

The LIBSTAR logo features the word "LIBSTAR" in a dark blue, sans-serif font, with a five-pointed star symbol replacing the letter "A".

LIBSTAR

The title "Integrated Annual Report" is written in a cursive script. "Integrated" is in dark blue, and "Annual Report" is in a light green color.

*Integrated
Annual Report*

The year "2025" is displayed in a bold, sans-serif font. The "202" is in dark blue, and the "5" is in light green.

2025

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About this *report*

Reporting scope and period

This Integrated Annual Report covers the period 1 January to 31 December 2025 and includes material information up to the date of finalisation of the report. It addresses Libstar's activities, delivery against our strategy, governance, external environment, key risks and opportunities, and our plans and outlook.

The report aims to provide stakeholders with relevant information about Libstar's material matters – those matters that have the greatest potential impact on our ability to create value in the short, medium and long term¹, as well as the Group's most significant impacts on the economy, society and the environment.

Financial information in this report has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and includes all subsidiaries. ESG information is reported on a consistent basis across the Group.

Determination of material matters

Libstar conducts an annual materiality assessment to identify the matters that are most significant to the Group's ability to create and sustain value over time. The assessment considers:

- » Libstar's strategic priorities and business model.
- » Key risks and opportunities.
- » Engagements with stakeholders.
- » The external operating environment.
- » Matters raised through governance and risk management processes.

The material matters identified through this process are presented in the Material matters section of this report and are integrated throughout the report where relevant.

¹ We define "short term" as less than 12 months, "medium term" as one to three years and "long term" as greater than three years.

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Reporting process and frameworks

The Group's integrated reporting process is coordinated by Executive Management, and the reporting documents are reviewed and approved by the Board of Directors.

Financial and non-financial information	Other information and disclosures in this report
<p>The audited consolidated annual financial statements comply with IFRS Accounting Standards, the JSE Listings Requirements, and the South African Companies Act, No 71 of 2008, as amended ("the Companies Act"). The external auditors issued an unqualified audit opinion on the annual financial statements. The financial reporting boundary includes all subsidiaries, and ESG information is reported on the same basis.</p>	<p>This Integrated Annual Report is guided by the principles and requirements of the Integrated Reporting <IR> Framework issued by the IFRS Foundation and the King Report on Corporate Governance for South Africa 2016 (King IV)*. The Group has also considered developments arising from the King V Report on Corporate Governance for South Africa, which will inform the evolution of our governance and reporting practices going forward.</p> <p>In preparing our ESG disclosures, we considered the JSE Sustainability Disclosure Guidance and continue to work towards incorporating best practice in sustainability reporting. Our corporate social investment (CSI) initiatives align with the United Nations Sustainable Development Goals, and we continue to expand alignment of our broader sustainability initiatives over time.</p> <p>The Group is monitoring developments in sustainability and climate reporting standards, including those issued by the International Sustainability Standards Board (ISSB), and will consider their application in future reporting periods.</p>

Board approval

The Board acknowledges its responsibility for the integrity of the Group's external reporting. We believe that the report provides a fair and balanced view of the Group's performance, strategy, governance, and outlook, and that it covers all material matters affecting Libstar's ability to create and preserve value relevant to providers of financial capital and other stakeholders. The Board approved this report on 16 April 2026.

JP Landman
Chairman

Our reporting suite includes:

- » Consolidated and Company annual financial statements for the year ended 31 December 2025
- » Notice of AGM

Our business at a *glance*




We are an innovative food company inspired by the consumers we serve. With passion and purpose, we deliver great-tasting, nutritious and high-quality food products as *One Libstar*.


Purpose
To nourish and unite people with great-tasting, quality food.


Our values


Vision
As *One Libstar*, we unlock value for our stakeholders through the sustainable, profitable growth of our selected portfolio of consumer-inspired food brands and innovative category solutions.
We achieve this by being trusted partners, working closely with our customers and constantly enhancing our reputation as one of South Africa's leading producers and distributors of high-quality branded and private label food products.




Performance-driven
As an ambitious team, we work with high energy and momentum, constantly challenging each other and finding creative solutions that will ensure our success. 

Agile
We embrace change with a can-do attitude. We are always focused on moving forward. 








Consumer-inspired
We are aligned and focused on the needs of our consumers. 

Champions for good
We believe in always doing the right thing and are committed to leading with integrity and doing business honestly and openly. 

Accountable
We take responsibility for our actions and strive for the highest standards in all that we do. 

Our journey

Founded in 2005, Libstar has grown into a leader in South Africa's food sector, driven by innovation, resilience and a passion for excellence. This 20th-year milestone honours our people, our partners and the everyday moments we help to nourish.

<p>Libstar was founded Acquired Dickon Hall Foods</p> <p>2005</p>	 <p>Acquired Retailer Brands, Chet Chemicals (sold in 2024) and Rialto</p> <p>2006</p>	<p>Acquired Montagu Foods and Amaro Foods</p> <p>2007</p>	 <p>Acquired Cape Herb and Spice, Finlar Fine Foods and Lancewood</p> <p>2008</p>	<p>Acquired Ambassador Foods</p> <p>2011</p>		
<p>Listed on the JSE</p>  <p>2018</p>	<p>Acquired Khoisan (incorporated into Cape Herb and Spice), Sonnendal (incorporated into Lancewood) and Millennium Foods</p> <p>2017</p>	<p>Acquired Ambassador Confectionery (incorporated into Ambassador Foods) and Kalk Bay Foods (incorporated into Cape Herb and Spice)</p> <p>2016</p>	<p>Acquired Natural Herbs and Spices (incorporated into Cape Herb and Spice), Denny Mushrooms (sold in 2025), Cecil Vinegar, Patleys (incorporated into Rialto), Chamonix (closed in 2024) and Cupmaster (incorporated into Rialto)</p> <p>2015</p>	 <p>Acquired Cape Coastal Honey (incorporated into Rialto)</p> <p>2014</p>	<p>Acquired Foodpac (incorporated into Rialto)</p> <p>2013</p>	<p>Acquired Contactim, Cani Rusks, Michaels & Michaels (incorporated into Ambassador Foods) and Multicup (incorporated into Rialto)</p> <p>2012</p>
 <p>Acquired Cape Foods</p> <p>2022</p>	<ul style="list-style-type: none"> » Launched our Simplification, Growth and Sustainability Strategy. » Appointed a new management team, strengthening leadership. » Established a new growth platform by launching the Red Lion brand in the Wholesale Channel. <p>2023</p>	<ul style="list-style-type: none"> » Launched the One Libstar Values-Based High-Performance Culture Programme. » Chet Chemicals sold effective 30 December 2024. » Chamonix Springwater closed October 2024. » Category structure simplified into Ambient Products and Perishable Products super-categories.  <p>2024</p>	<ul style="list-style-type: none"> » Libstar brands and factories win 49 awards. » Fresh Mushrooms operations sold effective 1 December 2025. » Umatie sold effective 1 August 2025. » Celebrated Libstar's 20th anniversary, reflecting on two decades of resilience, excellence and shared purpose while looking ahead to continued growth and innovation.  <p>2025</p>			

2025 Salient *features*

The Group's performance across key financial indicators improved during 2025. Revenue and profitability improved despite ongoing challenges in the operating environment.

Revenue

R12.3 bn

+8.2%

Gross Profit Margin (%)

22.0%

+0.4 percentage points

Normalised EBITDA

R1 071 million

+6.6%

Normalised HEPS

70.6 cps

+21.7%

Cash Conversion

95.0%

2024*: 80.1%

Gearing Ratio

0.9x

(2024*: 1.5x)

Adjusted ROIC

10.9%

(2024*: 8.6%)

Dividend

28 cps

+86.7%

* 2024 financial comparatives throughout this report have been restated to reflect the classification of Denny Mushrooms as a discontinued operation following its disposal in 2025.

Employees
6 114
(2024: 7 203)

Scope 1 and 2 carbon emissions
114 186 tCO₂e
(2024: 122 811 tCO₂e)

Socio economic development spend
R22.1 million
(2024: R24.2 million)

B-BBEE rating
level 5
(2024: level 5)



Marked further progress in executing our strategic focus areas



Ambient Products performance

- » 7.4% revenue growth
- » Gross profit margin improved to 25.9% (2024: 25.4%)
- » 3.1% growth in EBITDA

Perishable Products outperformed

- » 9.2% revenue growth
- » Gross profit margin improved to 17.5% (2024: 16.8%)
- » 12.5% growth in EBITDA

2025 leverage targets exceeded

- » Cash conversion increased to 95.0% (2024: 80.1%)
- » Gearing ratio improved to 0.9x (2024: 1.5x)



Ambient Products

Select Products



Wet Condiments



Dry Condiments



Baking



R6.3 billion revenue
(2024: R5.8 billion)

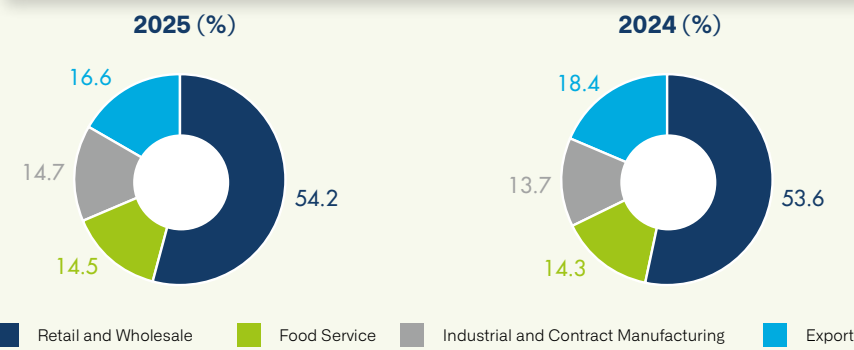
R724.7 million EBITDA
(2024: R703.1 million)

50.8% Group revenue
(2024: 51.2%)

62.7% Group EBITDA*
(2024: 64.6%)

* Normalised EBITDA before corporate costs

Sales channels



Products

Select Products

- » Pasta, rice and noodles
- » Oil, vinegar and dressings
- » Sauces and condiments
- » Canned products
- » Multi-flora and single varieties of honey
- » Cereals
- » Bars
- » Nuts, seeds and fruit
- » Spreads
- » Confectionery
- » Vegan cheese

Wet Condiments

- » Speciality vinegars
- » Verjuice
- » Dressings
- » Cook-in sauces
- » Pasta sauces
- » Curry sauces
- » Pour-over sauces
- » Soups
- » Stocks
- » Marinades
- » Condiments
- » Chutneys
- » Mayonnaise
- » Savoury dips



DENNY
Libstar retains the DENNY® brand and continues to produce products under this iconic brand through its Wet Condiments sub-category. Refer to pages 44 to 48.

Dry Condiments

- » Herbs and spices
- » Seasonings
- » Dessert decoration products
- » Teas

Baking

- » Wraps
- » Croissants
- » Speciality breads, rolls and baguettes
- » Soft white and brown rolls
- » Confectionery/sweet range
- » Rusks
- » Crunchies
- » Cookies and treats

Perishable Products

Dairy LANCEWOOD*

Value-added Meats



Convenience Meals



R5.9 billion revenue
(2024: R5.4 billion)

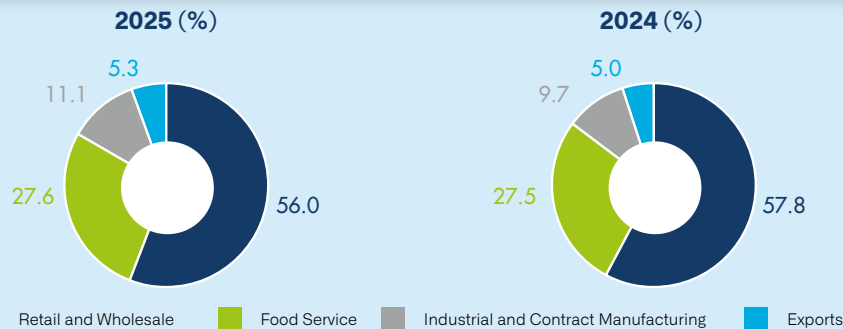
R421.8 million EBITDA
(2024: R374.8 million)

47.9% Group revenue
(2024: 47.4%)

36.5% Group EBITDA*
(2024: 34.4%)

* Normalised EBITDA before corporate costs

Sales channels



Products

Dairy

- » Hard cheese
- » Semi-soft cheese
- » Soft cheese
- » Speciality cheese
- » Yoghurt
- » Butter
- » Cream
- » Whey powder
- » Spreads
- » Sauces
- » Milk
- » Maas
- » Buttermilk



Value-added Meats

- » Formed patties
- » Value-added coated beef and chicken products
- » Value-added coated pork products (separate facility)
- » Value-added coated plant-based protein

Convenience Meals

- » Fresh and frozen meals

Investment *case*

A manufacturing-led food group built for value-constrained markets

Libstar is a diversified South African food group with scaled manufacturing platforms, deep category expertise and long-standing customer partnerships. In an environment defined by sustained consumer pressure, rising input costs and accelerating private label growth, Libstar is structurally positioned to protect margins, generate cash and compound value over the long term.

Why Libstar?

1. Positioned ahead of core market trends

South African consumers continue to down-trade as food inflation, energy costs and logistics pressures outpace income growth. Retailers are responding by sharpening value propositions, accelerating tiered private label strategies and demanding greater cost discipline and supply reliability from suppliers.

Libstar's strategy is explicitly aligned to these dynamics:

- » Value-seeking consumer behaviour drives demand for pack-price innovation, value products and cost-efficient ranges.
- » Rapid private label growth, increasingly tiered across entry, core and premium, favours scaled, technically capable manufacturers.
- » Selective premium resilience supports margin stability in trusted categories.
- » Channel diversification into wholesale, food service and exports provides a hedge against constrained domestic retail growth.

This alignment allows Libstar to convert structural market pressure into strategic opportunity.

2. Scaled manufacturing as a competitive advantage

Libstar operates capital-intensive, high-utilisation manufacturing platforms across ambient and perishable categories.

This scale underpins its competitive position by enabling:

- » Competitive unit costs through asset efficiency, yield optimisation and continuous productivity gains.
- » Pack-price and value SKU engineering at scale, supporting consumer down-trading without eroding margins.
- » Resilience to input cost volatility, managed through mix, yield and operational discipline.

As a result, Libstar is a preferred partner to customers seeking margin protection, quality assurance and supply reliability in a volatile environment.

3. Embedded in retailer strategies, not just supply chains

Libstar has built the operational complexity required to support tiered private label strategies across entry, core and premium ranges. This positions the Group as a category partner, not a single-SKU supplier.

Across multiple categories, Libstar's customer relationships are characterised by:

- » High share of wallet within defined categories.
- » Integration into retailer QA systems, NPD pipelines, logistics and category management.
- » Elevated switching costs once standards, processes and supply performance are embedded.

These long-standing, multi-year relationships provide defensibility, visibility and revenue stability.

4. Depth, breadth and channel diversification

Libstar's national footprint, consistent quality standards and broad product range across ambient and perishables enable participation across:

- » Retail (core)
- » Wholesale
- » Food service
- » Export markets

While retail remains the largest contributor, wholesale, food service and exports are increasingly important volume stabilisers and growth vectors, enhancing portfolio resilience in a constrained retail environment.

5. Disciplined strategy, focused execution

Following its strategic reset, Libstar is a more focused food business:

- » Concentrated on core categories where it has scale and capability.
- » Disciplined in capital allocation and operational execution.
- » Focused on margin quality, cash generation and long-term competitiveness.

This clarity of direction, combined with structural advantages that are difficult to replicate, underpins Libstar's ability to perform through cycles.

Our strategy



SIMPLIFY

our portfolio composition and operating model



GROW

our categories, channels, people and culture



SUSTAIN

our operations and cash flows

2025 is the third year in Libstar's Strategy to 2027, which was designed to deliver sustainable, profitable growth and stakeholder value by improving execution capabilities and profitability. The strategic review in 2023 identified five key value-driving initiatives (KVIs) that target a sustainable improvement in Libstar's cost competitiveness, earnings quality and return on invested capital (ROIC).

- KVI 1** Simplify our portfolio and operating model
- KVI 2** Optimise our operating model, structure and culture
- KVI 3** Grow profitably
- KVI 4** Reduce costs and improve operational efficiency to increase operating profit
- KVI 5** Improve capability and build capacity to identify, acquire and integrate value-accretive categories in 2025 and beyond

Objectives to improve

- Cost competitiveness
- Earnings quality
- Return on invested capital (ROIC)

The strategy to achieve these KVIs is underpinned by the three key themes detailed on page 10. Significant progress has been made to date, including simplification of the category structure into Ambient and Perishable Product super-categories, consolidation of operations, alignment of management structures to the new operating model and the closure or disposal of underperforming businesses. Introducing shared business services and consolidating procurement of common materials realised cost savings, while collaboration between Group companies contributed to growing revenues into wholesale, food services and export markets.

- ✓ The strategy is delivering margin expansion and improved operational control.
- ✓ Portfolio simplification is unlocking scale and efficiencies.
- ✓ Category growth is driving top-line momentum.
- ✓ Financial discipline is strengthening resilience and returns.

Following the achievements to date in the Simplification and Sustainability themes, we are focused on driving Growth to accelerate earnings momentum and create long-term stakeholder value:

- » Growth into new channels.
- » Growth through deepened category leadership.
- » Growth by unlocking new value across every part of our business.
- » Growth of our people.
- » Growth through targeted capital investments.

Our strategic objective: Deliver sustainable, profitable growth and stakeholder value



SIMPLIFY our portfolio composition and operating model

- » Significantly reduce operating structure complexity and consolidate support functions.
 - » Standardise execution, simplify operations and team structures, and improve efficiencies.
 - » Exit non-core businesses that do not achieve our ROIC benchmarks.
1. Consolidate business units into two super-categories.
 2. Reposition the portfolio to value-added food categories.

Progress in 2025

- » Established a shared services functional structure in Wet Condiments.
- » Integration of Rialto, Ambassador Foods and Cape Coastal Honey initiated.
- » Concluded the sale of the Group's Fresh Mushrooms operations (page 45).
- » Exited Umatie Foods.
- » Implemented a standardised payroll system across the Group.

Focus for 2026

- » Relocation of Dickon Hall Foods into Montagu Foods.
- » Complete Cape Herb & Spice Site Consolidation Project.
- » Conclude exit of Contactim.
- » Conclude sale of Phesantekraal property.
- » Implement a uniform People Strategy, including aligning job grading, performance measurement and remuneration structures.
- » Consolidate Microsoft tenants and streamline the Group's ICT systems environment.



GROW our categories, channels, people and culture

Drive future growth and strengthen earnings stability by:

- » Improving cost efficiencies.
 - » Expanding into under-represented channels.
 - » Leveraging expertise and capabilities in the Group.
1. Improve margins, unlock integration benefits in sales and marketing, and improve cost competitiveness and earnings stability in Ambient Products.
 2. Mitigate competitor risk, improve margins and accelerate channel development in Perishable Products.

Progress in 2025

Ambient Products revenue grew by 7.4% and margins improved to 25.9% (2024: 25.4%) (page 49).

Perishable Products revenue grew by 9.2% and margins improved to 17.5% (2024: 16.8%) (page 59).

- » Market share gains in core dairy categories of natural cheese, butter and yoghurt.
- » Strong demand for contract-manufactured sauces, own-branded and private label sauces, pesto and vinegars.
- » Entered into an agreement with General Mills to distribute Häagen-Dazs, Pilsbury, Old El Paso and Nature Valley brands.
- » Exports of own-branded spices, seasonings and sauces accelerated by the ongoing rollout of international retail listings in multiple geographies.
- » Sustained demand for fresh and frozen value-added chicken products in Retail and Food Services Channels.
- » Our second People Survey showed improved engagement (page 23).
- » Launched the Libstar EDGE Leadership Development Programme (page 23).
- » Continued the rollout of the *One Libstar* Values-Based High-Performance Culture Programme.

Focus for 2026

- » Execute strategic priorities in Value-added Meats.
- » Deliver on the General Mills distribution rollout goal.
- » Improve EBIT at Ambassador Foods and Amaro Foods by innovation, operational discipline and cost control.
- » Accelerate growth into informal trade with Lancewood, Red Lion, Denny, Goldcrest and I Love brands.
- » Implementing the People Strategy to drive our People Promise and make Libstar a Great Place to Work.



SUSTAIN our operations and cash flows

Ensure financial sustainability by improving key financial metrics and embedding responsible ESG practices across the Group.

1. Sustainable operations.
2. Sustainable cash flows.
3. Sustainable business practices.

Progress in 2025

- » Ongoing evaluation of energy-saving initiatives and solar installation opportunities (page 68).
- » Capex of R241.1 million (2024: R194.2 million) (page 48).
- » Ongoing reduction in gearing to 0.9x (2024: 1.5x) vs target of <2.0x (page 48).
- » Carbon footprint Scope 1 and 2 decreased by 7% (page 67).
- » B-BBEE rating level 5 (2024: level 5) (page 71).
- » Improved service levels.
- » Focus on procurement to increase gross profit.
- » Increased realisation of labour efficiencies.
- » Continued focus on reducing waste and improving production yields.

Focus for 2026

- » Implement Lancewood's Water Re-Use Project.
- » Enter into electricity wheeling arrangements to reduce costs and Scope 2 emissions, and improve preferential procurement.
- » Unlock further Group procurement benefits in plastics, personal protective equipment and labels.
- » Enhance the Group's employment equity plan to further support succession and skills development plans.
- » Strengthen Libstar's performance culture through bespoke programmes (including EDGE) and consistent communication.

Strategy focus: Simplifying to realise efficiencies across the Group

KVI 4 Reduce costs and improve operational efficiency to increase operating profit

One of the focus areas of the Simplify pillar is to improve standardisation across the business units and unlock opportunities to realise efficiencies and cost savings. In an environment of increased customer and consumer sensitivity to price increases, closely managing operating costs is essential to protect margins.

The Group's central office oversees and coordinates efficiency improvements and cost reductions. The operations executive vets and monitors capital expenditure and ensures that best practices are shared and implemented across operations.

The Libstar Manufacturing Conference in September 2025 brought together nearly 70 attendees from business units and central teams, including production, engineering and operations, to connect, share best practices and strengthen collaboration across the Group. The two-day programme featured 11 speakers, including a keynote address from the Group CEO. Sessions ranged from operational insights to future-focused innovation.



Initiatives implemented to date include:

Improved monitoring and oversight

Ongoing centralised monitoring of key performance metrics across the Group, including:

- » Labour efficiencies
- » Process yields
- » Maintenance spend
- » Stock holdings
- » Job variances
- » Customer service levels
- » OEE levels

Capital expenditure is monitored and vetted by the Group operations executive.

Asset care (equipment maintenance) has been standardised with a unified system across the business units.

Close monitoring by the Group finance department has seen a significant improvement in monthly financial discipline.

Sharing of OEE measures across the Group has created healthy competition and motivation to drive improvement.

Each business has targets to manage and reduce waste, energy usage and resource consumption. These targets are incorporated into managers' performance evaluations, which factor into STI calculations.

Labour efficiency is tracked and managed across all sites as labour spend per kilogram produced. This measure drives optimal line manning and requires constant focus on skills improvement, training, succession and automation where possible.

Group procurement

Centralised procurement of common items means that we can leverage the Group's buying power. This has already significantly reduced the number of suppliers for corrugated cartons and plastics (bottles, tubs, etc.) and realised cost savings for the Group.

Pallet rentals were centralised and resulted in a favourable three-year agreement.

We use a dual or multiple supplier strategy for items critical to the manufacturing process to manage supply chain risk and improve price inflation control.

Standardisation

Standardised software is being rolled out to improve demand planning and forecasting.

The Group implemented a standardised payroll system across the businesses.

Standardising measurement and reporting of efficiency and health and safety indicators has improved. Cost reduction measures are now shared efficiently across the Group.

Leveraging centres of excellence

Libstar is using Cape Herb & Spice's sales and marketing expertise to introduce other Group products into export markets, with positive responses from global customers.

Rialto's strong relationships in Food Services are being used to introduce other Ambient Product goods into this channel.

Reducing duplication

The shared-service functional structure in the Wet Condiments sub-category contributed to improved trading, customer development, and procurement outcomes.

Rialto, Ambassador Foods, and Cape Coastal Honey are being integrated.

In the year ahead, we will continue to prioritise initiatives that drive efficiency, sustainability and profitability, including:

- » Cost containment through targeted waste reduction and strategic, collaborative procurement.
- » Optimising asset performance and longevity by fully leveraging the new maintenance management system across the Group.
- » Enhancing costing transparency by developing a system that enables accurate measurement of the true manufacturing cost and impact on EBIT margin of every product line to support smarter decision-making and improve margins.

CEO's *review*

With the Simplification pillar of our strategy already delivering improved results, we are exploring opportunities to accelerate growth to achieve our return on invested capital ambition.

Trading overview

2025 saw improved growth and resilience in a year of successful strategy implementation. Group revenue increased by 8.2%. Adjusted sales volumes increased by 3.2%, while selling price inflation and mix changes contributed 5.0% to sales growth. The gross profit margin increased to 22.0%, reflecting improvements in raw material procurement, capacity utilisation and strategic pricing together with our ongoing focus on rigorous cost management.

Group normalised EBITDA increased to R1 071 million at a margin of 8.7% (2024: 8.8%).

As discussed more fully in the CFO Report on page 44, the Group's financial results need to be understood in the context of several extraordinary factors. These include increased volumes from the on-sale of unprocessed raw milk to Industrial Channel customers and the closure of Chamonix Springwater last year.

Ambient Products

The Ambient Products category demonstrated the benefits of the Simplification and Growth pillars of the strategy, delivering revenue growth of 7.4%, with the Wet Condiments sub-category continuing its resilient performance. Price and mix changes contributed 3.9% of revenue growth while volumes increased by 3.5%. Excluding the impact of lower volume sales due to the closure of Chamonix Springwater category volumes increased by 5.5%.

Gross profit margins improved to 25.9% (2024: 25.4%) and normalised EBITDA grew 3.1%.

Despite evident pressure on consumers, Libstar grew ahead of the market in most categories. Volume growth was driven in the Retail and Wholesale Channels by sales of Wet Condiments and Principal Brands, and in the Food Services Channel, by sales of sauces, spices and seasonings, Baking Aids, Baked Goods and Meal Ingredients.

Exports were affected by US tariffs, the strength of the Rand and ongoing logistics challenges at ports. Dry Condiments exports decreased, with a positive mix change to Libstar Branded products and reduced private label sales to discount retailers in Australia and Japan. The Cape Herb & Spice brand continued its double-digit growth in local and international markets.

Perishable Products

The Perishable Products category had a strong year after the headwinds of 2024. Revenue grew 9.2%, gross margin increased to 17.5% (2024: 16.8%) and normalised EBITDA rose 12.5%. Excluding the impact of raw milk sales, category volumes were flat. The Lancewood brand continued to grow market share in its core Dairy (+0.6%) and Yoghurt (+1%) categories, which was offset by lower volume sales in non-core categories such as fresh milk and juice. Category volumes were also supported by growth in value-added chicken products in the Retail and Food Services Channels.

While the impact of foot-and-mouth disease on the Dairy sub-category eased during the year, it was evident in higher beef prices that affected input costs in value-added meat products and convenience meals. Finlar saw a strong shift away from beef towards chicken products due to increased consumer demand and customer promotional activity.

Capital allocation, net working capital and gearing

Capital expenditure was R241.1 million in 2025 (2024: R194.2 million) with projects mainly aligned with our ongoing focus on efficiency, critical maintenance, quality and safety. This represents 2.0% of net revenue (2024: 1.7%) and is at the lower end of our target range of 2.0% to 3.0%.

Net working capital decreased to 18.1% of Group revenue (2024: 19.5%) following the rebalancing of dairy inventory levels and lower bulk tea stock levels in Dry Condiments.

The Group's debt to EBITDA, term debt gearing ratio, reduced to 0.9x (2024: 1.5x) normalised EBITDA, reflecting targeted capital allocation and continued efficiencies in the Dairy and Dry Condiment sub-categories. The ratio is now below our stated target of 1x to 2x.

Capital productivity is a priority, and we are intent on achieving our 2027 ROIC ambition of WACC of 11.0% (2024: 12.0%) plus 2%. ROIC improved to 10.9% in 2025 (2024: 8.6%) and is showing pleasing momentum towards our target.

Delivering on our strategy

Our steadfast commitment to implementing our Simplify, Grow and Sustain Strategy underpinned the Group's improved results and strengthened our financial position.



CHARL DE VILLIERS
Chief Executive Officer

Simplify our portfolio composition and operating model

The Simplification pillar of our strategy focuses on rationalising our portfolio of businesses and enhancing the operating model to realise efficiencies, remove duplicated costs and improve customer alignment.

Since 2023, we have exited or reduced our exposure to underperforming categories that fall short of our sustainable growth ambitions. In 2025, we concluded the disposal of our Fresh Mushroom operations, removing the associated friction on earnings growth, cash flow and margins, and exited our subscale investment in Umatie.

We are evaluating expressions of interest in Contactim, our remaining non-food business. On conclusion of this disposal, the process of optimising the portfolio will be largely complete.

The other element of our Simplification pillar targets operational simplification by integrating businesses and production facilities where beneficial, creating shared-service structures and identifying opportunities to leverage Group economies of scale. While these integrations create some cost savings by reducing duplication, their primary benefit going forward is in improved alignment of similar categories, entrenching Group disciplines and consolidating customer-facing functions to better meet customer needs.

We established a shared-service functional structure in the Wet Condiments category, contributing to improved trading, customer development and procurement outcomes. We completed the integration of our Meal Ingredients, Snacks and Spreads businesses (Rialto, Ambassador Foods and Cape Coastal Honey), which share common customers, into the renamed Select Products.

As indicated in our Interim Report, following the termination of a significant contract manufacturing arrangement in Dickon Hall Foods (effective 31 March 2026), the remaining businesses of Dickon Hall Foods will be relocated and integrated into the Montagu Foods site in the first half of 2026. The integration of the business into the Wet Condiments cluster and its shared-service model will improve customer alignment and streamline overheads.

Grow our categories, channels, people and culture

Our businesses continually monitor industry and consumer trends to develop innovative new products that expand the Group's offerings in growth areas. New products target value-accretive, higher-margin categories as we shift away from either commoditised, lower-margin or underperforming lines.

Lancewood's leadership of the dairy market, the core dairy products of cheese, butter and yoghurt sales increased 7.6% year-on-year, with outperformance from its many new innovations such as lactose-free products and Greek yoghurt range.

Private label products enable the growth strategies of our major retail customers, helping them to penetrate discrete segments of the market. It continues to grow as a percentage of the South African consumer basket, but remains well below the levels in developed markets. Our Wet Condiments sub-category is well-positioned and benefited from excellent growth as a result.

We expanded Own Brand offerings with the launch of DENNY® sauces and stocks, and see good opportunities in the Wholesale Informal Trade Channel, which saw strong uptake of our recently launched Red Lion range.

Our investment in the Select Products cluster is already bearing fruit with the conclusion of an agreement with General Mills to distribute their Häagen-Dazs, Old El Paso, Pillsbury and Nature Valley brands in South Africa.

We are equally focused on growing our people. Rollout of our culture transformation journey continued, with an emphasis on entrenching Libstar's values across the Group. Performance scorecards with stringent targets have been focused on benchmark performance management going forward.

The first cohort of 40 mid-level and senior managers commenced our new Libstar EDGE Leadership Development Programme, providing the next generation of leaders with the skills they need to drive Libstar's growth. The results of our second People Survey showed a pleasing improvement across categories and increased strategic alignment.

With the Group's debt levels below our target range, we have space for targeted growth-enhancing capital investments. Opportunities currently under consideration include expanding offerings in the Wet Condiments category following the integration of Dickon Hall Foods and consolidating two spice packaging sites and two warehousing sites into a consolidated Dry Condiment manufacturing facility from Q3 2026. Other ambitious projects are under consideration to increase our exposure to margin-enhancing adjacent categories.

Sustain our operations, profits, cash flows and returns

Improved resilience and financial returns are the direct outcomes of delivery in the Simplify and Growth pillars. The third element of our strategy reminds us of our commitment to minimise adverse environmental impacts and enhance our positive contribution to society. The business units donate to and volunteer in various initiatives that make a real difference in their local communities.

The business units investigate opportunities to implement and extend renewable energy solutions and continue to minimise water use. This year, 2 new solar PV installations were added, bringing our total installations across the group to 11. We are planning the addition of 2 more solar PV installations during 2026. We are also negotiating wheeling arrangements to increase access to renewable energy and reduce carbon emissions.

In the year ahead, we will complete the first phase of our water recovery system and effluent treatment system at Lancewood in George. On completion of phase 2 in 2027, the system will reduce water withdrawal by close to 90% from current levels, while improving effluent quality.

Looking ahead

We expect trading conditions to remain challenging in the year ahead, with ongoing pressure on consumers and limited scope for volume-led growth in an environment of low inflation and potential deflation in certain categories. At the same time, Libstar enters this period with a stronger operational and financial foundation, underpinned by a clear strategy, improved earnings quality and enhanced cost competitiveness.

Heightened geopolitical uncertainty, including recent developments in Iran and the broader region, continues to disrupt global markets and supply chains, underscoring that even well-considered plans are exposed to external shocks. Against this backdrop, we remain focused on sustaining growth momentum through a combination of organic and inorganic initiatives, supported by disciplined cost control, efficiency improvements and prudent capital allocation.

Our 2025 results represent the reversal of a multi-year downward trend in key financial metrics, with adjusted ROIC ahead of 2022 levels, despite two challenging years. Delivery on our strategic initiatives has demonstrably strengthened the Group's financial position, enhanced earnings quality and cost competitiveness, and reset its growth trajectory. However, this growth will be masked to a certain extent in the first half of 2026 by the termination of the Dickon Hall Foods contract at the end of the first quarter, which will result in 2026 earnings being weighted towards the second half of the financial year.

The achievements in 2025 are a tribute to our people, who have embraced Libstar's strategy and vision, and their significant efforts to make the short-term painful changes that are now starting to deliver long-term benefits. I thank the many leaders across the businesses for their support and the way they have embraced the journey despite the challenges. I also thank the Board for their guidance to myself and the rest of the leadership team.

On behalf of the Group, I thank our stakeholders for their support and reaffirm our commitment to continuing to deliver on our strategy to unlock intrinsic value.

Business overview

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How we meet our *customers' needs*

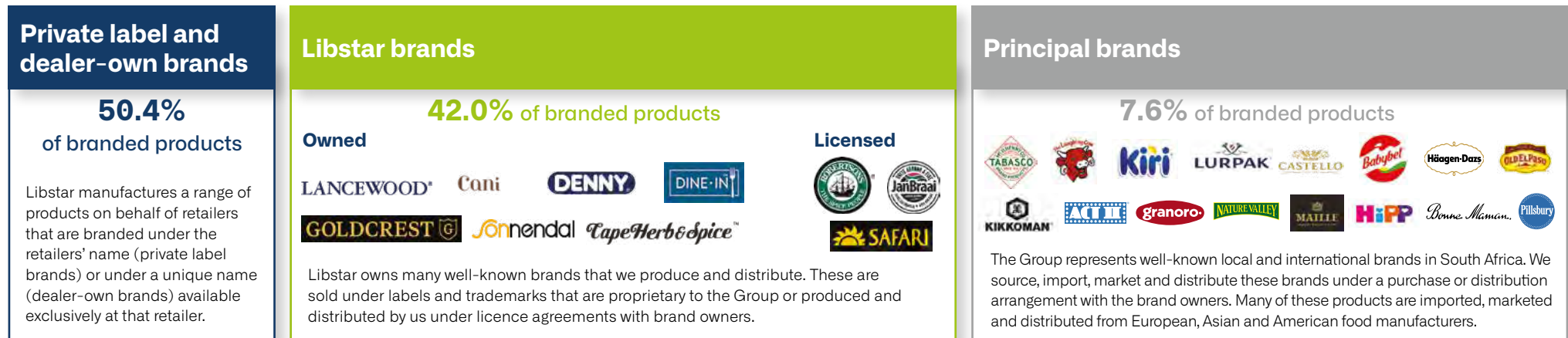
Libstar's products reach consumers through four Distribution Channels and three brand solutions, which are described below.

Distribution Channels – Who we sell to



Brand Solutions

Libstar brand solutions comprise 82% of total revenue, with outsourced manufacturing solutions and unbranded food services solutions making up the balance.





Red Lion – Growing our brands in the wholesale market

KVI 3 *Grow profitably*

In 2022, Libstar identified the Wholesale Channel as a key growth opportunity. We created the Red Lion brand and started developing high-quality, great-tasting products that could be made available at accessible prices. The first launch in June 2023 targeted the top 34 wholesalers in Gauteng and the Great North regions with our new chutney, sweet chilli sauce and tomato sauce.

Red Lion gained early traction through smart activations, in-store visibility and direct engagement with local vendors, quickly growing from a focused regional rollout into a national player across South Africa's Wholesale market. Within a year, the brand expanded from 34 wholesalers to over 400 wholesalers and more than 450 spaza stores across all nine provinces.

A national consumer campaign in late 2024 helped drive momentum, boosting sales and brand awareness through on-the-ground promoter activity and community competitions.

This year, Red Lion added powdered stocks, jellies, and Splasha drinks to its range, with future innovations including spices and curry powders. With permanent display stands rolling out and a clear innovation pipeline ahead, the brand's continued strong growth is a tribute to Libstar's cost-effective manufacturing strengths and deep market insight.

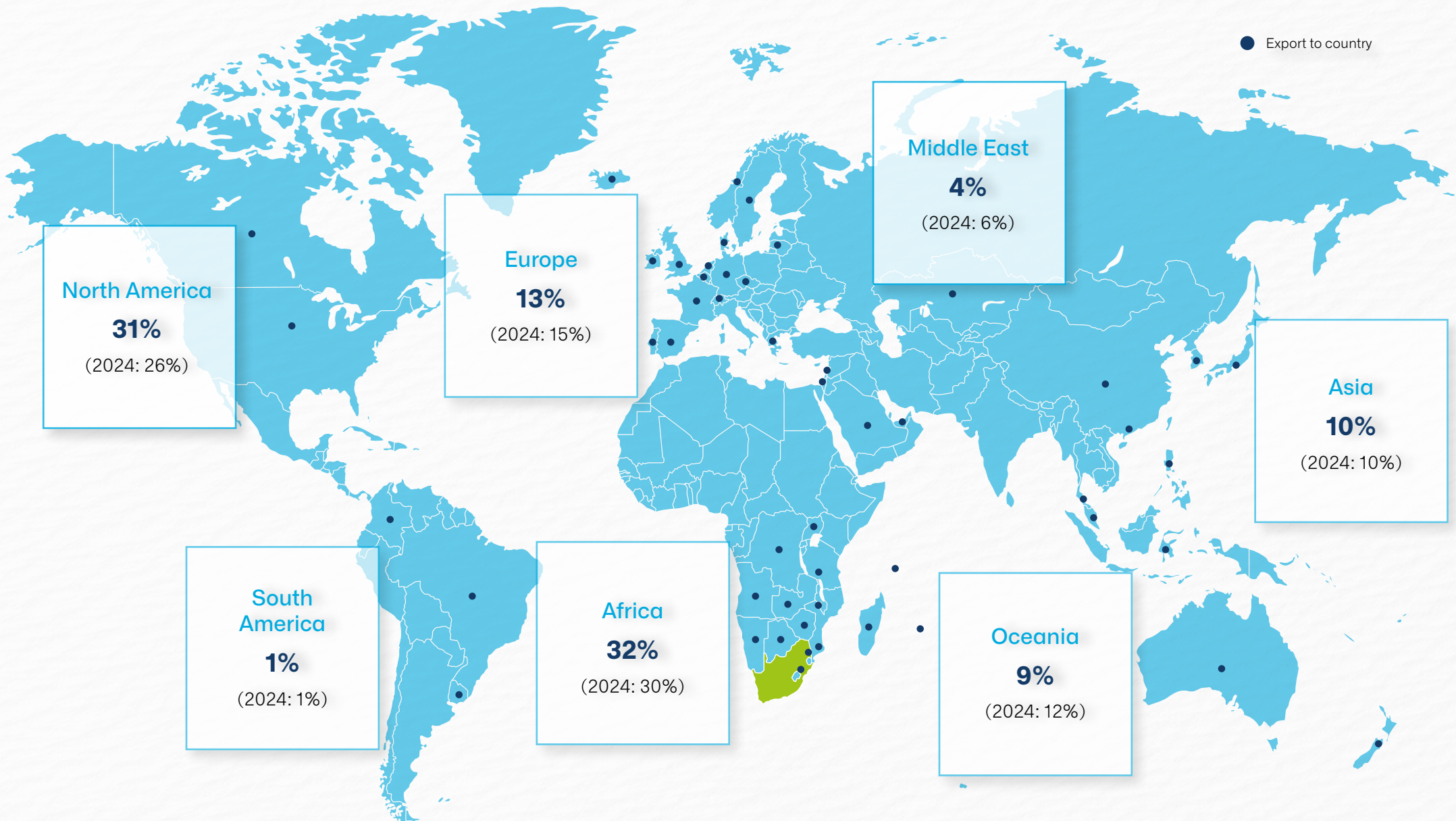


Where we operate

Our business units are located in the Western Cape, Gauteng, KwaZulu-Natal, and Mpumalanga.



Libstar's business units export to more than 60 countries globally, realising revenue of R1.4 billion in 2025 (2024: R1.4 billion).



Our value chain

Libstar creates value by developing innovative and distinctive products for customers and consumers, efficiently manufacturing these products at our state-of-the-art facilities and distributing them to end users.

Our integrated value chain is underpinned by strong supply chain management and commitment to the highest standards of food quality and food safety. Our strategy emphasises reducing operating costs, improving operational efficiency and optimising the Group's supply chain, with a specific focus on procurement, yield improvement, plant-efficiency, demand planning and service levels.

Key capabilities to manage value chain risks:

Supply chain management ●

Libstar's supply chain is decentralised and managed by the business units, according to their needs. This includes procurement, product safety, quality management, occupational health and safety, environmental management, industrial relations and sustainability.

We adhere to strict Food Safety, Health & Safety and Environmental standards throughout the product value chain across all our manufacturing and warehousing sites.

Most of these standards are audited annually by independent certification bodies and international customers to retain certification and show the commitment of our manufacturing teams to environmental awareness, food safety and the health and safety of all employees.

Food safety ●

Food safety is a top priority and embedded in all operations and processes. On-site integrated management system verification assessments are routinely conducted to determine compliance with Libstar's food safety protocols. In-house quality teams conduct continuous product food quality and safety testing. Protocols are in place to address potential product recalls. Regular audits are performed by independent auditors and/or customers.

During the year, we established a Food Quality and Safety Steering Committee to:

- » Strengthen alignment of food safety standards across all business units.
- » Drive continuous improvement initiatives in product quality and compliance.
- » Ensure robust risk management, monitoring and reporting mechanisms are in place.
- » Facilitate collaboration between manufacturing, supply chain and regulatory teams to uphold brand integrity and consumer trust.

Group certifications include:

- » FSSC 22000 (global food safety management standard) compliance for all food production facilities.
- » BRC (international food safety standard) for Wet Condiments and Cape Foods.
- » ISO 9001 (global quality management standard) for non-food manufacturing units.
- » Halal and Kosher certifications to confirm that our processes and products meet religious and cultural requirements.

Risks mitigated by: ● Supply chain management ● Food safety

PRODUCT INNOVATION

Libstar's research and development teams develop innovative category solutions that meet the evolving needs of customers and consumers.

Our approach

Ongoing research, market surveys and participation in international trade shows enable our teams to stay at the forefront of global trends and understand market requirements.



PROCUREMENT ● ●

Libstar sources raw materials from more than 500 South African and international suppliers. Some customers require that we source particular raw materials from suppliers they have pre-approved and/or accredited.

Our ESG Strategy includes a focus on sustainable and responsible sourcing.

Key risks

- » Supply chain disruptions affecting availability and price of critical raw materials and packaging goods.
- » Rising input costs affecting profitability.
- » Food quality and safety.

Our approach

Our businesses have strong relationships with suppliers developed over many years.

We take care to ensure that the Group sources raw materials from suppliers who meet the strict quality standards set by the Group and our customers.

Major customers conduct regular audits of suppliers of key inputs for their products that include factory standards, ingredients, food safety, food quality, social and ethical compliance and packaging standards.

Business intelligence tools improve long-term forecasting and stock holding models, which secure product in advance to ensure sufficient supply and reduce the need for spot buying.

Wherever possible, we use a multiple supplier and origin strategy to reduce reliance on a single supplier.

We continue to explore further opportunities to procure common items across businesses to leverage the Group's buying power.



Our value chain continued

Risks mitigated by: ● Supply chain management ● Food safety

MANUFACTURING EXCELLENCE ● ●

We have 27 manufacturing sites with more than 220 production lines. There are more than 75 unique manufacturing technologies across the business units.

Key risks

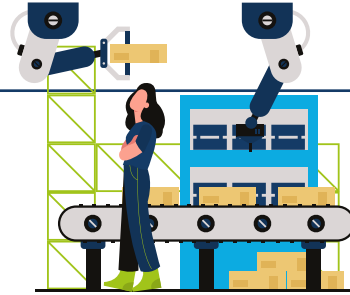
- » Deteriorating infrastructure affecting electricity and water supply.
- » Food quality and safety.
- » Related reputational impacts and financial losses.

Our approach

All sites have generators to provide uninterrupted electricity as well as boreholes and/or water storage tanks. We installed solar power at several sites and are considering further opportunities, as well as continuing to investigate alternative water and power solutions.

We have stringent food safety protocols in place and conduct product tests across manufacturing sites.

Increased central monitoring and oversight of operational performance metrics and sharing of best practices supports manufacturing excellence.



EXCEPTIONAL CUSTOMER SERVICE AND EFFICIENT DISTRIBUTION ● ●

We have close and long-standing relationships with our customers. Group and business unit management regularly assess changes in our customer strategies which may impact Libstar.

Our Customer Promise is to always be:

- » Customer-centric
- » Innovators at heart
- » Trusted partners
- » Quality solutions-driven

Key risks

- » Supply chain disruptions affecting delivery of finished goods to customers.
- » Food quality and safety.

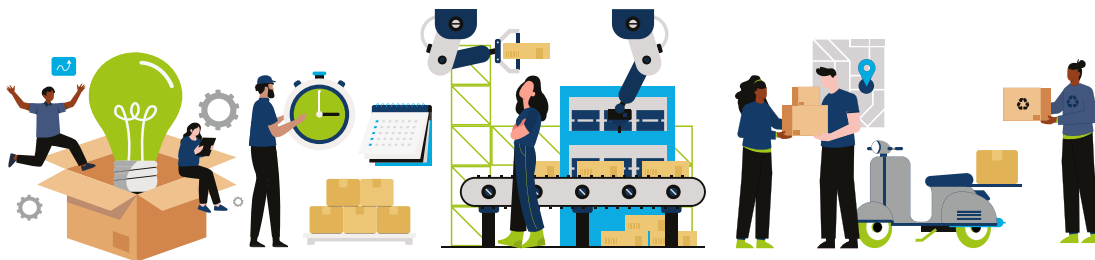
Our approach

Establishing alternative suppliers and sourcing strategies.

Engaging with suppliers, logistics providers and customers to enhance communication and agility in crisis situations.



“At Libstar, exceptional service is built on strong, lasting relationships with our suppliers and customers, underpinned by consistent quality, reliability, and on-time delivery throughout the value chain.”



WASTE

Outputs from our activities include food and packaging waste, water waste and carbon emissions.

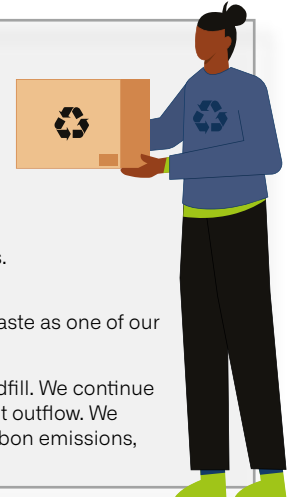
Key risks

- » Increased operational costs from inefficient production, waste disposal and excess inventory.
- » Water and resource depletion.
- » Non-compliance with waste disposal laws can result in fines.

Our approach

Our ongoing focus on yield improvement aims to reduce food waste as one of our primary levers to protect margin.

Our manufacturing processes focus on minimising waste to landfill. We continue to investigate ways to reduce municipal water intake and effluent outflow. We monitor our carbon footprint and investigate ways to reduce carbon emissions, including rolling out solar energy generation at our facilities.



Our Board

- Audit and Risk Committee
- Remuneration Committee
- Nomination Committee
- Social, Ethics and Transformation Committee
- Investment Committee
- C Chairperson



JP LANDMAN (71)
Chairman of the Board and Independent Non-Executive Director

- » BA LLB – University of Stellenbosch
- » MPhil in Future Studies (Cum Laude) – University of Stellenbosch
- » Programme on Macro-economic Policy Management – Harvard
- » The Economies of the BRICS countries – Oxford University, Continuing Education

Appointed to the Board in 2018

JP is an independent analyst, focusing on trends in politics, economics, demographics and social capital. His experience as a top-rated analyst in the listed environment gives him a good understanding of listed entities and relevant market forces.

JP previously served on President Thabo Mbeki's economic advisory panel and was a member of the National Planning Commission. With this in-depth knowledge of the economy and market environment, he provides key input to the Board and management. This is especially relevant to Libstar's strategy that focuses on identifying market trends and implementing a strategy that can withstand economic cycles.



ANNEKE ANDREWS (58)
Lead Independent Non-Executive Director

- » BCom Accounting (Honours), CTA – University of Pretoria
- » CA(SA)

Appointed to the Board in 2020

Anneke is a chartered accountant. She served as a partner and director for 19 of 28 years at Deloitte, where she held several leadership roles and served as a lead client services director on a number of key clients. Her diverse experience spans audit, risk and governance, finance, Human capital, business management and leadership across a wide spectrum of industries.

She has extensive experience in assisting management in achieving their goals by mobilising the appropriate strategies and allocating the required resources in a prioritised manner. Her ability to find creative solutions, coupled with innovative thinking and a keen interest in the opportunities that future trends and technologies offer, are particularly valuable to Libstar in challenging existing paradigms.



SANDEEP KHANNA (53)
Independent Non-Executive Director

- » Chartered Global Management Accountant
- » Associate Member of the Chartered Institute of Management Accountants (UK)

Appointed to the Board in 2014

Sandeep is a seasoned investor and pioneer of private equity, with more than 26 years of investing and fund management experience in Africa. This experience ranges from venture capital and early-stage investing to management buyouts and building of companies in sub-Saharan Africa across several sectors.

His track record of investing in Africa through direct investment, investment committee membership and senior key leadership positions held at two leading emerging market fund management firms provide relevant experience to Libstar as an African group that continues to evaluate acquisitions that will ensure growth.

As a chartered management accountant in the United Kingdom, Sandeep's understanding of the global markets to which Libstar exports allows him to provide critical input as a member of the Investment Committee.



SIBONGILE MASINGA (59)
Independent Non-Executive Director

- » BCom – University of Johannesburg
- » Programme on US-SA Leadership and Entrepreneurship – Wharton School of Business
- » Programme on designing and executing corporate revitalisation – Harvard Business School

Appointed to the Board in 2018

Sibongile is a co-founder and shareholder of Afropulse Group, a women-led investment, corporate advisory and investor relations group. She is the CEO of Delta Property Fund Limited. She has served as a Non-Executive Director of several JSE-listed companies. She currently serves on the Board of Botshilu Private Hospital and its related sub-committees.

Her past directorship of the finance and grant committee of the Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) provides her with particularly relevant knowledge to contribute to the Libstar Board.

Audit and Risk Committee

Remuneration Committee

Nomination Committee

Social, Ethics and Transformation Committee

Investment Committee

Chairperson



TERTIUS CARSTENS (64)
Independent Non-Executive Director

- » BEng in Chemical Engineering – University of Stellenbosch
- » MBA – University of Stellenbosch

Appointed to the Board in 2025

Tertius has nearly 30 years of experience in the Fast-Moving Consumer Goods (FMCG) sector. He held leadership roles at Pioneer Foods (now Pepsico South Africa) from 1994 to 2023, culminating in his retirement as CEO in 2023.

Tertius has also held various non-executive directorships in related joint ventures and industry bodies.



CHARL DE VILLIERS (42)
Chief Executive Officer

- » BAcc LLB (cum laude) – University of Stellenbosch
- » BAcc (Hons) – University of Stellenbosch
- » CA(SA)

Appointed to the Board in 2020

Charl is a chartered accountant with a combination of financial and legal qualifications. He brings broad technical competence and a disciplined, strategic approach to leadership.

Charl joined Libstar in 2017 and was appointed Chief Financial Officer in 2020. During this period, he strengthened the Group's financial leadership and built deep operational insight across the portfolio, supporting Libstar's transition from a private company to a publicly listed Group.

He was appointed CEO in 2023 following a structured succession process. Charl has focused on driving Libstar's strategic repositioning toward higher-growth, value-added food categories.



TERRI LADBROOKE (39)
Chief Financial Officer

- » BBusSc (Finance) – University of Cape Town
- » BAccSc (Hons) – Unisa
- » CA(SA)

Appointed to the Board in 2023

Terri is a Chartered Accountant with over a decade of professional experience. She began her career at Grant Thornton in South Africa and completed an international secondment in Charlotte, North Carolina.

Terri joined Libstar in 2015 and has held financial and leadership roles across the Group and its operating businesses.

Through her experience at both Group and business unit level, she has developed a strong understanding of Libstar's operating environment, financial reporting processes and systems. She has also played a key role in strengthening financial controls and integrating functions across business units.



CORNÉL LODEWYKS (50)
Executive Director

- » Bachelor of Commerce in Management – Lyceum College
- » Post Graduate Diploma in Organisational Leadership – Oxford University

Appointed to the Board in 2023

With over two decades of experience in the FMCG sector, Cornél brings expertise in branded food manufacturing, particularly perishables. He joined Lancewood in 2011 and was appointed Managing Executive in 2015. He has played a pivotal role in the business's growth and success.

Under Cornél's leadership, Lancewood has remained a cornerstone of Libstar's portfolio. His industry knowledge and hands-on leadership have helped him drive executional discipline and build long-term brand value in a highly competitive market.

In 2023, Cornél was appointed as an Executive Director due to his strategic contribution and operational leadership within the Group. His contribution at Board level supports the execution of the Group's strategic priorities.

The people behind *our brands*

As we celebrate Libstar’s twenty years of innovation, dedication, teamwork and passion for food, it is important to acknowledge that our greatest strength lies in the skills, experience and quality of our employees. For two decades, Libstar has built a business that puts people first, earning the trust of customers and consumers across South Africa and globally.

As a Group, we combine our collective strengths and capabilities to enhance efficiencies, drive innovation and deliver on our strategy, creating value for stakeholders. Together, we are stronger as *One Libstar*.

Our approach to Human capital is built around Libstar’s Employee Promise:

- » **Dignity and respect:** Our commitment is to cultivate an inclusive and diverse workplace where all employees feel valued, respected and have equal opportunities for success.
- » **Meaningful work and growth:** We believe in delivering purposeful work every day and providing our people with continuous opportunities for personal growth, career advancement and skills development.
- » **A great place to work:** Our leadership creates a positive and safe environment for engagement and high performance, recognising effort and commitment. As *One Libstar*, we value every individual’s sense of belonging and their overall contribution.

Our culture transformation journey

Last year we launched the *One Libstar* High-Performance Programme to embed the new forward-looking mindset across the Group and address improvement areas raised in the People Survey. The programme is built around the Libstar Strategy Map, a visual tool communicating the Group’s strategic plan and culture. It shows the history of the Group, the challenges overcome along the way, the way we do things and our vision for success.



The culture transformation journey is reinforced by Culture Champions from across the Group, who support the implementation of Culture Themes in their teams.

This year, we rolled out a programme to integrate Libstar’s values, with each of the Culture Themes featured in facilitated sessions at every business. The programme aims to lay a strong foundation that guides and unites the Group as *One Libstar*. We are now focused on further embedding these values into daily behaviours and aligning core competencies with our Values Framework.

Our Human Capital Strategy	The Human Capital Strategy aims to create a positive and nurturing workplace, provide avenues for personal growth and help our people make the most of career opportunities. Skills development initiatives and career mapping support employees to develop the experience and qualifications necessary to progress their careers within the Group.
Our remuneration approach	Libstar’s remuneration practices promote diversity, employment equity and equality at all levels in the workforce to achieve fair and responsible remuneration in the complex and competitive industries we operate in. Payment practices are regularly reviewed to ensure fair and responsible remuneration and that equal work is rewarded with equal pay.
Our workforce profile	Libstar’s total workforce decreased to 6 114 at year-end (2024: 7 203). In line with the ongoing simplification and optimisation of the Group’s operating structure, there were restructurings at Rialto, Amaro Foods, Cape Herb & Spice and Dickon Hall Foods that led to 48 retrenchments (2024: 57). We foster an inclusive and equitable work environment to ensure that every team member can contribute fully and reach their potential. At the end of 2025, 54.5% of Libstar’s workforce was female and women comprised 50.1% of management. Historically disadvantaged individuals (HDI) comprise 91.8% of the workforce in 2025 (2024: 92%) and 63.1% of management (2024: 62%). Management includes Executive Management, Other Executive Management, Senior Management, Middle Management and Junior Management.
Human rights	Respect for human rights is a fundamental value of Libstar and we are committed to respect and uphold human rights standards. The Group does not engage, either directly or indirectly, in human rights abuses and does not tolerate discrimination of any kind.



The Leadership Roadshow in May provided a further opportunity for the Executive Management team to connect with employees across the Group, reinforce the Group’s purpose, vision and strategy, emphasise key priorities, recognise and celebrate performance highlights and further equip management teams to drive continuous improvement.

Listening to our people

We completed our second annual Libstar People Survey to provide insight into our employees’ workplace experience. The anonymous survey assessed employee engagement levels, provided an opportunity for employees to express their input on key areas and identified culture gaps to address in our culture plan.

Response rate for the survey increased to 83% (2024: 70%) and the proportion of employees that are either ‘engaged’ or ‘fully engaged’ increased to 80%, from 72% the year before. Key areas of improvement – recognition and praise, personal development and employee voice – remained the same, but with improved ratings from the prior year. These are specific areas of emphasis in the culture transformation journey initiative. We are committed to ensuring that every employee feels heard, valued and is given opportunities to grow.

Talent management and succession planning

Our Talent Development and Succession Planning Programmes focus on identifying internal talent. Their success is evident in the appointments of our current CEO, CFO and Executive Director from within the Group.

Talent refresher sessions were rolled out to the business units and a full talent analysis was completed during the year. We are developing a new performance and potential process to strengthen the approach to talent management. We aim to strengthen the connection between talent management and performance processes to support strategic implementation.

We grew our succession pool for mission-critical positions this year, aligned development programmes to succession plans and identified cross-functional successors across categories.



Cultivating the next generation of leaders

At Libstar, we believe that strong leadership is the driving force of success. This year we launched a new Leadership Development Programme – Empowering Development and Growth for Excellence (EDGE).

Libstar EDGE is designed to cultivate a new generation of agile, values-driven leaders equipped to navigate change, inspire high performance and drive meaningful impact. The programme aims to nurture a leadership culture that fuels growth and equips candidates with the mindset, skills and tools they need to lead in ways that create enduring value for our employees, customers and shareholders.

Libstar EDGE is built around Libstar’s Leadership Competency Framework, which represents the core capabilities every Libstar leader should embody. The tailored 12-month programme is designed to cultivate leaders’ unique strengths and skills aligned with our Organisational Values, Leadership Competency Framework and individual aspirations.

The course comprises team learning workshops, coaching sessions and experiential learning activities that culminate in a business case presentation to the Libstar Leadership Programme Committee and Business Unit Executives.

The first intake of 40 middle and senior managers started the programme in July 2025.



In the year ahead, our people focus areas include:

- » Implementing the People Strategy to drive our People Promise, reinforcing Libstar’s position as a Great Place to Work.
- » Implementing training and development programmes, including effective management of workplace policies and procedures, managing discipline in the workplace, effective stakeholder engagement and providing regular updates on statutory and legal changes impacting the business.

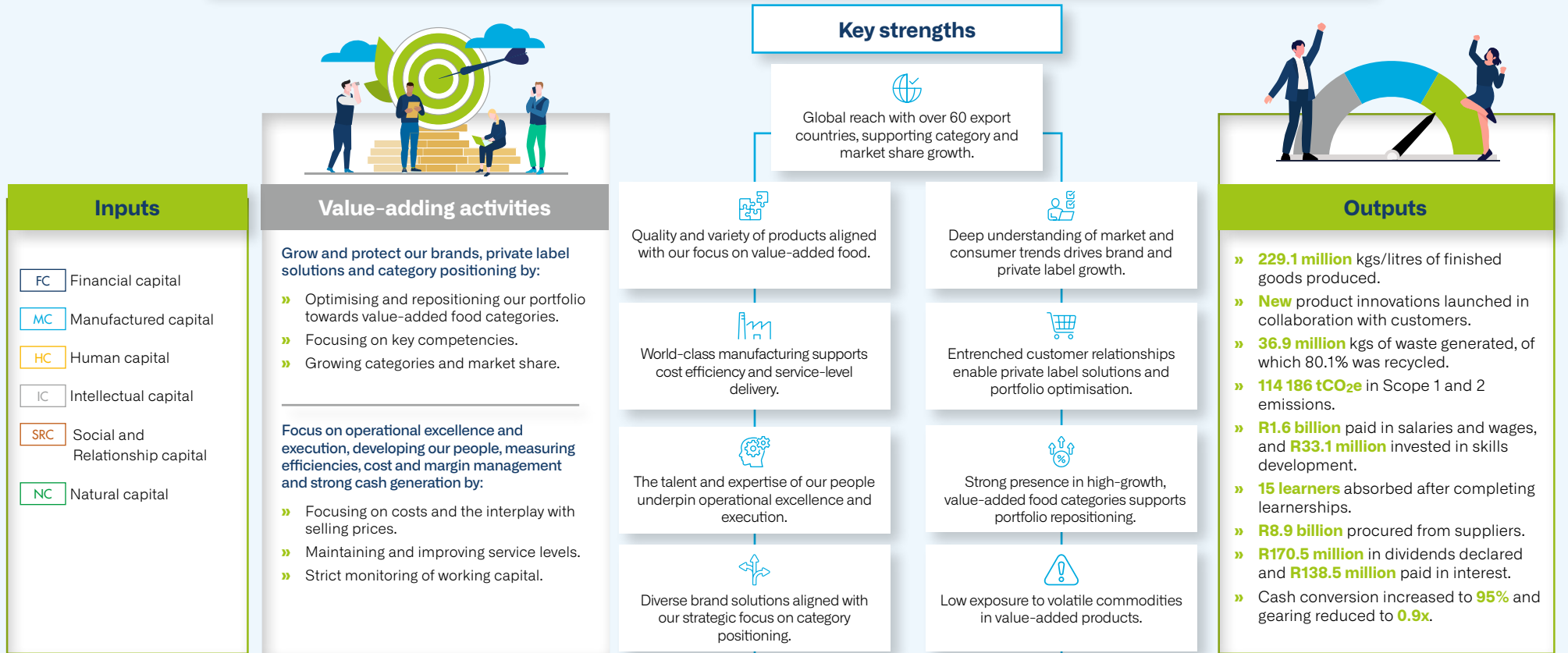
Read more about Libstar’s employee health, safety and well-being, skills development and diversity, inclusion and equity initiatives on page 69.

Our *business model*

As *One Libstar*, we unlock value by growing our select portfolio of consumer-inspired food brands sustainably and profitably, and by creating and developing innovative category solutions. We work closely with our customers as their trusted partners and constantly enhance our reputation as South Africa's leading producer and distributor of high-quality products and brand solutions.



We create value for stakeholders through a diverse and robust portfolio of businesses



Supported by entrenched values and a dedicated focus on responsible and sustainable operations within rigorous governance guidelines and a **developing ESG framework**



Our business model continued

	Inputs	Outcomes
<p>Financial capital FC</p> <p>The financial resources available to us include shareholder equity, debt funding and retained profits.</p>	<ul style="list-style-type: none"> » Market capitalisation of R2.88 billion at 31 December 2025 (2024: R2.97 billion). » R22 million (2024: R25 million) interest earned. » Resilient balance sheet, with net debt to normalised EBITDA 0.9x (2024: 1.5x). 	<ul style="list-style-type: none"> » Revenue increased by 8.2% to R12 329 million (2024: R11 397 million). » Normalised EBITDA R1 071 million (2024: R1 005 million). » Cash generated from operations R1 026 million (2024: R794 million). » R139 million (2024: R170 million) paid to debt funders in interest. » Dividend per share of 28 cents (2024: 15 cents). » Normalised HEPS of 70.6 cents (2024: 58.0 cents). » Adjusted ROIC of 10.9% (2024: 8.6%). » Group operating cash conversion ratio 95% (2024: 80%).
<p>Manufactured capital MC</p> <p>Libstar's world-class manufacturing facilities transform raw inputs into high-quality food products.</p>	<ul style="list-style-type: none"> » 37 accredited manufacturing and distribution facilities. » More than 200 production and packing lines. » More than 75 unique manufacturing technologies across the business units. » R241 million (2024: R197 million) invested in capital expenditure projects to improve our manufacturing operations. 	<ul style="list-style-type: none"> » Improved operational efficiency and capacity utilisation, supporting reliable production and enhanced product quality.
<p>Human capital HC</p> <p>Our high-calibre team differentiates us with customers.</p>	<ul style="list-style-type: none"> » 6 114 permanent employees (2024: 7 203). » R33.1* million (2024: R38.5* million) invested in skills development. » Experienced executive team and Board. 	<ul style="list-style-type: none"> » R1 557 million in remuneration and benefits paid to permanent employees (2024: R1 518 million). » 91.8% black and 54.5% female representation in the Group (2024: 92% black and 51% female). » 9 617 training initiatives (internal and external) completed (2024: 12 040).
<p>Intellectual capital IC</p> <p>Libstar's trusted brands help us to grow market share, maintain customer relationships and attract new customers.</p>	<ul style="list-style-type: none"> » Ongoing research and development, as well as collaboration with customers to support and develop innovative brand and category solutions. 	<ul style="list-style-type: none"> » Growth in brand positioning, with many awards and market share gains (page 32).
<p>Social and Relationship capital SRC</p> <p>Our strong relationships with customers, suppliers, other stakeholders and broader communities are essential to our ability to create value.</p>	<ul style="list-style-type: none"> » Entrenched customer relationships, with several going back more than 20 years. » Constructive engagement with customers facilitated price increases in tough market conditions. » Adherence to regulations. » Positive supplier engagements. » Ongoing investment in communities. 	<ul style="list-style-type: none"> » R22.1 million invested in socio-economic development programmes (2024: R24.2 million). » Product and financial donations made. » Ongoing focus on supplier relationships.
<p>Natural capital NC</p> <p>Natural inputs for our activities include raw materials, primarily milk, animal products, cereals, grains and water, as well as energy for our manufacturing facilities and distribution fleet.</p>	<ul style="list-style-type: none"> » 226.5 million kg/litres of raw materials were used in production (2024: 222.8 million kg/litres). » 79 685 793 kWh of electricity used (2024: 78 257 099 kWh). » 1 171 301 Kl of water consumed (2024: 1 628 061 Kl). » 2 413 kg of gas used (2024: 2 844 kg). 	<p>Carbon tax liability:</p> <ul style="list-style-type: none"> » 2024: R2.9 million » 2023: R2.2 million

* Includes salaries, stipends and other related expenditure during training. These are recognised for B-BBEE verification purposes.

Our material matters

In determining the areas of focus for this report, the Board and management considered matters that could substantially impact stakeholder assessments and decisions, as well as the Group's ability to create value over the short, medium and long term.

The process followed to determine these material matters included:

- » Reviews of market trends, operating conditions and macro-economic developments.
- » Consideration of the outcomes of the Group's risk management process.
- » Evaluations of stakeholder engagement and feedback.
- » Input from Executive Management and business units, together with key leadership and Board focus areas.

The material matters were presented to the Board for consideration and approval as part of the Integrated Annual Report process.

Following this process, the Board concluded that the Group's material matters for 2025 include:

- » Operational resilience and supply chain security, including the availability and cost dynamics of key raw materials (see page 18).
- » Regulatory and trade environment, including potential impacts arising from international trade arrangements and tariffs affecting exports (see page 39).
- » Customer dynamics and strategic partnerships, including developing customer-specific strategies and responding to shifts in customer portfolios and demand patterns (see page 30).
- » Corporate activity and strategic value unlock initiatives, focused on optimising the Group's portfolio and enhancing long-term shareholder value (see page 9).

The Group's most material ESG matters are shown on page 66.



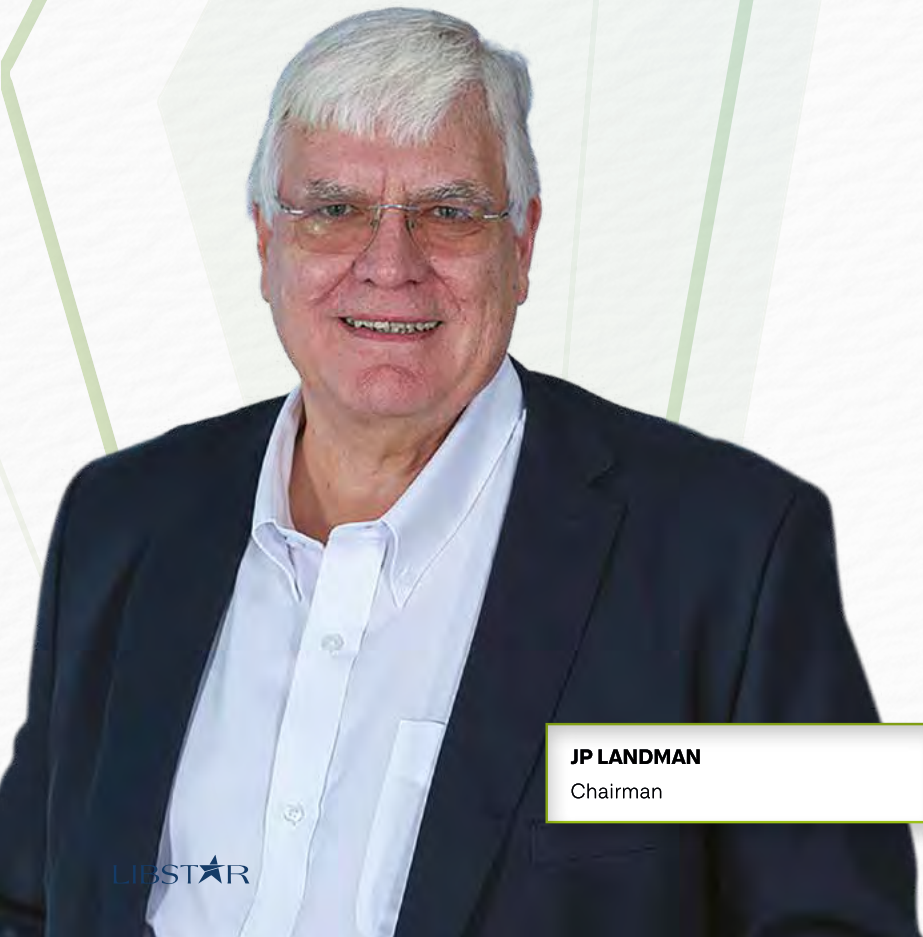
Our operating landscape



28	Chairman’s review
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Chairman's *review*

Decisive portfolio simplification and the *One Libstar* philosophy are translating into improved growth momentum, stronger cash generation and a more resilient Group. The Board is confident in and committed to Libstar's strategic direction and continues to focus on the disciplined execution of the Group's strategy, including portfolio and operating model simplification, category and channel growth, and the delivery of sustainable long-term value for shareholders and other stakeholders.



JP LANDMAN
Chairman

It gives me great pleasure to present my first Chairman's review.

Steady progress to unlock value in a year of transition

In 2025, Libstar continued to progress despite sustained pressure on South African consumers, ongoing global disruption and structural challenges in local infrastructure. The Board remained firmly focused on overseeing management's initiatives to deliver on the strategy, strengthen the Group's resilience and reposition Libstar for growth.

As an integral part of its activities, the Board continues to assess opportunities to deliver meaningful value unlock for stakeholders. During the year under review, Libstar received non-binding, indicative expressions of interest from investors regarding the potential acquisition of all Libstar securities in issue.

Following a comprehensive assessment and engagement with potential investors, the Board concluded that the non-binding expressions of interest received did not adequately reflect the fair value of Libstar, taking into account the Group's historical performance and its medium- to longer-term outlook. Accordingly, the Board resolved not to progress engagements regarding a potential transaction. I wish to thank the advisors, sponsors and legal counsel who very ably and diligently assisted the Board in this process. Additionally, I would like to thank the management team for handling a very time-intensive process over and above their normal operational responsibilities.

Strategy execution and the *One Libstar* philosophy

The *One Libstar* philosophy is an initiative to align brands, capabilities and people across the Group to drive consistent, consumer-led execution and realise operational scale benefits. Greater alignment across the Group and shared services within key sub-categories has translated into improved operational momentum, margin progression and stronger cash generation.

Libstar's strategy is Simplification, Growth and Sustainability. Over the past two years, the Board has overseen bold action to simplify the Group's portfolio and operating model, enabling management to focus resources on categories and channels with clear competitive advantage and sustainable growth potential.

While trading conditions remain challenging, the Board is encouraged by evidence that the strategic initiatives implemented are delivering tangible benefits.

Portfolio focus and operational resilience

In pursuance of the Simplification Strategy, the Denny Fresh Mushrooms operation was disposed of in December 2025. It represented a further purposeful step in sharpening Libstar's focus on value-added food categories. The Board continues to evaluate exit options for the remaining non-food Household and Personal Care business, reinforcing Libstar's commitment to operating as a focused, food-only manufacturer.

The Group's simplified portfolio, combined with improved capacity utilisation, procurement efficiencies and disciplined cost management, has enhanced our ability to respond to volatile input costs, logistics constraints and shifting consumer behaviour. The Board has further approved capital expenditure for two site consolidation projects, in Wet Condiments and Dry Condiments, which will be implemented in 2026 and into 2027, further enhancing efficiencies and cost control in 2027 and into 2028.

Operating environment and consumer context

The operating environment in 2025 remained complex. While inflation and interest rates moderated over the course of the year, pressure on household disposable income persisted and retail value growth remained subdued. Globally, geopolitical tensions and evolving trade dynamics continued to disrupt supply chains and increase uncertainty.

Against this backdrop, Libstar's ability to deliver growth ahead of its defined markets, protect margins, and generate strong cash flows reflects both the resilience of its brands and the benefits of its strategic focus. The Board is realistic about near-term challenges, but is confident that the Group's strategy empowers it to navigate volatility.

Capital discipline and shareholder returns

Capital discipline remains a cornerstone of the Board's approach. Improved cash conversion and a strengthened balance sheet during the year reduced gearing to the lower end of the Group's target range, strengthening the Group's balance sheet considerably.

The Board revised the Dividend Policy, reducing the Normalised HEPS cover from between 3.0x and 4.0x to between 2.0x and 3.0x. In addition, the Board launched a general share repurchase programme of up to 5% of shares in issue, subject to prevailing market and operating conditions.

In line with this revised Dividend Policy, the Board approved a cash dividend of 28 cents per ordinary share, representing an increase of 86.7% on the prior year. This reflects the Board's ongoing commitment to balancing reinvestment in the business with appropriate returns to shareholders.

Governance and leadership transitions

The Board remains committed to the highest standards of governance, integrity and transparency. During the year, attention was given to Board composition, Committee structures and succession planning to ensure continuity and effective oversight.

Libstar's previous Chair, Wendy Luhabe, stepped down at the AGM in May 2025. We thank her for her steadfast leadership and remarkable contribution during her seven years on the Board. She is an example of dedication and diligence. The transition in the role of Chair was well managed and I would like to thank my fellow Directors for their support, constructive challenge and unwavering commitment to the Group.

The Board welcomed Tertius Carstens as an Independent Non-Executive Director in May 2025. Tertius brings nearly 30 years' experience in the FMCG sector and is a proven leader in the industry.

Ntokozo Makomba resigned as Company Secretary of Libstar at the end of September 2025. We thank her for her diligence and commitment in her time with the Group. CIS Company Secretaries was appointed as Company Secretary from November 2025. Zinhle Zondi was appointed as Company Secretary with effect from 1 April 2026, succeeding CIS Company Secretaries.

Over the past few years, the Group has undergone significant management changes. Almost all senior executive positions were filled from within the Group, reflecting the philosophy of "growing our own timber", which ensures continuity of institutional knowledge and leadership aligned with Libstar's values and strategy.

Sustainability and responsible growth

The Board views sustainability first and foremost through the lens of financial resilience. The Group's robust cash position provides confidence in its long-term resilience and underpins responsible growth.

The Board also oversees and supports environmental and operational sustainability across the Group, including initiatives to conserve water, manage energy efficiently and reduce waste, and we are satisfied that sustainability efforts are practical, measurable and embedded in business operations rather than merely aspirational.

Looking ahead

The outlook will be affected by external uncertainty, including global economic and geopolitical developments outside of Libstar's control, and continued constrained consumer demand. The Board is nevertheless encouraged by the Group's clear strategic alignment, improved operational footing and stronger balance sheet. The simplification initiatives undertaken over the past two years have almost been completed, allowing management to concentrate increasingly on growth, innovation and returns.

The Board remains committed to disciplined execution, prudent capital allocation and constructive engagement with stakeholders as Libstar continues to pursue sustainable, profitable growth.

Appreciation

The past three years have been challenging, but the Board is encouraged by the clear improvement under way. On behalf of the Board, I extend sincere thanks to Libstar's CEO and management team for their leadership and discipline under very difficult and trying conditions. I applaud every employee across the Group for their commitment and execution. I also thank our customers, suppliers, business partners and shareholders for their continued support.



What shapes *our performance*

The consumer landscape

The South African economy grew by 1.1% in 2025, driven by increased private sector activity, improved mining output and continued structural reforms¹. The World Bank forecasts GDP growth of 1.4% in 2026 as benefits emerge from reforms in energy and logistics as well as increased public and private investment.

Although overall inflation fell and interest rates declined easing pressure on consumers, household budgets remain tight due to weak income growth, high unemployment and still-elevated debt-service costs. Food inflation, while generally down, was erratic, with some baskets moving into deflationary territory and others subject to significant price spikes. This was particularly evident in meat prices, which were affected by foot-and-mouth disease.

Consumer confidence improved, but continues to reflect caution with an increased focus on essentials and very careful management of discretionary spending. The market in 2025 was again characterised by value-seeking behaviour, including downtrading to smaller pack sizes and increased promotional activity.

Sales at most formal retailers showed little growth, particularly when adjusted for new store openings. Growth within the Supermarket Channel was uneven with premium outlets outperforming value supermarkets, reflecting the pressure felt by value-seeking shoppers who are also shopping at discounters and in the informal retail sector.

Discounters and wholesalers performed better, underscoring the strength of independent traders, which remain significant players in South Africa's FMCG environment through their supply into the informal economy. Independent wholesalers and retailers now account for nearly a third of the market, having broadened their focus from spaza shops to attract increasing numbers of everyday shoppers. With 11% of households shopping at these outlets for cheaper essentials, the major chains are responding with rollouts of their value-focused chains.

Promotional intensity is high in South Africa, with retailers and manufacturers relying on special offers, discounts and promotions to compete for volume and market share. However, retailers' ability to continue to cap internal inflation is constrained. Suppliers face margin pressure from both rising input costs and pressure from retailers to limit price increases.

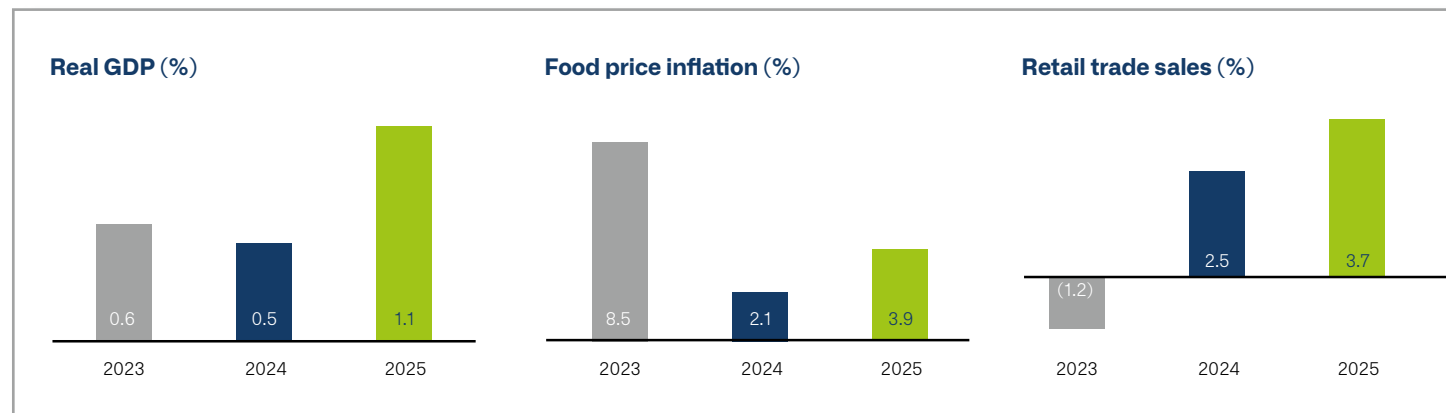
Gambling is exerting pressure on household budgets, with the National Gambling Board reporting that R1.5 trillion, or R4 billion a day, was wagered on gambling in the year to 31 March 2025. 70% of this spend was on online gambling. A Ti Research survey showed that 39% of online gamblers are gambling more than a year ago and 44% of respondents indicating that the money gambled came from their household grocery budget. Online gambling is a particular concern for lower-income earners, with research by Experian showing that up to 50% of grant money received by younger SASSA grant recipients is wagered in this way.

Despite value pressures, premium products remain relevant for certain consumer segments, especially urban, affluent and younger consumers. Product segmentation offers an opportunity to sell into niches across the market spectrum.

Across channels, South African food and beverage consumers are showing increasing interest in healthy options with a focus on natural ingredients, protein-rich foods, plant-based options and dairy. Brands emphasising sustainable practices, authenticity, transparency and innovation are seeing strong interest as consumer expectations evolve.

The trend towards convenience options and e-commerce continued, with consumers favouring speed, simplicity and digital access. On-demand grocery delivery services are growing sales well ahead of other channels and starting to comprise a meaningful proportion of total turnover. Major retail chains have launched "dark store" fulfilment centres dedicated exclusively to online orders to improve delivery times and product availability, reporting higher order volumes and improved scalability. The growth in convenience culture supported strong growth in frozen product lines, particularly through delivery channels.

Lower global food prices and a stronger Rand helped to reduce the cost of imported raw materials but also constrained export margins. Exports to the US were affected by tariffs, both directly (for those lines affected by specific tariffs) and through the impact of heightened uncertainty on customer buying decisions.

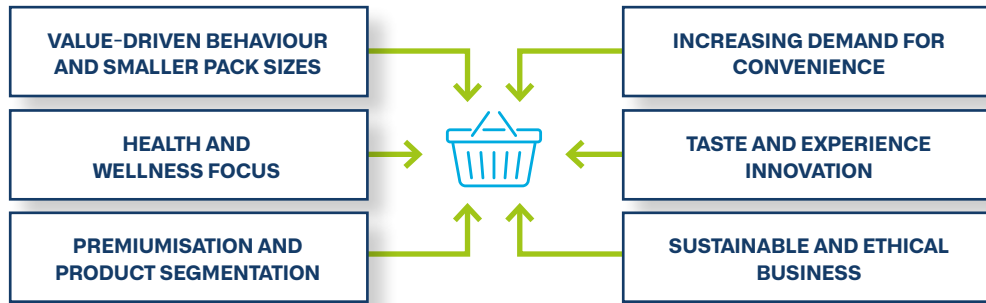


¹ Stats SA

Climate change concerns for FMCG companies include impacts on the supply of globally traded commodities, supply chain infrastructure and increasing geopolitical conflict. Changing weather conditions have affected cocoa, coffee and wheat crops. Extreme weather impacts include port closures and delays, as well as damage to inland logistics infrastructure. In South Africa, recent weather-related developments include drought conditions in key agricultural areas and floods in the Eastern part of the country.

Other emerging international FMCG trends include growth in social commerce or s-commerce (the buying and selling of goods directly within social media platforms), efficiencies from non-AI technologies such as robotics, and the potential for AI to revolutionise both the shopping experience and retailers' operating and revenue models.

Key consumer trends in 2025



An evolving product portfolio

Research into emerging consumer trends and participation at international trade shows helps to keep Libstar and our customers at the forefront of global industry developments. The Libstar Foodie panel provides insights from more than 13 600 participants to deliver quick, actionable insight that guides product development, marketing strategy and customer planning.

Ongoing innovation to develop and market products benefits from our category expertise and deep understanding of our major retailer customers. This ensures that we continue to create products aligned with customers' strategic objectives, growth plans and requirements to meet the needs of consumers.

Across our portfolio, we have a diverse selection of products that aim to meet the needs and preferences of a wide range of consumers.

Value

- » We limit price increases to the extent possible and drive cost efficiencies to protect margins.
- » We participate in strategic promotions without compromising brand value.
- » Packaging sizes include smaller affordable and single-serving packs of popular items.
- » Wet Condiments produces cost-effective bulk packs and combo-buy offerings for Food Services customers, bulk discounters and value conscious customers.

Convenience

- » Convenience offerings include sliced and grated natural cheese packages, single-serving yoghurts, delicious ready-to-use sauces and par-baked products.
- » Millennium Foods' range of fresh and frozen convenience meals, including our DINE-IN brand, continues to see strong demand, particularly through Online Shopping Channels.

Sustainable and ethical business

- » Wherever possible, we use environmentally-friendly and recyclable packaging options.
- » All businesses contribute to addressing socio-economic development priorities in local communities through our CSI Programme.
- » Wet Condiments is BRC-certified, underscoring its commitment to the highest standards of quality, safety and operational excellence.
- » Cape Herb & Spice, Cape Coastal Honey, Ambassador Foods, Rialto, Amaro Foods and Finlar Fine Foods are audited annually for ethical and sustainable business practices.

Taste and experience

- » We promote our brands online, on social media and by partnering with influencers. Promotions include inspirational recipes using our products, cooking tips and user generated content to build engaged communities.
- » Lancewood is South Africa's #1 food and beverage brand on Facebook with a growing presence on Instagram.
- » In-store tastings help to recruit consumers to our brands.

Health and wellness

Healthy options include:

- » Lactose-free, reduced sugar, sugar-free and higher-protein dairy products.
- » Gluten-free breads and wraps.
- » Sugar-free, natural sugar, nutrient dense and higher-protein snacks, as well as dairy-free products and a vegan confectionery range.
- » Plant-based meat and beverages.
- » Low-salt and low-sugar product spice lines.
- » Naturally fermented vinegar to support digestion, balance gut flora and enhance nutrient absorption.

Premiumisation and product segmentation

- » Libstar's premium own brand and licensed products are renowned for their quality and experience strong demand in the market.
- » Our private label products range from affordable and strategic private label to niche and innovative best-in-class dealer-own brands.

To achieve growth in a constrained and potential deflationary environment, Libstar will focus on:

- » Growing and strengthening our position in formal retail across all formats and categories.
- » Executing with precision to grow market share.
- » Expanding into and within underdeveloped channels/customers.
- » Maximising our ability to drive collaborative innovation ideas across our key categories.
- » Optimising our ability to provide brand solutions to the market.

Private brand product trends

Private brand products have matured into strong private brands for retailers and genuine competitors to national brands, providing tiered offerings across value, mainstream and premium or lifestyle markets. Uptake of private brands by consumers continues to increase with revenue consistently growing ahead of non-private brands.

Private brand ranges are attractive to retailers as they enhance margins, support revenue growth, help them differentiate from competitors, increase the speed of innovation, provide greater control and allow them to target specific market niches. Sub-brands allow retailers to target specific consumer demands, such as niche health priorities and sustainability.

Market share of private label products declined slightly during 2025, as deflation in commodity staples saw consumers switching back to branded products in some categories.

Libstar is a well-established private label and dealer-own brand provider, with strong relationships with retailers that support long-term growth in this category. In 2025, revenue from private label and dealer-own brands grew by 5.6% and comprised 50.4% of Brand Solutions revenue.

Libstar's own brands

Libstar owns, produces and distributes a diversified portfolio of well-established brands across its core ambient and perishable food categories. These brands, which are marketed under proprietary trademarks or produced and distributed under licence agreements, hold strong positions in their respective segments and are underpinned by trusted quality, scale manufacturing capability and deep category expertise.

Libstar's own brands play a strategic role within the Group's Brand Solutions offering by enabling greater control across the value chain, supporting margin optimisation and reducing reliance on single customers or channels. They also provide a platform for innovation, allowing the Group to respond quickly to changing consumer needs, pricing dynamics and channel requirements, while strengthening long-standing retail and customer partnerships. During the year, revenue from own-branded products grew 6.8% year-on-year and comprised 42.0% of Brand Solutions revenue, reflecting focused commercial execution and the increasing importance of owned brands in enhancing earnings quality, resilience and sustainable long-term value creation.

Market-leading and value-adding growth

LANCEWOOD®

#1 brand in natural cheese*

Leading the category at **25%** market share, with **6%** value growth

#1 brand in soft cheese*

61% market share, with **18%** value growth

#2 brand in double cream yoghurt*

22% market share, with **28%** value growth

#2 brand in pre-packed hard cheese*

28% market share, with flat value growth

* Data source: Processed by DataOrbis, Defined Retailers, Value MAT Jan to Dec 2025, (Excl. Spar)



#2 in the convenience sauce category*

Growing across all periods in value

#2 in the artisanal rusks brand*

Growing across all periods in value

The **#1 branded vinegar offering***

Growing across all periods in value

#1 in the Baking Aids category*

Growing ahead of the category in value

#3 brand in Jams and Spreads*

Growing in volume and value

* Data source: Processed by DataOrbis, Total Defined Market Retailer Sales, Dec 2025 (limited to Shoprite, Makro and Pick n Pay)

Awards and recognition

LANCEWOOD®

2025 World Cheese Awards

Gold: Lancewood Medium Fat Cream Cheese Sweet Chilli

Bronze: Lancewood Mature Cheddar

Bronze: Lancewood Lactose Free Low Fat Smooth Cottage Cheese

Food & Home Best of Brands Awards

11 Gold Awards

South African Food & Beverage Awards

11 Gold and Silver Awards

South African Dairy Championships 2025

Five Awards

Wet Condiments



Cape Herb & Spice

2025 Food & Home Awards

- Gold:** Everything Seasoning
- Gold:** Chilli Crunch
- Gold:** Texan Steakhouse rub
- Gold:** Sweet & Sticky Chicken shaker

2025 GOLD AWARD FOOD&HOME BEST IN FOOD

South African Food and Beverage Awards

- Gold:** Everything Seasoning
- Gold:** Avo Smash
- Gold:** Chilli Crunch

2025 F&B AWARDS SOUTH AFRICAN FOOD & BEVERAGE AWARDS GOLD

Woolworths Supplier of the Year (Innovation) 2025
(Rialto Printer's Way)

2025 Food & Home Awards

- Gold:** DINE-IN Farmhouse Chicken Soup and Vegetable Soup

NEW DINE-IN FARMHOUSE CHICKEN SOUP
KEEP FROZEN 300g SERVES 1
NEW DINE-IN HEARTY VEGETABLE SOUP
KEEP FROZEN 300g SERVES 1

Enhancing consumer insight and customer relevance

With shoppers under pressure, retailers have had to adjust their formats, pricing and promotions to keep up with rapidly shifting consumer behaviour. Despite the current challenging operating environment, Libstar has continued to show resilience, agility and meaningful growth.

A key enabler of this progress has been our continued investment in learning, capability-building, insight-led decision-making and category management, which support our Customer Promise and strengthen our performance as *One Libstar*.

Enhancing marketing and sales capabilities

In addition to ongoing on-the-job training, Libstar's customer, category and brand teams have access to CUSTOMERAIDE, a cost-effective, flexible and scalable online learning platform designed to strengthen core marketing and sales capabilities. The platform helps to develop the skills and confidence required to engage effectively with customers, understand category dynamics and make informed, insight-led decisions.

CUSTOMERAIDE combines accredited online programmes, a comprehensive knowledge base and interactive Lunch & Learn workshops, offering 24/7 self-paced access. Since launch, the platform has achieved strong participation and positive ratings for content relevance and applicability, and is being further expanded to include Food Service-specific resources and tailored learning sessions.

Meaningful insights into consumer trends

We expanded our Libstar Foodie panel from 8 000 to more than 13 600 participants during the year. The panel provides quick, meaningful consumer feedback that delivers actionable insights to guide product development, marketing strategy and customer planning.

We also hold regular workshops with global leaders in market intelligence to deepen our understanding of global and local consumer trends that help us to identify shifts early, innovate with purpose and support our customers with solutions that add real value.

Building growth through smarter category partnerships

Our Category Management Programme provides a smart, insight-led way of making sure that the right products reach the right consumers at the right time. In the fast-paced retail environment, it helps us understand what shoppers are looking for, how they make decisions and how we can work with our customers to build product ranges that truly meet their needs.

At its core, category management treats each product category as a "business within a business". By analysing data and shopper behaviour, we partner with our customers to help them choose products to list, optimal pricing points and shelf placement, and identify innovations to unlock growth.

Strong category management supports our mission to grow sustainably and serve our customers with excellence, directly reflecting our Customer Promise (see page 19). It helps us build stronger partnerships, offer smarter solutions and remain a trusted, forward-thinking supplier across all our categories.





Frozen ready-meals

Dine-In introduced three new products during the year, adding to our existing range of frozen ready-meals, sides, deserts and award-winning frozen soups.

The new meals extended our range of proven winners in the comfort-food category, creating higher-value family dinner options for sharing occasions. The launches were driven by clearly identified gaps in our range in specific flavour profiles, formats and toppings, providing visual appeal, eating experience, perceived indulgence and competitive positioning.



Our new beef pie uses pulled beef for an authentic, slow-cooked eating experience, taking the range to the next level with an indulgent, premium comfort option. The elevated texture, visual appeal and quality create a premium offering at an affordable price.



Our chicken lasagne extends a proven top seller platform following the success of our beef lasagne.



Our single-serve alfredo pasta introduces a rich, cream-based sauce profile, adding depth and indulgence to a range previously dominated by tomato, savoury and curry flavours with limited cheese sauce offerings.

Risk *management*

Considering a dynamic operating context, our ability to manage risks and capture opportunities is key to Libstar's resilience, performance and sustainability.

The Board recognises that risk management is also a key component of good governance. In setting the risk appetite for the Group, the Board aims to minimise exposure to risks, while accepting and recognising the risk/reward trade-off in pursuit of Libstar's strategic and commercial objectives.

Libstar takes a values-based approach to risk that embeds risk management and decision-making into everything we do, proactively managing risk through the commitment of our people to our core values. Enterprise risk management is embedded in the strategic planning process.

Roles and responsibilities

The Board approves the Enterprise Risk Management Framework (the Framework) and sets the tone for a risk-aware culture in the Group. It oversees and monitors the management of risk and obtains assurance, delegating this oversight responsibility to the Audit and Risk Committee.

The Audit and Risk Committee assesses the effectiveness and adequacy of the risk management system and the various sources of assurance. It reviews and approves the Group Risk Register, which is a collective view of the risks identified across the Group.

Executive Management leads and embeds a risk management culture across Libstar, ensures that risk management programmes are applied in business practices and oversees the allocation of resources to enable effective risk management practices.

The Risk Management Framework

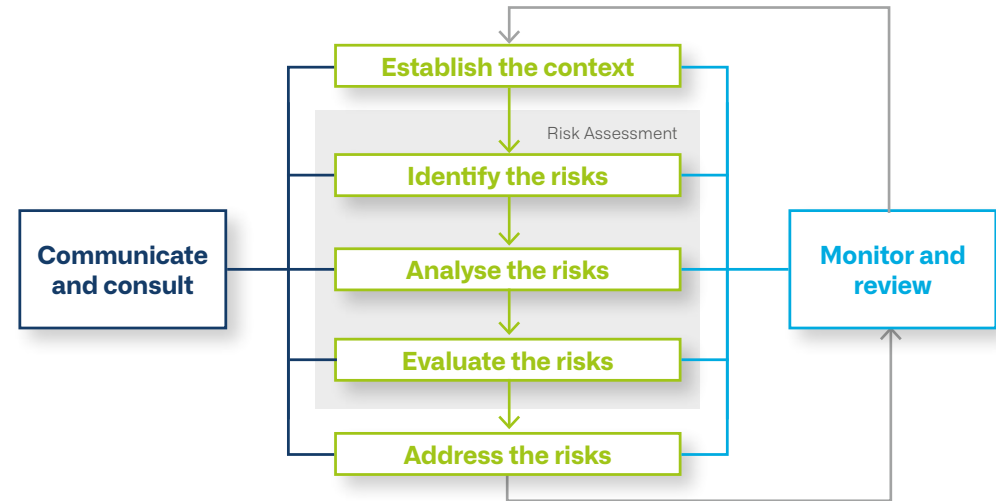
The Framework sets out the principles of the Group's approach to risk management. The Framework sets the tone for Libstar's approach to risk, reinforces the importance of managing risk proactively, empowers Libstar's people to take responsibility for risk management and mitigation, and fosters a balanced risk culture. The Framework is reviewed at least every three years to identify opportunities for improvement and to strengthen our risk management maturity.

The risk management process

The Enterprise Risk Management Programme applies a structured system of risk categories and sub-categories to support a systematic and consistent methodology for identifying, categorising, and addressing risks across the Group.

The risk management process establishes context by identifying objectives and considering the internal and external parameters within which the risk must be managed. Challenges and opportunities are considered in the context of Libstar's vision and objectives, operating environment and key stakeholders.

The risk assessment process identifies risks and opportunities and analyses these factors to develop a comprehensive understanding, with risks evaluated against the Group's risk appetite. Mitigation measures and action plans minimise the severity of the identified risk to achieve the targeted risk profile.



Changes to the source and context of risks, tolerance for certain risks and the adequacy of controls are monitored on an ongoing basis, with risks reviewed and reported regularly. Effective communication and consultation support risk management by promoting a shared understanding and enabling appropriate involvement in decision-making.

Libstar continuously strengthens its risk evaluation process by tracking emerging risks and opportunities. Key risks are identified and integrated into the Group Risk Register to ensure a structured and proactive approach to risk management. Regular risk reviews and quarterly risk reporting enable the systematic identification, assessment and prioritisation of risks, strengthen mitigation actions and provide an integrated view of risks across business units and the Group.

During the year, regular risk scenario analysis was introduced to enhance the assessment of key risks, identify emerging vulnerabilities and evaluate the adequacy of existing mitigating controls. The process supports focused risk discussions, highlights key insights and assists in identifying potential gaps in governance, systems or oversight. Scenario discussions included engagements with the Board and its Committees.

The Audit and Risk Committee reviews management's scenario analysis for significant risks as part of its oversight of the Group's risk profile and resilience.

Enterprise risk management is increasingly embedded in strategic planning, capital investment appraisal and operational performance reviews. Continued focus is being placed on strengthening risk ownership and proactive risk identification at operational levels, as well as ensuring consistent monitoring of key controls across business units. During 2025, risk management training was provided across the Group to further embed a culture of risk awareness in day-to-day operations. Risk management is supported through safety, health and environmental self-assessments, cross-functional audits and employee relations surveillance audits. During the year, finance-related risk self-assessments were conducted, and the scoping of large capital expenditure investments was enhanced.

The Group and business unit risk registers have been aligned and risk definitions, scoring methodologies and reporting formats are now largely standardised, improving comparability and aggregation of risk information. The remaining variability in root-cause analyses and assessments of control effectiveness are being addressed through targeted training, enhanced guidance and periodic assurance reviews.

Areas of focus for the Audit and Risk Committee during the year included the effectiveness of risk culture, financial controls, cyber security, and regulatory compliance across the Group. It also oversaw management's initiatives to address the strategic and financial risks that crystallised during the year. This oversight resulted in enhanced independent testing, accelerated remediation of control gaps and more detailed management reporting on key risk indicators and emerging threats.

Our key risks

We performed an in-depth review of the Group Risk Register in 2025, breaking down risks across various domains, such as strategic, operational, legal and compliance, assigning unique identifiers for each risk and incorporating them into individual business unit registers. During the year, risk descriptions and mitigating measures were refined where appropriate to reflect developments in the business and external environment. Management will continue to monitor the risk environment for potential shifts in risk profile.

1 Loss of a material customer

Strategic risk

Although Libstar's product portfolio and Sales Channel exposure is diverse, certain divisions and/or product offerings carry significant exposure to a single or limited number of customers.

Our response

We maintain close and long-standing relationships with our customers. Group and business unit management regularly assess changes in customer strategies which may impact Libstar. Developing new products and channel markets forms part of management's key performance criteria.



Inherent risk*

■ High

Current state of risk**

■ Moderate

KVI impact

-  *Consolidate business units to mitigate reliance on key customers*
-  *Grow under-indexed channels*

2 Challenging macro-economic environment

Strategic risk

We operate in a macro-economic environment subject to significant fluctuation, instability and challenges, including foreign currency risk, income inequality, low economic growth, high sovereign debt to GDP and political instability.

Our response

The Group's multiple Sales Channels offer some resilience to changing consumer behaviour impacted by macro-economic challenges. As part of our ESG Strategy, we invest in solutions to reduce our exposure to the risks associated with availability of critical infrastructure. We have formal foreign exchange hedging policies designed to mitigate the impact of foreign currency fluctuations.

Risk factors

- » Increased cost and limited availability of critical manufacturing inputs and infrastructure.
- » Reduced disposable income for consumers.


Inherent risk*

■ High

Current state of risk**

■ Moderate

KVI impact

-  *Improving operational efficiencies to increase operating profit amid rising input costs*

* Inherent risk: before mitigations and controls
 ** Current state of risk: after mitigations and controls

3 Disruptions to operations

Operational risk

Libstar relies on the efficient operation of multiple supply chains to ensure that our business units operate without interruption. Business interruption caused by the failure of supply chains, socio-political Events, Acts of God or industry developments pose a significant risk.

Risk factors

Disruptions to manufacturing, warehousing or our ability to service customers from:

- » Supply chain disruptions.
- » Logistics disruptions.
- » Water restrictions and power interruptions.
- » Fire and/or natural disasters.
- » Labour unrest and/or protracted industrial action.
- » Civil unrest.
- » Oversupply of raw milk.
- » Foot-and-mouth disease.

Our response

Where possible, business units have contingency plans to source key inputs from at least two alternative suppliers and keep contingency stock.

We have borehole water or storage tanks at critical manufacturing sites and have installed power generators and solar at our manufacturing sites. We continue to investigate additional alternative water and power solutions.

Appropriate fire prevention plans are developed for each site and a Group-wide Insurance Programme is in place to mitigate losses.

Wage negotiations are decentralised. Where appropriate, wage agreements remain in place for more than a year to promote labour force stability. We regularly engage with labour unions.

To the extent possible, the Group's business units maintain contingency plans, with the priority to ensure the safety of employees.

Oversupply of raw milk was mitigated by on-selling raw milk.

In response to the outbreak of foot-and-mouth disease, Lancewood split production across sites and introduced double-pasteurisation to retain ZA certification at the George facility.

Inherent risk*

■ High

Current state of risk**

■ Moderate

KVI impact

KVI 2

Implementing a culture programme and talent management initiatives

KVI 4

Improving operational efficiencies through sustainable energy and water efficiency initiatives

4 Information and cyber security risk

Operational risk

Manipulation and/or interruption of the Group's ICT systems poses a risk to the integrity of information processed and the continuity of manufacturing operations.

Our response

The Group's operations depend on a range of interconnected ICT systems, including ERP, banking and business intelligence platforms. These systems are exposed to risks of unauthorised access, data manipulation, system unavailability, or cyberattacks, which could result in operational disruption, financial loss, or regulatory non-compliance.

The framework is regularly reviewed and, where applicable, experts are engaged to assist in the scoping and implementation of ICT projects across the Group. Standardised policies are applied to measure ICT contingency plans and include fail over techniques, backups and regular testing of backups. The Group has artificial intelligence tools to detect suspicious activities and generate alerts when detected.

Bi-annual penetration tests, both internal and external, identify potential risk areas and opportunities for improvement.

Inherent risk*

■ High

Current state of risk**

■ Moderate

5 Talent and skills

Operational risk

The Group's workforce comprises a diverse range of specialised skills. Effective management of human capital, including advancing transformation and positively contributing to the communities in which the Group operates, is integral to the Group's long-term sustainability.

Risk factors

- » Inability to attract, motivate and retain top talent for core business and regulatory requirements.
- » Loss of critical skills.

Our response

We implement focused talent management, skills development and training programmes. A Succession Planning Framework identifies contingencies for critical skills, and the Group is focused on building a succession pipeline and mitigating retention risk for key talent.

Employee incentive structures are benchmarked across the industry, and the Long-Term Incentive Programme aligns with shareholder and participant interests.

Talent management, professional development and performance appraisal processes are under review, with a standardised approach being implemented across the Group.

The CSI Policy aims to promote and enable initiatives to enrich the daily lives of the communities in which our businesses operate.

An Employee Relations Surveillance Audit was completed. The outcomes from the audit are monitored quarterly to ensure timely remediation and continuous improvement in identified control gaps.

Libstar's Group-wide B-BBEE Strategy guides skills development and socio-economic development strategies. We are striving for a constant improvement in Libstar's B-BBEE Contributor status.

Inherent risk*

■ Moderate

Current state of risk**

■ Moderate

KVI impact



Implementing a culture programme and talent management initiatives

6 Compliance with laws and regulations

Legal, compliance and regulatory risk

The Group operates in a complex regulatory environment across multiple jurisdictions, and non-compliance with applicable laws and regulations (such as **food safety, food quality**, product standards, labour laws, environmental regulations, and financial reporting requirements) poses significant risks. This includes potential fines, legal actions, reputational damage and operational disruptions.

The imposition of tariffs by the US affected some product lines.

Risk factors

The potential for legal and regulatory fines, sanctions, litigation, reputational harm and operational disruptions resulting from the Group's failure to comply with relevant laws and regulations in the various jurisdictions where it operates.

Our response

Libstar conducts regular product food quality and safety testing. Protocols have been implemented to address potential product recalls. Audits and independent quality verifications are conducted by competent, independent auditors, as well as by customers.

Disaster management protocols are in place at business unit level.

The Group uses compliance management systems to track and monitor changes in applicable laws and regulations across different jurisdictions. Regular legal and compliance audits are conducted to ensure adherence to applicable laws and regulations. Training programmes for employees are conducted to raise awareness and promote compliance. Engagement with external legal consultants to ensure adherence to international standards where applicable.

Monitoring of international trade developments, regular engagement with customers to address tariff-related impacts and uncertainty, and implementation of pricing and market diversification strategies where required.

Inherent risk*

■ High

Current state of risk**

■ Moderate

Emerging risks and opportunities are identified through ongoing monitoring of industry developments, peer disclosures, regulatory changes and macro-economic trends, together with scenario analysis. Emerging risks are assessed against the existing risk register to determine their relevance and the adequacy of current controls.

While no new principal risks were identified during the year, existing risks, their descriptions and related mitigation measures were reviewed and refined to reflect developments in the operating environment. This process will continue to be enhanced to support the timely identification and escalation of emerging risks and opportunities.

Priority areas for the coming year include strengthening risk ownership at an operational level, enhancing the consistency of control effectiveness assessments and further embedding scenario analysis into strategic and financial planning. Focus will also be placed on improving risk data quality, monitoring key risk indicators and fostering a strong risk-aware culture across the Group.

Stakeholder *engagement*

Regular engagements with our stakeholders improve our understanding of their needs and expectations, which helps to identify emerging risks and opportunities, and to shape our strategic direction.

The Board is responsible for and oversees stakeholder engagements, and receives reports on material engagements. The Social, Ethics and Transformation Committee assists the Board to monitor stakeholder engagement.

Our primary stakeholders are our employees, customers, suppliers and investors. Given the nature of our business, stakeholder engagement with employees, customers and suppliers is decentralised. Business units and employees manage relationships and address the expectations of internal and external stakeholders within their areas of responsibility. Engagements with investors take place at Group level.

Examples of engagements during 2025 included:

- » We conducted our second annual People Survey to obtain insights into employee experiences.
- » The Executive Management team held a Leadership Roadshow, visiting most production sites and warehouses in the Group.
- » Following the receipt of expressions of interest from potential investors, Executive Management engaged extensively through the due diligence process.
- » Multiple strategic and innovation sessions were held with our customers.
- » Attendance at international food shows enabled interactions with existing and potential customers and suppliers.
- » We conduct numerous engagements with investors on a regular basis – one-on-one meetings.
- » The business units interact with government departments and regulators as necessary to resolve queries, including labelling, product composition, compliance factory visits and consumer disputes, and proactively engage with regulators regarding amendments to regulations as required.



1. Employees

Employees drive our business through their enterprise, skills and commitment. We engage with employees and their representative bodies (including unions) to understand their concerns, inform them about the Group's progress and create a constructive and safe working environment.

How we engage

- » Ongoing and transparent engagements with unions.
- » Newsletters.
- » Motivational campaigns.
- » Performance reviews.
- » *One Libstar* High-Performance Programme presentations and Values Project.
- » Annual employee surveys.
- » Management roadshows and visits.

What they expect

- » Protection of labour, human rights and safety.
- » Appropriate compensation.
- » Good employee relations and inclusive engagement.
- » Skills development.
- » Career progression opportunities.
- » An environment that promotes dignity, respect and equal opportunity.

Our response

- » Effective safety protocols and hygiene practices across the Group.
- » Opportunities for career progression.
- » Industry-benchmarked, competitive total remuneration of employees.
- » Ongoing investment in training and development.
- » Regular and transparent engagement with unions.

Value added during the year

- » R1 557 million paid in salaries and wages.
- » R33.1 million invested in skills development.
- » Absorption of 15 unemployed learners into the business on completion of their learnership programmes.
- » Improved strategic alignment and employee engagement.
- » Implementation of culture champion initiative to enhance employee engagement.



2. Customers

We partner with our customers to deliver on their brand promises by developing innovative products and own brand solutions in the categories we operate in. These partnerships assist in driving our customer growth ambitions while staying relevant to consumers.

How we engage

- » Regular and ongoing interactions in the course of business.
- » Collaborative and joint customer business planning.
- » Contractual negotiations.
- » Service-level agreement renewals.
- » Innovation days that stimulate collaborative category growth opportunities.
- » Strategic category growth initiatives.
- » Global trade and supplier collaborations.

What they expect

- » Market-leading products that deliver growth.
- » Ongoing innovation.
- » Exceptional customer service levels and product availability.
- » Ability to maintain competitive pricing.
- » Food safety.
- » Sustainable and responsible sourcing.

Our response

- » Investing in critical market research and insights to deliver growth plans for our customers.
- » All categories invest in new product development.
- » Customer engagement to mitigate disruptions and continually meet changing demand.
- » Consolidating categories and realising operational efficiencies to manage costs.
- » Product testing across manufacturing sites and stringent food safety protocols.
- » Audits conducted by independent auditors and independent verifications performed by customers.
- » Living up to our Customer Promise (page 19).
- » Responsible Sourcing Strategy.

Value added during the year

- » New product innovations launched across categories and channels.
- » Close collaboration with customers to develop and launch new private label ranges.
- » Focus on improving customer service levels across businesses.



3. Suppliers

Working closely with our material and packaging suppliers is crucial to ensure uninterrupted production.

How we engage

- » Ongoing interactions in the course of business.
- » Annual contractual negotiations.
- » Trade shows.
- » Service-level agreement renewals.

What they expect

- » Sustainable, beneficial relationships.
- » Honouring contractual terms and agreements.
- » Revenue growth.
- » Fair payment terms.
- » Procurement opportunities for black-owned and black women-owned businesses.

Our response

- » Regular engagements to manage rising costs and ongoing supplier impacts.
- » Leveraged procurement to evaluate input costs, bolster buying power as a Group and ensure continuity of suppliers.
- » Commitment to responsible corporate citizenship.
- » Enterprise and supplier development initiatives.

Value added during the year

- » R8.9 billion procured from suppliers (2024: R8.5 billion).
- » Procurement focus across the Group on shared items reduced the number of suppliers but increased volumes for the chosen suppliers.
- » Preferential procurement initiatives support B-BBEE companies in the supply chain.
- » Enterprise and supplier development programmes at the businesses promote transformation and economic upliftment by expanding opportunities for black-owned and black women-owned businesses.
- » Ongoing engagements with suppliers to build relationships and mitigate supply interruptions.
- » Identification of potential alternative suppliers to ensure ongoing price competitiveness and diversify sources.

4. Investors and funders



Providers of equity and debt provide the capital we need to grow. The Group's financial strength is supported by equity from shareholders and financial guarantees from bankers and insurance companies.

How we engage

- » Group investor meetings hosted by sell-side analysts.
- » One-on-one meetings with key shareholders and sell-side analysts.
- » Interim and final results presentations.
- » Annual General Meeting.
- » SENS announcements.
- » Media releases.
- » Libstar website.
- » Media interaction through interviews at the release of results.
- » Integrated Annual Report.

What they expect

- » Sustainable return on investment.
- » Meeting debt covenants and debt agreements.
- » Meeting all interest payments as a minimum target.
- » Optimising the Group's debt position without excessive risk.
- » Sound and experienced management team.
- » Good corporate governance.
- » Strategic Growth Strategy.
- » Effective talent acquisition, retention and succession planning.
- » Transparency and accountability.
- » A strong focus on cash generation and financial risk management.
- » Dividend Policy in the context of protecting the balance sheet and liquidity.

Our response

- » Simplification of the Group in line with the strategy.
- » Strong management team with extensive industry experience.
- » Focus on executing Libstar's key value-driving initiatives and improving key performance indicators.
- » Libstar's Corporate Governance Framework.
- » Regular transparent reporting to the market.
- » Comprehensive Risk Management Framework.

Value added during the year

- » R138.5 million paid to funders as interest.
- » R170.5 million declared in dividends.
- » All debt covenants met.
- » Cash conversion increased to 95%, above the internal target of greater than 65%.
- » Gearing ratio (net debt to normalised EBITDA) reduced to 0.9x.

Other stakeholders

Stakeholder	Their interests	How we respond
Government	<ul style="list-style-type: none"> » Health and safety » Environmental management » Transformation » Compliance with regulations » Social investment 	<ul style="list-style-type: none"> » Effective health and safety protocols at all operations. » Commitment to good governance and addressing identified areas to ensure compliance with applicable legislative requirements. » Commitment to limiting the Group's environmental impact and systems in place to ensure responsible operations. » Libstar's ESG Strategy. » Ongoing focus on improving our B-BBEE performance. » Community investments.
Consumers	<ul style="list-style-type: none"> » Food safety » Product availability » Good corporate citizenship » Safe and nutritious food 	<ul style="list-style-type: none"> » Product testing across manufacturing sites and stringent food safety protocols. » Audits conducted by independent auditors and independent verifications performed by customers. » Responsible Sourcing Strategy. » Commitment to limiting the Group's environmental impact and systems in place to ensure responsible operations.
Communities	<ul style="list-style-type: none"> » Social investment » Environmental management 	<ul style="list-style-type: none"> » Community investments. » Commitment to limiting the Group's environmental impact and systems in place to ensure responsible operations.
Industry bodies	<ul style="list-style-type: none"> » Coordinated response to industry-specific issues » Changes in legislation 	<ul style="list-style-type: none"> » Libstar participates in discussions with industry bodies to understand developments in the food industry and to make sure the Group's views are communicated.

Our performance



44	CFO's review
49	Ambient Products
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CFO's *review*

Despite constrained market conditions, Libstar delivered revenue growth of 8.2%, enhanced margins, generated strong cash flows and reduced gearing, while advancing its strategy.

Libstar delivered a materially improved set of results for the year ended 31 December 2025, reflecting continued progress in executing its Simplification, Growth and Sustainability Strategy. Despite subdued retail market conditions, the Group maintained and expanded market share, improved gross profit margins and delivered strong cash generation while continuing to launch new products and extend own brand and private label ranges.

Revenue growth supported by normalised volume improvement and selling price inflation

Revenue increased by 8.2%, with selling price inflation and mix changes contributing 5.0% and normalised volumes growing by 3.2%.

Unadjusted Group sales volumes increased by 10.6%, with a significant proportion attributable to the extraordinary cumulative impact of:

- » an 8.6% increase in Group volumes due to the on-sale of unprocessed raw milk to Industrial Channel customers in the Dairy sub-category, which facilitated the balancing of raw material and finished goods inventory levels;
- » Offset by a 1.2% decrease in Group volumes attributable to the closure of the Chamonix Springwater business in the prior year.

The Group's gross profit margin increased to 22.0% from 21.6% in 2024. Sustained margin improvements in the Wet Condiments sub-category, together with production efficiencies in the Dairy sub-category, contributed meaningfully to overall margin enhancement, partially offset by margin pressures in Snacking and Baking.

Marketing, promotions and investing in our people

Group operating expenses increased by 9.8%, driven by investments in our brands through marketing and promotional activity, and investment in our people structures, specifically in Wet Condiments, which supported the outperformance of the category, as well as in the Snacking division to address operational inefficiencies. Libstar's expense margin, excluding impairment charges, increased to 17.6% (2024: 17.3%).



TERRI LADBROOKE

CFO

Capital items

An impairment charge of R200 million, net of tax, was recognised in relation to the Ambassador Foods cash-generating unit to reflect the continued margin pressure and operational inefficiencies experienced over the past 24 months. The business has been integrated with the Group's retail meal-ingredients and spreads divisions to form a cohesive Select Products sub-category and demonstrated improved trading and operational execution in the second half of 2025.

An adjustment to the purchase price allocation of Cape Foods, following the reassessment of IFRS 16 at acquisition, resulted in a R14.3 million goodwill impairment. Additionally, in the first half of 2025, four customer contracts with a book value of R14.3 million were impaired in the Cape Herb & Spice and Dickon Hall Foods business units within the Ambient Products category, after reassessment of their respective carrying values.

Normalised operating profit and normalised EBITDA

Group normalised operating profit increased by 11.0% at a margin of 5.9% (2024: 5.7%). Group depreciation of property, plant and equipment at R234 million was 4.1% lower than the prior period, and IFRS 16 depreciation on lease assets increased by 14.1%.

Group normalised EBITDA was R1 071 million (2024: R1 005 million) at a margin of 8.7% (2024: 8.8%).

Performance by category

Contribution to Group revenue

R'000	Group revenue growth		Contribution to Group revenue		
	Financial year ended 31 December 2025	Change %	Financial year ended 31 December 2024	Financial year ended 31 December 2025	Financial year ended 31 December 2024
Net revenue by category					
Ambient Products	6 266 503	7.4%	5 832 950	50.8%	51.2%
Perishable Products	5 903 577	9.2%	5 404 597	47.9%	47.4%
HPC	159 087	0.1%	158 972	1.3%	1.4%
Total Group net revenue	12 329 167	8.2%	11 396 519	100%	100.0%

Contribution to Group normalised EBITDA (before corporate costs)

R'000	Group normalised EBITDA growth/(decline)		Contribution to Group normalised EBITDA		
	Financial year ended 31 December 2025	Change %	Financial year ended 31 December 2024	Financial year ended 31 December 2025	Financial year ended 31 December 2024
Normalised EBITDA before corporate costs					
Ambient Products	724 686	3.1%	703 124	62.7%	64.6%
Perishable Products	421 782	12.5%	374 759	36.5%	34.4%
HPC	9 912	(8.5%)	10 837	0.9%	1.0%
Total	1 156 380	6.2%	1 088 720	100.0%	100.0%

Ambient Products category revenue increased by 7.4%, driven by the sustained outperformance of the Wet Condiments sub-category. Sales volume increased by 3.5%, and price and mix changes contributed 3.9% of revenue growth. Excluding the impact of lower volume sales following the closure of Chamonix Springwater, category volumes increased by 5.5%.

Perishable Products category revenue increased by 9.2%, with volumes up 20.1%. Excluding the impact of raw milk sales, volumes increased by 0.1%, mainly due to lower volumes of fresh milk and whey powder in the Dairy sub-category. Volume sales of core Dairy sub-category items (cheese, butter and yoghurt) increased by 4.4%.



Simplifying our portfolio to enhance growth



KVI
1

Simplifying our portfolio to enhance growth

In December 2025, Libstar announced the divestment of our Fresh Mushroom operations. The disposal includes the Fresh Mushroom business, as a going concern, including the related properties in Gauteng (Deodar) and KwaZulu-Natal (Shongweni). It excludes the property in Western Cape (Phesantekraal), where operations have ceased and the property will be divested in due course.

Libstar engaged transparently with affected employees and supported them through the transition, including exploring opportunities in other business units where possible.

The DENNY® brand will be licensed to the purchaser for exclusive use in the Fresh Mushroom category. Libstar will continue to produce and market value-added DENNY® branded products, including soups, sauces and stocks in the Wet Condiments sub-category.

This transaction is a deliberate and strategic step to simplify our portfolio and sharpen our focus on priority categories with sustainable long-term growth potential.

Summarised full-year results

(R'000)	2025	Change %	2024*
Continuing operations			
Total revenue	12 329 167	8.2%	11 396 519
Gross profit margin	22.0%	+0.4pp	21.6%
Normalised operating profit	726 252	11.0%	654 220
(margin)	5.9%		5.7%
Normalised EBITDA	1 071 324	6.6%	1 004 823
(margin)	8.7%		8.8%
Basic EPS (cents)	13.3	152.8%	(25.2)
Basic HEPS (cents)	54.5	22.7%	44.4
Normalised EPS (cents)	29.3	352.6%	(11.6)
Normalised HEPS (cents)	70.6	21.7%	58.0
Balance sheet and cash flow indicators			
Net interest-bearing debt to Normalised EBITDA (excl. IFRS 16)	0.9		1.5
Cash generated from operating activities (excl. net working capital)	1 026 716	4.4%	983 427
Cash generated from operations (incl. net working capital)	1 025 502	29.1%	794 410
Capital investment in property, plant and equipment	241 144	24.2%	194 190
Cash conversion ratio	95.0%		80.1%

* The results for Denny Mushrooms are disclosed in the Group's discontinued operations for the year ended 31 December 2025. The comparative prior period statement of comprehensive income has been represented to provide a like-for-like comparison.

Group performance

The Group uses normalised EBITDA, normalised earnings per share (EPS) and normalised headline earnings per share (HEPS) from continuing operations, which exclude non-recurring, non-trading, and non-cash items, as the key measures to indicate its true operating performance.

Normalised EPS, which excludes insurance proceeds, unrealised foreign currency movements and other non-recurring, non-trading, and non-cash items, increased from a loss per share of 11.6 cents in the prior period to earnings per share of 29.3 cents. The improvement is primarily attributable to lower impairment charges relative to the prior year.

Normalised HEPS, which also excludes the aforementioned items, increased by 21.7% from 58.0 cents to 70.6 cents.

The weighted average number of shares in issue remained unchanged at 595.8 million and is equal to the diluted number of shares in issue.

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

(R'000)	2025	Change %	2024*
Normalised EBITDA	1 071 324	6.6%	1 004 823
Less:			
Depreciation and amortisation	(345 072)		(350 603)
Net finance cost	(186 821)		(210 699)
Impairments losses on assets	(233 641)		(292 188)
Tax and normalisation adjustments	(130 794)		(220 534)
Plus: Non-controlling interest loss	(191)		(50)
Normalised earnings	174 805	352.4%	(69 251)
Impairment losses on assets (after tax)	227 375		410 493
Loss on disposal of non-current assets held for sale	4 412		-
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	(260)		(6)
Loss on disposal of property, plant and equipment (after tax)	14 105		4 411
Normalised headline earnings	420 437	21.6%	345 647

* The results for Denny Mushrooms are disclosed in the Group's discontinued operations for the year ended 31 December 2025. The comparative prior period statement of comprehensive income has been represented to provide a like-for-like comparison.

Investment income and finance costs

The Group's net finance cost (including IFRS 16 lease liabilities) decreased by 11.3% from R210.7 million to R186.8 million.

Group net finance costs on interest-bearing debt (excluding IFRS 16 lease liabilities) decreased by 17.5% from R144.2 million to R119.2 million, due to the decrease in the Johannesburg interbank average lending rate (JIBAR) in the current prior period and lower average debt levels over the reporting period.

Finance charges incurred on lease liabilities (IFRS 16) increased by 6.6% from R60.4 million to R64.3 million.

Taxation

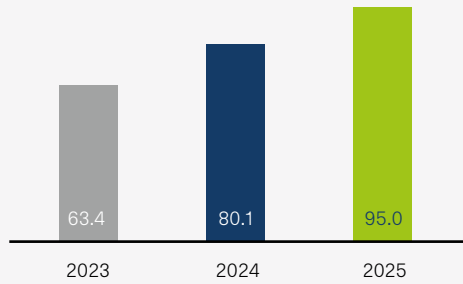
The Group's effective tax rate from continued operations is 48.3% (2024: 66.8%), largely due to the impact of impairments on intangible assets and discontinued operations. The effective tax rate on all operations excluding the effect of impairments is 27.1% (2024: 23.4%).

Earnings and headline earnings

Total basic earnings per share (EPS) increased from a loss per share of 54.0 cents to a loss per share of 0.1 cents, mainly attributable to lower impairment charges relative to the prior year.

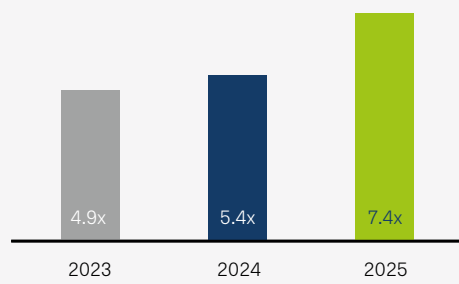
Total headline earnings per share (HEPS) increased by 22.1% to 51.4 cents (2024: 42.1 cents). The increase is largely due to the improved operational performance and lower finance costs.

Cash conversion ratio (%)



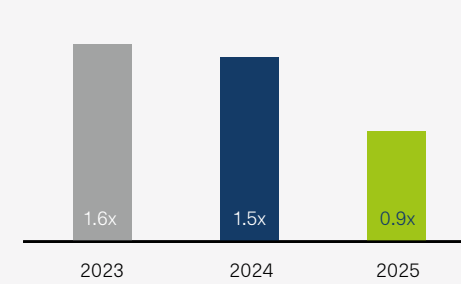
Historic Target > 65%

Interest cover



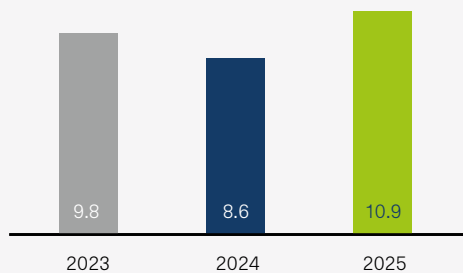
Historic Target > 3.5x

Gearing ratio (%)

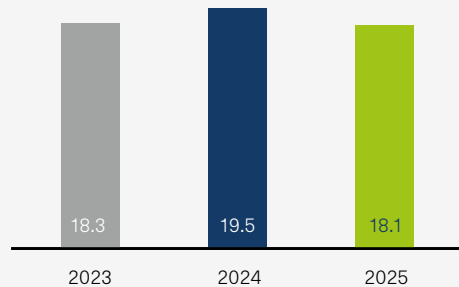


Historic Target: 1x to 2x

Adjusted ROIC (%)



Net working capital investment (% Group revenue)



Historic Target: 16% to 18%

Cash flows

Cash generated from operations increased by R231.1 million from R794.4 million to R1 025.5 million, mainly due to a reduced investment in net working capital of R187.8 million.

Group net working capital decreased to 18.1% of Group revenue (2024: 19.5%), driven by lower unprocessed milk inventory levels in the Dairy sub-category and reduced inventory levels in the Dry Condiments sub-category.

Trade and other payable and trade receivables days were in line with the prior reporting period. The Group target range is expected to remain between 16% and 18% of revenue in the medium term.

Capital expenditure

The Group allocated capital to capacity-enhancing projects in identified growth areas, critical maintenance, and safety projects. Capital expenditure increased by R47.0 million to R241.1million (2024: R194.2 million), representing 2.0% of net revenue (2024: 1.7%).

Capital expenditure comprised:

- » R84.0 million invested in capacity-enhancing projects, including:
 - R44.7 million in facility upgrades, including R35.9 million investment in a water recovery and effluent treatment plant project in the Dairy sub-category;
 - R20.9 million in facility upgrades in the Wet Condiments sub-category, including R13.6 million in a production line consolidation project and other upgrades at the Strand vinegar facility;
 - R9.0 million in Baking to increase capacity in the par-bake facility and hot cross bun lines; and
 - R5.4 million in facility upgrades and new lines to increase chicken capacity in the Value-added Meats sub-category.
- » A R125.0 million investment in replacement and maintenance projects.
- » R32.1 million invested in quality and improvement projects.

Gearing

The Group's EBITDA to term debt gearing ratio reduced to 0.9x normalised EBITDA (2024: 1.5x), slightly below the stated target of 1x to 2x. Net interest cover to EBITDA remains strong at 7.4x from 5.4x in 2024 and compares favourably to the Group's minimum stated target of greater than 3.5x.

Adjusted Return on Invested Capital (Adjusted ROIC)

Adjusted ROIC increased to 10.9% (2024: 8.6%) compared to a Weighted Average Cost of Capital (WACC) of 11.0%, reflecting a significant closing of the value gap. Management remains confident that continued execution of the Group's Simplification and Growth Strategy will support a further improvement in ROIC from 2026 onwards.

Dividend

The Board of Libstar has approved payment of a cash dividend of 28 cents per ordinary share (gross) in respect of the year ended 31 December 2025 (2024: 15 cents), representing an increase of 86.7% on the prior year.

Outlook

Libstar expects to continue making steady progress against its Simplification, Growth and Sustainability Strategy, supported by improved operational discipline and a strengthened balance sheet. The Group has set the following financial targets:

	2025	Short-Term Target (12-18 months)	Medium-Term Target (18-36 months)
Gearing ratio	0.9	< 1.2	< 1.5
Interest cover	7.4	> 6.5	> 7.5
ROIC	10.9%	> WACC	WACC + 2.0pp
Cash conversion	95.0%	> 80%	> 80%
NWC (% of revenue)	18.1%	< 18.5%	< 17.5%
Capex (% of revenue)	2.0%	2.5% to 3.5%	2.5% to 3.5%
Group EBITDA margin	8.7%	8.5% to 9.5%	9.0% to 10.0%
Ambient Products EBITDA margin	11.6%	11.0% to 13.0%	12.0% to 14.0%
Perishable Products EBITDA margin	7.1%	7.0% to 9.0%	8.0% to 10.0%

With net debt to EBITDA at the lower end of the Group's target range, the Board has resolved to utilise this balance sheet optionality to enhance stakeholder value creation. Accordingly, the Group will adjust its Dividend Policy from a normalised HEPS cover of between 3.0x and 4.0x to between 2.0x and 3.0x and intends to implement a general share repurchase programme of up to 5% of shares in issue, subject to prevailing market conditions.

In parallel, Libstar will continue to allocate capital toward efficiency-enhancing projects within the Dairy, Wet Condiments and Dry Condiments sub-categories, aimed at improving capacity utilisation, cost competitiveness and margin resilience. The integration of Dickon Hall Foods into Montagu Foods, scheduled for completion during the second quarter of 2026, will result in temporary plant downtime and associated transitional costs. Consequently, the Group anticipates that earnings performance for the year will be weighted more heavily toward the second half than in prior periods. The Group, however, remains confident in the growth and sustainability outcomes from this important capital project.

Notwithstanding ongoing macro-economic and consumer pressures, we remain confident that continued execution of Libstar's strategy, combined with disciplined capital allocation, positions the Group to deliver sustainable improvements in earnings quality, cash generation and returns over the medium term.

Appreciation

In closing, I would like to thank the finance teams across the Group for their commitment and contribution this year, which played a vital role in maintaining the Group's financial strength and supporting strategic execution.

Ambient Products



Dry Condiments



Select Products*



* Previously Meal Ingredients, Snacks and Spreads

Wet Condiments



Baking



Contribution to Group

50.8%
of revenue
(2024: 51.2%)

62.7%
of EBITDA*
(2024: 64.6%)

* Normalised before corporate costs

Sales Channels

54.2%
Retail and Wholesale
(2024: 53.6%)

16.6%
Exports
(2024: 18.4%)

14.5%
Food Services
(2024: 14.3%)

14.7%
Industrial and Contracting
Manufacturing
(2024: 13.7%)

Cape Herb & Spice (the largest exporter in the Group) and Rialto (the largest importer in the Group) contributed 52% of normalised EBITDA in this category.

Performance

Revenue from Ambient Products increased by 7.4%. Category volume sales increased by 3.5%, while price and mix changes contributed 3.9%.

Industrial and Contracting Manufacturing Channel revenue increased by 14.9%, while the Food Service Channel performed strongly with 9.1% growth. The category's gross profit margin increased to 25.9% (2024: 25.4%) and normalised EBITDA increased by 3.1% at a margin of 11.6% (2024: 12.1%).

Dry Condiments



PAUL JIBSON
Managing Executive

Cape Herb & Spice™

Cape Herb & Spice procures, blends, treats, packages and sells a wide range of herbs, spices, tea and gifting lines as private label and branded products to local and global customers in more than 60 countries.

Products

- » Herbs and spices
- » Seasonings
- » Liquid seasonings
- » Sauces
- » Teas

Our unique position in the market

For more than 30 years, Cape Herb & Spice has been crafting high-quality seasonings and blends that deliver flavours of the world to kitchen tables around the world. We are true innovators and a global player, providing convenience without compromise and ensuring authentic flavour by sourcing over 80% of our ingredients directly from origin.

Our goal is to be in the top ten brands in all our markets, and we are looking to partner with retailers and distributors who care about quality, ethical sourcing and delivering exciting, on-trend culinary experiences to their customers.

New innovations this year

- » Smashed Avo seasoning shaker
- » Rose Harissa chilli tin



Over the past three years, we have reduced emphasis on tender-based, high-volume, more commoditised business in favour of private label brands and particularly our flagship Cape Herb & Spice brand. This move improves margins, provides better visibility for volumes and protects against competitors.

Revenue of the Cape Herb & Spice brand grew 16% year-on-year, benefiting from excellent collaboration with our distribution partners, our tailored approaches to the specific context of each new market to grow brand awareness, stimulate trial and develop our positioning. These initiatives include providing a comprehensive resource of quality recipe material, unique brand imagery and messaging and strong support across social media.

The brand has achieved remarkable success in the UK and is currently the number four seasoning brand in this market.



Following listings at Tesco's UK, Tesco's Ireland and Migros in Switzerland in 2024, Cape Herb & Spice officially launched selected rubs and chilli tins in Waitrose in the UK in 2025. Eleven Cape Herb & Spice products were also listed in 150 Plodine stores across Croatia.

The Group leverages Cape Herb & Spice's export sales and marketing expertise to introduce other Group products into overseas markets, with positive responses from global customers, particularly in the Wet Condiments category.

Key developments in 2025

Retail sales and particularly the **Cape Herb & Spice brand showed good growth**, but total Dry Condiment exports decreased year-on-year following the decision to exit bulk rooibos exports in line with our shift away from high-volume commoditised products.

The **US tariffs affected sales volumes into that market**, given that 30% of our exports go to the US, customers delayed buying decisions and lower tariffs on other countries benefited competitor market positions. The price of peppercorns rose steeply during the year, ending the year at 53% above prior year levels. We were nevertheless able to expand margins, benefiting from process improvements and cost savings from the Group's simplification projects.

Electricity consumption per tonne reduced as a result of improved packing rate efficiencies and the new solar installation at our Westlake facility reduced municipal electricity use and carbon emissions.

We enhanced our **employee value proposition**, introducing flexible hybrid work arrangements, expanding employee benefits and improving employee wellness support.

Investments in our facilities increased pack rates and equipment utilisation, improved efficiencies and reduced production costs.

We implemented a **new integrated waste management plan** that reduced overall waste tonnage, increased recycling rates, diverted organic waste from landfill and reduced the cost of disposal.

Our ongoing **investment in our procurement team**, together with enhanced forecasting and finished goods inventory planning models, improved stock availability, reduced stock ageing risks, improved delivery performance and assisted in growing sales opportunities.

Business intelligence tools implemented in the prior year have improved demand planning and improved material availability, supporting an increase in customer service levels from 93% to 97%.



Three Cape Herb & Spice products won gold at the South African Food and Beverage Awards in 2025.

Our priorities for 2026

- » Focus on growth and protecting margins in the context of the strength of the Rand.
- » Continue to expand the Cape Herb & Spice brand, particularly in the United Arab Emirates (UAE).



GERHARD MARTIN
Managing Executive



Cape Foods manufactures quality herbs, seasonings and spices, and is an international supplier of specialty food products to retailers and importers. We are a BRC-accredited facility, supplying all major supermarkets in South Africa and exporting to more than 20 countries.

Products

- » Herbs and spices
- » Seasonings
- » Popcorn seasonings
- » Dessert decoration products



Key developments in 2025

Total sales grew by 2.1%, with significant inroads in private label in South Africa.

Export volumes and margins affected by US tariffs, trade uncertainty, Rand strength and delays at Cape Town port due to bad weather in November and December.

Enhanced process monitoring led to higher productivity and reduced labour costs.

Port delays increased **raw material and finished goods** holdings at year-end.

Exhibited at international trade shows to build on existing relationships, find new potential customers and launch new products, resulting in new customers secured in Korea and Cameroon.

Increased production volumes and decreased Rand price of imported inputs supported margins in a highly competitive local market.

Collaboration with Cape Herb & Spice on global procurement and logistics to reduce costs.

Launched two new seasonings – I Love Braai Broodjie and I Love Ranch.

Our priorities for 2026

- » Bedding down new private label opportunities with major retailers.
- » Explore growth opportunities in African markets.



Select Products

Rialto, Ambassador Foods and Cape Coastal Honey are in the process of being integrated to improve customer alignment and better position the businesses for growth. The Select Products cluster participates across a diverse range of attractive categories, providing agility and resilience. We have a dynamic and innovative team, that is aligned with the new direction and identity.



RIALTO

Sources, imports and procures local and international food and packaging products in private label and leading international brands.

Products

- » Pasta, rice and noodles
- » Oil, vinegar and dressings
- » Sauces and condiments
- » Canned products
- » Plant-based food and beverage solutions
- » Seasonings and rubs
- » Cocktail mixes
- » Jams and condiments
- » Local Danish Style Feta
- » Premium ambient soup range
- » Chilled desserts
- » Food packaging
- » Value-added dairy and deli products



Imports and exports a range of edible nuts, dried fruit, seeds and related snack products.

Products

- » Cereals: granola, muesli, pops
- » Bars: health, snack, protein and confectionery bars
- » Nuts, seeds and fruit: various flavours and mixes
- » Spreads: nut, seed and indulgent spreads
- » Confectionery: Turkish delight, nougat, fudges
- » Vegan cheese



Leads in sustainable honey sourcing and advocates for sustainable beekeeping practices. All our honey is badger-friendly and non-irradiated.

Products

- » A wide range of multi-flora and single varieties of honey
- » Syrups



DEREK COUZENS AND ROAN DOWLING
Managing Executives

Our unique position in the market

Rialto offers customers an integrated solution including sourcing, supply chain, compliance, marketing, sales and value-added manufacturing of products and categories. It is the exclusive importer and distributor of several leading international brands in South Africa.

Ambassador Foods creates premium products at the best prices through an integrated business model that delivers the highest quality product, backed by the most reliable supply, manufacturing and logistics infrastructure.

Cape Coastal Honey is one of the largest South African honey producers.

New innovations this year

- » Mochi ice cream
- » Chilled desserts
- » Private label panettone
- » Baby cereal
- » Upgraded granola and carb clever granolas
- » Kids snack bars
- » Golden syrup

Good progress was made on integrating the teams from the three businesses and conceptualising the best future structure. Rialto and Ambassador Foods are both significant importers with complementary skills in procurement, creating opportunities for synergies. The new structure is being set up using a category management approach comprising three categories – Chilled foods, Groceries and Snacks, each with a dedicated category manager.

Rialto has a dedicated Food Services structure to address the specific needs of the sub-channels in the category – quick service restaurants, sit-down restaurants, hospitality, distributors and industrial food processors. This consolidated structure promotes Libstar Ambient Products into Food Services customers.

Key developments in 2025

Revenue grew by 5.7%, with good growth in Food Service and Retail and Wholesale.

A balance sheet clean-up project as part of the turnaround process resulted in a once-off write-down of R20 million.

Strong growth in chilled products and desserts sales to retailers.

Rialto secured rights from General Mills to distribute Häagen-Dazs, Old El Paso, Nature Valley and Pillsbury products in South Africa.

Rialto moved from delivering six days a week to seven days a week during the year and won the Woolworths Supplier of the Year Award.

Cut and wrap cheeses were moved to fully recyclable packaging.

Improving the performance of Ambassador Foods was a significant focus during the year. Interventions aimed to improve order fill (service levels) and quality, restore innovation and achieve price increases. The business saw an improvement in trading in the second half of the year.

The move by a major retail customer to a direct import model continued, but had less impact on total volumes this year as the number of remaining affected products declined.

Poor rainfall in the Western Cape affected the flowering season and honey yields, but Cape Coastal Honey nevertheless delivered strong results.

Imports benefited from the stronger Rand, but port delays negatively affected the availability of goods, particularly towards the end of the year.

We invested in upskilled technical teams, which enhanced operational performance, reduced customer complaints and improved audit ratings.



Our priorities for 2026

- » Complete the business integration and formalise and roll out the new identity to drive one team culture across the cluster.
- » Realise benefits from aligning procurement across Rialto and Ambassador Foods.
- » After a year of consolidation and turnaround at Ambassador Foods, we will be focused on execution, particularly in innovation, technical standards and delivering growth.

Wet Condiments



INGRID UYS
Managing Executive



Wet Condiments produces a range of vinegars, dressings, marinades, sauces, vinegars and baking agents crafted from high-quality ingredients, ensuring superior taste and consistency.

Products

- » Vinegars
- » Verjuice
- » Lemon juice
- » Glazes
- » Dressings
- » Marinades/Bastings
- » Chutney
- » Sweet chilli sauce
- » Tomato sauce
- » Mustard
- » Hot sauces
- » Creamy sauces
- » Pesto
- » Honey
- » Cook-in sauces
- » Pasta sauces
- » Pour-over sauces
- » Soups
- » Baking aids
- » Raising agents
- » Jelly
- » Colours and essences

Our unique position in the market

Wet Condiments distinguishes itself through its unwavering quality, category expertise and innovation. Our ability to anticipate trends and offer tailored solutions positions us as a trusted partner for our customers.

New innovations this year

- » DENNY® dry cook-in sauces, pasta sauces and stock powders
- » Red Lion dry stock, powdered drinks and jellies
- » Balsamic glaze for US export client
- » Goldcrest pesto



Key developments in 2025

Revenue grew by 15.0% across all channels, driven by strong demand for Industrial and Retail Channel sauces. Exports grew by 23.6% with new customers in the US and UAE.

A **significant manufacturing contract was not renewed** within Dickon Hall Foods, with the brand owner taking production in-house. The Board approved the relocation of the remaining business into the Montagu Foods business in the first half of 2026. The relocated business will benefit from a leaner shared-service structure.

Municipal water supply interruptions at sites in Gauteng were a challenge, which was mitigated by tanker supply to keep production running.

Improved capacity utilisation and production efficiencies supported improved GP margin.

Procurement initiatives at both Group and sub-category levels realised cost savings and improved raw material availability.

Montagu Foods is BRC-certified (international food safety standard), enabling exports to European markets.

Established a shared-service functional structure across the businesses that contributed to improved trading, customer development and procurement outcomes.

The **upgrades of electrical and cooling infrastructure** at the Cecil Vinegar sites over the last 24 months significantly improved supply stability, positively impacting service levels and production efficiencies while reducing water consumption.

All lights at Dickon Hall Foods and Montagu Foods have been changed to **energy-efficient LED lights** and clean-in-place timelines and chemical suppliers were refined, reducing water wastage during cleaning.

We **implemented a waste sorting partner** at our Strand facility, which resulted in the recycling of plastic increasing to 85% of PET waste. Packaging for the new Denny Dry range is the first fully recyclable material in this category.

Priorities for 2026

- » People development to uplift, empower and align teams across all sites.
- » Complete the relocation of the Dickon Hall Foods sauce business in Johannesburg to our facilities in Montagu to create a mega sauce hub.
- » Gain market share in our key strategic categories across Wholesale, Food Service and Export Channels, with a focus on the UAE and neighbouring African countries.
- » Improve plant performance, service levels, procurement cost savings and labour efficiencies.
- » Move towards BRC certification in other businesses in the cluster by 2027 to access European export markets.



Empowering informed consumer choice

Safari Vinegar launched a targeted campaign to raise awareness about the difference between naturally fermented and imitation vinegar. Given vinegar's widespread use in cooking, preserving and household cleaning, the initiative aimed at demystifying production methods and enabling informed purchasing decisions.

Naturally fermented vinegar is produced through a slow, traditional process that uses fruit or grain sugars, resulting in a product rich in nutrients and flavour. By contrast, imitation vinegar is typically a mix of synthetic acetic acid and water. Synthetic acetic acid is derived from petrochemical sources – a byproduct of fossil fuel production – and lacks the natural fermentation properties and potential health benefits of traditional vinegar.

However, many consumers are not aware of these differences – a national survey shows only 24% clearly understood the distinction, while nearly three-quarters were uncertain about the type of vinegar they were using.

The campaign encouraged shoppers to check for “naturally fermented” labelling and to look for the South African Natural Vinegar Manufacturers Association (SANVA) seal of authenticity. Vinegars labelled “imitation” or lacking natural fermentation indicators may not offer the same quality or health benefits.

The awareness campaign is part of Libstar's commitment to transparency, consumer empowerment and category leadership by combining trusted heritage with insight-led engagement.



Accessible and affordable innovation to meet customer demand

Our research shows that South Africans value shelf-stable, tasty and affordable cooking solutions that deliver value, versatility and convenience in challenging economic times. In response, DENNY® launched a range of dry cook-in sauces, pasta sauces and stock powders that help consumers create wholesome, flavourful meals at home.

The new DENNY® range combines robust flavours with practicality, offering long shelf life, simple preparation and affordability without compromising on taste. From creamy pasta sauces to hearty Butter Chicken and Trinchado, the dry formats are tailored to South African cooking habits, allowing home cooks to elevate vegetables, stretch proteins and create comforting meals with minimal effort.

The innovative options are designed for convenience, versatility and value and comprise seven bold variants and six versatile stock options. Retailing at under R20 for sauces and under R35 for stock sachets, they enable households to prepare delicious meals while making the most of ingredients and reducing preparation time. Free from artificial colourants and packaged in recyclable materials, each sauce requires only a few fresh ingredients and water, aligning practicality with responsible design.

Supported by a national digital and in-store marketing campaign and rolled out to major retailers, the launch demonstrates Libstar's ability to translate consumer insight into accessible innovation, strengthening brand relevance in a constrained economic environment.

Baking



TONY AMARO
Managing Executive



Amaro Foods produces baked products of the highest quality, using traditional processes and ingredients. Amaro Foods also has a separate gluten-free processing facility.

Products

- » Wraps
- » Croissants
- » Gluten-free baked products
- » Hot cross buns
- » Naan breads
- » Soft white and brown rolls
- » Speciality breads, rolls and baguettes
- » Confectionery/sweet range

Our unique position in the market

Our purpose is to deliver quality bakery products efficiently to our customers by building a culture of excellence that rewards and creates a better future for invested individuals while focusing on our impact on the environment, ensuring innovative value-added growth for our stakeholders.

Manufacturing quality baked goods at scale is a complex process with high barriers to entry and good margins. Bread is a staple required at volume in retail and QSR, with high demand emerging for gluten-free options and in-store bakery products.

New innovations this year

- » Sourdough wraps
- » Wholewheat wraps
- » Naan bread



Key developments in 2025

Sales grew 7.8%, with good growth in Retail and Food Services. Exports decreased as an offshore customer switched to local supply. We continue to see strong demand for gluten-free lines.

Margins were under pressure due to operational inefficiencies in the highly complex manufacturing environment.

An AI-enabled system is being rolled out to monitor production with a focus on improving consistency and efficiencies.

Our ongoing investment in asset care resulted in improved equipment performance. We added capacity in our Parbake facility and Hot Cross Bun lines, and invested in new HVAC systems at the gluten-free and Parbake facilities to improve the working environment and consistency in operations.

We filled key vacancies, completed job profiles across the business, agreed KPIs and initiated a team-building project. We continue to invest in our leaders across our four sites, aligning competencies with the requirements of each position.

Following the installation of a solar PV at the flatbread facility last year, we entered into an electricity wheeling agreement to access renewable energy through the electricity grid that was generated by a non-Eskom entity. These initiatives saved 1 114 tCO₂e during 2025.

Our Category Management Project improved our understanding of customer needs, plans and scheduling in the context of emerging trends. The project outcomes will guide future investment into growth areas.

We donated an estimated 10 000 meals a month in edible food waste to SA Harvest, helping to alleviate hunger.

Priorities for 2026

- » Continued focus on our people and culture, aligned with the Group Values Project and our Strategy.
- » Review cost centres across the business to improve efficiencies.



ZAKIR KHAN
Managing Executive

Cani

Cani are artisan bakers, offering a range of quality and wholesome rusks and cookies made from the best natural ingredients.

Products

- » Rusks
- » Crunchies
- » Cookies and treats
- » Sugar-free health options



Priorities for 2026

- » Grow and maintain our brand by delivering against our projects, diversifying capabilities and improving on our existing offerings.
- » Execute on our Growth Strategy, Capacity Plan and people development goals to increase capacity.
- » Enhance our private label basket by maintaining quality, managing costs and simplifying and standardising our processes.

Key developments in 2025

Revenue grew 14.6% with strong demand in private label, improved margins and significant improvements in distribution, which reflected in increased service levels.

Good growth in exports to Namibia, Botswana, Lesotho and the UAE.

More stable input costs, improved procurement and stock efficiencies supported margins.

Strong demand for seasonal offerings at Christmas and Easter.

Investments in equipment, training and team dynamics, together with process improvements, realised production efficiencies with higher throughput and a significant reduction in waste.

Minimised organic waste to landfill by on-selling to a pet food processing facility.

Donated 815 cookie kits to the children at Ladles of Love.



Perishable Products



Dairy

LANCEWOOD®

Value-added Meats

FINLAR
FINE FOODS
EST. 1994

Convenience Meals

Millennium Foods

Contribution to Group

47.9% of revenue (2024: 47.4%)	36.5% of EBITDA* (2024: 34.4%)
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* Normalised before corporate costs

Sales Channels

56.0% Retail and Wholesale (2024: 57.8%)	5.3% Exports (2024: 5.0%)	27.6% Food Services (2024: 27.5%)	11.1% Industrial and Contracting Manufacturing (2024: 9.7%)
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Lancewood and Finlar Fine Foods are the main contributors to this category, together contributing 95.2% of the category's normalised EBITDA.

In line with the Group's Simplification Strategy, which prioritises categories and channels with meaningful value-creation potential:

- » The Group exited its 60% shareholding in Umatie, a producer of fresh and frozen baby food.
- » The Group disposed of its Fresh Mushroom business, while retaining use of the DENNY® brand.

Performance

Revenue from Perishable Products increased by 9.2%. Category volume sales increased by 20.1%, whilst price and mix changes reduced by 10.9%. Excluding the sales of excess raw milk, the category revenue increased by 6.7% with volumes in line with prior period and price/mix improvements of 6.7%. This was primarily driven by strong sales of value-added chicken as well as hard and soft cheese, and yoghurt.

Retail and Wholesale Channel revenue within this category increased by 5.9%. Category gross profit margin increased to 17.5% from 16.8% in the prior year, excluding the on sale of raw milk the category gross profit margin would have been 18.0%. Normalised EBITDA increased by 12.5% at a margin of 7.1% (2024 margin: 6.9%).

Dairy

LANCEWOOD®

Founded in 1996, Lancewood produces a range of dairy products at its state-of-the-art manufacturing facilities. These are strategically situated near local farms so that fresh milk can be delivered daily. This rich, creamy milk is critical to the production of Lancewood products, which are renowned for their distinctive taste and quality. We are passionate about providing consumers with only the best quality products, which is evident in numerous accolades and awards received over the years.

Products

- » Cheddar
- » Gouda
- » Mozzarella
- » Edam
- » Cottage cheese
- » Cream cheese
- » Mascarpone
- » Yoghurt
- » Butter
- » Processed cheese
- » Whey powder
- » Sour cream
- » Spreads
- » Sauces
- » Maas
- » Buttermilk
- » Cream
- » Pasteurised milk

Our unique position in the market

Lancewood produces many of South Africa's leading cheese and yoghurt products. We pride ourselves on being the trusted private label producer of choice for South Africa's top retailers and the home of the country's most awarded soft cheese brand.

We are also the proud local partner of internationally renowned dairy companies Arla (Denmark) and Bel Groupe (France), representing much-loved brands such as The Laughing Cow, Kiri, Babybel, Boursin, Lurpak and Castello.

Our key differentiator is our people and their passion for making quality products for consumers to enjoy daily.

New innovations this year

- » Lactose-free sour cream
- » Long-life cream cheese
- » Fat-free high-protein Greek yoghurt
- » Fruited cottage cheese
- » Danish style cheeses



CORNÉL LODEWYKS
Managing Executive

Leading the dairy market

Lancewood retail brand revenue grew by **8.7%**.

Strong growth in Export Channel, which grew at **12.9%**.

40.0% increase in spontaneous brand awareness of soft cheese.

1.1m followers on Facebook and **112k** on Instagram.

Double cream yoghurt market share increased to **22%** with a **28%** revenue growth.

Lancewood received **30 Awards** in 2025, including Best Dairy Producer at the SA Food & Beverage Awards, top honours at the SA Dairy Championships, Food & Home Awards, as well as global recognition from the World Cheese Awards.

The Lancewood brand has **28.0%** share of pre-packed hard cheese (cheddar and gouda), revenue growth was flat.

Leading the market with **25.0%** market share in total natural cheese, with **6.1%** revenue growth.

Lancewood brand soft cheese market share of **61.0%**, growing at **18.0%**.

Key developments in 2025

On-sale of unprocessed raw milk to Industrial Channel customers helped to balance raw material and finished goods inventory levels.

Market share gains and volume growth in the core categories of natural cheese (pre-pack hard cheese and soft cheese) and yoghurt.

Growth in margin-accretive innovations, including natural cheese slices and grated cheese. Continued strong interest in health options, including sugar-free, higher-protein and lactose-free options.

Developed a long-life cream cheese to support exports further afield.

Impact of restrictions related to foot-and-mouth disease (increased transport costs, lower yield).

Strong presence on social media driving engagement, brand and category awareness.

Ongoing process improvements and consolidated procurement initiatives limited cost growth.

Established a dedicated team to drive Export and Wholesale sales.

Following the **completion of the effluent treatment plant** at our Swellendam facility last year, we are installing a partial water recovery system and new effluent treatment system at our George operation. Phase one of the Water Recovery Project will reduce municipal water consumption by approximately 30% by cleaning and recycling process water. Phase two, which will be implemented in 2027, will move our George facility close to a 90% reduction in water consumption compared to current use.

Priorities for 2026

- » Drive growth in core (hard and soft cheese) and margin-accretive categories, including pre-packed cheese, double cream and Greek yoghurts.
- » Grow our wholesale business and exports, with a focus on the Middle East.
- » Continue to rationalise products to reduce stock-keeping units and focus on higher-margin and growth categories.
- » Optimise cash flows by managing working capital and inventories.
- » Successfully implement the effluent treatment plant and a solar PV installation at the George facility.
- » Realise further factory efficiencies by enhancing demand planning and forecasting.



Value-added Meats



STEPHEN VAN DER MERWE
Managing Executive



Finlar Fine Foods (Finlar) is a value-added processor of red and white meat products. We have a proud 30-year history, with some customer relationships spanning more than 20 years. The first plant opened in Cape Town in 1994, with a second operation opening in Johannesburg in 1995. In 2023, we opened a new non-halal production facility in Cape Town.

Products

- » Formed patties
- » Value-added coated beef and chicken products
- » Value-added coated pork products (produced at a separate facility)
- » Value-added coated plant-based protein

Our unique position in the market

Finlar's extensive industry experience allows us to develop gourmet products for discerning customers and rapidly introduce these to the market. We constantly explore new ideas and trends to stay abreast of the latest global technology, recipes and products. For example, our strong product innovation and investment in new value-adding technologies have driven the growing uptake of value-added chicken products.

New innovations this year

- » Fully-cooked, 100% whole-muscle crumbed chicken fillet



Key developments in 2025

Double-digit growth in both Food Services and Retail Channels, led by value-added chicken products with strong promotions and category growth at key customers.

The end of load-shedding **supported operational stability**, significantly improving cost efficiencies and our ability to meet customer demand.

Established an on-site microbiological laboratory at the Johannesburg facility, bringing testing in-house to improve turnaround time and cost efficiency.

Foot-and-mouth disease severely impacted beef supply and pricing during the year, with consumers shifting strongly to chicken.

Discontinued several non-core, low-performing lines to focus operational resources.

Maintained 99% service levels for key customers.

Restructured our technical department and made strategic appointments in technical management positions, yielding strong improvements.

Margin was well protected through disciplined procurement and costing methodologies that allowed effective management of input volatility and ensured sustainable supply.

Introduced continuous 24-hour production at our Johannesburg facility, boosting volume output by 13%. The Cape Town facility, which introduced continuous production in 2024, achieved 3% production volume growth despite capacity constraints.

Improved water and energy usage per kilogram produced due to higher plant utilisation and longer production hours, with opportunities for further improvement being investigated.

Capital investments focused on improvements to refrigeration equipment, enhancing automated packing and food safety monitoring to maintain global standards. We also invested in live overall equipment effectiveness technology to elevate digital capabilities.

Priorities for 2026

- » Stabilise the Johannesburg leadership team and embed recent structural changes.
- » Invest in capacity to meet the rising demand of our anchor customers.
- » Maintain audit-ready facilities every day.
- » Finalise the executive leadership restructure.

Convenience Meals



CORNÉL LODEWYKS
Managing Executive



Millennium Foods is a leader in the Convenience Meals category, creating premium but affordable ready to heat and ready-to-eat products for busy consumers. We stand out in the market for our commitment to using the freshest high-quality raw materials and maintaining the highest standards of food safety and quality.

The Convenience Meals category is a strategic growth focus for most major South African retailers, with consumers showing strong affinity for quality fresh and frozen ready-meals. Millennium Foods' highly skilled team and strength in product innovation have delivered significant volume growth for a number of years.

Products

- » Fresh and frozen convenience meals
- » Side dishes
- » Salads
- » Soups
- » Desserts



Key developments in 2025

Continued strong demand led to **good revenue growth** despite deep promotions from competitors.

Frozen meals are growing ahead of fresh, driven by private label volumes, e-commerce and the extension of our DINE-IN brand into more retailers.

We launched **33 new products** during 2025.

Our DINE-IN Farmhouse Chicken Soup and Vegetable Soup **won Gold at the 2025 Food & Home Awards**.

Challenges in managing protein costs, especially the impact of foot-and-mouth disease on beef prices, offset by the benefits of sourcing dairy from Lancewood. Ongoing focus on cost controls in other areas.

Demand planning and forecasting strengthened, however fresh food demand remains unpredictable and preparation is complex.

Service levels remained above 97% for the year – we received only 20 consumer complaints on 3.3 million units shipped in 2025.

Awareness campaigns resulted in reduced water and electricity use despite increased production. Recycling increased by more than 20% year-on-year.

Overs of components and excess food stock are **donated to the Salvation Army**. We also donated meals to firefighters.

Priorities for 2026

- » Streamline systems and processes.
- » Optimise margins.
- » Ensure that we have the resources we need to continue growing – people, systems and processes.
- » Strengthen customer relationships and maintain high employee engagement levels.

Household & Personal *Care*



Household & Personal Care (HPC) partners with leading retailers in South Africa to develop, design and maintain their private label and dealer-own brands of household and personal care cleaning and sanitising products and accessories. As a non-food business, HPC is not core to Libstar's future portfolio. Following the sale of Chet Chemicals in 2024, Contactim is the last remaining non-food business. The Board continues to evaluate exit options for the remaining non-food Household and Personal Care business, reinforcing Libstar's commitment to operating as a focused, food-only manufacturer.

Contribution to Group

1.3%
of revenue
(2024: 1.4%)

0.9%
of EBITDA*
(2024: 1.0%)

* Normalised before corporate costs

Sales Channels

92.8%
Retail and Wholesale
(2024: 92.6%)

2.3%
Industrial and Contracting Manufacturing
(2024: 3.0%)

4.9%
Exports
(2024: 4.4%)

Revenue increased by 0.1%, while volumes increased by 4.7%. Gross profit margins weakened from 28.2% to 25.8%.

Our *responsibility*



66	Environmental, social and governance review
74	Celebrating Excellence as <i>One Libstar</i>

Environmental, social and governance *review*

In line with our value "Champions for Good", we are committed to ethical and responsible business practices, including minimising negative environmental impacts and making a positive contribution to society.

Governance and management



Our ESG Strategy

The five-year ESG Strategy (2021 – 2025) aligns with Libstar's purpose and sets the ambition to be a sector leader in sustainable practices. It addresses the Group's 13 most material ESG matters across environmental, social and governance dimensions.

The strategy sets the framework for sustainability across the Group and includes action plans and measurement criteria. The businesses apply the elements of the strategy to the areas most relevant to their operations.

We continue to embed sustainability across the business and improve the quality of ESG data available for reporting and monitoring. An integrated online sustainability management system captures ESG data to facilitate reporting and monitoring of data across all operating sites. The system will also facilitate the setting of science-based targets to align with the requirements of major customers.

Environmental management systems at the businesses align with ISO 14000, the international environmental management system standard. All business units have been mandated to further investigate opportunities to implement renewable energy solutions and save water.



ESG targets and achievements

Decreased

Electricity consumption

Target: 0% increase year-on-year (relative to production)

Decreased

Water consumption

Target: 0% increase year-on-year (relative to production)

1.7

Disabling injury frequency rate

Target: 1.0

Level 5

B-BBEE level

Target: level 4

Environment

Libstar is committed to limiting its impact on the environment and systems are in place to ensure responsible operations.

Climate action

Commitments

- » Identify which reporting framework to use.
- » Conduct a climate risk assessment.
- » Continue to assess the financial implications of carbon tax and associated emerging legislation. ✓
- » Engage with suppliers and value chain partners to reduce emissions in their operations and supply chains. ✓
- » Establish science-based targets to be used across all business units.
- » Develop a roadmap towards a low carbon business (to meet the internal targets set).

Climate-related hazards and extreme weather events continue to emphasise the need to accelerate action to combat climate change. Following events in 2023 and 2024 that caused deaths and extensive damage to property, infrastructure and the environment, 2025 saw severe floods in the Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga, as well as wildfires in the Western Cape.

Climate change is included in our Risk Management Framework for monitoring. The climate-related risks that have the biggest potential impact on the business are water scarcity, extreme weather events and the impact of changing weather patterns on the availability of raw materials.

Our current focus is on ensuring the reliability of our carbon emission baseline data. We are reviewing climate reporting frameworks.

Libstar's 2025 scope 1 and 2 carbon footprint decreased by 7% to 114 186 tCO₂e in 2025.

✓ indicates the commitment has been achieved

Scope	Category	2021 tCO ₂ e	2022 tCO ₂ e	2023 tCO ₂ e	2024 tCO ₂ e	2025 tCO ₂ e
Scope 1	Mobile combustion	4 656	6 161	2 690	2 815	2 534
	Generation of energy: stationary combustion	35 877	48 635	44 019	38 209	31 683
	Fugitive emissions: Kyoto gases	8 891	3 050	4 446	7 741	6 280
	Wastewater treatment	384	1 547	1 513	1 188	1 492
	Total Scope 1	49 808	59 393	52 668	49 953	41 990
Scope 2	Purchased energy – location based	77 601	78 863	73 023	72 857	72 195
	Total Scope 1 and 2	127 409	138 256	125 691	122 811	114 186
Scope 3	Purchased goods and services: water	1 616	1 392	1 279	1 483	982
	Purchased goods and services: packaging	DNR	53 770	35 487	53 582	32 758
	Fuel and energy-related activities	DNR	35 293	27 305	25 241	25 901
	Waste generated in operations	7 460	5 047	5 739	3 527	4 266
	Business travel	188	436	449	726	186
	Upstream transportation and distribution	5 836	6 249	6 070	6 454	23 117
Total Scope 3	15 099	102 187	76 329	91 014	87 210	
Other direct emissions	Fugitive emissions (non-Kyoto gases)	2 130	278	713	1 185	1 132
Total emissions		144 638	238 721	202 734	215 010	202 527

DNR – Did not report

Greenhouse gas emissions are measured in accordance with the GHG Protocol Corporate Standard (WRI & WBCSD, 2004) using the operational control approach to consolidate emissions. All Scope 1 and 2 emissions were measured, while selected relevant Scope 3 emissions were included.

The inventory boundary includes the 15 business units of the Group and the Libstar Central head office. The organisational and operational boundaries remained the same relative to 2024. Although Denny and Umatie were sold in 2025, their emissions have been included for the duration that they operated under Libstar during the reporting period.

In 2025, Libstar paid carbon tax of R2.9 million relating to the 2024 financial year, the most recently assessed period at the time of finalisation of the Integrated Annual Report. The Climate Change Act No 22 of 2024 was proclaimed and commenced in March 2025, however not all provisions are in force. In terms of the Act, sectoral greenhouse gas emissions targets and carbon budgets are to be set and allocated by the Minister of Forestry, Fisheries and the Environment, with implementation subject to further regulations and commencement notices currently being phased in. We continue to monitor developments and will implement the requirements once these are in force.

Energy use

- Commitments**
- » Measure the Group's baseline energy consumption (2023 baseline). ✓
 - » Reduce total Scope 1 and 2 carbon emissions arising from energy consumption. ✓
 - » Assess the options available to increase on-site renewable energy generation. ✓
 - » Become more efficient in our energy consumption across all operations. ✓
 - » Improve data collection and reporting on energy use. ✓

Scope 2 emissions from grid-sourced electricity consumption are the largest contributor to Libstar's total carbon footprint at 35.6% of 2025 emissions. Energy efficiency is a key operational focus to reduce operating costs and the Group's carbon footprint.

We set a target for 2025 for 0% increase in electricity consumption, relative to production. Total electricity consumption increased to 79 685 793 kWh (2024: 78 257 099 kWh), an increase of 1.8%. Production increased ahead of this; thus the Group achieved our goal.

In 2024, the Group received solar power from seven rooftop installations and two ground-based installations across our operational sites. All of these solar supply installations were implemented in collaboration with the respective landlords. In 2025, we added two additional rooftop installations, one in collaboration with a landlord and the other as a wholly owned installation by the Group. The Group is planning at least two more installations during 2026.

In total, these installations generated a total of 1 229 742 kWh of renewable electricity in 2025, resulting in 1 114 tCO₂e of avoided emissions (2024: 991 448 kWh and 923 tCO₂e avoided).

The Group requested proposals from wheeling service providers to consider alternative sources of renewable electricity.

Water management

- Commitments**
- » Determine the Group's water usage baseline (2023 baseline). ✓
 - » Reduce total water consumption. ✓
 - » Influence the Group's supply chain on water intensity.

Libstar is committed to improving water efficiency to reduce water consumption and promote water conservation. Water savings are included in leadership's key performance indicators. Water is managed in accordance with the South African National Water Act 36 of 1998 and municipal by-laws that set freshwater allocations and effluent discharge permits and limits.

Water is an essential part of food manufacturing processes for cooling, heating and for cleaning and sanitation of equipment. It is also an ingredient in certain categories. Water consumption is therefore directly linked to production levels.

Failures in municipal water infrastructure affected Dickon Hall Foods in Gauteng, where water tankers were used to ensure continued production. Water contingency plans include boreholes at critical manufacturing sites and/or tanks sufficient to cover one to three days of production. We are investigating off-grid purification solutions in our larger businesses. Certain of the Group's business units conduct wastewater treatment on-site.

✓ indicates the commitment has been achieved

Lancewood George is installing a partial water recovery system and new effluent treatment system. Phase one of the Water Recovery Project, which will be completed in 2026, is forecast to reduce municipal water consumption by 30%. Phase two, which will be implemented in 2027, will move our George facility close to a 90% reduction in water consumption compared to current use. The effluent system upgrade will reduce water treatment costs, ensure environmental compliance and improve the quality of discharge water.

Group water consumption decreased by 28.1% to 1 171 302 KI of water in 2025 (2024: 1 628 061 KI).

Waste management

- Commitments**
- » Establish waste streams. ✓
 - » Measure baseline data for waste streams.
 - » Reduce waste sent to landfill by being efficient in the use of resources and through reusing and recycling unwanted materials, where possible. ✓

Significant waste streams at Libstar operations include organic waste, water waste, packaging waste and energy waste.

Production waste includes food scraps and trimmings, process water for washing, cooking and cooling, as well as cleaning wastewater. Production yield measures the conversion of raw materials into finished products and is a key measure of operational efficiency at our operations. Waste reduction is therefore a priority to reduce costs, improve efficiencies and minimise negative environmental impacts.

Waste management initiatives focus on increasing recycling rates and reducing waste to landfill. The Group tracks and monitors non-recyclable waste, recycled waste and hazardous waste. Hazardous waste is disposed of at authorised facilities. Business units have integrated waste management plans and contracted independent waste management companies to manage and recycle waste.

In 2025, Libstar Group recycled 29 703 tonnes of waste (2024: 21 186 tonnes) and disposed of 1 276 tonnes to landfill (2024: 1 854 tonnes).

Lancewood, our largest business unit, has a target of zero waste to landfill by 2030.

Packaging

- Commitments**
- » Reduce single-use plastics and minimise total packaging material.
 - » Undertake a packaging baseline assessment.
 - » Monitor and report packaging material usage in line with extended producer responsibility requirements. ✓
 - » Develop a packaging waste strategy and implement this across the Group over the next five years. ✓
 - » Continue to work with customers regarding eco-friendly packaging options. ✓
 - » Measure volumes and increase percentage of sustainable packaging options used.

Libstar is committed to reducing waste associated with our products. Packaging requirements are largely dictated by customers, and we collaborate with our customers to develop sustainable packaging that meets requirements for food quality, food safety and shelf life.

The Group is registered with the Department of Forestry, Fisheries and the Environment (DFFE) as a producer in terms of the Extended Producer Responsibility (EPR) Regulations, which aim to reduce waste and increase recovery, recycling and re-use of materials. EPR data is captured, and Libstar pays fees for packaging waste where liable.

Social

Health, safety and well-being

Commitments

- » Implement health and safety management systems across the Group and drive continuous improvement. ✓
- » Train employees. ✓
- » Roll out a Health and Safety Assurance Programme. ✓

Health and safety

We value the health and safety of employees, suppliers and customers.

Business units provide health and safety training to employees at induction, during on-the-job training and through refresher training to ensure that they are aware of potential hazards and safe working practices. Equipment is tested regularly to ensure that it is working correctly and safely. Awareness initiatives embed safety routines and protocols through regular communication, signs and posters.

Safety measures and protocols are frequently updated, with safety guidelines shared across the Group. Health and safety policies are strictly enforced, with disciplinary action taken if these are not adhered to.

Health and safety management systems at the businesses align with ISO 45000, the international occupational health and safety management systems standard. All businesses have formal Health and Safety Committees, as required by the Occupational Health and Safety Act, 1993.

Safety performance, including the nature of incidents and corrective actions, is reported and monitored at meetings of the Social, Ethics and Transformation Committee.

We track the disabling injury frequency rate (DIFR)¹ as an indicator of our safety performance, and the DIFR is included in the Short-Term Incentive Programme. The most common injuries in our business are hand injuries and falls, which comprise more than half of disabling injuries.

The Group's DIFR increased to 1.7 in 2025 (2024: 1.1), above the Group target of 1.0. There were no fatalities reported during the period.

The Group will be focusing on the following corrective actions to address the DIFR, which include but are not limited to:

- » Building a health and safety culture across the business.
- » Health and safety discussions and awareness talks.
- » Health and safety awareness training (including focused workshops to address specific topics where injury trends have been identified).
- » Review of health and safety cautionary signage where needed.
- » Continued health and safety audits.

✓ indicates the commitment has been achieved

¹ A disabling injury is defined as one in which the employee is unable to work the following scheduled shift. It is calculated per 200 000 person-hours worked.

Wellness

Libstar's Employee Wellness Programme aims to foster an environment where employees can thrive professionally and personally. The programme provides professional resources including mental health, physical health and trauma support, financial coaching and legal advice. The programme can be accessed by employees and their immediate family over the phone, electronically or at in-person meetings.

We conducted an anonymous survey of employees' assessment of the EWP, with 97% of respondents reporting a positive experience. We will continue to promote the EWP to raise employees' awareness of the support available through the programme.



Supporting health and well-being

Supporting the health, happiness and balance of our people is essential to who we are as Libstar and central to how we succeed together. During July, we launched a month-long wellness campaign in recognition of the importance of our employees' well-being.

Under the theme "Wellness Matters", the campaign provided weekly tips, tools and resources designed to help employees to pause, recharge, and reconnect. Each mailer highlighted the support available through the Employee Assistance Programme and provided links to accessing this service.

The campaign is part of our commitment to nurturing a culture of care, building resilience and empowering everyone at Libstar to show up as their best selves.



Week 1
Mental Wellness
Start with Self



Week 2
Physical wellness
Move More, Fuel Well



Week 3
Social and Relationship Wellness
Build Meaningful Connections



Week 4
Financial Wellness
Plan, Prioritise, Empower

Training

Libstar recognises that our success depends on the continued growth of our people. We are committed to strengthening the Group by investing in our employees' development and continuous learning, and to creating an environment in which their careers thrive.

Our approach to talent management aims to foster a culture of continuous learning that drives innovation, engagement and performance to ensure we remain leaders in our industry. Training is linked to key development plans to provide high-potential employees with the competencies they need to excel in their current roles and prepare them for future growth.

Training programmes include internships, learnerships, work-integrated learning, informal training and mandatory compliance training. 15 unemployed learners were permanently appointed to Libstar operations in 2025.

	2025	2024	2023
Bursaries	28	28	54
Internships	21	10	11
Learnerships and apprenticeships	396	436	465
Total	445	474	530

This year, we launched Libstar EDGE, a tailored Leadership Development Programme designed to cultivate leaders' unique strengths and skills aligned with Libstar's values, the Leadership Competency Framework and their personal aspirations.

In 2025, Libstar's investment in skills development was R33.1* million (2024: R38.5* million). Skills development initiatives focus on business requirements and addressing the scarce and critical skills in the agriculture and food and beverage sector. Focus areas this year included dairy primary processing, supervisory development, food and beverage handling, wholesale and retail management, business administration and youth development.

Diversity, inclusion and equity

Commitments

- » Measure employees' performance based on their contribution to the achievement of business goals and against behavioural expectations.
- » Continue to:
 - Integrate diversity and inclusion with the business strategy. ✓
 - Focus on increasing female representation in the workplace.
 - Increase the representation and advancement of black talent.
 - Continued focus on talent management for effective succession. ✓
 - Invest in mentoring and training programmes. ✓

✓ indicates the commitment has been achieved

* Training investment includes salaries, stipends and other related expenditure during periods of training, recognised for B-BBEE verification purposes.

Fostering an inclusive and equitable environment is both a core value and essential to Libstar's success. By promoting equality, the Group enables all employees to contribute fully and realise their potential.

Libstar promotes diversity and inclusion and strives to maintain workplaces where everyone feels empowered and valued and that are free from unfair discrimination or harassment based on race, sex, colour, nationality, religion, age, sexual orientation, gender, marital status, family, HIV/AIDS status, disability or on any other arbitrary grounds.

As Champions for Good, our commitment to equality is evident in every aspect of our operations – from hiring and talent development initiatives, to our everyday interactions and decision-making processes. Training interventions in 2025 comprised 96% historically disadvantaged individuals (HDI) and 60% women.

At the end of 2025, 46% of Libstar's workforce was male and 54% female (2024: 45% male and 55%). Women comprised 50% of management (2024: 49%).

Occupational Levels	Male				Female				Totals
	A	C	I	W/F	A	C	I	W/F	
Executive Directors	0	0	0	2	0	0	0	1	2
Other Executive Management	1	0	1	7	0	1	0	2	12
Senior Management	2	5	1	46	2	10	3	35	104
Middle Management	19	42	8	79	24	35	8	67	282
Junior Management	143	101	11	74	132	123	14	88	686
Other, Semi-Skilled & Unskilled	1666	512	10	54	2121	610	9	45	5027
Sub totals	1831	660	31	262	2279	779	34	238	6114
Employees with Disabilities [^]	42	7	5	1	29	6	7	1	98

[^] Included in the breakdown above
A – African C – Coloured I – Indian W/F – White/Foreign

HDI's comprised 92% of the workforce in 2025 (2024: 92%), 63% of management (2024: 62%) and 20% of Non-Executive Directors (2024: 40%).

Current HDI representation ¹	2025	2024	2023	2022
Executive Management (excluding Directors)	25%	17%	9%	9%
Senior Management	22%	26%	21%	22%
Middle Management	48%	46%	47%	44%
Junior Management	76%	75%	72%	69%

¹ Includes African, Coloured and Indian

Transformation

Libstar is committed to promoting black economic empowerment. The Group has steadily improved its B-BBEE status, moving from a level 8 contributor in 2018 to a level 5 Contributor in 2025. The B-BBEE Strategy for 2025-2027 focuses on sustainable transformation to achieve a level 4 B-BBEE status by 2027 by improving our management control, skills development and preferential procurement scores.

The Group achieved 77.72 points and a B-BBEE contributor level of 5 in 2025 (2024: level 5). The management control score declined year-on-year due to the appointment of a new Non-Executive Director and executive structure changes, offset slightly by an increase in disabled learnerships and employees to 134 (2024: 121).

The strategy focuses on improving the preferential procurement score by converting spend from non-compliant or low-rated suppliers to those with minimum level 4 B-BBEE ratings, with support extended to suppliers willing to improve their status. Each business has specific targets to improve representation in relevant categories.

	2025	2024	2023	2022
Ownership	10.8	11.2	9.5	10.3
Management control (including employment equity)	6.4	6.9	6.0	6.2
Skills development	15.3	15.4	15.5	15.7
Enterprise and supplier development	30.3	30.0	29.8	28.0
Socio-economic development	15.0	15.0	15.0	15.0
Total	77.72	78.5	75.8	75.2
B-BBEE level	5	5	6 [#]	5

[#] Ownership sub-minimum requirement not met, resulting in a discount of one B-BBEE level

Enterprise and supplier development initiatives at the businesses promote transformation and economic upliftment by expanding opportunities for black-owned and black women-owned businesses in our supply chain. Support provided to qualifying small businesses includes the supply of products, interest-free loans and assistance with overhead costs.

In September 2025, Libstar announced the repurchase of shares held by the Libstar Employee Share Trust and the Libstar BEE Development Trust, and its intention to wind down the trusts and their related special purpose vehicles. This transaction related to black economic empowerment (BEE) vehicles set up at the Group's listing in 2018. Refer to the Group's SENS announcement dated 11 September 2025 for more information.

Human rights

Commitments

- » Focus on effective Human capital management to result in engaged, productive employees.
- » Develop and deliver basic human rights training for employees in line with the Human Rights Policy. ✓
- » Assess options for influencing the supply chain with respect to human rights.

Respect for human rights is a fundamental value of Libstar, and we are committed to respect and uphold human rights standards. Our Human Rights Policy is guided by the Constitution of the Republic of South Africa as well as internationally recognised human rights standards encompassed by the Universal Declaration of Human Rights, including those contained within the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The Group does not engage, either directly or indirectly, in human rights abuses and does not tolerate discrimination of any kind. It does not support forced or child labour. Libstar provides fair working conditions and maintains a safe and healthy working environment.

In 2025, we provided training to 2 475 people on human rights and related topics (2024: 1 973).

We encourage open communication to resolve workplace issues between team members or between employees and management. Libstar respects the rights of employees to engage and bargain collectively on labour-related matters. At the end of 2025, 34% of the workforce was represented by a union (2024: 39%).

Food safety

Commitments

- » Continue to:
 - Implement food safety management protocols and processes. ✓
 - Audit compliance with food safety management protocols and processes. ✓
- » Train employees and contractors. ✓

Food safety is an utmost priority and at the core of everything we do, in line with our commitment to be best-in-class. We aim to protect people at every step of the supply chain from illness or injury due to the handling or consumption of our products.

We believe all employees are responsible for contributing to the success of Libstar's food safety protocols, and 3 831 employees received training on food safety-related topics in 2024 (2024: 3 181).

All food production facilities are certified in terms of FSSC 22000, the global food safety management standard. Non-food manufacturing units are certified in terms of ISO 9001, the global quality management standard. The facilities at Cape Foods, Cape Herb & Spices and Montagu Foods are certified in terms of BRC, the British Retail Consortium Global Standards (BRCGS) for food safety and quality management. We also have Halal and Kosher certifications for processes and products that need to meet these religious and cultural requirements.

The business units have food safety forum guidance procedures (including food safety culture and traceability), and food safety audits are standardised across the Group to facilitate intercompany collaboration and consistency. Regular surveys evaluate food safety culture, cross-auditing and laboratory testing service providers across the businesses.

Routine verification assessments of on-site integrated management systems ensure ongoing compliance. There is a reporting classification system for food safety incidents/compliance, with defined escalation to the central office where required. Regular food quality and safety testing is conducted internally and externally. Independent laboratories and customers perform verification testing to ensure compliance with health and safety standards. Periodic audits are performed by competent and independent auditors, as well as customers, to verify adherence to food safety regulations and internal standards.

✓ indicates the commitment has been achieved

Recall procedures are in place at every business unit to ensure prompt and effective response in the event of product quality or safety issues.

In 2025, we conducted a risk scenario planning exercise on food safety and food quality, recognising their status as core enterprise risks with direct impact on consumer safety, regulatory compliance, brand reputation and financial stability. The scenario presented an overview of the current risk landscape, including existing controls, emerging vulnerabilities and recommended mitigating actions. It included an evaluation of the adequacy and effectiveness of current controls, highlighted key learnings and identified areas for improvement in governance, systems and oversight.

Positive nutrition

Commitments

- » Define what positive nutrition means for Libstar as a Group.
- » Consider Libstar’s response, particularly in relation to its Own Brand portfolio, with respect to positive nutrition.
- » Engage with customers regarding positive nutrition.
- » Investigate consumer education related to positive nutrition.

As a food producer, Libstar has an important role in creating positive nutrition. We work with customers to identify where we can reduce or eliminate unhealthy ingredients, such as excessive salt, sugar and unhealthy fats. Product labelling is being enhanced to assist consumers to track nutritional contents. Lancewood offers a range of products that support healthy eating, including lactose-free, sugar-free, higher-protein and high-fat products.

Sustainable and responsible sourcing (supply chain management)

Commitments

- » Understand what sustainable and responsible sourcing means for the Group.
- » Develop a Responsible Sourcing Strategy.
- » Investigate and support local suppliers wherever possible.
- » Develop raw material traceability and supply chain map.

Our Supply Chain Governance Programme guides all aspects of the supply chain, including procurement, product safety, quality management, occupational health and safety, environmental management, industrial relations and sustainability. We work closely with our customers to ensure that we use accredited suppliers and meet their sustainable and responsible sourcing requirements.



Community engagement

Commitments

- » Develop a standardised approach to communities and socio-economic development.
- » Develop a Group-wide Community Upliftment Programme which will coordinate community contributions and measure impact.
- » Monitor and evaluate social investment initiatives. ✓
- » Define and measure. ✓

Our CSI initiatives align with the following UN Sustainable Development Goals:

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

Libstar’s Corporate Social Investment Programme aligns with our value of being Champions for Good, supporting projects that address local, national and societal needs with a focus on socio-economic upliftment to benefit underprivileged communities.

The business units identify relevant initiatives in local communities within Libstar’s focus areas:

- » Food sustainability, food security and healthy nutrition, including the subsidisation of food products.
- » Community upliftment, education, skills development and poverty relief.

In 2025, the Group invested R22.8 million in socio-economic development (2024: R24.2 million) across a range of impactful projects.

- » Teams from across Libstar rallied together in the spirit of Mandela Month, living out our value of being Champions for Good through meaningful acts of generosity, care and community upliftment.
- » Libstar head office partnered with The Sprightly Seed to nourish 400 learners at Bel Porto School with wholesome meals, and also planted fruit trees to grow the school’s organic garden.
- » The Rialto Johannesburg team volunteered at Rays of Hope, a non-profit in Alexandra Township that uplifts children and families through education, psychosocial support and care programmes. The team prepared a nutritious lunch using Rialto products and guided children in reindeer-themed crafts.
- » Employees from Dickon Hall Foods, Retailer Brands and Cecil Vinegar donated blankets, party packs, essential groceries, hampers, clothing and toys at the Orlando Children’s Home in Soweto.
- » Rialto Cape Town visited Rainbow House in Goodwood, a haven where vulnerable children receive the care and support they need to thrive.

Supporting the children of Christine Revell Children’s Home

Cape Herb & Spice visited Christene Revell Children’s Home on Human Rights Day in March to donate nappies, spend time with the children, share fun activities, and hand out party packs. The home provides a safe haven in Athlone for children from birth to five years who have experienced abandonment or neglect.

In June, Cape Town business units came together in the spirit of *One Libstar* to pack nutritious meals and spend time with the children at the Home.

✓ indicates the commitment has been achieved

Providing sustainable nutrition and community upliftment

World Hunger Day, held every year on 28 May, is a global reminder to take action in the fight against hunger. This year, the Libstar Central team answered the call by planting a winter crop and fruit trees at the Ravensmead Educare Centre. The Centre provides a safe haven, daily meals and early education for children from the Cape Flats, many of whom are from broken and disadvantaged homes.

This effort builds on last October's World Food Day initiative, where we partnered with The Sprightly Seed to plant a summer crop that significantly boosted the community's access to nutritious food. The Centre's garden has already made a significant impact, producing around 85 kg of fresh produce each season, which represents over 4 000 nutritious meals. With the newly planted winter crop, the garden is expected to provide more than 7 000 additional meals for at least 135 children in the coming six months.

As part of their Winter Donation Drive, the team at Libstar Central donated food, clothing and toys to the Centre. On World Food Day in October, Libstar Central team members donated personalised lunch boxes and water bottles for the children at the Centre, followed by a shared lunch and a creative activity that celebrated nutritious choices and healthy living.

Other initiatives included:

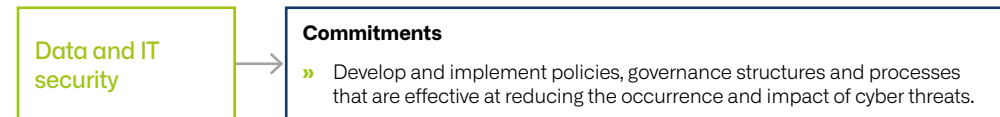
- » On World Hunger Day, the Lancewood team took part in the annual Spur Full Tummy Fund meal packing event, dedicated to tackling child hunger across South Africa. The event brought together volunteers, corporate partners and community members to pack thousands of nutritious meal kits, providing much-needed support to early childhood development centres nationwide. Lancewood also pledged 10 000 nutritious meals to children in need.
- » In response to shack fires in their area, employees from Cecil Vinegar Works rallied together to donate sanitary products, toiletries and other essentials to local families in need. As part of their ongoing #CWWCares campaign, the team has placed a donation bin on-site to collect tinned food, blankets, stationery and other essential items.
- » Cape Herb & Spice's "Seasoned for Success" Programme supported Grade 12 learners from under-resourced schools in Cape Town, preparing them for life after graduation by offering practical career development training. The programme included CV writing and interview techniques, and instilled workplace confidence and other essential skills to facilitate a smooth transition into higher education or the workforce.
- » Cape Herb & Spice funds the annual salary of an additional teacher at Westlake Primary School, helping to create a more effective and inclusive learning environment, reducing the learner-to-teacher ratio for more personalised attention and improving academic outcomes and student well-being.
- » The Wet Condiments cluster sponsors a teacher at the local school and provides three bursaries for employees' children. It also donates soups, raw materials and short-dated stock to soup kitchens, old age homes and children's homes, aligning with its purpose to nourish people and bring them together with great foods.

The Group's 24/7 whistleblowing hotline provides a secure and anonymous tip-off facility for employees and stakeholders to report concerns about unethical or dishonest behaviours.

Libstar received 11 complaints that required further investigation through the hotline in 2025 (2024: 12). These were investigated and action taken, where required. Most of the complaints related to HR matters, which were addressed through internal HR processes.

Subsequent to year-end, the two outstanding matters were fully investigated and have since been formally closed.

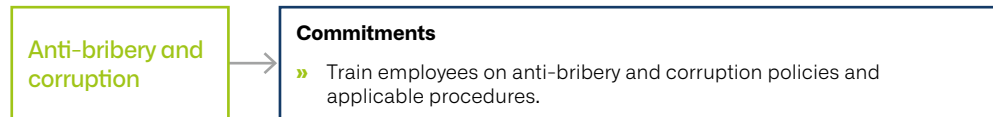
Incident category	Sub-category	Closed	Open	Total
Enquiry	Complaint	0	0	0
	Test			
Fraud	Other fraud schemes	5	1	6
	Payroll fraud and irregularities			
Governance/Business Integrity	Unfair business practice	1	0	1
	Unethical business practice			
	Conflict of interest			
Human Resources, Diversity and Workplace Respect	Other wrongdoing by individuals	3	1	4
	Unethical Behaviour			
	Discrimination			
	Misconduct			
	Unfair labour practice			
	Harassment (including sexual harassment)			
Total		9	2	11



The Board recognises the importance of ICT governance and management to Libstar's success. Cyber security and ICT governance in the Group is monitored by the Audit and Risk Committee and reported on quarterly at the meetings of the Committee. The ICT Steering Committee supports and reports to the Audit and Risk Committee regarding ICT.

We implement and continually evolve cyber security controls to ensure the safety of our environment. Vulnerability management, intrusion detection and prevention and disaster recovery are in place. Information assets and enterprise resource planning systems are protected as part of the disaster recovery plan. Disaster recovery testing is conducted bi-annually to test the recovery service of critical business systems and regular internal and external simulated cyber-attacks test and verify cyber security controls.

In October, we ran an awareness campaign for Cyber Security Awareness Month to highlight that cyber security is the responsibility of every employee, raise awareness and provide practical tips. Topics in the campaign included AI usage, the importance of strong passwords, phishing threats, responsible social media usage, and mobile and WhatsApp security.



Libstar conducts business in compliance with applicable laws and regulations, and in accordance with the Code of Ethics and Conduct. We do not tolerate bribery and corruption, and the Group is committed to preventing unethical business practices.

Libstar's Anti-bribery and Corruption Policy aims to protect the Group, our employees and Directors from involvement in bribery and corruption by ensuring that employees understand the importance of the principles in the Code of Ethics and the Group's commitment to combat bribery and corruption.

Celebrating Excellence as



Libstar’s annual Leadership Awards Dinner provides a meaningful opportunity to recognise the people and teams who drive our progress.

This year’s theme, Moving Upwards and Shooting for the Stars, captured this spirit of steady, disciplined effort combined with the ambition to achieve more. The event was attended by leadership representatives from the business units, who gathered to honour exceptional performance, teamwork and the collective spirit that exemplifies the spirit of *One Libstar*.

Leadership award achievements in 2025 reflect consistent execution, accountability and collaboration across the organisation. These outcomes are underpinned by the daily commitment and actions of dedicated teams across the Group, which continue to strengthen the business and shape the culture we are building together.

Excellence Award: Category and Channel Growth

Celebrating exceptional growth of Libstar’s existing categories or channels, or the outstanding performance in delivering growth of a new or alternative category or channel.

This award recognises a person and team that have demonstrated extraordinary strategic vision, innovative approaches and impactful execution in driving growth and penetration in a chosen category or channel.



Ingrid Uys and team

Wet Condiments

For achieving impressive growth in retail wet condiments, branded baking aids and stock powder innovations.

Excellence Award: Impactful Change

Recognising outstanding achievement in driving transformative change and delivering exceptional outcomes in the areas of operational efficiency, procurement and innovation.

This award celebrates exceptional leadership, creativity and resilience in driving meaningful, positive change and creating sustainable value. Recipients of this award have distinguished themselves by implementing strategic initiatives that have resulted in significant improvements.



Jacques Hill and team

Lancewood

For ensuring optimal stock levels throughout the year, which led to improved working capital and return on net assets.

Excellence Award: Leadership

Honouring an individual who exemplifies exceptional leadership qualities and has made a significant contribution to our organisation's success through their holistic approach to problem-solving, mentorship, communication, culture building and the promotion of organisational values and behaviours.

The Leadership Excellence Award recognises leaders who inspire and empower others, foster a culture of collaboration and innovation and drive positive change throughout the business.



Derek Couzens

Rialto Food Service and Principal Brands

For building a cohesive team, demonstrating strong leadership and collaboration to successfully navigate significant growth and the onboarding of major new customers.

Excellence Award: One Libstar

Celebrating outstanding achievements resulting from cross-functional teamwork within the Group. This award recognises the collective efforts of teams that have seamlessly collaborated across business units and functions to overcome challenges, capitalise on opportunities and deliver exceptional outcomes that positively impact Libstar as a whole.

Recipients of this award have demonstrated a remarkable ability to break down silos, foster group effort and leverage the diverse talents, expertise and perspectives of team members.



Steven Thunzi and Tsepo Nwedamutsu

Libstar Central

For exceptional cross-functional support across multiple initiatives, including the Denny and Wet Condiments restructuring projects, leading successful union negotiations, supporting customer exclusivity discussions and enhancing policies through employee audits – demonstrating seamless collaboration and *One Libstar* spirit.

Excellence Award: North Star Award

Recognising exceptional all-round performance that embodies the collective aspirations, values and achievements of the Group, serving as a beacon of inspiration and excellence that guides our journey towards our North Star.

Recipients of this award exemplify unparalleled leadership, vision and dedication in spearheading a transformative strategic initiative that aligns with Libstar's overarching mission and long-term objectives. Their initiative serves as a guiding light, illuminating the path forward and inspiring others to reach new heights of innovation, collaboration and performance.

Wet Condiments team

For delivering outstanding operational and financial results in 2025.



Governance review

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Governance and Board Committees

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King IV report on Corporate Governance for South Africa 2016



Governance and Board *Committees*

The Board endorses the principles of good corporate governance as set out in King IV and recognises the importance of conducting the Company's affairs with integrity, transparency and accountability, in accordance with accepted governance practices.

The Board oversees the Company's compliance with its legal and regulatory obligations, including those contained in its Memorandum of Incorporation (MOI), the Companies Act and the JSE Listings Requirements.

The Board is satisfied that during the year under review the Company complied in all material respects with the provisions of its MOI, the Companies Act and the principles and recommended practices of King IV.

This Integrated Annual Report is guided by the principles and requirements of the Integrated Reporting <IR> Framework issued by the IFRS Foundation and the King Report on Corporate Governance for South Africa 2016 (King IV)*.

The Group has also considered developments arising from the King V Report on Corporate Governance for South Africa, which will inform the evolution of our governance and reporting practices going forward.

The Board is constituted in accordance with its Board Charter, which sets out the roles and responsibilities of the Board, the Chairman and the Lead Independent Director, and guides the effective functioning of the Board and its Committees.

Board responsibilities

The Board is responsible for providing leadership and oversight of the Group and for ensuring that the Group is governed in a manner that supports sustainable value-creation.

The primary responsibilities of the Board include:

- » Approving the strategic direction of the Group and overseeing management's implementation of the approved strategy.
- » Overseeing the effectiveness of the Group's risk management, ethics and governance frameworks.
- » Approving and reviewing budgets, business plans and key policies.
- » Overseeing the effectiveness of the Board Committees.
- » Monitoring compliance with applicable laws, regulations and codes of business practice.
- » Ensuring the integrity of the Company's Integrated Annual Report, Annual Financial Statements and Interim Report.

The Board takes overall responsibility for the achievement of the Group's strategic objectives.

There is a clear division of responsibility at Board level that creates a balance of power and prevents any individual from having unfettered powers of decision-making. The Executive Directors and Executive Management team are responsible for the day-to-day management of the Group's operations, supported by broader management teams within the business units.

The Board oversees the integrity of the Group's financial reporting, risk management and internal control environment, and ensures timely and transparent disclosure to stakeholders.

The Board has established a framework for the delegation of authority to management and its Committees. It remains cognisant that delegating authority to Committees or management does not in any way discharge its accountability.

The Board's Terms of Reference require a minimum of four scheduled meetings per financial year. The Board held five scheduled meetings and three additional ad hoc meetings to consider special business. The Board's annual strategy session was held in July of 2025.

Delivery on 2025 focus areas

How we responded

Overseeing progress in strategy implementation.

The Board oversaw the execution of the Group's strategy and monitored management's progress against the strategic priorities approved in prior periods. The strategy was further embedded across the Group, with management reporting regularly to the Board on progress against key initiatives and performance indicators.

The strong operational and financial performances delivered during the year demonstrate continued traction of the strategy and the progress made in strengthening the Group's operating model and portfolio. The Board also considered the alignment between strategic objectives, capital allocation and management performance metrics.

Further detail on the Group's strategic priorities and progress made during the year is provided in the *Strategy and Performance* section of this Integrated Annual Report.

Unlocking stakeholder value.

The Board focused on identifying opportunities to unlock and enhance value for stakeholders. The Board undertook a strategic review to assess potential opportunities to realise value alongside the continued execution of the Group's operational and strategic initiatives.

As part of this process, the Board evaluated non-binding expressions of interest received from certain external parties regarding a potential acquisition of all Libstar securities in issue. An independent board committee was constituted to oversee the evaluation process and related engagements. Following careful consideration, the Board concluded that the indicative proposals received did not appropriately reflect the fair value of the Group and resolved not to progress discussions further.

The Board remains confident in the Group's strategy and medium- to long-term prospects, supported by the strong trading performance delivered during the year.

In addition, the Board reviewed the Group's Capital Allocation Framework to ensure that shareholder returns remain appropriate and sustainable. This included an updated Dividend Policy and share buybacks, reflecting the Board's commitment to disciplined capital management and enhanced shareholder returns.

Continued monitoring of risks and their impact on the business.

Risk oversight was a key focus. The Board and its Committees monitored the Group's key risks and emerging risk themes, with particular attention given to those matters identified as material to the Group's ability to create long-term value.

To further strengthen the Board's oversight of risk, risk scenario analyses were introduced as a standing component of Board Committee discussions, enabling deeper interrogation of key risks and their potential impact on the business. Through this process, the Board considered the potential financial, operational and strategic implications of key risk scenarios and the effectiveness of mitigation plans.

Additional information on the Group's material matters and Risk Management Framework is provided in the *Material Matters and Risk Management* sections of this Integrated Annual Report.

2026 focus areas

- » Reviewing and monitoring financial performance aligned to the achievement of financial targets.
- » Enhancing alignment between strategy, capital allocation and long-term value-creation.
- » Oversight of evolving governance and regulatory developments.
- » Continued monitoring of the Group's key risks and resilience through enhanced scenario analysis.

Governance structure

The Board has five Committees in place to assist it in executing its duties and responsibilities.



The Board

The Board comprised eight Directors as at 31 December 2025, consisting of five Non-Executive Directors and three Executive Directors. All Non-Executive Directors, including the Chairman, are classified as independent in terms of King IV and the JSE Listings Requirements. The Board is satisfied that it continues to maintain an appropriate balance of knowledge, skills, experience, diversity and independence to effectively discharge its responsibilities. Due consideration is given to diversity in the composition of the Board, including gender and race, in support of Libstar’s transformation objectives.

Refer to our Board

JP Landman (Chairman)	Independent Non-Executive Director
Anneke Andrews (Lead Independent Director)	Independent Non-Executive Director
Tertius Carstens	Independent Non-Executive Director
Sandeep Khanna	Independent Non-Executive Director
Sibongile Masinga	Independent Non-Executive Director
Charl de Villiers	Chief Executive Officer
Terri Ladbrooke	Chief Financial Officer
Cornél Lodewyks	Executive Director

Diversity

The Board Diversity Policy guides the Board in promoting diversity across a range of attributes including gender, culture, age, field of knowledge, skills and experience.

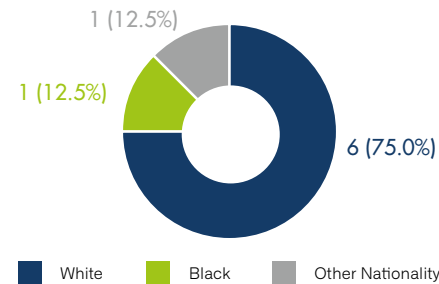
In terms of this policy, the Board has set voluntary targets to support greater diversity at Board level, including a voluntary target of 30% female representation. Female representation on the Board was 37.5% at year-end, above the voluntary target.

The Board also approved a voluntary target of 30% representation of historically disadvantaged individuals (HDI) at Board level to be achieved over a three-year period. At the reporting date, 12.5% of the Board comprised HDI representation. The Board remains committed to achieving this target within the agreed timeframe and the Nomination Committee takes diversity considerations into account in succession planning and future Board appointments.

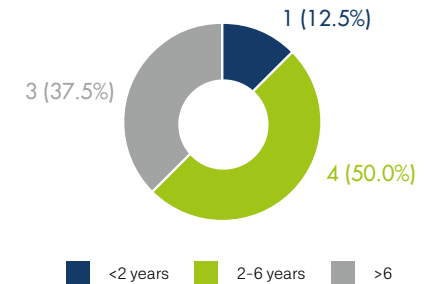
Board members



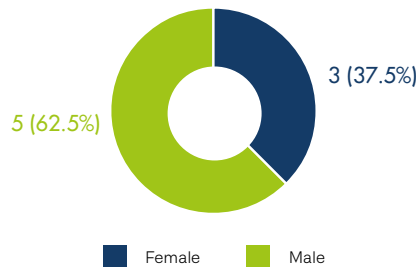
Race



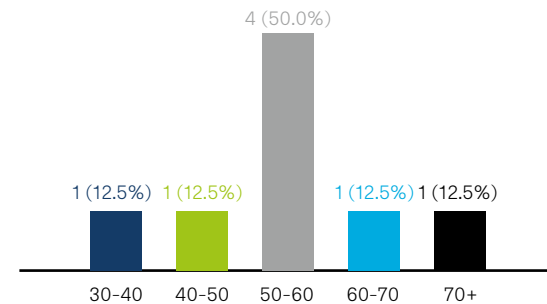
Tenure



Gender



Age



Changes to the Board

Following the previously announced Board succession process, the following changes to the Board took place during the year under review:

Mr Tertius Carstens was appointed as an Independent Non-Executive Director with effect from 1 May 2025. The appointment of Mr Carstens further strengthens the Board's experience in the FMCG sector.

Mr JP Landman was appointed as Chairman of the Board with effect from 1 June 2025.



Ms Wendy Luhabe stepped down as Chairman and Independent Non-Executive Director with effect from 30 May 2025, following her decision not to make herself available for re-election at the 2025 AGM.

Ms Anneke Andrews was appointed as Lead Independent Non-Executive Director with effect from 31 July 2025.

The Board thanks Ms Luhabe for her significant contribution during her tenure as Chairman and as a member of the Board.

Chairman

The Chairman of the Board is JP Landman, who was appointed with effect from 1 June 2025 following the retirement of Wendy Luhabe.

The primary role of the Chairman is to manage and provide leadership to the Board. He liaises between the Board and management through the Chief Executive Officer (CEO). The Chairman's role is to:

- » Ensure the effective functioning of the Board.
- » Act as a liaison between the Board and management through the CEO.
- » Provide independent advice and counsel to the CEO.
- » Confirm that sufficient information is provided to enable the Directors to formulate appropriate judgements and make informed decisions.
- » Develop and set agendas for meetings of the Board, in conjunction with the Company Secretary.
- » Attend other Committees of the Board, where appropriate, and as determined by the Board.
- » Call special meetings of the Board, where appropriate.

The Lead Independent Non-Executive Director

Anneke Andrews was appointed as Lead Independent Non-Executive Director (LID) with effect from 31 July 2025, following the appointment of JP Landman as Chairman of the Board on 1 June 2025.

The responsibilities of the LID are to:

- » Lead in the absence of the Board Chairman.
- » Serve as a sounding board to the Chairman.
- » Act as an intermediary between the Chairman and other Board members, when required.
- » Address shareholders' concerns where contact through normal channels has failed to resolve concerns, or where such contact is inappropriate.
- » Chair discussions and decision-making by the Board on matters where the Board Chairman has a conflict of interest.
- » Lead the performance appraisal of the Board Chairman.
- » Lead the Board's evaluation of the CEO.

The role and responsibilities of the LID were reviewed during the year. No amendments were recommended.

Appointment and rotation of Directors

Directors are not appointed for an indefinite period. At each Annual General Meeting (AGM), at least one-third of the Non-Executive Directors, or the number nearest to one-third, retire by rotation and are eligible for re-election. The Non-Executive Directors due to retire are those who have served the longest period since their last re-election. In terms of the Company's Memorandum of Incorporation, Non-Executive Directors who have reached the age of 70 are required to stand for re-election at each AGM thereafter.

The appointment of Directors by the Board during the year is subject to confirmation by shareholders at the first AGM following their appointment.

Vacancies on the Board are filled on the recommendation of the Nomination Committee, which identifies and evaluates suitable candidates for appointment to the Board.

Conflicts of interest

The Group is committed to the highest standards of ethical business conduct. A Conflicts of Interest Policy and Code of Ethics and Conduct are in place. These apply to all Directors and employees. Disclosure of interests is a standard agenda item at all Board and Committee meetings. Directors annually declare their financial interests and disclose their directorships.

Dealing in securities

Libstar has a formal policy on dealing in securities. This prohibits dealing in securities by Directors, officers and any employee who may have inside information for a specific period preceding the announcement of the Group's interim and final results, or in any other relevant period, as confirmed in the JSE Listing Requirements. A closed financial period commences at the half-year and year-end periods and ends upon publication of the results on SENS. The Insider Trading Policy is circulated before a closed period to remind affected persons. Before dealing in Libstar shares, Directors must obtain prior written clearance to transact in line with the Group's Dealing in Securities and Insider Trading Policy.

Board evaluation

The Board, through its Nomination Committee, initiated an external assessment of its performance and that of its Committees for the year under review. The assessment process, which includes a structured questionnaire covering the Board's role and agenda setting, Board and Committee effectiveness, accountability and good governance, Directors' remuneration, as well as the performance of the Chairman, Chief Executive Officer, individual Directors and the Company Secretary, was delayed during the reporting period.

As at the date of this report, the assessment process has not yet been finalised and feedback has therefore not been received. The Board will consider the outcomes of the assessment once available and, where appropriate, implement any recommendations arising therefrom to further enhance its effectiveness and governance practices.

All Non-Executive Directors conducted an independent self-evaluation that the Nomination Committee considered. The Nomination Committee made a recommendation to the Board on the independence of Sandeep Khanna, who has reached a tenure of 11 years. The Board considered Mr Khanna's self-evaluation of his independence and his contribution to the Board. The Board is satisfied that he remains independent. It will continue to evaluate his independence annually in accordance with the requirements of King V.

Company Secretary

Ntokozo Makomba served as Company Secretary until 30 September 2025. CIS Company Secretaries Proprietary Limited (CIS), a wholly owned subsidiary of Computershare Investor Services Proprietary Limited, was appointed as Company Secretary with effect from 6 November 2025 on a temporary basis while the Company undertook a recruitment process for an in-house appointment.

Zinhle Zondi was appointed as Company Secretary with effect from 1 April 2026, succeeding CIS whose contract concluded on 31 March 2026.



ZINHLE ZONDI

The Board has considered the competence, qualifications and experience of the Company Secretary and is satisfied that the Company Secretary has the requisite knowledge and experience to fulfil the role. The Board further confirms that an arm's-length relationship exists between the Company Secretary and the Board, as required by the JSE Listings Requirements.

The Board thanks Ms Makomba for her contribution to the Company during her tenure.

Meeting attendance 1 January 2025 – 31 December 2025

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Social, Ethics and Transformation Committee	Investment Committee
Number of meetings	5	4	3	3	3	1
Non-Executive Directors						
Wendy Luhabe ¹	2*	2 [^]	1	1	1	1 [^]
JP Landman ²	5*	4 [^]	3	3*	2 [^]	1*
Anneke Andrews ³	5	4*	3 [^]	3	1 [^]	1
Sandeep Khanna	5	4	3*	3	-	1
Tertius Carstens ⁴	3	3 [^]	2	2 [^]	2	-
Sibongile Masinga	5	4	-	-	3*	-
Executive Directors						
Charl de Villiers	5	4 [^]	3 [^]	3 [^]	3 [^]	1
Terri Ladbrooke	5	4 [^]	3 [^]	3 [^]	3	1
Cornél Lodewyks	5	4 [^]	3 [^]	3 [^]	3 [^]	1 [^]

* Chairman

[^] Invitee

** Apologies were received

¹ Wendy Luhabe attended all meetings scheduled up to 31 May 2025, when she stepped down from the Board.

² JP Landman chaired the Board for three of the five meetings following his appointment to the Chair on 1 June 2025. He attended the first meeting of the Audit and Risk Committee as a member of the Committee and the other three as an invitee, as the Chairman is excluded from being a member of the Committee.

³ Anneke Andrews attended the first two Nomination Committee meetings as an invitee and the third as a member following her appointment to the Committee on 31 July 2025.

⁴ Tertius Carstens was appointed to the Board and Sub-Committees on 1 May 2025. He attended all meetings scheduled following his appointment.

Ad hoc meetings

The Board and Committees set up ad hoc meetings when required.

- » Three additional Board meetings were held during the year to discuss strategic developments and Board appointments.
- » One additional Audit and Risk Committee meeting was held during the year to discuss impairments.
- » One additional Investment Committee meeting was held to consider strategic opportunities.

Board Committees

The Board delegates duties and responsibilities to various Committees (as set out in the governance structure). Committee meetings are attended by the CEO and CFO, the Executive Director, the HR Executive, the external auditor and other members of management, as appropriate. Directors who are not members of the Committees may attend the Committee meetings but may not vote on the matters tabled.

The Committees operate under their Terms of Reference. These are reviewed annually. There is full and transparent feedback from the Committees to the Board through verbal feedback and minutes.

The composition of the Committees is reviewed annually. The Board is satisfied that the Committees have the appropriate mix of skills, knowledge and experience.

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Audit and Risk Committee

Composition and role

The Audit and Risk Committee comprised four Independent Non-Executive Directors during the year under review. At the Annual General Meeting held on 30 May 2025, JP Landman stepped down from the Committee following his appointment as Chairman of the Board, and the Committee was accordingly reconstituted to comprise three members.

Anneke Andrews (Chairman)

Sandeep Khanna
JP Landman (member until 30 May 2025)
Sibongile Masinga

The Committee assists the Board in fulfilling its oversight responsibilities relating to the integrity of financial reporting, risk management, internal control systems and compliance with applicable legal and regulatory requirements.

The Committee fulfils its statutory duties in accordance with the Companies Act and carries out additional responsibilities delegated to it by the Board as set out in its Board-approved Terms of Reference, which are aligned with the recommended practices of the King Code of Conduct.

In fulfilling its mandate, the Committee oversees matters relating to the safeguarding of assets, the effectiveness of financial reporting systems, financial risk management and internal controls, as well as the integrity of external financial reporting.

The Committee reviews the Group's Annual Financial Statements, interim results and other financial disclosures, and recommends these to the Board for approval. The Committee also satisfies itself as to the appropriateness of the expertise and experience of the Chief Financial Officer (CFO).

Delivery on focus areas

The table below provides updates on our delivery on the focus areas we outlined in last year's report.

Focus area	Progress
Proactive and ongoing oversight of key risks and opportunities.	The Committee considered key risks and opportunities arising from key strategic risks, reviewed the Group Risk Register on a quarterly basis and monitored the adequacy of mitigating controls. Business unit risk registers were reviewed as part of the annual risk review process and further aligned to the Group Risk Register. Quarterly risk scenario analyses were introduced, enabling the Committee to assess potential impacts of key risk scenarios and management's preparedness and response strategies.
Monitor integration following operational structure changes from a risk and internal controls perspective.	The Committee monitored risks and internal control implications arising from the integration of the Wet Condiments cluster and the alignment of the Meal Ingredients, Snacks and Spreads category. Oversight was also provided over the migration of payroll systems to a standardised platform, including associated control and operational risks.
Strengthen the internal control environment.	The Committee reviewed internal control findings identified through internal audit, external audit and other assurance reviews. Management remediation plans were monitored and progress was reported to the Committee during the year, and will continue to be monitored.
Consider the independent external review of the ICT environment.	The Committee reviewed the findings of a third-party ICT audit covering specific systems and processes. Management remediation plans addressing critical and high-risk findings were reviewed and progress will continue to be monitored.
Monitor implementation of a Group Compliance Framework.	The Committee monitored progress in establishing a more structured Compliance Framework across the Group and received updates on regulatory compliance and governance matters.

Other actions taken include:

Finance matters

- » Reviewed and recommended the 2025 Annual Financial Statements, the interim results for the six months ended 30 June 2025 and the final dividend declaration for approval by the Board.
- » Reviewed financial and other information included in the Integrated Annual Report prior to Board approval.
- » Considered quarterly CFO reports, management accounts, forecasts and other financial updates.
- » Confirmed the appropriateness of the going concern assumption as the basis of preparation of the Annual Financial Statements.
- » Considered key judgemental areas including:
 - 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.
- » Considered adjusted and unadjusted audit differences.
- » Reviewed major capital allocations and returns on investment projects.
- » Assessed the expertise, experience and performance of the CFO and the finance function.
- » Reviewed the Group's tax reports.
- » Reviewed the proposed 2026 budget and recommended its approval to the Board.

External audit

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

The Committee considered the representations made by the external auditor and satisfied itself that the external auditor is independent of the Group in accordance with Section 94(8) of the Companies Act and complies with the JSE Limited Listings Requirements.

The Committee conducted the assessment required by paragraph 5.7(h)(iii) of the JSE Listings Requirements and confirmed its satisfaction with the suitability of the external audit firm and the designated audit partner.

The Committee considered the formal policy governing the approval of non-audit services provided by the external auditor. No non-audit services were provided by the external auditor during the 2025 financial year.

The Committee recommended the reappointment of Ernst & Young Inc. as external auditor for the 2025 financial year, which was approved by shareholders at the Annual General Meeting held on 30 May 2025.

At the same meeting, Tina Lesley Rookledge was appointed as the designated audit partner. Subsequent to her appointment, Ms Rookledge resigned from Ernst & Young Inc. and Danie Buys was appointed as the designated audit partner. The Committee considered the suitability and independence of the newly appointed designated audit partner.

The Committee held separate meetings with the external auditors and with management. Internal control deficiencies identified during the audit are subject to remediation by management and are monitored by the Committee.

Combined assurance

The Committee oversees the effectiveness of the Group's systems of internal control, financial reporting and risk management.

The Committee relies on a combined assurance model, incorporating management, Internal Audit and external assurance providers.

Where control deficiencies or other matters are identified, the Committee reviews the remediation plans prepared by management. During the year under review, the Committee was satisfied that the potential impact on the Group's Annual Financial Statements was appropriately mitigated through additional oversight and control procedures.

The Committee will continue to monitor management's remediation plans during 2026.

Having considered the information provided by management, Internal Audit and the external auditors, the Committee is satisfied that the Group's internal control environment provides a reasonable basis for the preparation of the Annual Financial Statements.

Internal Audit

The Internal Audit Charter defines the role, responsibilities and authority of the Internal Audit function.

Internal Audit provides the Committee and management with independent, risk-based assurance and advisory services designed to strengthen the Group's ability to create, protect and sustain value.

The Committee evaluated the Internal Audit function and was satisfied that it is functioning adequately and independently.

During the year, the Committee:

- » Reviewed and approved the Internal Audit Plan and monitored its execution.
- » Considered quarterly Internal Audit reports and monitored the status of remedial actions.

Assurance Framework

Libstar operates a combined Assurance Framework which coordinates the activities of management and internal and external assurance providers.

Lines of defence

1. Management
2. Internal and external audits
3. External assurance providers
4. Oversight bodies (Board and Committees)

Risk management

The Committee:

- » Reviewed quarterly risk management reports and the Group and Business Unit risk registers.
- » Reviewed the Group's Insurance Renewal Programme.
- » Considered current and potential litigation matters.
- » Considered feedback from the anonymous Ethics Hotline and matters escalated by the Social, Ethics and Transformation Committee.

Information and Communication Technology (ICT)

The Committee:

- » Reviewed quarterly ICT reports from a risk and strategic perspective.
- » Considered the Group's Cyber Security Framework and controls.
- » Reviewed the findings of a third-party ICT audit and monitored the remediation of identified risks.
- » Considered disaster recovery and business continuity arrangements, including the results of bi-annual disaster recovery testing.

Governance

The Committee:

- » Considered compliance with the principles of King IV.
- » Reviewed developments in the JSE Listings Requirements.
- » Reviewed the Committee's work plan for the year ahead.
- » Reviewed reporting on loan covenant and hedging policy compliance.
- » Reviewed the Non-Audit Services Policy.
- » Monitored compliance with relevant legislation, including the financial assistance requirements of the Companies Act.
- » Reviewed and updated the Committee's Terms of Reference.

Looking ahead

- » Maintaining proactive oversight of the Group's Risk Management Framework.
- » Strengthening the internal control environment, including monitoring the remediation of control deficiencies identified through internal and external assurance processes.
- » Monitoring the continued development and embedding of the Group compliance and combined assurance frameworks.
- » Overseeing the ICT environment, including cyber security resilience, disaster recovery capability and alignment of technology initiatives with the Group's strategy.
- » Monitoring emerging risks and considering scenario planning for key potential risk scenarios.
- » Monitoring developments in financial reporting standards.

Refer to pages 9 to 11 of the Annual Financial Statements for the Audit and Risk Committee Report.



Remuneration Committee

Composition and role

The Committee comprises three Independent Non-Executive Directors.

Sandeep Khanna (Chairman)

JP Landman

Wendy Luhabe (retired 30 May 2025)

Tertius Carstens (appointed 31 July 2025)

Libstar’s remuneration mandate is to contribute to the long-term financial sustainability and commercial success of the Group by overseeing and maintaining fair, responsible and competitive remuneration policies and practices.

The Remuneration Committee oversees the application of the Company’s Remuneration Framework to ensure that it attracts, retains and motivates employees, management and Executive Directors, while promoting alignment between remuneration outcomes and the Group’s strategic objectives and long-term value-creation. The Committee also recommends appropriate remuneration levels for Non-Executive Directors for approval by shareholders.

The Committee assists the Board in ensuring the consistent application of the Remuneration Policy across the Group, and that Directors and prescribed officers are remunerated fairly and responsibly. The Committee also oversees that remuneration disclosures are accurate, complete and transparent.

The Remuneration Committee reviews the Remuneration Policy annually to ensure that it remains aligned with the Group’s strategy, market practice and evolving governance standards. The Remuneration Policy and the related implementation report are presented to shareholders at the Annual General Meeting for separate non-binding advisory votes, in accordance with the JSE Listings Requirements and King IV.

During the year under review, the Committee noted the publication of the King V Report on Corporate Governance for South Africa in October 2025. As King V will apply to reporting periods commencing in 2026, the Committee will review the Group’s remuneration governance practices to assess alignment with the updated principles and recommended practices.

Further details are provided in the Remuneration Review.

Delivery on focus areas

The table below provides updates on our delivery of the focus areas we outlined in last year’s report.

Focus area	Progress
Track management’s performance against KPIs.	The Committee reviewed the performance of Executive Directors against their key performance indicators on a quarterly basis.
Continue to focus on the core activities of the Committee, as set out in the Terms of Reference.	The Committee continued to discharge its responsibilities in accordance with its Terms of Reference, including oversight of the Group’s Remuneration Policy and related governance matters.

Looking ahead

- » Overseeing the Group-wide project to align benchmarking and job grading frameworks across the Group.
- » Monitoring the alignment of remuneration outcomes with performance, including oversight of Executive Directors’ KPIs and incentive structures.
- » Reviewing the Remuneration Policy to ensure continued alignment with market practice, shareholder expectations and evolving governance standards.
- » Continuing to discharge the core responsibilities of the Committee as set out in its Terms of Reference.



Nomination Committee

Composition and role

The Committee comprises three Independent Non-Executive Directors.

JP Landman (Chairman)

Sandeep Khanna

Wendy Luhabe (retired 31 May 2025)

Anneke Andrews (appointed 31 July 2025)

The mandate of the Committee is to review the structure, size and composition of the Board on a regular basis and to make recommendations to the Board regarding any changes that may be required to ensure the Board has the appropriate balance of skills, experience, independence and diversity to effectively discharge its governance responsibilities.

The Committee assists the Board to oversee:

- » The appropriate composition of the Board to effectively discharge its duties.
- » Succession planning in respect of Board members and senior management, including oversight of Board diversity objectives and the Board Diversity Policy.
- » The process for the nomination, election and re-election of Board members.
- » The identification and recommendation of suitable candidates for appointment to the Board.
- » The evaluation of the performance and effectiveness of the Board, its Committees and individual Directors.
- » The induction and ongoing training and development of Board members.

Delivery on focus areas

The table below provides updates on our delivery of the focus areas we outlined in last year's report.

Focus area

Progress

<p>Consider developments in the full implementation of the Companies Amendment Act 16 of 2024, impacting the election of Directors.</p>	<p>The Committee considered developments relating to the implementation of the Companies Amendment Act 16 of 2024, including potential implications for the nomination and election of Directors, and will continue to monitor regulatory developments.</p>
<p>Integration of additional Directors into the Board.</p>	<p>Mr Tertius Carstens was appointed as a Non-Executive Director with effect from 1 May 2025. The Committee oversaw a comprehensive induction programme to support his integration into the Board and its governance processes.</p>
<p>Continue to focus on the core activities of the Committee, as set out in the Terms of Reference.</p>	<p>The Committee considered the composition of the Board and its Committees, having regard to the balance of skills, experience, independence and diversity required to support the Group's strategy. As part of the Board's succession and skills planning process, the Committee had previously identified the need to strengthen FMCG industry expertise on the Board. Mr Tertius Carstens was appointed with effect from 1 May 2025, bringing significant FMCG experience and thereby enhancing the Board's collective industry expertise.</p> <p>The Committee also considered the tenure of Directors as part of its independence assessment process. During the year, Mr Sandeep Khanna's 11-year tenure was reviewed through both a self-assessment and an evaluation by the Nomination Committee. The Committee remained satisfied that he continues to exercise independent judgement and recommended his reappointment to the Board.</p> <p>The Committee kept abreast of governance and regulatory developments, including the revised JSE Listings Requirements following the Simplification Project and the publication of the King V Report on Corporate Governance for South Africa, and will consider any implications for the Group's governance practices going forward.</p>

Looking ahead

- » Reviewing the composition of the Board and its Committees, having regard to the balance of skills, experience, independence and diversity required to support the Group's strategic objectives.
- » Monitoring Board succession planning, including the tenure profile of Directors and the identification of potential future Board candidates.
- » Monitoring governance developments, including the implications of King V and the revised JSE Listings Requirements, and assessing their impact on the Group's governance practices.

SEC

Social, Ethics and Transformation Committee

Composition and role

The Committee comprises two Independent Non-Executive Directors and one Executive Director.

Sibongile Masinga (Chairman)	Non-Executive Independent Director
Wendy Luhabe (retired 30 May 2025)	Non-Executive Independent Director
Tertius Carstens (appointed 1 May 2025)	Non-Executive Independent Director
Terri Ladbrooke	CFO

The mandate of the Social, Ethics and Transformation Committee is derived from Regulation 43 of the Companies Act Regulations, 2011 and its Board-approved Terms of Reference. The Committee assists the Board in monitoring the Group's activities relating to social and economic development, ethical conduct, transformation, sustainability and stakeholder engagement, thereby supporting the Group's commitment to responsible corporate citizenship.

In fulfilling its mandate, the Committee monitors the Group's activities in the context of applicable legislation, regulatory requirements and relevant codes of best practice, including oversight of the Group's environmental, social and governance (ESG) practices and related reporting.

The Committee's responsibilities include oversight of the following areas:

- » Social and economic development, including the Company's standing in relation to:
 - The ten principles of the United Nations Global Compact;
 - The OECD recommendations regarding corruption;
 - The Employment Equity Act; and
 - The Broad-Based Black Economic Empowerment Act.
- » Good corporate citizenship, including:
 - The promotion of equality and prevention of unfair discrimination;
 - The reduction of corruption and maintenance of high ethical standards;
 - The Group's transformation and social responsibility strategies; and
 - The Group's contribution to the development of the communities in which it operates.
- » Environmental, health and public safety, including the impact of the Group's operations and products on the environment and broader society.
- » Consumer relationships, including the Group's advertising and public communications practices and compliance with applicable consumer protection legislation.

- » Ethics management, including oversight of the Group's ethical standards and conduct.
- » Labour and employment, including:
 - The Group's alignment with the International Labour Organisation Declaration on Fundamental Principles and Rights at Work; and
 - The Group's employment practices and contribution to the development and well-being of its employees.

In addition, the Committee considers stakeholder interests relevant to the matters within its mandate, supporting the Board in its oversight of stakeholder relationships and responsible corporate citizenship.

The Committee reports to the Board on matters within its mandate and brings any material issues to the attention of the Board when necessary.

Committee Chairman's feedback

The Committee remains mindful of the significant socio-economic challenges facing South Africa, including high levels of poverty and unemployment. Within this context, the Group continues to recognise its responsibility to contribute positively to the well-being of its employees and the communities in which it operates.

During the year under review, the Committee continued to oversee the implementation of the Group's ESG and transformation priorities. Further progress has been made in embedding sustainability considerations within the Group's operations and governance processes.

The quality and consistency of ESG information across the Group continued to improve during the year, supporting more effective oversight and strengthening the integrity of the Group's sustainability disclosures. The Committee will continue to monitor the development of ESG practices and reporting as the Group advances its sustainability objectives.

Please refer to pages 66 to 73 for more information on the Group's ESG progress during 2025.

Delivery on focus areas

The table below provides updates on delivery of the focus areas we outlined in last year's report.

Focus area	Progress
Rollout of the <i>One Libstar High-Performance Programme</i> .	The rollout of the <i>One Libstar</i> High-Performance Programme continued in 2025, with a focus on embedding the Group's culture and reinforcing the five organisational values across the business. These initiatives supported stronger alignment between employees and Libstar's strategic priorities. The impact is reflected in the 2025 People Survey results, where <i>Strategic Alignment</i> was the highest-scoring construct, indicating improved engagement and a shared understanding of the Group's direction. Refer to page 23 for more information on our culture transformation journey and the People Survey.
Talent management.	Talent Management refresher training for Leadership was hosted in August 2025, with an emphasis on succession management for key roles and skills. A new performance and potential process was introduced up to middle management level. The talent management cycle was expanded, creating clear distinctions between performance and potential, integrated into one process.
B-BBEE improvement.	B-BBEE continues to be a focus. The Group achieved a level 5 B-BBEE rating in 2025.
Implement additional policies which fall within the mandate of the Committee.	Reviewed and recommended new policies within the Committee's mandate. The Crisis Management, Employment Equity and Talent Management policies were approved by the Board in 2025.

B-BBEE

Libstar is committed to the principles of B-BBEE regulations and transformation in the Group. Libstar was evaluated and independently verified by AQRate Verification Services for the year ended 31 December 2025.

The Group achieved a B-BBEE level 5 contribution status with a score of 77.72.

Please refer to pages 66 to 73 for more information on diversity, equity and inclusion, transformation and socio-economic development at Libstar.

Labour

The national minimum wage was adjusted on 1 March 2025 by 4.4%. This was implemented in all business units.

Refer to the Environmental, social and governance review on page 66.

Looking ahead
<ul style="list-style-type: none"> » Organisational design and workforce planning. » Performance and potential management. » B-BBEE improvement. » Standardisation of policies and procedures across business units.



Investment Committee

Composition and role

The Committee comprises three Independent Non-Executive Directors and two Executive Directors.

JP Landman (Chairman)	Non-Executive Independent Director
Anneke Andrews (until 31 July 2025)	Non-Executive Independent Director
Sandeep Khanna	Non-Executive Independent Director
Tertius Carstens (appointed 31 July 2025)	Non-Executive Independent Director
Charl de Villiers	CEO
Terri Ladbrooke	CFO

The Committee assists and advises Executive Management on opportunities and other material transactions that are not in the ordinary course of business, as well as related matters. The Committee also approves any recommendations or proposals to be made to the Board in relation to such opportunities or transactions.

During the year, the Committee considered matters relating to the divestment strategy of the Group.

Delivery on focus areas

The table below provides updates on delivery of the focus areas we outlined in last year's report.

Focus area	Progress
Reposition the portfolio towards value-added food categories.	The Committee considered a number of strategic transactions during the year, including the potential divestment of the Household & Personal Care category and strategic interventions at Denny Mushrooms. The sale of Denny Mushrooms was completed in December 2025 and discussions regarding the remaining Household & Personal Care category remain under consideration.
Consider opportunities that will unlock shareholder value.	The Committee evaluated various strategic opportunities to unlock value within underperforming units, which formed part of the broader strategy development process undertaken by the Board and Executive Management during the year.
Continue to focus on the core activities of the Committee, as set out in the Terms of Reference.	The Committee continued to review potential investment, divestment and portfolio optimisation opportunities during the year, in line with its mandate.

Looking ahead
<ul style="list-style-type: none"> » Evaluate strategic opportunities to enhance shareholder value. » Continue to optimise the Group's portfolio with a focus on value-added food categories. » Continue to focus on the core activities of the Committee as set out in the Terms of Reference.

King IV report on Corporate Governance for South Africa 2016

Libstar applies the principles of the King IV Report on Corporate Governance for South Africa, 2016 (King IV).

The table below sets out the Group's application of the 17 King IV principles for the financial year ended 31 December 2025. This disclosure should be read together with the governance information contained elsewhere in this Integrated Annual Report and the Annual Financial Statements.

<p>1 Leadership</p> <p>The governing body should lead ethically and effectively.</p> <p><i>A</i> The Board applies a standard ethical decision-making framework across the organisation. The members of the Board hold one another accountable for ethical decision-making and behaviour. The executives and senior management teams are responsible for embedding and maintaining ethical values and effective behaviours in the daily activities of the Group. Disclosure of interests is a standard agenda item at Board and Committee meetings and Directors are required to declare any conflicts of interest on an ongoing basis.</p>	<p>2 Organisational ethics</p> <p>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p> <p><i>A</i> Libstar has a Board-approved Code of Ethics and Conduct which applies to all Directors and employees.</p> <p>The Board governs and monitors the ethics of Libstar. This is based on integrity, competency, responsibility, accountability, fairness and transparency. The Board endeavours to ensure that the ethical standards set are integrated and understood throughout Libstar. The Social, Ethics and Transformation Committee assist the Board with monitoring and reporting on social, environmental, ethical and transformation practices that support the establishment of an ethical culture within Libstar.</p> <p>Libstar has an independently managed anonymous reporting Ethics Hotline for the reporting and investigation of breaches in ethical and compliance standards.</p>	<p>3 Responsible corporate citizenship</p> <p>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p> <p><i>A</i> The Board, assisted by the Social, Ethics and Transformation Committee, is responsible for monitoring the Group's response to good corporate citizenship. Libstar supports various initiatives which contribute to responsible economic, social and environmental outcomes.</p>
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4

Strategy and performance

The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.



The Board is ultimately responsible for the strategy, growth and performance of the Group.

It provides strategic direction by:

- » Considering capital allocation and investment plans to support Libstar’s sustainability and growth.
- » Reviewing the annual budget and key operational objectives to ensure alignment with the Group’s strategy, purpose and values.
- » Overseeing the effectiveness of risk management processes.

6

Primary roles and responsibilities of the governing body

The governing body should serve as the focal point and custodian of corporate governance in the organisation.



The Board has adopted a Charter which:

- » Details the Board’s roles, responsibilities and functions of Directors and officers of the Group.
- » Supports the effective application of good corporate governance practices throughout the Group.

5

Reporting

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance and its short-, medium and long-term prospects.



The Board is committed to high standards of reporting and conformity.

The Board ensures that the Integrated Annual Report provides an accurate, complete and integrated representation of the Group, including its financial performance, corporate governance, risk management and sustainability. The Audit and Risk Committee assists the Board by reviewing the Integrated Annual Report to ensure that the information contained is reliable and aligns with the financial aspects of the report.

7

Composition of the governing body

The governing body should comprise an appropriate balance of knowledge, skills, experience, diversity and independence to discharge its governance role and responsibilities objectively and effectively.



The Board consists of eight Directors, which include five Independent Non-Executive Directors, and three Executive Directors. The Nomination Committee oversees that the Board is appropriately constituted to execute its responsibilities effectively.

8

Committees of the governing body

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.



The Board has five Committees to deal with delegated matters effectively. Each Committee has formal written Terms of Reference.

The Committees are:

- » Audit and Risk
- » Remuneration
- » Nomination
- » Social, Ethics and Transformation
- » Investment

The Committees are appropriately constituted with due regard to the skills, expertise, experience and time required by each Committee.

Committees are also entitled to access any required information and external professional advice that may be necessary to discharge their roles and responsibilities effectively. The Committees are empowered to make decisions within their respective mandates. The Committees comprise Non-Executive and Executive Directors. They are chaired by Independent Non-Executive Directors.

Members of Executive Management and senior management may be invited to attend Committee meetings, as required.

9

Evaluation of the performance of the governing body

The governing body should ensure that the evaluation of its own performance and that of its Committees, its chairs and its individual members, support continued improvement in its performance and effectiveness.

A

The Board and its Committees assess their performance and effectiveness annually to ensure compliance with the recommendations of King IV and to comply with their responsibilities and fiduciary duties, as set out in the Companies Act. The performance of the Executive Directors and management is assessed on an annual basis.

10

Appointment of and delegation management

The governing body should ensure that delegation to management contributes to role clarity and the effective exercise of authority and responsibilities.

A

The CEO bears ultimate responsibility for the daily running of the business and management functions. The Board retains responsibility for its fiduciary duties and responsibilities and delegates to the CEO, who in turn may delegate authority to members of Executive Management.

An Approvals Framework is in place, which sets out matters reserved for the Board and those delegated to management.

11

Risk governance

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

A

The Board is ultimately responsible for the governance of risk. It has assigned oversight of the Group's risk management function to the Audit and Risk Committee.

Management is accountable to the Board for designing, implementing and monitoring the processes of risk management and integrating these into the daily activities of the Group.

The Group Risk Register is reviewed by the Audit and Risk Committee every quarter. The register includes the key risks facing Libstar, mitigating actions and residual risks.

The risk registers for each business unit within the Group are reviewed at least twice a year.

The Audit and Risk Committee takes material changes and trends in the risk profile of the Group into account. It considers whether the control systems, including as it relates to reporting, adequately support the achievement of the risk management objectives.

12

Technology and information governance

The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.

A

The Board remains conscious of the importance of the governance and management of technology and information to the operations and success of Libstar. The Audit and Risk Committee will continue to oversee and evaluate the proactive measures taken by management and the impact of the ICT Steering Committee. The Committee was created to strengthen this function and control environment further. The ICT Steering Committee's responsibilities are to:

- » Align ICT with the strategic, performance and sustainability objectives.
- » Monitor and evaluate significant ICT investments and expenditures.
- » Ensure that information assets are managed effectively.

13

Compliance governance

The governing body should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

A

The Board oversees compliance with laws and regulations. This is monitored through a combination of management controls, internal and external audit, the Group's sponsors and the Company Secretary. Legal compliance is a standard agenda item at Audit and Risk Committee meetings.

14

Remuneration governance

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

A

The Remuneration Committee ensures that the remuneration packages are market-related, transparent and linked to performance. It also ensures that appropriate remuneration frameworks and policies are adhered to. These frameworks and policies aim to attract and retain top talent and drive long-term growth and sustainable performance.

15

Combined assurance

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

A

The Board recognises and assumes its overall and ultimate responsibility in relation to assurance. It supports the application of a combined assurance model to ensure that assurance activities across the Group are appropriately coordinated. The Audit and Risk Committee has oversight responsibility for Libstar's combined assurance model, including confirmations by management and internal and external assurance providers.

16

Stakeholders

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.

A

Libstar is committed to good governance and compliance with legislative requirements at all levels of the business and in all its interactions with stakeholders. Libstar fully embraces an inclusive stakeholder approach, which the Social, Ethics and Transformation Committee monitors. The Board acknowledges and encourages engagement with stakeholders. The Board further recognises its responsibility to ensure that Libstar acts as a good corporate citizen and performs its obligations towards its employees, shareholders, customers, suppliers, regulators and the communities in which it operates. The Board recognises that transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence. It aims to ensure that:

- » The Company provides complete, timely and accurate information to stakeholders having regard to legal and strategic considerations.
- » Communication with stakeholders is clear, transparent and appropriate.

17

Responsible investing

The governing body of an institutional investor organisation should ensure that responsible investing is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.

A

Libstar is not a financial institution, as defined in terms of the Financial Services Board Act, No 97 of 1990.

Remuneration *review*

93	Section 1: Background statement
94	Section 2: Overview of Remuneration Policy
103	Section 3: Implementation of the Remuneration Policy



Remuneration remains a critical lever in aligning leadership with Libstar's strategic priorities, performance outcomes, and long-term value creation for shareholders. In a year characterised by continued focus on operational discipline and portfolio optimisation, the Group's Remuneration Framework has been applied with a clear emphasis on accountability, performance alignment, and the delivery of sustainable results.

This report provides a transparent overview of Libstar's Remuneration Policy and its implementation for the 2025 financial year. It is intended to provide shareholders insight into how remuneration outcomes reflect both the Group's performance and the evolving external environment, while continuing to support the attraction, retention and motivation of high-calibre talent.

The report is structured as follows:

- i) **Part 1: Background Statement** – providing context to the Remuneration Framework, including key considerations, performance outcomes and any material developments during the year.
- ii) **Part 2: Remuneration Policy** – outlining the forward-looking policy applicable for the 2026 financial year.
- iii) **Part 3: Remuneration Implementation Report** – detailing how the policy was applied in the year under review, including disclosure of remuneration outcomes for Executive and Non-Executive Directors for the year ended 31 December 2025.

Section 1: Background *statement*

In line with the King Code on Corporate Governance for South Africa and the JSE Listings Requirements, shareholders will have the opportunity to engage on and vote on the Group's remuneration matters at the Annual General Meeting in 2026.

The approval will comprise the following:

- » A non-binding advisory vote on the Remuneration Policy (Part 2 of this report).
- » A non-binding advisory vote on the Remuneration Implementation Report (Part 3 of this report, excluding the recommended fees for Non-Executive Directors).
- » A binding vote on the recommended fees for Non-Executive Directors (included in Part 3 of this report).

In the event that 25% or more of votes are cast against either the Remuneration Policy or the Remuneration Implementation Report, the Group will:

- » Invite dissenting shareholders to engage with the Company to better understand their concerns.
- » Provide a formal response outlining the actions to be taken to address the matters raised.

Outcomes of the 2025 AGM

Remuneration Policy	2025 AGM	2024 AGM
For	91.32%	90.37%
Against	8.68%	9.63%

Remuneration Implementation Report	2025 AGM	2024 AGM
For	87.66%	87.05%
Against	12.34%	12.95%

The Group maintains an ongoing and constructive engagement programme with its major shareholders to ensure transparency and alignment on remuneration matters. Feedback received through these engagements continues to inform the evolution and application of the Group's Remuneration Policy, with the Remuneration Committee carefully considering areas of focus and incorporating relevant input where appropriate.

The strong level of shareholder support at the 2025 Annual General Meeting, with approval of both the Remuneration Policy and the Remuneration Implementation Report, is noted and appreciated. The Committee remains committed to maintaining this level of engagement and to ensuring that remuneration outcomes remain closely aligned with performance and the long-term interests of shareholders.

The Group's Remuneration Framework is designed to support the delivery of its strategic priorities, with a clear link between pay outcomes, operational performance, and long-term value creation.

The Remuneration Committee

The Group's Remuneration Policy recognises the relative contribution of employees to the overall performance of the Group and supports the delivery of sustainable value creation. The Committee promotes a high-performance culture by ensuring that remuneration structures incentivise and reward innovation, accountability and the achievement of strategic objectives.

The members of the Remuneration Committee possess the appropriate skills, experience and independence to fulfil their responsibilities. The Committee is satisfied that its members have no business or other relationships that could materially affect their independent judgement. Executive Directors do not participate in discussions relating to their own remuneration and do not vote on such matters.

The Remuneration Committee comprises Independent Non-Executive Directors. During the 2025 financial year, the composition of the Committee was as follows:

- » Sandeep Khanna (Chairman).
- » JP Landman (member).
- » Wendy Luhabe (member, until 30 May 2025).
- » Tertius Carstens (member, from 31 July 2025).

Committee meetings are attended by members of Executive Management and the Group's people function, by invitation.

Remuneration Committee meetings during 2025

	12/03/2025	30/07/2025	19/11/2025
Sandeep Khanna (Chairman)	Y	Y	Y
JP Landman	Y	Y	Y
Wendy Luhabe	Y	N/A	N/A
Tertius Carstens	N/A	N/A	Y

Section 2: Overview of Remuneration Policy

The Remuneration Policy remains substantively unchanged from the prior year. Enhancements reflected in this report relate primarily to improved disclosure, clarity and alignment with evolving governance practices.

Following shareholder feedback and ongoing review, targeted refinements have been made to the long-term incentive stretch performance criteria and the Short-Term Incentive Framework, including the introduction of an explicit individual performance component from 2026.

These refinements apply prospectively and have no impact on remuneration outcomes for the current or prior reporting periods.

Remuneration principles

The Group's Remuneration Framework is designed to align management with shareholder interests through a clear link between performance, reward and long-term value creation. It supports the achievement of the Group's strategic objectives while promoting a high-performance, accountable and agile culture.

The key principles underpinning the Group's approach to remuneration are to:

- » Ensure that remuneration is fair, equitable, transparent and market-related, while reflecting the Group's strategic priorities and performance outcomes.
- » Recognise and reward the contribution of employees to the Group's performance and long-term value creation.
- » Attract, retain and motivate high-quality talent.
- » Encourage innovation and entrepreneurial thinking, particularly at senior levels.
- » Ensure compliance with applicable legislation, regulations and governance standards.

Remuneration governance

The Board retains ultimate responsibility for the Remuneration Policy and its implementation, with the Remuneration Committee mandated to assist the Board in fulfilling this responsibility.

The Committee plays an active role in reviewing the Group's Remuneration Policy, philosophy and practices to ensure alignment with the Group's strategic objectives, performance outcomes and evolving market practice.

During the year under review, the Committee noted the publication of the King V Report on Corporate Governance for South Africa in October 2025. The Committee will review the Group's remuneration governance practices during 2026 to ensure appropriate alignment with the updated principles and recommended practices.

The Committee is constituted in accordance with its Terms of Reference and is compliant with the JSE Listings Requirements and applicable statutory requirements. The Committee comprises Independent Non-Executive Directors, with the Chairman of the Board serving as a member but not as Chair.

The responsibilities of the Committee are to:

- » Review and recommend the Remuneration Policy and monitor its implementation.
- » Ensure remuneration practices remain aligned with governance standards and market developments.
- » Assist the Board in ensuring that key employees are retained.
- » Ensure that the Remuneration Policy enables Libstar to meet its strategic objectives.
- » Recommend the remuneration of Non-Executive Directors to the Board.
- » Approve:
 - the Short-Term and Long-Term Incentive Programmes and monitor overall liability;
 - annual salary increase parameters; and
 - the total quantum, vesting criteria and allocations in the Libstar Long-Term Incentive Programme.
- » Review and recommend the remuneration packages for Libstar's Executive Management. These are recommended by the CEO of the Company.

Section 2: Overview of Remuneration Policy continued

Remuneration structure

The Remuneration Policy covers the following reward elements:

		Who is eligible?	What is the objective?	How is the pay level set?		
Total reward	Total remuneration	Variable pay	Long-Term Incentive Programme (Share Plan and Long-Term Incentive Plan)	Executive Directors, Executives, senior management, other key employees	Rewards individual and Company performance, attraction/retention, recognition of individual contribution to operating business success	Allocation based on total guaranteed pay, subject to financial performance and ESG metrics
			Short-term incentives (deferred cash bonus)	Executives, senior management, other key employees	Rewards individual and Company performance, attraction/retention	Business unit required to achieve 90% of EBIT* target
			Short-term incentives (annual cash bonus)	Executive Directors, Executives, senior management, other key employees	Rewards individual and Company performance, attraction/retention	Business unit required to achieve 90% of EBIT* target
	Total guaranteed pay (TGP)	13th cheque	Employees not participating in STI	Motivation	Aligned with business unit financial performance	
		Benefits (pension/provident fund, medical aid, death benefits)	Facilitated by business units	Motivation	Market-linked practices	
		Allowances (cars, phones)	Where appropriate	Attraction/motivation	Linked to market practices	
		Basic (monthly salary, weekly/hourly wage)	All employees			
	Non-financial benefits	Recognition	All employees	Motivation	Provided for in Budgets	
		Personal growth				
		Positive workplace				
Career progression						

* Earnings before interest and taxation

Remuneration composition

Remuneration packages consist of total guaranteed pay and variable pay. Variable remuneration includes short-term incentives, long-term incentives and the Group Share Plan. While the Share Plan remains in place, there are currently no outstanding awards.

The remuneration mix for senior employees places greater emphasis on variable, performance-linked pay, resulting in a higher proportion of “at-risk” remuneration. For more junior employees, the mix is weighted towards guaranteed pay.

1 Total guaranteed pay (TGP)

Description

- » A TGP approach is followed, which may include items such as car and phone allowances.
- » An annual review of TGP is conducted, considering the size and complexity of business units.
- » Increases are considered against factors such as projected annual increases in CPI, Company performance and affordability, performance of businesses in the consumer-packaged goods sector of the JSE Limited, external market conditions, internal equity and the performance of the individual.

The Company facilitates the following plans:

- » Retirement funds for permanent employees
- » Insured risk benefits
- » Medical aid and medical insurance benefits

Section 2: Overview of Remuneration Policy continued

2 Short-term incentives (STIs)

Description

The STI scheme is designed to incentivise and reward the achievement of annual financial and non-financial performance targets, thereby supporting short-term business performance while reinforcing the Group's strategic priorities. An employee may qualify for an STI once the earnings before interest and tax (EBIT) targets for the year have been achieved.

Performance conditions

For Executive Directors, senior management and other key employees, a minimum performance threshold of 90% of EBIT targets must be achieved before any STI becomes payable.

STI outcomes are based on a balanced scorecard comprising financial and non-financial measures:

	% of qualifying "on-target" STI	
Normalised EBIT (actual vs budget)	50%	Financial
Return on net assets (RONA)	20%	
Net working capital efficiency	10%	Performance and ESG
Individual key performance indicators (KPIs) and ESG metrics	20%	

The ESG component incorporates key sustainability measures, including:

- » B-BBEE performance (8%).
- » Water usage efficiency (4%).
- » Electricity efficiency (4%).
- » Disabling injury frequency rate (DIFR) improvement (4%).

The STI Framework described above reflects the structure applied during the 2025 financial year.

To further strengthen the alignment between remuneration and individual contribution, the Group has approved a refinement to the STI Framework effective from 2026, introducing an explicit performance component. This formalises an element that has historically been applied through management assessment and discretion.

STI payment structure

To align remuneration outcomes with sustainable performance and reduce the need for formal clawback provisions, STI payments are structured in two tranches:

- » **70%** payable in December, based on October forecasts, and only applicable where performance is expected to meet or exceed target.
- » **30%** payable following finalisation of audited results, typically in March or April of the following year.

Where the December tranche is not paid due to forecast performance not meeting the required threshold, but final audited results support an STI outcome, the full STI (100%) will be paid following the finalisation of audited results.

All STI payments (annual bonus scheme and deferred cash component) remain subject to the discretion and approval of the Remuneration Committee and the Board.

Deferred STI component

The STI Framework includes a deferred cash component for eligible participants, introduced in 2022 to strengthen retention and align employee interests with sustained performance.

- » The deferred portion vests over three years.
- » Payments commence one year after the financial year in which the STI is earned.
- » Payment is subject to continued employment at the date of vesting.

Executive Directors do not participate in the deferred STI component.

STI opportunity levels

The "on-target" STI opportunity, expressed as a percentage of TGP, is as follows:

	STI (annual bonus scheme) As a % of TGP	STI (deferred cash component) As a % of TGP
Group Chief Executive Officer	50%	— ^{&}
Group Chief Financial Officer and Executive Director	45%	— ^{&}
Group Central Office Executives and Managing Executives of business units	35% - 45%	Up to 25% over three years
Senior management and other key employees	12.5% - 35%	Up to 25% over three years

[&] Do not qualify

Employees and broader remuneration practices

The Group is committed to rewarding employees fairly and responsibly for their contribution to overall performance. Bonus payments for employees not participating in the STI are determined based on a combination of Group and business unit performance and are granted at the sole discretion of the Company. During the year, all bargaining unit employees received bonuses. These varied between business units.

Remuneration is considered within the context of the Group's broader employee value proposition. This extends beyond direct financial reward and includes:

- » Recognition of individual and team performance.
- » Opportunities for career progression and internal mobility.
- » Investment in learning, development and the building of critical skills.
- » Employee wellness and support initiatives.
- » The creation of a positive, inclusive and high-performance work environment.

Section 2: Overview of Remuneration Policy continued

The Group is committed to fair and responsible remuneration practices across all levels of the organisation. Internal benchmarking and periodic reviews are undertaken to promote consistency and equitable pay outcomes, taking into account role complexity, experience, performance and market dynamics.

In line with the Group's commitment to transformation and sustainable value creation, remuneration practices support the advancement of diversity, employment equity and inclusion. Ongoing assessment is performed to promote equal pay for work of equal value, while recognising the complexities of operating in a competitive and evolving labour market.

The Group acknowledges the broader socio-economic context in which it operates, including historical inequalities, and remains committed to progressively improving employment conditions and remuneration outcomes across its workforce. This includes a continued focus on responsible pay practices, skills development and creating opportunities for long-term career progression.

Remuneration and related practices are regularly reviewed to ensure alignment with the Group's strategic priorities, regulatory requirements and evolving stakeholder expectations.

STI 2025 performance criteria

KPI and weightings		Further detail	Threshold target (90%) (R'000)	Target 100% (R'000)	Maximum target# (R'000)
Financial 80%	Profitability 50%	Normalised earnings before interest and tax (EBIT) [^]	Measured against the current year budget or prior year actuals, whichever figure is greater		
	Working capital management 5%	Net working capital days (NWC) or cash conversion ratio – December 2025	Measured against budget		
	Working capital management 5%	Net working capital days (NWC) or cash conversion ratio – Average 2025	Measured against budget		
	Returns 20%	Return on net assets* (RONA)	Measured against budget		
ESG 20%	Measures of ESG and/or other strategic initiatives	Measures, such as water, recycling, and employment equity/B-BBEE targets	<p>Weighted scorecard:</p> <p>B-BBEE (8%): Level 4 contributor (in line with Group target).</p> <p>Water (4%): Achieving a 0% increase in total water usage based on the prior year baseline. Relative to the growth of production performance outputs.</p> <p>Electricity (4%): Achieving a 0% increase in KW/Ton for total electricity consumed from Eskom and generator usage.</p> <p>Disabling injury frequency rate (DIFR) (4%): The actual prior year result improved by 0.1. The Group's target is to reduce by 0.1 on the prior year's actuals. Business units with a DIFR greater than the Group's overall target will be required to reduce by 0.1 on their prior year actuals. Business units with a lower DIFR than the Group's overall target will be required to remain below the Group's overall DIFR target. The Group's DIFR target for 2025 was 1.0.</p>		

[^] Normalised EBIT is a weighting of Group and business unit performance

* RONA = $\frac{\text{Normalised EBIT (after tax)}}{\text{Invested capital}}$

** Average invested capital, excluding intangible assets and cash

Maximum target capped based on a multiple of STI % of TGP

Section 2: Overview of Remuneration Policy continued

STI 2026 performance criteria

The STI Performance Framework remains aligned with prior years, with a targeted refinement to further formalise the link between individual performance and remuneration outcomes.

From 2026, an explicit individual performance component has been introduced, resulting in a revised weighting of financial (64%), ESG (16%) and individual performance (20%). This enhancement reflects the Group's ongoing focus on accountability, individual contribution and the delivery of strategic objectives, while maintaining a strong emphasis on financial and ESG performance.

This refinement does not impact STI outcomes for the current or prior reporting periods.

KPI and weightings	Further detail	Threshold target (90%) (R'000)	Target 100% (R'000)	Maximum target# (R'000)
Financial 64%	Profitability 40%	Normalised earnings before interest and tax (EBIT)^	Measured against the current year budget or prior year actuals, whichever figure is greater	
	Working capital management 4%	Net working capital days (NWC) or cash conversion ratio – December 2025	Measured against budget	
	Working capital management 4%	Net working capital days (NWC) or cash conversion ratio – Average 2025	Measured against budget	
	Returns 16%	Return on net assets* (RONA)	Measured against budget	
Individual Performance 20%	Guided distribution as per policy	Calibrated individual performance ratings extracted from end-of-year performance	Improving – 80% Performing – 100% Exceptional – 120% Outstanding – 140%	
ESG 16%	Measures of ESG and/or other strategic initiatives	Measures, such as water, recycling, and employment equity/B-BBEE targets	Weighted scorecard: B-BBEE (6.4%): Level 5 contributor (in line with revised Group target). Water (3.2%): Achieving a 0% increase in total water usage based on the prior year baseline. Relative to the growth of production performance outputs. Electricity (3.2%): Achieving a 0% increase in KW/Ton for total electricity consumed from Eskom and generator usage. Disabling injury frequency rate (DIFR) (3.2%): The actual prior year result improved by 0.1. The Group's target is to reduce by 0.1 on the prior year's actuals. Business units with a DIFR greater than the Group's overall target will be required to reduce by 0.1 on their prior year actuals. Business units with a lower DIFR than the Group's overall target will be required to remain below the Group's overall DIFR target. The Group's DIFR target for 2026 is 1.6.	

^ Normalised EBIT is a weighting of Group and business unit performance

* RONA = $\frac{\text{Normalised EBIT (after tax)}}{\text{Invested capital}}$

** Average invested capital, excluding intangible assets and cash

Maximum target capped based on a multiple of STI % of TGP

Section 2: Overview of Remuneration Policy continued

3. Long-term incentives (LTIs)

Offer methodology

1 The rules applicable to the Libstar Group Share Plan and the Libstar Long-Term Incentive Plan (LTIP) provide for allocations, awards and grants in accordance with a methodology and plan determined by the Board, in conjunction with the Remuneration Committee, from time to time.

2 The methodology informs the allocations, awards and grants under the Libstar Share Plan and LTIP. The reward strategy remuneration mix of Libstar is determined with reference to:

- » The relationship between guaranteed pay and variable pay.
- » The participation in and balance of the various variable pay structures within Libstar.

3 Each senior employee's remuneration mix consists of:

- » A short-term bonus paid in terms of the STI scheme (with a deferred cash component where applicable).
- » The expected future accrual in terms of the LTIP in which the senior employee participates, resulting from targeted share and financial performance. These are expressed as a percentage of the senior employee's guaranteed pay at the time of an allocation, award or grant under either the Libstar Group Share Plan or the LTIP.

4 The Board has developed an implementation schedule which governs the expected value to be derived from each of the instruments that are offered to participants under the Libstar Group Share Plan, LTIP and STIP (deferred component). These consider an employee's current status, role and remuneration.

The implementation schedule will:

1. Translate the long-term component of the reward strategy pay mix into a value apportionment between the methods of allocation in the Libstar Group Share Plan and the LTIP.
2. Dictate the face value (Rands) of offers to be made. This is expressed as a percentage of a guaranteed short-term incentive bonus.

The face value (Rands) derived from the application of the implementation schedule is converted for each individual into the number of instruments that will be offered to participants by dividing the Rand value by the current price of an ordinary share in the Company at the time the offer is made.

The implementation schedule may sometimes be adjusted for future offers based on evolving economic, market, performance or strategic considerations.

Amendments to LTIP

The Group revised the cash-settled Long-Term Incentive Plan (LTIP) in 2022 following concerns tabled by internal and external stakeholders regarding the complexity of the scheme and the achievement of the scheme's objectives.

The 2019-2021 scheme comprised share appreciation rights, performance units and forfeitable units.

The 2022 LTIP scheme was reduced to performance units only.

Libstar Group LTIP (2019-2021)

The LTIP was introduced in 2019 to:

- » Reward individual and Company performance.
- » Attract/retain talent.
- » Recognise individual contribution to operating business success.

Group LTIP awards from 2019 to 2021 were offered to Executive Directors, Executives, senior management and other key employees.

The 2019-2021 LTIP comprised share appreciation rights, performance units and forfeitable units.

Revised Libstar Group LTIP (2022-2023)

The LTIP was revised in 2022 to attract, motivate, reward and retain eligible employees who can influence the Group's performance to align their interests with those of the Group's shareholders and the business's strategy.

Group LTIP awards during 2022 and 2023 were offered to Executive Directors. The revised LTIP was simplified to only include performance units.

Executives, senior management and other key employees were invited to participate in the deferred cash bonus scheme from 2022.

Libstar Group LTIP (2024 onwards)

The performance criteria of the LTIP were amended, with the weighting of B-BBEE reduced with the inclusion of specific ESG targets.

Section 2: Overview of Remuneration Policy continued

LTIs 2022 - 2023

Libstar Group LTIP and Share Plan		Performance shares			
Eligibility	Executive Directors and selected Executives				
Grant basis	% of annual TGP				
Appreciation basis	Full value				
Performance conditions on vesting	KPI and weightings		Threshold vesting	Target 100% vesting	Stretch/maximum 300% vesting
	Profit (50%)	Normalised HEPS growth over the performance period	Measurements are usually a three-year CAGR relative to CPI plus a premium Below CPI = 0% vesting CPI = 50% vesting	CPI + 0.5%	CPI + 4%
	Shareholder value (30%)	Return on invested capital*	Measure of return relative to the three-year business plan Below WACC = 0% vesting WACC = 75% vesting	WACC + 0.5%	WACC + 1.5%
	ESG (20%)	A measure of ESG and/or other strategic initiatives	Measures such as water, recycling and employment equity/B-BBEE [^] targets	Weighted scorecards	
Vesting period	Third anniversary				
Settlement	Group Share Plan: shares issued or acquired in the market				
	LTIP: cash				
Termination (unless the Board, in its discretion, decides otherwise)	No-fault termination: vests on a pro rata basis to the extent of Company performance Fault termination: forfeited and cancelled				
Link to business strategy	Rewards for individual and Company performance				
	Recognition of individual contribution to the Company's success				

* (Normalised EBIT – amortisation of customer relationships created during the 2014 restructuring of the Group) × (1 – 28%) ÷ Average invested capital[^] (current and preceding financial year)

[^] Broad-Based Black Economic Empowerment

[^] (Total equity + total debt – cash and cash equivalents – intangible assets and goodwill created during the 2014 restructuring of the Group)

Section 2: Overview of Remuneration Policy continued

LTIs 2024-2025 performance criteria

KPI and weightings	Explanation	Threshold vesting	Target 100% vesting	Stretch/maximum 300% vesting
Profit 50%	Normalised HEPS growth over the performance period	Measurements are usually a three-year CAGR relative to CPI plus a premium Below CPI = 0% vesting CPI to CPI + 1% = pro rata between 0% and 100%	CPI + 1%	CPI + 5%
Shareholder value 30%	ROIC	Measure of return relative to the three-year business plan Below WACC = 0% vesting WACC to WACC + 0.5% = pro rata between 0% and 100%	WACC + 0.5%	WACC + 5%
ESG 20%	A measure of ESG and/or other strategic initiatives	Measures such as water, recycling and employment equity/B-BBEE targets	Weighted scorecard: B-BBEE (8%): Level 4 Contributor (as per Group target). Water (4%): Achieving a 0% increase in total water usage based on the prior year baseline. Relative to the growth of production performance outputs. Electricity (4%): Achieving a 0% increase in KW/Ton for total electricity consumed from Eskom and generator usage. Disabling injury frequency rate (DIFR) (4%): The actual prior year result improved by 0.1. The Group's target is to reduce by 0.1 on the prior year's actuals. Business units with a DIFR greater than the Group's overall target will be required to reduce by 0.1 on their prior year actuals. Business units with a lower DIFR than the Group's overall target will be required to remain below the Group's overall DIFR target. The Group's DIFR target for 2025 was 1.0.	

Section 2: Overview of Remuneration Policy continued

LTIs 2026 performance criteria

The performance criteria remain broadly consistent with the prior year. Following shareholder feedback, the Normalised HEPS stretch target has been refined to include GDP, strengthening the focus on real growth and long-term value creation.

KPI and weightings	Explanation	Threshold vesting	Target 100% vesting	Stretch/maximum 300% vesting
Profit 50%	Normalised HEPS growth over the performance period	Measurements are usually a three-year CAGR relative to CPI plus a premium Below CPI = 0% vesting CPI to CPI + 1% = pro rata between 0% and 100%	CPI + 1%	CPI + GDP + 5%
Shareholder value 30%	ROIC	Measure of return relative to the three-year business plan Below WACC = 0% vesting WACC to WACC + 0.5% = pro rata between 0% and 100%	WACC + 0.5%	WACC + 5%
ESG 20%	A measure of ESG and/or other strategic initiatives	Measures such as water, recycling and employment equity/B-BBEE targets	Weighted scorecard: B-BBEE (8%): Level 5 Contributor (as per revised Group target). Water (4%): Achieving a 0% increase in total water usage based on the prior year baseline. Relative to the growth of production performance outputs. Electricity (4%): Achieving a 0% increase in KW/Ton for total electricity consumed from Eskom and generator usage. Disabling injury frequency rate (DIFR) (4%): The actual prior year result improved by 0.1. The Group's target is to reduce by 0.1 on the prior year's actuals. Business units with a DIFR greater than the Group's overall target will be required to reduce by 0.1 on their prior year actuals. Business units with a lower DIFR than the Group's overall target will be required to remain below the Group's overall DIFR target. The Group's DIFR target for 2026 is 1.6.	

Section 3: Implementation of the Remuneration Policy

Salary increases

	2026 %	2025 %	2024 %	2023 %	2022 %
Executive Directors	6.6*	6.4	5.0	*	5.4
Group Office Executives and Managing Executives of business units	(2.1)**	(7.6)	(0.1)	(5.3)	2.5
Employees	The Company uses CPI and remuneration benchmarking as a guideline to determine increases.				
Bargaining unit employees	Bargaining unit employees are remunerated either in line with relevant sectoral determinations, as set out by the Department of Labour, or in line with collective agreements concluded with respective trade unions.				

*Executive Directors

Charl de Villiers was appointed as the Group CEO, and Cornél Lodewyks was appointed as an Executive Director (ED) from 1 January 2023. Terri Ladbrooke was appointed as the new Group CFO in March 2023. A market benchmarking exercise was conducted to establish the salary levels of all three roles in 2023. The Executive Director 2026 increases were considered in line with the 50th percentile of the consumer-packaged goods sector peer group.

R'000	% increase	Total guaranteed pay 2026	Total guaranteed pay 2025
Charl de Villiers – CEO	7.4%	6 316	5 881
Cornél Lodewyks – ED	6.0%	4 898	4 621
Terri Ladbrooke – CFO	6.0%	4 139	3 905

**Group Office Executives and Managing Executives of business units

An increase of between 4.0% and 4.5% was approved; however, the effective change from the prior year was a decrease of 2.1% due to the exit of the Fresh Mushrooms Managing Executive.

STI payments

Based on the Group's performance during the year under review, the Executive Directors and Group Office Executives received short-term incentives.

In addition, a once-off STI-linked award was approved for Executive Directors in recognition of exceptional performance delivered during the year, as outlined below.

Managing Executives of the business units were paid STIs in line with the performance of the relevant business unit against budget.

STI amounts are disclosed below on an accrual basis (earned), not on a cash paid basis.

% of TGP	2025	2024	2023	2022	2021
Executive Directors#:					
STI	51.1	14.3	–	–	13.6
Discretionary bonus	24.8	–	–	8.3	–
Total	75.9	14.3	–	8.3	13.6
Group Office Executives and Managing Executives of business units	27.1	18.3	11.4	15.3	19.3
Rand value R'000					
Executive Directors#:					
STI	7 363	2 015	–	–	1 968
Discretionary bonus	3 571	–	–	894	–
Total	10 934	2 015	–	894	1 968
Group Office Executives and Managing Executives of business units	10 002*	7 943	5 395	9 131	10 878

Charl de Villiers, Cornél Lodewyks and Terri Ladbrooke are included as Executive Directors from 2023.

* *Ex gratia* payments were paid out to Denny Mushrooms Executives to acknowledge the successful sale of the Denny Mushrooms business.

Section 3: Implementation of the Remuneration Policy continued

In addition to the STI outcomes, the Remuneration Committee and Board approved a once-off STI-linked award for Executive Directors in recognition of exceptional performance delivered during the 2025 financial year.

STI targets for the year were achieved, reflecting strong operational performance. In assessing remuneration outcomes, the Board considered the Group's overall performance relative to the existing remuneration framework, noting the successful delivery of a number of key strategic priorities during the year. These included portfolio optimisation with the exit of underperforming business units, significant cash flow improvements across multiple metrics, alongside continued improvement in financial performance.

The Board further considered that certain aspects of this performance, while aligned with long-term value creation, are not fully reflected in the current STI weighting and outcomes. Accordingly, a once-off award was approved to recognise this broader delivery.

The Committee exercised judgement in determining the quantum of the award, taking into account overall Group performance and ensuring that the outcome remained proportionate relative to the STI achieved.

The award was determined following the finalisation of audited financial results and will be paid in the 2026 financial year.

STI deferred cash component

Managing Executives of the business units who qualified for STIs were awarded a deferred cash component.

Rand value R'000	2025	2026	2027	2028
Executive Directors[^]				
2022 awards	165	-	-	-
Group Office Executives and Managing Executives of business units				
2022 awards	1 005	-	-	-
2023 awards	1 019	1 019	-	-
2024 awards	1 491	1 491	1 491	-
2025 awards	-	2 069	2 069	2 069

[^] Executive Directors do not qualify for STI deferred payments. However, Terri Ladbrooke qualified for deferred payments before being appointed as an Executive Director.

Explanation of payments

STI awards – 2025 performance

Libstar is required to achieve at least 90% of its EBIT target against budget before any bonuses become payable.

The individual performance metrics used are outlined below:

	ESG					
PERFORMANCE MEASURES	Normalised EBIT	Net working capital days	RONA	B-BBEE	Water & Electricity	DIFR
DESCRIPTION	Budget (threshold 90% of budget)	December 2024 Average 2024	Budget	Compliance		
TARGET FOR 2025	R700.0 million	80 82	11.5%	Level 4	0% increase	1.0
ACTUAL FOR 2025	R712.0 million	80 87	12.2%	Level 5	<0% increase	1.7
RESULTS	Achieved (101.5%)	Achieved Not achieved	Achieved	Not achieved	Achieved	Not achieved
WEIGHTING	50%	5% 5%	20%	20%		

Return on net assets (RONA) targets are established at business unit level. The Group aims to achieve ROIC in excess of its weighted average cost of capital (WACC).

During 2025, the Group achieved a ROIC of 10.9% (2024: 8.6%) against a WACC of 11.0% (2024: 12.0%).

Section 3: Implementation of the Remuneration Policy continued

Directors' share rights

Long-Term Incentive Plan (LTIP)

The table below sets out the awards to Executive Directors made in terms of the LTIP:

	Date of award	Vesting date	Strike price (SARs)/ 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
CEO (Charl de Villiers)								
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
CFO (Terri Ladbrooke)								
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
Executive Director (Cornél Lodewyks)								
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



Section 3: Implementation of the Remuneration Policy continued

Single-figure remuneration

The following table discloses the total remuneration of the Executive Directors in accordance with the requirements of the Companies Act and the JSE Listings Requirements, on a single-figure basis.

R'000	Basic salary	Company contributions	Bonuses and incentives	Share-based payments	Other benefits ⁵	Total
31 December 2025						
Charl de Villiers	5 810	71	989	418	–	7 288
Terri Ladbrooke	3 859	46	801	–	–	4 706
Cornél Lodewyks	3 722	899	1 514	–	–	6 135
31 December 2024						
Charl de Villiers	5 355	54	–	138	–	5 547
Terri Ladbrooke	3 675	40	410	32	–	4 157
Cornél Lodewyks	3 539	1 015	189	103	108	4 954

⁵ Other benefits include bursary fees for further education and retirement benefits.

Reconciliation of bonuses and incentives

The table below provides additional transparency on the calculation of short-term incentives and other performance-based remuneration for Executive Directors. This disclosure bridges the performance outcomes achieved during the year with the remuneration recognised in the single-figure table above.

	2025	2024
Charl de Villiers		
TGP (R'000)	5 881	5 409
STI as a % of TGP	50%	50%
On-target bonus (R'000)	2 940.5	2 704.5
Bonus awarded (R'000)	5 881 x 51.4% = 3 023.5	5 409 x 18.3% = 988.5
Bonus paid	March 2026	April 2025
Once-off discretionary bonus (R'000)	5 881 x 26.6% = 1 565.1	
Discretionary bonus paid	March 2026	
Terri Ladbrooke		
TGP (R'000)	3 905	3 715
STI as a % of TGP	45%	45%
On-target bonus (R'000)	1 757.3	1 671.8
Bonus awarded (R'000)	3 905 x 46.0% = 1 798.2	3 715 x 17.1% = 636.5
Bonus paid	March 2026	April 2025
Once-off discretionary bonus (R'000)	3 905 x 23.3% = 910.2	
Discretionary bonus paid	March 2026	
Cornél Lodewyks		
TGP (R'000)	4 621	4 554
STI as a % of TGP	45%	45%
On-target bonus (R'000)	2 079.5	2 049.3
Bonus awarded (R'000)	4 621 x 55.0% = 2 541.2	4 554 x 8.6% = 390.1
Bonus paid	Dec 2025 (1 124.1); Mar 2026 (1 417.1)	April 2025
Once-off discretionary bonus (R'000)	4 621 x 23.7% = 1 095.6	
Discretionary bonus paid	March 2026	

Section 3: Implementation of the Remuneration Policy continued

Non-Executive Directors' fees

The proposed fees for 2026 are set out below and are subject to approval by shareholders at the AGM in May 2026. The increase proposed equates to 4.0%. This is in line with inflation. The Board believes that the fees are market-related and commensurate with the time and effort required by the Directors to undertake their duties. Fees are compared to the data contained in the Willis Towers Watson and PwC reports on Non-Executive Directors' remuneration and fees paid by peers in the consumer-packaged goods sector.

The proposed fees also consider the qualifications, experience and opportunity cost of the targeted profile of Non-Executive Directors for the Group. The fees are appropriate to retain existing and attract potential new Non-Executive Directors. No Non-Executive Directors participate in any incentive programmes, and their remuneration is not linked to the performance of the Group or its share performance.

	2026 Proposed fees 1 January 2026 to 31 December 2026 Rand	2025 Fees 1 January 2025 to 31 December 2025 Rand
Board of Directors		
Chairman	945 947	909 564
Independent Director	364 872	350 838
Audit and Risk Committee		
Chairman	351 352	337 838
Committee member	189 190	181 913
Remuneration Committee		
Chairman	337 843	324 849
Committee member	148 654	142 937
Nomination Committee		
Chairman	270 271	259 876
Committee member	135 134	129 937
Social, Ethics and Transformation Committee		
Chairman	270 271	259 876
Committee member	135 134	129 937
Investment Committee		
Chairman	270 271	259 876
Committee member	135 134	129 937



Corporate *information*

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(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)

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