RCL FOODS

WE GROW WHAT MATTERS

ABRIDGED INTEGRATED ANNUAL REPORT 2024

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WELCOME TO OUR 2024 ABRIDGED INTEGRATED ANNUAL REPORT

This report reflects RCL FOODS' performance for the 12 months ended June 2024. Please refer to page 2 for details on the report's scope and boundary, the materiality and comparability of its information, and its assurance and approval.

This report begins with an executive summary section, headed by our CEO's report, which gives an overview of our impact in 2024. This is followed by an overview of our business, how we operate, our strategic progress, our Chairman's and CFO's reports, and our Abridged Financial Statements.

Last year we transitioned to a fully digital Abridged Integrated Annual Report. Please make use of the buttons and embedded links to access the different sections of the report and relevant external material.

NAVIGATING THE REPORT

- Click on this link to access related information on the RCL FOODS website at *www.rclfoods.com*
- AFS: Click on this link to access the page in the Annual Financial Statements with more details
- SBR: Click on this link to access the page in the Sustainable Business Report with more details
- GOV: Click on this link to access the Corporate Governance Report with more details

ICON REFERENCES

OUR CAPITALS

- FC FINANCIAL CAPITAL
- HC HUMAN CAPITAL
- IC INTELLECTUAL CAPITAL
- MC MANUFACTURED CAPITAL
- NC NATURAL CAPITAL
- SC SOCIAL AND RELATIONSHIP CAPITAL

OUR STAKEHOLDERS

- COMMUNITIES
- CONSUMERS
- CUSTOMERS
- EMPLOYEES
- ENVIRONMENT
- GOVERNMENT
- INVESTORS AND FUNDERS
- MEDIA
- SUPPLIERS

ABOUT THE REPORT

SCOPE AND BOUNDARY

The aim of this Abridged Integrated Annual Report, which forms part of our 2024 annual reporting suite, is to provide stakeholders with a balanced and holistic view of both the financial and environmental, social and governance (ESG) impacts of RCL Foods Limited (RCL FOODS or the Group) to enable them to obtain a better understanding of its long-term prospects. This report also includes the financial performance of RCL FOODS' joint ventures and associates. It covers the performance for the 12 months ended June 2024 and provides an overview of operations of the Group with relevant comparatives to the previous period.

MATERIAL ASPECTS AND COMPARABILITY

Materiality has been applied to qualitative and quantitative disclosures contained in this report. An item is considered material if it could influence the decisions of our business and its stakeholders. There have been no significant changes to the content and scope of this report from prior years. To enhance the comparability of information, certain comparative figures may have been restated and these have been noted as such.

ASSURANCE AND APPROVAL

The Board acknowledges its responsibility for the content of RCL FOODS' Abridged Integrated Annual Report. The Board has contributed to the identification of matters that are material to RCL FOODS and these matters have been used to select relevant information to be addressed in the report. Management has prepared and verified the information contained in it, ensuring an accurate, balanced and comprehensive overview of the organisation. The information has been verified by a combination of internal and external assurance providers.

This Abridged Integrated Annual Report has been reviewed by the RCL FOODS Audit Committee and Board who have assessed its content and believe that it is presented in accordance with the Integrated Reporting (<IR>) Framework, that it addresses all material issues and fairly presents the integrated performance of the Group. The Board has authorised the release of this report at the RCL FOODS Board meeting held on 30 August 2024.

RCL FOODS values feedback and therefore welcomes any questions or comments regarding this report. These can be emailed to the Company Secretary, Lauren Kelso, at lauren.kelso@rclfoods.com. Stakeholders are also directed to the Group's website for this report and other relevant additional supporting reports, Board committee charters and compliance information.

AFS *Details of the assurance element and providers are set out on pages 9 to 13 of the Annual Financial Statements, available on our website at www.rclfoods.com/financial-results-and-reports-2024.*

RELATED REPORTS

This Abridged Integrated Annual Report forms part of, and should be read in conjunction with, our suite of annual reports available online on our website, namely:

Sustainable Business Report

Annual Financial Statements

Corporate Governance Report

Remuneration Report

King IV Application Register

REPORTING GUIDANCE

INTEGRATED REPORTING <IR>

IFRS

JSE

INSTITUTE OF DIRECTORS SOUTHERN AFRICA

SUSTAINABLE DEVELOPMENT GOALS

GRI Empowering Sustainable Decisions

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of the 2024 financial year

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OUR CHIEF EXECUTIVE OFFICER'S REPORT

PAUL CRUICKSHANK
Chief Executive Officer

REVENUE*
R26,0 billion
▲ 6.8%

EBITDA*
R2 300,5 million
▲ 36.8%

RCL FOODS is a business with a single-minded Purpose: We Grow What Matters. What matters to us is creating enduring value for all our stakeholders, from shareholders to employees, communities and our environment. Looking back on the last 12 months – a tough time for any business in South Africa – it is clear that RCL FOODS is living its Purpose and making a positive impact where it counts, despite the challenges we have faced. This impact is unpacked across our Integrated Annual Report suite, from our financial performance to our social and environmental impact. I invite you as a valued stakeholder to join us in growing what matters, together.

** For continuing operations, namely, the remaining RCL FOODS business, post the Vector disposal in August 2023 and Rainbow unbundling effected post the end of the current financial year, on 1 July 2024. The remaining RCL FOODS business comprises the Groceries, Baking, Sugar and Group (shared services) segments.*

RCL FOODS achieved a pleasing set of financial results for the 2024 financial year, despite consumer demand remaining under significant pressure. Group revenue from continuing operations increased by 6.8% to R26,0 billion (2023: R24,3 billion), mainly due to higher sales pricing necessitated by sustained high input costs. Earnings before interest, taxes, depreciation, amortisation and impairments (EBITDA) from continuing operations increased by 36.8% to R2 300,5 million (2023: R1 681,6 million). This was mainly driven by an excellent result in our Sugar business unit, which benefited from higher local and export prices, a more favourable sales mix and operational efficiencies. Recovery in volumes in the Pet Food category, coupled with "best in class" efficiency initiatives, contributed to an improved profit performance in Groceries, although partially offset by volume and margin challenges in the Culinary category. Baking was marginally down on the prior year, with improved Milling and Speciality margins being offset by volume pressure across all operating units.

The last 12 months have been difficult for South African consumers contending with the rising cost of living and high levels of unemployment (33.5% in the second quarter of 2024). While food inflation has moderated from the previous period's record highs, it remains significant and shoppers have responded by trading down to cheaper

OUR **CHIEF EXECUTIVE OFFICER'S REPORT** CONTINUED

alternatives or buying less. Lower sales volumes, high input costs and an inability to fully recover these through price increases resulted in tight trading margins for many producers, ourselves included. In this context, the reduction in load-shedding came as a welcome relief in the second half of the year, reducing disruptions to operations and running costs, as did the stabilisation in soft commodity input costs – although these remain elevated relative to historic levels.

> As RCL FOODS our priority is to ensure the sustainability of our business in line with our Purpose, which includes continuing to provide quality, affordable food to consumers, keeping our people employed and providing an acceptable return on investment. In difficult operating conditions in 2024, this has entailed carefully balancing revenue, margin and profit and managing trade-offs in the most responsible way possible, while remaining committed to our long-term strategy to create enduring positive impact.

While continuing to execute against our long-term business strategy, we have responded to our operating context tactically, focusing on the factors most within our control: restoring service levels impacted by the previous period's load-shedding, rebuilding volumes and market shares, driving efficiencies, preserving cash, and responsibly executing on the unbundling and separate listing of Rainbow.

Canine Cuisine and Feline Cuisine grew their market volume share by 6.2 and 4.7 percentage points respectively, in the 12 months to June 2024.

STRATEGIC REVIEW

STRATEGIC PORTFOLIO RESHAPE

Since our strategic portfolio review in the 2021 financial year, we have been on a journey to reshape our portfolio around the value-added component of our business, while unlocking growth through sharper strategic focus and active investment. During the last 12 months we have successfully delivered on two key portfolio transformation objectives. First, Vector Logistics was disposed of on 28 August 2023 to EMIF II Investment Proprietary Limited, a subsidiary of Denmark-based A.P. Møller Capital. To ensure a smooth separation, we provided transitional services to Vector Logistics for a 12-month period ending on 28 August 2024. Our relationship with Vector Logistics continues via various arm's-length contractual agreements between them and some of our business units.

Second, the Rainbow business, which was separated internally from RCL FOODS in the 2022 financial year to prepare it for independent operation, was unbundled to shareholders. Rainbow was listed on the Main Board of Johannesburg Stock Exchange (JSE) on 26 June 2024. The unbundling of Rainbow from the RCL FOODS Group by way of a *pro rata* distribution *in specie* became effective from 1 July 2024. While Rainbow is still in a turnaround phase, the business has returned to profitability and is ready to stand alone with its own capital structure and investment proposition. RCL FOODS is continuing to provide certain transitional services to Rainbow on an arm's-length basis for a two-year period, to assist in a responsible exit from the Group and allow sufficient time for Rainbow to capacitate.

The separation of Vector Logistics and Rainbow from RCL FOODS is a major milestone in our respective journeys, allowing us to leverage our respective strengths for growth. We wish both Vector Logistics and Rainbow every success in the future.

Given the separation of Vector Logistics and Rainbow from the Group, our financial performance is reported from a continuing operations perspective, with Vector and Rainbow reported separately as discontinued operations. For the purposes of this Abridged Integrated Annual Report (including our Sustainable Business Report), certain financial and non-financial callouts have been reported from a total operations perspective to illustrate, as relevant, our total impact from all operations that formed part of the Group (unless otherwise stated).

Scaling our remaining business is a key priority for RCL FOODS. Our strategic clarity and cash generative operations place us in a strong position to consider potential strategic bolt-on acquisitions as they arise, and we have investigated a number of opportunities during the year. Our central business services platform remains a key strategic capability in this regard. We also continue to pursue organic growth via expansion into adjacent categories and new geographies, with the recently-integrated KwaZulu-Natal-based Sunshine Bakery business being an example of the latter.

Below I will touch briefly on our progress against our RCL FOODS Strategy.

OUR **CHIEF EXECUTIVE OFFICER'S REPORT** CONTINUED

PROGRESS WITH OUR STRATEGY

As a reminder, our Business Strategy consists of three pillars: People First, Right Growth and Future Fit. Through it and our embedded Sustainability Strategy, we aim to Grow What Matters and achieve our Vision – "a purpose-led business that delivers value for all and that creates the fuel to fund enduring positive impact".

People – our employees and the communities around our operations – are the bedrock of our business and our Purpose, which is why **People First** is the first pillar of our strategy. Acknowledging the key role we play in growing what matters for our people and communities, we have invested a significant amount of time and energy during the year in embedding our Purpose and revised Values-in-Action across the organisation, implementing our refreshed Diversity and Inclusivity framework, and investing in our people's growth and wellbeing. In so doing we have been seeking to build a high-performance, diverse and inclusive culture that is driven by a common Purpose. Our efforts to build a strong Safety, Health, Environment, Risk and Quality (SHERQ) culture – through initiatives like our new SHERQ Annual Recognition Awards and our annual Safety Month campaign – are bearing fruit, with a pleasing decline in Lost Time Injuries. To differentiate ourselves in a competitive market, we have also continued to invest in strategic capabilities such as consumer marketing insights, enhanced data management and manufacturing excellence. On the community front, a highlight of our efforts to build resilient communities has been our investment of a further R19,9 million to refurbish our Nkomazi small-scale growers' irrigation infrastructure which was severely impacted by flooding in February 2023. Our growers form a key part of our Sugar supply chain and we are committed to helping sustain their businesses for the sake of their families and the rural communities they support. Our DO MORE FOUNDATION has also continued to scale up its community-based and national programmes, with young children in 33 communities across eight provinces now benefitting from fortified sorghum-based DO MORE Porridge, and the Foundation supporting communities around each of RCL FOODS' operations across South Africa.

The separation of Vector Logistics and Rainbow was a key step towards repositioning our portfolio to drive **Right Growth**. The process has also provided an opportunity for us to re-evaluate and reaffirm the value of our central business services platform, which not only supports our business units, but also third-party customers such as Siqalo Foods and LIVEKINDLY Collective Africa. In parallel with reshaping our portfolio, we have also focused on driving Right Growth in our existing branded portfolio through strengthening profitability, growing market share, growing our revenue and continuing to leverage our value tier to meet the needs of cash-strapped consumers.

We leveraged our enhanced consumer insights and digital capabilities to invest judiciously behind our brands for revenue and market share growth. In the exports space, we have continued to grow our revenues in the SADC region and are reinvesting in this channel to grow our cross-border presence.

Under our **Future Fit** pillar, a key focus has been to deliver cost efficiencies to become a "best in class" producer. With a "best in class" mindset now entrenched in the business, we are seeing improved momentum in the initiation and delivery of efficiency projects. We have also actively pursued a range of strategies to build a "net positive business" to enhance our economic, social and environmental future.

In addition to driving financial sustainability by increasing our Return on Invested Capital (ROIC), we have focused on building resilience programmes to secure our energy and water resources and safeguard our supply chain against interruption. Energy plans have been prioritised and are in place, while water risk assessments have informed mitigation plans for the 2025 financial year.

SBR *Further detail is provided in the Strategic Progress section of this report on page 66 and in our Sustainable Business Report.*

REVIEW OF OUR CONTINUING OPERATIONS

Our continuing operations' revenue for the year ended June 2024 increased 6.8% to R26,0 billion (2023: R24,3 billion), largely attributable to higher market prices in Sugar, the recovery in pet food volumes and the 12-month inclusion of the Sunshine Bakery business acquired in the second half of the previous financial year.

EBITDA increased by R618,9 million (36.8%) to R2 300,5 million (2023: R1 681,6 million) at a margin of 8.8% (2023: 6.9%), largely driven by a strong performance in Sugar. "Best in class" savings initiatives resulted in improved margins, mostly offsetting the impact of lower market demand. Lower levels of load-shedding also aided the improved performance.

By managing the relationship between volume, revenue and profit as judiciously as possible, we were pleased to see a positive upturn in our volumes in the last quarter, delivering a pleasing profit consequence. Below I will briefly discuss the performance of each of our business units.

OUR **CHIEF EXECUTIVE OFFICER'S REPORT** CONTINUED

GROCERIES (GROCERY, BEVERAGES)

	2024	2023	% change
Revenue (Rm)	**5 313,0**	5 034,2	5.5
EBITDA (Rm)	**502,3**	389,3	29.0
EBITDA margin (%)	**9.5**	7.7	1.8ppts
Underlying EBITDA (Rm)	**497,4**	405,8	22.6
Underlying EBITDA margin (%)	**9.4**	8.1	1.3ppts

BAKING (BREAD, BUNS & ROLLS, MILLING, PIES, SPECIALITY)

	2024	2023	% change
Revenue (Rm)	**9 136,9**	8 625,4	5.9
EBITDA (Rm)	**517,3**	527,9	(2.0)
EBITDA margin (%)	**5.7**	6.1	(0.4)ppts
Underlying EBITDA (Rm)	**516,1**	547,9	(5.8)
Underlying EBITDA margin (%)	**5.6**	6.4	(0.8)ppts

The improved performance in our **Grocery operating unit** was due to a better sales mix as well as improved margins and service levels in Pet Food. Cost of production was reduced due to lower levels of load-shedding in the second half of the financial year.

In the **Culinary segment**, volumes remained flat in a competitive landscape. Nola Mayonnaise, Yum Yum Peanut Butter and Ouma Rusks have remained the market leaders in their respective categories, with Nola growing its volume share strongly in the last quarter. Our value-tier innovations, Nola Street Style Mayonnaise and Yum Yum Peanut Spread, continue to do well.

The **Pet Food segment** generated a significantly improved result as service levels and margins recovered from the impact of sustained load-shedding in the previous financial year. Sales mix changes are supporting higher margins, and the front-end recovery programme is yielding improved sales volumes despite softer demand, especially in economy retail. Canine Cuisine and Feline Cuisine both continue to outperform the premium retail market, while Bobtail and Catmor's shares are recovering steadily. Optimizor Special Diets was launched in March 2024 as the first specialised offering in the non-grocer channel.

While volumes declined in the **Beverages operating unit**, a better mix, lower stock returns and operational efficiencies drove an improved performance. To stimulate demand in the mageu category, the business launched Number 1 Boost, which targets a younger, more active consumer.

The **Baking business unit** was down on the prior year, with gains in Milling and Speciality offset by a disappointing performance in the Bread, Buns & Rolls operating unit. The Sunshine Bakery business has been successfully integrated into the Baking business unit and its results for the 12 months are included accordingly.

The **Bread, Buns & Rolls operating unit** faced intense competition and margin pressure during the year. A significant increase in input costs, notably sustained high wheat costs, necessitated a price increase in October 2023 which led to a decrease in sales volumes. In recent months, Sunbake sales volumes have shown signs of recovery.

The **Milling operating unit** achieved an improved result through better cost control in production and distribution, as well as an enhanced product and channel sales mix. Milling volumes sold were largely in line with the prior period, but increased in recent months, following the Sunbake lead.

In the **Pies operating unit**, substantial work was done in the year to resolve service level challenges and improve margins. While production has stabilised, volumes remain under significant pressure due to lower demand in the Retail and Forecourts channels. The business continues to drive its increasingly popular retail freezer range, as well as accelerate innovation.

The **Speciality operating unit** delivered a strong performance and maintained margins, despite facing volume pressure. This was achieved through cost savings and efficiencies resulting from continuous improvement initiatives. Recently, there has been a notable volume recovery due to innovations in smaller formats and more competitive price points.

OUR **CHIEF EXECUTIVE OFFICER'S REPORT** CONTINUED

SUGAR (SUGAR, MOLATEK MOLASSES-BASED ANIMAL FEED)

	2024	2023	% change
Revenue (Rm)	**11 811,0**	11 101,4	6.4
EBITDA (Rm)	**1 409,3**	879,4	60.3
EBITDA margin (%)	**11.9**	7.9	4.0ppts
Underlying EBITDA (Rm)	**1 272,3**	1 053,8	20.7
Underlying EBITDA margin (%)	**10.8**	9.5	1.3ppts

The **Sugar business unit** had a strong underlying performance, largely due to higher local and export prices, an improved agricultural performance and an outstanding Animal Feed result. This offset the impact of lower sales volumes relative to the 2023 financial year when the market bought in ahead of the local sugar price increase. Sales volumes were also impacted in the first half of the 2024 financial year by competitive local market pricing, although volumes improved as demand recovered in the second half. Effective hedging policies at industry level protected the local market and positively influenced the price received for exports during the year.

Sugar production decreased by 11.8%, hampered by a difficult start to the crushing season due to delays caused by heavy rain. The back-to-basics initiative in Sugar agriculture is delivering increased yields and improved cane quality in the current growing season, aided by the suspension of load-shedding which allowed for regular irrigation scheduling.

The resilience of the Sugar business unit has been substantially strengthened in the past year through ongoing operational improvements and cost saving initiatives. Outsourcing transport and shortening the outbound supply chain have unlocked significant savings and focused expense management in both the agriculture and processing space. The Komatipoort raw sugar warehouse, which was destroyed in a fire in October 2021, has been rebuilt and was commissioned in June 2024. This will reduce Sugar's supply chain costs and significantly derisk the business. As already mentioned, our R19,9 million investment into our Nkomazi small-scale growers' bulk irrigation infrastructure was another key initiative to safeguard our cane supply and the community's livelihoods.

The **Molatek Animal Feed business** had a record year, driven by a sales mix geared toward higher-margin product sales, strong operational efficiencies and cost savings that offset a higher molasses price. Overall volumes declined due to internal raw material availability challenges in the first half of the year.

PROSPECTS FOR OUR CONTINUING OPERATIONS

We expect the economic environment to remain challenging, with consumers likely to remain under pressure amidst sustained high interest rates, household debt and unemployment, all of which could impact further on local sales volumes and price realisations. On a macro level, key downside risks include volatility in the Rand/Dollar exchange rate and continued high commodity input costs.

As a leading food producer, we understand the importance of our role in keeping South Africans fed and employed, and we will continue to prioritise affordability while safeguarding the sustainability of our business. A key priority for the coming year will be to unlock savings to manage the temporary overheads dyssynergy arising from the Vector Logistics and Rainbow separations, and to maintain a strong cash focus to enable us to invest in appropriate growth opportunities as they arise.

While market prices remain elevated, we are encouraged by some recent recovery in market volumes. We will continue to execute our front-end recovery programmes in Grocery (Pet Food) and Baking (Bread, Buns & Rolls and Pies), while shifting gear to drive strategic growth in Speciality Pet and Exports.

Despite being exposed to variables outside our control, such as the world sugar price, our Sugar business anticipates improved agricultural yields, and further cost saving initiatives will support its results into the future. World market prices are, however, expected to come under pressure in the forthcoming year.

There remains significant uncertainty around the future of the sugar industry in South Africa and we will continue to support the South African Sugar Association (SASA) and Government in endeavours to ensure the industry's long-term sustainability.

Refer to our Chairman's Report for further detail.

Sugar delivered its highest result since inception.

OUR **CHIEF EXECUTIVE OFFICER'S REPORT** CONTINUED

DISCONTINUED OPERATION REVIEW

VECTOR LOGISTICS

Vector Logistics was classified as a discontinued operation in the prior financial year, with the sale being finalised in August 2023. Vector Logistics reported a profit attributable to equity holders of R253,8 million for the period to disposal date (28 August 2023) which includes the R243,9 million profit arising from the disposal of the Vector Logistics segment.

RAINBOW

The Rainbow segment is classified as a disposal group held for sale as at 30 June 2024 and represented a separate major line of business of RCL FOODS. Accordingly, Rainbow has been classified as a discontinued operation.

	2024	2023	% change
Revenue (Rm)	**14 527,4**	13 463,9	7.9
EBITDA (Rm)	**629,7**	29,8	2 013.1
EBITDA margin (%)	**4.3**	0.2	4.1ppts
Underlying EBITDA (Rm)	**672,1**	81,0	729.8
Underlying EBITDA margin (%)	**4.6**	0.6	4.0ppts

Rainbow's revenue for the year ended June 2024 increased by 7.9% to R14,5 billion (2023: R13,4 billion). The increase was largely attributable to higher volumes in the retail wholesale channel and higher realised pricing. EBITDA increased by R599,9 million to R629,7 million (2023: R29,8 million) at a margin of 4.3% (2023: 0.2%). Excluding negative fair value adjustments on Rainbow's commodity raw material procurement positions in 2023 and 2024, Rainbow's underlying EBITDA increased by R591,2 million to R672,1 million, despite the R202,6 million impact of Avian Influenza during the period. The overall gain compared to the prior year was driven by an enhanced agricultural performance, higher processing yield, effective cost management, improved realisations, increased volumes in the retail and wholesale channel, relief in commodity prices (albeit still at elevated levels), and a reduction in load-shedding costs.

Rainbow's turnaround is now well advanced, with every component of the process yielding positive results. The transition to the Indian River breed, which began more than two years ago, is complete, although its full impact will only be realised in the 2025 financial year. The new breed, a less energy-dense feed and a focus on husbandry basics are driving delivery on all agricultural key performance indicators. The doubling of capacity at the Hammarsdale processing plant was implemented successfully, which resulted in increased volumes, lower processing costs and the creation of 489 direct and indirect job opportunities.

While a significant number of breeder birds had to be culled, the Avian Influenza impact was partially mitigated by the extension of layer flocks, improved agricultural performance and the importation of eggs. To mitigate the risk of a further significant outbreak of Avian Influenza, Rainbow relocated its Midrand breeder facilities to a less densely populated region in record time.

Rainbow's grain-based **Animal Feed business** achieved satisfactory profitability by focusing on improving external margins and driving an optimal sales mix. External volumes remained under significant pressure due to excess production capacity in the market.

RAINBOW'S PROSPECTS

Despite the consumer being severely under pressure and commodity prices remaining elevated, Rainbow's performance in the coming year will benefit from its improved agricultural performance and higher volumes. Its focus now will be on bedding down the separation from RCL FOODS, demonstrating ongoing profitability through the commodity cycles, remaining vigilant in terms of risks, protecting agricultural performance and continuing to innovate.

CONCLUDING REMARKS

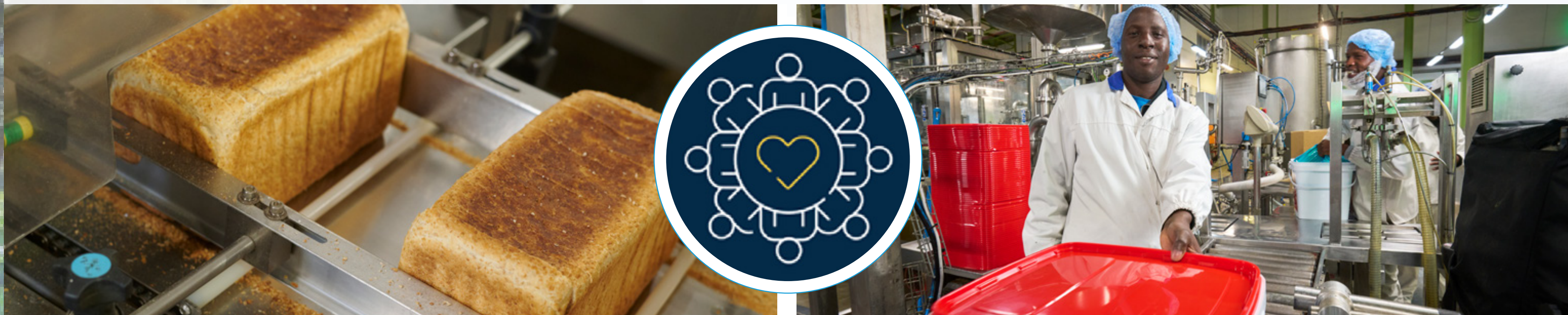
I am proud of the resilience we have shown despite tough trading conditions to date, enabled by our Purpose, our focused strategy, our supportive culture and pragmatic approach of "controlling the controllables". The successful separation of Vector Logistics and Rainbow gives us further energy to pursue our long-term goals.

My thanks go to our Board for supporting us on this journey and to the dedicated people of RCL FOODS for their energy and commitment to Growing What Matters, together.

OUR BUSINESS IN 2024

RCL FOODS is one of South Africa's leading food manufacturers, producing a broad basket of branded and private label food products in multiple categories, from household staples to value-added and speciality offerings.

What matters to us is not just the food we create, but the impact we have on our people, communities, environment and nation.



IN 2024 WE PRODUCED:

- **85 million** jars of mayonnaise
- **26 million** jars of peanut butter
- **75 000 tonnes** of pet food
- **107 million** pies
- **43 million litres** of beverages
- **350 000 tonnes** of flour
- **282 million** units of bread, buns and rolls
- **30 million** units of Speciality products
- **574 503 tonnes** of sugar
- **356 000 tonnes** of chicken products
- **1,25 million tonnes** of animal feed

OUR **BUSINESS IN 2024** CONTINUED

Since 2020 we have been on a journey to build a sustainable value-added business. Following our strategic portfolio review in 2021, we separated the Vector Logistics and Rainbow businesses internally from RCL FOODS to prepare them for independent operation. Vector Logistics was disposed of on 28 August 2023. Rainbow was unbundled to shareholders and was listed on the Main Board of the JSE on 26 June 2024. The unbundling of Rainbow from the RCL FOODS Group by way of a *pro rata* distribution *in specie* became effective from 1 July 2024. Our business during the 2024 financial year (and following the Vector Logistics disposal) was structured as follows:

RCL FOODS

R26,0 billion REVENUE

9 691 employees

BUSINESS UNITS

- **Groceries** (Grocery, Beverages)
- **Baking** (Bread, Buns & Rolls, Milling, Pies, Speciality)
- **Sugar** (Sugar, Molatek Animal Feed)

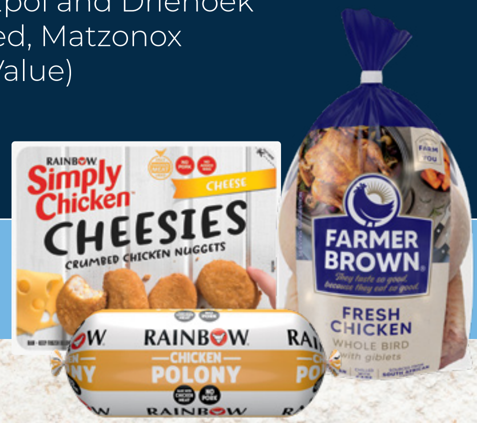
RAINBOW

R14,5 billion REVENUE

6 629 employees

BUSINESS UNITS

- **Rainbow** (Chicken, Epol and Driehoek Animal Feed, Matzonox Waste-to-Value)



RCL FOODS

SUPPORTED BY OUR CENTRAL FUNCTIONS AND BUSINESS SERVICES PLATFORM

OUR STAKEHOLDER IMPACT IN 2024 – TOTAL OPERATIONS

Inspired by our Purpose, we have worked to deliver value for our business and all its stakeholders during the year, while setting ourselves up for enduring positive impact. Our 2024 impact for our total operations is summarised below:

OUR FINANCIAL IMPACT

REVENUE	EBITDA	HEADLINE EARNINGS	UNDERLYING* HEADLINE EARNINGS	HEADLINE EARNINGS PER SHARE	UNDERLYING HEADLINE EARNINGS PER SHARE	TOTAL DIVIDEND PER SHARE
R41,0 BILLION	**R2 957,0 MILLION**	**R1 264,8 MILLION**	**R1 350,1 MILLION**	**142.1 CENTS**	**151.6 CENTS**	**35.0 CENTS**
▲ 0.3%	▲ **45.9%**	▲ **108.0%**	▲ **55.4%**	▲ **108.0%**	▲ **55.4%**	▲ **100%**

OUR COMMUNITY IMPACT

R20,7 million invested in **community social development and nutrition initiatives** – mostly led by our DO MORE FOUNDATION (2023: R10,9 million)

Young children in 33 communities now receiving **DO MORE Porridge** daily at school (up from 23 communities in 2023)

Completed emergency post-flood restoration of Nkomazi small-scale grower (SSG) irrigation and **invested an additional R19,9 million to rebuild and refurbish** SSG pump stations (2023: R25 million)

R55 million in lease payments paid to land claim beneficiary communities in Nkomazi (2023: R51,3 million)

OUR CONSUMER IMPACT

Provided **30 culinary, pet and animal feed brands** in South Africa – including 10 market leaders (7 in RCL FOODS and 2 in Rainbow)

Launched **Optimizor Special Diets** – a first for the non-grocer channel

In just over a year, **Pets24 has grown into South Africa's largest online community for everything pet** – including reliable pet service providers, trending topics, comprehensive pet care guides and promotional links

Nola Street Style Mayo and **Yum Yum Peanut Spread** continued to offer value for money for cash-strapped consumers

10 MARKET LEADING BRANDS

YUM YUM, NOLA, OUMA, NUMBER 1 MAGEU, MONATI**, Bobtail, catmor, CANINE CUISINE, RAINBOW Simply Chicken***, Epol^

** Monati Traditional
*** Chilled Processed Meats and Freezer to Fryer category
^ Horse Feed category

OUR CUSTOMER IMPACT

Pet Food service levels restored after load-shedding disruptions in the previous financial year

Launched **Wild Space** a first-of-its kind digital rewards platform

Private label products produced for 34 customer accounts in 44 categories, providing more choice for cash-strapped consumers

Better visibility, improved insights and time saved through our data and process collaboration with key customers

* *The underlying view of the results excludes material once-offs and accounting adjustments.*

OUR STAKEHOLDER IMPACT IN 2024 CONTINUED

OUR EMPLOYEE IMPACT

16 320 permanent and 440 fixed-term and temporary jobs provided

R54,6 million spent on training and developing 8 827 employees across the Group (2023: R56,3 million, 9 088 employees)

Restructuring in our Groceries and Baking business units unfortunately resulted in a Section 189 process impacting 212 employees

Introduced a **Women Empowerment Series** customised to each of our sites

We held our **first SHERQ Annual Recognition Awards** to celebrate those individuals and teams driving our safety culture

OUR ENVIRONMENTAL IMPACT

3% lower greenhouse gas emissions in 2024, driven by lower coal and diesel usage

We produced 29% of our own electricity from Co-generation, Waste-to-Value, Solar and Hydro – reducing our reliance on Eskom power

28% more water consumed, mainly due to higher cane irrigation requirements compared to 2023 which had higher rainfall

83.8% of our total waste was converted into **energy, composted, recycled, reused or reworked**

OUR GOVERNMENT IMPACT

R411,6 million paid in income tax (2023: R307,3 million)

R771,9 million paid in VAT (2023: R576,6 million)

Joined the **CEO Pledge** to **support Government** in priority interventions in Energy, Transport & Logistics, and Crime & Corruption

Continued commitment to **master plans** in the sugar industry and poultry sector

OUR INVESTOR AND FUNDER IMPACT

Improved Return on Invested Capital (ROIC) from total operations, excluding Vector to 10.7% (2023: 4.6%)

R225,0 million net finance costs paid (2023: R337,6 million)

Total dividend declared of 35.0 cents per share

OUR SUPPLIER IMPACT

62% of Chicken sourced from contract **growers** (2023: 49%)

R550 million in revenue generated by **small-scale sugar cane growers** (2023: R431 million)

R121 million in contracts awarded to **companies owned by land claim beneficiaries*** (2023: R134 million)

R16,8 billion spent on **B-BBEE procurement** (2023: R13,9 billion)

Group sourcing and procurement supported 2 832 local suppliers, while our Cane Supply Chain supported another 1 422 (including small-scale growers)

* *Between 2007 and 2012 we sold the majority of our Nkomazi Sugar agricultural operations in settlement of land claims in the region. After establishing partnership agreements with the claimant communities, three community-based joint ventures (CBJVs) were established, which lease back the agricultural land assets at market rates from these communities.*

02 RCL FOODS OVERVIEW

(Excluding Rainbow & Vector Logistics)

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OUR PURPOSE

RCL FOODS is a business that has always believed in making a meaningful impact through collaboration. Last year we distilled our Purpose into four words: WE GROW WHAT MATTERS. What's behind these words is what's most important to us as a business: growing people, brands, stronger communities, livelihoods and sustainable practices.

We believe that small, seemingly insignificant actions, when taken together, can make a meaningful impact for people, communities and our country.

WE GROW WHAT MATTERS

We are a deeply rooted South African business and we believe our country will thrive when we collectively grow what matters.

That's why as RCL FOODS, we strive to serve peoples' needs; responsibly create opportunities for employment, belonging and growth; and do MORE to strengthen communities and the environment. Our purpose is anchored in a culture of empowerment and accountability, with uncompromising integrity at its heart.

We believe in seeing and doing things differently to inspire collective actions that grow into waves of meaningful change. Because we want to make an impact. One that matters.

With each of us doing that little MORE, together WE GROW WHAT MATTERS.

WE

Because **together** we are powerful

GROW

Because we are **active agents of change**, growing what we know matters to our people, communities and country

WHAT MATTERS

People, Brands & Products that nurture people and the planet; **Sustainable practices; Livelihoods** and **Stronger Communities**

OUR VISION

A purpose-led business that delivers value for all and that creates the fuel to fund enduring positive impact

OUR WAY

How we deliver on our business strategy, vision and purpose is encapsulated in our unique culture, Our Way. We strive for an inclusive, high-performance culture grounded in our values, with Uncompromising Integrity at its heart

OUR VALUES IN ACTION

MORE INCLUSIVE
Celebrate and build diversity. Respect all people. Value other views. Encourage authenticity.

MORE CURIOUS
Ask questions and keep learning, especially from failure. See and do things differently. Try new things and innovate.

MORE ACCOUNTABLE
Be transparent. Take responsibility for your actions. Be true to your word and hold others to theirs. Embrace feedback and fix mistakes.

MORE AGILE
Keep it simple. Know when to go fast and when to go slow. Adapt and keep moving forward.

MORE COLLABORATIVE
Work together to solve problems and achieve goals. Share ideas and effort. Be generous with knowledge.

MORE SUSTAINABLE
Play your part. Plan ahead. Make a positive impact. Be future-fit. Leave a legacy.

OUR BRANDS

Behind breakfast, lunch, dinner and snack times are our more than **20 much-loved household brands**: classics like Ouma and Number 1 Mageu, household favourites like Yum Yum and Nola, and a range of leading pet food brands for our furry family members. Brands that matter, because they deliver quality and meet needs with uncompromising integrity.

We are constantly investing behind our brands to strengthen our market share and make an impact in the categories we serve. Our strategy includes expanding into adjacent and new categories and adding new brands where relevant.

R1 BILLION + REVENUE	Nola, Sunbake, Supreme Flour, Selati
R400 MILLION – **R1** BILLION REVENUE	Yum Yum, Sunshine Bakery, Number 1 Mageu, Pieman's, Bobtail, Molatek
R100 MILLION – **R400** MILLION REVENUE	Ouma, Monati, Optimizor, Catmor, Ultra Pet, Canine Cuisine, Feline Cuisine
≤ **R100** MILLION REVENUE	5 Star Super Maize Meal, Safari Braaipap, Mnandi Amahewu, Tafelberg, A1, Dogmor

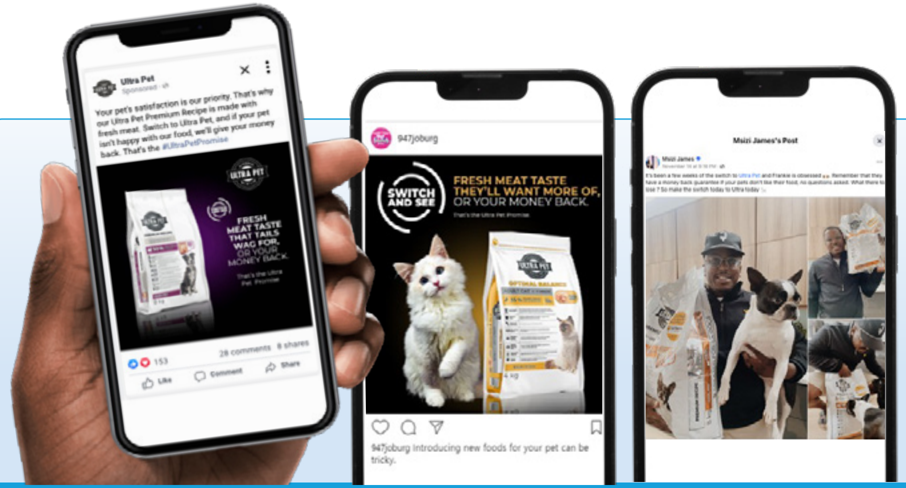
OUR BRANDS CONTINUED

OPTIMIZOR SPECIAL DIET DOES MORE FOR SPECIAL DOGS

When you're a pet lover, there's nothing as important as keeping your fur babies well fed and cared for throughout their lives. To ensure all dogs get the special dietary requirements and nutrition they need to stay healthy and active, Optimizor launched its Special Diet range in March 2024 for senior dogs, overweight dogs and dogs with joint issues – the first range of its kind in the premium segment of the Speciality channel (pet shops or co-ops).

The new range consists of two expertly formulated offers: Optimizor Special Diet Senior & Weight Care and Optimizor Special Diet Joint Care. The Senior & Weight Care variant contains L-Carnitine, which is easily digestible and helps senior or overweight dogs maintain a healthy body weight. The Joint Care variant contains green-lipped mussel extract and is naturally high in glucosamine and chondroitin, to help support healthy joints in adult dogs.

Optimizor has established itself as a well-loved brand within the Speciality channel and the new range of Special Diets products has been received with great excitement and delight by customers and shoppers alike.



THE "ULTRA" PROMISE THAT SOUTH AFRICANS WANT MORE OF

Ultra Pet, the home of power duo Ultra Dog and Ultra Cat, has been growing in leaps and bounds in the vet shop space with more shoppers seeing the unbeatable value in our top-quality, locally-made pet food. Our Ultra Promise Campaign supported this trend in 2024 by driving awareness, trial and switching among shoppers – with a money-back offer if the product was not to their fur baby's satisfaction.

It was a comprehensive, multi-channel campaign that featured engaging content and activations, including radio and social media campaigns with well-known personalities; brand activations across key Doggy Daycares; and a best-in-class Tik Tok campaign which amplified meaningful testimonials from Pet Parents.

As a result, the campaign has driven over 35 million impressions across channels and has served fantastically well in driving brand awareness and trial amongst our targeted audience.

...take a look at our heartwarming Ultra Dog ad

https://www.youtube.com/watch?v=ETcSF8_oZ_g

...and Ultra Cat ad

https://www.youtube.com/watch?v=XfimbeSqaWg

OUR BRANDS CONTINUED

NOLA INSPIRES NEW WAYS WITH THE ULTRA CREAMY CHALLENGE

South Africans know and love their Nola mayonnaise – it is after all a creamy, delicious, and versatile accompaniment to any dish. And because Nola is all about making a stir, it's been inspiring new ways with its Nola Ultra Creamy variant ... and the ultra-useful jar it comes in!

Nola Ultra Creamy is an indulgent, premium offering that has struck a chord with South African mayonnaise lovers. The recent #CreamyAndDelicious campaign saw Nola teaming up with the Foodies of SA platform to share tips, tools and tricks for using Ultra Creamy to create extraordinary, ULTRA-delicious dishes. A flood of entries for the online competition were received, with South Africans showcasing their signature ways with Nola mayonnaise. And that's not all ...

Because sustainability matters to Nola, the Ultra Creamy 730g jar has a perforated outer sleeve that makes it easy to remove so that the jar can be recycled or upcycled. To draw consumers' attention to this and encourage them to give their empty jars a new life at home, the Nola team launched the #NolaUpcycleChallenge on social media platforms.

We were blown away by the creative upcycling ideas that users shared – from storage jars and plant pots to piggy banks, toys and bags. You certainly created a stir with a purpose, Nola and Mzansi!

NUMBER 1 GIVES A BOOST TO MAGEU

Our commitment to "Growing What Matters" drives us to continuously innovate and enhance our products to better serve our consumers and their evolving needs. With consumers seeking modern beverage options, we are thrilled to introduce an exciting extension to our iconic and heritage Number 1 brand. Number 1 Boost combines the spirit of mageu with an added boost of energy and comes in three exciting flavours: Original, Berry Blast and Tropical Punch.

Number 1 Boost is currently launched in formal retail and is a first-of-its kind in the mageu category. The launch was supported with exciting digital executions and experiential activations, accompanied by energetic and vibrant promoters who educated and sampled the great-tasting variants with shoppers.

Number 1 Boost presents an exciting, trendy and sporty product that reflects younger users' active and culturally rich lifestyle. As a convenient liquid snack with an added boost of energy, it's gone down really well with consumers that love the dual benefit.

Number 1 may be South Africa's oldest mageu brand, but it's young at heart and always eager to innovate to keep things fresh. Here's to giving Mzansi a BOOST to boast about!

OUR BRANDS CONTINUED

WILD SPACE – OUR WILD NEW DIGITAL INNOVATION

As a business we care about what our consumers need and want, because we aim to deliver products that make a positive difference in their lives. That's why we actively and continuously engage with our consumers using various platforms such as social media, Pets24 and our Consumer Marketing Insights (CMI) research communities. And now we've taken the relationship to a new level of creativity and fun ... enter Wild Space, the next BIG thing in Engagement and Rewards.

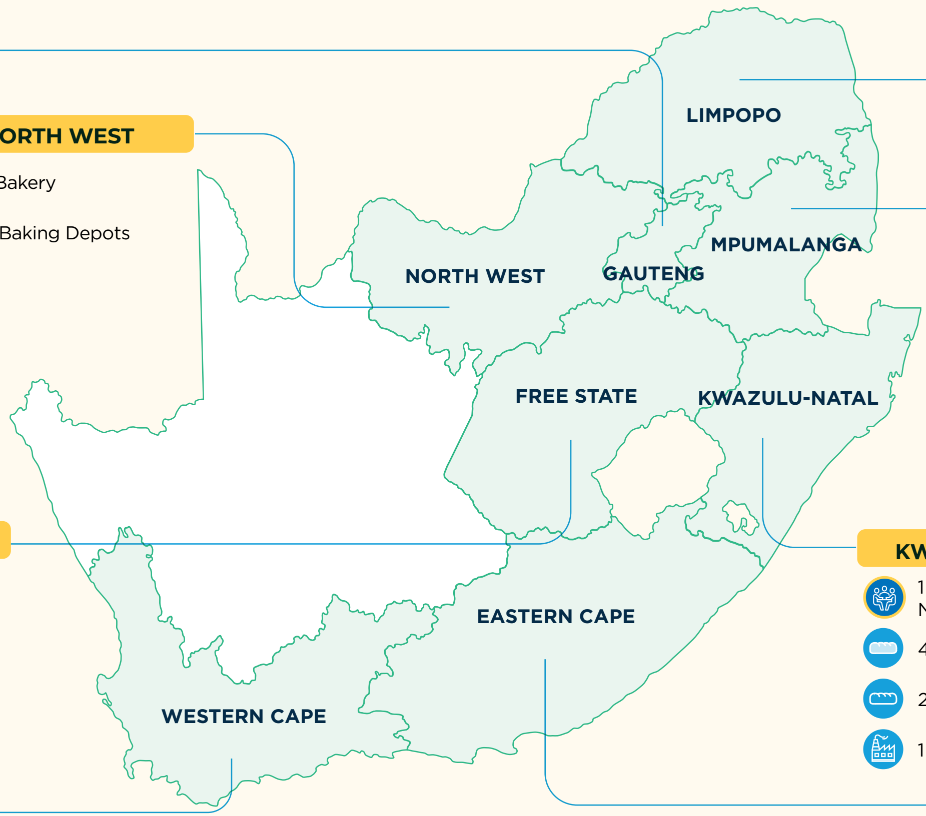
Designed by our RCL FOODS digital innovation hub, StudioX, Wild Space is a digital rewards platform based on hyper-casual gaming and collectables. On most gaming platforms, players have to purchase the digital "currency" with real-world money. With Wild Space, players earn the in-game currency, WildBucks, just by doing your grocery shopping – and that unlocks a world of adventure and dynamic collectable characters.

This digital innovation is built around the insight that consumers are tired of "advertising" and brands need to find new ways to connect with them. Wild Space gives RCL FOODS brands (and those of our collaboration partners) an opportunity to bring their brands to life in a completely new way. And in a country with over 24 million gamers and counting, what better way of connecting with consumers young and old.

Wild Space is also not just one platform, but rather an eco-system of digital platforms and physical collectables. So far we have seen great excitement with our sets of collectables such as the OUMA RUSKS Space Grannies and Yum Yum Space Nuts, to name a few. With the success of "Wild Space – The First Outpost", we cannot wait for the next chapter in our cosmic journey.

OUR LOCATIONS

We currently have operations in **eight provinces**, with our national office located in Westville, Durban.



GAUTENG

- 1 Culinary Plant
- 1 Pet Food Plant
- 1 Pie Factory
- 1 Beverage Plant
- 2 Speciality Plants
- 1 Flour Mill
- 2 Bakeries
- 3 Baking Depots

NORTH WEST

- 1 Bakery
- 2 Baking Depots

FREE STATE

- 3 Baking Depots

WESTERN CAPE

- 1 Speciality Plant

LIMPOPO

- 2 Bakeries
- 6 Baking Depots

MPUMALANGA

- 2 Bakeries
- 6 Bakery Depots
- 2 Sugar Mills
- 3 Sugar Farms Owned
- 6 Sugar Farms Contracted
- 1 Animal Feed Plant

KWAZULU-NATAL

- 1 RCL FOODS National Office
- 4 Baking Depots
- 2 Bakeries
- 1 Sugar Mill

EASTERN CAPE

- 1 Grocery Plant – Ouma Rusks

OUR HISTORY

RCL FOODS is deeply rooted in South Africa, with some brands dating back over a century. Through strong strategic investments, we have become one of South Africa's largest food manufacturers.

1891
A small family-owned flour mill was established in Pretoria. Today it is the centre of our Milling operation.

1916
Our first grain-based animal feed mill was built. Today Rainbow is a leading manufacturer of animal feeds.

1960
Rainbow Chicken started its operation on a humble farm in Hammarsdale, with its first processing plant being commissioned soon after.

1965
Our first sugar mill began processing sugar cane in Malalane. Today we are one of the three biggest sugar producers in South Africa.

1989
Rainbow Chicken Limited was listed on the JSE.

2004
Vector Logistics was acquired to control and optimise the outbound supply chain.

2013
Foodcorp, one of South Africa's largest food producers, was acquired.

2014

The leading sugar producer, TSB Sugar RSA and TSB Sugar International, was acquired.

2018
A 50% stake in Matzonox, a Waste-to-Value operation, was acquired.

2019
Driehoek Voere, a producer of game, ruminant and horse feeds, was acquired.

2020
A minority shareholding in The LIVEKINDLY Collective was acquired.

2021
We partnered with The LIVEKINDLY Collective to establish LIVEKINDLY Collective Africa.

2023
Vector Logistics was disposed of effective 28 August 2023. We acquired Sunshine Bakery Holdings Proprietary Limited.

2024
Rainbow was listed on the Johannesburg Stock Exchange and unbundled effective 1 July 2024.

OUR BUSINESS STRATEGY

What we do to deliver on our Purpose and Vision is captured in our Business Strategy. This consists of three pillars – People First, Right Growth and Future Fit – and the strategic enablers that support them. Our commitment to sustainability is integrated across our Business Strategy.

PEOPLE FIRST

We embrace the power of diversity and aim to create an inclusive workplace that attracts, values, respects and invests in people so that all our employees thrive. We will also drive a culture of performance that prioritises action, solutions, simplicity and results, underpinned by accountability, collaboration and effective governance at all levels. Beyond our business, we will strive to ensure dignity and decent work throughout the value chain, while also collaborating with communities to strengthen their resilience through meaningful relationships and investment

RIGHT GROWTH

By growing our business and improving its returns, we aim to generate the fuel to fund enduring positive impact for all our stakeholders. We will drive growth through strong brands; strategic partnerships and acquisitions; and faster, more relevant innovation that is good for our consumers and the planet. Through this we aim to support the delivery of food security and affordable nutrition

FUTURE FIT

We aim to create a future-fit business by delivering cost efficiencies and reinvesting in the business to create a productive and resilient asset base. Alongside this, we will take credible action to address climate change and nature loss by targeting net zero carbon emissions, nature-positive operations and a circular economy

OUR STRATEGIC ENABLERS

People First

- **Champion diversity** and build an inclusive, high-performance culture
- **Strengthen community resilience** through collaboration and investment
- **Invest in strategic capabilities** to drive competitive advantage

Right Growth

- **Leverage dynamic platform** through partnerships and acquisitions
- **Grow organically** through strong brands
- **Scale up** and enter new emerging channels and markets
- **Leverage consumer insight** and partner with strategic customers

Future Fit

- **Deliver cost efficiencies** and invest to become "best in class"
- **Build a "net positive" business** to secure our economic, social and environmental future

OUR SUSTAINABILITY STRATEGY

Our Sustainability Strategy – which is embedded in our Business Strategy – is about **DELIVERING WELLBEING by taking credible action and doing our part to deliver consumer goods that support the wellbeing of employees, consumers, communities and the planet.** It is supported by three Pillars and ten Focus Areas, each with defined ambitions for 2050. These ambitions are advanced through a set of Enabling Actions in each Focus Area, which are key to living our Purpose.

PEOPLE

DIGNITY AND WELLBEING

Everyone has the right to dignity and wellbeing – we prioritise inclusivity and work together with employees, customers, communities, and our value chain partners to make lives better.

PRODUCT

PRODUCT AND BRAND INTEGRITY

We support lives well lived by offering responsibly produced and responsibly sourced consumer goods that support food security and help make healthy and sustainable living a reality.

PRACTICES

RESPONSIBLE OPERATIONS

We take credible action to support a timely transition to a net-zero and waste free economy and protect and restore nature while being transparent about our efforts and our progress along the way.

OUR FOCUS AREAS

- EMPLOYEES
- COMMUNITIES
- PORTFOLIO AND BRAND
- NUTRITIOUS AND AFFORDABLE FOOD
- CLIMATE ACTION
- RESPONSIBLE SOURCING
- PROTECTING NATURE
- WASTE FREE
- RESPONSIBLE WATER
- ACCOUNTABILITY

SBR *For more information on our Sustainability Strategy, please refer to our Sustainable Business Report.*

03 HOW WE OPERATE

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OUR VALUE CREATION MODEL

OUR EXTERNAL OPERATING CONTEXT

Our external operating environment presents us with challenges and opportunities for the way we generate value for our stakeholders.

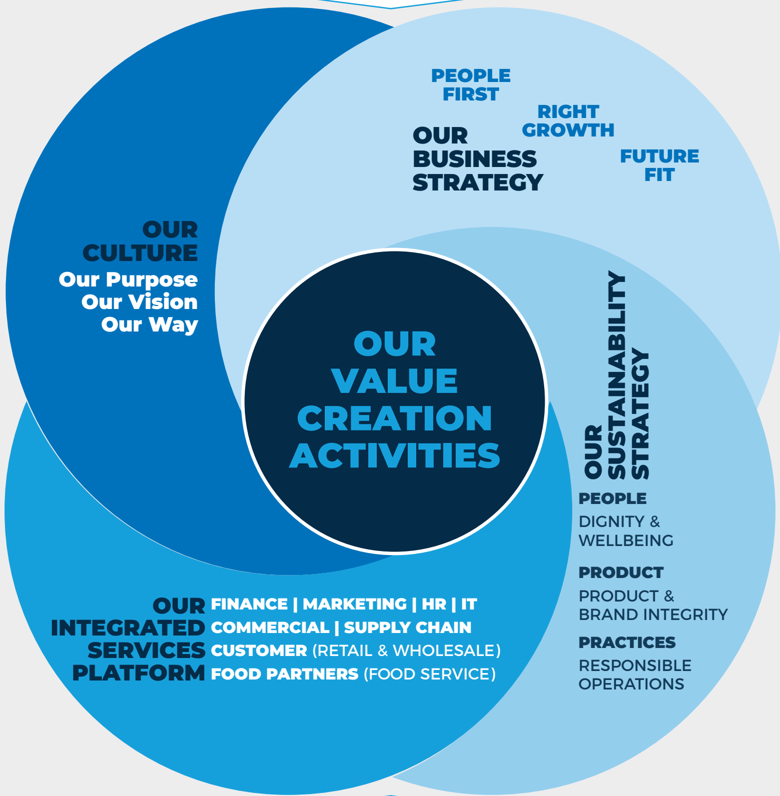
For more information on our external operating context, refer to page 27.

OUR BUSINESS INPUTS

Our Capital Inputs are the resources and relationships we rely on to create value.

For more information on our business inputs, refer to page 34.

- FC FINANCIAL
- HC HUMAN
- IC INTELLECTUAL
- MC MANUFACTURED
- NC NATURAL
- SC SOCIAL AND RELATIONSHIP



OUR BUSINESS OUTPUTS

Our contracted business services to customers and partners

Our trusted brands and private label products

We create value for our stakeholders through the integrated use of our six capitals to manufacture and sell a wide range of branded and private label food products in the retail, wholesale and food service channels.

Our dynamic operating context means that we manage a constantly evolving set of risks and opportunities as we work to provide value for all our stakeholders.

OUR CAPITAL OUTCOMES, TRADE-OFFS & STAKEHOLDERS IMPACTED

For more detailed information refer to page 34.

IMPACT CREATED FOR OUR STAKEHOLDERS

For more detailed information refer to pages 12 and 40; and to our Sustainable Business Report.

OUR RISKS AND OPPORTUNITIES

We continuously assess and manage our evolving risk universe, while considering opportunities that arise.

For more information on our risks and opportunities, refer to page 49.

OUR OPERATING CONTEXT AND TRENDS

As a food manufacturer, we operate in a constantly changing environment that is shaped by a variety of trends in the short, medium and long term. These trends present opportunities and risks which we, through our Business Strategy and Sustainability Strategy, must either capitalise on or mitigate as we strive to create value and grow what matters for all our stakeholders.

TREND

A SEVERELY CONSTRAINED CONSUMER

33.5%
Unemployment in Q2, 2024
(Stats SA)

5.1% CPI inflation (June 2024)
(Stats SA)

18%
increase in Consumer Default Index Q4, 2023
(Experian CDIx)

Linked to key risks:

2 Reduced demand
3 Pricing pressure
8 Societal risks and unrest

Linked to key strategic enablers:

- Deliver cost efficiencies and invest to become "best in class"
- Grow organically through strong brands
- Strengthen community resilience through collaboration and investment

Linked to sustainability focus areas:

- Employees
- Communities
- Portfolio and brand
- Nutritious and affordable food
- Accountability

Capitals affected:

FC HC IC MC SC

IMPLICATIONS FOR VALUE CREATION

- Consumer confidence declined to levels (apart from the COVID-19 era) last seen in 1986 *(Bureau for Economic Research)*
- Overall inflation has remained elevated despite food inflation declining from c.14% to c.5% in the past year *(Stats SA)*
- High debt service costs and cost of living are increasing the burden on consumers to make ends meet
- Value for money is the key focus across all income groups:
  - Essential items are prioritised
  - Brand loyal customers change to smaller pack sizes or only shop during promotions
  - Switching to value offerings, cheaper brands or private-label products
  - Maximising the use of loyalty programmes and rewards
- Strong price competition to capture lower volumes, putting margins under pressure
- Loss of customers due to economic pressures
- Rising unemployment
- Oversupply from dumped imports threatens local industries

OPPORTUNITIES

Building a tiered portfolio to accommodate value-seeking consumers will increase the resilience of the portfolio across all economic cycles for the long term.

OUR STRATEGIC RESPONSE IN 2024

- Utilise consumer insights to develop relevant offerings to assist consumer wallets
- Driving our "value" product tier to meet cash-strapped consumer needs (e.g. Yum Yum Peanut Spread and Nola Street Style Mayo)
- Consumer affordability balanced with responsible margin management
- Keeping price increases to a minimum to protect consumers and volumes
- Strong focus on commodity procurement
- Driving efficiencies to offset margin pressure
- Private label partnerships entered as appropriate
- Maintaining employment for our people
- Engagement with Government and industry on dumping
- Strengthening our community engagement model to help build community resilience

OUR OPERATING CONTEXT AND TRENDS CONTINUED

TREND

GROWING DEPENDENCY ON THE PRIVATE SECTOR TO SUPPORT INFRASTRUCTURE

66%

of South African CEOs say they are considering joint ventures or strategic partnerships with the government as the best way to finance necessary infrastructure spend

(EY research)

SA businesses and households installed approximately

3 GW

of Solar in 2023

(AFSIA)

50%

of water in South Africa lost in transit between bulk suppliers and end users due to leakages

(SA Water Commission)

Linked to key risks:

1 Energy security and pricing
3 Pricing pressure
5 Business interruption – Supply Chain
6 Water security and pricing
8 Societal risks and unrest

Linked to key strategic enablers:

- Deliver cost efficiencies and invest to become "best in class"
- Build a "net positive" business

Linked to sustainability focus areas:

- Employees
- Communities
- Climate action
- Waste free
- Responsible water
- Accountability

Capitals affected:

FC HC MC NC SC

IMPLICATIONS FOR VALUE CREATION

- Extensive power interruptions that impacted production volumes and costs
- Increased use of emergency diesel-powered generators to secure operations, with associated cost and air quality impacts
- Water supply issues in certain areas due to load-shedding, water-shedding and failing water infrastructure
- Supply chain shortages impacting on production

OPPORTUNITIES

Renewable energy generation and water conservation initiatives improve our resilience while reducing our environmental footprint.

OUR STRATEGIC RESPONSE IN 2024

- Focus on restoration of volumes lost due to load-shedding
- Increasing energy self-generation and water security initiatives
  - 186.6 GWh of electricity produced through co-generation at our Sugar mills – a decrease of 12% due to lower bagasse availability. Of this, we consumed 178.4 GWh internally and exported the balance
  - We use biomass (bagasse and husks) to displace part of our non-renewable energy
  - 8 GWh of biogas produced at Rainbow – a 17% increase due to improved generation at Rustenburg plant
  - Energy resilience planning ramped up across business
  - We produced 1.9 GWh of hydro power in our Sugar operations, up from 1.4 GWh in 2023
- During load-shedding we make use of diesel generators to maintain an uninterrupted power supply at our operations. The use of diesel generators resulted in RCL FOODS generating 16 GWh of electricity from diesel generators during the year, which would have been provided by Eskom under normal conditions. The corresponding emissions and energy use have been consolidated into our 2024 Greenhouse gas (GHG) and energy footprint as reported in our Sustainable Business Report. Diesel-based electricity generation is excluded from our self-generation reporting which focuses on strategic initiatives to transition to renewable energy sources
- Engagement with Government on load-shedding curtailment
- Finding new ways to reuse, reduce, and "create" water in our operations
  - Continued focus on water use efficiency in our Sugar agricultural operations
  - Rainbow continued to produce clean water for reuse on site, through its Waste-to-Value anaerobic digestion process
- Maintaining adequate inventory cover and focusing on supply chain security

OUR OPERATING CONTEXT AND TRENDS CONTINUED

TREND

EVOLVING CONSUMER CHOICES

"Given our current environment, consumer mindsets and price sensitivities, it is important for both brands and products to represent not only best value, but deliver on an additional consumer need, whether it be experience, convenience or supporting local."

(RCL FOODS)

Food and beverages the

3rd most popular

category for online purchases in South Africa

(Statista)

Linked to key risks:

2 Reduced demand
3 Pricing pressure
8 Societal risks and unrest
11 Non-compliance with legislation

Linked to key strategic enablers:

- Grow organically through strong brands
- Leverage consumer insight and partner with strategic customers
- Scale up and enter new emerging channels and markets
- Leverage dynamic platform through partnerships and acquisitions
- Deliver cost efficiencies and invest to become "best in class"
- Build a "net positive" business

Linked to sustainability focus areas:

- Communities
- Portfolio and brand
- Nutritious and affordable food
- Climate action
- Responsible sourcing
- Protecting nature
- Waste free
- Responsible water
- Accountability

Capitals affected:

FC IC MC SC HC

IMPLICATIONS FOR VALUE CREATION

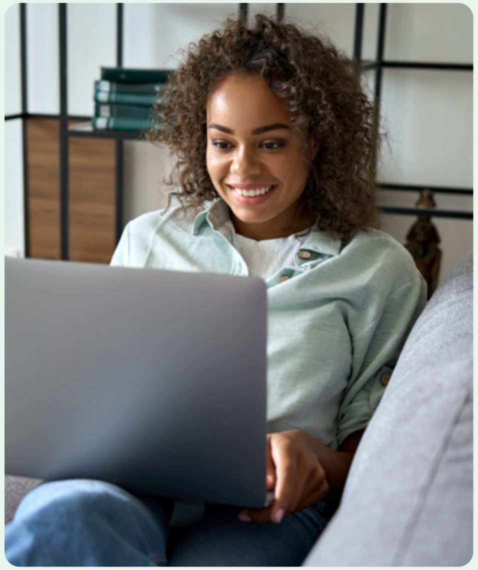
- Heightened demand for convenience in the form of pre-packaged meals, meal kits, on-the-go snacks and ready-to-eat foods
- Massive growth in grocery e-tailing as well as general e-commerce
- Busier lifestyles have sustained out-of-home consumption post-COVID-19, especially in Quick-Service Restaurants (QSRs) – also driven by load-shedding
- Increasing demand for products and shopping that provide sensory intensity and experience-based differentiation
- Consumers are demanding greater transparency regarding ingredients, sourcing practices and production methods
- Growing preference for products that are purpose-led, better for health and the environment, locally produced and ethically marketed
- On-the-go snacking is replacing traditional meal occasions as lifestyles change
- Pets are "part of the family" and meeting their physical/emotional needs is more important than ever
- The way that consumers interact with brands is changing fundamentally
- Consumers are seeking personalised food experiences tailored to their individual preferences and dietary restrictions

OPPORTUNITIES

Understanding changing consumer behaviour and being agile to adapt will be a key differentiator in capturing the hearts and minds of consumers.

OUR STRATEGIC RESPONSE IN 2024

- Leveraging data to identify trends and preferences
- Leveraging capabilities and consumer insights to deliver relevant pet innovation
- Launch of specialised diet option in Bobtail and Optimizor provides added value for shoppers
- Leveraging existing retail and third-party e-commerce platforms to drive sales growth
- Partnerships with QSR customers
- Innovating for on-the-go consumption
- Providing plant-based alternatives through the LIVEKINDLY Collective Africa joint venture



OUR OPERATING CONTEXT AND TRENDS CONTINUED

TREND

ACCELERATING DIGITAL TRANSFORMATION

2nd and 5th

most important global risks in 2024 were AI-generated misinformation and disinformation and cyber-attacks

(World Economic Forum 2024)

"By digitally transforming the customer experience process, business-to-business companies have experienced revenue growth of 10–15% and cost reduction of 10– 20%"

(McKinsey, 2023)

Linked to key risks:

8 Societal risks and unrest

9 Non-availability of IT systems

Linked to key strategic enablers:

- Invest in strategic capabilities to drive competitive advantage
- Scale up and enter new emerging channels and markets
- Grow organically through strong brands
- Leverage consumer insight and partner with strategic customers
- Deliver cost efficiencies and invest to become "best in class"

Linked to sustainability focus areas:

- Employees
- Portfolio and brand
- Accountability

Capitals affected:

FC HC IC MC SC

IMPLICATIONS FOR VALUE CREATION

- Heightened cyber security challenges
- Using technology for insights and collaboration
- Process automation to improve operational efficiencies
- Use of artificial intelligence (AI), big data and data analytics to learn about and respond to consumer preferences
- Remote working capability key to attracting talent
- South African consumers are using mobile channels to find better deals
- Social media platforms are becoming e-commerce hubs
- Reputational risks associated with social media activism

OPPORTUNITIES

Using digital technology to harness consumer insights, improve efficiencies and collaborate with customers provides a key growth opportunity. AI can enhance our digital transformation journey by contributing to data analytics and process automation.

OUR STRATEGIC RESPONSE IN 2024

- Investment in digital transformation in the consumer space
- Continued cyber security focus
- Digital transformation journey in progress across the organisation, with a focus on cultivating a digital mindset

OUR OPERATING CONTEXT AND TRENDS CONTINUED

TREND		IMPLICATIONS FOR VALUE CREATION	OUR STRATEGIC RESPONSE IN 2024

ATTRACTING THE RIGHT SKILLS

Organisations with a strong, proactively-managed Employee Value Proposition (EVP), experience:

10%
higher productivity

69%
less employee turnover

30%
increase in profitability
(Gallup)

Linked to key risks:

10 Industrial action
11 Non-compliance with legislation
12 Business interruption – Health & Safety

Linked to key strategic enablers:

- Champion diversity and build an inclusive, high-performance culture
- Build a "net positive" business

Linked to sustainability focus areas:

- Employees
- Accountability

Capitals affected:

FC HC IC MC

IMPLICATIONS FOR VALUE CREATION

- Growing importance of a lived purpose and culture in an organisation
- Increasing business focus on diversity and inclusivity in the workplace
- Increased need for workplace health, safety and mental wellness support
- Increased attention paid to fair compensation
- Employees' desire for meaningful work and recognition
- Preference for flexibility
- Increased focus on personal development
- Potential of generative AI and concerns about its impact on employment

OUR STRATEGIC RESPONSE IN 2024

- RCL FOODS Purpose and revised values rolled out across the business in 2023/2024
- Diversity and inclusivity framework implemented
- Ongoing engagement in fair compensation discussions and benchmarking
- Strong focus on creating a workplace where work is meaningful, fun, safe and engaging
- Empowering employees through leadership and skills development
- Agile working facilitated through More Flex initiative at our National Office
- Awarded Top Employer status for the fifth consecutive year

top EMPLOYER SOUTH AFRICA 2024
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

OUR OPERATING CONTEXT AND TRENDS CONTINUED

TREND	IMPLICATIONS FOR VALUE CREATION	OUR STRATEGIC RESPONSE IN 2024

INCREASING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) SUSTAINABILITY FOCUS

2.0°C by 2050 – how much the mean monthly temperature is expected to rise in South Africa under the current high-emissions scenario

(World Bank Climate Risk Country Profile: South Africa, 2021)

Most unequal country in the world

(World Bank)

21% of households have inadequate or severely inadequate access to food

(General Household Survey, 2021)

Linked to key risks:

1 Energy security and pricing
3 Pricing pressure
5 Business interruption – Supply Chain
6 Water security and pricing
7 Food and product safety
8 Societal risks and unrest
10 Industrial action
11 Non-compliance with legislation
12 Business interruption – Health & Safety

Linked to key strategic enablers:

- Champion diversity and build an inclusive, high-performance culture
- Strengthen community resilience through collaboration and investment
- Build a "net positive" business

Linked to sustainability focus areas:

- Employees
- Communities
- Portfolio and brand
- Nutritious and affordable food
- Climate action
- Responsible sourcing
- Protecting nature
- Waste free
- Responsible water
- Accountability

Capitals affected:

FC HC MC NC SC

IMPLICATIONS FOR VALUE CREATION

- Growing frequency of extreme weather events, impacting people, infrastructure and food security
- Need for emissions reduction and renewable energy transition
- Depletion and degradation of natural resources
- Waste reduction and circular economy
- Energy and water supply challenges
- Sustainable livelihoods
- Protection of human rights
- Inadequate access to food due to poverty
- Ensuring provision of adequate amounts of nutritious, affordable food
- Health risks related to poor diets and food safety concerns
- Need for increased localisation of supply chain to mitigate geopolitical risk, reduce food miles and stimulate local economy
- Avian Influenza (AI) impacting wild and commercial birds and putting Rainbow livelihoods at risk
- Social unrest triggered by poor service delivery and poverty
- Greater regulatory requirements:
  - Proposed new food labeling legislation
  - Carbon tax
  - Impact of possible Health Promotion Levy (Sugar tax) increase
  - Extended Producer Responsibility (EPR) regulations for packaging
  - Proposed new employment equity legislation
  - Levies and fines for non-compliance
  - Sugar and Rainbow Poultry Master Plans – benefits and commitments
- Increasing demand from a variety of consumers, shareholders and other stakeholders to demonstrate responsible ESG practices
- Reputational risks associated with shareholder, social and environmental activism
- Brand risks from consumer activism

OUR STRATEGIC RESPONSE IN 2024

In line with our Sustainability Strategy:

- Investment in sustainable energy, water and waste projects, such as replacing gas forklifts with electric models at our Groceries facility, upgrading our bagasse drying equipment and using less plastic in our pallet wraps
- Efforts to reduce food loss and waste across the supply chain
- Social and economic development initiatives in communities near our operations
- Addressing acute hunger and early childhood nutrition through the DO MORE FOUNDATION
- Promotion of value offerings to ease pressure on cash-strapped consumers
- Active engagement on how we support food security and affordable nutrition
- Ongoing power saving and carbon footprint reduction initiatives
- Strict biosecurity and food safety measures on Rainbow farms and in plants
- Emphasis on improving employment equity at management level
- Investigation of cover crops and other initiatives to improve soil health in the Sugar business unit
- Business continuity plans in place to deal with extreme weather events

OUR OPERATING CONTEXT AND TRENDS CONTINUED

TREND

SUGAR INDUSTRY CRISIS

Linked to key risks:

5 Business interruption – Supply Chain

8 Societal risks and unrest

Linked to key strategic enablers:

- Strengthen community resilience through collaboration and investment
- Deliver cost efficiencies and invest to become "best in class"
- Build a "net positive" business

Linked to sustainability focus areas:

- Communities
- Product and brand
- Nutritious and affordable food
- Accountability

Capitals affected:

FC MC SC

IMPLICATIONS FOR VALUE CREATION

- Uncertainty was created in the industry due to Tongaat Hulett Sugar (Tongaat) and Gledhow Sugar (Gledhow) commencing business rescue proceedings and defaulting on industry payments, which had to be funded by the rest of the industry
- In March 2024, the Durban High Court dismissed the declaratory application by the Business Rescue Practitioners (BRPs) of Tongaat for an order that they are entitled to suspend obligations arising from the Sugar Industry Agreement. The judgement confirmed that SASA levies and redistribution payments are a cost of doing business and cannot be suspended. Following the dismissal of an application for leave to appeal the judgement, the BRPs have petitioned the Supreme Court of Appeal, which granted leave to appeal
- If industry payments under the Sugar Industry Agreement are not enforced the industry could be severely affected. Implications include small-scale growers facing the risk of financial distress and being forced to exit the industry, potential job losses and local supply shortages which could lead to increased imports

OUR STRATEGIC RESPONSE IN 2024

- RCL FOODS is continuing to actively participate in defending the appeal to ensure that growers, millers, SASA and the broader industry are paid the monies due to them under the Sugar Industry Agreement.
- RCL FOODS has continued to invest in its cane-growing partnerships with black sugar-farming communities to ensure the sustainability of the sugar industry's cane supply. A particular focus during the year has been to assist small-scale growers in Nkomazi to recover from the floods in February 2023

UNPACKING OUR VALUE CREATION

OUR CAPITAL INPUTS, OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED

We aspire to create sustainable value for all our stakeholders through the responsible use of our financial, human, intellectual, manufactured, natural and social and relationship capital. Delivering on our business objectives requires us to manage a dynamic and evolving set of risks and opportunities in our operating context, supply chain and business activities. This sometimes involves trade-offs between capitals and stakeholder interests, and the impact of this must be carefully managed. Below we summarise our capital inputs and outcomes, stakeholders impacted and key trade-offs to ensure delivery against our goals in 2024. Unless otherwise stated, this includes Rainbow for the full 12 months and Vector Logistics for July and August 2023.

ICON REFERENCE

OUR STAKEHOLDERS

Communities, Consumers, Customers, Employees, Environment, Government, Media, Suppliers, Investors and funders

RESOURCES WE USED TO CREATE VALUE IN 2024

FC FINANCIAL CAPITAL

Our assets, net debt and shareholders' interest, which we manage to sustain the ongoing financial demands of our operations and provide capital for future growth.

- Market capitalisation of R8,9 billion
- Funding facilities available of R5,1 billion, of which R1,7 billion was utilised as at 30 June 2024

Risks and opportunities in securing these inputs:

Access to external financial capital is affected by our financial performance, investor sentiment, the status of the food industry and the local and global economy. Our current term-funded debt package comes to an end in December 2024 after being extended while the Rainbow separation was in process.

We have an opportunity to grow our value-added portfolio through bolt-on acquisitions, provided that they align with our strategic and financial investment criteria. We also have an opportunity to enhance the resilience of our operations through sustainable practices.

OUTCOMES OF OUR CAPITAL UTILISATION

- R2 957,0 million total operating profit before depreciation, amortisation and impairment
- R3 073,1 million cash generated by operations
- ROIC from total operations, excluding Vector Logistics up 6.1 percentage points to 10.7%
- Net borrowings to shareholders' equity (gearing): 12.7%
- R1 264,8 million headline earnings
- Nil dividends paid to shareholders

Stakeholders impacted:

Trade-offs:

No dividend payments were made during the 2024 financial year and capital expenditure was carefully managed to allow for the Rainbow recapitalisation ahead of its unbundling. Resumed dividends post Rainbow unbundling, with 35.0 cents dividend declared for the year ended June 2024 to be settled in 2025 financial year

Capitals enhanced: FC

Capitals depleted: SC

OUR CAPITAL INPUTS, OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED CONTINUED

RESOURCES WE USED TO CREATE VALUE IN 2024

HC HUMAN CAPITAL

Our skilled, experienced and motivated people that enable our business growth and value creation.

- A diverse workforce of 16 320 permanent and 440 temporary employees (including fixed-term contracts, excluding contractors) in 2024
- Senior leadership commitment to a diverse, inclusive and high-performance culture
- Industry-leading employee practices
- R5,7 billion paid in employee salaries, wages and benefits
- R54,6 million invested in learning and development

Risks and opportunities in securing these inputs:

Conducive working conditions, an inclusive and purpose-led culture and opportunities for growth are all critical in attracting and retaining top skills and diverse talent. Our growing reputation as an employer of choice helps us attract high-performing talent, although competition for quality candidates can present challenges for retention, especially in designated groups.

OUTCOMES OF OUR CAPITAL UTILISATION

- 52% of top and senior management are historically disadvantaged South Africans (African/Coloured/Indian/Female/Differently abled)
- 8 827 employees upskilled and developed
- Pleasing gains in employment equity at executive (E Band) level
- Certified a Top Employer for the fifth consecutive year
- 2 296 terminations, a 14% turnover rate (2023: 12.1% turnover)
- 212 employees affected by Section 189 processes due to restructuring

Stakeholders impacted:

Trade-offs:

Initiatives to improve the efficiency of our operations, especially in areas where profitability has been under threat, included restructuring in our Beverages, Milling and Bread, Buns & Rolls operating units. This regrettably culminated in Section 189 processes impacting 212 employees.

Capitals enhanced: FC **Capitals depleted:** HC

OUR CAPITAL INPUTS, OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED CONTINUED

RESOURCES WE USED TO CREATE VALUE IN 2024

IC INTELLECTUAL CAPITAL

Our organisational knowledge, systems, procedures and intangibles associated with our value creation activities.

- Investment in our brands and strategic capabilities
- Our centralised business services platform which serves our business units and third-party customers
- FSSC 22 000/ISO 18001/FSA food safety certification at all manufacturing sites
- R12,6 million invested in IT infrastructure to optimise resources and unlock business value
- Peer training in digital tools and skill sets
- Our DO MORE FOUNDATION's integrated "Everyone gets to PLAY" model

Risks and opportunities in securing these inputs:

Our ability to retain, generate and enhance intellectual capital is connected to our attraction, retention and development of appropriate skills and talent; the insights we gain from our stakeholders; and our investment in our brands, strategic capabilities and digital transformation journey. Potential constraints in securing and enhancing intellectual capital include financial resources, IT security issues, competitor activity and organisational agility. Opportunities lie in harnessing our Purpose and Our Way to develop our people and organisational intelligence to enhance our impact.

OUTCOMES OF OUR CAPITAL UTILISATION

- 10 market leading brands provided in 2024
- Key strategic capabilities developed, such as consumer marketing insights (CMI), data management and insights, digital marketing excellence and exports
- Customers of our business services platform well supported
- Safe, high-quality products and services provided
- Innovation pipeline based on consumer insights, focusing on value for money
- Collaboration with key customers to drive win-win solutions
- Scaling of "Everyone gets to PLAY" to new RCL FOODS communities
- Collaboration with industry and government to address poultry and sugar industry sustainability

Stakeholders impacted:

Trade-offs:

With input costs putting pressure on margins, we continued to actively manage trade-offs between cost recovery and sales volumes in order to cushion the impact of higher pricing on consumer demand, while protecting our business.

Capitals enhanced: SC **Capitals depleted:** FC

OUR CAPITAL INPUTS, OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED CONTINUED

RESOURCES WE USED TO CREATE VALUE IN 2024

MC MANUFACTURED CAPITAL

The physical infrastructure and equipment available to us for use in the production and distribution of our products.

- Over 200 operations in South Africa in 2024
- These included Groceries operations; bakeries; sugar, flour and animal feed mills; rearing, laying and broiler farms and hatcheries; chicken processing plants; and plant-based cold storage
- Renewable energy infrastructure in the form of two Waste-to-Value (W2V) plants, three co-generation sites, and two rooftop solar installations
- R1 283,3 million capital investment in fixed and intangible assets

Risks and opportunities in securing these inputs:

Securing the necessary manufactured inputs depends on the availability of financial capital for the acquisition, maintenance and/or replacement of property, plant and equipment, as well as the effective management of key risks. Capital investments allow for improved productivity, efficiency, risk management and competitiveness.

OUTCOMES OF OUR CAPITAL UTILISATION

- Produced in 2024: 85 million jars of mayonnaise, 26 million jars of peanut butter, 75 000 tonnes of pet food, 107 million pies, 43 million litres of beverages, 350 000 tonnes of flour, 282 million units of bread, buns and rolls, 30 million units of speciality products, 574 503 tonnes of sugar, 356 000 tonnes of chicken products and 1.25 million tonnes of animal feed
- Komati Sugar warehouse rebuild now complete after being destroyed by fire in October 2021
- Hammarsdale processing plant and hatchery upgraded to accommodate increased production
- Performance at Rustenburg W2V plant improving

Stakeholders impacted:

Trade-offs:

To mitigate against the risk of a further significant outbreak of Avian Influenza (AI) during the period, Rainbow relocated its Midrand breeder facilities to a less densely populated region. This was an essential step to secure its flock, but unfortunately resulted in a Section 189 process for 12 of its employees who were unable to relocate.

Capitals enhanced: MC **Capitals depleted:** HC FC SC

OUR CAPITAL INPUTS, OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED CONTINUED

RESOURCES WE USED TO CREATE VALUE IN 2024

NC NATURAL CAPITAL

We strive to reduce our negative impact on the environment by increasing our energy self-sufficiency, being water-smart and reducing our waste to landfill.

- Our sugar co-generation, Waste-to-Value (W2V), solar and hydro plants produced 189 GWh of electricity
- 191 565 tonnes coal consumed
- 1 232 372 tonnes bagasse, husks and Macadamia nuts used for energy
- 13 649 kℓ diesel used
- 6 534 megalitres (Mℓ) municipal water used and 129 111 Mℓ of raw water (from rivers and dams) used

Risks and opportunities in securing these inputs:

Our operations depend on a reliable supply of electricity and quality potable water. We have identified opportunities to generate more renewable energy, which would reduce our non-renewable energy use, load-shedding exposure and environmental impact, but this requires significant initial investment. Water saving investments will also lessen our reliance on freshwater sources, but cost impacts need to be carefully managed. In all cases, opportunities exist to reduce our resource consumption and waste through behavioural change.

OUTCOMES OF OUR CAPITAL UTILISATION

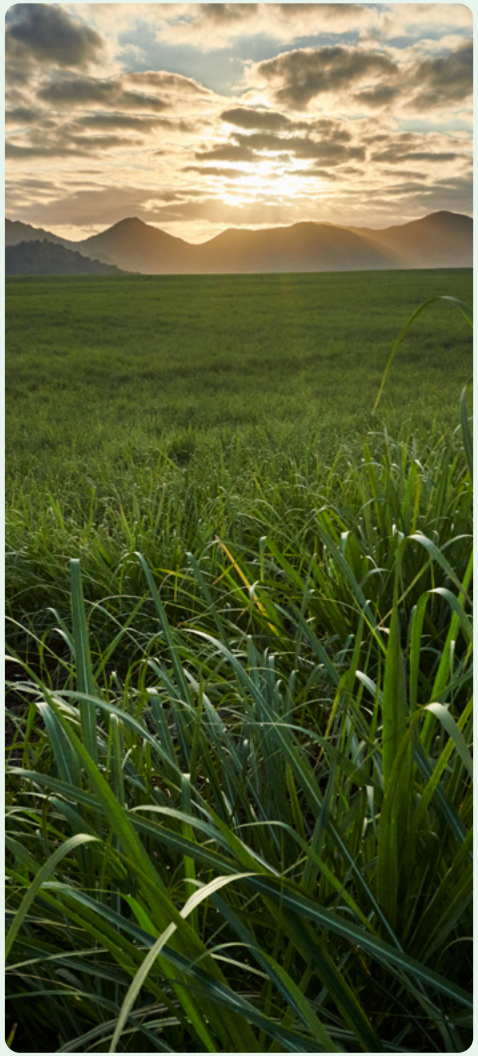
- 4% less purchased (Eskom) electricity used
- Our renewable electricity generation contributed to us being 29% electricity self-sufficient
- 3.8% less coal used
- 27.5% less diesel used, mainly due to lower transport volumes due to Vector Logistics' exit
- 16% of our waste was landfilled – a 24% increase due to higher mud waste disposal in the Sugar business unit
- 0.6% more municipal water used
- 29.5% more raw water used due to increased irrigation in Sugar
- 16 366 tonnes of waste recycled, reused or reworked – reducing waste and supporting the circular economy

Stakeholders impacted:

Trade-offs:

During high levels of load-shedding in the first half of the financial year, we had to make use of diesel generators to maintain an uninterrupted power supply at our operations. Although the impact was lower than in the previous financial year, this still came at an additional cost and temporarily created noise and air pollution.

Capitals enhanced: MC **Capitals depleted:** NC FC HC



OUR CAPITAL INPUTS, OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED CONTINUED

RESOURCES WE USED TO CREATE VALUE IN 2024

SC SOCIAL AND RELATIONSHIP CAPITAL

The ongoing relationships we have with stakeholders to strengthen our network, create shared value and reinforce our licence to operate.

- Engagement with key stakeholders to identify needs and address issues of concern
- Multi-stakeholder commitment to Sugar and Poultry industry master plans
- Positive customer relationships
- Collaborative partnerships with Sugar community-based suppliers
- A unique culture based on empowerment and accountability
- Proactive employee relations
- DO MORE FOUNDATION-led partnerships with Government, non-governmental organisations (NGOs) and the private sector to create better tomorrows for young children

Risks and opportunities in securing these inputs:

Managing the interests of multiple stakeholders can sometimes result in difficult decisions being taken that have the potential to impact on relationships. Wherever possible we seek to collaborate with our stakeholders in order to drive win-win solutions.

OUTCOMES OF OUR CAPITAL UTILISATION

- Leading engagements with Government for sugar industry survival, as well as Poultry sector sustainability
- Livelihoods supported for 1 200 small-scale growers in Nkomazi who generated approximately R550 million from the supply of 556 tonnes of cane to our mills
- A further R19,9 million invested in refurbishing small-scale grower irrigation infrastructure after the Nkomazi floods in February 2023 (2023: R25,0 million invested)
- 569 jobs and R55 million in lease payments provided during the year to land claim beneficiary communities in Nkomazi
- R16,8 billion spent on goods and services from B-BBEE suppliers
- National human capital supported through payment of R41,3 million in skills development levies
- 7,1 million meals provided to ease hunger among vulnerable young children and communities

Stakeholders impacted:

Trade-offs:

As part of our sustainability agenda, we are placing more focus on localisation of economic opportunities, both from a supply chain and recruitment perspective. This could increase our exposure to risks associated with a lack of local skills, cost/reliability implications and pressure from local communities, which we must manage proactively.

Capitals enhanced: SC **Capitals depleted:** FC SC MC

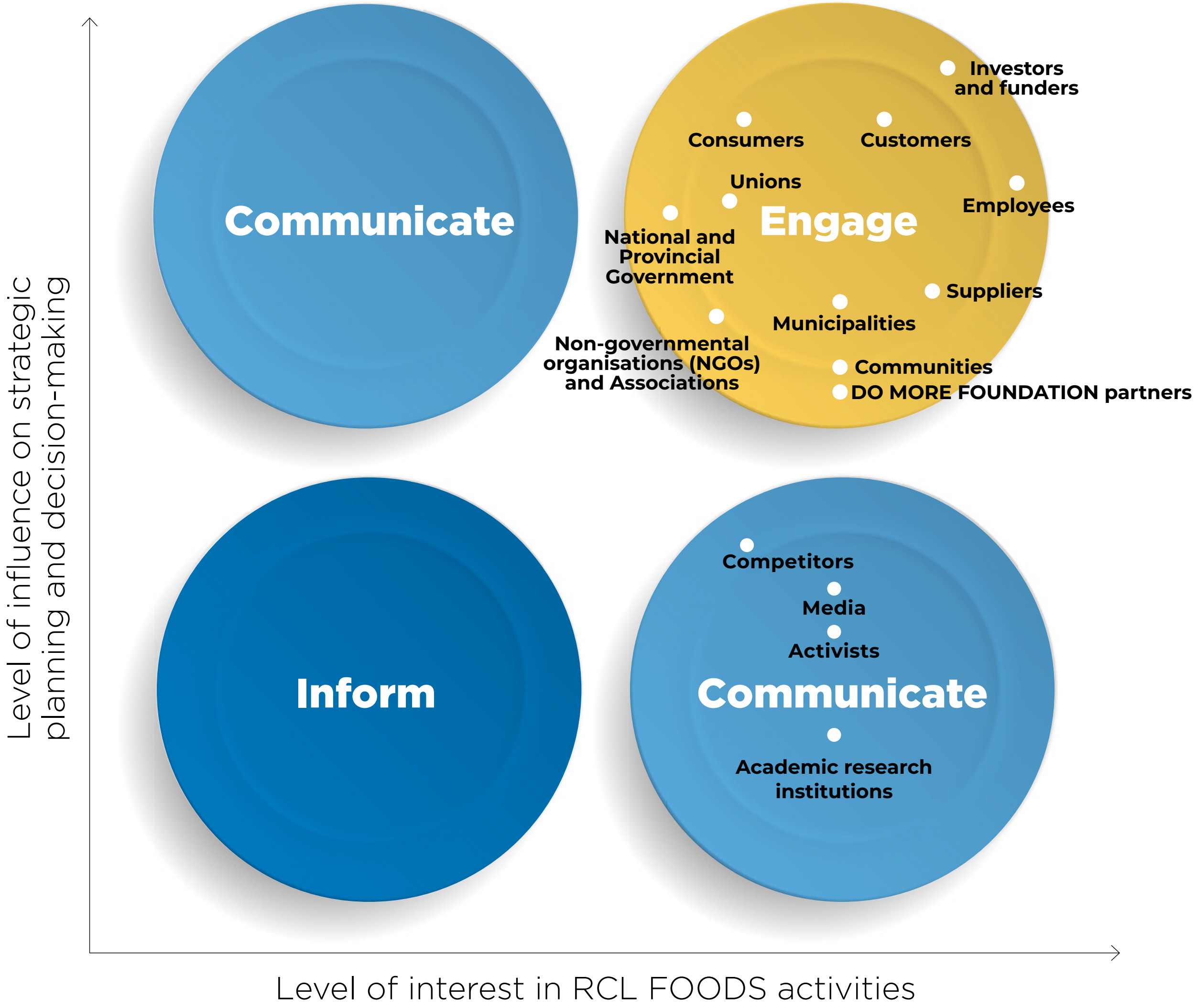
UNPACKING OUR VALUE CREATION

OUR STAKEHOLDER ENGAGEMENT

People are at the heart of our purpose and strategy, and we believe that strong, collaborative stakeholder relationships are essential in creating value for all. We aim to engage respectfully and openly with our key stakeholders, via regular, structured interactions that are supportive and responsive. Our Purpose and Values are what guide us in balancing diverse stakeholder interests, with the aim of creating a net positive impact for people, communities, our nation and the environment.

During the 2024 financial year we conducted a stakeholder mapping exercise in several of our business units to enable more proactive stakeholder engagement.

Our stakeholder universe includes a broad range of stakeholders with an interest in our business, products, activities and initiatives, as well as those who can influence, benefit from or be impacted by our business performance, activities and relationships. While we consider the entire universe of stakeholders in our engagement planning, we focus our reporting on key stakeholder groups.



OUR STAKEHOLDER ENGAGEMENT CONTINUED

COMMUNITIES

HOW WE CREATE VALUE

We aim to collaborate proactively with communities to build local opportunities and strengthen resilience through meaningful relationships and investments, so that communities end up better off because of our presence. This includes:

- Investing in social and economic development initiatives that positively impact their lives, with a focus on Early Childhood Development (ECD), education, enterprise development (ED), supplier development (SD), hunger alleviation and social cohesion
- Programmes that aim to engage, uplift and capacitate various stakeholders to better meet the rights and needs of young children
- Actively empowering SD programmes to contribute to our value chain
- Actively empowering ED programmes to contribute to our value chain where possible, or by linking them to other economic opportunities
- Assisting promising high school learners through the Star Schools initiative in Nkomazi

HOW WE ENGAGE

- Community-based joint ventures (CBJVs) with land claim beneficiary communities, governed through CBJV boards that meet regularly
- SD partnerships with small-scale farmers, contract growers and community enterprises, with regular partnership meetings
- Facilitated by the DO MORE FOUNDATION:
  - » Collaborative social development partnerships with NGOs, non-profit organisations (NPOs), Government departments, community leaders and business
  - » Social development partnerships
  - » Ongoing supportive communication to local communities regarding community-based initiatives
  - » Use of local stakeholders and service providers to ensure contextual relevance and sustainability
  - » Leveraging collective impact opportunities within targeted areas using the "Everyone Gets to PLAY" collective impact model (endorsed by various departments and leading SA corporates).
- Provision of support services and training to growers and farmers
- Providing food and feed to animal organisations
- Direct engagements via meetings and training, and indirect engagement via our social partners driving project implementation

KEY ISSUES

- Unemployment, especially among youth
- Need for skills transfer and ED
- Food insecurity for families
- Limited community ECD support
- Need for community nutrition and collaborative solutions
  - » 27% of children stunted due to malnutrition
  - » Poor literacy levels among South African learners (2021 PIRLS survey: 81% of Grade 4 learners cannot read for meaning in any language)
- Need for expertise with regard to ECD and ED issues
- Support of animal welfare organisations
- Service delivery and infrastructure decay, and the growing need for business to step in to find solutions

LINKED TO KEY RISKS

5 Business interruption – Supply Chain

8 Societal risks and unrest

OUR RESPONSE

- Providing over 7 million meals to vulnerable communities through product donations and the DO MORE FOUNDATION in the last year
- Through the DO MORE FOUNDATION, implementing multi-stakeholder social and economic development initiatives in all communities near our operations
- Providing early learning support, as well as parent/caregiver support
- Empowering our sugar grower communities through sustainable farming programmes and interconnected business models
- Stepping in when necessary to help restore services after infrastructure failures
- Local and regional partnerships (including Government departments) to help deliver on our social cohesion initiatives like the Selati Cup and Selati Marathon
- Our own employees (our DO MORE Heroes) are volunteering and adopting local ECD centres near their sites – getting actively involved in the solution for young children

QUALITY OF THE RELATIONSHIP

We have a generally good relationship with the communities around our operations. This is evidenced by their recognition of our impact on supplier/economic development in our grower communities, as well as our community social development impact via the DO MORE FOUNDATION.

OUR STAKEHOLDER ENGAGEMENT CONTINUED

CONSUMERS

HOW WE CREATE VALUE

We strive to create value for our consumers by building brand trust through:

- Providing a growing portfolio of leading food brands that meet consumers' changing needs
- Engaging with consumers to keep abreast of changes in consumer trends, habits and behaviour. These include a greater emphasis on value for money in the current economic climate, as well as convenience and "better for me" products driven by lifestyle and health considerations
- Providing our consumers with safe, high-quality food products supported by international quality and food safety standards in our facilities
- Embedding International Standards Organisation (ISO) principles into our integrated management systems across the supply chain
- Producing DO MORE Porridge at cost for the DO MORE FOUNDATION, which provides a quality nutritional meal for young children
- Opportunities to DO MORE by supporting DO MORE FOUNDATION initiatives

HOW WE ENGAGE

- 24-hour RCL FOODS Consumer Care Line
- Multiple traditional and social media platforms
- E-commerce sites of retail partners and independent platforms (e.g. Takealot)
- Provision of DO MORE Porridge to young children nationally via DO MORE FOUNDATION programmes
- Our website: *www.rclfoods.com*

KEY ISSUES

- Product availability on shelf
- Product quality and food safety
- Product affordability
- Product convenience
- Food insecurity at household level due to poverty (exacerbated by social grants not keeping up with inflation and poor support of ECD sector)
- Compliance with Government regulations (e.g. labelling, salt, sugar, packaging)
- Social and environmental impact of products
- Health attributes of products
- How to deliver quality nutrition affordably

LINKED TO KEY RISKS

2 Reduced demand
3 Pricing pressure
5 Business interruption – Supply Chain
7 Food and product safety
8 Societal risks and unrest
9 Non-availability of IT systems
11 Non-compliance with legislation
12 Business interruption – Health & Safety

OUR RESPONSE

- Continuously strengthening our food safety and quality assurance in line with international best practice
- Providing a broad range of affordably-priced, staple food products and competitively-priced household brands
- Tiering our portfolio to increase our value offerings
- Balancing our media spend toward digital to maximise our engagement with consumers
- Leveraging consumer insights to drive relevant innovation
- Investing in technology that allows our innovation capabilities to keep abreast of changing consumer needs
- Complying with relevant regulatory requirements
- Constructively engaging with regulators to positively influence standard setting
- Communication of environmental and social sustainability initiatives
- Driving consumer action and awareness around social initiatives through the DO MORE FOUNDATION
- Advocating for better nutritional support of the ECD sector as a key consumer

QUALITY OF THE RELATIONSHIP

We have a positive relationship with consumers, as evidenced by:

- Our market-leading brands
- Positive engagement with our brands and the DO MORE FOUNDATION on our social media platforms
- A declining number of consumer complaints, coupled with speedy resolution of valid complaints

OUR STAKEHOLDER ENGAGEMENT CONTINUED

CUSTOMERS

HOW WE CREATE VALUE

- We strive to meet our customers' needs by partnering with them to provide profitable growth opportunities that further their business objectives
- Sponsoring the Young Chef and Baker challenge and the Siyabhaka Baking Academy, to build the skills of tomorrow and create an affinity for our products
- Partnering with Siqalo Foods to rebuild the hospitality sector through the Sekela Hospitality Support Programme

HOW WE ENGAGE

- Weekly or monthly interventions with customers to ensure we keep abreast of customer issues and needs
- Joint strategic business planning sessions with customers' senior management to keep progressing strategic initiatives
- Dedicated sales interface team that uses "best in class" service methodologies
- Well-crafted innovation programme which is aimed at driving profitable category growth

KEY ISSUES

- Product quality and food safety
- Profitable growth
- Consumers purchasing more on promotion, resulting in increased retailer and manufacturer margin pressure
- Responsiveness of RCL FOODS
- Tailored sales solutions
- Mutually beneficial partnerships
- Service levels a high priority
- Ongoing cost push pressures resulting in multiple price increases
- Consumer wallet pressure
- More intense competition among manufacturers in key categories

LINKED TO KEY RISKS

1 Energy security and pricing
2 Reduced demand
3 Pricing pressure
5 Business interruption – Supply Chain
7 Food and product safety
8 Societal risks and unrest
9 Non-availability of IT systems
11 Non-compliance with legislation
12 Business interruption – Health & Safety

OUR RESPONSE

- A single sales force interface that drives common ways of working across all RCL FOODS customer teams with "best in class" service methodologies
- Using data insights to create stronger and more responsive plans
- Leveraging our enhanced capabilities to provide our food service customers with a growing and profitable portfolio of solutions
- Providing technical expertise and support in the animal feed and industrial flour sectors
- Expanding our basket to offer a broader range of product solutions
- Selective provision of private label brands in certain categories
- Developing products that minimise wastage and support margins
- Expanding our customer base to provide the same service excellence to export partners

QUALITY OF THE RELATIONSHIP

While we are not immune to the challenges of our operating environment, which have at times impacted on our service levels, we have generally solid relationships with our customers and collaborate extensively in some cases.

OUR STAKEHOLDER ENGAGEMENT CONTINUED

EMPLOYEES

HOW WE CREATE VALUE

We aim to foster wellbeing and belonging through an inclusive workplace that attracts, respects and invests in people. We strive to create value for our people through:

- Embedding our Purpose and Values in everything we do
- Creating employment and growth opportunities
- Actively prioritising diversity and inclusivity
- Investing in training and development to build a high-performance culture
- Greater utilisation of digital tools for learning and development
- Promoting employee health, safety and wellbeing in the workplace
- Actively driving transparent, open and meaningful engagement with employee representative forums
- Investing in effective communication channels to connect with our people wherever they are
- Through the DO MORE FOUNDATION, providing a channel for RCL FOODS employees to contribute to the upliftment of vulnerable communities via monthly payroll deductions, participation in (and heading up the project management of) the Foundation's various annual campaigns, and acknowledging those who regularly volunteer in their communities
- Delivering employee parent engagement opportunities through Eat Love Play Talk at six business sites

HOW WE ENGAGE

- Daily communication through our digital communication channels
- Regular management updates via live and virtual presentations and other communication channels
- Employee satisfaction and feedback surveys
- Tailored skills development and training
- Ongoing engagement with employee representative forums
- Hayibo employee tip-off hotline
- Wellness days enabling employees to engage with various service providers
- Occupational healthcare clinics at our main operating sites and mobile clinics for outlying sites
- SHERQ campaigns, including our new SHERQ Annual Recognition Awards
- Our DO MORE HEROES, the on-site "cheerleaders" for DO MORE FOUNDATION programmes and events

KEY ISSUES

- Career development and growth
- Education and training
- Diversity, equal opportunities and inclusivity in the workplace
- Constructive employee relations and engagement
- Employee health, safety and wellness
- Remuneration and benefits
- Making a difference in the community
- How the strategic portfolio transformation will impact job stability and/or create opportunities for career development
- Remote working
- Future employee value creation scheme
- Employee needs and challenges as parents

LINKED TO KEY RISKS

- 5 Business interruption – Supply Chain
- 7 Food and product safety
- 8 Societal risks and unrest
- 9 Non-availability of IT systems
- 11 Non-compliance with legislation
- 12 Business interruption – Health & Safety

OUR RESPONSE

- Building a community of inspirational and productive people with a common purpose
- Connecting with our employees via our *Let's Talk* mobile communication app and our *Let's Talk Live* webinars, allowing extensive engagement with management
- Rolling out Diversity and Inclusivity Conversation Circles across the business
- Embedding the "Safety – a way of life" campaign
- Assisting with the wellbeing of our staff and their families through the free Employee Assistance Programme, YouMatter
- New organisational structure and strategic capabilities create opportunities for staff promotion and advancement, as well as transformation
- Continuing our agile, hybrid working model at National Office – MORE FLEX
- Implementing our strategy to ensure competitive remuneration
- Employee involvement events and initiatives through the DO MORE FOUNDATION
- Annual DO MORE HEROES Conference to engage with heroes' feedback, plan together and acknowledge their support

QUALITY OF THE RELATIONSHIP

We have a generally positive relationship with our employees.

OUR STAKEHOLDER ENGAGEMENT CONTINUED

GOVERNMENT

HOW WE CREATE VALUE

RCL FOODS is proudly South African and we believe in the potential of our country. We are committed to building it, and have pledged to partner with Government and South African business leaders to address some of the current challenges facing our country, in order to achieve sustainable, inclusive economic growth. We believe that through partnership and focused interventions, we can make a significant positive impact.

We are committed to supporting Government by collaborating to achieve the goals of the National Development Plan (NDP), including food security, by:

- Contributing to fiscal revenue and sustainable employment for our people
- Supporting the transformation agenda
- Operating our business ethically and ensuring good governance practices
- Advancing Government's social and economic development agenda through partnerships in communities near our operations

We are also committed to playing our part in enhancing the sustainability of the South African poultry and sugar industries through our participation in their respective master plans.

We have signed up to the Partnership Initiative with Government through Business Unity South Africa and we are key contributors to the priority initiatives to build electricity resilience and reduce load-shedding, fight crime and corruption, and support the Logistics Crisis initiative.

HOW WE ENGAGE

- Direct engagement on key issues
- Joint planning sessions
- Meetings with local, provincial and national departments
- Participating in industry structures
- Periodic reporting in the form of annual and interim reports
- Regular communication by the DO MORE FOUNDATION on its multi-stakeholder programmes
- Local Integrated Development Plans and municipal engagement thorough local forums to promote young children's needs
- Encouraging employees to participate in community outreach activities (Mandela Day and World Food Day)

KEY ISSUES

- Sustainability of the sugar industry in particular, given the uncertainty surrounding the outcome of the business rescue proceedings of Tongaat Hulett Sugar and Gledhow Sugar Company
- Import tariff protection for key categories (sugar, wheat, peanuts, chicken)
- Energy and water security
- Infrastructure
- Alignment on industry growth and development plans
- Sustainable land reform
- Industry transformation
- Ongoing compliance with regulatory framework
- Employment creation and transformation
- Food security
- Early Childhood Development and implementation of the National Integrated Early Childhood Development (NIECD) Policy

LINKED TO KEY RISKS

1 Energy security and pricing
3 Pricing pressure
5 Business interruption – Supply Chain
7 Food and product safety
8 Societal risks and unrest
11 Non-compliance with legislation
12 Business interruption – Health & Safety

OUR RESPONSE

- Playing our part to help address key challenges in South Africa through partnerships with Government and other stakeholders. These include active engagement with Government and industry to:
  - » deal with food security issues
  - » improve the sustainability of the local poultry and sugar industries via the respective Master Plan structures
  - » manage the Avian Influenza crisis and need for vaccination
  - » navigate the Competition Commission investigation into the Poultry industry
  - » navigate the challenges arising from the business rescue of Tongaat and Gledhow
  - » implement the NIECD Policy through the DO MORE FOUNDATION
  - » ensure transformation in our mill areas through sustainable land reform and community economic development
- Monitoring of all compliance requirements and engagement with Government to understand any proposed changes

Refer to the Chairman's Report on page 75 for more information

QUALITY OF THE RELATIONSHIP

Our DO MORE FOUNDATION's relationship with the national and provincial departments of Health, Social Development and Basic Education has been strengthened through its multi-stakeholder partnerships in Nkomazi, Bushbuckridge, Rustenburg, Randfontein, Hammarsdale, Pongola, Molteno and Worcester.

RCL FOODS works constructively with Government on matters of mutual interest. Our relationship has strengthened through the pandemic, the riots and the flooding, and is becoming more collaborative due to the need to ensure food security and social stability.

OUR STAKEHOLDER ENGAGEMENT CONTINUED

INVESTORS AND FUNDERS

HOW WE CREATE VALUE

We strive to provide our investors and funders with value through:

- Sustainable financial returns in the form of dividends and share price growth
- Prudent and effective management of our financial resources and considered capital allocation decisions
- Strict compliance with debt covenants and repayment schedules
- Balanced and transparent disclosure to keep investors and funders informed of our progress
- Regular engagement to remain informed of stakeholder views

HOW WE ENGAGE

- Periodic group and individual meetings, announcements and reports
- Regular engagement with investors, analysts and fund managers which includes strategy updates
- Direct engagement with shareholders on proposed resolutions prior to annual and extraordinary general meetings
- Annual General Meeting
- Dedicated investor section at *www.rclfoods.com*

LINKED TO KEY RISKS

1 Energy security and pricing
3 Pricing pressure
4 Commodity pricing pressure
5 Business interruption – Supply Chain
6 Water security and pricing
7 Food and product safety
8 Societal risks and unrest
9 Non-availability of IT systems
10 Industrial action
11 Non-compliance with legislation
12 Business interruption – Health & Safety

KEY ISSUES

- Timing and impact of the Rainbow unbundling and listing
- Funding requirements for a standalone Rainbow
- Concerns that an unbundled RCL FOODS will be smaller and its shares more illiquid
- Products and categories targeted for acquisitions
- Why Sugar was kept within the branded businesses during the portfolio restructure
- Whether the poultry and sugar master plans are durable solutions
- Operational and financial impacts of load-shedding and water disruptions
- Subdued consumer demand
- Outlook for commodity input costs and the extent to which these will be able to be passed on in price increases
- Impact of the business rescue SASA defaults at Tongaat and Gledhow, and whether these amounts will be recovered
- The need for improved and more sustainable returns
- ESG sustainability
- Risks and opportunities in the rise of private label products

OUR RESPONSE

- Disposal of Vector Logistics finalised
- Communicated progress with our strategy in the interim and annual results and investor events, as well as in the CEO Report on page 4
- Unbundling of Rainbow from RCL FOODS to allow both businesses to pursue their respective strategies independently
- Recapitalisation of Rainbow to ensure business unbundled to shareholders with adequate capital
- Integrated our new Purpose and Values into our business processes
- Balance sheet impact of proposed strategic actions is carefully assessed as part of the business case
- Early and transparent engagement with debt providers on Vector and Rainbow separation impacts

QUALITY OF THE RELATIONSHIP

We have a mutually beneficial relationship, with regular, robust and healthy engagement between ourselves and equity as well as debt stakeholders

OUR STAKEHOLDER ENGAGEMENT CONTINUED

MEDIA

HOW WE CREATE VALUE

We see the media as a valued partner in relaying relevant information to our broader stakeholder community. This involves conveying stories of our impact in local communities.

HOW WE ENGAGE

- Press releases
- Advertising
- Responses to media enquiries
- Face-to-face, telephonic and online engagement
- Interviews with the CEO, CFO and other key executives
- Product launches and events
- Our website: *www.rclfoods.com*
- DO MORE FOUNDATION website: *www.domore.org.za*
- Social media platforms

KEY ISSUES

- RCL FOODS news and operational and financial performance
- Current industry issues
- Current consumer issues
- CSI initiatives
  - » Providing communities with relevant information through their media channels (e.g. DO MORE's Love Play Talk radio programmes with community radio stations)
- Environmental sustainability initiatives
- Impact of disruptive events

LINKED TO KEY RISKS

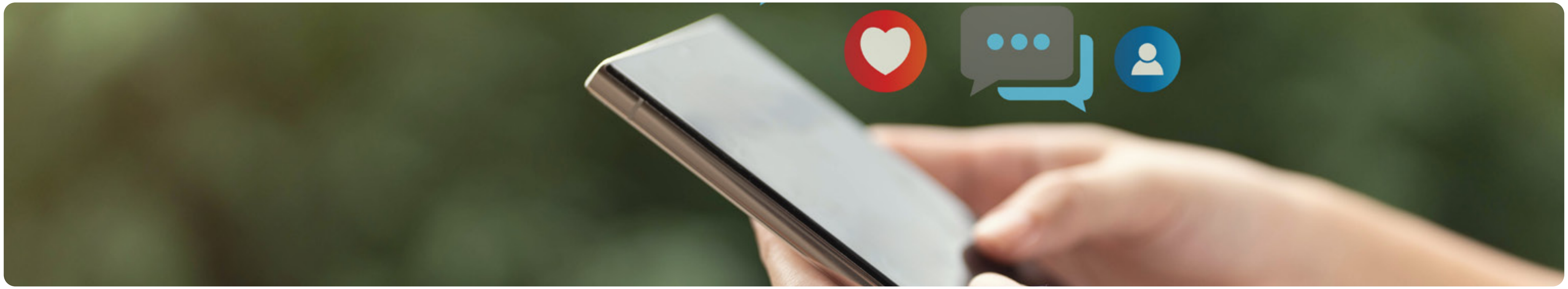
1 Energy security and pricing
7 Food and product safety
8 Societal risks and unrest
11 Non-compliance with legislation

OUR RESPONSE

- Enhanced media engagement through our Corporate Affairs department
- All queries responded to within a specified period
- Access to the CEO and CFO for editors and journalists
- Increased participation in industry-related issues
- Via the DO MORE FOUNDATION, ongoing sponsorship of "positive parenting" radio programmes

QUALITY OF THE RELATIONSHIP

We maintain a relationship of mutual trust with most media entities as we strive to respond to all reasonable requests for information transparently and without undue delay.



OUR STAKEHOLDER ENGAGEMENT CONTINUED

SUPPLIERS

HOW WE CREATE VALUE

- RCL FOODS had 14 136 active vendors across the Group in 2024, supplying us with over 340 sourcing categories across our business. We target to contract manage 85% of the value we spend
- Category Management allows the business to deal with "best in class" suppliers who use the latest technology and have a responsible environmental footprint. Category management allows us to better understand our supplier markets, identify potential risks and help design strategies to mitigate business risk
- We strive to create value for our suppliers by promoting enterprise development through the responsible purchase of goods and services from B-BBEE accredited suppliers

HOW WE ENGAGE

Regular supplier review meetings and analysis allow us to give suppliers feedback on how they are performing against our key service level agreements (SLAs) regarding on-time delivery and product quality. We exchange valuable category information that enables us to manage risk, cost, waste and ensure continuous improvements.

KEY ISSUES

- Understanding the key supplier markets and where they source their inputs helps identify potential opportunities and risks
- Creating a win-win partnership with our suppliers, during difficult economic conditions
- Certain spend categories lack local accredited suppliers of certain key ingredients and materials in the South African market, hence reliance on non-accredited and/or international suppliers
- Ability to guarantee supply to RCL FOODS in terms of meeting the minimum requirements of food safety
- Local and international disruption of the material supply chain due to pandemics or supply issues at local or international level

LINKED TO KEY RISKS

1 Energy security and pricing
3 Pricing pressure
4 Commodity pricing pressure
5 Business interruption – Supply Chain
9 Non-availability of IT systems
11 Non-compliance with legislation

OUR RESPONSE

- Implementing co-created sourcing strategies that can unlock opportunities, reduce risk and identify substitute materials
- Strong partnership-based supplier relationships allowing the business to identify potential product improvements, improve efficiency throughout the supply chain and reduce total cost delivered
- Continued support to develop domestic farmers through our interconnected business models
- Focusing on trying to grow the opportunity for Qualifying Small Enterprise (QSE) and Exempt Micro Enterprise (EME) suppliers within the overall supply chain
- Driving increased localisation in our supply chain
- R16,8 billion spent with B-BBEE compliant suppliers in the 2024 financial year

QUALITY OF THE RELATIONSHIP

On the whole, our supplier relationships are strong and collaborative.

UNPACKING OUR VALUE CREATION

OUR MATERIAL RISKS AND OPPORTUNITIES – CONTINUING OPERATIONS

Our operations continue to navigate a highly dynamic environment, underscoring the imperative for adaptability and resilience. In this ever-evolving landscape, we face continuously shifting opportunities and risks. To address these effectively, we have strengthened our Enterprise Risk Management (ERM) processes to proactively identify, assess and navigate these changes. This strategic approach enables us to remain agile and responsive in our decision-making, ensuring the sustainability of our organisation. Our risk management practices are aligned with our Risk Methodology and are overseen by our Board's Risk Committee. The Board affirms the effectiveness of these processes in continually assessing and managing opportunities and risks in alignment with our Business Strategy.

KEY INSIGHTS

Over the last year, food manufacturers in South Africa have faced a complex risk landscape influenced by various economic, environmental and social factors. The South African economy has continued experiencing sluggish growth. This has been compounded by high interest rates, fuel and food prices, and persistent logistical and energy supply constraints. This has contributed to an overburdened consumer, resulting in reduced demand and increased price sensitivity.

One of the most significant challenges going into this year was load-shedding, which severely impacts production schedules and operational efficiency. The unreliable electricity supply has forced many manufacturers to invest in backup power solutions, increasing operational costs. There has been a marked reduction in load-shedding in the final quarter of the financial year, with the outlook of this risk improving.

While electricity supply is showing signs of improvement, the risk outlook for water supply continues to deteriorate given the potential impact of climate change and ageing water-related infrastructure. Water resilience at our sites is a key focus area to ensure our ability to maintain production.

There is increasing scrutiny on environmental, social, and governance (ESG) practices, requiring companies to enhance transparency and sustainability efforts. We continue to evolve our sustainability practices, including ensuring compliance with evolving regulations and reporting requirements.

Political and social instability remained a risk throughout the period. Social unrest, high unemployment rates and governance issues exacerbated the business environment's instability, with the national elections adding a large degree of uncertainty. It was pleasing to note that the elections proceeded with minimal disruption. The successful establishment of a Government of National Unity (GNU) has the potential to bolster policy coherence, diminish political uncertainty and improve confidence across various sectors. The recent strengthening of the currency and favourable reactions in equity and bond markets indicate growing trust in the GNU which could further strengthen the economic operating environment for RCL FOODS.

The challenges we face also create opportunities for us to:

- continue to develop affordable and innovative solutions for cash-strapped consumers;
- leverage digital technology to create a more connected and insight-driven business;
- reduce our water and energy use;
- decrease our waste to landfill and increase recycling, especially of plastics;
- reduce our reliance on imports by sourcing locally produced raw materials;
- be a positive influence in the communities in which we operate through our social and economic development initiatives; and
- expand our nutritional provision to vulnerable young children through the delivery of nutritionally enhanced DO MORE Porridge.

TOP RISKS IN 2024

Through our ERM process we have identified the most material risks that have the potential to significantly impact our business performance and strategic advancement. These were derived from a series of interviews and workshops with senior leadership, and were carefully deliberated and agreed upon by the Risk Committee.

The majority of the identified risks hold the capacity to either currently or imminently affect our Group's operations and overall performance. Notably, a significant portion of these key risks falls within the realms of Economic and Business Interruption. It is worth mentioning that Business Interruption risks are more controllable compared to Economic risks.

The Economic risks are predominantly driven by factors such as weak economic growth, high unemployment rates, fluctuations in exchange rates, food price inflation, and spikes in energy prices. By addressing these identified risks head-on, we can proactively manage our business' wellbeing and foster resilience against potential challenges in the ever-changing economic landscape.

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

RISK NAME	RISK CATEGORY
1 ENERGY SECURITY AND PRICING	Business Interruption
2 REDUCED DEMAND	Economic
3 PRICING PRESSURE	Economic
4 COMMODITY PRICING PRESSURE	Economic
5 BUSINESS INTERRUPTION – SUPPLY CHAIN	Business Interruption
6 WATER SECURITY AND PRICING	Climate Change/Business Interruption
7 FOOD AND PRODUCT SAFETY	Societal
8 SOCIETAL RISKS AND UNREST	Societal
9 NON-AVAILABILITY OF IT SYSTEMS	Business Interruption
10 INDUSTRIAL ACTION	Business Interruption
11 NON-COMPLIANCE WITH LEGISLATION	Compliance
12 BUSINESS INTERRUPTION – HEALTH AND SAFETY	Business Interruption
13 SUGAR INDUSTRY	Economic
14 CASH MANAGEMENT	Economic

Refer to the Corporate Governance Report, available at www.rclfoods.com/financial-results-and-reports-2024.

ICON REFERENCE

OUR CAPITALS

- FC FINANCIAL CAPITAL
- HC HUMAN CAPITAL
- IC INTELLECTUAL CAPITAL
- MC MANUFACTURED CAPITAL
- NC NATURAL CAPITAL
- SC SOCIAL AND RELATIONSHIP CAPITAL

OUR STAKEHOLDERS

- COMMUNITIES
- CONSUMERS
- CUSTOMERS
- EMPLOYEES
- ENVIRONMENT
- GOVERNMENT
- INVESTORS AND FUNDERS
- MEDIA
- SUPPLIERS

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

1 ENERGY SECURITY AND PRICING

FC NC MC SC

MATERIAL ISSUE

An improvement in Eskom's reliability and performance of its coal generation fleet, coupled with the significant work done by sites to install backup power supplies, has improved the Group's energy risk outlook in the short to medium term.

RISKS

This risk is driven by our need for continuous energy to run our operations optimally. Inadequate generation capacity by Eskom, combined with ageing infrastructure, inadequate maintenance and replacement plans by Eskom and municipalities, has the potential to increase disruption to power supply due to load-shedding.

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Installation of generators/alternative power at the majority of sites
- Dedicated Sustainability team proactively drives our sustainability agenda, focusing largely on energy, water and waste
- Inclusion of Sustainability in our Group Strategy, with progress against targets monitored by the Group Executives and Risk Committee
- Robust strategic planning to ensure Group operations are resilient against energy shortages
- Implementation of energy efficiency and conservation projects
- Buffer supply of stock maintained on site
- Opportunity to wheel power
- Opportunity to expand rollout of renewable energies

STAKEHOLDERS:

2 REDUCED DEMAND

FC MC IC SC

MATERIAL ISSUE

The challenging macro-economic outlook characterised by high inflation and unemployment levels, weak economic growth and high raw material input costs continue to fuel heightened consumer financial pressure. This has a direct impact on our ability to pass on necessary Price Increases to an already overburdened consumer. The ever-changing landscape of consumer tastes and preferences adds to the complexity, increasing the risk of customers shifting their loyalty to competitor products.

RISKS

- Decrease in demand from key customers
- Loss of key customers due to customer pressures/changes in operating environment/ economic pressures
- Increased competition resulting in declining market share of product categories
- Changing consumer buying behaviours attributable to lower household disposable income

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Strong focus on rebuilding volumes in channels impacted by this risk
- Continuous monitoring of external market trends and collation of consumer and customer insights to develop category and brand strategies
- Continuous investment in research and development (R&D) and product/brand development
- Building and maintaining trading relationships across all customers
- Development of joint engagement plans with key customers that include innovation development and customer service objectives
- Group marketing and sales capabilities
- Innovation and value-added launches to drive and enable growth and differentiation
- Establishing, monitoring and enhancing relationships between our brands, customers and consumers to ensure value creation for all stakeholders
- Opportunity to build brand equity and clearly differentiate our products in the minds of the consumer
- Opportunity to amplify focus on best-in-class and net revenue management initiatives to drive efficiencies, cost reductions and new product development aimed at expanding value tier offerings

STAKEHOLDERS:

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

3 PRICING PRESSURE

FC MC SC

MATERIAL ISSUE

The Group is persistently confronted with prevailing macroeconomic challenges, leading to escalating costs that prove difficult to transfer to consumers. The impact of this risk on the Group's performance is further amplified by inadequate tariff protection on imports and external pressures adversely affecting the industries we operate in.

RISKS

- Pricing pressure driven by significant input cost hikes
- Exposure to sugar price variations (i.e. world sugar price volatility)

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Emphasising cost reductions, operational effectiveness and increasing cost competitiveness
- Robust strategic planning that positions us to proactively address pricing pressure risks
- Strong focus on commodity procurement
- Building brand equity through innovation and marketing initiatives
- Forward integration of flour and sugar to reduce exposure to market fluctuations
- Supporting the industry transformation agenda with SASA
- Supporting the Sugar Industry Master Plan
- Establishing solid partnerships with key customers
- Pursuing acquisition opportunities to build scale and dilute costs
- Ongoing engagement with Government to find appropriate solutions for all stakeholders

STAKEHOLDERS:

For detail on commodity price activity, refer to the CFO's Report from page 79.

4 COMMODITY PRICE FLUCTUATIONS

FC MC IC SC

MATERIAL ISSUE

The costs of our products are closely linked to the prices of essential commodities and raw materials used in the manufacturing process. This correlation increases our vulnerability to fluctuations in commodity prices, which are compounded by currency fluctuations. Global and local market conditions, particularly affected by the conflict in Ukraine and the Middle East and adverse climate events, further amplify these risks.

RISKS

- Volatility of raw material prices due to exchange rate fluctuations
- Volatility of raw material prices due to supply and demand movements locally and globally
- Unavailability of raw materials in the local market
- Changes in global and local market conditions
- Uncertainty or adverse events in the political landscape
- Adverse climate conditions

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Strong governance and risk management principles applied and entrenched within business processes
- Clear procurement strategy in place, guided by the Divisional Procurement Policy
- Monthly meetings of Commodity Procurement Committee to review strategy, prices and mandates
- Monthly comparison of raw material prices against South African Futures Exchange (SAFEX) market prices
- Annual internal review performed on commodity procurement processes
- Ability to substitute raw materials for certain products, e.g. white and yellow maize and soya for sunflower oil
- Opportunities constantly investigated for local supply of raw materials to reduce reliance on imports
- Opportunities to place forward cover on scarce commodities such as meat, flour, fat, etc.
- Opportunities to explore the use of AI tools in trading

STAKEHOLDERS:

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

5 BUSINESS INTERRUPTION – SUPPLY CHAIN

HC FC MC SC IC

MATERIAL ISSUE

Supply chain business interruption risk refers to the potential disruptions that can occur within the flow of goods, services and information from suppliers to customers. These disruptions can be caused by various factors such as natural disasters, supplier issues, transportation problems and demand-supply imbalances. When the supply chain is disrupted, it can lead to delays in production or delivery, increased costs, and negative impacts on our company's operations and financial performance.

RISKS

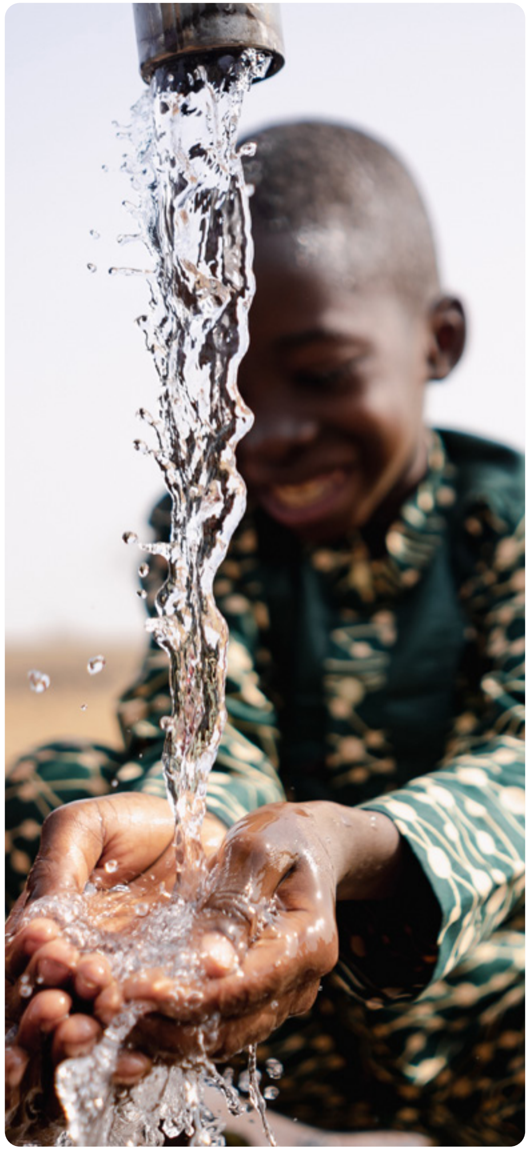
- Supply disruption due to shortage of raw material supply
- Global geopolitical risk events (currently, prolonged Russia-Ukraine war) impacting the availability of raw materials
- Fire in plant/warehouse
- Business interruption due to failure in critical equipment

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Continuous engagement with customers and suppliers
- Business continuity plans in place for key suppliers
- Business continuity and disaster recovery plans in place to deal with major incidents or crises
- Close engagement with external risk assessors and insurers to ensure that all facilities have adequate fire detection and prevention measures in place
- Continued focus on forging strong relationships with the unions of our different business units
- Appropriate insurance in place to reduce the impact of insurable events
- Opportunities to evaluate response strategies to refine and strengthen mitigation plans, ensuring supply chain resilience and continuity of operations in challenging and unpredictable environments

STAKEHOLDERS:

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED



6 WATER SECURITY AND PRICING

FC NC MC SC

MATERIAL ISSUE

Water security risk refers to the potential for shortages or interruptions in water supply that may impact our company's operational continuity. Factors like climate change, droughts, pollution and competing demands for water resources can exacerbate water scarcity. The current water challenges in South Africa remain an escalating risk for our Group, directly affecting the operational capabilities of our sites.

RISKS

- Climate change has the potential to fundamentally disrupt the food industry across the globe and specifically within Africa. Failure to adapt to or deliver an effective mitigation strategy in response to climate change, could have significant impact on the Group's ability to meet its strategic objectives
- Ageing infrastructure, with inadequate maintenance and replacement plans by municipalities, could further elevate the risk of disruption due to lack of water
- Extended periods of load-shedding also increase the likelihood of suitable municipal water not being available

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Sites have installed backup water storage tanks and where possible installed boreholes
- Dedicated water tankers available at certain sites within the Group
- Dedicated Sustainability team proactively drives our sustainability agenda, focusing largely on energy, water and waste
- Inclusion of Sustainability in our Group Strategy, with progress against targets monitored by the Group Executives and Risk Committee
- Robust strategic planning to ensure operations are resilient against water shortages
- Implementation of water efficiency and conservation projects, e.g. replacement of inefficient irrigation systems
- Detailed review of water reliance and resilience performed at key sites. This review identified the site's level of reliance on municipal infrastructure, as well as its water catchment area, to build long-term plans for sustainability
- Opportunities to invest in water saving/recycling initiatives

STAKEHOLDERS:

For further details, refer to the Sustainable Business Report available at www.rclfoods.com/financial-results-and-reports-2024

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

7 FOOD AND PRODUCT SAFETY

FC MC SC

MATERIAL ISSUE

At the core of our business, ensuring the safety of our food and products is our utmost priority. We adopt a proactive stance to consistently meet and surpass safety standards.

RISKS

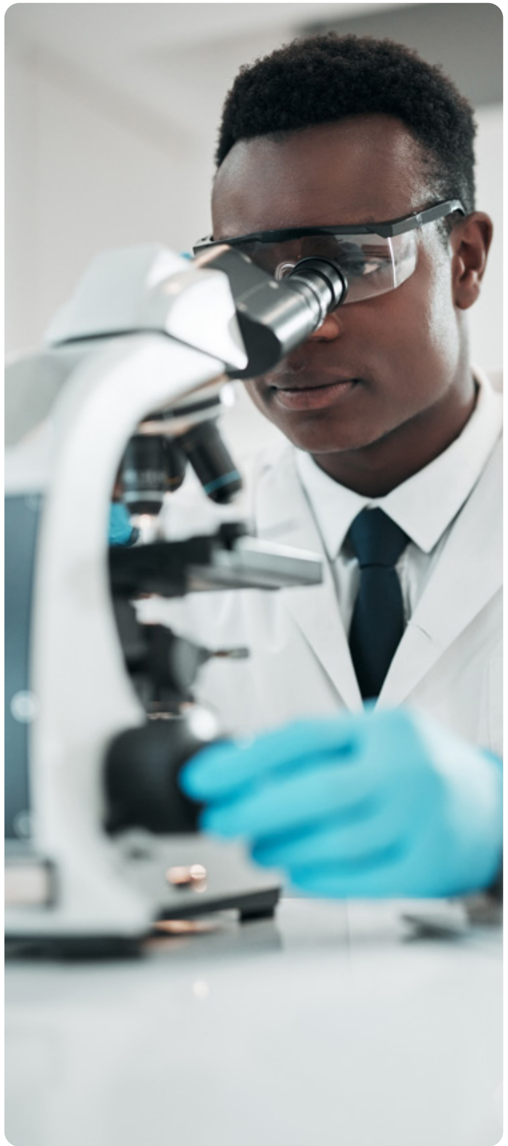
Products could potentially be subjected to food or product hazards if not managed within the supply chain. Failure to meet product safety and quality standards could lead to:

- reputational damage;
- product liability claims;
- product recalls; and
- heightened expectations and oversight from key stakeholders.

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Robust, comprehensive product quality processes and controls in place
- All food production sites either FSSC 22000 or ISO 22000 certified, except for Sunshine Bakery sites where food safety compliance is verified by the Food Safety Agency (FSA)
- Food safety risks identified using the Hazard Analysis Critical Control Point (HACCP) methodology and managed through the implementation of pre-requisite programmes relevant to the scope of certifications
- Regular audits performed by Group Safety, Health, Environment and Quality (SHEQ), internal audit, independent risk consultants, customers and independent standards authorities
- Cleaning and hygiene procedures entrenched in business processes
- Procedures in place to prevent product cross-contamination
- Pathogen testing of products and processing environments
- Well-established and tested withdrawal and recall procedures
- Investment in new technology and equipment to further enhance food safety
- Ongoing Food Safety culture and awareness initiatives and training
- Food Safety initiatives also create opportunities to reduce waste and increase efficiencies
- Opportunities to drive continuous improvement initiatives to optimise food safety processes, reduce risks, and enhance overall Group performance

STAKEHOLDERS:



OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

8 SOCIETAL RISKS AND UNREST

SC HC FC

MATERIAL ISSUE

Our business faces significant risks related to societal protests, civil unrest, or turbulence in the external community. Such events could hamper productivity at our operations and adversely affect our performance. The heightened risk of social unrest remains a critical concern in the short to medium term for the Group. In the context of weak economic growth and high unemployment levels, the stability and economic reforms of the new coalition Government is key to ensure social cohesion and transformation in the South African economy.

RISKS

- National shutdown attributed to political conflict
- Looting and violence
- Community disruption
- Criminal activity harming employees (e.g., armed robberies, hijackings)
- Supply chain disruption
- Loss of revenue and profitability

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Maintaining good relationships with local communities, governments, customers and employees
- Monitoring the evolving public environment to identify potential political, reputational or security threats
- Minimising the business interruption impact through legal processes, with a coordinated and sustainable community engagement strategy underway
- Business continuity plans in place
- Strengthening employees' resilience through our YouMatter Employee Assistance Programme
- Increased gathering and use of security-related information from various security providers
- Opportunity to proactively engage with community leaders, Government, customers to foster dialogue, understanding and inclusivity in decision-making processes

STAKEHOLDERS:

For further details, refer to the Sustainable Business Report available at www.rclfoods.com/financial-results-and-reports-2024

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

9 NON-AVAILABILITY OF INFORMATION TECHNOLOGY (IT) SYSTEMS

FC MC IC HC SC

MATERIAL ISSUE

The increasing dependence on technology presents businesses with a spectrum of operational, security and strategic risks. While embracing new technologies and innovative business practices like automation, artificial intelligence, blockchain, cloud computing, and the Internet of Things presents exciting opportunities, it also exposes us to additional risks concerning information security and business continuity. As we navigate this digital landscape, it becomes imperative to adopt comprehensive risk management measures to harness the potential benefits while safeguarding our operations and sensitive information.

RISKS

- Critical system downtime
- Cyber-attacks
- Unauthorised access, misuse and disclosure of sensitive information

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

RCL FOODS' IT infrastructure is safeguarded through a robust and effective IT General Control environment which covers all the layers of the IT infrastructure. Assurance over the controls and processes is obtained through various reviews performed by both internal and external experts. Key controls at RCL FOODS include, but are not limited to:

- Segregation of duties
- Antivirus and malware protection
- Network and email security
- Data classification and retention
- Use of reputable service providers
- Secure configuration
- Incident management
- Managing user privileges
- Threat and vulnerability assessments
- Information security maturity assessments
- Ongoing training regarding cyber risk and information security
- Disaster recovery plans and backup strategies
- External assurance of Information Technology Governance Controls (ITGC) performed for applicable business units
- Insurance cover in place to assist in offsetting potential losses from cyber risk incidents
- Opportunities to leverage advanced analytical/AI tools and technologies to enhance decision-making and optimise business processes and operational efficiencies

STAKEHOLDERS:

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

10 INDUSTRIAL ACTION

HC SC

MATERIAL ISSUE

The risk of industrial action poses a concern to our company's operations and overall performance. Potential strikes, labour disputes or work stoppages by employees can disrupt productivity, impact customer service and lead to financial losses.

RISKS

- Loss of production and revenue
- Employee loss of pay/dismissal
- Negative publicity/reputational impact

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Continual engagements and relationship building with trade unions
- Maintaining good relationships with local communities, governments, customers and employees
- Monitoring the evolving public environment to identify potential political, reputational or security threats
- Minimising the business interruption impact through legal processes, with a coordinated and sustainable community engagement strategy underway
- Strike action plans in place
- Recognition and wage agreements in place at certain sites which detail terms of relationships with unions, ensuring stability

STAKEHOLDERS:

11 NON-COMPLIANCE WITH LAWS AND REGULATIONS

FC MC NC IC HC SC

MATERIAL ISSUE

The regulatory and compliance landscape within which we operate is complex and continuously evolving. As a company, it is fundamental for us to effectively manage compliance to safeguard our reputation and avoid potential fines and penalties. We recognise our responsibility to achieve and uphold compliance standards and have implemented comprehensive programmes, assurance activities, and various initiatives to support and reinforce our commitment to compliance. These measures play a pivotal role in ensuring that we operate responsibly, maintain the trust of stakeholders, and navigate the ever-changing regulatory environment with confidence.

RISKS

- Non-compliance with legislation and regulations, resulting in fines and penalties
- Possible reputational damage to brands and the RCL FOODS corporate brand

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- RCL FOODS Compliance framework to enable accountability for, prioritisation of and compliance to key legislation
- RCL FOODS Regulatory Universe established
- Identification of the Environmental and SHERQ compliance universe to ensure all sites are fully compliant. Where gaps are identified, plans are implemented to close them
- Ongoing provision of targeted training and awareness across the business
- Appropriate policies, systems, procedures and reporting
- Appointment of skilled technical resources and consultation with subject matter experts
- Combined assurance strategy whereby audits are performed by various internal and external independent bodies on various aspects of food and safety compliance, accounting, tax, etc.
- Dedicated executive responsible for communication and correspondence with the media

STAKEHOLDERS:

GOV *Refer to the Corporate Governance Report*

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

12 BUSINESS INTERRUPTION – HEALTH AND SAFETY

HC FC MC SC

MATERIAL ISSUE

The Group continues to prioritise health and safety risks as a paramount concern. A concerning emerging trend of widespread criminal activities, including robberies and hijacking incidents, remains a potential threat to the wellbeing and safety of our employees. As a responsible employer, we are committed to proactively addressing these security challenges and implementing robust measures to safeguard our workforce.

RISKS

- Significant increase in absenteeism of employees due to infections/injuries
- Supply disruption due to shortage of labour
- Productivity and performance
- Loss of life
- Mental fatigue and workplace stress

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Safety awareness initiatives such as Safety Days and Safety Culture Surveys
- Continuous health and safety education, training and communication
- Occupational healthcare clinics at our main operating sites and mobile clinics for outlying sites
- Implementation of YouMatter Employee Wellness Programme
- On-site Hazard Incident Risk Assessments (HIRA) and Hazard and Operability Analysis (HAZOP) are continuously updated to track corrective and preventative actions

STAKEHOLDERS:

13 CASH MANAGEMENT

FC MC SC

MATERIAL ISSUE

Specific attention continues to be placed on the management of cash throughout the business with focus on cash profit delivery, working capital management and the delaying of non-critical capital expenditure, where appropriate.

RISKS

This risk is characterised by the high cash flow requirements driven by supply chain business interruptions (particularly load-shedding implications on supply chain running costs and additional capital expenditure requirements), a constrained macroeconomic environment and high inflation.

Risk impact

- Liquidity strain
- Breach of debt covenants
- Financial loss
- Delayed creditor payments

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

Management of working capital through:

- effective stock management;
- collection of debtors;
- maximising supplier payment terms;
- delaying of non-critical capital expenditure (where appropriate);
- individual borrowing limits across the different segments, which are monitored daily; and
- opportunity to improve processes around cash forecasting to improve accuracy and ensure sufficient cash availability is planned in advance

STAKEHOLDERS:

OUR MATERIAL RISKS AND OPPORTUNITIES CONTINUED

14 SUGAR INDUSTRY

HC FC MC SC

MATERIAL ISSUE

Whilst the outlook of the sugar industry is improving, the uncertainty surrounding the successful outcome of the business rescue processes at Tongaat and Gledhow remains a key risk to the Sugar operating unit.

RISKS

The uncertainty of the outcome of the business rescue processes at Tongaat and Gledhow is unpredictable, and management continues to monitor developments closely.

The risk impact includes:

- Loss of profit
- Fundamental changes to the sugar industry and how it operates in South Africa

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Legal monitoring and oversight on the status of the Tongaat and Gledhow business rescue
- Collaboration, where appropriate, with industry bodies to drive a positive outcome for the industry

STAKEHOLDERS:

UNPACKING OUR VALUE CREATION
OUR LEADERS

EXECUTIVE DIRECTORS

PD (PAUL) CRUICKSHANK (50)

Chief Executive Officer

CA(SA)

Appointed: December 2021

Directorships: RCL Foods Limited and its subsidiary companies

Paul is a Chartered Accountant, and began his career as an auditor with Deloitte South Africa before joining Rainbow Chicken Limited in 2004 as Group Financial Manager. In his 19 years with RCL FOODS he has gained extensive experience in commercial, supply chain and operational directorship roles across the business, culminating in his current position.

RH (ROB) FIELD (53)

Chief Financial Officer

CA(SA)

Appointed: July 2004

Directorships: RCL Foods Limited and its subsidiary companies, Royal Eswatini Sugar Corporation

Rob is a Chartered Accountant who qualified with Deloitte & Touche in Durban. Prior to joining Rainbow in May 2003, he spent four years as Commercial Director of Robertsons Homecare Proprietary Limited.

NON-EXECUTIVE DIRECTORS

JJ (JANNIE) DURAND (56)

Non-executive director (Chairman)

BAcc (Hons), MPhil (Oxon), CA(SA)

Appointed: March 2010

Directorships: Chief Executive Officer of Remgro Limited. He also serves as a Non-executive Director on a number of companies including Distell Group Limited; Rand Merchant Investment Holdings Limited, where he serves as Chairman; and Mediclinic International Limited where he serves as a Non-executive Director.

Jannie is a Chartered Accountant and holds a M.Phil. in Management Studies from Oxford University. Previously, he served as the Chief Investment Officer of Remgro Limited, as well as the Financial Director and Chief Executive Officer of VenFin Limited. Jannie has served as Chairperson of the Board since June 2012. With effect from 3 September 2024, Jannie retired as Chairperson of the Board, and simultaneously resigned as a Non-executive Director, and accordingly as a member of the Remuneration and Nominations Committee.

CPF (CAREL) VOSLOO (50)

Non-executive Director

BAcc Honours, MCom (Tax), CA(SA)

Appointed: November 2023

Carel has a BAcc Honours degree from the University of Stellenbosch and a Master's degree, MCom (Tax) from the University of the Witwatersrand. He is a qualified Chartered Accountant CA(SA) and a Chartered Financial Analyst (CFA) Charter holder member. Carel joined Remgro Limited in March 2022 and in April 2024 Carel joined the Remgro Limited Board of Directors as alternate to Mr Jannie Durand. Carel is a member of the Remgro Management Board, where he is responsible for Investment Activities. Prior to joining Remgro, Carel held various positions at Rand Merchant Bank from 2004 to 2022, including co-head Corporate Finance and co-head of the Investment Banking division, and was represented on the executive committee of Rand Merchant Bank from 2014 to 2022. With effect from 3 September 2024, Carel was appointed as a Non-executive Director and will serve as a member of the Remuneration and Nominations Committee.

GP (GUGU) DINGAAN (48)

Independent non-executive director

BCom (Acc), Post Graduate Diploma in Accounting, CA(SA)

Appointed: November 2022

Directorships: Distell Group, Sasfin Bank Limited, various WIPHOLD investee companies

Gugu is a Chartered Accountant and holds certificates from Stellenbosch Business School's executive development programme and from INSEAD. Gugu has experience in corporate finance and investment spanning over 20 years.

AUDIT COMMITTEE
REMUNERATION AND NOMINATIONS COMMITTEE
RISK COMMITTEE
SOCIAL AND ETHICS COMMITTEE
C CHAIRPERSON

NON-EXECUTIVE DIRECTORS

GCJ (KEES) TIELENIUS KRUYTHOFF (55)*

Independent Non-executive Director

Business Economics (Erasmus University, Rotterdam, Netherlands)

Appointed: April 2020

Directorships: Chairman of MrGreenAfrica, Senior Advisor Bain Capital, Executive Chairman Nicoya, Founder – Imagine

Kees is a uniquely global leader with extensive experience in brand building, strategic direction and performance management, and strategically repositioning businesses for growth. He is a passionate believer in business as a force for good and is committed to global food transformation. He was previously General Manager of Unilever South Africa, General Manager of Unilever Brazil, President of Unilever North America and President of Unilever Home Care Division.

*Dutch

RM (RICHARD) RUSHTON (61)

Independent Non-executive Director

BCom

Appointed: September 2024

Directorships: Rubicon Holdings Group (Pty) Ltd, Tiny Keg Can Co (Pty) Ltd, Talmar Consulting (Pty) Ltd

Richard has a BCom from the University of the Witwatersrand. He started his career at Adcock Ingram Limited and went on to hold a variety of senior positions at SABMiller in Africa, Asia and Latin America from 1997 to 2013. He joined the Distell Group as Group Chief Executive Officer in 2013 and retired from that position in 2023, following the acquisition of Distell by Heineken. He is an active Non-executive Director and investor in unlisted companies, and currently serves as the Non-executive Chairman on Rubicon (Pty) Ltd. With effect from 3 September 2024, Richard was appointed as an Independent Non-executive Director and will serve as a member of the Risk Committee.

NP (PETER) MAGEZA (68)

Independent Non-executive Director

ACCA (UK)

Appointed: September 2009

Directorships: Anglo American Platinum Limited, Remgro Limited, SAPPI Limited.

Peter was formerly the Chief Operations Officer of the Absa Group. He is a Chartered Certified Accountant and a Fellow of The Association of Chartered Certified Accountants (ACCA) UK. He has gained extensive experience through holding various executive positions in the audit, financial services and the transport and logistics sectors. With effect from 3 September 2024, Peter retired as a Non-executive Director.

PM (PENNY) MOUMAKWA (60)

Independent Non-executive Director

MBChB, MAP (Wits), GMP (Harvard)

Appointed: January 2019

Directorships: Mohau Equity Partners, Growthpoint Healthcare Properties, Clicks Group and Wits Donald Gordon Medical Centre

Penny is the Chief Executive Officer and Founder of Mohau Equity Partners, a long-term investment vehicle, in partnership with Discovery. Previously she worked in multiple senior executive roles within Discovery and served on the Central Executive Committee as well as on the board of Discovery Health.

GC (GCINA) ZONDI (51)

Independent Non-executive Director

BCompt (Hons), AGA (SA)

Appointed: July 2008

Directorships: Imbewu Capital Partners, Isegen South Africa, Container Conversions, Icon Construction, International Facilities Services (SA), NPC-Intercement and Hulamin Limited.

Gcina is the founding Chief Executive and shareholder of Imbewu Capital Partners. He is a qualified General Accountant and is an associate of the South African Institute of Chartered Accountants. He has more than 24 years' experience in the private equity industry, of which six years were spent with Nedbank Capital Private Equity as a Private Equity Manager. Prior to joining Nedbank, Gcina completed his articles of clerkship at KPMG Durban. He worked for Hulamin Limited in the finance division for two and a half years prior to joining KPMG.

AUDIT COMMITTEE
REMUNERATION AND NOMINATIONS COMMITTEE
RISK COMMITTEE
SOCIAL AND ETHICS COMMITTEE
C CHAIRPERSON

NON-EXECUTIVE DIRECTORS

L (LWANDA) ZINGITWA (38)

Non-executive Director

BCom (Honours), BBusSc (Finance Honours), CA(SA)

Appointed: September 2024

Directorships: Siqalo Foods, Enerweb (Pty) Ltd, Capevin Spirits (Pty) Ltd, Discovery Insure (Pty) Ltd

Lwanda currently serves as Remgro's Investor Relations and Investments Executive and provides strategic oversight on the boards of a number of Remgro's portfolio assets. She qualified as a Chartered Accountant in 2010, and she has trained and spent the bulk of her career in investment banking, specifically mergers and acquisitions as a senior transactor at Rand Merchant Bank. She subsequently joined Dr Jabu Mabuza as his chief of staff and strategic advisor across various portfolios, before her move to Remgro. She currently serves on the boards of Siqalo Foods, where she also chairs the Social and Ethics Committee, Enerweb, Capevin Spirits and Discovery Insure, where she is also a member of the Audit Committee. With effect from 3 September 2024, Lwanda was appointed as a Non-executive Director.

PR (PIETER) LOUW (54)

Non-executive director

CA(SA)

Appointed: December 2008

Directorships: Various wholly-owned subsidiaries within the Remgro Group and Heineken Beverages

Pieter is a Chartered Accountant who qualified with PricewaterhouseCoopers Inc. in Stellenbosch, before joining the Remgro Group in 2001. He is currently Head of Corporate Finance. With effect from 3 September 2024, Pieter retired as a Non-executive Director.

GM (GEORGE) STEYN (65)

Independent Non-executive Director

BA (Law) LLB

Appointed: August 2013

Directorships: KAL Group (Chairman)

George has extensive experience in the retail sector, having joined the Pepkor Group in 1986 and has served as an Executive Director of Pep Retail Limited and Pepkor Retail Limited from 1991 to 2005, and as Managing Director from 2005 to 2011. He served as a Non-executive Director of Pepkor Retail Limited until 2015. George also farms in the Karoo and is actively involved in the broader community, and served as Chairman of Stellenbosch University Council for more than ten years. He has also served as Chairman of Du Toit Group.

DTV (DERRICK) MSIBI (55)

Independent Non-executive Director

BBusSc (Hons), BCom (Hons), MCom, CA(SA)

Appointed: August 2013

Directorships: STANLIB Asset Management Proprietary Limited, STANLIB Wealth Proprietary Limited, STANLIB Collective Investments Proprietary Limited, Real People Investment Holdings Proprietary Limited, Real People Assurance Company Limited and Bakwena Platinum Concessionaire Company Proprietary Limited

Derrick is currently Chief Executive Officer of STANLIB Asset Management and Executive for the Asset Management Cluster of Liberty Group Holdings Limited. He previously served as the Managing Director of Investment Solutions (now known as Alexander Forbes Investments), the investment services arm of the Alexander Forbes Group from 2009 to 2017. He was also joint head/leader of the Institutional Business Cluster of the Alexander Forbes Group. Derrick, a Chartered Accountant, serves on the boards and committees of entities forming the Asset Management Cluster of the Liberty Group. He is an independent Investment Committee member of Trinitas Private Equity Fund and was previously a board member of TSIBA Education, a scholarship-only tertiary institution registered with the Department of Higher Education.

HJ (HEIN) CARSE (62)

Non-executive director

M Eng (US), MBA (UP)

Appointed: February 2013

Directorships: Air Products SA Proprietary Limited, eMedia Investments Proprietary Limited, Seacom Limited, Historical Homes of South Africa Limited

Hein joined Rupert International in 1996 and continued to serve the Remgro Group as an investment executive, first of VenFin Limited and then Remgro Limited. He has gained extensive knowledge through holding positions on various boards and committees during his career. With effect from 3 September 2024, Hein retired as a Non-executive Director.

AUDIT COMMITTEE
REMUNERATION AND NOMINATIONS COMMITTEE
RISK COMMITTEE
SOCIAL AND ETHICS COMMITTEE
C CHAIRPERSON

UNPACKING OUR VALUE CREATION
OUR CORPORATE GOVERNANCE

We are dedicated to upholding the highest standards of corporate governance as outlined in the King IV Report on Corporate Governance for South Africa, 2016 (King IV). We emphasise ethical values such as uncompromising integrity, being more inclusive, agile, collaborative, sustainable, accountable and curious. Our Board ensures the integration of these values into our business through ethical and effective leadership.

The Board is also accountable for providing ethical and effective oversight, with an annual evaluation conducted to assess the performance of the Board, its sub-committees and individual members. For the review period, the Board believes that the Group has adhered to King IV standards, as well as the Companies Act of South Africa and the JSE Listings Requirements, fulfilling its duties according to the approved Board Charter.

RCL FOODS' governance framework includes the Board, its sub-committees, and related structures and compliance processes. These elements work together to achieve the four governance outcomes set forth in King IV: ethical culture, effective control, legitimacy and good performance. The composition of the Board and its committees aligns with King IV requirements.

There is a clear balance of power within the Board and its sub-committees to ensure that no individual has undue decision-making powers. Each committee operates under specific terms of reference, which define its roles and responsibilities as approved by the Board.

RCL FOODS BOARD

Gives strategic direction to RCL FOODS, while retaining full and effective control over the company and monitoring executive management in implementing plans and strategies. The roles and responsibilities of the Board are set out in a formal Board Charter, which is reviewed annually.
In discharging its duties, the Board has delegated certain functions to its sub-committees below.

- AUDIT COMMITTEE
- SOCIAL & ETHICS COMMITTEE
- REMUNERATION & NOMINATIONS COMMITTEE
- RISK COMMITTEE

The Remuneration and Nominations Committee evaluates the composition of the Board and its committees, considering factors such as experience, skills, relevant regulations and committee mandates.

Our governance framework is regularly reviewed to ensure that the Board provides effective and ethical leadership, upholds its role as a responsible corporate citizen and makes decisions that support sustainable value creation for all stakeholders.

GOVERNING OUR BUSINESS SUSTAINABLY – ESG FOCUS

The Board, via the Social and Ethics Committee and Risk Committee mandates, drives the advancement of economic and ESG oversight and transparency through key performance indicators and ongoing engagement with a diverse range of stakeholders. We also have a RCL FOODS Governance Committee which includes our business unit managing directors and relevant functional heads, and meets quarterly to discuss governance issues as a precursor to the Board Social and Ethics Committee and Risk Committee meetings.

OUR CORPORATE GOVERNANCE CONTINUED

Sustainability is a key element of RCL FOODS' strategy, and ESG risks and opportunities are taken into account in both strategic planning and execution. Examples of proactive ESG initiatives contributing to RCL FOODS' long-term sustainability are our energy, water and waste projects, our economic development partnerships and our DO MORE FOUNDATION's social development work in communities near our operations.

The Group's material ESG issues are identified based on an assessment of how we create value, the impact of the external operating context on value creation, the material interests of our stakeholders, and the principal risks facing the Group. ESG matters are addressed as part of an ongoing, structured approach to risk management, and are strongly embedded in the Group's strategy.

At an operational level, effective management systems are in place to mitigate ESG risks and respond to sustainability opportunities across the Group. The Group has adopted a combined assurance approach to monitoring and managing ESG risks and opportunities, including but not limited to site reviews by our internal audit team, independent environmental audits and the ISO 14001 environmental management system at applicable sites.

OUR STRATEGIC RESPONSE

The Group acknowledges that there are areas within its mandate that are evolving, and management will need to adjust its responses to align with changes in the ESG agenda. Our approach to sustainability is guided by our Purpose: We Grow What Matters. It's about making an impact that matters – one that is positive and enduring, collaborative in nature and unlocks opportunities to see and do things differently. This approach is underpinned by six key principles: a systems-view perspective; the creation of value for all stakeholders; embedding sustainability in our core business; stretching ambitions supported by credible goals; and collaboration and transparency. The incorporation of these principles into our Business Strategy and our Culture enables us to play our part in driving necessary change and ensuring our future-fitness as a business. We have articulated our long-term (2050) sustainability ambitions. Our new Sustainability Strategy provides a framework for our reporting on material ESG matters in our Sustainable Business Report.

In order to mount an effective strategic response to the dynamic market and industry in which we operate, the Group makes every effort to proactively engage with Government and other stakeholders to identify and anticipate stakeholder trends and needs, as well as changes in legislation and regulations.

For more information on the Board and its sub-committees' roles and responsibilities, refer to the Governance section of our website at www.rclfoods.com/governance.
Details of the Group's Corporate Governance structures and activities for the period under review are included in the Corporate Governance Report, available on our website at www.rclfoods.com/financial-results-and-reports-2024

04 OUR STRATEGIC PROGRESS

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OUR STRATEGIC PROGRESS
RCL FOODS (GROCERIES, BAKING AND SUGAR)

At a Group level we have delivered on our stated intent to separate the Vector Logistics and Rainbow businesses from RCL FOODS in order to focus on creating a sustainable value-added business. Vector Logistics was sold in August 2023 and Rainbow was listed as an independent entity on the JSE and unbundled on 1 July 2024. Below we report on highlights of our strategic progress in the remaining RCL FOODS business, as well as Rainbow's strategic highlights for the 12 months.

PEOPLE FIRST

"Champion diversity and build an inclusive, high-performance culture"

- We **activated Our Purpose and our Values-in-Action at all our sites and embedded** them in our leadership programmes, recruitment practices and performance management processes. We are leveraging various initiatives, including our *Let's Talk* app, to drive employee engagement around Purpose and Values
- We continued to make progress in creating **more diversity at senior management** levels, achieving our 2025 employee equity targets at executive level
- We have **begun rolling out our D&I Circle Conversations at operational level** to nurture a more inclusive culture
- We have **increased the rigour of our performance management** for management employees
- We completed our **first-ever Executive Mentorship Programme** to prepare high-potential senior managers recently appointed to, or earmarked for director roles, with an emphasis on diversity
- We bedded down our **new Grocery management structure**
- We **invested in improving our first-line controls**, including via employee training in cyber security, safety and ethics

Focus areas for the 2025 financial year:

- Continue driving a high-performance culture and define what success looks like
- Continue to activate our Diversity and Inclusivity framework with an emphasis on the operational level, while dialling up measurement of progress and success
- Drive employee engagement with an emphasis at shopfloor
- Build change management capability for our transformation journey
- Develop a short- and medium-term plan to address the artisan and technical skills and talent gap
- Continue to drive an integrated Safety, Health, Environment, Risk and Quality (SHERQ) culture

RCL FOODS (GROCERIES, BAKING AND SUGAR) CONTINUED

PEOPLE FIRST

“Strengthen community resilience through collaboration and investment”

- We made progress in **mapping stakeholders at key business sites** as a foundation for our proactive stakeholder engagement model
- The **DO MORE FOUNDATION** scaled up its community feeding, with young children at 33 communities now benefiting from a daily DO MORE Porridge meal at school. Employees at six of our northern region sites also benefited from parenting workshops run by the Foundation
- To ensure our Sugar small-scale growers (SSGs) are able to keep farming into the future, we **granted an additional R19,9 million to refurbish SSG irrigation infrastructure damaged by the 2023 Nkomazi floods**

Focus areas for the 2025 financial year:

- Finalise our proactive stakeholder engagement model
- Increase strategic focus and resources to engage proactively and respectfully with communities
- Continue to drive sustainable change in our communities through the DO MORE FOUNDATION
- Deepen our localisation initiatives to promote local businesses to become part of our supply chain to help create thriving local communities

“Invest in strategic capabilities to drive competitive advantage”

- We continued to **build growth-enabling strategic capabilities at Group level** (including consumer marketing insights, research and development, manufacturing excellence, talent management, digital capabilities, strategy development and execution, customer management and exports)
- We are working on **building meaningful consumer engagement through digital communities** like Pets24, enabling us to deliver relevant offerings
- We have **established a roadmap with priorities for an integrated Sales and Operations Planning (S&OP) process** to drive alignment between Demand, Supply and Manufacturing in the Pies and Grocery operating units

Focus areas for the 2025 financial year:

- Continue our change management and capability building journey, focusing on enabling skills and mindsets
- Focus on delivering value through our enhanced strategic capabilities and cross-functional business partnering
- Execute our S&OP roadmap

RCL FOODS (GROCERIES, BAKING AND SUGAR) CONTINUED

RIGHT GROWTH

"Leverage our dynamic platform through partnerships and acquisitions"

- The **Sunshine business has been successfully integrated** into our Baking business unit
- We have **developed a plan for managing the impact of Vector Logistics and Rainbow's separation** from our centralised business services platform. We will continue to service Rainbow's back-of-office needs for a two-year period
- We have **assessed numerous acquisition opportunities** for strategic fit and executability

Focus areas for the 2025 financial year:

- Continue to explore inorganic expansion opportunities that complement our value-added portfolio
- Continue to deliver business services to Rainbow for the next 24 months via our business services platform

"Grow organically through strong brands"

- We have begun a journey to authentically integrate Purpose into our brands where synergies exist
- **Insights from our Brand Health Tracker** have been used to drive targeted investment in our brands
- To appeal to a younger, active user, we have **launched a new energy variant under our Number 1 mageu brand: Number 1 Boost**
- Our **front-end recovery plan in Pet has been largely successful**, but has been slower to bear fruit than planned owing to aggressive competitor activity. In a tough market, Feline Cuisine and Canine Cuisine have been our star performers showing long-term growth, while volumes in Bobtail and Catmor have improved in the second half as promotional activity resumed
- While we were able to restore service levels and margins in **Pies**, demand has decreased and **a volume recovery plan is currently in place**
- A **Bread recovery plan has been implemented to address margin and volume pressure**
- A **strong back-to-basics strategy** yielded improved volumes in **LIVEKINDLY Collective Africa**

Focus areas for the 2025 financial year:

- Deliver on recovery plans in Pet Food, Pies and Bread
- Launch innovations to accelerate growth in Pet and Culinary categories
- Continue to leverage our tiered portfolio to meet consumer needs, with an emphasis on value
- Leverage our brands' strength to grow into adjacent and new categories
- Continue to explore opportunities to drive a lower-cost Beverages platform

RCL FOODS (GROCERIES, BAKING AND SUGAR) CONTINUED

RIGHT GROWTH

"Scale up and enter new emerging channels and markets"

- We have **continued to grow our export revenues in the SADC region**, and are reinvesting in this channel to grow our cross-border presence
- Our **e-commerce sales** (via retailer-owned platforms and third parties like Takealot) increased by 21% in volume

Focus areas for the 2025 financial year:

- Invest in and accelerate growth in Exports and Speciality Pet channels

"Leverage consumer insight and partner with strategic customers"

- We **continued to embed revenue enhancement initiatives** to unlock fuel for growth
- We made **progress with our IT plans to support growth and revenue enhancement** through the delivery of toolsets and data insights capabilities. These enable us to maximise our investments through a more targeted approach
- We **launched Pets24**, our digital pet community which is gaining strong traction among pet owners
- We launched **South Africa's first ever retail gamification app, Wild Space**
- We **continued to invest in industry skills** through our collaborative Young Chef and Young Baker Challenge, as well as our Miller Trainee Programme and our Siyabhaka Baking Academy. We also work directly with customers to help find job placements for Siyabhaka graduates

Focus areas for the 2025 financial year:

- Continue to implement plans to support growth and revenue enhancement
- Continue to leverage our Food Partners brand and technical expertise to drive growth in the Out Of Home channel
- Drive collaboration with key customers to drive mutually beneficial, insight-driven growth plans
- Leverage the Pets24 platform to deliver business value

RCL FOODS (GROCERIES, BAKING AND SUGAR) CONTINUED

FUTURE FIT

"Deliver cost efficiencies and invest to become 'best in class'"

- Our focus on **embedding a strong "continuous improvement" culture and building "best in class" pipelines and capability** across all operating units is bearing fruit. We **delivered savings ahead of expectations**, aided by enhanced data insights capabilities, toolsets and our Value-Engineering Programme
- We continued to deliver **business process automation opportunities** across the business, assisting to improve accuracy and efficiency
- In **Sugar agriculture**, we have made progress in **reducing costs in our community-based joint ventures** and our **agricultural turnaround strategy** is delivering improved yields
- We **completed the rebuilding of our raw sugar store at Komati Mill**, which was gutted by a fire in October 2021. The new store was commissioned at the end of the 2024 financial year and will reduce our supply chain costs and risk

Focus areas for the 2025 financial year:

- Deliver a shift in "best in class" project momentum
- Continue to leverage digital tools to enhance control, compliance and efficiency
- Continue to drive performance improvement at Malalane Mill

RCL FOODS (GROCERIES, BAKING AND SUGAR) CONTINUED

FUTURE FIT

"Build a net positive business to enhance our economic, social and environmental future"

- Through focused attention across the business we were able to **drive cash preservation and improve our Return on Invested Capital (ROIC)** to 12.2% (2023: 8.2%). We are improving profitability insights and driving an accountability mindset through increased visibility, more regular reviews and linking profitability to individual performance targets
- **Improved margins resulting from savings initiatives** are successfully offsetting the impact of softer market demand
- We created a **resilience programme to protect our operations in the event of supply chain interruptions**. The egg shortage was well managed, with little impact on mayonnaise production
- We continued to drive our **SHERQ integrated management system culture**, with a strong focus on safety, quality, compliance and risk management
- We invested further in **cyber security measures**, including user training
- Our "**back to basics" agricultural turnaround plan** had a positive impact on the quality of our younger cane
- We continued to partner with SSGs, via TSGRO and Akwandze Agricultural Finance to provide technical and financial assistance to enhance their crop and secure their livelihoods
- We **took an active role in helping to manage the outcomes of the Tongaat Hulett business rescue process** to ensure the sustainability of the local sugar industry
- We **developed energy and water risk mitigation plans** and have prioritised water mitigation plans for the coming financial year
- We **delivered new baseline data** for energy, water and waste
- We commenced discussions on how we can support food security and affordable nutrition
- We are **emphasising accountability for environmental and social sustainability**, aligned to our Sustainability Strategy

Focus areas for the 2025 financial year:

- Unlock savings to manage the temporary overheads dyssynergy arising from the Vector Logistics and Rainbow separations
- Maintain strong cash focus to enable investment in growth opportunities as and when they present themselves
- Improve ROIC and drive cash preservation
- Continue to drive our first-line internal control framework
- Optimise our B-BBEE scorecard through management focus
- Improve our SSG yield, including by securing funding to replace in-field irrigation for better efficiency and yield
- Continue to communicate and drive sustainable practices, and put baseline metrics in place to set future targets
- Continue to support the recovery of industry levies held by SASA
- Execute our water and energy risk mitigation strategies, with water as a priority
- Increase the alternative energy sources we use to reduce our coal use in the Sugar business unit

DISCONTINUED OPERATION
RAINBOW (CHICKEN, GRAIN-BASED ANIMAL FEED, MATZONOX)

Rainbow's strategic objective is to ensure enduring operational profitability by solidifying its foundational operations (feed milling, genetics, breeding, farming, processing and Waste-to-Value). This robust core is designed to mitigate the impact of fluctuating input costs, market instability and unexpected events. Despite the challenges of rising input costs and subdued consumer demand, Rainbow has made commendable strides in the 2024 fiscal year.

- Rainbow has **advanced its poultry farming enhancement plan**, which encompasses a shift in breed, a fundamental focus on poultry care, heightened operational efficiency and a modified feed formula. These strategic actions have markedly improved crucial farming key performance indicators (KPIs) such as feed conversion ratio, egg production per hen, mortality rates and overall yield. Moreover, egg hatchability is on the rise, recovering from a temporary decline caused by egg imports and the extension of breeder flock lifespans due to Avian Influenza impacts
- **In response to the Avian Influenza threat in the Northern Region, Rainbow expedited the transfer of the Midrand breeding operations** to Zuurplaat within an unprecedented six-month timeframe. The newly established facilities incorporate enhanced biosecurity features in their design
- The **Double Hammarsdale initiative has been accomplished providing for the creation of 489 direct and indirect job opportunities**. This expansion has enabled Rainbow to benefit from reduced processing expenses and to supply fresh and Quick-Service Restaurant (QSR) grade poultry within the KwaZulu-Natal area
- The **trading of renewable energy certificates** has favourably influenced the profit margins at the Matzonox Waste-to-Value (W2V) facility in Worcester and Rustenburg, which is operating efficiently
- **Active engagements with Government and industry representatives are maintained regarding the Poultry Sector Master Plan** pillars, which include the enforcement of anti-dumping measures and the promotion of export initiatives

RAINBOW™

Focus areas for the 2025 financial year:

- Developing innovation in value-added products
- Ensuring consistent profitability throughout the market cycles
- Addressing the technical challenges at the Rustenburg W2V facility to enhance operational efficiency
- Advancing margin recovery and optimising the sales composition in the Animal Feed division

05 OUR KEY REPORTS AND REVIEWS

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OUR CHAIRMAN'S REPORT

JANNIE DURAND
Chairman

RCL FOODS has progressed well against its strategic priorities and as a result, has delivered what the Board considers to be a pleasing set of results for the financial year amidst challenging operating conditions.

The Board of RCL FOODS firmly believes that a strong Purpose, value system and ethical culture are essential drivers of sustainable value creation for all our stakeholders. It is this belief that has spurred RCL FOODS' extensive efforts this year to embed its newly articulated purpose, We Grow What Matters, across the Group. This purpose reflects the Group's longstanding commitment to making a positive impact for all stakeholders, guided by its values.

REMAINING FOCUSED

South Africa continues to be challenged by soft consumer demand, sustained elevated agricultural commodity input costs, a weak rand, and the breakdown of state infrastructure relating to energy, water, transport and logistics. Consumers remain under pressure amidst continuing high interest rates and household debt, wage depreciation and unemployment. While food and beverage inflation has declined over the course of the year from 9.9% in July 2023 to 4.6% in June 2024, food prices have remained elevated, which has impacted sales volumes across the market.

Proving its resilience in tough operating conditions, RCL FOODS increased its revenue from continuing operations by 6.8% to R26,0 billion, mainly due to higher pricing necessitated by sustained input costs. Earnings before interest, taxes, depreciation, amortisation and impairments (EBITDA) from continuing operations grew by 36.8% to R2 300,5 million, and headline earnings per share from continuing operations

OUR CHAIRMAN'S REPORT CONTINUED

increased by 31.0% to 121.6 cents, led by an excellent Sugar performance, a recovery in Grocery and aided by "best in class" efficiency initiatives across the business. The recent upturn in sales volumes bears testimony to the enduring relevance of its tiered portfolio to customers all searching for value during tough times. Rainbow, which is reported as a discontinued operation in these results, had a strong performance, clearly demonstrating that the transformation of the business is on track and successful. The Board is satisfied that notable advances are being made in each of the businesses, notwithstanding the challenging circumstances.

STRATEGIC PORTFOLIO TRANSFORMATION MILESTONES

We are pleased with the strong momentum in the strategic execution of the portfolio shift this year.

The R1 250,0 million disposal of Vector Logistics was effective on 28 August 2023 and is an important milestone both from a strategic and value point of view. The transitional shared services agreement came to an end on 28 August 2024, after which all services provided by RCL FOODS were handed over to Vector Logistics. This is a positive conclusion to an important strategic step for both parties and we wish the Vector Logistics team continued success into the future.

The Rainbow separate listing and unbundling has been successfully implemented. While the business remains in its turnaround phase, excellent progress has been made with its transformation towards becoming a sustainable, market-leading, low-cost producer. The Board firmly believes that it is now ready to pursue its own independent growth path, with arm's-length support provided by RCL FOODS' business services organisation for the next two years to ensure a responsible exit, with adequate time for Rainbow to build its own capacity in remaining non-strategic support areas. The separation has the potential to unlock significant value for both companies, with enhanced focus and improved alignment on capital allocation priorities. Equally, shareholders are now afforded the ability to manage their preferred exposures to RCL FOODS and Rainbow going forward. An independent status for Rainbow opens opportunities to attract targeted investments and pursue strategic acquisitions, potentially accelerating its expansion plans. We wish Rainbow well in this exciting next step.

More detail on strategic progress is provided in the CEO's report on page 4.

EMBEDDING SUSTAINABILITY

Having embedded its Sustainability Strategy in its Business Strategy in the previous financial year, RCL FOODS has been progressively integrating sustainable environmental, social and governance-related practices into its ways of working. For instance, a comprehensive review of its water and energy risk areas was carried out during the year, along with the development of associated mitigation strategies, to ensure operational continuity and avoid waste of natural and financial resources. It has become the norm for the Group, and no doubt other businesses as well, to support local municipalities in addressing the challenges they have in terms of water infrastructure and issues like disaster relief. Recognising the key contribution of its small-scale sugar cane growers to rural communities' survival, the Group also invested a further R19,9 million towards the rehabilitation of growers' flood-damaged pump stations, thereby effectively securing their crop and livelihoods. This is a prime example of RCL FOODS' collaborative purpose in action.

BOARD MATTERS

The Board instils effective governance practices guided by the Group's Values, Vision and Purpose. This creates a foundation of trust and confidence both internally and externally, reinforcing the Group's reputation and sustainability in the long term. The Board sets clear expectations for ethical behaviour, integrity and compliance to foster transparency, accountability and a commitment to responsible decision-making at every level.

At the RCL FOODS Annual General Meeting held on 16 November 2023, shareholders approved the appointment of Ernst & Young Inc. (EY) as the Company's new external auditor for the financial year ending June 2024. We look forward to their contribution to the Group and thank PricewaterhouseCoopers (PwC) for their excellent service over the years.

There were a number of changes to the Board approved during the period under review, some of which will take effect in the new financial year. The details of these changes can be found at page 4 of our Corporate Governance Report.

GOV *For further information on the Board, refer to the Corporate Governance Report on our website at www.rclfoods.com*

INDUSTRY MATTERS

High unemployment and food insecurity in South Africa accentuate the importance of supporting local food producers, especially in rural areas. The Sugar Industry Master Plan and the Poultry Sector Master Plan were both launched with this aim in mind.

OUR CHAIRMAN'S REPORT CONTINUED

The plans have been successful in garnering investment from industry participants to increase production, create additional jobs and increase efforts to buy local, while other aspects such as exports have been slower to gain traction.

SUGAR INDUSTRY

RCL FOODS is supportive of the current Sugar Industry Master Plan 2.0 which is exploring diversification opportunities and sustainable practices. In parallel, discussions continue regarding how price increases will be managed into the future, so that the industry remains sustainable and balanced with affordability by downstream users of sugar. Given the recent change in Government, and Department of Trade, Industry and Competition (DTIC) leadership change, the industry will be engaging with the Government on intentions with the Master Plan.

During the year there has been progress in dealing with the uncertainty surrounding the future of the local sugar industry which arose from Tongaat Hulett Sugar (Tongaat) and Gledhow Sugar (Gledhow) defaulting on industry payments in the prior year, which had to be funded by the rest of the industry. In March 2024, the Durban High Court dismissed the declaratory application by the Business Rescue Practitioners (BRPs) of Tongaat for an order that they are entitled to suspend obligations arising from the Sugar Industry Agreement. The judgement confirmed that the South African Sugar Association (SASA) levies and redistribution payments are a cost of doing business and cannot be suspended. Following the dismissal of an application for leave to appeal the judgement, the BRPs have petitioned the Supreme Court of Appeal, which granted leave to appeal.

We remain committed to playing our part to ensure a sustainable sugar industry which is a key employer in rural areas, especially in KwaZulu-Natal. In this context, we are hopeful that the business rescue processes of both Tongaat and Gledhow will be successful and speedily concluded. RCL FOODS will continue to actively participate in defending the appeal to ensure that growers, millers, SASA, and the broader industry are paid the monies due to them under the Sugar Industry Agreement.

POULTRY INDUSTRY

The progress of the Poultry Sector Master Plan has been slow, despite substantial investment in capacity by the industry. Rainbow and its growers have invested over R500,0 million in Hammarsdale to double processing and grow capacity and have recovered 489 direct and indirect jobs.

Another critical aspect of the Master Plan is to expand the market and support exports. However, the industry requires greater and more urgent support from Government to access export markets.

Trade measures to support the local industry are a third pillar of the Plan. Anti-dumping duties on chicken imports from Brazil and four European Union countries (Denmark, Ireland, Poland and Spain) were only reimposed in August 2023 after a year-long delay in implementation.

Following the Avian Influenza outbreak in South Africa in late 2023, Minister Patel directed the International Trade Administration Commission (ITAC) to consider the creation of a temporary rebate provision on imported chicken to account for potential local market shortages due to Avian Influenza. In January 2024 ITAC recommended that certain rebates of duties on frozen poultry imports be implemented based on its assessment. The Industry has worked closely with ITAC to ensure that no further rebate permits will be issued without also considering information supplied by the South African Poultry Association (SAPA) on whether a shortage does or does not exist.

The Competition Commission of South Africa announced in February 2024 that it was launching an investigation into both the broiler and the layer industries. This was due to concerns about the concentrated structure of the industry potentially leading to anti-competitive behaviour and hindering transformation. The investigation is wide in scope and is likely to take an extended time to complete. Comments were invited and SAPA provided considered input by the due date of 15 March 2024. There have been no new developments on this matter. With Minister Parks Tau having been appointed as Minister Ebrahim Patel's successor in the Department of Trade, Industry and Competition (DTIC), an update is expected in due course.

DIVIDEND DECLARATION

The Board of Directors has declared a final gross cash dividend (number 97) of 35.0 cents per share, which brings the total dividend for the year ended June 2024 to 35.0 cents per share (2023: nil).

PROSPECTS

We are encouraged by the maturity with which the recent national elections have been conducted and look forward to further cooperation between business and Government to address the pressing issues of low levels of economic growth, deteriorating state infrastructure and slow economic reforms – the urgency to address these issues cannot be overstated. We applaud the progress made in the past year in Government-business partnerships and reiterate our willingness to collaborate with the newly elected Government to continue mutually addressing factors inhibiting South Africa from reaching its full potential.

The long-term success of any business lies in its ability to adapt and seize the opportunities that present themselves in an ever-changing environment. RCL FOODS remains focused on managing those factors that it can control while keeping its eyes on new opportunities

OUR CHAIRMAN'S REPORT CONTINUED

in line with its business strategy. As a Board, we are inspired by RCL FOODS' tenacity and drive to adapt, innovate, and find a way to fulfil its promise to customers while keeping sight of the needs of its surrounding communities and building its environmental resilience.

Challenges persist in the trading and operational environment and consumers remain under significant financial pressure. RCL FOODS will continue to leverage its resilient portfolio of leading and well-loved brands to support operating performance in the coming year. The Board, together with the executive, will also continue to advance RCL FOODS' strategic transformation journey in the new financial year. We remain committed to consistently focusing on unlocking value for our shareholders, efficient capital allocation and advancing our sustainability drive.

APPRECIATION

I wish to extend my sincere appreciation to the management team and employees for their dedication and contributions to RCL FOODS. Your unwavering commitment and hard work have driven our business forward with innovation and efficiency. The Board's strategic guidance and input remain invaluable. We thank our shareholders for their trust and support in our journey. Together, we have navigated challenges, seized opportunities and achieved pleasing outcomes. I look forward to our continued collaboration and success in the future.

Jannie Durand
Chairman

OUR CHIEF FINANCIAL OFFICER'S REPORT

ROB FIELD
Chief Financial Officer

RCL FOODS has delivered a pleasing set of full-year results despite consumer demand coming under increased pressure in challenging market conditions.

OVERVIEW OF MARKET CONDITIONS

The 2024 financial year has been categorised by stagnant global gross domestic product (GDP) growth, peak but slowing inflation, as well as sustained elevated interest rates. The ongoing Russia-Ukraine conflict together with renewed tensions in the Middle East have also contributed to a challenging macroeconomic environment, negatively impacting local trading conditions.

On the positive side, it has been pleasing to see a gradual but slow reduction in global soft commodity prices after the all-time highs and extreme volatility experienced through the calendar year of 2023. Unfortunately, much of these softer prices were more than offset by the drought experienced in the Southern African summer grain production areas. At the start of 2024, a shift in sentiment toward the commencement of a potential rate cut cycle in the United States of America (USA) has positively impacted global risk appetite for the first time in the last two years. Although it was projected that the US Federal Reserve might reduce interest rate as early as June of 2024, this is now projected only to commence in September 2024.

Locally, load-shedding and water infrastructure challenges have negatively impacted GDP. Food production costs have been adversely impacted by the infrastructure on-costs and the ability to recover these from an already constrained consumer base has proved extremely challenging. In addition, unemployment rates in South Africa increased to 33.5% at the end of June 2024, further impacting trading conditions.

South African national elections, the most anticipated in 30 years, delivered a result that has been viewed as market and business friendly by the international trade community. The resultant Government of National Unity is expected to stabilise in the months ahead and lead to policy continuity which is seen as positive for growth forecasts.

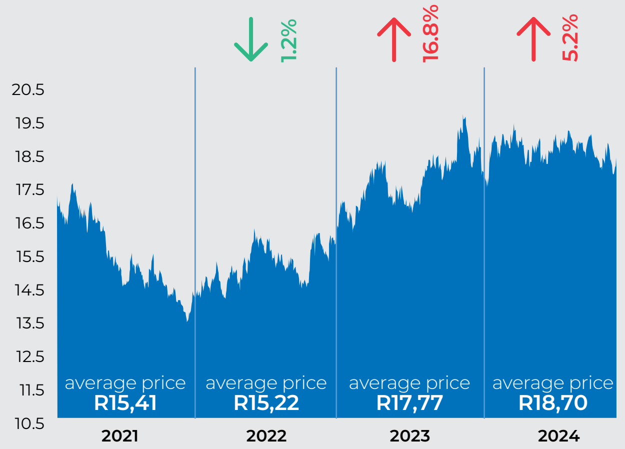
OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

The South African Reserve Bank (SARB) maintained a constant interest rate during the 2024 financial year as a way to stabilise inflation. The repo rate remained at 8.25% throughout the period. Inflation averaged 5.3% during the period on the back of sustained commodity and fuel price pressure. Going forward, inflation is expected to ease due to a combination of easing of supply shocks and lower demand pressures.

In the July 2024 meeting, the SARB maintained current rates, but the sentiment would indicate a relaxation of rates could materialise later this year, although likely to be predicated by potential US rate cuts. This is viewed as positive for a stronger rand in the months ahead, however, US sentiment and relative dollar strength/weakness will continue to be a key rand driver rather than South African fundamentals alone.

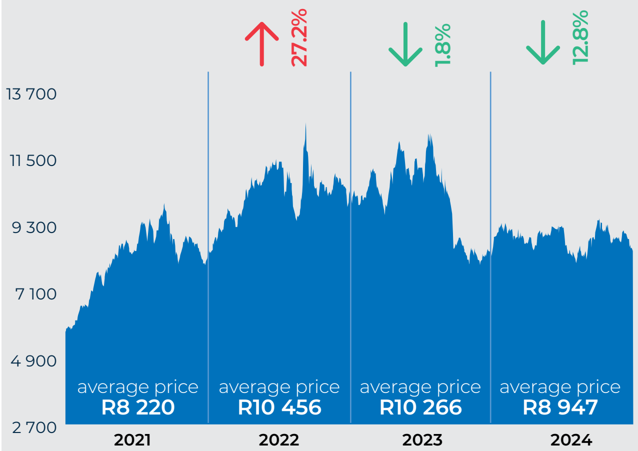
Emerging market currencies have remained volatile during the period under review. The USD/ZAR traded at a high of R19.51 and a low of R17.54, a range of R1.97. Whilst local political issues precipitated rand weakness, the underlying strength of the dollar is the main reason for the sustained rand weakness.

EXCHANGE RATE (R/USD)



Source: Reuters

SAFEX SUNSEED (R/ton)



Source: Reuters

SOFT COMMODITY PROCUREMENT

SUNFLOWER SEED

The latest local production indication for the 2023/2024 season is 649 000 tons of sunflower seed off 529 000 hectares, which will be 71 000 tons less than the previous season's crop. The final estimate of this crop will be published later in 2024. Domestic consumption of sunflower seed was slightly higher which, together with the lower supply, led to a reduction of closing stocks, bringing it in line with historic numbers. The average local sunflower seed price was 12.8% lower than the previous reporting period but remained volatile, fluctuating between R9 650 and R8 000 per ton.

Russia and Ukraine remain responsible for more than 70% of global sunflower oil exports. Despite the ongoing conflict between the two countries, sunflower seed production increased a combined 3 million tons during the 2023/2024 season. Global sunflower seed supplies increased by 460 000 tons compared to the previous year with global crushing also increasing, leading to lower closing stocks. The stocks to usage ratio of 6.3%, was lower than the previous year's 11%. International sunflower oil prices peaked at US$1 125 per ton at the start of our 2024 financial year, but dropped to US$855 per ton within two months. Thereafter it steadily increased to around US$1 030 per ton at the end of the reporting period. Canola oil followed a similar pattern, but palm oil sustained higher price levels due to concerns over lower production from Indonesia in particular.

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

WHEAT

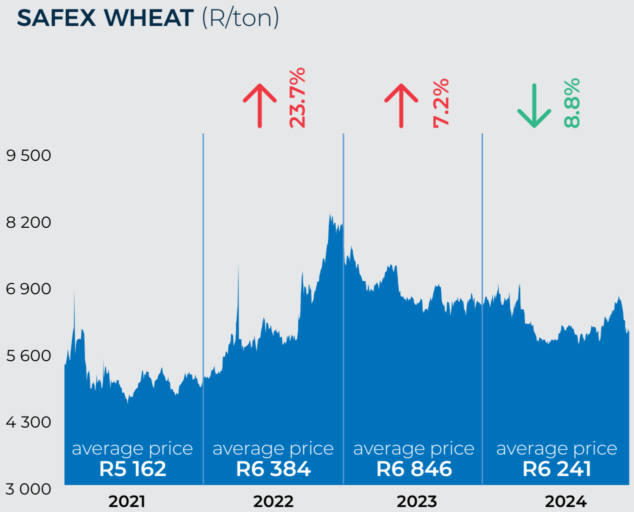
Local SAFEX wheat prices started the 2024 financial year trading at R6 521 per ton and dropped to between R5 800 per ton and R6 250 per ton for most of the second and third quarters. During the last quarter a spike towards R6 800 per ton was seen, driven by concerns of dryness in the wheat growing areas of Russia. Subsequently, excellent conditions in the USA offset these concerns and the price pulled back towards R6 000 per ton during June 2024.

The lower international price derived from US Hard Red Winter in the US Gulf triggered an import tariff of R176 per ton on imported wheat. Continued low international prices will trigger more import tariffs, but needs to be implemented by Government before taking effect.

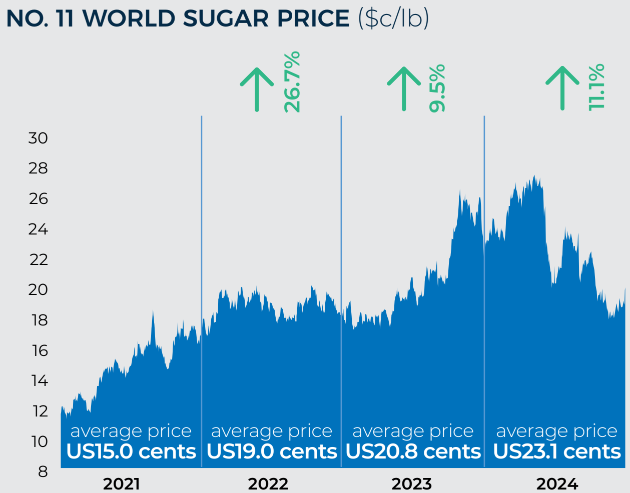
South Africa remains a net importer of wheat, with local prices mostly import parity based. The local crop of 2,05 million tons this past year was 2.8% smaller than the previous year's crop of 2,11 million tons.

Obtaining high-quality wheat remained a challenge, commanding higher premiums.

The average SAFEX wheat price for this reporting period was R6 241 per ton compared to the previous period of R6 846 per ton, a decrease of R605 per ton (8.8%).



Source: Reuters



Source: Reuters

PEANUTS

The local 2023/2024 season produced 54 440 tons on 41 200 hectares (about 10 000 hectares more than the previous season). Despite the higher area planted, the latest crop is only 1 400 tons larger due to the dry period during summer, impacting yields. South Africa remained a net importer of peanuts, with approximately 60 000 hectares required to be planted to balance local supply and demand. This shortage continues to keep local prices supported toward import parity. International peanut prices remained at an elevated level of around US$2 000 per ton due to a smaller Brazilian crop, about US$500 per ton higher than the previous period. Local processors (peanut butter and roasters) remain at a disadvantage to imported finished goods, as imported raw peanuts attract a 10% duty whilst finished goods attract a 1% or less *ad valorem* duty. The industry, under the guidance of the Groundnut Forum and with support from the Bureau for Food and Agricultural Policy (BFAP), have applied to the International Trade Administration Commission (ITAC) for the imposition of higher duties on imported peanut butter and roasted peanuts. The submission remains with the Minister of Trade and Industry for consideration.

RAW SUGAR (NO. 11 ICE)

Prices opened the financial year at levels of US23.00 cents per pound and ended the year at levels of US20.07 cents per pound. The market peaked during the period at US28.14 cents per pound due to dryness in Brazil combined with logistic difficulties moving sugar towards ports. As these issues were in the process of being resolved, speculators began cutting market positions resulting in a significant decrease in the price towards US19 cents per pound. The average No. 11 sugar price for this reporting period was US23.1 cents per pound compared to the previous period of US20.8 cents per pound, an increase of 11.1%.

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

MAIZE (CORN)

Corn prices on the Chicago Board of Trade (CBOT) started the financial year US$218 per ton before plummeting to $160 per ton in February 2024. Some support was seen during the latter part of the reporting period on concerns over delayed planting in the USA, but subsequently reverted to lower levels as good crop conditions prevailed in the USA. The level of US$156 per ton reached at the end of the financial year was last seen in October 2020.

Locally, the drought during January and February 2024 had a significant impact on Southern African maize production. The total crop was reduced by approximately 3.1 million tons to 13.3 million tons. This reduction had a profound impact on the maize balance sheet for not only South Africa, but the whole region. Maize prices reacted accordingly and moved from export parity to import parity in a short period. Yellow maize increased from R3 433 per ton during July 2023 to R4 438 at the end of April 2024 (+29%). White maize (limited substitution and import options) prices increased substantially above yellow maize (from R3 387 per ton by a massive R2 166 per ton (64%) to R5 533 during April 2024).

SOYBEAN MEAL

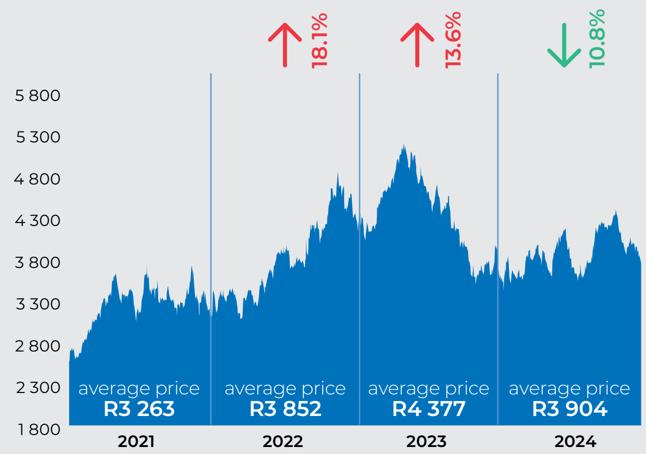
Brazil experienced drought in certain production areas and delivered a soybean crop of 153 million tons (previous season 162 million tons) while Argentina's crop recovered to 49.5 million tons after the previous year's historic crop failure of 25 million tons. Demand from China remained subdued. South Africa's crop of 1.8 million tons was 1 million tons less than the previous year and resulted in the Western Cape region having to import compared to the previous period when local supply largely serviced demand.

CBOT Soymeal traded in a volatile manner during the first six months of the financial year, peaking around US$450 per ton and then dropping to US$360 per ton. The latter six months traded around US$330 per ton, ending the period at US$380 per ton.

BRENT CRUDE OIL

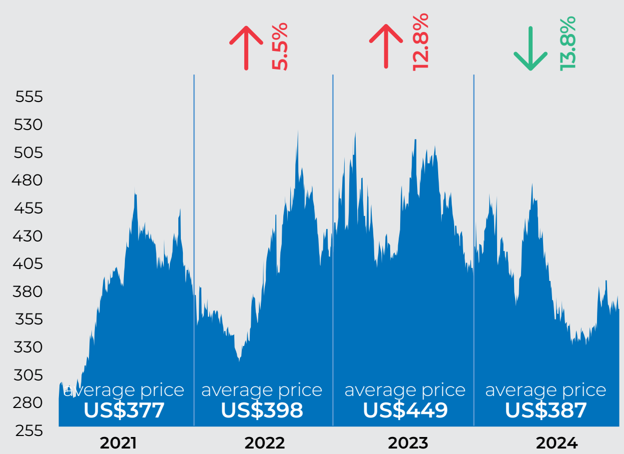
Brent Crude prices saw a steady run from US$72 per barrel to US$96 per barrel at the end of September 2023. It declined to US$73 at the end of December 2023, but there has been a steady increase to US$86 per barrel at the end of the reporting period. Ongoing geopolitical issues (Russia/Ukraine war, Middle East conflict) supported the price, but continued underperformance of the Chinese economy led to subdued demand.

SAFEX YELLOW MAIZE (R/ton)



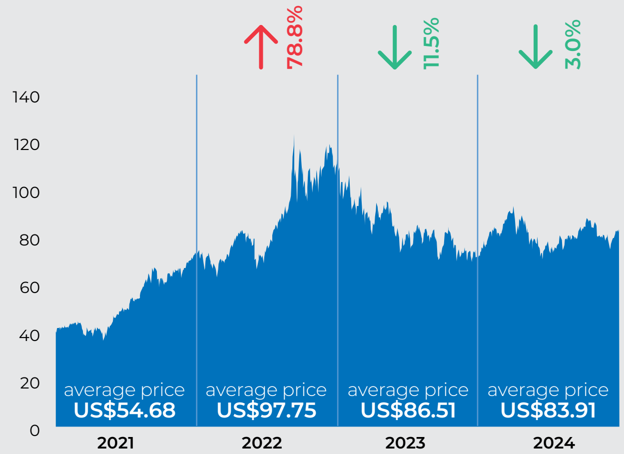
Source: Reuters

CME SOYBEAN MEAL PRICE(US$/ton)



Source: Reuters

BRENT CRUDE OIL (US$/ton)



Source: Reuters

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

FINANCIAL REVIEW – CONTINUING OPERATIONS

Continuing operations relates to the remaining RCL FOODS business, post the Vector Logistics disposal in August 2023 and Rainbow unbundling effected post the end of the current financial year, on 1 July 2024. The remaining RCL FOODS business comprises the Groceries, Baking, Sugar and Group (shared services) segments. Additional information relating to Rainbow and Vector has been included in a separate section.

Refer to page 88.

FINANCIAL HIGHLIGHTS – CONTINUING OPERATIONS

		June 2024	June 2023	%
Revenue	Rm	**26 016,6**	24 349,1	6.8
EBITDA	Rm	**2 300,5**	1 681,6	36.8
EBITDA margin	%	**8.8**	6.9	1.9ppts
Operating profit	Rm	**1 637,8**	1 027,0	59.5
Operating profit margin	%	**6.3**	4.2	2.1ppts
Net finance cost	Rm	**(143,4)**	(166,5)	13.9
Headline earnings	Rm	**1 082,7**	826,1	31.1
Headline earnings per share	cents	**121,6**	92,8	31.0
Capital expenditure (including intangibles)	Rm	**882,6**	743,7	18.7
Return on invested capital	%	**12.2**	8.2	4.0ppts
Cash generated by operations	Rm	**1 993,8**	1 286,6	55.0

RCL FOODS' revenue for the year ended June 2024 increased 6.8% to R26,0 billion (2023: R24,3 billion). The increase was largely attributable to higher market prices in Sugar, the recovery in pet food volumes and the 12-month inclusion of the Sunshine Bakery business acquired in the second half of the previous financial year.

EBITDA increased by R618,9 million (36.8%) to R2 300,5 million (2023: R1 681,6 million) at a margin of 8.8% (2023: 6.9%).

Included in the result are material once-offs and accounting impacts, such as:

- Insurance proceeds of R137,0 million in respect of the fire damage at our Komatipoort sugar warehouse which occurred during the 2022 financial year (2023: R60,0 million);
- Positive fair value adjustments on the Group's commodity raw material procurement positions, which increased EBITDA by R6,1 million (2023: R36,5 million decrease in EBITDA). The R42,6 million year-on-year movement relates mainly to the realisation of open sunflower and maize positions from June 2023;
- Advisor costs of R58,8 million incurred in the current year relating to the Rainbow and Vector separation processes (2023: R25,6 million relating to the Vector process); and
- The special levy raised by SASA on Sugar as a result of Tongaat and Gledhow suspending payment of their industry obligations which had a net negative impact on EBITDA of R234,4 million in the prior year.

Excluding the above impacts, underlying EBITDA from continuing operations increased R298,0 million (15.5%) to R2 216,1 million (2023: R1 918,1 million) at a margin of 8.5% (2023: 7.9%).

The underlying EBITDA by business area is reflected in the table below. The reconciliation between unadjusted and underlying results can be found on pages 92 and 93 of this document.

Rm	June 2024	Margin %	June 2023	Margin %	% Change	Margin change (ppts)
Underlying EBITDA	**2 216,1**	**8.5**	1 918,1	7.9	15.5	0.6
Groceries	**497,4**	**9.4**	405,8	8.1	22.6	1.3
Baking	**516,1**	**5.6**	547,9	6.4	(5.8)	(0.8)
Sugar	**1 272,3**	**10.8**	1 053,8	9.5	20.7	1.3
Group	**39,0**		(33,3)		217.3	
Unallocated restructuring costs	**(108,7)**		(56,1)		(93.7)	

RCL FOODS has delivered a pleasing set of full-year results despite consumer demand coming under increased pressure in challenging market conditions. The improvement in underlying EBITDA is largely driven by a strong performance in Sugar, improved pet food margins and service levels in Grocery which was partially offset by volume pressure in Baking.

Unallocated restructuring costs largely relate to the once-off and ongoing costs respectively associated with the separation processes in reshaping RCL FOODS' portfolio.

RCL FOODS' headline earnings for the year ended June 2024 increased by 31.1% to R1 082,7 million (2023: R826,1 million).

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

IMPAIRMENT

The Group has performed the mandatory impairment tests on the cash generating units (CGUs) with indefinite useful life assets and goodwill, as well as on the 50% owned community-based joint ventures (CBJVs). No impairments or impairment reversals were considered necessary on any of the CGUs. A R54,4 million impairment was recognised on the right-of-use asset relating to the Group's national office building as a consequence of the Rainbow and Vector separations and their exit from the building.

NET FINANCE COSTS

Net finance costs decreased by R23,1 million (13.9%) to R143,4 million (2023: R166,5 million) largely driven by a lower net debt balance mainly due to the receipt of the Vector Logistics proceeds in August 2023 which assisted in enabling the recapitalisation of Rainbow prior to its unbundling, partially offset by higher interest rates over the period.

Net finance costs paid for the period of R99,1 million are R44,3 million lower than net finance costs expensed in the income statement due to the non-cash IFRS 16 *Leases* interest charge.

EQUITY ACCOUNTED INVESTMENTS

For a description of the main business operations of our joint ventures and associates refer to notes 3 and 4 of the consolidated financial statements, available on our website at

www.rclfoods.com/financial-results-and-reports-2024.

ASSOCIATES

ROYAL ESWATINI SUGAR CORPORATION (RES) (ESWATINI)

RCL FOODS' share of RESs after-tax results for the year ended June 2024 declined by R66,6 million to R120,1 million (2023: R186,7 million) largely due to lower cane yields resulting in lower volumes of sugar production. The business was negatively impacted by an almost month-long delay in the start of the crushing season due to heavy rainfall in Eswatini which hampered the ability of RES to deliver sugarcane from the farms to the mill. It is anticipated that the delayed cane will still be milled in the 2025 season.

LIVEKINDLY COLLECTIVE AFRICA (LKCA) (SOUTH AFRICA)

RCL FOODS' share of after-tax profit was R5,5 million for the 2024 financial year (2023: R1,7 million) with the improvement driven by a reduction in overheads from right-sizing initiatives as well as an improvement in sales volumes.

JOINT VENTURES

AKWANDZE AGRICULTURAL FINANCE (AKWANDZE) (SOUTH AFRICA)

RCL FOODS' share of after-tax profit was R12,7 million for the 2024 financial year (2023: R1,8 million). The improvement was mainly due to the release of a provision relating to a fraud event which arose during the 2021 financial year which has subsequently been expunged.

MANANGA SUGAR PACKERS (MANANGA) (ESWATINI)

RCL FOODS' share of after-tax profit was R20,7 million for the 2024 financial year (2023: R34,4 million). The decline was largely driven by lower volumes due to lower demand as well as the non-availability of sugar from RES as a result of the delayed season start.

TAXATION

The Group's effective tax rate excluding joint ventures and associates, was 27.7% (2023: 38.6%). The current year effective tax rate was largely impacted by the non-deductible separation costs incurred. The prior year effective tax rate was impacted by deferred tax assets not recognised in our 50% owned sugar cane-grower companies (R45,7 million tax impact) and the fair value loss on the remeasurement of the Group's investment in The LIVEKINDLY Collective which is not deductible for tax purposes (R24,9 million tax impact), excluding which the effective tax rate for the prior year was 28.0%.

NON-CONTROLLING INTERESTS

Non-controlling interests relate mainly to the outside shareholders' share of profits in the CBJVs. 50% of the profit after tax of these entities are allocated to outside shareholders through the non-controlling interest line in the income statement. Profits allocated to non-controlling interests in the current year increased by R118,5 million to R38,9 million (2023: negative R79,6 million) with the gain largely attributable to higher cane income arising from higher sugar prices with the prior year also being negatively impacted by the CGU impairment.

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

RETURN ON INVESTED CAPITAL

Return on invested capital (ROIC) remains a key metric used by the Group to measure its efficiency and effectiveness of capital allocation. ROIC and underlying ROIC are non-defined International Financial Reporting Standards (IFRS) measures and are therefore considered to be *pro forma* financial information in terms of the JSE Listings Requirements. The compilation thereof has been opined on by Ernst & Young Inc. and this report is available for inspection as published on the RCL FOODS website, *www.rclfoods.com/financial-results-and-reports-2024/*. ROIC is calculated using net operating profit after tax, including share of profits/losses of associates and joint ventures (NOPAT), divided by invested capital. Unadjusted ROIC is reflected in the table below. ROIC has been calculated on a continuing operations basis and hence excludes Vector Logistics and Rainbow for June 2024 and June 2023.

The 4.0% improvement in ROIC is primarily driven by the higher operating profits generated during the year.

ROIC (%)	Unadjusted June 2024	Unadjusted June 2023	% Change
RCL FOODS – Continuing operations	**12.2%**	8.2%	4.0ppts

In addition to the reported ROIC, an underlying view is presented below. The underlying view of ROIC excludes the material impact of once-offs and accounting adjustments. In addition, invested capital has been distorted by the impact of cut-off on the trade and other receivables and payables balances as highlighted in the statement of financial position commentary below.

ROIC (%)	Underlying June 2024	Underlying June 2023	% Change
RCL FOODS – Continuing operations	**12.5%**	10.4%	2.1ppts

CASH FLOW AND WORKING CAPITAL

Cash generated by operations of R1 993,8 million (2023: R1 286,6 million) is R707,1 million higher than the prior year, largely due to the improved profitability and favourable working capital movements.

Included in the non-cash items/adjustments of R171,9 million are addbacks of depreciation, amortisation and impairment charges of R662,7 million and non-cash IFRS 2 charges of R60,3 million. This was offset by the deduction of a positive fair value adjustment on biological assets (R395,5 million), the profit earned on disposal of the Siyathuthuka farm (R45,1 million) as well as the reallocation of the Komati insurance proceeds to investing activities (R137,0 million).

Cash inflows from investing activities increased by R1 150,5 million to R138,5 million in the current year and mainly relates to the disposal of Vector Logistics (R1 250,0 million), receipt of the Komati insurance proceeds in respect of the fire (R137,0 million) partially offset by capital expenditure (including intangibles) of R882,6 million (2023: R743,7 million) and by the deconsolidation of Vector cash on hand.

The net cash outflow from financing activities of R1 335,1 million relates mainly to the repayment of the bank overdraft of R865,0 million, the settlement of the Akwandze loans of R339,1 million and payments on lease liabilities of R133,1 million.

SUMMARISED CASH FLOW INFORMATION

(Rm)	June 2024	*Restated June 2023
Cash generated by operations	**1 993,8**	1 286,6
Net cash inflow from operating activities	**2 516,1**	45,0
Net cash outflow from investing activities	**(258,7)**	(1 604,9)
Net cash (outflow)/inflow from financing activities	**(1 426,9)**	267,8
Cash and cash equivalents at the end of the period[1]	**1 106,1**	275,6
Cash and cash equivalents at the end of the period – continuing operations	**1 093,5**	224,4
Cash and cash equivalents at the end of the period – discontinued operations	**12,6**	51,2

* *The prior year numbers have been restated as required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (IFRS 5) to reflect the Rainbow segment as a discontinued operation.*

[1] *Includes cash and cash equivalents disclosed as part of the disposal group held for sale for both the current and prior year and excludes bank overdraft deemed a financing activity in the prior year only.*

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

STATEMENT OF FINANCIAL POSITION (SOFP) (COMPARISON OF JUNE 2024 *PRO FORMA* TO JUNE 2023 *PRO FORMA* SOFP)

Key statement of financial position items are highlighted below. The Group *pro forma* SOFP has been prepared on the basis that the Vector Logistics segment is external to the Group in the comparative period which results in intercompany eliminations on the SOFP between Vector and the balance of the Group being reversed in the *pro forma* version. In addition, the current period *pro forma* statement of financial position has been prepared to reverse the disclosure of Rainbow as held for sale and hence includes Rainbow in the individual SOFP lines. **As such, presentation of the *pro forma* SOFP is different to the balance of the commentary, where the income statement and cash flow commentary relates only to continuing operations, the SOFP includes Rainbow and seeks to enable a more useful like for like comparison.** Commentary on movements within the SOFP balances below is provided against the *pro forma* SOFP for 2024, which includes the Rainbow segment. The reconciliation of the *pro forma* SOFP can be found on pages 94 and 95 of this document.

NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment increased by R512,2 million from 2023 mainly driven by capital expenditure of R1 259,2 million, partially offset by depreciation of R703,4 million.

Capital expenditure (including intangibles of R13,9 million) for the year ended June 2024 was R1 273,1 million. Significant spend items include:

- the raw sugar warehouse rebuild at Komatipoort post the fire destruction in October 2021, funded by insurance proceeds (R167,9 million);
- the refurbishment of the boilers at the Sugar mills (R48,7 million);
- replant and irrigation spend at our Sugar farms (R65,6 million);
- conversion of the Rainbow Zuurplaat facility from a broiler to a breeder farm to mitigate the risk of Avian Influenza in the Northern Region (R24,0 million);
- replacement of the 4-ton gyro at Rainbow's Hammarsdale plant (R22,8 million); and
- further spend related to the reinstatement of the second shift at the Rainbow Hammarsdale P2 processing facility to build capacity (R21,3 million).

An amount of R304,4 million (2023: R236,7 million) has been contracted and committed, but not spent, whilst a further R257,7 million (2023: R300,9 million) has been approved but not contracted.

RIGHT-OF-USE ASSETS

Right-of-use assets decreased by R50,1 million from June 2023 largely driven by depreciation of R112,0 million and the national office building impairment of R54,4 million, partially offset by capitalisations.

INVESTMENT IN ASSOCIATES

Investment in associates increased by R62,1 million to R1 004,4 million (2023: R942,3 million) driven mainly by profits capitalised in RES of R120,1 million, offset by dividends received from RES of R64,5 million.

INVESTMENT IN FINANCIAL ASSET

Investment in financial asset which relates solely to RCL FOODS' minority shareholding in The LIVEKINDLY Collective decreased by R35,7 million to R114,2 million (2023: R149,9 million) due to the write downs processed at year end.

CURRENT ASSETS AND CURRENT LIABILITIES

Net working capital (including biological assets) has decreased by R295,7 million from the prior year and from 12.7% to 11.1% as a percentage of revenue.

Trade and other receivables and trade and other payables increased by R901,9 million and R1 461,3 million respectively, with the absolute balances impacted by year-end cut-off which fell on Sunday, 30 June 2024. The year-end cut-off for current year reporting, aligned with calendar month-end date of Sunday, 30 June 2024, and since being a non-banking day, resulted in R1 749,2 million of receipts (Continuing: R641,3 million and Rainbow: R1 107,9 million) being collected and R907,3 million of payments (Continuing: R294,2 million and Rainbow: R613,1 million) being processed on 1 July 2024, post the year-end reporting cut-off date. The impact of the one-day "delay" was an R841,9 million increase in net trade receivables (Continuing: R347,1 million and Rainbow: R494,8 million). The prior year year-end cut-off date was Sunday 2 July 2023, post calendar month-end date of 30 June 2023 and as a result the prior year net trade and other receivables and payables was not materially impacted by cut-off. Excluding the impact of cut-off, net trade and other payables were up R1 401,3 million, largely attributable to a decline in trade and other receivables in Rainbow due to renegotiated payment terms with their primary debtor Vector Logistics. In addition, trade and other payables increased in the continuing operations due to higher prices in sugar and an accrual for a refund of sale proceeds in terms of the Vector Logistics disposal agreement.

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

Inventory balances increased by R261,4 million from 2023 due to higher Sugar and Baking stock valuations (pricing related) and higher wheat stockholdings within Milling.

Cash on hand, net of overdrafts, increased by R1 746,7 million to R1 106,1 million at June 2024. Detail on the material drivers resulting in the improvement in cash is provided in the cash flow sections above.

LONG- AND SHORT-TERM INTEREST-BEARING LIABILITIES

Total interest-bearing liabilities of R1 968,7 million are R365,5 million lower than last year largely due to the repayment of the loans advanced to the 50% owned cane grower companies by Akwandze Agricultural Finance Proprietary Limited, being replaced with internal funding.

OTHER NON-CURRENT ASSETS AND LIABILITIES

Non-current trade and other payables relates to the accrual under the Group's long-term incentive scheme, which operates as a deferred cash bonus linked to the financial performance of the Group. The increase in the accrual in the current year is largely attributable to the improved profitability.

The decline in the retirement benefit obligations from the prior year was largely due to certain obligations being transferred to an insurer during the year, following a once-off lump sum payment from RCL FOODS.

Net deferred tax liabilities increased R45,0 million largely due to the utilisation of assessed losses in Rainbow.

DISPOSAL OF VECTOR LOGISTICS AND UNBUNDLING OF RAINBOW

VECTOR LOGISTICS

The disposal of Vector Logistics was finalised on 28 August 2023.

A profit on disposal of Vector Logistics of R243,9 million has been recorded in the current year as part of the profit from discontinued operations line in the income statement.

There is a contractual price adjustment relating to the achievement by Vector Logistics of certain EBITDA targets in their 2023 and 2024 financial years being met, (maximum adjustment of R100,0 million) and the settlement of the RCL FOODS share option liabilities. These adjustments are expected to be finalised during the 2025 financial year.

The transition services provided to Vector Logistics post disposal, came to an end on 28 August 2024.

RAINBOW

Rainbow was unbundled post the current reporting period, on 1 July 2024 to shareholders via a dividend *in specie*. The fair value of Rainbow is in excess of its net carrying value and as a result no write-down to fair value was required in the 2024 consolidated results in accordance with IFRS 5.

The accounting for the disposal of Rainbow will occur in the 2025 financial year. Prior to the unbundling of Rainbow, RCL FOODS recapitalised the Rainbow balance sheet by capitalising R1,4 billion in interest-bearing debt owing by Rainbow to the balance of the Group and providing a further R300,0 million in equity funding.

To assist in ensuring a responsible exit from the Group and to allow sufficient time for Rainbow to capacitate, RCL FOODS is continuing to provide certain transitional services for a two-year period on an arm's-length basis.

DISCONTINUED OPERATIONS REVIEW

FINANCIAL HIGHLIGHTS

Rm	June 2024	June 2023	% Change
Profit from discontinued operation attributable to equity holders	**439,2**	(200,0)	319.6
Vector Logistics	**253,8**	73,4	245.8
Rainbow	**185,4**	(273,4)	167.8

Rm	June 2024	June 2023
Cash flows from operating activities	**948,3**	(588,3)
– Vector Logistics	**(261,4)**	(197,2)
– Rainbow	**1 209,7**	(391,1)
Cash flows from investing activities	**(397,2)**	(592,9)
– Vector Logistics	**(10,2)**	(178,6)
– Rainbow	**(387,0)**	(414,3)
Cash flows from financing activities	**(91,8)**	(172,1)
– Vector Logistics	**(16,9)**	(125,6)
– Rainbow	**(74,9)**	(46,5)
Net cash flows	**459,2**	(1 353,2)
– Vector Logistics	**(288,6)**	(501,3)
– Rainbow	**747,8**	(851,9)

VECTOR LOGISTICS

Vector Logistics reported a profit attributable to equity holders of R253,8 million for the period to disposal date (28 August 2023) which includes the R243,9 million profit arising from the disposal of the Vector Logistics segment. The decrease of R11,8 million between the abovementioned profit of R243,9 million and the R255,7 million as published in the December 2023 interim annual announcement is due to a contractual price adjustment relating to the achievement by Vector Logistics of certain EBITDA targets in 2023 and 2024 financial years (maximum adjustment of R100,0 million) and the settlement of the RCL FOODS share option liabilities. This is expected to be finalised during the 2025 financial year.

The net cash outflow of R288,6 million relates to the two-month period until disposal date (28 August 2023) and is largely attributable to the disposal date falling before calendar month-end which resulted in an unfavourable working capital position for Vector Logistics.

RAINBOW

INCOME STATEMENT

	Reported			Underlying		
Rm	June 2024	June 2023	% Change	June 2024	June 2023	% Change
Revenue	**14 527,4**	13 463,9	7.9	**14 527,4**	13 463,9	7.9
EBITDA	**629,7**	29,8	2 013.1	**672,1**	81,0	729.8
EBITDA margin %	**4.3**	0.2	4.1ppts	**4.6**	0.6	4.0ppts
EBIT	**350,9**	(240,3)	246.0			
Share of profit of associate		4,9	(100.0)			
Net finance costs	**(127,6)**	(170,8)	25.3			
Taxation	**(53,7)**	106,3	(150.5)			
Profit/loss for the period	**169,6**	(299,9)	156.6			
Non-controlling interest	**(15,8)**	(26,5)	40.4			
Profit/loss attributable to equity holders	**185,4**	(273,4)	167.8	**216,4**	(236,1)	191.7
Headline adjustments	**0,1**	(13,1)	100.8			
Headline earnings attributable to equity holders	**185,5**	(286,5)	164.7	**216,5**	(249,2)	186.9

Rainbow's revenue for the year ended June 2024 increased 7.9% to R14,5 billion (2023: R13,4 billion). The increase was largely attributable to higher volumes in the retail wholesale channel and higher realised pricing. EBITDA increased by R599,9 million to R629,7 million (2023: R29,8 million) at a margin of 4.3% (2023: 0.2%). Rainbow's underlying EBITDA increased by R591,2 million to R672,1 million, despite the R202,6 million impact of Avian Influenza during the period. The overall gain compared to the prior year can be ascribed to an enhanced agricultural performance, higher processing yield, effective cost management, improved pricing, increased retail and wholesale channel volumes, relief in commodity prices (albeit still at elevated levels) as well as reduced load-shedding costs.

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

The underlying adjustments comprise negative fair value adjustments on Rainbow's commodity raw material procurement positions, which decreased EBITDA by R42,4 million (2023: R51,1 million decrease in EBITDA). Refer to page 93 for further details on the underlying adjustments.

Net finance costs decreased by R43,2 million which was largely due to the benefit of the recapitalisation from RCL FOODS executed during February and May 2024 and improved free cash flows generated. Rainbow's effective tax rate was 24.0%, which was impacted by a prior year over-provision relating to unclaimed learnerships excluding which the effective tax rate for the current year was 28.3%. Non-controlling interests relate mainly to the outside shareholders' share of profits in Rainbow's Waste-to-Value operation (Matzonox) of which 50% of the profit after tax is allocated to outside shareholders through the non-controlling interest line in the income statement. Losses allocated to non-controlling interests in the current year decreased by R10,7 million to R15,8 million (2023: R26,5 million loss), driven by an improved performance in Matzonox owing to the successful trade of renewable energy certificates and better energy production.

ROIC	June 2024	June 2023	% Change
Unadjusted ROIC	**6.7%**	(3.6%)	10.3ppts
Underlying ROIC	**8.6%**	(2.8%)	11.4ppts

The improvement in ROIC for Rainbow is primarily driven by the higher operating profits generated during the year. The impact of classifying Rainbow as held for sale and as a result halting depreciation from date of classification was R18,4 million (post-tax) for the current year and resulted in a 0.4% improvement in Rainbow ROIC.

CASH FLOW

Cash flows from operating activities of R1 209,7 million (2023: negative R391,1 million) is R1 600,8 million higher than the prior year, largely due to the improved profitability, favourable working capital movements and lower net finance costs arising from the benefit of the recapitalisation from RCL FOODS.

Cash outflows from investing activities decreased by R27,3 million to R387,0 million in the current year and consists mainly of capital expenditure (including intangibles) of R390,5 million (2023: R416,8 million).

The net cash outflow from financing activities of R74,9 million relates mainly to the payments on lease liabilities. Intercompany eliminations have been processed between continuing and discontinued operations resulting in net cash outflows of R792,1 million (2023: R742,6 million net cash inflows) being eliminated from Rainbow's cash flows from financing activities.

The current year outflow of R792,1 million related to higher investments by Rainbow with RCL FOODS Treasury following Rainbow's favourable cash generated from operating activities during the current year. At 30 June 2024, Rainbow had a net investment with RCL FOODS Treasury of R463,8 million which was settled in cash by RCL FOODS Treasury on 1 July 2024 (date of unbundling).

ACCOUNTING POLICIES

The Group's accounting policies are governed by International Financial Reporting Accounting Standards (IFRS). Guidance has been obtained from the International Financial Reporting Interpretations Committee (IFRIC) and circulars.

The Group maintains the view that the standards set the minimum requirements for financial reporting

PRESENTATION DATE OF RESULTS

The Group reports its results on the retail calendar of trading weeks which treats each financial year as an exact 52-week period, incorporating trade from Monday to Sunday each week. This treatment effectively results in the loss of a day (or two in a leap year) per calendar year. These days are brought to account approximately every six years by including a 53rd week.

The financial statements and results for 2024 are presented for the 364-day period ended 30 June 2024.

CASH DIVIDEND DECLARATION

With Rainbow's unbundling now complete, RCL FOODS has resumed the payment of dividends. The Board of Directors have approved a cash dividend of 35.0 cents per share for the year-end June 2024. In approving this dividend, amongst other regulatory requirements, the Board has specifically considered the current profitability and financial capacity of the Group post the recapitalisation of Rainbow prior to its unbundling and the upcoming debt refinance process ahead of the expiry of the existing term-funded debt package in December 2024.

INFORMATION SECURITY

The risks relating to a loss of data and leaking of sensitive information remain a key area of focus for the Group as cyber-attacks become increasingly common across the globe. These risks have the potential to cause material financial and reputational damage to companies. The Group is committed to protecting the interests of its investors and stakeholders and ensuring it fully complies with the provisions of the Protection of Personal Information Act. We are aware of the importance of safeguarding our information and currently have in place well-designed information systems and policies to control our data.

In response to the heightened level of information security risk, the Group has established procedures to ensure that business users are aware of all the risks associated with all the information they collate, change, store, share and manage. A Group-wide information security policy is in place which encompasses our information security approach and strategy

OUR CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

and ensures compliance with the Protection of Personal Information Act.

The Group did not identify any material information security breaches in the current financial year. Cyber insurance cover has been renewed and is available in the event of a financial loss resulting from an information security breach.

With the Vector Logistics and Rainbow legal separations now complete, focus is being placed on crystallising our IT and Digital Roadmap to enhance the quality of financial insight and decision-making through fit-for-purpose, value-adding tools and processes to ensure we remain future fit.

INSURANCE

The Group applies an umbrella approach to insurance and aims to insure all Group companies under the same insurance structure.

The Group strategy is to keep insurance to a minimum without exposing the Group's assets or profitability to unacceptable financial loss which could materially affect either trading results or cash flow. RCL FOODS' balance sheet has allowed more scope to self-insure predictable losses and less material risks which are not administratively cost effective to transfer to insurers. An annual assessment of the Group's risk bearing capacity is performed to identify opportunities to increase our self-insurance levels, in conjunction with our robust risk management programme that is in place. It is our intention to methodically increase these self-insurance levels over time to manage the absolute total cost of insurance to an optimal level.

The scale of the Group's assets means the underwriting has been broadened to include international insurance markets. A balanced placement of underwriting between local and international underwriters is considered to be more cost effective over the long term, as it protects the Group should any market experience excessive claims.

Refer to page 49 of this report for a discussion over our material risks and responses.

There were no major insurance events in the current financial year. An amount of R137,0 million in respect of the October 2021 Komatipoort store fire was recognised from insurers in the current financial year which relates to the rebuild.

The Group has comprehensive risk management processes in place and continues to work in conjunction with insurers in maintaining acceptable levels of insurance cover. Increased awareness around the tip-offs anonymous line and fraud indicators is being driven through Group-wide communications.

CENTRAL TREASURY AND DEBT REFINANCE

The centralised treasury function is the Group's single point of reference with funders and is tasked with minimising the cost of funding across the Group.

The objective of the centralised treasury function is to:

- Ensure that sufficient cash resources are available to meet working capital requirements across the Group;
- Ensure that excess cash is pooled and invested optimally;
- Determine and implement an optimal level of debt financing; and
- Minimise transaction and interest costs.

The receipt of cash on disposal of Vector Logistics together with the strong cash generation from the underlying business performance drove significantly lower utilisation of short-term borrowing lines in the second half of the financial year, and also aided with the R1,7 billion recapitalisation of Rainbow. Despite the recapitalisation, we remain comfortable that adequate funding is available to meet the needs of the remaining business going forward. Cash flow is monitored on a daily basis with individual borrowing limits in place across the different segments.

TERM-FUNDED DEBT PACKAGE

The Group has a R2 350,0 million debt package, with a five-year term which expired in December 2023, with interest at a rate of three-month JIBAR plus a margin of between 1.5% and 1.55%. Total repayments of R675,0 million have been made to date.

In the prior year, an agreement was reached with the Group's debt providers to defer repayments which were due in March, June and September 2023 (total of R675,0 million) to the expiry date in December 2023. During the current financial year, the term-debt package was extended on existing terms to December 2024 whilst the Rainbow separation process was in progress. The Group intends refinancing the package prior to December 2024, to ensure an optimal mix of debt and equity remains in the capital structure.

Key covenants on the current debt package are net interest-bearing senior debt/adjusted EBITDA cover ratio of less than 3.0 and a senior interest cover ratio of greater than 3.5. All covenants have been met in the 2024 financial year.

CONCLUSION

The 2024 financial year delivered many highlights with strong financial performance and cash generation delivered amidst challenging trading conditions, and with the key strategic objectives of legally separating Vector and Rainbow being finalised. While acquisition opportunities continue to be explored, a major focus in the coming year will be to unlock savings to manage the temporary overheads dyssynergy arising from the Vector Logistics and Rainbow separations. A strong cash focus will remain key to enable investment in growth opportunities as and when they present themselves.

RH Field
Chief Financial Officer

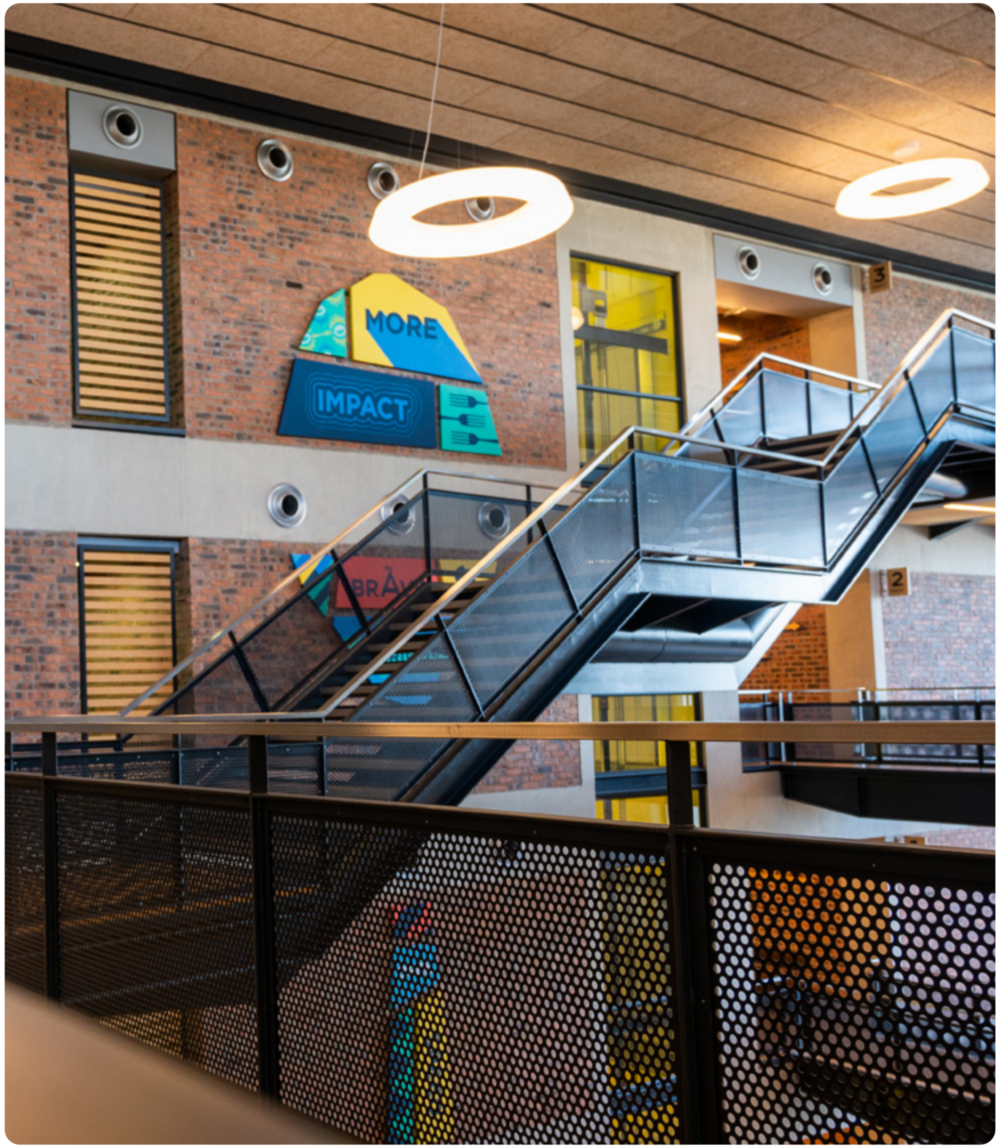
PRO FORMA FINANCIAL INFORMATION

PRO FORMA FINANCIAL INFORMATION

The underlying results ("underlying results") show the impact of excluding material once-off and accounting adjustments to the EBITDA, profit for the period attributable to equity holders of the Company, earnings per share (EPS), headline earnings and headline earnings per share (HEPS). The underlying results is considered *pro forma* financial information in terms of the JSE Listings Requirements and has been presented for illustrative purposes only, to provide users with relevant information and measures used by the Group to assess performance for the period under review. The preparation and presentation of the *pro forma* financial information are the responsibility of the Board of Directors. The underlying view of results is a non-IFRS measure and, due to its nature, therefore may not fairly present the Group's financial position, changes in equity, results of operations or cash flows for the periods presented. The June 2024 statement of financial position reversing the effect of reflecting Rainbow as a disposal group held for sale and the June 2023 statement of financial position reflecting Vector as external to the Group, also represents *pro forma* financial information in terms of the Listings Requirements of the JSE Limited. EBITDA is a non-IFRS measure and is calculated as operating profit before depreciation, amortisation and impairments and represents earnings before interest, tax, depreciation, amortisation and impairments of property, plant and equipment, right-of-use assets, intangible assets and goodwill. Ernst & Young Inc., the current external auditor of the Group has issued a report on the compilation of the *pro forma* financial information, which is available for inspection as published on the RCL FOODS website, *www.rclfoods.com/financial-results-and-reports-2024/*

RECONCILIATION BETWEEN UNADJUSTED AND UNDERLYING RESULT

Unadjusted information has been extracted without adjustment from the consolidated Annual Financial Statements for the year ended June 2024, published on 2 September 2024. For the year ended June 2023, the unadjusted information was extracted, without adjustment from the consolidated Annual Financial Statements which were audited by another firm (PricewaterhouseCoopers Inc.). The adjustments to the unadjusted information have been extracted from the Group's accounting records for the year ended June 2024 and June 2023.



PRO FORMA FINANCIAL INFORMATION CONTINUED

CONTINUING OPERATIONS – STATEMENT OF COMPREHENSIVE INCOME

June 2024 (Rm)	Unadjusted results	IFRS 9[1]	Separation costs[2]	Special levy[3]	Komati fire[4]	CGU impairments[5]	Underlying results
EBITDA	**2 300,5**	(6,1)	58,8		(137,0)		**2 216,2**
Groceries	**502,3**	(4,9)					**497,4**
Baking	**517,3**	(1,2)					**516,1**
Sugar	**1 409,3**				(137,0)		**1 272,3**
Group	**(19,7)**		58,8				**39,1**
Unallocated restructuring costs	**(108,7)**						**(108,7)**
Profit for the period from continuing operations attributable to equity holders of the Company	**1 185,2**	(4,5)	58,8		(100,0)	39,7	**1 179,2**
EPS from continuing operations (cents)	**133,1**	(0,5)	6,6		(11,2)	4,5	**132,5**
Headline earnings from continuing operations	**1 082,7**	(4,5)	58,8				**1 137,0**
HEPS from continuing operations (cents)	**121,6**	(0,5)	6,6				**127,7**

June 2023 (Rm)	Unadjusted results	IFRS 9	Separation costs	Special levy	Komati fire	CGU impairments	Underlying results
EBITDA	1 681,7	36,5	25,6	234,4	(60,0)		1 918,2
Groceries	389,3	16,5					405,8
Baking	527,9	20,0					547,9
Sugar	879,4			234,4	(60,0)		1 053,8
Group	(58,8)		25,6				(33,2)
Unallocated restructuring costs	(56,1)						(56,1)
Profit for the period from continuing operations attributable to equity holders of the Company	816,2	26,7	25,6	171,1	(43,8)	34,4	1 030,2
EPS from continuing operations (cents)	91,7	3,0	2,9	19,2	(4,9)	3,9	115,8
Headline earnings from continuing operations	826,1	26,7	25,6	171,1			1 049,5
HEPS from continuing operations (cents)	92,8	3,0	2,9	19,2			117,9

Underlying results represent the results after taking into account the below adjustments:

[1] IFRS 9 fair value adjustments relate to the fair value gains and losses on commodity contracts entered into as part of the Group's raw material procurement strategy;
[2] Advisor costs incurred in the current year and prior year relating to the Rainbow and Vector separation processes;
[3] Special levy relates to the net impact of additional levies raised by SASA on the Sugar business unit as a result of Tongaat and Gledhow suspending payment of their industry obligations in the prior year;
[4] Komati fire relates to insurance proceeds accounted for in the current and prior year in respect of the fire damage at our Komatipoort sugar warehouse;
[5] Impairments relate to net impairments processed in the current and prior period. The current year amount relates to the impairment recognised on the Group's national office building right-of-use asset and the prior year relates to the CGU impairment recognised in our Sugar business; and
[6] The profit arising from the disposal of the Vector Logistics segment.

The earnings and headline earnings impact of the underlying adjustments in the table above differs from EBITDA mainly due to the impact of taxation.

PRO FORMA FINANCIAL INFORMATION CONTINUED

DISCONTINUED OPERATIONS – STATEMENT OF COMPREHENSIVE INCOME

June 2024 (Rm)	Unadjusted results	IFRS 9[1]	Vector profit[6]	Underlying results
EBITDA	**656,5**	42,4		**698,9**
Vector	**26,8**			**26,8**
Rainbow	**629,7**	42,4		**672,1**
Profit for the period attributable to equity holders of the Company	**439,2**	31,0	(243,9)	**226,3**
Vector	**253,8**		(243,9)	**9,9**
Rainbow	**185,4**	31,0		**216,4**
Headline earnings from discontinued operations	**182,1**	31,0		**213,1**
Vector	**(3,4)**			**(3,4)**
Rainbow	**185,5**	31,0		**216,5**

June 2023 (Rm)	Unadjusted results	IFRS 9	Vector profit	Underlying results
EBITDA	345,0	51,1		396,1
Vector	315,2			315,2
Rainbow	29,8	51,1		80.9
Profit for the period attributable to equity holders of the Company	(200,0)	37,3		(162,7)
Vector	73,4			73,4
Rainbow	(273,4)	37,3		(236,1)
Headline earnings from discontinued operations	(217,9)	37,3		(180,6)
Vector	68,6			68,6
Rainbow	(286,5)	37,3		(249,2)

Underlying results represent the results after taking into account the below adjustments:

1 *IFRS 9 fair value adjustments relate to the fair value gains and losses on commodity contracts entered into as part of the Group's raw material procurement strategy;*

2 *Advisor costs incurred in the current year and prior year relating to the Rainbow and Vector separation processes;*

3 *Special levy relates to the net impact of additional levies raised by SASA on the Sugar business unit as a result of Tongaat and Gledhow suspending payment of their industry obligations in the prior year;*

4 *Komati fire relates to insurance proceeds accounted for in the current and prior year in respect of the fire damage at our Komatipoort sugar warehouse;*

5 *Impairments relate to net impairments processed in the current and prior period. The current year amount relates to the impairment recognised on the Group's national office building right-of-use asset and the prior year relates to the CGU impairment recognised in our Sugar business; and*

6 *The profit arising from the disposal of the Vector Logistics segment.*

The earnings and headline earnings impact of the underlying adjustments in the table above differs from EBITDA mainly due to the impact of taxation.

PRO FORMA FINANCIAL INFORMATION CONTINUED

The Group *pro forma* SOFP has been prepared on the basis that the Vector Logistics segment is external to the Group in the comparative period which results in intercompany eliminations on the SOFP between Vector and the balance of the Group being reversed in the *pro forma* version. In addition, the current period *pro forma* SOFP has been prepared to reverse the disclosure of Rainbow as held for sale and hence includes Rainbow in the individual SOFP lines.

STATEMENT OF FINANCIAL POSITION

		June 2024			June 2023		
	Unadjusted June 2024 R'000	Rainbow[1] R'000	Adjustments R'000	*Pro Forma* June 2024 R'000	Unadjusted June 2023 R'000	Adjustments June 2023 R'000	*Pro Forma* June 2023 R'000
ASSETS							
Non-current assets							
Property, plant and equipment	**4 458 851**	1 978 489	19 379[2]	6 456 719	**5 944 523**		5 944 523
Right-of-use asset	**254 596**	94 716	5 229[2]	354 541	**404 680**		404 680
Investment property		14 219	180[2]	14 399			
Intangible assets	**1 553 993**	27 488	445[2]	1 581 926	**1 621 858**		1 621 858
Investment in joint ventures	**227 398**			227 398	**211 240**		211 240
Investment in associates	**1 004 391**			1 004 391	**942 333**		942 333
Deferred income tax asset	**16 910**	52 808	(6 813)[2]	62 905	**42 288**		42 288
Loans receivable	**12 000**			12 000	**12 000**		12 000
Trade and other receivables	**6 279**			6 279			
Investment in financial asset	**114 196**			114 196	**149 936**		149 936
Goodwill	**1 931 236**	19 315		1 950 551	**1 950 551**		1 950 551
	9 579 850	2 187 035	18 420	11 785 305	**11 279 409**		11 279 409
Current assets							
Inventories	**2 940 930**	1 042 604		3 983 534	**3 722 105**		3 722 105
Biological assets	**389 881**	929 712		1 319 593	**1 317 386**		1 317 386
Trade and other receivables	**2 977 117**	2 466 888	(3 093)[3]	5 440 912	**2 157 318**	(2 381 671)[7]	4 538 989
Derivative financial instruments	**9 119**	10 881		20 000	**28 144**		28 144
Tax receivable					**14 761**		14 761
Loan receivable	**2 435**			2 435	**59 233**		59 233
Loan receivable from RCL FOODS Treasury		463 828	(463 828)[4]				
Cash and cash equivalents	**1 093 497**	48 438		1 141 935	**224 373**		224 373
	7 412 979	4 962 351	(466 921)	11 908 409	**7 523 320**	(2 381 671)	9 904 991
Assets of disposal group classified as held for sale	**6 701 458**	(7 149 386)	448 500	572	**6 498 631**	2 381 671	4 116 960
Total assets	**23 694 287**			23 694 287	**25 301 360**		25 301 360

1 *Reinstatement of Rainbow's SOFP at 30 June 2024, resulting in disclosure of their assets (R7,149 million) and liabilities (R3,121 million) by individual line item. Rainbow's equity equals R4,028 million at 30 June 2024.*

2 *The impact of classifying Rainbow as held for sale and as a result halting depreciation from date of classification and related deferred tax impact.*

3 *Elimination of intergroup trade and other receivables balances included in Rainbow's trade and other receivables balance reinstated, currently eliminated in the assets of disposal group held for sale line in the IFRS SOFP (the unadjusted SOFP).*

4 *Elimination of Rainbows' reinstated loan receivable from the Group treasury company currently eliminated within the disposal group held for sale in the IFRS SOFP (the unadjusted SOFP). The balance on this loan at unbundling date of 1 July 2024, was settled in cash between the parties.*

5 *Rainbow's share option liability which is eliminated on consolidation due to the shares being settled in RCL FOODS shares and equity settled at a Group level, and reversal of the related deferred tax liability.*

6 *Elimination of intergroup trade and other payables balances included in Rainbow's trade and other payables balance reinstated, currently eliminated in the assets of disposal group held for sale line in the IFRS SOFP (the unadjusted SOFP).*

7 *Net intergroup trade and other receivables and trade and other payables balances owing from/to Vector Logistics by the balance of the Group. Previously eliminated in preparing the June 2023 consolidated SOFP, shown as external for pro forma purposes following Vector's disposal during the current financial year.*

PRO FORMA FINANCIAL INFORMATION CONTINUED

STATEMENT OF FINANCIAL POSITION CONTINUED

	Unadjusted June 2024 R'000	June 2024 Rainbow[1] R'000	June 2024 Adjustments R'000	June 2024 *Pro Forma* June 2024 R'000	June 2023 Unadjusted June 2023 R'000	June 2023 Adjustments June 2023 R'000	June 2023 *Pro Forma* June 2023 R'000
EQUITY							
Capital and reserves	**13 441 041**			13 441 041	**11 721 305**		11 721 305
LIABILITIES							
Non-current liabilities							
Deferred income					**3 277**		3 277
Interest-bearing liabilities		116 262		116 262	**371 066**		371 066
Lease liabilities	**391 313**	45 527		436 840	**436 134**		436 134
Deferred income tax liabilities	**789 368**	275 671	6 913[5]	1 071 952	**1 006 332**		1 006 332
Retirement benefit obligations	**27 383**	18 486		45 869	**65 974**		65 974
Share Option Liability		27 357	(27 357)[5]				
Trade and other payables	**34 669**	89 688		124 357	**10 858**		10 858
	1 242 733	572 991	(20 444)	1 795 280	**1 893 641**		1 893 641
Current liabilities							
Trade and other payables	**4 058 626**	2 265 090	(72 497)[6]	6 251 219	**4 594 257**	(195 684)[7]	4 789 941
Deferred income	**4 445**			4 445	**2 211**		2 211
Interest-bearing liabilities	**1 711 748**	140 639		1 852 387	**1 963 037**		1 963 037
Lease liabilities	**93 264**	57 166		150 430	**160 255**		160 255
Derivative financial instruments	**2 245**	47 386		49 631	**3 670**		3 670
Current income tax liabilities	**111 775**	2 236		114 011	**100 894**		100 894
Bank overdraft		35 844		35 844	**865 000**		865 000
	5 982 104	2 548 361	(72 497)	8 457 967	**7 689 324**	(195 684)	7 885 008
Liabilities of disposal group classified as held for sale	**3 028 409**	(3 121 352)	92 943		**3 997 091**	195 684	3 801 407
Total liabilities	**10 253 246**			10 253 245	**13 580 056**		13 580 056
Total equity and liabilities	**23 694 287**			23 694 286	**25 301 361**		25 301 361

1 *Reinstatement of Rainbow's SOFP at 30 June 2024, resulting in disclosure of their assets (R7,149 million) and liabilities (R3,121 million) by individual line item. Rainbow's equity equals R4,028 million at 30 June 2024.*

2 *The impact of classifying Rainbow as held for sale and as a result halting depreciation from date of classification and related deferred tax impact.*

3 *Elimination of intergroup trade and other receivables balances included in Rainbow's trade and other receivables balance reinstated, currently eliminated in the assets of disposal group held for sale line in the IFRS SOFP (the unadjusted SOFP).*

4 *Elimination of Rainbows' reinstated loan receivable from the Group treasury company currently eliminated within the disposal group held for sale in the IFRS SOFP (the unadjusted SOFP). The balance on this loan at unbundling date of 1 July 2024, was settled in cash between the parties.*

5 *Rainbow's share option liability which is eliminated on consolidation due to the shares being settled in RCL FOODS shares and equity settled at a Group level, and reversal of the related deferred tax liability.*

6 *Elimination of intergroup trade and other payables balances included in Rainbow's trade and other payables balance reinstated, currently eliminated in the assets of disposal group held for sale line in the IFRS SOFP (the unadjusted SOFP).*

7 *Net intergroup trade and other receivables and trade and other payables balances owing from/to Vector Logistics by the balance of the Group. Previously eliminated in preparing the June 2023 consolidated SOFP, shown as external for pro forma purposes following Vector's disposal during the current financial year.*

OUR FIVE-YEAR REVIEW

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION#

	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
ASSETS					
Property, plant and equipment and right-of-use assets	**4 713 447**	6 349 203	6 886 623	6 665 072	6 669 077
Intangible assets	**3 485 229**	3 572 409	3 488 171	3 659 965	3 677 055
Investment in joint ventures	**227 398**	211 240	307 135	287 828	310 309
Investment in associates	**1 004 391**	942 333	822 991	853 866	676 856
Deferred income tax asset	**16 910**	42 289	45 435	99 742	86 428
Loan receivable	**12 000**	12 000	31 095	49 375	66 964
Investment in financial asset	**114 196**	149 936	241 976	214 138	137 039
Trade and other receivables	**6 279**		26 289	24 597	23 060
Current assets	**7 412 979**	7 523 320	12 092 444	10 553 423	10 839 788
Assets of disposal group classified as held for sale	**6 701 458**	6 498 631	33 135		
Total assets	**23 694 287**	25 301 361	23 975 294	22 408 006	22 486 576
EQUITY AND LIABILITIES					
Equity	**13 441 041**	11 721 305	11 389 332	10 693 667	9 821 976
Deferred income		3 277	4 474		
Lease liabilities	**391 313**	807 200	2 269 311	3 525 331	3 959 958
Deferred income tax liabilities	**789 368**	1 006 332	1 040 157	1 051 565	1 034 622
Retirement benefit obligations	**27 383**	65 974	115 725	106 900	101 269
Trade and other payables	**34 669**	10 858		461	3 059
Current liabilities	**5 982 104**	7 689 324	9 155 278	7 030 086	7 565 692
Liabilities of disposal group classified as held for sale	**3 028 409**	3 997 091	1 017		
Total equity and liabilities	**23 694 287**	25 301 361	23 975 294	22 408 006	22 486 576

The prior year numbers in the statement of financial position have not been restated in accordance with IFRS 5 for assets held for sale and discontinued operations. As a result, Rainbow's assets and liabilities are included in the individual lines for (2020-2023) and Vector for (2020-2022).

OUR FIVE-YEAR REVIEW CONTINUED

CONSOLIDATED INCOME STATEMENTS

	2024 R'000	*2023 R'000	*2022 R'000	*2021 R'000	*2020 R'000
Revenue	**26 016 566**	24 349 141	20 848 585	19 293 463	17 473 437
Operating profit before depreciation, amortisation and impairments (EBITDA)[1]	**2 300 495**	1 681 643	1 925 807	2 124 852	1 378 605
Depreciation, amortisation and impairments[1]	**(662 657)**	(654 611)	(541 409)	(495 358)	(1 242 304)
Operating profit	**1 637 838**	1 027 032	1 384 398	1 629 493	136 302
Finance costs	**(171 568)**	(177 456)	(214 300)	(217 232)	(423 797)
Finance income	**28 149**	10 959	90 519	76 941	103 343
Share of profits of joint ventures	**33 525**	36 185	26 113	1 832	28 087
Share of profits of associates	**125 562**	188 458	22 482	129 201	118 745
Profit/(loss) before tax	**1 653 506**	1 085 177	1 309 212	1 620 236	(37 321)
Income tax expense	**(429 362)**	(348 617)	(408 896)	(430 036)	(79 123)
Profit/(loss) for the year – continuing operations	**1 224 144**	736 560	900 316	1 190 200	(116 443)
Profit/(loss) for the year – discontinued operation	**425 552**	(223 652)	77 368	(194 443)	(842 595)
Profit for the period	**1 649 696**	512 908	977 684	995 757	(959 038)
Profit/(loss) for the year attributable to:					
Equity holders of the company	**1 624 394**	616 237	1 013 361	992 909	(901 396)
– from continuing operations	**1 185 204**	816 197	917 940	1 172 669	(58 641)
– from discontinued operation	**439 190**	(199 960)	95 421	(179 760)	(842 755)
Non-controlling interests	**25 302**	(103 329)	(35 677)	2 848	(57 642)
– from continuing operations	**38 940**	(79 638)	(17 624)	17 530	(57 802)
– from discontinued operation	**(13 638)**	(23 691)	(18 053)	(14 682)	160

[1] *Impairments relate only to impairments of property, plant and equipment, right of use assets, goodwill and intangible assets.*
* *The prior year numbers in the Income Statement have been restated in accordance with IFRS 5 for discontinued operations. As a result, both the Rainbow and Vector Logistics segments have been reported as discontinued operations in the current financial year with comparatives restated.*

DEFINITIONS AND RATIOS

SHAREHOLDER RATIOS

EARNINGS PER SHARE

Profit for the year attributable to equity holders of the Company divided by weighted average ordinary shares in issue

DILUTED EARNINGS PER SHARE

Profit for the year attributable to equity holders of the Company divided by diluted weighted average ordinary shares in issue

HEADLINE EARNINGS PER SHARE

Headline earnings divided by weighted average ordinary shares in issue

DIVIDEND PER SHARE

Dividends declared divided by weighted average ordinary shares in issue

DIVIDEND COVER

Headline earnings per share divided by dividends per share

NET ASSET VALUE PER SHARE

Total equity divided by ordinary shares in issue at year-end

RESULTS RATIOS

EBITDA MARGIN

EBITDA expressed as a percentage of revenue

OPERATING PROFIT MARGIN

Operating profit expressed as a percentage of revenue

RETURN ON NET ASSETS

Profit before tax, expressed as a percentage of net assets

NET ASSET TURNOVER

Revenue divided by net assets

RETURN ON INVESTED CAPITAL

Net operating profit after tax plus equity-accounted profits divided by invested capital

STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS

Non-current and current assets

TOTAL LIABILITIES

Non-current and current liabilities

NET ASSETS

Total assets less total liabilities

INVESTED CAPITAL

Total equity and interest-bearing liabilities less non-operating assets and cash and cash equivalents

INCOME STATEMENT

OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENTS (EBITDA)

Operating profit before depreciation, amortisation and impairment is earnings before depreciation, amortisation, impairments of property, plant and equipment, right-of-use assets, goodwill and intangible assets, interest and tax

OPERATING PROFIT (EBIT)

Operating profit is earnings before interest and tax

RETURN ON EQUITY

Profit attributable to equity holders of the Company expressed as a percentage of average total equity

SHARE INFORMATION

PE RATIO

Market share price at year-end divided by headline earnings per share

DEBT RATIOS

NET SENIOR DEBT

Total unsubordinated debt less cash and cash equivalents

SENIOR LEVERAGE RATIO

Net senior debt divided by pre-IFRS 9 (IFRS 9 as related to fair value adjustments on commodity positions) EBITDA adjusted for amounts attributable to non-controlling interests, asset revaluations, profits or losses on disposals of property, plant and equipment and the impact of leases capitalised in terms of IFRS 16 Leases

SENIOR INTEREST COVER RATIO

Pre-IFRS 9 (IFRS 9 as related to fair value adjustments on commodity positions) EBITDA adjusted for amounts attributable to non-controlling interests, asset revaluations, profits or losses on disposals of property, plant and equipment and the impact of leases capitalised in terms of IFRS 16 Leases

SENIOR NET FINANCE CHARGES

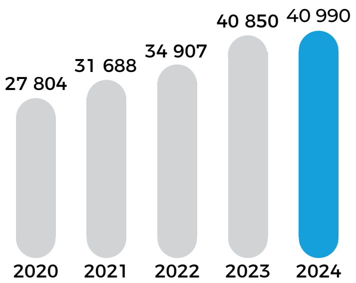
Finance charges on unsubordinated debt less interest income

GEARING RATIO

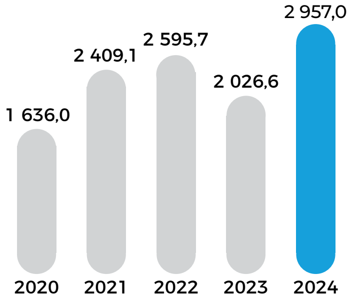
Total interest-bearing liabilities as a percentage of total equity

OUR FIVE-YEAR REVIEW – TOTAL OPERATIONS

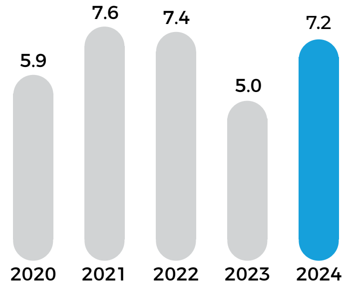
REVENUE (R million)



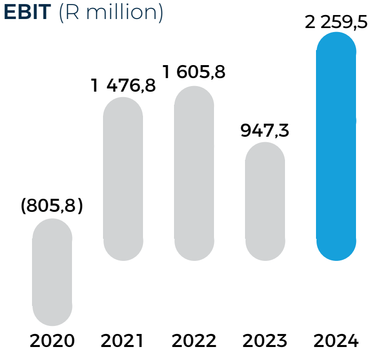
EBITDA (R million)



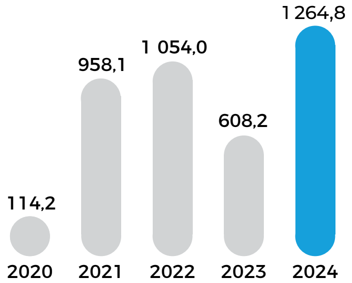
EBITDA MARGIN (%)



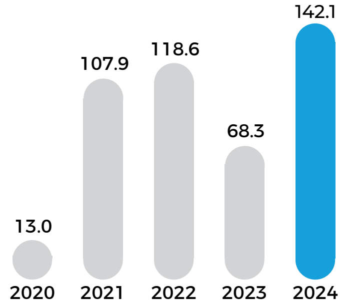
EBIT (R million)



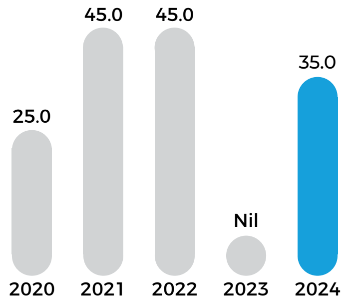
HEADLINE EARNINGS (R million)
attributable to equity holders of the company



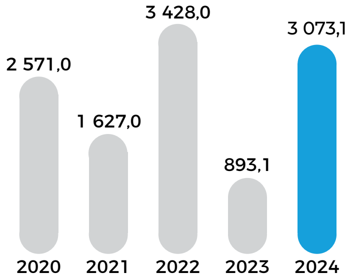
HEADLINE EARNINGS PER SHARE (cents)
attributable to equity holders of the company



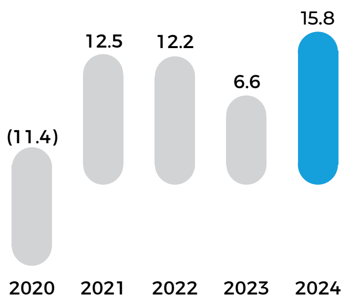
DIVIDENDS PER SHARE (cents)



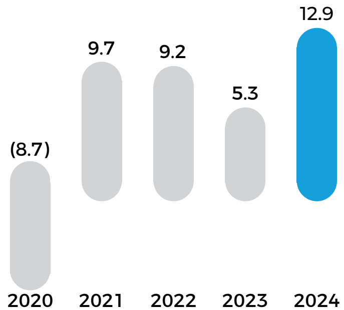
CASH GENERATED FROM OPERATIONS (R million)



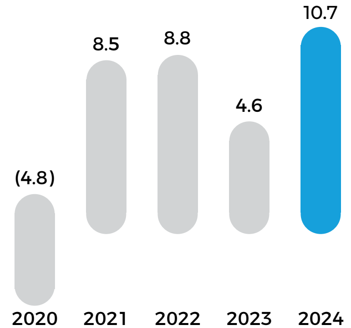
RETURN ON NET ASSETS (%)



RETURN ON EQUITY (%)

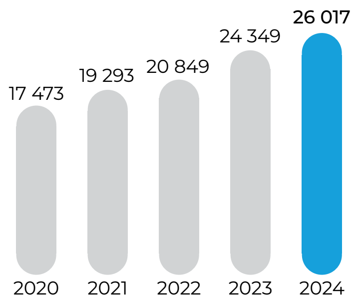


RETURN ON INVESTED CAPITAL (%)

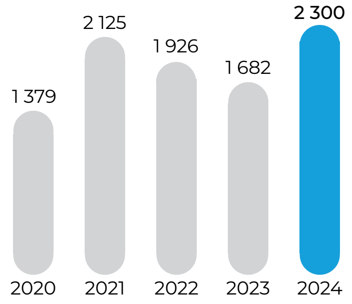


OUR FIVE-YEAR REVIEW – CONTINUING OPERATIONS

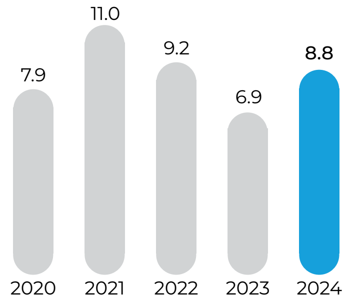
REVENUE (R million)



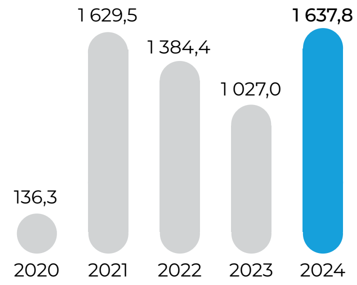
EBITDA (R million)



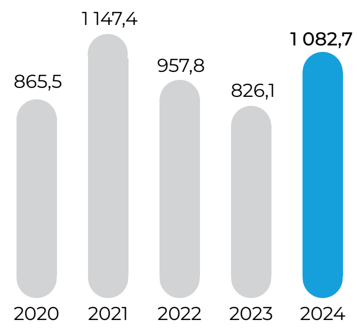
EBITDA MARGIN (%)



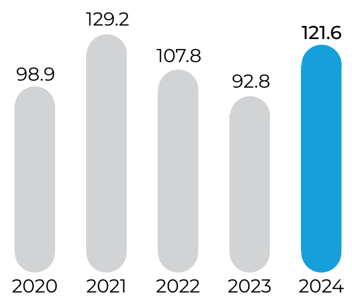
EBIT (R million)



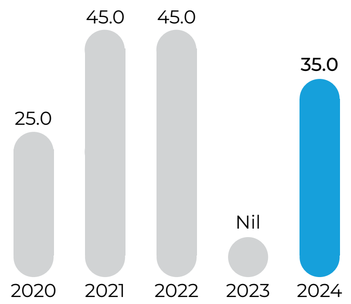
HEADLINE EARNINGS (R million)
attributable to equity holders of the company



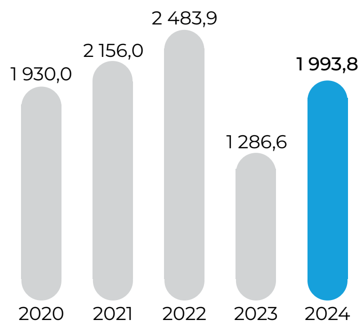
HEADLINE EARNINGS PER SHARE (cents)
attributable to equity holders of the company



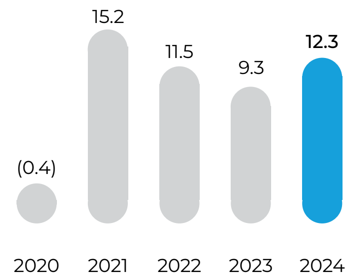
DIVIDENDS PER SHARE (cents)



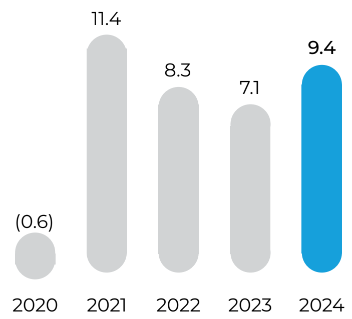
CASH GENERATED FROM OPERATIONS (R million)



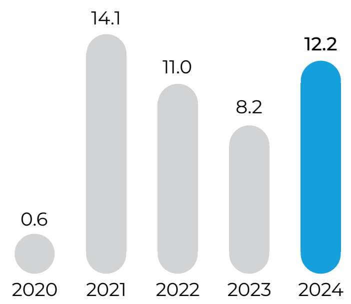
RETURN ON NET ASSETS (%)



RETURN ON EQUITY (%)



RETURN ON INVESTED CAPITAL (%)



OUR FIVE-YEAR REVIEW CONTINUED

TOTAL OPERATIONS		2024	2023	2022	2021	2020
KEY STATISTICS						
Earnings per share	cents	**182.4**	69.3	114.0	111.8	(103.0)
Diluted earnings per share	cents	**181.9**	68.6	113.1	111.7	(102.9)
Headline earnings per share	cents	**142.1**	68.3	118.6	107.9	13.0
Dividends per share	cents	**35.0**	–	45.0	45.0	25.0
Dividend cover	times	**4.1**	–	2.5	2.4	0.5
Cash generated by operations	R million	**3 073,1**	893,1	3 428,0	1 627,0	2 571,0
Capital expenditure (excluding intangibles)	R million	**1 269**	1 334	1 273	900	785
Net assets	R million	**13 441**	11 721	11 389	10 694	9 822
Net asset value per share	cents	**1 509.7**	1 316.9	1 280.5	1 203.9	1 105.8
RESULTS RATIOS						
EBITDA margin	%	**7.2**	5.0	7.4	7.6	5.9
Operating profit margin	%	**5.5**	2.3	4.6	4.7	(2.9)
Return on net assets	%	**15.8**	6.6	12.2	12.5	(11.4)
Net asset turn	times	**3.0**	3.5	3.1	3.0	2.8
Return on equity	%	**12.9**	5.3	9.2	9.7	(8.7)
Return on invested capital	%	**10.7**	4.6	8.8	8.5	(4.8)
DEBT RATIOS						
Senior leverage ratio	times	**0.4**	1.6	0.6	1.0	1.6
Senior interest cover ratio	times	**10.9**	5.4	10.5	10.2	4.7
Gearing ratio		**16.3**	25.0	31.0	41.0	44.4
SHARE INFORMATION						
Number of ordinary shares						
– weighted average in issue[1]	'000	**890 155**	889 990	888 700	888 246	875 497
– diluted weighted average in issue[1]	'000	**892 919**	896 873	896 367	889 274	876 172
– at year-end (statutory, includes BEE shares)	'000	**890 296**	890 097	953 298	959 004	959 004
– at year-end (for accounting purposes)[1]	'000	**890 296**	890 097	889 468	888 246	888 246

[1] *Excludes shares issued in terms of the BEE schemes (2020 – 2022 only).*

OUR FIVE-YEAR REVIEW CONTINUED

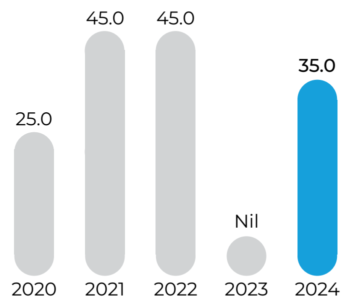
CONTINUING OPERATIONS*		2024	2023	2022	2021	2020
KEY STATISTICS						
Earnings per share	cents	**133.1**	91.7	103.3	132.0	(6.7)
Diluted earnings per share	cents	**132.7**	91.0	102.4	131.9	(6.7)
Headline earnings per share	cents	**121.6**	92.8	107.8	129.2	98.9
Dividends per share	cents	**35.0**		45.0	45.0	25.0
Cash generated by operations	R million	**1 994**	1 287	2 484	2 156	1 930
Capital expenditure (excluding intangibles)	R million	**869**	726	705	490	528
RESULTS RATIOS						
EBITDA margin	%	**8.8**	6.9	9.2	11.0	7.9
Operating profit margin	%	**6.3**	4.2	6.6	8.4	0.8
Return on net assets	%	**12.3**	9.3	11.5	15.2	(0.4)
Net asset turn	times	**1.9**	2.1	1.8	1.8	1.8
Return on equity	%	**9.4**	7.1	8.3	11.4	(0.6)
Return on invested capital	%	**12.2**	8.2	11.0	14.1	0.6

* *The prior year numbers in the Income Statement have been restated in accordance with IFRS 5 for discontinued operations. As a result, both the Rainbow and Vector Logistics segments have been reported as discontinued operations in the current financial year with comparatives restated.*

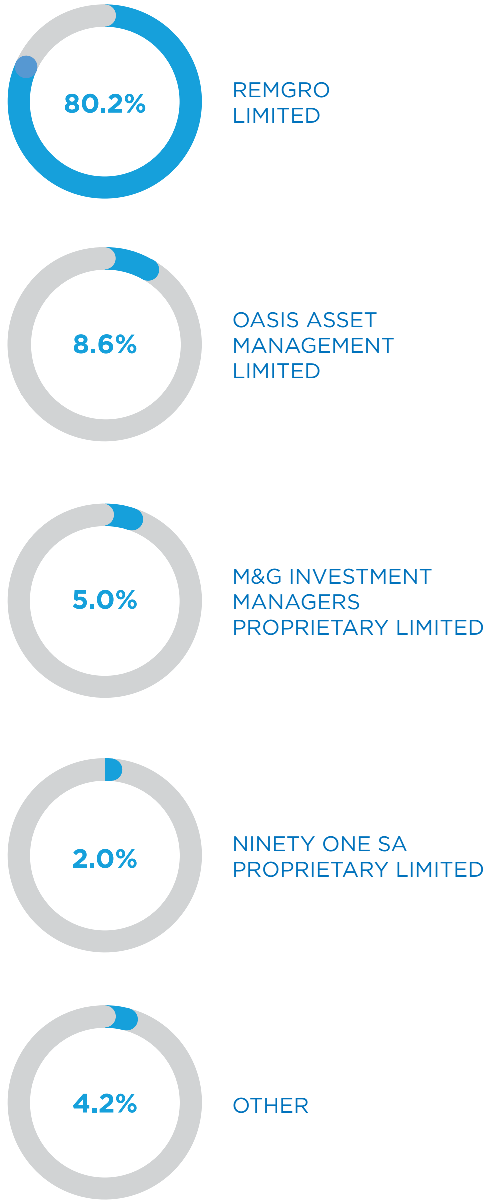
SHARE INFORMATION

RCL FOODS SHARE PRICE (cents)

DIVIDENDS PER SHARE (CENTS)



SHAREHOLDERS (%)



STOCK EXCHANGE PERFORMANCE

12 months		2024	2023
Share price			
– lowest	cents	**785**	895
– highest	cents	**1 309**	1 375
– at year-end	cents	**1 005**	1 000
Number of shares traded	million	**20,9**	45,0
Value traded	R million	**206,1**	493,0
Number of shares in issue at year-end	’000	**890 296**	890 097
PE ratio at year-end	ratio	**8.3**	16.5
Market capitalisation	R billion	**8,9**	8,9

LISTING INFORMATION

JSE share code:	RCL
Sector:	Consumer Goods – Food & beverages
Subsector:	Food Producers

REPORTING DATES

Interim results	March 2025
Year-end results	September 2025
Annual report published	September 2025
Annual general meeting	November 2025

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105 CORPORATE INFORMATION

SHAREHOLDERS' DIARY

Financial year-end	June
Annual general meeting	November

FINANCIAL REPORTS

Announcement of results for the year	September
Abridged annual financial statements distributed	September
Interim report for half year to December	March

FUTURE ORDINARY DIVIDENDS

INTERIM DIVIDEND

Declaration	March
Payment	April

FINAL DIVIDEND

Declaration	September
Payment	October

CORPORATE INFORMATION

Company registration number	1966/004972/06
JSE Share code	RCL
ISIN code	ZAE000179438
Registered office/ street address	Ten The Boulevard Westway Office Park Westville 3629
Postal address	PO Box 2734 Westway Office Park Westville 3635
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196
Company secretary	LG Kelso
Auditors	Ernst & Young Inc.
Listing	JSE Securities Exchange South Africa
Sector	Food Producers
Sponsor	Rand Merchant Bank (a division of FirstRand Bank Limited)
Bankers	ABSA Bank Limited, FirstRand Bank, Investec Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Capitec Bank Limited
Website	*www.rclfoods.com*


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