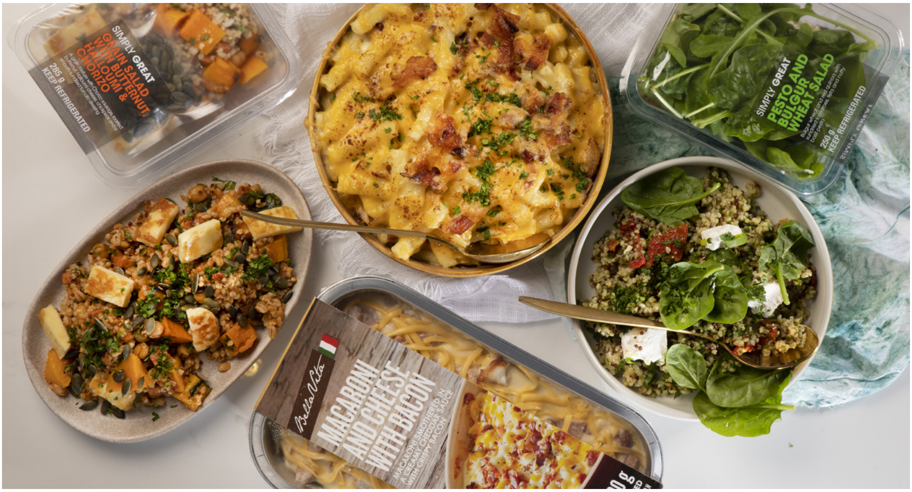
The total purchase consideration therefore amounts to R217.32 million.

The transaction serves to amplify Libstar's strategic intent to focus and grow its existing food categories whilst transitioning its non-food operations to a sustainable, standalone business.

The remaining business in Libstar's HPC category, Glenmor Soap (Pty) Ltd ("Glenmor"), does not form part of the transaction. This subsidiary, in which Libstar holds a 70% equity interest, has therefore been reported as a continuing operation for the year ended 31 December 2021. Glenmor constitutes less than 1% of Group revenue and normalised EBITDA.

In line with Libstar's stated strategy of focusing on the growth of its existing food categories, the Group intends to exit its investment in Glenmor during the 2022 financial year, depending on market conditions.

The results of continuing operations for this year include the post-tax impairment of all intangible assets attributable to Glenmor in the amount of R59.8 million.



Summary of financial performance

The Group uses revenue, Normalised EBITDA, Normalised earnings per share (EPS) and Normalised headline earnings per share (HEPS) from continuing operations, which exclude non-recurring, non-trading and non-cash items, as the key measures to indicate its true operating performance. Libstar's full-year results are summarised in the table below:

	2021	Change	2020
Continuing operations			
Revenue (R'000)	**10 001.4**	+7.1%	9 339.4
Gross profit margin	**23.0%**	-1.4pp	24.4%
Normalised operating profit (R'000)	**743.2**	+1.2%	734.7
(margin)	**7.4%**	-0.5pp	7.9%
Normalised EBITDA (R'000)	**1 068.7**	+2.4%	1 043.6
(margin)	**10.7%**	-0.5pp	11.2%
Diluted EPS (cents)	**51.3**	+342.2%	11.6
Diluted HEPS (cents)	**61.3**	+33.0%	46.1
Normalised EPS (cents)	**70.4**	+112.0%	33.2
Normalised HEPS (cents)	**80.4**	+18.8%	67.7
All Operations			
Diluted EPS (cents)	**26.5**	+115.4%	12.3
Diluted HEPS (cents)	**50.6**	+8.1%	46.8
Balance sheet and cash flow indicators			
Net interest-bearing debt to Normalised EBITDA	**1.2**		1.4
Cash generated from operations (R'000)	**1 035.0**	+13.9	908.7
Capital investment in property, plant and equipment (R'000)	**305.3**	-6.9%	328.0
Cash conversion ratio	**96%**		83%

About Libstar

Libstar was founded in 2005 to acquire and grow interests in operations in the consumer-packaged goods (CPG) industry. Group revenue is mainly generated from value-added food products. These products include dairy and meat products, fresh produce, convenience food, groceries, baking and baking aids and snacks and confectionery.

Libstar's key priorities during the year under review

In the context of the ongoing impact of the COVID-19 ("COVID") pandemic, the Group has maintained its agile approach to respond to current market conditions. By doing so, the Group has:

1 Delivered superior service levels

Libstar continued to invest in business intelligence systems to improve our pioneering inventory optimisation and demand planning solutions for key customers. These systems have enhanced service levels through better production planning and forecasting.

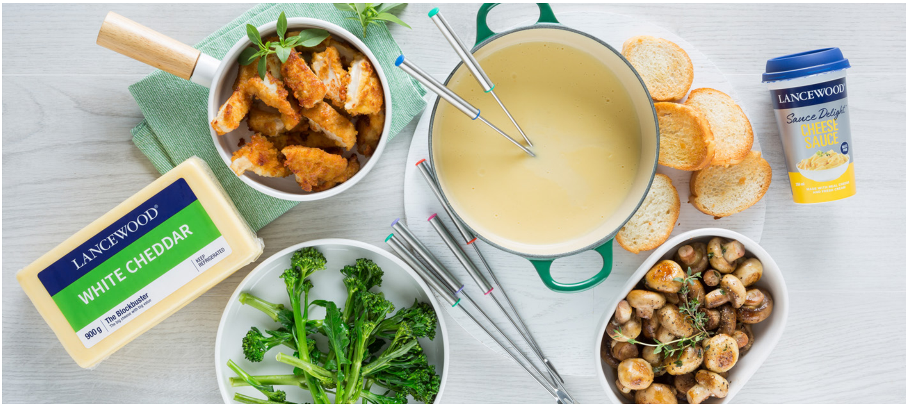
2 Mitigated the adverse margin impact of supply chain disruptions and rising input costs

During the year under review, the Group mitigated the adverse impact of global supply chain disruptions and input cost inflation by reducing Group operating expenses by 6.7%.

3 Protected the well-being of Libstar's employees

In line with the guidance provided at the completion of the 2020 year-end results, the Group's extraordinary COVID expenses declined by R50 million to R15 million. 61% of the expenses constituted COVID-related operating costs, 34% were personnel-related costs such as transport and COVID testing and 5% were donations in support of needy communities.

Libstar's key priorities during the year under review continued



4 Preserved the Group's financial stability

Although COVID-related lockdown restrictions eased in 2021 relative to the comparative year, the Group continued to be impacted by trading and supply chain disruptions, as well as commodity and packaging cost increases. In the prior year, Libstar's net working capital investment increased from 14.7% to 15.5% of Group revenue to ensure inventory availability and high service levels to customers. Working capital levels increased to 15.6% of revenue at year-end, mainly driven by increased inventory levels of hard cheese following the commissioning of the new packaging facilities at Lancewood during H2 2021. Working capital levels therefore remained slightly higher than Libstar's target range of 13.0% to 15.0% of revenue.

Notwithstanding the increased investment in working capital, the Group's cash generation profile remained strong during the year under review. A resilient performance from Libstar's food categories contributed to an improved cash conversion ratio of 96% in 2021 compared to 83% in 2020.

The Group successfully refinanced its long-term debt facilities of R1.7 billion. In doing so, term debt maturity dates were extended by between three and five years from 1 January 2022 at a slightly improved average interest rate. These new facilities secured tenure of banking facilities which are competitively priced and flexible to cater for an agile approach to cash management.

Due to strong cash generation from operating activities, net interest-bearing debt reduced to R1.1 billion compared to R1.3 billion in 2020. As such, net interest-bearing debt to EBITDA decreased to 1.2 times (2020: 1.4 times) and remains at the lower end of Libstar's stated optimal range of 1x-2x normalised EBITDA. The Group was fully compliant with lender financial covenants throughout the reporting period.

5 Actively repositioned its portfolio of businesses

The Group is in the process of exiting the HPC category and is taking active steps to increase its exposure to higher-growth food categories. The latter was evidenced by the acquisition in December 2021 of a 60% interest in Umatie (Pty) Ltd, a baby food manufacturer and distributor. This was the first acquisition made by Libstar Nova (Pty) Ltd, a wholly-owned subsidiary of Libstar that was established in H2 2021 to act as a dedicated new-business incubator.

Group financial performance

Revenue

Group revenue increased by 7.1%, with Group volume sales up 0.5%. Price increases and changes in sales mix contributed 6.6% to Group sales growth.

Gross profit margins

Libstar's year-on-year gross profit margin declined from 24.4% to 23.0%, mainly due to reduced export margins and the effects of rapidly rising costs of critical raw materials and packaging due to local and international supply chain volatility. The immediate impact of these cost increases was exacerbated due to a timing lag between the increases and their recovery by way of selling price increases.

The Group's predominant export currency, the US Dollar, averaged R14.79 against the Rand in 2021, constituting a 10% reduction from the 2020 average rate of R16.46.

Other income and foreign exchange gains

Realised foreign currency translation gains decreased to R11.5 million compared to R24.9 million in the prior year.

Unrealised foreign currency translation gains increased by R42.3 million from a loss in the prior year of R20.7 million to a gain of R20.6 million in the current year.

Other income for the year under review decreased from R44.3 million in 2020 (which included a loan write back of R20 million in H1 2020) to R18.8 million in 2021.

The net effect of the above had a positive impact of R5.9 million on the 2021 reported operating profit.

Normalised operating profit and Normalised EBITDA

Group Normalised EBITDA increased by 2.4% at a margin of 10.7% (2020: 11.2%), supported by strong revenue growth, as well as margin and cost controls.

Operating expenses

As committed in 2020, the benefits of the increased focus on Group cost control were evident in the year under review. The table below summarises the Group's operating expenses ("OPEX") during the reporting period:

Operating expenses	2021 R'000	Change %	2020 R'000
OPEX as reported	**1 841 700**	-6.7%	1 973 426
Long-term incentives	**(4 569)**		(13 990)
Retrenchment and settlement costs	**(35 765)**		(15 749)
Other non-operating or non-recurring items	**(10 437)**		(2 269)
Impairment losses on assets	**(73 253)**		(203 820)
OPEX after all non-operating/non-recurring/ non-cash items above	**1 717 676**	-1.1%	1 737 598
Depreciation of property, plant and equipment	**(73 280)**		(67 458)
Extraordinary COVID expenses (not recorded in cost of sales)	**(9 177)**		(50 399)
OPEX excluding above items	**1 635 219**	+1.0%	1 619 741

Operating expenses decreased by 6.7% from R1 973 million to R1 842 million. Restructuring and rationalisation costs were incurred as follows:

- As communicated to the market previously, the Group embarked on a restructuring of its Denny Mushrooms division to preserve its longer-term sustainability. In this regard, retrenchment and settlement costs of R14.9 million were incurred during the reporting period. Annual savings of R7.5 million are expected to be realised as a result of these restructuring efforts;
- Further retrenchment and settlement costs of R3.5 million were incurred in the NMC division as a result of the exit of Libstar's contract manufacturing arrangement in relation to noodle cakes; and
- Additional restructuring and settlement costs of R8.7 million were incurred in relation to severance benefits in the corporate division during the reporting period.

Operating expenses include the R73.3 million pre-tax impairment of all intangible assets attributable to Glenmor.

Depreciation increased by 8.6% due to the Group's investment in capital projects in targeted growth areas over the last few reporting periods.

The largest capital investment was made in the Perishables category, with benefits already evident in this category during the year under review, including:

- A 12.1% growth in revenue and 12.5% growth in Normalised EBITDA; and
- The increase in Group return on invested capital to 12.5%.

Excluding the impact of long-term incentive awards, Group retrenchment and restructuring costs, impairments and other non-operating or non-recurring items, operating expenses decreased by 1.1% from R1 738 million to R1 718 million.

Excluding depreciation of property, plant and equipment and extraordinary COVID expenses not recorded in Cost of Sales, other operating expenses increased by 1.0% to R1 635 million compared to an increase of 5.1% in 2020.

Investment income and finance costs

The Group's net finance cost (including IFRS 16) declined by 10.0% from R174.0 million to R156.6 million, mainly due to the full year inclusion of the reduction in the Johannesburg interbank average lending rate (JIBAR) in the current year.

Group net finance costs (excluding IFRS 16), decreased by 11.5% from R114.5 million to R101.3 million.

Finance charges incurred on lease liabilities (IFRS 16) decreased by 7.2% from R59.5 million to R55.2 million.

Earnings and headline earnings

Continuing operations

Fully diluted EPS and HEPS increased by 342.2% and 33.0% respectively, mainly impacted by a lower effective tax rate and the impairment of intangible assets in the comparative year.

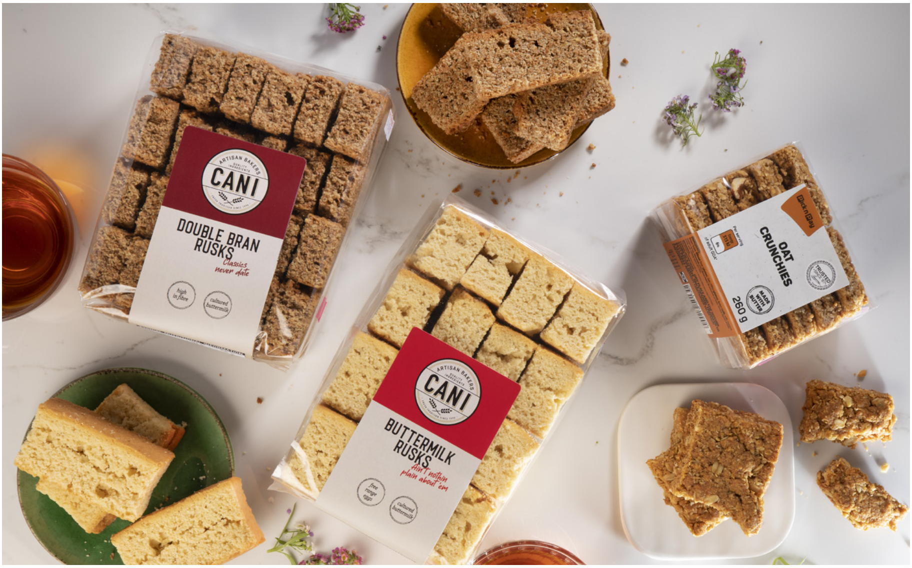
Normalised EPS, which excludes unrealised foreign currency movements and other non-recurring, non-trading and non-cash items, increased by 112.0%. Normalised HEPS, which excludes these items and impairments, increased by 18.8%.

The weighted average number of shares in issue remained unchanged at 595.8 million and the diluted weighted average number of shares increased by 0.1% to 597.4 million.

A reconciliation between Normalised EBITDA, Normalised earnings and Normalised headline earnings is provided below:

	2021 R'000	Change %	2020 R'000
Normalised EBITDA (R'000)	**1 068 688**	+2.4%	1 043 621
Less:			
Depreciation and amortisation	**(325 491)**		(308 941)
Net interest	**(156 555)**		(173 963)
Impairment losses on assets	**(73 253)**		(203 820)
Taxation and tax effect of normalisation adjustments	**(97 683)**		(159 386)
Plus: Non-controlling interest	**3 540**		182
Normalised earnings	**419 246**	+112.1%	197 693
Impairment losses on intangible assets (after tax)	**59 786**		203 820
Loss on disposal of property, plant and equipment (after tax)	**277**		2 082
Normalised headline earnings	**479 309**	+18.8%	403 595

The Group's effective tax rate reduced from 60.6% to 14.9%, mainly due to the finalisation of an income tax refund in relation to a prior year's assessment in the amount of R26.0 million and the utilisation of trading losses arising from Discontinued Operations by the Group's main operating legal entity, Libstar Operations (Pty) Ltd.



Cash flows and balance sheet

Cash generated from operating activities increased by 13.9% from R908.7 million to R1 035.0 million. This was mainly due to improved cash flow from operations and reduced net finance costs.

Net working capital of 15.6% as a percentage of revenue (2020: 15.5%) remains slightly higher than the Group's target range of 13.0% to 15.0%, as explained earlier.

During the reporting period, the Group continued to invest in capacity-enhancing projects in targeted growth areas. Capital expenditure of R305 million was incurred during the reporting period (2020: R328 million), representing 3.1% of net revenue (2020: 3.5%). This is in line with the Group's target range of 2.0% to 3.0%, as previously indicated. Gearing remains low at 1.2x normalised EBITDA. Net interest cover to EBITDA improved to 9.1x from 7.6x and compares favourably to the Group's minimum stated target of 3.5x.

As committed, all delayed capital projects were completed in 2021 and are contributing to profitability. Although the majority of projects are now performing at expected revenue levels, as reported before, one project at Millennium Foods and one at Amaro Foods performed behind expectation during H1 2021. At Millennium Foods, the division experienced significant revenue growth in the latter part of H2 2021 owing to a strong performance in frozen own-branded and fresh-private label offerings. The utilisation of the par-bake frozen line at Amaro Foods also continued to improve during the year under review, with further roll-out of the products ongoing.

Capital expenditure included an additional R94 million investment in respect of hard cheese packing facility upgrades at Lancewood, which brings the total investment in hard cheese production and packaging facilities since 2019 to R199 million. The project is expected to enable Lancewood to service the growing demand for its branded and private label hard cheese products, whilst leveraging economies of scale through increased operating efficiencies. The investment supported a strong double-digit growth in dairy-category Normalised EBITDA during the year under review.

The Finlar division invested R19 million to improve production levels at the beef plant.

Sales channel and segmental analysis

Performance by sales channel

Libstar's revenue performance by sales channel is summarised below:

	Year-on-year revenue growth/ (decline)	Contribution to Group revenue	
	2021	**2021**	2020
Revenue by channel			
Retail and wholesale	**+0.3%**	**57.0%**	60.8%
Food service	**+33.5%**	**18.7%**	15.0%
Exports	**+2.8%**	**12.1%**	12.7%
Industrial and contract manufacturing	**+13.5%**	**12.2%**	11.5%
Total group revenue	**+7.1%**	**100.0%**	100.0%

During the reporting period, retail and wholesale channel revenue increased by 0.3%, and food service channel revenue increased by 33.5%. This was mainly attributable to the base effect of the prior year when retail and wholesale revenue benefited from COVID-related food stockpiling, while the food service channel experienced the adverse effects of COVID-related lockdown restrictions. During this year, the revenue contribution from the retail and wholesale and the food service channels normalised to pre-COVID levels. The retail and wholesale channel revenue reduced to 57.0% of Group revenue, whilst the food service channel revenue contribution increased to 18.7% of Group revenue.

Export revenue increased by 2.8%, mainly due to recoveries in dairy and meat export sales relative to the prior year. Export margins were, however, impacted by lower average spot rates relative to the prior year, as explained earlier.

Industrial and contract manufacturing channel revenue increased by 13.5%, reflecting improved customer orders and new contract manufacturing arrangements within the wet condiments sub-category.

Performance by category

The Group reports on five product categories, namely Perishables, Groceries, Snacks & Confectionery, Baking & Baking Aids and Household & Personal Care (HPC). As the Group transitions to exit the HPC category, Libstar's reporting will be amended accordingly. The divisions and brands per category are outlined in the table below:

FOOD CATEGORIES				NON-FOOD
Perishables	Groceries	Snacks & Confectionery	Baking & Baking Aids	Household & Personal Care

Category revenue is summarised below:

	Group revenue growth/(decline)			Contribution to Group revenue	
Net revenue by category	**2021 R'000**	Change %	2020 R'000	**2021 %**	2020 %
Perishables	**5 208 847**	+12.1%	4 648 219	**52.0%**	49.8%
Groceries	**3 337 462**	+2.6%	3 254 215	**33.4%**	34.8%
Snacks & Confectionery	**539 940**	-6.0%	574 257	**5.4%**	6.2%
Baking & Baking Aids	**859 626**	+7.2%	802 178	**8.6%**	8.6%
Household & Personal Care	**55 500**	-8.3%	60 554	**0.6%**	0.6%
Total	**10 001 375**	**+7.1%**	**9 339 423**	**100.0%**	**100.0%**

Category Normalised EBITDA (before corporate costs) is summarised below:

	Group Normalised EBITDA growth/(decline)			Contribution to Group Normalised EBITDA	
Normalised EBITDA before corporate costs	**2021 R'000**	Change %	2020 R'000	**2021 %**	2020 %
Perishables	**459 915**	+12.5%	408 868	**39.3%**	36.0%
Groceries	**510 715**	-3.4%	528 915	**43.6%**	46.5%
Snacks & Confectionery	**110 400**	+23.1%	89 661	**9.4%**	7.9%
Baking & Baking Aids	**96 182**	-7.5%	104 007	**8.2%**	9.2%
Household & Personal Care	**(5 739)**	-222.9%	4 668	**-0.5%**	0.4%
Total	**1 171 473**	**+3.1%**	**1 136 119**	**100.0%**	**100.0%**

PERISHABLES

52% OF GROUP REVENUE

39% OF GROUP NORMALISED EBITDA BEFORE CORPORATE COSTS

Following the severe impact of COVID lockdown restrictions on this category during the comparative year, food service channel demand for value-added meat products and cheese improved significantly during 2021.

Revenue from Perishables increased by 12.1%, whilst volumes declined slightly by 0.5%. The category gross profit margin decreased to 19.1% (2020: 20.3%) whilst Normalised EBITDA increased by 12.5% at a margin of 8.8% (2020 margin: 8.8%).

Dairy (Lancewood) and meat (Finlar) are the two largest contributors to Perishables' revenue and EBITDA.

Revenue from the sale of dairy products in the food service, export and industrial channels recovered strongly after the severe impact in 2020 following the closure of hospitality venues due to lockdown restrictions. The margin impact of increased milk input costs during this year was largely contained through improved production efficiencies and cost-saving initiatives.

Sales of meat products in the food service channel from Libstar's Finlar division continued to improve throughout the year to end slightly lower than pre-COVID levels. The division reported strong growth in the retail channel. However, margins continued to be adversely impacted by rising input costs.

Despite the restructuring efforts at Denny Mushrooms referenced earlier, as well as improved price realisation relative to the comparative year, low production yields continued to adversely impact the division's H1 2021 profitability. Production yields improved to benchmark levels towards the latter part of H2 2021.

GROCERIES

33% OF GROUP REVENUE

44% OF GROUP NORMALISED EBITDA BEFORE CORPORATE COSTS

Revenue from Groceries, the Group's second largest contributor to revenue, remained in line with the prior year, while volumes increased by 2.8%. Despite the volume growth, export sales margins in this category were adversely impacted by lower average spot rates during the reporting period. Food service channel revenue grew sharply in this category by 39.6% due to the prior year's base. The Retail and wholesale channel declined by 3.6% as value-added meal ingredients performed in line with prior year and sales of vinegar, spreads and tea products were marginally lower.

The category's gross profit margin decreased to 26.6% from 28.5%. The continued strong performance of value-added meal ingredients and a recovery of food service and contract manufacturing channel sales relative to the prior year was offset by lower exchange rate-related export margins of herbs and spices.

The Groceries category's normalised EBITDA decreased by 3.4% at a margin of 15.3% (2020: 16.3%).

SNACKS & CONFECTIONERY

5% OF GROUP REVENUE

9% OF GROUP NORMALISED EBITDA BEFORE CORPORATE COSTS

The Snacks & Confectionery category includes cereals, nuts, snack bars and confectionery.

Revenue from this category decreased by 6.0% and volumes declined by 22.8%. This was mainly due to continued subdued retail demand for premium nuts and nut mixes, granolas and snack bars. Demand was impacted by changing consumer behaviour and basket composition as shoppers shifted towards smaller packet sizes and more affordable product alternatives.

Gross profit margins in the category improved to 35.8% from 30.6% as a result of the implementation of significant cost-saving initiatives.

Following cost-saving initiatives, Normalised EBITDA increased by 23.1%, at an improved margin of 20.4% (2020: 15.6%).

BAKING & BAKING AIDS

9% OF GROUP REVENUE

8% OF GROUP NORMALISED EBITDA BEFORE CORPORATE COSTS

Revenue from Baking & Baking Aids increased by 7.2% and volumes increased by 4.1% due to continued strong retail channel demand for rolls, speciality breads and gluten-free lines at Amaro Foods. Food service channel demand for wraps relative to the prior year when COVID-related lockdown restrictions applied to quick-service restaurants, also improved strongly in this category.

The gross profit margin decreased to 26.0% (2020: 27.4%) due to input cost inflation (raw materials and packaging) and an adverse sales mix change in the current reporting period towards lower-margin baking aids in the Retailer Brands division relative to the prior year.

Category normalised EBITDA decreased by 7.5% at an EBITDA margin of 11.2% (2020: 13.0%).

Outlook

Ongoing volatility in pricing and availability of critical supply chain inputs, including procurement, logistics, commodity and packaging costs, necessitated an increased focus on margin control at all levels of the business. The rate of volatility and inevitable lag in recovery through price increases continues to require an agile and forward-looking approach. In the forthcoming year, the Group will continue to leverage its systems, procurement expertise and trade relationships to balance cost-push inflation and selling prices.

The repositioning of the Group's portfolio and the growth of its food categories is expected to gain traction in the forthcoming year as the Group completes its exit from the HPC category and continues to identify and invest in high-growth food categories to complement its existing food category offerings as part of its Libstar Nova incubator. Where feasible, further portfolio rationalisation will continue to be investigated.

Capital management and cash generation remain core priorities as the Group aims to continue a responsible programme of investment in capability and capacity-enhancing projects. These include projects such as the wrap line upgrade at Amaro Foods, which is due to be completed towards the end of the 2022 financial year. Cash generation will be deployed towards a reduction in Group debt, where possible, to mitigate the impact of a volatile trading environment in a rising interest rate environment.

A changing retail landscape where consumers constantly seek innovation, particularly within the private label space, requires an innovative approach. This changing environment, including the growth in South Africa's private label penetration, places Libstar in a strong position to offer tiered and bespoke private label and branded solutions to its customers.

The recovery of the food service channel is expected to continue, both organically as global consumer behaviours and tourism normalise, as well as through an active drive within Libstar divisions to target growth through new customers and product development.

An increased emphasis will also be placed in the forthcoming year on the growth of the wholesale sales channel, where Libstar's low-cost manufacturing expertise will enable it to offer customised private label and branded offerings for targeted markets.

The continued intermittent availability of shipment containers and the global drive towards localised procurement are expected to adversely impact the Group's export channel revenue during the forthcoming year. However, the Group's export offering remains sound and able to provide new offerings and price-competitive advantages within key markets.

In addition, through the utilisation of its low-cost manufacturing expertise, the Group is set to continue its partnership with local and multi-national brand owners in the industrial and contract manufacturing channel.

In conclusion, Libstar's increased focus on margin maintenance, the repositioning and prioritising of its food portfolio and diversified channel exposure are expected to ameliorate the intensified onslaught of the inflationary and strained macro-economic environment in which it operates.

Declaration of cash dividend

In light of the improved cash flows delivered by the Group during the reporting period, the Board of Libstar has approved the payment of the cash dividend of 25 cents per ordinary share (gross) in respect of the year ended 31 December 2021.

In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17 (c) of the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared from income reserves;
- The local Dividends Tax rate is 20% (twenty percent);
- The gross local dividend amount is 25 cents per ordinary share for shareholders exempt from the Dividends Tax;
- The net local dividend amount is 20 cents per ordinary share for shareholders liable to pay the Dividends Tax.

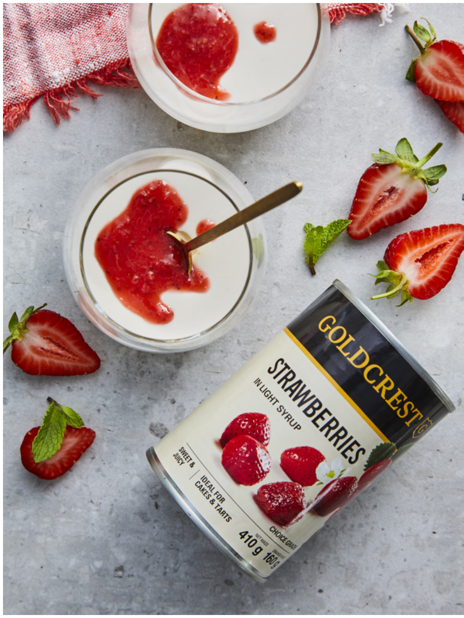
Libstar has 681 921 408 ordinary shares in issue.

Libstar's income tax reference number is 9526395174.

The following salient dates will apply to the dividend payment:

Declaration date	Wednesday, 16 March 2022
Last day to trade cum the dividend	Tuesday, 5 April 2022
Shares commence trading ex the dividend	Wednesday, 6 April 2022
Record date	Friday, 8 April 2022
Payment in respect of the dividend	Monday, 11 April 2022

Share certificates may not be dematerialised or re-materialised between Wednesday, 6 April 2022 and Friday, 8 April 2022, both days inclusive.



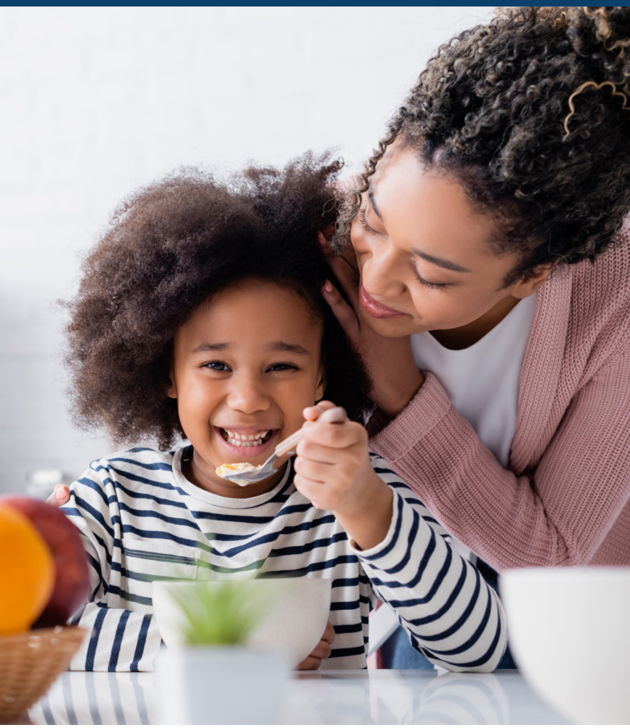
Changes to the Board

The Group's Commercial Director, Robin Smith, retired with effect from 31 December 2021.

Ms Anneke Andrews replaced Ms Bongi Masinga as chairman of the Audit and Risk Committee with effect from 7 June 2021.

Other than these changes, the composition of the Libstar Board and the roles and responsibilities of its directors remained unchanged during the year under review.

Condensed consolidated financial statements



Condensed consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 R'000	2020* R'000
CONTINUING OPERATIONS			
Revenue		**10 001 375**	9 339 423
Cost of sales		**(7 697 789)**	(7 060 843)
Gross profit		**2 303 586**	2 278 580
Other income	6	**18 839**	44 255
Gains/(losses) on foreign exchange and disposal of property, plant and equipment	7.1	**31 663**	371
Operating expenses	7.2	**(1 841 700)**	(1 973 426)
Operating profit		**512 388**	349 780
Investment income		**26 245**	44 705
Finance costs		**(182 800)**	(218 668)
Profit before tax		**355 833**	175 817
Income tax expense		**(53 113)**	(106 496)
Profit for the year from continuing operations		**302 720**	69 321
DISCONTINUED OPERATIONS			
(Loss)/profit for the year from discontinued operations	8	**(148 315)**	4 210
TOTAL PROFIT FOR THE YEAR		**154 405**	73 531
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(26 974)**	3 340
Items that may be reclassified to profit or loss			
(Loss)/gains on hedging reserves		**(16 755)**	10 241
Hedging gains reclassified to profit or loss		**(10 241)**	(8 067)
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial gains		**22**	1 166
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**127 431**	76 871
Profit attributable to:			
Equity holders of the parent		**157 945**	73 713
Non-controlling interest		**(3 540)**	(182)
		154 405	73 531
Total comprehensive income attributable to:			
Equity holders of the parent		**130 971**	77 053
Non-controlling interest		**(3 540)**	(182)
		127 431	76 871
Total comprehensive income attributable to equity holders of the parent arises from:			
Continuing operations		**279 286**	72 843
Discontinued operations		**(148 315)**	4 210
		130 971	77 053
Basic earnings per share (cents)	9.1	**26.5**	12.4
From continuing operations	9.1	**51.4**	11.7
From continuing and discontinued operations	9.1	**(24.9)**	0.7
Diluted earnings per share (cents)	9.2	**26.5**	12.3
From continuing operations	9.2	**51.3**	11.6
From continuing and discontinued operations	9.2	**(24.8)**	0.7

* The comparative profit or loss is restated as if the Chet Chemicals and Contactim operations had been discontinued from the start of the prior year.

Condensed consolidated statement of financial position

AS AT 31 DECEMBER 2021

	Notes	2021 R'000	2020 R'000
ASSETS			
Non-current assets		**5 891 291**	6 445 545
Property, plant and equipment	10	**1 456 947**	1 507 815
Right-of-use assets	11	**504 352**	649 533
Goodwill		**2 275 328**	2 337 192
Intangible assets		**1 644 890**	1 938 095
Other financial assets		**8 200**	11 402
Deferred tax assets		**1 574**	1 508
Current assets		**3 687 791**	4 089 453
Inventories		**1 407 955**	1 314 971
Trade and other receivables		**1 609 923**	1 752 824
Biological assets		**33 214**	31 294
Other financial assets		**3 996**	37 962
Current tax receivable		**40 101**	16 189
Cash and bank balances		**592 602**	936 213
Assets classified as held for sale	8.3	**408 397**	–
TOTAL ASSETS		**9 987 479**	10 534 998
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the parent		**5 337 756**	5 357 635
Share capital		**4 727 314**	4 727 314
Defined benefit plan reserve		**(901)**	(923)
Share-based payment reserve		**6 554**	7 798
Retained earnings		**696 712**	688 373
Premium on acquisition of non-controlling interests		**(75 168)**	(75 168)
Hedging reserves		**(16 755)**	10 241
Non-controlling interests		**6 171**	9 711
Total equity		**5 343 927**	5 367 346
Non-current liabilities		**2 707 329**	3 446 977
Other financial liabilities		**1 579 495**	2 073 079
Lease liabilities	11	**566 474**	692 372
Deferred tax liabilities		**536 923**	659 191
Employee benefits		**8 650**	8 400
Share-based payments		**15 787**	13 935
Current liabilities		**1 711 943**	1 720 675
Trade and other payables		**1 476 696**	1 456 852
Other financial liabilities		**140 652**	171 325
Lease liabilities		**93 302**	90 596
Current tax payable		**1 293**	1 717
Bank overdraft		**–**	185
Liabilities directly associated with assets classified as held for sale	8.3	**224 280**	–
Total liabilities		**4 643 552**	5 167 652
Total equity and liabilities		**9 987 479**	10 534 998

Condensed consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital R'000	Defined benefit plan reserve[1] R'000	Share-based payment reserve[2] R'000	Premium on acquisition of non-controlling interests[3] R'000	Retained earnings R'000	Hedging reserves[4] R'000	Non-controlling interests R'000	Total R'000
Balance at 1 January 2020	4 727 314	(2 089)	2 211	(75 168)	764 266	8 067	9 893	5 434 494
Total comprehensive income/(loss) for the year	–	1 166	–	–	73 713	2 174	(182)	76 871
Profit/(loss) for the year	–	–	–	–	73 713	–	(182)	73 531
Other comprehensive income for the year	–	1 166	–	–	–	2 174	–	3 340
Transactions with owners of the Company								
Contributions and distributions	–	–	–	–	(149 606)	–	–	(149 606)
Dividends paid	–	–	–	–	(149 606)	–	–	(149 606)
Share-based payment expenses	–	–	5 587	–	–	–	–	5 587
Group share plan	–	–	5 587	–	–	–	–	5 587
Balance at 31 December 2020	**4 727 314**	**(923)**	**7 798**	**(75 168)**	**688 373**	**10 241**	**9 711**	**5 367 346**
Total comprehensive income for the year/(loss)	**–**	**22**	**–**	**–**	**157 945**	**(26 996)**	**(3 540)**	**127 431**
Profit/(loss) for the year	**–**	**–**	**–**	**–**	**157 945**	**–**	**(3 540)**	**154 405**
Other comprehensive income/(loss) for the year	**–**	**22**	**–**	**–**	**–**	**(26 996)**	**–**	**(26 974)**
Transactions with owners of the Company								
Contributions and distributions	**–**	**–**	**–**	**–**	**(149 606)**	**–**	**–**	**(149 606)**
Dividends paid	**–**	**–**	**–**	**–**	**(149 606)**	**–**	**–**	**(149 606)**
Share-based payment expenses, net of tax	**–**	**–**	**(1 244)**	**–**	**–**	**–**	**–**	**(1 244)**
Group share plan	**–**	**–**	**668**	**–**	**–**	**–**	**–**	**668**
Payment	**–**	**–**	**(1 912)**	**–**	**–**	**–**	**–**	**(1 912)**
Balance at 31 December 2021	**4 727 314**	**(901)**	**6 554**	**(75 168)**	**696 712**	**(16 755)**	**6 171**	**5 343 927**

1. Defined benefit plan reserve comprises actuarial gains or losses in respect of defined benefit obligations that are recognised in other comprehensive income.
2. Share-based payment reserve represents the grant date fair value of the Group's equity settled share-based payments (GSP) over the vesting period of GSP.
3. Premium on non-controlling interest represents the difference between the carrying amount of the non-controlling interests and the fair value of the consideration given on acquisition of non-controlling interests.
4. Hedging reserves represents the gains relating to foreign currency transactions recognised in other comprehensive income.

Condensed consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 R'000	2020 R'000
NET CASH FLOW FROM OPERATING ACTIVITIES		**786 055**	637 832
Cash generated from operations	13	**1 035 040**	908 679
Finance income received		**26 245**	44 720
Finance costs paid		**(128 732)**	(165 146)
Taxation paid		**(146 498)**	(150 421)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**(219 106)**	(322 189)
Purchase of property, plant and equipment and computer software		**(226 403)**	(328 042)
Proceeds on disposal of property, plant and equipment and computer software		**933**	8 085
Other loans repaid to the Group		**6 364**	4 772
Other loans granted by the Group		**–**	(8 200)
Loans repaid by shareholders to the Group		**–**	1 812
Acquisition of business		**–**	(616)
NET CASH FLOW FROM FINANCING ACTIVITIES		**(910 375)**	(234 230)
Repayment of other loans payable		**–**	(2 235)
Repayment of loans from related parties		**(2 118)**	–
Capital portion of lease payments		**(155 990)**	(149 132)
Proceeds from term loans and asset based financing		**–**	156 727
Repayment of term loans and asset based financing		**(602 661)**	(89 984)
Dividend paid		**(149 606)**	(149 606)
Net (decrease)/increase in cash and cash equivalents		**(343 426)**	81 413
Cash and cash equivalents at the beginning of the year		**936 028**	854 615
Cash and cash equivalents at the end of the year		**592 602**	936 028
Cash flows of discontinued operation	8.1	**(29 362)**	(45 501)

* The Consolidated Statement of cash flows represents both continued and discontinued operations' combined cash flows.

Condensed consolidated segmental information

FOR THE YEAR ENDED 31 DECEMBER 2021

Basis of segmentation

The executive management team of the Group, the chief operating decision maker, has chosen to organise the Group into categories and manage the operations in that manner. The information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is based on five categories.

The following summary describes each segment:

Perishables

Perishable products are products that are refrigerated.

Groceries

Groceries (also known as “shelf-stable” groceries) is a category of foods that can be stored and preserved at room temperature. The category also includes beverages and specialised food packaging.

Snacks and Confectionery

Premium snacks and confectionery products.

Baking and Baking Aids

Baked goods, specialised gluten free offerings and baking aids.

Household and Personal Care

Detergents and household cleaning products as well as personal care products.

During the last quarter of the reporting period management initiated an active plan to dispose of a significant part of the HPC segment. The associated assets and liabilities were consequently presented as held for sale in the current year. On 21 February 2022 the Group announced its intention to sell the divisions within the HPC segment. The Group signed a binding conditional offer in respect of two of the divisions namely Chet Chemicals and Contactim within the HPC segment. Refer to Note 8 for further information.

Condensed consolidated segmental information continued

	2021 R'000	2020 R'000
INFORMATION ABOUT REPORTABLE SEGMENTS		
Revenue from contracts with customers		
Perishables	**5 208 847**	4 648 219
Groceries	**3 337 462**	3 254 215
Snacks and Confectionery	**539 940**	574 257
Baking and Baking Aids	**859 626**	802 178
Household and Personal Care	**55 500**	60 554
	10 001 375	9 339 423
Revenue comprised as follows:		
Total revenue for reportable segments	**10 106 739**	9 377 522
Elimination of inter segment revenue	**(105 364)**	(38 099)
Perishables	**(24 479)**	(7 552)
Groceries	**(70 121)**	(23 965)
Snacks and Confectionery	**(6 843)**	(3 203)
Baking and Baking Aids	**(3 921)**	(3 179)
Household and Personal Care	–	(200)
	10 001 375	9 339 423
Operating profit (EBIT)		
Perishables	**251 123**	13 383
Groceries	**354 175**	344 019
Snacks and Confectionery	**73 832**	53 538
Baking and Baking Aids	**47 945**	55 710
Household and Personal Care	**(82 382)**	1 370
Corporate	**(132 305)**	(118 240)
	512 388	349 780
Reconciliation of operating profit per segment to profit before tax		
Operating profit	**512 388**	349 780
Investment income	**26 245**	44 705
Finance costs	**(182 800)**	(218 668)
Profit before tax	**355 833**	175 817

The chief operating decision maker reviews the revenue and operating profit on a regular basis. The chief operating decision maker does not evaluate any of the Group's assets or liabilities on a segmental basis for decision making purposes.

Condensed consolidated segmental information continued

	2021 R'000	2020 R'000
NORMALISED EBIT AND EBITDA		
Group – continuing operations		
Operating profit	**512 388**	349 780
Amortisation of customer relationships	**127 339**	127 339
Due diligence costs	**–**	286
Expenses relating to share-based payments	**4 568**	13 990
Government grants	**(706)**	(840)
Impairment losses on goodwill and other assets	**73 253**	203 820
Loss on disposal of property, plant and equipment	**357**	2 823
Restructuring	**–**	–
Retrenchment and settlement costs	**35 765**	15 749
Strategic advisory fees	**10 786**	–
Unrealised (gain)/loss on foreign exchange	**(20 553)**	21 733
Normalised EBIT	**743 197**	734 680
Amortisation of software and website costs	**12 991**	12 009
Depreciation of property, plant and equipment and right-of-use assets	**312 500**	296 932
Normalised EBITDA (including effect of IFRS 16)	**1 068 688**	1 043 621
Less: lease payments and lease modifications	**(144 467)**	(129 152)
Normalised EBITDA (excluding effect of IFRS 16)	**924 221**	914 469
Perishables		
Operating profit	**251 123**	13 383
Amortisation of customer relationships	**48 991**	43 610
Government grants	**(19)**	(72)
Impairment losses on goodwill and other assets	**–**	203 820
Profit on disposal of property, plant and equipment	**(3 255)**	(1 260)
Retrenchment and settlement costs	**22 366**	5 128
Unrealised (gain)/loss on foreign exchange	**(7 054)**	6 487
Normalised EBIT	**312 152**	271 096
Amortisation of software and website costs	**4 251**	4 146
Depreciation of property, plant and equipment and right-of-use assets	**143 512**	133 626
Normalised EBITDA (including effect of IFRS 16)	**459 915**	408 868
Less: lease payments and lease modifications	**(49 824)**	(44 069)
Normalised EBITDA (excluding effect of IFRS 16)	**410 091**	364 799
Groceries		
Operating profit	**354 175**	344 019
Amortisation of customer relationships	**65 859**	71 240
Government grants	**(526)**	(607)
Loss on disposal of property, plant and equipment	**2 108**	3 006
Retrenchment and settlement costs	**4 286**	4 341
Unrealised (gain)/loss on foreign exchange	**(12 082)**	14 525
Normalised EBIT	**413 820**	436 524
Amortisation of software and website costs	**2 176**	1 897
Depreciation of property, plant and equipment and right-of-use assets	**94 719**	90 494
Normalised EBITDA (including effect of IFRS 16)	**510 715**	528 915
Less: lease payments and lease modifications	**(53 247)**	(50 209)
Normalised EBITDA (excluding effect of IFRS 16)	**457 468**	478 706

Condensed consolidated segmental information continued

	2021 R'000	2020 R'000
Snacks and Confectionery		
Operating profit	**73 832**	53 538
Amortisation of customer relationships	**4 402**	4 402
Government grants	**(16)**	–
Loss on disposal of property, plant and equipment	**865**	564
Retrenchment and settlement costs	**–**	2 109
Strategic advisory fees	**536**	–
Unrealised (gain)/loss on foreign exchange	**(1 318)**	666
Normalised EBIT	**78 301**	61 279
Amortisation of software and website costs	**3 299**	2 099
Depreciation of property, plant and equipment and right-of-use assets	**28 800**	26 283
Normalised EBITDA (**including effect of IFRS 16**)	**110 400**	89 661
Less: lease payments and lease modifications	**(21 408)**	(12 450)
Normalised EBITDA (**excluding effect of IFRS 16**)	**88 992**	77 211
Baking and Baking Aids		
Operating profit	**47 945**	55 710
Amortisation of customer relationships	**6 870**	6 870
Loss on disposal of property, plant and equipment	**606**	458
Retrenchment and settlement costs	**–**	391
Unrealised (gain)/loss on foreign exchange	**(99)**	55
Normalised EBIT	**55 322**	63 484
Amortisation of software and website costs	**1 164**	986
Depreciation of property, plant and equipment and right-of-use assets	**39 696**	39 537
Normalised EBITDA (**including effect of IFRS 16**)	**96 182**	104 007
Less: lease payments and lease modifications	**(14 941)**	(16 833)
Normalised EBITDA (**excluding effect of IFRS 16**)	**81 241**	87 174
Household and Personal Care		
Operating (loss)/profit	**(82 382)**	1 370
Amortisation of customer relationships	**1 217**	1 217
Impairment losses on goodwill and intangible assets	**73 253**	–
Loss on disposal of property, plant and equipment	**5**	–
Retrenchment and settlement costs	**465**	–
Normalised EBIT	**(7 442)**	2 587
Amortisation of software and website costs	**–**	–
Depreciation of property, plant and equipment and right-of-use assets	**1 703**	2 081
Normalised EBITDA (**including effect of IFRS 16**)	**(5 739)**	4 668
Less: lease payments and lease modifications	**(1 857)**	(1 736)
Normalised EBITDA (**excluding effect of IFRS 16**)	**(7 596)**	2 932

Condensed consolidated segmental information continued

	2021 R'000	2020 R'000
Corporate		
Operating loss	**(132 305)**	(118 240)
Due diligence costs	**–**	286
Expenses relating to share-based payments	**4 568**	13 990
Government grants	**(145)**	(161)
Loss on disposal of property, plant and equipment	**28**	55
Retrenchment and settlement costs	**8 648**	3 780
Strategic advisory fees	**10 250**	–
Normalised EBIT	**(108 956)**	(100 290)
Amortisation of software and website costs	**2 101**	2 881
Depreciation of property, plant and equipment and right-of-use assets	**4 070**	4 911
Normalised EBITDA (including effect of IFRS 16)	**(102 785)**	(92 498)
Less: lease payments and lease modifications	**(3 190)**	(3 856)
Normalised EBITDA (excluding effect of IFRS 16)	**(105 975)**	(96 354)
Export revenue		
The Group mainly operates in South Africa. Revenue derived from customers domiciled within South Africa is classified as revenue from South Africa. Revenue from customers domiciled outside of South Africa is classified as export revenue.		
Export revenue for the year	**1 214 705**	1 181 794

	2021 %	2020 %
Major customers		
During the year under review, revenue from certain customers exceeded 10% of total revenue.		
Customer A	**22%**	22%
Customer B	**14%**	16%
Customer C	**9%**	10%

The above customers trade with the Group across all five segments. The contribution of each customer to total revenue is therefore spread across multiple segments.

Revenue by channel

Previously the Group disaggregated and disclosed revenue solely by segment. In order to improve and align the disclosures contained outside of the results, the revenue disaggregation by channel and each channel's contribution to revenue, has been disclosed for the first time in the consolidated annual financial statements.

	2021 R'000	2020 R'000	Change %
Retail and wholesale	**5 697 209**	5 681 420	0.3
Food service	**1 865 498**	1 397 776	33.5
Exports	**1 214 705**	1 181 793	2.8
Industrial and contract manufacturing	**1 223 963**	1 078 434	13.5
Total Group revenue	**10 001 375**	9 339 423	7.1

Contribution to Group revenue

	2021 %	2020 %
Retail and wholesale	**57.0**	60.8
Food service	**18.7**	15.0
Exports	**12.1**	12.7
Industrial and contract manufacturing	**12.2**	11.5
Total Group revenue	**100.0**	100.0

2021	Perishables	Groceries	Snacks and Confectionery	Baking and Baking Aids	Household and personal care	Total
Revenue by channel						
Retail and wholesale	**3 048 648**	**1 432 775**	**436 308**	**723 978**	**55 500**	**5 697 209**
Food service	**1 472 228**	**296 864**	**4 082**	**92 324**	**–**	**1 865 498**
Exports	**266 696**	**908 445**	**8 057**	**31 507**	**–**	**1 214 705**
Industrial and contract manufacturing	**421 275**	**699 378**	**91 493**	**11 817**	**–**	**1 223 963**
	5 208 847	**3 337 462**	**539 940**	**859 626**	**55 500**	**10 001 375**
2020						
Revenue by channel						
Retail and wholesale	2 956 702	1 486 529	485 280	692 355	60 554	5 681 420
Food service	1 120 889	212 700	312	63 875	–	1 397 776
Exports	208 520	930 700	8 324	34 249	–	1 181 793
Industrial and contract manufacturing	362 108	624 286	80 341	11 699	–	1 078 434
	4 648 219	3 254 215	574 257	802 178	60 554	9 339 423

Notes to the condensed consolidated financial statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Reporting entity

Libstar is a leading producer and supplier of high-quality products in the CPG industry and markets a wide range of products in South Africa and globally. The Group provides a multi-product offering in several categories across multiple channels, while strategically positioning itself within the food and beverage sector and maintaining the flexibility to capitalise on growth areas in the CPG industry.

2. Basis of preparation and report of the independent auditor

The summarised consolidated financial statements of the Group for the year ended 31 December 2021 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements ("The Listings Requirements") for preliminary reports, and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the information required by IAS 34 – Interim Financial Reporting. This summarised report is extracted from audited information, but has not been audited.

These summarised consolidated financial statements and the audited consolidated annual financial statements, were prepared under the supervision of CB de Villiers CA(SA), the Group Chief Financial Officer. The results were approved by the board of directors on 15 March 2022 and the directors take full responsibility for the preparation thereof.

The consolidated annual financial statements were audited by Moore Cape Town Inc., who expressed an unmodified opinion thereon. The audited consolidated annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office.

3. Accounting policies

The accounting policies used in the preparation of the condensed consolidated annual financial statements were derived from and are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

Certain new accounting standards and interpretations have been published that are effective for the current year. These standards are not considered to have a material impact on the Group in the current or future consolidated annual financial statements.

New standards and interpretations in issue not yet effective

Standards, amendments and interpretations issued but not yet effective have been assessed for applicability to the Group and management has concluded that they are neither applicable to the business of the Group nor will have a material impact on future financial statements.

4. Judgements and key sources of estimation uncertainty

Management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates.

In preparing these consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were consistent with those applied in the prior year.

The effects of COVID have resulted in certain judgements and estimates being significant in the current year when they had not been in the past. This is due to the uncertainty introduced by the effects of the pandemic, such as collection risk for customers and the cash flows included in estimates of recoverable amounts. Refer to note 16 for further information related to the impact of COVID on the Group.

5. Normalised EBIT and Normalised EBITDA

The Group adopts normalised earnings before interest and tax ("Normalised EBIT"), normalised earnings before interest, tax, depreciation and amortisation ("Normalised EBITDA"), normalised earnings per share ("Normalised EPS") and normalised headline earnings per share ("Normalised HEPS") as financial measures to review, measure and benchmark the operational performance of the individual divisions (that consolidate into the Group) as well as for strategic planning and other commercial decision-making purposes relating to each division.

To arrive at the normalised EBIT and normalised EBITDA measures, respectively, the following adjustments are made to EBIT (operating profit from continuing operations as disclosed in the financial statements).

	Adjustment included in calculation of: Normalised EBIT	**Normalised EBITDA**
Add back: amortisation of intangible assets in relation to customer contracts and brands with definitive useful lives	**Yes**	**Yes**
Add back: amortisation of intangible assets in relation to computer software and website costs	**No**	**Yes**
Add back: depreciation on property, plant and equipment and right-of-use assets	**No**	**Yes**
Add back: impairment losses on property, plant and equipment, goodwill and intangible assets	**Yes**	**Yes**
Add back or deduct: unrealised foreign exchange translation gains or losses	**Yes**	**Yes**
Add back: non-recurring items of an operating nature including government grants, due diligence costs in respect of business acquisitions, strategic advisory fees, retrenchment and settlement costs and restructuring costs including amounts payable in respect of onerous contracts.	**Yes**	**Yes**
Add back: securities transfer tax paid	**Yes**	**Yes**
Add back or deduct: gains and losses on disposal of property, plant and equipment, gains and losses on disposals of assets or disposal groups (businesses) held for sale.	**Yes**	**Yes**
Add back: the cost of the Long-term Incentive Plan (LTIP) and the Group Share Plan (GSP).	**Yes**	**Yes**

5. Normalised EBIT and Normalised EBITDA continued

Normalised EPS and Normalised HEPS

To arrive at normalised EPS, the after-tax earnings from continuing operations (as disclosed in the financial statements), is adjusted for the after-tax impact of the normalised EBIT adjustments shown above.

To arrive at Normalised HEPS, the normalised EPS is adjusted for the after-tax impact of the Headline Earnings Re-measurements, the most common examples of which are (i) impairment losses on property, plant and equipment, goodwill and intangible assets and (ii) gains and losses on disposal of property, plant and equipment, excluding the after-tax impact of separately identifiable re-measurements as defined in accordance with circular 1/2021 Headline Earnings, read with IAS 33 Earnings per share.

6. Other income

	2021 R'000	2020 R'000
Insurance claims received	**11 003**	532
Sundry income[1]	**5 059**	38 012
Government grants[2]	**2 086**	1 253
Rental income	**573**	4 103
Bad debts recovered	**81**	315
Commissions received	**37**	40
	18 839	44 255

1. Included in prior year's sundry income are two loans payable (Gham Gourmet: R10.0m and G McGregor: R19.7m) which was written off in the prior year.
2. Income from government grants includes income received under the Skills Development Program and the Employer Tax Incentive program.

7. Operating profit

Operating profit from continuing operations is calculated after taking into account the following:

7.1 Gains/(losses) on foreign exchange and disposal of property, plant and equipment

	2021 R'000	2020 R'000
Gain on foreign exchange	**32 020**	3 194
Realised gain on foreign exchange	**11 467**	24 927
Unrealised gain/(loss) on foreign exchange	**20 553**	(21 733)
Loss on disposal of property, plant and equipment	**(357)**	(2 823)
	31 663	371

7. Operating profit continued

7.2 Operating expenses

	2021 R'000	2020 R'000
Depreciation of property, plant and equipment	**60 290**	67 458
Depreciation of right-of-use assets	**54 773**	52 405
Amortisation of computer software	**12 991**	12 009
Amortisation of customer relationships	**127 339**	127 339
Impairment loss on goodwill	**25 158**	198 000
Impairment loss on intangible assets	**48 095**	–
Impairment loss on buildings	**–**	5 820
Employee benefits	**567 416**	588 229
Salaries and wages	**532 925**	571 471
Retrenchment and settlement costs	**34 491**	16 758
Due diligence costs	**–**	286
Credits relating to share appreciation rights granted (LTI scheme)	**–**	(2 370)
Charges relating to long-term incentive scheme (LTIP scheme)	**4 384**	7 741
Charges relating to share-based payments (GSP)	**184**	8 619
Research and development costs expensed as incurred	**443**	1 420
Auditors remuneration	**8 249**	7 948

7.3 Nature of operating expenses in cost of sales

	2021 R'000	2020 R'000
Depreciation of property, plant and equipment	**141 951**	135 881
Depreciation of right-of-use assets	**55 486**	53 197
Employee benefits	**682 556**	677 463
Salaries and wages	**681 381**	677 463
Retrenchment and settlement costs	**1 175**	–
Lease rentals	**21 579**	15 401

8. (Loss)/profit from discontinued operations

	2021 R'000	2020 R'000
(Loss)/profit from discontinued operations	**(148 315)**	4 210

There were no discontinued operations related to the prior year. The current year loss from discontinued operations recognised in the statement of profit or loss and other comprehensive income consists of the following discontinued operation:

8.1 Operations held for sale – Chet Chemicals and Contactim within Household and Personal Care segment

During the last quarter of the reporting period management initiated an active plan to dispose of a significant part of the HPC segment. The associated assets and liabilities were consequently presented as held for sale in the current year. On 21 February 2022 the Group announced its intention to sell the divisions within the HPC segment. The Group signed a binding conditional offer in respect of two of the divisions namely Chet Chemicals and Contactim within the HPC segment. The operations are intended to be sold effective 30 June 2022 and are reported in the current year as discontinued operations.

8. (Loss)/profit from discontinued operations continued

8.1 Operations held for sale – Chet Chemicals and Contactim within Household and Personal Care segment continued

Financial performance and cash flow information

The loss for the year from discontinued operations is set out below:

	Note	2021 R'000	2020 R'000
Revenue		**700 046**	790 872
Cost of sales		**(619 635)**	(640 020)
Gross profit		**80 411**	150 852
Other income		**1 434**	–
Impairment loss	8.2	**(102 557)**	–
Operating expenses		**(137 065)**	(135 194)
Operating (loss)/profit		**(157 777)**	15 658
Investment income		**191**	–
Finance costs		**(9 168)**	(11 448)
(Loss)/profit before tax		**(166 754)**	4 210
Income tax		**18 439**	–
(Loss)/profit for the year from discontinued operation		**(148 315)**	4 210
(Loss)/profit from discontinued operation attributable to:			
Equity holders of the parent		**(148 315)**	4 210
Non-controlling interest		**–**	–
		(148 315)	4 210
Net cash inflow from operating activities		**39 403**	21 121
Net cash outflow from investing activities		**(43 509)**	(43 767)
Net cash outflow from financing activities		**(25 256)**	(22 854)
Net decrease in cash generated by the operations		**(29 362)**	(45 501)

8. (Loss)/profit from discontinued operations continued

8.2 Details of the impairment loss recognised

	2021 R'000	2020 R'000
Fair value of disposal group less cost to sell	**209 320**	–
Carrying amount of net assets recognised as held for sale	**311 877**	–
Property, plant and equipment	**123 118**	–
Right-of-use assets	**69 074**	–
Intangibles	**98 555**	–
Goodwill	**36 706**	–
Inventories	**77 959**	–
Trade and other receivables	**105 542**	–
Lease liabilities	**(78 679)**	–
Trade and other payables	**(120 397)**	–
Impairment loss on discontinued operations	**102 557**	–
Goodwill	**36 706**	–
Intangibles*	**65 851**	–
Tax credit on loss	**(18 438)**	–
Impairment loss after income tax	**84 119**	–

* The impairment of intangibles consists of R20 970 (R'000) Brands and R44 881 (R'000) Customer relationships.

8.3 Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2021:

	2021 R'000	2020 R'000
Assets classified as held for sale		
Property, plant and equipment	**123 118**	–
Right-of-use assets	**69 074**	–
Intangibles	**32 704**	–
Inventories	**77 959**	–
Trade and other receivables	**105 542**	–
Total assets of disposal group held for sale	**408 397**	–
Liabilities directly associated with assets classified as held for sale		
Lease liability	**78 679**	–
Deferred taxation liability	**25 204**	–
Trade and other payables	**120 397**	–
Total liabilities of disposal group held for sale	**224 280**	–

	Note	2021 R'000	2020 R'000
9. Earnings per share			
9.1 Basic earnings per share			
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:			
Earnings used in the calculation of basic earnings per share		**157 945**	73 713
From continuing operations		**306 260**	69 503
From discontinued operations	8	**(148 315)**	4 210
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)		**595 812**	595 812
Basic earnings per share in cents			
From continuing operations		**51.4**	11.7
From discontinued operations		**(24.9)**	0.7
From continuing and discontinued operations		**26.5**	12.4
9.2 Diluted earnings per share			
The earnings used in the calculation of diluted earnings per share does not require adjustments. Refer to note 9.1 above for the earnings used in the calculation of diluted earnings per share.			
The weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:			
Weighted average number of ordinary shares for the purposes of diluted earnings per share ('000)		**597 430**	596 932
Diluted earnings per share in cents			
From continuing operations		**51.3**	11.6
From discontinued operations		**(24.8)**	0.7
From continuing and discontinued operations		**26.5**	12.3
Reconciliation of weighted average number of shares used as the denominator:			
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share		**595 812**	595 812
Adjustments for calculation of diluted earnings per share:			
Deferred Shares – GSP[1]		**1 618**	1 120
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share		**597 430**	596 932

1. Awards to deferred shares granted to executives under the GSP are included in the calculation of diluted earnings per share, assuming all outstanding awards will vest. The deferred shares are not included in the determination of basic earnings per share.

	2021 R'000	2020 R'000

9. Earnings per share continued

9.3 Normalised earnings per share (EPS)

To arrive at Normalised EPS, the after-tax earnings from continuing operations is adjusted for the after-tax impact of the following:

	2021 R'000	2020 R'000
Profit for the year from continuing operations	**306 260**	69 503
Normalised for:	**112 986**	128 189
Amortisation of customer relationships	**91 684**	91 684
Due diligence costs	**–**	286
Expenses relating to share-based payments	**3 289**	10 073
Government grants	**(706)**	(840)
Retrenchment and settlement costs	**25 751**	11 339
Strategic advisory fees	**7 766**	–
Unrealised (gain)/loss on foreign exchange	**(14 798)**	15 647
Normalised earnings used in the calculation of basic earnings per share	**419 246**	197 692
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	**595 812**	595 812
Normalised basic earnings per share in cents	**70.4**	33.2

9.4 Headline earnings

The headline earnings used in the calculation of headline earnings and diluted headline earnings per share are as follows:

		2021		2020	
Continuing operations	Notes	**Gross**	**Net of tax**	Gross	Net of tax
Basic earnings from continuing operations			**306 260**		69 503
Adjustments		**73 610**	**60 063**	206 643	205 902
Loss on disposal of property, plant and equipment		**357**	**277**	2 823	2 082
Impairment of buildings		**–**	**–**	5 820	5 820
Impairment of goodwill		**25 158**	**25 158**	198 000	198 000
Impairment of intangible assets		**48 095**	**34 628**	–	–
Headline earnings from continuing operations			**366 323**		275 405
Discontinued operations					
Basic earnings from discontinued operations			**(148 315)**		4 210
Adjustments		**102 557**	**84 119**	–	–
Impairment of goodwill	8.2	**36 706**	**36 706**	–	–
Impairment of intangible assets	8.2	**65 851**	**47 413**	–	–
Headline earnings from discontinued operations			**(64 196)**		4 210

	2021 R'000	2020 R'000
9. Earnings per share continued		
Headline earnings from continuing and discontinued operations	**302 127**	279 615
Headline earnings per share in cents		
From continuing operations	**61.5**	46.2
From discontinued operations	**(10.8)**	0.7
From continuing and discontinued operations	**50.7**	46.9
Diluted headline earnings per share in cents		
From continuing operations	**61.3**	46.1
From discontinued operations	**(10.7)**	0.7
From continuing and discontinued operations	**50.6**	46.8

9.5 Normalised headline earnings per share (HEPS)

To arrive at normalised HEPS, the Normalised EPS is adjusted for the after-tax impact of the below:

	2021 Net	2020 Net
Normalised basic earnings from continuing operations	**419 246**	197 692
Adjustments	**60 063**	205 902
Impairment of goodwill	**34 628**	198 000
Impairment loss on intangible assets	**25 158**	–
Impairment of building	–	5 820
Loss on disposal of property, plant and equipment	**277**	2 082
Normalised headline earnings from continuing operations	**479 309**	403 594
Normalised headline earnings per share from continuing operations in cents	**80.4**	67.7

10. Property, plant and equipment

During the reporting period, the Group continued to invest in capacity-enhancing projects in targeted growth areas. Capital expenditure of R305 million was incurred during the reporting period (2020: R328 million), representing 3.1% of net revenue (2020: 3.5%). This is in line with the Group's target range of 2.0% to 3.0%, as previously indicated.

As committed, all delayed capital projects were completed in 2021 and are contributing to profitability. Although the majority of projects are now performing at expected revenue levels, as reported before, one project at Millennium Foods and one at Amaro Foods performed behind expectation during H1 2021. At Millennium Foods, the division experienced significant revenue growth in the latter part of H2 2021 owing to a strong performance in frozen own-branded and fresh-private label offerings. The utilisation of the par-bake frozen line at Amaro Foods also continued to improve during the year under review with further roll-out of the products ongoing.

Capital expenditure included a further R94 million investment in respect of hard cheese packing facility upgrades at Lancewood, which brings the total investment in hard cheese production and packaging facilities since 2019 to R199 million. The project is expected to enable Lancewood to service the growing demand for its branded and private label hard cheese products, whilst leveraging economies of scale through increased operating efficiencies. The investment supported a strong double-digit growth in dairy-category Normalised EBITDA during the year under review.

The Finlar division invested R19 million to improve production levels at the beef plant.

There has been no major change in the nature of property, plant and equipment, the policy regarding the use thereof, or the encumbrances over the property, plant and equipment as disclosed in the audited financial statements for the year ended 31 December 2020.

11. Leases

This note provides information for leases where the Group is a lessee.

	Notes	2021 R'000	2020 R'000
Amounts recognised in the consolidated statement of financial position			
Right-of-use assets			
Non-current asset		**504 352**	649 533
Lease Liability		**(659 776)**	(782 968)
Non-current liabilities		**(566 474)**	(692 372)
Current liabilities		**(93 302)**	(90 596)
Right-of-use assets[1]			
Right-of-use assets at 1 January		**649 533**	655 596
Lease modifications[2]		**21 353**	(761)
Additions		**29 096**	118 357
Derecognitions		**(514)**	–
Reclassified as held for sale	8.3	**(69 074)**	–
Depreciation from continuing operations		**(110 259)**	(105 602)
Depreciation from discontinued operations		**(15 783)**	(18 057)
Right-of-use assets at 31 December		**504 352**	649 533
Lease Liabilities			
Lease liabilities recognised as at 1 January		**(782 968)**	(753 386)
Lease modifications[2]		**(21 049)**	761
Additions and terminations		**(28 255)**	(115 105)
Reclassified as held for sale	8.3	**78 679**	–
Finance costs		**(62 173)**	(64 370)
Lease payments		**155 990**	149 132
Balance at 31 December		**(659 776)**	(782 968)

1. The majority of the value of the right-of-use assets relate to property leases. Other equipment leases are not material and not disclosed separately.
2. Lease modifications mainly consist of lease extensions that occurred in the current and prior year.

	2021 R'000	2020 R'000
Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Depreciation of right-of-use assets from continuing operations	**(110 259)**	(105 602)
Depreciation of right-of-use assets from discontinued operations	**(15 783)**	(18 057)
Finance costs in respect of lease liabilities from continuing operations	**(55 360)**	(59 509)
Finance costs in respect of lease liabilities from discontinued operations	**(6 813)**	(4 861)
Short-term lease charges*	**(20 151)**	(31 535)

* Short-term lease charges are due within the next twelve months.

The total cash outflow for leases in the current year was R156.0m (2020: R149.1m).

There were no significant variable payments related to leases in the current and prior year.

12. Financial Instruments

At the reporting dates, the financial instruments are classified consistently and at the same levels within the fair value hierarchy. At the reporting dates, the financial assets and liabilities of the Group that are classified at fair value through other comprehensive income comprise forward exchange contracts. These are classified at a Level 2 in terms of the fair value hierarchy.

13. Cash generated from operations

	2021 R'000	2020 R'000
Profit before taxation from:	**189 080**	180 027
From continuing operations	**355 833**	175 817
From discontinued operations	**(166 753)**	4 210
Adjustments for:	**839 076**	846 312
Depreciation and amortisation	**497 091**	491 021
Loss on disposal of property, plant and equipment	**5 881**	2 683
	25 158	198 000
Impairment loss on intangible assets	**48 095**	–
Impairment loss on building	**–**	5 820
Impairment loss on discontinued operations	**102 557**	–
Expected credit loss allowance movement on other financial assets	**–**	653
Expected credit loss allowance movement on trade and other receivables	**(1 956)**	(11 590)
Non-cash lease modifications, additions and terminations	**(903)**	(3 252)
Investment income	**(26 245)**	(44 720)
Finance costs	**191 968**	230 130
Other financial assets written off	**–**	946
Sundry income – loans payable written off	**–**	(29 754)
Fair value adjustment on forward exchange contracts	**(2 784)**	(427)
Movements in employee benefits – medical aid plan	**281**	(17)
Employee benefits contributions paid	**(633)**	(585)
Other non-cash movements in employee benefits	**914**	568
Movements in share-based payments	**124**	6 819
Share-based payments in terms of LTI scheme	**–**	(4 139)
Share-based payments	**(4 444)**	–
Other non-cash movements in share-based payments	**4 568**	10 958
Changes in working capital:	**6 693**	(117 660)
Increase in inventories*	**(170 943)**	(115 352)
Decrease in trade and other receivables*	**39 293**	5 229
Increase in biological assets	**(1 920)**	(1 887)
Increase/(decrease) in trade and other payables*	**140 263**	(5 650)
	1 035 040	908 679

* Included in the changes in working capital are the non-cash transfers of R 77 959 (R'000) inventories, R 105 542 (R'000) trade and other receivables and R 120 397 (R'000) trade and other payables to assets classified as held for sale.

14. Subsequent Events

Acquisition of Umatie (Pty) Ltd

On 1 January 2022, the Group acquired a 60% shareholding in Umatie (Pty) Ltd for a consideration of R1.2m which was paid on 31 December 2021. Umatie (Pty) Ltd is a local baby food manufacturer and distributor. The acquisition of the Umatie brand, is expected to expand the Group's Retail and Wholesale footprint within the Perishables segment.

The Group is also in the process of acquiring the factory building for a consideration of R4.1m.

15. Goodwill impairment

2021 Impairment

During the current year the cash-generating group, HPC, which is also a reportable segment within the Group reflected indications of impairment – the segment started to incur losses in the current year. The three divisions within HPC namely Chet Chemicals, Contactim and Glenmor were all impacted. The value in use calculation performed on the whole HPC cash-generating group indicated that an impairment was required. Management is in the process of disposing of Chet Chemicals and Contactim. These divisions were reclassified as held for sale and impaired to fair value less costs to sell in the current year. Refer to Note 7 for impairment losses related to Chet Chemicals and Contactim.

With Glenmor the only remaining division in the HPC cash-generating group an estimate was made that there was no value remaining in the brands and customer contracts based on the consolidated value in use.

A total impairment loss of R73.3m was recognised in the current year in relation to the intangible assets attributable to Libstar's investment in Glenmor. The impairment losses recognised represent the carrying values of goodwill, brands and customer relationships of Glenmor at the time of the impairment. At 31 December 2021 these carrying values are Rnil. Other asset classes within Glenmor were not impacted.

2020 Impairment

The carrying amount of the Denny Mushrooms division within the Perishables cash-generating group was reduced to its recoverable amount through recognition of an impairment loss against goodwill.

The effect of COVID was most apparent in the Group's sales channels. In particular, the food service channel was most adversely affected by the closure of hospitality venues and restaurants due to the second quarter level 5 lockdown restrictions and subsequent lower restaurant occupancy rates during the second half of the prior year. The food service channel slowdown had a particularly pronounced impact on the Denny Mushrooms division. The impact of the lower mushroom sales volumes on the innately high fixed-cost nature of Denny Mushrooms' farming operations, adversely impacted profitability. Corrective actions taken by the Group have included increased mushroom price realisation, the containment of costs and the significant recovery of its retail channel market share from previous lows. Despite these efforts, the prevailing competitive market conditions, high operating cost structure and declining sale volumes have interrupted Denny Mushrooms' recovery. Considering these factors, the Group has applied a conservative downward revision of Denny Mushrooms' five-year growth forecasts.

In so doing, an impairment loss of R198m was recognised in the prior year in relation to goodwill attributable to Libstar's investment in Denny Mushrooms. The recoverable amount of Denny Mushrooms was calculated at a conservative terminal growth rate of 4.7% and an after-tax discount rate of 13.0%. No class of asset other than goodwill related to Denny Mushrooms was impaired.

The remaining unimpaired carrying value of goodwill within Denny Mushrooms as at 31 December 2020 was R97.8m. There was not further impairment loss recognised on Denny Mushrooms in the current year due to the corrective actions taken by the Group as described above.

16 Reclassification of trading term expenses in the published consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020 ("Prior Period")

Certain trading term expenses of the Group's divisions were incorrectly classified in the Prior Period. These expenses were included in Cost of Sales on the face of the statement of profit or loss and other comprehensive income instead of being classified as estimations of variable consideration which should be deducted from Revenue in accordance with IFRS 15 Revenue from Contracts with Customers. This misclassification has no effect on the previously published headline earnings per share (HEPS), earnings per share (EPS), net asset value (NAV), tangible net asset value (TNAV) or cash flow. The corrected disclosure, however, does result in the overstatement of Revenue by R155.6m and the overstatement of Cost of Sales by the same amount in the Prior Period. The effect of the amended disclosure to the Prior Period Consolidated Annual Financial Statements is summarised below:

Audited consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 Restated R'000	2020 Reported R'000	Difference R'000
Revenue	9 339 423	9 495 009	(155 586)
Cost of Sales	(7 060 843)	(7 216 429)	155 586

17 Impact of COVID

The Group continued to be impacted by COVID during the current year. The Group continues to incur costs to maintain a safe working environment for its employees. During the current year, the total direct COVID related expenses amounted to R15m (2020: R65m).

COVID is expected to continue to impact the Group into the next year. The Board expects the following factors may continue to have an impact on the Group:

- Additional operating costs attributable to the COVID pandemic;
- Supply chain disruptions; and
- A weak macro-economic climate, high rate of national unemployment and weakening consumer disposable income.

Corporate information

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Forward-looking statements

This announcement contains certain forward-looking statements. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the markets in which Libstar operates, including the projected future financial and operating impacts of the COVID pandemic.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this announcement.

It is believed that the expectations reflected in this announcement are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements. No statement in this communication is intended to be a profit forecast.

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