



Consolidated and Company  
Annual Financial  
*Statements*  
For the year ended 31 December 2025

The consolidated and company annual financial statements of Libstar Holdings Limited have been audited in compliance with section 30 of the Companies Act No 71 of 2008, as amended, and have been prepared under the supervision of Terri Lee Ladbroke CA(SA), the Libstar Group Chief Financial Officer. These consolidated and company annual financial statements for the year ended 31 December 2025 were published on 17 March 2026.

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# Directors' Responsibility and *Approval*

For the year ended 31 December 2025

The board of directors ("the Board") is responsible for the preparation and integrity of the consolidated and company annual financial statements which fairly present the state of affairs of Libstar Holdings Limited ("the Company") and its subsidiaries ("the Group") as at 31 December 2025, the results of its operations and cash flows for the year then ended, the notes to the consolidated and company annual financial statements, which include a summary of material accounting policies and other explanatory notes. In addition, the Board is responsible for the preparation of the directors' report and the report of the audit and risk committee.

The consolidated and company annual financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards and interpretations of those standards as issued by the International Accounting Standards Board ('IASB') ('IFRS Accounting Standards') and effective for the Group at 31 December 2025, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, No. 71 of 2008 of South Africa as amended ('the Companies Act').

The Board's responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these consolidated and company annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Board's responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The consolidated and company annual financial statements have been prepared on the going concern basis. The Board has reviewed the cash flow forecasts and available cash resources and are satisfied that the Group and Company have adequate resources in place to continue operating in the foreseeable future.

It is the responsibility of the independent external auditor to report on the fair presentation of the consolidated and company annual financial statements.

## Responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

- The consolidated and company annual financial statements as set out on pages 8 to 87 fairly present in all material respects the financial position, financial performance and cash flows of the Group and Company in terms of IFRS Accounting Standards;
- To the best of their knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and company annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information has been provided to effectively prepare the consolidated and company annual financial statements;
- The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and company annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

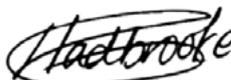
The above responsibility statements include the statement required by the JSE Listing Requirements section 5.9 (a)–(f).

## Approval of the consolidated and company annual financial statements

The consolidated and company annual financial statements, which appear on pages 8 to 87 were approved by the board of directors on 16 March 2026 and are signed on behalf of the Board by:



**CB de Villiers**  
Chief Executive Officer



**TL Ladbrooke**  
Group Chief Financial Officer

# Company Secretary's *Certificate*

In accordance with section 88(2)(e) of the Companies Act, No 71 of 2008, for the year ended 31 December 2025, it is hereby certified that Libstar Holdings Limited and its subsidiaries have lodged with the Companies and Intellectual Property Commission (CIPC) all returns as required by a public company and all such returns are true, correct and up to date.



**Bareng Huma**  
**on behalf of CIS Company Secretaries Proprietary Limited**  
Company Secretary

16 March 2026

# Independent Auditor's *Report*

To the shareholders of Libstar Holdings Limited

## Report on the Audit of the Consolidated and Company Annual Financial Statements

### Opinion

We have audited the consolidated and company annual financial statements of Libstar Holdings Limited and its subsidiaries ('the Group') set out on pages 12 to 87, which comprise the consolidated and company statements of financial position as at 31 December 2025, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and company annual financial statements, including material accounting policy information.

In our opinion, the consolidated and company annual financial statements present fairly, in all material respects, the consolidated and company financial position of the group and company as at 31 December 2025, and its consolidated and company financial performance and consolidated and company cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Company Annual Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of the group and company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (the EAR Rule), we report:

### Final Materiality

The ISAs recognise that:

- Misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;

- Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- Judgments about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

### Group Final Materiality:

We determined final materiality for the Group to be R28.0 million, which is based on 5% of normalised earnings before interest and tax. We have identified earnings before interest and tax as the most appropriate basis as we typically believe that profit-making companies are principally evaluated by users on their ability to generate earnings.

In using the earnings-based measure we believed it was necessary to adjust the base to remove the impact of non-recurring events, being the retrenchment costs associated with the Ambient and Perishable product lines (R30 million) and the impairment loss relating to the goodwill of Ambassador Foods (R200 million).

### Company Final Materiality:

We determined final materiality for the standalone Company to be R22.8 million, which is based on 0.5% of total assets.

We have identified that a capital-based measure of total assets as the appropriate basis because Libstar Holdings Limited is not an operating entity, and its sole purpose is to hold investments for the Libstar Holdings Limited Group. Our review of information provided to users by the entity confirms our view.

### Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the size and risk profile of the components in the Group. In addition, we further consider the organisation of the Group and effectiveness of Group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the Group. Our process focuses on identifying and assessing the risk of material misstatements of the Group financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

## Independent Auditor's Report continued

In selecting components, we perform risk assessment activities across the Group and its components to identify risks of material misstatement. We then identify how the nature and size of the relevant classes of transactions, account balances or disclosures at the components contribute to those risks and thus determine which account balances require an audit response. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component. We involved component auditors in this risk assessment process.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the Group financial statements. This assessment included performing overall analytical procedures at Group level.

Of the 16 components selected, we identified:

- 8 components (“full scope components”) which were selected based on the pervasiveness of risk in those components and for which we therefore performed procedures on what we considered to be the entire financial information of the component.
- 8 components (“specific scope components”) where our procedures were more focussed or limited to specific accounts which we considered had the potential for the greatest impact on the significant accounts in the financial statements given the specific risks identified.

The key audit matter applies to the audit of the consolidated annual financial statements.

Key audit matter	How the matter was addressed in the audit
<p><b>Impairment assessment of goodwill</b></p> <p>The impairment of goodwill is disclosed in the below notes of the Libstar Group and Company annual financial statements</p> <ul style="list-style-type: none"> <li>– Accounting policies – Goodwill</li> <li>– Note 13 – Goodwill</li> <li>– Note 14 – Intangible Assets</li> </ul> <p>Goodwill for the Group has a carrying value of R1 438.4 million on 31 December 2025 (2024: R1 653.8 million).</p> <p>Impairment on Goodwill is calculated in terms of IAS 36 Impairment of assets.</p> <p>Impairment of assets (“IAS 36”) requires an impairment test to be performed annually on cash generating units or groups of cash generating units (CGUs) where goodwill and indefinite life intangible assets exist and for all other CGUs when there are indicators that these may be impaired.</p> <p>The Group considers each business unit to be a separate CGU per IAS 36, as each business unit can generate their own independent cash flow.</p> <p>In the past year, certain cash-generating units experienced adverse trading conditions, including a temporary suspension of new product development initiatives by key customers and sustained pressure on sales volumes. Trading performance was further affected by increased competition, and exacerbated by a stronger domestic currency. This constrained pricing flexibility and margin recovery.</p>	<p>The following audit procedures, amongst others, were executed with the involvement of our valuation experts:</p> <ul style="list-style-type: none"> <li>– Obtained an understanding of management’s impairment process through discussion with management and documentation of key components of the process including performing a walkthrough of the impairment process and the governance thereof.</li> <li>– Assessed management’s determination of the CGUs in relation to the legal entity structure of the Group, focusing on the main operating entity and its underlying divisions which includes how the divisions operate and generate cash flows, and evaluated whether this aligns to the requirements of IAS 36.</li> <li>– Assessed the reasonableness of the carrying values of each CGU used within the impairment models by agreeing the carrying value to underlying audited financial information (reporting packages).</li> <li>– Together with our internal valuation specialists, we assessed the methodologies and assumptions applied in determining the recoverable amount of the CGUs. Our procedures included:</li> <li>– Assessed the appropriateness of the valuation methodology for consistency with International Valuation Standards used in the models to determine the value in use of the CGUs.</li> </ul>

At Group level we also tested the consolidation process, completed centralised testing over share-based payments, post-retirement medical aid, expected credit loss, performed risk assessment procedures relating to IT applications, and impairment of non-financial assets.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and company annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and company annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated and Company Annual Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and company annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and company annual financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

## Independent Auditor's Report continued

Key audit matter	How the matter was addressed in the audit
<p><b>Impairment assessment of goodwill</b></p> <p>These conditions represented indicators of potential impairment and required the application of significant judgement in assessing the recoverable amount of the cash-generating units. Given the current challenges, there is a heightened need for auditor attention on the impairment assessment.</p> <p>The Impairment assessment is significant in the context of the financial statements due to its high estimation uncertainty and significant management judgement involved in the discounted cash flow models (models) used to determine a value in-use of the CGU.</p> <p>Inputs in the models are influenced by operational performance and macroeconomic factors. Key inputs into the cash flow model include the estimated future cashflows (specifically revenue, earnings before interest, tax, depreciation and amortisation ("EBITDA"), changes in working capital and capex movements), terminal growth rates and pre-tax discount rates.</p> <p>Overall, there is a high level of complexity and management judgement in assessing assets for impairment and this required extensive involvement of EY internal strategy and transaction specialists to support the audit team which led to significant auditor attention, and the identification of this as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>– Compared the cash flow forecasts used in the impairment model to the approved budgets.</li> <li>– Evaluated and assessed management's future cash flow forecasts and tested the underlying value in use calculations by comparing the future cash flows to prior period actual results to assess management's forecast accuracy rate including comparing growth rates assumption for revenue, EBITDA, working capital and capital expenditure growth rates to comparable peers in the same industry.</li> <li>– Calculated a range of possible impairments by performing a sensitivity analysis around the key assumptions of revenue growth, EBITDA growth, margin growth, terminal growth rates and the pre-tax discount rate used in the models as well and the fair value of the asset.</li> <li>– Assessed the reasonableness of the discount rate used by management by computing an independent discount rate using the Capital Asset Pricing Model (CAPM). This included comparing management's beta to external data for comparable companies for reasonableness.</li> <li>– Independently calculated the discount rate by using external market data applied in the CAPM model which was applied to the value-in-use calculation for the CGUs.</li> <li>– We compared the value in use for each of the CGUs to the carrying values and assessed whether there was an impairment.</li> </ul> <p>For disclosure in the AFS:</p> <ul style="list-style-type: none"> <li>– We have assessed the adequacy of the Company's disclosure relating to the impairment assessment in the financial statements in terms of the requirements of IAS 36 and other relevant accounting standards.</li> </ul>

### Key Observations – Impairment of non-financial assets relating to Cash Generating Units (CGUs)

Based on the procedures performed over Impairment assessment of goodwill, we identified areas of discussions with management and after resolution we were able to conclude on our procedures.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the 90-page document titled "Libstar Consolidated and Company Annual Financial Statements for the year ended 31 December 2025", which includes the Directors' responsibility and approval, Company secretary's certificate, Directors' report, Report of the audit and risk committee and Corporate Information as required by the Companies Act of South Africa, and Annexure 1: Shareholder Analysis. The other information that will be available after this report date is the Integrated Annual Report. The other information does not include the consolidated and company annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and company annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and company annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company annual financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Consolidated and Company Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and company annual financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and company annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company annual financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's Report continued

### Auditor's Responsibilities for the Audit of the Consolidated and Company Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and company annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and company annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and company annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and company annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and company annual financial statements, including the disclosures, and whether the consolidated and company annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Libstar Holdings Limited for two years.

*Ernst & Young Inc.*

**Ernst & Young Inc.**  
Director: Danie Buys  
Registered Auditor  
Chartered Accountant (SA)

3rd Floor, Waterway House  
3 Dock Road, V&A Waterfront  
Cape Town

16 March 2026

# Directors' Report

for the year ended 31 December 2025

## 1. Nature of activities

Libstar Holdings Limited ("the Company") and its subsidiaries ("the Group") manufactures, distributes and markets leading branded and private label consumer packaged goods. Its portfolio comprises: Perishable Products, such as dairy, value-added meat and convenience meals; Ambient Products that include dry and wet condiments, meal ingredients, baked goods, snacks and spreads; and Household and Personal Care products. Products are sold in South Africa and globally across four channels (Retail and wholesale, Food service, Exports and Industrial and contract manufacturing). The Group operates principally in South Africa.

In recent years, the Group's operating model has transitioned from a decentralised business model to a category-based model. In doing so, the Group has segmented its main operations into two super-categories, namely Perishable Products and Ambient Products, and clustered related business units into seven sub-categories: Dairy, Value-added Meats, Convenience Meals, Wet Condiments, Dry Condiments, Baking and Select Products (comprising meal-ingredients, snacks and spreads). Whilst each sub-category continues to operate with its own infrastructure, employees and products, the Group's central office has implemented standardised policies and practices across various functional areas, including Finance and Human Resources.

The operating results and state of affairs of the Group are fully set out in the attached consolidated and company annual financial statements and do not in our opinion require any further comment.

## 2. Going concern

The directors believe that the Group and Company have adequate financial resources to continue to operate for the foreseeable future and accordingly the consolidated and company annual financial statements have been prepared on a going-concern basis.

## 3. Dividends

The Board has approved and declared a final cash dividend (inclusive of treasury shares) of 28 cents per ordinary share in respect of the year ended 31 December 2025 totalling R170.5m ("the dividend"). The dividend is payable on 13 April 2026 to shareholders recorded as such in the share register of the Company on 10 April 2026 (the record date). The last date of trading cum dividend will be 07 April 2026.

The Board paid a final cash dividend (inclusive of treasury shares) of 15 cents per ordinary share on 14 April 2025 in respect of the year ended 31 December 2024 totalling R102.3m.

## 4. Events after the reporting period

Refer to section 3 above for more information of the dividend declared after year-end.

The directors are not aware of any other events after the reporting date which significantly impacts the financial position of the Group or the results of its operations.

## 5. Authorised and issued share capital

Authorised share capital remained unchanged during the current and prior year. Refer to Note 20 for further information.

## 6. Directors

The directors of the holding company, Libstar Holdings Ltd, are responsible for the activities and reports related to the Group.

Tertius Carstens was appointed as a director with effect from 1 May 2025. W Luhabe resigned with effect from 30 May 2025 and JP Landman was appointed as the new chairman with effect from that date. A Andrews was appointed as Lead Independent Non-Executive Director on 31 July 2025.

Full details of the directors appear in the integrated report.

Refer to Notes 9 and 23 of the consolidated annual financial statements for details related to the directors' remuneration and share-based payment schemes. Refer to the additional information section for the directors' analysis of shareholding.

## 7. Company secretary

Ms Ntokozo Makomba served as Company Secretary until 30 September 2025.

CIS Company Secretaries Proprietary Limited was appointed as interim Company Secretary with effect from 6 November 2025, pending the appointment of a permanent Company Secretary, and will serve in this capacity until 31 March 2026.

Ms Zinhle Zondi has been appointed as Company Secretary of the Company, with effect from 1 April 2026, and is employed by the Company in this role.

The Board has considered and is satisfied that each of the individuals and service providers who fulfilled the role of Company Secretary during the financial year had the requisite competence, qualifications and experience to carry out the duties of the position. The Board further confirms that an arm's-length relationship existed between the company secretarial function and the Board, as required by paragraph 5.7(f) of the JSE Listings Requirements.

## 8. External auditor

Ernst & Young Inc. ("EY") was reappointed, at the Company's annual general meeting on 30 May 2025, as the independent auditor of the Group for their second term. Danie Buys, a registered and accredited auditor and director of EY, was appointed to lead the audit for the financial year ended 31 December 2025 (first term).

## 9. Confirmation of compliance with Companies Act

The directors confirm that Libstar Holdings Ltd is:

- in compliance with the provisions of the Companies Act and the relevant laws applicable to its establishment, specifically relating to its incorporation; and
- operating in conformity with its memorandum of incorporation.

# Report of the Audit and Risk *Committee*

for the year ended 31 December 2025

The audit and risk committee (“the committee”) is pleased to present its report in terms of section 94(7)(f) of the Companies Act, No. 71 of 2008, as amended (“the Companies Act”), and with due regard to the outcomes-based governance principles underpinning the King IV™ Report on Corporate Governance for South Africa (“King IV”). In performing its duties, the committee also considered the principles of the King V™ Code on Corporate Governance for South Africa, which will be formally adopted by the Group from the 2026 reporting cycle. This report explains how the committee discharged its statutory and delegated responsibilities in a manner that supports effective oversight, integrity of reporting and sustainable value creation for the financial year ended 31 December 2025.

## Members of the audit and risk committee

The committee has three members, all of whom are independent, non-executive directors. The committee is chaired by an independent non-executive director. The composition of the committee is regularly assessed to ensure an appropriate balance of skills, experience, independence and diversity of thought, relevant to the nature, complexity and risk profile of the Group. The committee members are considered to be suitably skilled directors having extensive and relevant financial, risk, governance and oversight experience.

Refer to Note 9 of the consolidated and company annual financial statements for the fees paid to the committee members.

## Meeting attendance

During the year, four meetings were held. Committee meetings and attendance for the year are summarised as follows:

Name	Designation	Qualification	11 March 2025	29 July 2025	10 September 2025	18 November 2025
A Andrews	Chair	CA (SA)	Present	Present	Present	Present
S Khanna	Member	Chartered Global Management Accountant	Present	Present	Present	Present
S Masinga	Member	BCom	Present	Present	Present	Present
JP Landman <sup>1</sup>	Member	BA.LLB, Mphil	Present	N/A	N/A	N/A

<sup>1</sup> JP Landman, lead independent non-executive director, was appointed as Chairman of the Company with effect from 1 June 2025. He stepped down as the lead independent non-executive director and member of the Audit and Risk Committee with effect from that date.

The chief executive officer (CEO), chief financial officer (CFO), executive directors, non-executive directors who are not committee members, the external auditors and management representatives are invited to attend meetings of the audit and risk committee. Invitees have no voting rights.

## Roles and responsibilities

The committee’s roles and responsibilities include its statutory duties per the Companies Act and the responsibilities assigned to it by the Board. The committee fulfills an oversight role regarding integrated reporting, ensures application of the combined assurance model, reviews the finance function, forms an integral component of the risk management process and provides oversight of both external audit and internal audit.

The committee has discharged its key responsibilities as follows:

- Reviewed the interim results and year-end consolidated and company annual statements, exercising independent and informed oversight, culminating in a recommendation to the Board to adopt them. In the course of its review, the committee:
  - » took appropriate steps to ensure that the consolidated and company annual financial statements are prepared in accordance with IFRS Accounting Standards as issued by the IASB and in the manner required by the Companies Act and JSE Listings Requirements;
  - » evaluated the quality, clarity and integrity of financial reporting, including significant judgements and estimates;
  - » considered and, where appropriate, made recommendations on internal financial controls;
- Reviewed the external audit reports on the consolidated and company annual financial statements;
- Approved the internal audit plan, ensuring alignment with the Group’s key risks and assurance needs;
- Reviewed the internal audit findings and monitored management’s responsiveness to identified control weaknesses and, where relevant, made recommendations to the Board;
- Considered quarterly Information, Communication and Technology (ICT) reports from a risk, resilience and value-enablement perspective, including disaster recovery plans and improved business intelligence information;
- Evaluated the effectiveness of risk management, controls and the governance processes;
- Considered the independence and objectivity of the external auditor, Ernst & Young Inc.;
- Approved the audit fees and engagement terms of the external auditor; and
- Noted that the external auditor did not provide any non-audit services during the year under review and accordingly concluded that no approval of non-audit service terms was required.

## Report of the Audit and Risk Committee continued

In addition, in fulfilling its key responsibilities, the committee placed specific focus on the significant judgements in the 2025 financial year and reviewed the following key aspects:

- Annual impairment testing of intangible assets with indefinite useful lives;
- Measurement of the fair values of foreign exchange contracts;
- Measurement of the fair values of investment properties;
- Classification, measurement and disclosure of discontinued operations in accordance with IFRS 5;
- Useful lives of intangible assets and property, plant and equipment and investment property;
- Valuation of biological assets; and
- Expected credit loss assumptions applied in the impairment of financial assets.

### Internal control

The committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and risk management, and for considering the findings of any major internal investigations, fraud or misconduct, and management's response thereto.

The committee delegates the responsibility to management to continuously identify, assess, mitigate and manage risks within the business. Mitigating controls are formulated to address the risks. The committee is kept abreast of progress on the Group's risk management plan.

During the year under review, the committee considered control issues identified from the various reports reviewed by the committee. These reports included internal and external audit reports, as well as specific reports on the Group's IT environment.

Where deficient controls or matters were raised, the committee reviewed the remediation plans prepared by management and was satisfied that any material impact on the Group's annual financial statements had been appropriately mitigated by management through manual controls and increased oversight, where necessary. The committee will continue to monitor and evaluate management's remediation plans during 2026.

Having considered, analysed, reviewed and discussed information provided by management, internal audit and the external auditors, the committee is of the opinion that the internal controls of the Group, together with management's additional procedures performed to mitigate identified control deficiencies, can be relied upon to a reasonable extent, as a basis for the preparation of the annual financial statements, having regard to the inherent limitations of any system of internal control.

### Financial reporting procedures

The committee satisfied itself that the Group has established appropriate financial reporting procedures and that those procedures are operating effectively, including across all entities included in the consolidated IFRS financial statements, such that the Company has access to all information required to effectively prepare and report on the Group's results.

### Internal audit

The internal audit function is performed internally. The internal audit function facilitates and supports the establishment and maintenance of an effective system of internal control for managing business risks and evaluating governance processes. The internal audit function is mandated by the Board. The internal audit charter is reviewed annually by the committee to ensure compliance with the King Code. The committee is also responsible for the appointment and removal of the Head of internal audit.

The committee has satisfied itself as to the effectiveness of the internal audit function.

### External auditor: independence and suitability

The committee reviewed the independence, expertise and objectivity and audit quality considerations of the external auditor, Ernst & Young Inc. and the designated audit partner, Danie Buys, as well as approved the terms of engagement and audit fees for the 2025 financial year.

The committee reviewed the representation made by the external auditor and satisfied itself that the external auditor is independent of the Group, as set out in section 94(8) of the Companies Act, and complies with the JSE Limited Listings Requirements.

There is a formal policy governing the approval of non-audit services provided by the appointed external auditor. The committee noted there were no non-audit services provided by the external auditor during the 2025 financial year. Refer to Note 3 of the consolidated and company annual financial statements for the breakdown of the audit fees.

In addition to confirming the independence of Ernst & Young Inc. and the designated audit partner, the committee assessed the auditor's suitability as required by the JSE Listings Requirements, taking into account:

- the latest inspection results of the audit firm issued by its regulator (including the firm's remedial action plan);
- any new inspection findings issued between the auditor's appointment and the date of signature of the audit report;
- a summary of the firm's ISQM1 monitoring and remediation activities; and
- a summary of any legal or disciplinary proceedings (completed or pending) in the past five years.

Based on this assessment, the committee is satisfied with the suitability of the external auditor.

The committee recommended the reappointment of Ernst & Young Inc. as external auditor for the 2025 financial year which was presented and approved at the annual general meeting of the Group held on 30 May 2025.

## Report of the Audit and Risk Committee continued

### Evaluation of the Chief Financial Officer

Based on the committee's evaluation, the committee is satisfied that the Chief Financial Officer, Terri Ladbrooke, has the appropriate competence, experience, integrity and capacity to fulfill the responsibilities of the role.

The Committee has also reviewed and is satisfied with the quality and effectiveness of the finance function, including the expertise, experience and adequacy of the resources within the function.

### Going Concern

The committee considered and reviewed management's short to medium term plans, and the Group and Company's associated projections. It has thus satisfied itself that the Group remains a going concern, having considered solvency, liquidity, funding headroom and forecast financial resilience over the short to medium term, and that there are adequate resources to support the proposed dividend.

### Approval of the committee report

The Committee confirms that it has fulfilled its responsibilities during the 2025 financial year in accordance with its statutory obligations, the Companies Act, the JSE Listings Requirements and its Board-approved terms of reference. The Committee's report to shareholders has been approved by the Board.



**A Andrews**

Non-Executive Audit and Risk Committee Chairman

# Accounting Policies

for the year ended 31 December 2025

## Statement of compliance

These audited consolidated and company annual financial statements have been prepared in accordance with IFRS Accounting Standards and comply with the IFRS interpretations issued by the IFRS Interpretations Committee (IFRIC) and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the JSE Listings Requirements and the requirements of the Companies Act, No 71 of 2008.

## Basis of preparation

The consolidated and company annual financial statements have been prepared on a going-concern basis and on the historical cost basis except for certain financial instruments and biological assets which are stated at fair value.

The principal accounting policies are set out below.

## Functional and presentation currency

The consolidated and company annual financial statements are presented in South African Rand, which is the Company's functional and the Group's presentation currency. All financial information presented in Rand has been rounded to the nearest thousand (R'000), unless otherwise stated.

## Basis of consolidation

The consolidated and company annual financial statements incorporate the annual financial statements of the Company and entities controlled by the Company (its Subsidiaries).

Inter-company transactions, balances and unrealised gains on transactions between the group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Total comprehensive income of Subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in the results and equity of Subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

The Group does not have material non-controlling interests in the context of the Group and accordingly detailed non-controlling interest disclosure are not required in terms of IFRS 12 Disclosure of Interests in Other Entities. In determining whether non-controlling interests are material, the Group considered the share of the non-controlling interest in the consolidated net assets of the Group.

## Revenue

### – Sale of goods

The Group predominantly sells consumer packaged goods in three product categories, namely Perishable Products, Ambient Products and Household & Personal Care. These products are sold to customers in the retail and wholesale, food service, industrial and export channels. Revenue is recognised at the point in time when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on-selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue is measured based on the transaction price with the customer, net of value-added tax, rebates, discount allowances, other customer allowances and claims.

Rebates, discount allowances, other customer allowances and claims ("variable consideration") are recognised as a reduction in revenue and trade receivables.

The variable consideration is calculated monthly based on the relevant monthly sales and the contractual customer trading terms. The expected value method together with accumulated historic industry and customer trends are used to estimate the variable consideration.

It is the Group's policy to sell its products to the customer with a right to return. Therefore, the value of estimated returns is deducted from revenue and trade receivables for products expected to be returned, based on past experience and the expected value method at the reporting date.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. No significant financing component is deemed present as the credit terms for sales with customers are short periods of time that vary throughout the Group. No material judgement is required to determine the transaction price and the allocation thereof.

### – Sales commission

The Group has secured contracts with international suppliers to transfer goods within the Ambient Products segment from the supplier to the customer. The Group is responsible to maintain these supply contracts and acts as an agent, facilitating the transaction between the supplier and the customer, rather than controlling the inventory. Commission income is earned and recognised upon the shipment of the goods to the customer.

Refer to the Segmental Information for detailed revenue disclosure.

## Accounting Policies continued

### Interest received

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### Government grants

The Group receives grants from the Manufacturing Competitiveness Enhancement Program, Skills Development Program and the Employer Tax Incentive program. These grants are recognised as other income in the same period as the related employee expense.

### Foreign currencies

#### – Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in other gains/(losses) within profit or loss.

### Employee benefits

#### – Short-term employee benefits

Short-term employee benefits are those that are due to be settled within 12 months after the end of the period in which the services have been rendered. The accruals for employee entitlements to salaries, performance bonuses and annual leave represent the amounts which the Group has a present obligation to pay as a result of employees' services provided to the Group at the reporting date.

Short-term employee benefits are measured on an undiscounted basis and are recognised as employee benefit expenses within either cost of sales or operating expenses in profit or loss in the period in which the employee renders the related service.

#### – Defined benefit plans

The Group has post-retirement medical aid contribution liabilities that are classified as defined benefit plans. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The plans create an obligation on the Group to provide agreed benefits to current and past employees and effectively places actuarial and investment risk on the Group. The gross obligations are determined by estimating the future benefits attributable to employees in return for services rendered to date.

This future benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. Independent actuaries perform this calculation annually using the projected unit credit method.

Past service costs are recognised in profit or loss at the earlier of when:

- (i) plan amendment or curtailment occurs; or
- (ii) the Group recognises the relating restructuring or termination benefits.

To the extent that the benefits are already vested, past service costs are recognised immediately. Improvements to a defined benefit pension plan relating to past service are recognised in profit or loss and expensed on a straight-line basis over the period during which the benefits vest.

The Group recognises actuarial gains and losses in respect of the defined benefit obligation in other comprehensive income.

### Share-based payments

The Group issues cash-settled share-based payments to certain employees. The Group has a Long Term Incentive Plan ("LTIP") which is classified as a cash-settled share-based payment.

The fair value of the amounts payable to employees in respect of the LTIP, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting date and at settlement date based on the fair value of the awards. Any changes in the liability are recognised in profit or loss.

### Leasing

#### – The Group as lessee

The Group leases various offices, warehouses, manufacturing facilities and equipment. Rental contracts are typically made for fixed periods of 6 months to 10 years with fixed escalations, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

## Accounting Policies continued

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are depreciated over the lease terms for the majority of the Group's leases, which are shorter compared to the assets' useful lives. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are not revalued by the Group.

Payments associated with short-term leases and low-value asset leases are recognised on a straight-line basis as an expense within profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets are assets with an initial value of R100 000 or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

When there has been a change or extension to the lease term, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate and a corresponding adjustment is made to the related right-of-use asset. When a lease contract has been modified in this manner, the lease modification is not accounted for as a separate lease and the lease liability is remeasured with the corresponding adjustment made to the right-of-use asset. If the carrying amount of the right-of-use assets has been reduced to zero, then the remaining difference is recorded in profit or loss.

## Capital items

Capital items comprises impairment losses on assets, gains/ (losses) on disposal of property, plant and equipment and related insurance proceeds. Capital items are presented separately from other operating expenses in order to enhance the users' ability to understand operating expenses.

## Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### – Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### – Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, inflation, taxation rates and competitive forces.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## Accounting Policies continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### – Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

### Discontinued operation and disposal group held for sale and sold

A discontinued operation is a component of the Group that has been classified as held for sale and that represents a separate major line of business and is part of a single co-ordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately in the statement of profit or loss. The comparative profit or loss is restated as if the operation had been discontinued from the start of the previous reporting period.

The disposal group is classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The disposal group is measured at the lower of the carrying amount and fair value less costs to sell, except for financial assets such as trade and other receivables which are specifically exempt from this requirement. Gains or losses on disposals of disposal groups held for sale that do not qualify as discontinued operations are recognised in other gains/(losses) within profit or loss.

Non-current assets within the disposal group are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

The Denny Mushrooms business unit was classified as held for sale on 7 November 2025, while the effective date of the sale was 1 December 2025. The Chet Chemicals business unit was classified as held for sale on 24 August 2024 and disposed of on 30 December 2024. As these divisions constituted separate major lines of business of the Group, their results have been presented as discontinued operations. Further information is disclosed in Note 7.

The Group disposed of its 60% shareholding in Umatie Proprietary Limited ("Umatie") with effect from 1 August 2025. As Umatie did not constitute a separate major line of business of the Group, its results have not been presented as a discontinued operation.

### Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is recognised to write off the cost of an asset over its useful life, using the straight-line method. The estimated useful lives of the assets are re-assessed annually with the effect of any changes accounted for on a prospective basis. Freehold land is not depreciated. The estimated useful lives of the other assets are as follows:

- Buildings – 20 years
- Plant, vehicles, machinery and equipment – range from 4 – 20 years

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within operating expenses in profit or loss.

### Investment property

Properties held to earn rentals or for capital appreciation or both, rather than for use in production, supply of goods or services, or for administrative purposes or for sale in the ordinary course of business, are classified as investment properties. Investment properties are measured at cost, less accumulated depreciation and impairment losses.

The historical cost includes all expenditure that is directly attributable to the acquisition of the buildings and land.

Investment properties are depreciated on the straight-line basis over 20 years. This rate is considered to be appropriate to reduce the buildings to their estimated residual value over their useful life.

The gain or loss arising on the disposal of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within operating expenses in profit or loss.

The fair value of investment property is disclosed in the notes to the annual financial statements. Fair values are determined periodically with reference to market-based evidence or independent valuations.

### Goodwill

Goodwill arises from the acquisition of businesses.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Goodwill is not amortised but is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

## Accounting Policies continued

The calculation of the recoverable amount requires the use of estimates and assumptions concerning future cash flows which are inherently uncertain and could change over time. In addition, changes in economic factors, such as discount rates, could also impact this calculation. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Refer to Judgements and key sources of estimation uncertainty and Note 13 for more information on judgements and estimates.

### Intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Amortisation is recognised on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method is reviewed annually and may vary depending on a number of factors, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful lives of intangible assets are as follow:

- Brands – indefinite
- Computer software – range from 3 – 6 years
- Customer relationships – range from 5 – 20 years

Brands acquired in a business combination are assessed as having indefinite useful lives and are not amortised, but tested for impairment annually.

### Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately within operating expenses in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### Financial assets

Financial assets are classified as financial assets 'at amortised cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Refer to the policy for Derivative financial instruments for further information on the accounting policy applicable to hedging instruments.

All financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Transaction costs on the financial instruments measured at fair value through profit or loss are immediately recognised in profit or loss.

#### – Recognition of financial assets

The Group initially recognises a financial asset only when it becomes party to the contractual provisions of the instrument.

#### – Financial assets at amortised cost

Trade and other receivables, loans and advances receivable and cash and cash equivalents are classified as financial assets at amortised cost if the asset is held in terms of the Group's business model where the objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost are measured at amortised cost using the effective interest method, less any impairment allowance. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

#### – Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

## Accounting Policies continued

### – Impairment of financial assets

Impairment provisions for trade receivables and other receivables, consisting of sundry debtors, are recognised based on the simplified approach within IFRS 9. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. Sundry debtors have similar credit risk characteristics and ageing profile as trade receivables. A provision matrix for trade receivables and other receivables is used in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the debtors. For debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within operating expenses in profit or loss. On confirmation that the debtors will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other financial assets are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12 month expected credit losses are recognised. There were no significant increases in credit risk in any of the Group's other financial assets.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due and when the debtor is unlikely to pay its credit obligations to the Group in full.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. Financial assets are written off as bad debt where there is no reasonable expectation of recovery. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- The failure of a debtor to engage in a repayment plan with the Group;
- A breach of contract such as a default or being more than 120 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- It is probable that the debtor will enter bankruptcy or other financial reorganisation.

Refer to Note 31.6 for further details on impairment of financial assets and the credit risk policy of the Group.

### – Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

### Financial liabilities

Financial liabilities are classified as financial liabilities at 'amortised cost'. Refer to the policy for Derivative financial instruments for further information on the accounting policy applicable to hedging instruments.

### – Recognition of financial liabilities

The Group initially recognises a financial liability only when it becomes party to the contractual provisions of the instrument.

### – Financial liabilities at amortised cost

Financial liabilities at amortised cost, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

### – Derecognition of financial liabilities

The Group derecognises financial liabilities with any gains or losses arising, recognised in profit or loss when, and only when, the Group's obligations are discharged, cancelled or they expire.

### Supplier finance arrangements

The Group classifies financial liabilities that arise from supplier finance arrangements within trade and other payables in the consolidated statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangements are not substantially different from the terms of the trade payables that are not part of the arrangement.

### Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk, through foreign exchange forward contracts.

The Group applies hedge accounting when the Group uses the instruments as a designated hedging instruments. The Group uses designated hedging instruments within the major divisions of the Group.

The Group hedges the majority of its foreign currency exposures. Import-related exposures are hedged to the value of 3 to 9 months' firm commitment imports and export-related exposures are hedged to the value of 9 to 12 months' firm commitment exports, or within 48 hours of receipt of a firm order, whichever date is earlier. Hedging instruments are limited to standard foreign exchange contracts (FEC's), Zero Cost Collars and Discount Collars.

## Accounting Policies continued

### – Hedge accounting

The Group designates its derivatives as cash flow hedges. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge. If these cash flow hedges meet the conditions for hedge accounting the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised within other losses in profit or loss.

Amounts deferred to the hedging reserves are recognised through profit and loss in the same period in which the hedged item affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for firm commitment transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the firm commitment transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### Inventories

Inventories are initially measured at cost and subsequently measured at the lower of cost and net realisable value.

Costs of inventories comprise all costs of purchase, direct production costs and other costs incurred in bringing the inventories to their present condition and location ready to sell. The majority of inventories are valued on a first-in-first-out basis.

The cost of inventories recognised as cost of sales within profit or loss, consists of those costs previously included in the measurement of inventories that have now been sold. Cost of sales also includes an allocation of indirect production costs such as insurance costs, security costs and maintenance costs, that is considered necessary for the production of inventories.

An allowance is raised to write inventories down to the lower of cost or net realisable value.

### Biological assets

Biological assets comprise mushroom production which are measured at fair value less estimated costs to sell, with any resultant gain or loss recognised within profit or loss. Costs to sell includes the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

### Share capital

Ordinary shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognised as a deduction from equity, net of any tax effects.

### Judgements and key sources of estimation uncertainty

The preparation of the consolidated and company annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about key areas of estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and company annual financial statements are as follows:

- Impairment of goodwill and other long-lived assets (estimate of future cash flows and determination of the discount rate) – refer to Note 14
- Useful lives of property, plant and equipment – refer to Note 10
- Useful lives of investment property – refer to Note 11
- Useful lives on intangible assets – refer to Note 14
- Valuation of biological assets – refer to Note 18
- Impairment of financial assets – refer to Note 31.6

### Normalised EBIT, Normalised EBITDA, Normalised EPS and Normalised HEPS

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 business units (that consolidate into the Group) as well as for strategic planning and other commercial decision-making purposes relating to each business unit. Normalised EBIT and Normalised EBITDA are non-IFRS measures.

## Accounting Policies continued

### Normalised EBIT and Normalised EBITDA

To arrive at the Normalised EBIT and Normalised EBITDA, the following adjustments are made to EBIT (operating profit as disclosed in the consolidated and company annual financial statements).

	Adjustment included in calculation of	
	Normalised EBIT	Normalised EBITDA
Add back: amortisation of intangible assets in relation to customer relationships 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, investment property and right-of-use assets	No	Yes
Add back: impairment losses on property, plant and equipment, investment property, goodwill and intangible assets; and abnormal impairment losses on biological assets and inventory.	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, investment property, gains and losses on disposals of assets or disposal groups (businesses) held for sale.	Yes	Yes
Deduct: insurance proceeds received as compensation for expenses and losses that were normalised, as well as insurance proceeds received during the year that relate to business interruptions that occurred in prior years and that pertain to assets that will not be reinstated.	Yes	Yes
Add back: the cost of the Long-term Incentive Plan (LTIP) and the Group Share Plan (GSP).	Yes	Yes

### Normalised EPS, Normalised HEPS and Adjusted Return on Invested Capital (ROIC)

The Pro Forma Financial Information has been prepared for illustrative purposes only. Due to its nature, the Pro Forma Financial Information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

The Pro Forma Financial Information, including the adjustments, is based on the audited consolidated and company annual financial statements of the Group for the year ended 31 December 2025. The Pro Forma Financial Information has been prepared using the accounting policies of the Group as at 31 December 2025, which are in compliance with IFRS Accounting Standards, and in accordance with the applicable criteria specified in the JSE Listings Requirements. The Pro Forma Financial Information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors.

### Normalised EPS and Normalised HEPS

Normalised EPS and Normalised HEPS illustrates an EPS and HEPS view where non-recurring and non-trading items (detailed in the table above) are excluded. The Normalised Earnings adjustments, which is used in the calculation of Normalised EPS, include all the Normalised EBIT adjustments (refer to the table above) unless they are adjustments that are also made in the calculation of Headline Earnings (as detailed in circular 01/2023). Normalised Headline Earnings, which is used in the calculation of Normalised HEPS, includes all the Normalised Earnings adjustments, as well as the headline earnings adjustments detailed in circular 01/2023.

### Adjusted ROIC

Normalised EBIT used in the Adjusted ROIC calculation is further adjusted by:

- Impact of IFRS 16 (depreciation on right-of-use assets) and replaced with the straight-line rent cost previously recognised with respect to operating leases under IAS 17; and
- Amortisation of intangible assets recognised during the 2014 Group restructuring.
- Impairments processed on restructuring assets

Invested capital is adjusted to exclude the intangible assets that were recognised during the 2014 Group restructuring. The ROIC calculation is consistent with the prior reporting periods.

### New and amended standards and interpretations

#### New and amended standards adopted by the Group

During the current year, the Group adopted the amended standard issued by the IASB that is relevant to its operations and effective for annual reporting periods beginning on 1 January 2025. While this standard is relevant to the Group's operations, it did not have a material impact on amounts recognised in the current or prior periods and is not expected to significantly affect future periods:

- Amendments to IAS 21 – Lack of Exchangeability

*Accounting Policies continued***New and amended standards not yet adopted by the Group**

Certain new and amended standards have been published that are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted. However, the Group intends to adopt these new and amended standards when they become effective. The Group has considered all the new and amended standards.

The following amended standards are not expected to have a material impact on the consolidated and company annual financial statements:

- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments;
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards;
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity; and
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

The following new standard is expected to have a material impact on the consolidated and company annual financial statements:

- IFRS 18 – Presentation and Disclosure in Financial Statements

The standard introduces new categories and subtotals in the consolidated and separate statement of profit or loss and other comprehensive income. It also requires disclosure of management-defined performance measures (MPM) and

includes new requirements for the location, aggregation and disaggregation of financial information.

The standard will result in the Group's statement of comprehensive income being reclassified into categories: operating, investing, financing, income tax and discontinued operations.

The disclosure of MPM will accordingly be introduced in the notes to the financial statements. MPM will be presented in a separate note explaining why management considers it to provide meaningful insight into the Company's performance from their viewpoint. The note will also set out how each MPM is determined, including the impact of tax and non-controlling interests, and will reconcile it to the most directly comparable subtotals and totals required by IFRS Accounting Standards where differences arise.

The new standard is effective for annual periods beginning or after 1 January 2027.

# Consolidated Statement of Profit or Loss and Other Comprehensive *Income*

for the year ended 31 December 2025

	Notes	2025 R'000	Restated <sup>1</sup> 2024 R'000
<b>CONTINUING OPERATIONS</b>			
Revenue	1	12 329 167	11 396 519
Cost of sales		(9 612 122)	(8 938 646)
<b>Gross profit</b>		<b>2 717 045</b>	<b>2 457 873</b>
Other income	2	16 980	20 600
Other gains/(losses)	3.1	25 392	37 099
Capital items	3.2	(251 170)	(419 972)
Operating expenses	3.3	(2 167 561)	(1 974 886)
<b>Operating profit</b>		<b>340 686</b>	<b>120 714</b>
Finance income	4	21 749	24 989
Finance costs	5	(208 570)	(235 688)
<b>Profit/(loss) before tax</b>		<b>153 865</b>	<b>(89 985)</b>
Income tax expense	6	(74 356)	(60 084)
<b>Profit/(loss) for the year from continuing operations</b>		<b>79 509</b>	<b>(150 069)</b>
<b>DISCONTINUED OPERATIONS</b>			
Loss for the year from discontinued operations	7	(79 732)	(171 436)
<b>Total loss for the year</b>		<b>(223)</b>	<b>(321 505)</b>
<b>Other comprehensive profit/(loss) for the year, net of tax</b>			
<b>Items that may be reclassified to profit or loss</b>			
Gains on hedging reserves	31.2	9 853	308
Hedging losses reclassified to profit or loss	31.2	(2 877)	(5 118)
Foreign currency translation reserve adjustments		(426)	160
<b>Items that will never be reclassified to profit or loss</b>			
Defined benefit plan actuarial gains		–	562
<b>Total comprehensive income/(loss) for the year</b>		<b>6 327</b>	<b>(325 593)</b>
Total (loss)/profit attributable to:			
Equity holders of the parent		(414)	(321 555)
Non-controlling interest		191	50
		<b>(223)</b>	<b>(321 505)</b>
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		6 136	(325 643)
Non-controlling interest		191	50
		<b>6 327</b>	<b>(325 593)</b>
Total comprehensive income/(loss) attributable to equity holders of the parent arises from:			
Continuing operations		85 868	(154 207)
Discontinued operations	7	(79 732)	(171 436)
		<b>6 136</b>	<b>(325 643)</b>
Basic and diluted (loss)/earnings per share (cents)			
		<b>(0.1)</b>	(54.0)
From continuing operations			
	8.1	13.3	(25.2)
From discontinued operations			
	8.1	(13.4)	(28.8)

<sup>1</sup> The comparative profit or loss is restated as if the discontinued operations had been discontinued from the beginning of the prior year.

# Consolidated Statement of Financial Position

as at 31 December 2025

	Notes	2025 R'000	2024 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>4 413 370</b>	<b>4 810 091</b>
Property, plant and equipment	10	1 465 682	1 551 278
Investment property	11	20 512	–
Right-of-use assets	12	498 463	497 620
Goodwill	13	1 438 443	1 653 842
Intangible assets	14	977 426	1 097 034
Other financial assets	19	9 842	7 115
Deferred tax assets	15	3 002	3 202
<b>Current assets</b>		<b>4 405 787</b>	<b>4 464 424</b>
Inventories	16	1 828 762	1 934 008
Trade and other receivables	17	2 061 936	1 960 500
Biological assets	18	–	27 414
Other financial assets	19	27 073	10 757
Current tax receivable		–	37 401
Cash and cash equivalents	26.1	488 016	494 344
<b>Total assets</b>		<b>8 819 157</b>	<b>9 274 515</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity holders of the parent</b>		<b>4 797 066</b>	<b>4 880 302</b>
Share capital	20	4 727 314	4 727 314
Other reserves	21	4 731	(1 873)
Retained earnings		65 021	154 861
<b>Non-controlling interests</b>		<b>–</b>	<b>(795)</b>
<b>Total equity</b>		<b>4 797 066</b>	<b>4 879 507</b>
<b>Non-current liabilities</b>		<b>2 078 173</b>	<b>2 335 940</b>
Other financial liabilities	24	1 140 146	1 363 111
Lease liabilities	12	548 332	531 656
Deferred tax liabilities	15	381 633	428 916
Employee benefits	22	1 706	10 065
Share-based payments	23	6 356	2 192
<b>Current liabilities</b>		<b>1 943 918</b>	<b>2 059 068</b>
Trade and other payables	25	1 649 683	1 620 619
Other financial liabilities	24	84 106	120 924
Lease liabilities	12	102 990	111 168
Current tax payable		7 024	4 881
Bank overdraft		100 115	201 476
<b>Total liabilities</b>		<b>4 022 091</b>	<b>4 395 008</b>
<b>Total equity and liabilities</b>		<b>8 819 157</b>	<b>9 274 515</b>

# Consolidated Statement of Changes in *Equity*

for the year ended 31 December 2025

	Share capital R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total R'000
<b>Balance at 1 January 2024</b>	<b>4 727 314</b>	<b>(72 953)</b>	<b>640 956</b>	<b>(845)</b>	<b>5 294 472</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>–</b>	<b>(4 088)</b>	<b>(321 555)</b>	<b>50</b>	<b>(325 593)</b>
(Loss)/profit for the year	–	–	(321 555)	50	(321 505)
Other comprehensive loss for the year	–	(4 088)	–	–	(4 088)
<b>Contributions and distributions</b>	<b>–</b>	<b>–</b>	<b>(89 372)</b>	<b>–</b>	<b>(89 372)</b>
Dividends declared and paid <sup>1</sup>	–	–	(89 372)	–	(89 372)
<b>Transfer of reserve to Retained earnings</b>	<b>–</b>	<b>75 168</b>	<b>(75 168)</b>	<b>–</b>	<b>–</b>
<b>Balance at 31 December 2024</b>	<b>4 727 314</b>	<b>(1 873)</b>	<b>154 861</b>	<b>(795)</b>	<b>4 879 507</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>–</b>	<b>6 550</b>	<b>(414)</b>	<b>191</b>	<b>6 327</b>
(Loss)/profit for the year	–	–	(414)	191	(223)
Other comprehensive profit for the year	–	6 550	–	–	6 550
<b>Transactions with owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>604</b>	<b>604</b>
Non-controlling interests on disposal of subsidiary	–	–	–	604	604
<b>Contributions and distributions</b>	<b>–</b>	<b>–</b>	<b>(89 372)</b>	<b>–</b>	<b>(89 372)</b>
Dividends declared and paid <sup>1</sup>	–	–	(89 372)	–	(89 372)
<b>Transfer of reserve to Retained earnings</b>	<b>–</b>	<b>54</b>	<b>(54)</b>	<b>–</b>	<b>–</b>
<b>Balance at 31 December 2025</b>	<b>4 727 314</b>	<b>4 731</b>	<b>65 021</b>	<b>–</b>	<b>4 797 066</b>
Notes	<b>20</b>	<b>21</b>			

<sup>1</sup> On 14 April 2025 (2024: 15 April 2024) the Board paid a dividend of 15 cents (2024: 15 cents) per ordinary share totalling R89.4m (2024: R89.4m).

# Consolidated Statement of Cash *Flows*

for the year ended 31 December 2025

	Notes	2025 <sup>1</sup> R'000	2024 R'000
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>747 980</b>	<b>484 958</b>
Cash generated from operations	26	1 025 502	794 410
Finance income received		21 749	27 147
Finance costs paid		(209 463)	(243 947)
Taxation paid	27	(89 808)	(92 652)
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>(167 611)</b>	<b>(73 890)</b>
Purchase of property, plant and equipment and computer software		(192 688)	(129 550)
Proceeds on disposal of property, plant and equipment and computer software		7 441	9 088
Proceeds from insurance		356	8
Cash outflow on disposal of subsidiary		(1 220)	–
Proceeds on disposal of investments	7.3	18 500	46 564
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(584 352)</b>	<b>(330 319)</b>
Capital portion of lease payments	26.3	(96 817)	(95 175)
Repayment of bank loans and asset based finance	26.3	(298 163)	(145 772)
Repayment of bank overdraft	26.3	(100 000)	–
Dividend paid		(89 372)	(89 372)
Net (decrease)/increase in cash and cash equivalents		(3 983)	80 749
Cash and cash equivalents at the beginning of the year	26.1	492 868	397 247
Effects of exchange rate changes on cash and cash equivalents		(984)	14 872
<b>Cash and cash equivalents at the end of the year</b>	26.1	<b>487 901</b>	<b>492 868</b>
<b>Cash flows of discontinued operations</b>	7.2	<b>4</b>	<b>109</b>

<sup>1</sup> The consolidated statement of cash flows represents both continued and discontinued operations combined cash flows.

The comparative cash flows of discontinued operations is restated as if the discontinued operations had been discontinued from the beginning of the prior year.

# Segmental *Analysis*

for the year ended 31 December 2025

## **Basis of segmentation**

The Group operates over multiple business units which are aggregated into three reportable segments per product category. Household and Personal Care remains separate from these two super-categories and represents the third reportable segment. Information on these three segments is reported to the chief operating decision maker for the purposes of resource allocation and the assessment of segment performance.

The following summary describes each segment:

### **Perishable Products**

The Perishables Products segment comprises of products that are refrigerated or frozen and includes dairy, convenience meals and value-added meats.

### **Ambient Products**

The Ambient Products segment includes wet and dry condiments, meal ingredients, baking, snacking and spreads.

### **Household and Personal Care Products**

The Household and Personal Care segment includes household cleaning products, as well as personal care products.

## Segmental Analysis continued

Information about reportable segments	Ambient Products R'000	Perishable Products R'000	Household and Personal Care R'000	Corporate R'000	Group Total R'000
<b>Year ended 31 December 2025</b>					
Revenue	6 266 503	5 903 577	159 087	–	12 329 167
Total segmental revenue	6 388 007	5 930 833	159 087	–	12 477 927
Elimination of inter-segment revenue	(121 504)	(27 256)	–	–	(148 760)
Cost of sales	4 644 590	4 868 383	118 006	(18 857)	9 612 122
Employee benefits	378 306	213 999	14 185	55 803	662 293
Sales and distribution expenses	447 906	357 876	18 932	–	824 714
General and administrative expenses	216 268	153 320	6 464	54 038	430 090
Operating profit/(loss)	220 946	230 494	(4 325)	(106 429)	340 686

Information about reportable segments	Ambient Products R'000	Perishable Products R'000	Household and Personal Care R'000	Corporate R'000	Group Total R'000
<b>Year ended 31 December 2024</b>					
Revenue	5 832 950	5 404 597	158 972	–	11 396 519
Total segmental revenue	5 956 447	5 432 277	158 972	–	11 547 696
Elimination of inter-segment revenue	(123 497)	(27 680)	–	–	(151 177)
Cost of sales	4 349 154	4 494 379	114 097	(18 984)	8 938 646
Employee benefits	323 642	179 803	19 828	49 087	572 360
Sales and distribution expenses	407 924	332 429	18 991	(149)	759 195
General and administrative expenses	191 008	148 516	5 516	56 638	401 678
Operating profit/(loss)	455 027	(220 029)	(3 438)	(110 846)	120 714

Information about reportable segments	2025 R'000	2024 R'000
<b>Reconciliation of operating profit to profit/(loss) before tax</b>		
Operating profit	340 686	120 714
Finance income	21 749	24 989
Finance costs	(208 570)	(235 688)
<b>Profit/(loss) before tax</b>	<b>153 865</b>	(89 985)

## Segmental Analysis continued

	Ambient Products R'000	Perishable Products R'000	Household and Personal Care R'000	Corporate R'000	Group Total R'000
<b>Normalised EBIT and EBITDA</b>					
<b>Year ended 31 December 2025</b>					
Operating profit/(loss)	220 946	230 494	(4 325)	(106 429)	340 686
Amortisation of customer relationships	64 219	39 033	–	–	103 252
Due diligence costs	–	–	–	1 607	1 607
Expenses relating to share-based payments	–	–	–	4 582	4 582
Government grants	(5 896)	(2 297)	–	–	(8 193)
Gain on disposal of non-current assets held for sale	–	4 412	–	–	4 412
Insurance proceeds	(352)	(8)	–	(4)	(364)
Impairment losses on goodwill and other assets	231 267	2 374	–	–	233 641
Loss on disposal of property, plant and equipment	13 978	4 933	–	411	19 322
Retrenchment and settlement costs	25 192	5 050	995	32	31 269
Strategic advisory fees	–	81	111	2 400	2 592
Restructuring costs	435	–	–	–	435
Unrealised gain on foreign exchange	(6 591)	(337)	(61)	–	(6 989)
<b>Normalised EBIT</b>	<b>543 198</b>	<b>283 735</b>	<b>(3 280)</b>	<b>(97 401)</b>	<b>726 252</b>
Amortisation of software	3 578	1 526	–	328	5 432
Depreciation of property, plant and equipment and right-of-use assets	177 910	136 521	13 192	12 017	339 640
<b>Normalised EBITDA</b>	<b>724 686</b>	<b>421 782</b>	<b>9 912</b>	<b>(85 056)</b>	<b>1 071 324</b>
Less: lease payments and lease modifications	(98 609)	(55 224)	(4 504)	(3 604)	(161 941)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>626 077</b>	<b>366 558</b>	<b>5 408</b>	<b>(88 660)</b>	<b>909 383</b>

## Segmental Analysis continued

	Ambient Products R'000	Perishable Products R'000	Household and Personal Care R'000	Corporate R'000	Group Total R'000
<b>Normalised EBIT and EBITDA</b>					
<b>Year ended 31 December 2024</b>					
Operating profit/(loss)	455 027	(220 029)	(3 438)	(110 846)	120 714
Amortisation of customer relationships	61 301	39 040	–	–	100 341
Due diligence costs	–	196	–	3 199	3 395
Expenses relating to share-based payments	–	–	–	1 355	1 355
Government grants	(3 926)	(2 323)	–	–	(6 249)
Insurance proceeds	(283)	(162)	–	–	(445)
Impairment losses on goodwill and other assets	14 374	400 000	–	–	414 374
Loss on disposal of property, plant and equipment	2 172	3 803	–	67	6 042
Retrenchment and settlement costs	5 533	992	120	–	6 645
Strategic advisory fees	–	3 845	301	4 279	8 425
Unrealised (gain)/loss on foreign exchange	(1 296)	825	94	–	(377)
<b>Normalised EBIT</b>	<b>532 902</b>	<b>226 187</b>	<b>(2 923)</b>	<b>(101 946)</b>	<b>654 220</b>
Amortisation of software	3 811	9 287	–	902	14 000
Depreciation of property, plant and equipment and right-of-use assets	166 410	139 287	13 760	17 146	336 603
<b>Normalised EBITDA</b>	<b>703 123</b>	<b>374 761</b>	<b>10 837</b>	<b>(83 898)</b>	<b>1 004 823</b>
Less: lease payments and lease modifications	(97 128)	(57 833)	(4 619)	(3 210)	(162 790)
<b>Normalised EBITDA (excluding effect of IFRS 16)</b>	<b>605 995</b>	<b>316 928</b>	<b>6 218</b>	<b>(87 108)</b>	<b>842 033</b>

## Segmental Analysis continued

	2025 R'000	2024 R'000
<b>Export revenue</b>		
The Group mainly operates in South Africa. Revenue derived from end customers domiciled within South Africa is classified as revenue from South Africa. Revenue from end customers domiciled outside of South Africa is classified as export revenue.		
Export revenue for the year	<b>1 358 728</b>	1 350 964
<b>Revenue from external customers attributed to individual foreign countries material to the Group:</b>		
United States of America	<b>398 061</b>	321 229
Namibia	<b>208 223</b>	176 639
Australia	<b>122 589</b>	159 230
Botswana	<b>120 155</b>	125 527
Japan	<b>110 209</b>	120 729
United Kingdom	<b>52 255</b>	72 502
Canada	<b>39 118</b>	35 122
United Arab Emirates	<b>37 711</b>	34 656
Sweden	<b>30 394</b>	12 739
<b>Total</b>	<b>1 118 715</b>	<b>1 058 373</b>
<b>Major customers</b>		
During the period under review, revenue from certain customers exceeded 10% of total revenue.		
Customer A	<b>20%</b>	20%
Customer B	<b>19%</b>	19%
The above customers trade with the Group across all three segments. The contribution of each customer to total revenue is therefore spread across multiple segments.		

## Segmental Analysis continued

Revenue by channel	Note	2025 R'000	2024 R'000	Change %
Retail and wholesale		<b>6 852 827</b>	6 392 835	7.2
Food service		<b>2 534 544</b>	2 318 300	9.3
Exports		<b>1 358 728</b>	1 350 964	0.6
Industrial and contract manufacturing		<b>1 583 068</b>	1 334 420	18.6
<b>Total Group revenue</b>	1	<b>12 329 167</b>	<b>11 396 519</b>	<b>8.2</b>

Contribution to Group revenue	2025 %	2024 %
Retail and wholesale	<b>55.6</b>	56.1
Food service	<b>20.6</b>	20.3
Exports	<b>11.0</b>	11.9
Industrial and contract manufacturing	<b>12.8</b>	11.7
<b>Total Group revenue</b>	<b>100.0</b>	<b>100.0</b>

Revenue by channel per segment	Ambient Products R'000	Perishable Products R'000	Household and Personal Care R'000	Group Total R'000
<b>Year ended 31 December 2025</b>				
Retail and wholesale	<b>3 398 376</b>	<b>3 306 897</b>	<b>147 554</b>	<b>6 852 827</b>
Food service	<b>906 879</b>	<b>1 627 665</b>	–	<b>2 534 544</b>
Exports	<b>1 038 562</b>	<b>312 340</b>	<b>7 826</b>	<b>1 358 728</b>
Industrial and contract manufacturing	<b>922 686</b>	<b>656 675</b>	<b>3 707</b>	<b>1 583 068</b>
	<b>6 266 503</b>	<b>5 903 577</b>	<b>159 087</b>	<b>12 329 167</b>
<b>Year ended 31 December 2024</b>				
Retail and wholesale	3 124 127	3 121 458	147 250	6 392 835
Food service	831 600	1 486 700	–	2 318 300
Exports	1 074 365	269 643	6 956	1 350 964
Industrial and contract manufacturing	802 858	526 796	4 766	1 334 420
	<b>5 832 950</b>	<b>5 404 597</b>	<b>158 972</b>	<b>11 396 519</b>

# Notes to the Consolidated Annual Financial Statements

for the year ended 31 December 2025

	Notes	2025 R'000	2024 R'000
<b>1 Revenue</b>			
Revenue from the sale of goods		12 313 302	11 381 652
Sales commission		15 865	14 867
		<b>12 329 167</b>	<b>11 396 519</b>
Refer to the Segmental Information for detailed revenue disclosure by reportable segment.			
<b>2 Other income</b>			
Sundry income		8 787	14 351
Government grants <sup>1</sup>		8 193	6 249
		<b>16 980</b>	<b>20 600</b>
<sup>1</sup> Income from government grants includes income received under the Manufacturing Competitiveness Enhancement Program, Skills Development and the Employer Tax Incentive program.			
<b>3 Operating profit</b>			
Operating profit from continuing operations is calculated after taking into account the following:			
<b>3.1 Nature of income/(expenses) included in other gains/(losses)</b>			
Gain on foreign exchange		29 804	37 099
Realised gain on foreign exchange		22 814	36 722
Unrealised gain on foreign exchange		6 990	377
Loss on disposal of subsidiary		(4 412)	-
<b>3.2 Nature of expenses/(income) included in capital items</b>			
Total loss in capital items		251 170	419 972
Impairment loss on goodwill	14.3	214 299	400 000
Impairment loss on intangible assets	14.3	14 251	14 374
Impairment loss on property, plant and equipment	14.3	3 662	-
Loss on disposal of property, plant and equipment		19 322	6 043
Insurance proceeds		(364)	(445)
<b>3.3 Nature of expenses included in operating expenses</b>			
Depreciation of property, plant and equipment and investment property		41 401	49 454
Depreciation of right-of-use assets		39 258	28 615
Amortisation of computer software	14	5 432	14 000
Amortisation of customer relationships	14	103 252	100 341
Employee benefits		662 293	572 360
Salaries and wages		628 367	565 908
Retrenchment and settlement costs		29 344	5 097
Charges relating to long-term incentive scheme	23.2	4 582	1 355
Net impairment loss on trade and other receivables	17.1	2 409	3 522
Research and development costs expensed as incurred		8 322	8 970
Auditor's fees		17 165	13 009
Short-term lease charges		16 488	12 066
Low-value lease charges		16 737	11 678
Sales and distribution expenses		824 714	759 195
General and administrative expenses		430 090	401 678

## Notes to the Consolidated Annual Financial Statements continued

Notes	2025 R'000	2024 R'000
<b>3 Operating profit</b> <i>continued</i>		
<b>3.4 Nature of expenses included in cost of sales<sup>1</sup></b>		
Depreciation of property, plant and equipment	<b>192 951</b>	194 902
Depreciation of right-of-use assets	<b>66 028</b>	63 632
Employee benefits	<b>894 600</b>	820 549
Salaries and wages	<b>892 676</b>	819 002
Retrenchment and settlement costs	<b>1 924</b>	1 547
Short-term lease charges	<b>1 889</b>	1 084
Low-value lease charges	<b>21 278</b>	13 027
<sup>1</sup> Refer to Note 16 for the cost of inventories recognised as an expense during the current and prior year.		
<b>4 Finance income</b>		
Interest income on financial assets calculated using the effective interest rate method:		
Bank deposits	<b>19 342</b>	24 828
Other interest received	<b>2 407</b>	161
	<b>21 749</b>	<b>24 989</b>
<b>5 Finance costs</b>		
Interest on lease liabilities	<b>64 311</b>	60 354
Interest on bank overdraft, bank loans and asset based finance <sup>1</sup>	<b>138 515</b>	169 228
Other interest	<b>5 718</b>	5 933
Interest on late payment of tax	<b>26</b>	173
	<b>208 570</b>	<b>235 688</b>
<sup>1</sup> Included in the interest on bank overdraft, bank loans and asset based finance is interest paid on senior Facility A – D amounting to R100.6m (2024: R122.9m).		

## Notes to the Consolidated Annual Financial Statements continued

	Notes	2025 R'000	2024 R'000
<b>6 Income tax expense</b>			
<b>Income tax recognised in statement of profit or loss and other comprehensive income</b>			
Current income tax		<b>129 460</b>	98 506
Current year		<b>130 200</b>	97 574
(Over)/under provision previous years		<b>(740)</b>	932
Deferred tax	15	<b>(49 788)</b>	(74 576)
Current year from continuing operations		<b>(55 887)</b>	(33 884)
Under/(over) provision previous years		<b>783</b>	(4 538)
Current year from discontinued operations		<b>5 316</b>	(36 154)
<b>Total tax expense for the year</b>		<b>79 672</b>	<b>23 930</b>
The tax expense for the year can be reconciled to the accounting profit/(loss) as follows:			
Profit/(loss) before tax			
Continuing operations		<b>153 865</b>	(89 985)
Discontinued operations		<b>(74 416)</b>	(207 591)
Profit/(loss) before tax from all operations		<b>79 449</b>	(297 576)
Income tax calculated at statutory rate of 27%		<b>21 451</b>	(80 345)
Non-taxable income <sup>1</sup>		<b>(480)</b>	(3 990)
Non-deductible expenditure <sup>2</sup>		<b>797</b>	3 918
Impairment loss on goodwill		<b>57 861</b>	108 000
Unutilised assessed loss		–	(47)
Prior period (over)/under provision – current tax		<b>(740)</b>	932
Prior period under/(over) provision – deferred tax		<b>783</b>	(4 538)
<b>Tax expense for the year recognised in profit or loss</b>		<b>79 672</b>	<b>23 930</b>
Tax expense/(income) for the year is attributable to:			
Continuing operations		<b>74 356</b>	60 084
Discontinued operations	7.2 – 7.3	<b>5 316</b>	(36 154)
		<b>79 672</b>	<b>23 930</b>

<sup>1</sup> Non-taxable income includes employment tax incentive refunds; S12H learnership deductions; DTL refunds; and income which is capital in nature.

<sup>2</sup> Non-deductible expenditure includes donations; non-deductible legal and professional fees; fines and penalties; non-deductible restructuring costs; non-deductible subscriptions; and short-term capital expenditure.

## Notes to the Consolidated Annual Financial Statements continued

	2025 R'000	2024 R'000
<b>7 Loss from discontinued operations</b>		
<b>7.1 Loss from discontinued operations</b>		
<b>Loss from discontinued operations</b>	<b>(79 732)</b>	(171 436)
<p>The only discontinued operation relating to the prior year was Chet Chemicals. However, the comparative loss from discontinued operations have been restated to include the Denny Mushrooms business unit (Refer to note below). The current-year loss from discontinued operations recognised in the statement of profit or loss and other comprehensive income relates solely to the Denny Mushrooms business unit.</p> <p><b>Discontinued operation sold–Denny Mushrooms within the Perishable Products segment</b></p> <p>The Group signed the sale of business agreement for the sale of the Denny Mushrooms business unit within the Perishable Products segment on 7 November 2025. Denny Mushrooms was classified as held for sale on 7 November 2025, while the effective date of the sale was 1 December 2025.</p> <p>Financial information relating to the Denny Mushrooms discontinued operation (2024: Chet Chemicals and Denny Mushrooms discontinued operations) is set out below:</p>		
<b>7.2 Discontinued operations financial information</b>		
<b>Financial performance and cash flow information</b>		
The loss for the year from the discontinued operations is set out below:		
Revenue	<b>359 923</b>	814 213
Cost of sales	<b>(343 482)</b>	(713 703)
<b>Gross profit</b>	<b>16 441</b>	100 510
Other income	<b>6 253</b>	18 791
Other losses	<b>(28)</b>	(281)
Capital items	<b>146</b>	(134 516)
Operating expenses	<b>(39 883)</b>	(117 188)
<b>Operating loss</b>	<b>(17 071)</b>	(132 684)
Finance income	–	2 157
Finance costs	<b>(893)</b>	(8 259)
<b>Loss before tax</b>	<b>(17 964)</b>	(138 786)
Taxation	<b>(292)</b>	26 510
Loss on sale of Denny Mushrooms (2024: Chet Chemicals) after income tax	<b>(61 476)</b>	(59 160)
<b>Loss for the year from discontinued operations</b>	<b>(79 732)</b>	(171 436)
Loss from discontinued operations attributable to:		
Equity holders of the parent	<b>(79 732)</b>	(171 436)
<b>Cash flow information</b>		
Net cash outflow from operating activities	<b>(23 387)</b>	(38 200)
Net cash inflow from investing activities	<b>6 981</b>	19 293
Net cash inflow from financing activities	<b>16 410</b>	19 016
<b>Net decrease in cash generated by the operations</b>	<b>4</b>	109

## Notes to the Consolidated Annual Financial Statements continued

	2025 R'000	2024 R'000
<b>7 Loss from discontinued operations</b> <i>continued</i>		
<b>7.3 Details of the sale of Denny Mushrooms (2024: Chet Chemicals)</b>		
Disposal consideration:		
<b>Proceeds<sup>1</sup></b>	<b>30 000</b>	52 564
Less: carrying amount of net assets sold	<b>(86 452)</b>	(121 369)
Property, plant and equipment	<b>(33 579)</b>	(84 188)
Inventory	<b>(20 894)</b>	(42 275)
Biological assets	<b>(28 646)</b>	–
Trade and other receivables	<b>(39 221)</b>	(62 558)
Defined Benefit Plan	<b>(54)</b>	–
Post-retirement Medical Aid	<b>7 677</b>	–
Trade and other payables	<b>19 078</b>	66 007
Provisions	<b>9 187</b>	1 645
<b>Loss on sale before income tax</b>	<b>(56 452)</b>	(68 805)
Income tax on loss	<b>(5 024)</b>	9 645
<b>Loss on sale after income tax</b>	<b>(61 476)</b>	(59 160)

<sup>1</sup> Proceeds comprise R12.5 million in cash relating to the business and R17.5 million relating to the properties. The R17.5 million attributable to the properties is payable on transfer and has therefore been included in net working capital. (2024: Proceeds are made up of R46.6m in cash and R6.0m relating to net working capital). R6.0m proceeds recognised on the sale of Chet Chemicals in 2024 was received in the current year.

	Note	2025 R'000	2024 R'000
<b>8 Earnings per share</b>			
<b>8.1 Basic and diluted earnings/(loss) per share</b>			
The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:			
Earnings/(loss) used in the calculation of basic earnings per share		<b>(414)</b>	(321 555)
From continuing operations attributable to equity holders of the parent		<b>79 318</b>	(150 119)
From discontinued operations attributable to equity holders of the parent		<b>(79 732)</b>	(171 436)
<b>Weighted average number of ordinary shares ('000)<sup>1</sup></b>	20	<b>595 812</b>	595 812
Basic and diluted earnings/(loss) per share in cents			
Earnings/(loss) from continuing operations		<b>13.3</b>	(25.2)
Loss from discontinued operations		<b>(13.4)</b>	(28.8)
<b>From continuing and discontinued operations</b>		<b>(0.1)</b>	<b>(54.0)</b>

<sup>1</sup> There were no dilutive shares in the current and prior year. Therefore basic and diluted earnings per share are equal.

## Notes to the Consolidated Annual Financial Statements continued

	2025 R'000	2024 R'000
<b>8 Earnings per share</b> <i>continued</i>		
<b>8.2 Normalised earnings/(loss) per share (EPS)</b>		
Normalised EPS is a non-IFRS measure. To arrive at Normalised EPS, the after-tax earnings/(loss) is adjusted for the after-tax impact of the following:		
Profit/(loss) for the year from continuing operations	<b>79 318</b>	(150 119)
Normalised for:	<b>95 487</b>	80 868
Amortisation of customer contracts	<b>75 374</b>	73 249
Due diligence costs	<b>1 607</b>	2 478
Expenses relating to share-based payments	<b>3 345</b>	989
Compensation from third parties for items of property, plant and equipment, intangibles, inventory that were lost or given up and insurance proceeds relating to prior year's business interruptions	–	(325)
Impairment on inventory	<b>1 043</b>	–
Government grants	<b>(6 516)</b>	(6 249)
Restructuring	<b>318</b>	–
Retrenchment and settlement costs	<b>22 826</b>	4 851
Strategic advisory fees	<b>2 592</b>	6 150
Unrealised gain on foreign exchange	<b>(5 102)</b>	(275)
Normalised earnings/(loss)	<b>174 805</b>	(69 251)
Weighted average number of ordinary shares ('000)	<b>595 812</b>	595 812
Normalised basic earnings/(loss) per share in cents	<b>29.3</b>	<b>(11.6)</b>

**8.3 Headline earnings/(loss) per share**

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

	2025		2024	
	Gross	Net of tax	Gross	Net of tax
<b>Continuing operations</b>				
Basic earnings/(loss) from continuing operations		<b>79 318</b>		(150 119)
Adjustments	<b>255 590</b>	<b>245 632</b>	420 408	414 898
Impairment of goodwill	<b>214 299</b>	<b>214 299</b>	400 000	400 000
Impairment of intangible assets	<b>14 251</b>	<b>10 403</b>	14 374	10 493
Impairment of property, plant and equipment	<b>3 662</b>	<b>2 673</b>	–	–
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	<b>(356)</b>	<b>(260)</b>	(8)	(6)
Loss on disposal of subsidiary	<b>4 412</b>	<b>4 412</b>	–	–
Loss on disposal of property, plant and equipment	<b>19 322</b>	<b>14 105</b>	6 042	4 411
Headline earnings from continuing operations		<b>324 950</b>		<b>264 779</b>

Notes to the Consolidated Annual Financial Statements continued

8 Earnings per share *continued*

8.3 Headline earnings/(loss) per share *continued*

Discontinued operations	2025		2024	
	Gross	Net of tax	Gross	Net of tax
Basic loss from discontinued operations		(79 732)		(171 436)
Adjustments	56 387	61 429	203 545	157 521
Loss on sale of Denny Mushrooms (2024: Chet Chemicals)	56 452	61 476	68 805	59 160
Impairment of property, plant and equipment	–	–	44 927	32 797
Impairment of intangible assets	–	–	89 588	65 400
(Gain)/loss on disposal of property, plant and equipment	(65)	(47)	225	164
Headline earnings from discontinued operations		(18 303)		(13 915)

	2025	2024
	R'000	R'000
Headline earnings from continuing and discontinued operations	306 647	250 864
Headline earnings/(loss) and diluted headline earnings/(loss) per share in cents:		
Earnings from continuing operations	54.5	44.4
Loss from discontinued operations	(3.1)	(2.3)
From continuing and discontinued operations	51.4	42.1

8.4 Normalised headline earnings/(loss) per share (HEPS)

Normalised HEPS is a non-IFRS measure. To arrive at normalised HEPS, the normalised EPS is adjusted for the after-tax impact of the below:

	Net	Net
	2025	2024
	R'000	R'000
Normalised basic earnings/(loss) from continuing operations	174 805	(69 251)
Adjustments	245 632	414 898
Impairment of goodwill	214 299	400 000
Impairment loss on intangible assets	10 403	10 493
Impairment of property, plant and equipment	2 673	–
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	(260)	(6)
Loss on disposal of subsidiary	4 412	–
Loss on disposal of property, plant and equipment	14 105	4 411
Normalised headline earnings	420 437	345 647
Normalised headline earnings per share in cents	70.6	58.0

Notes to the Annual Financial Statements continued

9 Directors' remuneration

Name/designation	Basic salary R'000	Company contributions R'000	Bonuses R'000	Share-based payments R'000	Other benefits^ R'000	Director's fees R'000	Total remuneration and benefits R'000
<b>2025</b>							
<b>Executive Directors</b>							
CB de Villiers	5 810	71	989	418	–	–	7 288
TL Ladbrooke	3 859	46	801	–	–	–	4 706
C Lodewyks	3 722	899	1 514	–	–	–	6 135
<b>Total Executive Directors Remuneration</b>	<b>13 391</b>	<b>1 016</b>	<b>3 304</b>	<b>418</b>	<b>–</b>	<b>–</b>	<b>18 129</b>
<b>Non-Executive Directors</b>							
W Luhabe^^	–	–	–	–	–	547	547
JP Landman^^	–	–	–	–	–	1 415	1 415
A Andrews	–	–	–	–	–	819	819
S Masinga	–	–	–	–	–	793	793
S Khanna	–	–	–	–	–	1 117	1 117
T Carstens^^^	–	–	–	–	–	434	434
<b>Total Non-Executive Directors Remuneration</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 125</b>	<b>5 125</b>
<b>Total</b>	<b>13 391</b>	<b>1 016</b>	<b>3 304</b>	<b>418</b>	<b>–</b>	<b>5 125</b>	<b>23 254</b>
<b>2024</b>							
<b>Executive Directors</b>							
CB de Villiers	5 355	54	–	138	–	–	5 547
TL Ladbrooke	3 675	40	410	32	–	–	4 157
C Lodewyks	3 539	1 015	189	103	108	–	4 954
<b>Total Executive Directors Remuneration</b>	<b>12 569</b>	<b>1 109</b>	<b>599</b>	<b>273</b>	<b>108</b>	<b>–</b>	<b>14 658</b>
<b>Non-Executive Directors</b>							
W Luhabe	–	–	–	–	–	1 250	1 250
JP Landman	–	–	–	–	–	1 123	1 123
A Andrews	–	–	–	–	–	1 030	1 030
S Masinga	–	–	–	–	–	755	755
S Khanna	–	–	–	–	–	1 064	1 064
<b>Total Non-Executive Directors Remuneration</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 222</b>	<b>5 222</b>
<b>Total</b>	<b>12 569</b>	<b>1 109</b>	<b>599</b>	<b>273</b>	<b>108</b>	<b>5 222</b>	<b>19 880</b>

^ Other benefits include bursary fees for further education.

^^ W Luhabe resigned as a Non-Executive director and Board chairman effective 30 May 2025 and JP Landman was appointed as the new chairman with effect from that date. A Andrews was appointed as lead independent director from 31 July 2025.

^^^ Mr T Carstens, was appointed as an Independent Non-Executive Director with effect from 1 May 2025.

Notes to the Annual Financial Statements continued

9 Directors' remuneration *continued*

9.1 Directors' share rights

Long-Term Incentive Plan (LTIP)

The table below sets out the awards to executive directors made in terms of the LTIP:

Executive directors	Date of award	Vesting date	Price on grant	Number of rights as at 31 Dec 2024	Number of instruments awarded during the year	Number of instruments vested during the year	Number of instruments forfeited during the year	Number of rights as at 31 Dec 2025
<b>CEO (Charl de Villiers)</b>								
<b>LTIP</b>								
Performance shares	Dec 2022	Dec 2025	5.80	492 534	–	(95 289)	(397 245)	–
Performance shares	Apr 2023	Apr 2026	4.86	839 506	–	–	–	839 506
Performance shares	Mar 2024	Mar 2027	4.35	1 203 371	–	–	–	1 203 371
Performance shares	Mar 2025	Mar 2028	4.73	–	1 173 773	–	–	1 173 773
<b>CFO (Terri Ladbrooke)</b>								
<b>LTIP</b>								
Performance shares	Apr 2023	Apr 2026	4.86	504 115	–	–	–	504 115
Performance shares	Mar 2024	Mar 2027	4.35	722 612	–	–	–	722 612
Performance shares	Mar 2025	Mar 2028	4.73	–	682 102	–	–	682 102
<b>Executive Director (Cornél Lodewyks)</b>								
<b>LTIP</b>								
Performance shares	Apr 2023	Apr 2026	4.86	590 535	–	–	–	590 535
Performance shares	Mar 2024	Mar 2027	4.35	846 489	–	–	–	846 489
Performance shares	Mar 2025	Mar 2028	4.73	–	799 034	–	–	799 034

At the beginning of the financial period, the number of securities available for the scheme was unlimited, and following no changes during the period, the number remains unlimited at year-end.

Notes to the Consolidated Annual Financial Statements continued

	Note	2025 R'000	2024 R'000
<b>10 Property, plant and equipment</b>			
Cost		<b>2 904 807</b>	2 947 535
Accumulated depreciation and impairment		<b>(1 439 125)</b>	(1 396 257)
		<b>1 465 682</b>	1 551 278
		<b>Freehold land and buildings R'000</b>	<b>Plant, vehicles, machinery and equipment R'000</b>
<b>31 December 2025</b>			
<b>Carrying value</b>			
At 1 January 2025		<b>151 610</b>	<b>1 399 668</b>
Additions		–	<b>238 405</b>
Transfer between PPE and Intangibles		–	<b>(1 287)</b>
Transfer between classes		<b>(6 471)</b>	<b>6 471</b>
Transfer between PPE and Investment Property	11	<b>(20 708)</b>	–
Scrapping and disposals		–	<b>(26 631)</b>
Reclassified as held for sale and disposed	7.3	<b>(24 312)</b>	<b>(9 267)</b>
Depreciation from continuing operations		<b>(7 322)</b>	<b>(226 924)</b>
Depreciation from discontinued operations		<b>(1 567)</b>	<b>(2 411)</b>
Impairment from continuing operations	14.3	–	<b>(3 662)</b>
<b>At 31 December 2025</b>		<b>91 320</b>	<b>1 374 362</b>
<b>Total carrying value at 31 December 2025</b>			<b>1 465 682</b>
<b>31 December 2024</b>			
<b>Carrying value</b>			
At 1 January 2024		160 711	1 574 746
Additions		–	195 164
Transfer between PPE and Intangibles		–	(239)
Transfer between classes		(8)	8
Scrapping and disposals		–	(4 756)
Reclassified as held for sale and disposed		–	(84 188)
Depreciation from continuing operations		(9 093)	(235 261)
Depreciation from discontinued operations		–	(879)
Impairment from discontinuing operations		–	(44 927)
<b>At 31 December 2024</b>		<b>151 610</b>	<b>1 399 668</b>
<b>Total carrying value at 31 December 2024</b>			<b>1 551 278</b>

Plant, vehicles, machinery and equipment are pledged as security for the associated asset based finance agreement entered into to finance their acquisition. These asset based finance agreements are detailed in Note 24.

In re-assessing asset useful lives, factors such as technological innovation and maintenance programs are taken into account. The useful lives of the assets are estimated based on management's best estimates and industry experience.

The Group has signed a general and special notarial bond over all the movable assets in favour of Nedbank Ltd, Standard Bank of South Africa Ltd, and Rand Merchant Bank Holdings Ltd. Refer to Note 31.7 Liquidity risk management for further details.

There were no material capital commitments at the end of the current and prior year.

## Notes to the Consolidated Annual Financial Statements continued

	Note	2025 R'000
<b>11 Investment Property</b>		
Cost		20 708
Accumulated depreciation and impairment		(196)
		20 512
		<b>Investment Property R'000</b>
<b>31 December 2025</b>		
<b>Carrying value</b>		
At 1 January 2025		–
Transfer between PPE and Investment Property	10	20 708
Depreciation from continuing operations		(196)
<b>At 31 December 2025</b>		<b>20 512</b>
<b>Total carrying value at 31 December 2025</b>		<b>20 512</b>

During the current year, the Quality Business Park and the Groot Phesantekraal properties were not included in the sale of Umatie Proprietary Limited and the Denny Mushrooms businesses, respectively. Accordingly, these properties are no longer classified as owner-occupied properties with effect from 1 August 2025 and 1 December 2025, respectively. As at 31 December 2025, the Quality Business Park property has a fair value of R4.4 million, while the Groot Phesantekraal property has a fair value of R36.9 million.

## Notes to the Consolidated Annual Financial Statements continued

**12 Leases**

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

The consolidated statement of financial position shows the following amounts relating to leases:

Notes	<b>2025</b> <b>R'000</b>	2024 R'000
<b>Right-of-use assets</b>		
Non-current assets	<b>498 463</b>	497 620
<b>Lease Liabilities</b>		
Non-current liabilities	<b>(548 332)</b>	(531 656)
Current liabilities	<b>(102 990)</b>	(111 168)
<b>Right-of-use assets<sup>1</sup></b>		
Right-of-use assets at 1 January	<b>497 620</b>	421 065
Lease modifications	<b>10 595</b>	57 626
Additions	<b>95 534</b>	115 866
Depreciation charge from continuing operations	<b>(105 286)</b>	(92 247)
Depreciation charge from discontinued operations	–	(4 690)
<b>Right-of-use assets at 31 December</b>	<b>498 463</b>	<b>497 620</b>
<b>Lease Liabilities</b>		
Lease liabilities recognised as at 1 January	<b>(642 824)</b>	(590 332)
Lease modifications	<b>(9 781)</b>	(31 911)
Additions	<b>(95 534)</b>	(115 756)
Finance costs from continuing operations	<b>(64 311)</b>	(60 354)
Finance costs from discontinued operations	–	(4 526)
Lease payments	<b>161 128</b>	160 055
<b>Balance at 31 December</b>	<b>(651 322)</b>	<b>(642 824)</b>

<sup>1</sup> The majority of the value of the right-of-use assets relate to property leases.

**Expenses recognised in the consolidated statement of profit or loss and other comprehensive income**

The statement of profit or loss shows the following amounts relating to leases:

Depreciation of right-of-use assets from continuing operations	3	<b>105 286</b>	92 247
Depreciation of right-of-use assets from discontinued operation		–	4 690
Finance costs in respect of lease liabilities from continuing operations	5	<b>64 311</b>	60 354
Finance costs in respect of lease liabilities from discontinued operations		–	4 526
Short-term lease charges <sup>2</sup>	3	<b>18 377</b>	13 150
Low-value lease charges	3	<b>38 015</b>	24 705

<sup>2</sup> Short-term lease charges are those relating to contracts with durations of less than 12 months.

The total cash outflow for leases in the current year was R218m (2024: R198m).

Refer to Note 31.7 Liquidity risk management for the maturity analysis of lease liabilities.

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

Notes to the Consolidated Annual Financial Statements continued

	Note	2025 R'000	2024 R'000
<b>13 Goodwill</b>			
Cost		2 343 609	2 661 879
Accumulated impairment		(905 166)	(1 008 037)
		<b>1 438 443</b>	<b>1 653 842</b>
<b>Carrying value</b>			
At 1 January		1 653 842	2 053 842
Disposal of subsidiary		(1 100)	–
Impairment	14.3	(214 299)	(400 000)
<b>Carrying value at 31 December</b>		<b>1 438 443</b>	<b>1 653 842</b>
<b>14 Intangible assets</b>			
Cost		2 617 702	2 862 403
Accumulated amortisation and impairment		(1 640 276)	(1 765 369)
		<b>977 426</b>	<b>1 097 034</b>

	Note	Brands <sup>1</sup> R'000	Computer software R'000	Customer relationships R'000
<b>31 December 2025</b>				
<b>Carrying value</b>				
At 1 January 2025		369 884	11 228	715 922
Additions		–	2 739	–
Scrapping and disposals		–	(699)	–
Transfer from property, plant and equipment		–	1 287	–
Amortisation charge from continuing operations		–	(5 432)	(103 252)
Impairment from continuing operations	14.3	–	–	(14 251)
<b>At 31 December 2025</b>		<b>369 884</b>	<b>9 123</b>	<b>598 419</b>
<b>Total carrying value at 31 December 2025</b>				<b>977 426</b>
<b>31 December 2024</b>				
<b>Carrying value</b>				
At 1 January 2024		433 918	20 819	860 769
Additions		–	6 071	–
Scrapping and disposals		–	(1 661)	–
Transfer to property, plant and equipment		–	239	–
Amortisation charge from continuing operations		–	(14 000)	(100 341)
Amortisation charge from discontinued operations		–	(240)	(4 577)
Impairment from continuing operations	14.3	–	–	(14 374)
Impairment from discontinued operations		(64 034)	–	(25 555)
<b>At 31 December 2024</b>		<b>369 884</b>	<b>11 228</b>	<b>715 922</b>
<b>Total carrying value at 31 December 2024</b>				<b>1 097 034</b>

<sup>1</sup> Indefinite useful lives are allocated to brands when there is no foreseeable limit to the period over which the Group expects to utilise the future economic benefits embodied in the intangible asset. Brands comprise of well-established, growing brands which are considered to have indefinite useful lives and are not amortised.

The Group estimates the useful life of the computer software costs based on management's best estimates of factors such as technical innovations and rate of change whilst the useful life of customer relationships is based on management's consideration of factors such as the nature and tenure of the relationship in question as well as an assessment of the competitive landscape in which the Group operates. Management determine useful lives based on estimates of how the benefit of the assets will be utilised over time. Each year the remaining useful lives of the intangibles assets are re-evaluated and if a change in estimate occurs, the remaining carrying value is amortised prospectively over the revised remaining useful life.

## Notes to the Consolidated Annual Financial Statements continued

**14 Intangible assets** *continued*

The remaining useful lives and carrying values of customer relationships grouped per segment at reporting date are as follows:

	2025		2024	
	Carrying value	Remaining weighted average useful lives – years	Carrying value	Remaining weighted average useful lives – years
<b>Useful lives of customer relationships</b>				
<b>Segment</b>				
Ambient Products	314 967	6.60	393 430	6.24
Perishable Products	283 452	6.94	322 492	7.14
	<b>598 419</b>	<b>6.76</b>	<b>715 922</b>	<b>8.00</b>

Brands are pledged as security for the financing facilities detailed in Note 31.7 Liquidity risk management.

**14.1 Total value of goodwill and brands**

For impairment testing purposes, the carrying values of goodwill and brands are allocated to the lowest level of identifiable individual CGUs which are the business units within the Group. The carrying values of goodwill and brands so allocated to each CGU are not significant in comparison with the Group's total carrying values of goodwill and brands. Therefore, the aggregate carrying values of goodwill and brands are disclosed per segments as follows:

	Goodwill R'000	Brands R'000	Total R'000
<b>2025</b>			
Ambient Products	1 077 032	68 331	1 145 363
Perishable Products	361 411	301 553	662 964
	<b>1 438 443</b>	<b>369 884</b>	<b>1 808 327</b>
<b>2024</b>			
Ambient Products	1 291 332	68 331	1 359 663
Perishable Products	362 510	301 553	664 063
	<b>1 653 842</b>	<b>369 884</b>	<b>2 023 726</b>

Refer to Note 14.3 for the impairment losses recognised during the current and prior year.

## Notes to the Consolidated Annual Financial Statements continued

**14 Intangible assets** *continued***14.2 Impairment testing of cash-generating units**

Annually, or if there is an indication of impairment of goodwill and brands, the Group assesses the CGUs for impairment.

**Methods and assumptions**

The key assumptions disclosed below are based on management's experience and expectations. The recoverable amount of each CGU is based on its value in use and applies a discounted cash flow methodology to assess the recoverable amount of CGUs. This methodology entails a calculation of the present value of future cash flows generated by applicable cash-generating units over a five year period and incorporates a terminal growth rate. The carrying value of the CGU is compared with the value in use and if the value in use is exceeded by the carrying value, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

These cash flows are based on forecasts which include assumptions on profit before interest and tax, depreciation, working capital movements, capital maintenance expenditure, an appropriate discount rate and a terminal growth rate.

The key assumptions used for forecasting the recoverable amount are forecast sales, EBITDA, the discount rate and the terminal growth rate. The key assumptions are similar for the three segments.

	2025 %	2024 %
<b>Discount rates</b>		
Post-tax discount rates	<b>12.2 to 15.0</b>	12.0 to 14.8
Pre-tax discount rates applied to the CGUs	<b>15.0 to 19.7</b>	14.1 to 15.8
<b>Growth rates</b>		
Revenue growth rates	<b>4.5 to 12.7</b>	5.1 to 11.7
Terminal growth rates applied	<b>4.5</b>	4.5

Forecast inputs are calculated for each CGU, taking into account historical performance and current market conditions.

The Group discount rates and growth rates are assessed for specific business unit-level risk factors at a CGU level as they arise. A risk-premium is built into the inputs to consider the specific risk factor applicable to the relevant CGU.

The terminal growth rate used was based on the latest inflationary increases in line with the consumer price index. GDP (local and export countries) was also considered in determining the terminal growth rate. These rates are consistent with external market sources.

## Notes to the Consolidated Annual Financial Statements continued

14 Intangible assets *continued*

## 14.3 Impairments of cash-generating units

	2025 R'000	2024 R'000
<b>Recorded impairments from continued operations</b>		
Goodwill	214 299	400 000
Intangibles	14 251	14 374
Plant, vehicles, machinery and equipment	3 662	–
	<b>232 212</b>	<b>414 374</b>

The carrying values of the following CGUs were reduced to their recoverable amounts through the recognition of an impairment loss against goodwill (if in existence at reporting date) and against other assets as follows:

2025 Impairment		Impairment loss allocated to assets in CGU			
CGU (business unit)	Segment	Total impairment loss R'000	Goodwill R'000	Plant, vehicles, machinery and equipment R'000	Customer relationships R'000
Ambassador Foods	Ambient Products	200 000	200 000	–	–
Cape Foods	Ambient Products	14 299	14 299	–	–
Cape Herb and Spice	Ambient Products	12 258	–	–	12 258
Dickon Hall Foods	Ambient Products	1 993	–	–	1 993
Lancewood	Perishable Products	3 662	–	3 662	–
		<b>232 212</b>	<b>214 299</b>	<b>3 662</b>	<b>14 251</b>
2024 Impairment					
Cape Herb and Spice	Ambient Products	6 518	–	–	6 518
Dickon Hall Foods	Ambient Products	7 856	–	–	7 856
Finlar Fine Foods	Perishable Products	400 000	400 000	–	–
		414 374	400 000	–	14 374

Refer to Note 14.4 for the sensitivity analysis performed as at reporting date on other CGUs. The impairments losses in the current year impacted goodwill, plant, vehicles, machinery and equipment and intangible assets within the affected CGUs.

The impairment losses were driven by the following category-specific factors and discount rates:

**2025 Impairment factors****Ambassador Foods**

The impairment of Goodwill attributable to the Ambassador Foods business unit within the Ambient Products segment was driven by margin pressure and operational inefficiencies.

**Cape Herb and Spice**

The impairment relating to the Cape Herb and Spice business unit within the Ambient Products segment was driven by the reassessment of the carrying values of three customer contracts.

**Dickon Hall Foods**

The impairment relating to the Dickon Hall Foods business unit within the Ambient Products segment was driven by the reassessment of the carrying value of one customer contract.

**Lancewood**

The impairment relating to the Lancewood business unit within the Perishable Products segment was driven by prolonged non-utilisation of the assets and a strategic decision not to deploy them in operations in the foreseeable future. Internal reviews confirmed that no future economic benefits are expected from their continued use or sale, resulting in the recognition of an impairment.

## Notes to the Consolidated Annual Financial Statements continued

**14 Intangible assets** *continued***14.3 Impairments** *continued***2024 Impairment factors****Finlar Fine Foods impairment**

The impairment of Goodwill attributable to the Finlar Fine Foods business unit within the Perishable Products segment was driven by significantly lower beef volumes in the food service channel due to supplier diversification strategies implemented by a customer.

**Dickon Hall Foods impairment**

The impairment relating to the Dickon Hall Foods business unit within the Ambient Products segment was driven by the reassessment of the carrying values of two customer contracts.

**Cape Herb and Spice impairment**

The impairment relating to the Cape Herb and Spice business unit within the Ambient Products segment was driven by the reassessment of the carrying value of a customer contract.

**14.4 Sensitivity Analysis – impact of possible changes in key assumptions**

The Group has performed a sensitivity analysis of assumptions used in the goodwill and indefinite useful life intangible assets impairment test of CGUs. The recoverable amounts of the CGUs are based on similar key assumptions and therefore, the sensitivity analysis is disclosed at an aggregated segment level. The table below shows the percentage change in the discounted cash flow model post-tax discount rate that would cause the recoverable amount of each segment to be equal to its carrying amount.

Segment	<b>2025 Discount rate Movement %</b>	2024 Discount rate Movement %
Ambient Products	<b>+3.9</b>	+4.1
Perishable Products	<b>+1.1</b>	+1.7
<p>The recoverable amount of the CGUs that hold a significant proportion of the Group's overall goodwill balance and indefinite useful life intangible assets are included in the following segments:</p> <p>Ambient Products – recoverable amount of R2.6bn (2024: R3.3bn) exceeds its carrying amount by R1.5bn (2024: R2.0bn).</p> <p>Perishable Products – recoverable amount of R1.3bn (2024: R1.1bn) exceeds its carrying amount by R0.6bn (2024: R0.5bn).</p> <p>The Group has, in respect of the Ambient Products and Perishable Products, extended its impairment testing to the business unit-level where there was a potential indication of impairment. The directors estimate that the following changes in the post-tax discount rates applied to the below business units, would cause the recoverable amount of each CGU to be equal to its carrying amount.</p>		
Dickon Hall Foods	<b>+0.6</b>	<b>+1.4</b>
Cape Foods	<b>+0.6</b>	<b>+1.6</b>
Amaro Foods	<b>+0.9</b>	<b>+4.7</b>
Lancewood	<b>+1.6</b>	<b>+1.6</b>
Finlar Fine Foods	<b>+3.6</b>	<b>+0.0</b>

The directors and management have considered and assessed reasonable possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGUs to exceed its recoverable amount.

## Notes to the Consolidated Annual Financial Statements continued

	2025 R'000	2024 R'000
<b>15 Deferred tax assets/(liabilities)</b>		
Deferred tax asset	3 002	3 202
Deferred tax liability	(381 633)	(428 916)
	<b>(378 631)</b>	<b>(425 714)</b>
Balance at 1 January	(425 714)	(501 862)
Movement in profit or loss – continuing operations	55 105	38 422
Movement in profit or loss – discontinued operations	(5 316)	36 154
Recognised in other comprehensive income	(2 582)	1 572
Reclassified as held for sale and disposed	(124)	–
<b>Balance at 31 December</b>	<b>(378 631)</b>	<b>(425 714)</b>
<b>The balance at the end of the year is due to the following timing differences:</b>		
Property, plant and equipment	(211 167)	(211 312)
Right-of-use assets	(134 585)	(134 216)
Lease liabilities	175 857	173 205
Intangible assets	(262 728)	(289 239)
Accruals	8 367	1 758
Prepaid expenses	(4 920)	(3 930)
Farming operations produce	–	(15 179)
Income received in advance	461	1 832
Post retirement medical aid contribution liability	461	2 718
Forward exchange contracts	(3 644)	643
Provisions	51 037	44 860
Assessed loss	514	2 554
Share-based payments (Cash settled)	1 716	592
	<b>(378 631)</b>	<b>(425 714)</b>
The Group has R72 ('000) (2024: R10 ('000)) unrecognised deferred tax assets related to unutilised assessed losses.		
<b>16 Inventories</b>		
Raw materials and components	516 687	527 769
Work in progress	199 058	260 455
Finished goods and merchandise	755 955	772 604
Consumable stores and spares	202 914	251 664
Goods in transit	189 618	158 780
Provision for stock write-down: finished goods	(35 470)	(37 264)
	<b>1 828 762</b>	<b>1 934 008</b>
All inventories are carried at cost, with the exception of certain items of finished goods against which a provision for stock write-down of R35.5m (2024: R37.3m) has been raised. The cost of inventories recognised as an expense during the year was R9.6bn (2024: R8.7bn).		
The Group has signed a general and special notarial bond over all the movable assets in favour of Nedbank Ltd, Standard Bank of South Africa Ltd, and Rand Merchant Bank Holdings Ltd. Refer to Note 31.7 Liquidity risk management for further details.		
Included in finished goods and merchandise are right-of-return assets amounting to R2.5m (2024: R0.9m).		

## Notes to the Consolidated Annual Financial Statements continued

	2025 R'000	2024 R'000
<b>17 Trade and other receivables</b>		
Trade receivables	1 989 191	1 853 785
Other receivables	23 938	17 468
Less: expected credit loss allowance	(10 433)	(14 716)
	<b>2 002 696</b>	1 856 537
Prepayments	58 007	74 071
Value-added tax receivable	1 233	29 892
	<b>2 061 936</b>	<b>1 960 500</b>
<b>Categories of financial and non-financial assets</b>		
Financial assets	2 002 696	1 856 537
Non-financial assets	59 240	103 963
	<b>2 061 936</b>	<b>1 960 500</b>
<b>17.1 Trade receivables and other receivables</b>		
Trade receivables and other receivables consisting of sundry debtors disclosed above are classified as financial assets at amortised cost. No interest is charged on trade receivables and other receivables which exceed the normal credit days. The average credit days on sale of goods was 57 days (2024: 57 days).		
<b>Movement in the loss allowance</b>		
Balance at 1 January	14 716	12 485
Expected credit loss recognised in profit or loss	2 409	3 768
Remeasurement of opening loss allowances	–	(246)
Bad debts written off	(6 692)	(1 291)
<b>Balance at 31 December</b>	<b>10 433</b>	<b>14 716</b>
The Group's top two customers comprise 31.6% (2024: 32.6%) of the carrying amount of trade receivables. The Group limits its credit exposure risk by dealing mainly with well-established institutions of high credit standing. Accordingly, the directors believe that no further provision is required in excess of the expected credit loss allowance recognised.		
In the current year the Group wrote off R6.7m (2024: R1.3m) of bad debts. Where recoveries are made, these are recognised in profit or loss. Impairment losses on trade and other receivables are presented as net impairment losses within operating expenses in profit or loss. Subsequent recoveries of amounts previously written off are credited to other income as bad debts recovered. Refer to Note 31.6 for further details on impairment of trade receivables and other receivables and the credit risk policy of the Group.		

## Notes to the Consolidated Annual Financial Statements continued

	Note	2025 R'000	2024 R'000
<b>18 Biological assets</b>			
Mushrooms		–	27 414
<b>Reconciliation of the carrying value of biological assets:</b>			
Balance at 1 January		27 414	26 616
Transferred after picking		(20 188)	(30 860)
Gain arising from change in fair value due to physical change		20 770	31 804
Gain arising from change in fair value less estimated point of sale costs		418	481
Changes attributable to raw materials and overheads		232	(627)
Reclassified as held for sale and disposed	7.3	(28 646)	–
<b>Balance at 31 December</b>		<b>–</b>	<b>27 414</b>
<b>The biological asset valuation comprised:</b>			
Compost production cycle		4 710	4 254
Growing room cycle		15 684	14 780
Rooms in cropping		7 987	8 118
Spent compost		265	262
		<b>28 646</b>	<b>27 414</b>

The Group has signed a general and special notarial bond over all the movable assets in favour of Nedbank Ltd, Standard Bank of South Africa Ltd, and Rand Merchant Bank Holdings Ltd. Refer to Note 31.7 Liquidity risk management for further details.

**Nature of activities**

The Group was engaged in mushroom production for supply to various customers. As at 31 December 2025, the Group had nil tonnes (2024: 154.0 tonnes) of mushrooms in cropping rooms and 5 084.0 tonnes (2024: 5 362.0 tonnes) of mushrooms were sold during the year.

## Notes to the Consolidated Annual Financial Statements continued

	Note	2025 R'000	2024 R'000
<b>19 Other financial assets</b>			
<b>Financial assets carried at amortised cost</b>			
Loans to other entities <sup>1</sup>		3 820	4 720
Deposits		7 022	6 495
<b>Hedging instruments</b>			
Foreign exchange contracts – cash flow hedges	31.2	26 073	6 657
		<b>36 915</b>	<b>17 872</b>
Non-current assets		9 842	7 115
Current assets		27 073	10 757
		<b>36 915</b>	<b>17 872</b>

<sup>1</sup> Included in loans to other entities is a loan to Astratek (Pty) Ltd amounting to R8.2 million, against which an expected credit loss of R5.2 million has been recognised. There has been no movement in the loan balance during the year. The loss allowance was increased by R1.1m in November 2025. The loan is unsecured, interest-free, and has a revised maturity date of 1 January 2029.

Refer to Note 31.6 for further details on impairment of other financial assets and the credit risk policy of the Group.

**20 Share capital**

Share capital		4 727 314	4 727 314
<b>Authorised capital comprises:</b>			
10 000 000 000 ordinary shares of no par value			
1 000 000 preference shares			
<b>Issued capital comprises:</b>			
595 812 263 (2024: 595 812 263) fully paid ordinary shares of no par value <sup>1</sup>		4 727 314	4 727 314

<sup>1</sup> The number of issued share capital is shown net of 13 059 362 treasury shares (2024: 86 109 145) with a balance of R199.1m (2024: R199.1m). The wholly-owned Employee Share Trusts established for the benefit of employees of the Group hold nil (2024: 73 049 783), and Libstar Operations (Pty) Ltd holds 13 059 362 (2024: 13 059 362) of the treasury shares. The Company repurchased a total of 73 049 783 ordinary shares (the "Repurchased Shares") for a nominal consideration of R0.01 per share from Business Venture Investments No 2071 (Pty) Ltd and Business Venture Investments No 2072 (Pty) Ltd.

There were no changes in share capital in the current year and prior year, other than the movements in treasury shares noted below. Ordinary shares entitle the holder to participate in dividends. These rights are subject to the prior entitlements of the preference shares. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

The unissued shares are under the control of the directors until the forthcoming annual general meeting.

**Treasury shares transactions during the year**

During the current year Business Venture Investments No 2072 (Pty) Ltd subscribed for 191 091 (2024: 226 852) subscription shares at a subscription price of R25.98 (2024: R22.41) per share on 13 May 2025 (2024: 6 May 2024). Libstar Holdings Ltd repurchased the same number of Nominal BEE shares at R0.01 per share on the respective dates.

During the current year Business Venture Investments No 2071 (Pty) Ltd subscribed for 223 751 (2024: 264 965) subscription shares at a subscription price of R25.98 (2024: R22.41) per share on 13 May 2025 (2024: 6 May 2024). Libstar Holdings Ltd repurchased the same number of Nominal BEE shares at R0.01 per share on the respective dates.

## Notes to the Consolidated Annual Financial Statements continued

**21 Other reserves**

Other Reserves and the movements in these reserves during the current and prior year are as follows:

	<b>Defined benefit plan reserve R'000</b>	<b>Premium on acquisition of non- controlling interest R'000</b>	<b>Hedging reserves R'000</b>	<b>Foreign currency translation reserve R'000</b>	<b>Total Other Reserves R'000</b>
<b>Balance at 1 January 2024</b>	(616)	(75 168)	2 565	266	(72 953)
Transfer of reserve to Retained earnings	–	75 168	–	–	75 168
Other comprehensive (loss)/income for the year	562	–	(4 810)	160	(4 088)
<b>Balance at 31 December 2024</b>	<b>(54)</b>	<b>–</b>	<b>(2 245)</b>	<b>426</b>	<b>(1 873)</b>
Transfer of reserve to Retained earnings	<b>54</b>	–	–	–	<b>54</b>
Other comprehensive income/(loss) for the year	–	–	<b>6 976</b>	<b>(426)</b>	<b>6 550</b>
<b>Balance at 31 December 2025</b>	<b>–</b>	<b>–</b>	<b>4 731</b>	<b>–</b>	<b>4 731</b>

Notes

31.2

**Nature and purpose of other reserves****Defined benefit plan reserve**

Defined benefit plan reserve comprises actuarial gains or losses in respect of defined benefit obligations that are recognised in other comprehensive income. Refer to Note 22 for further information related to the defined benefit obligation.

**Premium on acquisition of non-controlling interest**

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.

**Hedging reserves**

Hedging reserves represents the gains relating to foreign currency transactions recognised in other comprehensive income.

**Foreign currency translation reserve**

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income.

## Notes to the Consolidated Annual Financial Statements continued

	2025 R'000	2024 R'000
<b>22 Employee benefits</b>		
<b>Post-retirement medical aid contribution liabilities</b>		
Actuarially determined present value of unfunded obligations	1 706	10 065
Reconciliation of movement in present value of the post-retirement medical aid contribution liabilities		
Balance at 1 January	10 065	8 738
Current service cost	–	1 823
Interest cost	121	951
Reclassified as held for sale and disposed	(7 677)	–
Contributions paid	(729)	(677)
Actuarial gain recognised in OCI	(74)	(770)
<b>Closing balance at 31 December 2025</b>	<b>1 706</b>	<b>10 065</b>
The Company has obligations to provide certain post-retirement medical aid benefits to certain eligible employees and pensioners. The entitlement to these benefits for current employees is dependent upon the employee remaining in service until retirement age. The schemes are not a funded arrangements and no separate assets are held to meet the liabilities. The funded status of the schemes are therefore equal to the negative value of the accrued liabilities.		
The actuarial valuation of the post-retirement medical aid contributions liabilities was performed at 31 December 2025.		
Any reasonably possible movement in the significant actuarial assumptions would not result in a material change in the defined benefit obligations.		
<b>23 Share-based payments</b>		
<b>Non-current liabilities:</b>		
Performance Shares	6 356	1 455
Forfeitable Shares	–	737
<b>Cash settled share-based payments (LTIP)</b>	<b>6 356</b>	<b>2 192</b>

### 23.1 Details of the Share-Based Payment Incentive Scheme of the Group

In the 2019 year the Group developed a share-based payment incentive scheme. The Long-term Incentive Scheme ("LTIP") is cash settled. Senior employees may be awarded notional units which are linked to the price of ordinary shares of the Group and only vest if certain performance standards are met. The incentive scheme seeks to attract and retain senior employees and promote ongoing loyalty, commitment and motivation. All senior employees are eligible to participate. The incentive scheme is implemented by the Board through the direction of the Remuneration Committee. On an annual basis, senior employees may be offered three components:

- (i) allocations of Share Appreciation Rights ("SARs");
- (ii) awards of the Performance Share Plan ("PSP"); or
- (iii) grants of the Forfeitable Share Plan ("FSP").

A summary of each component of offer under the incentive schemes are set out below.

#### 23.1.1 Share appreciation rights (SARs)

Eligible employees are allocated conditional and notional awards. The performance condition is measured over a three year period starting at the allocation date and ending at the vesting date. The real growth in normalised headline earnings ("NHE") of Libstar is compared to the consumer price index ("CPI") to determine the portion of awards that will vest. Vesting is further contingent on the award holder remaining in the employ of Libstar. Award holders are not entitled to dividends during the life of the award. Once vested, the options remain exercisable for a period of four years.

#### Cash-settled SARs

There were no LTIP SARs issued during the current or prior year.

## Notes to the Consolidated Annual Financial Statements continued

**23 Share-based payments** *continued***23.1 Details of the Share-Based Payment Incentive Scheme of the Group**  
*continued***23.1.2 Performance Share Plan (PSP)**

On 12 April 2023, 11 March 2024 and 4 March 2025 eligible employees were allocated conditional and notional awards. Award holders are not entitled to dividends during the life of the award. The awards vest 3 years after allocation, to the extent that the performance conditions (measured over the three-year period), as described below, have been met. Vesting is further contingent on the award holder remaining in the employment of Libstar.

## 1. NHE vs. CPI performance condition – 50%,

The performance condition is measured over a minimum of a three year period starting at the allocation date and ending at the vesting date. The real growth in normalised headline earnings (“NHE”) of Libstar is compared to the CPI to determine the portion of awards that will vest.

## 2. ROAA vs. WACC performance condition – 30%, and

The Libstar return on adjusted assets (“ROAA”) is compared to the Libstar adjusted weighted average cost of capital (“WACC”) to determine the portion of awards that will vest under the ROAA vs. WACC performance condition.

## 3. ESG performance condition – 20%.

ESG is a measurement of a strategic initiatives and the ESG metrics could include measures such as water, recycling, and employment equity/B-BBEE targets.

**Awards granted during the period**

During the year 2 654 909 cash-settled awards were issued under the PSP at a fair value at reporting date of R4.29 each (2024: 2 772 472 cash-settled awards at R4.35 each).

The fair value per unit (excluding forfeiture), is calculated as the share price at valuation date, reduced for expected dividends over the remainder of the vesting period. The fair value per unit is then multiplied by the number of shares remaining adjusted for forfeiture.

	2025	2024
Vesting assumptions at 31 December:		
NHE vs. CPI Vesting Probability	<b>70.0%</b>	70.0%
ROAA vs WACC Vesting Probability	<b>40.0%</b>	60.0%
ESG Expected Vesting Probability	<b>75.0%</b>	75.0%
Expected Forfeiture (per annum)	<b>20.5%</b>	9.2%

**23.1.3 Details of the Forfeitable Share Plan (FSP)**

On 8 April 2021, eligible employees were allocated conditional and notional awards. The performance condition is measured over a three year period starting at the allocation date and ending at the vesting date. The awards will vest if Libstar attains a "Compliant Contributor" status in terms of B-BBEE and Transformation on an all-or-nothing basis. Vesting is further contingent on the award holder remaining in the employment of Libstar. Award holders are not entitled to dividends during the life of the award.

**Awards granted during the period**

There were no awards issued under the FSP during the current or prior year.

**23.2 Charges arising from share-based payment transactions**

Total charges arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2025	2024
	R'000	R'000
Charges relating to long-term incentive scheme (LTIP scheme)	<b>4 582</b>	<b>1 355</b>

## Notes to the Consolidated Annual Financial Statements continued

## 24 Other financial liabilities and hedging instruments

	Notes	2025 R'000	2024 R'000
<b>Financial liabilities carried at amortised cost</b>			
Bank loans	24.1	1 000 000	1 200 000
Asset based finance	24.2	211 676	275 788
<b>Hedging instruments</b>			
Foreign exchange contracts – cash flow hedges	31.2	12 576	8 247
		<b>1 224 252</b>	<b>1 484 035</b>
Non-current		1 140 146	1 363 111
Current		84 106	120 924
		<b>1 224 252</b>	<b>1 484 035</b>

## 24.1 Bank loans

**Senior Facility Term Loan A**

Nedbank Ltd	500 000	500 000
Standard Bank of South Africa Ltd	200 000	200 000
Rand Merchant Bank Holdings Ltd	300 000	300 000
	<b>1 000 000</b>	<b>1 000 000</b>

The loans bear interest at the prevailing JIBAR rate plus 1.70% (2024: 1.70%). During the period the repayment date has been revised and loans are repayable in a single bullet payment on 1 January 2028.

**Senior Facility Term Loan B**

Nedbank Ltd	–	75 000
Standard Bank of South Africa Ltd	–	30 000
Rand Merchant Bank Holdings Ltd	–	45 000
	–	<b>150 000</b>

The loans bear interest at the prevailing JIBAR rate plus 1.60% (2024: 1.60%). The loans were repaid on 30 June 2025.

**Senior Facility Term Loan C**

Nedbank Ltd	–	25 000
Standard Bank of South Africa Ltd	–	10 000
Rand Merchant Bank Holdings Ltd	–	15 000
	–	<b>50 000</b>

The loans bear interest at the prevailing JIBAR rate plus 1.65% (2024: 1.65%). The loans were repaid on 31 March 2025.

**1 000 000**      **1 200 000**

The above loans are secured as detailed in Note 31.7.

South Africa is advancing its local interest rate benchmark reform, with JIBAR set to be discontinued and replaced by ZARONIA by 2026. The reform spans five years, targeting completion in 2026. Bank loans of R1.0bn are currently the only non-derivative financial liabilities impacted by the interest rate reform. The loan agreements have been amended to contain clauses pertaining to the interest rate reform. The Group will evaluate the impact of the change to ZARONIA by the end of the next financial year.

## Notes to the Consolidated Annual Financial Statements continued

**24 Other financial liabilities and hedging instruments** *continued***24.2 Asset based finance**

	2025 R'000	2024 R'000
Standard Bank of South Africa Ltd	111 100	147 182
Nedbank Ltd	99 072	127 483
Other	1 504	1 123
	<b>211 676</b>	<b>275 788</b>
Non-current	140 146	163 111
Current	71 530	112 677
	<b>211 676</b>	<b>275 788</b>

The asset based financial liabilities are held by various financial institutions, are repayable in monthly instalments over an average of 5 years and bear interest at prime rate less 140 basis points.

The above asset based financial liabilities are secured as detailed in Note 31.7.

**25 Trade and other payables**

	2025 R'000	2024 R'000
Trade payables	1 194 557	1 259 997
Accrued expenses	391 926	280 860
Value-added tax payable	61 112	72 432
Income received in advance	1 708	6 783
Other payables	380	547
	<b>1 649 683</b>	<b>1 620 619</b>
<b>Categories of financial and non-financial liabilities</b>		
Financial liabilities	1 495 712	1 462 257
Non-financial liabilities	153 971	158 362
	<b>1 649 683</b>	<b>1 620 619</b>

**Supplier finance arrangements**

The Group has entered into a supplier finance arrangement with Nedbank to manage its working capital more efficiently. Supplier finance arrangements are offered to some of the Group's key suppliers. Under these agreements, suppliers can choose to receive payments earlier than the standard credit terms of 60 days from invoice date. Suppliers can receive payments as soon as the invoice is loaded onto the Addendum platform. The annual borrowing rates applicable on the facility range between 6.00% and 8.50% (2024: 4.47% and 7.45%). Payments to the supplier ahead of the due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date described above.

Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Group provides no security to the finance provider.

The group has available supplier finance facilities of R270.0m (2024: R270.0m). At year end, R59.4m (2024: R49.3m) has been settled by Nedbank in respect of supplier finance arrangements. The amount which has been settled by Nedbank is presented within trade payables in the consolidated statement of financial position. The total balance of the suppliers (settled and unsettled) that are part of the supplier finance arrangement is R99.7m at year end (2024: R69.1m).

Included in accrued expenses are refund liabilities amounting to R10.7m (2024: R6.2m).

## Notes to the Consolidated Annual Financial Statements continued

	Notes	2025 R'000	2024 R'000
<b>26 Cash generated from operations</b>			
Profit/(loss) before tax from:		<b>79 451</b>	(297 574)
From continuing operations		<b>153 865</b>	(89 985)
From discontinued operations		<b>(74 414)</b>	(207 589)
Adjustments for:			
Depreciation and amortisation		<b>452 301</b>	461 328
Loss on disposal of property, plant and equipment		<b>19 257</b>	6 675
Impairment loss on goodwill	14.3	<b>214 299</b>	400 000
Impairment loss on intangible assets	14.3	<b>14 251</b>	103 964
Impairment loss on property, plant and equipment	14.3	<b>3 662</b>	44 927
Impairment loss on trade and other receivables		–	3 653
Expected credit loss movements and bad debts written off		–	3 768
Inventory provisions and other stock losses		–	(5 463)
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	3	<b>(356)</b>	(8)
Non-cash lease modifications, additions and terminations		<b>(814)</b>	(25 825)
Loss on sale of discontinued operation	7.3	<b>56 452</b>	68 805
Loss on disposal of subsidiary		<b>4 412</b>	–
Finance income		<b>(21 749)</b>	(27 147)
Finance costs		<b>209 463</b>	243 947
Fair value adjustment on forward exchange contracts		<b>(5 529)</b>	1 126
Unrealised (gain)/loss on foreign exchange		<b>(1 886)</b>	(1 503)
Movements in employee benefits – medical aid plan		<b>(662)</b>	2 097
Employee benefits contributions paid		<b>(729)</b>	(677)
Other non-cash movements in employee benefits		<b>67</b>	2 774
Movements in share-based payments		<b>4 164</b>	657
Share-based payments		<b>(418)</b>	(698)
Other non-cash movements in share-based payments	23	<b>4 582</b>	1 355
Operating cash flows before working capital changes		<b>1 026 716</b>	983 427
Changes in working capital:		<b>(1 214)</b>	(189 017)
Decrease/(increase) in inventories		<b>63 370</b>	(163 464)
Increase in trade and other receivables		<b>(130 445)</b>	(66 959)
Increase in biological assets <sup>^</sup>		<b>(1 232)</b>	(799)
Increase in trade and other payables		<b>67 093</b>	42 205
		<b>1 025 502</b>	<b>794 410</b>

<sup>^</sup> Refer to Note 18 for the reconciliation of the opening and closing carrying value of biological assets.

The consolidated statement of cash flows represents both continued and discontinued operations combined cash flows.

There were no significant non-cash changes in the carrying value of the trade and other payables included in the Group's supplier finance arrangement.

## Notes to the Consolidated Annual Financial Statements continued

**26 Cash generated from operations** *continued***26.1 Cash and cash equivalents**

	<b>2025</b>	2024
	<b>R'000</b>	R'000
Cash and cash equivalents comprise the following amounts:		
Cash on hand	<b>865</b>	490
Bank balances	<b>486 534</b>	493 272
Short-term deposits	<b>617</b>	582
Bank overdraft	<b>(115)</b>	(1 476)
	<b>487 901</b>	<b>492 868</b>
Current assets	<b>488 016</b>	494 344
Current liabilities <sup>^^</sup>	<b>(115)</b>	(1 476)

<sup>^^</sup> A bank overdraft balance of R100m (2024: R200.0m) has been excluded from cash and cash equivalents, as it does not form an integral part of the Group's cash management and therefore does not meet the definition of cash and cash equivalents. During the year, Facility C was repaid on 31 March 2025 and Facility B on 30 June 2025 and 30 September 2025 respectively.

Refer to Note 31.7 Liquidity risk management for further information related to financing facilities and information related to securities for bank facilities.

**26.2 Non-cash investing and financing activities**

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets – refer to Note 12
- Acquisition of property, plant and equipment through asset based financing – refer to Note 24.2

**26.3 Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	<b>2025</b>	2024
	<b>R'000</b>	R'000
Bank loans, asset based finance	<b>1 211 676</b>	1 475 788
Bank overdraft (excluded from Cash and cash equivalents)	<b>100 000</b>	200 000
Lease liabilities	<b>651 322</b>	642 824
Less: Cash and cash equivalents	<b>(487 901)</b>	(492 868)
Net debt (including IFRS 16 Lease liabilities) <sup>^^^</sup>	<b>1 475 097</b>	1 825 744
<b>Net debt (excluding IFRS 16 Lease liabilities)</b>	<b>823 775</b>	<b>1 182 920</b>

<sup>^^^</sup> Net debt (including IFRS 16 Lease liabilities) is hereafter referred to as net debt.

## Notes to the Consolidated Annual Financial Statements continued

**26 Cash generated from operations** continued

## 26.3 Net debt reconciliation continued

	Liabilities from financing activities				
	Bank borrowings, asset based finance and loans payable <sup>1</sup> R'000	Lease liability R'000	Subtotal R'000	Less: Cash and cash equivalents R'000	Total R'000
Net debt as at 1 January 2024	1 740 460	590 332	2 330 792	(397 247)	1 933 545
<b>Cashflows from financing activities:</b>					
Cash outflows	(145 772)	(95 175)	(240 947)	(95 621)	(336 568)
<b>Non-cash adjustments:</b>					
Lease modifications	–	31 911	31 911	–	31 911
Additions and derecognition	81 100	115 756	196 856	–	196 856
<b>Net debt as at 31 December 2024</b>	<b>1 675 788</b>	<b>642 824</b>	<b>2 318 612</b>	<b>(492 868)</b>	<b>1 825 744</b>
<b>Cashflows from financing activities:</b>					
Cash outflows	(398 163)	(96 817)	(494 980)	4 967	(490 013)
<b>Non-cash adjustments:</b>					
Lease modifications	–	9 781	9 781	–	9 781
Additions and derecognition	34 051	95 534	129 585	–	129 585
<b>Net debt as at 31 December 2025</b>	<b>1 311 676</b>	<b>651 322</b>	<b>1 962 998</b>	<b>(487 901)</b>	<b>1 475 097</b>

<sup>1</sup> Bank borrowings includes bank overdrafts that are excluded from Cash and cash equivalents.

	Note	2025 R'000	2024 R'000
<b>27 Taxation paid</b>			
Balance at 1 January		32 520	38 374
Current tax for the year recognised in profit or loss	6	(129 460)	(98 506)
Disposal of subsidiary		108	–
Balance at 31 December		7 024	(32 520)
		(89 808)	(92 652)

## Notes to the Consolidated Annual Financial Statements continued

**28 Related party disclosures****28.1 Related party relationships****Shareholders of ordinary share capital**

In so far as it is known to the Company, the following shareholders, directly or indirectly beneficially hold 5% or more shares in the issued share capital:

APEF Pacific Mauritius Limited  
Allan Gray Proprietary Limited  
Cearus Holdco Limited  
Government Employees Pension Fund

**Shareholders of preference share capital**

The Ratchet Trust owns 100% of the preference share capital. Refer to Annexure 1 to the consolidated annual financial statements for director's interests in the Ratchet Trust.

**Directors**

The directors in office during the current year and at the date of this report are as follows:

<b>Name:</b>	<b>Position:</b>
W Luhabe <sup>^</sup>	Chairman Independent Non-Executive Director (Resigned with effect from 30 May 2025)
JP Landman <sup>^</sup>	Lead Independent Non-Executive Director (Resigned as Lead Independent Non-Executive Director on 30 May 2025. Appointed as Chairman with effect from 1 June 2025)
S Masinga	Independent Non-Executive Director
S Khanna	Independent Non-Executive Director
A Andrews <sup>^</sup>	Independent Non-Executive Director (Appointed as Lead Independent Non-Executive Director on 31 July 2025)
T Carstens <sup>^</sup>	Independent Non-Executive Director (Appointed with effect from 1 May 2025)
CB De Villiers	CEO
TL Ladbrooke	CFO
C Lodewyks	Executive director

<sup>^</sup> W Luhabe resigned with effect from 30 May 2025 and JP Landman, was appointed as the new chairman with effect from that date. Tertius Carstens was appointed as a director with effect from 1 May 2025. A Andrews was appointed as Lead Independent Non-Executive Director on 31 July 2025.

**28.2 Related party transactions****Key management personnel compensation**

Details of remuneration of directors and share-based payment instruments issued to directors are disclosed in Note 9. Other key management personnel<sup>1</sup> compensation is as follows:

	<b>2025</b>	2024
	<b>R'000</b>	R'000
Short-term employee benefits	<b>34 290</b>	26 619
<sup>1</sup> Executive management and managing executives accountable for strategic initiatives are classified as key management		
<b>Transactions with key management personnel</b>		
Rental paid	<b>4 804</b>	5 708

**Dealings in securities by directors**

In the current year, CB de Villiers purchased 19 500 (2024: 28 400) ordinary shares in one tranche at R3.30 per share (2024: R3.50 per share), TL Ladbrooke purchased 29 100 (2024: Rnil) ordinary shares in one tranche at R3.30 per share (2024: Rnil) and C Lodewyks purchased 56 031 (2024: nil) ordinary shares in one tranche at R3.30 per share (2024: Rnil) and the Ruland Trust (an associate of JP Landman) purchased nil ordinary shares (2024: 45 000 ordinary shares in two tranches of 3 300 and 41 700 respectively at R3.44 and R3.47 per share).

**Dividends paid to shareholders and non-controlling shareholders of subsidiaries**

Refer to consolidated statement of changes in equity.

**28.3 Material subsidiaries**

Libstar Holdings Limited has one material subsidiary, Libstar Operations (Pty) Ltd, in which it holds a 100% shareholding. Libstar Operations (Pty) Ltd's place of business is South Africa and holds all the main operating segments within the Group.

## Notes to the Consolidated Annual Financial Statements continued

**29 Subsequent Events****Dividend declared**

The Board of Libstar has approved and declared a final cash dividend of 28 cents per ordinary share (gross) in respect of the year ended 31 December 2025.

The directors are not aware of any other events after the reporting date which require disclosure.

**30 Going concern**

The directors believe that the Group has adequate financial resources to continue to operate for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis.

**31 Risk management****31.1 Financial risk management objectives**

The business units within the Group monitor and manage the financial risks relating to their operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk and fair value interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of market risk related to currency risk by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk. Compliance with policies and exposure limits are reviewed by the internal audit function on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**31.2 Derivatives – designated cash flow hedges**

The Group has the following derivative financial instruments in the following line items in the consolidated statement of financial position:

	2025 R'000	2024 R'000
<b>Current assets</b>		
<b>Other financial assets</b>		
Foreign exchange contracts – cash flow hedges	26 073	6 657
<b>Current liabilities</b>		
<b>Other financial liabilities</b>		
Foreign exchange contracts – cash flow hedges	(12 576)	(8 247)

**Classification of derivatives**

Derivatives are only used for economic hedging purposes and not as speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. The Group's accounting policy for its cash flow hedges is set out in the Accounting Policies section. Further information about the derivatives used by the Group that meet the hedge accounting criteria is provided in Note 31.4.

**Fair value measurement**

For information about the methods and assumptions used in determining the fair value of derivatives refer to Note 33.2.

**Hedging reserves**

	Cash flow hedging reserves R'000
<b>Opening balance 1 January 2024</b>	(2 565)
Pre-tax change in fair value of hedging instrument recognised in other comprehensive income	(422)
Deferred tax on change in fair value of hedging instrument	114
Pre-tax reclassification from other comprehensive income to profit or loss – hedged item affected profit or loss	7 011
Deferred tax	(1 893)
<b>Closing balance 31 December 2024</b>	<b>2 245</b>
Pre-tax change in fair value of hedging instrument recognised in other comprehensive income	(13 498)
Deferred tax on change in fair value of hedging instrument	3 645
Pre-tax reclassification from other comprehensive income to profit or loss – hedged item affected profit or loss	3 941
Deferred tax	(1 064)
<b>Closing balance 31 December 2025</b>	<b>(4 731)</b>

The reclassifications from the cash flow hedging reserve to profit or loss in the current and prior year was recognised in other gains/(losses) within profit or loss.

## Notes to the Consolidated Annual Financial Statements continued

**31 Risk management** *continued***31.2 Derivatives – designated cash flow hedges** *continued***Hedge effectiveness**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the firm commitment inventory purchase changes from what was originally estimated, or if there are changes in the local credit risk or the derivative counterparty. Hedge ineffectiveness did not occur in the current and prior year.

**31.3 Market risk**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see Note 31.4) and interest rates (see Note 31.5). The Group enters into derivative financial instruments to manage its exposure to foreign currency risk, specifically forward foreign exchange contracts to hedge the exchange rate risk arising on the export and import of food products to and from Australia, New Zealand, the United Kingdom, Europe, Asia, Africa, USA and Canada.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed.

**31.4 Foreign currency risk management**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

**Foreign currency exposure at Statement of Financial Position date**

	<b>2025 Foreign currency '000</b>	2024 Foreign currency '000	<b>2025 R'000</b>	2024 R'000
<b>Assets</b>				
Trade debtors in USD	<b>5 330</b>	5 920	<b>88 113</b>	109 806
Trade debtors in EUR	<b>998</b>	1 031	<b>19 406</b>	20 425
Trade debtors in GBP	<b>186</b>	782	<b>4 149</b>	18 322
Trade debtors in AUD	<b>1 886</b>	2 496	<b>20 882</b>	31 571
Trade debtors in YEN	<b>12 910</b>	175	<b>1 367</b>	21
Trade debtors in THB	<b>80</b>	1 398	<b>42</b>	767
<b>Liabilities</b>				
Trade creditors in USD	<b>2 520</b>	2 388	<b>41 721</b>	45 583
Trade creditors in EUR	<b>5 537</b>	3 656	<b>107 644</b>	69 938
Trade creditors in AUD	<b>31</b>	–	<b>342</b>	–
Trade creditors in SGD	–	62	–	850
Trade creditors in THB	<b>6 791</b>	3 987	<b>3 567</b>	2 283

## Notes to the Consolidated Annual Financial Statements continued

**31 Risk management** *continued***31.4 Foreign currency risk management** *continued***Foreign currency exposure at Statement of Financial Position date** *continued*

	<b>2025</b>	2024
	<b>R'000</b>	R'000
<b>Exchange rates used for conversion of foreign items</b>		
US Dollar (USD)	<b>16.53</b>	18.55
Euro (EUR)	<b>19.45</b>	19.82
Pound Sterling (GBP)	<b>22.28</b>	23.42
Australian Dollar (AUD)	<b>11.07</b>	12.65
Japanese Yen (YEN)	<b>0.11</b>	0.12
Thai Baht (THB)	<b>0.53</b>	0.55
Singapore Dollar (SGD)	–	13.81
Hong Kong Dollar (HKD)	<b>2.13</b>	–
West African CFA Franc (XOF)/Central African CFA Franc (XAF)	<b>0.03</b>	–
Mozambican Metical (MZN)	<b>0.26</b>	–
Canadian Dollar (CAD)	<b>12.06</b>	–
Chinese Yuan (CNY)	<b>2.37</b>	–

**Forward exchange contracts which relate to future firm commitments**

	<b>Foreign amount</b>	<b>Rand amount</b>	<b>Fair value</b>
	<b>'000</b>	<b>R'000</b>	<b>R'000</b>
<b>31 December 2025</b>			
US Dollar	<b>1 119</b>	<b>(9 805)</b>	<b>9 072</b>
Euro	<b>7 729</b>	<b>(153 419)</b>	<b>(3 030)</b>
Pound Sterling	<b>(2 061)</b>	<b>49 667</b>	<b>3 365</b>
Australian Dollar	<b>(4 900)</b>	<b>57 617</b>	<b>2 958</b>
Japanese Yen	<b>(50 000)</b>	<b>6 418</b>	<b>1 132</b>
	<b>(48 113)</b>	<b>(49 522)</b>	<b>13 497</b>
<b>31 December 2024</b>			
US Dollar	(13 007)	240 942	(7 640)
Euro	6 498	(126 335)	1 399
Pound Sterling	(1 732)	41 092	(185)
Australian Dollar	(8 353)	103 237	4 528
Japanese Yen	(20 000)	2 728	295
Thai Baht	648	(342)	13
	<b>(35 946)</b>	<b>261 323</b>	<b>(1 590)</b>

The fair value gain/(loss) is calculated as the difference between the exchange rate contracted and the forward rate at the reporting date.

**Instruments used by the Group**

The Group operates internationally and is exposed to foreign exchange risk, primarily the US Dollar, Euro, Pound Sterling, Australian Dollar and Japanese Yen. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. The risk is measured through a forecast of firm commitments of foreign currency expenditures. The risk is hedged with the objective of minimising the volatility of the local currency cost of firm commitments for inventory purchases and sales.

The Group treasury's risk management policy is to hedge between 80% and 100% of foreign currency denominated cash flows for firm commitment inventory purchases and sales. The Group hedges firm commitments in advance – up to 3 – 9 months' imports and 9 – 12 months' exports, or within 48 hours of receipts of a firm order, whichever date is earlier, subject to a review of the cost of implementing each hedge.

The Group only uses foreign currency forwards to hedge its exposure to foreign currency risk. Under the Group's policy, the critical terms of the forwards must align with the hedged items.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

## Notes to the Consolidated Annual Financial Statements continued

31 Risk management *continued*31.4 Foreign currency risk management *continued*Instruments used by the Group *continued*

	2025 R'000	2024 R'000
<b>Foreign currency forwards</b>		
Foreign exchange contracts – cash flow hedges (included in other financial assets)	26 073	6 657
Foreign exchange contracts — cash flow hedges (included in other financial liabilities)	(12 576)	(8 247)
<b>Notional amount (exposure to the ZAR)</b>		
<b>FECs used for hedging imports</b>		
US Dollar	(138 101)	(114 145)
Euro	(284 589)	(170 254)
Pound Sterling	–	2 006
Australian Dollar	4 469	8 844
Thai Baht	–	(342)
<b>FECs used for hedging exports</b>		
US Dollar	128 296	355 087
Euro	131 170	43 919
Pound Sterling	49 667	39 086
Australian Dollar	53 147	94 393
Japanese Yen	6 418	2 728
Maturity date	<b>2 January 2026 – 17 December 2026</b>	1 January 2025 – 12 November 2025
Hedge ratio <sup>1</sup>	1:1	1:1
Gain on discounted pre-tax spot value of outstanding hedging instruments since inception of the hedge	(13 498)	(422)
<b>Weighted average hedged rate for outstanding hedging instruments (including forward points)</b>		
<b>FECs used for hedging imports</b>		
US Dollar	17.30	17.94
Euro	20.23	19.58
Pound Sterling	–	23.67
Australian Dollar	11.17	11.75
Thai Baht	–	0.53
<b>FECs used for hedging exports</b>		
US Dollar	18.70	18.33
Euro	20.68	19.97
Pound Sterling	24.10	23.72
Australian Dollar	11.81	12.42
Japanese Yen	0.13	0.14

<sup>1</sup> The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component.

## Notes to the Consolidated Annual Financial Statements continued

**31 Risk management** *continued***31.4 Foreign currency risk management** *continued***Foreign currency sensitivity analysis**

The following table details the Group's sensitivity to a 10% increase and decrease in the South African Rand (ZAR) against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates that the Group is mainly exposed to, namely the US Dollar, Euro, Pound Sterling, Australian Dollar and Japanese Yen. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and equity where the ZAR strengthens 10% against the relevant currencies. For a 10% weakening of the ZAR against the relevant currencies, there would be a comparable impact on the profit and equity and the balances below would be negative.

	<b>2025</b>	2024
	<b>R'000</b>	R'000
<b>Impact on profit and equity</b>		
US Dollar	<b>4 645</b>	6 551
Euro	<b>(8 828)</b>	(5 203)
Pound Sterling	<b>415</b>	1 832
Australian Dollar	<b>2 088</b>	3 158
Japanese Yen	<b>137</b>	2
Thai Baht	<b>(353)</b>	(142)
Singapore Dollar	–	(85)
Hong Kong Dollar (HKD)	<b>1</b>	–
Canadian Dollar	<b>(1)</b>	–
Chinese Yuan	<b>1</b>	–

**31.5 Interest rate risk management**

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. The interest rates of the loans are linked to either the prevailing prime rate or JIBAR over the period of the loan. Refer to Note 24 for the terms of the respective loans.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section – refer to Note 31.7.

**Interest rate sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% per annum increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 1% per annum higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would decrease/increase by R13.1m (2024: R16.8m). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group does not have any fixed rate financial instruments.

## Notes to the Consolidated Annual Financial Statements continued

### 31 Risk management *continued*

#### 31.6 Credit risk management

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. Credit risk arises from the credit exposures to customers as well as cash and cash equivalents, deposits with banks and financial institutions, contractual cash flows of other financial assets carried at amortised cost and favourable derivative financial instruments.

The Group limits its counterparty exposure arising from financial instruments by only dealing with well-established institutions of high credit standing.

##### **Trade and other receivables**

The Group has established a credit policy in terms of which each new customer is analysed individually for credit-worthiness before payment and delivery terms are approved. The Group's assessment includes external credit ratings, when available, and, in some cases, banking references. Purchase limits are established for each customer and are reviewed annually, or sooner if conditions arise that warrant reassessment. Customers that have defaulted previously, or that fail to meet the Group's credit-worthiness thresholds, may transact with the Group only on a prepayment basis. There were no significant changes in credit risk management during the year.

The Group has limited exposure to credit risk due to its established credit policy and also because of the nature of its customer base which comprises predominantly national retailers, blue-chip wholesalers, established regional chains and reliable independent multi-store groups. Most of the Group's customers have been transacting with the Group for more than three years and losses have occurred infrequently. In monitoring customer credit risk, trade and other receivables are grouped based on ageing buckets and days past due. The customer base for the trade receivables is large and widespread, such that there is no specific significant concentration of credit risk to any single counterparty or any group of counterparties with similar characteristics.

The Group establishes a credit loss allowance for expected credit losses in respect of trade receivables and other receivables, consisting of sundry debtors, by applying the simplified approach of IFRS 9, measuring the credit loss allowance based on lifetime expected credit loss using a provision matrix. The probability of default is determined for each ageing bucket by assessing the default experience observed in historical sales patterns and is adjusted as appropriate to reflect the impact of current conditions and estimates of future economic conditions on the ability of customers to settle their debt. The Group has identified GDP, inflation rate and the repo rate as the most relevant factors and has decreased the probability of default for each ageing bucket based on estimates of these factors. The loss given default is calculated with reference to the bad-debt write-off history.

##### **Security of trade receivables**

The Group does not hold collateral or other credit enhancements over its trade and other receivables. Certain receivable balances are, however, subject to credit-insurance arrangements. These arrangements mitigate credit risk but do not reduce the Group's disclosed maximum exposure to credit risk, which is presented before considering any credit enhancements. Based on management's assessment, the effect of the insurance on the expected credit loss (ECL) measurement is not material in the current period.

## Notes to the Consolidated Annual Financial Statements continued

**31 Risk management** *continued***31.6 Credit risk management** *continued***Impairment matrix**

The ageing of trade and other receivables at the reporting date:

	Gross R'000	Impairment loss allowance R'000	Expected credit loss rate %
<b>2025</b>			
Not past due	1 146 920	1 235	0.11%
Past due 1 – 30 days	736 603	1 363	0.19%
Past due 31 – 60 days	88 255	1 162	1.32%
Past due 61 days – 90 days	22 922	1 400	6.11%
Past due 91 days and greater	18 429	5 273	28.61%
<b>Total</b>	<b>2 013 129</b>	<b>10 433</b>	<b>0.52%</b>
		Impairment loss allowance R'000	Expected credit loss rate %
<b>2024</b>	Gross R'000		
Not past due	1 183 447	1 869	0.16%
Past due 1 – 30 days	574 709	747	0.13%
Past due 31 – 60 days	73 864	825	1.12%
Past due 61 days – 90 days	19 275	1 392	7.22%
Past due 91 days and greater	19 958	9 883	49.52%
<b>Total</b>	<b>1 871 253</b>	<b>14 716</b>	<b>0.79%</b>

The significant changes in the gross carrying amounts of trade and other receivables that have affected the estimation of the loss allowance are disclosed in the table above.

**Cash and cash equivalents and deposits with banks and financial institutions**

The Group holds cash with BB+ (2024: BB-) approved rated financial institutions. The amount of exposure to any counterparty is subject to the limits imposed by the Group's treasury policy in order to achieve a spread of risk and opportunity.

**Other financial assets carried at amortised cost**

Other financial assets at amortised cost include loans to other parties and refundable deposits. The credit risk is considered to be limited due to the immaterial balance and the related immaterial expected credit loss.

**Favourable derivative financial instruments**

For derivative financial instruments, management engages with Nedbank Ltd that has a Standard and Poor's credit rating of BB (2024: BB-) with a positive outlook status. Management does not expect Nedbank Ltd to fail to meet its obligations.

Notes to the Consolidated Annual Financial Statements continued

31 Risk management *continued*

31.7 Liquidity risk management

Liquidity and interest risk tables

Liquidity risk – non-derivatives

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table are the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Weighted average effective interest %	Carrying value R'000	Payable on demand R'000	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 3 years R'000	Between 3 and 4 years R'000	Between 4 and 5 years R'000	More than 5 years R'000	Total R'000
<b>31 December 2025</b>										
Trade and other payables <sup>1</sup>		1 495 712	–	1 495 712	–	–	–	–	–	1 495 712
Bank overdraft		100 115	100 115	–	–	–	–	–	–	100 115
Other financial liabilities <sup>2</sup>	5.87%	1 211 676	–	172 345	158 048	1 049 067	23 108	7 107	11	1 409 686
Lease liabilities	10.98%	651 322	–	157 508	140 775	102 581	76 012	73 942	422 135	972 953
		<b>3 458 825</b>	<b>100 115</b>	<b>1 825 565</b>	<b>298 823</b>	<b>1 151 648</b>	<b>99 120</b>	<b>81 049</b>	<b>422 146</b>	<b>3 978 466</b>
<b>31 December 2024</b>										
Trade and other payables <sup>1</sup>		1 462 257	–	1 462 257	–	–	–	–	–	1 462 257
Bank overdraft		201 476	201 476	–	–	–	–	–	–	201 476
Other financial liabilities <sup>2</sup>	8.72%	1 475 788	–	224 849	1 388 650	62 517	48 018	16 772	97	1 740 903
Lease liabilities	8.41%	642 824	–	153 735	142 560	119 360	87 860	51 516	305 093	860 124
		<b>3 782 345</b>	<b>201 476</b>	<b>1 840 841</b>	<b>1 531 210</b>	<b>181 877</b>	<b>135 878</b>	<b>68 288</b>	<b>305 190</b>	<b>4 264 760</b>

<sup>1</sup> Trade and other payables excludes value-added-tax payables, employees tax payables, leave pay accruals and income received in advance.

<sup>2</sup> Other financial liabilities include bank loans, asset based finance and loans payable.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

## Notes to the Consolidated Annual Financial Statements continued

**31 Risk management** *continued***31.7 Liquidity risk management** *continued***Liquidity risk – derivatives**

The following table indicates the periods in which the cash flows associated with derivatives that are expected to occur:

	Carrying amount R'000	6 months or less R'000	6 – 12 months R'000	Total Contractual Cashflows R'000
<b>31 December 2025</b>				
FECs used for hedging				
– Imports	(15 064)	(500 849)	–	(500 849)
– Exports	28 561	323 122	133 701	456 823
	<b>13 497</b>	<b>(177 727)</b>	<b>133 701</b>	<b>(44 026)</b>
<b>31 December 2024</b>				
FECs used for hedging				
– Imports	10 865	(384 502)	(24 312)	(408 814)
– Exports	(12 455)	457 098	213 039	670 137
	<b>(1 590)</b>	<b>72 596</b>	<b>188 727</b>	<b>261 323</b>

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional facilities that the Group has at its disposal to further reduce liquidity risk are given below.

**Financing facilities**

Collective financing facilities provided to the Group are as follows:

- Senior facility A of R1 000 000 000 with a maturity date of 1 January 2028 (2024: 5 year bullet profile) – fully utilised;
- Senior facility B of R150 000 000 with a maturity date of 1 January 2028 (2024: 5 year bullet profile) – unutilised facility; (R80.0m repaid on 30 June 2025 and R70.0m on 30 September 2025)
- Senior facility C of R200 000 000 with a maturity date of 1 January 2028 (2024: 5 year bullet profile) – unutilised facility; (R50.0m repaid on 31 March 2025)
- Senior facility D of R350 000 000 with a maturity date of 1 January 2028 – unutilised facility;
- An asset based finance facility of R650 000 000; and
- A general banking facility of R650 000 000 is available by way of an overdraft facility and/or Letters of Guarantee and/or Letters of Credit and/or Forward Exchange Contracts (being 10% of the amount of the forward exchange contracts).

## Notes to the Consolidated Annual Financial Statements continued

### 31 Risk management continued

#### 31.7 Liquidity risk management *continued*

##### Financing facilities *continued*

The Senior Facility A, Senior Facility B, Senior Facility C and Senior Facility D loans are held by Libstar Operations (Pty) Ltd.

The above asset based finance facilities and general banking facilities are shared by the following entities:

- Libstar Operations (Pty) Ltd and its respective divisions being Amaro Foods, Cani Rusks, Cape Herb and Spice, Dickon Hall Foods, Finlar Fine Foods, Lancewood, Millennium Foods, Wet Condiments Cluster (2024: Montagu Foods, Retailer Brands, Cecil Vinegar), Rialto, Ambassador Foods, Contactim
- Cape Foods (Pty) Ltd
- Libstar Properties (Pty) Ltd
- Libstar Nova (Pty) Ltd

Security agreements currently held in favour of the debt guarantor to establish security are as follows:

- A pledge and cession of all shares, securities and other ownership interest it holds, from time to time, in any affiliate, associate company or another person in which it is invested;
- A cession of all present and future claims, from time to time, against any person, including its trade debtors;
- A cession of its present and future claims, from time to time, against any person under the acquisition documents;
- A cession of all rights and claims in respect of bank accounts maintained, from time to time;
- A cession of all insurances taken out by or for the benefit of that obligor, from time to time, and all proceeds receivable under those insurances;
- A hypothecation of all the trade marks, patents and designs of that obligor;
- A cession of all the intellectual property rights of that obligor;
- First ranking covering mortgage bonds over all the immovable property of which the obligor is the registered owner; and
- A general notarial bond over all the movable assets of the obligor.

The security for the Senior Facility A, Senior Facility B, Senior Facility C and Senior Facility D term loans are provided by Libstar Operations being the original guarantor and Libstar Holdings Ltd being the additional guarantor.

Certain items of plant, machinery, equipment and vehicles are pledged as security for the associated asset based finance agreements entered into to finance their acquisition.

#### 31.8 Fair values

The fair values of all financial instruments are substantially the same as the carrying amount reflected on the statement of financial position. Refer to Note 33.2 for further information.

FEC derivative instruments are measured as disclosed in Note 31.2 and the fair values are disclosed in Note 33.2.

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*Notes to the Consolidated Annual Financial Statements continued***32 Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (bank loans and asset based finance as detailed in Note 24 offset by cash and bank balances as detailed in Note 26.1) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in the consolidated statement of changes in equity and in Notes 20 and 21).

The Group is not subject to any externally imposed capital requirements.

The Group has established a supplier finance arrangement to manage its working capital. Refer to Note 25.

**Gearing ratio**

The gearing ratio at end of the reporting period was as follows:

	<b>2025</b>	2024
	<b>R'000</b>	R'000
Bank loans, asset based finance and loans payable	<b>1 211 676</b>	1 475 788
Lease liabilities	<b>651 322</b>	642 824
Less: Cash and cash equivalents (including overdraft)	<b>(387 901)</b>	(292 868)
Net debt (including IFRS 16 Lease liabilities)	<b>1 475 097</b>	1 825 744
Net debt (excluding IFRS 16 Lease liabilities)	<b>823 775</b>	1 182 920
Total equity	<b>4 797 066</b>	<b>4 879 507</b>
Net debt to equity ratio (including IFRS 16 Lease liabilities)	<b>0.31</b>	<b>0.37</b>

During the current year, the Group's strategy, which was unchanged from prior year, was to maintain a net debt to equity ratio below 0.5.

As at 31 December 2025, the Group's leverage ratio (Senior Borrowings to EBITDA excl. IFRS 16) was 0.9 (2024: 1.5) against a covenant of no more than 2.5. EBITDA (Excl. IFRS 16) to senior interest cover ratio was 7.4 (2024: 5.4) against a covenant of at least 3.5.

In 2025 adjusted ROIC was 10.9% (2024: 8.6%) while the Group's weighted average cost of capital reduced to 11.0% (2024: 12.5%).

The Group remains solvent, liquid and operates well within the facility covenants established by its lenders.

## Notes to the Consolidated Annual Financial Statements continued

**33 Financial Instruments**

This note provides information about the Group's financial instruments, including:

- an overview of all categories of financial instruments held by the Group and
- information about determining the fair value of the instruments.

**33.1 Categorisation of financial assets and liabilities**

The table below sets out the Group's classification of each class of assets and liabilities:

	Hedging instruments <sup>1</sup> R'000	Financial assets/ liabilities at amortised cost R'000
<b>31 December 2025</b>		
Other financial assets	26 073	10 842
Trade and other receivables	–	2 002 696
Cash and bank balances	–	488 016
<b>Total assets</b>	<b>26 073</b>	<b>2 501 554</b>
<b>31 December 2024</b>		
Other financial liabilities	12 576	1 211 676
Trade and other payables	–	1 495 712
Lease liabilities	–	651 322
Bank overdraft	–	100 115
<b>Total liabilities</b>	<b>12 576</b>	<b>3 458 825</b>
<b>31 December 2024</b>		
Other financial assets	6 657	11 215
Trade and other receivables	–	1 856 537
Cash and bank balances	–	494 344
<b>Total assets</b>	<b>6 657</b>	<b>2 362 096</b>
Other financial liabilities	8 247	1 475 788
Trade and other payables	–	1 462 257
Lease liabilities	–	642 824
Bank overdraft	–	201 476
<b>Total liabilities</b>	<b>8 247</b>	<b>3 782 345</b>

<sup>1</sup> These financial instruments comprise forward exchange contracts and are categorised as level 2 per the fair value hierarchy.

The Group's exposure to various risks associated with the financial instruments is discussed in Note 31. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

The carrying amount of cash and bank balances and bank overdrafts approximates fair value due to the short maturity of these instruments.

Trade and other receivables, investments, loans and trade and other payables reflected on the statement of financial position approximate the fair values thereof due to the short maturity of these instruments.

Borrowings (bank loans, asset based finance and loans payable) are measured at amortised cost using the effective interest rate method and the carrying amounts approximate their fair value.

There are no significant differences between carrying values and fair values of financial assets and liabilities.

## Notes to the Consolidated Annual Financial Statements continued

**33 Financial Instruments** *continued***33.2 Measurement of fair values**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. Fair values are categorised into three different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between level 2 and 3 of the fair value hierarchy for the years ended 31 December 2025 or 2024.

Type	Valuation Technique	Fair value hierarchy	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts (derivative financial instruments – used for hedging)	Forward Pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Level 2	Not applicable
Investment property	Independent Valuation: Fair values are determined periodically with reference to market-based evidence or independent valuations.	Level 2	Not applicable

# Accounting *Policies*

for the year ended 31 December 2025

The accounting policies of the Company are the same as those of the Group, where applicable. Refer to the consolidated financial statements in this regard. The accounting policies applied by the Company have been applied consistently to the periods presented in these financial statements, except where stated otherwise. The policies detailed below are those specifically applicable to the Company.

## **Investments in subsidiaries**

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

## **Revenue**

### – Dividend income

Dividends are recognised as revenue when the right to receive payment is established. It is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

### – Management fees

Management fees are recognised over time. No material judgement is required to determine the transaction price and the allocation thereof.

# Statement of Profit or Loss and Other Comprehensive *Income*

for the year ended 31 December 2025

	Notes	<b>2025</b> <b>R'000</b>	2024 R'000
Revenue	9	<b>82 812</b>	110 017
Other income		–	34
Operating expenses		<b>(5 684)</b>	(7 234)
<b>Operating profit</b>		<b>77 128</b>	<b>102 817</b>
Finance income	11	<b>16</b>	16
<b>Profit before tax</b>		<b>77 144</b>	<b>102 833</b>
Income tax expense	12	<b>(2 264)</b>	(147)
<b>Profit for the year</b>		<b>74 880</b>	<b>102 686</b>
<b>Total comprehensive income for the year</b>		<b>74 880</b>	<b>102 686</b>

# Statement of Financial *Position*

as at 31 December 2025

	Notes	2025 R'000	2024 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
		<b>4 566 801</b>	<b>4 568 793</b>
Investments in subsidiaries	1	<b>4 566 312</b>	4 566 312
Deferred tax assets	7	<b>489</b>	2 481
<b>Current assets</b>			
		<b>4 170</b>	<b>16 940</b>
Trade and other receivables	3	<b>3 946</b>	1 198
Loans to shareholders/former shareholders	4	–	707
Loans to group companies	2	–	14 508
Current tax receivable	14	–	318
Cash and cash equivalents	5	<b>224</b>	209
<b>Total assets</b>		<b>4 570 971</b>	<b>4 585 733</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	6	<b>4 936 450</b>	4 926 407
Accumulated loss		<b>(368 939)</b>	(341 530)
<b>Total equity</b>		<b>4 567 511</b>	<b>4 584 877</b>
<b>Current liabilities</b>			
		<b>3 460</b>	<b>856</b>
Trade and other payables	8	<b>564</b>	856
Loans from group companies	2	<b>2 870</b>	–
Loans from shareholders/former shareholders	4	<b>24</b>	–
Current tax payable	14	<b>2</b>	–
<b>Total liabilities</b>		<b>3 460</b>	<b>856</b>
<b>Total equity and liabilities</b>		<b>4 570 971</b>	<b>4 585 733</b>

# Statement of Changes in *Equity*

for the year ended 31 December 2025

	Share capital R'000	Accumulated loss R'000	Total R'000
<b>Balance at 1 January 2024</b>	<b>4 915 389</b>	<b>(341 928)</b>	<b>4 573 461</b>
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>102 686</b>	<b>102 686</b>
Profit for the year	–	102 686	102 686
<b>Contributions and distributions</b>	<b>11 018</b>	<b>(102 288)</b>	<b>(91 270)</b>
Dividends declared and paid <sup>1</sup>	–	(102 288)	(102 288)
Issue of shares	11 022	–	11 022
Repurchase of shares	(4)	–	(4)
<b>Balance at 31 December 2024</b>	<b>4 926 407</b>	<b>(341 530)</b>	<b>4 584 877</b>
<b>Total comprehensive loss for the year</b>	<b>–</b>	<b>74 880</b>	<b>74 880</b>
Profit for the year	–	74 880	74 880
<b>Contributions and distributions</b>	<b>10 043</b>	<b>(102 289)</b>	<b>(92 246)</b>
Dividends declared and paid <sup>1</sup>	–	(102 289)	(102 289)
Issue of shares	10 778	–	10 778
Repurchase of shares	(735)	–	(735)
<b>Balance at 31 December 2025</b>	<b>4 936 450</b>	<b>(368 939)</b>	<b>4 567 511</b>
Notes	<b>6</b>		

<sup>1</sup> On 14 April 2025 (2024: 15 April 2024) the Board paid a dividend of 15 cents (2024: 15 cents) per ordinary share totalling R102.3m (2024: R102.3m).

# Statement of Cash *Flows*

for the year ended 31 December 2025

	Notes	2025 R'000	2024 R'000
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>74 152</b>	<b>104 561</b>
Cash generated from operations	13	(708)	2 294
Dividends received	9	74 797	102 288
Finance income received		16	16
Taxation (paid)/received	14	47	(37)
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>18 108</b>	<b>(14 508)</b>
Proceeds/(issuance) of loans to group companies	15	18 108	(14 508)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(92 245)</b>	<b>(92 266)</b>
Proceeds from issue of equity shares	6	10 778	11 022
Shares repurchase	6	(735)	(4)
Dividend paid		(102 288)	(102 288)
Repayment of loans from group companies		–	(996)
Net increase/(decrease) in cash and cash equivalents		15	(2 213)
Cash and cash equivalents at the beginning of the year		209	2 422
<b>Cash and cash equivalents at the end of the year</b>		<b>224</b>	<b>209</b>

# Notes to the Annual Financial Statements

for the year ended 31 December 2025

	2025 % holding	% holding	2025 R'000 Carrying amount	2024 R'000 Carrying amount
<b>1 Investment in subsidiaries</b>				
Libstar Operations Proprietary Limited	100%	100%	4 566 312	4 566 312
<b>2 Loans (from)/to group companies</b>			2025 R'000	2024 R'000
<b>Subsidiary</b>				
Libstar Operations Proprietary Limited			(2 870)	14 508
The above loan is unsecured and bears no interest (2024: bore no interest). The loan is repayable on demand.				
<b>Exposure to currency risk</b>				
The net carrying amounts of the loan to subsidiary are denominated in Rands. There is no exposure to currency risk.				
<b>3 Trade and other receivables</b>				
<b>Financial instruments:</b>				
Other receivables (intercompany)			3 843	1 007
<b>Non-financial instruments:</b>				
Prepayments			101	98
Other Receivables			2	–
VAT			–	93
Total trade and other receivables			3 946	1 198
<b>Categorisation of trade and other receivables</b>				
At amortised cost			3 843	1 007
Non-financial instruments			103	191
			3 946	1 198
<b>Expected credit losses</b>				
There are no expected credit losses on other receivables.				
<b>4 Loans (from)/to shareholders/former shareholders</b>				
<b>Financial (liabilities)/assets at amortised cost</b>				
Business Ventures Investments No 2071 Proprietary Limited			(12)	381
The above loan is unsecured and bears no interest. The loan is repayable on demand.				
Business Ventures Investments No 2072 Proprietary Limited			(12)	326
The above loan is unsecured and bears no interest. The loan is repayable on demand.				
			(24)	707
<b>Categorisation of loans (payable)/receivable</b>				
At amortised cost			(24)	707

## Notes to the Annual Financial Statements continued

	<b>2025</b>	2024
	<b>R'000</b>	R'000
<b>5 Cash and cash equivalents</b>		
Bank balances	<b>224</b>	<b>209</b>
<p>Libstar Holdings Ltd has signed a cession of all its rights and claims in respect of bank accounts maintained in its jurisdiction of incorporation.</p> <p>Refer to Note 16 for further information about term loans provided to Libstar Operations (Pty) Ltd (a subsidiary of the Company) and the related securities for the facilities, for which Libstar Holdings Ltd stands as the additional guarantor.</p> <p>Cash and cash equivalents represents a current bank account held for administrative purposes, at an institution which is in line with those used by the Group. Refer to Note 26.1 of the consolidated annual financial statements.</p>		
<b>6 Share capital</b>		
<b>Authorised</b>		
10 000 000 000 Ordinary shares at no par value		
1 000 000 Preference shares		
<b>Reconciliation of number of shares issued:</b>		
Reported as at the beginning of the year	<b>681 921 408</b>	681 921 408
Issue of shares – ordinary shares	<b>414 841</b>	491 817
Share repurchase	<b>(73 464 624)</b>	(491 817)
	<b>608 871 625</b>	<b>681 921 408</b>
<b>Issued</b>		
608 871 625 (2024: 681 921 408) fully paid ordinary shares of no par value		
Balance at 1 January	<b>4 926 407</b>	4 915 389
Issue of shares	<b>10 778</b>	11 022
Repurchase of shares	<b>(735)</b>	(4)
<b>Balance at 31 December</b>	<b>4 936 450</b>	<b>4 926 407</b>
<b>2025:</b>		
<b>Treasury shares transactions during the year</b>		
<p>During the current year Business Venture Investments No 2071 (Pty) Ltd subscribed for 223 751 (2024: 264 965) subscription shares at a subscription price of R25.98 (2024: R22.41) per share on 13 May 2025 (2024: 6 May 2024). Libstar Holdings Ltd repurchased the same number of Nominal BEE shares at R0.01 per share on the respective dates.</p> <p>During the current year Business Venture Investments No 2072 (Pty) Ltd subscribed for 191 091 (2024: 226 852) subscription shares at a subscription price of R25.98 (2024: R22.41) per share on 13 May 2025 (2024: 6 May 2024). Libstar Holdings Ltd repurchased the same number of Nominal BEE shares at R0.01 per share on the respective dates.</p>		
<b>Repurchase of ordinary shares</b>		
<p>On 9 September 2025, the Company repurchased a total of 73 049 783 ordinary shares for a nominal consideration of R0.01 per share from Business Venture Investments No 2071 (Pty) Ltd (39 334 499 shares) and Business Venture Investments No 2072 (Pty) Ltd (33 715 284 shares). The Company exercised its option to repurchase the shares from the BEE SPVs on the seventh anniversary of the schemes in terms of the formula set out in the Relationship Agreement between the parties concluded in April 2018. The repurchase mechanisms were approved by the shareholders prior to the Company's listing by way of a special resolution, as disclosed in the PLS of the Company. It is the intention of the Company to wind down and deregister the B-BBEE SPVs and Trusts. The repurchased shares revert to the authorised but unissued shares of the Company in accordance with section 35(5) of the Companies Act, 71 of 2008. The JSE approved the application for the delisting of the repurchased shares with effect from the commencement of business on 9 September 2025.</p>		
<b>2024:</b>		
<p>On 6 May 2024, Business Venture Investments No 2072 (Pty) Ltd subscribed for 226 852 subscription shares at a subscription price of R22.41 per share and Business Venture Investments No 2071 (Pty) Ltd subscribed for 264 965 subscription shares at a subscription price of R22.41 per share. Libstar Holdings Ltd repurchased the same number of Nominal BEE shares at R0.01 per share on the respective date.</p>		

## Notes to the Annual Financial Statements continued

	2025 R'000	2024 R'000
<b>7 Deferred tax</b>		
Balance at beginning of the year	2 481	2 628
Charge in profit or loss	(1 992)	(147)
<b>Balance at the end of the year</b>	<b>489</b>	<b>2 481</b>
<b>Reconciliation of deferred tax asset</b>		
Assessed loss	513	2 282
Deductible temporary difference on prepaid expenses	(24)	(26)
Temporary difference on accrued expenses	–	225
	<b>489</b>	<b>2 481</b>
<p>Management has assessed the recoverability of deferred tax assets arising from assessed losses in accordance with IAS 12. This included analysing projected future taxable profits, considering historical performance, revenue growth forecasts, and anticipated reversals of taxable temporary differences. Management concluded that it is probable future taxable profits will be available against which the assessed losses can be utilised, supporting the recognition of the deferred tax asset.</p>		
<b>8 Trade and other payables</b>		
<b>Financial instruments:</b>		
Trade payables	234	24
Other accruals	279	832
<b>Non-financial instruments:</b>		
VAT	51	–
	<b>564</b>	<b>856</b>
<b>9 Revenue</b>		
Dividend income	74 797	102 288
Management fees	8 015	7 729
	<b>82 812</b>	<b>110 017</b>
<b>10 Operating profit</b>		
<p>Operating profit for the year is stated after charging the following, amongst others:</p>		
Auditor's remuneration	–	1 239
Directors' fees	5 125	5 221
<b>11 Finance income</b>		
Bank and other cash	16	16

## Notes to the Annual Financial Statements continued

	2025 R'000	2024 R'000
<b>12 Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current</b>		
Local income tax – current period	127	–
Prior period under provision – current tax	146	–
<b>Deferred</b>		
Originating and reversing temporary differences	506	147
Prior period under provision – deferred tax	1 485	–
	<b>2 264</b>	<b>147</b>
<b>Reconciliation between accounting loss and tax expense</b>		
Accounting profit	77 144	102 833
Tax at the applicable tax rate of 27% (2024: 27%)	20 829	27 765
<b>Tax effect of adjustments on taxable income</b>		
Non-taxable dividend income	(20 195)	(27 618)
Prior period under provision – current tax	145	–
Prior period over provision – deferred tax	1 485	–
	<b>2 264</b>	<b>147</b>
<b>13 Cash (utilised in)/generated from operations</b>		
Profit before taxation	77 144	102 833
<b>Adjustments for:</b>		
Finance income	(16)	(16)
Dividend income	(74 797)	(102 288)
<b>Changes in working capital:</b>		
Trade and other receivables	(2 747)	1 363
Trade and other payables	(292)	402
	<b>(708)</b>	<b>2 294</b>
<b>14 Taxation received/(paid)</b>		
Balance at beginning of the year	318	281
Current tax for the year recognised in profit or loss	(273)	–
Balance at end of the year	2	(318)
	<b>47</b>	<b>(37)</b>

## Notes to the Annual Financial Statements continued

	Note	2025 R'000	2024 R'000
<b>15 Related parties</b>			
Related-party relationships exist between shareholders and subsidiaries within the Group.			
<b>Related party balances</b>			
<b>Loan accounts – Owing (to)/by related parties</b>			
Libstar Operations Proprietary Limited		(2 870)	14 508
Business Ventures Investments No 2071 Proprietary Limited		(12)	381
Business Ventures Investments No 2072 Proprietary Limited		(12)	326
<b>Other receivables</b>			
Libstar Operations Proprietary Limited		3 843	1 007
<b>Related party transactions</b>			
<b>Key management personnel compensation</b>			
Details of directors' remuneration is disclosed in Note 9 of the consolidated annual financial statements.			
Details of key management personnel remuneration is disclosed in Note 28.2 of the consolidated annual financial statements.			
<b>Dividends received from subsidiary</b>			
Libstar Operations Proprietary Limited		74 797	102 288
<b>Dividends paid to shareholders</b>			
Refer to Statement of Changes in Equity.			
<b>Income received from subsidiaries</b>			
Management fee received from subsidiaries		8 015	7 729

## Notes to the Annual Financial Statements continued

### 16 Financial instruments and risk management

#### Categories of financial instruments

	2025 R'000		2024 R'000	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Categories of financial assets</b>				
Loans to group companies	–	–	14 508	14 508
Loans to shareholders	–	–	707	707
Trade and other receivables	<b>3 843</b>	<b>3 843</b>	1 007	1 007
Cash and cash equivalents	<b>224</b>	<b>224</b>	209	209
	<b>4 067</b>	<b>4 067</b>	<b>16 431</b>	<b>16 431</b>
<b>Categories of financial liabilities</b>				
Trade and other payables	<b>513</b>	<b>513</b>	856	856
Loan from group company	<b>2 870</b>	<b>2 870</b>	–	–
	<b>3 383</b>	<b>3 383</b>	856	856

Pre tax gains and losses on financial instruments	Amortised cost	Total	Amortised cost	Total
<b>Gains and losses on financial assets recognised in profit or loss:</b>				
Finance income	<b>16</b>	<b>16</b>	16	16

#### Capital risk management

The Company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

	2025 R'000	2024 R'000
Loan from group company	<b>2 870</b>	–
Trade and other payables	<b>513</b>	856
<b>Total borrowings</b>	<b>3 383</b>	<b>856</b>
Cash and cash equivalents	<b>(224)</b>	(209)
<b>Net borrowings</b>	<b>3 159</b>	<b>647</b>
Equity	<b>4 567 511</b>	4 584 877
Net gearing ratio	<b>0%</b>	0%

## Notes to the Annual Financial Statements continued

**16 Financial instruments and risk management** *continued***Financial risk management**

The Company is exposed to the following risks from its use of financial instruments:

Credit risk;  
Liquidity risk; and  
Market risk (interest rate risk).

The directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The directors have established the Group Audit and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports quarterly to the directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Group Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the committee.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

**Cash and cash equivalents and deposits with banks and financial institutions**

Cash and cash equivalents are kept with banks and financial institutions that have sound credit ratings. Management does not expect any counterparties to fail to meet its obligations.

**Other financial assets carried at amortised cost**

The Company's credit exposure in respect of other financial assets at amortised cost are considered to be limited. Other financial assets at amortised cost include loans to related parties. The credit ratings of these assets are monitored for credit deterioration. All of the Company's other financial assets at amortised cost are considered to have low credit risk. The Company recognised a Rnil (2024: Rnil) credit loss allowance for other financial assets at amortised cost. The counterparties have not defaulted on their credit before and they have a strong capacity to meet its contractual cash flow obligations in the near term.

The maximum exposure to credit risk is presented in the table below:

	<b>Gross carrying amount</b>	<b>Credit loss allowance</b>	<b>Amortised cost/fair value</b>
<b>2025</b>			
Trade and other receivables	<b>3 843</b>	–	<b>3 843</b>
Cash and cash equivalents	<b>224</b>	–	<b>224</b>
	<b>4 067</b>	–	<b>4 067</b>
<b>2024</b>			
Trade and other receivables	1 007	–	1 007
Loans from shareholders/former shareholders	707	–	707
Cash and cash equivalents	209	–	209
Loans to group companies	14 508	–	14 508
	<b>16 431</b>	–	<b>16 431</b>

*Notes to the Annual Financial Statements continued***16 Financial instruments and risk management** *continued***Liquidity and interest risk**

The maturity profile of contractual cash flows of non-derivative financial liabilities and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

	2025 R'000	2024 R'000
<b>Within 12 months</b>		
Trade and other payables	513	856
Loans from group companies	2 870	–

**Interest rate sensitivity**

The Company is not exposed to interest rate risk because there are no funds borrowed at floating interest rates.

**Market risk**

The Company's exposure to market risk is not material.

**Financing facilities**

Libstar Holdings Ltd stands as the additional guarantor on the financing facilities provided to Libstar Operations (Pty) Ltd. These facilities consist of:

- Senior facility A of R1 000 000 000 with a maturity date of 1 January 2028 (2024: 5 year bullet profile) – fully utilised;
- Senior facility B of R150 000 000 with a maturity date of 1 January 2028 (2024: 5 year bullet profile) – unutilised facility; (R80.0m repaid on 30 June 2025 and R70.0m on 30 September 2025)
- Senior facility C of R200 000 000 with a maturity date of 1 January 2028 (2024: 5 year bullet profile) – unutilised facility; (R50.0m repaid on 31 March 2025)
- Senior facility D of R350 000 000 with a maturity date of 1 January 2028 – unutilised facility;
- Security agreements currently held in favour of the debt guarantor to establish security are as follows:
  - » A pledge and cession of all shares, securities and other ownership interest it holds, from time to time, in any affiliate, associate company or another person in which it is invested;
  - » A cession of all present and future claims, from time to time, against any person, including its trade debtors;
  - » A cession of its present and future claims, from time to time, against any person under the acquisition documents;
  - » A cession of all rights and claims in respect of bank accounts maintained, from time to time; and
  - » A cession of all insurances taken out by or for the benefit of that obligor, from time to time, and all proceeds receivable under those insurances; and
  - » A general notarial bond over all the movable assets of the obligor.

## *Notes to the Annual Financial Statements continued*

### **17 Going concern**

The directors believe that the Company has adequate financial resources to continue to operate for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

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### **18 Events after the reporting period**

The following material event occurred during the period subsequent to 31 December 2025 but prior to these financial statements being authorised for issue:

The directors approved, declared and paid a final cash dividend of 28 cents per ordinary share (gross) in respect of the year ended 31 December 2025.

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## Annexure 1

## Analysis of shareholding for the year ended 31 December 2025

### Directors' interests

#### ORDINARY SHARES

Director	Dec 2025				Dec 2024			
	Direct shares held	Held indirectly or by an associate	Total shares held	Total % held	Direct shares held	Held indirectly or by an associate	Total shares held	Total % held
CB de Villiers	86 752	–	86 752	0.01%	67 252	–	67 252	0.01%
TL Ladbrooke	102 000	–	102 000	0.02%	72 900	–	72 900	0.01%
C Lodewyks	82 531	–	82 531	0.01%	26 500	–	26 500	0.00%
JP Landman <sup>1</sup>	–	200 000	200 000	0.03%	–	200 000	200 000	0.03%
T Carstens <sup>2</sup>	–	–	–	–	–	–	–	–
W Luhabe	–	–	–	–	–	–	–	–
S Masinga	–	–	–	–	–	–	–	–
S Khanna	–	–	–	–	–	–	–	–
A Andrews	–	–	–	–	–	–	–	–

<sup>1</sup> Indirect shares held by Ruland Trust, an associate of JP Landman.

<sup>2</sup> Appointments effective in the current year.

Where directors resigned in the prior financial period, the table above shows nil values in respect of the direct and indirect shareholding held at the end of the prior period. Where directors have been appointed in the year under review, the table above shows nil values in respect of the prior period.

There has been no change in directors' interests or any share dealings by directors in the ordinary shares of the Company subsequent to 31 December 2025 and to the date of this report.

## Annexure 1 continued

**PREFERENCE SHARE CAPITAL**

No directors held a direct interest in preference share capital during the current or prior periods.

The following directors held an indirect interest in preference share capital due to their participation in the Ratchet Trust (100% shareholder of preference share):

– CB de Villiers held 1.5 units and C Lodewyks held 3.5 units at the close of the current and prior period.

Ordinary shareholder spread	Number of shareholders	Number of shares	% of shares in issue
Public	3 621	382 844 783	62.9%
Non-public	6	226 026 842	37.1%
– Directors	3	271 283	0.0%
– Associates of directors	1	200 000	0.0%
– Treasury shares <sup>^</sup>	1	13 059 362	2.2%
– Persons interested in 10% or more (other than directors or associates of directors)	1	212 496 197	34.9%
<b>Total issued shares</b>	<b>3 627</b>	<b>608 871 625</b>	<b>100.0%</b>

<sup>^</sup> Libstar Operations Proprietary Limited a subsidiary of Libstar Holdings Limited, purchased 13,059,362 treasury shares during the 2018 and 2019 financial year at an average price of R7,62 per share and these shares reverted to authorised but unissued.

In so far as it is known to the company, the following shareholders, directly or indirectly beneficially hold 5% or more shares in the issued shares:

Major ordinary shareholders	Number of shares	% of shares in issue
APEF Pacific Mauritius Limited	212 496 197	34.9%
Government Employees Pension Fund	54 967 643	9.0%
Allan Gray Pty Ltd	46 410 500	7.6%
Cearus Holdco Limited	39 966 880	6.6%

Ordinary shareholder spread	Number of shareholders	% of shareholders	Number of shares	% of shares in issue
1 – 1 000 000 shares	3 556	98.1%	56 265 963	9.3%
1 000 001 – 3 000 000 shares	41	1.1%	71 441 197	11.7%
3 000 001 – 6 000 000 shares	15	0.4%	62 896 798	10.3%
6 000 001 – 40 000 000 shares	14	0.4%	205 771 470	33.8%
More than 40 000 000 shares	1	0.0%	212 496 197	34.9%
	<b>3 627</b>	<b>100.0%</b>	<b>608 871 625</b>	<b>100.0%</b>

# Corporate *Information*

## Company and Registered Office

### Libstar Holdings Limited

Registration Number: 2014/032444/06  
Libstar House, 43 Blouelie Crescent,  
Plattekloof, Western Cape,  
7500 South Africa

## Company Secretary

### CIS Company Secretaries Proprietary Limited

Rosebank Towers, 15 Biermann Avenue,  
Rosebank, Johannesburg, 2196 South Africa

(PO Box 61051, Marshalltown,  
Johannesburg, 2107)

## Sponsor

### The Standard Bank of South Africa Limited

30 Baker Street, Rosebank,  
Johannesburg, 2196, South Africa

(PO Box 61344, Marshalltown,  
Johannesburg, 2107)

## Auditors

### Ernst & Young Inc.

3rd Floor, Waterway House  
3 Dock Road, V & A Waterfront  
Cape Town, Western Cape, 8001  
South Africa

## Directors

### Johannes Petrus (JP) Landman

(Chairman – Independent Non-Executive Director)

### Anneke Andrews

(Lead Independent Non-Executive Director)

### Sandeep Khanna

(Independent Non-Executive Director)

### Sibongile Masinga

(Independent Non-Executive Director)

### Tertius Carstens

(Independent Non-Executive Director)

### Charl Benjamin de Villiers

(Chief Executive Officer)

### Terri Lee Ladbrooke

(Chief Financial Officer)

### Cornél Lodewyks

(Executive Director)

## Transfer Secretaries

### Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue,  
Rosebank, Johannesburg, 2196, South Africa

(PO Box 61051, Marshalltown,  
Johannesburg, 2107)



LIBSTAR