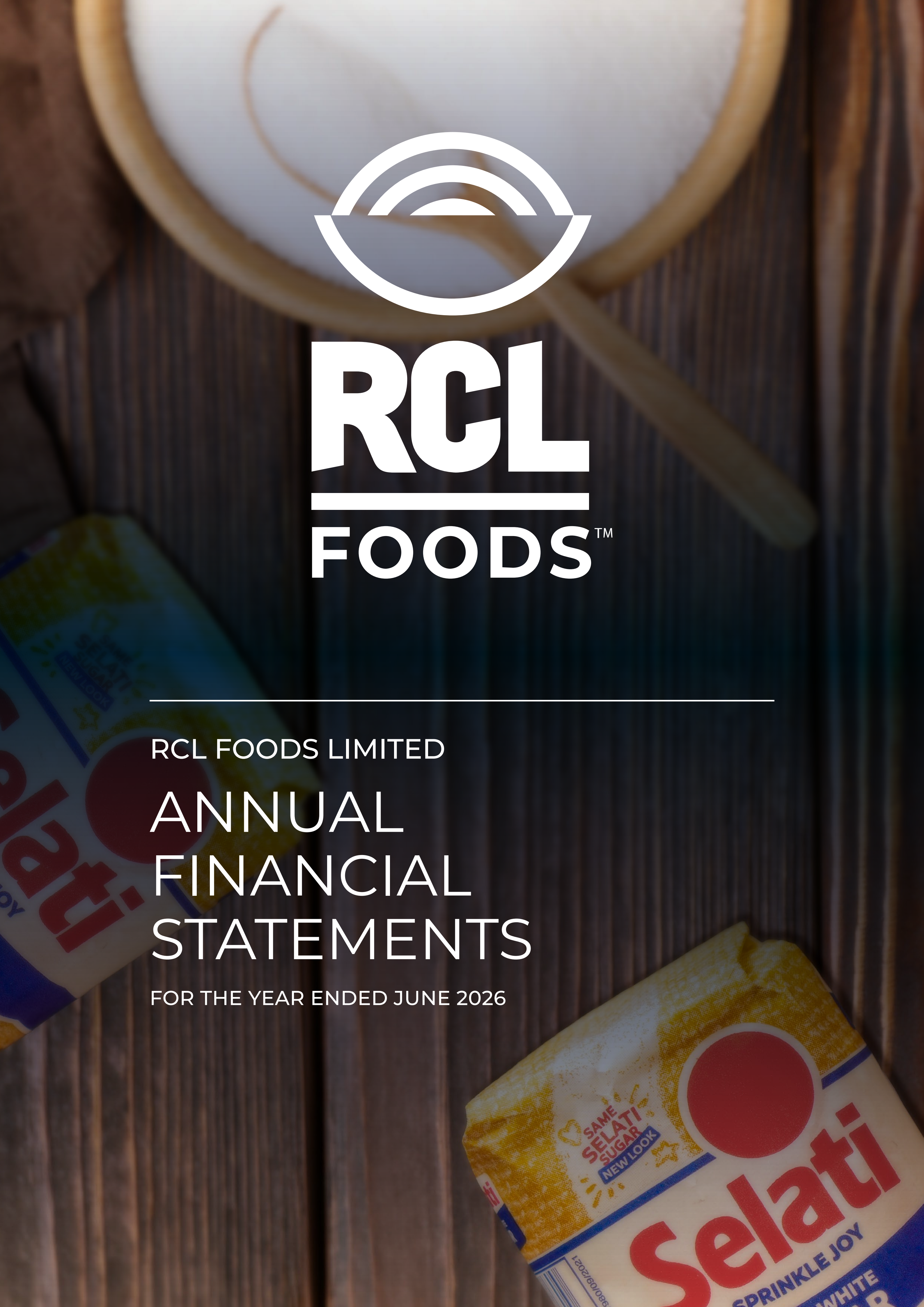

RCL FOODS

RCL FOODS LIMITED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 2026

CONTENTS

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended June 2026

The Directors are responsible for the preparation and integrity of the Annual Financial Statements of the Company and the Group and other information included in this report which has been prepared in accordance with IFRS® Accounting Standards (IFRS). The Directors are also responsible for the systems of internal control.

The Directors, supported by the Audit Committee, are of the opinion, based on the information and explanations given by management and the internal auditors and on comment by the independent external auditors on the results of their statutory audit, that the Group's internal accounting controls are adequate, so that the financial records may be relied upon for preparing the financial statements and maintaining accountability for assets and liabilities. The Directors believe that the Group's assets are protected and used as intended in all material respects with appropriate authorisation. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period.

In preparing the Annual Financial Statements, the Group has used appropriate accounting policies, supported by reasonable judgements and estimates, and has complied with all applicable accounting standards. The Directors are of the opinion that the Annual Financial Statements present fairly the financial position of the Company and the Group at June 2026 and the results of its operations for the year then ended. The Directors are also of the opinion that the Group will continue as a going concern in the year ahead.

The Annual Financial Statements set out on pages 14 to 120, which have been prepared on the going concern basis, were approved by the Board of Directors on 28 August 2026 and are signed on its behalf by:

GM Steyn
Non-executive Chairman

PD Cruickshank
Chief Executive Officer

28 August 2026

STATEMENT OF RESPONSIBILITY

for the year ended June 2026

In accordance with the JSE Listings Requirements, each of the Directors, whose names are stated below, hereby confirm that:

- the Annual Financial Statements set out on pages 14 to 120 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, and we have fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving Directors.

PD Cruickshank
Chief Executive Officer

RH Field
Chief Financial Officer

28 August 2026

CERTIFICATE BY THE COMPANY SECRETARY

for the year ended June 2026

I hereby certify that in respect of the year ended June 2026, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of section 88(2) of the Companies Act of South Africa and that all such returns are true, correct and up to date.

LG Kelso
Company Secretary

28 August 2026

REPORT OF THE AUDIT COMMITTEE

for the year ended June 2026

This report sets out how the Audit Committee (Committee) discharged its responsibilities during the financial year ended June 2026 as required in terms of section 94 of the Companies Act of South Africa (the Companies Act).

MANDATE AND TERMS OF REFERENCE

The responsibilities of the Committee are incorporated into its charter which is reviewed annually and approved by the Board. The Committee has conducted its affairs in compliance with this charter and has discharged its responsibilities contained therein.

A copy of the charter can be found on our website at www.rclfoods.com/investor-center/corporate-governance/governance-documents/.

AUDIT COMMITTEE MEMBERSHIP AND RESOURCES

The Committee consists of three independent Non-executive Directors, which includes the Chairman of the Risk Committee *(ex-officio)*, Mr GC Zondi. The Committee is chaired by Ms GP Dingaan. All members of the Committee have the requisite financial literacy, knowledge and commercial skills and experience to contribute effectively to Committee deliberations.

The Committee met three times during the year as per the charter. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Internal Audit Director (IAD), Group Finance Director (FD) and the external audit partner attend meetings by invitation. Other members of the Board and management team attend as required. The Committee meets separately with the external and internal auditors at least once a year without management present, to ensure that all relevant matters have been identified and discussed without undue influence.

Members		Appointed	28 August 2025	26 February 2026	24 June 2026
GP Dingaan*	BCom (Acc), HDip (Acc), CA(SA)	**November 2022**	**Present**	**Present**	**Present**
DTV Msibi	BBusSc, BCom (Hons), MCom, CA(SA)	**August 2013**	**Present**	**Present**	**Present**
GC Zondi	BCompt (Hons), AGA(SA)	**July 2010**	**Present**	**Present**	**Present**

* *Committee Chairperson.*

ELECTION OF COMMITTEE MEMBERS

In terms of section 94(2) of the Companies Act, it was resolved at the Annual General Meeting held on 12 November 2025 that Ms GP Dingaan, Messrs DTV Msibi and GC Zondi be re-appointed as members of the Committee until the next Annual General Meeting on 12 November 2026.

REPORT OF THE AUDIT COMMITTEE CONTINUED

for the year ended June 2026

ROLES AND RESPONSIBILITIES

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

The Committee has discharged its key responsibilities as follows:

- Reviewed the interim results, year-end financial statements and Integrated Annual Report. In the course of its review the Committee:
  - » Took appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS);
  - » Considered and, when appropriate, made recommendations on financial statements, accounting practices and internal financial controls;
  - » Ensured that the Group has established appropriate financial reporting procedures and that those procedures operate effectively;
  - » Ensured that sustainability disclosures did not conflict with the financial information; and
  - » Took into consideration the process of proactive monitoring of financial statements for compliance with IFRS in terms of the JSE proactive monitoring report.
- Provided oversight in respect of financial reporting risks, internal financial controls, fraud risk and IT risk as it relates to financial reporting;
- Reviewed and approved the Internal Audit charter and internal audit plan;
- Reviewed the appropriateness of the combined assurance model in addressing all significant risks facing the Group;
- Considered and recommended to the Board the re-appointment of Ernst and Young Incorporated (EY) as auditors of RCL FOODS Limited, and the re-appointment of external audit partner, in line with applicable legislation;
- Considered the external auditor's suitability assessment in terms of paragraph 5.7(h)(iii) of the JSE Limited Listings Requirements;
- Approved the audit fees and engagement terms of the external auditors;
- Determined the nature and extent of allowable non-audit services, and pre-approved the provision of non-audit services by the external auditors;
- Reviewed and considered the Sunshine impairment; and
- Reviewed accounting implications resulting from changes in the Sugar Industry Agreement.

EXPERTISE AND EXPERIENCE OF THE CFO AND FINANCE FUNCTION

The Committee performed an assessment of the CFO, Robert Field, and the Finance function. Based on the assessment carried out during 2026, the Committee is satisfied that Robert Field and his management team have the appropriate expertise and experience to service the Group's Finance function. It further considered and satisfied itself of the overall appropriateness of the expertise and adequacy of resources of the Group's Finance function. The Annual Financial Statements were compiled under the supervision of Robert Field, CA(SA).

EXTERNAL AUDIT

EY are the auditors for the Group for 2026. Their re-appointment was approved at the Annual General Meeting held on 12 November 2025, by an ordinary resolution of shareholders. The Committee continually monitors the independence and objectivity of the external auditors, and satisfied itself in relation to the ethical requirements. EY was considered independent with respect to the Group as required by the Codes endorsed and administered by the Independent Regulatory Board for Auditors and the South African Institute of Chartered Accountants. The Committee has satisfied itself that the external auditors' appointment of Merisha Kassie as designated auditor complies with the JSE Listings Requirements, and that she is within her tenure and rotation requirements.

The Committee has reviewed the external audit process and has satisfied itself with the performance of the external auditors.

During the period, EY provided certain non-audit services relating to agreed-upon procedures compliance audits. Total fees incurred during the 2026 financial year to EY were R24,7 million (2025: R24,0 million) from continuing operations, R1,1 million (2025: R1,4 million) of which related to non-audit services.

The Group has defined levels of authority which require pre-approval for all non-audit services by the Committee.

The re-appointment of EY as auditors will be presented to shareholders for approval at the Annual General Meeting to be held on Thursday, 12 November 2026.

REPORT OF THE AUDIT COMMITTEE CONTINUED

for the year ended June 2026

INTERNAL AUDIT

The Committee is responsible for ensuring that the RCL FOODS' Internal Audit function is independent and has the necessary resources and authority to enable it to discharge its duties.

Internal Audit comprises a dedicated team of appropriately qualified and technically experienced personnel. Where necessary, certain audits are outsourced to consultants with appropriate skills and technical expertise. An independent quality assessment has confirmed that the Internal Audit function operates in conformance with the 2024 Global Internal Audit Standards, supported by a Quality Assurance and Improvement Programme that promotes ongoing enhancement of audit practices and strengthens governance, risk management and control processes.

The activities of the Internal Audit function are co-ordinated by the Internal Audit Director (IAD). To ensure independence, the IAD reports functionally to the Committee and, only from an administrative perspective, to the CEO. The Committee reviewed the performance of the IAD and was satisfied that he has the necessary expertise and experience to fulfil this role and that he had performed appropriately during the year under review.

INTERNAL FINANCIAL CONTROLS

The Committee is satisfied that the Group's system of internal financial controls is effective and provides an appropriate basis for the preparation of reliable financial statements. This assessment is based on reviews performed by the Internal Audit function during the year under review, reports issued by the independent external auditors, and representations from management. While certain control deficiencies were identified and reported to the Committee during the year, these were not indicative of a material or pervasive breakdown of internal financial controls. Management has taken, or is in the process of taking, appropriate corrective actions to address the matters identified.

GOING CONCERN ASSESSMENT

The Committee reviewed a documented assessment by management of the going concern premise of the Company and Group before concluding to the Board that the Company and Group will be a going concern in the foreseeable future.

GP Dingaan
Audit Committee Chairperson

28 August 2026

REPORT OF THE DIRECTORS

for the year ended June 2026

NATURE OF BUSINESS

RCL FOODS Limited (RCL FOODS) is a leading South African food manufacturer, producing a wide range of branded and private label food products in multiple categories, from household staples to value-added and speciality offerings. RCL FOODS' vision is to be a purpose-led business that delivers value for all and creates the fuel to fund enduring positive impact.

It is the holding company of three principal operating subsidiaries, RCL FOODS Sugar and Milling Proprietary Limited, RCL Group Services Proprietary Limited and Foodcorp Proprietary Limited.

STATED CAPITAL

There was an increase in issued share capital in the current financial year of 2 377 734 ordinary shares (2025: 6 726 451) relating to shares issued in terms of share incentive schemes. At the reporting date unexercised share appreciation rights totalling 27 046 376 (2025: 42 552 089) had been granted to participants. At the reporting date the unexercised rights relating to the Conditional Share Plan was nil (2025: nil).

Shareholders will be asked to consider an ordinary resolution at the forthcoming Annual General Meeting for the unissued shares of the Company to remain under the control of the Directors until the following Annual General Meeting.

PRESENTATION DATE OF FINANCIAL RESULTS

The results for the current year have been reported on the retail calendar of trading weeks, which treats each financial year as an exact 52-week period. 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. Accordingly, the results for the financial year ended June 2026, and all references thereto within the results, are presented for the 52-week period ended 28 June 2026. The next 53-week financial year will occur in the 2027 financial year, for which the results will be presented for the 53-week period ending 4 July 2027.

FINANCIAL RESULTS

The profit for the year from continuing operations attributable to equity holders of the Company amounted to R755,7 million (2025: R1 418,1 million). This translates into a headline earnings per share from continuing operations of 105.1 cents (2025: 156.3 cents) based on the weighted average shares in issue during the year.

DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS

Rainbow was unbundled to shareholders via a dividend in specie and separately listed on 1 July 2024.

Vector Logistics was disposed of in the 2024 financial year with the accounting completed in the 2025 financial year.

Both Rainbow and Vector Logistics have been presented as discontinued operations in these results.

REPORT OF THE DIRECTORS CONTINUED

for the year ended June 2026

DIVIDENDS

Ordinary dividends declared in respect of the year under review are as follows:

Interim dividend

Number 100 amounting to 15.0 cents per ordinary share declared on 2 March 2026 and paid on 11 May 2026.

Final dividend

Number 101 amounting to 25.0 cents per ordinary share, publication of declaration data on 31 August 2026 and payable on 19 October 2026.

The salient dates for dividend number 101 are as follows:

Publication of declaration data	Monday, 31 August 2026
Last day of trade to receive a dividend	Tuesday, 13 October 2026
Shares commence trading “ex” dividend	Wednesday, 14 October 2026
Record date	Friday, 16 October 2026
Payment date	Monday, 19 October 2026

SUBSIDIARIES

Details of RCL FOODS’ interest in its subsidiaries are set out in note 32 of the notes to the consolidated financial statements.

HOLDING COMPANY

Remgro Limited is the ultimate holding company of RCL FOODS.

DIRECTORS

The names of the Directors are included as part of the Directorate section of the Integrated Annual Report.

DIRECTORS’ SHAREHOLDINGS

At the date of this report, the Directors in aggregate held direct beneficial interests in 3 932 848 (2025: 3 479 949) ordinary shares in the Company and had indirect beneficial interests of nil (2025: nil) ordinary shares. Details of Directors’ shareholdings are set out in note 30 of the notes to the consolidated financial statements.

SUBSEQUENT EVENTS

South African Benchmark Reform

As referenced in note 31, subsequent to financial year-end, the Group amended certain funding arrangements to transition from Johannesburg Interbank Agreed Rate (JIBAR) to South African Rand Overnight Index Average (ZARONIA). Management expects the amendments to qualify for the practical expedient contained in the Interest Rate Benchmark Reform amendments to IFRS 9 and therefore does not expect any modification gain or loss to arise as a result of the transition. The amendment is considered a non-adjusting event after the reporting period and no adjustment has been made to borrowings recognised at 28 June 2026.

No other material change has taken place in the affairs of the Group between the end of the financial year and the date of this report.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RCL FOODS LIMITED
for the year ended June 2026

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of RCL FOODS Limited and its subsidiaries ("the Group") and Company set out on pages 14 to 120, which comprise the consolidated and separate statements of financial position as at 28 June 2026, and the consolidated income statement, the separate statement of comprehensive income, the consolidated statement of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 28 June 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

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

Final Materiality

The ISAs recognise that:

- misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- judgments about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

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

Group Final Materiality

We determined final materiality for the Group to be R66 436 000, which is based on 5% of normalised Profit Before Tax. We have identified normalised Profit Before Tax as the most appropriate basis as we typically believe that 'for profit companies' are evaluated by users on their ability to generate earnings.

In using the above earnings-based measure believed it was necessary to adjust the base to remove the impact of non-recurring events, being the impairment loss relating to the Sunshine operating unit (R206 076 000).

Company Final Materiality

We determined final materiality for the standalone Company to be R49 766 000, which is based on 0.5% of Total Assets. We have identified that a capital-based measure of Total Assets was most appropriate because the Company's purpose is to hold investments in and support the subsidiaries. Our review of information provided to users by the entity confirms our view.

INDEPENDENT AUDITOR'S REPORT CONTINUED

for the year ended June 2026

Group Audit Scope

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

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

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

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

Of the 5 components selected, we identified:

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

The Group audit team exercised discretion in assessing items of key estimates and judgements that needed to be audited centrally together with instances where the client utilised their shared service centre to perform centralised accounting functions. The work performed centrally included testing selected controls over key IT systems, specific procedures relating to impairment of assets and staff costs including employee incentives. Further we performed an analytical review over the components not in scope and tested the consolidation process.

Key Audit Matters

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

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

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

The key audit matters apply to the audit of the consolidated financial statements. We have determined that there are no key audit matters that apply to the separate financial statements.

INDEPENDENT AUDITOR'S REPORT CONTINUED

for the year ended June 2026

Key Audit Matter	How the matter was addressed in the audit
1. Impairment assessment of goodwill and indefinite useful lives trademarks (Sunshine)	
The impairment of goodwill and trademarks are disclosed in the below notes of the RCL FOODS Limited Group Financial Statements. • Accounting policies – Intangible Assets • Accounting policies – Critical Accounting Judgements and Key Sources of Estimation uncertainty • Note 2 – Intangible Assets • Note 3 – Impairment	
Impairment on Goodwill and Trademarks are calculated in terms of IAS 36 *Impairment of assets* ("IAS 36"). IAS 36 requires an impairment test to be performed annually on cash generating units or groups of cash generating units (CGUs) where goodwill and indefinite life intangible assets exist and for all other CGUs when there are indicators that these may be impaired. As a result of the operational challenges at the Sunshine CGU, evidenced by declining sales volumes, and profitability pressures, we identified indicators of a heightened risk of impairment within the CGU. The impairment assessment of the Sunshine CGU is significant in the context of the financial statements due to its high estimation uncertainty and significant management judgement involved in the discounted cash flow model used to determine the value-in-use of the CGU. Management also uses an expert in the determination of the discount rate used in the model.	The following audit procedures, amongst others, were performed by the audit team: • Obtained an understanding and performed a walkthrough of management's impairment process including the governance thereof. • We assessed the reasonability of the carrying values used within the model by agreeing this to underlying audited financial information. On the work performed by management's expert on the discount rate: • Assessed the objectivity and competence of management's expert. • Understood management's process for reviewing and approving the work performed by their experts. • With the involvement of our EY internal strategy and transaction advisory specialist team, we assessed the reasonability of the discount rate used by management by computing a South African Rand denominated discount rate using the Capital Asset Pricing Model (CAPM). Management's expert's beta was compared to external data for comparable companies. We involved our EY strategy and transaction advisory specialists to perform the following: • Assessed the appropriateness of the valuation methodology for consistency with IAS 36 and international valuation standards used in the models to determine the value-in-use of the CGUs; • We inquired of management to understand and assess the market factors considered in determining the forecasted figures; • Evaluated the reasonableness of the forecasted cashflows by analysing previous budgets compared to actual performance, comparing historic performance to forecasts and assessed the forecasts against industry performance;

INDEPENDENT AUDITOR'S REPORT CONTINUED

for the year ended June 2026

Key Audit Matter	How the matter was addressed in the audit
Inputs used in the model are influenced by operational performance and macroeconomic factors. Key inputs into the cash flow model include the estimated future cash flows (specifically revenue; EBITDA; changes in working capital and capex movements); terminal growth rates and pre-tax discount rates. Overall, there is a high level of complexity and management judgement in assessing assets for impairment and this required extensive involvement of EY internal strategy and transaction specialists to support the audit team which led to significant auditor attention, and the identification of this as a Key Audit Matter.	· Assessed the reasonability of the terminal value growth applied by management by considering the size of RCL FOODS as a business relative to the market that it serves; its current growth rates; its competitive advantages and the South African long-term inflation rate. · We independently calculated the discount rates applied for the CGU using external market data which was applied in the CAPM model. · We prepared a challenger model to independently determine the present value of cash flows and compared this to management's results. » This included determining a valuation range using the external market ranges to compare to management's range. For disclosure in the AFS: · We have assessed the adequacy of the Company's disclosure relating to the impairment assessment in the financial statements in terms of the requirements of IAS 36.
Key Observations: Based on the procedures performed over the impairment assessment of goodwill and indefinite useful lives trademarks for the Sunshine CGU, we did not identify any significant matters requiring further consideration in concluding on our procedures.	

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the 121 page document titled "RCL FOODS Limited Annual Financial Statements for the year ended 28 June 2026", which includes the Report of the Directors, the Report of the Audit Committee and the Certificate by the Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

for the year ended June 2026

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditors of RCL FOODS Limited for 3 years.

Ernst & Young Inc.

Ernst & Young Inc.
Merisha Kassie
Director
Registered Auditor

28 August 2026
Durban

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 June 2026

	Notes	28 June 2026 R'000	29 June 2025 R'000
ASSETS			
Non-current assets			
Property, plant, equipment and right-of-use assets	1	**5 629 323**	5 157 580
Intangible assets	2	**3 266 316**	3 456 295
Investment in joint ventures	4	**259 557**	246 734
Investment in associates	5	**965 945**	1 020 756
Deferred income tax asset	18	**59 252**	61 432
Investment in financial asset	7	**114 196**	114 196
Loans receivable	6	**23 624**	12 000
		10 318 213	10 068 993
Current assets			
Inventories	8	**3 457 327**	2 960 837
Biological assets	9	**419 361**	414 339
Trade and other receivables	10	**3 345 609**	3 559 876
Derivative financial instruments	28	**4 812**	14 373
Tax receivable		**8 572**	74
Loan receivable	6		4 429
Cash and cash equivalents		**807 505**	1 640 310
		8 043 186	8 594 238
Assets of disposal group classified as held for sale	11	**572**	572
Total assets		**18 361 971**	18 663 803
EQUITY			
Stated capital	12	**10 429 208**	10 407 236
Share-based payments reserve	13	**968 991**	981 980
Common control reserve		**(1 919 832)**	(1 919 832)
Retained earnings		**1 280 562**	1 022 924
Equity attributable to the equity holders of the Company		**10 758 929**	10 492 308
Non-controlling interests		**(89 775)**	(105 689)
Total equity		**10 669 154**	10 386 619
LIABILITIES			
Non-current liabilities			
Deferred income		**436**	717
Interest-bearing liabilities	15	**1 895 069**	1 942 922
Deferred income tax liabilities	18	**916 949**	800 046
Retirement benefit obligations	14	**30 250**	26 228
Trade and other payables	17	**24 813**	116 661
		2 867 517	2 886 574
Current liabilities			
Trade and other payables	17	**4 580 467**	4 986 418
Deferred income		**5 219**	2 609
Interest-bearing liabilities	15	**182 998**	149 299
Derivative financial instruments	28	**1 503**	270
Current income tax liabilities		**55 113**	252 014
		4 825 300	5 390 610
Total liabilities		**7 692 817**	8 277 184
Total equity and liabilities		**18 361 971**	18 663 803

CONSOLIDATED INCOME STATEMENT

for the year ended June 2026

	Notes	2026 R'000	*Restated 2025 R'000
Continuing Operations			
Revenue	19	**24 498 560**	25 547 168
Operating profit before depreciation, amortisation and impairments (EBITDA)[1]		**2 174 386**	2 562 695
Depreciation and amortisation		**(685 286)**	(644 687)
Impairments	3	**(206 076)**	
Operating profit[2]	20	**1 283 024**	1 918 008
Finance costs	21	**(215 201)**	(237 540)
Finance income	22	**62 717**	83 271
Share of profits of joint ventures	4	**29 337**	34 774
Share of (losses)/ profits of associates	5	**(37 231)**	93 437
Profit before tax		**1 122 646**	1 891 950
Income tax expense	23	**(354 375)**	(431 832)
Profit for the period from continuing operations		**768 271**	1 460 118
Profit for the period from discontinued operations	11		191 245
Profit for the period		**768 271**	1 651 363
Profit for the year attributable to:			
Equity holders of the Company		**755 740**	1 609 361
– from continuing operations		**755 740**	1 418 116
– from discontinued operations			191 245
Non-controlling interests		**12 531**	42 002
– from continuing operations		**12 531**	42 002
– from discontinued operations			
		768 271	1 651 363
Earnings per share attributable to equity holders of the Company	24		
Basic earnings per share	(cents)	**84.1**	180.1
– from continuing operations	(cents)	**84.1**	158.7
– from discontinued operations	(cents)		21.4
Diluted earnings per share	(cents)	**83.7**	178.6
– from continuing operations	(cents)	**83.7**	157.4
– from discontinued operations	(cents)		21.2

1 *Includes net expected credit losses raised on loans receivable and trade and other receivables of R11,4 million (2025: R5,0 million raised). Refer to notes 6 and 10 for further detail.*

2 *Operating profit is earnings before interest and tax, share of profits of joint ventures and the share of (losses)/profits of associates.*

* *Revenue from continuing operations for the prior year was restated for a reclassification between revenue and cost of sales. The prior year reclassification impacts revenue and cost of sales in equal and opposite values and as a result has no impact on gross profit, operating profit, earnings, headline earnings, cash flows or net asset value. Refer to note 34 for further details.*

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended June 2026

	Notes	2026 R'000	2025 R'000
Profit for the year – Continuing Operations		**768 271**	1 460 118
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement medical aid obligations^	14	**(2 986)**	(458)
Share of associates other comprehensive loss	5	**(1 131)**	(2 559)
Other comprehensive loss for the year – net of tax		**(4 117)**	(3 017)
Total comprehensive income for the year – continuing operations		**764 154**	1 457 101
Total comprehensive income for the year attributable to:			
Equity holders of the Company – continuing operations		**751 623**	1 415 099
Non–controlling interests – continuing operations		**12 531**	42 002
		764 154	1 457 101
Profit for the year – Discontinued Operations			191 245
Total comprehensive income for the year – discontinued operations			191 245
Total comprehensive income for the year attributable to:			
Equity holders of the Company – discontinued operations			191 245
			191 245

^ *Items in the statement of other comprehensive income above are disclosed net of tax. The tax relating to the remeasurement of medical aid obligations for continuing operations was R1,0 million (2025: R0,5 million). Please refer to note 14 for further detail for continuing operations.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended June 2026

	Attributable to the equity holders of the Company						
	Stated capital R'000	Share-based payments reserve R'000	Common control reserve R'000	Retained earnings R'000	Total R'000	Non-controlling interests R'000	Total R'000
Balance at 30 June 2024	10 342 809	996 213	(1 919 832)	4 158 387	13 577 576	(136 535)	13 441 041
Profit for the year							
– from continuing operations				1 418 116	1 418 116	42 002	1 460 118
– from discontinued operations				191 245	191 245		191 245
Other comprehensive loss							
– from continuing operations				(3 017)	(3 017)		(3 017)
Loss of control of Rainbow						(15 396)	(15 396)
Employee share award scheme:							
– value of employee services		32 348			32 348		32 348
– exercise of employee share awards	64 427	(46 581)			17 846		17 846
Additional equity contribution by minority interest						6 490	6 490
Dividend in specie				(4 250 000)	(4 250 000)		(4 250 000)
Ordinary dividend				(491 807)	(491 807)	(2 250)	(494 057)
Balance at 29 June 2025	**10 407 236**	**981 980**	**(1 919 832)**	**1 022 924**	**10 492 308**	**(105 689)**	**10 386 619**
Profit for the year				**755 740**	**755 740**	**12 531**	**768 271**
Other comprehensive loss				**(4 117)**	**(4 117)**		**(4 117)**
Employee share award scheme:							
– value of employee services		**8 983**			**8 983**		**8 983**
– exercise of employee share awards	**21 972**	**(21 972)**					
Additional equity contribution by minority interest						**5 758**	**5 758**
Ordinary dividend				**(493 985)**	**(493 985)**	**(2 375)**	**(496 360)**
Balance at 28 June 2026	**10 429 208**	**968 991**	**(1 919 832)**	**1 280 562**	**10 758 929**	**(89 775)**	**10 669 154**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended June 2026

	Notes	**2026 R'000**	2025 R'000
Cash flows from operating activities			
Cash generated by operations	A	**1 437 430**	3 067 595
Finance income received[1]		**63 165**	80 234
Finance costs paid[2]		**(180 318)**	(145 161)
Tax paid	B	**(439 732)**	(326 040)
Cash available from operating activities		**880 545**	2 676 628
Dividends received		**32 963**	89 952
Dividends paid		**(496 043)**	(493 745)
Net cash inflow from operating activities		**417 465**	2 272 835
Cash flows from investing activities			
Replacement property, plant and equipment		**(805 238)**	(817 523)
Expansion property, plant and equipment		**(277 707)**	(109 478)
Intangible asset additions		**(41 320)**	(4 894)
Advances of interest-bearing loans		**(11 739)**	(3 746)
Receipts from interest-bearing loans advanced		**4 475**	4 733
Insurance proceeds related to fixed assets			40 516
Net proceeds on non-current assets held for sale[3]			(476 422)
Refund of Vector Logistics sale proceeds[4]			(100 084)
Proceeds on disposal of property, plant and equipment and intangible assets		**4 483**	28 324
Net cash outflow from investing activities		**(1 127 046)**	(1 438 574)
Cash flows from financing activities			
Repayment of interest-bearing liabilities	C	**(196 298)**	(353 105)
Advances of interest-bearing liabilities	C	**67 316**	28 728
Shares issued[5]			17 846
Additional capital contribution by non-controlling interest		**5 758**	6 490
Net cash outflow from financing activities		**(123 224)**	(300 041)
Net movement in cash and cash equivalents		**(832 805)**	534 220
Cash and cash equivalents at the beginning of the period		**1 640 310**	1 106 090
Cash and cash equivalents at the end of the period	D	**807 505**	1 640 310

1 *Finance income received reflects actual cash collected during the financial year and differs from the amount recognised in the income statement due to accruals and the non-cash fair value gain on the interest rate option. Collectively, these movements result in a net non-cash finance income adjustment of R0,5 million (2025: R3,0 million).*

2 *Finance costs paid exclude finance costs relating to IFRS 16 lease liabilities of R46,0 million (2025: R52,4 million), which are presented as lease payments within financing activities.*

Excluding IFRS 16 lease interest, cash finance costs paid during the current year differ from the finance costs recognised in the statement of profit or loss due to the impact of accruals and premiums paid on the interest rate options in the current and prior years, a non-cash loan initiation fee recognised in the current year, and a non-cash fair value loss on the interest rate collar option recognised in the prior year. Collectively, these items resulted in a net non-cash finance expense adjustment of R11,1 million (2025: R39,9 million).

Total finance costs incurred for the year amounted to R215,2 million (2025: R237,5 million), comprising finance costs paid from operations, finance costs relating to IFRS 16 lease liabilities, and other non-cash financing adjustments.

3 *The prior year numbers include the deconsolidation of Rainbow's cash on hand of R12,6 million and cash invested in the Group at unbundling date of 1 July 2024.*

4 *The refund to Vector Logistics in the prior year was made up of a R100,0 million in respect of settlement made pertaining to the earn-out clause included in the Vector Logistics sale agreement and R0,08 million relating to the shortfall in respect of settling Vector Logistics employees' RCL FOODS share options.*

5 *The issue of share capital in the prior year relates to RCL FOODS share options exercised by Vector Logistics employees which has been cash settled by Vector Logistics. The scheme is now closed for these employees.*

Interest paid under operating activities of R180,3 million (2025: R145,2 million) relates to interest incurred on banking facilities.

Interest paid under financing activities of R46,0 million (2025: R52,4 million) relates to interest incurred and paid on leases which are integrated into the overall lease rental payment.

Total interest paid for financing and operating activities for the period was R226,3 million (2025: R197,6 million).

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

for the year ended June 2026

A. CASH GENERATED BY OPERATIONS

	2026 R'000	2025 R'000
Operating profit	**1 283 024**	1 918 008
Adjusted for:		
Depreciation, amortisation and impairment[1]	**891 362**	644 687
Deferred income	**2 329**	(1 119)
Expected credit loss recognised/(reversed) on loans receivable	**69**	(2 981)
Fair value adjustment in biological assets[2]	**(422 881)**	(416 694)
Gain on remeasurement of leases	**(46)**	
Gain on termination of leases		(138)
Insurance proceeds reallocated to investing activities		(40 516)
Loss on disposal of property, plant and equipment and intangible assets	**8 672**	14 803
Profit on disposal of property, plant and equipment and intangible assets	**(1 051)**	(10 200)
Movement in retirement benefit obligations	**32**	(1 760)
Movement in derivative financial instruments	**14 741**	(6 768)
Share-based payments – Employee Share Award Scheme	**8 982**	32 348
Other non-cash flow items	**(3)**	2
	1 785 230	2 129 672
Working capital changes:		
Movement in inventories	**(496 490)**	(25 753)
Movement in biological assets[2]	**413 182**	389 881
Movement in trade and other receivables	**194 024**	(558 081)
Movement in trade and other payables	**(458 516)**	1 131 876
	(347 800)	937 923
	1 437 430	3 067 595

[1] *Relates only to impairments of property, plant and equipment, right-of-use assets, goodwill and intangible assets.*

[2] *The movement in biological assets shown in working capital changes excludes the non-cash fair value adjustment on biological assets of R422,9 million (2025: R416,7 million) and the seedcane capitalisations to Property, plant and equipment of R4,7 million (2025: R8,2 million). The net increase in biological assets for the year was R5,0 million (2025: R24,5 million). Refer to note 9 for further detail.*

B. TAX PAID

	2026 R'000	2025 R'000
Amount payable at the beginning of the year	**(251 940)**	(111 775)
Charged to the income statement	**(234 288)**	(466 165)
Normal tax – continuing operations	**(234 288)**	(466 165)
Income tax payable at the end of the year	**46 496**	251 900
– Total amount payable at the end of the year	**46 541**	251 940
– Less penalties and interest	**45**	40
Total tax paid	**(439 732)**	(326 040)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT CONTINUED

for the year ended June 2026

C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Movements in net debt for the year ended June 2026 are as follows:

	29 June 2025 R'000	Cash inflows R'000	Cash outflows R'000	Non-cash flows[1] R'000	28 June 2026 R'000
Lease liabilities	**516 150**		**(173 284)**	**114 277**	**457 143**
Institutional borrowings	**46 113**	**63 290**	**(13 722)**	**551**	**96 232**
Term-funded debt package	**1 500 000**				**1 500 000**
Loan from Inclusive Farming Partnership Proprietary Limited	**20 175**		**(3 743)**		**16 432**
Loans from TSGro Agricultural Finance Proprietary Limited	**8 171**		**(5 549)**		**2 622**
Loans from Akwandze Agricultural Finance Proprietary Limited	**1 612**	**4 026**			**5 638**
	2 092 221	**67 316**	**(196 298)**	**114 828**	**2 078 067**

Movements in net debt for the year ended June 2025 are as follows:

	1 July 2024 R'000	Cash inflows R'000	Cash outflows R'000	Non-cash flows[1] R'000	29 June 2025 R'000
Lease liabilities	484 573		(163 143)	194 720	516 150
Institutional borrowings		20 557		25 556	46 113
Term-funded debt package	1 675 000		(175 000)		1 500 000
Loan from Inclusive Farming Partnership Proprietary Limited	23 792		(3 616)	(1)	20 175
Loans from TSGro Agricultural Finance Proprietary Limited		8 171			8 171
Loans from Akwandze Agricultural Finance Proprietary Limited	12 959		(11 346)	(1)	1 612
	2 196 324	28 728	(353 105)	220 274	2 092 221

[1] *Refer to note E of the cash flow statements for further detail on non-cash flows related to lease liabilities. The non-cash flow in respect of the institutional borrowing in the current and prior year relates to the liability and interest accrual raised at year-end for the Wesbank vehicle financing.*

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT CONTINUED

for the year ended June 2026

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of R807,5 million (2025: R1,64 billion) comprise call deposits of R512,5 million (2025: R1,26 billion), margin on deposit of R33,5 million (2025: R50,3 million) with ABSA Bank Limited and The Standard Bank of South Africa Limited and cash at banks and on hand of R261,5 million (2025: R325,1 million). Margin balances serves as collateral for derivative positions held on SAFEX and Yield X accounts at year-end with the JSE Limited. This cash is accessible by the Group when the related derivative positions are closed upon expiry, demand or at our election.

Cash at bank include funds received of R0,3 million (2025: R0,3 million) from the National Department of Rural Development and Land Reform which is required to be administered and spent for the benefit of third party beneficiaries in terms of a mentorship agreement as well as R9,3 million (2025: R7,1 million) relating to funds received from the South African Sugar Association to be utilised for specific small-scale grower initiatives which is accessible by the Group for the designated projects, R1,5 million (2025: Rnil) held in an Escrow account with respect to Siyathuthuka Sugar Estate Proprietary Limited (refer to note 6) and R11,8 million (2025: R11,1 million) in respect of unclaimed dividends.

The carrying amount of cash and cash equivalents approximates their fair value.

	2026 R'000	2025 R'000
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash at banks and on hand	**261 473**	325 053
Call deposits	**512 497**	1 264 909
Margin deposits	**33 535**	50 348
Cash and cash equivalents	**807 505**	1 640 310
Cash and cash equivalents include amounts denominated in the following currencies:		
Per statement of financial position		
Rand	**755 592**	1 637 459
USD	**51 913**	2 851
Total	**807 505**	1 640 310

E. RECONCILIATION OF LEASE LIABILITIES

	2026 R'000	2025 R'000
Opening balance	**516 150**	484 573
Additions*	**57 531**	124 771
Repayment of lease liabilities	**(173 284)**	(163 143)
Termination of leases*		(138)
Reclassification of prior year cash flow movement within interest-bearing liabilities		5
Interest accrued*	**46 024**	52 429
Remeasurements of leases*	**10 722**	17 653
Closing balance	**457 143**	516 150

* *Non-cash movements per note C.*

ACCOUNTING POLICIES

for the year ended June 2026

BASIS OF PREPARATION

The Group and Company Financial Statements have been prepared in accordance with IFRS® Accounting Standards, IFRIC interpretations, SAICA Financial Reporting guides, the requirements of the Companies Act of South Africa and the Listings Requirements of the JSE Limited under the supervision of the Chief Financial Officer, Robert Field CA(SA), and were authorised for issue on 28 August 2026 by the Board of Directors. The financial statements have been prepared using the historical cost convention, except for biological assets and financial instruments at fair value through profit or loss. The accounting policies comply with IFRS Accounting Standards and have been consistently applied to all years presented.

The Group reports 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. Accordingly, the results for the financial year ended June 2026, and all references thereto within the results, are presented for the 52-week period ended 28 June 2026.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the consolidated financial statements are disclosed on pages 35 to 36.

As per the requirements of IAS 1 and IFRS Practice Statement 2 – *Disclosure of Accounting Policies,* management have reviewed the accounting policies and considered these to be material.

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be a financial instrument within the scope of IFRS 9 *Financial Instruments* is recognised in accordance with IFRS 9 either in profit or loss or as a charge to other comprehensive income. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit and loss. Any contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred over the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of all the identifiable assets and liabilities and contingent liabilities acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in profit or loss.

Acquisitions by the Group of entities which are under common control are accounted for using predecessor accounting. The assets and liabilities of the acquired entity are recognised at the predecessor values; therefore, no restatement of the acquiree's assets and liabilities to fair value is required. The difference between the consideration transferred and the carrying value of the net assets is recorded in equity in a common control reserve; as a result, no goodwill is recognised on acquisition. The consolidated financial statements incorporate the acquired entity's results from the first day of the month in which the transaction took place. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred. The corresponding amounts for the prior period are also not restated.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Changes in ownership in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, share of profits recognised in other comprehensive income and the carrying amount is increased or decreased to recognise the investor's share of the after-tax profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of the post-acquisition after-tax profit or loss is recognised in the income statement, and its share of post-acquisition after-tax movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/loss of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Joint arrangements

The Group applies IFRS 11 *Joint Arrangements*. Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures (which includes any unsecured long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains/losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Accounting treatment for subsidiaries in Company financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment.

Dividend income from subsidiaries is recognised in the income statement when the right to receive payment is established.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Rand, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are presented in the income statement within operating profit.

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position presented is translated at the closing rate at the date of that statement of financial position.

(b) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

(c) All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation less impairment losses, except for land and capital work in progress which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The Group's sugarcane roots are bearer plants under the definition in IAS 41 *Agriculture* and are therefore accounted for in accordance with IAS 16 *Property, Plant and Equipment*.

Certain items of property, plant and equipment are leased and are classified as right-of-use assets in accordance with IFRS 16 *Leases*. The assets are accounted for under the rules of IFRS 16 *Leases*. Refer to pages 26 to 27 for accounting policy on right-of-use assets.

Depreciation is provided for property, plant and equipment at rates that reduce the cost thereof to estimated residual values over the expected useful lives of the asset on a straight-line basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Where assets are identified as being impaired, that is when the recoverable amount has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement as part of operating profit.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Depreciation is calculated over the following estimated useful lives:

- Buildings
  - Right-of-use and owned — 15 to 60 years
  - Leasehold improvements — Shorter of useful life of 20 years or period of lease
- Plant and equipment
  - Right-of-use and owned — 3 to 60 years
- Vehicles
  - Right-of-use and owned — 3 to 60 years
- Furniture — 6 to 25 years
- Aircraft — 2 to 25 years
- Bearer plants
  - on owned land — 3 to 15 years
  - on leased land — Shorter of useful life of 15 years or period of lease

Capital work in progress is not depreciated until such time as the asset is available for use.

Owned land is not depreciated.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to prepare for its intended use is added to the cost of the asset, until such time as the asset is substantially complete. A substantial period of time is considered to be a period exceeding 12 months. Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

INTANGIBLE ASSETS

Trademarks and customer relationships

Separately acquired trademarks are shown at historical cost. Trademarks and customer relationships acquired in a business combination are recognised at fair value at the acquisition date.

The useful lives of trademarks are assessed to be either finite or indefinite. The useful lives of customer relationships are considered to be finite. Trademarks with finite lives and customer relationships are amortised over the useful life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and amortisation methods are reviewed annually.

The useful lives of intangible assets are as follows:

- Trademarks — Indefinite/15 to 20 years
- Customer relationships — 5 to 20 years

Trademarks with indefinite lives are not amortised but are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment to a finite life is made on a prospective basis.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. It is reported in the statement of financial position as a non-current asset and carried at cost less accumulated impairment losses. Goodwill is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at a CGU level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product to use.
- There is an ability to use or sell the software product.
- The software product will generate probable future economic benefits.
- Adequate technical, financial and other resources are available to complete the development and to use the software product.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 20 years and are stated at cost less accumulated amortisation and accumulated impairment losses.

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Lease liabilities are measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease agreement or, if not available, the Group's incremental borrowing rate. Right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

The Group leases various offices, warehouses, farming land, equipment, delivery vehicles and cars. Rental contracts are typically made for fixed periods of between 3 to 12 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date; and
- any initial direct costs.

In accordance with IFRS 16 the Group has not recognised a lease liability for short-term leases or for leases of low-value assets. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets in terms of IFRS 16 comprise smaller items of equipment.

Lease and non-lease components relating to lease liabilities and right-of-use assets have been separately accounted for.

Estimation uncertainty arising from variable lease payments. Variable lease payments made by the Group relate to:

Lease	Variable element
Solar panels	Rental payments for solar panels are based 100% on the energy generated by the solar panels
Sugarcane farms	Rental payments for the leasing of sugarcane farming land are linked to the proceeds from the sale of cane

Variable payment terms are used for a variety of reasons but are mainly used where the lessor is also a supplier to the Group and the assets being leased are part of the supplier's asset base used for delivery of their service. The calculation of the variable rental payment due is based on the output produced by the leased assets. This allows the Group to better manage overhead costs in line with the service being received from the supplier.

Variable lease payments mentioned above are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group had various property leases within the Baking segment for which the lease term had expired but the lease has continued on a month-to-month basis in the current year only. Due to these properties housing business operations, the Group had estimated the term over which the Group will occupy the property based on its business strategy and terms of similar leases in determining a lease term for these properties.

An assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill and certain trademarks, are not subject to amortisation and are tested annually for impairment and when there is an indicator of impairment. At the end of each reporting period management also assesses whether there is an indicator of impairment and if so, the recoverable amount of the indefinite useful life asset is calculated to determine if an impairment loss should be recognised. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that were impaired, are reviewed for possible reversal of the impairment at each reporting date.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

Disposal groups are classified as assets and liabilities held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Where a disposal group represents a separate major line of business or geographical area of operations, the results of the disposal group have been presented separately in the statement of comprehensive income. The statement of comprehensive income for the comparative period is restated in order to reflect the results of the disposal group as a discontinued operation.

Inter-company transactions, balances, income and expenses on transactions between the Group's continuing operations and disposal groups held for sale and/or discontinued operations have been eliminated within the Group and/or the disposal group respectively.

Depreciation and equity accounting of profits from joint ventures and associates within the disposal group are stopped once the disposal group is classified as held for sale.

INVENTORIES

Finished goods, raw materials, ingredients and consumables are valued at the lower of cost and net realisable value. Finished goods are determined on a first-in, first-out basis for all Group divisions except for the Sugar operating unit within Sugar, and the Speciality operating unit, within Baking, where inventory is valued at weighted average cost. Raw materials, ingredients and consumables are determined on a weighted average cost basis.

Costs include expenditure incurred in acquiring the inventories and bringing them to their present location and condition, all direct production costs and an appropriate portion of overheads based on normal capacity. Sugar is transferred to inventory at fair value less estimated point-of-sale costs. Sucrose included within sugar inventory is valued at the South African Sugar Association determined pricing depending on whether it is deemed to be local market or export stock. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

BIOLOGICAL ASSETS

The fair value of the biological assets is determined on the following basis:

Consumable biological assets, comprising standing sugarcane is measured at fair value, determined on current estimated market prices less estimated harvesting, transport, packing and point-of-sale costs;

- Standing cane is valued at estimated sucrose content, age and market price.

The sugarcane roots are bearer plants under the definition of IAS 41 *Agriculture* and are therefore presented and accounted for as property, plant and equipment. However, the standing cane is accounted for as biological assets until the point of harvest. Sugarcane is transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of sugarcane is recognised in the statement of profit or loss.

The fair values of biological assets are Level 3 fair values as defined in note 9 of the consolidated financial statements.

Gains and losses arising on the initial recognition of biological assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point–of–sale costs are recognised in the income statement in the period in which they arise.

The non-cash fair value adjustment gain reported relates to the year-end fair value measurement of the biological assets (standing cane) in accordance with IAS 41. The gain represents the write up of the standing cane at the reporting date. Costs incurred in cultivating and maintaining the cane during the period are expensed as incurred.

STATED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

CURRENT AND DEFERRED TAX

The tax expense for the period comprises current and deferred tax.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Interest and penalties are included as part of other payables.

Deferred tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date in the countries where the Company and the Company's subsidiaries operate and generate taxable income, and that are expected to apply to the period when the liability is settled or asset realised. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax value used in the computation of taxable income. Deferred tax assets are raised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

A deferred tax liability is recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates, unless there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

At initial recognition, right-of-use assets and lease liabilities are considered separately, with no temporary differences noted on initial recognition.

CAPITAL GAINS TAX (CGT)

CGT is levied when capital assets are disposed of or deemed to be disposed of. CGT is levied on the difference between the proceeds on the sale of capital assets and the base cost (tax value) of the capital asset. The capital gain is included at a rate of 80.0% in the taxable income of the Company. Capital losses are ring-fenced.

EMPLOYEE BENEFITS

Retirement funds

The Group operates defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The assets of the plans are held in separate trustee-administered funds. These plans are funded by payments from the employees and the Group, taking into account recommendations of independent qualified actuaries.

The Group's contributions to the defined contribution pension plans are charged to the income statement in the period to which they relate. The Group has no defined benefit pension plans in operation.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Post-retirement medical benefits – Defined benefit plan

The Group provides post-retirement medical benefits to its retirees. These benefits apply to RCL Group Services Proprietary Limited employees engaged pre-October 2003. Foodcorp Proprietary Limited and RCL FOODS Sugar and Milling Proprietary Limited provide post-retirement medical benefits to certain retired employees. The entitlement to post-retirement medical benefits is based on the employees remaining in service up to retirement age. The projected unit credit method of valuation is used to calculate the liability for post-retirement medical benefits and is calculated annually by independent actuaries.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded immediately in other comprehensive income, in the financial year in which they arise. Past service costs are recognised immediately in the income statement.

Incentive plans

The Group recognises a liability where contractually obliged or where there is past practice that has created a constructive obligation. Management participates in both long-term and short-term incentive plans whereby incentives are paid in respect of outperformance against specific targets. All incentives are authorised by the Remuneration and Nominations Committee.

Share-based payments

The Group operates share-based compensation plans under which the Group receives services from employees as consideration for equity instruments (options and rights) of the Group. The fair value of the employees' services received in exchange for the grant of the options or rights is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are satisfied.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity, and is based on the Group's estimate of options that will eventually vest. Fair value is measured by the use of a binomial model excluding non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and rights that are expected to vest.

At each reporting date, the Group revises its estimates of the number of options or rights that are expected to vest based on non-market vesting conditions. The Group recognises the impact on the original estimates, if any, in the income statement with a corresponding adjustment to equity.

When the options or rights are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital when the options or rights are exercised.

The grant by the Group of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

REVENUE

Revenue comprises income arising in the course of the Group's ordinary activities. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group recognises revenue when it transfers control of a product or when services are rendered to a customer. Revenue is recognised net of value-added tax, returns, rebates, discounts and other allowances and after eliminating sales within the Group. The Group bases its estimates of incentive rebates and settlement discounts on historical results. Variable consideration is calculated by applying percentages agreed with the customer to actual sales for the period. The transaction price represents the amount contracted to with the customer net of any value-added tax, returns, rebates, discounts and other allowances.

Sales of goods comprise the sale of milling, agricultural produce and consumer goods. Sales of services comprise logistics, warehousing, distribution, consulting and management services.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

In certain instances, the sale of goods includes delivery and these sales are identified as being a single performance obligation. In all other cases, where the Group is requested to arrange transport for the customer, two separate performance obligations arise – the sale of goods and the provision of transport. To the extent that the Group is responsible for the provision of the transport services to the customer, the Group acts as principal and revenue from transport services is recorded at the gross amount.

Revenue from the sale of goods is recognised only when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. For sales that include delivery (as indicated above), this occurs when a Group entity has delivered the products to the customer and the customer has accepted delivery. In instances where the delivery is a separate performance obligation (as indicated above), revenue from the sale of goods is recognised when the goods are transferred to the transport provider for delivery.

The South African Sugar Association (SASA) allocates a pro-rata share of the sugar market to the Group and to other sugar millers in South Africa. When the Company sells more sugar than its market entitlement, it is required to pay SASA an amount related to the excess for redistribution to the other sugar millers who have underperformed with respect to their allocation. Receipts relating to these redistributions is recognised as revenue and payments as cost of sales. For the local market these are recognised at the notional local market price of sugar at the point in time and for the export market these are recognised at the export price of sugar at the point in time. This revenue is shown separately as “Revenue from industry redistribution” and is not included as “Revenue from contracts with customers”, due to the definition of a “customer” as per IFRS 15 *Revenue from Contracts with Customers* not being met.

Revenue from the sale of services relate mainly to transport services and is recognised over time (over the period of delivery) using the output method. Revenue from other services provided by the Group is recognised over the period over which the service has been rendered.

The following payment terms are applicable to the Group:

- Sale of goods: 0 to 90 days
- Sale of services: 0 to 30 days

The Group currently accepts returns from customers for damaged goods, with the corresponding refund liability recorded within trade and other receivables unless a separate obligation to settle the customer exists, in which case the liability is recorded within trade and other payables.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Interest income

When a loan or receivable carried is credit impaired, the Group recognises interest income based on the amortised cost of the financial asset, being the gross carrying amount discounted at the original effective interest rate of the instrument adjusted for the expected credit loss allowance. Interest income is disclosed under finance income in the income statement.

Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend income is included in operating profit in the income statement as part of other income, except when received from associates and joint ventures accounted for under the equity method, in which case the dividend income is credited to the investment.

FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position include loans receivable, derivative instruments, trade and other receivables, cash and cash equivalents, trade and other payables, investments in financial assets and interest-bearing debt.

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss. The Group reclassifies financial assets when, and only when, its business model for managing those assets changes.

The Group classifies its financial liabilities, apart from derivatives, as financial liabilities at amortised cost. Derivative financial liabilities are classified as financial liabilities at fair value through profit or loss.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Measurement of financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its financial assets:

- **Amortised cost**
  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/losses, together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

- **Financial assets at fair value through profit or loss**
  Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/losses in the period in which it arises.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivative instruments. Gains or losses arising from changes in the fair value of the derivatives at fair value through profit or loss are recognised in the income statement in the period in which they arise.

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Financial liabilities at amortised cost

Financial liabilities at amortised cost consist of trade and other payables and interest-bearing borrowings. These represent financial liabilities which are not classified as financial liabilities at fair value through profit or loss. They are included in current liabilities, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current liabilities.

Derecognition

Financial assets (or a portion thereof) are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has substantially transferred all risks and rewards of ownership. On derecognition, the difference between the carrying amount of the financial asset and the proceeds receivable is included in the income statement.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability and any amount paid is included in the income statement.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets and liabilities at fair value through profit or loss are subsequently carried at fair value. Financial assets carried at amortised cost and financial liabilities at amortised cost are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category is presented in the income statement in the period in which they arise. Dividend income from these assets is recognised in the income statement when the Group's right to receive payment is established.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Accounting for derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Trading derivatives are classified as a current asset or liability, and the fair values thereof are disclosed in note 27 of the consolidated financial statements.

Derivative instruments are accounted for at fair value through profit or loss. Changes in the fair value of derivative instruments are recognised immediately in the income statement. Changes in the fair value of derivatives that are utilised for financing activities are recorded in finance costs.

Impairment of financial assets

Financial assets carried at amortised cost

The Group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group, a failure to make contractual payments for a period of greater than 120 days past due and/or when the legal process has not enabled recovery.

For all other financial assets, the general approach is used to assess expected credit losses.

If, in a subsequent period, the amount of the impairment loss decreases, the reversal of the previously recognised impairment loss is recognised in the income statement.

Fair value estimation

The fair value of financial instruments and non-financial assets traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the statement of financial position date. The quoted market price used for assets held by the Group is the current market price; the appropriate quoted market price for liabilities is the current ask price. These comprise Level 1 fair values. The Group did not have any Level 1 financial instruments or non-financial assets in the current and previous financial year.

The fair value of financial instruments and non-financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group used a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date. The fair value of the Group's term-funded debt package is calculated by discounting the future cash flows over the period of the loan. These comprise Level 2 fair values.

Other financial instruments and non-financial assets are valued using other techniques, such as estimated discounted cash flows. This relates to the fair value of the Group's biological assets which are Level 3 fair values. The investment in The Livekindly Company, Inc. is categorised within Level 3 of the fair value hierarchy as the valuation is based on significant unobservable inputs. In accordance with IFRS 9, the Group utilises cost as an estimate of fair value for this unquoted equity investment. This is considered appropriate as the most recent information available is insufficient to reliably measure fair value via other techniques. The Group monitors for indicators – such as significant changes in the investee's performance or market environment – that would suggest cost is no longer representative of fair value.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less expected credit losses. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included in current liabilities on the statement of financial position.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Deferred income

Deferred income represents unearned funding received from AGRISETA and interest income not yet earned on loans received from Akwandze Agricultural Finance Proprietary Limited as a result of the interest rate charged being below market-related rates. The unearned funding received from AGRISETA will be utilised to offer apprentices bursaries and for staff development. This income has not yet been earned at the statement of financial position date. The deferred income is recorded in the income statement when the relevant expenditure has been incurred.

The deferred interest income is recorded in the income statement over the period of the loan in the same manner that the effective interest expense on the loan is charged to the income statement.

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Board.

OPERATING SEGMENTS

The Chief Executive Officer (CEO) is the Chief Operating Decision-Maker (CODM). The CEO assesses the performance of the operating segments based on operating profit before depreciation, amortisation and impairment (EBITDA) and operating profit (EBIT) and for joint ventures and associates based on their earnings after tax.

Segment reporting requires that an entity identify its operating segments and its reportable segments. Reportable segments may be a single operating segment, or it could reflect a combination of operating segments. Aggregation of one or more operating segments into a single reportable segment is permitted in certain circumstances, being that the operating segments should reflect the same or similar economic characteristics and the operating segments are similar in respect of the products and services offered, types of customers and nature of their production processes. Judgement is required in determining the aggregation of operating segments. The Group has assessed the above mentioned aggregation criteria and is satisfied that the criteria have been met, as the nature of the products offered within each category is similar.

The Group discloses segmental financial information which is used internally by the CODM in order to assess performance, aid in strategic decision-making and assist in assessing business risk. Operating segments are the individual components of the business that engage in activities which generate revenue and incur expenses. The detail of this information is presented to the CODM at regular intervals for review. The CODM evaluates segmental performance based on EBITDA as management believes that such information is most relevant in evaluating the performance of the Group. In determining the extent of segmental disclosure that it presents, management considers both quantitative and qualitative information. They further consider any information that is regarded as being material in influencing the decisions that may be taken by the primary users of the financial statements based on the presentation of this disclosure.

RCL FOODS is made up of the following segments:

- Groceries: Culinary (includes Mayonnaise, Peanut Butter, Rusks, etc), Pet Food and Beverages operations;
- Baking: including the Milling, Speciality, Pieman's, Sunbake and Sunshine bakeries and Buns and Rolls;
- Sugar: including Sugar and molasses-based feed (Molatek) operations; and
- Group: Shared Services platform.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

The Rainbow segment, which was classified as held for sale and accordingly recognised as a discontinued operation in 2024, included the chicken business, grain-based feed (EPOL and Driehoek), and Waste-to-Value operations. The accounting for this transaction was completed in the 2025 financial year, and accordingly there is no impact on the 2026 financial results. The information presented remains included for comparative purposes.

The Vector Logistics segment, which was disposed in 2024, provided RCL FOODS and numerous third parties with multi-temperature warehousing and distribution, supply chain intelligence and sales solutions.

LKCA refers to the Group's investment in LiveKindly Collective Africa Proprietary Limited.

Transactions between segments are accounted for under the IFRS Accounting Standards in the individual segments. Direct exports are not considered material in relation to total revenue.

STATEMENT OF COMPREHENSIVE INCOME LINE ITEMS

The following additional line items, headings and sub-totals are presented on the face of the statement of comprehensive income as management believes them to be relevant to the understanding of the Group's financial performance:

Operating profit before depreciation, amortisation and impairment being the trading income of the Group.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions and sources of estimation uncertainty at the reporting date that could have significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the new financial year are listed below:

Useful lives and residual values of assets

Items of property, plant and equipment and intangible assets are depreciated over their useful lives taking into account residual values, where applicable. Useful lives and residual values are reviewed annually, taking into account factors such as the expected usage, physical output, market demand for the output of the assets and legal or similar limits on the assets. Intangible assets with indefinite useful lives are reviewed annually to determine whether events and circumstances exist that continue to support an indefinite useful life assessment for that asset.

Goodwill and trademarks

Goodwill and indefinite life trademarks are considered for impairment at least annually.

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGUs to which goodwill has been allocated. The recoverable amount is determined as the higher of the value-in-use and fair value less cost to sell of the CGU. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value of future cash flows. Management estimates the discount rate using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGUs. The growth rates are based on industry and customer growth forecasts.

Determining whether trademarks are impaired requires an estimation of the value-in-use of the trademark. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the trademark and a suitable discount rate in order to calculate the present value of future cash flows. Management estimates the discount rate using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGUs. The growth rates are based on industry and customer growth forecasts.

The key assumptions used in the calculations and a sensitivity analysis are disclosed in note 3 of the consolidated financial statements.

If a component of the CGU is being disposed of, goodwill is allocated to the component, based on the relative fair values of the component and remaining operations of the CGU, unless a more appropriate basis is applicable.

Liability for post-retirement medical benefits

The liability is determined by annual actuarial assumptions. The key assumptions relating to the actuarial calculation and a sensitivity analysis are disclosed in note 14 of the consolidated financial statements.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Share-based payments

The key assumptions used in the calculation of the fair value of grant date options awarded for share appreciation rights is disclosed in note 12 to the consolidated financial statements.

Any changes in an input or a change in a measurement technique are considered changes in accounting estimates if they do not result from the correction of prior period errors.

INVENTORY AND BIOLOGICAL ASSETS

Sugar inventory and sugarcane biological assets

The valuation of sugar inventory and sugarcane biological assets requires the use of significant estimates and assumptions due to the unique characteristics of the South African sugar industry. The determination of these values is dependent on estimates relating to both the recoverable value (RV) price and the volumes expected to be realised through local and export sales channels.

Recoverable value price

The cost of cane included in sugar inventory, as well as the fair value of sugarcane biological assets, is determined with reference to the industry RV price established by SASA. As the final RV price for a season is only determined after the Group's reporting date, management is required to estimate the RV price expected to apply to the remainder of the season.

Key inputs that are estimated include future local and export sugar prices, Rand/Dollar exchange rates and local market demand for sugar to end March of the following year. These inputs are estimated based on available information at the point of valuation, including bank and economists' estimates of prices and exchange rates, SASA estimates for local market demand and past practice. This RV price paid to growers is split into a deemed price for cane destined for sale in the local market and cane destined for sale in the export market in valuing Sugar stock on hand.

Local and export allocation volumes

The valuation of sugar inventory is also dependent on estimates of the proportion of sugar expected to be sold into local and export markets. This assessment requires management to estimate the Group's remaining industry allocations for the season based on expected industry production, forecast local market demand, imports, and the Group's anticipated share of total industry production. These estimates are derived from information provided by SASA, current market indicators and internal production forecasts.

Fair value assessment of biological assets

The key assumptions used in the calculation of the fair value of sugarcane stock and a sensitivity analysis are disclosed in note 27 of the consolidated financial statements.

IMPACT OF NEW AMENDMENTS TO ACCOUNTING STANDARDS AND INTERPRETATIONS

Management has considered all new standards, interpretations and amendments that are effective for the current year.

The standards, interpretations and amendments that are relevant to the Group are as follows:

Lack of exchangeability – Amendments to IAS 21

The amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments require that when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025.

Management has considered the above and has assessed this amendment to be insignificant for the Group.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

IMPACT OF FUTURE AMENDMENTS TO ACCOUNTING STANDARDS AND INTERPRETATIONS

Management has considered all standards, interpretations and amendments that are in issue but not yet effective.

The standards, interpretations and amendments that are relevant to the Group but which the Group has not early adopted are as follows:

Replacement of IAS 1 *Presentation of Financial Statements* with IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements,* which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including specified sub-totals and the classification of income and expenses into operating, investing, financing, income tax and discontinued operations categories. The standard also introduces enhanced disclosure requirements for management-defined performance measures and the aggregation and disaggregation of financial information.

In addition, amendments to IAS 7 *Statement of Cash Flows* revise the classification requirements for interest and dividend cash flows and update certain cash flow presentation requirements.

IFRS 18, together with the related amendments, is effective for reporting periods beginning on or after 1 January 2027 and will be applied retrospectively.

Based on the preliminary assessment performed to date, the Group expects the adoption of IFRS 18 to result primarily in changes to the presentation and disclosure of its financial statements, including:

- the introduction of new mandatory sub-totals in the statement of profit or loss, including operating profit and profit before financing and income tax;
- the reclassification of certain items currently included within operating profit to the investing and financing categories, including investment-related income and certain finance-related costs;
- enhanced disclosures relating to management-defined performance measures and the disaggregation of material line items in the primary financial statements and related notes; and
- revisions to the classification of interest and dividend cash flows in the statement of cash flows.

The assessment remains ongoing and is expected to be finalised during the upcoming financial year, at which point the Group will be able to quantify the impact of the standard more precisely.

Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7

The amendment provides clarification on the below:

- That a financial liability is derecognised on the "settlement date", ie when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met;
- Clarifies the treatment of non-recourse assets and contractually linked instruments; and
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight.

Management is assessing the implications in disclosing this ahead of implementation in the 2027 financial year.

ACCOUNTING POLICIES CONTINUED

for the year ended June 2026

Annual improvements to IFRS Accounting Standards – Volume 11

The IASB's annual improvements process provides a streamlined process for dealing efficiently with a collection of amendments to IFRSs. The primary objective of the process is to enhance the quality of standards, by amending existing IFRSs to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights. Amendments are made through the annual improvements process when the amendment is considered non-urgent but necessary.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

Management has considered the above and has assessed the amendments to be insignificant or not applicable for the Group at this stage. Management will assess implication in disclosure ahead of implementation in the 2027 financial year.

Contracts referencing nature-dependent electricity – Amendments to IFRS 9 and IFRS 7

The amendments only apply to contracts that reference nature-dependent electricity. These are contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

Management is assessing the implications of the impact of this disclosure ahead of implementation in the 2027 financial year.

Amendment to IAS 21: *Translation to a Hyperinflationary Presentation Currency*

The IASB has issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*, introducing requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency of a non-hyperinflationary economy to a presentation currency of a hyperinflationary economy.

The amendment is not expected to have an impact on the Group, as the Group does not present its financial statements in a hyperinflationary currency, nor does it have operations requiring translation into a hyperinflationary presentation currency.

IFRS 20 *Regulatory Assets and Regulatory Liabilities*

IFRS 20 introduces accounting requirements for entities subject to rate regulation, where pricing is controlled by a regulator and may result in timing differences between when goods or services are supplied and when customers are charged. The standard requires entities to recognise and measure these regulatory timing differences to better reflect financial performance and position, and to improve comparability across regulated industries.

The standard will be effective for annual reporting periods beginning on or after 1 January 2029, with early application permitted.

Management is assessing the implications of the impact of this Standard ahead of implementation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 2026

1. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

June 2026	Land and buildings R'000	Plant, equipment and furniture R'000	Aircraft R'000	Vehicles R'000	Right-of-use assets: Plant R'000	Right-of-use assets: Vehicles R'000	Right-of-use assets: Land and buildings R'000	Leasehold improvements R'000	Bearer plants R'000	Capital work-in-progress R'000	Total R'000
Cost											
At the beginning of the year	**1 769 300**	**6 708 933**	**66 926**	**535 218**	**7 377**	**164 456**	**607 289**	**32 339**	**426 601**	**361 820**	**10 680 259**
Transfers between categories and intangible assets	**24 806**	**43 405**		**56**			**800**		**2 256**	**(87 290)**	**(15 967)**
Additions[1,2]	**124 655**	**598 639**	**44 128**	**64 589**		**23 046**	**34 485**		**38 706**	**212 629**	**1 140 877**
Disposals	**(2 242)**	**(182 062)**	**(405)**	**(13 445)**	**(2 498)**	**(8 246)**	**(37 692)**	**(145)**	**(34 762)**		**(281 497)**
Building sub-leased							**(7 689)**				**(7 689)**
Remeasurements of leases						**2 794**	**7 928**				**10 722**
At the end of the year	**1 916 519**	**7 168 915**	**110 649**	**586 418**	**4 879**	**182 050**	**605 121**	**32 194**	**432 801**	**487 159**	**11 526 705**
Accumulated depreciation and impairment											
At the beginning of the year	**525 161**	**3 970 711**	**18 989**	**237 814**	**4 306**	**54 182**	**419 162**	**25 135**	**267 219**		**5 522 679**
Transfers between categories and intangible assets		**727**							**(727)**		
Disposals	**(1 959)**	**(177 207)**	**(405)**	**(10 985)**	**(2 498)**	**(8 246)**	**(37 692)**	**(145)**	**(31 539)**		**(270 676)**
Depreciation	**45 888**	**420 607**	**7 462**	**48 860**	**255**	**31 613**	**61 627**	**2 731**	**26 336**		**645 379**
At the end of the year	**569 090**	**4 214 838**	**26 046**	**275 689**	**2 063**	**77 549**	**443 097**	**27 721**	**261 289**		**5 897 382**
Net book amount	**1 347 429**	**2 954 077**	**84 603**	**310 729**	**2 816**	**104 501**	**162 024**	**4 473**	**171 512**	**487 159**	**5 629 323**

1 *Transfers out of capital work-in-progress have been disclosed within additions of each of the appropriate individual categories.*
2 *Right-of-use asset additions are non-cash additions.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

1. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS CONTINUED

June 2025	Land and buildings R'000	Plant, equipment and furniture R'000	Aircraft R'000	Vehicles R'000	Right-of-use assets: Plant R'000	Right-of-use assets: Vehicles R'000	Right-of-use assets: Land and buildings R'000	Leasehold improve-ments R'000	Bearer plants R'000	Capital work-in-progress R'000	Total R'000
Cost											
At the beginning of the year	1 688 361	6 293 398	65 962	534 967	7 377	50 727	580 853	33 948	437 480	230 832	9 923 905
Transfers between categories and intangible assets		7 648		14 816						(34 832)	(12 368)
Additions[1, 2]	87 911	551 923	964	83 749		115 927	8 844		55 129	165 820	1 070 267
Disposals	(6 972)	(144 036)		(98 314)		(2 259)		(1 609)	(66 008)		(319 198)
Remeasurements of leases						61	17 592				17 653
At the end of the year	1 769 300	6 708 933	66 926	535 218	7 377	164 456	607 289	32 339	426 601	361 820	10 680 259
Accumulated depreciation and impairment											
At the beginning of the year	488 463	3 705 247	16 489	273 318	4 049	28 907	361 358	24 006	308 621		5 210 458
Disposals	(4 761)	(138 407)		(80 439)		(2 147)		(1 608)	(64 611)		(291 973)
Depreciation	41 459	403 871	2 500	44 935	257	27 422	57 804	2 737	23 209		604 194
At the end of the year	525 161	3 970 711	18 989	237 814	4 306	54 182	419 162	25 135	267 219		5 522 679
Net book amount	1 244 139	2 738 222	47 937	297 404	3 071	110 274	188 127	7 204	159 382	361 820	5 157 580

[1] *Transfers out of capital work-in-progress have been disclosed within additions of each of the appropriate individual categories.*

[2] *Right-of-use asset additions are non-cash additions.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

1. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS CONTINUED

CAPITAL COMMITMENTS:

Continuing Operations	2026 R'000	2025 R'000
Contracted and committed	**560 476**	333 515
Approved but not contracted	**490 209**	394 216

Capital commitments relate to both tangible and intangible assets and include all projects for which specific approval, in terms of the levels of authority, has been obtained up to reporting date. Projects for which authority has not yet been obtained are excluded. The capital expenditure will be financed from cash generated from operations, and through available borrowing facilities as required.

A register of land and buildings is available for inspection at the registered office of the respective subsidiary companies.

The Group assesses the useful lives and residual values of property, plant and equipment on an ongoing basis. This assessment is performed by the relevant finance departments, in conjunction with the operations' engineering staff. The assessment of useful lives is assessed based on the expected future usage of the asset, and historical lives of similar assets that were eventually taken out of use. Reassessments of useful lives during the current period resulted in lower depreciation of R4,6 million. There was no reassessments of residual values during the current period that resulted in a depreciation impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

2. INTANGIBLE ASSETS

	Software R'000	Trademarks R'000	Customer relationships R'000	Goodwill R'000	Capital work-in-progress R'000	Total R'000
June 2026						
Opening net book amount	**67 493**	**1 304 860**	**137 142**	**1 931 236**	**15 564**	**3 456 295**
Additions	**38 886**				**2 434**	**41 320**
Disposals	**(1 282)**					**(1 282)**
Transfers between property, plant and equipment and intangible asset categories	**694**				**15 273**	**15 967**
Amortisation charge	**(22 315)**		**(17 593)**			**(39 908)**
Impairment loss		**(87 291)**		**(118 785)**		**(206 076)**
Closing net book amount	**83 476**	**1 217 569**	**119 549**	**1 812 451**	**33 271**	**3 266 316**
Cost	**233 393**	**1 847 992**	**984 872**	**2 736 083**	**33 271**	**5 835 611**
Accumulated amortisation and impairment	**(149 917)**	**(630 423)**	**(865 323)**	**(923 632)**		**(2 569 295)**
Net book amount	**83 476**	**1 217 569**	**119 549**	**1 812 451**	**33 271**	**3 266 316**
June 2025						
Opening net book amount	83 589	1 304 860	154 735	1 931 236	10 809	3 485 229
Additions	4 669				225	4 894
Disposals	(5 703)					(5 703)
Transfers between property, plant and equipment and intangible asset categories	7 838				4 530	12 368
Amortisation charge	(22 900)		(17 593)			(40 493)
Closing net book amount	67 493	1 304 860	137 142	1 931 236	15 564	3 456 295
Cost	262 114	1 848 991	984 872	2 736 083	15 564	5 847 624
Accumulated amortisation and impairment	(194 621)	(544 131)	(847 730)	(804 847)		(2 391 329)
Net book amount	67 493	1 304 860	137 142	1 931 236	15 564	3 456 295

The remaining finite useful lives on intangible assets is between 1 and 14 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

2. INTANGIBLE ASSETS CONTINUED

SOFTWARE

	2026	2025
Finite life		
Amortisation period	**3 to 20 years**	3 to 20 years
Method of amortisation	**Straight-line**	Straight-line
Is intangible title restricted in any way	**No**	No

TRADEMARKS

The carrying value of trademarks are included in the following CGUs:

CGU	Trademarks	Useful life	2026 R'000	2025 R'000
Grocery	Ouma, Nola, Yum Yum, Nutso, Bobtail, Catmor, Dogmor, Ultra Dog, Canine Cuisine, Optimizor, Feline Cuisine, Monati	Indefinite	**438 600**	438 600
Beverages	Mageu Number 1, Mnandi	Indefinite	**176 540**	176 540
Total Groceries segment			**615 140**	615 140
Milling*	Supreme, Tafelberg, Safari, A1, 5 Star	Finite		
Bread, buns and rolls	Sunbake	Indefinite	**331 020**	331 020
Pieman's	Pieman's	Indefinite	**260 000**	260 000
Sunshine	Sunshine	Indefinite	**11 409**	98 700
Total Baking segment			**602 429**	689 720
Sugar*	Selati	Finite		
Total Sugar segment				
Total trademarks			**1 217 569**	1 304 860

* *The trademarks within these CGUs have a carrying amount of Rnil.*

The Grocery, Beverages, Pieman's, Milling, Bread, buns and rolls and Sunshine CGUs relate to the complete operations of these operating units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

2. INTANGIBLE ASSETS CONTINUED

TRADEMARKS CONTINUED

	2026	2025
Finite life		
Amortisation period	**15 to 20 years**	15 to 20 years
Method of amortisation	**Straight-line**	Straight-line
Is intangible title restricted in any way	**No**	No

Finite life trademarks comprise Selati, which was acquired on acquisition of TSB Sugar RSA Proprietary Limited in 2014 and Supreme, Tafelberg, Safari, A1, 5 Star, which were acquired on the acquisition of New Foodcorp Holdings Proprietary Limited (indirectly Foodcorp) in 2013.

	2026	2025
Indefinite life		
Is intangible title restricted in any way	**No**	No

Significant trademarks comprise Ouma, Nola, Yum Yum, Bobtail, Catmor, Dogmor, Sunbake, Ultra Dog, Canine Cuisine, Mageu Number 1, Monati, Optimizor, Mnandi, Pieman's and Feline Cuisine acquired on the acquisition of New Foodcorp Holdings Proprietary Limited (indirectly Foodcorp) in 2013. Sunshine was acquired as part of the acquisition of Sunshine Bakery Holdings Proprietary Limited in 2023. Refer to note 3 for details of the Sunshine trademark impairment recognised during the current year.

The above trademarks are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate cash inflows for the respective CGUs. The assessment was based on a consideration of the underlying products that these trademarks represent which are not subject to obsolescence.

CUSTOMER RELATIONSHIPS

	2026	2025
Finite life		
Amortisation period	**5 to 20 years**	5 to 20 years
Method of amortisation	**Straight-line**	Straight-line
Is intangible title restricted in any way	**No**	No

Customer relationships arose on the acquisition of New Foodcorp Holdings Proprietary Limited in the 2013 financial year and on acquisition of Sunshine Bakery Holdings Proprietary Limited in 2023.

GOODWILL

Goodwill arose from business combinations and relates to the acquisition of:

- New Foodcorp Holdings Proprietary Limited in 2013; and
- Sunshine Bakery Holdings Proprietary Limited (Sunshine) via Foodcorp Proprietary Limited in 2023.

At year-end, the Group has goodwill of R1 812,5 million (2025: R1 931,2 million).

IAS 36 requires an entity to test an intangible asset with an indefinite useful life and goodwill acquired in a business combination annually for impairment. Refer to note 3 for detail on impairment assessments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

2. INTANGIBLE ASSETS CONTINUED

	Opening R'000	Impairment R'000	Closing R'000
2026			
Grocery	**191 205**		**191 205**
Pieman's	**474 541**		**474 541**
Beverages	**28 774**		**28 774**
Speciality	**429 831**		**429 831**
Bread, buns and rolls	**688 100**		**688 100**
Sunshine	**118 785**	**(118 785)**	
Total	**1 931 236**	**(118 785)**	**1 812 451**
2025			
Grocery	191 205		191 205
Pieman's	474 541		474 541
Beverages	28 774		28 774
Speciality	429 831		429 831
Bread, buns and rolls	688 100		688 100
Sunshine	118 785		118 785
Total	1 931 236		1 931 236

CAPITAL WORK-IN-PROGRESS

Intangible capital work-in-progress relates mainly to software which is still in the development phase.

3. IMPAIRMENTS

RECOGNISED IMPAIRMENT LOSSES

The total net impairments recognised across the Group by CGU are as follows:

2026	Trademarks R'000	Goodwill R'000	Total R'000
Sunshine (Baking segment)	**87 291**	**118 785**	**206 076**

No impairments were recognised by Group in the prior financial year.

3. IMPAIRMENTS CONTINUED

IAS 36 requires an entity to test an intangible asset with an indefinite useful life and goodwill acquired in a business combination annually for impairment. In addition, where there are indicators of impairments, or reversals of previous impairments recognised, an impairment test is required. The details of the Group's impairment assessments performed during the year are presented below.

Impairment tests were performed for the Grocery, Pieman's, Beverages, Speciality, Bread, buns and rolls, and Sunshine CGUs as these are mandatory due to these CGUs including indefinite useful life intangible assets. An impairment test was performed for the Sugar farming subsidiaries, Sivunosetfu Farming Services and Mgubho Farming Services based on assessment of impairment indicators.

No impairment indicators have been identified for the Sugar operating unit CGUs and, accordingly, a recoverable value calculation was not required. Despite the material decline in Sugar profitability in the current year, this assessment is supported by the record profitability achieved in financial years 2024 and 2025, with 2026 performance impacted by an acute issue due to elevated deep-sea imports.

In assessing whether any further reversal of historic impairments was required, RCL FOODS considered the stabilisation of the sugar industry, the ongoing uncertainty relating to Tongaat's business rescue process, the decline in world market price, the current ineffectiveness of the tariff in limiting deep-sea imports, increased local competition and exchange rate volatility and concluded no reversals to historic Sugar impairments were appropriate.

The recoverable amount for CGUs' impairments is determined based on value-in-use calculations.

The key assumptions used in the value-in-use calculations are presented below.

These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before tax, working capital and capital maintenance expenditure. The forecast cash flows used in the value-in-use calculations are based on the output of the Group's five-year business planning process, adjusted as necessary for any material economic or business indicators that changed between date of preparation and impairment testing date.

The key assumptions used in the value-in-use calculations include:

- Volume growth: RCL FOODS is a food producer with products sold mainly in the South African market. Volume assumptions are therefore closely linked to population and GDP growth forecasts for South Africa. Compounded volume growth over the five-year period does not exceed long-term GDP forecasts, apart from additional volume resulting from recent capital investments which have yet to reach full production and innovation/new product launches serviced from existing capacity.
- Selling price and cost growth are linked to Consumer Price Index (CPI) and food inflation.
- Capital expenditure: Capital expenditure spend is limited to replacement capital expenditure spend, in line with the Group's maintenance programmes.
- Working capital: Working capital is based on the output of the Group's five-year business planning process.
- The cash flow beyond year five (terminal cash flow) has assumed a steady state of growth with capital expenditure equal to depreciation, volumes and profit margins maintained at year five levels with the growth beyond year five resulting solely from price inflation.
- Perpetuity growth rate: In the current year a perpetuity growth rate of 3.5% (2025: 4.0%) was applied. The lower rate was due to long-term inflation expectation in South Africa.
- Discount rate: The pre-tax discount rates used in each of the value-in-use calculations has been provided further on in the note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

3. IMPAIRMENTS CONTINUED

SUNSHINE CGU

During the current financial year, the Group recognised an impairment loss of R206,1 million in respect of the Sunshine CGU, comprising an impairment of goodwill of R118,8 million and an impairment of the Sunshine brand intangible asset of R87,3 million.

The impairment was largely a result of ongoing challenges with financial performance following the labour disruptions in December 2024 at its Durban bakery which negatively impacted service levels at the time, resulting in volume loss to competitors and damage to the Sunshine brand. While the business has made progress in recovering lost volumes, the pace of recovery has been slower than anticipated especially in the general trade sales channel. The recoverable amount was determined using the Group's value-in-use methodology, with forecast cash flows updated to reflect the revised volume recovery profile of the business and a CGU-specific risk premium included in the discount rate.

No further impairment losses nor reversals of impairments are required in the current financial year based on these assessments.

A sensitivity analysis for key assumptions have been presented below.

Key assumptions used in the current period CGU impairment test were as follows:

	Discount rate pre-tax %	Perpetuity growth rate %	Period years
2026			
Grocery	**16.7**	**3.5**	**5**
Pieman's	**13.9**	**3.5**	**5**
Beverages	**13.9**	**3.5**	**5**
Speciality	**13.9**	**3.5**	**5**
Bread, buns and rolls	**13.1**	**3.5**	**5**
Sunshine	**19.1**	**3.5**	**5**
Sivunosetfu Farming Services	**14.5**	**3.5**	**5**
Mgubho Farming Services	**14.7**	**3.5**	**5**

	Discount rate movement %	Total impairment Rm	Perpetuity growth rate movement %	Total Impairment Rm
2026				
Grocery	**+1.0**	**Nil**	**(0.5)**	**Nil**
Pieman's	**+1.0**	**Nil**	**(0.5)**	**Nil**
Beverages	**+1.0**	**Nil**	**(0.5)**	**Nil**
Speciality	**+1.0**	**Nil**	**(0.5)**	**Nil**
Bread, buns and rolls	**+1.0**	**(127,0)**	**(0.5)**	**Nil**
Sunshine	**+1.0**	**(13,4)**	**(0.5)**	**(4,9)**
Sivunosetfu Farming Services	**+1.0**	**Nil**	**(0.5)**	**Nil**
Mgubho Farming Services	**+1.0**	**(26,0)**	**(0.5)**	**(7,6)**

2026	Volume decline movement %	Total further impairment Rm	Volume decline movement %	Total further Impairment Rm
Sunshine	**(1.0)**	**(15,6)**	**(2.0)**	**(31,1)**

In considering any additional potential impairment for the Sunshine sensitivity, consideration is given to the maximum remaining carrying value in the CGU at June 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

3. IMPAIRMENTS CONTINUED

SUNSHINE CGU CONTINUED

Key assumptions used in the prior period impairment test were as follows:

	Discount rate pre-tax %	Perpetuity growth rate %	Period years
2025			
Grocery	15.4	4.0	5
Pieman's	15.0	4.0	5
Beverages	15.0	4.0	5
Speciality	15.1	4.0	5
Bread, buns and rolls	14.6	4.0	5
Sunshine	17.4	4.0	5
Sivunosetfu Farming Services	16.6	4.0	5

Sensitivity analysis of assumptions used in the prior period impairment test:

	Discount rate movement %	Total impairment Rm	Perpetuity growth rate movement %	Total Impairment Rm
2025				
Grocery	+1.0	Nil	(0.5)	Nil
Pieman's	+1.0	Nil	(0.5)	Nil
Beverages	+1.0	Nil	(0.5)	Nil
Speciality	+1.0	Nil	(0.5)	Nil
Bread, buns and rolls	+1.0	Nil	(0.5)	Nil
Sunshine	+1.0	(7,3)	(0.5)	Nil
Sivunosetfu Farming Services	+1.0	Nil	(0.5)	Nil

The below additional disclosures have been provided for CGUs that are at risk of impairment and include:

- the current amount by which the unit's recoverable amount exceeds the carrying amount; and
- the discount rate and perpetuity growth rate movements at which the recoverable amount is equal to the carrying value.

		The movement in the discount rate and perpetuity growth rate that would result in the recoverable amount to be equal to the carrying value	
2026	**Excess of recoverable amount over carrying value Rm**	**Discount rate (pre-tax) Movement %**	**Perpetuity growth rate Movement %**
Bread, buns and rolls	**119,4**	**0.6**	**(0.6)**
Mgubho Farming Services	**5,2**	**0.2**	**(0.2)**

Long-term growth expectations in the Bread, buns and rolls CGU are supported by strategic initiatives and investment plans.

Back-to-basics interventions combined with improved agricultural key performance indicators and the conclusion of relevant longer term lease arrangements, have enabled a more targeted reinvestment programme in cane and irrigation infrastructure. This is expected to improve Mgubho Farming Services' results going forward.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

4. INVESTMENT IN JOINT VENTURES

	2026 R'000	2025 R'000
Opening balance	**246 734**	227 398
Share of profits of joint ventures – continuing operations	**29 337**	34 774
Dividends received from joint ventures	**(16 514)**	(15 438)
Balance at June	**259 557**	246 734

Set out below are the joint ventures of the Group. The joint ventures listed below have share capital consisting solely of ordinary shares, which is held directly by the Group in the ownership percentages indicated below.

Name of entity	Place of business/ country of incorporation	% Ownership interest	Nature of relationship
Akwandze Agricultural Finance Proprietary Limited (Akwandze)	**South Africa**	**50.0***	**Note 1**
Mananga Sugar Packers Proprietary Limited (Mananga)	**Eswatini**	**50.0***	**Note 2**

Note 1: Akwandze's main activities are to provide production finance and management services to sugarcane growers. This is a strategic partnership for the Group as it allows the Group to manage the process with sugarcane growers more effectively. The year-end of Akwandze is June 2026.

Note 2: Mananga is a sugar packaging and selling company which sells sugar under the First brand in Eswatini as well as in South Africa. Its primary business activity is to purchase sugar from the Eswatini Sugar Association, pack it and sell it as a branded product. This is a strategic partnership for the Group as it allows the Group to access the Eswatini sugar market. The year-end of Mananga is June 2026.

There are no quoted market prices available for the joint ventures listed above.

There are no significant restrictions on the ability of the joint ventures to transfer funds to the Group.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

* *In accordance with the agreements under which the relationships are established, parties to the agreement share control of the joint venture through equal contractual representation and voting rights for decisions made by the Board of Directors.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

4. INVESTMENT IN JOINT VENTURES CONTINUED

Set out below is the summarised financial information for the joint ventures on which equity accounting is applied:

Summarised statement of financial position	Akwandze June R'000	Mananga June R'000	Total June R'000
2026			
Current			
Cash and cash equivalents	**4 962**	**110 259**	**115 221**
Other current assets	**85 481**	**384 387**	**469 868**
Total current assets	**90 443**	**494 646**	**585 089**
Financial liabilities (excluding trade payables)	**19 268**		**19 268**
Other current liabilities (including trade payables)	**8 301**	**118 513**	**126 814**
Total current liabilities	**27 569**	**118 513**	**146 082**
Non-current			
Assets (including customer relationships)	**44 002**	**66 032**	**110 034**
Financial liabilities	**34 460**		**34 460**
Other liabilities		**5 560**	**5 560**
Total non-current liabilities	**34 460**	**5 560**	**40 020**
Net assets	**72 416**	**436 605**	**509 021**
2025			
Current			
Cash and cash equivalents	6 267	124 950	131 217
Other current assets	99 831	431 251	531 082
Total current assets	106 098	556 201	662 299
Financial liabilities (excluding trade payables)	25 320		25 320
Other current liabilities (including trade payables)	20 590	195 941	216 531
Total current liabilities	45 910	195 941	241 851
Non-current			
Assets (including customer relationships)	38 524	61 758	100 282
Financial liabilities	33 082		33 082
Other liabilities		4 274	4 274
Total non-current liabilities	33 082	4 274	37 356
Net assets	65 630	417 744	483 374

The above reflects the amounts presented in the financial statements of the joint ventures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

4. INVESTMENT IN JOINT VENTURES CONTINUED

Summarised statement of comprehensive income	Akwandze June R'000	Mananga June R'000	Total June R'000
2026			
Revenue from contracts with customers	**37 980**	**1 524 702**	**1 562 682**
Depreciation and amortisation	**(31)**	**(4 209)**	**(4 240)**
Finance costs	**(2 561)**	**(1 259)**	**(3 820)**
Finance income	**1 646**	**2 519**	**4 165**
Profit before tax	**9 193**	**67 497**	**76 690**
Income tax expense	**(2 407)**	**(15 609)**	**(18 016)**
Profit after tax	**6 786**	**51 888**	**58 674**
Total comprehensive income	**6 786**	**51 888**	**58 674**
Dividends received from joint ventures		**16 514**	**16 514**
2025			
Revenue from contracts with customers	59 552	1 481 821	1 541 373
Depreciation and amortisation	(27)	(3 363)	(3 390)
Finance costs	(3 192)	(1 633)	(4 825)
Finance income	1 644	5 236	6 880
Profit before tax	8 212	84 646	92 858
Income tax expense	(2 148)	(21 161)	(23 309)
Profit after tax	6 064	63 485	69 549
Total comprehensive income	6 064	63 485	69 549
Dividends received from joint ventures	500	14 938	15 438

The above reflects the amounts presented in the financial statements of the joint ventures.

Reconciliation of summarised financial information presented to the carrying amount of the joint ventures	Akwandze June R'000	Mananga June R'000	Total June R'000
2026			
Opening net assets	**65 630**	**417 780**	**483 410**
Profit for the period	**6 786**	**51 888**	**58 674**
Dividends paid		**(33 027)**	**(33 027)**
Closing net assets	**72 416**	**436 641**	**509 056**
Interest in joint venture (%)	**50**	**50**	
Goodwill	**4 937**	**93**	**5 030**
Carrying value	**41 144**	**218 413**	**259 557**
2025			
Opening net assets	60 566	384 172	444 738
Profit for the period	6 064	63 485	69 549
Dividends paid	(1 000)	(29 877)	(30 877)
Closing net assets	65 630	417 780	483 410
Interest in joint venture (%)	50	50	
Goodwill	4 937	93	5 030
Carrying value	37 751	208 983	246 733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

5. INVESTMENT IN ASSOCIATES

	2026 R'000	2025 R'000
Opening balance	**1 020 756**	1 004 391
Share of (losses)/profits of associates	**(37 231)**	93 437
Dividends received from associate	**(16 449)**	(74 513)
Share of associates other comprehensive loss	**(1 131)**	(2 559)
Balance at June	**965 945**	1 020 756

Set out below are the associates of the Group. The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group in the ownership percentages indicated below.

Name of entity	Place of business/ country of incorporation	% Ownership interest	Nature of relationship
The Royal Eswatini Sugar Corporation (RES)	**Eswatini**	**29.1846**	**Note 1**
LiveKindly Collective Africa Proprietary Limited (LKCA)	**South Africa**	**49.999**	**Note 2**

Note 1: RES's principal activities are the growing and milling of sugarcane, the manufacture of sugar and the manufacture of ethanol from molasses. RES is a strategic partnership for the Group as it provides access into the Eswatini market.

The year-end date of RES is March 2026, however, the Group has equity accounted the results for the 12 months from July 2025 to June 2026 (management accounts).

As at June 2026, the shares had a fair value of E18,0 (2025: E17,0) per share on the Eswatini Stock Exchange, at a total market value for the Group's investment in RES of R506,0 million (2025: R478,0 million). While the carrying value of the Group's investment in RES of R807,3 million at June 2026 is higher than the market value of RES's shares, this is not considered to be an indicator of impairment as the RES shares are not actively traded on the Eswatini Stock Exchange and are not considered liquid. Hence, the share price is not considered to be an accurate reflection of the value of the investment.

Note 2: LKCA's principal activities are to market, sell and distribute plant-based products in Sub-Saharan Africa. There are no quoted market prices available for the investment in LKCA. The year-end date of LKCA is December 2025, however, the Group has equity accounted the results for the 12 months from July 2025 to June 2026 (management accounts).

There are no significant restrictions on the ability of the associates to transfer funds to the Group.

As part of the banking facilities, RES and its subsidiary company are liable for the following guarantees:

	2026 R'000	2025 R'000
Customs and Excise	**8 500**	8 500
Eswatini Government – Labour	**60**	60
Eswatini Government – General Bond	**70**	70
South African Revenue Service – VAT	**550**	550
Transnet	**50**	50

RES is defending a number of actions brought by former employees and suppliers. Liability is not admitted and the associate will defend itself against the actions. Due to the nature of the claims, a realistic estimate of the potential liability and legal costs is not practical. The Directors of the associate are of the opinion that the total costs, if any, would not be material.

The loans and overdraft facilities of the Company and its subsidiary, Mhlume Sugar Company Limited are secured by:

- Deed of hypothecation for E165 million in favour of Standard Bank Eswatini Limited;
- Deed of hypothecation for E448,1 million in favour of Nedbank Eswatini Limited;
- Deed of hypothecation for E597,5 million in favour of First National Bank of Eswatini Limited;
- Deed of hypothecation for E125,2 million in favour of Aluwani Fund Managers;
- Unlimited cross guarantees between the Company and Mhlume Sugar Company Limited;
- Security sharing agreement covering co-funding of Integrated Growth Programme and ranking pari passu between lenders; and
- All the above deeds of hypothecation are over all moveable and incorporeal assets of the Group.

There are no other contingent liabilities in the associates that the Group has interests in.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

5. INVESTMENT IN ASSOCIATES CONTINUED

Set out below is the summarised financial information for associates:

Summarised statement of financial position	LKCA June R'000	RES June R'000	Total June R'000
2026			
Current			
Cash and cash equivalents	**34 063**	**57 517**	**91 580**
Other current assets	**42 211**	**1 665 862**	**1 708 073**
Total current assets	**76 274**	**1 723 379**	**1 799 653**
Financial liabilities (excluding trade payables)	**24 013**	**281 793**	**305 806**
Other current liabilities (including trade payables)	**45 711**	**580 190**	**625 901**
Total current liabilities	**69 724**	**861 983**	**931 707**
Non-current			
Assets (including customer relationships)	**49 321**	**3 341 104**	**3 390 425**
Total non-current assets	**49 321**	**3 341 104**	**3 390 425**
Financial liabilities		**573 708**	**573 708**
Other liabilities		**806 849**	**806 849**
Total non-current liabilities		**1 380 557**	**1 380 557**
Net assets	**55 871**	**2 821 943**	**2 877 814**
2025			
Current			
Cash and cash equivalents	30 957	383 594	414 551
Other current assets	54 973	1 903 795	1 958 768
Total current assets	85 930	2 287 389	2 373 319
Financial liabilities (excluding trade payables)	24 014	327 891	351 905
Other current liabilities (including trade payables)	45 635	696 240	741 875
Total current liabilities	69 649	1 024 131	1 093 780
Non-current			
Assets (including customer relationships)	49 346	3 188 793	3 238 139
Total non-current assets	49 346	3 188 793	3 238 139
Financial liabilities		648 749	648 749
Other liabilities	86	810 117	810 203
Total non-current liabilities	86	1 458 866	1 458 952
Net assets	65 541	2 993 185	3 058 726

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

5. INVESTMENT IN ASSOCIATES CONTINUED

Summarised statement of comprehensive income	LKCA June R'000	RES June R'000	Total June R'000
2026			
Revenue from contracts with customers	**137 744**	**4 484 017**	**4 621 761**
Depreciation and amortisation	**(720)**	**(334 763)**	**(335 483)**
Finance costs	**(331)**	**(81 876)**	**(82 207)**
Finance income		**42 957**	**42 957**
Profit before tax	**(9 507)**	**(152 296)**	**(161 803)**
Income tax expense	**2 567**	**41 291**	**43 858**
Profit after tax	**(6 940)**	**(111 005)**	**(117 945)**
Other comprehensive loss		**(3 874)**	**(3 874)**
Total comprehensive losses	**(6 940)**	**(114 879)**	**(121 819)**
Adjustments			
Amortisation of customer relationships (net of tax)	**(2 730)**		**(2 730)**
Adjusted total comprehensive losses	**(9 670)**	**(114 879)**	**(124 549)**
Dividends received from associate		**16 449**	**16 449**
2025			
Revenue from contracts with customers	147 827	4 823 273	4 971 100
Depreciation and amortisation	(1 203)	(304 135)	(305 338)
Finance costs		(61 158)	(61 158)
Finance income	9 940	55 198	65 138
Profit before tax	(7)	414 930	414 923
Income tax expense	2	(90 086)	(90 084)
Profit after tax	(5)	324 844	324 839
Other comprehensive loss		(8 769)	(8 769)
Total comprehensive (loss)/income	(5)	316 075	316 070
Adjustments			
Amortisation of customer relationships (net of tax)	(2 730)		(2 730)
Adjusted total comprehensive (losses)/income	(2 735)	316 075	313 340
Dividends received from associate		74 513	74 513

The above reflects the amounts presented in the management accounts of the associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

5. INVESTMENT IN ASSOCIATES CONTINUED

Reconciliation of summarised financial information presented to the carrying amount of the associates	**LKCA June R'000**	**RES June R'000**
2026		
Opening net assets	**65 541**	**2 993 185**
Total comprehensive loss for the year	**(9 670)**	**(114 879)**
Dividends paid		**(56 363)**
Closing net assets	**55 871**	**2 821 943**
Interest in associate (%)	**49.999**	**29.185**
Goodwill	**122 629**	
Carrying value	**150 564**	**815 381**
2025		
Opening net assets	68 276	2 932 426
Total comprehensive (loss)/income for the year	(2 735)	316 075
Dividends paid		(255 316)
Closing net assets	65 541	2 993 185
Interest in associate (%)	49.999	29.185
Goodwill	122 629	
Carrying value	155 399	865 358

6. LOANS RECEIVABLE

	2026 R'000	2025 R'000
Non-current:		
Loans at the beginning of the year	**12 000**	12 000
Loans advanced and interest capitalised during the year	**11 739**	1 707
Loans repaid during the year		(4 734)
Net expected credit loss allowance (recognised)/reversed	**(115)**	3 027
Loans at the end of the year	**23 624**	12 000

Non-current loans receivable consist of loans granted to the LiveKindly Collective Africa of R12,0 million (2025: R12,0 million).

The long-term loan to LiveKindly Collective Africa is unsecured and accrues interest at the prime rate which was between 10.25% to 10.75% in the current year and between 10.75% to 11.75% in the prior year. The loan is repayable on or before 31 March 2028.

Based on the current profitability, financial outlook and forward-looking information available on LiveKindly Collective Africa Proprietary Limited, the Group has performed an expected credit loss (ECL) calculation for the loans receivable. The forward-looking indicators underpinning our market outlook include the recent pressure of higher inflation and diminished consumer spending power within the South African meat alternative sector, which are strategically counterbalanced by robust projected long-term growth and a stabilising trend in key input costs. Based on the assessment, the ECL has been deemed to be immaterial.

Non-current loans receivable which have been fully impaired are documented below.

During the 2024 financial year, a loan of R16,4 million was advanced to Sibusisiwe Sugar Estate Proprietary Limited for the purchase of the Siyathuthuka Sugar Estate Proprietary Limited land and operations. The loan has since accumulated interest of R3,3 million (of which R1,6 million was earned and capitalised in the current year) and the current balance of the loan is R19,7 million. In the current and prior year, a total of R18,2 million has been cumulatively raised as an expected credit loss due to the risk of recoverability. The balance remaining of R1,5 million, after the impairment, is covered by funds held in an Escrow account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

6. LOANS RECEIVABLE CONTINUED

During the current financial year (1 July 2025), a loan for R10,0 million was advanced to Akwandze Agricultural Finance Proprietary Limited. The loan is for the purpose of on-lending to sugarcane growers. The loan is for a period of 3 years and bears interest at prime less 4.0%. The favourable rate was granted to encourage growers to obtain funding from Akwandze, thereby supporting increased cane supply to the sugar mills. Interest on the loan is settled quarterly and the full capital repayment is due at the end of the 3-year period which is 30 June 2028. The balance of R10,1 million includes interest of R0,1 million relating to the fourth quarter's interest payment. An ECL provision of R0,04 million has been provided on this loan.

	2026 R'000	2025 R'000
Reconciliation of loss allowance – non-current loans		
At the beginning of the year	**18 087**	19 041
Expected credit loss allowance reversed		(4 734)
Expected credit loss allowance recognised	**115**	1 707
Reclassification of loan written off in the prior year to expected credit losses		2 073
At the end of the year	**18 202**	18 087

The credit risk of the Group's non-current loans receivable have been assessed using the general approach of IFRS 9 as well as the specific loss allowance, taking into account the counterparty's risk of default and its capacity to meet its contractual cash flow obligations as they become due, any security held (e.g. Escrow), as well as current and forward-looking information on macroeconomic factors affecting the ability of the counterparties to settle their debt. These loans have thus been assessed for impairment using the lifetime basis.

The ECL for the Sibusisiwe Sugar Estate Proprietary Limited and Akwandze Agricultural Finance Proprietary Limited loans were determined under the general approach. For Stage 1 loans, a one-year ECL was applied. Where a significant increase in credit risk was identified (i.e. Stage 2 loans), a lifetime ECL was applied. Where the credit risk at the loan's inception is impracticable to assess then there is insufficient basis to determine whether there has been a significant increase in credit risk and in these cases management has assessed staging of the loan on its individual characteristics. If a loan is credit impaired, it is regarded as being Stage 3 and a lifetime expected credit loss is applied. In accordance with Group policy, interest on Stage 3 loans are forgiven. Accordingly, the loan to Akwandze Agricultural Finance Proprietary Limited has been classified as a Stage 1 loan, as it is a performing facility with a low credit risk profile. In contrast, the loan to Sibusisiwe Sugar Estate Proprietary Limited has been classified as a Stage 3 loan, with an expected credit loss recognised for the full loan balance less the amount held in Escrow.

Where a loan has a fixed term, this term is applied to the calculation of the ECL and a one-year or lifetime ECL is applied depending on the staging of the loan.

	2026 R'000	2025 R'000
Current:		
Loans at the beginning of the year	**4 429**	2 435
Loans advanced during the year		2 040
Loans repaid during the year	**(4 475)**	
Less: Expected credit loss allowance (recognised)/reversed	**46**	(46)
Loans at the end of the year		4 429

During the June 2023 financial year, RCL FOODS Sugar and Milling Proprietary Limited granted a loan facility of up to R15,0 million to Akwandze Agricultural Finance Proprietary Limited. The sole purpose of this loan is for funding of sugarcane growers to procure and apply fertiliser on their sugarcane fields. Full and final repayment of this loan was 31 March 2024, but was extended to 31 March 2026 due to the slow uptake from small-scale cane growers. The loan was interest free. At year-end the full loan was repaid and the expected credit loss of R0,05 million which was raised in the prior year, was reversed accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

6. LOANS RECEIVABLE CONTINUED

The carrying amount of these loans approximated their fair values.

	2026 R'000	2025 R'000
Reconciliation of loss allowance – current loans		
At the beginning of the year	**46**	
Less: Expected credit loss allowance recognised/(reversed)	**(46)**	46
At the end of the year		46

7. INVESTMENT IN FINANCIAL ASSET

	2026 R'000	2025 R'000
At the beginning of the year	**114 196**	114 196
At the end of the year	**114 196**	114 196

RCL FOODS holds a 1.58% minority shareholding in The Livekindly Company, Inc. as at 28 June 2026.

This investment is classified as a financial asset measured at fair value through profit and loss. As a result of the minority shareholding, access to financial information is limited. The fair value of the investment at June 2026 has been based on the Rand cost of the investment. A review of publicly available information on the company and industry, their latest available financial statements and enquiries of The LiveKindly Collective management supported our conclusion that no further impairment of the asset was required.

The financial risk management disclosures relating to the fair value estimation of the Group's financial assets is included in note 27.

8. INVENTORIES

	2026 R'000	2025 R'000
Finished goods	**2 213 547**	1 760 479
Work-in-progress	**344**	
Raw materials and ingredients	**825 860**	822 878
Consumables and maintenance spares	**417 576**	377 480
At the end of the year	**3 457 327**	2 960 837

The above amounts are disclosed net of a provision for inventory obsolescence of R190,0 million (2025: R136,5 million). During the year, inventories were written down by R67,1 million (2025: R27,3 million). The write-down has been recognised as an expense in profit or loss and is included in cost of sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

9. BIOLOGICAL ASSETS

	Sugarcane plants R'000
2026	
At the beginning of the year at fair value	**414 339**
Decrease due to harvest/transferred to cost of sales	**(413 182)**
Fair value adjustments recorded in profit or loss	**422 881**
Standing cane transferred to bearer plants	**(4 677)**
At the end of the year at fair value	**419 361**
2025	
At the beginning of the year at fair value	389 881
Decrease due to harvest/transferred to cost of sales	(384 034)
Fair value adjustments recorded in profit or loss	416 694
Standing cane transferred to bearer plants	(8 202)
At the end of the year at fair value	414 339

Sugarcane is measured at fair value and is categorised as Level 3 under the fair value hierarchy. Fair value is determined using assumptions for both the estimated physical quantity of cane in the field and the estimated price the standing cane will realise. The unobservable inputs for the quantity of the standing cane include the recoverable value price per ton of sucrose and the harvesting, transport and other costs to sell. During the current financial year, the Group harvested 10 736 Ha. and 1 018 857 tons of sugarcane (2025: 11 972 Ha. and 1 086 554 tons). At financial year-end, the Group had 12 517 Ha. available for harvesting (2025: 12 722 Ha.).

The financial risk management disclosures relating to the fair value estimation of the Group's biological assets are included in note 27.

10. TRADE AND OTHER RECEIVABLES

	2026 R'000	2025 R'000
Current:		
Trade receivables	**3 018 916**	3 176 808
Less: Expected credit loss allowance	**(25 244)**	(16 831)
Net trade receivables	**2 993 672**	3 159 978
Prepayments	**136 140**	123 416
Other receivables[1]	**215 797**	276 482
At the end of the year	**3 345 609**	3 559 876
A summary of the Group's trade receivables covered by insurance or secured by collateral is as follows:		
Terms (days)	**7 to 90**	7 to 90
Collateral held/insurance	**Yes**	Yes
Debtors covered by Credeq Africa and Lombard[2]	**2 874 850**	3 018 731
Bank guarantees – actual value	**585**	585
Total	**2 875 435**	3 019 316
Included in trade and other receivables above are non-financial assets of R226,7 million (2025: R220,5 million).		
[1] *Material items included in other receivables comprise:*		
– *VAT receivable*	**90 526**	97 050
– *Other receivables***	**121 423**	172 488

** *The other receivables consist of various items which are not considered individually material. These items have been assessed for expected credit loss using the general approach in accordance with IFRS 9 and did not result in material expected credit losses. These consist largely of South African Sugar Association local market redistribution accruals as well as bank deposits and receivables, and as a result of the risk associated with default with the counterparty, considered low credit risk.*

[2] *The maximum claim as a result of default across the book in any insurance year is R1,4 billion (2025: R 1,4 billion).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

10. TRADE AND OTHER RECEIVABLES CONTINUED

The Group applies the simplified approach to measuring expected credit losses, in accordance with IFRS 9, on its current trade receivables, which calculates the loss allowance on a lifetime basis.

Individually material trade receivable balances are segregated from the general trade receivables balance and assessed separately for impairment. For both individually material balances and the general trade receivables balance, the expected credit losses were assessed using independent external credit rating scales and specific probability of defaults and loss given defaults.

The expected credit losses recognised on the Group's trade receivables is based on historical write-offs for the preceding five years, and includes individual assessments of external credit ratings and/or annual financial statements of large customers, where appropriate. For the trade receivable balances remaining after individually material balances have been separated, a probability of default for each ageing bucket is calculated and an average loss given default applied.

Loss rates are determined using an element of judgement and include consideration of:

- the actual write-off history over the full period; and
- rule-based loss estimation (i.e. actual write-offs plus amounts still in collection for more than a specific number of months).

Consideration is also given to the length of available default and recovery data history, historical practice on when losses are actually written off, size of the trade receivables book (number of debtors and amounts), data quality and the variations between the measures over time.

	2026 R'000	2025 R'000
General trade receivables subject to matrix approach		
The loss allowance is calculated using the matrix approach based on the total trade receivables balance; segregated for:	**3 018 916**	3 176 808
– Individually material balances (separately assessed)	**(2 162 466)**	(2 034 412)
– Rebate provisions*	**394 747**	335 925
– Receivables with specific financial issues	**(11 895)**	(15 986)
– Sundry debtors considered low risk**	**(12 837)**	(107 621)
Total	**1 226 465**	1 354 714

* *The current and prior year amounts relate to rebate provisions which reduced the trade receivables balance. The trade receivables balance for the general book is therefore adjusted to reflect the gross amount on which an expected credit loss may be incurred. Should a debtor default on payment, any rebates provided for in relation to that debtor will be reversed.*

** *The current year sundry debtors largely relate to receivables from intergroup debtors which are fellow subsidiaries of the Group's ultimate holding company. These are assessed as having minimal or negligible default risk.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

10. TRADE AND OTHER RECEIVABLES CONTINUED

The loss allowance was determined as follows for trade receivables:

JUNE 2026

Individually material balances

Ageing of individually material balances has been taken into account in determining the loss rates for these customers.

	Balance R'000	Loss rate %	Loss allowance R'000
Customer A	**965 271**	**0.0613**	**591**
Customer B	**215 357**	**0.0961**	**207**
Customer C	**199 349**	**0.1371**	**273**
Customer D	**50 002**	**0.0217**	**11**
Customer E	**26 118**	**0.0331**	**9**
Agent 1 (1 day exposure)	**353 536**	**0.0104**	**37**
Agent 1 (more than 1 day exposure)	**350 000**	**0.1011**	**354**
Agent 1 – uninsured balance (more than 1 day exposure)	**2 833**	**0.3204**	**9**
Total	**2 162 466**		**1 491**
Less: VAT on expected credit losses – individually material balances[1]			**(169)**
Loss allowance			**1 322**

[1] *The South African Revenue Service (SARS) permits an input VAT claim in the event of a trade receivable being written off, hence the portion of output VAT declared on these receivables is deemed to be recoverable from SARS.*

The decrease in the loss rates on the individually material customers is mainly driven by the increase in Group insurance cover from 85% to 90%.

GENERAL BOOK

	Current R'000	30 days R'000	60 days R'000	90 days R'000	120 days R'000	Total R'000
Expected loss rate (%)	**0.0825**	**0.3006**	**1.9568**	**12.5261**	**39.7634**	
Gross carrying amount	**881 482**	**321 686**	**21 829**	**936**	**532**	**1 226 465**
Loss allowance based on matrix approach	**727**	**967**	**427**	**117**	**212**	**2 450**
Less: VAT on expected credit losses – general[1]						**(208)**
Loss allowance						**2 242**
Specific provision for expected credit losses – included in trade receivables						**11 484**
Specific provision for expected credit losses – included in other receivables						**10 196**
Total expected credit losses on trade receivables						**25 244**

[1] *The South African Revenue Service (SARS) permits an input VAT claim in the event of a trade receivable being written off, hence the portion of output VAT declared on these receivables is deemed to be recoverable from SARS.*

The decrease in loss rates on the general book are mainly attributable to a less volatile macroeconomic outlook, compared with the upward adjustments applied in the prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

10. TRADE AND OTHER RECEIVABLES CONTINUED

In the prior financial year, the loss allowance was determined as follows for trade receivables:

JUNE 2025

Individually material balances

Ageing of individually material balances has been taken into account in determining the loss rates for these customers.

	Balance R'000	Loss rate %	Loss allowance R'000
Customer A	755 709	0.2131	1 611
Customer B	291 856	0.4381	1 279
Customer C	209 118	0.3066	641
Customer D	69 547	0.1711	119
Customer E	37 114	0.2105	78
Agent 1 (1 day exposure)	320 389	0.0061	20
Agent 1 (more than 1 day exposure)	350 000	0.1200	420
Agent 1 – uninsured balance (more than 1 day exposure)	680	0.3800	3
Total	2 034 412		4 170
Less: VAT on expected credit losses – individually material balances[1]			(448)
Loss allowance			3 722

[1] *The South African Revenue Service (SARS) permits an input VAT claim in the event of a trade receivable being written off, hence the portion of output VAT declared on these receivables is deemed to be recoverable from SARS.*

GENERAL BOOK

	Current R'000	30 days R'000	60 days R'000	90 days R'000	120 days R'000	Total R'000
Expected loss rate (%)	0.1976	0.6027	2.6839	13.5690	9.7929	
Gross carrying amount	1 001 090	336 899	14 958	745	1 022	1 354 714
Loss allowance based on matrix approach	1 978	2 105	405	163	100	4 752
Less: VAT on expected credit losses – general[1]						(424)
Loss allowance						4 327
Specific provision for expected credit losses						8 782
Total expected credit losses on trade receivables						16 831

[1] *The South African Revenue Service (SARS) permits an input VAT claim in the event of a trade receivable being written off, hence the portion of output VAT declared on these receivables is deemed to be recoverable from SARS.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

10. TRADE AND OTHER RECEIVABLES CONTINUED

	2026 R'000	2025 R'000
Reconciliation of loss allowance		
At the beginning of the year	**(16 831)**	(13 119)
Reclassification of loss allowance previously netted off in trade debtors		(1 253)
Increase in general loss allowance recognised in profit or loss during the year	**(110)**	(16 940)
Increase in specific loss allowance recognised in profit or loss during the year	**(23 557)**	(1 365)
Receivables written off during the year as uncollectible	**2 875**	5 489
Unused amounts reversed	**12 379**	10 357
At the end of the year	**(25 244)**	(16 831)
The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:		
Rand	**3 345 609**	3 542 804
USD		17 072
Total	**3 345 609**	3 559 876

All current trade and other receivables are due within one year of the reporting date.

The carrying amount of trade and other receivables approximates their fair values.

11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATION

Assets classified as held for sale relate to the following segments:

	2026 R'000	2025 R'000
Assets		
Sugar	**572**	572
	572	572

RCL FOODS SUGAR AND MILLING PROPRIETARY LIMITED

Land and buildings

During the June 2023 financial year, an agreement was entered into to dispose of a subdivided portion of the farm Thornhill. The transfer of ownership relating to Thornhill is still in process and expected to transfer within the next financial year.

RAINBOW CHICKEN LIMITED

The Rainbow segment was unbundled to shareholders and listed on the Johannesburg Stock Exchange (JSE) effective 1 July 2024. As such, Rainbow was disclosed as "held for sale" in accordance with IFRS 5 in the 2024 financial year and was presented as a discontinued operation.

Based on the agreed selling price of the Rainbow segment, the fair value less costs to sell is higher than the carrying value, and as a result, no write-down was required as at 1 July 2024.

	2026 R'000
Calculation of profit recognised on disposal	
Dividend in specie declared*	**4 250 000**
Carrying amount of net assets held for sale at unbundling date	**(4 066 900)**
Derecognition of non-controlling interest	**15 396**
Profit recognised on disposal	**198 495**

* *The dividend in specie was calculated as the fair value of the net assets of the Rainbow segment in terms of the sale agreement between RCL FOODS Limited and Rainbow Chicken Limited.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATION CONTINUED

VECTOR LOGISTICS PROPRIETARY LIMITED

During the June 2023 financial year, the Vector Logistics segment was classified as a discontinued operation in accordance with IFRS 5, and was subsequently disposed of on 28 August 2023 to EMIF II Investment Proprietary Limited, a subsidiary of Denmark-based A.P. Møller Capital.

The Vector Logistics adjustment to profit on disposal in the prior year of R7,3 million largely relates to the final settlement of the RCL FOODS share options granted to Vector Logistics employees while still in employment at RCL FOODS as per terms of the sale agreement.

12. STATED CAPITAL

Authorised

2 000 000 000 (2025: 2 000 000 000) ordinary shares of no par value.

Issued ordinary shares of no par value:

	Number of shares	2026 R'000	2025 R'000
At the beginning of the year	**897 022 856**	**10 407 236**	10 342 809
Shares issued in terms of share incentive schemes	**2 377 734**	**21 972**	64 427
At the end of the year	**899 400 590**	**10 429 208**	10 407 236

The unissued ordinary shares are under the control of the Directors until the forthcoming Annual General Meeting.

RCL FOODS SHARE APPRECIATION RIGHTS SCHEME

Details of share appreciation rights awarded under this scheme are as follows:

Adjusted award price post unbundling (cents)	Dates rights awarded	Rights at June 2025	Rights exercised during the year	Rights forfeited during the year	Rights at June 2026	Rights exercisable at June 2026
1 190	10 September 2018	**6 038 065**		(6 038 065)		
876	11 March 2019	**198 659**	(198 659)			
942	1 April 2019	**573 051**			**573 051**	**573 051**
696	9 September 2019	**9 237 724**	(4 445 552)		**4 792 172**	**4 792 172**
753	9 March 2020	**997 666**	(997 666)			
599	10 September 2020	**11 915 729**	(2 967 283)		**8 948 446**	**8 948 446**
887	16 November 2021	**13 591 195**	(833 698)	(24 790)	**12 732 707**	**7 533 368**
		42 552 089	(9 442 858)	(6 062 855)	**27 046 376**	**21 847 037**

The RCL FOODS Share Appreciation Rights Scheme provided executive directors and selected employees with conditional rights to receive RCL FOODS ordinary shares, referred to as Share Appreciation Rights (SAR).

Within the limits imposed by the Company's shareholders and the JSE Limited, the Remuneration and Nominations Committee approved and awarded SAR on an annual basis, as well as periodically when either an employee was promoted or a new appointment was made to an appropriate management position. Recipients of SAR became entitled to RCL FOODS shares having a value equal to the increase in the market value of a number of notional RCL FOODS shares. The market value of RCL FOODS shares for the purposes of determining award prices and exercise prices is the volume-weighted average price of RCL FOODS shares traded on the JSE for the five business days immediately preceding the award dates and exercise dates approved by the Remuneration and Nominations Committee.

SAR awards vest after stipulated periods and are exercisable up to a maximum of seven years from the award dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

12. STATED CAPITAL CONTINUED

SAR awards vest as follows:

- 33% – third anniversary of award date
- 33% – fourth anniversary of award date
- 34% – fifth anniversary of award date

On resignation, SAR awards which have not yet vested will lapse and SAR awards which have vested may be exercised before the last day of employment. On retirement, unvested SAR awards vest immediately and all SAR awards may be exercised within 12 months from the date of retirement. On death, unvested SAR awards vest immediately and all SAR awards may be exercised by beneficiaries within 12 months from the date of death.

There were no awards issued in the current and prior year. The Share Appreciation Rights Scheme was replaced during the 2023 financial year, with a value creation plan which is a cash reward not linked to shares.

	2026 R'000	2025 R'000
Weighted average award price of rights in issue at the beginning of the year	**8.05**	11.88
Weighted average award price of rights in issue at the end of the year	**7.59**	8.05
Weighted average award price of rights exercised during the year	**6.92**	7.01
Weighted average award price of rights forfeited during the year	**11.89**	13.08
Weighted average share price at date rights exercised during the year	**9.25**	9.59

The fair values of the SARs are calculated using the binomial options pricing model.

13. SHARE-BASED PAYMENTS RESERVE

	2026 R'000	2025 R'000
Employee share scheme		
At the beginning of the year	**673 387**	687 620
Settlement of exercised rights	**(21 972)**	(46 581)
Value of employee services expensed during the year	**8 983**	32 348
At the end of the year	**660 398**	673 387
BEE transaction		
At the end of the year	**308 593**	308 593
Total share-based payments reserve	**968 991**	981 980

The B-BBEE scheme was closed out in the 2023 financial year, therefore no expense or valuation inputs have been disclosed for the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

14. RETIREMENT BENEFIT OBLIGATIONS

	2026 R'000	2025 R'000
Post-retirement medical benefits	**30 250**	26 228
Post-retirement medical obligation		
The obligation of the Group to pay certain medical aid benefits after retirement is no longer part of the conditions of employment. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit is dependent upon the employee remaining in service until retirement age. The last valuation date was June 2026. The unfunded liability for post-retirement medical aid benefits is determined actuarially each year and comprises:		
At the beginning of the year	**26 228**	27 383
Recognised as expense in the current year	**2 859**	3 442
Interest costs	**2 747**	3 237
Transfer of employees	**(416)**	(391)
Current service costs	**528**	596
Remeasurements:	**3 990**	605
Loss from change in financial assumptions	**3 184**	793
Experience loss/(gain) recognised	**806**	(188)
Benefits paid	**(1 382)**	(1 549)
Settlements[1]	**(1 445)**	(3 653)
At the end of the year	**30 250**	26 228
The principal actuarial assumptions are:		
Discount rate (%)	**8.2 to 9.4**	9.1 to 12.5
Healthcare cost inflation (%)	**5.9 to 6.7**	5.8 to 8.6
Mortality – post-retirement	**	**
Expected contributions for the forthcoming year ending June 2027	**1 562**	1 676

** *PA(90) ultimate table rated down two years plus 1.0% improvement per annum from 2006. The weighted average duration of the liability is between 5 and 12 years (2025: 5 and 13 years).*

[1] *During the current and prior financial years, the obligation relating to certain pensioners were transferred to an insurer, resulting in a settlement reduction of the post-retirement medical aid liability through a voluntary buy-out process.*

The sensitivity of the obligation to changes in the principal assumptions is:

	Impact on obligation		
	Change in assumption	Increase in assumption R'000	Decrease in assumption R'000
Discount rate	**0.5%**	**(1 509)**	**1 646**
Healthcare cost inflation	**1.0%**	**3 614**	**(3 075)**
Post-retirement mortality improvement/(deterioration)	**1 year**	**1 041**	**(1 028)**

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

14. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

RETIREMENT CONTRIBUTION PLANS

Pension and provident fund schemes

The Group contributes towards retirement funds for all permanent employees who are required to be a member of a Group-implemented scheme. These schemes, detailed below, are governed by the Pension Funds Act, 1956. Their assets consist primarily of listed shares, fixed income securities, property investments and money market instruments and are held separately from those of the Group. Each of the schemes' assets are administered by a Board of trustees, each of which includes elected employee representatives.

Defined contribution pension and provident fund schemes

The latest audited financial information of the schemes that are administered by the Group all reflect a validated state of affairs. Amounts charged to the income statement are as follows:

	2026 R'000	2025 R'000
– RCL FOODS Pension Fund	**49 194**	43 874
– RCL FOODS Provident Fund	**171 230**	156 598
– TSB ABSA Retirement Fund	**26 249**	24 575
– SATAWU Provident Fund	**8**	44
– TSB NBC Provident Fund	**10 545**	9 518
Total	**257 226**	234 609

15. INTEREST-BEARING LIABILITIES

	2026 R'000	2025 R'000
Long-term		
Institutional borrowings	**71 458**	36 068
Lease liabilities (refer to note 16)	**318 032**	399 551
Term-funded debt package	**1 500 000**	1 500 000
Loan from Inclusive Farming Partnership Proprietary Limited	**5 579**	7 303
Total	**1 895 069**	1 942 922
Short-term		
Institutional borrowings	**24 774**	10 045
Lease liabilities (refer to note 16)	**139 111**	116 599
Short-term loans from TSGro Farming Service Proprietary Limited	**2 622**	8 171
Current portion of long-term loan from Inclusive Farming Partnership Proprietary Limited	**10 853**	12 872
Short-term loans from Akwandze Agricultural Finance Proprietary Limited	**5 638**	1 612
Total	**182 998**	149 299

Institutional borrowings

During the prior financial year, Foodcorp Proprietary Limited entered into an asset funding facility agreement with Wesbank, a division of RMB to fund the purchase of bread delivery vehicles in the Bread, buns and rolls operating unit. These loans bear interest at the interest rate linked to the South African prime lending rate less a margin at the contract date and have monthly fixed repayment terms and is secured against the vehicles. The effective borrowing rate was 8.6% in the 2026 financial year (2025: 8.86%).

Term-funded debt package

The debt package was successfully refinanced in December 2024 for a period of 5 years extending its maturity to December 2029. The lower R1,5 billion term debt package is considered appropriate for the RCL FOODS Group portfolio, post the exits of Vector Logistics and Rainbow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

15. INTEREST-BEARING LIABILITIES CONTINUED

The details of the loans and the effective interest rate for the year is shown below for the current and prior financial reporting period:

Type	**Carrying amount at 28 June 2026 R'000**	**Term**	**Effective interest rate %**	Carrying amount at 29 June 2025 R'000	Term	Effective interest rate %
Term-funded debt	**1 500 000**	**5 years**	**8.84**	1 500 000	5 years	9.44

The term-funded debt package expires in December 2029, with interest at a rate of three-month JIBAR plus a margin of 1.39%.

The loan profile for the expired and refinanced loan as at each financial year ended is as follows (based on the contractual repayment terms for future years):

Financial year ending	**Capital repayments R'000**	**Refinanced debt package balance R'000**	**Expired debt package balance R'000**
30 June 2024			**1 675 000**
29 June 2025	**(175 000)**	**1 500 000**	
28 June 2026		**1 500 000**	
4 Jul 2027		**1 500 000**	
2 July 2028		**1 500 000**	
1 July 2029		**1 500 000**	
30 June 2030	**(1 500 000)**		

In the event of default on the term-funded debt package, the applicable interest rate will be increased by 2.0% until the default no longer exists.

The terms of the term-funded debt package require lender pre-approval for the following – but not limited to – specified events:

- any acquisition where the entity to be acquired does not have a positive 12-month EBITDA and cash flow, and the purchase price is in excess of R500,0 million;
- any loan or financial support to a community-based joint venture (as defined) as well as Akwandze Agricultural Finance Proprietary Limited is in excess of R1,5 billion during the term of the debt package;
- more than three dividends paid in a financial year;
- any financial indebtedness arising under reverse factoring facilities to facilitate payment on large supplies of commodities in excess of R500,0 million;
- any financial indebtedness in respect of uncommitted contingent sugar funding facilities raised by the South African Sugar Association, related to their financing of carry-over sugar stock at the end of the relevant sugar season, up to a maximum amount of R1,0 billion;
- entering into acquisitions and the payment of dividends requires the Group to meet the financial covenants specified in the term-funded debt package agreement both immediately after the proposed transaction and on a look-forward basis for the next interim and year-end reporting date after the proposed transaction; and
- 0n addition, there are various transactions in the normal course of business which require that the Group remain within the specified financial covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

15. INTEREST-BEARING LIABILITIES CONTINUED

The term-funded debt package requires that the Group comply with the following financial covenants:

	Required	June 2026	June 2025
Senior leverage ratio	**<3.00:1**	**0.4**	0.0
Senior interest cover	**>3.50:1**	**18.9**	21.5

The covenants have been calculated in accordance with the terms of the debt package.

For the year ended June 2026, the Group was within the limits of its financial covenants hence the classification of the loan as non-current is considered appropriate.

Financial ratios are tested at measurement periods as specified in the Senior Facility Agreement (SFA) with the leverage ratio calculated as the ratio of total senior net debt to adjusted EBITDA as defined in the SFA. Senior interest coverage is the ratio of adjusted EBITDA to senior net finance charges as per the SFA. Compliance certificates are provided to our agent for year-end and interim reporting dates.

The obligations in respect of the debt package discussed above, have been guaranteed by Foodcorp Proprietary Limited, RCL FOODS Treasury Proprietary Limited, RCL FOODS Limited, RCL FOODS Sugar and Milling Proprietary Limited and RCL Group Services Proprietary Limited.

The above loans of the term-funded debt package are unsecured.

The fair value of the term-funded debt package at June 2026 amounted to R1,530 billion (2025: R1,533 billion). The fair value is calculated by discounting the future cash flows over the period of the loan and is within Level 2 of the fair value hierarchy. The discount rate is based on the South African Sovereign Zero-Coupon Swap Curve with the contractual margin charged by the lenders as a credit spread.

Loans from Inclusive Farming Partnership Proprietary Limited

During the June 2022 financial year, a loan of R36,0 million was granted by Inclusive Farming Partnership Proprietary Limited. The capital portion of the loan is repayable annually over a period of 8 years in equal instalments and interest is payable annually. The loan bears interest at 3.0% per annum. The loan was revalued at a fair value interest rate of 7.25% per annum and the corresponding deferred income of R1,6 million (2025: R2,4 million) is recognised in the statement of financial position at year-end. The outstanding balance at the end of the year is R16,4 million (2025: R20,2 million). In the current year Libuyile Farming Services Proprietary Limited (Libuyile) and Mgubho Farming Services Proprietary Limited (Mgubho) met the loan covenants and the non-current portion of the outstanding loan balances relating to these entities was reclassified to long-term liabilities.

Inclusive Farming Partnership Proprietary Limited reviews covenant certificates on an annual basis, six months after year-end, and sets out the remedies for events of defaults, including any potential waivers of the financial covenants, at that point in time. During the current and prior year, financial covenants were not met by Sivunosetfu Proprietary Limited and the outstanding balance pertaining to this entity (R9,1 million) was classified as current. Inclusive Farming Partnership Proprietary Limited has not demanded repayment of this loan. The remaining portion of the short-term balance relates to the current portion of the loans owing by Libuyile (R1,1 million) and Mgubho (R0,6 million).

The loan is fully repayable on 31 May 2030.

The carrying amount of these loans approximates their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

15. INTEREST-BEARING LIABILITIES CONTINUED

The loan from Inclusive Farming Partnership Proprietary Limited requires compliance with the following financial covenants:

	Required	June 2026	Required	June 2025
Debt to assets ratio				
– Libuyile Farming Services Proprietary Limited	**<1.5:1**	**0.7**	<1.5:1	0.9
– Sivunosetfu Proprietary Limited	**<1.5:1**	**2.6**	<1.5:1	2.5
– Mgubho Farming Services Proprietary Limited	**<1.5:1**	**0.8**	<1.5:1	1.0
Interest cover				
– Libuyile Farming Services Proprietary Limited	**>1.5:1**	**65.9**	>1.5:1	55.1
– Sivunosetfu Proprietary Limited	**>1.5:1**	**(0.1)**	>1.5:1	0.2
– Mgubho Farming Services Proprietary Limited	**>1.5:1**	**8.4**	>1.5:1	76.4

Financial ratios are tested at measurement periods as specified in the loan agreement with the debt-to-asset ratio calculated as the ratio of total debt to tangible assets and interest coverage being the ratio of EBITDA to finance charges as defined in the loan agreement.

Loans from TSGro Farming Service Proprietary Limited

TSGro Farming Service Proprietary Limited provides farm management, development, engineering and bulk irrigation services to small-scale sugarcane farmers in the Nkomazi area.

The loan from TSGro Farming Service Proprietary Limited amounting to R2,6 million (2025: R8,2 million) is unsecured, payable on demand and bears interest at a variable rate between 6.55% and 7.05% (2025: between 5.1% and 8.05%) per annum.

Loans from Akwandze Agricultural Finance Proprietary Limited

Akwandze Agricultural Finance Proprietary Limited is a joint-venture of the Group. Akwandze Agricultural Finance Proprietary Limited provides production finance and management services to sugarcane growers.

The short-term loan amounting to R5,6 million (2025: R1,6 million) from Akwandze Agricultural Finance Proprietary Limited are unsecured, payable on demand and bear interest at a variable rate of between 6.55% and 7.05% (2025: between 5.1% and 8.05%) per annum.

These loans were guaranteed by RCL FOODS Sugar and Milling Proprietary Limited.

The carrying amount of these loans approximate their fair values.

South African Benchmark Reform

The South African Reserve Bank has introduced the South African Rand Overnight Index Average (ZARONIA) as the replacement benchmark reference rate for the Johannesburg Interbank Agreed Rate (JIBAR), which is scheduled to cease publication following its final publication in December 2026.

Subsequent to financial year-end, on 30 June 2026 (transition date), the Group amended its Senior Facilities Agreement comprising of the term-funded debt borrowing of R1,5 billion to transition from JIBAR to ZARONIA. Effective from the transition date, all existing trades at transition date will be at ZARONIA plus a credit adjustment spread plus the agreed margin. The credit adjustment spread is intended to compensate for differences between the outgoing and replacement benchmark rates and to approximate, as far as practicable, the economic equivalence of the borrowing arrangements following the benchmark transition.

Management expects the amendments to qualify for the practical expedient contained in the Interest Rate Benchmark Reform amendments to IFRS 9 and therefore does not expect any modification gain or loss to arise as a result of the transition. The amendment is considered a non-adjusting event after the reporting period and no adjustment has been made to borrowings recognised at 28 June 2026.

The carrying amounts of items linked to JIBAR have been provided below:

	2026 R'000	2025 R'000
Financial assets		
Interest rate option	**4 407**	463
Financial liabilities		
Term-funded debt	**1 500 000**	1 500 000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

16. LEASES

	2026 R'000	2025 R'000
Assets		
The recognised right-of-use assets relate to the following types of assets:		
Land and Buildings	**162 024**	188 127
Plant and Equipment	**2 816**	3 071
Vehicles	**104 501**	110 274
Total right-of-use assets	**269 341**	301 472
Additions to the right-of-use assets during the current financial year were R57,5 million (2025: R124,8 million).		
For further detail please refer to note 1.		
Liabilities		
Long-term		
Lease liabilities	**318 032**	399 551
Short-term		
Lease liabilities	**139 111**	116 599
Gross lease liabilities – minimum lease payments	**564 828**	653 410
Future finance charges on lease liabilities	**(107 685)**	(137 260)
Present value of lease liabilities	**457 143**	516 150
Due within one year	**139 111**	116 599
Due within two to five years	**250 628**	339 048
Due later than five years	**67 404**	60 503
Total	**457 143**	516 150

For further detail on interest expense relating to the lease liabilities refer to note 21.

Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability has been disclosed in note 20.

The payments relating to the IFRS 16 lease liabilities have been disclosed in note C to the Cash Flow Statement.

Certain property leases in the Sugar segment are linked to local recoverable value prices and are variable in nature.

At 28 June 2026, the Group has future lease commitments in relation to short-term leases of R14,6 million (2025: R13,9 million).

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. No lease payments made in the twelve months to June 2026 and June 2025 were optional. Optional lease payments relate to payments made on leases for which the Group is in the extension option period.

Potential future cash outflows of R222,2 million (2025: R222,2 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

17. TRADE AND OTHER PAYABLES

	2026 R'000	2025 R'000
Long-term		
Other payables	**24 813**	116 661
Total	**24 813**	116 661
Short-term		
Trade payables	**1 800 570**	1 604 637
Accruals	**1 324 275**	1 675 931
Interest-bearing trade payables*	**201 722**	180 164
Other payables	**1 253 900**	1 525 686
Total	**4 580 467**	4 986 418

Other long-term payables relate to the value creation plan long-term incentive scheme implemented during the 2023 financial year which effectively replaces the Share Appreciation Rights Scheme.

The carrying amount of trade and other payables approximate their fair values.

Included in accruals and other payables above are non-financial liabilities of R477,7 million (2025: R876,3 million).

* *Interest-bearing trade payables is the amount which has been settled by RMB in respect of the Group's supplier finance arrangement.*

Supplier finance arrangements:

The Group has entered into a supplier finance arrangement with RMB to manage its working capital more efficiently, resulting in an extension of payment terms on certain suppliers who are on short payment terms of 0 to 7 days to 30 to 37 days, better aligning these suppliers with terms of the majority of other suppliers in the Group. This facility provides an additional form of liquidity to the Group in managing working capital. Under this arrangement, RMB will settle specific approved supplier invoices on behalf of the Group by paying the supplier the invoice value due as per the existing payment terms in operation with the supplier. The Group will then settle RMB on 30 – 37 day terms. The goods must have been received and the invoices approved by the Group in order for RMB to pay the invoices. The Group provides no security to the finance provider.

The Group has total supplier finance facilities of R500,0 million (2025: R500,0 million). The amount which has been settled by RMB is presented within trade and other payables in the consolidated statement of financial position and totals R201,7 million at year-end (2025: R180,2 million). The total balance of the suppliers (settled and unsettled) that are part of the supplier finance arrangement is R201,7 million at year-end (2025: R180,2 million).

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

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2026 R'000	2025 R'000
Rand	**4 587 946**	5 102 283
USD	**15 100**	739
GBP	**224**	57
EUR	**2 010**	
Total	**4 605 280**	5 103 079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

18. DEFERRED INCOME TAX

	2026 R'000	2025 R'000
Deferred income tax liability movement:		
At the beginning of the year	**800 046**	789 368
Charge for the year – income statement	**111 908**	22 546
Credit for the year – other comprehensive income	**(1 004)**	(147)
Prior year underprovision/(overprovision)	**5 999**	(12 357)
Allocated to loss on disposal of discontinued operations		636
At the end of the year	**916 949**	800 046
Deferred income tax liability comprises:		
Trademarks, property, plant and equipment	**1 016 309**	989 190
Right-of-use assets	**60 827**	64 426
Inventories and biological assets	**22 989**	21 272
Provisions	**(154 705)**	(244 871)
Derivative financial instruments	**29**	3 202
Investment in associates	**53 888**	58 886
Finance lease liability	**(98 429)**	(108 628)
Other	**16 041**	16 569
Total	**916 949**	800 046
Deferred tax liability due after 12 months	**1 007 538**	902 474
Deferred tax liability due within 12 months	**(90 589)**	(102 428)
Total	**916 949**	800 046
Deferred income tax asset movement:		
At the beginning of the year	**61 432**	16 910
Charge for the year – income statement	**121**	44 129
Prior year (underprovision)/overprovision	**(2 301)**	393
At the end of the year	**59 252**	61 432
Deferred income tax asset comprises:		
Trademarks, property, plant and equipment	**(11 143)**	(10 710)
Right-of-use assets	**(5 202)**	(9 560)
Provisions	**12 704**	31 759
Losses available for set-off against future taxable income	**50 960**	32 793
Other	**11 933**	17 150
Total	**59 252**	61 432
Deferred tax assets due after 12 months	**45 339**	30 271
Deferred tax assets due within 12 months	**13 913**	31 161
Total	**59 252**	61 432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

18. DEFERRED INCOME TAX CONTINUED

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 27.0% (2025: 27.0%).

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The deferred income tax assets relating to assessed losses in the current and prior years consists mainly of assessed losses relating to Sunshine Bakery Durban Proprietary Limited and Scenic Route Trading 412 Proprietary Limited whose forecasts support the utilisation of the loss in the future.

The Group has total assessed losses amounting to R676,5 million (2025: R564,3 million) and capital losses of R108,3 million (2025: R103,4 million).

Deferred tax assets of R80,4 million (2025: R86,8 million) have not been recognised as it is not envisaged that there will be future taxable profits in the foreseeable future against which the deferred tax asset can be utilised. The unrecognised deferred tax assets relate to the 50% owned sugarcane-grower companies (refer to note 32). The recognition of the deferred tax assets in these companies will be reassessed when performance of the entities begin to show sustained improvement and it appears likely that there will be future taxable profits available to offset these assessed losses. The assessed losses do not have an expiry date. A breakdown of the deferred tax asset not recognised is provided below:

Deferred income tax asset not recognised comprises:

	2026 R'000	2025 R'000
Provisions	**2 572**	3 433
Trademarks, property, plant and equipment	**10 025**	26 512
Inventories and biological assets	**(72 771)**	(73 419)
Assessed loss not recognised as deferred tax asset	**131 733**	119 633
Other	**8 847**	10 639
Total	**80 406**	86 798

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

19. REVENUE

	2026 R'000	*Restated 2025 R'000
Continuing operations		
Disaggregation of revenue		
Revenue from contracts with customers*	**24 043 254**	24 841 582
Groceries	**5 238 222**	5 410 002
Groceries	**4 607 521**	4 831 056
Sundry sales[1]	**630 701**	578 946
Baking	**9 293 400**	9 297 570
Sugar*	**9 432 200**	10 059 764
Group[2]	**290 554**	300 594
Sales between segments[3]	**(211 122)**	(226 348)
Timing of revenue recognition[4]	**24 043 254**	24 841 582
Point in time	**23 754 700**	24 543 110
Over time	**288 554**	298 472
Receipt from SASA*	**455 306**	705 586
Total revenue	**24 498 560**	25 547 168
Major customers		
Revenue from the Group's top five customers is as follows:		
June 2026		
– customer 1	**3 948 698**	
– customer 2	**1 882 532**	
– customer 3	**1 724 473**	
– customer 4	**1 084 335**	
– customer 5	**944 068**	
June 2025		
– customer 1		3 453 169
– customer 2		1 836 574
– customer 3		1 751 401
– customer 4		1 424 183
– customer 5		1 397 875
The above revenue is included in the segments above.		
Customer 1 contributed more than 10% of total revenue and arises from the Groceries, Baking and Sugar segments.		
Analysis of revenue from contracts with customers		
Sale of food products	**22 351 298**	23 109 308
Sale of feed	**1 403 402**	1 433 802
Sale of services	**288 554**	298 472
Total	**24 043 254**	24 841 582

All revenue for continuing operations is earned within South Africa.

[1] *Sundry sales consist of sunflower-oil and cake. The sale of these items arise in the course of the Group's ordinary activities but are considered cost recoveries as they are by-products of the Group's core operations.*

[2] *Group revenue relates to management fees earned for shared services performed for Siqalo Foods Proprietary Limited, LiveKindly Collective Africa Proprietary Limited, Vector Logistics Proprietary Limited and Rainbow Chicken Limited (since the effective date of disposal for both Vector Logistics and Rainbow with the service arrangements terminated in August 2024 and June 2026 respectively).*

[3] *Refer to note 26 for further detail.*

[4] *Revenue recognised at a point in time relates to the sale of goods while revenue recognised over time relates to the sale of services.*

* *Revenue from continuing operations for the prior year was restated for a reclassification between revenue and cost of sales. The prior year reclassification impacts revenue and cost of sales in equal and opposite values and as a result has no impact on gross profit, operating profit, earnings, headline earnings, cash flows or net asset value. Refer to note 34 for further details.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

20. OPERATING PROFIT

	2026 R'000	*Restated 2025 R'000
Continuing operations		
Revenue*	**24 498 560**	25 547 168
Cost of sales*	**(18 867 196)**	(19 500 603)
Gross profit	**5 631 364**	6 046 565
Administration expenses	**(1 411 130)**	(1 685 596)
Selling and marketing expenses	**(1 046 049)**	(1 008 011)
Distribution expenses	**(2 318 339)**	(2 123 719)
Net impairment	**(206 145)**	
Other income	**633 323**	688 769
Operating profit	**1 283 024**	1 918 008
Material and disclosable items – other income:		
Profit on disposal of property, plant and equipment	**1 051**	10 200
Fair value adjustment on biological assets	**422 881**	416 694
Fair value adjustment on derivatives	**48 492**	112 560
Bagasse and electricity income	**40 106**	40 695
Reversal of impairment of loans	**46**	4 734
Foreign exchange gains	**43 094**	25 690
Insurance proceeds	**239**	40 854
Loss allowance reversed – trade receivables	**12 379**	10 357
Storage income	**12 233**	16 650
Rental income – operating leases	**10 137**	8 653
Material and disclosable items – expenses:		
Technical consultants and legal fees	**117 224**	94 306
Fair value adjustment on derivatives	**59 088**	56 027
Net impairment on property plant and equipment, intangible assets and goodwill	**206 076**	
– impairment of intangible assets	**87 291**	
– impairment of goodwill	**118 785**	
Loss allowance – loans receivable	**115**	1 753
Lease payments	**227 928**	225 004
– low-value lease expense	**297**	390
– variable lease payments	**160 586**	156 228
– short-term lease expense	**67 045**	68 386

* *Revenue and cost of sales from continuing operations for the prior year was restated for a reclassification between revenue and cost of sales. The prior year reclassification impacts revenue and cost of sales in equal and opposite values and as a result has no impact on gross profit, operating profit, earnings, headline earnings, cash flows or net asset value. Refer to note 34 for further details.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

20. OPERATING PROFIT CONTINUED

	2026 R'000	*Restated 2025 R'000
Continuing operations		
Loss allowance raised – trade receivables	**23 667**	18 306
Foreign exchange losses	**10 214**	8 209
Inventory expense*	**13 727 817**	14 533 555
Fuel and gas	**320 452**	309 797
Utilities	**966 821**	934 419
Repairs and maintenance expense	**845 114**	834 340
Loss on disposal of property, plant and equipment and intangible assets	**8 672**	14 803
Directors' remuneration**	**15 594**	68 666
– executive**	**16 745**	15 940
– executive – short-term incentive**		18 129
– executive – long-term incentive**	**(9 107)**	27 139
– non-executive	**7 955**	7 458
Staff costs	**3 677 390**	3 948 111
– salaries and wages	**3 243 104**	3 492 358
– share-based payments	**8 982**	32 348
– retirement benefit costs	**257 226**	234 609
– other post-employment benefits	**1 995**	2 333
– retrenchment costs	**14 574**	8 266
– other	**151 509**	178 197
Administration fee paid to Group holding company	**24 920**	23 621
Auditors' remuneration	**26 202**	27 287
– fees for the audit[1]	**23 641**	22 603
– prior year underprovision	**1 124**	3 021
– disbursements	**332**	256
– fees for other services	**1 105**	1 406

[1] *Total fees incurred during the 2026 financial year to Ernst & Young Inc. were R24,7 million (2025: R24,0 million) from continuing operations, R1,1 million (2025: R1,4 million) of which related to non-audit services of agreed-upon procedures compliance audits.*

* *Revenue and cost of sales from continuing operations for the prior year was restated for a reclassification between revenue and cost of sales. The prior year reclassification impacts revenue and cost of sales in equal and opposite values and as a result has no impact on gross profit, operating profit, earnings, headline earnings, cash flows or net asset value. Refer to note 34 for further details.*

** *Prior year comparative figures relating to directors' remuneration have been restated to reflect short-term employee benefit expenses and movements in the VCP long-term incentive recognised or reversed during the year, rather than the incentive-related cash settlements made during the period and to include cell phone allowances. The restatement affects presentation only and has no impact on profit or loss or net equity.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

21. FINANCE COSTS

	2026 R'000	2025 R'000
Continuing operations		
Interest – financial institutions	**134 693**	151 552
Fair value adjustment on interest rate hedge		2 472
Transaction costs on term-funded debt and other fees	**3 464**	12 122
Interest – holding company, joint ventures and associates	**3 649**	2 776
Interest on lease liabilities	**46 024**	52 429
Interest – other*	**27 371**	16 189
Total	**215 201**	237 540

* *An amount of R2,5 million (2025: R1,1 million) relating to fees incurred on the supply chain financing agreement with RMB is included in interest – other expense.*

Finance costs incurred on borrowings from financial institutions, lease liabilities and other is calculated using the effective interest method.

22. FINANCE INCOME

	2026 R'000	2025 R'000
Continuing operations		
Interest – financial institutions	**39 680**	58 755
Fair value adjustment on interest rate hedge	**2 545**	
Interest – holding company, joint ventures and associates	**2 038**	1 513
Interest – other	**18 454**	23 003
Total	**62 717**	83 271

Finance income earned is calculated using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

23. INCOME TAX EXPENSE

	2026 R'000	2025 R'000
Current tax	**234 288**	466 165
South African	**241 512**	451 432
Foreign	**3 855**	12 151
Prior year (overprovision)/underprovision	**(11 079)**	2 582
Deferred tax	**120 087**	(34 333)
South African	**111 787**	(21 583)
Prior year underprovision/(overprovision)	**8 300**	(12 750)
Total	**354 375**	431 832
Reconciliation of tax rate:		
Profit before tax	**1 122 646**	1 891 950
Tax charge at 27%	**303 114**	510 827
– capital gains and losses, recoupments and non-deductible scrapping losses	**320**	(1 175)
– foreign taxation	**3 855**	12 151
– share of associates' losses/(profits)	**10 052**	(25 228)
– share of joint ventures' profits	**(7 921)**	(9 389)
– non-taxable income	**(4 790)**	(7 703)
– prior year (overprovision)/underprovision – current	**(11 079)**	2 582
– prior year underprovision/(overprovision) – deferred	**8 300**	(12 750)
– non-taxable reversal of impairment of loan	**(12)**	(1 278)
– non-deductible impairment of loan	**31**	473
– non-taxable profit on disposal of assets	**(284)**	
– non-deductible loss on disposal of assets	**2 341**	2 449
– unrecognised deferred tax on losses made		596
– utilisation of assessed tax losses (for which no deferred tax asset was raised)	**(6 369)**	(25 400)
– withholding tax on undistributed (losses)/profits of associate	**(4 998)**	1 773
– tax effects of share options accounting (deductions on exercises and non-deductible IFRS 2 charges)	**19 374**	(22 698)
– non-deductible depreciation and amortisation	**1 459**	1 683
– Section 11D deduction – research and development	**(4 574)**	(3 985)
– non-deductible listed company expenses	**3 391**	3 758
– non-deductible impairment of goodwill and intangible assets	**32 072**	
– non-deductible consulting and legal fees	**7 885**	3 551
– other non-deductible items	**2 208**	1 595
Tax charge	**354 375**	431 832

The tax effects relating to items of other comprehensive income are disclosed on the face of the statement of other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

24. EARNINGS AND HEADLINE EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

Diluted

Diluted earnings are calculated using the fully diluted weighted average ordinary shares in issue. Dilution is due to shares offered, but not paid and delivered to participants in the Share Appreciation Rights Scheme (refer to note 12). A calculation is performed to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding scheme shares. The number of shares calculated below is compared with the number of shares that would have been issued assuming the exercise of the share scheme options.

		2026 R'000	2025 R'000
Earnings			
Profit attributable to equity holders of the Company		**755 740**	1 609 361
– Profit from continuing operations		**755 740**	1 418 116
– Profit from discontinued operations			191 245
Weighted average number of ordinary shares in issue			
Weighted average number of ordinary shares in issue – basic earnings per share	(000)	**898 297**	893 835
Share option dilution impact	(000)	**4 629**	6 903
Weighted average number of shares – diluted earnings per share	(000)	**902 926**	900 738

	Gross* R'000	Net R'000
Headline earnings – June 2026		
Headline earnings reconciliation:		
Continuing operations		
Profit for the year attributable to equity holders of the Company		**755 740**
Net impairments	**206 076**	**182 507**
Profit on disposal of property, plant and equipment	**(1 051)**	**(767)**
Loss on disposal of property, plant and equipment and intangible assets	**7 968**	**6 007**
Loss on disposal of property, plant and equipment included in equity-accounted earnings of associate	**464**	**348**
Loss on disposal of property, plant and equipment included in equity-accounted earnings of joint venture	**5**	**3**
Headline earnings		**943 839**

* *Pre-tax amounts attributable to equity holders of the Company.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

24. EARNINGS AND HEADLINE EARNINGS PER SHARE CONTINUED

	Gross* R'000	Net R'000
Headline earnings – June 2025		
Headline earnings reconciliation:		
Continuing operations		
Profit for the year attributable to equity holders of the Company		1 418 116
Insurance proceeds on fixed assets	(30 826)	(25 119)
Profit on disposal of property, plant and equipment	(9 725)	(7 228)
Loss on disposal of property, plant and equipment and intangible assets	14 167	10 595
Net impairments included in equity-accounted earnings of associates	1 089	817
Profit on disposal of property, plant and equipment included in equity-accounted earnings of associates	(293)	(220)
Loss on disposal of property, plant and equipment included in equity-accounted earnings of joint venture	5	4
Headline earnings		1 396 965
Discontinued operations		
Profit for the year attributable to equity holders of the Company		191 245
Profit on disposal of subsidiary classified as held for sale (Rainbow)	(198 495)	(198 495)
Adjustment to profit on disposal of subsidiary classified as held for sale (Vector Logistics)	7 250	7 250
Headline earnings		
Headline earnings from total operations		1 396 965

* *Pre-tax amounts attributable to equity holders of the Company.*

	2026 cents	2025 cents
Earnings per share		
Basic	**84.1**	180.1
– from continuing operations	**84.1**	158.7
– from discontinued operations		21.4
Diluted	**83.7**	178.6
– from continuing operations	**83.7**	157.4
– from discontinued operations		21.2
Headline earnings per share		
Basic	**105.1**	156.3
– from continuing operations	**105.1**	156.3
– from discontinued operations		
Diluted	**104.5**	155.1
– from continuing operations	**104.5**	155.1
– from discontinued operations		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

25. DIVIDENDS PER SHARE

	2026 R'000	2025 R'000
Interim – paid: 15.0 cents (2025: 20.0 cents)	**134 822**	179 394
Final[1] – declared: 25.0 cents (2025: 40.0 cents)	**224 953**	358 887
Total: 40.0 cents (2025: 60.0 cents)	**359 775**	538 281

A final dividend of 25.0 cents per share was declared for the financial period ended June 2026. The dividend will be paid on 19 October 2026. The last date to trade to receive a dividend will be 13 October 2026. The RCL FOODS share will commence trading "ex" dividend from the commencement of business on 14 October 2026 and the record date will be 16 October 2026.

[1] *Since the final dividend was declared subsequent to year-end, it has not been provided for in the consolidated financial statements.*

26. OPERATING SEGMENTS

The Chief Executive Officer (CEO) is the Chief Operating Decision-Maker. The CEO assesses the performance of the operating segments based on operating profit before depreciation, amortisation and impairment (EBITDA) and operating profit (EBIT) and for joint ventures and associates based on their earnings after tax.

The Group further considers whether additional income and expense line items are necessary and material to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environment in which it operates. In this regard, the Group has, from the current year, disclosed cost of sales by segment, with comparative information presented for the prior year. This disclosure enables users to assess the proportion of total costs attributable to production activities within each segment. Being a manufacturing organisation, the bulk of our costs are production costs (cost of sales) largely.

RCL FOODS is made up of the following segments:

- Groceries: Culinary (includes Mayonnaise, Peanut Butter, Rusks, etc), Pet Food and Beverages operations;
- Baking: including the Milling, Speciality, Pieman's, Sunbake and Sunshine bakeries and Buns and Rolls; and
- Sugar: including Sugar and molasses-based feed (Molatek) operations.

The Rainbow segment, which was unbundled on 1 July 2024, included the chicken business, grain-based feed (EPOL and Driehoek) and Waste-to-Value operations.

The Vector Logistics segment which was disposed in a previous year, provided RCL FOODS and numerous third parties with multi-temperature warehousing and distribution, supply chain intelligence and sales solutions.

LKCA refers to the Group's investment in LiveKindly Collective Africa Proprietary Limited.

Transactions between segments are accounted for under the IFRS Accounting Standards in the individual segments.

Direct exports are not considered material in relation to total revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

26. OPERATING SEGMENTS CONTINUED

	2026 R'000	*Restated 2025 R'000
Continuing operations		
Revenue	**24 498 560**	25 547 168
Groceries	**5 238 222**	5 410 002
Baking	**9 293 400**	9 297 570
Sugar	**9 887 506**	10 765 350
Group[1]	**290 554**	300 594
Groceries sales to Baking	**(8 236)**	(6 947)
Groceries sales to Sugar	**(2 519)**	(2 563)
Groceries sales to Group	**(3 044)**	(2 817)
Baking sales to Groceries	**(56 001)**	(72 447)
Baking sales to Sugar	**(3 258)**	(1 782)
Baking sales to Group	**(952)**	(107)
Sugar sales to Groceries	**(103 185)**	(105 393)
Sugar sales to Baking	**(33 795)**	(34 112)
Sugar sales to Group	**(132)**	(180)
Cost of sales	**(18 867 196)**	(19 500 603)
Groceries	**(3 705 617)**	(3 717 853)
Baking	**(6 401 152)**	(6 459 370)
Sugar	**(8 964 243)**	(9 539 200)
Group	**(6 421)**	(10 527)
Sales between segments	**210 237**	226 348
Operating profit before depreciation, amortisation and impairments (EBITDA)[2]	**2 174 386**	2 562 695
Groceries	**465 531**	630 224
Baking	**924 044**	802 362
Sugar	**754 631**	1 094 409
Group[3]	**69 072**	100 721
Unallocated restructuring costs[4]	**(38 892)**	(65 021)
Depreciation and amortisation	**(685 286)**	(644 687)
Impairments[5]	**(206 076)**	
Operating profit[6]	**1 283 024**	1 918 008
Groceries	**362 232**	525 440
Baking	**475 098**	564 573
Sugar	**463 131**	833 472
Group[2]	**21 455**	59 544
Unallocated restructuring costs[4]	**(38 892)**	(65 021)
Finance costs	**(215 201)**	(237 540)
Finance income	**62 717**	83 271
Share of profits of joint ventures	**29 337**	34 774
Sugar	**29 337**	34 774
Share of profits/(loss) of associates	**(37 231)**	93 437
Sugar	**(32 396)**	94 804
LiveKindly Collective Africa	**(4 835)**	(1 367)
Profit before tax	**1 122 646**	1 891 950

[1] *Group revenue relates to management fees earned for shared services performed for Siqalo Foods Proprietary Limited, LiveKindly Collective Africa Proprietary Limited, Vector Logistics Proprietary Limited and Rainbow Chicken Limited (since the effective date of disposal for both Vector Logistics and Rainbow with the service arrangements terminated in August 2024 and June 2026 respectively).*

[2] *Includes net expected credit losses raised on loans receivable and trade and other receivables of R11,4 million (2025: R5,0 million raised). Refer to notes 6 and 10 for further detail.*

[3] *Includes the operating costs of RCL FOODS Limited and RCL Group Services Proprietary Limited (shared services portion only), profit from management fees earned on shared services functions for Siqalo Foods Proprietary Limited, LiveKindly Collective Africa Proprietary Limited, Vector Logistics Proprietary Limited and Rainbow Chicken Limited (since the effective date of disposal for both Vector Logistics and Rainbow with the service arrangements terminated in August 2024 and June 2026 respectively).*

[4] *Unallocated costs following the separation of the Rainbow and Vector Logistics businesses.*

[5] *Impairments relate only to impairments of goodwill and intangible assets.*

[6] *Operating profit for each segment includes an aggregation of revenue less cost of sales, administration expenses, selling and marketing expenses, distribution expenses, net impairments and includes other income.*

* *Revenue and cost of sales from continuing operations for the prior year was restated for a reclassification between revenue and cost of sales. The prior year reclassification impacts revenue and cost of sales in equal and opposite values and as a result has no impact on gross profit, operating profit, earnings, headline earnings, cash flows or net asset value. Refer to note 34 for further details.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

26. OPERATING SEGMENTS CONTINUED

	2026 R'000	2025 R'000
Discontinued operations[1]		
Adjustment to profit on disposal of discontinued operations (Vector Logistics)		(7 250)
Profit on disposal of discontinued operations (Rainbow)		198 495
Operating profit		191 245
Rainbow		198 495
Vector Logistics		(7 250)
Profit before tax		191 245
– from Rainbow		198 495
– from Vector Logistics		(7 250)

[1] *Relates to Vector Logistics and Rainbow segments.*

	2026 R'000	2025 R'000
Assets		
Groceries	**3 795 259**	3 932 550
Baking	**6 343 813**	6 327 805
Sugar[1]	**6 889 301**	6 290 180
Unallocated Group assets[2]	**1 220 419**	2 005 615
LiveKindly Collective Africa	**150 563**	155 398
Set-off of inter-segment balances	**(37 956)**	(48 317)
Sub-total: Pre assets held for sale	**18 361 399**	18 663 231
Sugar – disposal group held for sale	**572**	572
Total per statement of financial position	**18 361 971**	18 663 803
Liabilities		
Groceries	**1 353 822**	1 510 110
Baking	**2 192 806**	2 065 851
Sugar	**2 277 727**	2 635 178
Unallocated Group liabilities[2]	**1 906 418**	2 114 362
Set-off of inter-segment balances	**(37 956)**	(48 317)
Total per statement of financial position	**7 692 817**	8 277 184

[1] *Includes foreign investments in Mananga Sugar Packers Proprietary Limited and The Royal Eswatini Sugar Corporation. Refer to notes 4 and 5 respectively for further detail. No other material non-current assets held outside South Africa.*

[2] *Includes assets and liabilities of the Group treasury and shared services, operations, and consolidation entries.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

26. OPERATING SEGMENTS CONTINUED

	2026 R'000	2025 R'000
Additions to property, plant and equipment and intangible assets		
Groceries		
Property, plant and equipment[1]	**225 500**	150 194
Intangible assets	**2 296**	
Baking		
Property, plant and equipment[1]	**341 746**	402 827
Intangible assets	**626**	551
Sugar		
Property, plant and equipment[1]	**528 294**	456 777
Intangible assets	**6 441**	4 343
Unallocated group segment[2]		
Property, plant and equipment[1]	**45 337**	60 469
Intangible assets	**31 957**	
Impairment losses[3]		
Baking	**206 076**	
Depreciation and amortisation		
Groceries	**103 299**	104 784
Baking	**242 870**	237 789
Sugar	**291 500**	260 938
Unallocated segment[2]	**47 617**	41 176

1 *Property, plant and equipment additions include the right-of-use assets recognised in accordance with IFRS 16.*
2 *Includes capital expenditure, depreciation and amortisation of Shared Services, a division of RCL Group Services Proprietary Limited.*
3 *These impairments relate only to impairments of property, plant and equipment, goodwill, right-of-use assets and intangible assets.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

This note presents information about the Group's exposure to financial risks, the Group's objectives, policies and processes for measuring and managing these risks and the Group's management of capital.

The Group's financial instruments consist primarily of cash and cash equivalents, derivatives, loans receivable, investments in financial assets, trade and other receivables and payables and interest-bearing liabilities. In the normal course of business, the Group is exposed to credit, liquidity and market risk. In order to manage certain of these risks, the Group may enter into transactions which make use of derivatives. These include forward exchange contracts, currency futures and options and commodity futures and options. A separate committee is used to manage the risks and the hedging activities of the Group. The Group does not speculate in derivative instruments.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee which is responsible for developing and monitoring the Group's risk management policies. The Risk Committee reports regularly to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees the Group's risk management processes and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

A portion of the Group's trade payables relating to certain suppliers within the Baking and Groceries segments are included in the Group's supplier finance arrangement with the principal purpose of managing working capital. This arrangement allows the Group to obtain payment terms for these suppliers that better align with the payment terms agreed with other non-participating suppliers. Management does not consider the supplier finance arrangement to result in excessive concentrations of liquidity risk, and the arrangement has been established to improve the Group's working capital position and cash flow, rather than to obtain financing. Please refer to notes 17 and 21 for further disclosures about the arrangement.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, loans receivable, cash and cash equivalents and derivative financial instruments.

The Group's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The terms granted to trade debtors are determined by the respective credit policies of each operating subsidiary. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable (refer to note 10) and amounts guaranteed as disclosed in this note.

In the current year 86.0% (2025: 84.8%) of the Group's trade and other receivables, which have not been specifically impaired, have been covered by credit insurance. The continuing operations trade debtors are covered by Lombard Trade Credit and Credeq Africa on all debtors balances in excess of R50 000 which covered 96.1% of their debtors in the current financial year (2025: 95.6%). A portion of the trade debtors represent large retail customers assessed as being at a low risk of default. The Beverages, Pieman's and Speciality operating units' trade debtors are managed by Vector Logistics but are subject to the cover that RCL FOODS has in place. Credit insurance premiums are paid on a monthly basis based on net invoiced sales. The credit policy requires each new customer to be analysed individually for creditworthiness before delivery and payment terms are offered. The Group's review includes external ratings where available and in some cases bank references. Limits are established for each customer which represents the maximum trading amount without requiring further approval. These limits are reviewed on an ongoing basis. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a cash basis. Customers that default on payments are closely monitored and put on "stop supply" if required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT CONTINUED

Credit risk continued

For the individually material top five debtors (excluding agents), which comprised 48.2% (2025: 42.9%) of trade receivables, ECL rates on insured balances ranged from 0.02% to 0.13% (2025: 0.17% to 0.43%). Credit ratings for these debtors ranged from B1 to Baa3, indicating credit quality from higher speculative risk to moderate credit risk, with the majority of exposures remaining within an acceptable credit risk profile. The lower ECL rates recognised in the current year were further supported by an increase in insurance cover from 85.0% to 90.0%, which reduced the Group's exposure to credit losses.

To comply with IFRS 9, the Group's expected trade receivable credit loss estimations utilise Moody's Analytics' ImpairmentCalc and GCorr suite, which applies a probability-weighted approach to South African macroeconomic forecasts. The methodology incorporates three economic scenarios: the Baseline Outlook (40%), Stronger Near-Term Rebound (30%) and Moderate Recession (30%). The framework considers both public and private sector default data and adjusts for industry-specific sensitivities to macroeconomic conditions. Forward-looking impairment estimates are derived using Moody's proprietary macroeconomic models and forecast scenarios, with forecast Gross Domestic Product (GDP) growth for the year to Q1 2027 ranging from negative 2.08% to positive 2.91%, and a baseline forecast of 1.59%. This provides an IFRS 9-compliant basis for incorporating forward-looking information into expected credit loss calculations.

The increase in expected credit losses for trade receivables was primarily attributable to higher specific loss allowances recognised for certain debtors following individual assessments that identified indicators of increased credit risk in the current period.

The Group considers a financial asset in default when contractual payments and claims are not settled in terms of the trade agreements applicable. However, in certain cases, the Group may also consider a financial asset in default when internal (current profitability and forward-looking information) and external (current and future state of industry and macroeconomic factors) information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. This information is also considered when loans are individually assessed for write-offs when there is no reasonable expectation of recovering the contractual cash flows or if recovery procedures have proven unsuccessful and further action is either not cost effective nor highly likely to succeed.

The majority of the Group's loans receivable are with related parties (joint ventures or associates of the Group). The Group has access to the financial information of these entities in order to assess their financial position and credit worthiness and is used as part of the basis for calculating the expected credit loss. The credit risk is considered to be limited due to the immaterial loan receivable balance. Refer to note 6 for further detail.

Due to the short-term nature of these assets and based on historical experience, cash and cash equivalents are regarded as having a low probability of default and therefore the related expected credit loss is deemed not significant. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. Macroeconomic factors have been considered in assessing the credit risk of the Group's cash and cash equivalents, however, the impact of changes in economic conditions is not expected to be material on the expected credit loss.

The table below shows the cash and cash equivalents allocated in terms of bank rating. These ratings are based on Moody's bank ratings.

	2026 R'000	2025 R'000
Rating		
P-3[1]	**803 131**	1 639 923
Cash on hand	**4 374**	387
Total	**807 505**	1 640 310

[1] *Credit ratings for financial institutions have been obtained from Moody's. Issuers, or supporting institutions, rated Prime-3 have an acceptable ability to repay short-term obligations.*

Derivative instruments are limited to transactions with financial institutions with an acceptable credit rating.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT CONTINUED

Liquidity risk

The Group actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Its unutilised borrowing capacity at year-end is R2 350,0 million (2025: R2 350,0 million). The Group refinanced the term-funded debt package in December 2024 and is comfortable it provides adequate funding for the size of Group. Working capital balances, which are expected to be realised within the next twelve months, are actively managed and monitored in order to ensure recoverability. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding through draw-down availability under committed and uncommitted credit lines. Management monitors rolling forecasts of the Group's cash and cash equivalents requirements on the basis of expected cash flow. Forecasts are prepared for both shorter-term periods in order to ensure that sufficient funds are available for day-to-day operational requirements of the entity and longer-term periods to further assess liquidity risk and cash availability related to growth strategies and capital projects.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would constitute an event of default and permit the bank to immediately call loans and borrowings upon demand. While there have been breaches of the financial covenants of interest-bearing loans and borrowings in the current and prior period by certain RCL FOODS Sugar and Milling farming subsidiaries, given the values of the loans subject to the breach, the liquidity of the Group is not expected to be compromised. Please refer to note 15 for further details.

The Group's current trade and other payables are all due within one year and the impact of discounting them is not significant.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Carrying value R'000	Less than one year R'000	One to two years R'000	Two to three years R'000	Greater than three years R'000	Total R'000
2026						
Interest-bearing liabilities – non-current	**1 577 037**	**130 188**	**161 461**	**161 756**	**1 575 037**	**2 028 442**
Interest-bearing liabilities – current	**43 887**	**53 680**				**53 680**
Lease liabilities – non-current	**318 032**		**152 598**	**104 083**	**131 100**	**387 781**
Lease liabilities – current	**139 111**	**177 047**				**177 047**
Trade and other payables	**4 127 549**	**4 127 549**				**4 127 549**
Derivative financial liabilities	**1 503**	**1 503**				**1 503**
Total	**6 207 119**	**4 489 967**	**314 059**	**265 840**	**1 706 137**	**6 776 002**
2025						
Interest-bearing liabilities – non-current	1 543 371	96 036	171 556	144 144	1 717 182	2 128 918
Interest-bearing liabilities – current	32 700	37 020				37 020
Lease liabilities – non-current	399 551		144 740	142 330	205 181	492 251
Lease liabilities – current	116 599	161 159				161 159
Trade and other payables	4 226 681	4 226 681				4 226 681
Derivative financial liabilities	270	270				270
Total	6 319 173	4 521 167	316 296	286 473	1 922 364	7 046 300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT CONTINUED

Market risk

Interest rate risk

The Group is exposed to interest rate risk on its cash and cash equivalents, loans receivable and interest-bearing liabilities, which can have an impact on the cash flows stemming from these instruments. The exposure to interest rate risk is managed through the Group's Board as well as the respective subsidiary companies by using counterparties that offer the best rates which enables the Group to maximise returns while minimising risk. The effective interest rate for the year was 8.9% (2025: 9.4%).

In the prior year the Group entered into an interest rate hedge with Investec Bank Limited for a notional value of R500,0 million on the term-debt package with an absolute strike rate of 8.5%. The option is effective for two years, from 1 December 2025 to 1 December 2027.

During the current financial year, the Group entered into interest rate hedge with Investec Bank Limited. This hedge, applied to a notional value of R500,0 million on the term-debt package, has an absolute strike rate of 7.25% on the cap and 6.0% on the floor. The option is effective for two years, from 1 December 2026 to 1 December 2028.

The amounts below represent the fair value of the interest rate hedge derivative instruments which represent the maximum exposure to credit risk at financial year-end. The fair value of the interest rate options is determined using the appropriate option pricing model that takes into account the volatility of the underlying instrument.

	2026 R'000	2025 R'000
December 2025 to December 2027 interest rate hedge – cap	**504**	462
December 2026 to December 2028 interest rate hedge – cap/floor	**3 903**	

The impact of a 3.0% increase in interest rates on the total Group borrowing facilities will result in additional finance costs of R46,5 million (2025: R62,8 million). The impact of a 3.0% increase in interest rates on positive cash balances will result in additional finance income of R24,9 million (2025: R49,6 million). The net impact as such will result in additional finance costs of R21,6 million for the forthcoming financial year (2025: R13,2 million) and a decrease in profit after tax of R15,8 million (2025: R9,6 million). The sensitivity has been performed on material balances subject to interest rate risk and includes the savings on the interest rate options. The profit/(loss) impacts calculated above agree to the net impact on equity.

Foreign currency risk

In the normal course of business the Group enters into transactions denominated in foreign currencies. Trade and other payables include net payables of R12,4 million (2025: R0,8 million), trade and other receivables include net receivables of Rnil (2025: R17,1 million) in respect of sales and purchases in foreign currencies and cash and cash equivalents include cash balances of R51,9 million (2025: R2,9 million) relating to cash denominated in foreign currency. The currencies predominantly traded in by the Group are USD, GBP and EUR. As a result, the Group is subject to exposure from fluctuations in foreign currency exchange rates. The Group utilises forward exchange contracts, currency futures and options to minimise foreign currency exchange risk in terms of its Risk Management Policy. All forward exchange contracts, futures and currency options are supported by underlying transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT CONTINUED

Market risk continued

Foreign currency risk continued

Forward exchange contracts, currency futures and options that do not constitute designated hedges of currency risk at the end of the year are summarised as follows:

	Average rate R	Foreign contract amount '000	Fair value of FECs R'000
June 2026			
USD FECs – assets*	**17.00**	**61 105**	**403**
USD FECs – liabilities*	**16.00**	**(196 474)**	**(1 284)**
GBP currency options – assets*		**376**	
GBP currency options – liabilities*		**(752)**	
June 2025			
USD FECs – assets*	18.90	13 100	12 126
USD FECs – liabilities*	18.07	(5 150)	(270)
USD currency options – assets*		4 100	
USD currency options – liabilities*		(8 100)	

* *Certain of these contracts and options have a zero fair value at year-end as they are settled daily on Yield-X.*

Refer to the following table for sensitivity of future (post-tax) income statement impacts arising on the maturity of forward exchange contracts, currency futures, trade payables, trade receivables and cash and cash equivalents. The profit/(loss) impacts calculated below agree to the net impact on equity.

Profit/(loss) as a result of a movement of the USD and GBP at June assuming the spot price remains constant thereafter until the maturity of the contracts and balances:

	2026 R'000	2025 R'000
Forward exchange contracts, currency futures and options		
10% increase in the value of the USD against the Rand	**(21 631)**	(29 462)
10% decrease in the value of the USD against the Rand	**21 631**	29 572
10% increase in the value of the GBP against the Rand	**604**	
10% decrease in the value of the GBP against the Rand	**(606)**	
Trade receivables		
10% increase in the value of the USD against the Rand		1 708
10% decrease in the value of the USD against the Rand		(1 707)
Cash and cash equivalents		
10% increase in the value of the USD against the Rand	**3 790**	285
10% decrease in the value of the USD against the Rand	**(3 790)**	(285)
Trade payables		
10% increase in the value of the USD against the Rand	**(401)**	(33)
10% decrease in the value of the USD against the Rand	**401**	33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT CONTINUED

Commodity price and procurement risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings from fluctuations in the prices of commodities. To stabilise prices for the Group's substantial commodity requirements, derivative instruments, including forward contracts, commodity options and futures contracts are used to hedge its exposure to commodity price risk.

The overriding directive is to minimise commodity price volatility in order to meet forecast requirements, ideally at the lowest cost for both internal and for external sales. Call and put options are utilised within this framework to manage commodity requirements and supply. The use of written options is restricted to the purposes of fixing forward requirements.

The overall procurement strategy and net positions are reported monthly to the oversight committees and quarterly to the executive leadership team. The oversight committees are responsible for approving mandates for the procurement teams. The daily trading activities by the procurement teams are restricted to the approvals obtained, which sets price and volume parameters for trades.

Wheat, sunflower and maize*

Refer to the table below for sensitivity of future (post-tax) income statement impact arising on the maturity of wheat, sunflower and maize derivative contracts.

Diesel

The diesel hedge in the prior year consisted of call and put gasoil options with lender banks.

This analysis represents the impact on profit/(loss) and equity as a result of a parallel shift in the forward curve (up and down) on the value of the hedged positions of the underlying commodities at June.

	2026 R'000
Sunflower seeds – 15% increase	**15 728**
Sunflower seeds – 15% decrease	**(15 728)**
Maize – 20% increase	**1 268**
Maize – 20% decrease	**(1 268)**
Wheat – 10% increase	**52 956**
Wheat – 10% decrease	**(52 956)**

	2025 R'000
Sunflower seeds – 25% increase	85 400
Sunflower seeds – 25% decrease	(85 400)
Maize – 20% increase	1 933
Maize – 20% decrease	(1 933)
Wheat – 15% increase	30 270
Wheat – 15% decrease	(30 270)
Diesel – 20% increase	2 407
Diesel – 20% decrease	(2 407)

* *Certain of these contracts and options have a zero fair value at year-end as they are settled daily on SAFEX.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT CONTINUED

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain the future development needs of the business. The Board monitors both the spread of shareholders return on equity (which is defined as profit for the year expressed as a percentage of average total equity) and the level of dividends paid to shareholders.

The Group monitors capital on the basis of the carrying amount of equity plus its interest-bearing facilities, less cash and cash equivalents as presented in the consolidated statement of financial position. Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. Refer to liquidity management and note 15 for details of borrowing facilities and external imposed capital requirements and breaches, if any.

The Group targets a return on invested capital (ROIC) in excess of its weighted average cost of capital (WACC). ROIC from continuing operations declined to 7.4% in 2026 (2025: 14.5%), reflecting reduced profitability during the year.

The Group has established a supplier finance arrangement to help further manage its working capital. Refer to note 17.

There were no changes to the Group's approach to capital management during the year.

Fair value estimation

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The following table presents the Group's assets and liabilities that are measured at fair value at June.

	Level 2 R'000	Level 3 R'000	Total R'000
June 2026			
Assets			
Investment in financial asset (refer to note 7)		**114 196**	**114 196**
Sugarcane plants (refer to note 9)		**419 361**	**419 361**
Derivatives	**4 812**		**4 812**
Total assets	**4 812**	**533 557**	**538 369**
Liabilities			
Derivatives	**1 503**		**1 503**
Total liabilities	**1 503**		**1 503**
June 2025			
Assets			
Investment in financial asset (refer to note 7)		114 196	114 196
Sugarcane plants (refer to note 9)		414 339	414 339
Derivatives	14 373		14 373
Total assets	14 373	528 535	542 908
Liabilities			
Derivatives	270		270
Total liabilities	270		270

The fair value of trading derivatives is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value the derivatives include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date with the resulting value discounted back to present value.
- The fair value of options are determined using appropriate option pricing models which take into account the volatility of the underlying instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT CONTINUED

Fair value estimation continued

The following valuation techniques and significant inputs were used to measure the Level 3 inputs.

Description	Fair value at June 2026	Valuation technique	Unobservable inputs	Unobservable input value/range	Relationship of unobservable input to fair value
Sugarcane plants	**419 361**	Recoverable value	Recoverable value price per ton of sucrose	R6 621 per ton	The higher the recoverable value of sucrose, the higher the value of sugar standing cane.
			Harvesting, transport and other costs to sell	R1 440 to R1 799 per ton	The higher the recoverable value of harvesting, transport and other costs to sell per ton, the lower the value of sugar standing cane.
Investment in financial asset	**114 196**	RCL FOODS holds a 1.58% shareholding in The Livekindly Company, Inc. As a result of the minority shareholding, access to financial information is limited. The fair value of the investment at June 2026 has been based on the Rand cost of the investment. The investment balance is R114,2 million (2025: R114,2 million).			

Sensitivity analysis

A sensitivity analysis is shown for the significant unobservable inputs below:

Input	Sensitivity
Recoverable value price per ton – sugarcane plants	A change of 5.0% in recoverable value would result in a R27,8 million change in fair value (2025: R26,9 million).
Harvesting, transport and other costs to sell per ton – sugarcane plants	A change of 5.0% change in harvesting, transport and other costs would result in a R6,8 million (2025: R3,1 million) change in fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

27. FINANCIAL RISK MANAGEMENT CONTINUED

Fair value estimation continued

Description	Fair value at June 2025	Valuation technique	Unobservable inputs	Unobservable input value/range	Relationship of unobservable input to fair value
Sugarcane plants	414 339	Recoverable value	Recoverable value price per ton of sucrose	R7 269 per ton	The higher the recoverable value of sucrose, the higher the value of sugar standing cane.
			Harvesting, transport and other costs to sell	R1 382 to R1 598 per ton	The higher the recoverable value of harvesting, transport and other costs to sell per ton, the lower the value of sugar standing cane.
Investment in financial asset	114 196	RCL FOODS holds a 1.58% shareholding in The Livekindly Company, Inc. As a result of the minority shareholding, access to financial information is limited. The fair value of the investment at June 2025 has been based on the Rand cost of the investment. The investment balance is R114,2 million (2024: R114,2 million).			

Sensitivity analysis

A sensitivity analysis is shown for the significant unobservable inputs below:

Input	Sensitivity
Recoverable value price per ton – sugarcane plants	A change of 5.0% in recoverable value would result in a R26,9 million change in fair value (2024: R12,9 million).
Harvesting, transport and other costs to sell per ton – sugarcane plants	A change of 5.0% change in harvesting, transport and other costs would result in a R3,1 million (2024: R2,9 million) change in fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

28. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Assets per the statement of financial position	Amortised cost R'000	Assets at fair value through profit or loss R'000	Total R'000
June 2026			
Investment in financial asset		**114 196**	**114 196**
Trade and other receivables	**3 118 943**		**3 118 943**
Loans receivable	**23 624**		**23 624**
Derivative financial instruments		**4 812**	**4 812**
Cash and cash equivalents	**807 505**		**807 505**
At the end of the year	**3 950 072**	**119 008**	**4 069 080**
June 2025			
Investment in financial asset		114 196	114 196
Trade and other receivables	3 339 410		3 339 410
Loans receivable	16 429		16 429
Derivative financial instruments		14 373	14 373
Cash and cash equivalents	1 640 310		1 640 310
At the end of the year	4 996 149	128 569	5 124 718

The carrying amount of these financial instruments approximate their fair values.

Liabilities per the statement of financial position	Amortised cost R'000	Liabilities at fair value through profit or loss R'000	Total R'000
June 2026			
Interest-bearing liabilities – non-current	**1 577 037**		**1 577 037**
Interest-bearing liabilities – current	**43 887**		**43 887**
Lease liabilities – non-current	**318 032**		**318 032**
Lease liabilities – current	**139 111**		**139 111**
Derivative financial instruments		**1 503**	**1 503**
Trade and other payables	**4 127 549**		**4 127 549**
At the end of the year	**6 205 616**	**1 503**	**6 207 119**
June 2025			
Interest-bearing liabilities – non-current	1 543 371		1 543 371
Interest-bearing liabilities – current	32 700		32 700
Lease liabilities – non-current	399 551		399 551
Lease liabilities – current	116 599		116 599
Derivative financial instruments		270	270
Trade and other payables	4 226 681		4 226 681
At the end of the year	6 318 902	270	6 319 172

The carrying amount of these financial instruments approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

29. RELATED PARTY TRANSACTIONS

Related party relationships exist between RCL FOODS Limited, its subsidiaries, associates, joint ventures and Remgro Limited and its subsidiaries, associates and joint ventures. Remgro Management Services Limited provides treasury services to the Group.

The ultimate controlling party of the Group is Remgro Limited.

Group

As detailed in note 1 to the company financial statements, the company has concluded certain lending transactions with these related parties. In addition, the following transactions were concluded:

	2026 R'000	Restated* 2025 R'000
Transactions and balances with ultimate holding company		
Interest paid	**2 466**	1 624
Administration and other fees paid	**24 920**	23 621
Other expenses paid	**1 061**	874
Amounts owing to the holding company included in trade and other payables	**4 780**	4 064
Transactions and balances with subsidiaries of the holding company		
Sales*	**478 562**	498 114
Purchases*	**96 656**	111 206
Amounts owing by subsidiaries of the holding company included in trade and other receivables	**80 101**	96 195
Amounts owing to subsidiaries of the holding company included in trade and other payables	**5 888**	6 316
Transactions and balances with associates of the holding company		
Sales		742
Purchases	**13 304**	25 858
Amounts owing to associates of the holding company included in trade and other payables	**626**	3 041
Amounts owing by associates of the holding company included in trade and other receivables		1
Transactions and balances with associates and joint ventures within the Group and their subsidiaries		
Interest paid	**1 106**	593
Interest received	**636**	
Management fees and royalties received	**24 288**	21 781
Service fees paid	**14 648**	34 109
Dividends received	**32 963**	89 952
Sales	**9 647**	5 255
Purchases	**1 491 321**	1 448 423
Amounts owing by associates and joint ventures within the Group included in trade and other receivables	**22 929**	9 673
Amounts owing to associates and joint ventures within the Group included in current interest-bearing liabilities	**5 638**	1 612
Amounts owing to associates and joint ventures within the Group included in trade and other payables	**140 743**	157 966
Amounts owing from associates and joint ventures within the Group included in loans receivable	**10 113**	4 429

* *Sales to and purchases from Rainbow Chicken Limited, (a subsidiary of our holding company), were previously not identified and included in related party disclosures, as these sales/purchases occurred through a distributor rather than direct to Rainbow Chicken Limited. Prior year disclosures have been corrected. This omission does not affect related party disclosures prior to 2025 as Rainbow Chicken was part of the RCL FOODS Group until 1 July 2024. Refer to the table further below, which reflects the changes made to the line items impacted.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

29. RELATED PARTY TRANSACTIONS CONTINUED

	2026 R'000	*Restated 2025 R'000
Key management of RCL FOODS Limited		
In terms of IAS 24 *Related Party Disclosures*, key management are considered to be related parties. Executive management and the senior leadership team are classified as key management.		
The following expenses related to transactions carried out with key management individuals within the Group:		
– short-term employee benefits*	**377 456**	527 308
– post-employment benefits	**39 282**	36 917
– other long-term employee benefits	**(43 339)**	155 482
– termination benefits	**14 722**	5 137
– share-based payments expense	**8 983**	32 348
Total	**397 104**	757 192
The following cash settled share-based transactions were carried out with key management individuals within the Group:		
– share-based payments settled	**21 972**	45 820

* *Prior year comparative figures have been restated to reflect short-term employee benefit expenses recognised during the year rather than cash settlements made during the period with respect to short-term incentive payments. The restatement affects presentation only and has no impact on profit or loss or net equity. Refer to the table below for a summary which reflects the changes made to the line items impacted.*

	2025 Previously reported R'000	Restatements R'000	2025 Restated total R'000
Transactions and balances with subsidiaries of the holding company			
Sales	479 218	18 896	498 114
Purchases	37 757	73 449	111 206
Key management of RCL FOODS Limited			
Short-term employee benefits	567 311	(40 003)	527 308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS

	Basic salary R'000	Pension contribution R'000	Bonus[1] R'000	Long-term incentive[2] R'000	*Other benefits[3] R'000	*Restated Total R'000
2026						
PD Cruickshank	**8 744**	**712**	**12 329**	**6 015**	**251**	**28 051**
RH Field	**6 100**	**657**	**5 800**	**5 622**	**281**	**18 460**
Total	**14 844**	**1 369**	**18 129**	**11 637**	**532**	**46 511**
2025						
PD Cruickshank	8 280	675	10 500		268	19 723
RH Field	5 793	625	5 170		299	11 886
Total	14 073	1 300	15 670		567	31 610

1 *Bonus payments made in 2026 relate to the 2025 financial year. An amount of Rnil has been accrued for the 2026 financial year (2025: R18,1 million).*

2 *Long-term incentive VCP payments made in 2026 on vested portion of scheme as at 30 June 2025, which relates to 2023 awards. Refer to the LTI section below for further details.*

3 *Other benefits include company contributions to disability insurance, vehicle allowance, cell phone allowance, medical aid and UIF.*

* *Prior year comparative figures have been restated to include cell phone allowances.*

	2026 R'000	2025 R'000
Non-executives (for services as a director)		
Present directors		
HJ Carse[4] (Resigned September 2024)		76
JJ Durand[4] (Resigned September 2024)		99
PR Louw[4] (Resigned September 2024)		76
NP Mageza (Retired September 2024)		145
PM Moumakwa	**959**	871
DTV Msibi	**756**	716
GM Steyn	**1 452**	1 262
GCJ Tielenius Kruythoff	**438**	414
GC Zondi[5]	**1 302**	1 196
GP Dingaan	**1 228**	1 153
RM Rushton (Appointed September 2024)	**658**	524
L Zingitwa[4] (Appointed September 2024)	**658**	401
CPF Vosloo[4] (Appointed September 2024)	**503**	524
Total	**7 955**	7 458

4 *Paid to Remgro Management Services Limited.*

5 *Paid to Imbewu Capital Partners Consulting Proprietary Limited.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS CONTINUED

Long-term incentives (LTIs)

The RCL FOODS Value Creation Plan (VCP) aims to incentivise eligible participants to drive particular financial measures linked to value creation to encourage a long-term focus on sustainable growth and to attract and retain suitably skilled and competent personnel. VCP allocations are made on an annual basis or when retention/attraction risks apply to executive directors and selected employees.

A vesting period of 3 years applies. Upon lapsing of the 3-year period, and where a participant has remained employed for the duration of the vesting period, and the extent to which performance conditions have been made, cliff vesting of the award will occur and the participant will be entitled to settlement to the value of the vested award. The VCP has a vesting cap of 200% of Total Cost to Company for executives and prescribed officers.

Expected settlements on VCP allocations to executive directors are as follows:

	2026			2025		
	Expected settlement on unvested awards[1] R'000	**Expected settlement on vested awards[2] R'000**	**Amounts paid in the current financial year R'000**	Expected settlement on unvested awards[3] R'000	Expected settlement on vested awards[4] R'000	Amounts paid in the current financial year R'000
PD Cruickshank	**4 924**	**3 706**	**6 015**	24 314	6 015	
RH Field	**3 415**	**3 011**	**5 622**	18 621	5 622	
Expected payment on condition performance targets are achieved	**8 339**	**6 717**	**11 637**	42 935	11 637	
Liability included in trade and other payables	**4 971**	**6 717**		20 796	11 637	

[1] *Expected future payments on vesting of open scheme as at 28 June 2026, one-third of the 2026 awards and two-thirds of the 2025 awards have been accrued for in the 2026 financial year.*

[2] *Expected future payments on vested portion of scheme as at 28 June 2026, which relates to 2024 awards.*

[3] *Expected future payments on vesting of open scheme as at 29 June 2025, one-third of the 2025 awards and two-thirds of the 2024 awards have been accrued for in the 2025 financial year.*

[4] *Expected payments on vested portion of scheme as at 29 June 2025, which relates to 2023 awards..*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS CONTINUED

Interests of Directors of the Company in share appreciation rights awarded in terms of the RCL FOODS Share Appreciation Rights Scheme

Share appreciation rights awarded to executive directors and unexpired or unexercised as at June 2026 are as follows:

	Award price at grant date Rand	Adjusted award price post unbundling Rand	Rights at June 2025	Rights exercised during the year	Exercise price of shares Rand	Rights forfeited during the year	Rights at June 2026	Fair value of rights awarded[1] R'000	Rights exercisable at June 2026
PD Cruickshank	**16.97**	**11.90**	**178 515**			**(178 515)**			
	9.93	**6.96**	**469 029**	**(469 029)**	**8.39**				
	8.55	**5.99**	**688 952**				**688 952**	**1 564**	**688 952**
	12.65	**8.87**	**2 295 346**				**2 295 346**	**11 524**	**1 514 928**
Sub-total			**3 631 842**	**(469 029)**		**(178 515)**	**2 984 298**	**13 088**	**2 203 880**
RH Field	**16.97**	**11.90**	**342 157**			**(342 157)**			
	8.55	**5.99**	**390 030**				**390 030**	**885**	**390 030**
	12.65	**8.87**	**670 874**				**670 874**	**3 368**	**330 431**
Sub-total			**1 403 061**			**(342 157)**	**1 060 904**	**4 253**	**720 461**
Total			**5 034 903**	**(469 029)**		**(520 672)**	**4 045 202**	**17 341**	**2 924 341**

[1] *Fair value of rights awarded represents the total fair value of rights outstanding at the end of the year. This cost is expensed over the right's vesting period.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS CONTINUED

Interests of Directors of the Company in share appreciation rights awarded in terms of the RCL FOODS Share Appreciation Rights Scheme continued

Share appreciation rights awarded to executive directors and unexpired or unexercised as at June 2025 are as follows:

	Award price at grant date Rand	Adjusted award price post unbundling Rand	Rights at June 2024	Rights adjustment during the year	Rights exercised during the year	Exercise price of shares Rand	Rights forfeited during the year	Rights at June 2025	Fair value of rights awarded[1] R'000	Rights exercisable at June 2025
PD Cruickshank	15.36	10.77	366 020	(292 040)			(73 980)			
	16.97	11.90	323 507	(144 992)				178 515	1 417	178 515
	9.93	6.96	2 068 897	(248 224)	(1 351 644)	9.58, 9.63^		469 029	1 263	469 029
	8.55	5.99	714 010	(25 058)				688 952	1 564	454 708
	12.65	8.87	2 510 776	(215 430)				2 295 346	11 524	757 464
Sub-total			5 983 210	(925 744)	(1 351 644)		(73 980)	3 631 842	15 768	1 859 716
RH Field	15.36	10.77	669 653	(534 303)			(135 350)			
	16.97	11.90	620 061	(277 904)				342 157	2 716	342 157
	9.93	6.96	1 217 339	(146 055)	(1 071 284)	9.64				
	8.55	5.99	1 188 869	(41 723)	(757 116)	9.64		390 030	885	
	12.65	8.87	1 095 283	(93 978)	(330 431)	9.64		670 874	3 368	
Sub-total			4 791 205	(1 093 963)	(2 158 831)		(135 350)	1 403 061	6 969	342 157
Total			10 774 415	(2 019 707)	(3 510 475)		(209 330)	5 034 903	22 737	2 201 873

[1] *Fair value of rights awarded represents the total fair value of rights outstanding at the end of the year. This cost is expensed over the right's vesting period.*

^ *Includes the issue of 1 201 644 rights at an exercise price of R9.58 on 2 September 2024 and 150 000 rights at an exercise price of R9.63 on 28 March 2025.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS CONTINUED

Interests of Directors of the Company in stated capital

The aggregate beneficial holdings as at June of those Directors of the Company holding issued ordinary shares are detailed below:

	2026		2025	
	Direct beneficial	Indirect beneficial	Direct beneficial	Indirect beneficial
Executive directors				
PD Cruickshank	**1 646 933**		1 194 034	
RH Field	**2 285 915**		2 285 915	
Total	**3 932 848**		3 479 949	

There has been no change in the interests of the Directors in the stated capital of the Company since the end of the financial year to the date of this report.

Directors' emoluments paid by Remgro Limited

	Salaries R'000	Retirement fund R'000	Other benefits* R'000	Total R'000
June 2026				
Executive				
CPF Vosloo	**6 413**	**807**	**643**	**7 863**
L Zingitwa[1]	**3 397**	**675**	**767**	**4 839**
Total	**9 810**	**1 482**	**1 410**	**12 702**
June 2025				
Executive				
HJ Carse[2]	450	49	937	1 436
JJ Durand[2]	2 258	488	110	2 856
PR Louw[2]	555	120	91	766
CPF Vosloo	5 952	749	578	7 279
L Zingitwa	2 745	536	474	3 755
Total	11 960	1 942	2 190	16 092

[1] *Appointed September 2024.*
[2] *Resigned September 2024.*
* *Other benefits include medical aid contributions and vehicle benefits.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS CONTINUED

Variable pay – LTI plans

Remgro Equity Settled Share Appreciation Rights Scheme (SARs) – 2026

Participant	Balance of SARs accepted as at June 2025	Adjusted offer price Rand	Number of SARs (exercised)/ (forfeited)	Share price on exercise/ forfeiture date Rand	Date exercising/ forfeiting SARs	Balance of SARs accepted as at June 2026
Executive						
CPF Vosloo	22 350	140.98				22 350
L Zingitwa[1]	10 212	86.63	(10 212)	200.10	2026/04/15	
	19 190	118.38	(9 595)	200.10	2026/04/15	9 595
	34 116	138.21	(15 078)	200.10	2026/04/15	19 038
	17 696	140.98				17 696
Total	103 564		(34 885)			68 679

[1] *Appointed September 2024.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS CONTINUED

Variable pay – LTI plans continued

Remgro Equity Settled Share Appreciation Rights Scheme (SARs) – 2025

Participant	Balance of SARs accepted as at June 2024	Offer price Rand	Number of SARs (exercised)/ (forfeited)	Share price on exercise/ forfeiture date Rand	SARS transferred during the year*	Date exercising/ forfeiting SARs	Balance of SARs accepted as at June 2025
Executive							
HJ Carse[1]	16 972	114.92			(16 972)		
	5 915	107.67			(5 915)		
	14 494	89.21	(503)	139.99	(13 991)	2024/07/31	
	14 502	89.69	(1 872)	139.99	(12 630)	2024/07/31	
	11 172	121.63	(3 634)	139.99	(7 538)	2024/07/31	
	15 000	141.64	(8 797)	139.99	(6 203)	2024/07/31	
	7 780	145.17	(6 593)	139.99	(1 187)	2024/07/31	
JJ Durand[1]	111 436	89.21	(111 436)				
	171 883	89.69	(171 883)				
	181 379	121.63	(181 379)				
	172 168	141.64	(172 168)				
	89 264	145.17	(89 264)				
PR Louw[1]	10 988	89.21	(10 988)				
	22 604	89.69	(22 604)				
	35 796	121.63	(35 796)				
	37 780	141.64	(37 780)				
	19 602	145.17	(19 602)				
CPF Vosloo	22 350	145.17					22 350
L Zingitwa	30 638	89.69	(20 426)	160.34		2025/05/19	10 212
	32 336	121.63	(13 146)	160.34		2025/05/19	19 190
	34 116	141.64					34 116
	17 696	145.17					17 696
Total	1 075 871		(907 871)		(64 436)		103 564

[1] *Resigned September 2024.*

* *Relates to directors who resigned from the Board of RCL FOODS during the 2025 financial year.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS CONTINUED

Variable pay – LTI plans continued

Remgro Equity Settled Conditional Share Plan (CSPs) – 2026

Participant	Balance of CSPs accepted as at June 2025	CSPs accepted during the period	Offer date	Offer price Rand	Additional CSPs from EMH unbundling[1]	Additional CSPs from dividends	Number of CSPs (vested)/ (forfeited)	CSPs transferred during the year	Date vested/ forfeited CSPs	Balance of CSPs accepted as at June 2026
Executive										
CPF Vosloo	67 048		2025/10/13	145.17	398					67 446
	140 641		2025/10/13	153.69	819					141 460
		125 647	2026/04/01	185.10						125 647
L Zingitwa[2]	10 436		2025/10/13	93.82	66	934	(11 436)		2026/04/07	
	19 612		2025/10/13	126.99	123	804	(10 672)		2026/04/07	9 867
	34 116		2025/10/13	141.64	207	674	(15 843)		2026/04/07	19 154
	53 088		2025/10/13	145.17	316					53 404
	70 724		2025/10/13	153.69	413					71 137
		61 684	2026/04/01	185.10						61 684
Total	395 665	187 331			2 342	2 412	(37 951)			549 799

[1] *As a result of the eMedia Holdings (EMH) unbundling, additional CSPs were allocated during the 2026 financial year.*

[2] *Appointed September 2024.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

30. DIRECTORS' EMOLUMENTS CONTINUED

Variable pay – LTI plans continued

Remgro Equity Settled Conditional Share Plan (CSPs) – 2025

Participant	Balance of CSPs accepted as at June 2024	CSPs accepted during the period	Offer date	Offer price Rand	Additional CSPs from EMH unbundling	Additional CSPs from dividends	Number of CSPs (vested)/ (forfeited)	CSPs transferred during the year*	Date vested/ forfeited CSPs	Balance of CSPs accepted as at June 2025
Executive										
HJ Carse[1]	3 507			93.82				(3 507)		
	7 214			93.82				(7 214)		
	11 417			126.99				(11 417)		
	15 000			141.64				(15 000)		
	23 340			145.17				(23 340)		
JJ Durand[1]	56 938			93.82				(56 938)		
	117 098			93.82				(117 098)		
	185 352			126.99				(185 352)		
	172 168			141.64				(172 168)		
	267 790			145.17				(267 790)		
PR Louw[1]	11 229			93.82				(11 229)		
	23 100			93.82				(23 100)		
	36 580			126.99				(36 580)		
	37 780			141.64				(37 780)		
	58 806			145.17				(58 806)		
CPF Vosloo	67 048			145.17						67 048
		140 641		153.69						140 641
L Zingitwa	20 872			93.82		575	(11 011)		2024/05/12	10 436
	33 045			126.99		469	(13 902)		2024/05/12	19 612
	34 116			141.64						34 116
	53 088			145.17						53 088
		70 724	2024/05/12	153.69						70 724
Total	1 235 488	211 365				1 044	(24 913)	(1 027 319)		395 665

1 *Resigned September 2024.*

* *Relates to directors who resigned from the Board of RCL FOODS during the 2025 financial year.*

31. SUBSEQUENT EVENTS

South African Benchmark Reform

As referenced in note 15, subsequent to financial year-end, the Group amended certain funding arrangements to transition from Johannesburg Interbank Agreed Rate (JIBAR) to South African Rand Overnight Index Average (ZARONIA). Management expects the amendments to qualify for the practical expedient contained in the Interest Rate Benchmark Reform amendments to IFRS 9 and therefore does not expect any modification gain or loss to arise as a result of the transition. The amendment is considered a non-adjusting event after the reporting period and no adjustment has been made to borrowings recognised at 28 June 2026.

No other material change has taken place in the affairs of the Group between the end of the financial year and the date of this report.

32. INTEREST IN SUBSIDIARIES

The Group has the following subsidiaries at June 2026:

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by parent %	Proportion of ordinary shares directly held by the Group %	Proportion of ordinary shares directly held by non-controlling interest %
RCL FOODS Sugar and Milling	South Africa	Sugar operations	**100**		
RCL FOODS Treasury	South Africa	Treasury company	**100**		
RCL Group Services	South Africa	Food producer and manufacturer and shared services company	**100**		
Foodcorp	South Africa	Food producer and manufacturer	**100**		
Indirectly owned					
TSB Sugar International	South Africa	International investments		**100**	
Quality Sugars	South Africa	Marketing		**75**	**25**
Sivunosetfu	South Africa	Farming		**50**	**50**
Libuyile Farming Services	South Africa	Farming		**50**	**50**
Mgubho Farming Services	South Africa	Farming		**50**	**50**
Siyathuthuka Sugar Estate	South Africa	Farming		**100**	
Astoria Bakery Lesotho	Lesotho	Dormant		**100**	
Mkhuhlu Bakery	South Africa	Dormant		**100**	
Selati Sugar	South Africa	Dormant		**100**	
Do More Foundation[1]	South Africa	CSI Initiative			
The Hatchery Group	South Africa	Food Innovation and research		**100**	
Sunshine Bakery Holding	South Africa	Investment Holding		**100**	
Scenic Route Trading 412	South Africa	Food producer and manufacturer		**100**	
Sunshine Bakery Operation	South Africa	Dormant		**100**	
Sunshine Bakery Durban	South Africa	Food producer and manufacturer		**100**	
Sunshine IP	South Africa	Dormant		**100**	

[1] *The Do More Foundation is a CSI initiative of the Group. It is a Trust and the Group has no equity interest and no voting rights in this entity. The Group has the rights to direct the relevant activities of the Do More Foundation which results in the Group having effective control over the Do More Foundation. As a result, the Do More Foundation has been consolidated.*

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

32. INTEREST IN SUBSIDIARIES CONTINUED

Non-controlling interests

	Statement of financial position 2026 R'000	**Income statement (share of profit/(loss)) 2026 R'000**	Statement of financial position 2025 R'000	Income statement (share of profit/(loss)) 2025 R'000
Quality Sugars Proprietary Limited	**11 980**	**2 377**	11 977	2 376
Sivunosetfu Proprietary Limited	**(139 349)**	**(21 591)**	(118 358)	(1 965)
Libuyile Farming Services Proprietary Limited	**27 857**	**22 665**	2 190	26 104
Mgubho Farming Services Proprietary Limited	**9 737**	**9 080**	(1 498)	15 488
Total	**(89 775)**	**12 531**	(105 689)	42 002

Significant restrictions

There are no significant restrictions regarding the use of assets or on the ability to settle liabilities in the subsidiaries.

Set out further on in the note are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. This summarised information is before intercompany eliminations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

32. INTEREST IN SUBSIDIARIES CONTINUED

Summarised statement of financial position

	Current			Non-current			
	Assets R'000	Liabilities R'000	Total current net assets R'000	Assets R'000	Liabilities R'000	Total non-current net assets/ (liabilities) R'000	Net assets/ (liabilities) R'000
As at June 2026							
Quality Sugars Proprietary Limited	**893 458**	**(870 419)**	**23 039**	**24 672**		**24 672**	**47 711**
Sivunosetfu Proprietary Limited*	**126 459**	**(71 970)**	**54 489**	**51 293**	**(384 480)**	**(333 187)**	**(278 698)**
Libuyile Farming Services Proprietary Limited*	**225 682**	**(69 966)**	**155 716**	**125 187**	**(225 189)**	**(100 002)**	**55 714**
Mgubho Farming Services Proprietary Limited^	**170 386**	**(126 153)**	**44 233**	**92 982**	**(57 493)**	**35 489**	**79 722**
Total	**1 415 985**	**(1 138 508)**	**277 477**	**294 134**	**(667 162)**	**(373 028)**	**(95 551)**
As at June 2025							
Quality Sugars Proprietary Limited	1 047 394	(1 016 809)	30 585	17 118		17 118	47 703
Sivunosetfu Proprietary Limited*	140 922	(79 252)	61 670	39 891	(338 277)	(298 386)	(236 716)
Libuyile Farming Services Proprietary Limited*	259 045	(89 231)	169 814	127 109	(292 544)	(165 435)	4 379
Mgubho Farming Services Proprietary Limited^	195 431	(56 934)	138 497	67 289	(208 781)	(141 492)	(2 995)
Total	1 642 792	(1 242 226)	400 566	251 407	(839 602)	(588 195)	(187 629)

* *The Group issues a letter when providing the facility confirming that it will not recall the outstanding intercompany loans of these companies.*

^ *The carrying value of net assets includes an equity contribution of R60,2 million arising from the recognition of the interest-free shareholder loan at fair value. As the loan remains a legal obligation of the subsidiary, the resulting equity contribution is attributable solely to the shareholder and is therefore excluded from the non-controlling interest allocation.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

32. INTEREST IN SUBSIDIARIES CONTINUED

Summarised statement of comprehensive income

	Quality Sugars Proprietary Limited R'000	Sivunosetfu Proprietary Limited* R'000	Libuyile Farming Services Proprietary Limited* R'000	Mgubho Farming Services Proprietary Limited* R'000
For the year ended June 2026				
Revenue	**228 958**	**208 702**	**348 676**	**248 756**
Profit/(loss) before tax	**13 218**	**(43 181)**	**45 330**	**18 159**
Income tax expense	**(3 710)**			
Profit/(loss) after tax for the year	**9 508**	**(43 181)**	**45 330**	**18 159**
Total comprehensive income/(loss) allocated to non-controlling interests	**2 377**	**(21 591)**	**22 665**	**9 080**
Dividends paid to non-controlling interest	**2 375**			
For the year ended June 2025				
Revenue	216 979	214 470	416 260	298 351
Profit/(loss) before tax	12 823	(3 930)	52 207	30 976
Income tax expense	(3 321)			
Profit/(loss) after tax for the year	9 502	(3 930)	52 207	30 976
Total comprehensive income/(loss) allocated to non-controlling interests	2 376	(1 965)	26 104	15 488
Dividends paid to non-controlling interest	2 250			

* *No income tax expense due to deferred tax assets not being recognised in the 50% owned sugarcane-grower companies as it is not envisaged that there will be future taxable profits in the foreseeable future against which the deferred tax asset can be utilised.*

Summarised cash flows

	Quality Sugars Proprietary Limited R'000	Sivunosetfu Proprietary Limited* R'000	Libuyile Farming Services Proprietary Limited* R'000	Mgubho Farming Services Proprietary Limited* R'000
June 2026				
Cash (utilised)/generated from operations	**(148 045)**	**11 411**	**34 342**	**9 102**
Interest (paid)/received	**(1 919)**	**(27 603)**	**1 793**	**(2 457)**
Income tax paid	**(3 015)**			
Net cash (utilised)/generated from operating activities	**(152 979)**	**(16 193)**	**36 135**	**6 645**
Net cash (utilised)/generated in investing activities	**184 003**	**(19 280)**	**(23 831)**	**(28 917)**
Net cash (utilised)/generated from financing activities	**(31 024)**	**35 473**	**(12 304)**	**22 272**
Net (decrease)/increase in cash and cash equivalents				
June 2025				
Cash (utilised)/generated from operations	105 853	(37 997)	13 207	(13 747)
Interest (paid)/received	(2 392)	60	1 181	455
Income tax paid	(1 461)			
Net cash (utilised)/generated from operating activities	102 000	(37 937)	14 388	(13 292)
Net cash utilised in investing activities	(72 564)	(10 850)	(31 749)	(11 485)
Net cash (utilised)/generated from financing activities	(29 435)	48 787	17 361	24 768
Net decrease in cash and cash equivalents				(9)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

33. GOING CONCERN

The Group's Annual Financial Statements are prepared on the going concern basis. In assessing the ability of the Group to continue as a going concern, management has considered the following:

- the Group's ability to settle its obligations as they become due and payable in the twelve months following year-end;
- the solvency and liquidity position of the Group, which included an assessment of key financial ratios against industry norms. Key financial ratios include return on invested capital, return on equity, current ratio, acid test ratio and margin analyses;
- the cash generation ability of the Group, including a historical view of cash flows;
- the current and forecast debt utilisation and available facilities of the Group; and
- the adequacy of the Group's resources to continue operating as a going concern.

No changes in financial, operational or general considerations are expected for the next 12-month period that would compromise the use of the going concern assumption.

Management has concluded that the Group has adequate resources to continue operations as a going concern in the foreseeable future.

34. RESTATEMENT

Restatement of comparative revenue information

In light of recent changes to the Sugar Industry Agreement, we have reassessed our classification of redistribution payments in the income statement which was previously presented by individual sugar operation and concluded that we should classify redistribution payments on a net entity level as this better reflects the substance of the arrangement with SASA. This is in accordance with IAS 1 which states that an entity may present gains and losses arising from similar transactions on a net basis where this reflects the substance of the transaction. This results in an overall decrease in reported revenue of R946,6 million and a corresponding decrease in cost of sales of R946,6 million for the year ended 29 June 2025.

Included within the R946,6 million reclassification is an amount of R153,6 million which arises from a reclassification between revenue from contracts with customers and revenue receipts from SASA, which also required restatement. There was no impact to total revenue arising from the reclassification of R153,6 million. This only has a disclosure impact within the disaggregation of revenue note. These reclassification restatements have no impact on gross profit, operating profit, earnings, headline earnings, cash flows or net asset value.

The impact of the restatement on the comparative information is summarised below:

Restatement for the year ended 29 June 2025	As previously presented R'000	Restatements R'000	Restated R'000
Revenue	26 493 760	(946 592)	25 547 168
Cost of sales	(20 447 195)	946 592	(19 500 603)
Gross profit	6 046 565		6 046 565

COMPANY STATEMENT OF FINANCIAL POSITION

as at 28 June 2026

	Notes	28 June 2026 R'000	29 June 2025 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	1	**8 418 221**	8 440 193
Investment in financial asset	2	**114 196**	114 196
Investment in associate	3	**155 949**	155 949
Loan to group companies	1	**1 539 020**	1 584 416
		10 227 386	10 294 754
Current assets			
Cash and cash equivalents		**4 324**	4 073
Trade and other receivables	6	**193**	
		4 517	4 073
Total assets		**10 231 903**	10 298 827
EQUITY			
Stated capital	4	**10 429 210**	10 407 238
Share-based payments reserve		**280 088**	302 060
Accumulated loss		**(538 867)**	(452 973)
Total equity		**10 170 431**	10 256 325
LIABILITIES			
Current liabilities			
Other liabilities	13	**46 666**	32 457
Trade and other payables	5	**14 806**	10 045
Total liabilities		**61 472**	42 502
Total equity and liabilities		**10 231 903**	10 298 827

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended June 2026

	Notes	2026 R'000	2025 R'000
Other income	7	**450 000**	550 000
Operating profit	8	**408 091**	521 983
Profit before tax		**408 091**	521 983
Profit for the year		**408 091**	521 983
Total comprehensive income for the year		**408 091**	521 983

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended June 2026

	Stated capital R'000	Share-based payments reserve R'000	Accumulated profit/(loss) R'000	Total R'000
Balance at 1 July 2024	10 342 810	348 641	3 766 851	14 458 302
Total comprehensive income for the year			521 983	521 983
Ordinary dividend			(491 807)	(491 807)
Dividend in specie*			(4 250 000)	(4 250 000)
Employee share option scheme:				
– exercise of employee share options	64 428	(46 581)		17 847
Balance at 29 June 2025	**10 407 238**	**302 060**	**(452 973)**	**10 256 325**
Total comprehensive income for the year			**408 091**	**408 091**
Ordinary dividend			**(493 985)**	**(493 985)**
Employee share option scheme:				
– exercise of employee share options	**21 972**	**(21 972)**		
Balance at 28 June 2026	**10 429 210**	**280 088**	**(538 867)**	**10 170 431**

* *In the prior financial year, the dividend in specie was calculated as the fair value of the net assets of the Rainbow segment in terms of the sale agreement between RCL FOODS Limited and Rainbow Chicken Limited.*

COMPANY CASH FLOW STATEMENT

for the year ended June 2026

	Note	2026 R'000	2025 R'000
Cash flows from operating activities			
Cash utilised by operations	A	**(27 700)**	(14 886)
Dividends paid		**(493 668)**	(491 496)
Movement in trade and other payables		**4 858**	(43 391)
Movement in trade and other receivables		**(193)**	
Net cash outflow from operating activities		**(516 703)**	(549 773)
Cash flows from investing activities			
Loans advanced to Group companies		**(19 939)**	(76 742)
Cash inflows from loans to Group companies		**536 894**	709 047
Refund of proceeds to Vector Logistics			(100 084)
Net cash inflow from investing activities		**516 955**	532 221
Cash flows from financing activities			
Shares issued[1]			17 847
Net cash inflow from financing activities			17 847
Movement in cash and cash equivalents		**251**	295
Cash and cash equivalents at the beginning of the year		**4 073**	3 778
Cash and cash equivalents at the end of the year		**4 324**	4 073

[1] *The issue of share capital in the prior year related to the exercise of RCL FOODS share options by Vector Logistics employees. These options were cash settled by Vector Logistics, and the scheme has subsequently been closed to participating employees.*

NOTES TO THE COMPANY CASH FLOW STATEMENT

for the year ended June 2026

	2026 R'000	2025 R'000
A. CASH GENERATED BY OPERATIONS		
Profit before tax	**408 091**	521 983
Adjusted for:		
Non-cash items and items reflected elsewhere in the cash flow statement		
– Dividend income[2,3]	**(450 000)**	(550 000)
– Loss allowance on financial guarantee	**14 209**	13 047
– Loss on sale of investment		84
	(27 700)	(14 886)

[2] *Refer to note 7 for further detail.*

[3] *The dividends were settled by way of RCL FOODS Treasury utilising an amount equal to the dividend from RCL Group Services and RCL FOODS Sugar and Milling cash on hand in its facility with RCL FOODS Treasury, by way of journal entries across the respective legal entities, with no cash flows required.*

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended June 2026

1. INVESTMENT IN SUBSIDIARIES AND LOANS TO GROUP COMPANIES

	Issued share capital		Effective holding	
	2026 R	2025 R	**2026 %**	2025 %
Effective holding				
Directly owned				
RCL FOODS Sugar and Milling	**10**	10	**100**	100
RCL FOODS Treasury	**1**	1	**100**	100
RCL Group Services	**312**	312	**100**	100
Foodcorp	**1**	1	**100**	100
Indirectly owned				
Astoria Bakery Lesotho[1]	**100**	100	**100**	100
Libuyile Farming Services	**100**	100	**50**	50
Mgubho Farming Services	**100**	100	**50**	50
Mkhuhlu Bakery[1]	**450 000**	450 000	**100**	100
Quality Sugars	**300**	300	**75**	75
Selati Sugar	**300**	300	**100**	100
Sivunosetfu	**100**	100	**50**	50
Siyathuthuka Sugar Estate	**700**	700	**100**	100
TSB Sugar International	**100**	100	**100**	100
The Hatchery Group	**100**	100	**100**	100
Sunshine Bakery Holding	**102**	102	**100**	100
Scenic Route Trading 412	**100**	100	**100**	100
Sunshine Bakery Operation	**100**	100	**100**	100
Sunshine Bakery Durban	**100**	100	**100**	100
Sunshine IP	**1 000**	1 000	**100**	100

[1] *Incorporated in Lesotho.*

All other subsidiaries listed are incorporated in the Republic of South Africa.

Share and indebtedness	**Shares 2026 R'000**	Shares 2025 R'000	**Indebtedness 2026 R'000**	Indebtedness 2025 R'000	**Total 2026 R'000**	Total 2025 R'000
RCL FOODS Treasury[1]			**28 312**	76 641	**28 312**	76 641
RCL Group Services	**4 138 133**	4 138 133	**792**		**4 138 925**	4 138 133
Foodcorp[1]			**1 509 916**	1 507 775	**1 509 916**	1 507 775
RCL FOODS Sugar and Milling	**4 000 000**	4 000 000			**4 000 000**	4 000 000
	8 138 133	8 138 133	**1 539 020**	1 584 416	**9 677 153**	9 722 549
Subsidiaries portion of share-based payments reserve	**280 088**	302 060			**280 088**	302 060
	8 418 221	8 440 193	**1 539 020**	1 584 416	**9 957 241**	10 024 609

[1] *RCL FOODS Limited value of shareholding in RCL FOODS Treasury is R1 (2025: R1) and in Foodcorp is R1 (2025: R1).*

The above loans are unsecured, interest-free and repayable on demand. There is no intention to recall these loans within the next 12 months.

The Group has performed an assessment of the above loans in terms of IFRS 9 and has concluded that these loans represent loans at amortised cost and are not classified as equity.

Based on the current profitability, financial outlook and forward-looking information available on the Company's subsidiaries, the Company has performed an expected credit loss (ECL) calculation for the loans receivable from its subsidiaries by taking into account their available cash resources, net liquid current assets and non-current assets available for settlement of the loan. Based on the assessment, the ECL has been deemed to be immaterial.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

2. INVESTMENT IN FINANCIAL ASSET

	2026 R'000	2025 R'000
At the beginning of the year	**114 196**	114 196
At the end of the year	**114 196**	114 196

RCL FOODS holds a 1.58% minority shareholding in The Livekindly Company, Inc. as at 28 June 2026.

This investment is classified as a financial asset measured at fair value through profit and loss. As a result of the minority shareholding, access to financial information is limited. The fair value of the investment at June 2026 has been based on the Rand cost of the investment. A review of publicly available information on the company and industry, their latest available financial statements and enquiries of The LiveKindly Collective management supported our conclusion that no further impairment of the asset was required.

The financial risk management disclosures relating to the fair value estimation of the Group's financial assets is included in note 27 of the notes to the consolidated financial statements.

3. INVESTMENT IN ASSOCIATE

	2026 R'000	2025 R'000
At the beginning of the year	**155 949**	155 949
At the end of the year	**155 949**	155 949

LiveKindly Collective Africa Proprietary Limited's (LKCA's) principal activities are to market, sell and distribute plant-based products in Sub-Saharan Africa. There are no quoted market prices available for the investment in LKCA.

The investment in associate is measured at cost.

For further detail on the summarised financial information of the material associate refer to note 5 of the notes to the consolidated financial statements.

4. STATED CAPITAL

Authorised

2 000 000 000 (2025: 2 000 000 000) ordinary shares of no par value.

Issued ordinary shares of no par value:

	Number of shares	2026 R'000	2025 R'000
At the beginning of the year	897 022 856	**10 407 238**	10 342 810
Shares issued in terms of share incentive plans	2 377 734	**21 972**	64 428
At the end of the year	899 400 590	**10 429 210**	10 407 238

The unissued ordinary shares are under the control of the Directors until the forthcoming Annual General Meeting.

5. TRADE AND OTHER PAYABLES

	2026 R'000	2025 R'000
Other payables	**14 806**	10 045
Total	**14 806**	10 045

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

6. TRADE AND OTHER RECEIVABLES

	2026 R'000	2025 R'000
Other receivable	**30**	
Prepayments	**163**	
Total	**193**	

7. OTHER INCOME

	2026 R'000	2025 R'000
Dividends received from subsidiaries		
– RCL FOODS Sugar and Milling Proprietary Limited	**230 000**	300 000
– RCL Group Services Proprietary Limited	**220 000**	250 000
Total	**450 000**	550 000

8. OPERATING PROFIT

	2026 R'000	2025 R'000
Dividends received from subsidiaries	**450 000**	550 000
Non-executive Directors' fees	**(7 956)**	(7 459)
Consultancy expenses	**(1 246)**	(731)
Listed company expenses	**(4 599)**	(6 414)
Legal fees	**(13 895)**	(234)
Loss on sale of investment (Vector Logistics disposal)		(84)
Other expenses	**(4)**	(48)
Loss allowance on financial guarantee	**(14 209)**	(13 047)
Total	**408 091**	521 983

9. CONTINGENCIES

Banking and loan facilities are renewed annually and are subject to floating interest rates. At year-end the facilities granted amounted to R1 500,0 million in respect of the term-funded debt package (refer to note 15 of the notes to the consolidated financial statements) and a R2 350,0 million unutilised general banking facility (2025: R2 350,0 million).

RCL FOODS Limited has provided a guarantee to the financial institutions involved in the term-funded debt package in respect of the fulfilment of RCL FOODS Treasury Proprietary Limited's obligations in terms of the debt agreements (refer to note 13 for further details).

The maximum exposure as at June 2026 is R1 500,0 million (2025: R1 500,0 million).

10. DIVIDENDS PER SHARE

Refer to note 25 of the notes to the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

11. FINANCIAL RISK MANAGEMENT

Credit risk

The Company has guaranteed a loan of a subsidiary. The maximum exposure to credit risk at the reporting date is R1 500,0 million (2025: R1 500,0 million).

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Less than one year R'000	One to two years R'000	Two to three years R'000	Greater than three years R'000	Total R'000
2026					
Guaranteed loan				**1 500 000**	**1 500 000**
Trade and other payables	**14 806**				**14 806**
2025					
Guaranteed loan				1 500 000	1 500 000
Trade and other payables	10 045				10 045

Cash

The table below shows the cash and cash equivalents allocated in terms of bank rating. These ratings are based on Moody's bank ratings.

Rating	2026 R'000	2025 R'000
P-3	**4 324**	4 073

12. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Assets per the statement of financial position	Amortised cost R'000	Assets at fair value through profit or loss R'000	Total R'000
June 2026			
Investment in financial asset		**114 196**	**114 196**
Loans to Group companies	**1 539 020**		**1 539 020**
Trade and other receivables	**30**		**30**
Cash and cash equivalents	**4 324**		**4 324**
At the end of the year	**1 543 374**	**114 196**	**1 657 570**
June 2025			
Investment in financial asset		114 196	114 196
Loans to Group companies	1 584 416		1 584 416
Cash and cash equivalents	4 073		4 073
At the end of the year	1 588 489	114 196	1 702 685

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

12. FINANCIAL INSTRUMENTS BY CATEGORY CONTINUED

The carrying amount of these financial instruments approximate their fair values.

Liabilities per the statement of financial position	Amortised cost R'000	Total R'000
June 2026		
Trade and other payables	**14 806**	**14 806**
Other liabilities	**46 666**	**46 666**
At the end of the year	**61 472**	**61 472**
June 2025		
Trade and other payables	10 045	10 045
Other liabilities	32 457	32 457
At the end of the year	42 502	42 502

The carrying amount of these financial instruments approximate their fair values.

13. OTHER LIABILITIES

	2026 R'000	2025 R'000
Current		
Financial guarantee	**46 666**	32 457
Total	**46 666**	32 457

Financial guarantee contracts are recognised at fair value on the date that the Company becomes a party to an irrevocable commitment. Financial guarantee contracts are subsequently stated at the higher of the amount determined by the expected credit loss (ECL) model and the amount initially recognised. Any difference between the redemption value guarantee obligation and the amount paid is recognised in the income statement.

RCL FOODS Limited has provided a guarantee to RCL FOODS Treasury Proprietary Limited with respect to its term-funded debt package as well as short-term facilities in terms of the loan agreement on refinance of the debt package in December 2024. An amount of R14,2 million (2025: R13,0 million) has been recognised on the income statement in respect of the guarantee. The risk of default of the group companies are considered to be low. In the event of default, all companies within the RCL FOODS Limited Group will be held jointly and severally liable.

14. GOING CONCERN

RCL FOODS Limited is the holding company of the Group and is supported by the cash flows within its operating subsidiaries to be able to meet its obligations on an ongoing basis. Based on management's assessment, the Company has adequate resources to continue operations as a going concern in the foreseeable future. There is sufficient available liquidity on Group facilities.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

for the year ended June 2026

15. RELATED PARTY TRANSACTIONS

	2026 R'000	2025 R'000
Transactions and balances with subsidiaries of the holding company		
Dividends received from subsidiaries	**450 000**	550 000
– RCL FOODS Sugar and Milling Proprietary Limited	**230 000**	300 000
– RCL Group Services Proprietary Limited	**220 000**	250 000
Loans to Group companies	**1 539 020**	1 584 416
– RCL FOODS Treasury Proprietary Limited	**28 312**	76 641
– RCL Group Services Proprietary Limited	**792**	
– Foodcorp Proprietary Limited	**1 509 916**	1 507 775

In terms of IAS 24 *Related Party Disclosures*, key management are considered to be related parties.

Refer to note 29 of the notes to the consolidated financial statements for Key Management Disclosure.

16. SUBSEQUENT EVENTS

Refer to note 31 of the notes to the consolidated financial statements.

SHARE AND SHAREHOLDERS INFORMATION

for the year ended June 2026

STATED CAPITAL

Authorised	**2 000 000 000**
Issued	**899 400 590**
Number of shareholders	**11 355**

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 1 000	9 828	86.55	903 051	0.10
1 001 – 10 000	993	8.75	3 809 785	0.42
10 001 – 100 000	425	3.74	11 934 916	1.33
100 001 – 1 000 000	82	0.72	26 946 673	3.00
1 000 001 and over	27	0.24	855 806 165	95.15
Total	11 355	100.00	899 400 590	100.00
Distribution of shareholders				
Banks	9	0.08	116 375	0.01
Brokers	7	0.06	4 109 271	0.46
Close Corporations	25	0.22	1 295 503	0.14
Endowment Funds	5	0.04	276 724	0.03
Holding Company	2	0.02	714 057 943	79.39
Individuals	10 829	95.37	21 696 101	2.41
Insurance Companies	9	0.08	3 189 417	0.35
Investment Companies	23	0.20	1 002 405	0.11
Mutual Funds	96	0.85	102 429 165	11.39
Nominees and Trusts	195	1.72	1 814 728	0.20
Other Corporations	11	0.10	23 146	0.01
Pension Funds	53	0.47	43 813 217	4.87
Private Companies	90	0.79	5 520 131	0.61
Sovereign Wealth Fund	1	0.01	56 464	0.01
Total	11 355	100.00	899 400 590	100.00
Public and non-public shareholders				
Holding Company	2	0.02	714 057 943	79.39
Directors and associates of the Company holdings	7	0.06	6 150 681	0.68
Total non-public shareholders	9	0.08	720 208 624	80.08
Public shareholders	11 346	99.92	179 191 966	19.92
Total	11 355	100.00	899 400 590	100.00
Beneficial shareholders' holding of 1% or more				
Remgro Limited			713 902 129	79.38
Oasis Crescent Equity			36 994 231	4.11
Government Employees Pension Fund			26 627 300	2.96
M&G SA Equity Fund			11 211 348	1.25
Alexforbes Investments Solution Limited			10 780 363	1.20
Ninety One Value Fund			9 078 017	1.01
Fund managers' holdings of 1% or more				
Remgro Limited			714 057 943	79.39
Oasis Asset Management Limited			73 393 204	8.16
M&G Investment Managers Proprietary Limited			39 958 992	4.44
Ninety One SA Proprietary Limited			19 023 815	2.12

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